

CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2023



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, 2023*

Prepared by the Finance Department

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CITY OF AMERICAN CANYON

Annual Comprehensive Financial Report

For the Year Ended June 30, 2023

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December 28, 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, 2023. The fiscal year covers financial transactions from July 1, 2022 to June 30, 2023 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, 2023, 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, 2023 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, 2023 was estimated to be 21,338 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 distribution space. Demand for space in this area is very high, with very little vacancy and new development currently under review.

Coming out of the COVID-19 pandemic, the City like many other agencies throughout California has seen a healthy rebound in sales tax revenues, fueled by consumer spending on goods, services and leisure activities as well as increased property tax revenues. Property tax revenues continue to rise above the traditional Prop 13 increases due to the development of new housing on the east side of town. Two new subdivisions are underway with new homes selling each month. Currently scheduled for completion in Spring 2024 is a fourth hotel in the city, two additional hotels are scheduled to be constructed in the next few years, further contributing to TOT revenues. The outlook currently remains stable in American Canyon due to the factors mentioned above, however greater economic variables like higher mortgage rates and inflationary pressures can impact sales and property taxes.

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. Street, pedestrian and bike safety improvements were completed in 2023, and a new skate park is scheduled for completion in Spring 2024. A major paving and utility improvement project is scheduled to commence in FY 2024-25 utilizing ARPA funding.

The City and employee bargaining units completed new Memorandum of Understanding's (MOU's) in 2022 for five years terms after a one-year extension to the previous MOUs. The new MOUs will have continued impact on salaries and benefits in the coming years, however it allows the City to remain competitive in the job market as unemployment remains at historical lows at the local and state levels.

Approximately 48% of general fund revenue received is from property taxes and are critical in supporting the cost of essential services provided by the City. For FY 2022-23 the City budgeted a 4.3% increase in property taxes but actuals came in at a 2% increase. This was attributed to a lower number of new construction properties placed on the January 1, 2022 tax roll than was anticipated. There are two new subdivisions underway and many of these new homes became occupied after the January 1 date and will be reflected in FY 2023-24 revenue. Property tax is projected to increase an additional 6.8% in the FY 2023-24 as reported by the Napa County Assessor's Office which includes new construction properties and a maximum allowable 2% CPI adjustment on existing homes. American Canyon home values have had a median increase in value of 5.5% in 2023 on top of the 2022 increase of 10.24%, with the median home value now at \$670,000. With developable land selling and construction continuing throughout the City, further increases in assessed valuation and property tax revenues are expected in the next couple of years. New construction will also mean an increase in plan review and building permit revenue. City finance staff continues to monitor recent interest rate increases which could result in downward pressures to selling prices and reduced transactions as buyers get priced out. The home mortgage market will continue to see prolonged high interest rates as long as inflation remains high, with the Federal Reserve signaling more hikes could follow until inflation subsides to their target rate of 2%.

The City's Transient Occupancy Tax (TOT) rate is 12%. TOT revenues for FY 2022-23 decreased 4% from last year to \$1.57 million as a result of a decrease in leisure travel and discretionary spending as higher inflation rates stressed household budgets. For FY 2023-24, we have projected minimal growth in existing properties but with the addition of the fourth hotel, FY 2023-24 revenues are budgeted at \$1.9 million. We expect that American Canyon will continue to benefit from tourism in the Napa Valley and anticipate an increase in leisure spending if inflation continues to cool. 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 90% higher in FY 2022-23 compared to last year at \$5.9 million. This was due in large part to a favorable audit determination from the State allocating revenues to the City instead of the County

pools, the total amount of recovered and new revenues was \$2.8 million. However, because this includes one-time recovery revenue from previous years misallocations, we expect FY 2023-24 revenues to decrease and be more in line with historical growth, with an expected amount of \$4.5 million.

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 in spring 2024 with anticipated construction completion in fall 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 2023, construction began on the undergrounding of existing overhead utilities with completion scheduled for spring 2024. 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 in 2024, 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 began 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 2024.
 - Napa Cove - A 66-unit affordable apartment project is nearing completion in early 2024.
 - 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 construction is anticipated to begin in 2024.
 - Sun Square - A mixed use residential/commercial project of 20 apartments located on Napa Junction Road was approved in April 2023.
- ✓ 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:
- Watson Ranch Specific Plan Update – An update to the Watson Ranch Specific Plan was approved in September 2023.
 - Artisan at Watson Ranch - 98 single-family homes are available for sale today.
 - Harvest at Watson Ranch - 219-unit single family homes are available for sale today.
 - Lemos Pointe - A 186-unit affordable rental community is nearing completion in early 2024.
 - The Hotel at the Napa Valley Ruins & Gardens - A 200-room resort hotel and 30 townhomes and flats were approved in January 2023.
 - Napa Valley Ruins and Gardens (NVRG) Quarry Lake and Fig Tree Amphitheaters – Two outdoor amphitheaters were approved in May 2023.
 - Promontory at Watson Ranch - 216 single family homes with Accessory Dwelling Unit (ADU) options were approved in August 2023.
- ✓ 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 nearing completion in early 2024.
- ✓ Commerce Court - A 330,000 SF wine warehouse at 1005 Commerce Court on 15.24 acres was completed October 2020. A 217,000 SF wine warehouse at 1075 Commerce Court on 10.35 acres began construction in 2023. A 220,000 square foot wine warehouse at 1055 Commerce Court on 10.17 acres is under review.
- ✓ Giovannoni Logistics Center – A 2.4 million SF high cube wine warehouse business park on 208-acres, north of Green Island Road was approved in March 2023.
- ✓ 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 was approved in May 2023.

- ✓ Green Island Solar Farm - A solar farm with associated RV storage proposed on Highway 29, north of Green Island Road was approved in July 2023.
- ✓ Paintball Jungle – The commercial recreational paintball business received a Conditional Use Permit approval in November 2023.
- ✓ 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 was approved in December 2023.

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 was certified, the General Plan was amended, and Pre-Zoning First Reading was approved in November 2023. The Pre-Zoning final reading is pending a conformance determination by the Napa County Airport Land Use Commission anticipated in early 2024.

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 early 2024.

The Housing Element component of the General Plan was approved in January 2023. The State Department of Housing and Community Development (HCD) certified the Housing Element in May 2023.

Water Supply

The critical droughts from 2020-2022 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 2023-24, 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 implemented 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 2023-24, that will focus on all three of the City's enterprise funds and anticipates having updated rates take effect in May 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 continues to fund its actuarially determined contribution (ADC) each year, ensuring the long-term sustainability of this benefit. The City and Fire District have entered into irrevocable trusts with PERS to fund retiree health benefits. 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. In 2017, the City negotiated with employee bargaining units a reduction in post-employment medical insurance benefits for 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, 2022. 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.

Acknowledgements

The preparation of this report would not have been possible without the capable and dedicated services of the Finance Department. Thanks to all City departments for their assistance in providing the data necessary to prepare this report. 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, appearing to read "Jason B. Holley". The signature is fluid and cursive, with the first name being the most prominent.

Jason B. Holley
City Manager

A handwritten signature in black ink, appearing to read "Juan Gomez". The signature is cursive and somewhat stylized, with the first name being the most prominent.

Juan Gomez
Finance Director/Treasurer



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, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF AMERICAN CANYON

PRINCIPAL OFFICIALS

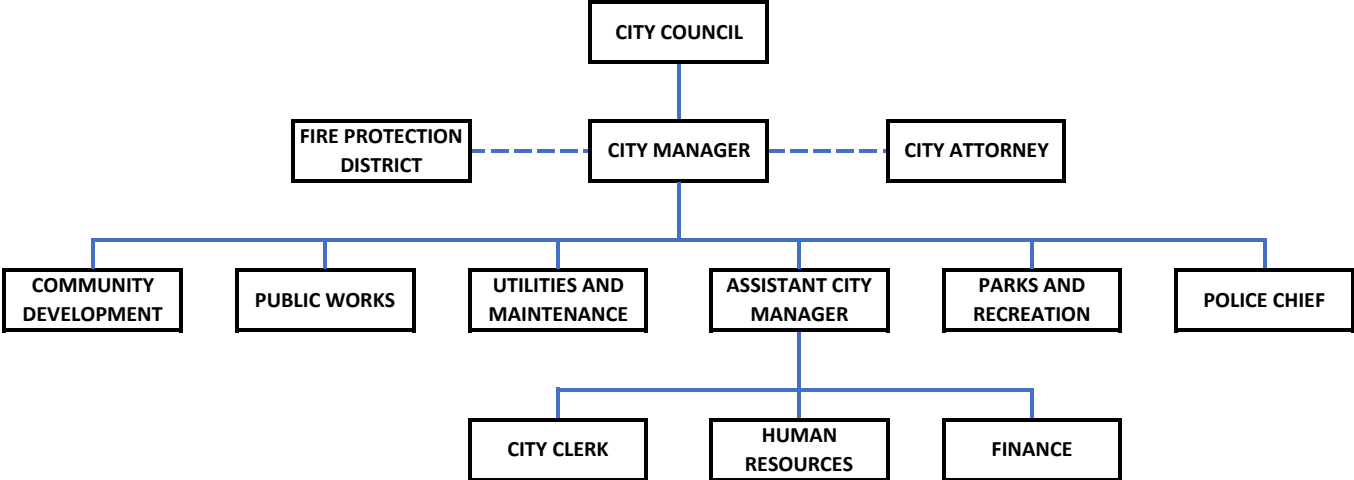
YEAR ENDED JUNE 30, 2023

CITY COUNCIL

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

ADMINISTRATIVE PERSONNEL

City Manager	Jason Holley
Assistant City Manager	Maria Ojeda
City Clerk	Taresa Geilfuss
Police Chief	Rick Greenberg
Fire Chief	Geoff Belyea
City Attorney	William Ross
Finance Director.....	Juan Gomez
Public Works Director.....	Erica Ahmann-Smithies
Community Services Director	Brent Cooper
Parks and Recreation Director.....	Alexandra Ikeda



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

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of American Canyon, California

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, 2023, 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, 2023, 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

December 28, 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, 2023. Please read it in conjunction with the City's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net position increased by about \$2.8 million over the course of this year's operations after conducting all City operations and programs. The Citywide Statement of Activities reports a \$5.1 million increase in net position for Governmental Activities using full accrual accounting and a decrease of \$2.3 million in Business-type Activities. The assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$377.4 million at the end of fiscal year 2022-23. The Citywide Statement of Net Position reports that \$308.7 million is related to Governmental Activities and \$68.7 million is related to Business-type Activities. Of that amount, \$21 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 \$47.7 million at June 30, 2023, an increase of \$5.4 million compared to the prior year. Of these fund balances, \$0.5 million is non-spendable, \$30.3 million is restricted, \$9.3 million is committed, \$4.9 million is assigned, and \$2.7 million is unassigned.
- Overall, city-wide revenues from all governmental and business-type activities were \$57.0 million, an increase of about \$4.8 million compared to the prior year. This amount includes \$0.9 million from capital grants and contributions for Governmental Activities and \$0.6 million from Business-type Activities.
- The City's total expense for all programs in fiscal year 2022-23 was \$54.2 million, an increase of \$6.9 million compared to the prior year.
- The General Fund ended fiscal year 2022-23 with a fund balance of \$15.3 million, an increase of \$2.7 million compared to the prior year of which \$4.7 million was unassigned. The Fire District Operations Fund ended fiscal year 2022-23 with a \$5.8 million fund balance, an increase of \$0.1 million compared to the prior year. The CDBG, Cal Home and HOME Loan Development Special Revenue Fund ended fiscal year 2022-23 with a fund balance of \$0.1 million an increase of \$0.1 million from last year. The State and Federal Grants - City Special Revenue Fund ended fiscal year 2022-23 near even, an increase of \$0.7 million compared to the prior year. The Affordable Housing Capital Projects Fund ended fiscal year 2022-23 with a fund balance of \$0.3 million, which is unchanged compared to the prior year. Other Governmental Funds reported a cumulative fund balance of \$24.9 million available for special purposes, primarily infrastructure and capital asset additions.
- The City ended fiscal year 2022-23 with \$22.8 million of available net position in its enterprise funds consisting of restricted and unrestricted net position. This is a decrease of \$2.3 million from the prior fiscal year. Internal Service Funds ended fiscal year 2022-23 with a cumulative unrestricted fund balance of \$0.6 million a decrease of \$0.1 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 \$2.8 million between fiscal years 2022 and 2023.

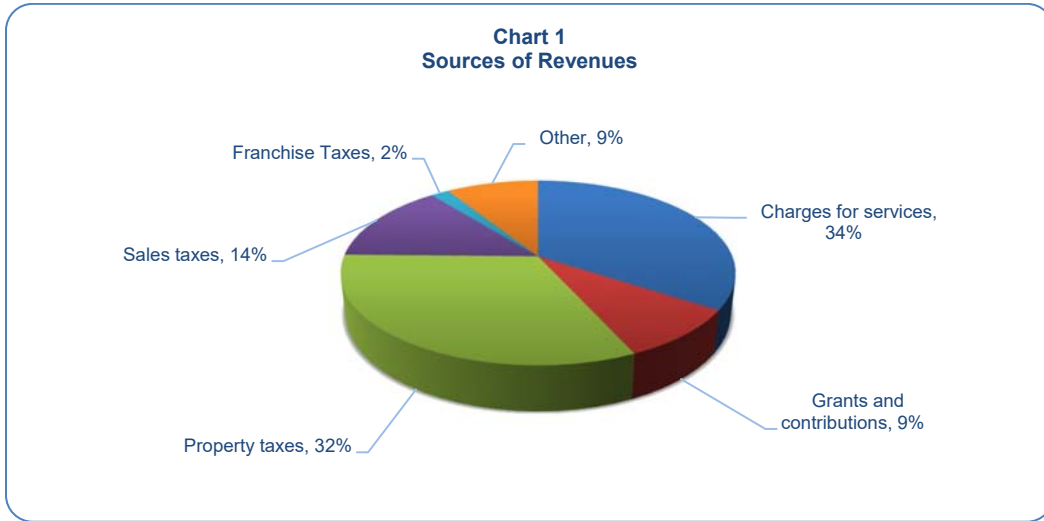
Table A-1
City of American Canyon's Net Position
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2022	2023	2022	2023	2022	2023	2022-23
Current and other assets	59.9	65.2	29.1	26.3	89.0	91.5	2.8%
Capital assets	275.2	275.8	51.8	50.3	327.0	326.1	-0.3%
Total assets	335.1	341.0	80.9	76.6	416.0	417.6	0.4%
Deferred Outflow of Resources	6.5	12.4	1.5	2.4	8.0	14.7	83.8%
					-		
Long-term debt outstanding	22.3	34.8	8.3	9.2	30.6	44.0	43.8%
Other liabilities	7.3	7.6	1.7	0.7	9.0	8.3	-8.9%
Total liabilities	29.6	42.4	10.0	9.9	39.6	52.3	31.8%
Deferred Inflows of Resources	8.4	2.3	1.4	0.3	9.8	2.6	-73.5%
Net investment in capital assets	269.2	267.0	46.0	45.9	315.2	312.9	-0.7%
Restricted	34.1	36.9	6.7	6.9	40.8	43.8	7.4%
Unrestricted	0.3	4.8	18.3	15.9	18.6	20.7	11.3%
Total net position	303.6	308.7	71.0	68.7	374.6	377.4	0.7%

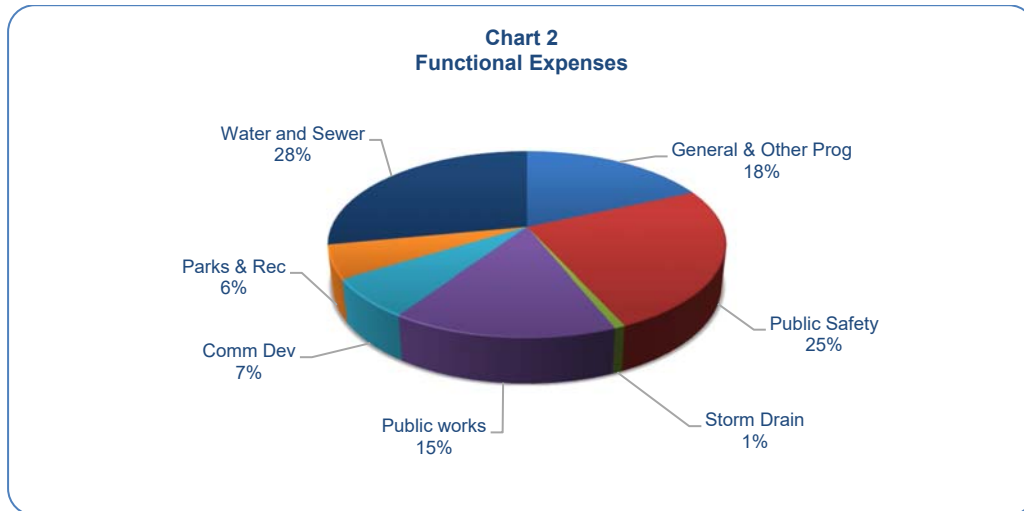
The net position of the City's governmental and business-type activities increased 0.7% to \$377.4 million. The increase was primarily due to an increase in Grants and Contributions from COVID-19 pandemic relief. Approximately 83% of the City's net position is invested in capital assets such as buildings, land, equipment and facilities. The remaining 17% of net position is represented by restricted and unrestricted net position. Notable receivables are the \$2.8 million in Taxes and \$3.7 million from Utilities. Intergovernmental Receivables of \$0.5 million grant funding for CIP, COPS funding, and other minor receivables. About 84.3% of the City's total liabilities are represented by long-term obligations

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 2022-23 totaled \$57.0 million, an increase of \$4.8 million or 9.2% from the prior year. The primary source of discretionary revenue for the City's General Fund is property tax revenue which totaled \$18.2 million or 32% of total revenues for the year and increased by 5.2% over fiscal year 2021-22 due to continued increases in home values and the addition of new properties to the tax roll as they become occupied. Sales tax revenue increased by \$2.9 million or 58% to \$7.9 million in fiscal year 2022-23, due to a favorable State audit that determined sales tax revenues should have been allocated to the City instead of the County pools. These additional revenues included retroactive allocations and are one-time revenue recoveries. For the 2023-24 fiscal year we have budgeted sales tax revenues to increase from normal levels, excluding this one-time recovery. Approximately \$15.6 million or 27% of all City revenues were generated from water, wastewater, and recycled water service fees and other revenue.



The total cost for all programs and services in fiscal year 2022-23 was \$54.2 million which includes a wide range of services such as public safety, public works, community development, parks and recreation programs, storm drain, water and wastewater treatment plants and related distribution and collection systems. Major types of expenditures by function are shown in Chart 2. As summarized in Table A-2, for fiscal year 2022-23, expenses increased by \$6.9 million or 14.6%. In this fiscal year, the

MANAGEMENT'S DISCUSSION AND ANALYSIS

General Government expenses increased by \$3.3 million, a 50.8% increase from the prior year largely due to \$1.8 million disposition of assets resulting from the removal of assets from the construction in progress account, projects were determined to be completed, cancelled and did not meet the capitalization threshold. Other factors included increases in insurance costs, wages and benefits as vacancies were filled, and legal expenses. Water, Wastewater and Recycled Water expenses were \$1.7 million higher compared to prior year at \$15.2 million. This increase is mainly the result of increased costs for producing water, equipment purchases and system repair and maintenance.

The City's largest operating expense was public safety services and utility services. The City's cost to provide police and fire protection services was \$13.5 million or 25% of the City's total operating expenses. Water and sewer service expenses were collectively \$14.6 million or 26.9% of total expenses. Public Works and Storm Drain departments accounted for 15.5% of expenses, Community Development 6.8%, and Parks and Recreation 5.7%. The remaining 20.1% was expended on general City administration and other programs.

When all operations were concluded, governmental activities created a \$5.1 million increase in net position and business-type activities created a \$2.3 million decrease.

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
	2022	2023	2022	2023	2022	2023	2022-23
Revenues							
Program revenues							
Charges for services	5.7	7.3	13.7	13.7	19.4	21.0	8.2%
Grants and contributions - operating	4.7	2.0	0.2	0.3	5.0	2.3	-54.0%
Grants and contributions - capital	1.2	0.9	1.8	0.6	3.0	1.5	-50.0%
General revenues							
Property taxes	17.3	18.2	-	-	17.3	18.2	5.2%
Franchise taxes	0.8	1.0	-	-	0.8	1.0	25.0%
Sales taxes	5.0	7.9	-	-	5.0	7.9	58.0%
Other	1.7	4.1	-	1.0	1.7	5.1	200.0%
Total revenues	36.4	41.4	15.7	15.6	52.2	57.0	9.2%
Expenses							
General government	6.5	9.8	-	-	6.5	9.8	50.8%
Public Safety	15.2	13.5	-	-	15.2	13.5	-11.2%
Public works	6.5	8.4	-	-	6.5	8.4	29.2%
Community Development	2.2	3.7	-	-	2.2	3.7	68.2%
Parks and Recreation	2.7	3.1	-	-	2.7	3.1	14.8%
Storm Drain	0.4	0.4	-	-	0.4	0.4	0.0%
Water	-	-	8.3	9.0	8.3	9.0	9.6%
Wastewater	-	-	4.9	5.6	4.9	5.6	12.2%
Other	0.3	0.1	0.3	0.6	0.6	0.7	16.7%
Total expenses	33.8	39.0	13.5	15.2	47.3	54.2	14.6%
Excess (deficiency) before transfers	2.6	2.4	2.2	0.4	4.9	2.8	-42.9%
Transfers	2.2	2.7	(2.2)	(2.7)	-	-	0.0%
Increase(decrease) in net position	4.8	5.1	-	(2.3)	4.9	2.8	-42.9%
Net position, beginning	298.8	303.6	71.0	71.0	369.8	374.6	1.3%
Net position, ending	303.6	308.7	71.0	68.7	374.6	377.4	0.7%

MANAGEMENT'S DISCUSSION AND ANALYSIS

City Program Costs

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

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

	Total Cost of Services		Percentage Change
	2022	2023	2022-23
Public Safety	15.2	13.5	-11.2%
Public Works (includes Storm drain)	6.9	8.8	27.5%
Community Development	2.2	3.7	68.2%
Parks and Recreation	2.7	3.1	14.8%
Water	8.3	9.0	9.6%
Wastewater	4.9	5.6	12.2%
Recycled Water	0.3	0.6	100.0%
All other	6.8	9.9	45.6%
Total	47.3	54.2	14.6%

The cost of all programs this year was \$54.2 million, an increase of \$6.9 million, or 14.6% compared with the prior year. Public safety decreased 11.2% or \$1.6 million as a result of an insurance recovery that was previously paid and offset expenses. Public Works increased 27.5% or \$1.9 million as a result of clearing out projects from the Construction in Progress account, projects have been completed, did not meet capitalization threshold or cancelled therefore have been expensed. Community Development increased 68.2% or \$1.5 million associated with increased services by contract permit and building inspections which is offset with increased revenues. Expenses this fiscal year also include professional services associated with the annexation process for land in the northeast part of the City.

Governmental Activities

As detailed on the Statement of Activities, the City's governmental program expenses totaled \$39.0 million during the year. Program revenues, including grants, totaled \$10.2 million leaving the City to fund the balance of \$28.8 million with general revenues. Program revenues decreased by \$1.4 million, while expenditures increased by \$5.2 million over the prior year. The increase in the Program Revenues was due to increased building permit revenues as mentioned earlier as a result of increased development activity partially offset by decreased recreation program revenue compared to the prior year.

Business-Type Activities

At 2022-23 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, decreased \$2.3 million from the prior year, charges for services remained the same compared to the prior year. Business-type revenues remained the same overall compared to FY 2021-22. Water fund expenses increased by \$0.7 million or 9.6% compared to fiscal year 2021-22 and was primarily from increases in the cost of water purchases from the North Bay Aqueduct and City of Vallejo, as well as overall increases in wages and benefits for employees based on bargaining unit agreements. Wastewater fund expenses increased \$0.7 million to \$5.6 million, primarily due to the purchase of new equipment including a Vector truck. An Enterprise Rate Study is currently underway and scheduled for presentation to the City Council in early 2024 for the establishment of updated water, wastewater and recycled water rates.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At the end of fiscal year 2022-23, the City's governmental funds had a combined fund balance of \$47.7 million, about \$5.4 million more than the prior year. This can be attributed to public works activities for related to impact fees and capital improvement special revenue sources, which added \$1.7 million of restricted fund balance in 2022-23; and the General Fund's better than expected performance, due in part to sales tax revenue recovery for a total General fund contribution of \$2.4 million. The Fire District Operations fund balance increased by \$0.1 million or 2.0% as a result of fiscal year 2022-23 operations.

The City's Cash and Investment accounts increased by \$6.5 million compared to the prior year, totaling \$84.3 million at fiscal year-end. The City's Restricted Cash and Investments totaled \$7.4 million of that balance. Fiduciary Funds comprised another \$8.8 million of that balance. The Water and Wastewater enterprise funds ended the year with \$23.7 million in cash and investments available for future use, of which \$6.9 million is restricted.

The City's General Fund had a surplus of revenues over expenditures of \$0.3 million before other financing sources. General Fund Property Taxes increased by \$0.3 million, Sales Taxes increased by \$2.8 million, Other Taxes increased \$0.1 million. Charges for Services increased by \$0.5 million compared to the prior year. The City's General Fund Expenditures increased by \$3.1 million to \$25.4 million mostly due to increase in supplies and services (\$1.5 million), salary and benefits costs as vacant positions became filled and wage adjustments based on employee contracts (\$0.7 million); and contract police services with the Napa County Sheriff's Office (\$0.5 million). The Transfers out to Other Funds increased by \$0.7 million compared to the prior year due to a \$0.7 million transfer to the Capital Projects Fund for the Corporation Yard Relocation Project. After including inter-fund transfers, the General Fund ended the fiscal year with an excess of \$2.7 million.

The City's non-major governmental funds ended the fiscal year with a consolidated fund balance of \$24.9 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 \$1.3 million less than final budget amounts. Salary and benefit savings were the largest item \$0.3M followed by legal and professional services \$0.3M.

The General Fund's fund balance increased by \$2.7 million from June 30, 2022 to June 30, 2023. The General Fund's primary source of discretionary revenue is property taxes which totaled \$12.4 million or 48.2% of total revenues for the year and increased by 2.4% over the prior year. This was under budget \$0.2 million. Non-property taxes came in at budget 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, 2023, the City had invested \$326.0 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
	2022	2023	2022	2023	2022	2023	2022-23
Land	10.2	10.2	2.2	2.2	12.4	12.4	0.0%
Construction in progress	12.7	8.8	8.9	4.2	21.6	13.0	-39.8%
Right of Ways	165.2	165.2	-	-	165.2	165.2	0.0%
Buildings and Improvements	26.9	26.5	2.9	7.6	29.8	34.1	14.4%
Machinery and Equipment	2.3	1.9	0.8	1.3	3.1	3.2	-3.0%
Water utility system			17.8	16.7	17.8	16.7	-6.2%
Wastewater system			15.6	14.9	15.6	14.9	-3.9%
Recycled water System			3.6	3.4	3.6	3.4	-5.6%
Infrastructure system	57.7	61.9			57.4	61.9	7.8%
Leased Vehicles	0.2	1.1			0.2	1.0	500.0%
Subscription Technology		0.2				0.3	100.0%
Total	275.2	275.8	51.8	50.3	327.0	326.1	-0.3%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long - Term Debt

At the end of fiscal year 2022-23, the City had about \$12.8 million in long-term debt obligations outstanding. Of the \$12.8 million, \$4.4 million relates to the City's business-type activities and the remaining \$8.4 million is applicable to governmental type financing activities. The remaining other long-term debt of \$31.2 million are estimated employee benefits payable by the City. The City's component-unit, the City of American Canyon's Fire Protection District, has long-term debt obligation from green energy upgrades of \$0.3 million and a financed purchase of fire engines of \$1.7 million. It also has a \$0.1 million liability for uninsured workers compensation claims.

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

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 \$2.8 million; 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

Fiscal Year 2023 was a volatile year, government assistance payments to households and businesses ended as provisions of several federal programs expired. Inflation and interest rates remained elevated putting pressure on household budgets. Price increases in energy, food, and housing are having significant impacts on household budgets leaving them with little for discretionary spending. On the flip side, unemployment remained low and wages across industries continued to rise, leading to strong consumer spending in FY 2023. The Federal Reserve continued to raise interest rates in FY 2023 to battle high inflation, however although inflation remains elevated by historical levels, it is subsiding in many areas. High interest rates make financing mortgages more expensive and could price potential buyers out of the market leading to a slowdown in home sales and refinancings. California continues to struggle with a housing shortage and American Canyon is fortunate to have several market-rate and affordable housing development projects underway to alleviate some of those shortages.

The unemployment rate in California continues to decline. As of December 2023, the Employment Development Department reports a 3.4% unemployment rate. Retail, restaurants and the hotel industry have 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 2023 through June 2023 were 31.5% above the same period in 2022. Excluding reporting aberrations, actual sales were down 4.5%. Results reflected measurable improvement over last year due to the audit recovery, but excluding that recovery revenues were down 4.5% reflecting the impact of inflation and less spending on taxable discretionary goods. Casual dining restaurants, warehousing and county pool categories continued to report increases year over year. Net of aberrations, taxable sales for all of Napa County decreased 5.7% over the comparable time period; the Bay Area and State were down 3%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Approximately 48% of general fund revenue received is from property taxes. The annual CPI granted was 2.00% which was the same as last year. Looking ahead the year over year increase in citywide assessed valuation for FY 2024 is \$421 million, \$180.6 million more than the FY 2023 \$240.4 million increase. This growth was on the strength of residential 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	130	\$670,000	5.5%
*2023	60	\$670,000	0%

*through August 31, 2023

With the first 8 months of sales data processed for 2023, SFRs are selling for the same than in the previous calendar year. Prices for the full calendar year 2022 increased 5.5%. The median price of all SFRs in 2023 is \$670,000 which is \$32,000 higher than the peak price experienced in 2006 at \$638,00. Higher interest rates have put a pause in a lot of potential buyers purchases as the cost of mortgages became more expensive. Median prices did peak in late 2022 to \$700,000 but have since settled at \$670,000 for the full year. Current trends indicate steady sale prices as interest rates have slowly come down and more homes are coming to market increasing the number of transactions overall in 2024.

2023-24 Taxable Property Values:

Combined Values	Total
Total Values	\$4,348,669,848
Total Exemptions	\$87,767,910
Net Total Values	\$4,260,901,938

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, 2023

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 51,006,740	\$ 16,856,176	\$ 67,862,916
Restricted cash and investments	546,704	6,879,458	7,426,162
Taxes receivable	2,806,177		2,806,177
Accounts receivable, net	1,450,939	2,268,123	3,719,062
Internal balances	(141,192)	141,192	
Interest receivable	357,863	122,235	480,098
Due from other governments	573,221		573,221
Property held for resale	477,773		477,773
Prepaid expenses and other assets	469,529	8,082	477,611
Loans receivable, net	7,670,172		7,670,172
Capital assets:			
Non-depreciable	184,112,536	6,372,224	190,484,760
Depreciable, net of accumulated depreciation	91,669,783	43,929,996	135,599,779
Total capital assets	<u>275,782,319</u>	<u>50,302,220</u>	<u>326,084,539</u>
TOTAL ASSETS	<u>341,000,245</u>	<u>76,577,486</u>	<u>417,577,731</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	7,700,088	1,404,470	9,104,558
OPEB plans	4,682,813	896,567	5,579,380
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>12,382,901</u>	<u>2,301,037</u>	<u>14,683,938</u>
LIABILITIES			
Accounts payable	1,981,206	372,773	2,353,979
Accrued expenses	323,681	47,001	370,682
Unearned revenue	4,949,717		4,949,717
Accrued interest payable	36,565	61,320	97,885
Deposits	296,819	207,436	504,255
Long-term liabilities:			
Due within one year			
Bonds, leases and contracts	997,471	308,253	1,305,724
Compensated absences	684,682	164,140	848,822
Workers compensation claims and judgments	113,638		113,638
Due in more than one year			
Bonds, leases and contracts	7,463,894	4,066,210	11,530,104
Compensated absences	41,573	38,161	79,734
Net pension liability	16,518,742	2,986,789	19,505,531
Net OPEB liability	8,978,868	1,651,304	10,630,172
TOTAL LIABILITIES	<u>42,386,856</u>	<u>9,903,387</u>	<u>52,290,243</u>
DEFERRED INFLOWS OF RESOURCES			
Pension plan	1,344,874	224,256	1,569,130
OPEB plans	976,352	45,210	1,021,562
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,321,226</u>	<u>269,466</u>	<u>2,590,692</u>
NET POSITION			
Net investment in capital assets	266,988,674	45,866,437	312,855,111
Restricted for:			
Public safety	2,213,024		2,213,024
Public works	17,547,665		17,547,665
Storm drain projects	5,814,903		5,814,903
Community development, planning and building	9,141,114		9,141,114
Parks	2,122,215		2,122,215
Capacity expansion		6,879,458	6,879,458
Other activities	104,059		104,059
Unrestricted	4,743,410	15,959,775	20,703,185
TOTAL NET POSITION	<u><u>\$ 308,675,064</u></u>	<u><u>\$ 68,705,670</u></u>	<u><u>\$ 377,380,734</u></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, 2023

<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	\$ 9,789,205	\$ 802,991		
Public safety	13,571,896	1,585,452	\$ 256,497	
Public works	8,387,534	1,988,677	1,662,896	\$ 719,951
Community development	3,677,752	2,540,651	117,571	217,698
Parks and recreation	3,093,188	327,341		
Storm drain	401,695		2,280	
Int on long-term debt	126,887			
TOTAL GOVERNMENTAL ACTIVITIES	39,048,157	7,245,112	2,039,244	937,649
Business-type activities				
Water	8,955,804	8,544,184	318,918	332,951
Wastewater	5,591,878	4,940,178		235,879
Recycled Water	557,261	226,361		
Total business-type activities	15,104,943	13,710,723	318,918	568,830
TOTAL PRIMARY GOVERNMENT	\$ 54,153,100	\$ 20,955,835	\$ 2,358,162	\$ 1,506,479
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
\$ (8,986,214)		\$ (8,986,214)
(11,729,947)		(11,729,947)
(4,016,010)		(4,016,010)
(801,832)		(801,832)
(2,765,847)		(2,765,847)
(399,415)		(399,415)
(126,887)		(126,887)
<u>(28,826,152)</u>		<u>(28,826,152)</u>
	\$ 240,249	240,249
	(415,821)	(415,821)
	(330,900)	(330,900)
	(506,472)	(506,472)
<u>(28,826,152)</u>	<u>(506,472)</u>	<u>(29,332,624)</u>
18,218,818		18,218,818
1,031,183		1,031,183
7,863,107		7,863,107
2,448,830		2,448,830
558,488	650,946	1,209,434
1,051,888	300,942	1,352,830
2,735,392	(2,735,392)	
<u>33,907,706</u>	<u>(1,783,504)</u>	<u>32,124,202</u>
5,081,554	(2,289,976)	2,791,578
303,593,510	70,995,646	374,589,156
<u>\$ 308,675,064</u>	<u>\$ 68,705,670</u>	<u>\$ 377,380,734</u>

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2023

	<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	\$ 12,354,007	\$ 5,658,493	\$ 116,385	\$ 4,538,398
Restricted cash and investments		247,169		
Taxes receivable	1,799,097	106,503		
Accounts receivable, net	965,450	23,374		
Interest receivable	164,078	38,825	930	
Due from other governments	53,507			433,555
Due from other funds	1,658,806	35,727		
Property held for resale	417,503			
Prepaid expenditures and deposits	57,812			
Loans receivable, net			2,302,926	
TOTAL ASSETS	\$ 17,470,260	\$ 6,110,091	\$ 2,420,241	\$ 4,971,953
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 990,208	\$ 173,069	\$ 1,412	\$ 56,341
Accrued expenses	178,761	80,142		
Unearned revenue	310,033			4,639,684
Deposits	296,819			
Due to other funds				
TOTAL LIABILITIES	1,775,821	253,211	1,412	4,696,025
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	393,948	106,503	2,302,926	193,971
TOTAL DEFERRED INFLOWS OF RESOURCES	393,948	106,503	2,302,926	193,971
FUND BALANCES				
Nonspendable:				
Property held for resale	417,503			
Prepaid expenditures and deposits	57,812			
Restricted for:				
Public safety	144,765	445,319		
Public works				81,957
Storm drain projects				
Community development, planning and building	937,082		115,903	
Parks				
Other activities	104,059			
Committed	7,915,030	1,392,733		
Assigned	1,000,000	3,912,325		
Unassigned	4,724,240			
TOTAL FUND BALANCES (DEFICITS)	15,300,491	5,750,377	115,903	81,957
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 17,470,260	\$ 6,110,091	\$ 2,420,241	\$ 4,971,953

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
\$ 1,079,945	\$ 247,829	\$ 25,719,020	\$ 49,714,077
		299,535	546,704
		900,577	2,806,177
270,494		180,101	1,439,419
	1,975	141,499	347,307
		86,159	573,221
			1,694,533
	60,270		477,773
			57,812
	5,273,621	93,625	7,670,172
\$ 1,350,439	\$ 5,583,695	\$ 27,420,516	\$ 65,327,195
		\$ 571,724	\$ 1,792,754
\$ 60,053			318,956
			4,949,717
			296,819
		1,447,670	1,447,670
60,053		2,019,394	8,805,916
	\$ 5,273,621	534,322	8,805,291
	5,273,621	534,322	8,805,291
			417,503
			57,812
		1,430,278	2,020,362
1,290,386		17,375,356	18,747,699
		5,814,903	5,814,903
	310,074	107,883	1,470,942
		2,122,215	2,122,215
			104,059
			9,307,763
			4,912,325
		(1,983,835)	2,740,405
1,290,386	310,074	24,866,800	47,715,988
\$ 1,350,439	\$ 5,583,695	\$ 27,420,516	\$ 65,327,195

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CITY OF AMERICAN CANYON
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balance, governmental funds	\$	47,715,988
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.		275,782,319
Revenues and loans receivable, which are deferred in the governmental funds because they are not available currently, are recognized as revenue in the Statement of Activities.		8,805,291
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 in other line items.		780,224
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		365,000
Accrued interest payable		(36,565)
Bonds, leases and contracts		(8,461,365)
Compensated absences		(726,255)
Uninsured claims		(113,638)
Net pension liability		(16,518,742)
Net OPEB liability		(8,978,868)
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.		6,355,214
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.		3,706,461
NET POSITION OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION	\$	308,675,064

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, 2023

	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	\$ 12,438,663	\$ 5,403,686		
Sales taxes	5,901,732			
Other taxes	2,944,624	739,041		
Special assessments				
Fines and forfeitures	156,371			
Licenses and permits	1,070,286			
Intergovernmental	77,866		\$ 6,051	\$ 1,179,213
Charges for services	2,159,290	382,801		
Use of money and property	306,271	91,151	2,359	
Other	643,249	159,543	76,910	
TOTAL REVENUES	25,698,352	6,776,222	85,320	1,179,213
EXPENDITURES				
Current:				
General government	7,383,404			
Public safety	8,337,957	7,064,902		
Public works	2,575,048			
Community development	3,568,827		10,308	
Parks and recreation	3,070,204			
Storm drain	384,808			
Debt Service:				
Principal		102,000		
Interest and other charges		34,490		
Capital outlay	29,908	1,565,995		
TOTAL EXPENDITURES	25,350,156	8,767,387	10,308	1,179,213
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	348,196	(1,991,165)	75,012	1,179,213
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt		1,842,000		
Transfers in	3,181,725	268,746		
Transfers out	(815,985)			(435,769)
TOTAL OTHER FINANCING SOURCES AND USES	2,365,740	2,110,746	75,012	743,444
NET CHANGE IN FUND BALANCES	2,713,936	119,581	75,012	743,444
Fund balances (deficits), beginning of year	12,586,555	5,630,796	40,891	(661,487)
FUND BALANCES (DEFICITS), END OF YEAR	\$ 15,300,491	\$ 5,750,377	\$ 115,903	\$ 81,957

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
			\$ 17,842,349
		\$ 1,986,981	7,888,713
			3,683,665
		651,971	651,971
			156,371
			1,070,286
		1,178,745	2,441,875
\$ 1,271,848	\$ 218,886	1,887,403	5,920,228
	5,220	482,308	887,309
	3,871	487,210	1,370,783
<u>1,271,848</u>	<u>227,977</u>	<u>6,674,618</u>	<u>41,913,550</u>
		270,137	7,653,541
			15,402,859
1,768,658		901,776	5,245,482
	90,000	750	3,669,885
		1,116	3,071,320
			384,808
		41,371	143,371
		112,253	146,743
3,737,939			5,333,842
<u>5,506,597</u>	<u>90,000</u>	<u>1,327,403</u>	<u>41,051,851</u>
(4,234,749)	137,977	5,347,215	861,699
			1,842,000
5,692,033		115,985	9,258,489
(268,746)	(70,492)	(4,932,105)	(6,523,097)
<u>5,423,287</u>	<u>(70,492)</u>	<u>(4,816,120)</u>	<u>4,577,392</u>
1,188,538	67,485	531,095	5,439,091
101,848	242,589	24,335,705	42,276,897
<u>\$ 1,290,386</u>	<u>\$ 310,074</u>	<u>\$ 24,866,800</u>	<u>\$ 47,715,988</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, 2023**

Net change in fund balances - total governmental funds: \$ 5,439,091

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

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

Capital outlay	5,333,842
Depreciation expense	(4,545,934)
Disposals	(1,828,826)
Transfers from enterprise funds	211,864

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. (389,740)

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. (1,698,629)

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. 341,485

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	4,289,686
Change in deferred outflows of resources-OPEB plans	1,580,488
Change in accrued interest payable	(14,593)
Change in compensated absences	22,078
Change in uninsured claims	2,020,343
Change in net pension liability	(8,595,641)
Change in net OPEB liability	(3,179,324)
Change in deferred inflows of resources-pension plan	4,862,522
Change in deferred inflows of resources-OPEB plans	1,238,842

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 5,081,554

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

CITY OF AMERICAN CANYON
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business Type Activities- Enterprise Funds			Total	Governmental Activities- Internal Service Funds
	Water	Wastewater	Recycled Water		
ASSETS					
Current assets:					
Cash and investments	\$ 11,103,665	\$ 5,264,859	\$ 487,652	\$ 16,856,176	\$ 1,292,663
Accounts receivable, net	1,573,038	660,539	34,546	2,268,123	11,520
Interest receivable	55,790	62,009	4,436	122,235	10,556
Prepaid expenses	3,900	4,079	103	8,082	46,717
Total current assets	<u>12,736,393</u>	<u>5,991,486</u>	<u>526,737</u>	<u>19,254,616</u>	<u>1,361,456</u>
Non-current assets:					
Restricted cash and investments	6,333,174	546,284		6,879,458	
Advances to other funds	1,269,554	5,539,179		6,808,733	
Capital assets:					
Non-depreciable	3,516,932	1,941,680	913,612	6,372,224	
Depreciable, net of accumulated depreciation	18,541,407	21,324,300	4,064,289	43,929,996	1,947,890
Total non-current assets	<u>29,661,067</u>	<u>29,351,443</u>	<u>4,977,901</u>	<u>63,990,411</u>	<u>1,947,890</u>
TOTAL ASSETS	<u>42,397,460</u>	<u>35,342,929</u>	<u>5,504,638</u>	<u>83,245,027</u>	<u>3,309,346</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension plan	626,869	773,363	4,238	1,404,470	139,351
OPEB plan	267,280	621,819	7,468	896,567	98,658
Total deferred outflows of resources	<u>894,149</u>	<u>1,395,182</u>	<u>11,706</u>	<u>2,301,037</u>	<u>238,009</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	213,834	158,939		372,773	188,452
Accrued expenses	25,104	21,660	237	47,001	4,725
Accrued interest payable					10,964
Due to other funds					246,863
Deposits	163,251	44,185		207,436	
Compensated absences, current portion	91,918	72,222		164,140	19,478
Bonds, notes and loans payable, current portion	142,619	165,634		308,253	342,678
Total current liabilities	<u>636,726</u>	<u>462,640</u>	<u>237</u>	<u>1,099,603</u>	<u>813,160</u>
Non-current liabilities:					
Advances from other funds			6,808,733	6,808,733	
Compensated absences, non-current portion	22,170	15,991		38,161	
Bonds, notes and loans payable	1,455,483	2,672,047		4,127,530	1,048,993
Net pension liability	1,333,119	1,644,658	9,012	2,986,789	296,348
Net OPEB liability	492,278	1,145,271	13,755	1,651,304	181,707
Total non-current liabilities	<u>3,303,050</u>	<u>5,477,967</u>	<u>6,831,500</u>	<u>15,612,517</u>	<u>1,527,048</u>
TOTAL LIABILITIES	<u>3,939,776</u>	<u>5,940,607</u>	<u>6,831,737</u>	<u>16,712,120</u>	<u>2,340,208</u>
DEFERRED INFLOW OF RESOURCES					
Pension plan	100,094	123,485	677	224,256	22,251
OPEB plan	13,478	31,356	376	45,210	4,974
Total deferred inflows of resources	<u>113,572</u>	<u>154,841</u>	<u>1,053</u>	<u>269,466</u>	<u>27,225</u>
NET POSITION					
Net investment in capital assets	20,460,237	20,428,299	4,977,901	45,866,437	554,567
Restricted for:					
Capacity expansion	6,333,174	546,284		6,879,458	
Unrestricted	12,444,850	9,668,080	(6,294,347)	15,818,583	625,355
TOTAL NET POSITION (DEFICIT)	<u>\$ 39,238,261</u>	<u>\$ 30,642,663</u>	<u>\$ (1,316,446)</u>	<u>68,564,478</u>	<u>\$ 1,179,922</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.				<u>141,192</u>	
TOTAL NET POSITION PER GOVERNMENT-WIDE FINANCIAL STATEMENTS				<u>\$ 68,705,670</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, 2023

	Business Type Activities Enterprise Funds			Total	Governmental Activities-
	Water	Wastewater	Recycled Water		Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 8,544,184	\$ 4,940,178	\$ 226,361	\$ 13,710,723	\$ 2,437,842
Other	448,314	171,546		619,860	
TOTAL OPERATING REVENUES	<u>8,992,498</u>	<u>5,111,724</u>	<u>226,361</u>	<u>14,330,583</u>	<u>2,437,842</u>
OPERATING EXPENSES					
Employee services	1,592,962	1,904,177	14,303	3,511,442	253,950
Maintenance and operations	6,004,493	1,827,620	188,152	8,020,265	1,896,384
Depreciation	1,274,314	1,746,613	222,255	3,243,182	425,012
TOTAL OPERATING EXPENSES	<u>8,871,769</u>	<u>5,478,410</u>	<u>424,710</u>	<u>14,774,889</u>	<u>2,575,346</u>
OPERATING INCOME (LOSS)	<u>120,729</u>	<u>(366,686)</u>	<u>(198,349)</u>	<u>(444,306)</u>	<u>(137,504)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	302,496	336,058	12,392	650,946	21,580
Other revenue					5,157
Interest expense	(56,216)	(83,380)	(130,911)	(270,507)	(50,926)
Gain (loss) on disposal of capital assets					8,761
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>246,280</u>	<u>252,678</u>	<u>(118,519)</u>	<u>380,439</u>	<u>(15,428)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>367,009</u>	<u>(114,008)</u>	<u>(316,868)</u>	<u>(63,867)</u>	<u>(152,932)</u>
CONTRIBUTIONS AND TRANSFERS					
Capital contributions	332,951	235,879		568,830	
Transfers in		180,888	15,190	196,078	
Transfers out	(1,447,923)	(1,152,085)	(331,462)	(2,931,470)	
CHANGE IN NET POSITION	<u>(747,963)</u>	<u>(849,326)</u>	<u>(633,140)</u>	<u>(2,230,429)</u>	<u>(152,932)</u>
Net position (deficit), beginning of year	39,986,224	31,491,989	(683,306)	70,794,907	1,332,854
TOTAL NET POSITION (DEFICIT), END OF YEAR	<u>\$ 39,238,261</u>	<u>\$ 30,642,663</u>	<u>\$ (1,316,446)</u>	68,564,478	<u>\$ 1,179,922</u>
Change in net position				(2,230,429)	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				<u>(59,547)</u>	
CHANGE IN NET POSITION OF BUSINESS TYPE ACTIVITIES				<u>\$ (2,289,976)</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, 2023

	Enterprise Funds			Total	Governmental Activities
	Water	Wastewater	Recycled Water		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 9,202,311	\$ 5,187,475	\$ 230,007	\$ 14,619,793	
Cash paid to suppliers	(6,391,103)	(1,727,606)	(216,470)	(8,335,179)	\$ (1,758,416)
Cash paid to employees and related benefits	(1,796,305)	(1,801,081)	(1,952)	(3,599,338)	(263,342)
Cash (paid) received from interfund services provided	(60,098)	(115,100)		(175,198)	2,437,842
Other receipts					10,815
CASH PROVIDED BY OPERATING ACTIVITIES	<u>954,805</u>	<u>1,543,688</u>	<u>11,585</u>	<u>2,510,078</u>	<u>426,899</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Amounts received (paid) to other funds	(3,142,663)	(2,419,533)	950,778	(4,611,418)	
CASH (USED) PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>(3,142,663)</u>	<u>(2,419,533)</u>	<u>950,778</u>	<u>(4,611,418)</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets purchased	(384,843)	(1,055,668)	(902,180)	(2,342,691)	(148,417)
Capital revenues received	332,951	235,879		568,830	
Proceeds from disposal of capital assets					40,352
Principal paid on long-term liabilities	(141,894)	(876,722)		(1,018,616)	(238,621)
Proceeds from long-term liabilities	5,760			5,760	
Interest paid on long-term liabilities	(67,730)	(102,072)	(130,911)	(300,713)	(40,049)
CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(255,756)</u>	<u>(1,798,583)</u>	<u>(1,033,091)</u>	<u>(3,087,430)</u>	<u>(386,735)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Collection of interest and investment revenue	246,706	288,660	8,870	544,236	12,448
CHANGE IN CASH AND CASH EQUIVALENTS	<u>(2,196,908)</u>	<u>(2,385,768)</u>	<u>(61,858)</u>	<u>(4,644,534)</u>	<u>52,612</u>
Cash and cash equivalents, beginning of year	19,633,747	8,196,911	549,510	28,380,168	1,240,051
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 17,436,839</u>	<u>\$ 5,811,143</u>	<u>\$ 487,652</u>	<u>\$ 23,735,634</u>	<u>\$ 1,292,663</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and investments	\$ 11,103,665	\$ 5,264,859	\$ 487,652	\$ 16,856,176	\$ 1,292,663
Restricted cash and investments	6,333,174	546,284		6,879,458	
CASH AND CASH EQUIVALENTS	<u>\$ 17,436,839</u>	<u>\$ 5,811,143</u>	<u>\$ 487,652</u>	<u>\$ 23,735,634</u>	<u>\$ 1,292,663</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 120,729	\$ (366,686)	\$ (198,349)	\$ (444,306)	\$ (137,504)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and amortization	1,274,314	1,746,613	222,255	3,243,182	425,012
Operating transfers in					5,157
Changes in operating assets and liabilities:					
Accounts receivable, net	209,813	75,751	3,646	289,210	11,504
Prepaid expenses	(1,248)	(1,092)	(96)	(2,436)	(17,243)
Accounts payable and accrued expenses	(486,712)	(54,216)	(27,985)	(568,913)	143,554
Deposits	3,209			3,209	
Compensated absences	(5,330)	(22,060)		(27,390)	2,515
Changes in pension and OPEB liabilities and related deferred outflows and inflows of resources:					
Deferred outflows of resources - pension plan	(376,673)	(465,097)	(4,238)	(846,008)	(76,599)
Net pension liability	814,894	1,006,189	9,012	1,830,095	166,388
Deferred inflows of resources - pension plan	(400,867)	(493,804)	677	(893,994)	(103,419)
Deferred outflows of resources - OPEB plans	178,104	(175,497)	(7,468)	(4,861)	(16,399)
Net OPEB liability	(240,846)	410,603	13,755	183,512	46,305
Deferred inflows of resources - OPEB plans	(134,582)	(117,016)	376	(251,222)	(22,372)
CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 954,805</u>	<u>\$ 1,543,688</u>	<u>\$ 11,585</u>	<u>\$ 2,510,078</u>	<u>\$ 426,899</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES					
Change in capital asset purchases payable	\$ (153,608)	\$ (256,172)		\$ (409,780)	
Transfer of capital assets to (from) other opinion units	\$ 228,994	\$ (17,130)		\$ 211,864	

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

CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Total Custodial Funds
ASSETS	
Cash and investments	\$ 4,937,174
Restricted cash and investments	3,844,498
Taxes receivable	61,111
Interest receivable	40,837
TOTAL ASSETS	<u>8,883,620</u>
LIABILITIES	
Accounts payable	46,561
Accrued interest payable	278,893
TOTAL LIABILITIES	<u>325,454</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>8,558,166</u>
TOTAL NET POSITION	<u><u>\$ 8,558,166</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, 2023

	<u>Total Custodial Funds</u>
ADDITIONS	
Other taxes	\$ 259,952
Special assessments	2,328,853
Interest and investment earnings	203,962
TOTAL ADDITIONS	<u>2,792,767</u>
DEDUCTIONS	
Maintenance and operations	416,762
Debt Service:	
Principal	993,400
Interest and other charges	427,218
TOTAL DEDUCTIONS	<u>1,837,380</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	955,387
Net position , beginning of year	<u>7,602,779</u>
NET POSITION, END OF YEAR	<u><u>\$ 8,558,166</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, 2023

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, 2023

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, 2023

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, proprietary and fiduciary 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.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other*

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023

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 include 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.

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 increases the usefulness of governments' financial statements by requiring recognition of certain subscription assets and outflows of resources based on the payment provisions of the contract. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in exchange or exchange-like transaction. The City recognizes SBITA intangible right-to use assets for contracts that are both material and with contracts with options to extend that are reasonably certain to be exercised greater than 1 year. Periods for which both the City have an option to terminate the SBITA without permission from the other party are excluded from being recognized as SBITA intangible right-to use assets and liabilities. The City implemented this statement during the year ended June 30, 2023. There was no effect on the beginning fund balance or net position due to the implementation of this Statement. SBITAs recognized due to the implementation of this Statement totaled \$319,155, which were reported as additions of subscription assets and liabilities in Notes F and G, respectively.

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. The City determined this Statement did not apply to the City during the year ended June 30, 2023.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. This Statement enhances

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 100, Accounting Changes and Error Corrections, an Amendment of GASB Statement No. 62. This Statement prescribes the accounting and financial reporting for each type of accounting change, including changes in accounting principles, changes in accounting estimates and changes to or within the financial reporting entity, and error corrections. This Statement requires changes in accounting principles and error corrections to be reported retroactively by restating prior periods; requires changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period; and requires changes in accounting estimates to be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of new pronouncements in absence of specific transition provisions in the new pronouncement. This Statement also requires the aggregate amount of adjustments to and restatements of beginning net position, fund balance or fund net position, as applicable, to be displayed by reporting unit in the financial statements. Furthermore, this Statement requires information presented in required supplementary information or supplementary information to be restated for error corrections, if practicable, but not for changes in accounting principles. The provisions of this Statement are effective for accounting changes and error corrections made in fiscal years 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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, Affordable Housing Capital Project Fund, Gas Tax Special Revenue Fund, General Plan Update Special Revenue Fund, Utility Underground 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, 2023 by \$24,206, \$119,508, \$477,395, \$215,337, \$160,000 and \$153,433, 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE C – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2023 consisted of the following:

Cash and investments	\$ 67,862,916
Restricted cash and investments	<u>7,426,162</u>
Total cash and investments of primary government	75,289,078
Cash and investments in Fiduciary Funds	4,937,174
Restricted cash and investments in Fiduciary Funds	<u>3,844,498</u>
Total cash and investments	<u>\$ 84,070,750</u>
Cash on hand	\$ 2,300
Deposits with financial institutions	2,364,285
Investments:	
Held by City	77,883,021
Held by fiscal agents	<u>3,821,144</u>
Total investments	<u>81,704,165</u>
Total cash and investments	<u>\$ 84,070,750</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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE C – CASH AND INVESTMENTS (Continued)

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

Investments Authorized by Debt Agreements

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

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE C – CASH AND INVESTMENTS (Continued)

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
Bankers' Acceptances	360 days	A-1
U.S. Treasury Bills and Notes	None	N/A
State General Obligations	None	A
Municipal Obligations	None	Aaa/AAA
U.S. Government Agency Securities	None	AAA
U.S. Government Sponsored Securities	None	AAA
Federal Housing Administration Debentures	None	N/A
Medium Term Notes	5 year	A
Commercial Paper	270 days	A-1+
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, 2023

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)	\$ 54,980,631			\$ 54,980,631
U.S. Treasury Notes		\$ 3,339,988	\$ 5,809,077	9,149,065
U.S. Government Agency Obligations	312,223	3,527,122		3,839,345
U.S. Corporate Obligations	721,012	3,345,988	1,836,843	5,903,843
Money Market Mutual Funds	4,070,170			4,070,170
Asset-Backed Securities	607	983,872	1,272,731	2,257,210
Supranational Note		912,864		912,864
Collateralized Mortgage Obligations		145,607	445,430	591,037
Total investments	60,084,643	12,255,441	9,364,081	81,704,165
Cash on hand	2,300			2,300
Cash in bank	2,364,285			2,364,285
Total cash and investments	\$ 62,451,228	\$ 12,255,441	\$ 9,364,081	\$ 84,070,750

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 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, 2023, the average maturity of investments in LAIF was 260 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, 2023:

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE C – CASH AND INVESTMENTS (Continued)

Investment Type	Aa2/AA						Ba1/BB+	Total
	Aaa/AAA	Aa1/AA+	Aa3/AA-	A1/A+	A2/A	A3/A-		
U.S. Government Agencies		\$3,839,345						\$ 3,839,345
U.S. Corporate Obligations		413,748	\$566,620	\$585,221	\$1,443,797	\$2,832,218	\$ 62,239	5,903,843
Money Market Mutual Funds	\$4,070,170							4,070,170
Asset-Backed Securities	2,257,210							2,257,210
Supranational Note	912,864							912,864
Collateralized Mortgage Obligations	591,037							591,037
Totals	<u>\$7,831,281</u>	<u>\$4,253,093</u>	<u>\$566,620</u>	<u>\$585,221</u>	<u>\$1,443,797</u>	<u>\$2,832,218</u>	<u>\$ 62,239</u>	17,574,469
Not rated:								
LAIF								54,980,631
Exempt from credit rating disclosure:								
U.S. Treasury Notes								<u>9,149,065</u>
Total investments								<u>\$81,704,165</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, 2023 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, 2023, the City had \$3,987,879 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, 2023

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, 2023:

	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	\$ 9,149,065		\$ 9,149,065	
U.S. Government Agency Obligations	3,839,345		3,839,345	
U.S. Corporate Obligations	5,903,843		5,903,843	
Asset-Backed Securities	2,257,210		2,257,210	
Supranational Note	912,864		912,864	
Collateralized Mortgage Obligations	591,037		591,037	
Total investments by fair value level	<u>22,653,364</u>	<u>\$ -</u>	<u>\$ 22,653,364</u>	<u>\$ -</u>
Investments uncategorized:				
LAIF	54,980,631			
Negotiable Certificates of Deposit				
Money Market Mutual Funds	<u>4,070,170</u>			
Total investments	<u>\$ 81,704,165</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, 2023

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, 2023 were as follows:

Fund Making Transfer	Fund Receiving Transfers	Amount Transferred
General Fund	City Capital Projects Fund	\$ 700,000 (C)
	Cabernet Village Lease Debt Service Fund	98,235 (C)
	Engie City Debt Service Fund	17,750 (A)
Major Governmental Funds:		
State and Federal Grants-City Special Revenue	City Capital Projects Fund	405,143 (B)
	General Fund	30,346 (C)
	Recycled Water Enterprise Fund	280 (B)
City Capital Projects	Fire Operatsion Special Revenue	268,746 (B)
Affordable Housing Captail Projects	City Capital Projects Fund	70,492 (A)
Major Enterprise Funds:		
Water	General Fund	1,261,666 (A)
	Wastewater Enterprise Fund	27,453 (A)
	City Capital Projects Fund	158,804 (B)
Wastewater	General Fund	985,592 (A)
	City Capital Projects Fund	166,493 (B)
Recycled Water	General Fund	52,980 (E)
	City Capital Projects Fund	278,482 (E)
Nonmajor Special Revenue Funds:		
Storm Drainage	General Fund	384,308 (D)
	City Capital Projects Fund	449,626 (B)
Measure T- Streets and Roads	City Capital Projects Fund	1,051,704 (B)
Gas Tax	General Fund	300,000 (A)
	City Capital Projects Fund	677,495 (B)
State Supplemental Law Enforcement	General Fund	166,833 (A)
Community Facilities District	City Capital Projects Fund	1,535,734 (B)
Nonmajor Capital Projects Funds:		
Park Improvement	City Capital Projects Fund	28,235 (B)
Traffic Impact	City Capital Projects Fund	9,825 (B)
Utility Underground	City Capital Projects Fund	160,000 (A)
Zero Water Footprint	Recycled Water Enterprise Fund	14,910 (A)
Nonmajor Debt Service Funds:		
Engie City	Wastewater Enterprise Fund	153,435 (B)
		<u>\$ 9,454,567</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, 2023, the following funds have interfund balances.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE D – INTERFUND TRANSACTIONS (Continued)

Fund Making Loan	Fund Receiving Loan	Amount
General Fund	Internal Service Funds:	
	Legal Internal Service Fund	\$ 246,863
	Nonmajor Special Revenue Funds:	
	Cannabis Fund	14,632
	Community Facilities District	1,217,350
	General Plan Update	162,211
	Nonmajor Debt Service Funds:	
	Engie City	17,750
Fire District Operations Special Revenue	Nonmajor Debt Service Funds:	
	Engie Fire	35,727
	Total Due To/Due From Other Funds	<u>\$ 1,694,533</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 retroactively to the rate earned by 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. In 2023, the Water Enterprise Fund advanced the Recycled Water Enterprise Fund an additional \$1,136,140 for the Recycled Water System Expansion Project. As of June 30, 2023, the Recycled Water Fund owed \$6,808,733 including accrued interest on the advances, \$5,539,179 to the Water Fund and \$1,269,544 to the Wastewater Fund. The City intends to establish service charges in the Recycled Water Fund sufficient to repay the advance over the 15-year useful life of the capital assets.

NOTE E – LOANS RECEIVABLE

At June 30, 2023, the City had the following loans receivable:

BEGIN Program	\$ 8,175,452
Satellite Affordable Housing Association	3,059,326
Mid-Peninsula Housing Coalition Loan	2,162,319
HOME Program	1,632,318
CDBG Housing Rehabilitation Program	408,960
CalHome Program	261,648
Other	51,976
	<u>15,751,999</u>
Valuation allowance	<u>(8,081,827)</u>
Loans, net	<u>\$ 7,670,172</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE E – LOANS RECEIVABLE (Continued)

BEGIN Program

The City was awarded \$1,080,000 (\$30,000 each for 36 homes) from the State of California on August 17, 2005, plus an additional \$6,038,900, from Mid-Peninsula Housing Coalition (MPHC), a non-profit organization, to grant loans to qualified low-income home buyers at Vineyard Place, a subdivision comprised of 45 single-family detached homes. Loan payments are deferred for the life of the loan, or until the homeowner sells the home, whichever occurs sooner. The loans will be forgiven, in stages, commencing in the 26th year of the loan, and totally forgiven after 30 years. As of June 30, 2023, residents owed the City \$8,081,827 in loans offered by this program, which includes \$2,862,927 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 \$93,625, including accrued interest, which are not required to be forgiven. However, if the amount of net sale proceeds is less than the amount due under the loan, the City may forgive the loan to the extent that the amount due under the loan exceeds the net sale proceeds.

Satellite Affordable Housing Association Loan

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

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

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

As of June 30, 2023, the loan balance was \$3,059,326.

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, 2023, the loan balance was \$2,162,319.

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, 2023, residents owed the City \$1,632,318 in loans offered by this program, including accrued interest.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE E – LOANS RECEIVABLE (Continued)

CDBG Housing Rehabilitation Program

The City administers a Housing Rehabilitation Loan Program using the Housing and Community Development Act funds. Under this program, residents with incomes below a certain level are eligible to receive low interest loans, secured by deeds of trust, for construction work on their homes. Federal grants are used to fund these loans. Upon approval of loans, the City disburses the funds, and arranges for and collects repayments. These loans generally have interest rates of 3%, although some are zero-interest-rate loans, and are generally due upon transfer of the home or refinancing. As of June 30, 2023, residents owed the City \$408,960 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, 2023, residents owed the City \$261,648 in loans offered by this program.

NOTE F – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The City defines capital assets as equipment, vehicles, furniture and fixtures with an initial individual cost of more than \$5,000 (\$50,000 for infrastructure type assets) and an estimated useful life in excess of one year (30-75 years for infrastructure 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, 2023

NOTE F – CAPITAL ASSETS (Continued)

Capital Asset Additions and Retirements

Capital assets at June 30, 2023 consisted of the following:

	Balance July 01, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
<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	12,745,281	\$ 5,296,649	\$ (1,825,255)	\$ (7,454,764)	8,761,911
Total capital assets, not being depreciated	188,095,906	5,296,649	(1,825,255)	(7,454,764)	184,112,536
Capital assets, being depreciated:					
Buildings and improvements	51,201,341	14,766	(2,777,763)	1,208,946	49,647,290
Machinery and equipment	8,622,466	90,361	(229,829)		8,482,998
Infrastructure - streets and storm drains	92,289,491			6,457,682	98,747,173
Lease assets - equipment	244,687	1,061,915			1,306,602
Subscription assets		347,939			347,939
Total capital assets, being depreciated	152,357,985	1,514,981	(3,007,592)	7,666,628	158,532,002
Less accumulated depreciation for:					
Buildings and improvements	(24,309,749)	(1,642,141)	2,777,763		(23,174,127)
Machinery and equipment	(6,280,835)	(510,716)	194,667		(6,596,884)
Infrastructure - streets and storm drains	(34,655,178)	(2,169,418)			(36,824,596)
Lease assets - equipment	(42,951)	(120,851)			(163,802)
Subscription assets		(102,810)			(102,810)
Total accumulated depreciation	(65,288,713)	(4,545,936)	2,972,430		(66,862,219)
Capital assets being depreciated, net	87,069,272	(3,030,955)	(35,162)	7,666,628	91,669,783
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 275,165,178	\$ 2,265,694	\$ (1,860,417)	\$ 211,864	\$ 275,782,319

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, including all lease and subscription assets.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE F – CAPITAL ASSETS (Continued)

	Balance at June 30, 2022	Additions	Retirements	Transfers	Balance at June 30, 2023
<u>Business-Type Activities</u>					
Capital assets, not being depreciated:					
Land and improvements	\$ 2,208,769				\$ 2,208,769
Construction in progress	8,892,209	\$ 1,035,071	\$ (33,880)	\$ (5,729,945)	4,163,455
Total capital assets, not being depreciated	11,100,978	1,035,071	(33,880)	(5,729,945)	6,372,224
Capital assets, being depreciated:					
Buildings and improvements	7,879,811			5,050,198	12,930,009
Water treatment and distribution	40,319,403				40,319,403
Equipment	3,293,101	925,960			4,219,061
Wastewater treatment and collection	35,061,638			467,883	35,529,521
Recycled Water Treatment and Distribution	5,871,108				5,871,108
Subscription technology		5,760			5,760
Total capital assets, being depreciated	92,425,061	931,720		5,518,081	98,874,862
Less accumulated depreciation for:					
Buildings and improvements	(4,988,969)	(300,664)			(5,289,633)
Water treatment and distribution	(22,502,348)	(1,196,657)			(23,699,005)
Equipment	(2,497,330)	(410,761)			(2,908,091)
Wastewater treatment and collection	(19,458,409)	(1,140,049)			(20,598,458)
Recycled Water Treatment and Distribution	(2,254,628)	(194,811)			(2,449,439)
Subscription technology		(240)			(240)
Total accumulated depreciation	(51,701,684)	(3,243,182)			(54,944,866)
Capital assets being depreciated, net	40,723,377	(2,311,462)		5,518,081	43,929,996
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 51,824,355	\$ (1,276,391)	\$ (33,880)	\$ (211,864)	\$ 50,302,220

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	\$ 359,494
Public works	3,663,747
Storm drain	522,695
Total Governmental Activities	\$ 4,545,936

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE F – CAPITAL ASSETS (Continued)

Business-type Activities:	
Water	\$ 1,274,314
Wastewater	1,746,613
Recycled Water	<u>222,255</u>
Total Business-type Activities	<u>\$ 3,243,182</u>

Project Commitments

At June 30, 2023, the City had outstanding commitments with contractors for the following projects:

<u>Project</u>	<u>Remaining Commitment</u>
Transportation projects	\$ 2,762,922
Recycled water projects	2,404,170
Parks projects	1,500,590
Civic facilities	198,854
Wastewater projects	103,431
Planning projects	<u>4,940</u>
	<u>\$ 6,974,907</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

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, 2023:

	Original Amount	Balance July 01, 2022	Additions	Retirements	Balance June 30, 2023	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	\$ 372,395
Bank of America ENGIE Financed Purchase 1.79%, due 06/01/36	5,209,209	802,001		\$ (41,371)	760,630	44,398
Municipal Asset Management, Inc. Financed Purchase - 2.96% due 06/17/24	314,188	69,026		(34,714)	34,312	34,312
Bank of America Fire Engine Financed Purchase 2.56%, due 12/01/29	1,842,000		\$ 1,842,000	(102,000)	1,740,000	238,000
Enterprise Lease Liability	1,306,602	234,459	1,090,913	(201,306)	1,124,066	233,110
Subscription Liability	342,439		342,439	(109,146)	233,293	75,256
Total direct borrowings and direct placements		5,674,550	3,275,352	(488,537)	8,461,365	997,471
Compensated absences		748,333	803,133	(825,211)	726,255	684,682
Claims and judgments		2,133,981		(2,020,343)	113,638	113,638
Net pension liability		7,923,101	8,595,641		16,518,742	
Other postemployment benefits		5,799,544	3,179,324		8,978,868	
Total Governmental Long-Term Liabilities		22,279,509	12,578,098	(3,334,091)	34,798,868	<u>\$ 1,795,791</u>
Less: Amount due within one year		(2,917,374)			(1,795,791)	
Total Governmental Long-Term Liabilities, Net		<u>\$ 19,362,135</u>	<u>\$ 12,578,098</u>	<u>\$ (3,334,091)</u>	<u>\$ 33,003,077</u>	

The Municipal Asset Management, Inc. lease, Enterprise Lease Liability, and subscription liability are reported in Internal Service Funds, so no principal payment expense and no other financing sources for the issuance of the leases and subscriptions is reported in governmental funds.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE G – LONG-TERM LIABILITIES (Continued)

	Original Amount	Balance July 01, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
<u>Business-type Activities</u>						
State of California Davis-Grunsky Loan						
2.5%, due 12/31/27	\$ 2,050,000	\$ 432,406		\$ (72,141)	\$ 360,265	\$ 73,947
State Water Resources Control Board, State Revolving Fund Loan						
2.7%, due 07/15/22	10,859,470	722,377		(722,377)		
Bank of America						
ENGIE Financed Purchase						
1.79%, due 06/01/36	5,209,209	4,232,536		(218,338)	4,014,198	234,306
Subscription Liability			\$ 5,760	(5,760)		
Total direct borrowings and direct placements		5,387,319	5,760	(1,018,616)	4,374,463	308,253
Add: Unamortized interest on						
Davis-Grunsky Loan		72,834		(11,513)	61,321	
Compensated absences		229,691	233,865	(261,255)	202,301	164,140
Net pension liability		1,156,694	1,830,095		2,986,789	
Other postemployment benefits		1,467,792	183,512		1,651,304	
Total Business-type Long-Term Liabilities		8,314,330	2,253,232	(1,291,384)	9,276,178	\$ 472,393
Less: Amount due within one year		(1,145,950)			(472,393)	
Total Business-type Activity Liabilities		\$ 7,168,380	\$ 2,253,232	\$ (1,291,384)	\$ 8,803,785	

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, 2023

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.

Fire Engine Financed Purchase Agreement

In August 2022, the Fire District entered into a purchase arrangement with a bank in the amount of \$1,842,000 for two fire trucks and equipment. Debt service will be funded from the revenue of the Fire District Fund. The contract rate is 2.56%. Monthly principal and interest payments ranging from \$138,640 to \$150,909 are due on July 1 and December 1 through December 1, 2029. 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.

Enterprise Lease Liability

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 seven vehicles in 2022 and 17 vehicles in 2023 under the agreement with payments of \$57,934 per year starting in 2023 and final payments of \$43,908 in 2028 through May 31, 2028. 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 City used a weighted average discount rate of 5.96% charged by the lessor. The lease assets are being amortized over 5.0 years, which is the remaining term of the current leases. As of June 30, 2023, the cost and accumulated amortization of the lease vehicles were \$1,306,602 and \$163,802, respectively. The agreement contains a default interest rate of the lesser of 18% or the highest rate permitted by law.

Subscription Based Information Technology Agreements (SBITA)

The City entered into four SBITA contracts for productivity software. The City is required to make yearly payments ranging from \$42,343 to \$86,830 through July 1, 2026. The subscription agreements were discounted using a rate of 5.00%. The discount rates were based on the estimated incremental borrowing rate of the City at the SBITA commencement dates. Subscription asset cost was \$347,959 and \$5,760 and accumulated amortization was \$102,810 and \$240 for the governmental activities and business-type activities, respectively, as of June 30, 2023.

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 \$4,466. 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE G – LONG-TERM LIABILITIES (Continued)

State of California Revolving Fund Loan

The City obtained a \$10,859,470 loan from the State of California Department of Water Resources under the State Revolving Loan Program for the purpose of obtaining financing to construct the City’s wastewater treatment plant. The loan bears interest at 2.7% and is secured by a pledge of the City to maintain dedicated sources of revenue sufficient in amounts to provide for repayment of the loan.

Principal and interest on the loan is payable in annual installments of \$741,881 due each July 15 through 2022. 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 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, 2023 were as follows:

Year Ending June 30:	Governmental Activities							
	Loans		Leases		Subscriptions		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 689,105	\$ 153,637	\$ 233,110	\$ 59,159	\$ 75,256	\$ 11,574	\$ 997,471	\$ 224,370
2025	678,017	137,533	247,162	45,108	79,106	7,724	1,004,285	190,365
2026	698,183	121,966	262,072	30,197	38,481	3,862	998,736	156,025
2027	720,549	105,902	266,536	14,466	40,450	1,893	1,027,535	122,261
2028	742,824	89,348	115,186	2,654			858,010	92,002
2029-2033	2,893,887	224,440					2,893,887	224,440
2034-2038	681,441	13,693					681,441	13,693
Totals	\$ 7,104,006	\$ 846,519	\$ 1,124,066	\$ 151,584	\$ 233,293	\$ 25,053	\$ 8,461,365	\$ 1,023,156

Year Ending June 30:	Business-type Activities	
	Principal	Interest
2024	\$ 308,253	\$ 78,945
2025	326,856	72,765
2026	333,726	66,335
2027	361,867	59,596
2028	354,921	52,394
2029-2033	1,526,475	176,825
2034-2038	1,162,365	32,047
	\$ 4,374,463	\$ 538,907

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE G – LONG-TERM LIABILITIES (Continued)

The Water and Wastewater Funds have pledged a portion of their net revenue to repay \$2,050,000 for the State of California Davis-Grunsky loan and \$10,859,470 for the State of California Revolving Fund loan to finance certain capital improvements. Total principal and interest remaining on the Water Fund loans through 2028 is \$386,342. During fiscal year 2023, the principal and interest paid by the Water and Wastewater Funds for these loans was \$82,951 and \$741,881, respectively. The Water Fund and the Wastewater Funds had net revenues of \$2,030,490 and \$1,951,864, respectively, during fiscal year 2023.

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, 2023.

Special Assessment Debt Without City Commitment

At June 30, 2023, 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	\$ 3,305,500
American Canyon Road East AD Refunding Revenue Bonds, Series 2015	9,360,000
Community Facilities District No. 2018-1 (Green Island Road Project) Special Tax Revenue Bonds, Series 2020	5,000,000

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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

Fund Balance: Governmental fund balances represent the net current assets of each fund. Net current assets consists of a fund's assets and deferred outflows of resources over liabilities and deferred inflows of resources.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE H – NET POSITION AND FUND BALANCES (CONTINUED)

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

Fund balances of governmental funds were categorized as follows as of June 30, 2023:

	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	57,812							57,812
Total Nonspendable	475,315							475,315
Restricted:								
Public safety								
Fire District capital acquisition							\$ 1,419,737	1,419,737
Vehicle enforcement	144,765							144,765
Other		\$ 445,319					10,541	455,860
Public works								
Capital projects				\$ 81,957	\$ 1,290,386		6,973,462	8,345,805
Non-capital projects							7,193,016	7,193,016
Landscaping and lighting districts							3,208,878	3,208,878
Storm drain projects							5,814,903	5,814,903
Community development, planning and building	937,082		\$ 115,903			\$ 310,074	107,883	1,470,942
Parks								
La Vigne Open Space							178,225	178,225
Newell Park Open Space							249,861	249,861
Other							1,694,129	1,694,129
Other activities	104,059							104,059
Total Restricted	1,185,906	445,319	115,903	81,957	1,290,386	310,074	26,850,635	30,280,180
Committed:								
Contingency	6,615,030	1,392,733						8,007,763
Capital projects	1,300,000							1,300,000
Total Committed	7,915,030	1,392,733						9,307,763
Assigned:								
Economic development	1,000,000							1,000,000
Fire operations		3,912,325						3,912,325
Total Assigned	1,000,000	3,912,325						4,912,325
Unassigned:	4,724,240						(1,983,835)	2,740,405
Total Fund Balance	\$ 15,300,491	\$ 5,750,377	\$ 115,903	\$ 81,957	\$ 1,290,386	\$ 310,074	\$ 24,866,800	\$ 47,715,988

Net Position and Fund Equity Deficits

The Recycled Water Enterprise Fund, Cannabis Special Revenue Fund, Community Facility District Special Revenue Fund, General Plan Update Special Revenue Fund, Engie City Debt Service Fund Engie Fire Debt Service Fund and Legal Internal Service Fund had deficit fund balances or net position of \$1,316,446, \$14,632, \$1,748,543, \$162,211, \$17,750, \$40,699 and \$308,268, respectively, at June 30, 2023. The 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, 2023

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, 2023, the City made contributions of \$34,418 and employees made contributions of \$390,207 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, 2023

NOTE J – PENSION PLANS (Continued)

The Plan’s provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>City Miscellaneous</u>	<u>City PEPRA Miscellaneous</u>	<u>Fire Protection Miscellaneous</u>
	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	11.610%	7.760%	7.470%
	<u>Safety Fire First Tier</u>	<u>Safety Fire Second Tier</u>	<u>Safety Fire PEPRA</u>
	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	23.750%	21.840%	12.780%

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, 2023

NOTE J – PENSION PLANS (Continued)

For the year ended June 30, 2023, the contributions paid to Plan were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
Contributions - employer	\$ 1,386,650	\$ 1,084,498	\$ 6,686	\$ 2,477,834

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources: As of June 30, 2023, 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	\$10,068,806
Fire Safety Risk Pool	9,419,097
Fire Miscellaneous Risk Pool	<u>17,628</u>
Total Net Pension Liability	<u>\$19,505,531</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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2023 and 2022 were as follows:

	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool
Proportion - June 30, 2022	0.21322%	0.14211%	0.00230%
Proportion - June 30, 2023	<u>0.21518%</u>	<u>0.13707%</u>	<u>0.00038%</u>
Change - increase (decrease)	0.00196%	-0.00504%	-0.00193%

For the year ended June 30, 2023, the City recognized pension expense (credit) of \$1,447,847, \$536,316, and \$(15,630) for the City Miscellaneous Risk Pool, Fire Safety Risk Pool, Fire Miscellaneous Risk Pool and in total for the Plan, respectively. At June 30, 2023, 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, 2023

NOTE J – PENSION PLANS (Continued)

City Miscellaneous Risk Pool	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,386,650	
Differences between actual and expected experience	202,203	\$ (135,428)
Changes in assumptions	1,031,760	
Change in employer's proportion	269,677	
Differences between the employer's contribution and the employer's proportionate share of contributions		(620,563)
Net differences between projected and actual earnings on plan investments	1,844,338	
Total	\$ 4,734,628	\$ (755,991)
<u>Fire Safety Risk Pool</u>		
Pension contributions subsequent to measurement date	\$ 1,084,498	
Differences between actual and expected experience	389,822	\$ (102,284)
Changes in assumptions	949,730	
Change in employer's proportion	415,812	
Differences between the employer's contribution and the employer's proportionate share of contributions		(656,534)
Net differences between projected and actual earnings on plan investments	1,487,407	
Total	\$ 4,327,269	\$ (758,818)
<u>Fire Miscellaneous Risk Pool</u>		
Pension contributions subsequent to measurement date	\$ 6,686	
Differences between actual and expected experience	354	\$ (237)
Changes in assumptions	1,806	
Change in employer's proportion		(54,084)
Differences between the employer's contribution and the employer's proportionate share of contributions	30,586	
Net differences between projected and actual earnings on plan investments	3,229	
Total	\$ 42,661	\$ (54,321)
Total for Plan	\$ 9,104,558	\$ (1,569,130)

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:

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE J – PENSION PLANS (Continued)

Year Ended June 30	City Miscellaneous Risk Pool	Fire Safety Risk Pool	Fire Miscellaneous Risk Pool	Total
2024	\$ 615,419	\$ 701,172	\$ (6,212)	\$ 1,310,379
2025	541,764	552,444	(7,836)	1,086,372
2026	306,744	323,000	(6,273)	623,471
2027	1,128,060	907,337	1,975	2,037,372
	<u>\$ 2,591,987</u>	<u>\$ 2,483,953</u>	<u>\$ (18,346)</u>	<u>\$ 5,057,594</u>

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal Cost Method
Amortization method	Level percent of payroll
Asset valuation method	Market value
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	2.80%
Projected salary increase	0.2% - 7.64% Miscellaneous and 0.77% to 15.49% Safety (1)
Investment rate of return	6.9% (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 6.9% for each risk pool, which declined from 7.15% at June 30, 2022. 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 discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE J – PENSION PLANS (Continued)

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

The table below reflects the long-term expected real rate of return by asset class for 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 (a)
Global Equity- Cap-Weighted	30.0%	4.54%
Global Equity- Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(a) An expected inflation of 2.30% 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	5.90%	5.90%	5.90%	5.90%
Net pension liability	\$16,222,381	\$13,976,432	\$ 20,259	\$30,219,072
Current discount rate	6.90%	6.90%	6.90%	6.90%
Net pension liability	\$10,068,806	\$ 9,419,097	\$ 17,628	\$19,505,531
1% increase	7.90%	7.90%	7.90%	7.90%
Net pension liability	\$ 5,005,941	\$ 5,694,506	\$ 15,463	\$10,715,910

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE J – PENSION PLANS (Continued)

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, 2023, the City had no significant contributions payable to the Plan.

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 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, 2023, the City’s and employee contributions to the 401a Plan were \$50,629 and \$60,583, 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.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Covered dependents of eligible retirees include spouses, domestic partners, and children under age 26 and never married (or any age if handicapped, subject to CalPERS approval). Surviving spouses of deceased retirees are covered for life on the same basis as when the retiree was alive. There are no benefits for surviving spouses or dependent children of active employees beyond COBRA continuation.

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

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

For employees hired on or after June 1, 2010, the Fire Plan has vesting requirements. Under the vesting program, employees must have ten years of CalPERS service, five of which must be with the City, to receive a contribution of 50%. An additional 5% contribution is received for each additional year of service up a 100% contribution after 20 years of service. The premium paid by the Fire Plan for employees hired on or after June 1, 2010 is subject to a cap. For 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><u>127</u></u>	<u><u>32</u></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, 2023, the City’s direct payments of insurance premiums were \$441,003, implicit subsidy was \$204,211 and cash contributions to the trust were \$236,849, resulting in total contributions of \$882,063. During the fiscal year ended June 30, 2023, the Fire District’s direct payments of insurance premiums were \$261,156 and the implicit subsidy was \$111,733, resulting in total contributions of \$372,889. The City and Fire District make contributions to the CERBT, which is administered by CalPERS.

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Net OPEB Liability: The City and Fire District's net OPEB liabilities were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by actuarial valuations as of June 30, 2021.

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, 2022	June 30, 2022
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	5.60%	6.15%
Inflation	2.50%	2.50%
Salary increases	3.00%	3.00%
Investment rate of return	5.60%	6.15%
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	5.6% grading down to 4% in 2076	5.6% 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%

The healthcare trend shown above was developed using the Getzen Model 2021_b published by the Society of Actuaries. 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 has elected the CERBT Strategy 2 portfolio and the Fire District has 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, 2023

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	34.0%	49.0%	6.80%	6.80%
Fixed income	41.0%	23.0%	4.50%	4.50%
Real estate investment trusts (REITs)	17.0%	20.0%	6.20%	6.20%
Treasury inflation protected securities (TIPS)	5.0%	5.0%	3.60%	3.60%
Commodities	3.0%	3.0%	3.50%	3.50%
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 5.60% and 6.15%, respectively. The City discount rate was lowered from 6.00% to 5.60% and the Fire District discount rate was lowered from 7.00% to 6.150%, 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, 2023:

City Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022	\$ 12,529,860	\$ 7,381,518	\$ 5,148,342
Changes in the year:			
Service cost	517,905		517,905
Interest	766,260		766,260
Changes in assumptions	684,550		684,550
Difference between expected and actual experience			
Contributions - employer		885,236	(885,236)
Net investment income		(1,005,664)	1,005,664
Benefit payments	(553,536)	(553,536)	
Administrative expenses		(1,901)	1,901
Net changes	<u>1,415,179</u>	<u>(675,865)</u>	<u>2,091,044</u>
Balance at June 30, 2023	<u>\$ 13,945,039</u>	<u>\$ 6,705,653</u>	<u>\$ 7,239,386</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

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, 2022	\$ 6,144,263	\$ 4,025,269	\$ 2,118,994
Changes in the year:			
Service cost	198,928		198,928
Interest	432,889		432,889
Difference between expected and actual experience			
Changes in assumptions	681,322		681,322
Contributions - employer		621,817	(621,817)
Net investment income		(579,397)	579,397
Benefit payments	(318,137)	(318,137)	
Administrative expenses		(1,073)	1,073
Net changes	995,002	(276,790)	1,271,792
Balance at June 30, 2023	\$ 7,139,265	\$ 3,748,479	\$ 3,390,786
Total City and Fire Plans	\$ 21,084,304	\$ 10,454,132	\$ 10,630,172

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
	4.60%	Discount Rate 5.60%	6.60%
Net OPEB liability - City Plan	\$ 9,213,968	\$ 7,239,386	\$ 5,624,990

	1% Decrease	Current	1% Increase
	5.15%	Discount Rate 6.15%	7.15%
Net OPEB liability - Fire Plan	\$ 4,349,291	\$ 3,390,786	\$ 2,600,245

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	\$ 5,489,651	\$ 7,239,386	\$ 9,407,942

	1% Decrease	Current	1% Increase
		Healthcare Cost Trend Rates	
Net OPEB liability - Fire Plan	\$ 2,579,629	\$ 3,390,786	\$ 4,383,284

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources: For the year ended June 30, 2023, the City and Fire District recognized OPEB expense of \$1,379,114 and \$355,218, respectively, for a total OPEB expense of \$1,734,332.

At June 30, 2023, 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	\$ 882,063	
Differences between actual and expected experience	66,681	\$ (198,209)
Changes in assumptions	2,417,253	
Net differences between projected and actual earnings on plan investments	564,589	
Total - City Plan	<u>\$ 3,930,586</u>	<u>\$ (198,209)</u>
Fire Plan		
OPEB contributions subsequent to measurement date	\$ 372,889	
Differences between actual and expected experience		\$ (775,530)
Changes in assumptions	920,958	(47,823)
Net differences between projected and actual earnings on plan investments	354,947	
Total - Fire Plan	<u>\$ 1,648,794</u>	<u>\$ (823,353)</u>
Total - City and Fire Plans	<u>\$ 5,579,380</u>	<u>\$ (1,021,562)</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
2024	\$ 548,655	\$ 17,993	\$ 566,648
2025	538,269	13,703	551,972
2026	502,064	14,022	516,086
2027	705,321	193,080	898,401
2028	369,270	16,060	385,330
Thereafter	186,735	197,694	384,429
	<u>\$ 2,850,314</u>	<u>\$ 452,552</u>	<u>\$ 3,302,866</u>

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE K – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Payable to the OPEB Plan: At June 30, 2023, there were no significant payables to the OPEB plans.

NOTE L – RISK MANAGEMENT

Insurance Coverage

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 through the Plan JPA is \$500,000 and \$100,000, respectively, with excess liability coverage through commercial carriers of \$999,500,000, for total coverage of \$1 billion, subject to a \$5,000 deductible for the Plan JPA coverage and \$500,000 for pooled coverage. Flood damage coverage limit is \$25 million and crime coverage, including employee theft, forgery, computer fraud, identity fraud, and fund/money transfer, ranges from \$25,000 to \$2,000,000 with a deductible of \$10,000.

The City is also a member of the Shared Agency Risk Pool (SHARP), which is administered by the Plan JPA, for worker's compensation insurance. Workers compensation insurance is provided by SHARP up to \$250,000 and excess insurance exists through the Local Agency Worker's Compensation Excess Joint Powers Authority (LAWCX) that results in a coverage limit of up to \$5,000,000 per claim. Excess commercial insurance is retained by LAWCX up to \$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. 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, 2023

NOTE L – RISK MANAGEMENT (Continued)

	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021
Unpaid claims, beginning of fiscal year	\$ 2,133,981	\$ 1,636,881	\$ 1,064,318
Incurred claims and claim adjustment expenses (including IBNRs)	(36,828)	815,192	935,941
Claim payments	<u>(1,983,515)</u>	<u>(318,092)</u>	<u>(363,378)</u>
Unpaid claims, end of fiscal year	<u>\$ 113,638</u>	<u>\$ 2,133,981</u>	<u>\$ 1,636,881</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

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 received notices of the commencement of legal action under the California Environmental Quality Act from three entities related to the development of a warehouse project. These cases have been partially consolidated and transferred to Sacramento Superior Court. The outcome and impact of these cases cannot reasonably be determined.

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, 2023 was approximately \$2.33 million, of which \$654,000 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 agreed to extend the contract through 2085.

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, 2023, \$606,000 has been spent on this project.

The City has a contractual relationship with Sites Project Authority (the Authority), which is developing the Sites Reservoir Project (the Project) in the Sacramento Valley. The Project is an off-river reservoir that would capture excess water from major storms to save for drier periods. Under the 2019 Reservoir Project Agreement, as amended, the City has agreed to pay its proportional share

CITY OF AMERICAN CANYON

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

June 30, 2023

NOTE M – OTHER COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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. The City identified projects eligible for these funds. The City incurred \$258,000 of eligible expenses in fiscal year 2023. Unspent amounts would be returned to the U.S. Treasury.

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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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Property taxes	\$ 12,500,375	\$ 12,688,335	\$ 12,438,663	\$ (249,672)
Sales taxes	3,020,000	5,890,000	5,901,732	11,732
Other taxes	2,851,150	2,907,850	2,944,624	36,774
Fines and forfeitures	120,230	94,380	156,371	61,991
Licenses and permits	699,500	1,131,247	1,070,286	(60,961)
Intergovernmental	91,481	91,481	77,866	(13,615)
Charges for services	2,053,820	2,058,251	2,159,290	101,039
Use of money and property	416,534	416,534	306,271	(110,263)
Other	581,141	517,864	643,249	125,385
TOTAL REVENUES	<u>22,334,231</u>	<u>25,795,942</u>	<u>25,698,352</u>	<u>(97,590)</u>
EXPENDITURES				
Current:				
General government	6,831,946	7,789,626	7,383,404	406,222
Public safety	8,322,284	8,322,284	8,337,957	(15,673)
Public works	2,927,766	2,898,792	2,575,048	323,744
Community development	2,355,324	3,273,201	3,568,827	(295,626)
Parks and recreation	4,388,678	3,964,971	3,070,204	894,767
Storm drain	395,224	395,224	384,808	10,416
Capital outlay	3,000	3,000	29,908	(26,908)
TOTAL EXPENDITURES	<u>25,224,222</u>	<u>26,647,098</u>	<u>25,350,156</u>	<u>1,296,942</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(2,889,991)</u>	<u>(851,156)</u>	<u>348,196</u>	<u>1,199,352</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,125,365	3,355,365	3,181,725	(173,640)
Transfers out	(201,527)	(901,527)	(815,985)	85,542
TOTAL OTHER FINANCING SOURCES AND USES	<u>2,923,838</u>	<u>2,453,838</u>	<u>2,365,740</u>	<u>(88,098)</u>
NET CHANGE IN FUND BALANCE	33,847	1,602,682	2,713,936	1,111,254
Fund balance, beginning of year	<u>12,586,555</u>	<u>12,586,555</u>	<u>12,586,555</u>	
FUND BALANCE, END OF YEAR	<u>\$ 12,620,402</u>	<u>\$ 14,189,237</u>	<u>\$ 15,300,491</u>	<u>\$ 1,111,254</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 5,545,487	\$ 5,545,487	\$ 5,403,686	\$ (141,801)
Other taxes	754,969	754,969	739,041	(15,928)
Charges for services	348,995	348,995	382,801	33,806
Use of money and property	54,815	54,815	91,151	36,336
Other	158,000	158,000	159,543	1,543
TOTAL REVENUES	<u>6,862,266</u>	<u>6,862,266</u>	<u>6,776,222</u>	<u>(86,044)</u>
EXPENDITURES				
Current:				
Public safety	6,698,858	6,698,858	7,064,902	(366,044)
Debt service:				
Principal	136,490	136,490	102,000	34,490
Interest and other charges			34,490	(34,490)
Capital outlay	1,907,833	1,907,833	1,565,995	341,838
TOTAL EXPENDITURES	<u>8,743,181</u>	<u>8,743,181</u>	<u>8,767,387</u>	<u>(24,206)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,880,915)</u>	<u>(1,880,915)</u>	<u>(1,991,165)</u>	<u>(110,250)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt, net	1,840,000	1,840,000	1,842,000	(2,000)
Transfers in			268,746	268,746
TOTAL OTHER FINANCING SOURCES AND USES		<u>1,840,000</u>	<u>2,110,746</u>	<u>266,746</u>
NET CHANGE IN FUND BALANCE	(1,880,915)	(40,915)	119,581	156,496
Fund balance, beginning of year	<u>5,630,796</u>	<u>5,630,796</u>	<u>5,630,796</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,749,881</u>	<u>\$ 5,589,881</u>	<u>\$ 5,750,377</u>	<u>\$ 156,496</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 806,000	\$ 806,000	\$ 6,051	\$ (799,949)
Use of money and property	74	74	2,359	2,285
Other		57,587	76,910	19,323
TOTAL REVENUES	<u>806,074</u>	<u>863,661</u>	<u>85,320</u>	<u>(778,341)</u>
EXPENDITURES				
Current:				
Community development	806,000	806,000	10,308	795,692
TOTAL EXPENDITURES	<u>806,000</u>	<u>806,000</u>	<u>10,308</u>	<u>795,692</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>74</u>	<u>57,661</u>	<u>75,012</u>	<u>17,351</u>
NET CHANGE IN FUND BALANCE	74	57,661	75,012	17,351
Fund balance, beginning of year	<u>40,891</u>	<u>40,891</u>	<u>40,891</u>	
FUND BALANCE, END OF YEAR	<u>\$ 40,965</u>	<u>\$ 98,552</u>	<u>\$ 115,903</u>	<u>\$ 17,351</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 8,498,750	\$ 8,498,750	\$ 1,179,213	\$ (7,319,537)
TOTAL REVENUES	<u>8,498,750</u>	<u>8,498,750</u>	<u>1,179,213</u>	<u>(7,319,537)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>8,498,750</u>	<u>8,498,750</u>	<u>1,179,213</u>	<u>(7,319,537)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,224,229)	(2,163,229)	(435,769)	1,727,460
TOTAL OTHER FINANCING SOURCES AND USES	<u>(2,224,229)</u>	<u>(2,163,229)</u>	<u>(435,769)</u>	<u>1,727,460</u>
NET CHANGE IN FUND BALANCE	6,274,521	6,335,521	743,444	(5,592,077)
Fund balance (deficit), beginning of year	<u>(661,487)</u>	<u>(661,487)</u>	<u>(661,487)</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,613,034</u>	<u>\$ 5,674,034</u>	<u>\$ 81,957</u>	<u>\$ (5,592,077)</u>

CITY OF AMERICAN CANYON
Required Supplementary Information
For the Year Ended June 30, 2023

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

	June 30, 2023	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	0.21518%	0.21322%	0.20221%	0.19697%	0.19312%	0.19133%	0.18829%	0.19150%	0.20960%
Proportionate share of the net pension liability	\$ 10,068,806	\$ 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	\$ 6,427,864	\$ 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	156.64%	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	77.69%	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)	6.90%	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, 2023	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	\$ 1,386,650	\$ 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	(1,386,650)	(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	\$ 6,970,020	\$ 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	19.89%	19.38%	19.05%	16.81%	16.85%	15.33%	15.12%	15.07%	14.31%
Valuation date for contribution rates - June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2022	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%	2.50%	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%	7.00%	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, 2023

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

	June 30, 2023	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	0.13707%	0.14211%	0.12336%	0.12236%	0.12252%	0.12085%	0.12357%	0.12520%	0.11999%
Proportionate share of the net pension liability	\$ 9,419,097	\$ 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	\$ 2,291,394	\$ 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	411.06%	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	71.46%	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)	6.90%	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, 2023	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	\$ 1,084,498	\$ 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	(1,084,498)	(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	\$ 2,340,562	\$ 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	46.33%	43.68%	47.92%	49.80%	46.59%	42.82%	36.64%	40.82%	36.57%
Valuation date for contribution rates - June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2022	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%	2.50%	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%	7.00%	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, 2023

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

	June 30, 2023	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	0.00038%	0.00230%	0.00129%	0.00178%	0.00233%	0.00232%	0.00270%	0.00304%	0.00294%
Proportionate share of the net pension liability	\$ 17,628	\$ 43,738	\$ 54,399	\$ 71,296	\$ 87,920	\$ 91,294	\$ 93,760	\$ 83,520	\$ 72,565
Covered payroll - measurement period	\$ 79,922	\$ 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	22.06%	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	8.69%	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)	6.90%	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, 2023	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	\$ 6,686	\$ 18,869	\$ 24,560	\$ 20,740	\$ 18,930	\$ 19,016	\$ 6,602	\$ 6,056	\$ 5,443
Contributions in relation to the actuarially determined contributions	(6,686)	(18,869)	(24,560)	(20,740)	(18,930)	(19,016)	(6,602)	(6,056)	(5,443)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll - fiscal year	\$ 85,706	\$ 79,922	\$ 73,720	\$ 27,107	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	7.80%	23.61%	33.32%	76.51%	N/A	N/A	N/A	N/A	N/A
Valuation date for contribution rates - June 30:	2020	2019	2018	2017	2016	2015	2014	2013	2012
Valuation date for financial reporting - June 30:	2021	2020	2019	2018	2017	2016	2015	2014	2013
Measurement date - June 30:	2022	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%	2.50%	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%	7.00%	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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 517,905	\$ 441,947	\$ 429,075	\$ 335,883	\$ 326,100	\$ 326,100
Interest	766,260	700,679	657,168	602,996	553,400	519,700
Changes in assumptions	684,550	1,901,027		945,591		
Differences between expected and actual experience		91,627		(416,017)	2,700	
Benefit payments	(553,536)	(490,357)	(455,763)	(390,596)	(351,400)	(407,000)
Net change in total OPEB liability	1,415,179	2,644,923	630,480	1,077,857	530,800	438,800
Total OPEB liability - beginning	12,529,860	9,884,937	9,254,457	8,176,600	7,645,800	7,207,000
Total OPEB liability - ending (a)	<u>\$ 13,945,039</u>	<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	\$ 885,236	\$ 812,638	\$ 571,500	\$ 576,296	\$ 693,900	\$ 673,700
Net investment income	(1,005,664)	1,536,192	186,101	300,131	322,826	366,285
Benefit payments	(553,536)	(490,357)	(455,763)	(390,596)	(351,400)	(407,000)
Administrative expenses	(1,901)	(2,116)	(2,575)	(1,033)	(2,126)	(1,785)
Net change in plan fiduciary net position	(675,865)	1,856,357	299,263	484,798	663,200	631,200
Plan fiduciary net position - beginning	7,381,518	5,525,161	5,225,898	4,741,100	4,077,900	3,446,700
Plan fiduciary net position - ending (b)	<u>\$ 6,705,653</u>	<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>\$ 7,239,386</u>	<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>48.09%</u>	<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>\$ 6,520,034</u>	<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>111.03%</u>	<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	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2022	2021	2020	2019	2018	2017
Benefit changes:	None	None	None	None	None	None
Changes in assumptions:						
Discount rate	5.60%	6.00%	6.95%	6.95%	7.25%	7.25%
Health care trend:						
Initial rate	5.60%	5.70%	5.40%	5.40%	Various	Various
Trends down to	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
In year	2076	2076	2076	2076	2030	2030

Note: OPEB contributions are not based on a measure of pay so the City discloses covered-employee payroll.

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, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 198,928	\$ 231,790	\$ 230,045	\$ 226,062	\$ 210,881	\$ 146,079
Interest	432,889	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	681,322	192,051	(72,183)	184,537	126,927	60,313
Benefit payments	(318,137)	(334,432)	(287,603)	(267,920)	(266,215)	(250,572)
Net change in total OPEB liability	995,002	377,759	259,023	(277,723)	464,595	(336,730)
Total OPEB liability - beginning	6,144,263	5,766,504	5,507,481	5,785,204	5,320,609	5,657,339
Total OPEB liability - ending (a)	<u>\$ 7,139,265</u>	<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	\$ 621,817	\$ 511,759	\$ 517,331	\$ 483,301	\$ 530,288	\$ 414,364
Net investment income	(579,397)	857,965	101,238	149,305	162,465	175,524
Benefit payments	(318,137)	(334,432)	(287,603)	(267,920)	(266,215)	(250,572)
Administrative and other expenses	(1,073)	(1,189)	(1,392)	(530)	(3,591)	(904)
Net change in plan fiduciary net position	(276,790)	1,034,103	329,574	364,156	422,947	338,412
Plan fiduciary net position - beginning	4,025,269	2,991,166	2,661,592	2,297,436	1,874,489	1,536,077
Plan fiduciary net position - ending (b)	<u>\$ 3,748,479</u>	<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>\$ 3,390,786</u>	<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>52.51%</u>	<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>\$ 2,393,068</u>	<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>141.69%</u>	<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	2021	2019	2019	2017	2017
Measurement period - fiscal year ended - June 30	2022	2021	2020	2019	2018	2017
Benefit changes:	None	None	None	None	None	None
Changes in assumptions:						
Discount rate	6.15%	7.00%	7.05%	6.95%	7.10%	7.28%
Health care trend:						
Initial rate	5.60%	5.70%	6.50%	6.50%	7.50%	8.00%
Trends down to	4.00%	4.00%	5.00%	5.00%	5.00%	5.00%
In year	2076	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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution - employer fiscal year	\$ 984,045	\$ 834,799	\$ 812,638	\$ 571,500	\$ 576,700	\$ 582,400
Contributions in relation to the actuarially determined contributions	<u>(882,063)</u>	<u>(885,236)</u>	<u>(812,638)</u>	<u>(571,500)</u>	<u>(578,522)</u>	<u>(692,000)</u>
Contribution deficiency (excess)	<u>\$ 101,982</u>	<u>\$ (50,437)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,822)</u>	<u>\$ (109,600)</u>
Covered-employee payroll - employer fiscal year	\$ 6,969,315	\$ 6,936,721	\$ 6,734,681	\$ 6,399,829	\$ 5,955,051	\$ 6,053,800
Contributions as a percentage of covered payroll	12.66%	12.76%	12.07%	8.93%	9.71%	11.43%
Notes to Schedule:						
Valuation date - June 30	2021	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2022	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	5.60%	5.90%	6.95%	6.95%	7.25%	7.25%
Inflation	2.50%	2.50%	2.50%	2.50%	Not stated	Not stated
Payroll growth	3.00%	3.00%	3.00%	3.00%	3.25%	3.25%
Investment rate of return	5.60%	5.90%	6.95%	6.95%	7.25%	7.25%
Healthcare cost-trend rate, initial	5.60%	5.70%	5.40%	5.40%	Varies	Varies
Healthcare trending down to	4.00%	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	Not stated	65%/35%	65%/35%
Percentage electing to cover spouse	(1)	(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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution - employer fiscal year	\$ 401,768	\$ 480,296	\$ 467,573	\$ 507,998	\$ 492,634	\$ 457,056
Contributions in relation to the contractually determined contributions	<u>(372,889)</u>	<u>(621,817)</u>	<u>(511,759)</u>	<u>(507,998)</u>	<u>(483,301)</u>	<u>(530,288)</u>
Contribution deficiency (excess)	<u>\$ 28,879</u>	<u>\$ (141,521)</u>	<u>\$ (44,186)</u>	<u>\$ -</u>	<u>\$ 9,333</u>	<u>\$ (73,232)</u>
Covered-employee payroll - employer fiscal year	\$ 3,393,183	\$ 2,238,147	\$ 2,172,958	\$ 2,922,548	\$ 2,837,425	\$ 2,509,387
Contributions as a percentage of covered payroll	10.99%	27.78%	23.55%	17.38%	17.03%	21.13%
Notes to Schedule:						
Valuation date - June 30	2021	2021	2019	2019	2017	2017
Measurement period - fiscal year ended June 30	2022	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	6.15%	6.90%	7.05%	6.95%	7.10%	7.28%
Inflation	2.50%	2.50%	2.75%	2.50%	2.75%	2.75%
Payroll growth	3.00%	3.00%	3.25%	3.00%	3.25%	3.25%
Investment rate of return	6.15%	6.90%	7.05%	7.05%	7.10%	7.28%
Healthcare trend, initial	5.60%	5.70%	6.50%	6.50%	7.50%	8.00%
Healthcare trending down to	4.00%	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%	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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services		\$ 1,001,354	\$ 1,271,848	\$ 270,494
TOTAL REVENUES		1,001,354	1,271,848	270,494
EXPENDITURES				
Current:				
Public works			1,768,658	(1,768,658)
Capital outlay	\$ 9,728,320	11,409,660	3,737,939	7,671,721
TOTAL EXPENDITURES	9,728,320	11,409,660	5,506,597	5,903,063
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(9,728,320)	(10,408,306)	(4,234,749)	6,173,557
OTHER FINANCING SOURCES (USES)				
Transfers in	9,642,748	11,324,088	5,692,033	(5,632,055)
Transfers out			(268,746)	(268,746)
TOTAL OTHER FINANCING SOURCES AND USES	9,642,748	11,324,088	5,423,287	(5,900,801)
NET CHANGE IN FUND BALANCE	(85,572)	915,782	1,188,538	272,756
Fund balance, beginning of year	101,848	101,848	101,848	
FUND BALANCE, END OF YEAR	\$ 16,276	\$ 1,017,630	\$ 1,290,386	\$ 272,756

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 1,831,436	\$ 1,527,424	\$ 218,886	\$ (1,308,538)
Use of money and property	253	253	5,220	4,967
Other			3,871	3,871
TOTAL REVENUES	<u>1,831,689</u>	<u>1,527,677</u>	<u>227,977</u>	<u>(1,299,700)</u>
EXPENDITURES				
Current:				
Community development			90,000	(90,000)
TOTAL EXPENDITURES			<u>90,000</u>	<u>(90,000)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,831,689</u>	<u>1,527,677</u>	<u>137,977</u>	<u>(1,389,700)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(70,492)	(29,508)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(100,000)</u>	<u>(100,000)</u>	<u>(70,492)</u>	<u>(29,508)</u>
NET CHANGE IN FUND BALANCE	1,731,689	1,427,677	67,485	(1,360,192)
Fund balance, beginning of year	<u>242,589</u>	<u>242,589</u>	<u>242,589</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,974,278</u>	<u>\$ 1,670,266</u>	<u>\$ 310,074</u>	<u>\$ (1,360,192)</u>

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Storm Drainage – 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, 2023

SPECIAL REVENUE FUNDS

	Storm Drainage	Measure T - Streets and Roads	Gas Tax	BEGIN Program	State Supplemental Law Enforcement
ASSETS					
Cash and investments	\$ 5,810,305	\$ 4,095,190	\$ 1,584,507	\$ 107,883	\$ 4,132
Restricted cash and investments					
Taxes receivable		808,461	90,082		
Accounts receivable, net					
Interest receivable	22,259	31,935	16,023		518
Due from other governments					86,159
Loans receivable, net				93,625	
TOTAL ASSETS	\$ 5,832,564	\$ 4,935,586	\$ 1,690,612	\$ 201,508	\$ 90,809
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 17,661				
Due to other funds					
TOTAL LIABILITIES	17,661				
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue		\$ 352,296		\$ 93,625	\$ 86,159
TOTAL DEFERRED INFLOWS OF RESOURCES		352,296		93,625	86,159
FUND BALANCES					
Restricted for:					
Public safety					4,650
Public works		4,583,290	\$ 1,690,612		
Storm drain projects	5,814,903				
Community development, planning and building				107,883	
Parks					
Unassigned					
TOTAL FUND BALANCES (DEFICITS)	5,814,903	4,583,290	1,690,612	107,883	4,650
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 5,832,564	\$ 4,935,586	\$ 1,690,612	\$ 201,508	\$ 90,809

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
\$ 3,207,626	\$ 177,479	\$ 247,885	\$ 5,891		\$ 825		\$ 915,681
2,034							
17,528	1,415	1,976			21		3,433
<u>\$ 3,227,188</u>	<u>\$ 178,894</u>	<u>\$ 249,861</u>	<u>\$ 5,891</u>	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ -</u>	<u>\$ 919,114</u>
\$ 16,089	\$ 669				\$ 532,018		
16,089	669			\$ 14,632	1,217,350	\$ 162,211	
				14,632	1,749,368	162,211	
2,221					21		
2,221					21		
			\$ 5,891				
3,208,878							\$ 919,114
	178,225	\$ 249,861					
3,208,878	178,225	249,861	5,891	(14,632)	(1,748,543)	(162,211)	919,114
<u>\$ 3,227,188</u>	<u>\$ 178,894</u>	<u>\$ 249,861</u>	<u>\$ 5,891</u>	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ -</u>	<u>\$ 919,114</u>

CITY OF AMERICAN CANYON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	CAPITAL PROJECTS FUNDS				
	Total Nonmajor Special Revenue Funds	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure
ASSETS					
Cash and investments	\$ 16,157,404	\$ 1,410,257	\$ 1,681,045	\$ 4,069,020	\$ 32,446
Restricted cash and investments					299,535
Taxes receivable	900,577				
Accounts receivable, net		305		179,796	
Interest receivable	95,108	9,175	13,399	15,001	259
Due from other governments	86,159				
Loans receivable, net	93,625				
TOTAL ASSETS	\$ 17,332,873	\$ 1,419,737	\$ 1,694,444	\$ 4,263,817	\$ 332,240
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 566,437		\$ 315		
Due to other funds	1,394,193				
TOTAL LIABILITIES	1,960,630		315		
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	534,322				
TOTAL DEFERRED INFLOWS OF RESOURCES	534,322				
FUND BALANCES					
Restricted for:					
Public safety	10,541	\$ 1,419,737			
Public works	10,401,894			\$ 4,263,817	\$ 332,240
Storm drain projects	5,814,903				
Community development, planning and building	107,883				
Parks	428,086		1,694,129		
Unassigned	(1,925,386)				
TOTAL FUND BALANCES (DEFICITS)	14,837,921	1,419,737	1,694,129	4,263,817	332,240
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 17,332,873	\$ 1,419,737	\$ 1,694,444	\$ 4,263,817	\$ 332,240

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
\$ 1,506,402	\$ 305,261	\$ 557,185	\$ 9,561,616				
			299,535				
			180,101				
1,713	2,433	4,411	46,391				
<u>\$ 1,508,115</u>	<u>\$ 307,694</u>	<u>\$ 561,596</u>	<u>\$ 10,087,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
			\$ 315			\$ 4,972	\$ 4,972
					\$ 17,750	35,727	53,477
			315		17,750	40,699	58,449
			1,419,737				
\$ 1,508,115	\$ 307,694	\$ 561,596	6,973,462				
			1,694,129				
					(17,750)	(40,699)	(58,449)
<u>1,508,115</u>	<u>307,694</u>	<u>561,596</u>	<u>10,087,328</u>		<u>(17,750)</u>	<u>(40,699)</u>	<u>(58,449)</u>
<u>\$ 1,508,115</u>	<u>\$ 307,694</u>	<u>\$ 561,596</u>	<u>\$ 10,087,643</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF AMERICAN CANYON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 25,719,020
Restricted cash and investments	299,535
Taxes receivable	900,577
Accounts receivable, net	180,101
Interest receivable	141,499
Due from other governments	86,159
Loans receivable, net	93,625
	<u>93,625</u>
TOTAL ASSETS	\$ 27,420,516
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 571,724
Due to other funds	1,447,670
	<u>1,447,670</u>
TOTAL LIABILITIES	2,019,394
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue	534,322
	<u>534,322</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	534,322
FUND BALANCES	
Restricted for:	
Public safety	1,430,278
Public works	17,375,356
Storm drain projects	5,814,903
Community development, planning and building	107,883
Parks	2,122,215
Unassigned	(1,983,835)
	<u>(1,983,835)</u>
TOTAL FUND BALANCES (DEFICITS)	24,866,800
	<u>24,866,800</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 27,420,516
	<u>\$ 27,420,516</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

SPECIAL REVENUE FUNDS

	<u>Storm Drainage</u>	<u>Measure T- Streets and Roads</u>	<u>Gas Tax</u>	<u>BEGIN Program</u>	<u>State Supplemental Law Enforcement</u>
REVENUES					
Sales taxes	\$ 1,976	\$ 1,985,005			
Special assessments					
Intergovernmental			\$ 1,013,474		\$ 165,271
Charges for services				\$ 34,610	
Use of money and property	93,336	86,159	44,400		1,562
Other	2,280				
TOTAL REVENUES	<u>97,592</u>	<u>2,071,164</u>	<u>1,057,874</u>	<u>34,610</u>	<u>166,833</u>
EXPENDITURES					
Current:					
General government					
Public works	27,782		248,640		
Community development					
Parks and recreation					
Debt Service:					
Principal					
Interest and other charges					
TOTAL EXPENDITURES	<u>27,782</u>		<u>248,640</u>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>69,810</u>	<u>2,071,164</u>	<u>809,234</u>	<u>34,610</u>	<u>166,833</u>
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out	(833,934)	(1,051,704)	(977,495)		(166,833)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(833,934)</u>	<u>(1,051,704)</u>	<u>(977,495)</u>		<u>(166,833)</u>
NET CHANGE IN FUND BALANCES	(764,124)	1,019,460	(168,261)	34,610	
Fund balances (deficits), beginning of year	6,579,027	3,563,830	1,858,873	73,273	4,650
FUND BALANCES (DEFICITS), END OF YEAR	<u>\$ 5,814,903</u>	<u>\$ 4,583,290</u>	<u>\$ 1,690,612</u>	<u>\$ 107,883</u>	<u>\$ 4,650</u>

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
\$ 609,724					\$ 42,247		
						\$ 4,495	
72,841	\$ 4,080	\$ 5,697			37	357	\$ 9,894
							484,930
<u>682,565</u>	<u>4,080</u>	<u>5,697</u>			<u>42,284</u>	<u>4,852</u>	<u>494,824</u>
						270,137	
418,147					6,426		
				\$ 750			
	880	236					
<u>418,147</u>	<u>880</u>	<u>236</u>		<u>750</u>	<u>6,426</u>	<u>270,137</u>	
<u>264,418</u>	<u>3,200</u>	<u>5,461</u>		<u>(750)</u>	<u>35,858</u>	<u>(265,285)</u>	<u>494,824</u>
					(1,535,734)		
					(1,535,734)		
<u>264,418</u>	<u>3,200</u>	<u>5,461</u>		<u>(750)</u>	<u>(1,499,876)</u>	<u>(265,285)</u>	<u>494,824</u>
<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>\$ 3,208,878</u>	<u>\$ 178,225</u>	<u>\$ 249,861</u>	<u>\$ 5,891</u>	<u>\$ (14,632)</u>	<u>\$ (1,748,543)</u>	<u>\$ (162,211)</u>	<u>\$ 919,114</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	CAPITAL PROJECTS FUNDS				
	Total Nonmajor Special Revenue Funds	Fire Mitigation	Park Improvement	Traffic Impact	Infrastructure
REVENUES					
Sales taxes	\$ 1,986,981				
Special assessments	651,971				
Intergovernmental	1,178,745				
Charges for services	39,105	\$ 402,977	\$ 1,731	\$ 949,048	
Use of money and property	318,363	24,191	38,827	48,224	\$ 9,339
Other	487,210				
TOTAL REVENUES	4,662,375	427,168	40,558	997,272	9,339
EXPENDITURES					
Current:					
General government	270,137				
Public works	700,995			200,781	
Community development	750				
Parks and recreation	1,116				
Debt Service:					
Principal					
Interest and other charges					
TOTAL EXPENDITURES	972,998			200,781	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,689,377	427,168	40,558	796,491	9,339
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers out	(4,565,700)		(28,235)	(9,825)	
TOTAL OTHER FINANCING SOURCES AND USES	(4,565,700)		(28,235)	(9,825)	
NET CHANGE IN FUND BALANCES	(876,323)	427,168	12,323	786,666	9,339
Fund balances (deficits), beginning of year	15,714,244	992,569	1,681,806	3,477,151	322,901
FUND BALANCES (DEFICITS), END OF YEAR	\$ 14,837,921	\$ 1,419,737	\$ 1,694,129	\$ 4,263,817	\$ 332,240

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
\$ 108,747	\$ 300,000	\$ 85,795	\$ 1,848,298				
23,696	6,921	12,747	163,945				
<u>132,443</u>	<u>306,921</u>	<u>98,542</u>	<u>2,012,243</u>				
			200,781				
					\$ 26,516	\$ 14,855	\$ 41,371
				\$ 98,235	8,984	5,034	112,253
			200,781	98,235	35,500	19,889	153,624
<u>132,443</u>	<u>306,921</u>	<u>98,542</u>	<u>1,811,462</u>	<u>(98,235)</u>	<u>(35,500)</u>	<u>(19,889)</u>	<u>(153,624)</u>
				98,235	17,750		115,985
	(160,000)	(14,910)	(212,970)		(153,435)		(153,435)
	(160,000)	(14,910)	(212,970)	98,235	(135,685)		(37,450)
<u>132,443</u>	<u>146,921</u>	<u>83,632</u>	<u>1,598,492</u>		<u>(171,185)</u>	<u>(19,889)</u>	<u>(191,074)</u>
<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>\$ 1,508,115</u>	<u>\$ 307,694</u>	<u>\$ 561,596</u>	<u>\$ 10,087,328</u>	<u>\$ -</u>	<u>\$ (17,750)</u>	<u>\$ (40,699)</u>	<u>\$ (58,449)</u>

CITY OF AMERICAN CANYON
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	<u>Total Nonmajor Governmental Funds</u>
REVENUES	
Sales taxes	\$ 1,986,981
Special assessments	651,971
Intergovernmental	1,178,745
Charges for services	1,887,403
Use of money and property	482,308
Other	487,210
TOTAL REVENUES	<u>6,674,618</u>
EXPENDITURES	
Current:	
General government	270,137
Public works	901,776
Community development	750
Parks and recreation	1,116
Debt Service:	
Principal	41,371
Interest and other charges	112,253
TOTAL EXPENDITURES	<u>1,327,403</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,347,215</u>
OTHER FINANCING SOURCES (USES)	
Transfers in	115,985
Transfers out	(4,932,105)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(4,816,120)</u>
NET CHANGE IN FUND BALANCES	531,095
Fund balances (deficits), beginning of year	24,335,705
FUND BALANCES (DEFICITS), END OF YEAR	<u><u>\$ 24,866,800</u></u>

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales taxes			\$ 1,976	\$ 1,976
Investment earnings	\$ 52,458	\$ 52,458	93,336	40,878
Other			2,280	2,280
TOTAL REVENUES	<u>52,458</u>	<u>52,458</u>	<u>97,592</u>	<u>45,134</u>
EXPENDITURES				
Current:				
Storm drain	60,000	206,397	27,782	178,615
TOTAL EXPENDITURES	<u>60,000</u>	<u>206,397</u>	<u>27,782</u>	<u>178,615</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,542)</u>	<u>(153,939)</u>	<u>69,810</u>	<u>223,749</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(750,000)	(854,120)	(833,934)	20,186
TOTAL OTHER FINANCING SOURCES AND USES	<u>(750,000)</u>	<u>(854,120)</u>	<u>(833,934)</u>	<u>20,186</u>
NET CHANGE IN FUND BALANCE	(757,542)	(1,008,059)	(764,124)	243,935
Fund balance, beginning of year	<u>6,579,027</u>	<u>6,579,027</u>	<u>6,579,027</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,821,485</u>	<u>\$ 5,570,968</u>	<u>\$ 5,814,903</u>	<u>\$ 243,935</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Sales taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,985,005	\$ 385,005
Use of money and property	3,842	3,842	86,159	82,317
TOTAL REVENUES	<u>1,603,842</u>	<u>1,603,842</u>	<u>2,071,164</u>	<u>467,322</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,603,842</u>	<u>1,603,842</u>	<u>2,071,164</u>	<u>467,322</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,864,495)	(1,966,995)	(1,051,704)	915,291
TOTAL OTHER FINANCING SOURCES AND USES	<u>(1,864,495)</u>	<u>(1,966,995)</u>	<u>(1,051,704)</u>	<u>915,291</u>
NET CHANGE IN FUND BALANCE	(260,653)	(363,153)	1,019,460	1,382,613
Fund balance, beginning of year	<u>3,563,830</u>	<u>3,563,830</u>	<u>3,563,830</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,303,177</u>	<u>\$ 3,200,677</u>	<u>\$ 4,583,290</u>	<u>\$ 1,382,613</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 1,066,337	\$ 1,066,337	\$ 1,013,474	\$ (52,863)
Use of money and property	3,282	3,282	44,400	41,118
TOTAL REVENUES	<u>1,069,619</u>	<u>1,069,619</u>	<u>1,057,874</u>	<u>(11,745)</u>
EXPENDITURES				
Current:				
Public works	3,000	3,000	248,640	(245,640)
TOTAL EXPENDITURES	<u>3,000</u>	<u>3,000</u>	<u>248,640</u>	<u>(245,640)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,066,619</u>	<u>1,066,619</u>	<u>809,234</u>	<u>(257,385)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(642,000)	(745,740)	(977,495)	(231,755)
TOTAL OTHER FINANCING SOURCES AND USES	<u>(642,000)</u>	<u>(745,740)</u>	<u>(977,495)</u>	<u>(231,755)</u>
NET CHANGE IN FUND BALANCE	424,619	320,879	(168,261)	(489,140)
Fund balance, beginning of year	<u>1,858,873</u>	<u>1,858,873</u>	<u>1,858,873</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,283,492</u>	<u>\$ 2,179,752</u>	<u>\$ 1,690,612</u>	<u>\$ (489,140)</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services		\$ 34,610	\$ 34,610	
TOTAL REVENUES		34,610	34,610	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		34,610	34,610	
NET CHANGE IN FUND BALANCE		34,610	34,610	
Fund balance, beginning of year	\$ 73,273	73,273	73,273	
FUND BALANCE, END OF YEAR	\$ 73,273	\$ 107,883	\$ 107,883	\$ -

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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Intergovernmental	\$ 163,000	\$ 163,000	\$ 165,271	\$ 2,271
Use of money and property	132	132	1,562	1,430
TOTAL REVENUES	<u>163,132</u>	<u>163,132</u>	<u>166,833</u>	<u>3,701</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>163,132</u>	<u>163,132</u>	<u>166,833</u>	<u>3,701</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(188,000)	(188,000)	(166,833)	21,167
TOTAL OTHER FINANCING SOURCES AND USES	<u>(188,000)</u>	<u>(188,000)</u>	<u>(166,833)</u>	<u>21,167</u>
NET CHANGE IN FUND BALANCE	(24,868)	(24,868)		24,868
Fund balance, beginning of year	<u>4,650</u>	<u>4,650</u>	<u>4,650</u>	
FUND BALANCE, END OF YEAR	<u>\$ (20,218)</u>	<u>\$ (20,218)</u>	<u>\$ 4,650</u>	<u>\$ 24,868</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Special assessments	\$ 640,500	\$ 640,500	\$ 609,724	\$ (30,776)
Use of money and property	18,145	18,145	72,841	54,696
TOTAL REVENUES	<u>658,645</u>	<u>658,645</u>	<u>682,565</u>	<u>23,920</u>
EXPENDITURES				
Current:				
Public works	483,614	487,973	418,147	69,826
TOTAL EXPENDITURES	<u>483,614</u>	<u>487,973</u>	<u>418,147</u>	<u>69,826</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>175,031</u>	<u>170,672</u>	<u>264,418</u>	<u>93,746</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(88,212)	(88,212)		88,212
TOTAL OTHER FINANCING SOURCES AND USES	<u>(88,212)</u>	<u>(88,212)</u>		<u>88,212</u>
Fund balance, beginning of year	<u>2,944,460</u>	<u>2,944,460</u>	<u>2,944,460</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,031,279</u>	<u>\$ 3,026,920</u>	<u>\$ 3,208,878</u>	<u>\$ 181,958</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	\$ 421	\$ 421	\$ 4,080	\$ 3,659
TOTAL REVENUES	<u>421</u>	<u>421</u>	<u>4,080</u>	<u>3,659</u>
EXPENDITURES				
Current:				
Parks and recreation	7,600	7,600	880	6,720
TOTAL EXPENDITURES	<u>7,600</u>	<u>7,600</u>	<u>880</u>	<u>6,720</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,179)</u>	<u>(7,179)</u>	<u>3,200</u>	<u>10,379</u>
NET CHANGE IN FUND BALANCE	(7,179)	(7,179)	3,200	10,379
Fund balance, beginning of year	<u>175,025</u>	<u>175,025</u>	<u>175,025</u>	
FUND BALANCE, END OF YEAR	<u>\$ 167,846</u>	<u>\$ 167,846</u>	<u>\$ 178,225</u>	<u>\$ 10,379</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 7,067	\$ 7,067	\$ 5,697	\$ (1,370)
TOTAL REVENUES	<u>7,067</u>	<u>7,067</u>	<u>5,697</u>	<u>(1,370)</u>
EXPENDITURES				
Current:				
Parks and recreation	14,100	14,100	236	13,864
TOTAL EXPENDITURES	<u>14,100</u>	<u>14,100</u>	<u>236</u>	<u>13,864</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(7,033)</u>	<u>(7,033)</u>	<u>5,461</u>	<u>12,494</u>
NET CHANGE IN FUND BALANCE	(7,033)	(7,033)	5,461	12,494
Fund balance, beginning of year	<u>244,400</u>	<u>244,400</u>	<u>244,400</u>	
FUND BALANCE, END OF YEAR	<u>\$ 237,367</u>	<u>\$ 237,367</u>	<u>\$ 249,861</u>	<u>\$ 12,494</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Cannabis
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Current:				
Community development	\$ 5,000	\$ 5,000	\$ 750	\$ 4,250
TOTAL EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>750</u>	<u>4,250</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(5,000)</u>	<u>(5,000)</u>	<u>(750)</u>	<u>4,250</u>
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	(750)	4,250
Fund balance, beginning of year	<u>(13,882)</u>	<u>(13,882)</u>	<u>(13,882)</u>	
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (18,882)</u>	<u>\$ (18,882)</u>	<u>\$ (14,632)</u>	<u>\$ 4,250</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Special assessments		\$ 30,000	\$ 42,247	\$ 12,247
Use of money and property			37	37
TOTAL REVENUES		<u>30,000</u>	<u>42,284</u>	<u>12,284</u>
EXPENDITURES				
Current:				
Public works			6,426	(6,426)
TOTAL EXPENDITURES			<u>6,426</u>	<u>(6,426)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES		<u>30,000</u>	<u>35,858</u>	<u>5,858</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long-term debt		3,200,000		3,200,000
Transfers out	\$ (3,200,000)	(3,200,000)	(1,535,734)	1,664,266
TOTAL OTHER FINANCING SOURCES AND USES	<u>(3,200,000)</u>		<u>(1,535,734)</u>	<u>4,864,266</u>
NET CHANGE IN FUND BALANCE	(3,200,000)	30,000	(1,499,876)	4,870,124
Fund balance (deficit), beginning of year	(248,667)	(248,667)	(248,667)	
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ (3,448,667)</u>	<u>\$ (218,667)</u>	<u>\$ (1,748,543)</u>	<u>\$ 4,870,124</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 39,444	\$ 39,444	\$ 4,495	\$ (34,949)
Use of money and property	449	449	357	(92)
TOTAL REVENUES	<u>39,893</u>	<u>39,893</u>	<u>4,852</u>	<u>(35,041)</u>
EXPENDITURES				
Current:				
General government	54,800	54,800	270,137	(215,337)
TOTAL EXPENDITURES	<u>54,800</u>	<u>54,800</u>	<u>270,137</u>	<u>(215,337)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(14,907)</u>	<u>(14,907)</u>	<u>(265,285)</u>	<u>(250,378)</u>
NET CHANGE IN FUND BALANCE	(14,907)	(14,907)	(265,285)	(250,378)
Fund balance, beginning of year	<u>103,074</u>	<u>103,074</u>	<u>103,074</u>	
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 88,167</u>	<u>\$ 88,167</u>	<u>\$ (162,211)</u>	<u>\$ (250,378)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 779	\$ 779	\$ 9,894	\$ 9,115
Other			484,930	484,930
TOTAL REVENUES	<u>779</u>	<u>779</u>	<u>494,824</u>	<u>494,045</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>779</u>	<u>779</u>	<u>494,824</u>	<u>494,045</u>
NET CHANGE IN FUND BALANCE	779	779	494,824	494,045
Fund balance, beginning of year	<u>424,290</u>	<u>424,290</u>	<u>424,290</u>	
FUND BALANCE, END OF YEAR	<u>\$ 425,069</u>	<u>\$ 425,069</u>	<u>\$ 919,114</u>	<u>\$ 494,045</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Fire Mitigation
For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 442,148	\$ 442,148	\$ 402,977	\$ (39,171)
Use of money and property	10,366	10,366	24,191	13,825
TOTAL REVENUES	<u>452,514</u>	<u>452,514</u>	<u>427,168</u>	<u>(25,346)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>452,514</u>	<u>452,514</u>	<u>427,168</u>	<u>(25,346)</u>
NET CHANGE IN FUND BALANCE	452,514	452,514	427,168	(25,346)
Fund balance, beginning of year	<u>992,569</u>	<u>992,569</u>	<u>992,569</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,445,083</u>	<u>\$ 1,445,083</u>	<u>\$ 1,419,737</u>	<u>\$ (25,346)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,844,599	\$ 2,255,211	\$ 1,731	\$ (2,253,480)
Use of money and property	2,948	2,948	38,827	35,879
TOTAL REVENUES	<u>1,847,547</u>	<u>2,258,159</u>	<u>40,558</u>	<u>(2,217,601)</u>
EXPENDITURES				
Current:				
Parks and recreation	134,783	134,783		134,783
TOTAL EXPENDITURES	<u>134,783</u>	<u>134,783</u>		<u>134,783</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,712,764</u>	<u>2,123,376</u>	<u>40,558</u>	<u>(2,082,818)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(371,100)	(1,103,080)	(28,235)	1,074,845
TOTAL OTHER FINANCING SOURCES AND USES	<u>(371,100)</u>	<u>(1,103,080)</u>	<u>(28,235)</u>	<u>1,074,845</u>
NET CHANGE IN FUND BALANCE	1,341,664	1,020,296	12,323	(1,007,973)
Fund balance, beginning of year	<u>1,681,806</u>	<u>1,681,806</u>	<u>1,681,806</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,023,470</u>	<u>\$ 2,702,102</u>	<u>\$ 1,694,129</u>	<u>\$ (1,007,973)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 2,364,497	\$ 1,385,514	\$ 949,048	\$ (436,466)
Use of money and property	34,879	34,879	48,224	13,345
TOTAL REVENUES	<u>2,399,376</u>	<u>1,420,393</u>	<u>997,272</u>	<u>(423,121)</u>
EXPENDITURES				
Current:				
Public works	50,218	50,218	200,781	(150,563)
TOTAL EXPENDITURES	<u>50,218</u>	<u>50,218</u>	<u>200,781</u>	<u>(150,563)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>2,349,158</u>	<u>1,370,175</u>	<u>796,491</u>	<u>(573,684)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(342,208)	(342,208)	(9,825)	332,383
TOTAL OTHER FINANCING SOURCES AND USES	<u>(342,208)</u>	<u>(342,208)</u>	<u>(9,825)</u>	<u>332,383</u>
NET CHANGE IN FUND BALANCE	2,006,950	1,027,967	786,666	(241,301)
Fund balance, beginning of year	<u>3,477,151</u>	<u>3,477,151</u>	<u>3,477,151</u>	
FUND BALANCE, END OF YEAR	<u>\$ 5,484,101</u>	<u>\$ 4,505,118</u>	<u>\$ 4,263,817</u>	<u>\$ (241,301)</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Infrastructure
For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 75	\$ 75	\$ 9,339	\$ 9,264
TOTAL REVENUES	<u>75</u>	<u>75</u>	<u>9,339</u>	<u>9,264</u>
EXPENDITURES				
Capital outlay	314,821	314,821		314,821
TOTAL EXPENDITURES	<u>314,821</u>	<u>314,821</u>		<u>314,821</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(314,746)</u>	<u>(314,746)</u>	<u>9,339</u>	<u>324,085</u>
NET CHANGE IN FUND BALANCE	(314,746)	(314,746)	9,339	324,085
Fund balance, beginning of year	<u>322,901</u>	<u>322,901</u>	<u>322,901</u>	
FUND BALANCE, END OF YEAR	<u>\$ 8,155</u>	<u>\$ 8,155</u>	<u>\$ 332,240</u>	<u>\$ 324,085</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Civic Facilities
For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 865,273	\$ 674,112	\$ 108,747	\$ (565,365)
Use of money and property	3,047	3,047	23,696	20,649
TOTAL REVENUES	<u>868,320</u>	<u>677,159</u>	<u>132,443</u>	<u>(544,716)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>868,320</u>	<u>677,159</u>	<u>132,443</u>	<u>(544,716)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(210,000)	(210,000)		210,000
TOTAL OTHER FINANCING SOURCES AND USES	<u>(210,000)</u>	<u>(210,000)</u>		<u>210,000</u>
NET CHANGE IN FUND BALANCE	658,320	467,159	132,443	(334,716)
Fund balance, beginning of year	<u>1,375,672</u>	<u>1,375,672</u>	<u>1,375,672</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,033,992</u>	<u>\$ 1,842,831</u>	<u>\$ 1,508,115</u>	<u>\$ (334,716)</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services			\$ 300,000	\$ 300,000
Use of money and property	\$ 376	\$ 376	6,921	6,545
TOTAL REVENUES	<u>376</u>	<u>376</u>	<u>306,921</u>	<u>306,545</u>
OTHER FINANCING SOURCES (USES)				
Transfers out			(160,000)	(160,000)
TOTAL OTHER FINANCING SOURCES AND USES			<u>(160,000)</u>	<u>(160,000)</u>
NET CHANGE IN FUND BALANCE	376	376	146,921	146,545
Fund balance, beginning of year	<u>160,773</u>	<u>160,773</u>	<u>160,773</u>	
FUND BALANCE, END OF YEAR	<u>\$ 161,149</u>	<u>\$ 161,149</u>	<u>\$ 307,694</u>	<u>\$ 146,545</u>

CITY OF AMERICAN CANYON
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Zero Water Footprint
For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Charges for services	\$ 600,089	\$ 236,815	\$ 85,795	\$ (151,020)
Use of money and property	764	764	12,747	11,983
TOTAL REVENUES	<u>600,853</u>	<u>237,579</u>	<u>98,542</u>	<u>(139,037)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>600,853</u>	<u>237,579</u>	<u>98,542</u>	<u>(139,037)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(677,509)	(677,509)	(14,910)	662,599
TOTAL OTHER FINANCING SOURCES AND USES	<u>(677,509)</u>	<u>(677,509)</u>	<u>(14,910)</u>	<u>662,599</u>
NET CHANGE IN FUND BALANCE	(76,656)	(439,930)	83,632	523,562
Fund balance, beginning of year	<u>477,964</u>	<u>477,964</u>	<u>477,964</u>	
FUND BALANCE, END OF YEAR	<u>\$ 401,308</u>	<u>\$ 38,034</u>	<u>\$ 561,596</u>	<u>\$ 523,562</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, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
EXPENDITURES				
Debt service:				
Interest and other charges	\$ 98,235	\$ 98,235	\$ 98,235	
TOTAL EXPENDITURES	<u>98,235</u>	<u>98,235</u>	<u>98,235</u>	
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	<u>(98,235)</u>	<u>(98,235)</u>	<u>(98,235)</u>	
OTHER FINANCING SOURCES (USES)				
Transfers in	98,235	98,235	98,235	
TOTAL OTHER FINANCING				
SOURCES AND USES	<u>98,235</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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
EXPENDITURES				
Debt service:				
Principal	\$ 26,516	\$ 26,516	\$ 26,516	
Interest and other charges	8,984	8,984	8,984	
TOTAL EXPENDITURES	<u>35,500</u>	<u>35,500</u>	<u>35,500</u>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(35,500)</u>	<u>(35,500)</u>	<u>(35,500)</u>	
OTHER FINANCING SOURCES (USES)				
Transfers in	35,500	35,500	17,750	\$ (17,750)
Transfers out			(153,435)	(153,435)
TOTAL OTHER FINANCING SOURCES AND USES	<u>35,500</u>	<u>35,500</u>	<u>(135,685)</u>	<u>(171,185)</u>
NET CHANGE IN FUND BALANCE			(171,185)	(171,185)
Fund balance, beginning of year	<u>153,435</u>	<u>153,435</u>	<u>153,435</u>	
FUND BALANCE (DEFICIT), END OF YEAR	<u>\$ 153,435</u>	<u>\$ 153,435</u>	<u>\$ (17,750)</u>	<u>\$ (171,185)</u>

INTERNAL SERVICE FUNDS

INTERNAL SERVICE FUNDS

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

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

Fleet – 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, 2023

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 433,227	\$ 495,950	\$ 363,486		\$ 1,292,663
Accounts receivable, net		11,520			11,520
Interest receivable	3,385	4,467	2,704		10,556
Prepaid expenses	359	359	45,999		46,717
Total current assets	<u>436,971</u>	<u>512,296</u>	<u>412,189</u>		<u>1,361,456</u>
Non-current assets:					
Capital Assets:					
Depreciable, net of accumulated depreciation	14,479	1,688,282	245,129		1,947,890
Total non-current assets	<u>14,479</u>	<u>1,688,282</u>	<u>245,129</u>		<u>1,947,890</u>
TOTAL ASSETS	<u>451,450</u>	<u>2,200,578</u>	<u>657,318</u>		<u>3,309,346</u>
DEFERRED OUTFLOW OF RESOURCES					
Pension plan	37,415	89,662	12,274		139,351
OPEB plan	47,560	47,560	3,538		98,658
Total deferred outflows of resources	<u>84,975</u>	<u>137,222</u>	<u>15,812</u>		<u>238,009</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	32,897	50,049	44,101	\$ 61,405	188,452
Accrued expenses	1,887	2,441	397		4,725
Accrued interest payable		46	10,918		10,964
Due to other funds				246,863	246,863
Compensated absences, current portion	4,675	14,803			19,478
Bonds, notes and loans payable, current portion		267,422	75,256		342,678
Total current liabilities	<u>39,459</u>	<u>334,761</u>	<u>130,672</u>	<u>308,268</u>	<u>813,160</u>
Non-current liabilities:					
Bonds, notes and loans payable		890,956	158,037		1,048,993
Net pension liability	79,567	190,679	26,102		296,348
Net OPEB liability	87,596	87,596	6,515		181,707
Total non-current liabilities	<u>167,163</u>	<u>1,169,231</u>	<u>190,654</u>		<u>1,527,048</u>
TOTAL LIABILITIES	<u>206,622</u>	<u>1,503,992</u>	<u>321,326</u>	<u>308,268</u>	<u>2,340,208</u>
DEFERRED INFLOW OF RESOURCES					
Pension plan	5,974	14,317	1,960		22,251
OPEB plan	2,398	2,398	178		4,974
Total deferred inflows of resources	<u>8,372</u>	<u>16,715</u>	<u>2,138</u>		<u>27,225</u>
NET POSITION					
Net investment in capital assets	14,479	528,252	11,836		554,567
Unrestricted	306,952	288,841	337,830	(308,268)	625,355
TOTAL NET POSITION (DEFICIT)	<u>\$ 321,431</u>	<u>\$ 817,093</u>	<u>\$ 349,666</u>	<u>\$ (308,268)</u>	<u>\$ 1,179,922</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, 2023

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
REVENUES					
Charges for services	\$ 666,501	\$ 672,600	\$ 915,799	\$ 182,942	\$ 2,437,842
TOTAL OPERATING REVENUES	<u>666,501</u>	<u>672,600</u>	<u>915,799</u>	<u>182,942</u>	<u>2,437,842</u>
OPERATING EXPENSES					
Employee services	49,885	192,223	11,842		253,950
Maintenance and operations	460,957	455,218	690,216	289,993	1,896,384
Depreciation and amortization	287	321,915	102,810		425,012
TOTAL OPERATING EXPENSES	<u>511,129</u>	<u>969,356</u>	<u>804,868</u>	<u>289,993</u>	<u>2,575,346</u>
OPERATING INCOME (LOSS)	<u>155,372</u>	<u>(296,756)</u>	<u>110,931</u>	<u>(107,051)</u>	<u>(137,504)</u>
NON-OPERATING REVENUES (EXPENSES)					
Interest and investment revenue	7,194	11,007	3,379		21,580
Other revenue		5,157			5,157
Interest expense		(40,008)	(10,918)		(50,926)
Gain (loss) on disposal of capital assets		8,761			8,761
TOTAL NON-OPERATING REVENUE (EXPENSES)	<u>7,194</u>	<u>(15,083)</u>	<u>(7,539)</u>		<u>(15,428)</u>
CHANGE IN NET POSITION	<u>162,566</u>	<u>(311,839)</u>	<u>103,392</u>	<u>(107,051)</u>	<u>(152,932)</u>
Net position (deficit), beginning of year	158,865	1,128,932	246,274	(201,217)	1,332,854
TOTAL NET POSITION (DEFICIT), END OF YEAR	<u>\$ 321,431</u>	<u>\$ 817,093</u>	<u>\$ 349,666</u>	<u>\$ (308,268)</u>	<u>\$ 1,179,922</u>

CITY OF AMERICAN CANYON
Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Building Maintenance	Fleet	Information Technology	Legal	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash paid to suppliers	\$ (470,421)	\$ (439,185)	\$ (665,868)	\$ (182,942)	\$ (1,758,416)
Cash paid to employees and related benefits	(76,458)	(170,982)	(15,902)		(263,342)
Cash received from interfund services provided	666,501	672,600	915,799	182,942	2,437,842
Other receipts		10,815			10,815
CASH PROVIDED BY OPERATING ACTIVITIES	119,622	73,248	234,029		426,899
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Capital assets purchased	(14,766)	(133,651)			(148,417)
Proceeds from disposal of capital assets		40,352			40,352
Principal paid on long-term liabilities		(123,975)	(114,646)		(238,621)
Interest paid on long-term liabilities		(40,049)			(40,049)
CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(14,766)	(257,323)	(114,646)		(386,735)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Collection of interest and investment revenue	4,141	7,400	907		12,448
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	108,997	(176,675)	120,290		52,612
Cash and cash equivalents, beginning of year	324,230	672,625	243,196		1,240,051
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 433,227	\$ 495,950	\$ 363,486	\$ -	\$ 1,292,663
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 155,372	\$ (296,756)	\$ 110,931	\$ (107,051)	\$ (137,504)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:					
Depreciation and amortization	287	321,915	102,810		425,012
Other receipts		5,157			5,157
Changes in operating assets and liabilities:					
Accounts and other receivables		5,658		5,846	11,504
Prepaid expenses	(107)	(107)	(17,029)		(17,243)
Accounts payable, accrued expenses and due to other funds	(10,594)	12,937	40,006	101,205	143,554
Compensated absences	3,420	(905)			2,515
Deferred outflows of resources - pension plan	(10,839)	(58,810)	(6,950)		(76,599)
Net pension liability	24,506	126,711	15,171		166,388
Deferred inflows of resources - pension plan	(47,214)	(47,343)	(8,862)		(103,419)
Deferred outflows of resources - OPEB plans	(9,089)	(9,089)	1,779		(16,399)
Net OPEB liability	24,271	24,271	(2,237)		46,305
Deferred inflows of resources - OPEB plans	(10,391)	(10,391)	(1,590)		(22,372)
CASH PROVIDED BY OPERATING ACTIVITIES	\$ 119,622	\$ 73,248	\$ 234,029	\$ -	\$ 426,899

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

CUSTODIAL FUNDS

CUSTODIAL FUNDS

American Canyon Road East Assessment District – These assessment bonds were issued to finance major street and road realignments and improvements of the American Canyon Road East. The bonds are secured by special assessments levied against properties within the District.

La Vigne Assessment District – These assessment bonds were issued to finance water and sewer connection fees of the La Vigne Subdivision. The bonds are secured by special assessments levied against properties within the District.

Community Facilities District 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.

CITY OF AMERICAN CANYON
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds				
	American Canyon Road East Assessment District	La Vigne Assessment District	Community Facility District No. 2018-1	Tourism Improvement District	Total
ASSETS					
Cash and investments	\$ 1,082,593	\$ 1,057,821	\$ 2,708,683	\$ 88,077	\$ 4,937,174
Restricted cash and investments	349,380	322,889	3,172,229		3,844,498
Taxes receivable	4,149	2,594		54,368	61,111
Interest receivable	9,202	8,724	22,313	598	40,837
TOTAL ASSETS	1,445,324	1,392,028	5,903,225	143,043	8,883,620
LIABILITIES					
Accounts payable				46,561	46,561
Accrued interest payable	113,350	40,988	124,555		278,893
TOTAL LIABILITIES	113,350	40,988	124,555	46,561	325,454
NET POSITION					
Restricted for individuals, organizations and other governments	1,331,974	1,351,040	5,778,670	96,482	8,558,166
TOTAL NET POSITION	\$ 1,331,974	\$ 1,351,040	\$ 5,778,670	\$ 96,482	\$ 8,558,166

CITY OF AMERICAN CANYON
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds				Total
	American Canyon Road East Assessment District	La Vigne Assessment District	Community Facility District No. 2018-1	Tourism Improvement District	
ADDITIONS					
Other taxes				\$ 259,952	\$ 259,952
Special assessments	\$ 1,019,384	\$ 427,275	\$ 882,194		2,328,853
Interest and investment earnings	32,227	23,372	146,351	2,012	203,962
TOTAL ADDITIONS	<u>1,051,611</u>	<u>450,647</u>	<u>1,028,545</u>	<u>261,964</u>	<u>2,792,767</u>
DEDUCTIONS					
Maintenance and operations	67,813	35,603	59,849	253,497	416,762
Debt Service:					
Principal	595,000	313,400	85,000		993,400
Interest and other charges	148,233	124,908	154,077		427,218
TOTAL DEDUCTIONS	<u>811,046</u>	<u>473,911</u>	<u>298,926</u>	<u>253,497</u>	<u>1,837,380</u>
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	240,565	(23,264)	729,619	8,467	955,387
Net position , beginning 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>
NET POSITION, END OF YEAR	<u>\$ 1,331,974</u>	<u>\$ 1,351,040</u>	<u>\$ 5,778,670</u>	<u>\$ 96,482</u>	<u>\$ 8,558,166</u>

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balances of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

5. Own Source Tax Revenue
6. Assessed Actual Value of Taxable Property
7. Direct and Overlapping Property Tax Rates
8. Principal Property Taxpayers
9. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

10. Ratios of Outstanding Debt by Type
11. Ratios of General Bonded Debt Outstanding
12. Computation of Direct and Overlapping Debt
13. Computation of Legal Bonded Debt Margin
14. Debt Pledged Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

15. Demographic and Economic Statistics
16. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

17. Full-Time Equivalent City Government Employees by Function/Program
18. Operating Indicators by Function/Program
19. Capital Asset Statistics by Function/Program

Sources

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

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

	----- Prior Years -----									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 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	\$ 266,988,674
Restricted	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	36,942,980
Unrestricted	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	4,743,410
Total governmental activities net position	\$ 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	\$ 308,675,064
Business-type activities:										
Net investment in capital assets	\$ 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	\$ 45,866,437
Restricted	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	6,879,458
Unrestricted	8,214,087	4,224,005	6,993,828	9,422,288	11,766,749	13,269,512	15,043,433	17,697,686	18,298,635	15,959,775
Total business-type activities	\$ 63,538,585	\$ 57,579,755	\$ 60,467,493	\$ 62,188,039	\$ 66,801,641	\$ 68,343,495	\$ 68,849,003	\$ 71,033,381	\$ 70,995,646	\$ 68,705,670
Primary government (City wide totals)										
Net investment in capital assets	\$ 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	\$ 312,855,111
Restricted	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	43,822,438
Unrestricted	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	20,703,185
Total primary government net position	\$ 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	\$ 377,380,734

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 -----									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
General government	\$ 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	\$ 9,789,205
Public safety	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	13,571,896
Public works	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	8,387,534
Community development	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	3,677,752
Parks and recreation	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	3,093,188
Storm Drain	-	-	-	-	-	-	315,909	350,946	365,855	401,695
Interest on long-term debt	344,223	329,915	278,204	262,354	246,458	229,456	249,866	163,633	292,804	126,887
Total governmental activities expenses	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	39,048,157
Business-type activities:										
Water	\$ 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	\$ 8,955,804
Wastewater	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	5,591,878
Recycled Water								18,586	273,011	557,261
Total business-type activities expenses	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	15,104,943
Total City government expenses	\$ 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	\$ 54,153,100
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 484,057	\$ 534,179	\$ 636,987	\$ 724,671	\$ 900,185	\$ 599,289	\$ 769,362	\$ 518,482	\$ 622,830	\$ 802,991
Public safety	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	1,585,452
Public works	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	1,988,677
Community development	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	2,540,651
Parks and recreation	392,717	441,946	406,163	1,034,664	1,291,887	328,236	156,108	95,597	671,863	327,341
Operating grants and contributions	363,581	476,130	1,078,889	1,333,432	762,518	1,282,102	1,088,467	1,307,790	4,748,169	2,039,244
Capital grants and contributions	11,145,194	381,050	1,449,076	907,342	13,110,677	1,690,897	87,150	7,699,791	1,237,762	937,649
Total governmental activities program revenues	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	10,222,005
Business-type activities:										
Charges for services:										
Water	\$ 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	\$ 8,544,184
Wastewater	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	4,940,178
Recycled Water								113,591	478,915	226,361
Operating grants and contributions	4,026	10,410	711,601	580,429	254,863	215,630	207,410	438,415	240,304	318,918
Capital grants and contributions	4,084,830	242,025	2,301,541	284,400	3,851,481	200,585	468,533	1,462,249	1,826,213	568,830
Total business-type activities programs revenue:	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	14,598,471
Total City government program revenues	\$ 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	\$ 24,820,476

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

	----- Prior Years -----									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net(Expense)Revenue:										
Governmental activities	\$ (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)	\$ (28,826,152)
Business-type activities	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	(506,472)
Total City government	<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>	<u>\$ (29,332,624)</u>
General Revenues and Other Changes in in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 18,218,818
Sales taxes	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	7,863,107
Other taxes	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	3,480,013
Investment earnings	227,702	272,849	372,728	(1,047)	15,200	1,172,806	1,353,014	(75,937)	(1,303,678)	558,488
Miscellaneous	485,625	300,765	524,995	543,725	616,199	568,578	777,427	831,482	524,021	1,051,888
Transfers	1,702,165	994,725	(266,772)	868,412	(15,450)	605,473	1,396,387	2,066,071	2,225,797	2,735,392
Total governmental activities	<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>	<u>33,907,706</u>
Business-type activities										
Investment earnings and other	755,294	617,971	630,994	392,925	613,734	816,278	753,975	1,493,566	(77,688)	650,946
Other										
Transfers	(1,702,165)	(944,725)	266,772	(868,412)	15,450	(605,473)	(1,396,387)	(2,066,071)	(2,225,797)	(2,735,392)
Total business-type activities	<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>	<u>(1,783,504)</u>
Total City government	<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>	<u>\$ 32,124,202</u>
Change in net position:										
Governmental activities	\$ 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	\$ 5,081,554
Business-type activities	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)	(2,289,976)
Total City government	<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>	<u>\$ 2,791,578</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	Capital Projects	
2023	\$ 475,315	\$ 1,185,906	\$ 7,915,030	\$ 1,000,000	\$ 4,724,240	\$ 15,300,491	\$ -	\$ 17,406,486	\$ 11,687,788	\$ 1,392,733	\$ 3,912,325	\$ -	\$ (1,983,835)	\$ -	\$ 32,415,497	
2022	442,414	861,278	7,000,440	1,000,000	3,282,423	12,586,555	-	17,977,708	7,151,467	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	-	15,096,146	7,996,953	1,285,478	4,776,137	-	(628,984)	-	28,525,730	
2020	433,239	329,693	6,155,254	1,222,691	2,650,256	10,791,133	16,317	11,538,950	9,786,968	1,125,743	4,684,889	-	(462,069)	-	26,690,798	
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	

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 -----									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes	\$ 15,992	\$ 17,896	\$ 22,553	\$ 19,242	\$ 20,381	\$ 30,520	\$ 22,705	\$ 22,656	\$ 25,774	\$ 29,415
Special assessments	455	471	488	550	583	581	638	668	665	652
Fines and forfeits	120	112	95	98	91	151	65	73	101	156
Licenses and permits	337	446	455	460	763	428	619	585	762	1,070
Intergovernmental	1,280	874	3,049	1,689	2,441	3,061	1,834	4,848	5,135	2,442
Charges for services	2,025	4,496	3,572	4,913	8,669	3,197	4,672	3,848	4,656	5,920
Other revenues	1,179	1,022	1,275	851	1,151	2,563	2,353	1,439	(281)	2,258
Total revenues	21,389	25,317	31,487	27,803	34,079	40,501	32,886	34,117	36,812	41,913
Expenditures:										
General government	4,066	5,064	5,111	5,237	5,084	5,645	5,648	5,312	6,773	7,654
Public safety	9,554	9,734	10,731	11,063	12,043	12,362	12,930	13,800	14,802	15,403
Comm. Dev. and Public Works	5,496	6,597	5,453	7,619	5,446	6,482	6,753	4,432	6,016	9,300
Parks and Recreation	1,192	2,202	2,665	3,615	3,445	3,215	1,847	2,809	2,720	3,071
Principal	537	560	583	606	628	583	538	4,598	1,270	143
Interest	394	373	314	291	268	243	222	157	959	147
Debt issuance costs								158		-
Capital outlay	2,277	1,200	5,260	3,040	2,099	1,670	3,458	7,022	4,961	5,334
Total expenditures	23,516	25,730	30,117	31,471	29,013	30,200	31,396	38,288	37,501	41,052
Excess of revenues over(under) expenditures	(2,127)	(413)	1,370	(3,668)	5,066	10,301	1,490	(4,171)	(689)	862
Other Financing Sources(Uses)										
Proceeds from borrowing	-	-	-	-	-	-	-	5,399	-	1,842
Transfers in	5,447	3,742	9,050	5,403	4,289	5,207	5,973	9,873	7,441	9,258
Transfers out	(3,745)	(2,747)	(10,097)	(4,535)	(4,676)	(4,601)	(4,577)	(7,875)	(5,215)	(6,523)
Other Sources								12		
Sale of Assets	24	-	-	-	-	18	-	10	10	
Total other financing Sources(Uses)	1,726	995	(1,047)	868	(387)	623	1,396	7,419	2,236	4,577
Net change in fund balances	\$ (401)	\$ 581	\$ 323	\$ (2,800)	\$ 4,679	\$ 10,924	\$ 2,886	\$ 3,248	\$ 1,547	\$ 5,439
Debt service as a percentage of noncapital expenditures	4.4%	3.8%	3.6%	3.2%	3.3%	2.9%	0.0%	15.7%	6.9%	0.8%

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
----- Prior Years -----	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
	2022-2023	17,843	1,574	1,031	337	739	21,524

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
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%
2022-2023	2,451,935	220,492	854,546	56,068	301	21,654	234,864	87	3,839,947	0.26%

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

Note: Exempt values are not included in Total.

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

Data Source: Napa County Assessor 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	----- Prior Years -----										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Basic Levy ¹	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.000 %	1.00 %
Napa College	0.027	0.026	0.026	0.025	0.024	0.024	0.021	0.019	0.018	0.017	0.017
Napa Valey Unified School District	0.072	0.069	0.063	0.114	0.102	0.098	0.090	0.090	0.088	0.084	0.084
Total Direct & Overlapping² Tax Rates	0.099	0.095	0.089	0.140	0.126	0.122	0.110	0.111	0.106	0.101	0.101
City's Share of 1% Levy per Prop 13³	0.296	0.296	0.296	0.296	0.296	0.292	0.292	0.292	0.292	0.292	0.292
Total Direct Rate⁴	0.276	0.276	0.276	0.276	0.274	0.275	0.271	0.271	0.267	0.265	0.265

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 2013/14 - 2022/23 Tax Rate Table

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**Schedule 8
City of American Canyon
2022/23 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	\$ 176,174	20.29%	\$ 176,174	1.14%	Unsecured American Canyon Gen Fund
SDG Hanna Court 411 LLC	2	\$ 159,450	1.09%				159,450	1.03%	Industrial American Canyon Gen Fund
SRI Napa LLC ET AL	1	156,775	1.07%				156,775	1.01%	Residential American Canyon Gen Fund
DWF IV NLP II	6	144,394	0.99%				144,394	0.93%	Industrial American Canyon Gen Fund
RAR2 Napa Logistics Park LLC	1	132,103	0.91%				132,103	0.85%	Industrial American Canyon Gen Fund
Biagi and Associates LLC	1	126,124	0.86%	1	2,761	0.32%	128,885	0.83%	Industrial American Canyon Gen Fund
Mezzetta 125 LP	1	119,672	0.82%				119,672	0.77%	Industrial American Canyon Gen Fund
SDG Commerce 330 LLC	1	119,550	0.82%				119,550	0.77%	Industrial American Canyon Gen Fund
Sutter Home Winery	2	107,914	0.74%				107,914	0.70%	Industrial American Canyon Gen Fund
Barry Callebaut USA LLC				1	103,461	11.91%	103,461	0.67%	Unsecured American Canyon Gen Fund
Top Ten Totals	15	1,065,982	7.30%	3	282,396	32.52%	1,348,378	8.70%	
City Totals		\$ 14,593,410			\$ 868,358		\$ 15,461,768		

*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 2022/23 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 7
City of American Canyon
2013/14 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	\$ 64,338	0.76%	2	\$ 227,320	28.79%	\$ 291,658	3.16%	Unsecured American Canyon Gen Fund
2) SDG Hanna Court 411 LLC	2	136,802	1.62%				136,802	1.48%	Industrial American Canyon Gen Fund
3) Biagi and Associates	1	108,578	1.29%	1	1,239	0.16%	109,817	1.19%	Industrial American Canyon Gen Fund
4) Sutter Home Winery INC	2	99,627	1.18%				99,627	1.08%	American Canyon Gen Fund
5) 5500 Eucalyptus Drive Apt Inv.	1	91,114	1.08%				91,114	0.99%	Residential American Canyon Gen Fund
6) Broadstone HC California LLC	2	81,366	0.97%				81,366	0.88%	Industrial American Canyon Gen Fund
7) Barry Callebaut USA LLC				1	68,765	8.71%	68,765	0.75%	Unsecured American Canyon Gen Fund
8) Walmart	1	61,138	0.73%	1	4,763	0.60%	65,901	0.72%	Commercial American Canyon Gen Fund
9) 125 Mezzetta Court INC	1	62,843	0.75%				62,843	0.68%	Industrial American Canyon Gen Fund
10) Napa Junction Retail LLC	6	46,695	0.55%				46,627	0.51%	Commercial American Canyon Gen Fund
Top Ten Totals	17	752,501	8.93%	5	302,087	38.26%	1,054,520	11.44%	
City Totals		\$ 8,426,453			\$ 789,559		\$ 9,216,012		

*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 2013/14 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 -----	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%
	2023	18,161,028	18,161,028	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	Subscriptions	Financed Purchase Obligations	State of California and Other Loans			
2014	\$ -	\$ -	\$ 1,792	\$ 6,303	\$ -	\$ -	\$ 7,331	\$ 15,426	2.74%	\$ 772
2015	-	-	1,559	6,263	-	827	6,214	14,863	2.60%	731
2016	-	-	1,318	5,892	-	2,408	5,505	15,123	3.67%	735
2017	-	-	1,069	5,506	-	1,975	4,827	13,377	2.07%	637
2018	-	-	813	5,104	-	1,532	4,131	11,580	1.86%	552
2019	-	-	551	4,752	-	1,076	3,416	9,795	1.49%	475
2020	-	-	278	4,455	-	609	2,682	8,024	1.17%	385
2021	-	-	845	4,672	-	4,769	1,928	12,214	1.67%	587
2022	-	-	802	4,872	-	4,233	1,155	11,062	1.54%	511
2023	-	-	761	7,467	233	4,014	360	12,835	1.56%	602

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

Note: It was determined in 2019 that the City was inadvertently referring to a 2012 bank financing agreement as a Lease Revenue Bond. The name was changed and debt service payments were moved to a separate column accordingly. Data Source: City of American Canyon Annual Comprehensive Financial Report.

Schedule 11
City of American Canyon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property	Per Capita
	Fiscal Year	General Obligation Bonds	Lease Revenue Bonds		
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%	-
2023	-	-	-	0.00%	-

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, 2023

2022-23 Assessed Valuation: \$3,839,946,883

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/2023	% Applicable (1)	City's Share of Debt 6/30/2023
Napa Joint Community College District	\$ 69,617,723	7.798%	\$ 5,428,790
Napa Valley Unified School District	458,549,855	11.678%	53,549,452
American Canyon Green Island Road Community Facilities District	5,000,000	100.00%	5,000,000
CSCDA Watson Ranch Community Facilities District	6,595,000	100.00%	6,595,000
City of American Canyon 1915 Act Bonds	12,665,500	100.00%	12,665,500
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 83,238,742
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Napa County Certificates of Participation	\$ 1,840,000	7.868%	\$ 144,771
Napa County Board of Education Certificate of Participation	11,385,000	7.868%	895,772
Napa Valley Unified School District Certificates of Participation	1,965,000	11.678%	229,473
City of American Canyon Facilities Loan Financing	8,461,365	100.00%	8,461,365
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 9,731,381
TOTAL DIRECT DEBT			8,461,365
TOTAL OVERLAPPING DEBT			84,508,758
COMBINED TOTAL DEBT			\$ 92,970,123 (2)

Ratios to Assessed Valuation:

Total Direct Debt (\$8,461,365)	0.22%
Total Overlapping Tax and Assessment Debt.	2.20%
Combined Total Debt	2.49%

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
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%
2023	3,924,037,523	147,151,407	-	147,151,407	0.00%

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

Notes:

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

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

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

Special Assessment Bonds

Fiscal Year	Special Assessment Collections	Capital Impact Fees	Debt Service		Coverage
			Principal	Interest	
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
2023	2,328,853	-	993,400	427,218	1.64

State of California Water Loan

	Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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	13,415	72.39
2022	8,431,611	1,252,878	7,023,852	2,660,637	70,382	11,697	32.42
2023	9,294,994	332,951	7,597,455	2,030,490	72,141	10,810	24.48

State of California Wastewater Construction Loan

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2023	5,447,782	235,879	3,731,797	1,951,864	722,377	19,504	2.63

Notes: Special assessment bonds are accounted for in the City's Custodial Funds.
Water and wastewater revenues include operating revenues, interest revenues, and capital impact fees.

Operating expenses exclude depreciation and amortization

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

Schedule 15
City of American Canyon
Demographic and Economic Statistics
For The Last ten Fiscal Years

	<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Median Household Income</u>	<u>Unemployment Rate</u>
Prior Years	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%
	2023	21,338	822,452	117,846	3.40%

Source: 2022-23 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 2023 vs Calendar Year 2014**

Employer	2023			2014		
	Rank	Number Employees	Percentage of Total City Employment	Rank	Number Employees	Percentage of Total City Employment
Amazon	1	481	4.37%			
NVUSD	2	358	3.25%			
GL Mezzetta	3	350	3.18%	3	300	5.36%
Walmart Supercenter	4	320	2.91%	1	362	6.46%
A Bright Future	5	170	1.55%			
Ikea Distribution Services, Inc.	6	162	1.47%			
Barry Callebaut	7	146	1.33%			
Safeway	8	141	1.28%	5	103	1.84%
Napa Valley Casino	9	104	0.95%			
Western Wine Services	10	103	0.94%			
Sutter Home Winery				2	350	6.25%
Coca-Cola AmCan Beverages				4	155	2.77%
Vinpak, Inc.				6	100	1.79%
Biagi Bros.				7	77	1.38%
City of American Canyon				8	75	1.34%
Adobe Lumber				9	62	1.11%
Wallaby Yogurt				10	61	1.09%

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 -----									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	2.55	2.55	3.50	2.50	2.50	3.00	3.00	3.00	3.00
City Clerk	1.40	1.65	1.65	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Neighborhood Programs						1.00	1.00	-	-	-
Communications								1.00	1.00	1.00
Human Resources				2.20	2.00	2.00	1.00	2.00	2.00	2.00
<i>Internal Service:</i>										
Information Systems		0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Finance										
Human Resources	1.50	2.20	2.20	-	-	-	-	-	-	-
Finance	4.60	4.30	4.80	4.80	4.50	4.10	4.10	4.10	4.10	3.15
Information Systems	0.20	-	-	-	-	-	-	-	-	-
Utility Billing	3.20	3.40	3.40	3.40	3.40	3.80	3.80	3.80	3.80	4.75
Public safety:										
Police	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.00	2.00	2.00
Non Departmental	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.00	1.00	1.00
Community Development:										
Planning	1.60	3.25	3.25	3.25	4.25	2.75	2.75	2.45	2.40	2.20
Building and Safety	3.25	3.25	4.25	4.25	3.75	3.65	3.65	2.95	3.00	2.70
Economic Development	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	-	-	-	-	-	0.00	0.00	0.00	-
Affordable Housing	0.25	0.10	0.10	-	-	-	-	-	-	-
Parks and Recreation										
Park Maintenance	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	2.00
Recreation Programs	2.80	1.80	2.80	2.80	3.10	3.10	4.30	4.30	4.00	4.00
Aquatics Programs	2.30	1.60	1.60	1.50	1.90	1.90	1.90	1.90	1.60	1.50
Neighborhood Programs					1.00	-	-	-	-	-
Facility Rentals					0.30	0.30	0.30	0.30	0.00	0.50
Open Space										0.50
Public Works:										
Administration	3.90	3.50	3.50	3.50	3.50	3.50	3.00	2.00	2.00	2.00
Capital Projects	1.60	3.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	4.00
Street Maintenance	3.45	2.90	3.30	3.30	4.00	3.95	3.95	2.70	0.00	2.50
Storm Drain	1.95	2.00	2.60	1.60	1.90	2.35	2.35	3.40	0.70	2.50
Parks Maintenance							5.40			
Fleet Operations	1.10	-	-	-	-	-	-	-	-	-
City Engineer		1.00	1.00	1.00	1.00	1.50	1.50	1.50	1.50	1.00
Maintenance and Utilities										
Maintenance & Utilities Admin								3.00	3.00	3.40
Streets Maintenance								2.70	2.70	
Maintenance & Utilities Storm Drian								2.71	3.00	
Parks Maintenance								5.40	5.40	5.70
<i>Water:</i>										
Treatment and Distribution	9.05	9.08	10.08	11.25	11.55	11.25	11.75	11.25	11.25	11.25
<i>Wastewater:</i>										
Collection and Treatment	12.00	12.23	9.73	9.40	11.10	11.25	10.75	9.25	9.25	9.25
Storm Water Quality	0.45	-	-	-	-	-	-	-	-	-
Solid Waste	0.35	0.35	3.35	3.35	3.35	3.10	3.10	2.30	3.00	3.90
<i>Recycled Water:</i>										
Treatment and Distribution										0.30
<i>Internal Service:</i>										
Building Maintenance		1.00	1.00	1.00	1.00	1.05	1.05	1.05	1.05	1.20
Fleet Operations		1.10	1.10	1.10	1.10	1.05	1.05	1.05	1.05	1.20
Totals	73.30	77.50	84.00	86.50	89.00	88.00	88.00	90.41	84.00	85.70

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

	----- Prior Years -----									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Physical arrest	790	471	569	493	282	460	515	504	517	418
Traffic violations	1,336	971	886	1,189	1,204	635	601	696	1,776	1,064
Fire:										
Emergency Responses	1,449	1,627	1,615	1,802	1,744	1,709	1,725	1,764	1,775	1,973
Structure Fires	6	17	20	20	21	19	71	80	40	40
Fire Loss (Thousand \$)	-	-	-	-	-	-	-	-	-	-
Fire Engines	6	6	6	6	8	8	8	8	8	8
Inspections	199	229	216	393	382	325	292	179	154	211
Construction Inspection	50	44	78	100	97	171	107	122	81	299
Planning:										
Building Permits Issued	360	520	524	496	511	428	571	598	534	882
Public works:										
Miles streets resurfaced	-	1.75	0.15	7.00	0.69	1.00	1.14	0.35	0.50	3.10
Parks:										
Community events held	37	41	46	41	40	38	14	12	27	40
Swimming pool admissions	47,720	48,222	49,142	49,302	63,110	46,594	15,277	14,250	21,756	59,398
Water:										
Number of new services	493	402	418	449	427	374	324	292	332	369
Daily average water production in MGD	3.15	2.87	2.49	2.31	2.38	2.40	2.12	2.57	2.50	2.00
Daily average water consumption in MGD	2.89	2.39	2.08	2.02	2.19	2.08	1.64	2.19	2.15	1.90

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 -----									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	19	17	17	18	18	18	18	18	20
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	8	8	8	8	9	8	8	8	8	8
Public works:										
Miles of streets	38.1	38.1	38.1	38.1	38.1	38.1	52.3	112.0	112.5	114.0
Streetlights	1,233	1,233	1,233	1,233	1,233	1,233	1,381	1,397	1,397	1,429
Traffic signals	4	4	4	4	4	4	6	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	2.6
Number of services billed	5,593	5,594	5,621	5,654	5,646	5,595	5,693	5,724	5,734	5,786
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	4,983	5,004	5,016	5,012	4,999	5,050	5,006	5,009	5,022	5,052
Maximum plant capacity in million gallons	5	5	5	5	5	5	5	5	5	5
Recycled Water:										
Miles of pipelines added	-	-	0	-	-	-	-	-	0.5	1.1
Number of services billed	15	20	30	46	43	30	48	62	46	46
Storage capacity in million gallons	1	2.50	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