

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, 2022**

American Canyon, California

www.cityofamericancanyon.org

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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, 2022*

Prepared by the Finance Department

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

Annual Comprehensive Financial Report

June 30, 2022

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CITY OF AMERICAN CANYON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2022

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March 16, 2023

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, 2022. The fiscal year covers financial transactions from July 1, 2021 to June 30, 2022 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, 2022, 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, 2022 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, 2022 was estimated to be 21,658 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 through the American Canyon Fire Protection District; 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 continues to be part of our daily lives, but the cost-saving measures previously implemented by the City have resulted in favorable results for FY 2021-22. The passing of the American Rescue Plan Act (ARPA) of 2021 provided \$350 billion in additional funding to state and local governments. The City received \$4.9 million in ARPA funds and utilized the funds to improve infrastructure and parks. This includes street improvements, pedestrian and bike safety improvements, and skate park relocation and upgrades.

The City recently negotiated its Memorandum of Understanding (MOU) with employee bargaining units for five years after a one-year extension to the previous MOUs. The new MOUs will have an impact on salaries and benefits in the coming years.

Approximately 50% of general fund revenue received is from property taxes and are critical in supporting the cost of essential services provided by the City. For the FY 2021-22 the City budgeted a 4.5% increase in property taxes, and actually came in at a 6.9% increase. This was attributed to increasing values due to low supply and high demand, also fueled by low interest rates in the beginning of the fiscal year. Property tax is projected to increase an additional 4.3% in the 2022-23 fiscal year, in line with the total assessed valuation growth. Home values in American Canyon have had a median increase of value of 10.24% in 2022 on top of a 2021 increase of 11.40% with 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. However, recent interest rate increases could result in a tempering of sale prices and a reduction in higher priced homes sold as buyers begin to get priced out of those properties. The home mortgage market will continue to see high interest rates as long as inflation remains high, with the Federal Reserve signaling more hikes could follow until inflation comes down to their target rate of 2%.

The City's Transient Occupancy Tax (TOT) rate is 12%. FY 2021-22 TOT revenues have rebounded from the pandemic lows of FY 2020-21, nearly doubling to \$1.6 million. For FY 2022-23, we have projected \$1.6 million in TOT revenue, minimal to no growth is expected in TOT revenue as stubbornly high inflation begins to affect consumer discretionary travel spending, in addition to the unusual wet weather limiting travel plans to the area. We expect that American Canyon will continue to benefit from tourism in the Napa Valley as life continues to return to a semblance of normalcy. We also expect additional hotel rooms currently under construction in American Canyon now and in the next three years will bring additional TOT revenue.

Sales tax revenues came in 13% higher in FY 2021-22 compared to the adopted budget. This was due in large part to consumer purchasing increasing rather than decreasing as the pandemic continued, as well as the influx of government stimulus to the economy. FY 2022-23 sales tax revenue was recently revised upward by an additional \$2.8 million as a result of a State audit determining that certain revenues belong to the City instead of the county pools. As a result of this audit determination, we are anticipating FY 2022-23 sales tax revenue to be 90% higher than originally budgeted. However, because this includes one-time recovery revenue, we expect FY 2023-24 revenues to decrease and be more in line with historical growth.

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:

- ✓ Knightsbridge Way Reconstruction and Water Main Improvements – The City is undertaking a project to replace the 8" water main on Knightsbridge Way between Danrose Drive and Elliott Drive, including all the courts: Regent Court, Park Lane, Lansford Court, Arden Court, and Linwood Lane. To maximize efficiency, once the underground work is complete, this project will also include the installation of ADA ramps, the road reconstruction of Knightsbridge Way, and a two-layer pavement treatment on the courts. It is anticipated that this project will advertise for construction by the end of 2023 with anticipated construction completion in Summer 2024.

- ✓ Green Island Road Reconstruction – The Green Island Road Reconstruction & Widening Project will bring much-needed infrastructure improvements to the Green Island Industrial District. The upgrades will significantly benefit the businesses within the district, which are a vital component of the City's economy. Established in 2019, the Green Island Road Community Facilities District will provide a significant portion of the funding for the project. In 2022, bids were advertised to underground existing overhead utilities. The construction contract was subsequently awarded to St. Francis Electric and work is anticipated to be completed in mid-2023. The final phases of the project—road reconstruction and Class I multi-use trail construction—will be advertised for bids after the utility undergrounding in late 2023, with estimated project completion in 2024.

- ✓ 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 on an annual basis. The streets selected are based on our pavement management program, considering public safety, underground utility needs, and available funding.

- ✓ Rancho Del Mar Paving and Utility Improvements – The Rancho Del Mar Subdivision is the oldest subdivision in American Canyon. In 2022, City Council prioritized federal American Rescue Plan Act (ARPA) funding to rehabilitate water and sewer utilities, provide for different pavement treatments including full reconstruction to local streets, upgrade curb ramps to ADA compliance, and implement thermoplastic striping and pavement markings. Streets included in this work are Rio Del Mar from Highway 29 to Carolyn Drive, all of Los Altos Place east of Carolyn Drive, Cassayre Drive, Flamingo Court, Del Rio Court, Alta Loma Drive, Joan Drive from Carolyn Drive to Los Altos Place, and Carolyn Drive from Rio Del Mar to Los Altos Place. Design will begin in 2023 with construction anticipated in 2024.

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) is transforming Broadway into a livable, mixed-use, small-town neighborhood with quality development. The Broadway District Specific Plan was updated in 2021. Development projects in the BDSP include the following:
 - Home2Suites Hotel - A new 102-room Home2Suites hotel is under construction.
 - Hampton Inn Hotel - A new 112-room Hampton Inn hotel construction is anticipated to begin in 2023.
 - Napa Cove - A 66-unit affordable apartment project is under construction.
 - Circle K - A Convenience store and gas station opened its doors to customers in February 2023.
 - Residences at Napa Junction - A 435-unit apartment project is under review.
 - Crawford/Broadway Townhomes - A 100-unit apartment townhome project is under review.
 - Chicken Guy Restaurant - A quick serve restaurant with a drive-thru service is under review by the Planning Commission.
 - Sunstone - A mixed use residential/commercial project of 20 apartments located on Napa Junction Road is under review.
- ✓ Watson Ranch – The 300-acre Watson Ranch Specific Plan (WRSP) includes a new hotel, 1,253 residential units, parks, and other amenities. Development projects in the WRSP include the following:
 - Artisan at Watson Ranch - 98 single-family homes are available for sale today.
 - Lemos Pointe - A 186-unit affordable rental community is under construction.
 - Harvest at Watson Ranch - 219-unit single family homes are under construction.
 - The Hotel at the Napa Valley Ruins & Gardens - A 200-room resort hotel and 30 townhomes and flats were approved by the Planning Commission.
 - Promontory at Watson Ranch - 216 single family homes with Accessory Dwelling Unit (ADU) options is under review.
- ✓ 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) 100,000 SF Regional Maintenance facility is under construction.
- ✓ 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) will begin construction in 2023.
- ✓ Giovannoni Logistics Center – A 2.4 million SF high cube wine warehouse business park on 208-acres, north of Green Island Road is under review by the City Council.
- ✓ Canyon Estates – A 35-single family large lot subdivision of custom homes is under construction. Custom home lot sales are ongoing.
- ✓ Oat Hill Residential – A 291-unit, 20-acre multifamily development on the east side of Oat Hill is under construction.
- ✓ Bell Products - A new business headquarters for Bell Products in the Green Island Industrial Park is under review.

- ✓ Ecological Center - An exciting project to transform the Wetlands Edge Corporation Yard into an Ecological Education Center through a partnership between the American Community & Canyon Foundation and the City of American Canyon is under review.
- ✓
- ✓ Green Island Solar Farm - A solar farm with associated RV storage proposed on Highway 29, north of Green Island Road is under review.

Paoli/Watson Lane Annexation

The City is preparing an annexation application on 85 acres at the City's northeast boundary. The annexation area would facilitate construction of Newell Road 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 urban uses following annexation. An Environmental Impact Report that evaluates the project will be released for public review in March 2023.

General Plan Update

The City is preparing a comprehensive technical 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 land outside its boundaries that bears relation to its planning. The GPU will ensure all components of the General Plan are internally consistent and current with State Law. An Environmental Impact Report that evaluates the GPU will be released for public review in Mid-2023.

The Housing Element component of the General Plan was approved in January 2023. Staff is working toward certification by the State Department of Housing and Community Development (HCD) by responding to input received in February 2023.

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 its 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. City staff is working on developing a new rate structure in fiscal year 2022-23, that will focus on all three of the City's enterprise funds and anticipates having updated rates take effect in January 2024.

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 actuarially 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, 2021. 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. In our opinion, the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and it will be submitted to the GFOA to determine its eligibility for recognition.

The City was also awarded the Distinguished Budget Presentation Award by the GFOA for its fiscal year 2021-22 Annual Budget. This prestigious award recognizes conformance with the highest budget standards and is awarded based on both content and presentation criteria. These awards are valid for a period of one year only.

Acknowledgements

The preparation of this report would not have been possible without the capable and dedicated services of the Finance Team. The Mayor and City Council also warrant special recognition for their continued

support, leadership and high expectations for professionalism in overseeing the City of American Canyon's financial affairs.

Respectfully Submitted,

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

Jason B. Holley
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of American Canyon
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

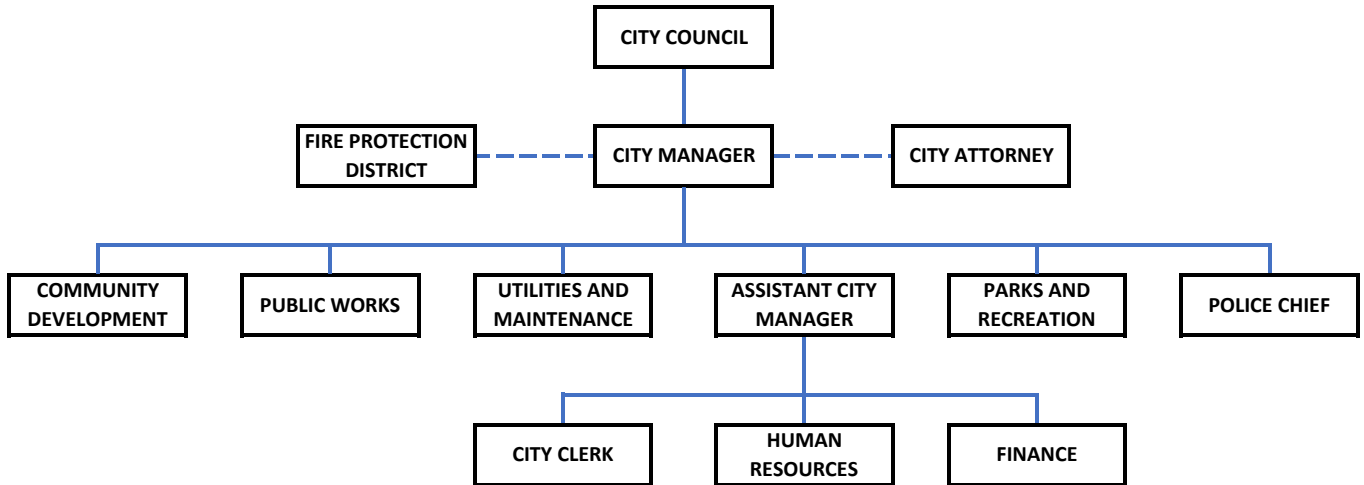
CITY OF AMERICAN CANYON
PRINCIPAL OFFICIALS
YEAR ENDED JUNE 30, 2022

CITY COUNCIL

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

ADMINISTRATIVE PERSONNEL

City Manager	Jason Holley
Assistant City Manager	Maria Ojeda
City Clerk	Taresa Geilfuss
Police Chief	Rick Greenberg
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.....	Alexandra Ikeda



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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of American Canyon, California

Opinions

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 (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of American Canyon, California's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 is the responsibility of management and, 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

To the City Council
City of American Canyon, California

information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Richardson & Company, LLP

March 15, 2023

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, 2022. Please read it in conjunction with the City's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by about \$4.8 million over the course of this year's operations after conducting all City operations and programs. The Citywide Statement of Activities reports a \$4.8 million increase in net position for Governmental Activities using full accrual accounting and Business-type Activities did not change significantly. The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$374.6 million at the end of the 2022 fiscal year. The Citywide Statement of Net Position reports that \$303.6 million is related to Governmental Activities and \$71.0 million is related to Business-type Activities. Of that amount, \$18.6 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 \$42.3 million at June 30, 2022, an increase of \$1.5 million compared to the prior year. Of these fund balances, \$0.4 million is non-spendable, \$26.0 million is restricted, \$8.3 million is committed, \$5.2 million is assigned, and \$2.3 million is unassigned.
- Overall, city-wide revenues from all governmental and business-type activities were \$52.1 million, a decrease of about \$3.3 million compared to the prior year. This amount includes \$1.2 million from capital grants and contributions for Governmental Activities and \$1.8 million from Business-type Activities.
- The City's total expenses for all programs in fiscal year 2021-22 was \$47.3 million, an increase of \$2.1 million compared to the prior year.
- The General Fund ended fiscal year 2021-22 with a fund balance of \$12.6 million, an increase of \$0.4 million compared to the prior year of which \$3.3 million was unassigned. The Fire District Operations Fund ended fiscal year 2021-22 with a \$5.6 million fund balance, a decrease of \$0.2 million compared to the prior year. The CDBG, Cal Home and HOME Loan Development Special Revenue Fund ended fiscal year 2021-22 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 2021-22 with a negative fund balance of \$0.6 million and is unchanged compared to the prior year. The State and Federal Grants - City Special Revenue Fund ended fiscal year 2021-22 with a negative fund balance of \$0.7 million and is unchanged compared to the prior year. The City Capital Projects Fund ended fiscal year 2021-22 with a fund balance of \$0.1 million, which did not change significantly compared to the prior year. Other Governmental Funds reported a cumulative fund balance of \$24.3 million available for special purposes, primarily infrastructure and capital asset additions.
- The City ended fiscal year 2021-22 with \$25.0 million of available net position in its enterprise funds consisting of restricted and unrestricted net position. This is an increase of \$0.6 million from the prior fiscal year. Internal Service Funds ended fiscal year 2021-22 with a cumulative unrestricted fund balance of \$0.7 million and increase \$0.5 million compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's *overall* financial status.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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
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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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; and Affordable Housing* are reported in separate columns, and all other governmental funds are aggregated in a single column.
- The City establishes other funds to control and manage money for particular purposes. Some funds are maintained to demonstrate that the City is properly using certain specific fees for their intended purpose (such as the City's impact fee funds).
- Other funds are maintained for similar purposes but also demonstrate the City's ability to repay its long-term debt obligations, such as bonds.

The City has three kinds of funds:

Governmental funds – The City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds' statement, or on the subsequent page, that explains the relationship (or differences) between them.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 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 \$4.8 million between fiscal years 2021 and 2022.

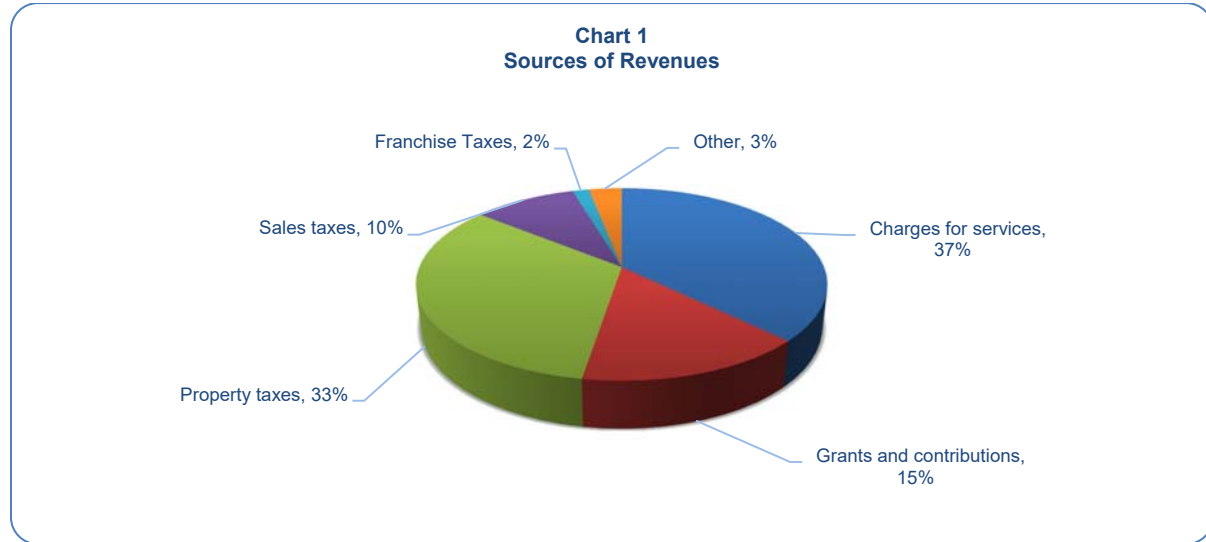
Table A-1
City of American Canyon's Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2021	2022	2021	2022	2021	2022	2021-22
Current and other assets	58.4	59.9	28.3	29.1	86.7	89.0	2.7%
Capital assets	274.4	275.2	53.5	51.8	327.9	327.0	-0.3%
Total assets	332.8	335.1	81.8	80.9	414.6	416.0	0.4%
Deferred Outflow of Resources	5.2	6.5	1.1	1.5	6.3	8.0	27.0%
Long-term debt outstanding	29.5	22.3	10.9	8.3	40.4	30.6	-24.3%
Other liabilities	8.2	7.3	0.8	1.7	9.0	9.0	0.0%
Total liabilities	37.7	29.6	11.7	10.0	49.4	39.6	-19.8%
Deferred Inflows of Resources	1.6	8.4	0.2	1.4	1.8	9.8	434.6%
Net investment in capital assets	267.6	269.2	47.3	46.0	314.9	315.2	0.1%
Restricted	32.2	34.1	6.1	6.7	38.3	40.8	6.5%
Unrestricted	(1.0)	0.3	17.7	18.3	16.7	18.6	11.3%
Total net position	298.8	303.6	71.0	71.0	369.8	374.6	1.3%

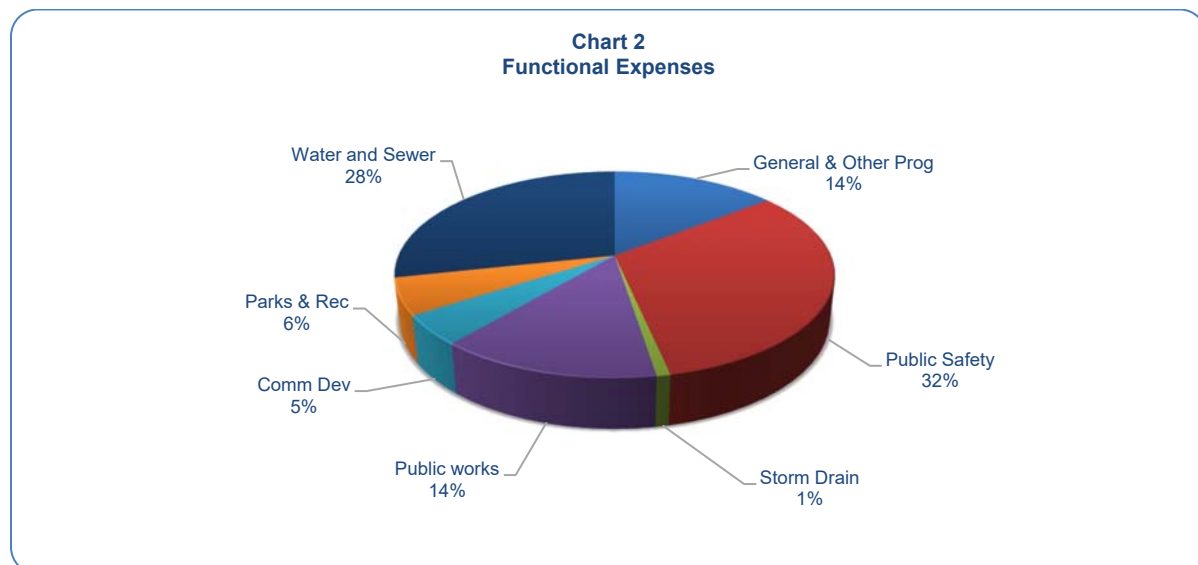
The net position of the City's governmental and business-type activities increased 1.3% to \$374.6 million. The increase was primarily due to an increase in Grants and Contributions from COVID-19 pandemic relief. Approximately 84% of the City's net position is invested in capital assets such as buildings, land, equipment and facilities. About \$6.4 million of ongoing capital assets were purchased this fiscal year and are invested in projects such as the Devlin Road Extension Project (\$3.9 million), contributed property from developers, and in various Internal Service Funds fleet vehicles, radios, and fleet operations equipment. The remaining 16% of net position is represented by restricted and unrestricted net position. Notable receivables are the \$2.6 million in Taxes and \$2.5 million from Utilities. Approximately \$3.5 million of Intergovernmental Receivables include American Rescue Plan Act (ARPA) COVID-19 relief funding of \$2.5 million, and grant funding for CIP of \$0.8 million, plus

MANAGEMENT'S DISCUSSION AND ANALYSIS

COPS funding and other minor receivables. About 77.5% 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 52-56.



Changes in net position. The City's major sources of revenue and functional expenses are presented in charts 1 and 2. As summarized in Table A-2 on page 10, revenues for fiscal year 2021-22 totaled \$52.1 million, a decrease of \$3.3 million or 6.1% from the prior year. Grants and contributions revenue decreased \$3.1 million primarily due to the one-time award from ARPA funding in fiscal year 2020-21 and capital contributions from developers. The City's primary source of discretionary revenue is property taxes which totaled \$17.3 million or 33% of total revenues for the year and increased by 7.5% over fiscal year 2020-21 due to continued improvement in assessed valuation during the recent pandemic recession. Sales tax revenue increased by \$0.6 million or 13.6% to \$5 million in fiscal year 2021-22, due to additional discretionary revenues from telecommuting and individual assistance aide. Approximately \$15.7 million or 30% 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 2021-22 was \$47.3 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 2021-22, expenses increased by \$2.1 million or 5%. In this fiscal year, the General Government expenses decreased by \$0.3 million, a 4% decrease from the prior year largely due to increased public safety costs of \$0.9 million, and removal of furlough savings of approximately \$0.5 million. Water, Wastewater and Recycled Water expenses were \$0.7 million higher compared to prior year at \$12.8 million. This increase is mainly the result of increased costs for producing water.

The City's largest operating expense was public safety services. The City's cost to provide police and fire protection services was \$15.2 million or 32.1% of the City's total operating expenses followed closely by the water and sewer which collectively comprised \$13.2 million or 27.9% of total expenses. Public Works and Storm Drain departments accounted for 14.4% of expenses, Parks and Recreation 5.7%, and Community Development 5.6%. The remaining 14.3% was expended on general City administration and other programs.

When all operations were concluded, governmental activities created a \$4.8 million increase in net position and business-type activities did not change significantly for 2021-22.

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
	2021	2022	2021	2022	2021	2022	2021-2022
Revenues							
Program revenues							
Charges for services	6.0	5.7	13.4	13.7	19.4	19.4	0.0%
Grants and contributions - operating	1.3	4.7	0.4	0.2	1.7	4.9	175.0%
Grants and contributions - capital	7.7	1.2	1.5	1.8	9.2	3.0	-67.4%
General revenues							
Property taxes	16.1	17.3	-	-	16.1	17.3	7.5%
Franchise taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Sales taxes	4.4	5.0	-	-	4.4	5.0	13.6%
Other	2.3	1.7	1.5	-	3.8	1.7	-55.3%
Total revenues	38.7	36.4	16.8	15.7	55.4	52.1	-6.1%
Expenses							
General government	6.8	6.5	-	-	6.8	6.5	-4.0%
Public Safety	14.3	15.2	-	-	14.3	15.2	6.3%
Public works	6.2	6.5	-	-	6.2	6.5	4.8%
Community Development	1.7	2.2	-	-	1.7	2.2	29.4%
Parks and Recreation	2.8	2.7	-	-	2.8	2.7	-3.6%
Storm Drain	0.4	0.4	-	-	0.4	0.4	0.0%
Water	-	-	6.8	8.3	6.8	8.3	22.1%
Wastewater	-	-	6.0	4.9	6.0	4.9	-18.3%
Other	0.2	0.3	-	0.3	0.2	0.6	-100.0%
Total expenses	32.4	33.8	12.8	13.5	45.2	47.3	4.6%
Excess (deficiency) before transfers	6.2	2.6	4.0	2.2	10.3	4.8	-53.4%
Transfers	2.1	2.2	(2.1)	(2.2)	-	-	0.0%
Increase(decrease) in net position	8.3	4.8	1.9	(0.0)	10.3	4.8	-53.4%
Net position, beginning	290.5	298.8	69.1	71.0	359.5	369.8	2.8%
Net position, ending	298.8	303.6	71.0	71.0	369.8	374.6	1.3%

MANAGEMENT'S DISCUSSION AND ANALYSIS

City Program Costs

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

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

	Total Cost of Services		Percentage
	2021	2022	Change
			2021-2022
Public Safety	14.3	15.2	6.3%
Public Works (includes Storm drain)	6.6	6.9	4.5%
Community Development	1.7	2.2	29.4%
Parks and Recreation	2.8	2.7	-3.6%
Water	6.8	8.3	22.1%
Wastewater	6.0	4.9	18.3%
Recycled Water	-	0.3	100.0%
All other	7.0	6.8	-2.9%
Total	\$ 45.2	\$ 47.3	4.6%

The cost of all programs this year was \$47.3 million, an increase of \$2.1 million, or 4.6% compared with the prior year. For governmental activities, overall program costs increased \$1.4 million, or 4.3%, mostly due to increases in public safety and general government.

Governmental Activities

As detailed on the Statement of Activities, the City's governmental program expenses totaled \$33.8 million during the year. Program revenues, including grants, totaled \$11.6 million leaving the City to fund the balance of \$22.2 million with general revenues. Program revenues decreased by \$3.4 million, while expenses increased by \$1.4 million over the prior year. The decrease in the Program Revenues was due to one-time federal stimulus funding through the ARPA program (\$4.9 million) and developer contributions (\$3.6 million) received in FY2020-21.

Business-Type Activities

At 2021-22 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, did not change significantly from the prior year. In fiscal year 2021-22, charges for services increased by approximately \$0.3 million or 2.2% compared to the prior year. Business-type revenues decreased by 6.5% overall compared to FY 2020-21. The decrease was primarily due to unrealized investment losses on the City's pooled investment portfolio offset by increases of \$0.3 million in charges for services. Water fund expenses increased by \$1.5 million or 22.1% compared to fiscal year 2020-21 and was primarily from increases in payments to the City of Vallejo for water rights and water purchases. Wastewater fund expenses decreased by \$1.1 million primarily due to staff vacancies. 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 2021-22, the City's governmental funds had a combined fund balance of \$42.3 million, about \$1.5 million more than the prior year. This can be attributed to community development activities for planning and building, which added \$1.8 million of restricted fund balance in 2021-22; and the General Fund's better than expected performance, due to combined cost cuts and vacancy savings increased fund balance \$0.4 million. The Fire District Operations fund balance decreased by \$0.2 million or 2.4% as a result of fiscal year 2021-22 operations.

The City's Cash and Investment accounts increased by \$5.1 million compared to the prior year, totaling \$78.9 million at fiscal year-end. The City's Restricted Cash and Investments totaled \$7.0 million of that balance. Fiduciary Funds comprised another \$8.1 million of that balance. The Water and Wastewater enterprise funds ended the year with \$27.8 million in cash and investments available for future use, of which \$6.7 million is restricted.

The City's General Fund had a deficiency of revenues over expenditures of \$1.9 million before other financing sources. General Fund Property Taxes increased by \$0.9 million, Sales Taxes increased by \$0.3 million, Other Taxes increased \$1.0 million. Charges for Services increased by \$0.5 million compared to the prior year. The City's General Fund Expenditures increased by \$2.0 million to \$22.3 million mostly due to increase in salary and benefits costs as vacant positions became filled (\$0.5 million), and the ending of furloughs for employees (\$0.5 million); contract police services with the Napa County Sheriff's Office (\$0.5 million). The Transfers in from Other Funds decreased by \$0.2 million compared to the prior year mostly due to lower transfers to the General Fund, FY2020-21 included a \$0.2 million CARES Act transfer from the Federal Grants Fund for police services. After including inter-fund transfers, the General Fund ended the fiscal year with an excess of \$0.4 million.

The City's non-major governmental funds ended the fiscal year with a consolidated fund balance of \$24.3 million. This entire fund balance amount is restricted with externally enforceable legal restrictions.

General Fund Budgetary Highlights

Over the course of the year, the City Council amended the City budget to fund new projects, avoid cost overruns, to account for unanticipated revenues. Additionally, adjustments were made as a result of the mid-year budget review. At year-end, including all adjustments, actual General Fund expenditures, were \$2.1 million less than final budget amounts. Salary and benefit savings were the largest item \$0.5M followed by legal and professional services \$0.5M.

The General Fund's fund balance increased by \$0.4 million from June 30, 2021 to June 30, 2022. The General Fund's primary source of discretionary revenue is property taxes which totaled \$12.2 million or 59.8% of total revenues for the year and increased by 7.4% over the prior year. This was over budget \$0.1 million. Non-property taxes came in over budget by \$0.6 million and Charges for Services were \$0.1 million more than the final budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2022, the City had invested \$327.0 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 decrease, after additions and deductions, of about \$0.9 million or -0.3% compared to the prior fiscal year. Additional information can be found in the notes to the financial statements, Note F – Capital Assets pages 48-51.

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
	2021	2022	2021	2022	2021	2022	2021-22
Land	\$10.2	\$ 10.2	\$ 2.2	\$ 2.2	\$ 12.4	\$ 12.4	-0.1%
Construction in progress	7.9	12.7	7.6	8.9	15.5	21.6	39.4%
Right of ways	165.2	165.3	-	-	165.2	165.3	0.0%
Buildings and Improvements	28.6	26.9	3.1	2.9	31.7	29.8	-6.0%
Machinery and Equipment	2.7	2.5	1.0	0.8	3.7	3.3	-10.8%
Water utility system			19.1	17.8	19.1	17.8	-6.8%
Wastewater system			16.7	15.6	16.7	15.6	-6.6%
Recycled water system			3.8	3.6	3.8	3.6	-5.3%
Infrastructure system	59.6	57.4			59.7	57.4	-3.9%
Leases	0.2	0.2			0.2	0.2	0.0%
Total	<u>\$274.4</u>	<u>\$275.2</u>	<u>\$53.5</u>	<u>\$51.8</u>	<u>\$327.9</u>	<u>\$327.0</u>	<u>-0.3%</u>

Long - Term Debt

At the end of fiscal year 2021-22, the City had about \$11.1 million in long-term debt obligations outstanding. Of the \$11.1 million, \$5.4 million relates to the City's business-type activities and the remaining \$5.7 million is applicable to governmental type financing activities. The remaining other long-term debt of \$19.5 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 \$2.1 million liability for uninsured workers compensation claims.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For governmental type activities, the major long-term debt year-end balances consist of a refinanced \$4.6 million financing agreement to purchase a commercial office building that was transformed into City Hall, and \$0.5 million for green energy projects benefiting City Hall.

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 this in FY2020-21 which had a \$0.7 million increase in liability owed. The City made the full repayment from the Traffic Impact Fee Fund in FY2021-22.

For business-type activities, major long-term debt year-end balances are comprised of green energy projects for the benefit of Water enterprises of \$1.2 million and Wastewater enterprises of \$3.0 million; a \$0.7 million State Revolving Fund loan used for construction of the City's wastewater treatment plant facility; and a \$0.4 million State loan for water system improvement. 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 52-56.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

With continued growth in the second half of 2021, U.S. GDP then contracted in the first two quarters of 2022. The contraction was attributed to the omicron variant of COVID-19 and the tapering of government spending. Government assistance payments to households and businesses all decreased as provisions of several federal programs expired. Supply chain issues continue to persist, with many logistics managers anticipating the supply chain not returning to normal until 2024 or after. These supply chain issues create production delays for products, creating limited supply, and while demand also remains high, this causes prices to go up. Inflation in the U.S. remains stubbornly high. Price increases in energy, food, and housing are having significant impacts on household budgets leaving them with little for discretionary spending. The Federal Reserve continues to raise interest rates to battle high inflation, unfortunately high interest rates increase the cost of home mortgages, the cost of borrowing for businesses and could have a negative impact on the economy. The greater risk in the short to medium term is this persistent high inflation, with the Federal Reserve continuing to raise rates until inflationary pressures subside.

The unemployment rate in California continues to decline. As of December 2022, the Employment Development Department reports a 3.7% unemployment rate. Restaurants and the hotel industry has seen some of strongest employment gains as these sectors were the hardest hit during the pandemic, significant increases have also been seen in the construction and health care sectors. Employers in the state have struggled to hire workers and fill positions. Since October 2021, there have been more job openings in California than there are workers to fill these positions, meaning that worker availability has been the primary constraint on job growth in the state.

American Canyon's sales tax receipts from April 2022 through June 2022 were 7.6% above the same period in 2021. Excluding reporting aberrations, actual sales were up 8.5%. 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 continued to report increases year over year, with Q2 2022 reporting a 12.3% increase. Net of aberrations, taxable sales for all of Napa County grew 14.2% over the comparable time period; the Bay Area was up 11.7%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Approximately 50% of general fund revenue received is from property taxes. The annual CPI granted was 2.00% almost double the 1.036% granted last year. The year over year increase in citywide assessed valuation was \$240.4 million, \$78 million more than last year's \$162 million increase. 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. New construction throughout the City continues as building supplies shortages have subsided and demand for single family homes in the area is still strong. Many single family and multifamily residential projects are currently underway which will add to the overall assessed valuation in future years as homes are sold.

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	185	\$635,000	11.40%
2022	93	\$700,000	10.24%

With the first 7 months of sales data processed for 2022, SFRs are selling for 9.06% more than in the previous calendar year. Prices for the full calendar year 2021 increased 11.40%. The median price of all SFRs in 2022 is \$700,000 which is \$62,000 higher than the peak price experienced in 2006 at \$638,000. The increased sale prices exceeded the previous historical high for the first time. Increased prices were driven by fewer properties offered for sale and new developments with higher price points in sales transactions. These factors contributed significantly to the growth experienced between tax years. Current trends indicate a tempering of sales prices resulting from higher interest rates, as well as a reduction in the number of transactions overall.

2022-23 Taxable Property Values:

Combined Values	Total
Total Values	\$3,683,110,260
Total Exemptions	\$78,329,328
Net Total Values	\$3,604,780,932

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 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

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CITY OF AMERICAN CANYON
Statement of Net Position
June 30, 2022

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 42,089,748	\$ 21,632,579	\$ 63,722,327
Restricted cash and investments	290,941	6,747,589	7,038,530
Taxes receivable	2,561,400		2,561,400
Accounts receivable, net	782,578	2,557,333	3,339,911
Internal balances	1,887,151	(1,887,151)	
Interest receivable	147,007	15,525	162,532
Due from other governments	3,465,341		3,465,341
Property held for resale	567,773		567,773
Prepaid expenses and other assets	425,385	5,646	431,031
Loans receivable, net	7,676,895		7,676,895
Capital assets:			
Non-depreciable	188,095,906	11,100,978	199,196,884
Depreciable, net of accumulated depreciation	87,069,272	40,723,377	127,792,649
Total capital assets	<u>275,165,178</u>	<u>51,824,355</u>	<u>326,989,533</u>
TOTAL ASSETS	<u>335,059,397</u>	<u>80,895,876</u>	<u>415,955,273</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	3,410,402	558,462	3,968,864
OPEB plans	3,102,325	891,706	3,994,031
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>6,512,727</u>	<u>1,450,168</u>	<u>7,962,895</u>
LIABILITIES			
Accounts payable	1,415,404	1,017,289	2,432,693
Accrued expenses	572,152	381,178	953,330
Unearned revenue	5,153,248		5,153,248
Accrued interest payable	21,972	18,692	40,664
Deposits	113,739	204,227	317,966
Long-term liabilities:			
Due within one year			
Bonds, leases and contracts	118,923	1,012,856	1,131,779
Compensated absences	664,470	133,094	797,564
Workers compensation claims and judgments	2,133,981		2,133,981
Due in more than one year			
Bonds, leases and contracts	5,555,627	4,447,297	10,002,924
Compensated absences	83,863	96,597	180,460
Net pension liability	7,923,101	1,156,694	9,079,795
Net OPEB liability	5,799,544	1,467,792	7,267,336
TOTAL LIABILITIES	<u>29,556,024</u>	<u>9,935,716</u>	<u>39,491,740</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	6,207,396	1,118,250	7,325,646
OPEB plans	2,215,194	296,432	2,511,626
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,422,590</u>	<u>1,414,682</u>	<u>9,837,272</u>
NET POSITION			
Net investment in capital assets	269,180,380	45,949,422	315,129,802
Restricted for:			
Public safety	1,445,932		1,445,932
Public works	15,210,975		15,210,975
Storm drain projects	6,581,003		6,581,003
Community development, planning and building	8,530,085		8,530,085
Parks	2,101,231		2,101,231
Capacity expansion		6,747,589	6,747,589
Other activities	234,955		234,955
Unrestricted	308,949	18,298,635	18,607,584
TOTAL NET POSITION	<u>\$ 303,593,510</u>	<u>\$ 70,995,646</u>	<u>\$ 374,589,156</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, 2022

<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	\$ 6,491,043	\$ 622,830	\$ 60,758	
Public safety	15,225,172	1,592,796	251,696	
Public works	6,545,982	916,039	4,343,030	\$ 1,217,396
Community development	2,172,416	1,883,673	90,709	20,366
Parks and recreation	2,682,143	671,863		
Storm drain	365,855		1,976	
Int on long-term debt	292,804			
TOTAL GOVERNMENTAL ACTIVITIES	33,775,415	5,687,201	4,748,169	1,237,762
Business-type activities				
Water	8,284,697	8,412,016	240,304	1,252,878
Wastewater	4,958,917	4,824,937		573,335
Recycled Water	273,011	478,915		
Total business-type activities	13,516,625	13,715,868	240,304	1,826,213
TOTAL PRIMARY GOVERNMENT	\$ 47,292,040	\$ 19,403,069	\$ 4,988,473	\$ 3,063,975
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Franchise taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Other				
Transfers, net				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position

Primary Government

Governmental Activities	Business-type Activities	Total
\$ (5,807,455)		\$ (5,807,455)
(13,380,680)		(13,380,680)
(69,517)		(69,517)
(177,668)		(177,668)
(2,010,280)		(2,010,280)
(363,879)		(363,879)
(292,804)		(292,804)
<u>(22,102,283)</u>		<u>(22,102,283)</u>
	\$ 1,620,501	1,620,501
	439,355	439,355
	205,904	205,904
	<u>2,265,760</u>	<u>2,265,760</u>
<u>(22,102,283)</u>	<u>2,265,760</u>	<u>(19,836,523)</u>
17,264,929		17,264,929
839,554		839,554
5,000,961		5,000,961
2,388,956		2,388,956
(1,303,678)	(254,532)	(1,558,210)
524,021	176,844	700,865
2,225,797	(2,225,797)	
<u>26,940,540</u>	<u>(2,303,485)</u>	<u>24,637,055</u>
4,838,257	(37,725)	4,800,532
298,755,253	71,033,371	369,788,624
<u>\$ 303,593,510</u>	<u>\$ 70,995,646</u>	<u>\$ 374,589,156</u>

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2022

	<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	\$ 8,423,660	\$ 5,783,780	\$ 40,823	\$ 2,456,396
Restricted cash and investments				
Taxes receivable	1,538,571	103,423		
Accounts receivable, net	545,989	32,344		
Interest receivable	111,407	11,518	68	
Due from other governments	29,214			3,368,880
Due from other funds	2,881,015	19,076		
Property held for resale	417,503			
Prepaid expenditures and deposits	24,911			
Loans receivable, net	1,535		2,359,643	
TOTAL ASSETS	\$ 13,973,805	\$ 5,950,141	\$ 2,400,534	\$ 5,825,276
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 715,702	\$ 102,218		\$ 206,789
Accrued expenses	180,452	135,652		
Unearned revenue	220,711			4,932,537
Deposits	113,739			
Due to other funds		81,475		427,585
TOTAL LIABILITIES	1,230,604	319,345		5,566,911
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	156,646		\$ 2,359,643	919,852
TOTAL DEFERRED INFLOWS OF RESOURCES	156,646		2,359,643	919,852
FUND BALANCES				
Nonspendable:				
Property held for resale	417,503			
Prepaid expenditures and deposits	24,911			
Restricted for:				
Public safety	149,694	227,857		
Public works				
Storm drain projects				
Community development, planning and building	614,026		40,891	
Parks				
Other activities	97,558			
Committed	7,000,440	1,267,279		
Assigned	1,000,000	4,135,660		
Unassigned	3,282,423			(661,487)
TOTAL FUND BALANCES (DEFICITS)	12,586,555	5,630,796	40,891	(661,487)
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 13,973,805	\$ 5,950,141	\$ 2,400,534	\$ 5,825,276

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

Major Funds

City Capital Projects	Affordable Housing Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
\$ 368,119	\$ 91,043	\$ 23,685,876	\$ 40,849,697
		290,941	290,941
		919,406	2,561,400
	1,120	180,101	759,554
	156	22,434	145,583
		67,247	3,465,341
		153,435	3,053,526
	150,270		567,773
			24,911
	5,222,992	92,725	7,676,895
\$ 368,119	\$ 5,465,581	\$ 25,412,165	\$ 59,395,621
\$ 20,757		\$ 263,736	\$ 1,309,202
245,514			561,618
			5,153,248
			113,739
		276,826	785,886
266,271		540,562	7,923,693
	\$ 5,222,992	535,898	9,195,031
	5,222,992	535,898	9,195,031
			417,503
			24,911
		1,003,110	1,380,661
101,848		14,605,914	14,707,762
		6,579,027	6,579,027
	242,589	73,273	970,779
		2,101,231	2,101,231
		153,435	250,993
			8,267,719
		103,074	5,238,734
		(283,359)	2,337,577
101,848	242,589	24,335,705	42,276,897
\$ 368,119	\$ 5,465,581	\$ 25,412,165	\$ 59,395,621

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CITY OF AMERICAN CANYON
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

Total fund balance, governmental funds	\$ 42,276,897
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.	275,165,178
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.	9,195,031
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.	796,748
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 and deposits	371,000
Accrued interest payable	(21,972)
Bonds, leases and contracts	(5,674,550)
Compensated absences	(748,333)
Uninsured claims	(2,133,981)
Net pension liability	(7,923,101)
Net OPEB liability	(5,799,544)
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.	(2,796,994)
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.	887,131
NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	\$ 303,593,510

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, 2022

	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	\$ 12,162,299	\$ 5,125,894		
Sales taxes	3,095,329			
Other taxes	2,808,307	696,626		
Special assessments				
Fines and forfeitures	100,682			
Licenses and permits	761,858			
Intergovernmental	93,531		\$ 53,626	\$ 3,923,345
Charges for services	1,649,843	774,326		
Use of money and property	(846,829)	(67,837)	106	
Other	505,632	182,019	37,083	
TOTAL REVENUES	20,330,652	6,711,028	90,815	3,923,345
EXPENDITURES				
Current:				
General government	6,643,362			
Public safety	7,949,173	6,852,495		
Public works	2,306,473			266,973
Community development	2,135,066		64,075	
Parks and recreation	2,717,250			
Storm drain	380,895			
Debt Service:				
Principal				
Interest and other charges				
Capital outlay	124,864	81,475		
TOTAL EXPENDITURES	22,257,083	6,933,970	64,075	266,973
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,926,431)	(222,942)	26,740	3,656,372
OTHER FINANCING SOURCES (USES)				
Sale of assets	10,000			
Transfers in	2,433,742			
Transfers out	(135,380)			(3,699,257)
TOTAL OTHER FINANCING SOURCES AND USES	2,308,362			(3,699,257)
NET CHANGE IN FUND BALANCES	381,931	(222,942)	26,740	(42,885)
Fund balances (deficits), beginning of year	12,204,624	5,853,738	14,151	(618,602)
FUND BALANCES (DEFICITS), END OF YEAR	\$ 12,586,555	\$ 5,630,796	\$ 40,891	\$ (661,487)

The accompanying notes are an integral part of these financial statements

Major Funds

City Capital Projects	Affordable Housing Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
			\$ 17,288,193
		\$ 1,885,379	4,980,708
			3,504,933
		665,443	665,443
			100,682
			761,858
		1,064,944	5,135,446
	\$ 22,105	2,209,777	4,656,051
	336	(120,531)	(1,034,755)
\$ 26,000	3,138		753,872
<u>26,000</u>	<u>25,579</u>	<u>5,705,012</u>	<u>36,812,431</u>
		129,894	6,773,256
			14,801,668
107,000		707,312	3,387,758
	45,000	3,500	2,247,641
		3,232	2,720,482
			380,895
		1,269,867	1,269,867
		958,754	958,754
4,755,025			4,961,364
<u>4,862,025</u>	<u>45,000</u>	<u>3,072,559</u>	<u>37,501,685</u>
(4,836,025)	(19,421)	2,632,453	(689,254)
			10,000
4,718,436		288,815	7,440,993
		(1,380,559)	(5,215,196)
<u>4,718,436</u>		<u>(1,091,744)</u>	<u>2,235,797</u>
(117,589)	(19,421)	1,540,709	1,546,543
219,437	262,010	22,794,996	40,730,354
<u>\$ 101,848</u>	<u>\$ 242,589</u>	<u>\$ 24,335,705</u>	<u>\$ 42,276,897</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, 2022**

Net change in fund balances - total governmental funds: \$ 1,546,543

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	4,961,364
Condemnation deposit	107,000
Depreciation expense	(4,356,105)

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. (265,794)

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. 1,269,867

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. 516,017

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 plan	212,407
Change in deferred outflows of resources-OPEB plans	1,067,002
Change in accrued interest payable	665,988
Change in compensated absences	34,616
Change in uninsured claims	(497,100)
Change in net pension liability	6,252,672
Change in net OPEB liability	115,269
Change in deferred inflows of resources-pension plan	(5,886,667)
Change in deferred inflows of resources-OPEB plans	(898,822)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,838,257

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

CITY OF AMERICAN CANYON
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business Type Activities- Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water	Wastewater	Recycled Water		
ASSETS					
Current assets:					
Cash and investments	\$ 13,349,357	\$ 7,733,712	\$ 549,510	\$ 21,632,579	\$ 1,240,051
Accounts receivable, net	1,782,851	736,290	38,192	2,557,333	23,024
Interest receivable		14,611	914	15,525	1,424
Due from other funds		114,272		114,272	
Prepaid expenses	2,652	2,987	7	5,646	29,474
Total current assets	<u>15,134,860</u>	<u>8,601,872</u>	<u>588,623</u>	<u>24,325,355</u>	<u>1,293,973</u>
Non-current assets:					
Restricted cash and investments	6,284,390	463,199		6,747,589	
Advances to other funds	129,402	5,412,281		5,541,683	
Capital assets:					
Non-depreciable	5,040,494	6,049,050	11,434	11,100,978	
Depreciable, net of accumulated depreciation	18,289,918	18,146,917	4,286,542	40,723,377	929,269
Total non-current assets	<u>29,744,204</u>	<u>30,071,447</u>	<u>4,297,976</u>	<u>64,113,627</u>	<u>929,269</u>
TOTAL ASSETS	<u>44,879,064</u>	<u>38,673,319</u>	<u>4,886,599</u>	<u>88,438,982</u>	<u>2,223,242</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension plan	250,196	308,266		558,462	62,752
OPEB plan	445,384	446,322		891,706	82,259
Total deferred outflows of resources	<u>695,580</u>	<u>754,588</u>		<u>1,450,168</u>	<u>145,011</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	816,123	172,944	28,222	1,017,289	106,202
Accrued expenses	63,135	318,043		381,178	10,534
Accrued interest payable		18,692		18,692	87
Due to other funds	783,582	1,418,580		2,202,162	179,750
Deposits	160,042	44,185		204,227	
Compensated absences, current portion	69,209	63,885		133,094	16,963
Bonds, notes and loans payable, current portion	136,134	876,722		1,012,856	77,552
Total current liabilities	<u>2,028,225</u>	<u>2,913,051</u>	<u>28,222</u>	<u>4,969,498</u>	<u>391,088</u>
Non-current liabilities:					
Advances from other funds			5,541,683	5,541,683	
Compensated absences, non-current portion	50,209	46,388		96,597	
Bonds, notes and loans payable	1,609,616	2,837,681		4,447,297	225,933
Net pension liability	518,225	638,469		1,156,694	129,960
Net OPEB liability	733,124	734,668		1,467,792	135,402
Total non-current liabilities	<u>2,911,174</u>	<u>4,257,206</u>	<u>5,541,683</u>	<u>12,710,063</u>	<u>491,295</u>
TOTAL LIABILITIES	<u>4,939,399</u>	<u>7,170,257</u>	<u>5,569,905</u>	<u>17,679,561</u>	<u>882,383</u>
DEFERRED INFLOW OF RESOURCES					
Pension plan	500,961	617,289		1,118,250	125,670
OPEB plan	148,060	148,372		296,432	27,346
Total deferred inflows of resources	<u>649,021</u>	<u>765,661</u>		<u>1,414,682</u>	<u>153,016</u>
NET POSITION					
Net investment in capital assets	21,426,054	20,225,392	4,297,976	45,949,422	625,784
Restricted for:					
Capacity expansion	6,284,390	463,199		6,747,589	
Unrestricted	12,275,780	10,803,398	(4,981,282)	18,097,896	707,070
TOTAL NET POSITION (DEFICIT)	<u>\$ 39,986,224</u>	<u>\$ 31,491,989</u>	<u>\$ (683,306)</u>	<u>70,794,907</u>	<u>\$ 1,332,854</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.				200,739	
TOTAL NET POSITION PER GOVERNMENT-WIDE FINANCIAL STATEMENTS				<u>\$ 70,995,646</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, 2022

	Business Type Activities Enterprise Funds				Governmental Activities-
	Water	Wastewater	Recycled	Total	Internal
			Water		Service Funds
OPERATING REVENUES					
Charges for services	\$ 8,412,016	\$ 4,824,937	\$ 478,915	\$ 13,715,868	\$ 2,282,600
Other	334,281	82,867		417,148	
TOTAL OPERATING REVENUES	<u>8,746,297</u>	<u>4,907,804</u>	<u>478,915</u>	<u>14,133,016</u>	<u>2,282,600</u>
OPERATING EXPENSES					
Employee services	1,370,096	1,499,218		2,869,314	301,617
Maintenance and operations	5,653,756	1,863,895	50,238	7,567,889	1,419,907
Depreciation	1,282,037	1,561,144	222,773	3,065,954	264,842
TOTAL OPERATING EXPENSES	<u>8,305,889</u>	<u>4,924,257</u>	<u>273,011</u>	<u>13,503,157</u>	<u>1,986,366</u>
OPERATING INCOME (LOSS)	<u>440,408</u>	<u>(16,453)</u>	<u>205,904</u>	<u>629,859</u>	<u>296,234</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	(314,686)	56,053	4,101	(254,532)	2,340
Other revenue					84,281
Interest expense	(38,906)	(66,544)	(21,246)	(126,696)	(5,608)
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>(353,592)</u>	<u>(10,491)</u>	<u>(17,145)</u>	<u>(381,228)</u>	<u>81,013</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>86,816</u>	<u>(26,944)</u>	<u>188,759</u>	<u>248,631</u>	<u>377,247</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	1,252,878	573,335		1,826,213	
Transfers in		100,786	368	101,154	
Transfers out	(1,540,596)	(786,355)		(2,326,951)	
CHANGE IN NET POSITION	<u>(200,902)</u>	<u>(139,178)</u>	<u>189,127</u>	<u>(150,953)</u>	<u>377,247</u>
Net position (deficit), beginning of year	40,187,126	31,631,167	(872,433)	70,945,860	955,607
TOTAL NET POSITION (DEFICIT), END OF YEAR	<u>\$ 39,986,224</u>	<u>\$ 31,491,989</u>	<u>\$ (683,306)</u>	<u>70,794,907</u>	<u>\$ 1,332,854</u>
Change in net position				(150,953)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>113,228</u>	
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES				<u>\$ (37,725)</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, 2022

	Enterprise Funds			Total	Governmental Activities
	Water	Wastewater	Recycled Water		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 9,047,297	\$ 5,106,147	\$ 462,533	\$ 14,615,977	
Cash paid to suppliers	(4,897,890)	(1,595,236)	(22,023)	(6,515,149)	\$ (1,406,821)
Cash paid to employees and related benefits	(1,585,956)	(1,694,675)		(3,280,631)	(208,765)
Cash (paid) received from interfund services provided	(60,098)	(115,100)		(175,198)	2,282,600
Other receipts					67,103
CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,503,353</u>	<u>1,701,136</u>	<u>440,510</u>	<u>4,644,999</u>	<u>734,117</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Amounts received (paid) to other funds	7,481,213	(1,157,314)	21,614	6,345,513	
CASH (USED) PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>7,481,213</u>	<u>(1,157,314)</u>	<u>21,614</u>	<u>6,345,513</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets purchased	(591,899)	(788,035)		(1,379,934)	(75,855)
Capital revenues received	1,252,878	573,335		1,826,213	
Principal paid on long-term liabilities	(70,382)	(1,173,004)		(1,243,386)	(43,944)
Proceeds from long-term liabilities	(66,788)			(66,788)	
Interest paid on long-term liabilities	(50,420)	(84,744)	(21,246)	(156,410)	(5,649)
CASH (USED) PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>473,389</u>	<u>(1,472,448)</u>	<u>(21,246)</u>	<u>(1,020,305)</u>	<u>(125,448)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Collection of interest and investment revenue	(302,722)	47,321	3,248	(252,153)	1,113
CHANGE IN CASH AND CASH EQUIVALENTS	10,155,233	(881,305)	444,126	9,718,054	609,782
Cash and cash equivalents, beginning of year	9,478,514	9,078,216	105,384	18,662,114	630,269
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 19,633,747</u>	<u>\$ 8,196,911</u>	<u>\$ 549,510</u>	<u>\$ 28,380,168</u>	<u>\$ 1,240,051</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and investments	\$ 13,349,357	\$ 7,733,712	\$ 549,510	\$ 21,632,579	\$ 1,240,051
Restricted cash and investments	6,284,390	463,199		6,747,589	
CASH AND CASH EQUIVALENTS	<u>\$ 19,633,747</u>	<u>\$ 8,196,911</u>	<u>\$ 549,510</u>	<u>\$ 28,380,168</u>	<u>\$ 1,240,051</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 440,408	\$ (16,453)	\$ 205,904	\$ 629,859	\$ 296,234
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and amortization	1,282,037	1,561,144	222,773	3,065,954	264,842
Changes in operating assets and liabilities:					
Accounts receivable, net	301,000	198,343	(16,382)	482,961	(23,024)
Prepaid expenses	41	(294)	(7)	(260)	(28,983)
Accounts payable and accrued expenses	684,337	153,853	28,222	866,412	153,572
Deposits	11,390			11,390	
Compensated absences	(25,839)	(29,403)		(55,242)	(2,270)
Changes in pension and OPEB liabilities and related deferred outflows and inflows of resources:					
Deferred outflows of resources - pension plan	40,113	16,696		56,809	(1,170)
Net pension liability	(721,020)	(748,700)		(1,469,720)	(132,917)
Deferred inflows of resources - pension plan	457,451	568,585		1,026,036	116,440
Deferred outflows of resources - OPEB plans	(223,490)	(204,030)		(427,520)	(41,795)
Net OPEB liability	149,786	97,705		247,491	29,024
Deferred inflows of resources - OPEB plans	107,139	103,690		210,829	19,883
CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,503,353</u>	<u>\$ 1,701,136</u>	<u>\$ 440,510</u>	<u>\$ 4,644,999</u>	<u>\$ 734,117</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES					
Change in capital asset purchases payable	\$ 153,608	\$ 256,172			

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

CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Total Custodial Funds
	<u> </u>
ASSETS	
Cash and investments	\$ 4,283,105
Restricted cash and investments	3,833,611
Taxes receivable	67,158
Interest receivable	8,417
TOTAL ASSETS	<u>8,192,291</u>
LIABILITIES	
Accounts payable	68,487
Accrued interest payable	521,025
TOTAL LIABILITIES	<u>589,512</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>7,602,779</u>
TOTAL NET POSITION	<u><u>\$ 7,602,779</u></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, 2022

	<u>Total Custodial Funds</u>
ADDITIONS	
Other taxes	\$ 261,205
Special assessments	2,262,128
Interest and investment earnings	15,032
TOTAL ADDITIONS	<u>2,538,365</u>
DEDUCTIONS	
Maintenance and operations	330,410
Debt Service:	
Principal	955,300
Interest and other charges	1,170,664
TOTAL DEDUCTIONS	<u>2,456,374</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	81,991
Net position , beginning of year	<u>7,520,788</u>
NET POSITION, END OF YEAR	<u><u>\$ 7,602,779</u></u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

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, 2022

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, 2022

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.

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, information technology and legal 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* 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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

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

Assets Held for Resale

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

Compensated Absences

Compensated absences are comprised of unpaid vacation and certain compensated time off, which are accrued as earned. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City’s liability for compensated absences is recorded in the governmental activities, Internal Service, Water and Wastewater Funds as appropriate and are generally liquidated by these funds. The governmental activities compensated absences liability is liquidated by the General 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, 2022

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 March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This Statement addresses issues related to public-private and public-public partnership arrangements (PPPs). PPPs are arrangements in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement requires that PPPs that meet the definition of a lease apply guidance in Statement No. 87, Leases, as amended, if existing assets of the transferor that are not required to be improved by the operator as part of the PPP arrangement are the only underlying PPP assets and the PPP does not meet the definition of a service concession arrangement. This Statement provides accounting and financial reporting requirements for all other PPPs: those that either (1) meet the definition of an SCA or (2) are not within the scope of Statement No. 87, as amended. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements that include an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for reporting periods beginning after June 15, 2022.

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 requirements other than paragraph 4 and 5 are effective for periods beginning after June 15, 2021.

In April 2022, the GASB issued Statement No. 99, Omnibus 2022. This Statement enhances comparability in accounting and financial reporting and consistency in authoritative literature, including the classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions of Statement 87, Leases, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives; clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement term, classification as short-term and recognition of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, related to the focus of the government-wide financial statements; terminology updates related to provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; and terminology used in Statement No. 53 to refer to resource flows statements. The provisions of this Statement are effective immediately through periods beginning after June 15, 2023.

In June 2022, the GASB issued Statement No. 101, Compensated Absences. This statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE B – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds except the State and Federal Grants – Fire Special Revenue 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 City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. All budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budgets during the year. Amounts represent the original budgeted amounts and all supplemental appropriations. The supplemental appropriations were immaterial.

The Fire Operations Special Revenue Fund, State and Federal Grants – City Special Revenue Fund, General Plan Update Special Revenue Fund, Traffic Impact Capital Projects Fund and Engie City Debt Service Fund had expenditures and transfers out in excess of the final appropriation for the fiscal year ended June 30, 2022 by \$288,317, \$106,973, \$75,094, \$234,038 and \$64,597, 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	\$ 63,722,327
Restricted cash and investments	<u>7,038,530</u>
Total cash and investments of primary government	70,760,857
Cash and investments in Fiduciary Funds	4,283,105
Restricted cash and investments in Fiduciary Funds	<u>3,833,611</u>
Total cash and investments	<u>\$ 78,877,573</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE C – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2022 consist of the following:

Cash on hand	\$	2,400
Deposits with financial institutions		1,226,507
Investments:		
Held by City		73,839,597
Held by fiscal agents		3,809,069
Total investments		<u>77,648,666</u>
Total cash and investments	\$	<u>78,877,573</u>

Cash and investments are 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
Local Agency Bonds	5 years	A	30%	5%
U.S. Treasury Obligations	5 years	None	None	None
State of California Obligations	5 years	None	None	None
California Local Agency Obligations	5 years	A	30%	5%
U.S. Agency Obligations	5 years	None	None	30%
Bankers' Acceptances	180 days	A-1	40%	5%
Commercial Paper	270 days	A-1/P-1/F-1	25%	10%CP/5%Port
Negotiable Certificate of Deposit	5 years	A-1	30%	5%
Federally Insured Time Deposits	5 years	None	20% (Collat)	Max Insured
Collateralized Time Deposits	5 years	None	20% (Fed Ins)	Per CA Law
Certificate of Deposit Placement Service	5 years	None	30%	None
Collateralized Bank Deposits	5 years	None	None	None
Repurchase Agreements	1 year	None	None	None
Medium-Term Notes	5 years	A	30%	5%
Mutual Funds	N/A	AAA/Aaa	20%	10%
Money Market Funds	N/A	AAA/Aaa	20%	20%
ABS, Mortgage-Pass Through Securities	5 years	AA	20%	5%
Supranational Notes	5 years	AA	30%	10%
County Pooled Investment Funds	N/A	None	None	None
Joint Powers Authority Pool	N/A	None	None	None
California Local Agency Investment Fund	N/A	None	None	None
California Asset Management Program (CAMP)	N/A	None	None	None

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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, 2022

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)	\$ 51,007,686			\$ 51,007,686
U.S. Treasury Notes	197,695	\$ 3,453,089	\$3,713,049	7,363,833
U.S. Government Agency Obligations	299,206	3,420,329	988,605	4,708,140
U.S. Corporate Obligations	410,141	3,415,353	2,090,812	5,916,306
Money Market Mutual Funds	4,108,623			4,108,623
Negotiable Certificates of Deposit	1,342,670			1,342,670
Asset-Backed Securities		996,962	1,302,863	2,299,825
Supranational Note		522,795	229,491	752,286
Collateralized Mortgage Obligations		149,297		149,297
Total investments	57,366,021	11,957,825	8,324,820	77,648,666
Cash on hand	2,400			2,400
Cash in bank	1,226,507			1,226,507
Total cash and investments	\$58,594,928	\$11,957,825	\$8,324,820	\$78,877,573

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 \$231,867,874,452, 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, 2022, these investments matured in an average of 311 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, 2022:

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE C – CASH AND INVESTMENTS (Continued)

Investment Type	Aaa/AAA	Aa1/AA+	Aa2/AA Aa3/AA-	A1/A+ P1	A2/A	A3/A-	Baa1/BBB+	Total
U.S. Government Agencies		\$4,708,140						\$ 4,708,140
U.S. Corporate Obligations		369,198	\$363,927	\$1,075,117	\$1,739,133	\$2,304,483	\$ 64,448	5,916,306
Money Market Mutual Funds (U.S. Securities)	\$ 4,108,623							4,108,623
Negotiable Certificates of Deposit				1,342,670				1,342,670
Asset-Backed Securities	2,299,825							2,299,825
Supranational Note	752,286							752,286
Collateralized Mortgage Obligations	149,297							149,297
Totals	\$ 7,310,031	\$5,077,338	\$363,927	\$2,417,787	\$1,739,133	\$2,304,483	\$ 64,448	19,277,147
Not rated: LAIF								51,007,686
Exempt from credit rating disclosure: U.S. Treasury Notes								7,363,833
Total investments								<u>\$77,648,666</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, 2022 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, 2022, the City had \$1,619,134 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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE C – CASH AND INVESTMENTS (Continued)

measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2022:

	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	\$ 7,363,833		\$ 7,363,833	
U.S. Government Agency Obligations	4,708,140		4,708,140	
U.S. Corporate Obligations	5,916,306		5,916,306	
Asset-Backed Securities	2,299,825		2,299,825	
Supranational Note	752,286		752,286	
Collateralized Mortgage Obligations	149,297		149,297	
Total investments by fair value level	<u>21,189,687</u>	<u>\$ -</u>	<u>\$ 21,189,687</u>	<u>\$ -</u>
Investments uncategorized:				
LAIF	51,007,686			
Negotiable Certificates of Deposit	1,342,670			
Money Market Mutual Funds	<u>4,108,623</u>			
Total investments	<u>\$ 77,648,666</u>			

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

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, 2022

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, 2022 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	Cabernet Village Lease Debt Service Fund	\$ 98,235 (C)
	Engie City Debt Service Fund	37,145 (A)
Major Governmental Funds:		
State and Federal Grants-City Special Revenue	City Capital Projects Fund	3,365,047 (B)
	Engie City Debt Service	153,435 (C)
	City Capital Projects Fund	180,775 (B)
Major Enterprise Funds:		
Water	General Fund	823,608 (A)
	City Capital Projects Fund	716,988 (B)
Wastewater	General Fund	765,906 (A)
	City Capital Projects Fund	20,449 (B)
Nonmajor Special Revenue Funds:		
Storm Drainage	General Fund	380,737 (D)
Measure T- Streets and Roads	City Capital Projects Fund	29,721 (B)
Gas Tax	General Fund	300,000 (A)
	City Capital Projects Fund	10,057 (B)
State Supplemental Law Enforcement	General Fund	163,491 (A)
Community Facilities District	City Capital Projects Fund	370,257 (B)
Nonmajor Capital Projects Funds:		
Park Improvement	City Capital Projects Fund	1,833 (B)
Traffic Impact	City Capital Projects Fund	23,309 (B)
Zero Water Footprint	Recycled Water Enterprise Fund	368 (A)
Nonmajor Debt Service Funds:		
Engie City	Wastewater Enterprise Fund	64,597 (B)
Engie Fire	Wastewater Enterprise Fund	36,189 (B)
		<u>\$ 7,542,147</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

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, 2022, the following funds have interfund balances.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE D – INTERFUND TRANSACTIONS (Continued)

Fund Making Loan	Fund Receiving Loan	Amount
General Fund	Major Governmental Funds:	
	State and Federal Grants - City Special Revenue	\$ 427,585
	Major Enterprise Funds:	
	Water Fund	750,785
	Wastewater	1,265,145
	Internal Service Funds:	
	Legal Internal Service Fund	179,750
	Nonmajor Special Revenue Funds:	
	Cannabis Fund	13,882
	Community Facilities District	243,868
Fire District Operations Special Revenue	Nonmajor Debt Service Funds:	
	Engie Fire	19,076
Wastewater Enterprise	Major Enterprise Funds:	
	Water Fund	32,797
	Fire District Operations Special Revenue	81,475
Engie City Debt Service	Major Enterprise Funds:	
	Wastewater	153,435
	Total Due To/Due From Other Funds	<u>\$ 3,167,798</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 to the State of California Local Agency Investment 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, 2022, the Recycled Water Fund owed \$5,541,683 including accrued interest on this advance, \$129,402 to the Water Fund and \$5,412,281 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE E – LOANS RECEIVABLE

At June 30, 2022, the City had the following loans receivable:

BEGIN Program	\$ 8,341,471
Satellite Affordable Housing Association	3,005,326
Mid-Peninsula Housing Coalition Loan	2,166,189
HOME Program	1,622,294
CDBG Housing Rehabilitation Program	469,051
CalHome Program	268,298
Employee Home Purchase Assistance	1,535
Other	51,477
	<u>15,925,641</u>
Valuation allowance	<u>(8,248,746)</u>
Loans, net	<u>\$ 7,676,895</u>

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, 2022, residents owed the City \$8,248,746 in loans offered by this program, which includes \$2,756,046 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 \$92,725, 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE E – LOANS RECEIVABLE (Continued)

As of June 30, 2022, the loan balance was \$3,005,326.

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, 2022, the loan balance was \$2,166,189.

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, 2022, residents owed the City \$1,622,294 in loans offered by this program, including accrued interest.

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, 2022, residents owed the City \$469,051 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, 2022, residents owed the City \$268,298 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, 2022, 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, 2022, the remaining employee owed the City \$1,535 under this program.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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 cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed. 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

The cost of assets sold or retired and the related amounts of accumulated depreciation are eliminated from the statement of net position in the year of sale or retirement, and the resulting gain or loss is recognized in operations.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE F – CAPITAL ASSETS (Continued)

Capital Asset Additions and Retirements

Capital assets at June 30 consisted of the following:

	Balance July 01, 2021 (as Restated)	Additions	Retirements	Transfers	Balance at June 30, 2022
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 10,162,813				\$ 10,162,813
Street right of ways	165,187,812				165,187,812
Construction in progress	7,903,704	\$ 4,841,577			12,745,281
Total capital assets, not being depreciated	183,254,329	4,841,577			188,095,906
Capital assets, being depreciated:					
Buildings and improvements	51,201,341				51,201,341
Machinery and equipment	8,536,587	193,079	\$ (107,200)		8,622,466
Infrastructure - streets and storm drains	92,289,491				92,289,491
Leased equipment	244,687				244,687
Total capital assets, being depreciated	152,272,106	193,079	(107,200)		152,357,985
Less accumulated depreciation for:					
Buildings and improvements	(22,615,244)	(1,744,249)		\$ 49,744	(24,309,749)
Machinery and equipment	(5,862,164)	(525,871)	107,200		(6,280,835)
Infrastructure - streets and storm drains	(32,564,964)	(2,040,470)		(49,744)	(34,655,178)
Leased equipment		(42,951)			(42,951)
Total accumulated depreciation	(61,042,372)	(4,353,541)	107,200		(65,288,713)
Capital assets being depreciated, net	91,229,734	(4,160,462)			87,069,272
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	\$ 274,484,063	\$ 681,115	\$ -	\$ -	\$ 275,165,178

The leased assets above consist of six vehicles that were recorded in a restatement as of July 1, 2021 to implement GASB Statement No. 87, Leases, as described in Note G. Capital outlay expenditures in governmental funds does not agree to additions above due to additions in the Fleet Enterprise Fund being included in the rollforward above that are not reported in governmental funds.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE F – CAPITAL ASSETS (Continued)

	Balance at June 30, 2021	Additions	Retirements	Transfers	Balance at June 30, 2022
<u>Business-Type Activities</u>					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,208,769				\$ 2,208,769
Construction in progress	7,584,571	\$ 1,307,638			8,892,209
Total capital assets, not being depreciated	9,793,340	1,307,638			11,100,978
Capital assets, being depreciated:					
Buildings and improvements	7,879,811				7,879,811
Water treatment and distribution	40,319,403				40,319,403
Equipment	3,220,805	72,296			3,293,101
Wastewater treatment and collection	35,061,638				35,061,638
Recycled Water Treatment and Distribution	5,871,108				5,871,108
Total capital assets, being depreciated	92,352,765	72,296			92,425,061
Less accumulated depreciation for:					
Buildings and improvements	(4,758,447)	(230,522)			(4,988,969)
Water treatment and distribution	(21,256,657)	(1,245,691)			(22,502,348)
Equipment	(2,174,783)	(322,547)			(2,497,330)
Wastewater treatment and collection	(18,386,545)	(1,071,864)			(19,458,409)
Recycled Water Treatment and Distribution	(2,059,298)	(195,330)			(2,254,628)
Total accumulated depreciation	(48,635,730)	(3,065,954)			(51,701,684)
Capital assets being depreciated, net	43,717,035	(2,993,658)			40,723,377
BUSINESS-TYPE ACTIVITIES					
CAPITAL ASSETS, NET	\$53,510,375	\$ (1,686,020)	\$ -	\$ -	\$ 51,824,355

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	\$ 342,033
Public works	3,514,201
Storm drain	497,307
Total Governmental Activities	<u>\$ 4,353,541</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE F – CAPITAL ASSETS (Continued)

Business-type Activities:	
Water	\$ 1,282,037
Wastewater	1,561,144
Recycled Water	<u>222,773</u>
Total Business-type Activities	<u>\$ 3,065,954</u>

Project Commitments

At June 30, 2022, the City had outstanding commitments with contractors for the following projects:

<u>Project</u>	<u>Remaining Commitment</u>
Transportation projects	\$ 2,234,414
Parks projects	417,713
Community development projects	365,167
Wastewater projects	96,550
Planning projects	<u>4,940</u>
	<u>\$ 3,118,784</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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, 2022:

	Original Amount	Balance July 01, 2021 (as Restated)	Additions	Retirements	Balance June 30, 2022	Current Portion
<u>Governmental Activities</u>						
2020 City Hall Site Agreement 2.6%, due 05/01/34	\$ 4,569,064	\$ 4,569,064			\$ 4,569,064	
Bank of America Financed Purchase ENGIE 1.79%, due 06/01/36	5,209,209	845,181		\$ (43,180)	802,001	\$ 41,371
Municipal Asset Management, Inc. Financed Purchase - 2.96% due 06/17/24	314,188	102,742		(33,716)	69,026	34,674
Enterprise Lease Liability	244,687	244,687		(10,228)	234,459	42,878
Total amortized debt		5,761,674		(87,124)	5,674,550	118,923
Cost reimbursement payable	1,226,688	1,226,688		(1,226,688)		
Total direct borrowings and direct placements		6,988,362		(1,313,812)	5,674,550	118,923
Compensated absences		782,949	\$ 689,991	(724,607)	748,333	664,470
Claims and judgments		1,636,881	815,192	(318,092)	2,133,981	2,133,981
Net pension liability		14,175,773		(6,252,672)	7,923,101	
Other postemployment benefits		5,914,813		(115,269)	5,799,544	
Total Governmental Long-Term Liabilities		29,498,778	1,505,183	(8,724,452)	22,279,509	<u>\$2,917,374</u>
Less: Amount due within one year		(2,322,475)			(2,917,374)	
Total Governmental Long-Term Liabilities, Net		<u>\$ 27,176,303</u>	<u>\$ 1,505,183</u>	<u>\$ (8,724,452)</u>	<u>\$ 19,362,135</u>	

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE G – LONG-TERM LIABILITIES (Continued)

	Original Amount	Balance July 01, 2021 (as Restated)	Additions	Retirements	Balance June 30, 2022	Current Portion
<u>Business-type Activities</u>						
State of California Davis-Grunsky Loan 2.5%, due 12/31/27	\$ 2,050,000	\$ 502,788		\$ (70,382)	\$ 432,406	\$ 72,142
State Water Resources Control Board, State Revolving Fund Loan 2.7%, due 07/15/22	10,859,470	1,425,762		(703,385)	722,377	722,377
Bank of America Financed Purchase ENGIE 1.79%, due 06/01/36	5,209,209	4,460,412		(227,876)	4,232,536	218,337
Municipal Finance - Inc. Financed Purchase - 3.55% due 07/06/22	2,004,200	308,531		(308,531)		
Total direct borrowings and direct placements		6,697,493		(1,310,174)	5,387,319	1,012,856
Add: Unamortized interest on						
Davis-Grunsky Loan		84,348		(11,514)	72,834	
Compensated absences		284,933	\$ 183,697	(238,939)	229,691	133,094
Net pension liability		2,626,414		(1,469,720)	1,156,694	
Other postemployment benefits		1,220,301	247,491		1,467,792	
Total Business-type Long-Term Liabilities		10,913,489	431,188	(3,030,347)	8,314,330	\$1,145,950
Less: Amount due within one year		(1,233,603)			(1,145,950)	
Total Business-type Activity Liabilities		\$ 9,679,886	\$ 431,188	\$ (3,030,347)	\$ 7,168,380	

All agreements below represent direct borrowings.

2020 City Hall Site Agreement

In October 2020, the Financing Authority entered into an agreement in the amount of \$4,569,064 in order to terminate the 2007 Lease Financing and restructure the payments on the agreement to purchase the site and construct the City Hall. The terms of the agreement 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%. In the event of default, the lender has the ability to direct and control remedies under the agreement, which includes termination of the agreement and re-lease of the property.

ENGIE Financed Purchase Agreement

In May 2020, the City entered into a 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. 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE G – LONG-TERM LIABILITIES (Continued)

Financed Purchase Agreement – Municipal Asset Management, Inc. Vac Con Truck

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

Enterprise Lease Liability

During the year ended June 30, 2022, the City implemented GASB Statement No. 87, Leases, retroactivity to July 1, 2021. This Statement requires recognition of 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.

On August 26, 2021, the City entered into a master lease agreement with Enterprise Fleet Management to lease vehicles for the City. The City leases six vehicles under the agreement with payments of \$57,934 per year starting in 2023 and final payments of \$45,523 in 2027 through June 22, 2027. The District recorded lease assets and a lease liability for the present value of the lease payments over the lease terms. For purposes of discounting future lease payments, the District used a discount rate of 6.85% charged by the lessor. The lease assets are being amortized over 5.0 years, which is the remaining term of the current leases. The lease assets and liability were recorded in a restatement as of July 1, 2021 of \$244,687. As of June 30, 2022, the cost and accumulated amortization of the leased vehicles were \$244,687 and \$49,581, respectively. The agreement contains a default interest rate of the lesser of 18% or the highest rate permitted by law.

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 repaid the payable, along with \$845,743 of interest, during 2022.

State of California Davis – Grunsky Loan

The City obtained a loan in an original amount of \$2,050,000 from the State of California Department of Water Resources under the Davis-Grunsky Act for the purpose of financing water system improvements. Interest payments are due each July 1 and January 1 with the final payment due December 31, 2027, ranging from \$659 to \$5,450. 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE G – LONG-TERM LIABILITIES (Continued)

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 – 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%. 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

Future annual debt service requirements for long-term liabilities at June 30, 2022 were as follows:

Year Ending June 30:	Governmental Activities					
	Loans		Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 76,045	\$ 114,335	\$ 42,878	\$ 15,056	\$ 118,923	\$ 129,391
2024	451,146	110,553	45,909	12,024	497,055	122,577
2025	428,017	100,626	49,155	8,779	477,172	109,405
2026	437,183	91,543	52,629	5,304	489,812	96,847
2027	450,549	82,233	43,888	1,635	494,437	83,868
2028-2032	2,399,412	263,942			2,399,412	263,942
2033-2037	1,197,739	35,474			1,197,739	35,474
Totals	<u>\$ 5,440,091</u>	<u>\$ 798,706</u>	<u>\$ 234,459</u>	<u>\$ 42,798</u>	<u>\$ 5,674,550</u>	<u>\$ 841,504</u>

Year Ending June 30:	Business-type Activities	
	Principal	Interest
2023	\$ 1,012,856	\$ 104,291
2024	308,252	78,945
2025	326,856	72,765
2026	333,726	66,335
2027	361,867	59,596
2028-2032	1,539,063	205,085
2033-2037	1,504,699	57,081
	<u>\$ 5,387,319</u>	<u>\$ 644,098</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 \$469,294 and total principal and interest remaining on the Wastewater Fund loan through 2023 is \$741,881. For fiscal year 2022, the principal and interest paid by the Water and Wastewater funds for these loans was \$82,079 and \$741,881, respectively. The Water Fund and the Wastewater Funds had net revenues of \$2,660,637 and \$2,174,079, respectively, in fiscal year 2022.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

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, 2022.

Special Assessment Debt Without City Commitment

At June 30, 2022, 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	\$ 3,618,900
American Canyon Road East AD Refunding Revenue Bonds, Series 2015	9,955,000
Community Facilities District No. 2018-1 (Green Island Road Project)	
Special Tax Revenue Bonds, Series 2020	5,085,000

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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

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

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

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

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

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

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

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

The 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, 2022

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

Fund balances of governmental funds were categorized as follows as of June 30, 2022:

	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	\$ 417,503							\$ 417,503
Prepaid expenditures and deposits	24,911							24,911
Total Nonspendable	442,414							442,414
Restricted:								
Public safety								
Fire District capital acquisition						\$ 992,569		992,569
Vehicle enforcement	149,694							149,694
Other		\$ 227,857					10,541	238,398
Public works								
Capital projects					\$ 101,848		5,814,461	5,916,309
Non-capital projects							5,846,993	5,846,993
Landscaping and lighting districts							2,944,460	2,944,460
Storm drain projects							6,579,027	6,579,027
Community development, planning and building Parks	614,026		\$ 40,891			\$ 242,589	73,273	970,779
La Vigne Open Space							175,025	175,025
Newell Park Open Space							244,400	244,400
Other							1,681,806	1,681,806
Other activities	97,558						153,435	250,993
Total Restricted	861,278	227,857	40,891		101,848	242,589	24,515,990	25,990,453
Committed:								
Contingency	5,000,440	1,267,279						6,267,719
Capital projects	2,000,000							2,000,000
Total Committed	7,000,440	1,267,279						8,267,719
Assigned:								
Economic development	1,000,000							1,000,000
General plan update							103,074	103,074
Fire operations		4,135,660						4,135,660
Total Assigned	1,000,000	4,135,660					103,074	5,238,734
Unassigned:	3,282,423			\$ (661,487)			(283,359)	2,337,577
Total Fund Balance	\$ 12,586,555	\$ 5,630,796	\$ 40,891	\$ (661,487)	\$ 101,848	\$ 242,589	\$ 24,335,705	\$ 42,276,897

Net Position and Fund Equity Deficits

The State and Federal Grants – City Special Revenue Fund, Recycled Water Enterprise Fund, Cannabis Special Revenue Fund, Community Facility District Special Revenue Fund, Engie Fire Debt Service Fund and Legal Internal Service Fund had deficit fund balances or net position of \$661,487, \$683,306, \$13,882, \$248,667 \$20,810 and \$201,217, respectively, at June 30, 2022. 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, 2022

NOTE I – DEFERRED COMPENSATION PLANS

The City offers three deferred compensation plans under IRC Section 457: The ICMA Retirement Corporation Internal Revenue Code (IRC) Section 457 Deferred Compensation Plan (the ICMA Plan), the VALIC IRC Section 457 Deferred Compensation Plan (the VALIC Plan), and the Public Agency Retirement System Section 457 FICA Alternative Retirement Plan (FICA ARP). Benefit terms for the deferred compensation plans are established by and may be amended by the City Council subject to provisions of employment agreements. The ICMA Plan is a voluntary plan available to all City employees with the exception to members of Fire Fighters Local 1186. The VALIC Plan is available to all City employees with the exception of unrepresented part-time, temporary and seasonal employees. The FICA ARP Plan is available to unrepresented part-time, temporary and seasonal employees not eligible for other retirement plans. Employee contributions to the ICMA Plan are voluntary and the City makes no contributions. Employer and employee contributions to the VALIC Plan are discretionary. The City contributes 3.3% of employees' pay to the FICA ARP and employees contribute a minimum of 4.2% of their compensation up to the IRC limits. Employees are fully vested in their contributions immediately after the contributions are made. For the year ended June 30, 2022, the City made contributions of \$296,626 and employees made contributions of \$21,705 to the deferred compensation plans.

NOTE J – PENSION PLANS

DEFINED BENEFIT 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, 2022

NOTE J – PENSION PLANS (Continued)

The Plan’s provisions and benefits in effect at June 30, 2022, are summarized as follows:

	City Miscellaneous	City PEPRA Miscellaneous	Fire Protection Miscellaneous
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62	3.0% @ 60
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50 - 60
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%	2.00% to 3.00%
Required employee contribution rates	7.00%	7.25%	6.75%
Required employer contribution rates	11.600%	7.730%	7.470%
	Safety Fire First Tier	Safety Fire Second Tier	Safety Fire PEPRA
	January 1, 1965 to May 5, 2010	On or after May 5, 2010	On or after January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50-57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	23.710%	21.790%	13.130%

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% of 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, 2022

NOTE J – PENSION PLANS (Continued)

For the year ended June 30, 2022, the contributions paid to Plan were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
Contributions - employer	\$ 1,245,432	\$ 988,461	\$ 18,869	\$ 2,252,762

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2022, the City reported a net pension liability for its proportionate shares of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability/Asset</u>
City Miscellaneous Risk Pool	\$ 4,048,631
Fire Safety Risk Pool	4,987,426
Fire Miscellaneous Risk Pool	<u>43,738</u>
Total Net Pension Liability	<u>\$ 9,079,795</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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2022 and 2021 were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool
Proportion - June 30, 2021	0.20221%	0.12336%	0.00178%
Proportion - June 30, 2022	<u>0.21322%</u>	<u>0.14211%</u>	<u>0.00230%</u>
Change - increase (decrease)	-0.01101%	-0.01875%	-0.00052%

For the year ended June 30, 2022, the City recognized pension expense (benefit) of \$423,217, \$882,817, \$(18,559) and \$1,287,475 for the City Miscellaneous Risk Pool, Fire Safety Risk Pool, Fire Miscellaneous Risk Pool and in total for the Plan, respectively. At June 30, 2022, 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, 2022

NOTE J – PENSION PLANS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>City Miscellaneous Risk Pool</u>		
Pension contributions subsequent to measurement date	\$ 1,245,432	
Differences between actual and expected experience	454,011	
Change in employer's proportion	274,506	\$ (380,293)
Net differences between projected and actual earnings on plan investments		(3,534,245)
Total	<u>\$ 1,973,949</u>	<u>\$ (3,914,538)</u>
<u>Fire Safety Risk Pool</u>		
Pension contributions subsequent to measurement date	\$ 988,461	
Differences between actual and expected experience	852,097	
Change in employer's proportion	95,960	\$ (376,262)
Net differences between projected and actual earnings on plan investments		(2,968,477)
Total	<u>\$ 1,936,518</u>	<u>\$ (3,344,739)</u>
<u>Fire Miscellaneous Risk Pool</u>		
Pension contributions subsequent to measurement date	\$ 18,869	
Differences between actual and expected experience	4,905	
Change in employer's proportion	34,623	(28,188)
Net differences between projected and actual earnings on plan investments		\$ (38,181)
Total	<u>\$ 58,397</u>	<u>\$ (66,369)</u>
Total for Plan	<u>\$ 3,968,864</u>	<u>\$ (7,325,646)</u>

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 deferred amounts related to the net differences between the projected and actual earnings on plan investments and all remaining amounts will be recognized as pension expense over 5 years and the average service lives of employees, respectively, as follows:

Year Ended June 30	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
2023	\$ (685,187)	\$ (403,142)	\$ (3,600)	\$ (1,091,929)
2024	(734,045)	(509,886)	(5,146)	(1,249,077)
2025	(809,254)	(666,772)	(7,544)	(1,483,570)
2026	(957,535)	(816,882)	(10,551)	(1,784,968)
	<u>\$ (3,186,021)</u>	<u>\$ (2,396,682)</u>	<u>\$ (26,841)</u>	<u>\$ (5,609,544)</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION PLANS (Continued)

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, 2020
Measurement date		June 30, 2021
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.

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION PLANS (Continued)

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)
Public 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 assets	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.

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	\$ 9,400,652	\$ 9,045,139	\$ 44,265	\$18,490,056
Current discount rate	7.15%	7.15%	7.15%	7.15%
Net pension liability	\$ 4,048,631	\$ 4,987,426	\$ 43,738	\$ 9,079,795
1% increase	8.15%	8.15%	8.15%	8.15%
Net pension liability	\$ (375,805)	\$ 1,654,516	\$ 43,302	\$ 1,322,013

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, 2022, the City had no contributions payable to the City Miscellaneous and Fire Safety Risk Pools.

DEFINED CONTRIBUTION PLAN

The City offers the City of American Canyon Internal Revenue Code (IRC) Section 401a Government Money Purchase Plan (401a Plan), a single-employer defined contribution retirement plan, to at-will

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE J – PENSION PLANS (Continued)

management, mid-management and confidential employee unit members exempt from the Fair Labor Standards Act that are over 18 years of age. Benefit terms for the 401a Plan are established by and may be amended by the City Council subject to provisions of employment agreements. Employees are eligible to participate in the Plan on their date of hire. Employees are required to contribute 2% and the City is required to contribute 1% for mid-management and confidential employees and 2% for at-will management employees. Employees are immediately fully vested in their own contributions and City contributions. During the year ended June 30, 2022, the City's and employee contributions to the 401a Plan were \$45,042 and \$52,030, 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 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 2022, the caps were \$816 for retiree only coverage, \$1,548 for the retiree plus one dependent and \$1,983 for the retiree plus 2 or more dependents.

Employees Covered by Benefit Terms: At the June 30, 2021 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	42	17
Inactive employees entitled to but not yet receiving benefit payments	12	
Active employees	<u>73</u>	<u>15</u>
Total	<u>127</u>	<u>32</u>

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, 2022, the City’s direct payments of insurance premiums were \$424,985, implicit subsidy was \$130,871 and cash contributions to the trust were \$278,943, resulting in total contributions of \$834,799. During the fiscal year ended June 30, 2022, the Fire District’s direct payments of insurance premiums were \$252,987, implicit subsidy was \$90,154 and cash contributions to the trust were \$137,155, resulting in total contributions of \$480,296. 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, 2021, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2020.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2021	June 30, 2021
Measurement date	June 30, 2021	June 30, 2021
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	6.00%	7.00%
Inflation	2.50%	2.50%
Salary increases	3.00%	3.00%
Investment rate of return	6.00%	7.00%
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	5.7% grading down to 4% in 2076	5.7% grading down to 4% in 2076
Percentage electing to cover spouse	60% for employees hired before and 45% for employees hired on or after July 1, 2016;	85%

Mortality information for the City and Fire Plans was developed from a blending of data and methodologies found in (1) the Society of Actuaries Mortality Improvement Scale MP-2021 Report and (2) the demographic assumptions used in the 2021 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors insurance and Federal Disability Insurance Trust Funds, published in 2021. The City and Fire Plans mortality improvement was based on the MacLeod Watts Scale 2020.

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:

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Asset Class	Target Allocation		Long-term Expected Rate of Return	
	City Plan	Fire Plan	City Plan	Fire Plan
Global equity	40.0%	59.0%	8.90%	8.90%
Fixed income	43.0%	25.0%	5.54%	5.54%
Real estate investment trusts (REITs)	8.0%	8.0%	7.92%	7.92%
Treasury inflation protected securities (TIPS)	5.0%	5.0%	4.38%	4.38%
Commodities	4.0%	3.0%	5.79%	5.79%
Total	<u>100.0%</u>	<u>100.0%</u>		

Discount Rate: The discount rate used to measure the total City and Fire District OPEB liabilities was 6.00% and 7.05%, respectively. The City discount rate was lowered from 6.95% to 6.00% and the Fire District discount rate was lowered from 7.05% to 7.00%, 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.

Changes in the Net OPEB Liability: Changes in the net OPEB liability were as follows during the year ended June 30, 2022:

City Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021	\$ 9,884,937	\$ 5,525,161	\$ 4,359,776
Changes in the year:			
Service cost	441,947		441,947
Interest	700,679		700,679
Changes in assumptions	1,901,027		1,901,027
Difference between expected and actual experience	91,627		91,627
Contributions - employer		812,638	(812,638)
Net investment income		1,536,192	(1,536,192)
Benefit payments	(490,357)	(490,357)	
Administrative expenses		(2,116)	2,116
Net changes	<u>2,644,923</u>	<u>1,856,357</u>	<u>788,566</u>
Balance at June 30, 2022	<u>\$ 12,529,860</u>	<u>\$ 7,381,518</u>	<u>\$ 5,148,342</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Fire Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021	\$ 5,766,504	\$ 2,991,166	\$ 2,775,338
Changes in the year:			
Service cost	231,790		231,790
Interest	411,091		411,091
Difference between expected and actual experience	(122,741)		(122,741)
Changes in assumptions	192,051		192,051
Contributions - employer		511,759	(511,759)
Net investment income		857,965	(857,965)
Benefit payments	(334,432)	(334,432)	
Administrative expenses		(1,189)	1,189
Net changes	377,759	1,034,103	(656,344)
Balance at June 30, 2022	\$ 6,144,263	\$ 4,025,269	\$ 2,118,994
Total City and Fire Plans	\$ 18,674,123	\$ 11,406,787	\$ 7,267,336

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	Current	1% Increase
	5.00%	Discount Rate 6.00%	7.00%
Net OPEB liability - City Plan	\$ 6,881,589	\$ 5,148,342	\$ 3,729,496

	1% Decrease	Current	1% Increase
	6.00%	Discount Rate 7.00%	8.00%
Net OPEB liability - Fire Plan	\$ 2,894,610	\$ 2,118,994	\$ 1,477,405

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	1% Increase
		Healthcare Cost Trend Rates	
Net OPEB liability - City Plan	\$ 3,576,175	\$ 5,148,342	\$ 7,096,827

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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB liability - Fire Plan	\$ 1,420,888	\$ 2,118,994	\$ 2,973,167

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2022, the City and Fire District recognized OPEB expense of \$887,980 and \$174,467, respectively, for a total OPEB expense of \$1,062,447.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Plan		
OPEB contributions subsequent to measurement date	\$ 834,799	
Differences between actual and expected experience	79,793	\$ (252,661)
Changes in assumptions	2,213,103	
Net differences between projected and actual earnings on plan investments		(787,087)
Total - City Plan	<u>\$ 3,127,695</u>	<u>\$ (1,039,748)</u>
Fire Plan		
OPEB contributions subsequent to measurement date	\$ 480,296	
Differences between actual and expected experience		\$ (965,174)
Changes in assumptions	386,040	(55,943)
Net differences between projected and actual earnings on plan investments		(450,761)
Total - Fire Plan	<u>\$ 866,336</u>	<u>\$ (1,471,878)</u>
Total - City and Fire Plans	<u>\$ 3,994,031</u>	<u>\$ (2,511,626)</u>

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

Year Ended June 30	City Plan	Fire Plan	Total
2023	\$ 159,722	\$ (240,966)	\$ (81,244)
2024	162,544	(237,661)	(75,117)
2025	152,158	(241,951)	(89,793)
2026	115,953	(241,632)	(125,679)
2027	319,211	(62,576)	256,635
Thereafter	343,560	(61,052)	282,508
	<u>\$ 1,253,148</u>	<u>\$ (1,085,838)</u>	<u>\$ 167,310</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Payable to the OPEB Plan: At June 30, 2022, there were no significant payables to the OPEB plans.

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 of \$1.0 million with excess liability coverage of \$29 million through commercial carriers, for total coverage of \$30 million, subject to a deductible of \$25,000. Property and vehicle coverage is \$500,000 with excess liability coverage through commercial carriers of \$999,500,000, for total coverage of \$1 billion. Flood damage coverage is \$25 million.

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 \$5 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:

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE L – RISK MANAGEMENT (Continued)

	<u>Year Ended June 30, 2022</u>	<u>Year Ended June 30, 2021</u>	<u>Year Ended June 30, 2020</u>
Unpaid claims, beginning of fiscal year	\$ 1,636,881	\$ 1,064,318	\$ 724,016
Incurred claims (including IBNRs)	815,192	935,941	501,074
Claim payments	<u>(318,092)</u>	<u>(363,378)</u>	<u>(160,772)</u>
Unpaid claims, end of fiscal year	<u>\$ 2,133,981</u>	<u>\$ 1,636,881</u>	<u>\$ 1,064,318</u>

The City has had no settlements that exceeded insurance coverage in the last three fiscal years, and no changes in insurance coverage have accrued from the prior year. The liability for uninsured claims is typically liquidated by the Fire District Operations Special Revenue Fund.

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 disrupted supply chains and affected production and sales across a range of industries. The City has lost a significant amount of revenue due to the 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, 2022 was approximately \$2.1 million, of which \$713,000 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, 2022, \$336,000 has been spent on this project.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2022

NOTE M – OTHER COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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 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 years ended June 30, 2022 and 2021, the City contributed \$145,500 and \$400,000, respectively, to the Authority, which is reported as a non-depreciable asset in the City’s Water Fund.

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 were received in two installments of \$2.45 million in July 2021 and 2022. 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. Unspent amounts would be returned to the U.S. Treasury.

NOTE N – SUBSEQUENT EVENTS

In November 2022, the Council approved construction contracts totaling \$1,796,000 for the Green Island Road utility underground project.

In August 2022, the Fire District Board approve a financing agreement of \$1,842,000 for the purchase of two fire engines. Repayment will be made over seven years at an interest rate of 2.54%.

NOTE O – RESTATEMENT

During the year ended June 30, 2022, the City implemented GASB Statement No. 87, *Leases*, which resulted in recognition of certain lease assets and liabilities for leases with a term of over twelve months. As a result, lease assets and a lease liability of \$224,687 was recorded as of July 1, 2021. See Note G for additional information about the City’s leases.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	\$ 11,965,700	\$ 12,032,503	\$ 12,162,299	\$ 129,796
Sales taxes	2,730,000	2,681,142	3,095,329	414,187
Other taxes	2,442,800	2,583,871	2,808,307	224,436
Fines and forfeitures	95,000	65,413	100,682	35,269
Licenses and permits	579,500	587,304	761,858	174,554
Intergovernmental	86,300	92,579	93,531	952
Charges for services	951,900	1,532,609	1,649,843	117,234
Use of money and property	746,050	397,983	(846,829)	(1,244,812)
Other	642,900	679,664	505,632	(174,032)
TOTAL REVENUES	<u>20,240,150</u>	<u>20,653,068</u>	<u>20,330,652</u>	<u>(322,416)</u>
EXPENDITURES				
Current:				
General government	6,520,295	7,327,290	6,643,362	683,928
Public safety	7,864,566	7,892,618	7,949,173	(56,555)
Public works	2,681,000	2,706,478	2,306,473	400,005
Community development	1,698,400	2,216,521	2,135,066	81,455
Parks and recreation	3,216,589	3,457,080	2,717,250	739,830
Storm drain	528,900	422,814	380,895	41,919
Capital outlay	298,000	313,485	124,864	188,621
TOTAL EXPENDITURES	<u>22,807,750</u>	<u>24,336,286</u>	<u>22,257,083</u>	<u>2,079,203</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,567,600)</u>	<u>(3,683,218)</u>	<u>(1,926,431)</u>	<u>1,756,787</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	10,000	10,000	10,000	
Transfers in	2,717,900	2,856,246	2,433,742	(422,504)
Transfers out	(156,500)	(203,171)	(135,380)	67,791
TOTAL OTHER FINANCING SOURCES AND USES	<u>2,571,400</u>	<u>2,663,075</u>	<u>2,308,362</u>	<u>(354,713)</u>
NET CHANGE IN FUND BALANCE	3,800	(1,020,143)	381,931	1,402,074
Fund balance, beginning of year	12,204,624	12,204,624	12,204,624	
FUND BALANCE, END OF YEAR	<u>\$ 12,208,424</u>	<u>\$ 11,184,481</u>	<u>\$ 12,586,555</u>	<u>\$ 1,402,074</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 5,016,242	\$ 5,016,242	\$ 5,125,894	\$ 109,652
Other taxes	665,763	665,763	696,626	30,863
Charges for services	298,500	741,500	774,326	32,826
Use of money and property	79,354	79,354	(67,837)	(147,191)
Other	90,000	90,000	182,019	92,019
TOTAL REVENUES	<u>6,149,859</u>	<u>6,592,859</u>	<u>6,711,028</u>	<u>118,169</u>
EXPENDITURES				
Current:				
Public safety	6,302,653	6,469,653	6,852,495	(382,842)
Capital outlay	176,000	176,000	81,475	94,525
TOTAL EXPENDITURES	<u>6,478,653</u>	<u>6,645,653</u>	<u>6,933,970</u>	<u>(288,317)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(328,794)</u>	<u>(52,794)</u>	<u>(222,942)</u>	<u>(170,148)</u>
NET CHANGE IN FUND BALANCE	(328,794)	(52,794)	(222,942)	(170,148)
Fund balance, beginning of year	<u>5,853,738</u>	<u>5,853,738</u>	<u>5,853,738</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,524,944</u>	<u>\$ 5,800,944</u>	<u>\$ 5,630,796</u>	<u>\$ (170,148)</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 1,410,000	\$ 726,458	\$ 53,626	\$ (672,832)
Use of money and property		27	106	79
Other	1,200	6,480	37,083	30,603
TOTAL REVENUES	<u>1,411,200</u>	<u>732,965</u>	<u>90,815</u>	<u>(642,150)</u>
EXPENDITURES				
Current:				
Community development	1,410,000	1,410,000	64,075	1,345,925
TOTAL EXPENDITURES	<u>1,410,000</u>	<u>1,410,000</u>	<u>64,075</u>	<u>1,345,925</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,200</u>	<u>(677,035)</u>	<u>26,740</u>	<u>703,775</u>
NET CHANGE IN FUND BALANCE	1,200	(677,035)	26,740	703,775
Fund balance, beginning of year	<u>14,151</u>	<u>14,151</u>	<u>14,151</u>	
FUND BALANCE, END OF YEAR	<u>\$ 15,351</u>	<u>\$ (662,884)</u>	<u>\$ 40,891</u>	<u>\$ 703,775</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 7,504,375	\$ 12,402,431	\$ 3,923,345	\$ (8,479,086)
TOTAL REVENUES	<u>7,504,375</u>	<u>12,402,431</u>	<u>3,923,345</u>	<u>(8,479,086)</u>
EXPENDITURES				
Current:				
Public works	160,000	160,000	266,973	(106,973)
TOTAL EXPENDITURES	<u>160,000</u>	<u>160,000</u>	<u>266,973</u>	<u>(106,973)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>7,344,375</u>	<u>12,242,431</u>	<u>3,656,372</u>	<u>(8,586,059)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,344,375)	(8,049,054)	(3,699,257)	4,349,797
TOTAL OTHER FINANCING SOURCES AND USES	<u>(7,344,375)</u>	<u>(8,049,054)</u>	<u>(3,699,257)</u>	<u>4,349,797</u>
NET CHANGE IN FUND BALANCE		4,193,377	(42,885)	(4,236,262)
Fund balance, beginning of year	<u>(618,602)</u>	<u>(618,602)</u>	<u>(618,602)</u>	
FUND BALANCE, END OF YEAR	<u>\$ (618,602)</u>	<u>\$ 3,574,775</u>	<u>\$ (661,487)</u>	<u>\$ (4,236,262)</u>

CITY OF AMERICAN CANYON
Required Supplementary Information
For the Year Ended June 30, 2022

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

	June 30, 2022	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	0.21322%	0.20221%	0.19697%	0.19312%	0.19133%	0.18829%	0.19150%	0.20960%
Proportionate share of the net pension liability	\$ 4,048,631	\$ 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	\$ 5,771,318	\$ 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	70.15%	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	90.01%	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:								
Discount rate changes (measurement date)	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

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

	June 30, 2022	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	\$ 1,245,432	\$ 1,099,634	\$ 1,072,824	\$ 990,170	\$ 918,516	\$ 903,780	\$ 816,543	\$ 737,934
Contributions in relation to the actuarially determined contributions	(1,245,432)	(1,099,634)	(1,072,824)	(990,170)	(918,516)	(903,780)	(816,543)	(737,934)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - employer fiscal year	\$ 6,427,864	\$ 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	19.38%	19.05%	16.81%	16.85%	15.33%	15.12%	15.07%	14.31%
Valuation date for contribution rates - June 30:	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2021	2020	2019	2018	2017	2016	2015	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%	2.50%	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 used to compute contribution rate	7.00%	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
For the Year Ended June 30, 2022

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

	June 30, 2022	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	0.14211%	0.12336%	0.12236%	0.12252%	0.12085%	0.12357%	0.12520%	0.11999%
Proportionate share of the net pension liability	\$ 4,987,426	\$ 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	\$ 1,825,049	\$ 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	273.28%	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	83.45%	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:								
Discount rate changes (measurement date)	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%

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

	June 30, 2022	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	\$ 1,000,900	\$ 874,486	\$ 1,007,896	\$ 881,120	\$ 781,173	\$ 712,349	\$ 622,420	\$ 549,070
Contributions in relation to the actuarially determined contributions	(1,000,900)	(874,486)	(1,007,896)	(881,120)	(781,173)	(712,349)	(622,420)	(549,070)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 2,291,394	\$ 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	43.68%	47.92%	49.80%	46.59%	42.82%	36.64%	40.82%	36.57%
Valuation date for contribution rates - June 30:	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2021	2020	2019	2018	2017	2016	2015	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%	2.50%	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 used to compute contribution rate	7.00%	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, 2022

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

	June 30, 2022	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	0.00230%	0.00129%	0.00178%	0.00233%	0.00232%	0.00270%	0.00304%	0.00294%
Proportionate share of the net pension liability	\$ 43,738	\$ 54,399	\$ 71,296	\$ 87,920	\$ 91,294	\$ 93,760	\$ 83,520	\$ 72,565
Covered payroll - measurement period	\$ 73,720	\$ 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	59.33%	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%	0.00%	64.80%	68.95%	73.76%
Notes to Schedule:								
Change in Benefit Terms: None								
Changes in assumptions:								
Discount rate changes (measurement date)	7.15%	7.15%	7.15%	7.15%	7.15%	7.65%	7.65%	7.50%
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, 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	\$ 18,869	\$ 24,560	\$ 20,740	\$ 18,930	\$ 19,016	\$ 6,602	\$ 6,056	\$ 5,443
Contributions in relation to the actuarially determined contributions	(18,869)	(24,560)	(20,740)	(18,930)	(19,016)	(6,602)	(6,056)	(5,443)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 79,922	\$ 73,720	\$ 27,107	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	23.61%	33.32%	76.51%	N/A	N/A	N/A	N/A	N/A
Valuation date for contribution rates - June 30:	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2021	2020	2019	2018	2017	2016	2015	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%	2.50%	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 used to compute contribution rate	7.00%	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, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 441,947	\$ 429,075	\$ 335,883	\$ 326,100	\$ 326,100
Interest	700,679	657,168	602,996	553,400	519,700
Changes in assumptions	1,901,027		945,591		
Differences between expected and actual experience	91,627		(416,017)	2,700	
Benefit payments	(490,357)	(455,763)	(390,596)	(351,400)	(407,000)
Net change in total OPEB liability	2,644,923	630,480	1,077,857	530,800	438,800
Total OPEB liability - beginning	9,884,937	9,254,457	8,176,600	7,645,800	7,207,000
Total OPEB liability - ending (a)	<u>\$ 12,529,860</u>	<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	\$ 812,638	\$ 571,500	\$ 576,296	\$ 693,900	\$ 673,700
Net investment income	1,536,192	186,101	300,131	322,826	366,285
Benefit payments	(490,357)	(455,763)	(390,596)	(351,400)	(407,000)
Administrative expenses	(2,116)	(2,575)	(1,033)	(2,126)	(1,785)
Net change in plan fiduciary net position	1,856,357	299,263	484,798	663,200	631,200
Plan fiduciary net position - beginning	5,525,161	5,225,898	4,741,100	4,077,900	3,446,700
Plan fiduciary net position - ending (b)	<u>\$ 7,381,518</u>	<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>\$ 5,148,342</u>	<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>58.91%</u>	<u>55.89%</u>	<u>56.47%</u>	<u>57.98%</u>	<u>53.34%</u>
Covered-employee payroll - measurement period	<u>\$ 6,734,681</u>	<u>\$ 6,399,829</u>	<u>\$ 5,955,051</u>	<u>\$ 6,053,800</u>	<u>\$ 5,811,270</u>
Net OPEB liability as percentage of covered-employee payroll	<u>76.45%</u>	<u>68.12%</u>	<u>67.65%</u>	<u>56.75%</u>	<u>61.40%</u>
Notes to Schedule:					
Valuation date - June 30	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2021	2020	2019	2018	2017
Benefit changes:	None	None	None	None	None
Changes in assumptions:					
Discount rate	6.00%	6.95%	6.95%	7.25%	7.25%
Health care trend:					
Initial rate	5.70%	5.40%	5.40%	Various	Various
Trends down to	4.00%	4.00%	4.00%	4.00%	4.00%
In year	2076	2076	2076	2030	2030

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, 2022

	2022	2021	2020	2019	2018
Total OPEB liability					
Service cost	\$ 231,790	\$ 230,045	\$ 226,062	\$ 210,881	\$ 146,079
Interest	411,091	388,764	417,289	393,002	413,368
Differences between expected and actual experience	(122,741)		(837,691)		(705,918)
Changes in assumptions	192,051	(72,183)	184,537	126,927	60,313
Benefit payments	(334,432)	(287,603)	(267,920)	(266,215)	(250,572)
Net change in total OPEB liability	377,759	259,023	(277,723)	464,595	(336,730)
Total OPEB liability - beginning	5,766,504	5,507,481	5,785,204	5,320,609	5,657,339
Total OPEB liability - ending (a)	<u>\$ 6,144,263</u>	<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	\$ 511,759	\$ 517,331	\$ 483,301	\$ 530,288	\$ 414,364
Net investment income	857,965	101,238	149,305	162,465	175,524
Benefit payments	(334,432)	(287,603)	(267,920)	(266,215)	(250,572)
Administrative and other expenses	(1,189)	(1,392)	(530)	(3,591)	(904)
Net change in plan fiduciary net position	1,034,103	329,574	364,156	422,947	338,412
Plan fiduciary net position - beginning	2,991,166	2,661,592	2,297,436	1,874,489	1,536,077
Plan fiduciary net position - ending (b)	<u>\$ 4,025,269</u>	<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>\$ 2,118,994</u>	<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>65.51%</u>	<u>51.87%</u>	<u>48.33%</u>	<u>39.71%</u>	<u>35.23%</u>
Covered-employee payroll - measurement period	<u>\$ 2,172,958</u>	<u>\$ 2,277,760</u>	<u>\$ 2,837,425</u>	<u>\$ 2,509,387</u>	<u>\$ 2,167,463</u>
Net OPEB liability as percentage of covered-employee payroll	<u>97.52%</u>	<u>121.85%</u>	<u>100.30%</u>	<u>138.99%</u>	<u>158.99%</u>
Notes to Schedule:					
Valuation date - June 30	2021	2019	2019	2017	2017
Measurement period - fiscal year ended - June 30	2021	2020	2019	2018	2017
Benefit changes:	None	None	None	None	None
Changes in assumptions:					
Discount rate	7.00%	7.05%	6.95%	7.10%	7.28%
Health care trend:					
Initial rate	5.70%	6.50%	6.50%	7.50%	8.00%
Trends down to	4.00%	5.00%	5.00%	5.00%	5.00%
In year	2076	2025	2025	2025	2024

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution - employer fiscal year	\$ 834,799	\$ 812,638	\$ 571,500	\$ 576,700	\$ 582,400
Contributions in relation to the actuarially determined contributions	<u>(834,799)</u>	<u>(812,638)</u>	<u>(571,500)</u>	<u>(578,522)</u>	<u>(692,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,822)</u>	<u>\$ (109,600)</u>
Covered-employee payroll - employer fiscal year (revised in 2020)	\$ 6,936,721	\$ 6,734,681	\$ 6,399,829	\$ 5,955,051	\$ 6,053,800
Contributions as a percentage of covered payroll	12.03%	12.07%	8.93%	9.71%	11.43%
Notes to Schedule:					
Valuation date - June 30	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2021	2020	2019	2018	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	5.90%	6.95%	6.95%	7.25%	7.25%
Inflation	2.50%	2.50%	2.50%	Not stated	Not stated
Payroll growth	3.00%	3.00%	3.00%	3.25%	3.25%
Investment rate of return	5.90%	6.95%	6.95%	7.25%	7.25%
Healthcare cost-trend rate, initial	5.70%	5.40%	5.40%	Varies	Varies
Healthcare trending down to	4.00%	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	Not stated	65%/35%	65%/35%
Percentage electing to cover spouse	(1)	(1)	(1)	60%	60%

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

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, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution - employer fiscal year	\$ 480,296	\$ 467,573	\$ 507,998	\$ 492,634	\$ 457,056
Contributions in relation to the contractually determined contributions	<u>(480,296)</u>	<u>(511,759)</u>	<u>(507,998)</u>	<u>(483,301)</u>	<u>(530,288)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (44,186)</u>	<u>\$ -</u>	<u>\$ 9,333</u>	<u>\$ (73,232)</u>
Covered-employee payroll - employer fiscal year	\$ 2,238,147	\$ 2,172,958	\$ 2,922,548	\$ 2,837,425	\$ 2,509,387
Contributions as a percentage of covered payroll	21.46%	23.55%	17.38%	17.03%	21.13%
Notes to Schedule:					
Valuation date - June 30	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2021	2020	2019	2018	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	6.90%	7.05%	6.95%	7.10%	7.28%
Inflation	2.50%	2.75%	2.50%	2.75%	2.75%
Payroll growth	3.00%	3.25%	3.00%	3.25%	3.25%
Investment rate of return	6.90%	7.05%	7.05%	7.10%	7.28%
Healthcare trend, initial	5.70%	6.50%	6.50%	7.50%	8.00%
Healthcare trending down to	4.00%	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%	85%

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

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

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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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Other			\$ 26,000	\$ 26,000
TOTAL REVENUES			26,000	26,000
EXPENDITURES				
Capital outlay	\$ 19,250,600	\$ 20,267,668	4,755,025	15,512,643
TOTAL EXPENDITURES	19,250,600	20,267,668	4,862,025	15,405,643
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(19,250,600)	(20,267,668)	(4,836,025)	15,431,643
OTHER FINANCING SOURCES (USES)				
Transfers in	19,250,600	22,049,565	4,718,436	(17,331,129)
TOTAL OTHER FINANCING SOURCES AND USES	19,250,600	22,049,565	4,718,436	(17,331,129)
NET CHANGE IN FUND BALANCE		1,781,897	(117,589)	(1,899,486)
Fund balance, beginning of year	219,437	219,437	219,437	
FUND BALANCE, END OF YEAR	\$ 219,437	\$ 2,001,334	\$ 101,848	\$ (1,899,486)

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 429,200	\$ 47,451	\$ 22,105	\$ (25,346)
Use of money and property	1,400	273	336	63
Other		3,138	3,138	
TOTAL REVENUES	<u>430,600</u>	<u>50,862</u>	<u>25,579</u>	<u>(25,283)</u>
EXPENDITURES				
Current:				
Community development	138,300	130,000	45,000	85,000
TOTAL EXPENDITURES	<u>138,300</u>	<u>130,000</u>	<u>45,000</u>	<u>85,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>292,300</u>	<u>(79,138)</u>	<u>(19,421)</u>	<u>59,717</u>
NET CHANGE IN FUND BALANCE	292,300	(79,138)	(19,421)	59,717
Fund balance, beginning of year	<u>262,010</u>	<u>262,010</u>	<u>262,010</u>	
FUND BALANCE, END OF YEAR	<u>\$ 554,310</u>	<u>\$ 182,872</u>	<u>\$ 242,589</u>	<u>\$ 59,717</u>

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.

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.

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

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

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

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
Nonmajor Governmental Funds
June 30, 2022

SPECIAL REVENUE FUNDS

	Storm Drainage	Measure T - Streets and Roads	Gas Tax	BEGIN Program	State Supplemental Law Enforcement
ASSETS					
Cash and investments	\$ 6,577,096	\$ 3,109,971	\$ 1,777,604	\$ 73,273	\$ 4,620
Restricted cash and investments					
Taxes receivable		838,689	78,149		
Accounts receivable, net					
Interest receivable	1,931	5,320	3,120		30
Due from other governments	1,976				65,271
Due from other funds					
Loans receivable, net				92,725	
TOTAL ASSETS	\$ 6,581,003	\$ 3,953,980	\$ 1,858,873	\$ 165,998	\$ 69,921
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable		\$ 14,224			
Due to other funds					
TOTAL LIABILITIES		14,224			
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	\$ 1,976	375,926		\$ 92,725	\$ 65,271
TOTAL DEFERRED INFLOWS OF RESOURCES	1,976	375,926		92,725	65,271
FUND BALANCES					
Restricted for:					
Public safety					4,650
Public works		3,563,830	\$ 1,858,873		
Debt service					
Storm drain projects	6,579,027				
Community development, planning and building				73,273	
Parks					
Other activities					
Assigned					
Unassigned					
TOTAL FUND BALANCES (DEFICITS)	6,579,027	3,563,830	1,858,873	73,273	4,650
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 6,581,003	\$ 3,953,980	\$ 1,858,873	\$ 165,998	\$ 69,921

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>Cannabis</u>	<u>Community Facilities District</u>	<u>General Plan Update</u>	<u>Legal Settlement</u>
\$ 2,977,437	\$ 177,953	\$ 243,983	\$ 5,891			\$ 232,571	\$ 423,565
2,507					\$ 61		
2,222	304	417			18	398	725
<u>\$ 2,982,166</u>	<u>\$ 178,257</u>	<u>\$ 244,400</u>	<u>\$ 5,891</u>	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ 232,969</u>	<u>\$ 424,290</u>
\$ 37,706	\$ 3,232				\$ 4,878	\$ 129,895	
				\$ 13,882	243,868		
<u>37,706</u>	<u>3,232</u>			<u>13,882</u>	<u>248,746</u>	<u>129,895</u>	
			\$ 5,891				
2,944,460							\$ 424,290
	175,025	\$ 244,400					
						103,074	
				(13,882)	(248,667)		
<u>2,944,460</u>	<u>175,025</u>	<u>244,400</u>	<u>5,891</u>	<u>(13,882)</u>	<u>(248,667)</u>	<u>103,074</u>	<u>424,290</u>
<u>\$ 2,982,166</u>	<u>\$ 178,257</u>	<u>\$ 244,400</u>	<u>\$ 5,891</u>	<u>\$ -</u>	<u>\$ 79</u>	<u>\$ 232,969</u>	<u>\$ 424,290</u>

CITY OF AMERICAN CANYON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	CAPITAL PROJECTS FUNDS				
	Total Nonmajor Special Revenue Funds	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure
ASSETS					
Cash and investments	\$ 15,603,964	\$ 990,684	\$ 1,679,766	\$ 3,368,589	\$ 31,905
Restricted cash and investments					290,941
Taxes receivable	919,406				
Accounts receivable, net		305		179,796	
Interest receivable	14,485	1,580	2,873		55
Due from other governments	67,247				
Due from other funds					
Loans receivable, net	92,725				
TOTAL ASSETS	\$ 16,697,827	\$ 992,569	\$ 1,682,639	\$ 3,548,385	\$ 322,901
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 189,935		\$ 833	\$ 71,234	
Due to other funds	257,750				
TOTAL LIABILITIES	447,685		833	71,234	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	535,898				
TOTAL DEFERRED INFLOWS OF RESOURCES	535,898				
FUND BALANCES					
Restricted for:					
Public safety	10,541	\$ 992,569			
Public works	8,791,453			3,477,151	\$ 322,901
Debt service					
Storm drain projects	6,579,027				
Community development, planning and building	73,273				
Parks	419,425		1,681,806		
Other activities					
Assigned	103,074				
Unassigned	(262,549)				
TOTAL FUND BALANCES (DEFICITS)	15,714,244	992,569	1,681,806	3,477,151	322,901
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 16,697,827	\$ 992,569	\$ 1,682,639	\$ 3,548,385	\$ 322,901

CAPITAL PROJECTS FUNDS				DEBT SERVICE FUNDS			
Civic Facilities Capital Projects	Utility Underground	Zero Water Footprint CP	Total Nonmajor Capital Projects Funds	Cabernet Village Lease Debt Service	Engie City Debt Service	Engie Fire Debt Service	Total Nonmajor Debt Service Funds
\$ 1,373,323	\$ 160,498	\$ 477,147	\$ 8,081,912				
			290,941				
			180,101				
2,349	275	817	7,949				
					\$ 153,435		\$ 153,435
<u>\$ 1,375,672</u>	<u>\$ 160,773</u>	<u>\$ 477,964</u>	<u>\$ 8,560,903</u>	<u>\$ -</u>	<u>\$ 153,435</u>	<u>\$ -</u>	<u>\$ 153,435</u>
			\$ 72,067			\$ 1,734	\$ 1,734
						19,076	19,076
			<u>72,067</u>			<u>20,810</u>	<u>20,810</u>
			992,569				
\$ 1,375,672	\$ 160,773	\$ 477,964	5,814,461				
			1,681,806				
					\$ 153,435		153,435
						(20,810)	(20,810)
<u>1,375,672</u>	<u>160,773</u>	<u>477,964</u>	<u>8,488,836</u>		<u>153,435</u>	<u>(20,810)</u>	<u>132,625</u>
<u>\$ 1,375,672</u>	<u>\$ 160,773</u>	<u>\$ 477,964</u>	<u>\$ 8,560,903</u>	<u>\$ -</u>	<u>\$ 153,435</u>	<u>\$ -</u>	<u>\$ 153,435</u>

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CITY OF AMERICAN CANYON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 23,685,876
Restricted cash and investments	290,941
Taxes receivable	919,406
Accounts receivable, net	180,101
Interest receivable	22,434
Due from other governments	67,247
Due from other funds	153,435
Loans receivable, net	92,725
	TOTAL ASSETS
	\$ 25,412,165
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 263,736
Due to other funds	276,826
	TOTAL LIABILITIES
	540,562
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	535,898
	TOTAL DEFERRED INFLOWS OF RESOURCES
	535,898
FUND BALANCES	
Restricted for:	
Public safety	1,003,110
Public works	14,605,914
Debt service	
Storm drain projects	6,579,027
Community development, planning and building	73,273
Parks	2,101,231
Other activities	153,435
Assigned	103,074
Unassigned	(283,359)
	TOTAL FUND BALANCES (DEFICITS)
	24,335,705
	TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES
	\$ 25,412,165

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

SPECIAL REVENUE FUNDS					
	Storm Drainage	Measure T- Streets and Roads	Gas Tax	BEGIN Program	State Supplemental Law Enforcement
REVENUES					
Sales taxes	\$ 4,408	\$ 1,880,971			
Special assessments					
Intergovernmental			\$ 901,572		\$ 163,372
Charges for services					
Use of money and property	(80,868)	9,566	6,215		119
TOTAL REVENUES	(76,460)	1,890,537	907,787		163,491
EXPENDITURES					
Current:					
General government					
Public works			1,946		
Community development					
Parks and recreation					
Debt Service:					
Principal					
Interest and other charges					
TOTAL EXPENDITURES			1,946		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(76,460)	1,890,537	905,841		163,491
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out	(380,737)	(29,721)	(310,057)		(163,491)
TOTAL OTHER FINANCING SOURCES AND USES	(380,737)	(29,721)	(310,057)		(163,491)
NET CHANGE IN FUND BALANCES	(457,197)	1,860,816	595,784		
Fund balances (deficits), beginning of year	7,036,224	1,703,014	1,263,089	\$ 73,273	4,650
FUND BALANCES (DEFICITS), END OF YEAR	\$ 6,579,027	\$ 3,563,830	\$ 1,858,873	\$ 73,273	\$ 4,650

SPECIAL REVENUE FUNDS

La Vigne Landscape and Lighting	La Vigne Open Space	Newell Park Open Space	State and Federal Grants - Fire	Cannabis	Community Facilities District	General Plan Update	Legal Settlement
\$ 610,302					\$ 55,141		
						\$ 6,913	
(24,576)	\$ 639	\$ 7,370			33	823	\$ 1,522
585,726	639	7,370			55,174	7,736	1,522
						129,894	
361,077				\$ 3,500			
	3,232						
361,077	3,232			3,500		129,894	
224,649	(2,593)	7,370		(3,500)	55,174	(122,158)	1,522
					(370,257)		
					(370,257)		
224,649	(2,593)	7,370		(3,500)	(315,083)	(122,158)	1,522
2,719,811	177,618	237,030	\$ 5,891	(10,382)	66,416	225,232	422,768
<u>\$ 2,944,460</u>	<u>\$ 175,025</u>	<u>\$ 244,400</u>	<u>\$ 5,891</u>	<u>\$ (13,882)</u>	<u>\$ (248,667)</u>	<u>\$ 103,074</u>	<u>\$ 424,290</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	CAPITAL PROJECTS FUNDS				
	Total Nonmajor Special Revenue Funds	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure
REVENUES					
Sales taxes	\$ 1,885,379				
Special assessments	665,443				
Intergovernmental	1,064,944				
Charges for services	6,913	\$ 116,922	\$ 424,323	\$ 1,374,595	
Use of money and property	(79,157)	3,420	5,246	(56,920)	\$ 173
TOTAL REVENUES	<u>3,543,522</u>	<u>120,342</u>	<u>429,569</u>	<u>1,317,675</u>	<u>173</u>
EXPENDITURES					
Current:					
General government	129,894				
Public works	363,023			344,289	
Community development	3,500				
Parks and recreation	3,232				
Debt Service:					
Principal				1,226,688	
Interest and other charges				845,743	
TOTAL EXPENDITURES	<u>499,649</u>			<u>2,416,720</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,043,873</u>	<u>120,342</u>	<u>429,569</u>	<u>(1,099,045)</u>	<u>173</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out	(1,254,263)		(1,833)	(23,309)	
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,254,263)</u>		<u>(1,833)</u>	<u>(23,309)</u>	
NET CHANGE IN FUND BALANCES	1,789,610	120,342	427,736	(1,122,354)	173
Fund balances (deficits), beginning of year	13,924,634	872,227	1,254,070	4,599,505	322,728
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 15,714,244</u>	<u>\$ 992,569</u>	<u>\$ 1,681,806</u>	<u>\$ 3,477,151</u>	<u>\$ 322,901</u>

CAPITAL PROJECTS FUNDS				DEBT SERVICE FUNDS			
Civic Facilities Capital Projects	Utility Underground	Zero Water Footprint CP	Total Nonmajor Capital Projects Funds	Cabernet Village Lease Debt Service	Engie City Debt Service	Engie Fire Debt Service	Total Nonmajor Debt Service Funds
\$ 132,400		\$ 154,624	\$ 2,202,864				
4,691	\$ 577	1,439	(41,374)				
137,091	577	156,063	2,161,490				
			344,289				
			1,226,688		\$ 27,675	\$ 15,504	\$ 43,179
			845,743	\$ 98,235	9,470	5,306	113,011
			2,416,720	98,235	37,145	20,810	156,190
137,091	577	156,063	(255,230)	(98,235)	(37,145)	(20,810)	(156,190)
				98,235	190,580		288,815
		(368)	(25,510)		(64,597)	(36,189)	(100,786)
		(368)	(25,510)	98,235	125,983	(36,189)	188,029
137,091	577	155,695	(280,740)		88,838	(56,999)	31,839
1,238,581	160,196	322,269	8,769,576		64,597	36,189	100,786
<u>\$ 1,375,672</u>	<u>\$ 160,773</u>	<u>\$ 477,964</u>	<u>\$ 8,488,836</u>	<u>\$ -</u>	<u>\$ 153,435</u>	<u>\$ (20,810)</u>	<u>\$ 132,625</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Total Nonmajor Governmental Funds
REVENUES	
Sales taxes	\$ 1,885,379
Special assessments	665,443
Intergovernmental	1,064,944
Charges for services	2,209,777
Use of money and property	(120,531)
TOTAL REVENUES	5,705,012
EXPENDITURES	
Current:	
General government	129,894
Public works	707,312
Community development	3,500
Parks and recreation	3,232
Debt Service:	
Principal	1,269,867
Interest and other charges	958,754
TOTAL EXPENDITURES	3,072,559
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,632,453
OTHER FINANCING SOURCES (USES)	
Transfers in	288,815
Transfers out	(1,380,559)
TOTAL OTHER FINANCING SOURCES AND USES	(1,091,744)
NET CHANGE IN FUND BALANCES	1,540,709
Fund balances (deficits), beginning of year	22,794,996
FUND BALANCES (DEFICITS), END OF YEAR	\$ 24,335,705

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales taxes		\$ 4,408	\$ 4,408	
Investment earnings	\$ 55,300	85,241	(80,868)	\$ (166,109)
TOTAL REVENUES	<u>55,300</u>	<u>89,649</u>	<u>(76,460)</u>	<u>(166,109)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>55,300</u>	<u>89,649</u>	<u>(76,460)</u>	<u>(166,109)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(525,000)	(760,000)	(380,737)	379,263
TOTAL OTHER FINANCING SOURCES AND USES	<u>(525,000)</u>	<u>(760,000)</u>	<u>(380,737)</u>	<u>379,263</u>
NET CHANGE IN FUND BALANCE	(469,700)	(670,351)	(457,197)	213,154
Fund balance, beginning of year	<u>7,036,224</u>	<u>7,036,224</u>	<u>7,036,224</u>	
FUND BALANCE, END OF YEAR	<u>\$ 6,566,524</u>	<u>\$ 6,365,873</u>	<u>\$ 6,579,027</u>	<u>\$ 213,154</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales taxes	\$ 1,493,000	\$ 1,172,971	\$ 1,880,971	\$ 708,000
Use of money and property	11,300	4,454	9,566	5,112
TOTAL REVENUES	<u>1,504,300</u>	<u>1,177,425</u>	<u>1,890,537</u>	<u>713,112</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>1,504,300</u>	<u>1,177,425</u>	<u>1,890,537</u>	<u>713,112</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,223,700)	(1,900,246)	(29,721)	1,870,525
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,223,700)</u>	<u>(1,900,246)</u>	<u>(29,721)</u>	<u>1,870,525</u>
NET CHANGE IN FUND BALANCE	280,600	(722,821)	1,860,816	2,583,637
Fund balance, beginning of year	<u>1,703,014</u>	<u>1,703,014</u>	<u>1,703,014</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,983,614</u>	<u>\$ 980,193</u>	<u>\$ 3,563,830</u>	<u>\$ 2,583,637</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 919,765	\$ 962,607	\$ 901,572	\$ (61,035)
Use of money and property	6,800	3,424	6,215	2,791
TOTAL REVENUES	<u>926,565</u>	<u>966,031</u>	<u>907,787</u>	<u>(58,244)</u>
EXPENDITURES				
Current:				
Public works	3,000	63,000	1,946	61,054
TOTAL EXPENDITURES	<u>3,000</u>	<u>63,000</u>	<u>1,946</u>	<u>61,054</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>923,565</u>	<u>903,031</u>	<u>905,841</u>	<u>2,810</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,148,700)	(695,700)	(310,057)	385,643
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,148,700)</u>	<u>(695,700)</u>	<u>(310,057)</u>	<u>385,643</u>
NET CHANGE IN FUND BALANCE	(225,135)	207,331	595,784	388,453
Fund balance, beginning of year	<u>1,263,089</u>	<u>1,263,089</u>	<u>1,263,089</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,037,954</u>	<u>\$ 1,470,420</u>	<u>\$ 1,858,873</u>	<u>\$ 388,453</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
BEGIN Program
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Other	\$ 68,000	\$ 34,000		\$ (34,000)
TOTAL REVENUES	<u>68,000</u>	<u>34,000</u>		<u>(34,000)</u>
EXPENDITURES				
Community development	96,000	96,000		96,000
TOTAL EXPENDITURES	<u>96,000</u>	<u>96,000</u>		<u>96,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(28,000)</u>	<u>(62,000)</u>		<u>62,000</u>
NET CHANGE IN FUND BALANCE	(28,000)	(62,000)		62,000
Fund balance, beginning of year	<u>73,273</u>	<u>73,273</u>	\$ 73,273	
FUND BALANCE, END OF YEAR	<u>\$ 45,273</u>	<u>\$ 11,273</u>	<u>\$ 73,273</u>	<u>\$ 62,000</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 140,000	\$ 223,346	\$ 163,372	\$ (59,974)
Use of money and property	700	12	119	107
TOTAL REVENUES	<u>140,700</u>	<u>223,358</u>	<u>163,491</u>	<u>(59,867)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>140,700</u>	<u>223,358</u>	<u>163,491</u>	<u>(59,867)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(140,000)	(223,346)	(163,491)	59,855
TOTAL OTHER FINANCING SOURCES AND USES	<u>(140,000)</u>	<u>(223,346)</u>	<u>(163,491)</u>	<u>59,855</u>
NET CHANGE IN FUND BALANCE	700	12		(12)
Fund balance, beginning of year	<u>4,650</u>	<u>4,650</u>	<u>4,650</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,350</u>	<u>\$ 4,662</u>	<u>\$ 4,650</u>	<u>\$ (12)</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Special assessments	\$ 612,300	\$ 629,234	\$ 610,302	\$ (18,932)
Use of money and property		37,371	(24,576)	(61,947)
TOTAL REVENUES	<u>612,300</u>	<u>666,605</u>	<u>585,726</u>	<u>(80,879)</u>
EXPENDITURES				
Current:				
Public works	455,600	489,062	361,077	127,985
TOTAL EXPENDITURES	<u>455,600</u>	<u>489,062</u>	<u>361,077</u>	<u>127,985</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>156,700</u>	<u>177,543</u>	<u>224,649</u>	<u>47,106</u>
NET CHANGE IN FUND BALANCE	156,700	177,543	224,649	47,106
Fund balance, beginning of year	<u>2,719,811</u>	<u>2,719,811</u>	<u>2,719,811</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,876,511</u>	<u>\$ 2,897,354</u>	<u>\$ 2,944,460</u>	<u>\$ 47,106</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 1,400	\$ 433	\$ 639	\$ 206
TOTAL REVENUES	<u>1,400</u>	<u>433</u>	<u>639</u>	<u>206</u>
EXPENDITURES				
Current:				
Parks and recreation	8,000	8,000	3,232	4,768
TOTAL EXPENDITURES	<u>8,000</u>	<u>8,000</u>	<u>3,232</u>	<u>4,768</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,600)</u>	<u>(7,567)</u>	<u>(2,593)</u>	<u>4,974</u>
NET CHANGE IN FUND BALANCE	(6,600)	(7,567)	(2,593)	4,974
Fund balance, beginning of year	<u>177,618</u>	<u>177,618</u>	<u>177,618</u>	
FUND BALANCE, END OF YEAR	<u>\$ 171,018</u>	<u>\$ 170,051</u>	<u>\$ 175,025</u>	<u>\$ 4,974</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 6,300	\$ 7,083	\$ 7,370	\$ 287
TOTAL REVENUES	<u>6,300</u>	<u>7,083</u>	<u>7,370</u>	<u>287</u>
EXPENDITURES				
Current:				
Parks and recreation	10,600	10,600		10,600
TOTAL EXPENDITURES	<u>10,600</u>	<u>10,600</u>		<u>10,600</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(4,300)</u>	<u>(3,517)</u>	<u>7,370</u>	<u>10,887</u>
NET CHANGE IN FUND BALANCE	(4,300)	(3,517)	7,370	10,887
Fund balance, beginning of year	<u>237,030</u>	<u>237,030</u>	<u>237,030</u>	
FUND BALANCE, END OF YEAR	<u>\$ 232,730</u>	<u>\$ 233,513</u>	<u>\$ 244,400</u>	<u>\$ 10,887</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Cannabis
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 5,000	\$ 5,000		\$ (5,000)
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>		<u>(5,000)</u>
EXPENDITURES				
Current:				
Community development	2,000	8,900	\$ 3,500	5,400
TOTAL EXPENDITURES	<u>2,000</u>	<u>8,900</u>	<u>3,500</u>	<u>5,400</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>3,000</u>	<u>(3,900)</u>	<u>(3,500)</u>	<u>400</u>
NET CHANGE IN FUND BALANCE	3,000	(3,900)	(3,500)	400
Fund balance, beginning of year	<u>(10,382)</u>	<u>(10,382)</u>	<u>(10,382)</u>	
FUND BALANCE, END OF YEAR	<u>\$ (7,382)</u>	<u>\$ (14,282)</u>	<u>\$ (13,882)</u>	<u>\$ 400</u>

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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Special assessments	\$ 56,700	\$ 60,938	\$ 55,141	\$ (5,797)
Intergovernmental		5,000,000		(5,000,000)
Use of money and property			33	33
TOTAL REVENUES	<u>56,700</u>	<u>5,060,938</u>	<u>55,174</u>	<u>(5,005,764)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>56,700</u>	<u>5,060,938</u>	<u>55,174</u>	<u>(5,005,764)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000,000			
Transfers out	<u>(7,801,350)</u>	<u>(7,700,000)</u>	<u>(370,257)</u>	<u>7,329,743</u>
TOTAL OTHER FINANCING SOURCES AND USES	<u>(2,801,350)</u>	<u>(7,700,000)</u>	<u>(370,257)</u>	<u>7,329,743</u>
NET CHANGE IN FUND BALANCE	(2,744,650)	(2,639,062)	(315,083)	2,323,979
Fund balance, beginning of year	<u>66,416</u>	<u>66,416</u>	<u>66,416</u>	
FUND BALANCE, END OF YEAR	<u>\$ (2,678,234)</u>	<u>\$ (2,572,646)</u>	<u>\$ (248,667)</u>	<u>\$ 2,323,979</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Plan Update
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 14,800	\$ 454	\$ 6,913	\$ 6,459
Use of money and property		549	823	274
TOTAL REVENUES	<u>14,800</u>	<u>1,003</u>	<u>7,736</u>	<u>6,733</u>
EXPENDITURES				
Current:				
General government	54,800	54,800	129,894	(75,094)
TOTAL EXPENDITURES	<u>54,800</u>	<u>54,800</u>	<u>129,894</u>	<u>(75,094)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(40,000)</u>	<u>(53,797)</u>	<u>(122,158)</u>	<u>(68,361)</u>
NET CHANGE IN FUND BALANCE	(40,000)	(53,797)	(122,158)	(68,361)
Fund balance, beginning of year	<u>225,232</u>	<u>225,232</u>	<u>225,232</u>	
FUND BALANCE, END OF YEAR	<u>\$ 185,232</u>	<u>\$ 171,435</u>	<u>\$ 103,074</u>	<u>\$ (68,361)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Legal Settlement
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property		\$ 1,030	\$ 1,522	\$ 492
TOTAL REVENUES		1,030	1,522	492
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		1,030	1,522	492
NET CHANGE IN FUND BALANCE		1,030	1,522	492
Fund balance, beginning of year	\$ 422,768	422,768	422,768	
FUND BALANCE, END OF YEAR	\$ 422,768	\$ 423,798	\$ 424,290	\$ 492

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Mitigation
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 210,837	\$ 210,837	\$ 116,922	\$ (93,915)
Use of money and property	8,387	8,387	3,420	(4,967)
TOTAL REVENUES	<u>219,224</u>	<u>219,224</u>	<u>120,342</u>	<u>(98,882)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>219,224</u>	<u>219,224</u>	<u>120,342</u>	<u>(98,882)</u>
NET CHANGE IN FUND BALANCE	219,224	219,224	120,342	(98,882)
Fund balance, beginning of year	<u>872,227</u>	<u>872,227</u>	<u>872,227</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,091,451</u>	<u>\$ 1,091,451</u>	<u>\$ 992,569</u>	<u>\$ (98,882)</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, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 23,300	\$ 14,759	\$ 424,323	\$ 409,564
Use of money and property		3,056	5,246	2,190
TOTAL REVENUES	<u>23,300</u>	<u>17,815</u>	<u>429,569</u>	<u>411,754</u>
EXPENDITURES				
Current:				
Parks and recreation	134,800	134,800		134,800
TOTAL EXPENDITURES	<u>134,800</u>	<u>134,800</u>		<u>134,800</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(111,500)</u>	<u>(116,985)</u>	429,569	<u>546,554</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(160,100)	(190,100)	(1,833)	188,267
TOTAL OTHER FINANCING SOURCES AND USES	<u>(160,100)</u>	<u>(190,100)</u>	<u>(1,833)</u>	<u>188,267</u>
NET CHANGE IN FUND BALANCE	(271,600)	(307,085)	427,736	734,821
Fund balance, beginning of year	<u>1,254,070</u>	<u>1,254,070</u>	<u>1,254,070</u>	
FUND BALANCE, END OF YEAR	<u>\$ 982,470</u>	<u>\$ 946,985</u>	<u>\$ 1,681,806</u>	<u>\$ 734,821</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 305,100	\$ 1,191,103	\$ 1,374,595	\$ 183,492
Use of money and property		40,322	(56,920)	(97,242)
TOTAL REVENUES	<u>305,100</u>	<u>1,231,425</u>	<u>1,317,675</u>	<u>86,250</u>
EXPENDITURES				
Current:				
Public works	2,003,800	2,182,682	344,289	1,838,393
Debt service:				
Principal			1,226,688	(1,226,688)
Interest and other charges			845,743	(845,743)
TOTAL EXPENDITURES	<u>2,003,800</u>	<u>2,182,682</u>	<u>2,416,720</u>	<u>(234,038)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(1,698,700)</u>	<u>(951,257)</u>	<u>(1,099,045)</u>	<u>(147,788)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(71,975)	(88,975)	(23,309)	65,666
TOTAL OTHER FINANCING				
SOURCES AND USES	<u>(71,975)</u>	<u>(88,975)</u>	<u>(23,309)</u>	<u>65,666</u>
NET CHANGE IN FUND BALANCE	(1,770,675)	(1,040,232)	(1,122,354)	(82,122)
Fund balance, beginning of year	<u>4,599,505</u>	<u>4,599,505</u>	<u>4,599,505</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,828,830</u>	<u>\$ 3,559,273</u>	<u>\$ 3,477,151</u>	<u>\$ (82,122)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Infrastructure
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 400	\$ 107	\$ 173	\$ 66
TOTAL REVENUES	400	107	173	66
EXPENDITURES				
Capital outlay	314,900	314,900		314,900
TOTAL EXPENDITURES	314,900	314,900		314,900
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(314,500)	(314,793)	173	314,966
NET CHANGE IN FUND BALANCE	(314,500)	(314,793)	173	314,966
Fund balance, beginning of year	322,728	322,728	322,728	
FUND BALANCE, END OF YEAR	\$ 8,228	\$ 7,935	\$ 322,901	\$ 314,966

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Civic Facilities
For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 188,600	\$ 21,184	\$ 132,400	\$ 111,216
Use of money and property		3,018	4,691	1,673
TOTAL REVENUES	<u>188,600</u>	<u>24,202</u>	<u>137,091</u>	<u>112,889</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>188,600</u>	<u>24,202</u>	<u>137,091</u>	<u>112,889</u>
NET CHANGE IN FUND BALANCE	188,600	24,202	137,091	112,889
Fund balance, beginning of year	<u>1,238,581</u>	<u>1,238,581</u>	<u>1,238,581</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,427,181</u>	<u>\$ 1,262,783</u>	<u>\$ 1,375,672</u>	<u>\$ 112,889</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Utility Underground
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property		\$ 391	\$ 577	\$ 186
TOTAL REVENUES		391	577	186
OTHER FINANCING SOURCES (USES)				
Transfers out		(160,000)		160,000
TOTAL OTHER FINANCING SOURCES AND USES		(160,000)		160,000
NET CHANGE IN FUND BALANCE		(159,609)	577	160,186
Fund balance, beginning of year	\$ 160,196	160,196	160,196	
FUND BALANCE, END OF YEAR	\$ 160,196	\$ 587	\$ 160,773	\$ 160,186

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Zero Water Footprint
For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 158,700	\$ 87,207	\$ 154,624	\$ 67,417
Use of money and property		786	1,439	653
TOTAL REVENUES	<u>158,700</u>	<u>87,993</u>	<u>156,063</u>	<u>68,070</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>158,700</u>	<u>87,993</u>	<u>156,063</u>	<u>68,070</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(427,500)	(677,500)	(368)	677,132
TOTAL OTHER FINANCING SOURCES AND USES	<u>(427,500)</u>	<u>(677,500)</u>	<u>(368)</u>	<u>677,132</u>
NET CHANGE IN FUND BALANCE	(268,800)	(589,507)	155,695	745,202
Fund balance, beginning of year	<u>322,269</u>	<u>322,269</u>	<u>322,269</u>	
FUND BALANCE, END OF YEAR	<u>\$ 53,469</u>	<u>\$ (267,238)</u>	<u>\$ 477,964</u>	<u>\$ 745,202</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES				
Debt service:				
Interest and other charges	\$ 98,400	\$ 98,235	\$ 98,235	
TOTAL EXPENDITURES	<u>98,400</u>	<u>98,235</u>	<u>98,235</u>	
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(98,400)</u>	<u>(98,235)</u>	<u>(98,235)</u>	
OTHER FINANCING SOURCES (USES)				
Transfers in	98,400	98,235	98,235	
TOTAL OTHER FINANCING				
SOURCES AND USES	<u>98,400</u>	<u>98,235</u>	<u>98,235</u>	
 NET CHANGE IN FUND BALANCE				
 Fund balance, beginning of year				
 FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES				
Debt service:				
Principal		\$ 27,675	\$ 27,675	
Interest and other charges		9,471	9,470	\$ 1
TOTAL EXPENDITURES		37,146	37,145	1
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		(37,146)	(37,145)	1
OTHER FINANCING SOURCES (USES)				
Transfers in		37,146	190,580	153,434
Transfers out			(64,597)	(64,597)
TOTAL OTHER FINANCING SOURCES AND USES		37,146	125,983	88,837
NET CHANGE IN FUND BALANCE			88,838	88,838
Fund balance, beginning of year	\$ 64,597	64,597	64,597	
FUND BALANCE, END OF YEAR	\$ 64,597	\$ 64,597	\$ 153,435	\$ 88,838

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INTERNAL SERVICE FUNDS

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INTERNAL SERVICE FUNDS

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

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

Fleet – 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, 2022

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 324,230	\$ 672,625	\$ 243,196		\$ 1,240,051
Accounts receivable, net		17,178		\$ 5,846	23,024
Interest receivable	332	860	232		1,424
Prepaid expenses	252	252	28,970		29,474
Total current assets	<u>324,814</u>	<u>690,915</u>	<u>272,398</u>	<u>5,846</u>	<u>1,293,973</u>
Non-current assets:					
Capital Assets:					
Depreciable, net of accumulated depreciation		929,269			929,269
Total non-current assets		<u>929,269</u>			<u>929,269</u>
TOTAL ASSETS	<u>324,814</u>	<u>1,620,184</u>	<u>272,398</u>	<u>5,846</u>	<u>2,223,242</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension plan	26,576	30,852	5,324		62,752
OPEB plan	38,471	38,471	5,317		82,259
Total deferred outflows of resources	<u>65,047</u>	<u>69,323</u>	<u>10,641</u>		<u>145,011</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	42,255	33,910	2,724	27,313	106,202
Accrued expenses	3,123	5,643	1,768		10,534
Accrued interest payable		87			87
Due to other funds				179,750	179,750
Compensated absences, current portion	1,255	15,708			16,963
Bonds, notes and loans payable, current portion		77,552			77,552
Total current liabilities	<u>46,633</u>	<u>132,900</u>	<u>4,492</u>	<u>207,063</u>	<u>391,088</u>
Non-current liabilities:					
Bonds, notes and loans payable		225,933			225,933
Net pension liability	55,061	63,968	10,931		129,960
Net OPEB liability	63,325	63,325	8,752		135,402
Total non-current liabilities	<u>118,386</u>	<u>353,226</u>	<u>19,683</u>		<u>491,295</u>
TOTAL LIABILITIES	<u>165,019</u>	<u>486,126</u>	<u>24,175</u>	<u>207,063</u>	<u>882,383</u>
DEFERRED INFLOW OF RESOURCES					
Pension plan	53,188	61,660	10,822		125,670
OPEB plan	12,789	12,789	1,768		27,346
Total deferred inflows of resources	<u>65,977</u>	<u>74,449</u>	<u>12,590</u>		<u>153,016</u>
NET POSITION					
Net investment in capital assets		625,784			625,784
Unrestricted	158,865	503,148	246,274	(201,217)	707,070
TOTAL NET POSITION (DEFICIT)	<u>\$ 158,865</u>	<u>\$ 1,128,932</u>	<u>\$ 246,274</u>	<u>\$ (201,217)</u>	<u>\$ 1,332,854</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, 2022

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
REVENUES					
Charges for services	\$ 593,300	\$ 889,800	\$ 614,700	\$ 184,800	\$ 2,282,600
TOTAL OPERATING REVENUES	<u>593,300</u>	<u>889,800</u>	<u>614,700</u>	<u>184,800</u>	<u>2,282,600</u>
OPERATING EXPENSES					
Employee services	121,076	146,515	34,026		301,617
Maintenance and operations	427,512	173,307	536,488	282,600	1,419,907
Depreciation and amortization		264,842			264,842
TOTAL OPERATING EXPENSES	<u>548,588</u>	<u>584,664</u>	<u>570,514</u>	<u>282,600</u>	<u>1,986,366</u>
OPERATING INCOME (LOSS)	<u>44,712</u>	<u>305,136</u>	<u>44,186</u>	<u>(97,800)</u>	<u>296,234</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	614	1,290	436		2,340
Other revenue		84,281			84,281
Interest expense		(5,608)			(5,608)
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>614</u>	<u>79,963</u>	<u>436</u>		<u>81,013</u>
CHANGE IN NET POSITION	<u>45,326</u>	<u>385,099</u>	<u>44,622</u>	<u>(97,800)</u>	<u>377,247</u>
Net position (deficit), beginning of year	113,539	743,833	201,652	(103,417)	955,607
TOTAL NET POSITION (DEFICIT), END OF YEAR	<u>\$ 158,865</u>	<u>\$ 1,128,932</u>	<u>\$ 246,274</u>	<u>\$ (201,217)</u>	<u>\$ 1,332,854</u>

CITY OF AMERICAN CANYON
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2022

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash paid to suppliers	\$ (404,088)	\$ (145,140)	\$ (567,136)	\$ (290,457)	\$ (1,406,821)
Cash paid to employees and related benefits	(131,665)	(156,015)	(26,742)	105,657	(208,765)
Cash received from interfund services provided	593,300	889,800	614,700	184,800	2,282,600
Other receipts		67,103			67,103
CASH PROVIDED BY OPERATING ACTIVITIES	57,547	655,748	20,822		734,117
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets purchased		(75,855)			(75,855)
Principal paid on long-term liabilities		(43,944)			(43,944)
Interest paid on long-term liabilities		(5,649)			(5,649)
CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		(125,448)			(125,448)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Collection of interest and investment revenue	381	443	289		1,113
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	57,928	530,743	21,111		609,782
Cash and cash equivalents, beginning of year	266,302	141,882	222,085		630,269
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 324,230	\$ 672,625	\$ 243,196	\$ -	\$ 1,240,051
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 44,712	\$ 305,136	\$ 44,186	\$ (97,800)	\$ 296,234
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and amortization		264,842			264,842
Other receipts		84,281			84,281
Changes in operating assets and liabilities:					
Accounts and other receivables		(17,178)		(5,846)	(23,024)
Prepaid expenses	(20)	(20)	(28,943)		(28,983)
Accounts payable and accrued expenses	23,444	28,187	(1,705)	103,646	153,572
Compensated absences	(294)	(794)	(1,182)		(2,270)
Deferred outflows of resources - pension plan	1,133	226	(2,529)		(1,170)
Net pension liability	(63,222)	(68,693)	(1,002)		(132,917)
Deferred inflows of resources - pension plan	49,035	57,002	10,403		116,440
Deferred outflows of resources - OPEB plans	(19,234)	(19,234)	(3,327)		(41,795)
Net OPEB liability	12,752	12,752	3,520		29,024
Deferred inflows of resources - OPEB plans	9,241	9,241	1,401		19,883
CASH PROVIDED BY OPERATING ACTIVITIES	\$ 57,547	\$ 655,748	\$ 20,822	\$ -	\$ 734,117

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

CUSTODIAL FUNDS

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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 No. 2018-1 – 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.

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CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	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	\$ 971,274	\$ 1,098,172	\$ 2,116,214	\$ 97,445	\$ 4,283,105
Restricted cash and investments	434,030	315,483	3,084,098		3,833,611
Taxes receivable	3,993	3,450	904	58,811	67,158
Interest receivable	2,154	2,073	3,944	246	8,417
TOTAL ASSETS	1,411,451	1,419,178	5,205,160	156,502	8,192,291
LIABILITIES					
Accounts payable				68,487	68,487
Accrued interest payable	320,042	44,874	156,109		521,025
TOTAL LIABILITIES	320,042	44,874	156,109	68,487	589,512
NET POSITION					
Restricted for individuals, organizations and other governments	1,091,409	1,374,304	5,049,051	88,015	7,602,779
TOTAL NET POSITION	\$ 1,091,409	\$ 1,374,304	\$ 5,049,051	\$ 88,015	\$ 7,602,779

CITY OF AMERICAN CANYON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds				
	American Canyon Road East Assessment District	La Vigne Assessment District	Community Facility District No. 2018-1	Tourism Improvement District	Total
ADDITIONS					
Other taxes				\$ 261,205	\$ 261,205
Special assessments	\$ 1,005,056	\$ 391,334	\$ 865,738		2,262,128
Interest and investment earnings	3,094	3,771	7,706	461	15,032
TOTAL ADDITIONS	<u>1,008,150</u>	<u>395,105</u>	<u>873,444</u>	<u>261,666</u>	<u>2,538,365</u>
DEDUCTIONS					
Maintenance and operations	30,645	17,187	34,184	248,394	330,410
Debt Service:					
Principal	570,000	305,300	80,000		955,300
Interest and other charges	704,092	185,176	281,396		1,170,664
TOTAL DEDUCTIONS	<u>1,304,737</u>	<u>507,663</u>	<u>395,580</u>	<u>248,394</u>	<u>2,456,374</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	(296,587)	(112,558)	477,864	13,272	81,991
Net position , beginning 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>
NET POSITION, END OF YEAR	<u>\$ 1,091,409</u>	<u>\$ 1,374,304</u>	<u>\$ 5,049,051</u>	<u>\$ 88,015</u>	<u>\$ 7,602,779</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.

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

	----- Prior Years -----									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 269,180,380
Restricted	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	34,104,181
Unrestricted	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)	308,949
Total governmental activities net position	\$ 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	\$ 303,593,510
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 45,949,422
Restricted	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	6,747,589
Unrestricted	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	18,298,635
Total business-type activities	\$ 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	\$ 70,995,646
Primary government (City wide totals)										
Net investment in capital assets	\$ 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	\$ 315,129,802
Restricted	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	40,851,770
Unrestricted	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	18,607,584
Total primary government net position	\$ 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	\$ 374,589,156

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 -----									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 6,491,043
Public safety	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	15,225,172
Public works	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	6,545,982
Community development	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	2,172,416
Parks and recreation	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	2,682,143
Storm Drain	-	-	-	-	-	-	-	315,909	350,946	365,855
Interest on long-term debt	446,187	344,223	329,915	278,204	262,354	246,458	229,456	249,866	163,633	292,804
Total governmental activities expenses	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	33,775,415
Business-type activities:										
Water	\$ 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	\$ 8,284,697
Wastewater	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	4,958,917
Recycled Water	-	-	-	-	-	-	-	-	18,586	273,011
Total business-type activities expenses	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	13,516,625
Total City government expenses	\$ 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	\$ 47,292,040
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 184,060	\$ 484,057	\$ 534,179	\$ 636,987	\$ 724,671	\$ 900,185	\$ 599,289	\$ 769,362	\$ 518,482	\$ 622,830
Public safety	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	1,592,796
Public works	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	916,039
Community development	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	1,883,673
Parks and recreation	357,267	392,717	441,946	406,163	1,034,664	1,291,887	328,236	156,108	95,597	671,863
Operating grants and contributions	275,796	363,581	476,130	1,078,889	1,333,432	762,518	1,282,102	1,088,467	1,307,790	4,748,169
Capital grants and contributions	1,150,330	11,145,194	381,050	1,449,076	907,342	13,110,677	1,690,897	87,150	7,699,791	1,237,762
Total governmental activities program revenues	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	11,673,132
Business-type activities:										
Charges for services:										
Water	\$ 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	\$ 8,412,016
Wastewater	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	4,824,937
Recycled Water	-	-	-	-	-	-	-	-	113,591	478,915
Operating grants and contributions	-	4,026	10,410	711,601	580,429	254,863	215,630	207,410	438,415	240,304
Capital grants and contributions	184,707	4,084,830	242,025	2,301,541	284,400	3,851,481	200,585	468,533	1,462,249	1,826,213
Total business-type activities programs revenue:	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	15,782,385
Total City government program revenues	\$ 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	\$ 27,455,517

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

	----- Prior Years -----									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net(Expense)Revenue:										
Governmental activities	\$ (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)	\$ (22,102,283)
Business-type activities	(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	2,265,760
Total City government	<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>	<u>\$ (19,836,523)</u>
General Revenues and Other Changes in in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 17,264,929
Sales taxes	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	5,000,961
Other taxes	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	3,228,510
Investment earnings (loss)	143,321	227,702	272,849	372,728	(1,047)	15,200	1,172,806	1,353,014	(75,937)	(1,303,678)
Miscellaneous	111,822	485,625	300,765	524,995	543,725	616,199	568,578	777,427	831,482	524,021
Transfers	997,363	1,702,165	994,725	(266,772)	868,412	(15,450)	605,473	1,396,387	2,066,071	2,225,797
Total governmental activities	<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>	<u>26,940,540</u>
Business-type activities										
Investment earnings (loss) and other	517,929	755,294	617,971	630,994	392,925	613,734	816,278	753,975	1,493,566	(77,688)
Transfers	(997,363)	(1,702,165)	(944,725)	266,772	(868,412)	15,450	(605,473)	(1,396,387)	(2,066,071)	(2,225,797)
Total business-type activities	<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>	<u>(2,303,485)</u>
Total City government	<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>	<u>\$ 24,637,055</u>
Change in net position:										
Governmental activities	\$ (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	\$ 4,838,257
Business-type activities	(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	(37,725)
Total City government	<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>	<u>\$ 4,800,532</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
	Nondspendable	Restricted	Committed	Assigned	Unassigned	Total General Fund	Nondspendable	Restricted		Committed	Assigned		Unassigned			
								Special Revenue and Debt Service	Capital Projects	Special Revenue	Special Revenue	Capital Projects	Special Revenue	Capital Projects		
2022	\$ 442,414	\$ 861,278	\$ 7,000,440	\$ 1,000,000	\$ 3,282,423	\$ 12,586,555	\$ -	\$ 16,295,902	\$ 8,833,273	\$ 1,267,279	\$ 4,238,734	\$ -	\$ (944,846)	\$ -	\$ 29,690,342	
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	

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 -----									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues:										
Taxes	\$ 15,313	\$ 15,992	\$ 17,896	\$ 22,553	\$ 19,242	\$ 20,381	\$ 30,520	\$ 22,705	\$ 22,656	\$ 25,774
Special assessments	447	455	471	488	550	583	581	638	668	665
Fines and forfeits	153	120	112	95	98	91	151	65	73	101
Licenses and permits	337	337	446	455	460	763	428	619	585	762
Intergovernmental	1,079	1,280	874	3,049	1,689	2,441	3,061	1,834	4,848	5,135
Charges for services	1,156	2,025	4,496	3,572	4,913	8,669	3,197	4,672	3,848	4,656
Other revenues	998	1,179	1,022	1,275	851	1,151	2,563	2,353	1,439	(281)
Total revenues	19,483	21,389	25,317	31,487	27,803	34,079	40,501	32,886	34,117	36,812
Expenditures:										
General government	3,896	4,066	5,064	5,111	5,237	5,084	5,645	5,648	5,312	6,773
Public safety	9,377	9,554	9,734	10,731	11,063	12,043	12,362	12,930	13,800	14,802
Comm. Dev. and Public Works	4,557	5,496	6,597	5,453	7,619	5,446	6,482	6,753	4,432	6,016
Parks and Recreation	1,073	1,192	2,202	2,665	3,615	3,445	3,215	1,847	2,809	2,720
Principal	502	537	560	583	606	628	583	538	4,598	1,270
Interest	460	394	373	314	291	268	243	222	157	959
Debt issuance costs	-	-	-	-	-	-	-	-	158	-
Capital outlay	2,445	2,277	1,200	5,260	3,040	2,099	1,670	3,458	7,022	4,961
Total expenditures	22,310	23,516	25,730	30,117	31,471	29,013	30,200	31,396	38,288	37,501
Excess of revenues over(under) expenditures	(2,827)	(2,127)	(413)	1,370	(3,668)	5,066	10,301	1,490	(4,171)	(689)
Other Financing Sources(Uses)										
Proceeds from borrowing	2,222	-	-	-	-	-	-	-	5,399	-
Payments to escrow agent	(2,465)	-	-	-	-	-	-	-	-	-
Transfers in	4,065	5,447	3,742	9,050	5,403	4,289	5,207	5,973	9,873	7,441
Transfers out	(3,068)	(3,745)	(2,747)	(10,097)	(4,535)	(4,676)	(4,601)	(4,577)	(7,875)	(5,215)
Insurance Proceeds	-	-	-	-	-	-	-	-	12	-
Sale of Assets	-	24	-	-	-	-	18	-	10	10
Total other financing Sources(Uses)	754	1,726	995	(1,047)	868	(387)	623	1,396	7,419	2,236
Net change in fund balances	\$ (2,073)	\$ (401)	\$ 581	\$ 323	\$ (2,800)	\$ 4,679	\$ 10,924	\$ 2,886	\$ 3,248	\$ 1,547
Debt service as a percentage of noncapital expenditures	4.8%	4.4%	3.8%	3.6%	3.2%	3.3%	2.9%	0.0%	15.2%	6.9%

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
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
2021-2022	17,288	1,644	840	322	697	20,791

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
Prior Years	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%
	2021-2022	2,306,148	214,950	752,961	45,555	27,769	21,211	230,824	87	3,599,505	0.27%

Note: Exempt values are not included in Total.

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

Data Source: Napa County Assessor 2012/13 - 2021/22 Combined Tax Rolls

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

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

Agency	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	----- Prior Years -----									
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	0.027	0.026	0.026	0.025	0.024	0.024	0.021	0.019	0.018
Napa Valley Unified School District	0.065	0.072	0.069	0.063	0.114	0.102	0.098	0.090	0.090	0.088
Total Direct & Overlapping² Tax Rates	0.090	0.099	0.095	0.089	0.140	0.126	0.122	0.110	0.111	0.106
City's Share of 1% Levy per Prop 13³	0.296	0.296	0.296	0.296	0.296	0.296	0.292	0.292	0.292	0.292
Total Direct Rate⁴	0.277	0.276	0.276	0.276	0.276	0.274	0.275	0.271	0.271	0.267

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 2012/13 - 2021/22 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
2021/22 Top Ten Property Taxpayers
Based on Property Tax Revenue**

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Revenue	% of Revenue	Parcels	Revenue	% of Revenue	Value	% of Revenue	
Coca Cola Company				1	\$ 208,680	24.51%	\$ 208,680	1.44%	Unsecured American Canyon Gen Fund
SDG Hanna Court 411 LLC	2	\$ 156,250	1.14%				156,250	1.08%	Industrial American Canyon Gen Fund
SRI Napa LLC ET AL	1	153,624	1.12%				153,624	1.06%	Residential American Canyon Gen Fund
RAR2 Napa Logistics Park LLC	1	129,435	0.95%				129,435	0.89%	Industrial American Canyon Gen Fund
Biagi and Associates LLC	1	123,594	0.90%	1	2,926	0.34%	126,520	0.87%	Industrial American Canyon Gen Fund
Mezzetta 125 LP	1	117,272	0.86%				117,272	0.81%	Industrial American Canyon Gen Fund
Sutter Home Winery	2	106,551	0.78%				106,551	0.73%	Industrial American Canyon Gen Fund
Barry Callebaut USA LLC				1	104,736	12.30%	104,736	0.72%	Unsecured American Canyon Gen Fund
Napa Junction Partners	1	95,771	0.70%				95,771	0.66%	Residential American Canyon Gen Fund
SDG Lombard LLC	1	92,898	0.68%				92,898	0.64%	Industrial American Canyon Gen Fund
Top Ten Totals	10	975,395	7.13%	3	316,342	37.15%	1,291,737	8.90%	
City Totals		\$ 13,681,871			\$ 851,402		\$ 14,533,273		

*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 2021/22 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
2012/13 Top Ten Property Taxpayers
Based on Property Tax Revenue**

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Revenue	% of Revenue	Parcels	Revenue	% of Revenue	Value	% of Revenue	
1) Coca Cola Company	1	\$ 62,369	0.77%	2	\$ 220,337	28.81%	\$ 282,706	3.20%	Unsecured American Canyon Gen Fund
2) SDG Hanna Court 411 LLC	2	134,069	1.66%				134,069	1.52%	Industrial American Canyon Gen Fund
3) Sutter Home Winery Inc	2	98,835	1.23%				98,835	1.12%	Industrial American Canyon Gen Fund
4) 5500 Eucalyptus Dr Apts	1	87,584	1.09%				87,584	0.99%	Industrial American Canyon Gen Fund
5) Biagi and Associates	1	86,558	1.07%				86,558	0.98%	Residential American Canyon Gen Fund
6) Walmart Real Estate Business Tru:	1	59,916	0.74%	1	5,255	0.69%	65,171	0.74%	Commercial American Canyon Gen Fund
7) Barry Callebaut USA LLC				1	63,344	8.28%	63,344	0.72%	Industrial American Canyon Gen Fund
8) 125 Mezzetta Court	1	61,587	0.76%				61,587	0.70%	Industrial American Canyon Gen Fund
9) Broadstone HC California LLC	2	53,695	0.67%				53,695	0.61%	Industrial American Canyon Gen Fund
10) Butterfly Effect Hotels LLC	2	46,627	0.58%				46,627	0.53%	Commercial American Canyon Gen Fund
Top Ten Totals	13	691,241	8.58%	4	288,936	37.78%	980,177	11.11%	
City Totals		\$ 8,059,970			\$ 764,754		\$ 8,824,724		

*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/controllors' offices neither calculate nor apportion revenues at a parcel level.

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

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 -----	2013	\$ 10,261,072	\$ 10,261,072	100%
	2014	10,599,981	10,599,981	100%
	2015	12,317,143	12,317,143	100%
	2016	12,738,881	12,317,143	100%
	2017	13,840,597	12,738,881	100%
	2018	15,084,618	13,840,597	100%
	2019	15,862,655	15,084,618	100%
	2020	15,862,655	15,862,655	100%
	2021	16,156,774	16,156,774	100%
	2022	17,319,935	17,319,935	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	Financed Purchase Obligations	Leases	Financed Purchase Obligations	State of California and Other Loans			
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	\$ 245	4,769	1,928	12,459	1.70%	599
2022			802	4,638	234	4,233	1,155	11,062	1.54%	511

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.
Note: GASB 87 was implemented during 2022 requiring operating leases to be recognized. GASB 87 was implemented as of 2021.

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%	-
2022	-	-	-	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, 2022

2021-22 Assessed Valuation: \$3,676,532,577

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2022	% Applicable (1)	City's Share of Debt 6/30/2022
Napa Joint Community College District	\$ 75,379,006	7.828%	\$ 5,900,669
Napa Valley Unified School District	476,094,855	11.781%	56,088,735
American Canyon Green Island Road Community Facilities District	5,085,000	100.000%	5,085,000
City of American Canyon 1915 Act Bonds	13,573,900	100.000%	13,753,900
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 80,828,304
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Napa County Certificates of Participation	\$ 6,800,000	7.896%	\$ 536,928
Napa County Board of Education Certificate of Participation	11,625,000	7.896%	917,910
Napa Valley Unified School District Certificates of Participation	2,220,000	11.781%	261,538
City of American Canyon Facilities Loan and Lease Financing	5,674,550	100.000%	5,674,550
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 7,390,926
TOTAL DIRECT DEBT			\$ 5,674,550
TOTAL OVERLAPPING DEBT			82,544,680
COMBINED TOTAL DEBT			\$ 88,219,230 (2)

Ratios to Assessed Valuation:

Total Direct Debt (\$5,674,550)	0.15%
Total Overlapping Tax and Assessment Debt.	2.25%
Combined Total Debt	2.40%

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
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	3,482,439,834	130,591,494	-	130,591,494	0.00%
2022	3,676,532,577	137,869,972	-	137,869,972	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 - Custodial Funds

Fiscal Year	Special Assessment Collections	Capital Impact Fees	Debt Service		
			Principal	Interest	Coverage
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	-	812,500	966,000	0.85
2021	2,358,403	-	826,600	826,192	1.43
2022	2,262,128	-	955,300	712,882	1.36

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

State of California Water Loan

	Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2022	8,431,611	1,252,878	7,023,852	2,660,637	70,382	11,697	32.42

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

State of California Wastewater Construction Loan

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2022	4,963,857	573,335	3,363,113	2,174,079	703,385	38,496	2.93

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

Note: Water and wastewater revenues include operating revenues, interest revenues, and capital impact fees. Operating expenses exclude depreciation and amortization. Payments are cash basis.

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
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	6.40%
2022	21,658	719,271	117,846	4.00%

Prior Years

Source: HDL, Coren & Cone

Source: 2020-21 and prior, previously published CAFR

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

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

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

**Schedule 16
City of American Canyon
Principal Employers (Ten Largest)
Calendar Year 2022 vs Calendar Year 2013**

Employer	2022			2013		
	Rank	Number Employees	Percentage of Total City Employment	Rank	Number Employees	Percentage of Total City Employment
Amazon	1	481	5.01%			
GL Mezzetta	2	350	3.65%	2	300	5.77%
Walmart Supercenter	3	320	3.33%	1	362	6.96%
A Bright Future	4	170	1.77%			
Ikea Distribution Services, Inc.	5	162	1.69%			
Barry Callebaut	6	150	1.56%			
Safeway	7	130	1.35%	5	99	1.90%
Napa Valley Casino	8	104	1.08%			
Western Wine Services	9	103	1.07%	7	63	1.21%
Vin Lux LLC	10	82	0.85%			
Coca-Cola AmCan Beverages				3	155	2.98%
City of American Canyon				6	75	1.44%
American Canyon Middle School				8	60	1.15%
Sutter Home Winery				4	123	2.37%
Vineyard Brands Inc				9	55	1.06%
Donaldson Way Elementary School				10	50	0.96%

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 -----									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	2.55	2.55	3.50	2.50	2.50	3.00	3.00	3.00
City Clerk	1.40	1.40	1.65	1.65	2.00	2.00	2.00	2.00	2.00	2.00
Neighborhood Programs							1.00	1.00		
Communications									1.00	1.00
Human Resources	1.50	-	-	-	2.20	2.00	2.00	1.00	2.00	2.00
Finance										
Human Resources	-	1.50	2.20	2.20	-	-	-	0.00	0.00	0.00
Finance	4.60	4.60	4.30	4.80	4.80	4.50	4.10	4.10	4.10	4.10
Information Systems	0.20	0.20	-	-	-	-	-	0.00	0.00	0.00
Utility Billing	3.20	3.20	3.40	3.40	3.40	3.40	3.80	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	2.00	2.00
Non Departmental	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.00	1.00
Community Development:										
Planning	1.60	1.60	3.25	3.25	3.25	4.25	2.75	2.75	2.45	2.40
Building and Safety	3.25	3.25	3.25	4.25	4.25	3.75	3.65	3.65	2.95	3.00
Economic Development	0.45	0.45	0.54	0.54	-	-	-	0.00	0.00	0.00
Housing Services	0.10	0.10	-	-	-	-	0.10	0.10	0.10	0.10
City Engineer	1.30	1.30	-	-	-	-	-	0.00	0.00	0.00
Affordable Housing	0.25	0.25	0.10	0.10	-	-	-	-	-	-
Parks and Recreation										
Park Maintenance	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	2.00
Recreation Programs	2.75	2.80	1.80	2.80	2.80	3.10	3.10	4.30	4.30	4.00
Aquatics Programs	2.30	2.30	1.60	1.60	1.50	1.90	1.90	1.90	1.90	1.60
Neighborhood Programs	-	-	-	-	-	1.00	-	-	-	-
Facility Rentals	-	-	-	-	-	0.30	0.30	0.30	0.30	0.00
Maintenance and Utilities										
Maintenance & Utilities Admin									3.00	3.00
Streets Maintenance									2.70	2.70
Maintenance & Utilities Storm Drain									2.70	3.00
Parks Maintenance									5.40	5.40
Public Works:										
Administration	3.90	3.90	3.50	3.50	3.50	3.50	3.50	3.00	2.00	2.00
Capital Projects	1.60	1.60	3.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00
Street Maintenance	3.45	3.45	2.90	3.30	3.30	4.00	3.95	3.95	0.00	0.00
Storm Drain	1.95	1.95	2.00	2.60	1.60	1.90	2.35	2.35	0.70	0.70
Parks Maintenance	-	-	-	-	-	-	-	5.40	-	-
Fleet Operations	1.10	1.10	-	-	-	-	-	-	-	-
City Engineer	-	-	1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Water:										
Treatment and Distribution	9.05	9.05	9.08	10.08	11.25	11.55	11.25	11.75	11.25	11.25
Wastewater:										
Collection and Treatment	12.00	12.00	12.23	9.73	9.40	11.10	11.25	10.75	9.25	9.25
Storm Water Quality	0.45	0.45	-	-	-	-	-	0.00	0.00	0.00
Solid Waste	0.35	0.35	0.35	3.35	3.35	3.35	3.10	3.10	2.30	3.00
Internal Service:										
Building Maintenance	-	-	1.00	1.00	1.00	1.00	1.05	1.05	1.05	1.05
Fleet Operations	-	-	1.10	1.10	1.10	1.10	1.05	1.05	1.05	1.05
Information Systems	-	-	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Totals	73.10	73.30	77.50	84.00	86.50	89.00	88.00	88.00	85.00	84.00

Data Source: Human Resources Department

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

	----- Prior Years -----									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Physical arrests	842	790	471	569	493	282	460	515	504	517
Traffic violations	1,639	1,336	971	886	1,189	1,204	635	601	696	1,776
Fire:										
Emergency Responses	1,437	1,449	1,627	1,615	1,802	1,744	1,709	1,725	1,764	1,775
Structure Fires	6	6	17	20	20	21	19	71	80	40
Fire Loss (Thousand \$)	-	-	-	-	-	-	-	-	-	-
Fire Engines	6	6	6	6	6	8	8	8	8	8
Inspections	264	199	229	216	393	382	325	292	179	154
Construction Inspection	108	50	44	78	100	97	171	107	122	81
Planning:										
Building Permits Issued	299	360	520	524	496	511	428	571	598	534
Public works:										
Miles streets resurfaced	-	-	1.75	0.15	7.00	0.69	1.00	1.14	0.35	3.25
Parks:										
Community events held	35	37	41	46	41	40	38	14	12	27
Swimming pool admissions	16,261	47,720	48,222	49,142	49,302	63,110	46,594	15,277	14,250	21,756
Water:										
Number of new services	633	493	402	418	449	427	374	324	292	332
Daily average water production in MGD	3.10	3.15	2.87	2.49	2.31	2.38	2.40	2.12	2.57	2.50
Daily average water consumption in MGD	2.94	2.89	2.39	2.08	2.02	2.19	2.08	1.64	2.19	2.15

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 -----									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	13	15	19	17	17	18	18	18	18	18
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	8	8	8	8	8	9	8	8	8	8
Public works:										
Miles of streets	38.1	38.1	38.1	38.1	38.1	38.1	38.1	52.3	112.0	112.5
Streetlights	1,233	1,233	1,233	1,233	1,233	1,233	1,233	1,381	1,397	1,397
Traffic signals	4	4	4	4	4	4	4	6	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	-	-	-	-	-	-	-	-	-	0.5
Number of services billed	5,565	5,593	5,594	5,621	5,654	5,646	5,595	5,693	5,724	5,734
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	4,971	4,983	5,004	5,016	5,012	4,999	5,050	5,006	5,009	5,022
Maximum plant capacity in million gallons	5	5	5	5	5	5	5	5	5	5
Recycled Water:										
Miles of pipelines added	-	-	-	0.4	-	-	-	-	-	0.5
Number of services billed	13	15	20	30	46	43	30	48	62	46
Storage capacity in million gallons	1	1	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Data Source: Various departments within the City of American Canyon

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