

CITY OF
AMERICAN
CANYON



**CITY OF AMERICAN
CANYON
AND
AMERICAN CANYON
FIRE PROTECTION
DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
for the fiscal year ended
June 30, 2021**

American Canyon, California

www.cityofamericancanyon.org

(This page intentionally left blank.)

American Canyon, California



Napa County

City of
American
Canyon



CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT *for the fiscal year ended June 30, 2021*

Prepared by the Finance Department

(This page intentionally left blank.)

**CITY OF AMERICAN CANYON and
AMERICAN CANYON FIRE PROTECTION DISTRICT**

Annual Comprehensive Financial Report

June 30, 2021

(This page intentionally left blank.)

CITY OF AMERICAN CANYON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

TABLE OF CONTENTS i

INTRODUCTORY SECTION

Letter of Transmittal iv
Certificate of Achievement for Excellence in Financial Reporting –
Government Finance Officers Association xii
List of Principal Officials..... xiii
Organizational Chart xiv

FINANCIAL SECTION

Independent Auditor’s Report..... 1
Management’s Discussion and Analysis 4

Basic Financial Statements

Government-Wide Financial Statements:

Statement of Net Position 17
Statement of Activities 18

Fund Financial Statements:

Governmental Funds:

Balance Sheet..... 20
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position 22
Statement of Revenues, Expenditures, and Changes in Fund
Balances 23
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities..... 25

Proprietary Funds:

Statement of Net Position 26
Statement of Revenues, Expenses and Changes in Fund Net
Position 27
Statement of Cash Flows 28

Fiduciary Funds:

Statement of Fiduciary Net Position..... 29
Statement of Changes in Fiduciary Net Position..... 30

Notes to Basic Financial Statements 31

REQUIRED SUPPLEMENTARY INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balance –

Budget and Actual:

General Fund 73
Fire District Operations Special Revenue Fund 74
CDBG, CalHome and HOME Loan Development Special Revenue
Fund..... 75
State and Federal Grants – City Special Revenue Fund..... 76

CITY OF AMERICAN CANYON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Schedule of the Proportionate Share of the Net Pension Liability and
Schedule of Contributions – City Miscellaneous Plan (Unaudited) 77

Schedule of the Proportionate Share of the Net Pension Liability and
Schedule of Contributions – Fire Safety Plan (Unaudited)..... 78

Schedule of the Proportionate Share of the Net Pension Liability and
Schedule of Contributions – Fire Miscellaneous Plan (Unaudited)..... 79

Schedule of Changes in the Net OPEB Liability and Related Ratios –
City Plan (Unaudited)..... 80

Schedule of Changes in the Net OPEB Liability and Related Ratios –
Fire Plan (Unaudited) 81

Schedule of Contributions to the OPEB Plan – City Plan (Unaudited)..... 82

Schedule of Contributions to the OPEB Plan – Fire Plan (Unaudited) 83

SUPPLEMENTAL INFORMATION

Budgetary Comparisons, Major Capital Projects and Debt Service Funds

Schedules of Revenues, Expenditures, and Changes in Fund Balance
– Budget and Actual:

City Capital Projects Fund..... 84

Affordable Housing Capital Projects Fund 85

Cabernet Village Lease Debt Service Fund..... 86

Non-major Governmental Funds

Combining Balance Sheet 87

Combining Schedule of Revenues, Expenditures and Changes in
Fund Balances..... 92

Schedules of Revenues, Expenditures and Changes in Fund Balance
– Budget and Actual 97

Internal Service Funds

Combining Statement of Net Position – Internal Service Funds 116

Combining Statement of Revenues, Expenses and Changes in Fund
Net Position – Internal Service Funds 117

Statement of Cash Flows – Internal Service Funds..... 118

Fiduciary Funds

Combining Statement of Fiduciary Net Position – Custodial Funds 119

Combining Statement of Changes in Fiduciary Net Position –
Custodial Funds 120

STATISTICAL SECTION

Statistical Section Table of Contents 121

Financial Trends Information

Schedule of Net Position by Component – Last Ten Fiscal Years 122

Schedule of Changes in Net Position – Last Ten Fiscal Years 123

Schedule of Fund Balances, Governmental Funds – Last Ten Fiscal
Years 125

CITY OF AMERICAN CANYON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021

STATISTICAL SECTION (Continued)

Schedule of Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	126
Revenue Capacity Information	
Own Source Tax Revenue by Source – Last Ten Fiscal Years.....	127
Assessed Value of Taxable Property – Last Ten Fiscal Years.....	128
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	129
2020/21 Top Ten Property Taxpayers.....	130
2011/12 Top Ten Property Taxpayers.....	131
Property Tax Levies and Collections – Last Ten Fiscal Years	132
Debt Capacity Information	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	133
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	134
Computation of Direct and Overlapping Debt	135
Computation of Legal Debt Margin – Last Ten Fiscal Years	136
Pledged Revenue Coverage – Last Ten Fiscal Years.....	137
Demographic and Economic Information	
Demographic and Economic Statistics – Last Ten Fiscal Years.....	138
Principal Employers – (Ten Largest) – Last Fiscal Years	139
Operating Information	
Full-Time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	140
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	141
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	142

(This page intentionally left blank.)



December 31, 2021

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

We hereby submit the Annual Comprehensive Financial Report of the City of American Canyon for the fiscal year ended June 30, 2021. The fiscal year covers financial transactions from July 1, 2020 to June 30, 2021 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 sufficiently 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, 2021, 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, 2021 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.

Annual Comprehensive Financial Report (ACFR)

This ACFR 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, 2021 was estimated to be 20,802 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, wastewater, and recycled water utilities; and more. The City operates its water, wastewater, and recycled water 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 there is 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 continued increasing gradually until the onset of the Coronavirus Pandemic (COVID-19) in early 2020.

COVID-19 was expected to have a dramatic impact on revenues and the City responded by reducing expenditures budgeted and incurred. The actual impact at year-end FY 2019-20 was far less than anticipated. With one-time Coronavirus Relief Funding, lower impact on actual revenues received, and the reduction in expenditures, the City ended that year near breakeven with a minimal General Fund deficit.

The pandemic is still a part of our daily lives, but the cost-saving measures previously implemented by the City have resulted in favorable results for FY 2020-21. The signing of the Bipartisan Infrastructure Act into law is expected to help reduce inflationary pressures that have spiked during 2021. Congress is currently working to pass the Build Back Better Act which would also offer relief to working families, increasing disposable income for families, and offer more help to offset inflation.

Due to the pandemic, the City extended its Memorandum of Understanding (MOU) with employee bargaining units for one year (year 6). Negotiations will occur in fiscal year 2021-22 to solidify new MOUs, which will impact salaries and benefits in the coming years.

Over half of all 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 2020-21 the City budgeted a 2% increase in property taxes, which has been reduced to 1.4% with an assessed valuation growth of 2.6%, and actually came in at that 1.4% increase. Property tax was projected to increase an additional 5.7% in the 2021-22 fiscal year, which will may be reduced during the mid-year budget adjustment process to be more in line with with an assessed valuation growth of 5.6%. However, preliminary estimates for secured property tax revenues are \$9.65 million with VLFAA Property Tax revenues are \$1.85 million, which is \$800,000 above FY 2020-21 for those two categories alone. Almost \$700,000 in additional unsecured, supplemental, prior year, and homeowners' exemption property taxes were also collected in fiscal year 2020-21. Home values in American Canyon have also had a median increase of value of 10.61% in 2021 on top of a 2020 increase of 10.68% There is continued 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. Our property tax consultants have forecasted a weakening market for commercial real estate, but the impact on residential real estate is still unknown. One factor that may be beneficial to American Canyon is the type of commercial real estate here. Since there is less commercial office space than industrial space, the impact to the City will likely be less than many other communities.

The City's Transient Occupancy Tax (TOT) rate is 12%. Fiscal year 2019-20 Transient Occupancy Tax (TOT) decreased by 26.3%. This decrease was due primarily to the stay-at-home orders resulting from the public health impact of COVID-19. We projected a decrease of 7.1% for fiscal year 2020-21. Actual results were a decrease closer to 20% based on the multiple variants experienced, which continued to limit travel both for business and pleasure. For fiscal year 2021-22, we have projected \$1.38 million in TOT revenue, which may be revised downward during the mid-year budget adjustment process to lower this projection of full return to pre-pandemic levels. We expect that American Canyon will continue to benefit from tourism in the Napa Valley when life does return to a semblance of normalcy. We also expect additional hotel rooms will be constructed in American Canyon within five years; however, the projections moderate the additional revenue streams.

Sales tax was also impacted by the COVID-19 pandemic and fell 9.1% in fiscal year 2019-20. The City budgeted a further 10.7% reduction for fiscal year 2020-21. However, our sales tax consultant updated projections mid-

year to 5.5% growth over fiscal year 2019-20 and actual growth was 5.8%. This was due in large part to consumer purchasing increasing rather than decreasing as the pandemic continued. We budgeted a similar 5.7% increase for fiscal year 2021-22. Based on new consultant estimates, we now expect that growth to be closer to 3.9% for fiscal year 2020-21 and 4.2% for fiscal year 2022-23.

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, it 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 Council approved a construction contract in November 2020 and began construction on this project in April 2021 with anticipated construction completion in Spring 2022.
- ✓ 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 be partially funded by up to \$14 million in land-secured debt financing, 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 owners in February 2019. The road reconstruction will not take place until early 2023. However, environmental regulatory permits, encroachment permits and right of way acquisition were secured in 2021. In addition, the undergrounding of overhead utilities will take place in 2022, with the initial boring of utility conduits underneath the two railroad crossings beginning in December 2021.
- ✓ 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 – The Broadway District is the heart of American Canyon. The Broadway District Specific Plan (BDSP) will 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 and most recently updated in 2021. Development projects in the BDSP include the following:
 - Home2Suites Hotel – A new 102-room Home2Suites hotel is nearing construction permit approval. Construction is anticipated to begin in the First Quarter 2022.
 - Hampton Inn Hotel A new 112-room Hampton Inn hotel was approved on 2.53-acres at 3443 Broadway December 2021.
 - Napa Cove A multifamily housing project was approved December 2021. The project will provide 66 critically needed affordable homes in 1, 2, and 3-bedroom units on a 3.47-acre site at 3805 Broadway. Funded by a Low-Income Housing Tax Credit (LIHTC) award, the

- project units will be affordable to residents at or below 30%, 40% and 60% the Area Median Income (AMI).
- Circle K A Convenience store and gas station was approved in October 2020 on a 2.25-acre lot located at 112 Lombard Road. The project is currently under construction.
 - ✓ Watson Ranch - Watson Ranch Specific Plan (WRSP) is a long-planned re-development of a vacant 300-acre industrial property into a new mixed-use commercial/retail town center. The Project includes a new hotel, 1,253 residential units, a school, parks, and other amenities. Development projects in the WRSP include the following:
 - Lot 14/15 98 single-family homes on 11.97 acres were approved December 2020.
 - Lemos Pointe, a 186-unit affordable rental development on 6.77 acres was approved in May 2021. The project is located at the northwest corner of Rio Del Mar East and Loop Road. construction permits were approved in October 2021. Construction is anticipated to begin during the First Quarter 2022.
 - Lot 10, 219-unit single family homes on 27.17-acres was approved September 2021.
 - Watson Ranch Resort-Style hotel A resort hotel application is anticipated February 2022.
 - ✓ Napa Logistics Park - The Napa Logistics Park is nearing buildout with completion of a 200,000 SF Amazon Distribution Center in September 2021 (Building 3). Building 4, a 700,000 SF warehouse was completed March 2021. A Pacific Gas and Electric (PG&E) Regional Maintenance facility was approved on 24.51 acres (Lot 4) in September 2021.
 - ✓ Commerce Court - A 330,000 SF wine warehouse on 35.85 acres was completed October 2020 at 1005 Commerce Court. A 217,000 SF wine warehouse (SDG 217) is proposed on 10.39-acres at 1075 Commerce Court. The SDG 217 project is currently undergoing environmental review.
 - ✓ Giovannoni Logistics Center – A 2.4 million SF high cube wine warehouse business park is proposed on 208-acres, north of Green Island Road. The project is anticipated to be constructed in two phases. Phase 1 consists of two high cube warehouses on the east side of the future Devlin Road. Phase 2 consists of 1.2 million SF of high cube warehouse on the west side of Devlin Road. The project is currently in entitlement review and an environmental impact report is anticipated to be ready for public review in First Quarter, 2022.
 - ✓ Village at Vintage Ranch - The Village at Vintage Ranch is an apartment project consisting of 159 units in 18 buildings. 16 dwelling units will be affordable housing (8 units for Low-Income residents and 8 units for Very Low-Income residents). The project construction began July 2018 and was completed August 2021.
 - ✓ Canyon Estates – A 35-single family large lot subdivision of custom homes was approved to begin construction in February 2021. Custom home lot sales are ongoing.
 - ✓ Oat Hill Residential – A 291-unit, 20-acre multifamily development was approved by the City Council on the east side of Oat Hill in September 2021.
 - ✓ Napa Junction Elementary School – The Napa Valley Unified School District opened a new 10-acre elementary school at 500 Eucalyptus Drive to replace an outdated elementary school at 300 Napa Junction Road. Construction began September 2019 and greeted students September 2021.

Paoli/Watson Lane Annexation

The City is working in partnership with Watson Lane and Paoli Loop residents on a Property Owner-Initiated annexation of 85 acres on the city's northeast boundary. The annexation area would facilitate construction of the Newell Road extension from its terminus in Watson Ranch to Highway 29. The Watson Lane residential area would remain in its current development pattern. Vacant land in the northern half of the annexation area could be considered for future urban uses following annexation.

General Plan Update

The City has begun 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 elements, conduct public outreach to get community feedback, and prepare the City's vision for the next 20 years. The City is conducting public outreach to define issues of importance prior to considering alternatives. The Housing Element is scheduled to be completed by the Third Quarter 2022 with the rest of the General Plan scheduled to be completed in the Third Quarter 2023.

Water Supply

Water Supply

The critical droughts from 2020-2021 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 21 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 fiscal year 2022-23, the City will continue to participate on the project team that is pursuing funding and ultimately, construction of this new water supply project. The City's share of the Sites Reservoir Project is 4,000 acre feet per year.

In May 2018, the City Council authorized new water rates beginning January 2019. The water rates will increase in each of the subsequent 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 ACFR.

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, but no decision has yet been made. The Fire District has decided not to participate. Additional information about the City's pension and other post-employment benefits plans are included in notes J and K 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, which resulted 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, 2020. 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 annual comprehensive 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 for its fiscal year 2020-21 Annual Budget. This prestigious award recognizes conformance with the highest budget standards and is awarded based on both content and presentation criteria. The City did not submit for the Operating Budget Excellence Award by the California Society of Municipal Finance Officers that was due by September

30, 2020, due to management turnover in the Finance Department during that budget process. These awards are valid for a period of one year only.

Acknowledgements

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

Respectfully Submitted,

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

Jason B. Holley
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of American Canyon
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF AMERICAN CANYON

PRINCIPAL OFFICIALS

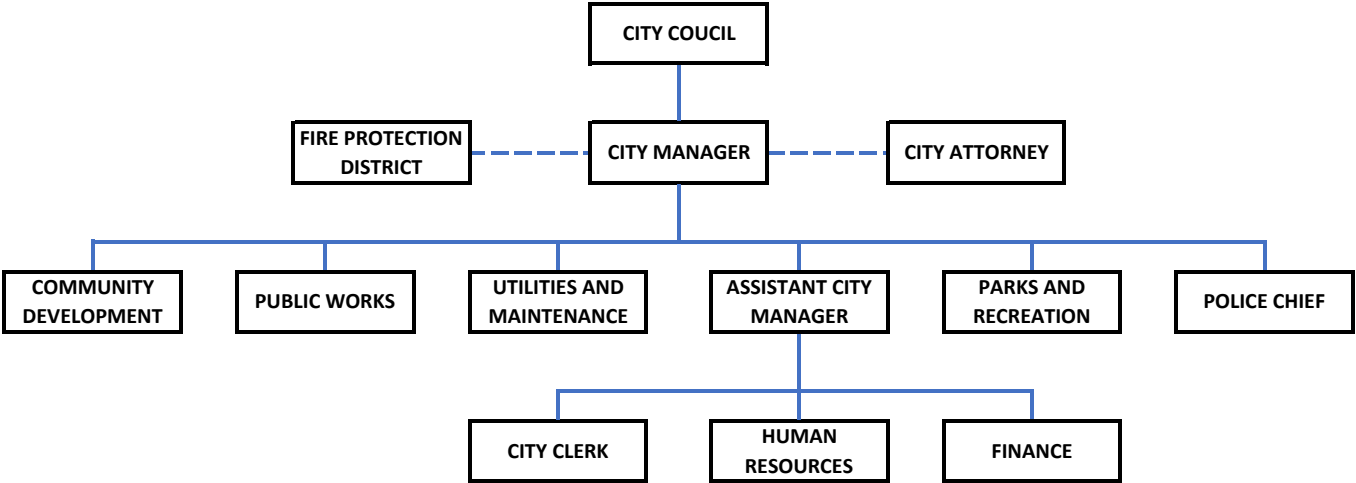
YEAR ENDED JUNE 30, 2021

CITY COUNCIL

Mayor	Leon Garcia
Vice Mayor.....	Mark Joseph
Council Member	Mariam Aboudamous
Council Member	David Oro
Council Member	Pierre Washington

ADMINISTRATIVE PERSONNEL

City Manager	Jason Holley
Assistant City Manager	Maria Ojeda
Acting City Clerk	Cherri Walton
Police Chief	Oscar Ortiz
Fire Chief	Mike Cahill
City Attorney	William Ross
Finance Director.....	Lincoln Bogard
Public Works Director.....	Erica Ahmann-Smithies
Community Services Director	Brent Cooper
Parks and Recreation Director.....	Creighton Wright



(This page intentionally left blank.)



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

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of American Canyon, California

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the City Council
City of American Canyon, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of American Canyon, California, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note O to the financial statements, during the year ended June 30, 2021 the City adopted GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Correction of Errors

As discussed in Note O to the financial statements, certain errors resulting in an understatement of amounts previously reported for capital assets and long-term liabilities as of July 1, 2020, were discovered by management of the City during the current year. Accordingly, amounts reported for capital assets and long-term liabilities have been restated in the June 30, 2021 financial statements now presented, and an adjustment has been made to governmental activities net position as of July 1, 2020, to correct the error. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, Budgetary Comparison Schedules, 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 schedules, 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 and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the

To the City Council
City of American Canyon, California

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 and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Richardson & Company, LLP

December 30, 2021

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, 2021. 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 \$10.2 million over the course of this year's operations after conducting all City operations and programs. The Citywide Statement of Activities reports an \$8.3 million increase in net position for Governmental Activities using full accrual accounting and Business-type Activities increased \$2.0 million. The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$369.8 million at the end of the 2021 fiscal year. The Citywide Statement of Net Position reports that \$298.8 is related to Governmental Activities and \$71.0 million is related to Business-type Activities. Of that amount, \$16.7 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 \$40.7 million at June 30, 2021, an increase of \$3.2 million compared to the prior year. Of these fund balances, \$0.4 million is non-spendable, \$23.6 million is restricted, \$7.7 million is committed, \$5.8 million is assigned, and \$3.2 million is unassigned.
- Overall, city-wide revenues from all governmental and business-type activities were \$55.4 million, an increase of about \$9.8 million compared to the prior year. This amount includes \$7.7 million from capital grants and contributions for Governmental Activities and \$1.5 million from Business-type Activities.
- The City's total expense for all programs in fiscal year 2020-21 was \$45.2 million, a increase of \$0.9 million compared to the prior year.
- The General Fund ended fiscal year 2020-21 with a fund balance of \$12.2 million, an increase of \$1.4 million compared to the prior year of which \$3.9 million was unassigned. This is largely due to three major expenditures totaling approximately \$0.9 million that did not occur in the fiscal year as was originally budgeted. The Fire District Operations Fund ended fiscal year 2020-21 with a \$5.9 million fund balance, and is unchanged compared to the prior year. The CDBG, CalHome and HOME Loan Development Special Revenue Fund ended fiscal year 2020-21 with a fund balance of near breakeven, and is unchanged compared to the prior year. The State and Federal Grants - City Special Revenue Fund ended fiscal year 2020-21 with a negative fund balance of \$0.6 million, a decrease of \$0.2 million compared to the prior year. This was the result of the loss of some grant funds that have been reapplied for in fiscal year 2021-22. The Affordable Housing Capital Projects Fund ended fiscal year 2020-21 with a fund balance of \$0.3 million, which is unchanged compared to the prior year. Other Governmental Funds reported a cumulative fund balance of \$22.8 million available for special purposes, primarily infrastructure and capital asset additions.
- The City ended fiscal year 2020-21 with \$23.7 million of available net position in its enterprise funds consisting of restricted and unrestricted net position. This is an increase of \$2.0 million from the prior fiscal year. Internal Service Funds ended fiscal year 2020-21 with a cumulative unrestricted fund balance of \$1.0 million and increase \$0.2 million compared to the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – a *management's discussion and analysis* (this section), the *basic financial statements, required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and proprietary funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services 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, wastewater and recycled water 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, wastewater, and recycled water 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

**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, wastewater, and recycled water 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; State and Federal Grants – City; City Capital Projects; Affordable Housing; and Cabernet Village Lease Debt Service* 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, Wastewater, and Recycled Water 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, Wastewater, and Recycled Water Operations, 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 \$11.0 million between fiscal years 2020 and 2021.

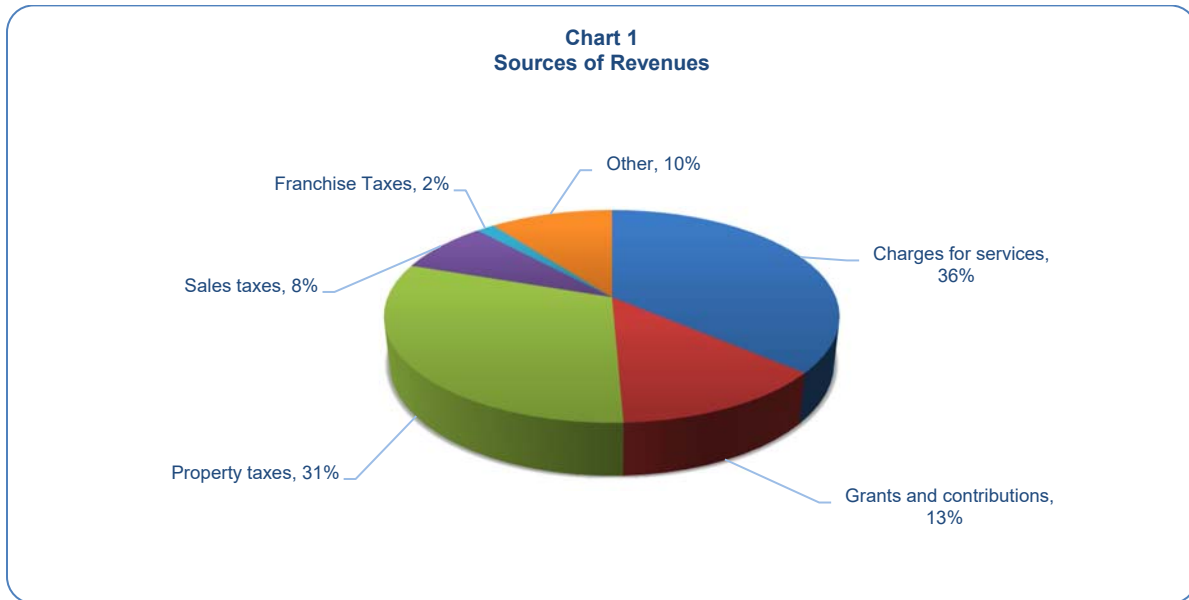
Table A-1
City of American Canyon's Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2020	2021	2020	2021	2020	2021	2020-2021
Current and other assets	48.8	58.4	24.5	28.3	73.3	86.7	18.3%
Capital assets	266.6	274.2	51.9	53.5	318.4	327.7	2.9%
Total assets	315.4	332.6	76.3	81.8	391.7	414.4	5.8%
Deferred Outflow of Resources	5.3	5.2	1.0	1.1	6.3	6.3	0.0%
Long-term debt outstanding	26.7	29.3	7.0	10.9	33.7	40.2	19.3%
Other liabilities	2.2	8.2	1.1	0.8	3.3	9.0	172.7%
Total liabilities	28.9	37.5	8.1	11.7	37.0	49.2	33.0%
Deferred Inflows of Resources	2.0	1.6	0.2	0.2	2.2	1.8	-18.2%
Net investment in capital assets	260.8	267.6	48.5	47.3	309.3	314.9	1.8%
Restricted	29.4	32.2	5.8	6.1	35.1	38.3	9.1%
Unrestricted	(0.4)	(1.0)	14.8	17.7	14.4	16.7	16.0%
Total net position	289.7	298.8	69.1	71.0	358.8	369.8	3.1%

The net position of the City's governmental and business-type activities increased 3.1% to \$369.8 million. The increase was primarily due to an increase in Grants and Contributions from COVID-19 pandemic relief and contributed infrastructure from developers, a decrease in Public Works and Parks and Recreation expenditures during the year, and savings from furloughs implemented to combat the pandemic's impact, countered by a large increase in Wastewater transfers, continued cost increases for Pension and other post-employment benefits, and increased Law Enforcement Services contract costs and pandemic-related costs in Public Safety. Approximately 85.1% of the City's net position is invested in capital assets such as buildings, land, equipment and facilities. About \$6.2 million of ongoing capital projects capital assets were purchased this fiscal year and are invested in projects such as the Annual Pavement Management project (\$1.3 million) and the Napa Junction Road Intersection (Phase 2) project (\$1.2 million), contributed property

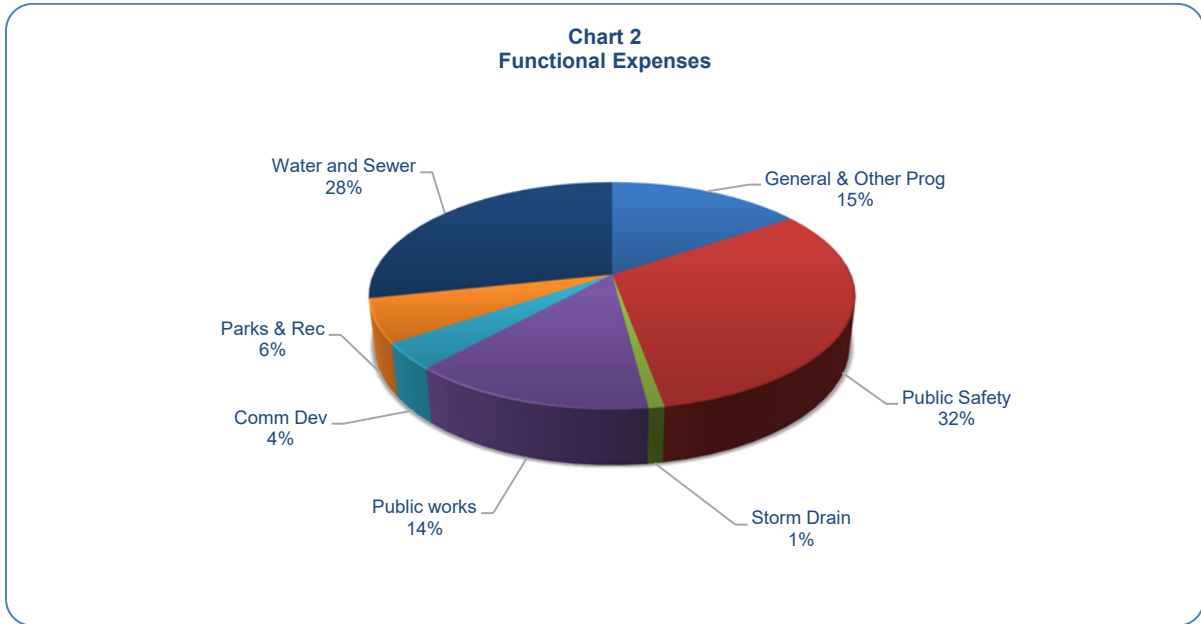
MANAGEMENT'S DISCUSSION AND ANALYSIS

from developers, and in various Internal Service Funds fleet vehicles, radios, and fleet operations equipment. The remaining 14.9% of net position is represented by restricted and unrestricted net position. Notable receivables are the \$2.0 million in Property Taxes and \$2.5 million from Utilities. Approximately \$6.4 million of Intergovernmental Receivables include American Rescue Plan Act (ARPA) COVID-19 relief funding of \$4.9 million, the Devlin Road Extension project from Federal Grants of \$1.0 million, and HOME Loan Assistance Program of \$0.2 million, plus COPS funding and other minor receivables. About 82% 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 in Note G – Long-Term Liabilities on pages 50-54. Enterprise funds also had a major increase in Interfund Payables to \$8.3 million. This increase is due to internal coverage of negative cash positions, excluding investments, for Governmental Funds, and capital asset transfers to the newly created Recycled Water Operations Fund.



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 2020-21 totaled \$55.4 million, an increase of \$9.8 million or 21.5% from the prior year. Grants and contributions revenue increased \$9.0 million primarily due to the award from ARPA funding and capital contributions from developers. Charges for Services increased moderately by \$0.9 million or 4.9%, which is primarily comprised of scheduled increases in Water and Wastewater Service Charges and an increase in Developer Reimbursements, which is offset by a significant reduction of \$0.8 million in Charges for Services for Governmental Activities. The City's primary source of discretionary revenue is property taxes which totaled \$16.1 million or 29.1% of total revenues for the year and increased by 1.9% over fiscal year 2019-20 due to continued improvement in assessed valuation during the recent pandemic recession. Sales tax revenue increased by \$0.5 million or 12.8% to \$4.4 million in fiscal year 2020-21, due to additional discretionary revenues from telecommuting and individual assistance aide. Approximately \$16.8 million or 30.3% of all City revenues were generated from water, wastewater, and recycled water service fees and other revenue.

MANAGEMENT'S DISCUSSION AND ANALYSIS



The total cost for all programs and services in fiscal year 2020-21 was \$45.2 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 2020-21, expenses increased by \$0.9 million or 2.0%. In this fiscal year, the General Government expenses decreased by \$0.9 million, a 11.7% decrease from the prior year largely due to three major General Fund expenditure delays of approximately \$0.9 million, plus \$0.8 million less supplies and services spending for Non-General Fund Governmental Funds., furlough savings of approximately \$0.5 million. The Fire District Operations Special Revenue Fund had an increase of \$0.8 million in expenditures for the fiscal year, which is completely comprised of an increase in salary costs related to participation in State fire strike teams. Water, Wastewater and Recycled Water expenses were \$1.7 million higher compared to prior year at \$12.8 million. This increase is mainly the result of an interest rate adjustment approved by the City Council on the interfund loan financing recycled water projects.

The City's largest operating expense was public safety services. The City's cost to provide police and fire protection services was \$14.3 million or 31.6% of the City's total operating expenses followed closely by the water and sewer which collectively comprised \$12.8 million or 28.3% of total expenses. Public Works and Storm Drain departments accounted for 14.6% of expenses, Parks and Recreation 6.2%, and Community Development 3.8%. The remaining 15.5% was expended on general City administration and other programs.

When all operations were concluded, governmental activities created a \$8.3 million increase in net position and business-type activities increased \$1.9 million for 2020-21.

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
	2020	2021	2020	2021	2020	2021	2020-2021
Revenues							
Program revenues							
Charges for services	6.8	6.0	11.8	13.4	18.5	19.4	4.9%
Grants and contributions – operating	1.1	1.3	0.2	0.4	1.4	1.7	21.4%
Grants and contributions – capital	0.1	7.7	0.5	1.5	0.5	9.2	1740.0%
General revenues							
Property taxes	15.8	16.1	-	-	15.8	16.1	1.9%
Franchise taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Sales taxes	3.9	4.4	-	-	3.9	4.4	12.8%
Other	3.9	2.3	0.8	1.5	4.6	3.8	-17.4%
Total revenues	32.4	38.6	13.2	16.8	45.6	55.4	21.5%
Expenses							
General government	7.7	6.8	-	-	7.7	6.8	-11.7%
Public Safety	13.6	14.3	-	-	13.6	14.3	5.1%
Public works	6.8	6.2	-	-	6.8	6.2	-8.8%
Community Development	1.7	1.7	-	-	1.7	1.7	0.0%
Parks and Recreation	2.9	2.8	-	-	2.9	2.8	-3.4%
Storm Drain	0.3	0.4	-	-	0.3	0.4	33.3%
Water	-	-	6.6	6.8	6.6	6.8	3.0%
Wastewater	-	-	4.4	6.0	4.4	6.0	36.4%
Recycled Water	-	-	-	-	-	-	0.0%
Other	0.3	0.2	-	-	0.3	0.2	-33.3%
Total expenses	33.2	32.4	11.1	12.8	44.3	45.2	2.0%
Excess (deficiency) before transfers	(0.8)	6.2	2.1	4.0	1.3	10.2	684.6%
Transfers	1.4	2.1	(1.4)	(2.1)	-	-	0.0%
Increase(decrease) in net position	0.6	8.3	0.7	1.9	1.3	10.2	684.6%
Net position, beginning as restated	289.1	290.5	68.3	69.1	357.4	359.5	0.6%
Net position, ending	289.7	298.8	69.1	71.0	358.8	369.8	3.1%

City Program Costs

MANAGEMENT'S DISCUSSION AND ANALYSIS

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
	2020	2021	2020-2021
Public Safety	13.6	14.3	5.1%
Public Works (includes Storm drain)	7.1	6.6	-7.0%
Community Development	1.7	1.7	0.0%
Parks and Recreation	2.9	2.8	-3.4%
Water	6.6	6.8	3.0%
Wastewater	4.4	6.0	36.4%
Recycled Water	-	-	0.0%
All other	8.0	7.0	-11.4%
Total	\$ 44.3	\$ 45.2	2.3%

The cost of all programs this year was \$45.2 million, an increase of \$.9 million, or 2.0% compared with the prior year. For governmental activities, overall program costs decreased \$0.8 million, or negative 2.4%, mostly due reductions in General Government previously discussed.

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 \$15.0 million leaving the City to fund the balance of \$17.4 million with general revenues. Program revenues increased by \$7.0 million, while expenditures decreased by \$0.8 million over the prior year. The increase in the Program Revenues was due to an increase in federal stimulus funding through the ARPA program (\$4.9 million) and developer contributions (\$3.6 million). Expenditure reductions were prioritized due to the onset of the COVID-19 pandemic.

Business-Type Activities

At 2020-21 fiscal year-end, the net position for the City's enterprise funds or business-type activities, the City's Water, Wastewater, and Recycled Water funds, increased by \$1.9 million over the prior year. In fiscal year 2020-21, charges for services increased by approximately \$1.6 million or 13.6% compared to the prior year. Business-type revenues increased by 27.3% overall compared to 2019-20. The increase was primarily due to an increase in utility charges to customers, plus increased investment earnings, along with other miscellaneous items. The Enterprise funds also experienced furlough cost savings. Even with those savings, Water fund expenses increased by \$0.2 million or 3.0% compared to fiscal year 2019-20 and was primarily from increases in payments to the City of Vallejo for water rights and water purchases. Wastewater fund expenses increased \$1.6 million to \$6.0 million, primarily due to increases in debt service expenses. The Recycled Water fund had very little activity for the fiscal year except asset transfers. This will change upon completion of the Enterprise Rate Study and the establishment of recycled water rates and charges.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At the end of fiscal year 2020-21, the City's governmental funds had a combined fund balance of \$40.7 million, about \$3.2 million more than the prior year. This can be attributed to community development activities for planning and building, which added \$1.3 million of restricted fund balance in 2020-21; the General Fund's better than expected performance less than anticipated impact on revenues and \$0.9 million in expenditures delayed to fiscal year 2021-22, combined with cost cuts and furlough savings increased fund balance \$1.4 million. The Fire District Operations fund balance decreased by \$0.1 million or 1.2% as a result of fiscal year 2020-21 operations. New grant funding obtained for the CalHome program led to a \$0.1 million increase in the fund balance of the CDBG, CalHome, and HOME Loan Development Special Revenue Fund, bringing it positive at year end. Increased intergovernmental revenues of \$4.8 million combined with the loss of a grant funding source led to a continued State and Federal Grants fund balance deficit. That reduction overall was \$0.2 million and Public Works has reapplied for that funding source. The fund balances in the City Capital Projects, Affordable Housing Capital Projects, and Cabernet Village Debt Service funds all remained unchanged after the results of operations.

The City's Cash and Investment accounts increased by \$4.9 million compared to the prior year, totaling \$73.7 million at fiscal year end. The City's Restricted Cash and Investments totaled \$7.0 million of that balance. Fiduciary Funds comprised another \$7.5 million of that balance. The Water and Wastewater enterprise funds ended the year with \$18.7 million in cash and investments available for future use, of which \$6.6 million is restricted.

The City's General Fund had a deficiency of revenues over expenditures of \$0.9 million before other financing sources. General Fund Property Taxes increased by \$0.3 million, Sales Taxes increased by \$0.4 million, Other Taxes remained relatively unchanged, decreasing \$0.1 million. Charges for Services increased by \$0.2 million compared to the prior year. The City's General Fund Expenditures decreased by \$0.4 million to \$19.2 million mostly due to cuts made due to the COVID-19 pandemic, primarily 20 furlough days for all employees (\$0.5 million), and three major contractual expenditures delayed until fiscal year 2021-22 (\$0.9 million). The Transfers in from Other Funds decreased by \$0.4 million compared to the prior year mostly due to lower transfers for Support Services across the General Fund and transfers for Measure A for Public Works. After including inter-fund transfers, the General Fund ended the fiscal year with an excess of \$1.4 million.

The City's non-major governmental funds ended the fiscal year with a consolidated fund balance of \$22.8 million. The fund balance of \$22.6 million is restricted with externally enforceable legal restrictions.

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, to account for unanticipated revenues, and in reaction to the COVID-19 pandemic. Additionally, adjustments were made as a result of the mid-year budget review. At year-end, including all adjustments, actual General Fund expenditures, were \$1.2 million less than final budget amounts. The largest cost in the General Fund, public safety, remained relatively constant, due to temporarily decreasing one sworn officer in fiscal year 2020-21. Overall, fiscal year 2019-20 General Fund expenditures decreased by \$0.4 million from the prior year's \$19.6 million.

The General Fund's fund balance increased by \$1.4 million from June 30, 2020 to June 30, 2021. The General Fund's primary source of discretionary revenue is property taxes which totaled \$11.3 million or 61.8% of total revenues for the year and increased by 2.1% over the prior year. This was under budget \$0.4 million. Due to the impact of the COVID-19 pandemic, non-property taxes came in over budget by \$0.3 million and Charges for Services were \$0.4 million more than the final budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the City had invested \$327.7 million (net of accumulated depreciation) in a broad range of capital assets, including land, vehicles, equipment, the water, wastewater, and recycled water systems, streets, and other capital assets (see Table A-4). This amount represents a net increase, after additions and deductions, of about \$9.3 million or 2.9% compared to the prior fiscal year. Additional information can be found in the notes to the financial statements, Note F – Capital Assets pages 47-50.

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

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2021	2020	2021	2020	2021	2020-21
Land	\$ 9.6	\$ 10.2	\$ 2.2	\$ 2.2	\$ 11.8	\$ 12.4	5.1%
Construction in progress	4.1	7.9	3.1	7.6	7.2	15.5	115.3%
Right of ways	162.3	165.2	-	-	162.3	165.2	1.8%
Buildings and Improvements	30.0	28.6	3.4	3.1	33.4	31.7	-5.1%
Machinery and Equipment	2.4	2.7	1.3	1.0	3.7	3.7	0.0%
Water utility system			23.9	19.1	23.9	19.1	-20.1%
Wastewater system			18.0	16.7	18.0	16.7	-7.2%
Recycled water system				3.8		3.8	100.0%
Infrastructure system	58.1	59.7			58.1	59.7	2.8%
Total	\$266.6	\$274.2	\$51.9	\$53.5	\$318.4	\$327.7	2.9%

Long - Term Debt

At the end of fiscal year 2020-21, the City had about \$13.4 million in long-term debt obligations outstanding. Of the \$13.4 million, \$6.7 million relates to the City's business-type activities and the remaining \$6.7 million is applicable to governmental type financing activities. The remaining other long-term debt of \$26.8 million are estimated employee benefits payable by the City. The City's component-unit, the City of American Canyon's Fire Protection District, has one long-term debt obligation from green energy upgrades of \$0.3 million. It also has a \$1.6 million liability for uninsured workers compensation claims.

For governmental type activities, the major long-term debt year-end balances consist of a refinanced \$4.6 million capital lease to purchase a commercial office building that was transformed into City Hall, and \$0.8 million for green energy projects benefiting City Hall and the American Canyon Fire Protection District.

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 75.85% of the cost or \$1.2 million. The City reimbursed Walmart \$179,796 for interest expense occurred in 2013. This was originally reported as a reduction in principal and no accrual of interest due was made. Management corrected in this fiscal year, which had a \$0.7 million increase in liability owed. The City budgeted full repayment from the Traffic Impact Fee Fund in fiscal year 2021-22.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For business-type activities, major long-term debt year-end balances are comprised of green energy projects for the benefit of Water enterprises of \$1.3 million and Wastewater enterprises of \$3.1 million; a \$1.4 million State Revolving Fund loan used for construction of the City's wastewater treatment plant facility; \$0.5 million State loan for water system improvement; and a \$0.3 million capital lease for the acquisition and installation of the wastewater treatment membrane. The City has no bonded debt outstanding for its business-type activities.

Additional information about the City's long-term obligations can be found in the notes to the financial statements, Note G – Long Term Liabilities, on pages 50-54.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

With stellar growth in the first half of 2021, U.S. GDP surpassed pre-pandemic levels despite having 5 million fewer workers than early last year. More people are expected to rejoin the workforce as wages rise, but a smaller workforce will not necessarily mean slower economic growth if recent productivity increases can be sustained from heavy investments in that business productivity. Capital expenditures are up by \$600 billion (9.2%) from the pre-pandemic peak. Meanwhile, highly effective vaccines have substantially decreased the economic risks from COVID-19. Temporary surges in cases will simply push growth to the following quarter rather than leave any lasting impact. The greater risk in the medium term is the coming unwinding of monetary stimulus from the U.S. Federal Reserve, which will increase the cost of servicing debt for public and private entities.

The unemployment rate in California has already dropped by more than half since the depths of the pandemic. Part of this improvement is a function of the huge increase in the number of people not seeking work, a category not counted as unemployed in government surveys, but not all of these workers have left the labor force indefinitely. As a result, the lower unemployment rate tends to confuse the complex labor market recovery, which is better demonstrated by total nonfarm employment. Higher unemployment rates may even be a welcome sign that hot economic conditions are inducing workers to look for work after having temporarily dropping out of the workforce. Unemployment should continue to steadily decline into next year.

American Canyon's sales tax receipts from April 2021 through June 2021 were 17.4% above the same period in 2020. Excluding reporting aberrations, actual sales were up 19.2%. Results reflected measurable improvement over lows one year ago, which had suffered due to COVID-19 impacts. Casual dining restaurants, which had severe access restrictions last year reported a 64% recovery. Net of aberrations, taxable sales for all of Napa County grew 46.1% over the comparable time period; the Bay Area was up 34.1%

Approximately 50% of general fund revenue received is from property taxes. The COVID-19 pandemic while it delayed home and property sales in the 2020 calendar year, did not significantly impact the growth most communities experienced due to the transfer of ownership element as reflected in the 2021-22 fiscal year. The stay-at-home orders and business closures and economic impacts DID impact the overall growth experienced as the annual CPI granted was 1.036% roughly ½ of the growth usually seen from this growth indicator. New construction in process continued as this sector did not see a decline, however the shortages of building supplies did influence growth in new construction starts in the second half of the year. The year over year increase citywide was \$162.2 million an increase of 4.8%. This is almost twice the year to year value change as was seen last year and the percent change was 2% higher. This growth was on the strength of industrial uses which were offset by vacant use declines as newly developed properties transition from vacant to other permanent uses.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Detached Single Family Residence – City of American Canyon

Year	D-SFR Sales	Median Price	% Change
2017	188	\$498,500	10.78%
2018	175	\$525,000	5.32%
2019	186	\$515,000	-1.90%
2020	165	\$570,000	10.68%
2021	106	\$613,750	7.68%

With the first 7 months of sales data processed for 2021, SFRs are selling for 7.68% more than in the previous calendar year. Prices for the full calendar year 2020 increased 10.68% after a year of declining prices in 2019. The median price of all SFR in 2021 is \$613,750 which is \$24,250 lower than the peak price experienced in 2006 at \$638,000. The increased sale price is still below the all-time high experienced before the Great Recession. Increased prices are being driven by fewer properties being offered for sale and the lower interest rates for home loans. This element has contributed significantly to the growth we have seen between tax years over the past couple of years and the trends we are seeing continue to make this growth component a positive factor in the 2022-23 forecast as long as the trends continue as we have seen in the first half of 2021.

Home Sales - Comparison by County:

All Homes	Units Sold June 2020	Units Sold June 2021	% Change	Median Price June 2020	Median Price June 2021	% Change
Napa County	135	224	69.5%	\$654,000	\$782,500	19.65%
Solano County	589	677	14.94%	\$482,500	\$545,000	12.95%
Contra Costa County	1,334	2,079	55.85%	\$680,000	\$810,000	19.12%
San Francisco County	360	776	115.56%	\$1,445,000	\$1,480,000	2.42%

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 \$47 million left to be restored on the homes reduced during the great recession. This amount increased from last year due to the reduction in median home values in 2019. This is approximately 1.3% of the citywide value.

2021-22 Taxable Property Values:

Combined Values	Total
Total Values	\$3,676,532,577
Total Exemptions	\$77,027,198
Net Total Values	\$3,599,505,379

The City anticipates continued 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, Commerce Court, the Giovannoni Logistics Center, Canyon Estates, Oat Hill Residential multi-family residences, and 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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.

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank.)

CITY OF AMERICAN CANYON
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 47,161,894	\$ 12,054,953	\$ 59,216,847
Restricted cash and investments	391,670	6,607,161	6,998,831
Taxes receivable	2,247,540		2,247,540
Accounts receivable, net	269,583	3,040,294	3,309,877
Internal balances	(6,570,931)	6,570,931	
Interest receivable	89,360	17,904	107,264
Due from other governments	6,332,938		6,332,938
Property held for resale	562,773		562,773
Prepaid expenses and other assets	296,498	5,386	301,884
Loans receivable, net	7,620,063		7,620,063
Capital assets:			
Non-depreciable	183,254,329	9,793,340	193,047,669
Depreciable, net of accumulated depreciation	90,985,047	43,717,035	134,702,082
Total capital assets	<u>274,239,376</u>	<u>53,510,375</u>	<u>327,749,751</u>
TOTAL ASSETS	<u>332,640,764</u>	<u>81,807,004</u>	<u>414,447,768</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	3,197,995	615,271	3,813,266
OPEB plans	2,035,323	464,186	2,499,509
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,233,318</u>	<u>1,079,457</u>	<u>6,312,775</u>
LIABILITIES			
Accounts payable	1,814,976	241,512	2,056,488
Accrued expenses	574,027	290,543	864,570
Unearned revenue	5,090,265		5,090,265
Accrued interest payable	687,960	36,892	724,852
Deposits	60,409	192,837	253,246
Long-term liabilities:			
Due within one year			
Bonds, capital leases and contracts	1,303,544	1,310,174	2,613,718
Compensated absences	677,631	153,315	830,946
Workers compensation claims and judgments	1,636,881		1,636,881
Due in more than one year			
Bonds, capital leases and contracts	5,440,131	5,471,667	10,911,798
Compensated absences	105,318	131,618	236,936
Net pension liability	14,175,773	2,626,414	16,802,187
Net OPEB liability	5,914,813	1,220,301	7,135,114
TOTAL LIABILITIES	<u>37,481,728</u>	<u>11,675,273</u>	<u>49,157,001</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	320,729	92,214	412,943
OPEB plans	1,316,372	85,603	1,401,975
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,637,101</u>	<u>177,817</u>	<u>1,814,918</u>
NET POSITION			
Net investment in capital assets	267,596,487	47,260,429	314,856,916
Restricted for:			
Public safety	1,100,873		1,100,873
Public works	13,954,756		13,954,756
Storm drain projects	7,040,632		7,040,632
Community development, planning and building	8,266,529		8,266,529
Parks	1,668,718		1,668,718
Capacity expansion		6,075,266	6,075,266
Other activities	160,875		160,875
Unrestricted	(1,033,617)	17,697,676	16,664,059
TOTAL NET POSITION	<u>\$ 298,755,253</u>	<u>\$ 71,033,371</u>	<u>\$ 369,788,624</u>

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

CITY OF AMERICAN CANYON
Statement of Activities
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government				
Governmental Activities				
General government	\$ 6,844,132	\$ 518,482	\$ 60,614	
Public safety	14,316,901	1,880,635	328,941	\$ 189,000
Public works	6,230,869	1,860,742	702,385	7,505,379
Community development	1,734,661	1,640,602	211,442	5,412
Parks and recreation	2,791,825	95,597		
Storm drain	350,946		4,408	
Int on long-term debt	163,633			
TOTAL GOVERNMENTAL ACTIVITIES	32,432,967	5,996,058	1,307,790	7,699,791
Business-type activities				
Water	6,761,366	8,525,517	438,415	1,035,539
Wastewater	5,939,890	4,722,446		373,210
Recycled Water	18,586	113,591		53,500
Total business-type activities	12,719,842	13,361,554	438,415	1,462,249
TOTAL PRIMARY GOVERNMENT	\$ 45,152,809	\$ 19,357,612	\$ 1,746,205	\$ 9,162,040
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Franchise taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Other				
Transfers, net				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year- as previously reported				
Restatement				
Net position, beginning of year- as restated				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (6,265,036)		\$ (6,265,036)
(11,918,325)		(11,918,325)
3,837,637		3,837,637
122,795		122,795
(2,696,228)		(2,696,228)
(346,538)		(346,538)
(163,633)		(163,633)
<u>(17,429,328)</u>		<u>(17,429,328)</u>
	\$ 3,238,105	3,238,105
	(844,234)	(844,234)
	148,505	148,505
	<u>2,542,376</u>	<u>2,542,376</u>
<u>(17,429,328)</u>	<u>2,542,376</u>	<u>(14,886,952)</u>
16,156,774		16,156,774
814,697		814,697
4,417,552		4,417,552
1,499,153		1,499,153
(75,937)	1,464,758	1,388,821
831,482	28,808	860,290
2,066,071	(2,066,071)	
<u>25,709,792</u>	<u>(572,505)</u>	<u>25,137,287</u>
8,280,464	1,969,871	10,250,335
289,714,019	69,063,500	358,777,519
760,770		760,770
<u>290,474,789</u>	<u>69,063,500</u>	<u>359,538,289</u>
<u>\$ 298,755,253</u>	<u>\$ 71,033,371</u>	<u>\$ 369,788,624</u>

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2021

	<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>State and Federal Grants - City Special Revenue</u>
ASSETS				
Cash and investments	\$ 17,477,630	\$ 5,993,014	\$ 69,770	\$ 394,340
Restricted cash and investments				
Taxes receivable	1,341,523	139,393		
Accounts receivable, net	255,979	13,299		
Interest receivable	70,388	4,403	44	
Due from other governments	182,823			6,082,335
Property held for resale	412,503			
Prepaid expenditures and deposits	26,007			
Loans receivable, net	6,336		2,315,910	
TOTAL ASSETS	<u>\$ 19,773,189</u>	<u>\$ 6,150,109</u>	<u>\$ 2,385,724</u>	<u>\$ 6,476,675</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 387,863	\$ 64,238	\$ 55,663	\$ 1,012,942
Accrued expenses	302,608	180,528		
Unearned revenue	192,209			4,898,056
Deposits	60,409			
Due to other funds	6,398,945			
TOTAL LIABILITIES	<u>7,342,034</u>	<u>244,766</u>	<u>55,663</u>	<u>5,910,998</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	226,531	51,605	2,315,910	1,184,279
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>226,531</u>	<u>51,605</u>	<u>2,315,910</u>	<u>1,184,279</u>
FUND BALANCES				
Nonspendable:				
Property held for resale	412,503			
Prepaid expenditures and deposits	26,007			
Restricted for:				
Public safety	137,378	17,355		
Public works				
Storm drain projects				
Community development, planning and building	331,394		14,151	
Parks				
Other activities	60,089			
Committed	6,387,027	1,285,478		
Assigned	1,000,000	4,550,905		
Unassigned	3,850,226			(618,602)
TOTAL FUND BALANCES	<u>12,204,624</u>	<u>5,853,738</u>	<u>14,151</u>	<u>(618,602)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 19,773,189</u>	<u>\$ 6,150,109</u>	<u>\$ 2,385,724</u>	<u>\$ 6,476,675</u>

The accompanying notes are an integral part of these financial statements

Major Funds

City Capital Projects	Affordable Housing Capital Projects	Cabernet Village Lease Debt Service	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 300,108	\$ 111,669		\$ 22,185,094	\$ 46,531,625
			391,670	391,670
			766,624	2,247,540
			305	269,583
	71		14,257	89,163
			67,780	6,332,938
	150,270			562,773
				26,007
	5,171,630		126,187	7,620,063
<u>\$ 300,108</u>	<u>\$ 5,433,640</u>	<u>\$ -</u>	<u>\$ 23,551,917</u>	<u>\$ 64,071,362</u>
			\$ 235,669	\$ 1,756,375
\$ 80,671				563,807
				5,090,265
				60,409
			10,382	6,409,327
<u>80,671</u>			<u>246,051</u>	<u>13,880,183</u>
	\$ 5,171,630		510,870	9,460,825
	5,171,630		510,870	9,460,825
				412,503
				26,007
			882,768	1,037,501
219,437			12,818,377	13,037,814
			7,036,224	7,036,224
	262,010		73,273	680,828
			1,668,718	1,668,718
			100,786	160,875
				7,672,505
			225,232	5,776,137
			(10,382)	3,221,242
<u>219,437</u>	<u>262,010</u>		<u>22,794,996</u>	<u>40,730,354</u>
<u>\$ 300,108</u>	<u>\$ 5,433,640</u>	<u>\$ -</u>	<u>\$ 23,551,917</u>	<u>\$ 64,071,362</u>

(This page intentionally left blank.)

CITY OF AMERICAN CANYON
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Total fund balance, governmental funds	\$ 40,730,354
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.	274,239,376
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.	9,460,825
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.	400,532
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	270,000
Accrued interest payable	(687,960)
Bonds, capital leases and contracts	(6,743,675)
Compensated absences	(782,949)
Uninsured claims	(1,636,881)
Net pension liability	(14,175,773)
Net OPEB liability	(5,914,813)
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.	2,877,266
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.	718,951
NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	\$ <u>298,755,253</u>

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

CITY OF AMERICAN CANYON
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	Major Funds			
	General Fund	Fire District Operations Special Revenue	CDBG, CalHome and HOME Loan Development Special Revenue	State and Federal Grants - City Special Revenue
REVENUES				
Property taxes	\$ 11,317,124	\$ 4,779,364		
Sales taxes	2,848,231			
Other taxes	1,804,928	688,645		
Special assessments				
Fines and forfeitures	72,791			
Licenses and permits	585,340			
Intergovernmental	114,449	189,000	\$ 211,442	\$ 1,100,570
Charges for services	1,156,529	1,068,760		
Use of money and property	89,968	(860)	(131)	
Other	349,715	216,062	3,269	
TOTAL REVENUES	18,339,075	6,940,971	214,580	1,100,570
EXPENDITURES				
Current:				
General government	5,312,379			
Public safety	7,346,218	6,453,537		
Public works	1,813,887			
Community development	1,569,975		171,131	
Parks and recreation	2,794,202			
Storm drain	359,470			
Debt Service:				
Principal				
Debt issuance costs				
Interest and other charges				
Capital outlay	29,107	810,645		
TOTAL EXPENDITURES	19,225,238	7,264,182	171,131	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(886,163)	(323,211)	43,449	1,100,570
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt				
Sale of assets	10,000			
Other sources	11,456			
Transfers in	2,632,514	250,000	9,455	
Transfers out	(354,316)			(1,307,341)
TOTAL OTHER FINANCING SOURCES AND USES	2,299,654	250,000	9,455	(1,307,341)
NET CHANGE IN FUND BALANCES	1,413,491	(73,211)	52,904	(206,771)
Fund balances, beginning of year	10,791,133	5,926,949	(38,753)	(411,831)
FUND BALANCES, END OF YEAR	\$ 12,204,624	\$ 5,853,738	\$ 14,151	\$ (618,602)

The accompanying notes are an integral part of these financial statements

Major Funds

City Capital Projects	Affordable Housing Capital Projects	Cabernet Village Lease Debt Service	Other Governmental Funds	Total Governmental Funds
				\$ 16,096,488
			\$ 1,218,056	4,066,287
				2,493,573
			668,114	668,114
				72,791
				585,340
			3,232,162	4,847,623
	\$ 118,159		1,504,858	3,848,306
	837		117,855	207,669
	11,059		650,785	1,230,890
	<u>130,055</u>		<u>7,391,830</u>	<u>34,117,081</u>
				5,312,379
				13,799,755
			385,453	2,199,340
	131,999			1,873,105
			14,834	2,809,036
				359,470
		\$ 4,320,000	278,000	4,598,000
		151,000	6,293	157,293
		151,433	6,024	157,457
\$ 6,181,989				7,021,741
<u>6,181,989</u>	<u>131,999</u>	<u>4,622,433</u>	<u>690,604</u>	<u>38,287,576</u>
(6,181,989)	(1,944)	(4,622,433)	6,701,226	(4,170,495)
		4,569,064	829,827	5,398,891
				10,000
				11,456
6,181,989		53,369	745,816	9,873,143
			(6,212,915)	(7,874,572)
<u>6,181,989</u>		<u>4,622,433</u>	<u>(4,637,272)</u>	<u>7,418,918</u>
	(1,944)		2,063,954	3,248,423
219,437	263,954		20,731,042	37,481,931
<u>\$ 219,437</u>	<u>\$ 262,010</u>	<u>\$ -</u>	<u>\$ 22,794,996</u>	<u>\$ 40,730,354</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, 2021**

Net change in fund balances - total governmental funds: \$ 3,248,423

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	7,021,741
Contributed assets	3,620,813
Depreciation expense	(4,267,506)
Disposals and transfers	(753,573)

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. 1,127,566

Governmental funds report debt 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 proceeds exceeded repayments, net of amortization of deferred amount on refunding. (824,579)

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. 438,800

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	(288,215)
Change in deferred outflows of resources-OPEB	222,146
Change in accrued interest payable	(49,977)
Change in compensated absences	8,145
Change in uninsured claims	(572,563)
Change in net pension liability	(888,124)
Change in net OPEB liability	(135,938)
Change in deferred inflows of resources-pension	207,606
Change in deferred inflows of resources-OPEB	171,699

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 8,280,464

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

CITY OF AMERICAN CANYON
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business Type Activities- Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water	Wastewater	Recycled Water		
ASSETS					
Current assets:					
Cash and investments	\$ 3,634,571	\$ 8,314,998	\$ 105,384	\$ 12,054,953	\$ 630,269
Accounts receivable, net	2,083,851	934,633	21,810	3,040,294	
Interest receivable	11,964	5,879	61	17,904	197
Due from other funds	8,238,723			8,238,723	
Prepaid expenses	2,693	2,693		5,386	491
Total current assets	<u>13,971,802</u>	<u>9,258,203</u>	<u>127,255</u>	<u>23,357,260</u>	<u>630,957</u>
Non-current assets:					
Restricted cash and investments	5,843,943	763,218		6,607,161	
Advances to other funds	128,906	5,391,531		5,520,437	
Capital assets:					
Non-depreciable	4,489,356	5,292,550	11,434	9,793,340	
Depreciable, net of accumulated depreciation	19,531,194	19,676,526	4,509,315	43,717,035	873,569
Total non-current assets	<u>29,993,399</u>	<u>31,123,825</u>	<u>4,520,749</u>	<u>65,637,973</u>	<u>873,569</u>
TOTAL ASSETS	<u>43,965,201</u>	<u>40,382,028</u>	<u>4,648,004</u>	<u>88,995,233</u>	<u>1,504,526</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension plan	290,309	324,962		615,271	61,582
OPEB plan	221,894	242,292		464,186	40,464
Total deferred outflows of resources	<u>512,203</u>	<u>567,254</u>		<u>1,079,457</u>	<u>102,046</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	144,280	97,232		241,512	58,601
Accrued expenses	50,641	239,902		290,543	10,220
Accrued interest payable		36,892		36,892	128
Due to other funds		1,755,303		1,755,303	74,093
Deposits	148,652	44,185		192,837	
Compensated absences, current portion	78,191	75,124		153,315	19,233
Bonds, notes and loans payable, current portion	137,170	1,173,004		1,310,174	33,677
Total current liabilities	<u>558,934</u>	<u>3,421,642</u>		<u>3,980,576</u>	<u>195,952</u>
Non-current liabilities:					
Advances from other funds			5,520,437	5,520,437	
Compensated absences, non-current portion	67,066	64,552		131,618	
Bonds, notes and loans payable	1,757,264	3,714,403		5,471,667	69,065
Net pension liability	1,239,245	1,387,169		2,626,414	262,877
Net OPEB liability	583,338	636,963		1,220,301	106,378
Total non-current liabilities	<u>3,646,913</u>	<u>5,803,087</u>	<u>5,520,437</u>	<u>14,970,437</u>	<u>438,320</u>
TOTAL LIABILITIES	<u>4,205,847</u>	<u>9,224,729</u>	<u>5,520,437</u>	<u>18,951,013</u>	<u>634,272</u>
DEFERRED INFLOW OF RESOURCES					
Pension plan	43,510	48,704		92,214	9,230
OPEB plan	40,921	44,682		85,603	7,463
Total deferred inflows of resources	<u>84,431</u>	<u>93,386</u>		<u>177,817</u>	<u>16,693</u>
NET POSITION					
Net investment in capital assets	22,282,009	20,457,671	4,520,749	47,260,429	770,827
Restricted for:					
Capacity expansion	5,688,050	387,216		6,075,266	
Unrestricted	12,217,067	10,786,280	(5,393,182)	17,610,165	184,780
TOTAL NET POSITION	<u>\$ 40,187,126</u>	<u>\$ 31,631,167</u>	<u>\$ (872,433)</u>	<u>70,945,860</u>	<u>\$ 955,607</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.				87,511	
TOTAL NET POSITION PER GOVERNMENT-WIDE FINANCIAL STATEMENTS				<u>\$ 71,033,371</u>	

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

CITY OF AMERICAN CANYON
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business Type Activities Enterprise Funds				Governmental Activities-
	Water	Wastewater	Recycled Water	Total	Internal Service Funds
	Water	Wastewater	Recycled Water	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 8,538,740	\$ 4,722,446	\$ 113,591	\$ 13,374,777	\$ 1,870,600
Other	213,979	26,950	1,858	242,787	
TOTAL OPERATING REVENUES	<u>8,752,719</u>	<u>4,749,396</u>	<u>115,449</u>	<u>13,617,564</u>	<u>1,870,600</u>
OPERATING EXPENSES					
Employee services	1,676,415	1,668,552		3,344,967	322,671
Maintenance and operations	3,442,338	1,418,281	139	4,860,758	1,275,370
Depreciation	1,460,021	1,612,154	18,447	3,090,622	216,774
TOTAL OPERATING EXPENSES	<u>6,578,774</u>	<u>4,698,987</u>	<u>18,586</u>	<u>11,296,347</u>	<u>1,814,815</u>
OPERATING INCOME (LOSS)	<u>2,173,945</u>	<u>50,409</u>	<u>96,863</u>	<u>2,321,217</u>	<u>55,785</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	1,272,103	192,392	263	1,464,758	1,483
Other revenue	220,800			220,800	
Operating grants and contributions	3,636			3,636	
Interest expense	(197,590)	(1,249,725)	(717)	(1,448,032)	(4,138)
Gain (loss) on disposal of capital assets	(16,349)	(4,956)		(21,305)	58,692
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>1,282,600</u>	<u>(1,062,289)</u>	<u>(454)</u>	<u>219,857</u>	<u>56,037</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>3,456,545</u>	<u>(1,011,880)</u>	<u>96,409</u>	<u>2,541,074</u>	<u>111,822</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	1,035,539	373,210	53,500	1,462,249	
Transfers in	5,686,594	57,124	4,700,294	10,444,012	67,500
Transfers out	(5,040,656)	(1,746,791)	(5,722,636)	(12,510,083)	
CHANGE IN NET POSITION	<u>5,138,022</u>	<u>(2,328,337)</u>	<u>(872,433)</u>	<u>1,937,252</u>	<u>179,322</u>
Net position, beginning of year	<u>35,049,104</u>	<u>33,959,504</u>		<u>69,008,608</u>	<u>776,285</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 40,187,126</u>	<u>\$ 31,631,167</u>	<u>\$ (872,433)</u>	<u>70,945,860</u>	<u>\$ 955,607</u>
Change in net position				1,937,252	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				32,619	
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES:				<u>\$ 1,969,871</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, 2021

	Enterprise Funds			Total	Governmental Activities
	Water	Wastewater	Recycled Water		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 8,089,092	\$ 4,411,305	\$ 93,639	\$ 12,594,036	
Cash paid to suppliers	(3,721,555)	(1,244,311)	(18,586)	(4,984,452)	\$ (1,252,947)
Cash paid to employees and related benefits	(1,404,599)	(1,507,110)		(2,911,709)	(220,091)
Cash (paid) received from interfund services provided	(97,500)	(115,100)		(212,600)	1,938,100
Other receipts	220,800			220,800	
CASH PROVIDED BY OPERATING ACTIVITIES	<u>3,086,238</u>	<u>1,544,784</u>	<u>75,053</u>	<u>4,706,075</u>	<u>465,062</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental revenue received	3,636			3,636	
Amounts received (paid) to other funds	(14,137,632)	1,090,046	4,498,095	(8,549,491)	
CASH (USED) PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>(14,133,996)</u>	<u>1,090,046</u>	<u>4,498,095</u>	<u>(8,545,855)</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets purchased	1,849,625	(2,064,252)	(4,520,749)	(4,735,376)	(503,544)
Capital revenues received	1,035,539	373,210	53,500	1,462,249	
Proceeds from disposal of capital assets					105,400
Principal paid on long-term liabilities	(68,666)	(985,705)		(1,054,371)	(32,747)
Proceeds from long-term liabilities	1,307,298	3,153,114		4,460,412	
Interest paid on long-term liabilities	(209,104)	(1,267,479)	(717)	(1,477,300)	(4,010)
Capital grants received					140,847
CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>3,914,692</u>	<u>(791,112)</u>	<u>(4,467,966)</u>	<u>(1,344,386)</u>	<u>(294,054)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Collection of interest and investment revenue	1,315,429	211,799	202	1,527,430	3,627
CHANGE IN CASH AND CASH EQUIVALENTS	<u>(5,817,637)</u>	<u>2,055,517</u>	<u>105,384</u>	<u>(3,656,736)</u>	<u>174,635</u>
Cash and cash equivalents, beginning of year	15,296,151	7,022,699		22,318,850	455,634
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 9,478,514</u>	<u>\$ 9,078,216</u>	<u>\$ 105,384</u>	<u>\$ 18,662,114</u>	<u>\$ 630,269</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and investments	\$ 3,634,571	\$ 8,314,998	\$ 105,384	\$ 12,054,953	\$ 630,269
Restricted cash and investments	5,843,943	763,218		6,607,161	
CASH AND CASH EQUIVALENTS	<u>\$ 9,478,514</u>	<u>\$ 9,078,216</u>	<u>\$ 105,384</u>	<u>\$ 18,662,114</u>	<u>\$ 630,269</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 2,173,945	\$ 50,409	\$ 96,863	\$ 2,321,217	\$ 55,785
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and amortization	1,460,021	1,612,154		3,072,175	216,774
Other operating receipts	220,800			220,800	
Operating transfers in					67,500
Changes in operating assets and liabilities:					
Accounts receivable, net	(663,627)	(338,091)	(21,810)	(1,023,528)	
Prepaid expenses	(651)	(464)		(1,115)	
Accounts payable and accrued expenses	(383,646)	59,334		(324,312)	96,516
Deposits	7,580			7,580	
Compensated absences	33,351	59,668		93,019	894
Changes in pension and OPEB liabilities and related deferred outflows and inflows of resources:					
Deferred outflows of resources - pension plan	280	28,347		28,627	4,761
Net pension liability	196,777	119,698		316,475	24,875
Deferred inflows of resources - pension plan	(13,608)	(20,742)		(34,350)	(3,810)
Deferred outflows of resources - OPEB plans	(47,872)	(26,900)		(74,772)	(5,404)
Net OPEB liability	109,991	14,737		124,728	9,015
Deferred inflows of resources - OPEB plans	(7,103)	(13,366)		(20,469)	(1,844)
CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,086,238</u>	<u>\$ 1,544,784</u>	<u>\$ 75,053</u>	<u>\$ 4,706,075</u>	<u>\$ 465,062</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, 2021

	Total Custodial Funds
	<u> </u>
ASSETS	
Cash and investments	\$ 3,806,162
Restricted cash and investments	3,720,307
Taxes receivable	91,591
Interest receivable	2,450
TOTAL ASSETS	<u>7,620,510</u>
 LIABILITIES	
Accounts payable	99,722
TOTAL LIABILITIES	<u>99,722</u>
 NET POSITION	
Restricted for individuals, organizations and other governments	<u>7,520,788</u>
TOTAL NET POSITION	<u>\$ 7,520,788</u>

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

CITY OF AMERICAN CANYON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Total Custodial Funds</u>
ADDITIONS	
Other taxes	\$ 156,304
Special assessments	2,358,403
Interest and investment earnings	131,783
TOTAL ADDITIONS	<u>2,646,490</u>
DEDUCTIONS	
Maintenance and operations	2,482,589
Debt Service:	
Principal	530,000
Interest and other charges	1,237,446
TOTAL DEDUCTIONS	<u>4,250,035</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(1,603,545)
Net position , beginning of year - as as previously reported	
Restatement	<u>9,124,333</u>
Net position , beginning of year - as as restated	<u>9,124,333</u>
NET POSITION, END OF YEAR	<u><u>\$ 7,520,788</u></u>

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

(This page intentionally left blank.)

NOTES TO THE BASIC FINANCIAL STATEMENTS

(This page intentionally left blank.)

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

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 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 (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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 governmental and proprietary funds combined. The General Fund is always a major fund. The City may also report 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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.

City Capital Projects Fund – Accounts for major capital projects funded by various City sources. Major projects include Green Island Road Reconstruction/Widening and Devlin Road Extension Segment H.

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

Cabernet Village Lease Debt Service Fund – 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.

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

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

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

Recycled Water Enterprise Fund – Accounts for the operation of the City’s recycled water collection and distribution system.

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 Custodial 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 and fiduciary fund statements are reported using the full *accrual basis* of accounting. The government-wide and proprietary fund statements use the *economic resources measurement focus*. 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 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*

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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*. 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Restricted Assets

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

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 Fund and Fire District Operations Fund. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund. The liability for compensated absences is determined annually.

Pension Plan

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits (OPEB) Plans

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to the OPEB plans (Plans), and OPEB expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, the Plans recognize 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 City implemented this Statement during the year ended June 30, 2021, resulting in Agency Funds being reclassified as Custodial Funds.

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 June 15, 2021.

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, 2020.

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2021.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This Statement 1) defines the term SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs to a SBITA; and 4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITA are based on the standards established in Statement No. 87, *Leases*, as amended. This statement is effective for fiscal years beginning after June 15, 2022.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This Statement requires for the purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans, the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. This Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities.

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

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds except the State and Federal Grants – Fire, General Plan Update and Legal Settlement Special Revenue Funds, the Utility Underground Capital Projects Fund and the Engie Fire Debt Service 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

The Affordable Housing Capital Projects Fund, Cabernet Village Lease Debt Service Fund, Measure T-Streets and Roads Special Revenue Fund, State Supplemental Law Enforcement Special Revenue Fund, Zero Water Footprint Special Revenue Fund, and the Engie City Debt Service Fund had expenditures and transfers out in excess of the final appropriation for the fiscal year ended June 30, 2021 by \$1,999, \$4,568,433, \$183,254, \$16,923, \$237,800 and \$467,263, respectively. The excess amounts were mainly due to minor unexpected costs or debt/projects approved by Council after the budget was adopted.

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

Classification

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

Cash and investments	\$ 59,216,847
Restricted cash and investments	<u>6,998,831</u>
Total cash and investments of primary government	66,215,678
Cash and investments in Fiduciary Funds	3,806,162
Restricted cash and investments in Fiduciary Funds	<u>3,720,307</u>
Total cash and investments	<u>\$ 73,742,147</u>

Cash and investments as of June 30, 2021 consist of the following:

Cash on hand	\$ 2,400
Deposits with financial institutions	708,953
Investments:	
Held by City	68,701,193
Held by fiscal agents	<u>4,329,601</u>
Total investments	<u>73,030,794</u>
Total cash and investments	<u>\$ 73,742,147</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE C – CASH AND INVESTMENTS (Continued)

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.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment Per Issuer
Municipal Obligations	5 Years	A	30%	5%
U.S. Treasury Obligations	5 Years	None	None	None
U.S. Agency Obligations	5 Years	None	None	30%
Bankers' Acceptances	180 Days	A-1/A	40%	5%
Commercial Paper	270 Days	A-1/A	25%	5%
Negotiable Certificates of Deposit	5 Years	A-1/A	30%	5%
CDARS/Time Deposits	5 Years	None	20%	None
Repurchase Agreements	1 Year	None	None	None
Medium-Term Notes	5 Years	A	30%	5%
Mutual Funds	5 Years	AAA/Aaa	20%	10%
Money Market Mutual Funds	5 Years	AAA/Aaa	20%	20%
Pass-Through Securities	5 Years	AA	20%	5%
Supranational Obligations	5 Years	AA	30%	10%
Collateralized Bank Deposits	N/A	None	None	None
Local Government Investment Pools	N/A	None	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None	None

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE C – CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>
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+
California 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:

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE C – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	12 Months or less	13 to 36 Months	36 to 60 Months	Total
California Local Agency Investment Fund (LAIF)	\$51,770,451			\$51,770,451
U.S. Treasury Notes	809,998	\$ 2,909,131	\$ 2,108,461	5,827,590
U.S. Government Agency Obligations	532,499	1,980,657	3,356,911	5,870,067
U.S. Corporate Obligations	392,378	1,619,077	1,699,183	3,710,638
Money Market Mutual Funds	4,361,463			4,361,463
Asset-Backed Securities	3,421	268,576	792,146	1,064,143
Supranational Note			426,442	426,442
Total investments	57,870,210	6,777,441	8,383,143	73,030,794
Cash on hand	2,400			2,400
Cash in bank	708,953			708,953
Total cash and investments	\$58,581,563	\$ 6,777,441	\$ 8,383,143	\$73,742,147

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 \$193,463,490,765, 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, 2021, these investments matured in an average of 291 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, 2021:

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE C – CASH AND INVESTMENTS (Continued)

Investment Type	Aa2/AA		A1/A+	A2/A	A3/A-	Baa1/BBB+	Total
	Aaa/AAA	Aa1/AA+					
U.S. Government Agencies		\$5,870,067					\$ 5,870,067
U.S. Corporate Obligations	\$ 190,045	238,805	\$352,291	\$802,721	\$607,941	\$1,304,692	\$ 214,143
Money Market Mutual Funds (U.S. Securities)	4,361,463						4,361,463
Negotiable CD							
Asset-Backed Securities	1,064,143						1,064,143
Supranational Note	426,442						426,442
Totals	<u>\$6,042,093</u>	<u>\$6,108,872</u>	<u>\$352,291</u>	<u>\$802,721</u>	<u>\$607,941</u>	<u>\$1,304,692</u>	<u>\$ 214,143</u>
Not rated:							
LAIF							51,770,451
Exempt from credit rate disclosure:							
U.S. Treasury Notes							5,827,590
Total investments							<u>\$73,030,794</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, 2021 there were no investments exceeding 5% of total investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2021, the City had \$755,782 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE C – CASH AND INVESTMENTS (Continued)

The City has the following recurring fair value measurements as of June 30, 2021:

	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	\$ 5,827,590		\$ 5,827,590	
U.S. Government Agency Obligations	5,870,067		5,870,067	
U.S. Corporate Obligations	3,710,638		3,710,638	
Asset-Backed Securities	1,064,143		1,064,143	
Supranational Note	426,442		426,442	
Total investments by fair value level	16,898,880	\$ -	\$ 16,898,880	\$ -
Investments uncategorized:				
LAIF	51,770,451			
Money Market Mutual Funds	4,361,463			
Total investments	\$73,030,794			

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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, 2021 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	CDBG Loan Development	\$ 9,455 (A)
	Cabernet Village Lease Debt Service Fund	53,369 (C)
	General Plan Update Special Revenue	222,691 (A)
	Legal Internal Service Fund	67,500 (A)
	Lease Revenue Bonds Debt Service Fund	1,301 (C)
Major Governmental Funds:		
State and Federal Grants-City Special Revenue	General Fund	257,277 (A)
	City Capital Projects Fund	1,046,594 (B)
	Water Enterprise Fund	3,470 (A)
Major Enterprise Funds:		
Water	General Fund	787,252 (A)
	Wastewater Enterprise Fund	17,602 (A)
	Recycled Water Enterprise Fund	3,716,803 (E)
	City Capital Projects Fund	518,999 (B)
Wastewater	General Fund	755,663 (A)
	City Capital Projects Fund	7,627 (B)
	Water Enterprise Fund	10 (A)
	Recycled Water Enterprise Fund	983,491 (E)
	Water Enterprise Fund	5,683,114 (E)
Recycled Water	Wastewater Enterprise Fund	39,522 (E)
Non-major Special Revenue Funds:		
Storm Drainage	General Fund	373,200 (D)
Measure T	City Capital Projects Fund	1,143,254 (B)
Gas Tax	General Fund	301,999 (A)
	City Capital Projects Fund	1,698 (B)
State Supplemental Law Enforcement	General Fund	157,123 (A)
Zero Water Footprint	Zero Water Footprint Capital Projects Fund	237,800 (A)
Community Facilities District	City Capital Projects Fund	2,253,660 (B)
Non-major Capital Projects Funds:		
Fire Mitigation	Fire District Operations Special Revenue	250,000 (B)
Park Improvement	City Capital Projects Fund	15,217 (B)
Traffic Impact	City Capital Projects Fund	472,192 (B)
Civic Facilities	Lease Revenue Bonds Debt Service Fund	284,024 (C)
Non-major Debt Service Funds:		
Engie City	City Capital Projects Fund	463,230 (B)
Engie Fire	City Capital Projects Fund	259,518 (B)
		<u>\$ 20,384,655</u>

(A) Transfer resources to fund incurring expenditures

(B) Transfer to fund capital improvements

(C) Transfer to fund debt service payments

(D) Transfer to fund flood protection projects

(E) Transfer of recycled water assets and liabilities

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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, 2021, the following funds have interfund balances.

<u>Fund Making Loan</u>	<u>Fund Receiving Loan</u>	<u>Amount</u>
Water Fund	General Fund	\$ 6,398,945
	Major Enterprise Funds:	
	Wastewater Fund	1,755,303
	Non-Major Special Revenue Funds:	
	Cannabis Fund	10,382
	Internal Service Funds:	
	Legal Internal Service Fund	<u>74,093</u>
	Total Due To/Due From Other Funds	<u>\$ 8,238,723</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. This loan accrued interest at 3% per year, but in 2021 the City Council approved Resolution 2021-269 that reduced the interest rate to the Local Agency Investment Fund interest rate retroactively. As a result of this change, the accrued interest on the loan decreased by approximately \$1.4 million to \$128,189, which the Resolution indicated would be repaid to the Water Fund. In 2021, this advance, along with the capital assets related to the recycled water projects, were transferred to the Recycled Water Fund. As of June 30, 2021, the Recycled Water Fund owed \$5,520,437 on this advance, including \$128,906 to the Water Fund and \$5,391,531 to the Wastewater Fund. The City intends to establish service charges in the Recycled Water Fund sufficient to repay the advance over the 15-year useful life of the capital assets.

NOTE E – LOANS RECEIVABLE

At June 30, 2021, the City had the following loans receivable:

BEGIN Program	\$ 8,653,621
Satellite Affordable Housing Association	2,951,326
Mid-Peninsula Housing Coalition Loan	2,169,328
HOME Program	1,602,179
CDBG Housing Rehabilitation Program	466,433
CalHome Program	247,298
Employee Home Purchase Assistance	6,336
Other	<u>50,976</u>
	16,147,497
Valuation allowance	<u>(8,527,434)</u>
Loans, net	<u>\$ 7,620,063</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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, 2021, residents owed the City \$8,527,434 in loans offered by this program, which includes \$2,757,534 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 loans of \$126,187, including accrued interest, which are 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, 2021, the loan balance was \$2,951,326.

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, 2021, the loan balance was \$2,169,328.

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, 2021, residents owed the City \$1,602,179 in loans offered by this program, including accrued interest.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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, 2021, residents owed the City \$466,433 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. No interest accrues on the loans and principal payments are deferred until maturity. As of June 30, 2021, residents owed the City \$247,298 in loans offered by this program.

Employee Home Purchase Assistance

The City provided home down payment assistance to its employees until through the year ended June 30, 2009 when the program was terminated. At June 30, 2021, there was one loan outstanding to an employee. 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, 2021, the remaining employee owed the City \$6,336 under 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 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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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, 2021.

Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

	June 30, 2020 (as Restated)	Additions	Retirements	Transfers	Balance at June 30, 2021
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 9,623,513	\$ 540,000	\$ (700)		\$ 10,162,813
Street right of ways	162,284,085	2,915,419		\$ (11,692)	165,187,812
Construction in progress	4,110,515	4,561,871	(683,783)	(84,899)	7,903,704
Total capital assets, not being depreciated	<u>176,018,113</u>	<u>8,017,290</u>	<u>(684,483)</u>	<u>(96,591)</u>	<u>183,254,329</u>
Capital assets, being depreciated:					
Buildings and improvements	51,233,189		(31,938)	90	51,201,341
Machinery and equipment	9,084,580	803,042	(1,322,200)	(28,835)	8,536,587
Infrastructure - streets and storm drains	89,862,419	2,325,765	(24,029)	125,336	92,289,491
Total capital assets, being depreciated	<u>150,180,188</u>	<u>3,128,807</u>	<u>(1,378,167)</u>	<u>96,591</u>	<u>152,027,419</u>
Less accumulated depreciation for:					
Buildings and improvements	(20,947,069)	(1,695,061)	26,886		(22,615,244)
Machinery and equipment	(6,632,814)	(504,846)	1,275,496		(5,862,164)
Infrastructure - streets and storm drains	(30,504,060)	(2,067,599)	6,695		(32,564,964)
Total accumulated depreciation	<u>(58,083,943)</u>	<u>(4,267,506)</u>	<u>1,309,077</u>		<u>(61,042,372)</u>
Capital assets being depreciated, net	<u>92,096,245</u>	<u>(1,138,699)</u>	<u>(69,090)</u>	<u>96,591</u>	<u>90,985,047</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 268,114,358</u>	<u>\$ 6,878,591</u>	<u>\$ (753,573)</u>	<u>\$ -</u>	<u>\$ 274,239,376</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE F – CAPITAL ASSETS (Continued)

	Balance at June 30, 2020	Additions	Retirements	Transfers	Balance at June 30, 2021
<u>Business-Type Activities</u>					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,185,901			\$ 22,868	\$ 2,208,769
Construction in progress	3,137,966	\$ 4,469,473		(22,868)	7,584,571
Total capital assets, not being depreciated	<u>5,323,867</u>	<u>4,469,473</u>			<u>9,793,340</u>
Capital assets, being depreciated:					
Buildings and improvements	7,885,151		\$ (5,340)		7,879,811
Water treatment and distribution	45,571,811	170,201	(75,094)	(5,347,515)	40,319,403
Equipment	3,420,791	35,146	(235,132)		3,220,805
Wastewater treatment and collection	35,546,238	25,500	(40,008)	(470,092)	35,061,638
Recycled Water Treatment and Distribution		53,501		5,817,607	5,871,108
Total capital assets, being depreciated	<u>92,423,991</u>	<u>284,348</u>	<u>(355,574)</u>		<u>92,352,765</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,531,754)	(230,624)	3,931		(4,758,447)
Water treatment and distribution	(21,691,408)	(1,429,537)	58,745	1,805,543	(21,256,657)
Equipment	(2,092,379)	(317,536)	235,132		(2,174,783)
Wastewater treatment and collection	(17,563,838)	(1,096,763)	36,461	237,595	(18,386,545)
Recycled Water Treatment and Distribution		(16,160)		(2,043,138)	(2,059,298)
Total accumulated depreciation	<u>(45,879,379)</u>	<u>(3,090,620)</u>	<u>334,269</u>		<u>(48,635,730)</u>
Capital assets being depreciated, net	<u>46,544,612</u>	<u>(2,806,272)</u>	<u>(21,305)</u>		<u>43,717,035</u>
BUSINESS-TYPE ACTIVITIES					
CAPITAL ASSETS, NET	<u>\$ 51,868,479</u>	<u>\$ 1,663,201</u>	<u>\$ (21,305)</u>	<u>\$ -</u>	<u>\$ 53,510,375</u>

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:	
Public safety - Police	\$ 338,413
Public works	3,437,050
Storm drain	492,043
Total Governmental Activities	<u>\$ 4,267,506</u>
Business-type Activities:	
Water	\$ 1,460,021
Wastewater	1,612,154
Recycled Water	18,447
Total Business-type Activities	<u>\$ 3,090,622</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE F – CAPITAL ASSETS (Continued)

Project Commitments

At June 30, 2021, the City had outstanding commitments with contractors for the following projects:

<u>Project</u>	<u>Remaining Commitment</u>
Transportation projects	\$ 6,050,272
Community development projects	494,632
Wastewater projects	53,078
Water projects	17,355
Parks projects	15,687
Storm drain projects	8,216
Planning projects	4,940
	<u>\$ 6,644,180</u>

NOTE G – LONG-TERM LIABILITIES

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt. Activity in the City's long-term liabilities was as follows for the year ending June 30, 2021:

	<u>Original Amount</u>	<u>June 30, 2020 (as Restated)</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>
<u>Governmental Activities</u>						
2012 Refunding Facilities Lease Financing						
2.95%, due on 06/01/21	\$ 2,222,000	\$ 278,000		\$ (278,000)		
City Hall Facility Financing 2007						
4.54%, due 05/01/32	6,695,000	4,320,000		(4,320,000)		
2020 City Hall Site Lease						
2.6%, due 05/01/34	4,569,064		\$ 4,569,064		\$ 4,569,064	
Bank of America						
Lease-Purchase ENGIE						
1.79%, due 06/01/36	5,209,209		845,181		845,181	\$ 43,179
Municipal Asset Management, Inc.						
Financed Purchase Lease - 2.96%						
due 06/17/24	314,188	135,489		(32,747)	102,742	33,677
Total amortized debt		4,733,489	5,414,245	(4,630,747)	5,516,987	76,856
Cost reimbursement payable	1,226,688	1,226,688			1,226,688	1,226,688
Total direct borrowings and direct placements		5,960,177	5,414,245	(4,630,747)	6,743,675	1,303,544
Compensated absences		791,094	678,063	(686,208)	782,949	677,631
Claims and judgments		1,064,318	935,941	(363,378)	1,636,881	1,636,881
Net pension liability		13,287,649	905,021	(16,897)	14,175,773	
Other postemployment benefits		5,778,875	206,489	(70,551)	5,914,813	
Total Governmental Long-Term Liabilities		26,882,113	8,139,759	(5,767,781)	29,254,091	<u>\$ 3,618,056</u>
Less: Amount due within one year		(2,322,475)			(3,618,056)	
Total Governmental Long-Term Liabilities, Net		<u>\$ 24,559,638</u>	<u>\$ 8,139,759</u>	<u>\$ (5,767,781)</u>	<u>\$ 25,636,035</u>	

The Municipal Asset Management, Inc. lease is reported in the Fleet Internal Service Fund, so no principal payment expense is reported in governmental funds for payments on the lease.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM LIABILITIES (Continued)

	Original Amount	Balance June 30, 2020	Additions	Retirements	Balance June 30, 2021	Current Portion
<u>Business-type Activities</u>						
State of California Davis-Grunsky Loan 2.5%, due 12/31/27	\$ 2,050,000	\$ 571,454		\$ (68,666)	\$ 502,788	\$ 70,382
State Water Resources Control Board, State Revolving Fund Loan 2.7%, due 07/15/22	10,859,470	2,110,655		(684,893)	1,425,762	703,385
Bank of America Lease-Purchase ENGIE 1.79%, due 06/01/36	5,209,209		\$ 4,460,412		4,460,412	227,876
Municipal Finance - Inc. Financed Purchase Lease - 3.55% due 07/06/22	2,004,200	609,343		(300,812)	308,531	308,531
Total direct borrowings and direct placements		3,291,452		(1,054,371)	6,697,493	1,310,174
Add: Unamortized interest on						
Davis-Grunsky Loan		95,862		(11,514)	84,348	
Compensated absences		191,914	182,361	(89,342)	284,933	153,315
Net pension liability		2,309,939	316,475		2,626,414	
Other postemployment benefits		1,095,573	124,728		1,220,301	
Total Business-type Long-Term Liabilities		6,984,740	623,564	(1,155,227)	10,913,489	\$1,463,489
Less: Amount due within one year		(1,233,603)			(1,463,489)	
Total Business-type Activity Liabilities		\$ 5,751,137	\$ 623,564	\$ (1,155,227)	\$ 9,450,000	

All agreements below represent direct borrowings or direct placements.

2012 Refunding Facilities Lease Financing

The City's Financing Authority authorized \$2,222,000 of 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 \$4,101. Principal is due each June 1 and December 1, through June 1, 2021 in the amount of \$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. The lease was paid off during the year ended June 30, 2021.

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 \$280,000 to \$455,000 and semi-annual interest payments of \$10,329 to \$98,064 through May 1, 2032, which includes interest at 4.54%. The cost of the asset was \$6,804,780 and accumulated depreciation was \$3,175,564 at June 30, 2021. 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%. The lease was refunded during the year ended June 30, 2021.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM LIABILITIES (Continued)

2020 City Hall Site Lease

In October 2020, the Financing Authority entered into a site lease agreement in the amount of \$4,569,064 in order to terminate the 2007 Lease Financing and restructure the lease payments. The terms of the lease require semi-annual principal payments of \$185,202 to \$231,828 commencing on November 1, 2023, and semi-annual interest payments of \$2,492 to \$53,756 commencing on May 1, 2021, through May 1, 2034, which includes interest at 2.6%. The cost and accumulated depreciation of the City Hall was \$6,804,780 and \$3,175,564 at June 30, 2021. 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.

ENGIE Lease Purchase Agreement

In May 2020, the City entered into a lease purchase arrangement with a bank in the amount of \$5,209,209 for equipment upgrades, replacements and installation to provide energy savings for the City. Debt service will be funded from the revenue of the General Fund, Fire District Fund, Water Fund, and Wastewater Fund. \$15,354 of accrued interest was added to the principal balance by the lender after issuance during 2021. The contracts were split between governmental activities and business-type activities based on the proportion of future contract obligations. The contract rate is 1.79%. Monthly principal and interest payments ranging from \$28,975 to \$41,144 are due on the first of each month from July 1, 2021 to June 1, 2036. The undepreciated cost of the leased assets included in construction in progress was \$4,758,900 at June 30, 2021. In the event of default, the agreement may be terminated and the equipment may be repossessed and 1% will be added to the interest rate.

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 \$289,132 at June 30, 2021. 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.

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 streetlight 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 had previously assumed the liability carried no interest. However, during the year ended June 30, 2021, the City determined the agreement carried interest of 5% and accrued interest of \$665,947 at June 30, 2021. The City also determined a payment of \$179,796 made in fiscal year 2014 should have been applied to accrued interest instead of principal and increased the principal amount due by the same amount. See the restatement disclosed in Note O. The City is expected to repay the payable during 2021.

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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM LIABILITIES (Continued)

Interest payments are due each July 1 and January 1 with the final payment due December 31, 2027, ranging from \$659 to \$7,182. Principal payments are due each January 1 with a final payment due December 31, 2027, ranging from \$53,204 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 the levy and collection of taxes or assessments to pay 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 the levy and collection of taxes or assessments to pay amounts due under the agreement.

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 wastewater 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 \$1,510,666 at June 30, 2021. In the event of default, all unpaid principal and interest may be declared immediately due and payable. The default interest rate is 8%.

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
2022	\$ 76,856	\$ 17,856	\$ 1,310,174	\$ 134,956
2023	76,046	16,101	1,012,856	104,291
2024	451,184	110,553	308,252	78,945
2025	428,017	100,626	326,856	72,765
2026	437,183	91,543	333,726	66,335
2027-2031	2,346,811	313,716	1,577,578	234,603
2032-2036	1,700,890	67,932	1,828,051	87,160
Totals	<u>\$ 5,516,987</u>	<u>\$ 718,327</u>	<u>\$ 6,697,493</u>	<u>\$ 779,055</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 \$552,247 and total principal and interest remaining on the Wastewater Fund loan through 2023 is \$1,425,762. For fiscal year 2021, the principal and interest paid by the Water and Wastewater funds for these loans was \$82,953 and \$741,882, respectively. The Water Fund and the Wastewater Funds had net revenue of \$5,941,608 and \$2,228,165, respectively, in fiscal year 2021.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE G – LONG-TERM LIABILITIES (Continued)

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986 is subject to arbitrage rebate requirements, which 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, 2021.

Special Assessment Debt Without City Commitment

At June 30, 2021, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

LaVigne AD 2013 Reassessment Revenue Refunding Loan	\$ 3,924,200
American Canyon Road East AD Refunding Revenue Bonds, Series 2015	10,525,000
Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Revenue Bonds, Series 2020	5,165,000

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 Custodial Fund transactions in the financial statements.

NOTE H – NET POSITION AND FUND BALANCES

Net Position: Net position is the excess of the City's assets and deferred outflows of resources over its liabilities and deferred inflows of resources. Net Position is segregated into the following categories at the government-wide and proprietary fund level:

Net investment in capital assets: This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balance of debt that is 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 consists of a fund's assets and deferred outflows of resources over liabilities and deferred inflows of resources..

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

following order: Restricted, committed, assigned, and unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

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

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

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

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

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

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

The Fire District Board has established a contingency reserve which may only be used in the event the City experiences a 10% reduction in the operations fund property tax revenue or in the event of a declared emergency as defined by Health and Safety Code §13901. The reserve may also 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

	General	Fire District Operations Special Revenue	CDBG, CalHome and HOME Loan Development Special Revenue	State and Federal Grants - City Special Revenue	City Capital Projects	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	26,007							26,007
Total Nonspendable	438,510							438,510
Restricted:								
Public safety								
Fire District capital acquisition						\$ 872,227		872,227
Vehicle enforcement	137,378							137,378
Other		\$ 17,355					10,541	27,896
Public works								
Capital projects				\$ 219,437		6,643,279		6,862,716
Non-capital projects						3,455,286		3,455,286
Landscaping and lighting districts						2,719,812		2,719,812
Storm drain						7,036,224		7,036,224
Community development, planning and building	331,394		\$ 14,151		\$ 262,010		73,273	680,828
Parks								
La Vigne Open Space							177,618	177,618
Newell Park Open Space							237,030	237,030
Other							1,254,070	1,254,070
Other activities	60,089						100,786	160,875
Total Restricted	528,861	17,355	14,151	219,437	262,010	22,580,146		23,621,960
Committed:								
Contingency	4,868,667	1,285,478						6,154,145
Capital projects	1,518,360							1,518,360
Total Committed	6,387,027	1,285,478						7,672,505
Assigned:								
Economic development	1,000,000							1,000,000
General plan update							225,232	225,232
Fire operations		4,550,905						4,550,905
Total Assigned	1,000,000	4,550,905					225,232	5,776,137
Unassigned:								
	3,850,226			\$ (618,602)			(10,382)	3,221,242
Total Fund Balance	\$ 12,204,624	\$ 5,853,738	\$ 14,151	\$ (618,602)	\$ 219,437	\$ 262,010	\$ 22,794,996	\$ 40,730,354

Net Position and Fund Equity Deficits

The State and Federal Grants – City Special Revenue Fund, Recycled Water Enterprise Fund, Cannabis Other Special Revenue Fund, and Legal Internal Service Fund had deficit fund balances or net position of \$618,602, \$872,433, \$10,382 and \$103,417, respectively, at June 30, 2021. The deficit in the State and Federal Grants – City Special Revenue Fund was due to unavailable revenue that will be recognized in the subsequent year. The remaining deficits are expected to be covered by future grants, fees or charges for services in these funds.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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 statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE J – PENSION PLAN (Continued)

The Plan’s provisions and benefits in effect at June 30, 2021, are summarized as follows:

	City		
	City	City	Fire Protection
	<u>Miscellaneous</u>	<u>PEPRA</u> <u>Miscellaneous</u>	<u>Miscellaneous</u>
	Prior to	On or after	Prior to
	<u>January 1, 2013</u>	<u>January 1, 2013</u>	<u>January 1, 2013</u>
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%	7.25%	8.00%
Required employer contribution rates	11.746%	7.874%	7.960%
	<u>Safety Fire</u> <u>First Tier</u>	<u>Safety Fire</u> <u>Second Tier</u>	<u>Safety Fire</u> <u>PEPRA</u>
	January 1, 1965 to	On or after	On or after
	<u>May 5, 2010</u>	<u>May 5, 2010</u>	<u>January 1, 2013</u>
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%	13.00%
Required employer contribution rates	23.674%	21.746%	13.044%

Beginning June 29, 2019, the City and its General and Mid-Management bargaining units agreed the employees would reimburse 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. The employee reimbursement percentage was amended to 4.855% and 5% of the employer contribution on June 27, 2020 and October 5, 2021, respectively.

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE J – PENSION PLAN (Continued)

For the year ended June 30, 2021, the contributions paid to Plan were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
Contributions - employer	\$ 1,099,634	\$ 874,486	\$ 24,560	\$ 1,998,680

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2021, 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	\$ 8,529,197
Fire Safety Risk Pool	8,218,591
Fire Miscellaneous Risk Pool	<u>54,399</u>
Total Net Pension Liability	<u>\$16,802,187</u>

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, 2020, 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, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each risk pool as of June 30, 2021 and 2020 were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool
Proportion - June 30, 2020	0.19697%	0.12236%	0.00129%
Proportion - June 30, 2021	0.20221%	0.12336%	0.00178%
Change - increase (decrease)	-0.00524%	-0.00100%	-0.00049%

For the year ended June 30, 2021, the City recognized pension expense of \$1,808,986, \$1,466,645, \$2,534 and \$3,278,165 for the City Miscellaneous Risk Pool, Fire Safety Risk Pool, Fire Miscellaneous Risk Pool and in total for the Plan, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE J – PENSION PLAN (Continued)

City Miscellaneous Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,099,634	
Differences between actual and expected experience	439,535	
Changes in assumptions		\$ (60,834)
Change in employer's proportion	203,217	(10,091)
Differences between the employer's contribution and the employer's proportionate share of contributions	2,314	(228,538)
Net differences between projected and actual earnings on plan investments	253,373	
Total	\$ 1,998,073	\$ (299,463)
Fire Safety Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 874,486	
Differences between actual and expected experience	637,310	
Changes in assumptions		\$ (27,376)
Change in employer's proportion	58,381	(3,755)
Differences between the employer's contribution and the employer's proportionate share of contributions	5,264	(55,089)
Net differences between projected and actual earnings on plan investments	178,625	
Total	\$ 1,754,066	\$ (86,220)
Fire Miscellaneous Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 24,560	
Differences between actual and expected experience	2,803	
Changes in assumptions		\$ (387)
Change in employer's proportion		(26,873)
Differences between the employer's contribution and the employer's proportionate share of contributions	32,148	
Net differences between projected and actual earnings on plan investments	1,616	
Total	\$ 61,127	\$ (27,260)
Total for Plan	\$ 3,813,266	\$ (412,943)

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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
2022	\$ 80,719	\$ 197,765	\$ 2,776	\$ 281,260
2023	220,615	299,328	3,510	523,453
2024	176,119	206,765	2,245	385,129
2025	121,523	89,502	776	211,801
	<u>\$ 598,976</u>	<u>\$ 793,360</u>	<u>\$ 9,307</u>	<u>\$ 1,401,643</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, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Payroll growth	2.75%
Projected salary increase	0.4% - 8.5% Miscellaneous and 0.97% to 17.0% Safety (1)
Investment rate of return	7.15% (2)
Mortality	Derived using CalPERS membership data for all funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website. All other actuarial assumptions used in the valuations were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be found on CalPERS' website under Forms and Publications.

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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE J – PENSION PLAN (Continued)

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%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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	\$13,534,428	\$12,154,271	\$ 54,399	\$25,743,098
Current discount rate	7.15%	7.15%	7.15%	7.15%
Net pension liability	\$ 8,529,197	\$ 8,218,591	\$ 54,399	\$16,802,187
1% increase	8.15%	8.15%	8.15%	8.15%
Net pension liability	\$ 4,393,532	\$ 4,988,994	\$ 54,399	\$ 9,436,925

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, 2021, the City had contributions payable to the City Miscellaneous and Fire Safety Risk Pools of \$44,626 and \$15,210, 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 July 2016 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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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 in or after July 2016 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 City, 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 2020, the caps were \$767 for retiree only coverage, \$1,461 for the retiree plus one dependent and \$1,868 for the retiree plus 2 or more dependents.

Employees Covered by Benefit Terms: At the June 30, 2019 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	31	12
Inactive employees entitled to but not yet receiving benefit payments	13	
Active employees	<u>76</u>	<u>20</u>
Total	<u><u>120</u></u>	<u><u>32</u></u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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 Memorandums 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, 2021, the City’s direct payments of insurance premiums were \$322,281, implicit subsidy was \$125,138 and cash contributions to the trust were \$365,219, resulting in total contributions of \$812,638. During the fiscal year ended June 30, 2021, the Fire District’s direct payments of insurance premiums were \$243,597, implicit subsidy was \$90,835 and cash contributions to the trust were \$177,327, resulting in total contributions of \$511,759. 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, 2020, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2019.

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, 2019	June 30, 2019
Measurement date	June 30, 2020	June 30, 2020
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	6.95%	7.05%
Inflation	2.50%	2.75%
Salary increases	3.00%	3.25%
Investment rate of return	6.95%	7.05%
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	5.4% grading down to 4% in 2076	6.5% grading down to 5% in 2025
Assumed HMO/PPO split	Not specified	Not specified
Percentage electing to cover spouse	60% for employees hired before and 45% for employees hired on or after July 1, 2016;	85%

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Mortality information for the City and Fire Plans was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications. The City and Fire Plans mortality improvement was based on the MacLeod Watts Scale 2018.

The pre-retirement turnover information was developed based on CalPERS' specific data. For more details, please refer to the December 2017 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	59.0%	5.98%
Fixed income	25.0%	2.62%
Real estate investment trusts (REITs)	8.0%	5.00%
Treasury inflation protected securities (TIPS)	5.0%	1.46%
Commodities	3.0%	2.87%
Total	100.0%	

Discount Rate: The discount rate used to measure the total City and Fire District OPEB liabilities was 6.95% and 7.05%, respectively. The City discount rate remained at 6.95% and the Fire District discount rate was raised from 6.95% to 7.05%, from 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

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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, 2021:

City Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020	\$ 9,254,457	\$ 5,225,898	\$ 4,028,559
Changes in the year:			
Service cost	429,075		429,075
Interest	657,168		657,168
Difference between expected and actual experience			-
Changes in assumptions			-
Contributions - employer		571,500	(571,500)
Net investment income		186,101	(186,101)
Administrative expenses		(2,575)	2,575
Benefit payments	(455,763)	(455,763)	
Net changes	630,480	299,263	331,217
Balance at June 30, 2021	\$ 9,884,937	\$ 5,525,161	\$ 4,359,776

Fire Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020	\$ 5,507,481	\$ 2,661,592	\$ 2,845,889
Changes in the year:			
Service cost	230,045		230,045
Interest	388,764		388,764
Difference between expected and actual experience			-
Changes in assumptions	(72,183)		(72,183)
Contributions - employer		517,331	(517,331)
Net investment income		101,238	(101,238)
Administrative expenses		(1,392)	1,392
Benefit payments	(287,603)	(287,603)	
Net changes	259,023	329,574	(70,551)
Balance at June 30, 2021	\$ 5,766,504	\$ 2,991,166	\$ 2,775,338
Total City and Fire Plans	\$ 15,651,441	\$ 8,516,327	\$ 7,135,114

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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 5.95%	Current Discount Rate 6.95%	1% Increase 7.95%
Net OPEB liability - City Plan	\$ 5,677,994	\$ 4,359,776	\$ 3,272,668

	1% Decrease 6.05%	Current Discount Rate 7.05%	1% Increase 8.05%
Net OPEB liability - Fire Plan	\$ 3,570,640	\$ 2,775,338	\$ 2,130,673

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	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability - City Plan	\$ 3,121,361	\$ 4,359,776	\$ 5,887,716

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability - Fire Plan	\$ 2,063,288	\$ 2,775,338	\$ 3,661,824

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: For the year ended June 30, 2021, the City and Fire District recognized OPEB expense of \$813,414 and \$291,896, respectively, for a total OPEB expense of \$1,105,310.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

At June 30, 2021, 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	\$ 812,638	
Differences between actual and expected experience		\$ (305,835)
Changes in assumptions	698,055	
Net differences between projected and actual earnings on plan investments	<u>147,704</u>	
Total - City Plan	<u>\$ 1,658,397</u>	<u>\$ (305,835)</u>
Fire Plan		
OPEB contributions subsequent to measurement date	\$ 511,759	
Differences between actual and expected experience		\$ (1,032,077)
Changes in assumptions	259,088	(64,063)
Net differences between projected and actual earnings on plan investments	<u>70,265</u>	
Total - Fire Plan	<u>\$ 841,112</u>	<u>\$ (1,096,140)</u>
Total - City and Fire Plans	<u>\$ 2,499,509</u>	<u>\$ (1,401,975)</u>

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

Year Ended			
June 30	<u>City Plan</u>	<u>Fire Plan</u>	<u>Total</u>
2022	\$ 91,727	\$ (132,612)	\$ (40,885)
2023	113,087	(121,061)	(7,974)
2024	115,909	(117,756)	(1,847)
2025	105,523	(122,046)	(16,523)
2026	69,316	(121,728)	(52,412)
Thereafter	<u>44,362</u>	<u>(151,584)</u>	<u>(107,222)</u>
	<u>\$ 539,924</u>	<u>\$ (766,787)</u>	<u>\$ (226,863)</u>

Payable to the OPEB Plan: At June 30, 2021, there were no significant payables to the OPEB plans.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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 \$5.0 million with excess liability coverage through commercial carriers of \$25.0 million, for total coverage of \$30 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 garage keepers 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 June 30, 2021</u>	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
Unpaid claims, beginning of fiscal year	\$ 1,064,318	\$ 724,016	\$ 723,936
Incurred claims (including IBNRs)	935,941	501,074	217,917
Claim payments	<u>(363,378)</u>	<u>(160,772)</u>	<u>(217,837)</u>
Unpaid claims, end of fiscal year	<u>\$ 1,636,881</u>	<u>\$ 1,064,318</u>	<u>\$ 724,016</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

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

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak and related state and local shelter-in-place orders are disrupting supply chains and affecting production and sales across a range of industries. The City has lost a significant amount of revenue due to this pandemic and has responded by reducing spending. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on customers, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain.

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, 2021 was approximately \$1.7 million, of which \$634,000 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.

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. As of June 30, 2021, \$76,282 has been spent on this project.

The City has a contractual relationship with Sites Project Authority (the Authority), which is developing the Sites Reservoir Project (the Project) in the Sacramento Valley. The Project is an off-river reservoir that would capture excess water from major storms to save for drier periods. Under the 2019 Reservoir Project Agreement, as amended, the City has agreed to pay its proportional share of yearly budgeted Authority operating costs for approved phases of the Project. The City currently has a participation of 4,000 acre-feet, resulting in a percentage participation in the Project of 2.39%, which could change based on State of California and United States Bureau of Reclamation final

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021

NOTE M – OTHER COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

participation in the Project. Participation results in rights to a “Storage Allocation” in the Project and proportional rights to any future power generation revenue developed. The Storage Allocation may be transferred by the City with the written consent of Authority members, which may not be unreasonably withheld. During the year ended June 30, 2021, the City contributed \$400,000 to the Authority, which is reported as a non-depreciable asset in the City’s Water Fund.

NOTE N – SUBSEQUENT EVENTS

In June 2021 the City was awarded a Federal Coronavirus Local Fiscal Recovery Fund allocation from the American Rescue Plan Act in the amount of approximately \$4.9 million that may be used for eligible costs incurred from March 3, 2021 to December 31, 2024. The funds will be received in two yearly installments of approximately \$2.45 million beginning in July 2021. The funds may be used: 1) to respond to the COVID-19 public health emergency and support activities to decrease the spread of the virus; 2) address negative economic impacts caused by the public health emergency including assistance to households, small businesses, nonprofits, or to provide aid to impacted industries such as tourism, travel, and hospitality; 3) replace lost public sector revenue to the extent of the reduction in revenue was experienced due to the pandemic; 4) provide premium pay to eligible workers or grants to employers of workers who perform essential work during the public health emergency; and 5) invest in water, sewer, and broadband infrastructure.

In September 2021, the Council approved the purchase of vehicles and equipment totaling \$866,876 for the Maintenance and Utilities Department.

NOTE O – RESTATEMENTS

During the year ended June 30, 2021, the Council implemented GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this Statement, the City’s former Agency Funds were reclassified as Custodial Funds. Agency Funds do not report net position as do Custodial Funds. Consequently, the July 1, 2020 Custodial Fund net position was established with a restatement. As a result, the July 1, 2020 Custodial Fund net position increased by \$9,124,333.

The City determined capital assets were understated by \$1,545,178 during the year ended June 30, 2021 after a thorough review of capital asset records. As a result, government-wide capital assets and net position increased by \$1,545,178 at July 1, 2020.

The City determine interest on a cost reimbursement payable for a streetlight should have been accrued at an interest rate of 5%. Also, a payment of \$179,796 previously recorded as a reduction principal should have been recorded as a reduction of accrued interest. As a result, the accrued interest payable and cost reimbursement payable were understated by \$604,612 and \$179,796, respectively, and the government-wide net position was overstated by \$784,408 at July 1, 2020. To correct this error, governmental activities accrued interest payable, long-term liabilities and net position were increased by \$604,612 and \$179,796 and \$784,408, respectively at July 1, 2020.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	\$ 11,385,500	\$ 11,721,000	\$ 11,317,124	\$ (403,876)
Sales taxes	2,200,000	2,580,200	2,848,231	268,031
Other taxes	2,027,400	1,728,300	1,804,928	76,628
Fines and forfeitures	49,000	63,700	72,791	9,091
Licenses and permits	523,800	563,600	585,340	21,740
Intergovernmental	73,000	87,600	114,449	26,849
Charges for services	839,960	800,200	1,156,529	356,329
Use of money and property	439,000	614,100	89,968	(524,132)
Other	381,400	551,700	349,715	(201,985)
TOTAL REVENUES	<u>17,919,060</u>	<u>18,710,400</u>	<u>18,339,075</u>	<u>(371,325)</u>
EXPENDITURES				
Current:				
General government	5,845,020	5,788,050	5,312,379	475,671
Public safety	7,395,650	7,371,800	7,346,218	25,582
Public works	2,337,665	2,237,020	1,813,887	423,133
Community development	1,484,230	1,518,000	1,569,975	(51,975)
Parks and recreation	2,834,150	3,045,980	2,794,202	251,778
Storm drain	451,450	413,500	359,470	54,030
Capital outlay	97,000	87,000	29,107	57,893
TOTAL EXPENDITURES	<u>20,445,165</u>	<u>20,461,350</u>	<u>19,225,238</u>	<u>1,236,112</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,526,105)</u>	<u>(1,750,950)</u>	<u>(886,163)</u>	<u>864,787</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	10,000	10,000	10,000	
Other source	30,000		11,456	11,456
Transfers in	2,513,600	2,378,600	2,632,514	253,914
Transfers out	(491,600)	(491,600)	(354,316)	137,284
TOTAL OTHER FINANCING SOURCES AND USES	<u>2,062,000</u>	<u>1,897,000</u>	<u>2,299,654</u>	<u>402,654</u>
NET CHANGE IN FUND BALANCE	(464,105)	146,050	1,413,491	1,267,441
Fund balance, beginning of year	10,791,133	10,791,133	10,791,133	
FUND BALANCE, END OF YEAR	<u>\$ 10,327,028</u>	<u>\$ 10,937,183</u>	<u>\$ 12,204,624</u>	<u>\$ 1,267,441</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire District Operations Special Revenue Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 192,800	\$ 4,801,513	\$ 4,779,364	\$ (22,149)
Other taxes	655,924	655,924	688,645	32,721
Intergovernmental		189,000	189,000	
Charges for services	256,700	1,033,700	1,068,760	35,060
Use of money and property	109,321	109,657	(860)	(110,517)
Other	55,000	55,000	216,062	161,062
TOTAL REVENUES	<u>1,269,745</u>	<u>6,844,794</u>	<u>6,940,971</u>	<u>96,177</u>
EXPENDITURES				
Current:				
Public safety	6,338,631	7,204,046	6,453,537	750,509
Capital outlay	48,000	278,564	810,645	(532,081)
TOTAL EXPENDITURES	<u>6,386,631</u>	<u>7,482,610</u>	<u>7,264,182</u>	<u>218,428</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES				
	<u>(5,116,886)</u>	<u>(637,816)</u>	<u>(323,211)</u>	<u>314,605</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	587,652	250,000	(337,652)
TOTAL OTHER FINANCING SOURCES AND USES	<u>200,000</u>	<u>587,652</u>	<u>250,000</u>	<u>(337,652)</u>
NET CHANGE IN FUND BALANCE				
	(4,916,886)	(50,164)	(73,211)	(23,047)
Fund balance, beginning of year	<u>5,926,949</u>	<u>5,926,949</u>	<u>5,926,949</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,010,063</u>	<u>\$ 5,876,785</u>	<u>\$ 5,853,738</u>	<u>\$ (23,047)</u>

CITY OF AMERICAN CANYON
Schedule 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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 1,100,000	\$ 50,000	\$ 211,442	\$ 161,442
Use of money and property	2,000	900	(131)	(1,031)
Other	4,500	51,200	3,269	(47,931)
TOTAL REVENUES	<u>1,106,500</u>	<u>102,100</u>	<u>214,580</u>	<u>112,480</u>
EXPENDITURES				
Current:				
Community development	1,151,260	540,600	171,131	369,469
TOTAL EXPENDITURES	<u>1,151,260</u>	<u>540,600</u>	<u>171,131</u>	<u>369,469</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(44,760)</u>	<u>(438,500)</u>	<u>43,449</u>	<u>481,949</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			9,455	(9,455)
TOTAL OTHER FINANCING SOURCES AND USES			<u>9,455</u>	<u>(9,455)</u>
NET CHANGE IN FUND BALANCE	(44,760)	(438,500)	52,904	491,404
Fund balance, beginning of year	<u>(38,753)</u>	<u>(38,753)</u>	<u>(38,753)</u>	
FUND BALANCE, END OF YEAR	<u>\$ (83,513)</u>	<u>\$ (477,253)</u>	<u>\$ 14,151</u>	<u>\$ 491,404</u>

CITY OF AMERICAN CANYON
Schedule 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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 7,532,546	\$ 7,794,700	\$ 1,100,570	\$ (6,694,130)
TOTAL REVENUES	7,532,546	7,794,700	1,100,570	(6,694,130)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,532,546	7,794,700	1,100,570	(6,694,130)
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,532,546)	(7,532,700)	(1,307,341)	6,225,359
TOTAL OTHER FINANCING SOURCES AND USES	(7,532,546)	(7,532,700)	(1,307,341)	6,225,359
NET CHANGE IN FUND BALANCE		262,000	(206,771)	(468,771)
Fund balance, beginning of year	(411,831)	(411,831)	(411,831)	
FUND BALANCE, END OF YEAR	\$ (411,831)	\$ (149,831)	\$ (618,602)	\$ (468,771)

CITY OF AMERICAN CANYON
Required Supplementary Information
For the Year Ended June 30, 2021

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.20221%	0.19697%	0.19312%	0.19133%	0.18829%	0.19150%	0.20960%
Proportionate share of the net pension liability	\$ 8,529,197	\$ 7,887,778	\$ 7,278,267	\$ 7,542,231	\$ 6,540,954	\$ 5,334,328	\$ 5,166,818
Covered payroll - measurement period	\$ 6,383,583	\$ 5,876,867	\$ 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	133.61%	134.22%	121.44%	126.14%	120.74%	103.43%	102.06%
Plan fiduciary net position as a percentage of the total pension liability	77.32%	77.41%	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, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 1,099,634	\$ 1,072,824	\$ 990,170	\$ 918,516	\$ 903,780	\$ 816,543	\$ 737,934
Contributions in relation to the actuarially determined contributions	(1,099,634)	(1,072,824)	(990,170)	(918,516)	(903,780)	(816,543)	(737,934)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - employer fiscal year	\$ 5,771,318	\$ 6,383,583	\$ 5,876,867	\$ 5,993,406	\$ 5,979,018	\$ 5,417,416	\$ 5,157,279
Contributions as a percentage of covered payroll	19.05%	16.81%	16.85%	15.33%	15.12%	15.07%	14.31%
Valuation date for contribution rates:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date for financial reporting:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2020	June 30, 2019	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 cost method
Amortization method								Level percentage of payroll, closed
Remaining amortization period								Varies, not more than 30 years
Asset valuation method								Market value
Inflation	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases								Varies by entry age and service
Investment rate of return and discount rate	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%	7.50%
Retirement age								50-67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.
Mortality								Most recent CalPERS Experience Study

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
Required Supplementary Information
For the Year Ended June 30, 2021

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.12336%	0.12236%	0.12252%	0.12085%	0.12357%	0.12520%	0.11999%
Proportionate share of the net pension liability	\$ 8,218,591	\$ 7,638,514	\$ 7,189,025	\$ 7,220,857	\$ 6,399,934	\$ 5,159,412	\$ 4,500,491
Covered payroll - measurement period	\$ 2,023,975	\$ 1,891,216	\$ 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	406.06%	403.89%	394.10%	371.37%	419.70%	343.61%	280.16%
Plan fiduciary net position as a percentage of the total pension liability	71.64%	72.20%	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, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 874,486	\$ 1,007,896	\$ 881,120	\$ 781,173	\$ 712,349	\$ 622,420	\$ 549,070
Contributions in relation to the actuarially determined contributions	(874,486)	(1,007,896)	(881,120)	(781,173)	(712,349)	(622,420)	(549,070)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 1,825,049	\$ 2,023,975	\$ 1,891,216	\$ 1,824,180	\$ 1,944,380	\$ 1,524,899	\$ 1,501,544
Contributions as a percentage of covered payroll	47.92%	49.80%	46.59%	42.82%	36.64%	40.82%	36.57%
Valuation date for contribution rates:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date for financial reporting:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2020	June 30, 2019	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 cost method		
Amortization method					Level percentage of payroll, closed		
Remaining amortization period					Varies, not more than 30 years		
Asset valuation method					Market value		
Inflation	2.50%	2.625%	2.75%		2.75%	2.75%	2.75%
Salary increases					Varies by entry age and service		
Investment rate of return and discount rate	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50-57 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.						
Mortality	Most recent CalPERS Experience Study						

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
Required Supplementary Information
For the Year Ended June 30, 2021

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.00129%	0.00178%	0.00233%	0.00232%	0.00270%	0.00304%	0.00294%
Proportionate share of the net pension liability	\$ 54,399	\$ 71,296	\$ 87,920	\$ 91,294	\$ 93,760	\$ 83,520	\$ 72,565
Covered payroll - measurement period	\$ 27,107	N/A	N/A	N/A	N/A	N/A	N/A
Proportionate share of the net pension liability as a percentage of covered payroll	200.68%	N/A	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%	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 did not have active employees from 2015 - 2019, so there was no covered payroll during those fiscal years.

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

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined) - employer fiscal year	\$ 24,560	\$ 20,740	\$ 18,930	\$ 19,016	\$ 6,602	\$ 6,056	\$ 5,443
Contributions in relation to the actuarially determined contributions	(24,560)	(20,740)	(18,930)	(19,016)	(6,602)	(6,056)	(5,443)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll - fiscal year	\$ 73,720	\$ 27,107	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	33.32%	76.51%	N/A	N/A	N/A	N/A	N/A
Valuation date for contribution rates:	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Valuation date for financial reporting:	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date:	June 30, 2020	June 30, 2019	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 cost method						
Amortization method	Level percentage of payroll, closed						
Remaining amortization period	Varies, not more than 30 years						
Asset valuation method	Market value						
Inflation	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	Varies by entry age and service						
Investment rate of return and discount rate	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age	50-67 years. Probabilities of retirement are based on the most recent CalPERS Experience Study.						
Mortality	Most recent CalPERS Experience Study						

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
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios - City Plan
For the Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 429,075	\$ 335,883	\$ 326,100	\$ 326,100
Interest	657,168	602,996	553,400	519,700
Changes in assumptions		945,591		
Differences between expected and actual experience		(416,017)	2,700	
Benefit payments	(455,763)	(390,596)	(351,400)	(407,000)
Net change in total OPEB liability	630,480	1,077,857	530,800	438,800
Total OPEB liability - beginning	9,254,457	8,176,600	7,645,800	7,207,000
Total OPEB liability - ending (a)	<u>\$ 9,884,937</u>	<u>\$ 9,254,457</u>	<u>\$ 8,176,600</u>	<u>\$ 7,645,800</u>
Plan fiduciary net position				
Contributions - employer	\$ 571,500	\$ 576,296	\$ 693,900	\$ 673,700
Net investment income	186,101	300,131	322,826	366,285
Benefit payments	(455,763)	(390,596)	(351,400)	(407,000)
Administrative expenses	(2,575)	(1,033)	(2,126)	(1,785)
Net change in plan fiduciary net position	299,263	484,798	663,200	631,200
Plan fiduciary net position - beginning	5,225,898	4,741,100	4,077,900	3,446,700
Plan fiduciary net position - ending (b)	<u>\$ 5,525,161</u>	<u>\$ 5,225,898</u>	<u>\$ 4,741,100</u>	<u>\$ 4,077,900</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 4,359,776</u>	<u>\$ 4,028,559</u>	<u>\$ 3,435,500</u>	<u>\$ 3,567,900</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>55.89%</u>	<u>56.47%</u>	<u>57.98%</u>	<u>53.34%</u>

Notes to Schedule:

Valuation date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Benefit changes:	None	None	None	None
Changes in assumptions:				
Discount rate changes	6.95%	6.95%	7.25%	7.25%
Health care trend changes:				
Initial rate	5.40%	5.40%	Various	Various
Trends down to	4.00%	4.00%	4.00%	4.00%
In year	2076	2076	2030	2030

Note: The OPEB contributions are not based on a measure of payroll so the disclosures related to covered payroll were removed in accordance with GASB Statement No. 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.

CITY OF AMERICAN CANYON
Required Supplementary Information (Unaudited)
Schedule of Changes in the Net OPEB Liability and Related Ratios - Fire Plan
For the Year Ended June 30, 2021

	2021	2020	2019	2018
Total OPEB liability				
Service cost	\$ 230,045	\$ 226,062	\$ 210,881	\$ 146,079
Interest	388,764	417,289	393,002	413,368
Differences between expected and actual experience		(837,691)		(705,918)
Changes in assumptions	(72,183)	184,537	126,927	60,313
Benefit payments	(287,603)	(267,920)	(266,215)	(250,572)
Net change in total OPEB liability	259,023	(277,723)	464,595	(336,730)
Total OPEB liability - beginning	5,507,481	5,785,204	5,320,609	5,657,339
Total OPEB liability - ending (a)	<u>\$ 5,766,504</u>	<u>\$ 5,507,481</u>	<u>\$ 5,785,204</u>	<u>\$ 5,320,609</u>
Plan fiduciary net position				
Contributions - employer	\$ 517,331	\$ 483,301	\$ 530,288	\$ 414,364
Net investment income	101,238	149,305	162,465	175,524
Benefit payments	(287,603)	(267,920)	(266,215)	(250,572)
Administrative and other expenses	(1,392)	(530)	(3,591)	(904)
Net change in plan fiduciary net position	329,574	364,156	422,947	338,412
Plan fiduciary net position - beginning	2,661,592	2,297,436	1,874,489	1,536,077
Plan fiduciary net position - ending (b)	<u>\$ 2,991,166</u>	<u>\$ 2,661,592</u>	<u>\$ 2,297,436</u>	<u>\$ 1,874,489</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 2,775,338</u>	<u>\$ 2,845,889</u>	<u>\$ 3,487,768</u>	<u>\$ 3,446,120</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>51.87%</u>	<u>48.33%</u>	<u>39.71%</u>	<u>35.23%</u>

Notes to Schedule:

Valuation date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Benefit changes:	None	None	None	None
Changes in assumptions:				
Discount rate changes	7.05%	6.95%	7.10%	7.28%
Health care trend changes:				
Initial rate	6.50%	6.50%	7.50%	8.00%
Trends down to	5.00%	5.00%	5.00%	5.00%
In year	2025	2025	2025	2024

Note: The OPEB contributions are not based on a measure of payroll so the disclosures related to covered payroll were removed in accordance with GASB Statement No. 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.

CITY OF AMERICAN CANYON
Required Supplementary Information (Unaudited)
Schedule of Contributions to the OBEP Plan - City Plan
Last Ten Fiscal Years
For the Year Ended June 30, 2021

	2021	2020	2019	2018
Actuarially determined contribution - employer fiscal year	\$ 812,638	\$ 571,500	\$ 576,700	\$ 582,400
Contributions in relation to the actuarially determined contributions	(812,638)	(571,500)	(578,522)	(692,000)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,822)</u>	<u>\$ (109,600)</u>

Notes to Schedule:

Valuation date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method			
Amortization method	Level percentage of payroll, closed			
Amortization period	30 years			
Asset valuation method	Market value of assets			
Discount rate	6.95%	6.95%	7.25%	7.25%
Inflation	2.50%	2.50%	Not stated	Not stated
Payroll growth	3.00%	3.00%	3.25%	3.25%
Investment rate of return	6.95%	6.95%	7.25%	7.25%
Healthcare cost-trend rate, initial	5.40%	5.40%	Varies	Varies
Healthcare trending down to	4.00%	4.00%	4.00%	4.00%
Retirement age	Most recent CalPERS Experience Study			
Mortality	Most recent CalPERS Experience Study			
Assumed HMO/PPO split	Not stated	Not stated	65%/35%	65%/35%
Percentage electing to cover spouse	(1)	(1)	60%	60%

(1) 60% for employees hired before July 1, 2016; 45% for employees hired on/after July 1, 2016

Note: The OPEB contributions are not based on a measure of payroll so the disclosures related to covered payroll were removed in accordance with GASB Statement No. 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.

CITY OF AMERICAN CANYON
Required Supplementary Information (Unaudited)
Schedule of Contributions to the OPEB Plan - Fire Plan
Last Ten Fiscal Years
For the Year Ended June 30, 2021

	2021	2020	2019	2018
Contractually determined contribution - employer fiscal year	\$ 467,573	\$ 507,998	\$ 492,634	\$ 457,056
Contributions in relation to the contractually determined contributions	(511,759)	(507,998)	(483,301)	(530,288)
Contribution deficiency (excess)	<u>\$ (44,186)</u>	<u>\$ -</u>	<u>\$ 9,333</u>	<u>\$ (73,232)</u>

Notes to Schedule:

Valuation date	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Measurement period - fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method			
Amortization method	Level percentage of payroll, closed			
Amortization period	30 years			
Asset valuation method	Market value of assets			
Discount rate	7.05%	6.95%	7.10%	7.28%
Inflation	2.75%	2.50%	2.75%	2.75%
Payroll growth	3.25%	3.00%	3.25%	3.25%
Investment rate of return	7.05%	7.05%	7.10%	7.28%
Healthcare trend, initial	6.50%	6.50%	7.50%	8.00%
Healthcare trending down to	5.00%	5.00%	5.00%	5.00%
Retirement age	Most recent CalPERS Experience Study			
Mortality	Most recent CalPERS Experience Study			
Percentage electing to cover spouse	85%	85%	85%	85%

Note: The OPEB contributions are not based on a measure of payroll so the disclosures related to covered payroll were removed in accordance with GASB Statement No. 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.

**SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON
MAJOR CAPITAL PROJECTS AND DEBT SERVICE FUNDS**

(This page intentionally left blank.)

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES				
Capital outlay	\$ 23,756,000	\$ 23,756,000	\$ 6,181,989	\$ 17,574,011
TOTAL EXPENDITURES	<u>23,756,000</u>	<u>23,756,000</u>	<u>6,181,989</u>	<u>17,574,011</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(23,756,000)</u>	<u>(23,596,000)</u>	<u>(6,181,989)</u>	<u>17,414,011</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>23,756,000</u>	<u>23,826,700</u>	<u>6,181,989</u>	<u>(17,644,711)</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>23,756,000</u>	<u>23,826,700</u>	<u>6,181,989</u>	<u>(17,644,711)</u>
NET CHANGE IN FUND BALANCE		230,700		(230,700)
Fund balance, beginning of year	<u>219,437</u>	<u>219,437</u>	<u>219,437</u>	
FUND BALANCE, END OF YEAR	<u><u>\$ 219,437</u></u>	<u><u>\$ 450,137</u></u>	<u><u>\$ 219,437</u></u>	<u><u>\$ (230,700)</u></u>

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 1,054,500	\$ 112,800	\$ 118,159	\$ 5,359
Use of money and property	13,500	6,500	837	(5,663)
Other			11,059	11,059
TOTAL REVENUES	<u>1,068,000</u>	<u>119,300</u>	<u>130,055</u>	<u>10,755</u>
EXPENDITURES				
Current:				
Community development	134,000	130,000	131,999	(1,999)
TOTAL EXPENDITURES	<u>134,000</u>	<u>130,000</u>	<u>131,999</u>	<u>(1,999)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>934,000</u>	<u>(10,700)</u>	<u>(1,944)</u>	<u>8,756</u>
NET CHANGE IN FUND BALANCE	934,000	(10,700)	(1,944)	8,756
Fund balance, beginning of year	<u>263,954</u>	<u>263,954</u>	<u>263,954</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,197,954</u>	<u>\$ 253,254</u>	<u>\$ 262,010</u>	<u>\$ 8,756</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Cabernet Village Lease Debt Service Fund
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 2,300	\$ 2,300		\$ (2,300)
TOTAL REVENUES	<u>2,300</u>	<u>2,300</u>		<u>(2,300)</u>
EXPENDITURES				
Current:				
Debt service:				
Principal	280,000		\$ 4,320,000	(4,320,000)
Interest and other charges	196,200	54,000	302,433	(248,433)
TOTAL EXPENDITURES	<u>476,200</u>	<u>54,000</u>	<u>4,622,433</u>	<u>(4,568,433)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(473,900)</u>	<u>(51,700)</u>	<u>(4,622,433)</u>	<u>(4,570,733)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt, net			4,569,064	4,569,064
Transfers in	476,200	53,800	53,369	(431)
TOTAL OTHER FINANCING SOURCES AND USES	<u>476,200</u>	<u>53,800</u>	<u>4,622,433</u>	<u>4,568,633</u>
NET CHANGE IN FUND BALANCE	2,300	2,100		(2,100)
Fund balance, beginning of year				
FUND BALANCE, END OF YEAR	<u>\$ 2,300</u>	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ (2,100)</u>

(This page intentionally left blank.)

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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.

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.

State and Federal Grants - Fire – Accounts for State and Federal Grants received for fire services.

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.

Community Facilities District – Accounts for resources accumulated from property owners for Community Facilities District maintenance.

General Plan Update – Accounts for fees collected for the purpose of updating the City's general plan to meet the demand of new development.

Legal Settlement – Accounts for legal settlements to be used for specific purposes or projects.

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

CAPITAL PROJECTS FUNDS

Utility Underground – Accounts for fees collected from developers in lieu of providing undergrounding of utilities.

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

DEBT SERVICE FUNDS

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

Engie City – Accounts for debt service on lease financing for the purchase of equipment for the City.

Engie Fire – Accounts for debt service on lease financing for the purchase of equipment for fire services.

CITY OF AMERICAN CANYON
Combining Balance Sheet
Other Governmental Funds
June 30, 2021

SPECIAL REVENUE FUNDS

	Storm Drainage	Measure T - Streets and Roads	Gas Tax	BEGIN Program	State Supplemental Law Enforcement
ASSETS					
Cash and investments	\$ 7,031,666	\$ 1,537,381	\$ 1,233,540	\$ 38,911	\$ 4,608
Restricted cash and investments					
Taxes receivable		722,542	37,655		
Accounts receivable, net					
Interest receivable	4,558	713	822		42
Due from other governments	4,408				63,372
Loans receivable, net				126,187	
TOTAL ASSETS	\$ 7,040,632	\$ 2,260,636	\$ 1,272,017	\$ 165,098	\$ 68,022
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ 206,357	\$ 8,928		
Due to other funds					
TOTAL LIABILITIES		206,357	8,928		
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	\$ 4,408	351,265		\$ 91,825	\$ 63,372
TOTAL DEFERRED INFLOWS OF RESOURCES	4,408	351,265		91,825	63,372
FUND BALANCES					
Restricted for:					
Public safety					4,650
Public works		1,703,014	1,263,089		
Debt service					
Storm drain projects	7,036,224				
Community development, planning and building				73,273	
Parks					
Other activities					
Assigned					
Unassigned					
TOTAL FUND BALANCES	7,036,224	1,703,014	1,263,089	73,273	4,650
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 7,040,632	\$ 2,260,636	\$ 1,272,017	\$ 165,098	\$ 68,022

SPECIAL REVENUE FUNDS

La Vigne Landscape and Lighting	La Vigne Open Space	Newell Park Open Space	State and Federal Grants - Fire	Zero Water Footprint SR	Cannabis	Community Facilities District	General Plan Update
\$ 2,727,144	\$ 181,273	\$ 236,876	\$ 5,891			\$ 66,971	\$ 225,089
4,771						1,656	
1,739	115	154					143
<u>\$ 2,733,654</u>	<u>\$ 181,388</u>	<u>\$ 237,030</u>	<u>\$ 5,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,627</u>	<u>\$ 225,232</u>
\$ 13,843	\$ 3,770					\$ 2,211	
13,843	3,770				\$ 10,382	2,211	
					10,382		
			\$ 5,891				
2,719,811						66,416	
	177,618	\$ 237,030					
							\$ 225,232
					(10,382)		
<u>2,719,811</u>	<u>177,618</u>	<u>237,030</u>	<u>5,891</u>		<u>(10,382)</u>	<u>66,416</u>	<u>225,232</u>
<u>\$ 2,733,654</u>	<u>\$ 181,388</u>	<u>\$ 237,030</u>	<u>\$ 5,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,627</u>	<u>\$ 225,232</u>

CITY OF AMERICAN CANYON
Combining Balance Sheet
Other Governmental Funds
June 30, 2021

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Legal Settlement</u>	<u>Total Other Governmental Special Revenue Funds</u>	<u>Fire Mitigation</u>	<u>Park Improvement</u>	<u>Traffic Impact</u>
ASSETS					
Cash and investments	\$ 422,500	\$ 13,711,850	\$ 871,136	\$ 1,253,274	\$ 4,597,144
Restricted cash and investments					
Taxes receivable		766,624			
Accounts receivable, net			305		
Interest receivable	268	8,554	786	796	2,921
Due from other governments		67,780			
Loans receivable, net		126,187			
TOTAL ASSETS	\$ 422,768	\$ 14,680,995	\$ 872,227	\$ 1,254,070	\$ 4,600,065
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ 235,109			\$ 560
Due to other funds		10,382			
TOTAL LIABILITIES		245,491			560
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue		510,870			
TOTAL DEFERRED INFLOWS OF RESOURCES		510,870			
FUND BALANCES					
Restricted for:					
Public safety		10,541	\$ 872,227		
Public works	\$ 422,768	6,175,098			4,599,505
Debt service					
Storm drain projects		7,036,224			
Community development, planning and building		73,273			
Parks		414,648		\$ 1,254,070	
Other activities					
Assigned		225,232			
Unassigned		(10,382)			
TOTAL FUND BALANCES	422,768	13,924,634	872,227	1,254,070	4,599,505
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 422,768	\$ 14,680,995	\$ 872,227	\$ 1,254,070	\$ 4,600,065

CAPITAL PROJECTS FUNDS					DEBT SERVICE FUNDS		
Infrastructure	Civic Facilities Capital Projects	Utility Underground	Zero Water Footprint CP	Total Other Governmental Capital Projects Funds	Lease Revenue Bonds	Engie City Debt Service	Engie Fire Debt Service
\$ 31,824	\$ 1,237,708	\$ 160,094	\$ 322,064	\$ 8,473,244			
290,884				290,884		\$ 64,597	\$ 36,189
				305			
20	873	102	205	5,703			
\$ 322,728	\$ 1,238,581	\$ 160,196	\$ 322,269	\$ 8,770,136	\$ -	\$ 64,597	\$ 36,189
				\$ 560			
				560			
				872,227			
\$ 322,728	\$ 1,238,581	\$ 160,196	\$ 322,269	6,643,279			
				1,254,070		\$ 64,597	\$ 36,189
322,728	1,238,581	160,196	322,269	8,769,576		64,597	36,189
\$ 322,728	\$ 1,238,581	\$ 160,196	\$ 322,269	\$ 8,770,136	\$ -	\$ 64,597	\$ 36,189

CITY OF AMERICAN CANYON
Combining Balance Sheet
Other Governmental Funds
June 30, 2021

	<u>Total Other Governmental Debt Service Funds</u>	<u>Total Other Governmental Funds</u>
ASSETS		
Cash and investments		\$ 22,185,094
Restricted cash and investments	\$ 100,786	391,670
Taxes receivable		766,624
Accounts receivable, net		305
Interest receivable		14,257
Due from other governments		67,780
Loans receivable, net		126,187
	<u>\$ 100,786</u>	<u>\$ 23,551,917</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES		
Liabilities:		
Accounts payable		\$ 235,669
Due to other funds		10,382
	<u>TOTAL LIABILITIES</u>	<u>246,051</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		510,870
	<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>510,870</u>
FUND BALANCES		
Restricted for:		
Public safety		882,768
Public works		12,818,377
Debt service		
Storm drain projects		7,036,224
Community development, planning and building		73,273
Parks		1,668,718
Other activities	\$ 100,786	100,786
Assigned		225,232
Unassigned		(10,382)
	<u>TOTAL FUND BALANCES</u>	<u>22,794,996</u>
	<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	
	<u>\$ 100,786</u>	<u>\$ 23,551,917</u>

(This page intentionally left blank.)

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2021

SPECIAL REVENUE FUNDS					
	Storm Drainage	Measure T- Streets and Roads	Gas Tax	BEGIN Program	State Supplemental Law Enforcement
REVENUES					
Sales taxes		\$ 1,218,056			
Special assessments					
Intergovernmental			\$ 829,624		\$ 156,727
Charges for services					
Use of money and property	\$ 37,668	7,237	5,070	\$ 36	437
Other				68,325	
TOTAL REVENUES	37,668	1,225,293	834,694	68,361	157,164
EXPENDITURES					
Current:					
Public works					
Parks and recreation					
Debt Service:					
Principal					
Debt issuance costs					
Interest and other charges					
TOTAL EXPENDITURES					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	37,668	1,225,293	834,694	68,361	157,164
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt					
Transfers in					
Transfers out	(373,200)	(1,143,254)	(303,697)		(157,123)
TOTAL OTHER FINANCING SOURCES AND USES	(373,200)	(1,143,254)	(303,697)		(157,123)
NET CHANGE IN FUND BALANCES	(335,532)	82,039	530,997	68,361	41
Fund balances, beginning of year	7,371,756	1,620,975	732,092	4,912	4,609
FUND BALANCES, END OF YEAR	\$ 7,036,224	\$ 1,703,014	\$ 1,263,089	\$ 73,273	\$ 4,650

SPECIAL REVENUE FUNDS

<u>La Vigne Landscape and Lighting</u>	<u>La Vigne Open Space</u>	<u>Newell Park Open Space</u>	<u>State and Federal Grants - Fire</u>	<u>Zero Water Footprint SR</u>	<u>Cannabis</u>	<u>Community Facilities District</u>	<u>General Plan Update</u>
\$ 614,294						\$ 53,820	
						2,245,811	
13,486	\$ 934	\$ 6,933			\$ (25)	67	\$ 2,341
<u>627,780</u>	<u>934</u>	<u>6,933</u>			<u>(25)</u>	<u>2,299,698</u>	<u>2,541</u>
378,457						6,996	
	4,568	10,266					
<u>378,457</u>	<u>4,568</u>	<u>10,266</u>				<u>6,996</u>	
249,323	(3,634)	(3,333)			(25)	2,292,702	2,541
							222,691
				\$ (237,800)		(2,253,660)	
				(237,800)		(2,253,660)	222,691
249,323	(3,634)	(3,333)		(237,800)	(25)	39,042	225,232
<u>2,470,488</u>	<u>181,252</u>	<u>240,363</u>	<u>\$ 5,891</u>	<u>237,800</u>	<u>(10,357)</u>	<u>27,374</u>	
<u>\$ 2,719,811</u>	<u>\$ 177,618</u>	<u>\$ 237,030</u>	<u>\$ 5,891</u>	<u>\$ -</u>	<u>\$ (10,382)</u>	<u>\$ 66,416</u>	<u>\$ 225,232</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2021

	<u>SPECIAL REVENUE FUNDS</u>		<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Legal Settlement</u>	<u>Total Other Governmental Special Revenue Funds</u>	<u>Fire Mitigation</u>	<u>Park Improvement</u>	<u>Traffic Impact</u>
REVENUES					
Sales taxes		\$ 1,218,056			
Special assessments		668,114			
Intergovernmental		3,232,162			
Charges for services		2,341	\$ 114,353	\$ 3,146	\$ 1,240,199
Use of money and property	\$ 268	72,311	5,354	6,462	24,369
Other	422,500	490,825			
TOTAL REVENUES	<u>422,768</u>	<u>5,683,809</u>	<u>119,707</u>	<u>9,608</u>	<u>1,264,568</u>
EXPENDITURES					
Current:					
Public works		385,453			
Parks and recreation		14,834			
Debt Service:					
Principal					
Debt issuance costs					
Interest and other charges					
TOTAL EXPENDITURES		<u>400,287</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>422,768</u>	<u>5,283,522</u>	<u>119,707</u>	<u>9,608</u>	<u>1,264,568</u>
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt					
Transfers in		222,691			
Transfers out		(4,468,734)	(250,000)	(15,217)	(472,192)
TOTAL OTHER FINANCING SOURCES AND USES		<u>(4,246,043)</u>	<u>(250,000)</u>	<u>(15,217)</u>	<u>(472,192)</u>
NET CHANGE IN FUND BALANCES	422,768	1,037,479	(130,293)	(5,609)	792,376
Fund balances, beginning of year		12,887,155	1,002,520	1,259,679	3,807,129
FUND BALANCES, END OF YEAR	<u>\$ 422,768</u>	<u>\$ 13,924,634</u>	<u>\$ 872,227</u>	<u>\$ 1,254,070</u>	<u>\$ 4,599,505</u>

CAPITAL PROJECTS FUNDS					DEBT SERVICE FUNDS		
Infrastructure	Civic Facilities Capital Projects	Utility Underground	Zero Water Footprint CP	Total Other Governmental Capital Projects Funds	Lease Revenue Bonds	Engie City Debt Service	Engie Fire Debt Service
	\$ 61,799		\$ 83,020	\$ 1,502,517			
\$ 179	7,668	\$ 236	1,449	45,717	\$ (173)		
		159,960		159,960			
179	69,467	160,196	84,469	1,708,194	(173)		
					278,000		
						\$ 4,033	\$ 2,260
					6,024		
					284,024	4,033	2,260
179	69,467	160,196	84,469	1,708,194	(284,197)	(4,033)	(2,260)
						531,860	297,967
			237,800	237,800	285,325		
	(284,024)			(1,021,433)		(463,230)	(259,518)
	(284,024)		237,800	(783,633)	285,325	68,630	38,449
179	(214,557)	160,196	322,269	924,561	1,128	64,597	36,189
322,549	1,453,138			7,845,015	(1,128)		
\$ 322,728	\$ 1,238,581	\$ 160,196	\$ 322,269	\$ 8,769,576	\$ -	\$ 64,597	\$ 36,189

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2021

	Total Other Governmental Debt Service Funds	Total Other Governmental Funds
REVENUES		
Sales taxes		\$ 1,218,056
Special assessments		668,114
Intergovernmental		3,232,162
Charges for services		1,504,858
Use of money and property	\$ (173)	117,855
Other		650,785
TOTAL REVENUES	(173)	7,391,830
EXPENDITURES		
Current:		
Public works		385,453
Parks and recreation		14,834
Debt Service:		
Principal	278,000	278,000
Debt issuance costs	6,293	6,293
Interest and other charges	6,024	6,024
TOTAL EXPENDITURES	290,317	690,604
EXCESS (DEFICIENCY) OF REVENUES OVER		
EXPENDITURES	(290,490)	6,701,226
OTHER FINANCING SOURCES (USES)		
Issuance of long-term debt	829,827	829,827
Transfers in	285,325	745,816
Transfers out	(722,748)	(6,212,915)
TOTAL OTHER FINANCING SOURCES AND USES	392,404	(4,637,272)
NET CHANGE IN FUND BALANCES	101,914	2,063,954
Fund balances, beginning of year	(1,128)	20,731,042
FUND BALANCES, END OF YEAR	\$ 100,786	\$ 22,794,996

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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Investment earnings	\$ 118,500	\$ 118,500	\$ 37,668	\$ (80,832)
TOTAL REVENUES	<u>118,500</u>	<u>118,500</u>	<u>37,668</u>	<u>(80,832)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>118,500</u>	<u>118,500</u>	<u>37,668</u>	<u>(80,832)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(561,000)	(561,000)	(373,200)	187,800
TOTAL OTHER FINANCING SOURCES AND USES	<u>(561,000)</u>	<u>(561,000)</u>	<u>(373,200)</u>	<u>187,800</u>
NET CHANGE IN FUND BALANCE	(442,500)	(442,500)	(335,532)	106,968
Fund balance, beginning of year	<u>7,371,756</u>	<u>7,371,756</u>	<u>7,371,756</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,929,256</u>	<u>\$ 6,929,256</u>	<u>\$ 7,036,224</u>	<u>\$ 106,968</u>

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

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Measure T- Streets and Roads
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales taxes	\$ 926,500	\$ 926,500	\$ 1,218,056	\$ 291,556
Use of money and property	2,600	2,600	7,237	4,637
TOTAL REVENUES	<u>929,100</u>	<u>929,100</u>	<u>1,225,293</u>	<u>296,193</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>929,100</u>	<u>929,100</u>	<u>1,225,293</u>	<u>296,193</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(960,000)	(960,000)	(1,143,254)	(183,254)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(960,000)</u>	<u>(960,000)</u>	<u>(1,143,254)</u>	<u>(183,254)</u>
NET CHANGE IN FUND BALANCE	(30,900)	(30,900)	82,039	112,939
Fund balance, beginning of year	<u>1,620,975</u>	<u>1,620,975</u>	<u>1,620,975</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,590,075</u>	<u>\$ 1,590,075</u>	<u>\$ 1,703,014</u>	<u>\$ 112,939</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 846,500	\$ 851,100	\$ 829,624	\$ (21,476)
Use of money and property	1,200	800	5,070	4,270
TOTAL REVENUES	<u>847,700</u>	<u>851,900</u>	<u>834,694</u>	<u>(17,206)</u>
EXPENDITURES				
Current:				
Public works	3,000	3,000		3,000
TOTAL EXPENDITURES	<u>3,000</u>	<u>3,000</u>		<u>3,000</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>844,700</u>	<u>848,900</u>	<u>834,694</u>	<u>(14,206)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(800,000)	(966,600)	(303,697)	662,903
TOTAL OTHER FINANCING SOURCES AND USES	<u>(800,000)</u>	<u>(966,600)</u>	<u>(303,697)</u>	<u>662,903</u>
NET CHANGE IN FUND BALANCE	44,700	(117,700)	530,997	648,697
Fund balance, beginning of year	<u>732,092</u>	<u>732,092</u>	<u>732,092</u>	
FUND BALANCE, END OF YEAR	<u>\$ 776,792</u>	<u>\$ 614,392</u>	<u>\$ 1,263,089</u>	<u>\$ 648,697</u>

CITY OF AMERICAN CANYON
Budget and Actual (with Variances)
BEGIN Program
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings		\$ 100	\$ 36	\$ (64)
Other	\$ 90,596	33,800	68,325	34,525
TOTAL REVENUES	<u>90,596</u>	<u>33,900</u>	<u>68,361</u>	<u>34,461</u>
EXPENDITURES				
Community development	95,400			
TOTAL EXPENDITURES	<u>95,400</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,804)</u>	<u>33,900</u>	<u>68,361</u>	<u>34,461</u>
NET CHANGE IN FUND BALANCE	(4,804)	33,900	68,361	34,461
Fund balance, beginning of year	4,912	4,912	4,912	
FUND BALANCE, END OF YEAR	<u>\$ 108</u>	<u>\$ 38,812</u>	<u>\$ 73,273</u>	<u>\$ 34,461</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 156,727	\$ 16,727
Use of money and property	200	200	437	237
TOTAL REVENUES	<u>140,200</u>	<u>140,200</u>	<u>157,164</u>	<u>16,964</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>140,200</u>	<u>140,200</u>	<u>157,164</u>	<u>16,964</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(140,200)	(140,200)	(157,123)	(16,923)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(140,200)</u>	<u>(140,200)</u>	<u>(157,123)</u>	<u>(16,923)</u>
NET CHANGE IN FUND BALANCE			41	41
Fund balance, beginning of year	<u>4,609</u>	<u>4,609</u>	<u>4,609</u>	
FUND BALANCE, END OF YEAR	<u>\$ 4,609</u>	<u>\$ 4,609</u>	<u>\$ 4,650</u>	<u>\$ 41</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Special assessments	\$ 612,155	\$ 618,700	\$ 614,294	\$ (4,406)
Use of money and property	52,449	27,600	13,486	(14,114)
TOTAL REVENUES	<u>664,604</u>	<u>646,300</u>	<u>627,780</u>	<u>(18,520)</u>
EXPENDITURES				
Current:				
Public works	642,696	539,600	378,457	161,143
TOTAL EXPENDITURES	<u>642,696</u>	<u>539,600</u>	<u>378,457</u>	<u>161,143</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>21,908</u>	<u>106,700</u>	<u>249,323</u>	<u>142,623</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	(193,092)	(108,300)	249,323	357,623
Fund balance, beginning of year	<u>2,470,488</u>	<u>2,470,488</u>	<u>2,470,488</u>	
FUND BALANCE, END OF YEAR	<u><u>\$ 2,277,396</u></u>	<u><u>\$ 2,362,188</u></u>	<u><u>\$ 2,719,811</u></u>	<u><u>\$ 357,623</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 4,400	\$ 2,400	\$ 934	\$ (1,466)
TOTAL REVENUES	<u>4,400</u>	<u>2,400</u>	<u>934</u>	<u>(1,466)</u>
EXPENDITURES				
Current:				
Parks and recreation	9,000	9,000	4,568	4,432
TOTAL EXPENDITURES	<u>9,000</u>	<u>9,000</u>	<u>4,568</u>	<u>4,432</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,600)</u>	<u>(6,600)</u>	<u>(3,634)</u>	<u>2,966</u>
NET CHANGE IN FUND BALANCE	(4,600)	(6,600)	(3,634)	2,966
Fund balance, beginning of year	<u>181,252</u>	<u>181,252</u>	<u>181,252</u>	
FUND BALANCE, END OF YEAR	<u>\$ 176,652</u>	<u>\$ 174,652</u>	<u>\$ 177,618</u>	<u>\$ 2,966</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 12,900	\$ 8,300	\$ 6,933	\$ (1,367)
TOTAL REVENUES	<u>12,900</u>	<u>8,300</u>	<u>6,933</u>	<u>(1,367)</u>
EXPENDITURES				
Current:				
Parks and recreation	125,700	86,600	10,266	76,334
TOTAL EXPENDITURES	<u>125,700</u>	<u>86,600</u>	<u>10,266</u>	<u>76,334</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(112,800)</u>	<u>(78,300)</u>	<u>(3,333)</u>	<u>74,967</u>
NET CHANGE IN FUND BALANCE	(112,800)	(78,300)	(3,333)	74,967
Fund balance, beginning of year	<u>240,363</u>	<u>240,363</u>	<u>240,363</u>	
FUND BALANCE, END OF YEAR	<u>\$ 127,563</u>	<u>\$ 162,063</u>	<u>\$ 237,030</u>	<u>\$ 74,967</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Zero Water Footprint SR
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 284,400			
Use of money and property	17,100			
TOTAL REVENUES	<u>301,500</u>			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>301,500</u>			
OTHER FINANCING SOURCES (USES)				
Transfers out	(427,509)		\$ (237,800)	\$ (237,800)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(427,509)</u>		<u>(237,800)</u>	<u>(237,800)</u>
NET CHANGE IN FUND BALANCE	(126,009)		(237,800)	(237,800)
Fund balance, beginning of year	<u>237,800</u>	\$ 237,800	<u>237,800</u>	
FUND BALANCE, END OF YEAR	<u>\$ 111,791</u>	<u>\$ 237,800</u>	<u>\$ -</u>	<u>\$ (237,800)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Cannabis
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 20,000	\$ 3,600		\$ (3,600)
Use of money and property	50	100	\$ (25)	(125)
TOTAL REVENUES	<u>20,050</u>	<u>3,700</u>	<u>(25)</u>	<u>(3,725)</u>
EXPENDITURES				
Current:				
Community development	10,000	3,100		3,100
TOTAL EXPENDITURES	<u>10,000</u>	<u>3,100</u>		<u>3,100</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>10,050</u>	<u>600</u>	<u>(25)</u>	<u>(625)</u>
Proceeds from sale of capital assets	10,050	600	(25)	(625)
NET CHANGE IN FUND BALANCE	<u>(10,357)</u>	<u>(10,357)</u>	<u>(10,357)</u>	
Fund balance, beginning of year				
	<u>\$ (307)</u>	<u>\$ (9,757)</u>	<u>\$ (10,382)</u>	<u>\$ (625)</u>
FUND BALANCE, END OF YEAR				

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Community Facilities District
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Special assessments	\$ 68,000	\$ 55,600	\$ 53,820	\$ (1,780)
Intergovernmental			2,245,811	2,245,811
Use of money and property		100	67	(33)
TOTAL REVENUES	<u>68,000</u>	<u>55,700</u>	<u>2,299,698</u>	<u>2,243,998</u>
EXPENDITURES				
Current:				
Public works		4,900	6,996	(2,096)
TOTAL EXPENDITURES		<u>4,900</u>	<u>6,996</u>	<u>(2,096)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>68,000</u>	<u>50,800</u>	<u>2,292,702</u>	<u>2,241,902</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,998,490	9,998,500		(9,998,500)
Transfers out	(9,998,490)	(9,998,500)	(2,253,660)	7,744,840
TOTAL OTHER FINANCING SOURCES AND USES			<u>(2,253,660)</u>	<u>(2,253,660)</u>
NET CHANGE IN FUND BALANCE	68,000	50,800	39,042	(11,758)
Fund balance, beginning of year	<u>27,374</u>	<u>27,374</u>	<u>27,374</u>	
FUND BALANCE, END OF YEAR	<u>\$ 95,374</u>	<u>\$ 78,174</u>	<u>\$ 66,416</u>	<u>\$ (11,758)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Mitigation
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 192,026	\$ 192,026	\$ 114,353	\$ (77,673)
Use of money and property	15,000	15,000	5,354	(9,646)
TOTAL REVENUES	<u>207,026</u>	<u>207,026</u>	<u>119,707</u>	<u>(87,319)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>207,026</u>	<u>207,026</u>	<u>119,707</u>	<u>(87,319)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(250,000)	(250,000)	
TOTAL OTHER FINANCING SOURCES AND USES	<u>(200,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	
NET CHANGE IN FUND BALANCE	7,026	(42,974)	(130,293)	(87,319)
Fund balance, beginning of year	<u>1,002,520</u>	<u>1,002,520</u>	<u>1,002,520</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,009,546</u>	<u>\$ 959,546</u>	<u>\$ 872,227</u>	<u>\$ (87,319)</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, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 40,200		\$ 3,146	\$ 3,146
Use of money and property	29,900	\$ 14,000	6,462	(7,538)
TOTAL REVENUES	<u>70,100</u>	<u>14,000</u>	<u>9,608</u>	<u>(4,392)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>70,100</u>	<u>14,000</u>	<u>9,608</u>	<u>(4,392)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(160,026)	(175,300)	(15,217)	160,083
TOTAL OTHER FINANCING SOURCES AND USES	<u>(160,026)</u>	<u>(175,300)</u>	<u>(15,217)</u>	<u>160,083</u>
NET CHANGE IN FUND BALANCE	(89,926)	(161,300)	(5,609)	155,691
Fund balance, beginning of year	<u>1,259,679</u>	<u>1,259,679</u>	<u>1,259,679</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,169,753</u>	<u>\$ 1,098,379</u>	<u>\$ 1,254,070</u>	<u>\$ 155,691</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Traffic Impact
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 1,985,300	\$ 1,985,300	\$ 1,240,199	\$ (745,101)
Use of money and property	100,600	45,000	24,369	(20,631)
TOTAL REVENUES	<u>2,085,900</u>	<u>2,030,300</u>	<u>1,264,568</u>	<u>(765,732)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,085,900</u>	<u>2,030,300</u>	<u>1,264,568</u>	<u>(765,732)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,955,555)	(3,005,400)	(472,192)	2,533,208
TOTAL OTHER FINANCING SOURCES AND USES	<u>(2,955,555)</u>	<u>(3,005,400)</u>	<u>(472,192)</u>	<u>2,533,208</u>
NET CHANGE IN FUND BALANCE	(869,655)	(975,100)	792,376	1,767,476
Fund balance, beginning of year	<u>3,807,129</u>	<u>3,807,129</u>	<u>3,807,129</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,937,474</u>	<u>\$ 2,832,029</u>	<u>\$ 4,599,505</u>	<u>\$ 1,767,476</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Infrastructure
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 5,500	\$ 300	\$ 179	\$ (121)
TOTAL REVENUES	<u>5,500</u>	<u>300</u>	<u>179</u>	<u>(121)</u>
EXPENDITURES				
Capital outlay	314,821	314,900		314,900
TOTAL EXPENDITURES	<u>314,821</u>	<u>314,900</u>		<u>314,900</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(309,321)</u>	<u>(314,600)</u>	<u>179</u>	<u>314,779</u>
NET CHANGE IN FUND BALANCE	(309,321)	(314,600)	179	314,779
Fund balance, beginning of year	<u>322,549</u>	<u>322,549</u>	<u>322,549</u>	
FUND BALANCE, END OF YEAR	<u>\$ 13,228</u>	<u>\$ 7,949</u>	<u>\$ 322,728</u>	<u>\$ 314,779</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Civic Facilities
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 387,600	\$ 358,900	\$ 61,799	\$ (297,101)
Use of money and property	30,200	9,000	7,668	(1,332)
TOTAL REVENUES	<u>417,800</u>	<u>367,900</u>	<u>69,467</u>	<u>(298,433)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>417,800</u>	<u>367,900</u>	<u>69,467</u>	<u>(298,433)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(284,200)	(284,200)	(284,024)	176
TOTAL OTHER FINANCING SOURCES AND USES	<u>(284,200)</u>	<u>(284,200)</u>	<u>(284,024)</u>	<u>176</u>
NET CHANGE IN FUND BALANCE	133,600	83,700	(214,557)	(298,257)
Fund balance, beginning of year	<u>1,453,138</u>	<u>1,453,138</u>	<u>1,453,138</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,586,738</u>	<u>\$ 1,536,838</u>	<u>\$ 1,238,581</u>	<u>\$ (298,257)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Zero Water Footprint CP
For the year ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services		\$ 251,300	\$ 83,020	\$ (168,280)
Use of money and property		2,000	1,449	(551)
TOTAL REVENUES		<u>253,300</u>	<u>84,469</u>	<u>(168,831)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		<u>253,300</u>	<u>84,469</u>	<u>(168,831)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			237,800	237,800
TOTAL OTHER FINANCING SOURCES AND USES			<u>237,800</u>	<u>237,800</u>
NET CHANGE IN FUND BALANCE		253,300	322,269	68,969
Fund balance, beginning of year				
FUND BALANCE, END OF YEAR	\$ -	<u>\$ 253,300</u>	<u>\$ 322,269</u>	<u>\$ 68,969</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 1,100	\$ 500	\$ (173)	\$ (673)
TOTAL REVENUES	<u>1,100</u>	<u>500</u>	<u>(173)</u>	<u>(673)</u>
EXPENDITURES				
Debt service:				
Principal	278,000	278,000	278,000	
Interest and other charges	6,200	6,100	6,024	76
TOTAL EXPENDITURES	<u>284,200</u>	<u>284,100</u>	<u>284,024</u>	<u>76</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(283,100)</u>	<u>(283,600)</u>	<u>(284,197)</u>	<u>(597)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	284,200	284,200	285,325	1,125
TOTAL OTHER FINANCING SOURCES AND USES	<u>284,200</u>	<u>284,200</u>	<u>285,325</u>	<u>1,125</u>
NET CHANGE IN FUND BALANCE	1,100	600	1,128	528
Fund balance, beginning of year	<u>(1,128)</u>	<u>(1,128)</u>	<u>(1,128)</u>	
FUND BALANCE, END OF YEAR	<u>\$ (28)</u>	<u>\$ (528)</u>	<u>\$ -</u>	<u>\$ 528</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Engie City Debt Service
For the year ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt service:				
Debt issuance costs			\$ 4,033	\$ (4,033)
Interest and other charges	\$ 96,500			
TOTAL EXPENDITURES	<u>96,500</u>		<u>4,033</u>	<u>(4,033)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(96,500)</u>		<u>(4,033)</u>	<u>(4,033)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt			531,860	531,860
Transfers in	96,500	\$ 96,500		(96,500)
Transfers out			(463,230)	(463,230)
TOTAL OTHER FINANCING SOURCES AND USES	<u>96,500</u>	<u>96,500</u>	<u>68,630</u>	<u>(27,870)</u>
NET CHANGE IN FUND BALANCE		96,500	64,597	(31,903)
Fund balance, beginning of year				
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 96,500</u>	<u>\$ 64,597</u>	<u>\$ (31,903)</u>

(This page intentionally left blank.)

INTERNAL SERVICE FUNDS

(This page intentionally left blank.)

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.

Legal – Accounts for legal costs incurred by the City.

CITY OF AMERICAN CANYON
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 266,302	\$ 141,882	\$ 222,085		\$ 630,269
Interest receivable	99	13	85		197
Prepaid expenses	232	232	27		491
Total current assets	<u>266,633</u>	<u>142,127</u>	<u>222,197</u>		<u>630,957</u>
Non-current assets:					
Capital Assets:					
Depreciable, net of accumulated depreciation		873,569			873,569
Total non-current assets		<u>873,569</u>			<u>873,569</u>
TOTAL ASSETS	<u>266,633</u>	<u>1,015,696</u>	<u>222,197</u>		<u>1,504,526</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension plan	27,709	31,078	2,795		61,582
OPEB plan	19,237	19,237	1,990		40,464
Total deferred outflows of resources	<u>46,946</u>	<u>50,315</u>	<u>4,785</u>		<u>102,046</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	18,333	5,658	5,286	\$ 29,324	58,601
Accrued expenses	3,601	5,708	911		10,220
Accrued interest payable		128			128
Due to other funds				74,093	74,093
Compensated absences, current portion	1,549	16,502	1,182		19,233
Bonds, notes and loans payable, current portion		33,677			33,677
Total current liabilities	<u>23,483</u>	<u>61,673</u>	<u>7,379</u>	<u>103,417</u>	<u>195,952</u>
Non-current liabilities:					
Bonds, notes and loans payable		69,065			69,065
Net pension liability	118,283	132,661	11,933		262,877
Net OPEB liability	50,573	50,573	5,232		106,378
Total non-current liabilities	<u>168,856</u>	<u>252,299</u>	<u>17,165</u>		<u>438,320</u>
TOTAL LIABILITIES	<u>192,339</u>	<u>313,972</u>	<u>24,544</u>	<u>103,417</u>	<u>634,272</u>
DEFERRED INFLOW OF RESOURCES					
Pension plan	4,153	4,658	419		9,230
OPEB plan	3,548	3,548	367		7,463
Total deferred inflows of resources	<u>7,701</u>	<u>8,206</u>	<u>786</u>		<u>16,693</u>
NET POSITION					
Net investment in capital assets		770,827			770,827
Unrestricted	113,539	(26,994)	201,652	(103,417)	184,780
TOTAL NET POSITION	<u>\$ 113,539</u>	<u>\$ 743,833</u>	<u>\$ 201,652</u>	<u>\$ (103,417)</u>	<u>\$ 955,607</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, 2021

	<u>Building Maintenance</u>	<u>Fleet</u>	<u>Information Technology</u>	<u>Legal</u>	<u>Total Internal Service Funds</u>
REVENUES					
Charges for services	\$ 514,000	\$ 655,800	\$ 524,100	\$ 176,700	\$ 1,870,600
TOTAL OPERATING REVENUES	<u>514,000</u>	<u>655,800</u>	<u>524,100</u>	<u>176,700</u>	<u>1,870,600</u>
OPERATING EXPENSES					
Employee services	138,344	168,970	15,357		322,671
Maintenance and operations	242,235	237,760	447,874	347,501	1,275,370
Depreciation		216,774			216,774
TOTAL OPERATING EXPENSES	<u>380,579</u>	<u>623,504</u>	<u>463,231</u>	<u>347,501</u>	<u>1,814,815</u>
OPERATING INCOME (LOSS)	<u>133,421</u>	<u>32,296</u>	<u>60,869</u>	<u>(170,801)</u>	<u>55,785</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	436	583	580	(116)	1,483
Interest expense		(4,138)			(4,138)
Gain (loss) on disposal of capital assets		58,692			58,692
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>436</u>	<u>55,137</u>	<u>580</u>	<u>(116)</u>	<u>56,037</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>133,857</u>	<u>87,433</u>	<u>61,449</u>	<u>(170,917)</u>	<u>111,822</u>
CONTRIBUTIONS AND TRANSFERS					
Transfers in				67,500	67,500
CHANGE IN NET POSITION	<u>133,857</u>	<u>87,433</u>	<u>61,449</u>	<u>(103,417)</u>	<u>179,322</u>
Net position, beginning of year	(20,318)	656,400	140,203		776,285
TOTAL NET POSITION, END OF YEAR	<u>\$ 113,539</u>	<u>\$ 743,833</u>	<u>\$ 201,652</u>	<u>\$ (103,417)</u>	<u>\$ 955,607</u>

CITY OF AMERICAN CANYON
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash paid to suppliers	\$ (239,691)	\$ (232,597)	\$ (462,482)	\$ (318,177)	\$ (1,252,947)
Cash paid to employees and related benefits	(128,012)	(148,512)	(17,660)	74,093	(220,091)
Cash received from interfund services provided	514,000	655,800	524,100	244,200	1,938,100
CASH PROVIDED BY OPERATING ACTIVITIES	146,297	274,691	43,958	116	465,062
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
FINANCING ACTIVITIES:					
Capital assets purchased		(503,544)			(503,544)
Proceeds from disposal of capital assets		105,400			105,400
Principal paid on long-term liabilities		(32,747)			(32,747)
Interest paid on long-term liabilities		(4,010)			(4,010)
Capital grants received		140,847			140,847
CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		(294,054)			(294,054)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Collection of interest and investment revenue	924	1,436	1,383	(116)	3,627
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	147,221	(17,927)	45,341		174,635
Cash and cash equivalents, beginning of year	119,081	159,809	176,744		455,634
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 266,302	\$ 141,882	\$ 222,085	\$ -	\$ 630,269
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 133,421	\$ 32,296	\$ 60,869	\$ (170,801)	\$ 55,785
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and amortization		216,774			216,774
Operating transfers in				67,500	67,500
Changes in operating assets and liabilities:					
Prepaid expenses	2	2	(4)		
Accounts payable and accrued expenses	2,542	5,161	(14,604)	103,417	96,516
Compensated absences	(4,900)	4,612	1,182		894
outflows and inflows of resources:					
Deferred outflows of resources - pension plan	1,809	913	2,039		4,761
Net pension liability	12,390	17,896	(5,411)		24,875
Deferred inflows of resources - pension plan	(1,649)	(1,630)	(531)		(3,810)
Deferred outflows of resources - OPEB plans	(2,927)	(1,877)	(600)		(5,404)
Net OPEB liability	6,524	1,459	1,032		9,015
Deferred inflows of resources - OPEB plans	(915)	(915)	(14)		(1,844)
CASH USED BY OPERATING ACTIVITIES	\$ 146,297	\$ 274,691	\$ 43,958	\$ 116	\$ 465,062

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

CUSTODIAL FUNDS

CUSTODIAL 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.

Community Facilities District – The District was formed to account for the Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Bonds, Series 2020 debt service and maintenance expenses of the Green Island Road Community Facilities District. The bonds are secured by special assessments levied against commercial properties within the District.

Tourism Improvement District – The District was formed to account for the local share of a 2% annual assessment on room rental revenue at lodging businesses through June 16, 2025 that is used for marketing programs, special event sponsorship and other programs to benefit lodging businesses paying the assessment by attracting overnight visitors.

CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds				
	American Canyon Road East Assessment District	La Vigne Assessment District	Community Facility District No. 2018-1	Tourism Improvement District	Total
ASSETS					
Cash and investments	\$ 1,048,639	\$ 1,169,143	\$ 1,524,288	\$ 64,092	\$ 3,806,162
Restricted cash and investments	322,523	314,271	3,083,513		3,720,307
Taxes receivable	16,209	2,700	25,646	47,036	91,591
Interest receivable	678	748	984	40	2,450
TOTAL ASSETS	<u>1,388,049</u>	<u>1,486,862</u>	<u>4,634,431</u>	<u>111,168</u>	<u>7,620,510</u>
LIABILITIES					
Accounts payable	53		63,244	36,425	99,722
TOTAL LIABILITIES	<u>53</u>		<u>63,244</u>	<u>36,425</u>	<u>99,722</u>
NET POSITION					
Restricted for individuals, organizations and other governments	<u>1,387,996</u>	<u>1,486,862</u>	<u>4,571,187</u>	<u>74,743</u>	<u>7,520,788</u>
TOTAL NET POSITION	<u>\$ 1,387,996</u>	<u>\$ 1,486,862</u>	<u>\$ 4,571,187</u>	<u>\$ 74,743</u>	<u>\$ 7,520,788</u>

CITY OF AMERICAN CANYON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds				Total
	American Canyon Road East Assessment District	La Vigne Assessment District	Community Facility District No. 2018-1	Tourism Improvement District	
ADDITIONS					
Other taxes				\$ 156,304	\$ 156,304
Special assessments	\$ 1,015,476	\$ 472,584	\$ 870,343		2,358,403
Interest and investment earnings	117,655	7,862	6,154	112	131,783
TOTAL ADDITIONS	<u>1,133,131</u>	<u>480,446</u>	<u>876,497</u>	<u>156,416</u>	<u>2,646,490</u>
DEDUCTIONS					
Maintenance and operations	33,237	15,393	2,272,810	161,149	2,482,589
Debt Service:					
Principal	530,000				530,000
Interest and other charges	523,198	448,097	266,151		1,237,446
TOTAL DEDUCTIONS	<u>1,086,435</u>	<u>463,490</u>	<u>2,538,961</u>	<u>161,149</u>	<u>4,250,035</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	46,696	16,956	(1,662,464)	(4,733)	(1,603,545)
Net position , beginning of year - as as previously reported					
Restatement	<u>1,341,300</u>	<u>1,469,906</u>	<u>6,233,651</u>	<u>79,476</u>	<u>9,124,333</u>
Net position , beginning of year - as as restated	<u>1,341,300</u>	<u>1,469,906</u>	<u>6,233,651</u>	<u>79,476</u>	<u>9,124,333</u>
NET POSITION, END OF YEAR	<u>\$ 1,387,996</u>	<u>\$ 1,486,862</u>	<u>\$ 4,571,187</u>	<u>\$ 74,743</u>	<u>\$ 7,520,788</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. Ratios of Outstanding Debt by Type
11. Ratios of General Bonded Debt Outstanding
12. Computation of Direct and Overlapping 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/Program
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 -----									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 253,484,193	\$ 256,298,710	\$ 264,170,866	\$ 262,265,389	\$ 265,385,854	\$ 264,189,215	\$ 263,939,254	\$ 260,686,136	\$ 261,844,024	\$ 267,596,487
Restricted	13,585,903	12,513,568	12,856,505	13,031,111	13,009,697	13,908,483	24,809,820	27,372,270	29,460,378	32,192,383
Unrestricted	12,415,149	9,050,617	10,950,108	2,513,594	2,076,005	2,454,460	(266,869)	1,057,568	(1,568,807)	(1,033,617)
Total governmental activities net position	\$ 279,485,245	\$ 277,862,895	\$ 287,977,479	\$ 277,810,094	\$ 280,471,556	\$ 280,552,158	\$ 288,482,205	\$ 289,115,974	\$ 289,735,595	\$ 298,755,253
Business-type activities:										
Net investment in capital assets	\$ 50,758,608	\$ 49,583,193	\$ 52,726,436	\$ 51,267,144	\$ 50,662,110	\$ 49,753,722	\$ 49,496,148	\$ 49,791,720	\$ 48,038,697	\$ 47,260,429
Restricted	4,723,486	4,541,608	2,598,062	2,088,606	2,811,555	3,012,029	5,538,744	5,282,263	5,766,873	6,075,266
Unrestricted	6,695,379	7,190,877	8,214,087	4,224,005	6,993,828	9,422,288	11,766,749	13,269,512	15,043,433	17,697,676
Total business-type activities	\$ 62,177,473	\$ 61,315,678	\$ 63,538,585	\$ 57,579,755	\$ 60,467,493	\$ 62,188,039	\$ 66,801,641	\$ 68,343,495	\$ 68,849,003	\$ 71,033,371
Primary government (City wide totals)										
Net investment in capital assets	\$ 304,242,801	\$ 305,881,903	\$ 316,897,302	\$ 313,532,533	\$ 315,007,964	\$ 313,942,937	\$ 313,435,402	\$ 310,477,856	\$ 309,882,721	\$ 314,856,916
Restricted	18,309,389	17,055,176	15,454,567	15,119,717	15,821,252	16,920,512	30,348,564	32,654,533	35,227,251	38,267,649
Unrestricted	19,110,528	16,241,494	19,164,195	6,737,599	9,069,833	11,876,748	11,499,880	14,327,080	13,474,626	16,664,059
Total primary government net position	\$ 341,662,718	\$ 339,178,573	\$ 351,516,064	\$ 335,389,849	\$ 339,899,049	\$ 342,740,197	\$ 355,283,846	\$ 357,459,469	\$ 358,584,598	\$ 369,788,624

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

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

	----- Prior Years -----									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses:										
Governmental activities:										
General government	\$ 4,309,153	\$ 5,069,455	\$ 4,749,018	\$ 5,647,996	\$ 5,295,617	\$ 5,074,386	\$ 5,320,539	\$ 5,968,757	\$ 7,679,164	\$ 6,844,132
Public safety	9,147,931	9,456,173	10,001,059	10,585,106	12,125,365	11,620,139	12,218,637	12,342,182	13,572,574	14,316,901
Public works	5,358,661	4,654,492	5,304,938	6,509,082	6,131,623	5,221,293	6,019,309	7,936,947	6,779,915	6,230,869
Community development	8,903,969	1,295,309	1,601,943	2,383,201	2,782,954	5,282,633	2,483,945	2,513,656	1,656,055	1,734,661
Parks and recreation	1,745,163	2,067,811	2,328,669	2,503,744	2,924,419	3,625,019	3,844,214	3,439,644	2,895,566	2,791,825
Storm Drain	-	-	-	-	-	-	-	-	315,909	350,946
Interest on long-term debt	448,057	446,187	344,223	329,915	278,204	262,354	246,458	229,456	249,866	163,633
Total governmental activities expenses	29,912,934	22,989,427	24,329,850	27,959,044	29,538,182	31,085,824	30,133,102	32,430,642	33,149,049	32,432,967
Business-type activities:										
Water	\$ 4,894,501	\$ 5,502,434	\$ 6,191,545	\$ 7,350,323	\$ 5,362,693	\$ 6,107,343	\$ 6,022,713	\$ 5,986,895	\$ 6,997,224	\$ 6,761,366
Wastewater	4,356,356	3,843,559	3,555,274	4,013,398	4,992,726	4,023,167	4,588,339	4,456,463	4,416,151	5,939,890
Recycled Water	-	-	-	-	-	-	-	-	-	18,586
Total business-type activities expenses	9,250,857	9,345,993	9,746,819	11,363,721	10,355,419	10,130,510	10,611,052	10,443,358	11,413,375	12,719,842
Total City government expenses	\$ 39,163,791	\$ 32,335,420	\$ 34,076,669	\$ 39,322,765	\$ 39,893,601	\$ 41,216,334	\$ 40,744,154	\$ 42,874,000	\$ 44,562,424	\$ 45,152,809
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 212,295	\$ 184,060	\$ 484,057	\$ 534,179	\$ 636,987	\$ 724,671	\$ 900,185	\$ 599,289	\$ 769,362	\$ 518,482
Public safety	974,398	1,133,505	901,808	1,510,347	1,461,036	1,296,885	1,822,591	1,463,879	1,717,683	1,880,635
Public works	1,141,520	939,685	2,203,836	2,442,299	4,891,107	1,990,415	3,326,094	725,299	2,498,096	1,860,742
Community development	940,899	690,241	857,994	2,438,744	2,662,203	5,351,403	1,921,393	2,140,534	1,628,919	1,640,602
Parks and recreation	381,657	357,267	392,717	441,946	406,163	1,034,664	1,291,887	328,236	156,108	95,597
Operating grants and contributions	235,284	275,796	363,581	476,130	1,078,889	1,333,432	762,518	1,282,102	1,088,467	1,307,790
Capital grants and contributions	2,050,628	1,150,330	11,145,194	381,050	1,449,076	907,342	13,110,677	1,690,897	87,150	7,699,791
Total governmental activities program revenues	5,936,681	4,730,884	16,349,187	8,224,695	12,585,461	12,638,812	23,135,345	8,230,236	7,945,785	15,003,639
Business-type activities:										
Charges for services:										
Water	\$ 4,705,561	\$ 4,892,290	\$ 4,982,094	\$ 4,333,543	\$ 5,318,577	\$ 7,066,769	\$ 6,876,702	\$ 6,931,105	\$ 7,460,837	\$ 8,525,517
Wastewater	3,558,663	3,733,461	3,845,647	3,914,276	3,973,672	4,434,945	4,365,272	4,427,087	4,424,515	4,722,446
Recycled Water	-	-	-	-	-	-	-	-	-	113,591
Operating grants and contributions	-	-	4,026	10,410	711,601	580,429	254,863	215,630	207,410	438,415
Capital grants and contributions	1,013,181	184,707	4,084,830	242,025	2,301,541	284,400	3,851,481	200,585	468,533	1,462,249
Total business-type activities programs revenues	9,277,405	8,810,458	12,916,597	8,500,254	12,305,391	12,366,543	15,348,318	11,774,407	12,561,295	15,262,218
Total City government program revenues	\$ 15,214,086	\$ 13,541,342	\$ 29,265,784	\$ 16,724,949	\$ 24,890,852	\$ 25,005,355	\$ 38,483,663	\$ 20,004,643	\$ 20,507,080	\$ 30,265,857

(Continued)

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

	----- Prior Years -----									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net(Expense)Revenue:										
Governmental activities	\$ (23,976,253)	\$ (18,258,543)	\$ (7,980,663)	\$ (19,734,349)	\$ (16,952,721)	\$ (18,447,012)	\$ (6,997,757)	\$ (24,200,406)	\$ (25,203,264)	\$ (17,429,328)
Business-type activities	26,548	(535,535)	3,169,778	(3,414,199)	1,949,972	2,236,033	4,737,266	1,331,049	1,147,920	2,542,376
Total City government	<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>	<u>\$ (24,055,344)</u>	<u>\$ (14,886,952)</u>
General Revenues and Other Changes in in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 10,343,648	\$ 10,261,072	\$ 10,599,981	\$ 11,480,330	\$ 12,317,143	\$ 12,738,881	\$ 13,840,597	\$ 15,084,618	\$ 15,862,655	\$ 16,156,774
Sales taxes	2,024,495	2,489,832	2,294,150	2,358,219	2,589,452	2,301,445	2,800,575	4,222,888	3,891,032	4,417,552
Other taxes	2,215,564	2,632,783	2,785,624	3,002,106	3,076,637	3,076,198	3,197,726	3,179,812	2,542,370	2,313,850
Investment earnings	274,619	143,321	227,702	272,849	372,728	(1,047)	15,200	1,172,806	1,353,014	(75,937)
Miscellaneous	875,336	111,822	485,625	300,765	524,995	543,725	616,199	568,578	777,427	831,482
Transfers	1,110,118	997,363	1,702,165	994,725	(266,772)	868,412	(15,450)	605,473	1,396,387	2,066,071
Total governmental activities	<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>	<u>25,822,885</u>	<u>25,709,792</u>
Business-type activities										
Investment earnings and other	66,177	517,929	755,294	617,971	630,994	392,925	613,734	816,278	753,975	1,493,566
Transfers	(1,110,118)	(997,363)	(1,702,165)	(944,725)	266,772	(868,412)	15,450	(605,473)	(1,396,387)	(2,066,071)
Total business-type activities	<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>	<u>(642,412)</u>	<u>(572,505)</u>
Total City government	<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>	<u>\$ 25,180,473</u>	<u>\$ 25,137,287</u>
Change in net position:										
Governmental activities	\$ (7,132,473)	\$ (1,622,350)	\$ 10,114,584	\$ (1,325,355)	\$ 1,661,462	\$ 1,080,602	\$ 13,457,090	\$ 633,769	\$ 619,621	\$ 8,280,464
Business-type activities	(1,017,393)	(1,014,969)	2,222,907	(3,876,163)	2,847,738	1,760,546	5,366,450	1,541,854	505,508	1,969,871
Total City government	<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>	<u>\$ 1,125,129</u>	<u>\$ 10,250,335</u>

Data Source: City of American Canyon Annual Comprehensive 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
	Nondisposable	Restricted	Committed	Assigned	Unassigned	Total General Fund	Nondisposable	Restricted		Committed	Assigned		Unassigned			
								Special Revenue and Debt Service	Capital Projects	Special Revenue	Special Revenue	Capital Projects	Special Revenue	Capital Projects		
2021	\$ 438,510	\$ 528,861	\$ 6,387,027	\$ 1,000,000	\$ 3,850,226	\$ 12,204,624	\$ -	\$ 13,842,076	\$ 9,251,023	\$ 1,285,478	\$ 4,776,137	\$ -	\$ (628,984)	\$ -	\$ 28,525,730	
2020	433,239	329,693	6,155,254	1,222,691	2,468,205	10,609,082	-	11,922,270	9,836,968	1,125,743	4,784,889	-	(462,069)	-	27,207,801	
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	

Prior Years

Note: GASB Statement Number 54 was implemented in the 2011 fiscal year which changed the terminology used for fund balance reporting.
Data Source: City of American Canyon Annual Comprehensive 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 -----									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Taxes	\$ 15,272	\$ 15,313	\$ 15,992	\$ 17,896	\$ 22,553	\$ 19,242	\$ 20,381	\$ 30,520	\$ 22,705	\$ 22,656
Special assessments	435	447	455	471	488	550	583	581	638	668
Fines and forfeits	203	153	120	112	95	98	91	151	65	73
Licenses and permits	338	337	337	446	455	460	763	428	619	585
Intergovernmental	1,120	1,079	1,280	874	3,049	1,689	2,441	3,061	1,834	4,848
Charges for services	1,051	1,156	2,025	4,496	3,572	4,913	8,669	3,197	4,672	3,848
Other revenues	1,315	998	1,179	1,022	1,275	851	1,151	2,563	2,353	1,439
Total revenues	19,734	19,483	21,389	25,317	31,487	27,803	34,079	40,501	32,886	34,117
Expenditures:										
General government	3,670	3,896	4,066	5,064	5,111	5,237	5,084	5,645	5,648	5,312
Public safety	8,897	9,377	9,554	9,734	10,731	11,063	12,043	12,362	12,930	13,800
Comm. Dev. and Public Works	4,278	4,557	5,496	6,597	5,453	7,619	5,446	6,482	6,753	4,432
Parks and Recreation	1,597	1,073	1,192	2,202	2,665	3,615	3,445	3,215	1,847	2,809
Principal	478	502	537	560	583	606	628	583	538	4,598
Interest	488	460	394	373	314	291	268	243	222	157
Debt issuance costs										158
Capital outlay	947	2,445	2,277	1,200	5,260	3,040	2,099	1,670	3,458	7,022
Total expenditures	20,355	22,310	23,516	25,730	30,117	31,471	29,013	30,200	31,396	38,288
Excess of revenues over (under) expenditures	(621)	(2,827)	(2,127)	(413)	1,370	(3,668)	5,066	10,301	1,490	(4,171)
Other Financing Sources (Uses)										
Proceeds from borrowing	-	2,222	-	-	-	-	-	-	-	5,399
Payments to escrow agent	-	(2,465)	-	-	-	-	-	-	-	-
Transfers in	4,028	4,065	5,447	3,742	9,050	5,403	4,289	5,207	5,973	9,873
Transfers out	(2,918)	(3,068)	(3,745)	(2,747)	(10,097)	(4,535)	(4,676)	(4,601)	(4,577)	(7,875)
Other sources										12
Sale of Assets	-	-	24	-	-	-	-	18	-	10
Total other financing Sources (Uses)	1,110	754	1,726	995	(1,047)	868	(387)	623	1,396	7,419
Net change in fund balances	\$ 489	\$ (2,073)	\$ (401)	\$ 581	\$ 323	\$ (2,800)	\$ 4,679	\$ 10,924	\$ 2,886	\$ 3,248
Debt service as a percentage of noncapital expenditures	5.0%	4.8%	4.4%	3.8%	3.6%	3.2%	3.3%	2.9%	0.0%	15.7%

Data Source: City of American Canyon Annual Comprehensive 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
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
2019-2020	15,781	1,141	785	175	659	18,541
2020-2021	16,096	885	815	103	689	18,588

Prior Years

Data Source: City of American Canyon Annual Comprehensive 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
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%
2019-2020	2,158,339	196,080	624,597	66,973	269	20,075	252,546	4,584	3,323,463	0.27%
2020-2021	2,219,659	207,421	654,200	76,869	269	21,107	229,837	83	3,409,449	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 2010/11 - 2019/20 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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	0.025	0.027	0.026	0.026	0.025	0.024	0.024	0.021	0.019
Napa Valey Unified School District	0.073	0.065	0.072	0.069	0.063	0.114	0.102	0.098	0.090	0.090
Total Direct & Overlapping² Tax Rates	0.097	0.090	0.099	0.095	0.089	0.140	0.126	0.122	0.110	0.111
City's Share of 1% Levy per Prop 13³	0.296	0.296	0.296	0.296	0.296	0.296	0.296	0.292	0.292	0.293
Total Direct Rate⁴	0.281	0.277	0.276	0.276	0.276	0.276	0.274	0.275	0.271	0.271

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 2010/11 - 2019/20 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
2020/21 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	
RAR2 NAPA LOGISTICS PARK LLC	1	\$ 92,310,000	2.90%				\$ 92,310,000	2.71%	Industrial American Canyon Gen Fund
COCA COLA COMPANY				1	\$70,837,520	30.82%	70,837,520	2.08%	Unsecured American Canyon Gen Fund
SRI NAPA LLC ET AL	1	69,946,154	2.20%				69,946,154	2.05%	Residential American Canyon Gen Fund
BIAGI AND ASSOCIATES LLC	1	56,193,398	1.77%	1	775,140	0.34%	56,968,538	1.67%	Industrial American Canyon Gen Fund
SDG HANNA COURT 411 LLC	2	53,280,854	1.68%				53,280,854	1.56%	Industrial American Canyon Gen Fund
NAPA JUNCTION PARTNERS LLC	1	43,623,614	1.37%				43,623,614	1.28%	Residential American Canyon Gen Fund
MEZZETTA 125 LP	1	39,989,371	1.26%				39,989,371	1.17%	Industrial American Canyon Gen Fund
BARRY CALLEBAUT USA LLC				1	37,271,450	16.22%	37,271,450	1.09%	Unsecured American Canyon Gen Fund
SUTTER HOME WINERY INC	2	34,531,968	1.09%				34,531,968	1.01%	Industrial American Canyon Gen Fund
WALMART REAL ESTATE BUSINESS TR	1	31,680,551	1.00%	1	1,975,250	0.86%	33,655,801	0.99%	Commercial American Canyon Gen Fund
Top Ten Totals	10	421,555,910	13.27%	4	110,859,360	48.24%	532,415,270	15.61%	
City Totals		\$3,179,612,025			\$229,837,649		\$3,409,449,674		

*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 2019/20 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
2011/12 Top Ten Property Taxpayers
Based on Property Tax Revenue**

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Assessed Value	% of Revenue	Parcels	Assessed Value	% of Revenue	Value	% of Revenue	
COCA COLA COMPANY				1	66,849,710	39.73%	\$ 66,849,710	3.13%	Unsecured American Canyon Gen Fund
SDG HANNA COURT 411 LLC	2	45,328,091	2.31%				45,328,091	2.12%	Industrial American Canyon Gen Fund
SCANNELL PROPERTIES 91 LLC	1	39,019,774	1.99%				39,019,774	1.83%	Industrial American Canyon Gen Fund
5500 EUCALYPTUS DRIVE APARTMENT	1	34,276,580	1.74%				34,276,580	1.61%	Residential American Canyon Gen Fund
SUTTER HOME WINERY INC	2	30,871,505	1.57%				30,871,505	1.45%	Industrial American Canyon Gen Fund
SDG COMMERCE 232 LLC	4	30,560,429	1.55%				30,560,429	1.43%	Industrial American Canyon Gen Fund
WALMART REAL ESTATE BUSINESS TR	1	27,043,316	1.38%	1	2,583,980	1.54%	29,627,296	1.39%	Commercial American Canyon Gen Fund
MEZZETTA COURT VENTURES LLC	1	10,843,040	0.55%	1	10,317,220	6.13%	21,160,260	0.99%	Industrial American Canyon Gen Fund
AMCAN BEVERAGES INC	1	21,086,616	1.07%				21,086,616	0.99%	Industrial American Canyon Gen Fund
125 MEZZETTA COURT INC	1	20,822,389	1.06%				20,822,389	0.98%	Industrial American Canyon Gen Fund
Top Ten Totals	14	259,851,740	13.22%	3	79,750,910	47.40%	339,602,650	15.92%	
City Totals		\$ 1,965,640,009			\$ 168,227,831		\$ 2,133,917,840		

*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 2010/11 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 -----	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%
	2020	15,862,655	15,862,655	100%
	2021	16,156,774	16,156,774	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			
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%	731
2016	-	-	1,318	5,892	2,408	5,505	15,123	3.67%	735
2017	-	-	1,069	5,506	1,975	4,827	13,377	2.07%	637
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
2020	-	-	278	4,455	609	2,682	8,024	1.17%	385
2021	-	-	845	4,672	4,769	1,928	12,214	1.67%	587

----- 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 Annual Comprehensive 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		
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%	-
2020	-	-	-	0.00%	-
2021	-	-	-	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 Annual Comprehensive Financial Report.

Schedule 12
City of American Canyon
Computation of Direct and Overlapping Debt
As of June 30, 2021

2020-21 Assessed Valuation: \$3,409,449,674

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2021	% Applicable (1)	City's Share of Debt 6/30/2021
Napa Joint Community College District	\$ 82,693,448	7.668%	\$ 6,340,934
Napa Valley Unified School District	489,359,855	11.626%	56,892,977
American Canyon Green Island Road Community Facilities District	5,165,000	100.000%	5,165,000
City of American Canyon 1915 Act Bonds	14,449,200	100.000%	14,449,200
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 82,848,111
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Napa County Certificates of Participation	\$ 10,605,000	7.734%	\$ 820,191
Napa County Board of Education Certificate of Participation	14,035,000	7.734%	1,085,467
Napa Valley Unified School District Certificates of Participation	2,470,000	11.626%	287,162
City of American Canyon Facilities Lease Financing	4,569,064	100.000%	4,569,064
City of American Canyon Equipment Financing	5,305,593	100.000%	5,305,593
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 12,067,477 F
TOTAL DIRECT DEBT			9,874,657
TOTAL OVERLAPPING DEBT			<u>85,040,931</u>
COMBINED TOTAL DEBT			<u>\$ 94,915,588 (2)</u>

Ratios to Assessed Valuation:

Total Direct Debt (\$9,874,657)	0.30%
Total Overlapping Tax and Assessment Debt.	<u>2.56%</u>
Combined Total Debt	<u><u>2.86%</u></u>

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
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		102,967,257	0.00%
2018	2,911,549,010	109,183,088		109,183,088	0.00%
2019	3,107,928,907	116,547,334		116,547,334	0.00%
2020	3,323,463,102	124,629,866		124,629,866	0.00%
2021	3,409,449,674	127,854,363		127,854,363	0.00%

----- 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 Annual Comprehensive Financial Report.

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

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Capital Impact Fees	Debt Service		
			Principal	Interest	Coverage
----- Prior Years -----					
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
2020	1,514,977	-	580,719	260,544	1.80
2021	2,358,403	-	530,000	1,237,446	1.33

State of California Water Loan

Fiscal Year	Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
----- Prior Years -----							
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
2020	7,852,151	332,487	5,274,448	2,910,190	66,992	15,150	35.43
2021	10,024,822	1,035,539	5,118,753	5,941,608	68,666	14,287	71.63

State of California Wastewater Construction Loan

Fiscal Year	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
----- Prior Years -----							
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
2020	4,797,654	136,046	2,646,209	2,287,491	666,888	56,988	3.16
2021	4,941,788	373,210	3,086,833	2,228,165	684,893	56,989	3.00

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 Annual Comprehensive 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
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%
2020	20,837	688,744	101,792	3.70%
2021	20,802	732,403	101,792	10.00%

Prior Years

Source: HDL, Coren & Cone

Source: 2019-20 and prior, previously published ACFR

(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 2020 vs Calendar Year 2011**

Employer	2020			2011		
	Rank	Number Employees	Percentage of Total City Employment	Rank	Number Employees	Percentage of Total City Employment
Walmart Supercenter	1	326	3.40%	1	415	8.30%
Napa Valley Unified School District (AC)	2	287	2.99%			
GL Mezzetta	3	248	2.58%	2	300	6.00%
Coca-Cola Amcan Beverages	4	160	1.67%	3	135	2.70%
Ikea Distribution Services, Inc.	5	160	1.67%			
Barry Callebaut	6	150	1.56%			
A Bright Future	7	147	1.53%			
Western Wine Services, Inc.	8	119	1.24%			
City of American Canyon	9	114	1.19%	8	71	1.42%
Wine Direct Inc	10	110	1.15%			
Safeway Inc #1883				4	101	2.02%
Sutter Home Winery				5	100	2.00%
Vineyard Brands Inc				6	58	1.16%
Vinpak Inc				7	50	1.00%
American Canyon Middle School				9	70	1.40%
Donaldson Way Elementary School				10	60	1.20%

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 -----									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	2.15	2.15	2.15	2.55	2.55	3.50	2.50	2.50	3.00	3.00
City Clerk	1.40	1.40	1.40	1.65	1.65	2.00	2.00	2.00	2.00	2.00
Neighborhood Programs								1.00	1.00	
Communications										1.00
Human Resources	1.50	1.50	-	-	-	2.20	2.00	2.00	1.00	2.00
Finance										
Human Resources	-	-	1.50	2.20	2.20	-	-	-	0.00	0.00
Finance	4.60	4.60	4.60	4.30	4.80	4.80	4.50	4.10	4.10	4.10
Information Systems	0.20	0.20	0.20	-	-	-	-	-	0.00	0.00
Utility Billing	3.20	3.20	3.20	3.40	3.40	3.40	3.40	3.80	3.80	3.80
Public safety:										
Police	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.00
Non Departmental	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.00
Community Development:										
Planning	1.60	1.60	1.60	3.25	3.25	3.25	4.25	2.75	2.75	2.45
Building and Safety	3.25	3.25	3.25	3.25	4.25	4.25	3.75	3.65	3.65	2.95
Economic Development	0.45	0.45	0.45	0.54	0.54	-	-	-	0.00	0.00
Housing Services	0.10	0.10	0.10	-	-	-	-	0.10	0.10	0.10
City Engineer	1.30	1.30	1.30	-	-	-	-	-	0.00	0.00
Affordable Housing										
	0.25	0.25	0.25	0.10	0.10	-	-	-	-	-
Parks and Recreation										
Park Maintenance	5.35	5.20	5.35	5.40	5.40	6.50	5.40	5.40	-	-
Parks & Recreation Admin	-	-	-	2.20	2.70	3.70	3.30	3.30	3.10	3.10
Recreation Programs	2.80	2.75	2.80	1.80	2.80	2.80	3.10	3.10	4.30	4.30
Aquatics Programs	2.30	2.30	2.30	1.60	1.60	1.50	1.90	1.90	1.90	1.90
Neighborhood Programs	-	-	-	-	-	-	1.00	-	-	-
Facility Rentals	-	-	-	-	-	-	0.30	0.30	0.30	0.30
Maintenance and Utilities										
Maintenance & Utilities Admin										3.00
Streets Maintenance										2.70
Maintenance & Utilities Storm Drain										2.70
Parks Maintenance										5.40
Public Works:										
Administration	3.90	3.90	3.90	3.50	3.50	3.50	3.50	3.50	3.00	2.00
Capital Projects	1.60	1.60	1.60	3.00	4.00	4.00	4.00	4.00	4.00	3.00
Street Maintenance	3.45	3.45	3.45	2.90	3.30	3.30	4.00	3.95	3.95	
Storm Drain	1.95	1.95	1.95	2.00	2.60	1.60	1.90	2.35	2.35	0.70
Parks Maintenance	-	-	-	-	-	-	-	-	5.40	
Fleet Operations	1.10	1.10	1.10	-	-	-	-	-	-	-
Cty Engineer	-	-	-	1.00	1.00	1.00	1.00	1.50	1.50	1.50
Water:										
Treatment and Distribution	9.05	9.05	9.05	9.08	10.08	11.25	11.55	11.25	11.75	11.25
Wastewater:										
Collection and Treatment	12.00	12.00	12.00	12.23	9.73	9.40	11.10	11.25	10.75	9.25
Storm Water Quality	0.45	0.45	0.45	-	-	-	-	-	0.00	0.00
Solid Waste	0.35	0.35	0.35	0.35	3.35	3.35	3.35	3.10	3.10	2.30
Internal Service:										
Building Maintenance	-	-	-	1.00	1.00	1.00	1.00	1.05	1.05	1.05
Fleet Operations	-	-	-	1.10	1.10	1.10	1.10	1.05	1.05	1.05
Information Systems	-	-	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Totals	<u>73.30</u>	<u>73.10</u>	<u>73.30</u>	<u>77.50</u>	<u>84.00</u>	<u>86.50</u>	<u>89.00</u>	<u>88.00</u>	<u>88.00</u>	<u>85.00</u>

Data Source: Human Resources Department

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

	----- Prior Years -----									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Physical arrest	415	842	790	471	569	493	282	460	515	504
Traffic violations	2,001	1,639	1,336	971	886	1,189	1,204	635	601	696
Fire:										
Emergency Responses	300	1,437	1,449	1,627	1,615	1,802	1,744	1,709	1,725	1,764
Structure Fires	14	6	6	17	20	20	21	19	71	80
Fire Loss (Thousand \$)	135	-	-	-	-	-	-	-	-	-
Fire Engines	6	6	6	6	6	6	8	8	8	8
Inspections	279	264	199	229	216	393	382	325	292	179
Construction Inspection	111	108	50	44	78	100	97	171	107	122
Planning:										
Building Permits Issued	296	299	360	520	524	496	511	428	571	598
Public works:										
Miles streets resurfaced	0.12	-	-	1.75	0.15	7.00	0.69	1.00	1.14	0.35
Parks:										
Community events held	26	35	37	41	46	41	40	38	14	12
Swimming pool admissions	15,313	16,261	47,720	48,222	49,142	49,302	63,110	46,594	15,277	14,250
Water:										
Number of new services	100	633	493	402	418	449	427	374	324	292
Daily average water production in MGD	58.00	3.10	3.15	2.87	2.49	2.31	2.38	2.40	2.12	2.57
Daily average water consumption in MGD	50.00	2.94	2.89	2.39	2.08	2.02	2.19	2.08	1.64	2.19

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 -----									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	12	13	15	19	17	17	18	18	18	18
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	8	8	8	8	8	8	9	8	8	8
Public works:										
Miles of streets	38.1	38.1	38.1	38.1	38.1	38.1	38.1	38.1	52.3	112.0
Streetlights	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,381	1,397
Traffic signals	4	4	4	4	4	4	4	4	6	6
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	5,529	5,565	5,593	5,594	5,621	5,654	5,646	5,595	5,693	5,724
Maximum plant capacity in millions gallons	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Storage capacity in in millions gallons	4.70	4.70	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	4,910	4,971	4,983	5,004	5,016	5,012	4,999	5,050	5,006	5,009
Maximum plant capacity in million gallons	5	5	5	5	5	5	5	5	5	5
Recycled Water:										
Miles of pipelines added	-	-	-	-	0.4	-	-	-	-	-
Number of services billed	12	13	15	20	30	46	43	30	48	62
Storage capacity in million gallons	1	1	1	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Data Source: Various departments within the City of American Canyon



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

MANAGEMENT LETTER

To the City Council and Management
City of American Canyon
American Canyon, California

In planning and performing our audit of the 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 (the City) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The following items noted in our current year audit have been presented for consideration:

Developer Contributions

During our audit, we noted the City received contributions on capital assets from developers which are required to be recorded at the acquisition value. We recommend the City obtain the estimated value of the contributed assets from the developer in the future to support the value recorded.

Capital Assets

A number of projects reported as construction in progress in the enterprise funds had no activity for many years. We recommend considering whether those projects are approved by Council and will be completed or should be removed. Note that feasibility studies are required to be expensed as incurred until the City Council approves the related project.

The following items noted in prior year audits have been presented for further consideration.

Closing Entries

We recommend the City review the adjustment list provided during the audit and consider which entries can be posted prior to the start of the audit in the future to increase audit efficiency.

Cash Reconciliation

We recommend the City prepare a combined cash and investments reconciliation with each account in a column and reconciling items in rows that reconciles to total combined governmental activity, business-type activity and fiduciary fund cash and investments accounts. This would simplify the reconciliation of cash and investments to the balance sheet and footnotes during the audit. Many city clients prepare a similar reconciliation. The City is waiting until after their accounting system is upgraded before implementing this suggestion.

* * * * *

We would like to take this opportunity to acknowledge the courtesy and assistance extended to us during the course of the audit. This communication is intended solely for the information and use of management, the City Council and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

December 30, 2021



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

GOVERNANCE LETTER

To the City Council
City of American Canyon, California

We have audited the 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 (the City) for the year ended June 30, 2021, and have issued our report thereon dated December 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated September 28, 2019 and to a member of the City Council during the audit. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 28, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we will consider the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit includes obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. No material weaknesses in internal control were noted as a result of our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note A to the financial statements. The City adopted Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021, which revised the identification and reporting of fiduciary activities. The City's fiduciary activities are classified as custodial funds rather than agency funds, which now report a statement of fiduciary net position and a statement of changes in fiduciary net position. The application of existing policies was not changed during the year. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Accounting estimates are used in the following areas: the allowance for uncollectible accounts and loans receivable, including accrued interest thereon, qualifying expenses claimed under grants, the depreciable lives used for capital assets, the liability for self-insured workers' compensation claims, the net pension liability and the net other postemployment benefits liability. Management has determined an allowance for uncollectible accounts and loans receivable is necessary based on estimates of collectability and estimated collateral values. The City has an administrator for their self-insurance program that develops the estimate of the incurred, but unreported claims liability. The City has actuarial calculations performed on its net pension liability and net other postemployment benefits liability. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The City has recorded an allowance for doubtful accounts on most of its BEGIN program loans and its shared appreciation loans and related accrued interest of \$8,527,434 because of the previous decrease in property values and the uncertainty if repayment will be received. This allowance does not affect fund balance because these loans are offset by deferred inflows of resources.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the following:

Net Pension Liability: The disclosure of the net pension liability in Note J to the financial statements discusses the pension liability that is reflected in the Statement of Net Position and related deferred balances as well as the assumptions that were used to determine the amounts and other required disclosures. The required supplementary information schedules also provide historical information on the pension obligation.

Net Other Postemployment Benefits (OPEB) Liability: The disclosure of the net OPEB liability in Note K to the financial statements discusses the liability that is reflected in the Statement of Net Position and related deferred balances as well as the assumptions that were used to determine the amounts and other required disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit. The number of adjustments and closing entries posted during the audit was a difficulty encountered, however.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During our audit, 60 adjustments and closing entries were recorded. These adjustments included reclassifying receivables, recording capital asset activity, updating the OPEB, pension, debt and workers compensation balances, reclassify fund balance and net position, reclassify developer contributions, reclassify revenue and revising operating transfers. In addition, the attached schedule summarizes an unadjusted audit difference in the financial statements. Management has determined that the effect of the unadjusted difference is immaterial to the financial statements as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 30, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison schedules for the General and major special revenue funds, schedules of the proportionate share of the net pension liability, schedules of contributions to the pension plan, schedules of contributions to the other postemployment benefits plan and schedules of funding progress of the other postemployment benefits plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the combining and individual fund financial statements which accompany the financial statements but are not RSI. With respect to the supplementary information, which is identified in the table of contents of the financial statements, accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We are not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

* * * *

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

December 30, 2021

CITY OF AMERICAN CANYON
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES
YEAR ENDED JUNE 30, 2021

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets	Total Liabilities	Total Net Position/Fund Balance	Total Change Net Position/Fund Balance
GOVERNMENTAL ACTIVITIES				
To accrue payable for rail signal capital project.	\$ 79,994	\$ (79,994)	\$ 79,994	
Net Unadjusted Audit Differences	79,994	(79,994)	79,994	
Financial Statement Caption Totals-Governmental Activities	\$ 332,640,764	\$ 37,481,728	\$ 298,755,253	\$ 8,280,464
Net Audit Differences as % of F/S Captions	0.02%	(0.21%)	0.03%	0.00%
CITY CAPITAL PROJECTS FUND				
To accrue payable for rail signal capital project.	\$ 79,994	\$ (79,994)	\$ 79,994	\$ 79,994
Net Unadjusted Audit Differences	79,994	(79,994)	79,994	79,994
Financial Statement Caption Totals-General Fund	\$ 300,108	\$ 80,671	\$ 219,437	6,181,989
Net Audit Differences as % of F/S Captions	26.66%	(99.16%)	36.45%	1.29%



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATIONS LIMIT TESTING

To the City Council
City of American Canyon, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the City of American Canyon (the City) for the year ended June 30, 2021. The City and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit calculation. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

1. We obtained the City's calculation of the 2020/2021 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost-of-living adjustment component to Article XIII B which states that the City may annually adjust the component for either the change in California per capita personal income or, the percentage change in the City's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII B which states that the City may annually choose to adjust the component for either the change in population in the County in which the City is located, or the change in population within the unincorporated area of the County in which the City is located. We recalculated the factor based on the above information.

Finding: The City rounded the population adjustment factor used to 0.9920% rather than using the correct factor of 0.9922%.

Recommendation: We recommend the City revised the population factor used and have the City Council reapprove the 2020/2021 appropriations limit calculation and any future calculations based on the 2020/2021 calculation.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the City Council for the prior year.

Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2020/2021 Appropriation Limit by multiplying the product of the two above factors by the 2019/2020 appropriation limit.

Finding: See item 3 finding and recommendation.

6. We compared the City's actual revenues to the computed appropriation limit for fiscal year 2020/2021.

Finding: For the 2020/2021 fiscal year, the City's actual revenues subject to the appropriations limit did not exceed the appropriation limit adopted by resolution of the City Council.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We are not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on appropriations limit calculation. Accordingly, we do not express such an opinion or conclusion. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the City Council and management of the City and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Richardson & Company, LLP

December 30, 2021

APPENDIX A

**CITY OF AMERICAN CANYON
APPROPRIATION LIMIT CALCULATION
Year Ended June 30, 2021**

**APPROPRIATION LIMIT
ADOPTED BY CITY:**

Recorded in Final 2020/2021 Budget \$19,762,460

**APPROPRIATION LIMIT
COMPUTATION PER REVIEW:**

2019/2020 Appropriation Limit	\$19,205,500
Cost of living factor:	
Change in California per capita income	1.0373
Population Adjustment Factor:	
Population change in City of American Canyon	<u>0.9922</u>
Auditor computed limitation	<u>19,766,301</u>
Variance	<u><u>\$ (3,841)</u></u>



550 Howe Avenue, Suite 210
Sacramento, California 95825

Telephone: (916) 564-8727
FAX: (916) 564-8728

INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT TESTING

To the Fire Protection District Board
City of American Canyon Fire Protection District
City of American Canyon, California

We have performed the procedures enumerated below to the accompanying calculation of the Appropriation Limit of the City of American Canyon Fire Protection District (the District) for the year ended June 30, 2021. The District and the League of California Cities (as presented in the publication entitled *Agreed-Upon Procedures applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose to assist the District in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The District's management is responsible for the Appropriations Limit calculation. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and our findings were as follows:

1. We obtained the District's calculation of the 2020/2021 appropriations limit and compared the limit and annual adjustment factors included in the calculation to the limit and annual adjustment factors that were adopted by resolution of the Fire Protection District Board.

Finding: No exceptions were noted as a result of our procedures.

2. We compared the methodology used to determine the cost-of-living adjustment component to Article XIII B which states that the District may annually adjust the component for either the change in California per capita personal income or, the percentage change in the District's assessed valuation which is attributable to non-residential new construction. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

3. We compared the methodology used to determine the population adjustment component to Article XIII B which states that the District may annually choose to adjust the component for either the change in population in the County in which the District is located, or the change in population within the unincorporated area of the County in which the District is located. We recalculated the factor based on the above information.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the prior year appropriations limit presented in the accompanying Appropriations Limit Calculation to the prior year appropriations limit adopted by the Fire Protection District Board for the prior year.

Finding: No exceptions were noted as a result of our procedures.

5. We recalculated the 2020/2021 Appropriation Limit by multiplying the product of the two above factors by the 2019/2020 appropriation limit.

Finding: No exceptions were noted as a result of our procedures.

6. We compared the District's actual revenues to the computed appropriation limit for fiscal year 2020/2021.

Finding: For the 2020/2021 fiscal year, the District's actual revenues subject to the appropriations limit did not exceed the appropriation limit adopted by resolution of the Fire Protection District Board.

We were engaged by the District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We are not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on Appropriations Limit Calculation. Accordingly, we do not express such an opinion or conclusion. No procedures have been performed with respect to the determination of the Appropriations Limit for the base year, as defined by *Article XIII-B* of the California Constitution.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of the Board of Directors and management of the District and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Richardson & Company, LLP

December 30, 2021

APPENDIX A

**CITY OF AMERICAN CANYON FIRE PROTECTION DISTRICT
APPROPRIATION LIMIT CALCULATION
Year Ended June 30, 2021**

**APPROPRIATION LIMIT
ADOPTED:**

Recorded in Final 2020/2021 Budget \$13,219,399

**APPROPRIATION LIMIT
COMPUTATION PER REVIEW:**

2019/2020 Appropriation Limit	\$12,844,344	
Cost of living factor:		
Change in California per capita income	1.0373	
Population Adjustment Factor:		
Population change in City of American Canyon	<u>0.9922</u>	
Auditor computed limitation		<u>13,219,399</u>
Variance		<u><u>\$ 0</u></u>