



CITY OF AMERICAN CANYON AND AMERICAN CANYON FIRE PROTECTION DISTRICT COMPREHENSIVE ANNUAL FINANCIAL REPORT *FISCAL YEAR 2009-2010*



City of American Canyon Website
www.cityofamericancanyon.org

Comprehensive Annual Financial Report

Fiscal Year 2009-2010

The City of American Canyon website had a complete makeover and was relaunched on April 1st of 2010. It is much more user friendly and customer service oriented. Please visit us at www.cityofamericancanyon.org to check out our new look and added features such as our “I want to...” menu. We hope you enjoy our new look.



CITY COUNCIL

Leon Garcia, Mayor

Ed West, Vice Mayor

Joan Bennett, Councilmember

Don Callison, Councilmember

Cindy Coffey, Councilmember

Prepared by the Finance Department

Introductory Section



Local flora and fauna at the Wetlands
from the Bay Trail

CITY OF AMERICAN CANYON
Comprehensive Annual Financial Report
For the Year Ended June 30, 2010

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CITY OF AMERICAN CANYON

Napa Valley's New Destination



December 17, 2010

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of American Canyon (City) for the fiscal year ended June 30, 2010. These financial statements were audited by Maze and Associates, a licensed certified public accounting firm. Their unqualified (“clean”) opinion has been included as the first component of the financial section of this CAFR.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY AND ITS OPERATIONS

Incorporated in 1992, the City of American Canyon is the second largest city in Napa County. The City’s population is 16,836 as of January 1, 2010, as estimated 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 wetlands preserve to the west, the foothills of the Sulphur Springs Mountain Range to the east, the City of Vallejo to the south and the Napa Airport along with many 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 consisting of the Mayor and four other elected Council members. 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 is responsible for carrying out the policies and ordinances of the City Council, overseeing the daily operations of the City, appointing other employees and otherwise managing daily operations of the City. The City Council members are elected on a non-partisan basis

The voters passed a measure to directly elect the Mayor to two year terms beginning in 2006. The other Council members serve four year staggered terms, with two members and the Mayor elected every two years.

The City provides a full range of municipal services including police and fire protection services, construction and maintenance of City streets, storm drains, bridges and similar infrastructure type assets, park maintenance, and community recreation activities. In terms of business type activities, the City operates its water and wastewater systems in a fashion similar to private businesses.

The City's annual budget serves as the foundation for the City of American Canyon's financial planning and control system. Each year, all City departments submit requests for appropriations to the City Manager. The Manager uses these requests as a starting point for developing a proposed budget. The Manager presents his proposed budget to the Finance Sub-Committee followed by a presentation to the City Council each year. 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, amend the original budget to reflect changing needs.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered in relationship to the City's specific environment and the City's plans for the future.

Local Economy

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 over 300 wineries scattered throughout the valley. Tourist spending on lodging, restaurants, wine, and shopping make tourism a major contributor to the local economy. The City of American Canyon, as the southern most City in the County, benefits from tourism, but the economic benefits are enjoyed much more by those cities in the north valley. To increase tourism in American Canyon, the City joined the Napa Valley Tourism Improvement District which provides valley wide and local marketing and promotion of tourist serving activities.

During the fiscal year, the City continued to struggle through the economic downturn and remains hopeful of a recovery soon. The County Assessor cautioned cities throughout the County about declining property values and the City of American Canyon felt the impact when its largest source of general fund revenues, property taxes, dropped 16% or \$1.4 million from \$8.5 million to \$7.1 million. The City's 1% share of

retail sales taxes, the second largest source of revenue, decreased over \$200 thousand or about 10% from the prior year. On a much more positive note, Transient Occupancy Tax revenues in fiscal year 2009-10 increased almost \$100 thousand or 21% primarily due to the opening of a third major hotel during the year. However, even without that hotel, revenues were up modestly. TOT revenues are a leading local economic indicator so that was good news. Effective January 2011, the City will likely receive a 20% boost in TOT revenues as a result of voters approving a ballot measure increasing the rate from 10% to 12%. Additionally, the City is expecting an increase in local tourism as a result of its membership in the Napa Valley Tourism Improvement District.

During the past year, the City has focused on eliminating a recession generated general fund structural deficit which had been estimated to be \$1.6 million. Due to City Council action to stop the red ink and the stewardship of City management, the actual deficit was \$1.25 million, over 20% less than estimated. As a result of the estimated deficit projected many months ago, a comprehensive review of general fund finances commenced. This effort ultimately resulted in a 36 month plan included in the adopted budget for fiscal year 2010-11 to eliminate the deficit. Expenses were reduced by eliminating 13 positions, placing employees on 15 days of unpaid furloughs, eliminating cost of living increases, establishing a hiring freeze, eliminating most city sponsored special events and seeking additional labor concessions. The plan also assumed that voters would pass two ballot measures to increase the City's TOT rate and establish a \$2 per person admission tax to the City's card room.

The housing sector showed little change from the past two years of sluggish activity. In past years, the housing industry provided jobs to construction trade workers, building material sellers, realtors and mortgage related workers and had a very positive impact on the local economy. Many of those workers have been unemployed contributing to the City's unemployment rate of at least 12% through fiscal year 2009-10.

The construction of American Canyon's first high school, built to accommodate up to 2,200 students, was completed and freshmen and sophomores began attending the state of the art \$150 million school in August 2010.

In the face of mixed economic indicators, economists have predicted that the economy has bottomed out and may be slowly getting better. They have forecast that the housing market will remain weak through 2011 and the recovery will be slow. The City's 36 month deficit elimination plan is on track there have been signs that the economy is improving.

MAJOR INITIATIVES

Capital Improvement Program

The City's capital improvement program is a long range program for major municipal capital construction projects. Key projects completed include:

- ✓ The Senior Multi Use Center, a \$1.182 million 3,200 square building, opened in May 2010. The 20 year old building had been used for various city functions in past years and its transformation was a welcome addition to the community.
- ✓ The City's Recycled Water System – The remaining segments of the system, costing about \$3.5 million, were completed. The new facilities include a one million gallon storage tank and over 7,000 feet of new distribution mains. Recycled water is now being used in place of potable water for the city's parks and for the largest landscape irrigation customers.
- ✓ The Napa River Segment of the Bay Trail was completed. It extends from the Wetlands View Area to the Napa River and provides public access to the Napa River in American Canyon, a long desired goal. Construction work was completed in the spring of 2010.

Major projects in progress include:

- ✓ Watson lane Water Pipeline Project (construction) which consists of the abandonment of the existing 2-inch waterline (1,750 linear feet); construction of a new 12-inch waterline (2,275 linear feet), along with associated appurtenances. A contract has been awarded and construction is expected to begin in January 2011.
- ✓ Refurbishment of West American Canyon Road from SR 29 to James Street is currently in design. The project consists of pavement rehabilitation; construction of curb, gutter and sidewalk along the PG&E property; shifting of the median to the north to accommodate three travel lanes in the east bound direction; striping; and new class II bike lanes.

Water Supply

The City prepared its first Urban Water Management Plan in December 2005 and is currently updating it. The objective of the plan is to assist the City in planning for and meeting future water demands from its system.

The City receives the majority of its raw water supply through the North Bay Aqueduct, a state water project. The drought conditions in the state the past few years have required the state to materially decrease the City's water allocation. However, the drought has eased somewhat and the State estimates, based on current forecasts, that the City will receive 25 percent of its allocation. Historically, as the rainy season progresses, the State increases its forecasts. The City has a contract with the City of Vallejo for additional water supplies, if needed. Notwithstanding this source, the City is continuing to explore options for acquiring additional supplies.

Cash Resources and Practices

The City ended the fiscal year with cash and investments totaling \$32.2 million with \$21.4 million available for City operations. To diversify the City's investment portfolio, about \$10 million was invested in U.S. Treasury Notes, Federal Agency Securities, Corporate Notes and a Money Market Fund. About \$15.8 million was invested in the State of California Local Agency Investment Fund, a pooled investment arrangement. Another \$4.0 million was invested with the Napa County Investment pool. The remaining \$2.3 million, mostly debt service reserves was invested in money market mutual funds. These amounts are sufficient to enable the City to move forward into the new fiscal year, conduct operations, and embark upon the planned capital asset improvement programs.

Risk Management

The City limits its exposure to losses from unfavorable events, employee injuries, and from the risk of damages to City property by participating with other governments in an insurance pool wherein the risk of substantial monetary loss is transferred from the City to the insurance pool. Further information about this arrangement is included in the notes to the financial statements.

Long-Term Debt Administration

During fiscal year 2009-10, the City borrowed \$350,000 from the City of Napa to participate in an alternate in-take water project. 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 all required reserves and debt service covenants were complied with by the City.

Pension Benefits

The City directly participates in the Public Employees Retirement System (PERS) of the State of California for all full time employees. The City plans to fund each year's required contribution for its regular and public safety plans based on rates calculated by PERS after analyzing the city's workforce. With respect to retiree health care costs, the City's practice has been to pay the same premium for retired employees' health care as it does for active employees. The City plans to fund its annual required contribution (ARC) to the extent that resources are available, for regular and public safety plans based upon an actuary's analysis. The City and Fire District have entered into an irrevocable trust with PERS to fund retiree health benefits. Additional information about the City's pension plan is included in the notes to the financial statements and the required supplementary information section of this report.

Acknowledgements

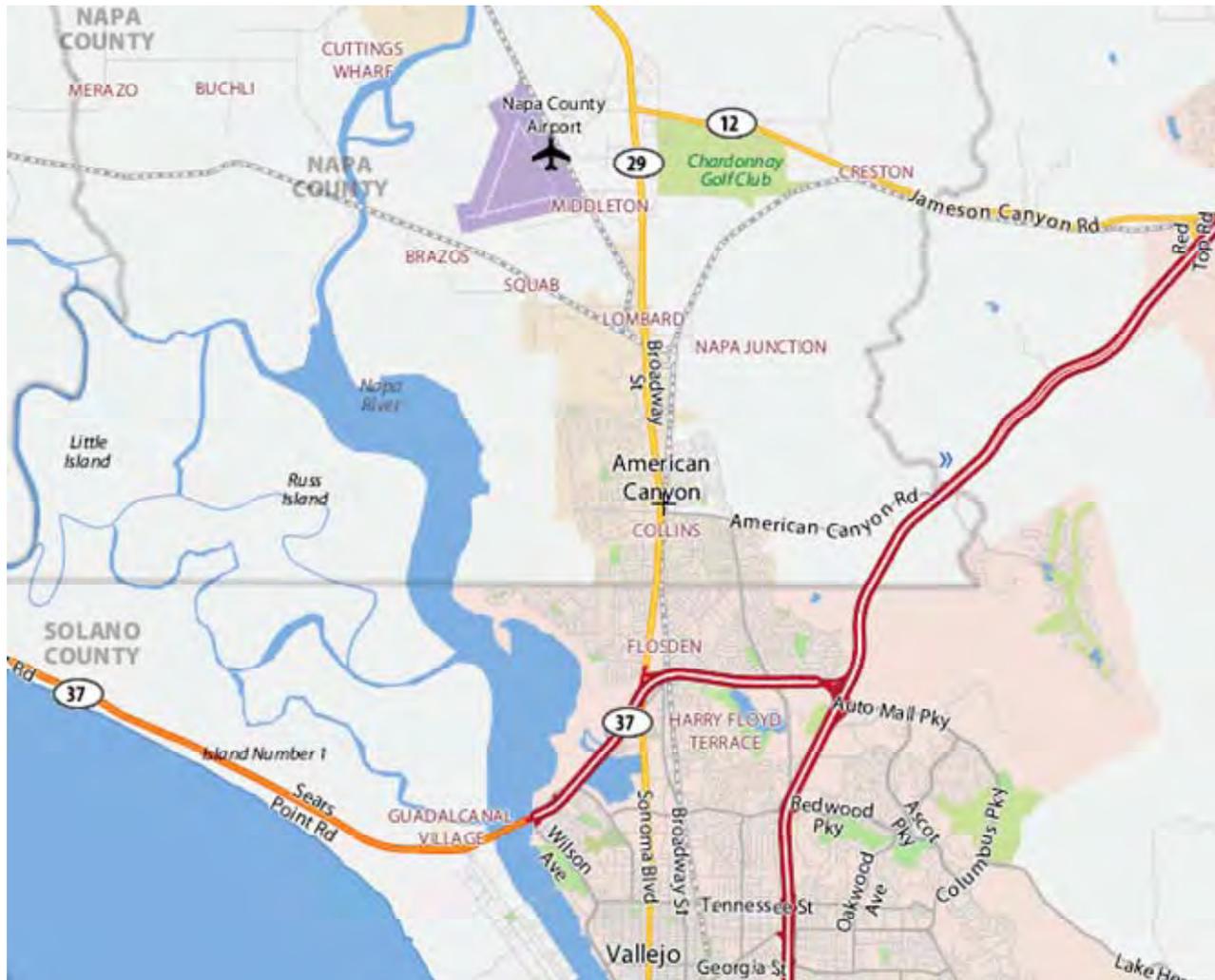
The preparation of this report would not have been possible without the efficient and dedicated services of Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor, Members of the City Council, and the City Manager for their continued support for maintaining the highest standards of professionalism in the management of the City of American Canyon's financial affairs.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Barry K. Whitley". The signature is written in a cursive style with a large initial 'B' and 'W'.

Barry K. Whitley, CPA
Finance Director

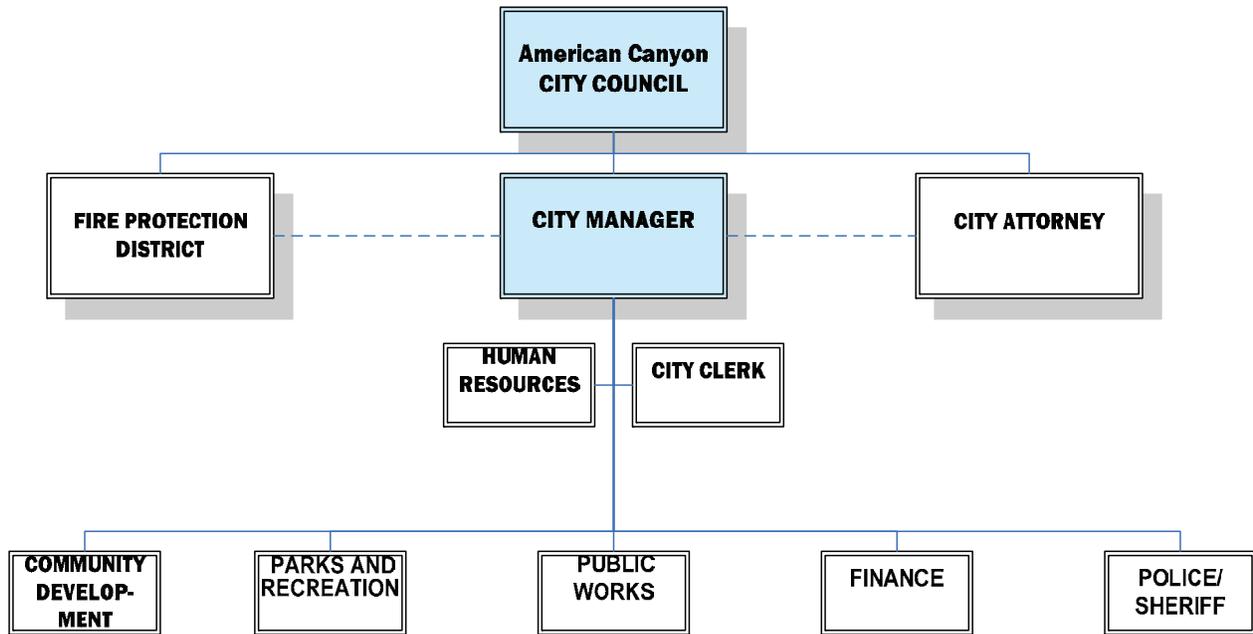
American Canyon, California



CITY STAFF

Richard J. Ramirez, City Manager
Brian Banducci, Police Chief
Glen Weeks, Fire Chief
William Ross, City Attorney
Rebekah Barr, City Clerk
Barry Whitley, Finance Director
Michael Throne, Public Works Director
Brent Cooper, Community Development Director
Randy Davis, Parks & Recreation Director
Bronnda Silva, Human Resources Director

City of American Canyon



Financial Section



New recycled water storage tank

INDEPENDENT AUDITOR'S REPORT ON BASIC FINANCIAL STATEMENTS

To the City Council
City of American Canyon, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of American Canyon, California as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic 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, 2010 and the respective changes in the financial position and cash flows, where applicable, thereof and the respective budgetary comparisons listed as part of the basic financial statements for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2010 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not required as part of the basic financial statements of the City of American Canyon, California. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section listed in the Table of Contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly we express no opinion on them.

Maze & Associates

November 9, 2010

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, 2010. Please read it in conjunction with the City's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net assets decreased by about \$2.5 million over the course of this year's operations after conducting all City operations and programs. The assets of the City exceeded its liabilities by about \$351 million at the end of the 2010 fiscal year. Of that amount, \$30.3 million (the unrestricted net assets) may be used to meet the City's ongoing obligations and operating expenses for the next fiscal year.
- Overall City-wide revenues from all governmental and business-type activities were \$29.1 million, a decrease of about \$11 million compared to the 2009 fiscal year. This amount includes a \$4.6 million from grants and capital contributions.
- The City's total expense of all programs in fiscal 2010 was \$31.7 million, an increase of about \$1.7 million compared to the 2009 fiscal year.
- The general fund reported a fund balance of \$10 million at the end of the 2010 year. The Fire District operations fund ended the 2010 year with a \$2.6 million fund balance.
- The City also ended the fiscal year with \$12.3 million reported in its proprietary enterprise funds (the amount of net assets available for use both restricted and unrestricted but excluding the investment in capital assets net of related debt). The City's other non-major governmental funds ended 2010 with about \$9.2 million available for special purposes; primarily infrastructure and capital asset additions.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are *government-wide financial statements* that provide both long-term and short-term information about the City's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.
 - The *governmental funds* statements tell how *general government* services like public safety, community development, parks and recreation, public works and streets were financed in the *short term* as well as what remains for future spending.
 - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates *like businesses*, such as the City's water, wastewater, and transit 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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 |
| <u>Scope</u> | 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 transit systems |
| <u>Required financial statements</u> | <ul style="list-style-type: none"> • Statement of net assets • 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 assets • Statement of revenues, expenses, and changes in net assets • Statement of cash flows |
| <u>Accounting basis and measurement focus</u> | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus |
| <u>Type of asset/liability information</u> | 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 |
| <u>Type of inflow/outflow information</u> | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during year, regardless of when cash is received or paid |

Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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 assets* and how they have changed. Net assets – the difference between the City's assets and liabilities – is one way to measure the City's financial health, or *position*.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Over time, increases or decreases in the City's net assets are 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 transit 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 and fire district operations funds*, 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 (such as the City's capital project fund). 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 in addition, demonstrate the City's ability to repay its long-term debt obligations such as bonds.

The City has two 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 you 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 transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally. During the 2010 fiscal year, the City did not use internal service funds. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The proprietary fund statements provide separate information for the City's water and wastewater operations, both of which are considered to be major funds of the City.

MANAGEMENT'S DISCUSSION AND ANALYSIS

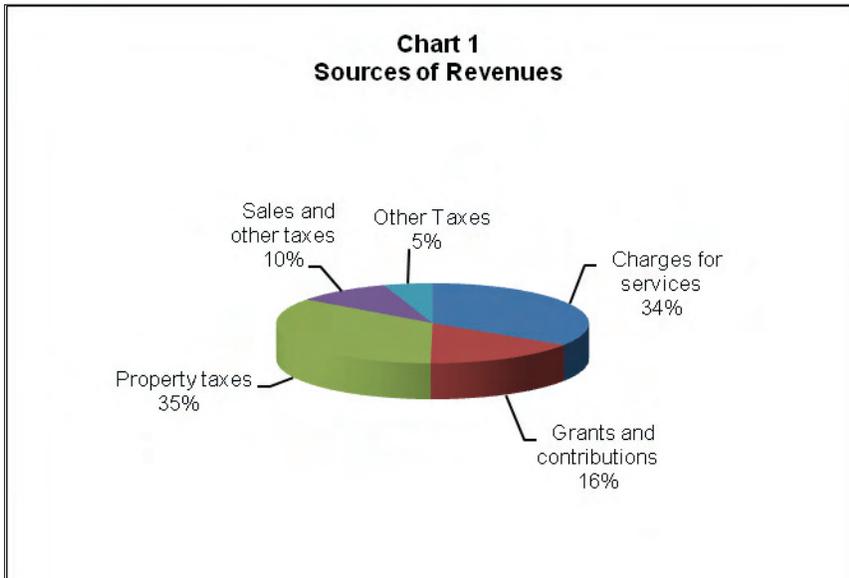
FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets. As summarized in Table A-1 below, the City's *combined* net assets decreased about \$2.6 million between fiscal years 2009 and 2010.

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

| | Governmental Activities | | Business-Type Activities | | Total | | Total Percentage Change |
|----------------------------|-------------------------|--------------|--------------------------|-------------|----------------|----------------|-------------------------|
| | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009-2010 |
| Current and other assets | 39.9 | 36.0 | 17.8 | 19.3 | \$ 57.7 | \$ 55.4 | -4.0% |
| Capital assets | 266.9 | 267.6 | 60.3 | 64.0 | 327.2 | 331.5 | 1.3% |
| Total assets | 306.8 | 303.6 | 78.1 | 83.3 | 384.9 | 386.9 | 0.5% |
| Long-term debt outstanding | 10.7 | 10.3 | 16.1 | 19.3 | 26.9 | 29.7 | 10.5% |
| Other liabilities | 3.1 | 3.4 | 1.4 | 2.8 | 4.4 | 6.2 | 38.9% |
| Total liabilities | 13.8 | 13.7 | 17.5 | 22.1 | 31.3 | 35.9 | 14.5% |
| Net assets | | | | | | | |
| Invested in capital assets | 256.1 | 257.3 | 44.2 | 48.8 | 300.4 | 306.1 | 1.9% |
| Restricted | 9.0 | 7.2 | 11.6 | 7.4 | 20.6 | 14.6 | -29.1% |
| Unrestricted | 27.8 | 25.3 | 4.8 | 5.0 | 32.6 | 30.3 | -7.0% |
| Total net assets | 292.9 | 289.8 | 60.6 | 61.2 | \$353.6 | \$351.0 | -0.7% |

Net assets of the City's governmental and business-type activities decreased .7% to \$351 million. About 87% of the City's net assets is invested in capital assets such as buildings, land, equipment and facilities. The remaining 13% is essentially represented by cash, investments and receivables. About 83% of the City's total liabilities are represented by long-term obligations including lease revenue bonds, assessment bonds, capital leases, and loans from the State of California.

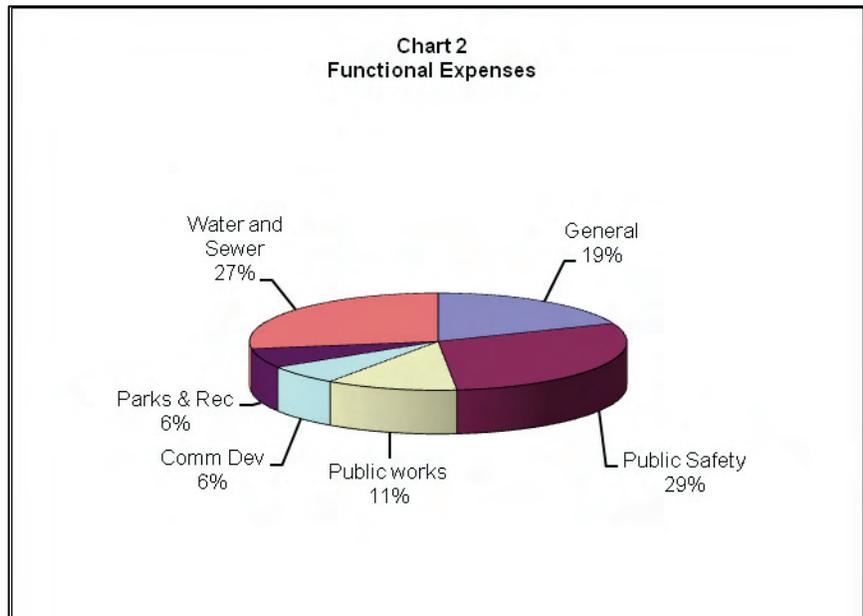


MANAGEMENT'S DISCUSSION AND ANALYSIS

Changes in net assets. 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 8, revenues for fiscal year 2009-10 totaled \$29.2 million, a City-wide decrease of about \$11 million from prior year. Charges for services were down 4.8% as residents cut back on city services, feeling the economic impact of the recession. Grants and contributions were down 2.1% due to decline in developer related activities. The City's general revenues decreased \$10.3 million over the prior year. This was due to a decrease of \$689 thousand in property taxes, a \$2.2 million decrease in sales and other taxes, and a \$7.4 million decrease in other revenues mainly due to the prior year AmCan Beverage legal settlement of \$7.593 million.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The total cost of all programs and services in 2010 was about \$31.7 million which paid for a wide range of services such as public safety, streets, public works, general administration, parks and recreation, water, wastewater and the support services operations. Major types of expenditures by function are shown in chart 2. As summarized in Table A-2, for fiscal year 2009-10, expenses increased 5.7% to \$31.7 million. Governmental activities expenses increased by about \$2.3 million and business type activities decreased \$601 thousand.



The City's primary source of revenue was property taxes totaling \$10.2 million or 35% of total revenues. About \$10 million or 34% of all City revenues were from water and wastewater service fees and capacity fees which were collected upon the issuance of building permits.

The majority of the City's operating expenses for fiscal year 2010, \$9.2 million, were incurred to provide police and fire protection services. These public safety expenditures accounted for 29% of the City's total 2010 operating expenses while the water and wastewater enterprises comprised 27% of total expenses. The public works and community development departments account for 17% of expenses while the remaining 27% was spent on parks and recreation programs and general City administration.

Governmental Activities

Revenues from all governmental type activities in fiscal year 2010 decreased by \$12 million compared to 2009. Property taxes went down by \$689 thousand and Sales and other taxes decreased \$1.2 million compared to 2009. The decreases are mainly due to the downfall of the economy.

When all operations were concluded, the governmental activities generated a \$3.1 million decrease in net assets for 2010 and business activities increased \$560 thousand.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Table A - 2
Changes in the City of American Canyon's Net Assets
(in millions of dollars)

| | Governmental Activities | | Business Type Activities | | Total | | Total Percentage Change |
|--|----------------------------|--------------|-----------------------------|-------------|--------------|--------------|-------------------------------|
| | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009-2010 |
| Revenues | | | | | | | |
| Program Revenues | | | | | | | |
| Charges for services | 2.8 | 2.5 | 7.6 | 7.4 | 10.4 | 9.9 | -4.8% |
| Grants & Contributions | 3.5 | 2.1 | 1.3 | 2.6 | 4.8 | 4.7 | -2.1% |
| General Revenues | | | | | | | |
| Property Taxes | 10.9 | 10.1 | 0.0 | 0.0 | 10.9 | 10.1 | -7.3% |
| Sales and other taxes | 5.2 | 4.0 | 0.0 | 0.0 | 5.2 | 4.0 | -23.1% |
| Other | 8.8 | 0.4 | 0.0 | 0.0 | 8.8 | 0.4 | -95.5% |
| Total revenues | 31.2 | 19.1 | 8.9 | 10.0 | 40.1 | 29.1 | -27.4% |
| Expenses | | | | | | | |
| General Government | 2.8 | 5.9 | 0.0 | 0.0 | 2.8 | 5.9 | 110.7% |
| Public Safety | 9.5 | 9.2 | 0.0 | 0.0 | 9.5 | 9.2 | -3.2% |
| Public Works | 4.2 | 3.5 | 0.0 | 0.0 | 4.2 | 3.5 | -16.7% |
| Community Development | 2.0 | 2.0 | 0.0 | 0.0 | 2.0 | 2.0 | 0.0% |
| Parks and Recreation | 2.3 | 2.0 | 0.0 | 0.0 | 2.3 | 2.0 | -13.0% |
| Water | 0.0 | 0.0 | 5.1 | 4.9 | 5.1 | 4.9 | -3.9% |
| Wastewater | 0.0 | 0.0 | 4.1 | 3.6 | 4.1 | 3.6 | -12.2% |
| Other | 0.0 | 0.4 | 0.0 | 0.0 | 0.0 | 0.4 | 100.0% |
| Total expenses | 20.8 | 23.0 | 9.2 | 8.5 | 30.0 | 31.5 | 5.0% |
| Excess (deficient) before | | | | | | | |
| Transfers | 10.4 | -3.9 | -0.3 | 1.5 | 10.1 | -2.4 | -123.8% |
| Transfers | -6.2 | 0.8 | 6.2 | -0.8 | 0.0 | 0.0 | 100.0% |
| Increase (decrease) in net assets | 4.2 | -3.1 | 5.9 | 0.7 | 10.1 | -2.4 | -123.8% |
| Nets Assets, beginning | 288.7 | 292.9 | 54.6 | 60.6 | 343.4 | 353.6 | |
| Net Assets, Ending | 292.9 | 289.8 | 60.5 | 61.3 | 353.5 | 351.2 | -0.7% |

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Table A-3 presents the cost of each of the City's five largest programs – public safety, public works, parks and recreation, water and wastewater.

The cost of all programs this year was \$31.7 million compared to \$30 million in fiscal 2009, a 5.7% increase for the year. For governmental activities, program costs increased in 2010 by about \$2.2 million or 8%. One of the reasons for the increase is the one time loan of \$1.525 million from the General Fund to Civic Facilities Impact Fee Fund for the Senior-Multi Use Center Project. The enterprise activities costs were down \$571 thousand, a 6.29% decrease for the year mainly due to a \$448 thousand decrease in wastewater expenditures, most of which is due to a decrease in litigation expenses from 2009.

Governmental Activities

Users and contributors funded \$23.1 million of the city's governmental activity program expenses during the year leaving the City to fund the other \$18.5 million of costs. The shortfall was a result of a \$2.3 million increase in expenses and a decrease in program revenues by \$1.7 million and \$10.4 million decrease in general revenues. The main decrease in revenue was due to the 2009 AmCan Beverage \$7.593 settlement. The expense of governmental services was absorbed by those who directly benefited from or used the programs (about \$2.5 million) and other government and organizations that subsidized certain programs with grants and contributions (about \$2 million).

Business-Type Activities

The net assets for the City's business-type activities, consisting primarily of water and wastewater, decreased by about \$560 thousand over the prior fiscal year. In fiscal year 2010, revenues increased about \$1 million compared to the prior year or about 12%. Water and Wastewater user charges were down \$177 thousand primarily as a result of a rate increases and residents are trying to make it to the 10% conservation goal of the City. The largest decrease in water sales came from single family residential, a 13% decline compared to 2009. Wastewater sales only increased by about \$47 thousand. Water and Wastewater connection fee increased \$1.2 million mainly due to the construction of the new American Canyon High School, most of which was paid by a developer building homes at Vintage Ranch.

Water expenses decreased by \$122 thousand mainly due to a decrease in treated water purchased from the City of Vallejo and a cut back on dry year supply purchase in our state water project raw water supply. Wastewater expenses decreased \$448 thousand, a 5% decrease from prior year mostly due to a decrease in litigation expenses from 2009.

City Program Costs

Table A-3 presents the cost of each of the City's five largest programs – public safety, public works, parks and recreation, water and wastewater.

- The cost of all programs this year was \$31.8 million, compared to \$30 million in fiscal year 2009; about a 5.7% increase for the year. For governmental activities, program costs increased \$2.2 million or about an 8% increase in overall program. Water and Wastewater program costs decreased \$571 thousand or 6.2% in overall program.

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

| | Total Cost of Services | | Percentage Change |
|----------------------|---------------------------|----------------|----------------------|
| | 2009 | 2010 | 2009 - 2010 |
| Public Safety | \$ 9.5 | \$ 9.2 | -3.3% |
| Public Works | 4.2 | 3.5 | -20.0% |
| Parks and Recreation | 2.3 | 2.0 | -15.0% |
| Water | 5.1 | 5.0 | -2.0% |
| Wastewater | 4.1 | 3.6 | -13.9% |
| All Others | 4.8 | 8.4 | 42.9% |
| Total | \$ 30.0 | \$ 31.7 | 5.4% |

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a combined fund balance of \$22.6 million, about \$4.5 million less than the last fiscal year. The City's general fund operations generated about \$3 million less in revenues than was spent on governmental activities. The general fund revenues decreased by \$10.7 million or 47.9% compared to fiscal year 2009 while expenditures decreased by only 5.2% or \$805 thousand compared to last fiscal year. The Fire District's Operations Fund decreased by \$1.6 million or 38.8% compared to last fiscal year.

The City's non-major governmental funds ended the fiscal year a combined fund balance of \$9.2 million. Of this amount, \$5.1 million is in capital projects funds which can only be legally used for capital assets and infrastructure. Another \$449 thousand is restricted for use to pay debt service expenses. The water and wastewater enterprises ended the year with \$10.3 million in cash and investments available for future use.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget many times. These budget amendments were done throughout the year to avoid cost overruns, to account for unanticipated revenues, and to fund new projects. Additionally, changes were made as a result of the mid-year budget review. At year end, including all adjustments, actual general fund expenditures were \$2.3 million less than final budget amounts. The Great Recession of 2007 – 2010 impacted the city's finances. The largest expense in the general fund, police services decreased by 32% to \$4.7 million compared to \$4.9 million last fiscal year. General Fund Expenses decreased by 5.2% over the prior year, which shows the City's efforts to control costs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the City had invested \$331 million (net of accumulated depreciation) in a broad range of capital assets, including land, vehicles, equipment, water system, wastewater system, streets, and other capital assets. (See Table A-4) This amount represents a net increase (including additional and deductions) of about \$4.3 million, or about 1.3 percent over last year. Additional information can be found in the notes to the financial statements.

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 |
|---------------------------|-------------------------|--------------|--------------------------|-------------|--------------|-----------------|-------------------------|
| | 2009 | 2010 | 2009 | 2010 | 2009 | 2010 | 2009-2010 |
| | Land | \$ 6.8 | 6.8 | 1.6 | 1.6 | 8.4 | \$ 8.4 |
| Construction in Progress | 29.7 | 31.4 | 2.7 | 6.3 | 32.4 | 37.7 | 16.4% |
| Buildings & Improvements | 15.3 | 16.1 | 4.5 | 4.5 | 19.8 | 20.6 | 4.0% |
| Machinery & Equipment | 2.1 | 1.7 | 0.3 | 0.4 | 2.4 | 2.1 | -12.5% |
| Water Utility System | | | 25.8 | 25.0 | 25.8 | 25.0 | -3.1% |
| Wastewater Utility System | | | 25.4 | 26.1 | 25.4 | 26.1 | 2.8% |
| Infrastructure System | 212.9 | 211.6 | | | 212.9 | 211.6 | -0.6% |
| Total | \$ 266.8 | 267.6 | 60.3 | 63.9 | 327.1 | \$ 331.5 | 1.3% |

Long - Term Debt

During fiscal year 2010, the City acquired a \$350 thousand of new debt from the City of Napa to pay for participation in environmental analysis, planning, and design associated with the North Bay Aqueduct Alternate Intake project and environmental analysis, planning, and design associated with the Delta Habitat Conservation and Conveyance Plan. At the end of the year, there was about \$24.2 million in long term debt obligations outstanding. Of this amount, about 41 percent relates solely to the City's governmental type activities and the remaining 59 percent is applicable to business type financing activities.

For business-type activities, about \$5.3 million is capital lease type arrangements mostly applicable to the water system and the City's water rights, a \$1.1 million state loan is for water system improvements, an \$8 million state revolving loan was obtained to provide financing for construction of the City's wastewater treatment plant facility constructed in 2003. The City has no bonded debt outstanding for its business-type activities.

For governmental type activities, the major long-term debt consists of \$2.8 million of 2002 lease revenue bonds issued to refund 1997 bonds to construct the City gym and aquatic center; \$6.5 million capital lease for the new City Hall, and a \$942 thousand capital lease for the purchase of the Broadway property adjacent to the City Hall to provide City Hall access from Napa Junction Road and to provide additional parking. The lease revenue bonds debt service is being paid from park impact monies. Additional information about the City's long-term obligations can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of American Canyon, along with most cities throughout the State, suffered through a dramatic decrease in its revenues during fiscal year 2010. As a result, in planning for fiscal year 2011, the City had to take a hard look at its operations, evaluate priorities, and set a financial course to eliminate its projected general fund structural deficit. Difficult choices were made to eliminate positions, lay off staff, require unpaid staff furloughs and decrease certain services and city funded community events. While the recession ended about 18 months ago, economists have predicted a slow recovery during the next three years. The City Council approved a 36 month plan to eliminate the deficit which incorporated the expected slow recovery. During fiscal year 2011, the City's budget provides for spending about \$800,000 of its reserves to continue to provide most services to its residents. There are no plans for any additions to the reserves until the general fund realizes a positive cash flow. In fiscal year 2011-12, the City expects expenditures in the general fund to exceed revenues by about \$194,000 and in fiscal year 2012-13, the City expects to operate in the black.

In fiscal year 2011, property taxes were expected to decline but at a much smaller rate. Sales tax is expected to be flat. After a community outreach program and polling of residents over the past year to educate the voters about the impact of the recession on the City's financial condition and cost cutting measures already taken, feedback was received about residents' priorities for service cuts and their willingness to approve revenue enhancements. Ultimately, the voters approved a 2% increase to the transient occupancy tax and a card room admissions tax of \$2.00 per patron to help provide resources to continue most services. Looking into the future over the next few years, the City will be challenged to manage its resources, safeguard its reserves and plan for a brighter future as the economy recovers.

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.

CITY OF AMERICAN CANYON

**STATEMENT OF NET ASSETS
AND STATEMENT OF ACTIVITIES**

The Statement of Net Assets and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Assets reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Assets focuses the reader on the composition of the City's net assets, by subtracting total liabilities from total assets. The Statement of Net Assets summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net assets. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Assets is computed and reconciled with the Statement of Net Assets.

Both these Statements include the financial activities of the City, the American Canyon Financing Authority and the American Canyon Fire Protection District. The Authority and the District are both legally separate entities, but both are component units of the City because they are controlled by the City, which is financially accountable for the activities of the Authority and the District.

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CITY OF AMERICAN CANYON
STATEMENT OF NET ASSETS
JUNE 30, 2010

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> | <u>Total</u> |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and investments available for City operations (Note 3) | \$18,491,991 | \$2,926,987 | \$21,418,978 |
| Taxes receivable | 624,588 | | 624,588 |
| Accounts receivable | 325,548 | 3,365,987 | 3,691,535 |
| Due from other governments | 1,257,123 | | 1,257,123 |
| Accrued interest | 54,088 | 11,850 | 65,938 |
| Prepaid items | 28,350 | 527,500 | 555,850 |
| Restricted cash and investments held by fiscal agents (Note 3) | 3,355,020 | 7,387,841 | 10,742,861 |
| Loans receivable (Note 5) | 10,360,583 | | 10,360,583 |
| Property held for resale | 1,143,282 | | 1,143,282 |
| Net OPEB Asset (Note 11) | 394,327 | 202,711 | 597,038 |
| Capital assets (Note 6): | | | |
| Non-depreciable | 200,519,594 | 7,960,076 | 208,479,670 |
| Depreciable, net of accumulated depreciation | 67,078,003 | 56,005,327 | 123,083,330 |
| Total Assets | <u>303,632,497</u> | <u>78,388,279</u> | <u>382,020,776</u> |
| LIABILITIES | | | |
| Accounts payable | 1,171,848 | 726,325 | 1,898,173 |
| Accrued expenses | 433,422 | 585,334 | 1,018,756 |
| Deposits | 278,494 | 193,902 | 472,396 |
| Interest payable | | 220,672 | 220,672 |
| Unearned revenue | 762,970 | 199,944 | 962,914 |
| Accrued compensated absences (Note 1G): | | | |
| Due within one year | 517,051 | 127,896 | 644,947 |
| Due in more than one year | 71,068 | 4,244 | 75,312 |
| Net OPEB Obligation (Note 11) | 230,943 | | 230,943 |
| Long-term debt (Note 7): | | | |
| Due within one year | 463,302 | 719,838 | 1,183,140 |
| Due in more than one year | 9,854,305 | 14,408,501 | 24,262,806 |
| Total Liabilities | <u>13,783,403</u> | <u>17,186,656</u> | <u>30,970,059</u> |
| NET ASSETS (Note 8) | | | |
| Invested in capital assets, net of related debt | 257,279,990 | 48,837,064 | 306,117,054 |
| Restricted for: | | | |
| Capital projects | 400,000 | | 400,000 |
| Debt service | 3,716,214 | 7,387,841 | 11,104,055 |
| Special revenue projects | 2,988,237 | | 2,988,237 |
| Total Restricted Net Assets | <u>7,104,451</u> | <u>7,387,841</u> | <u>14,492,292</u> |
| Unrestricted | 25,464,653 | 4,976,718 | 30,441,371 |
| Total Net Assets | <u>\$289,849,094</u> | <u>\$61,201,623</u> | <u>\$351,050,717</u> |

See accompanying notes to financial statements

CITY OF AMERICAN CANYON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

| Functions/Programs | Expenses | Program Revenues | | |
|---|---------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities: | | | | |
| General government | \$5,925,952 | \$536,747 | \$16,058 | \$100,264 |
| Public safety | 9,230,672 | 1,051,178 | 100,191 | 318,359 |
| Community development | 2,019,771 | 498,947 | 155,948 | |
| Parks and recreation | 2,028,223 | 373,227 | 70,000 | |
| Public works | 3,529,403 | 80,745 | | 1,314,076 |
| Interest on long-term debt | 417,421 | | | |
| Total Governmental Activities | 23,151,442 | 2,540,844 | 342,197 | 1,732,699 |
| Business-type Activities: | | | | |
| Water | 4,951,067 | 4,010,648 | | 2,163,696 |
| Wastewater | 3,623,805 | 3,420,812 | | 433,554 |
| Total Business-type Activities | 8,574,872 | 7,431,460 | | 2,597,250 |
| Total | \$31,726,314 | \$9,972,304 | \$342,197 | \$4,329,949 |
| General revenues: | | | | |
| Taxes: | | | | |
| Property taxes | | | | |
| Sales taxes | | | | |
| Other taxes | | | | |
| Motor vehicle in-lieu, unrestricted | | | | |
| Investment earnings | | | | |
| Miscellaneous | | | | |
| Transfers, net (Note 4A) | | | | |
| Total General Revenues and Transfers | | | | |
| Change in Net Assets | | | | |
| Net Assets-Beginning | | | | |
| Net Assets-Ending | | | | |

See accompanying notes to financial statements

Net (Expense) Revenue and
Changes in Net Assets

| Governmental Activities | Business-type Activities | Total |
|----------------------------|-----------------------------|----------------------|
| (\$5,272,883) | | (\$5,272,883) |
| (7,760,944) | | (7,760,944) |
| (1,364,876) | | (1,364,876) |
| (1,584,996) | | (1,584,996) |
| (2,134,582) | | (2,134,582) |
| (417,421) | | (417,421) |
| <u>(18,535,702)</u> | | <u>(18,535,702)</u> |
| | \$1,223,277 | 1,223,277 |
| | 230,561 | 230,561 |
| | <u>1,453,838</u> | <u>1,453,838</u> |
| <u>(18,535,702)</u> | <u>1,453,838</u> | <u>(17,081,864)</u> |
| 10,162,212 | | 10,162,212 |
| 2,888,182 | | 2,888,182 |
| 1,104,662 | | 1,104,662 |
| 55,668 | | 55,668 |
| 203,205 | | 203,205 |
| 110,698 | | 110,698 |
| 893,618 | (893,618) | |
| <u>15,418,245</u> | <u>(893,618)</u> | <u>14,524,627</u> |
| (3,117,457) | 560,220 | (2,557,237) |
| <u>292,966,551</u> | <u>60,641,403</u> | <u>353,607,954</u> |
| <u>\$289,849,094</u> | <u>\$61,201,623</u> | <u>\$351,050,717</u> |

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|----------------------------------|
| FUND FINANCIAL STATEMENTS |
|----------------------------------|

The funds described below were determined to be Major Funds by the City in fiscal 2010. Individual non-major funds may be found in the Supplemental Section.

GENERAL FUND

The General Fund is used for all of the general revenues of the City not specifically levied or collected for other City funds and the related expenditures.

FIRE DISTRICT OPERATIONS FUND

The Fire District Operations fund accounts for fire services provided by the American Canyon Fire Protection District component unit.

BEGIN PROGRAM SPECIAL REVENUE FUND

The BEGIN Program Special Revenue Fund accounts for first-time homebuyer assistance program resources.

STATE AND FEDERAL GRANTS - CITY

The State and Federal Grants – City Special Revenue Fund accounts for grant funds received for improvements to various bus stop, curb ramps, bicycle path / trail from Chaucer Lane to existing trail, State Water Resources Control Board for recycled water projects, Urban Open Space and Recreation Program under the Safe Neighborhood Parks, Clean Water, Clean Air, Coastal Protection Bond Act of 2000.

AFFORDABLE HOUSING CAPITAL PROJECTS FUND

Affordable Housing Capital fund accounts for fees collected from developers in lieu of providing affordable housing services.

CITY CAPITAL PROJECTS FUND

The City Capital Projects Fund accounts for major capital projects funded by various City sources.

CITY OF AMERICAN CANYON
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010

| | General | Fire District Operations Fund | BEGIN Program Fund | State and Federal Grants - City Fund | Affordable Housing Capital Projects Fund |
|---|---------------------|-------------------------------------|--------------------------|--|--|
| ASSETS | | | | | |
| Cash and cash equivalents (Note 3) | \$6,728,307 | \$2,802,652 | \$60,000 | \$57,963 | \$466,504 |
| Restricted cash and cash equivalents (Note 3) | | | | | |
| Taxes receivable | 487,913 | 58,566 | | | |
| Accounts receivable | 314,981 | | | | |
| Due from other governments | | | | 1,037,789 | |
| Accrued interest | 16,853 | 4,261 | | | 402 |
| Prepaid items | 28,350 | | | | |
| Due from other funds (Note 4B) | 2,162,006 | | | | |
| Advances to other funds (Note 4C) | 1,525,522 | | | | |
| Loans receivable (Note 5) | 114,805 | | 7,058,900 | | 2,335,476 |
| Property held for resale | | | | | 1,143,282 |
| | <u>\$11,378,737</u> | <u>\$2,865,479</u> | <u>\$7,118,900</u> | <u>\$1,095,752</u> | <u>\$3,945,664</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$867,155 | \$70,897 | | | \$3,704 |
| Accrued expenses | 315,676 | 117,746 | | | |
| Deposits | 109,784 | | | | |
| Deferred revenue | 11,356 | | \$7,118,900 | \$762,970 | 2,335,476 |
| Due to other funds (Note 4B) | | 25,440 | | 1,427,651 | |
| Advances from other funds (Note 4C) | | | | | |
| | <u>1,303,971</u> | <u>214,083</u> | <u>7,118,900</u> | <u>2,190,621</u> | <u>2,339,180</u> |
| FUND BALANCES | | | | | |
| Fund balance (Note 8): | | | | | |
| Reserved | 4,287,304 | | | | 1,143,282 |
| Unreserved: | | | | | |
| Designated for: | | | | | |
| Capital projects | 400,000 | | | | |
| Other purposes | 2,362,467 | 1,447,000 | | | |
| Undesignated, reported in: | | | | | |
| General Fund | 3,024,995 | | | | |
| Special Revenue Funds | | 1,204,396 | | (1,094,869) | |
| Capital Projects Funds | | | | | 463,202 |
| | <u>10,074,766</u> | <u>2,651,396</u> | <u></u> | <u>(1,094,869)</u> | <u>1,606,484</u> |
| Total Fund Balances | <u>\$11,378,737</u> | <u>\$2,865,479</u> | <u>\$7,118,900</u> | <u>\$1,095,752</u> | <u>\$3,945,664</u> |

See accompanying notes to financial statements

| City Capital Projects Fund | Other Governmental Funds | Total Governmental Funds |
|----------------------------------|--------------------------------|--------------------------------|
| \$498,024 | \$7,878,541 | \$18,491,991 |
| | 3,355,020 | 3,355,020 |
| | 78,109 | 624,588 |
| | 10,567 | 325,548 |
| | 219,334 | 1,257,123 |
| | 32,572 | 54,088 |
| | | 28,350 |
| | | 2,162,006 |
| | | 1,525,522 |
| | 851,402 | 10,360,583 |
| | | 1,143,282 |
| <u>\$498,024</u> | <u>\$12,425,545</u> | <u>\$39,328,101</u> |
| \$185,179 | \$44,913 | \$1,171,848 |
| | | 433,422 |
| 168,710 | | 278,494 |
| | 875,512 | 11,104,214 |
| | 708,915 | 2,162,006 |
| | 1,525,522 | 1,525,522 |
| <u>353,889</u> | <u>3,154,862</u> | <u>16,675,506</u> |
| | 1,218,689 | 6,649,275 |
| | | 400,000 |
| | | 3,809,467 |
| | | 3,024,995 |
| | 2,878,710 | 2,988,237 |
| 144,135 | 5,173,284 | 5,780,621 |
| <u>144,135</u> | <u>9,270,683</u> | <u>22,652,595</u> |
| <u>\$498,024</u> | <u>\$12,425,545</u> | <u>\$39,328,101</u> |

CITY OF AMERICAN CANYON
 Reconciliation of the
 GOVERNMENTAL FUNDS -- BALANCE SHEET
 with the
 STATEMENT OF NET ASSETS
 JUNE 30, 2010

Total fund balances reported on the Governmental Funds Balance Sheet \$22,652,595

Amounts reported for Governmental Activities in the Statement of Net Assets
 are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and
 therefore are not reported in the Governmental Funds. 267,597,597

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are deferred on the Fund Balance Sheets, because they are not available currently,
 are taken into revenue in the Statement of Activities. 10,341,244

LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not
 reported in the Funds:

| | |
|---|--------------|
| Long-term debt | (10,317,607) |
| Non-current portion of compensated absences | (588,119) |
| Other post employment benefits | 163,384 |
| | 163,384 |

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$289,849,094

See accompanying notes to financial statements

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CITY OF AMERICAN CANYON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

| | General | Fire District Operations Fund | BEGIN Program | State and Federal Grants - City Fund | Affordable Housing Capital Projects Fund | City Capital Projects Fund |
|--|---------------------|-------------------------------------|------------------|--|--|----------------------------------|
| REVENUES | | | | | | |
| Property taxes | \$7,133,764 | \$3,028,448 | | | | |
| Sales taxes | 1,927,674 | | | | | |
| Other taxes | 1,104,662 | | | | | |
| Special assessments | | | | | | |
| Licenses and permits | 529,897 | | | | | |
| Fines and forfeitures | 176,827 | | | | | |
| Intergovernmental | 68,227 | | | \$553,159 | | |
| Interest and rents | 262,155 | 21,061 | | | \$6,311 | |
| Charges for services | 285,423 | 833,767 | | | | |
| Other | 266,719 | 42,668 | | | | |
| Total Revenues | 11,755,348 | 3,925,944 | | 553,159 | 6,311 | |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 4,587,249 | | | | | |
| Public safety: | | | | | | |
| Police and fire services | 4,714,386 | 3,377,778 | | | | |
| Community development: | | | | | | |
| Planning and building | 1,476,571 | | | | | |
| Economic development | 97,778 | | | | 176,841 | |
| Parks and recreation: | | | | | | |
| Recreation | 991,417 | | | | | |
| Park maintenance | 743,592 | | | | | |
| Building maintenance | 280,889 | | | | | |
| Public works: | 1,113,018 | | | | | |
| Streets and roads | 629,139 | | | | | |
| Storm drain | 150,337 | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | | | | | |
| Capital outlay | | | | | | \$3,276,929 |
| Total Expenditures | 14,784,376 | 3,377,778 | | | 176,841 | 3,276,929 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,029,028) | 548,166 | | 553,159 | (170,530) | (3,276,929) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in (Note 4A) | 2,735,686 | | | | | 3,365,745 |
| Transfers (out) (Note 4A) | (959,300) | (2,229,065) | | (1,715,915) | | |
| Total Other Financing Sources (Uses) | 1,776,386 | (2,229,065) | | (1,715,915) | | 3,365,745 |
| NET CHANGE IN FUND BALANCES | (1,252,642) | (1,680,899) | | (1,162,756) | (170,530) | 88,816 |
| BEGINNING FUND BALANCES | 11,327,408 | 4,332,295 | | 67,887 | 1,777,014 | 55,319 |
| ENDING FUND BALANCES | \$10,074,766 | \$2,651,396 | | (\$1,094,869) | \$1,606,484 | \$144,135 |

See accompanying notes to financial statements

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| | \$10,162,212 |
| \$960,508 | 2,888,182 |
| | 1,104,662 |
| 515,121 | 515,121 |
| | 529,897 |
| | 176,827 |
| 664,428 | 1,285,814 |
| 62,857 | 352,384 |
| 446,952 | 1,566,142 |
| 93,791 | 403,178 |
| <u>2,743,657</u> | <u>18,984,419</u> |
| | 4,587,249 |
| 756,459 | 8,848,623 |
| | 1,476,571 |
| 272,775 | 547,394 |
| | 997,664 |
| 6,247 | 743,592 |
| | 280,889 |
| | 1,113,018 |
| 315,060 | 944,199 |
| | 150,337 |
| 439,240 | 439,240 |
| 494,884 | 494,884 |
| 525,952 | 3,802,881 |
| <u>2,810,617</u> | <u>24,426,541</u> |
| <u>(66,960)</u> | <u>(5,442,122)</u> |
| 3,433,665 | 9,535,096 |
| <u>(3,737,198)</u> | <u>(8,641,478)</u> |
| <u>(303,533)</u> | <u>893,618</u> |
| (370,493) | (4,548,504) |
| <u>9,641,176</u> | <u>27,201,099</u> |
| <u>\$9,270,683</u> | <u>\$22,652,595</u> |

CITY OF AMERICAN CANYON
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Assets of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (\$4,548,504)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

| | |
|--|-------------|
| The capital outlay expenditures are therefore added back to fund balance | 3,248,438 |
| Depreciation expense is deducted from the fund balance | (2,531,799) |

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

| | |
|---|---------|
| Repayment of debt principal is added back to fund balance | 439,240 |
|---|---------|

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

| | |
|--------------------------------|---------|
| Deferred revenue | 155,948 |
| Interest payable | 77,463 |
| Compensated absences | 11,320 |
| Other post employment benefits | 30,437 |
| | 30,437 |

| | |
|---|---------------|
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | (\$3,117,457) |
|---|---------------|

See accompanying notes to financial statements

CITY OF AMERICAN CANYON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|----------------------|----------------------|---------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes: | | | | |
| Property | \$7,933,000 | \$7,311,000 | \$7,133,764 | (\$177,236) |
| Sales | 2,020,000 | 1,830,000 | 1,927,674 | 97,674 |
| Other | 1,250,000 | 1,200,000 | 1,104,662 | (95,338) |
| Licenses and permits | 950,700 | 985,700 | 529,897 | (455,803) |
| Fines and forfeitures | 150,600 | 150,600 | 176,827 | 26,227 |
| Intergovernmental | 59,000 | 59,000 | 68,227 | 9,227 |
| Interest and rents | 393,300 | 393,300 | 262,155 | (131,145) |
| Charges for services | 671,100 | 712,100 | 285,423 | (426,677) |
| Other | 34,500 | 205,431 | 266,719 | 61,288 |
| Total Revenues | <u>13,462,200</u> | <u>12,847,131</u> | <u>11,755,348</u> | <u>(1,091,783)</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 5,044,450 | 5,191,428 | 4,587,249 | 604,179 |
| Public safety: | | | | |
| Police and fire services | 4,634,300 | 4,924,020 | 4,714,386 | 209,634 |
| Community development: | | | | |
| Planning and building | 1,671,390 | 1,835,142 | 1,476,571 | 358,571 |
| Economic development | 103,360 | 103,360 | 97,778 | 5,582 |
| Parks and recreation: | | | | |
| Recreation | 1,118,750 | 1,151,250 | 991,417 | 159,833 |
| Parks maintenance | 900,900 | 909,315 | 743,592 | 165,723 |
| Building maintenance | 312,750 | 313,500 | 280,889 | 32,611 |
| Public works: | 1,227,220 | 1,502,816 | 1,113,018 | 389,798 |
| Streets and roads | 925,100 | 982,368 | 629,139 | 353,229 |
| Storm drain | 231,500 | 231,500 | 150,337 | 81,163 |
| Total Expenditures | <u>16,169,720</u> | <u>17,144,699</u> | <u>14,784,376</u> | <u>2,360,323</u> |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | <u>(2,707,520)</u> | <u>(4,297,568)</u> | <u>(3,029,028)</u> | <u>1,268,540</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in (Note 4A) | 4,671,200 | 5,381,700 | 2,735,686 | (2,646,014) |
| Transfers (out) (Note 4A) | (3,261,000) | (3,306,000) | (959,300) | 2,346,700 |
| Total other financing sources (uses) | <u>1,410,200</u> | <u>2,075,700</u> | <u>1,776,386</u> | <u>(299,314)</u> |
| NET CHANGE IN FUND BALANCE | <u>(\$1,297,320)</u> | <u>(\$2,221,868)</u> | <u>(1,252,642)</u> | <u>\$969,226</u> |
| Beginning fund balance | | | <u>11,327,408</u> | |
| Ending fund balance | | | <u>\$10,074,766</u> | |

See accompanying notes to financial statements

CITY OF AMERICAN CANYON
 FIRE DISTRICT OPERATIONS FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget Positive (Negative) |
|---|-------------------------|----------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Taxes: | | | | |
| Property | \$3,102,000 | \$3,102,000 | \$3,028,448 | (\$73,552) |
| Interest and rents | 30,000 | 30,000 | 21,061 | (8,939) |
| Charges for services | 597,700 | 727,700 | 833,767 | 106,067 |
| Other | 110,000 | 10,000 | 42,668 | 32,668 |
| Total Revenues | <u>3,839,700</u> | <u>3,869,700</u> | <u>3,925,944</u> | <u>56,244</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Public safety: | | | | |
| Police and fire services | 3,596,550 | 3,758,150 | 3,377,778 | 380,372 |
| Capital outlay | 129,100 | 20,000 | | 20,000 |
| Total Expenditures | <u>3,725,650</u> | <u>3,778,150</u> | <u>3,377,778</u> | <u>400,372</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>114,050</u> | <u>91,550</u> | <u>548,166</u> | <u>456,616</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) (Note 4A) | <u>2,229,065</u> | <u>(2,249,065)</u> | <u>(2,229,065)</u> | <u>20,000</u> |
| Total other financing sources (uses) | <u>2,229,065</u> | <u>(2,249,065)</u> | <u>(2,229,065)</u> | <u>20,000</u> |
| NET CHANGE IN FUND BALANCE | <u>\$2,343,115</u> | <u>(\$2,157,515)</u> | <u>(1,680,899)</u> | <u>\$476,616</u> |
| Beginning fund balance | | | <u>4,332,295</u> | |
| Ending fund balance | | | <u>\$2,651,396</u> | |

See accompanying notes to financial statements

CITY OF AMERICAN CANYON
STATE AND FEDERAL GRANTS - CITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with Final Budget Positive (Negative) |
|--------------------------------------|-------------------------|-----------------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES: | | | | |
| Intergovernmental | <u>\$2,111,576</u> | <u>\$2,111,576</u> | <u>\$553,159</u> | <u>(\$1,558,417)</u> |
| Total Revenues | <u>2,111,576</u> | <u>2,111,576</u> | <u>553,159</u> | <u>(1,558,417)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) (Note 4A) | <u>2,054,737</u> | <u>(2,111,576)</u> | <u>(1,715,915)</u> | <u>395,661</u> |
| Total other financing sources (uses) | <u>2,054,737</u> | <u>(2,111,576)</u> | <u>(1,715,915)</u> | <u>395,661</u> |
| NET CHANGE IN FUND BALANCE | <u>\$4,166,313</u> | <u> </u> | <u>(1,162,756)</u> | <u>(\$1,162,756)</u> |
| Beginning fund balance | | | <u>67,887</u> | |
| Ending fund balance | | | <u>(\$1,094,869)</u> | |

See accompanying notes to financial statements

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MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City reports all of its Enterprise Funds as major funds in fiscal 2010.

WATER FUND

The Water Fund accounts for the operations of the City's treatment and distribution system.

WASTEWATER FUND

The Wastewater Fund accounts for the operation of the City's wastewater treatment plant and collection facilities.

CITY OF AMERICAN CANYON
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2010

| | <u>Business-type Activities-Enterprise Funds</u> | | |
|---|--|---------------------|---------------------|
| | <u>Water</u> | <u>Wastewater</u> | <u>Totals</u> |
| ASSETS | | | |
| Current Assets: | | | |
| Cash and cash equivalents (Note 3) | \$446,614 | \$2,480,373 | \$2,926,987 |
| Accounts receivable, net | 2,496,308 | 869,679 | 3,365,987 |
| Interest receivable | 4,343 | 7,507 | 11,850 |
| Prepaid items | 527,500 | | 527,500 |
| | <u>3,474,765</u> | <u>3,357,559</u> | <u>6,832,324</u> |
| Total Current Assets | | | |
| Non-Current Assets: | | | |
| Restricted cash and cash equivalents (Note 3) | 3,190,119 | 4,197,722 | 7,387,841 |
| Net OPEB Asset (Note 11) | 100,618 | 102,093 | 202,711 |
| Advance to other funds (Note 4C) | | 4,943,827 | 4,943,827 |
| | <u>3,290,737</u> | <u>9,243,642</u> | <u>12,534,379</u> |
| Total Other Assets | | | |
| Capital Assets (Note 6): | | | |
| Non-depreciable | 6,087,120 | 1,872,956 | 7,960,076 |
| Depreciable: | | | |
| Equipment | 1,058,304 | 482,928 | 1,541,232 |
| Distribution and collection systems | 40,606,663 | 38,492,064 | 79,098,727 |
| Less: accumulated depreciation | <u>(15,369,993)</u> | <u>(9,264,639)</u> | <u>(24,634,632)</u> |
| Net Capital Assets | <u>32,382,094</u> | <u>31,583,309</u> | <u>63,965,403</u> |
| Total Non-Current Assets | | | |
| | <u>35,672,831</u> | <u>40,826,951</u> | <u>76,499,782</u> |
| Total Assets | | | |
| | <u>39,147,596</u> | <u>44,184,510</u> | <u>83,332,106</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 612,465 | 113,860 | 726,325 |
| Compensated absences, current portion (Note 1G) | 41,394 | 86,502 | 127,896 |
| Other current liabilities | 373,926 | 211,408 | 585,334 |
| Deposits | 149,717 | 44,185 | 193,902 |
| Unearned revenue | | 199,944 | 199,944 |
| Interest | 3,500 | 217,172 | 220,672 |
| Long-term debt, current portion (Note 7) | <u>195,129</u> | <u>524,709</u> | <u>719,838</u> |
| | <u>1,376,131</u> | <u>1,397,780</u> | <u>2,773,911</u> |
| Total Current Liabilities | | | |
| Long-Term Liabilities | | | |
| Compensated absences, non-current portion (Note 1G) | 1,374 | 2,870 | 4,244 |
| Advance from other funds (Note 4C) | 4,943,827 | | 4,943,827 |
| Long-term debt, non-current portion (Note 7) | <u>6,889,800</u> | <u>7,518,701</u> | <u>14,408,501</u> |
| | <u>11,835,001</u> | <u>7,521,571</u> | <u>19,356,572</u> |
| Total Long-Term Liabilities | | | |
| | <u>13,211,132</u> | <u>8,919,351</u> | <u>22,130,483</u> |
| Total Liabilities | | | |
| NET ASSETS (Note 8) | | | |
| Invested in capital assets, net of related debt | 25,297,165 | 23,539,899 | 48,837,064 |
| Restricted for: | | | |
| Debt service | 3,190,119 | 4,197,722 | 7,387,841 |
| Unrestricted | <u>(2,550,820)</u> | <u>7,527,538</u> | <u>4,976,718</u> |
| Total Net Assets | <u>\$25,936,464</u> | <u>\$35,265,159</u> | <u>\$61,201,623</u> |

See accompanying notes to financial statements

CITY OF AMERICAN CANYON
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Business-type Activities-Enterprise Funds</u> | | |
|---|--|---------------------|---------------------|
| | <u>Water</u> | <u>Wastewater</u> | <u>Totals</u> |
| OPERATING REVENUES | | | |
| Sale of water | \$3,679,323 | | \$3,679,323 |
| Service fees | | \$3,196,718 | 3,196,718 |
| Miscellaneous | 295,088 | 157,049 | 452,137 |
| Total Operating Revenues | <u>3,974,411</u> | <u>3,353,767</u> | <u>7,328,178</u> |
| OPERATING EXPENSES | | | |
| Maintenance and operations | 2,271,556 | 903,356 | 3,174,912 |
| Employee services | 926,951 | 1,169,590 | 2,096,541 |
| Depreciation (Note 6) | 1,323,904 | 1,304,944 | 2,628,848 |
| Total Operating Expenses | <u>4,522,411</u> | <u>3,377,890</u> | <u>7,900,301</u> |
| Operating Income (Loss) | <u>(548,000)</u> | <u>(24,123)</u> | <u>(572,123)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest revenue | 36,237 | 67,045 | 103,282 |
| Interest (expense) | (428,656) | (245,915) | (674,571) |
| Total Nonoperating Revenues (Expenses) | <u>(392,419)</u> | <u>(178,870)</u> | <u>(571,289)</u> |
| Income (Loss) Before Contributions and Transfers | (940,419) | (202,993) | (1,143,412) |
| Capital contributions | 2,163,696 | 433,554 | 2,597,250 |
| Transfers in (Note 4A) | 1,231,960 | 3,017,524 | 4,249,484 |
| Transfers (out) (Note 4A) | (3,682,557) | (1,460,545) | (5,143,102) |
| Net Contributions and Transfers | <u>(286,901)</u> | <u>1,990,533</u> | <u>1,703,632</u> |
| Change in Net Assets | (1,227,320) | 1,787,540 | 560,220 |
| BEGINNING NET ASSETS | <u>27,163,784</u> | <u>33,477,619</u> | <u>60,641,403</u> |
| ENDING NET ASSETS | <u>\$25,936,464</u> | <u>\$35,265,159</u> | <u>\$61,201,623</u> |

See accompanying notes to financial statements

CITY OF AMERICAN CANYON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Business-type Activities-Enterprise Funds</u> | | |
|---|--|--------------------|---------------------|
| | <u>Water</u> | <u>Wastewater</u> | <u>Totals</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$2,179,614 | \$3,098,638 | \$5,278,252 |
| Payments to suppliers | (1,832,671) | (903,486) | (2,736,157) |
| Payments to employees | (605,356) | (1,331,943) | (1,937,299) |
| | <u>(258,413)</u> | <u>863,209</u> | <u>604,796</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Interfund loans | 4,943,827 | (4,943,827) | |
| Transfers in | 1,231,960 | 3,017,524 | 4,249,484 |
| Transfers (out) | (3,682,557) | (1,460,545) | (5,143,102) |
| | <u>2,493,230</u> | <u>(3,386,848)</u> | <u>(893,618)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition of capital assets | (5,964,896) | (268,060) | (6,232,956) |
| Capital contributions | 2,163,696 | 433,554 | 2,597,250 |
| Proceeds from note payable from City of Napa | 350,000 | | 350,000 |
| Principal payments on long-term debt | (807,105) | (510,913) | (1,318,018) |
| Interest paid | (437,801) | (258,579) | (696,380) |
| | <u>(4,696,106)</u> | <u>(603,998)</u> | <u>(5,300,104)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest received | 36,237 | 67,045 | 103,282 |
| | <u>36,237</u> | <u>67,045</u> | <u>103,282</u> |
| | <u>36,237</u> | <u>67,045</u> | <u>103,282</u> |
| Net Cash Flows | (2,425,052) | (3,060,592) | (5,485,644) |
| Cash and investments at beginning of period | 6,061,785 | 9,738,687 | 15,800,472 |
| Cash and investments at end of period | <u>\$3,636,733</u> | <u>\$6,678,095</u> | <u>\$10,314,828</u> |
| Reconciliation of Operating Income (Loss) to Cash Flows | | | |
| from Operating Activities: | | | |
| Operating income (loss) | (\$548,000) | (\$24,123) | (\$572,123) |
| Adjustments to reconcile operating income to cash flows | | | |
| from operating activities: | | | |
| Depreciation | 1,323,904 | 1,304,944 | 2,628,848 |
| Change in assets and liabilities: | | | |
| Receivables, net | (1,955,040) | (320,675) | (2,275,715) |
| Prepays | 160,243 | | 160,243 |
| Accounts payable and other accrued expenses | 419,412 | (130) | 419,282 |
| Accrued compensated absences | (1,856) | 3,054 | 1,198 |
| Other current liabilities | 327,328 | (158,924) | 168,404 |
| Deposits | 19,473 | | 19,473 |
| Net OPEB Asset | (3,877) | (6,483) | (10,360) |
| Unearned revenue | | 65,546 | 65,546 |
| | <u>(\$258,413)</u> | <u>\$863,209</u> | <u>\$604,796</u> |
| Cash Flows from Operating Activities | <u>(\$258,413)</u> | <u>\$863,209</u> | <u>\$604,796</u> |

See accompanying notes to financial statements

| |
|------------------------|
| FIDUCIARY FUNDS |
|------------------------|

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Entity-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

CITY OF AMERICAN CANYON
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

| | <u>Agency Funds</u> |
|--|---------------------------|
| ASSETS | |
| Cash and investments (Note 3) | \$1,723,158 |
| Restricted cash and investments (Note 3) | 1,752,988 |
| Interest receivable | <u>1,025</u> |
| Total Assets | <u><u>\$3,477,171</u></u> |
| LIABILITIES | |
| Accounts payable | \$1,887 |
| Due to bondholders | <u>3,475,284</u> |
| Total Liabilities | <u><u>\$3,477,171</u></u> |

See accompanying notes to financial statements

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of American Canyon was incorporated as a general law city in 1992. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, water, wastewater, culture-recreation, public improvements, planning and zoning, transit and general administration.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. Reporting Entity

The financial statements of the City of American Canyon include the financial activities of the City and its component units.

The American Canyon Financing Authority and American Canyon Fire Protection District are legally separate entities for which the City is financially accountable and they are governed by the elected City Council. The Authority was formed to provide a method of financing public improvements, and the Fire District became part of the City when it was incorporated in 1992. The financial activities of the Authority and the Fire District are blended with those of the City and are reported in the City's governmental funds, and as capital assets of the City and debt obligations of the City. Component unit financial reports are not available because of the blending of financial activities referred to in the preceding sentence.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Assets 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.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund – The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures.

Fire District Operations Fund– Accounts for fire services provided by the component unit fire protection district.

BEGIN Program Special Revenue Fund – Accounts for first-time homebuyer assistance program resources.

State and Federal Grants – City Special Revenue Fund - Accounts for grant funds received for improvements to various bus stop, curb ramps, bicycle path / trail from Chaucer Lane to existing trail, State Water Resources Control Board for recycled water projects, Urban Open space and Recreation Program under the Safe Neighborhood Parks, Clean Water, Clean Air, Coastal Protection Bond Act of 2000.

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

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

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 treatment and distribution system.

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

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City also reports the following fund types:

Fiduciary Funds - These funds are used to account for assets held by the City in a fiduciary capacity for special assessment districts. The financial activities of these funds are excluded from the City wide financial statements but are presented in separate Fiduciary Fund financial statements.

D. Basis of Accounting

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

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 after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual at both the City-wide and Fund level are property, sales and franchise taxes, current service charges, and interest revenue. Fines and licenses and permits are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets 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.

The City follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors that were issued on or before November 30, 1989, in accounting for its business-type activities, unless they conflict with Government Accounting Standards Board pronouncements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's business-type activities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

E. *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.

F. *Revenue Recognition for Water and Sewer*

Revenues are recognized based on cycle billings rendered to customers. Revenues for services provided but not billed at the end of a fiscal period are accrued at the end of the fiscal year.

G. *Compensated Absences*

Compensated absences are comprised of unpaid vacation and certain compensated time off, which are accrued as earned. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City's liability for compensated absences is recorded in the General, Water, and Wastewater funds as appropriate. The liability for compensated absences is determined annually. However, such compensated absences payments are not distinguished from regular payroll paid during the fiscal year. Amounts expected to be paid out of current financial resources are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Assets.

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences activity was as follows for the year ended June 30, 2010:

| | Governmental Activities | Business-type Activities | Total |
|-------------------|----------------------------|-----------------------------|------------------|
| Beginning Balance | \$599,439 | \$130,942 | \$730,381 |
| Additions | 535,505 | 128,095 | 663,600 |
| Payments | (546,825) | (126,897) | (673,722) |
| Ending Balance | <u>\$588,119</u> | <u>\$132,140</u> | <u>\$720,259</u> |
| Current Portion | <u>\$517,051</u> | <u>\$127,896</u> | <u>\$644,947</u> |

H. Combined Funds

During fiscal year ended June 30, 2010, the City combined the Police Grants, Bus Stop Improvement Grant, TFCA Grant, Prop 50 Grant, RZH Grant and Per Capita Prop 40 Grant Special Revenue Funds into the State and Federal Grants – City Special Revenue Fund.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. Budgeting Procedures

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The City Manager submits to the City Council a proposed annual operating budget for fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The annual budget is adopted by City Council resolution prior to July 1.
4. Expenditures may not legally exceed budgeted appropriations at the fund level.
5. All budget adjustments and transfers between funds must be approved by the City Council by resolution during the fiscal year. The City Manager is authorized to transfer unencumbered appropriations only within a department and within a fund. Transfers between departments, if any, must be approved by the City Council.
6. Formal budgetary integration, including the recording of encumbrances, is employed as a management control device during the year in all budgeted funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation. Encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities at that date.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

7. Remaining appropriations lapse at year-end and must be reappropriated in the following year.
8. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds, except for the BEGIN Program, Storm Drainage, and State and Federal Grants – Fire Special Revenue Funds.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations. Budget and actual comparison for the general fund are presented at the department level except for Administration which is composed of City Manager, Finance, City Attorney and City Clerk.

B. Excess of Expenditures over Appropriations

The funds below incurred expenditures in excess of their budgets in the amounts below as the result of unanticipated expenditures. Sufficient resources were available within the following funds to finance these excesses:

| | Amount |
|--|---------|
| <i>Special Revenue Funds:</i> | |
| Retiree Health Benefits | \$7,640 |
| Fire District Health Benefits | 206,919 |
| <i>Capital Project Funds:</i> | |
| Traffic Impact | 9,495 |
| Civic Facilities | 11,356 |

NOTE 3 - 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.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California law, this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City invests in investment pools and money market mutual funds.

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

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 3 - CASH AND INVESTMENTS (Continued)

B. Classification

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

| | |
|--|--------------|
| Cash and investments available for City operations | \$21,418,978 |
| Restricted cash and investments | 10,742,861 |
| Total cash and investments of primary government | 32,161,839 |
| Cash and investments in Fiduciary Funds | 1,723,158 |
| Restricted cash and investments in Fiduciary Funds | 1,752,988 |
| Total cash and investments | \$35,637,985 |

Cash and investments as of June 30, 2010 consist of the following:

| | |
|--------------------------------------|--------------|
| Cash on hand | \$2,780 |
| Deposits with financial institutions | 639,414 |
| Investments: | |
| Held by City | 29,887,783 |
| Held by fiscal agents | 5,108,008 |
| Total cash and investments | \$35,637,985 |

Cash and Investments Available for Operations is used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 3 - CASH AND INVESTMENTS (Continued)

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|------------------|------------------------|---------------------------------|----------------------------------|
| Local Agency Bonds | 5 years | None | None | None |
| U.S. Treasury Obligations | 5 years | None | None | None |
| State of California Obligations | 5 years | None | None | None |
| California Local Agency Obligations | 5 years | None | None | None |
| U.S. Agency Obligations | 5 years | None | None | None |
| Bankers' Acceptances | 180 days | None | 40% | 30% |
| Commercial Paper | 270 days | A-1/P-1/F-1 | 25% | 10% |
| Negotiable Certificate of Deposit | 5 years | None | 30% | None |
| Repurchase Agreements | 1 year | None | None | None |
| Reverse Repurchase Agreements | 92 days | None | 20% | None |
| Securities Lending Arrangements | 92 days | None | 20% | None |
| Medium-Term Notes | 5 years | A | 30% | None |
| Mutual Funds | N/A | None | 20% | 10% |
| Money Market Funds | N/A | None | 20% | None |
| Collateralized Bank Deposits | 5 years | None | None | None |
| Mortgage-Pass Through Securities | 5 years | AA | 20% | None |
| Time Deposits | 5 years | None | None | None |
| County Pooled Investment Funds | N/A | None | None | None |
| Joint Powers Authority Pool | N/A | None | None | None |
| Local Agency Investment Fund | N/A | None | None | None |
| California Asset Management Program (CAMP) | N/A | None | None | None |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 3 - CASH AND INVESTMENTS (Continued)

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

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality |
|---|---------------------|------------------------------|
| Bankers' Acceptances | 360 days | A-1 |
| U.S. Treasury Bills and Notes | None | N/A |
| State General Obligations | None | A |
| Municipal Obligations | None | Aaa/AAA |
| U.S. Government Agency Securities | None to 3 years | AAA |
| U.S. Government Sponsored Securities | None to 3 years | AAA |
| Federal Housing Administration Debentures | None | N/A |
| Repurchase Agreements | None to 1 year | A |
| Commercial Paper | 270 days | A-1+ |
| State Local Agency Investment Fund | N/A | N/A |
| Money Market Fund | N/A | AAm |
| Defeasance Securities | N/A | N/A |
| Pre-refunded Municipal Obligations | None | AAA |
| Investment Agreements | N/A | AA |
| Unsecured Certificates of Deposit | 30 days | A-1 |
| CalTrust | None | N/A |

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value changes in market interest rates. The City generally manages its interest rate risk by holding investments to maturity.

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 District's investments by maturity or earliest call date:

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 3 - CASH AND INVESTMENTS (Continued)

| Investment Type | 12 Months or less | 13 to 24 Months | 25 to 60 Months | Total |
|---|-------------------------|------------------------|------------------------|-------------------------|
| California Local Agency Investment Fund | \$15,873,746 | | | \$15,873,746 |
| Money Market Mutual Funds | 6,107,438 | | | 6,107,438 |
| U.S. Government Agency Obligations | | \$989,679 | \$4,216,487 | 5,206,166 |
| U.S. Corporate Obligations | | 1,196,733 | 596,390 | 1,793,123 |
| U.S. Treasury Notes | | 490,987 | 1,499,404 | 1,990,391 |
| Napa County Treasury Pool | 4,024,927 | | | 4,024,927 |
| Total Investments | <u>26,006,111</u> | <u>2,677,399</u> | <u>6,312,281</u> | <u>34,995,791</u> |
| Cash on hand | 2,780 | | | 2,780 |
| Cash in bank | 639,414 | | | 639,414 |
| Total cash and investments | <u>\$26,648,305</u> | <u>\$2,677,399</u> | <u>\$6,312,281</u> | <u>\$35,637,985</u> |

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. At June 30, 2010, these investments matured in an average of 203 days.

The City is a participant in the Napa County Treasury Pool (NCTP) 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 NCTP at the fair value amount provided by NCTP, 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 NCTP, which are recorded on an amortized cost basis. Included in NCTP'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. At June 30, 2010, these investments matured in an average of 49 days.

Money market funds are available for withdrawal on demand and at June 30, 2010, matured in an average of 38 days.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. 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 as of June 30, 2010.

| Investment Type | Aaa | Total |
|---|--------------|--------------|
| Money Market Mutual Funds (U.S. Securities) | \$6,107,438 | \$6,107,438 |
| U.S. Government Agencies | 5,206,166 | 5,206,166 |
| U.S. Corporate Obligations | 1,793,123 | 1,793,123 |
| Totals | \$13,106,727 | 13,106,727 |
| <i>Not rated:</i> | | |
| California Local Agency Investment Fund | | 15,873,746 |
| Napa County Treasury Pool | | 4,024,927 |
| Cash on hand | | 2,780 |
| Cash in banks | | 639,414 |
| <i>Exempt from credit rate disclosure:</i> | | |
| U.S. Treasury Notes | | 1,990,391 |
| Total Cash and Investments | | \$35,637,985 |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 4 - INTERFUND TRANSACTIONS

A. 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, 2010 were as follows:

| Fund Making Transfer | Fund Receiving Transfers | Amount Transferred |
|---------------------------------------|--|--------------------|
| General Fund | 1997 Lease Revenue Bonds Debt Service Fund | \$100,000 (C) |
| | Cabernet Village Lease Debt Service Fund | 472,700 (C) |
| | Broadway Property Debt Service Fund | 70,000 (C) |
| | Retirement Health Benefits Special Revenue Fund | 316,600 (A) |
| Special Revenue Funds: | | |
| Fire District Operations Fund | Equipment Replacement-Fire Special Revenue Fund | 500,000 (A) |
| | Fire District Health Benefits Special Revenue Fund | 283,000 (A) |
| | Fire Mitigation Capital Projects Fund | 1,446,065 (B) |
| Storm Drainage/Measure A | General Fund | 316,100 (A) |
| | City Capital Projects Fund | 220,000 (B) |
| | Water Enterprise Fund | 1,152 (B) |
| | Wastewater Enterprise Fund | 414,150 (B) |
| Gas Tax | General Fund | 226,926 (B) |
| | City Capital Projects Fund | 297,849 (B) |
| State Supplemental Law Enforcement | General Fund | 100,312 (A) |
| La Vigne Landscape and Lighting | General Fund | 34,112 (A) |
| Abandoned Vehicle | General Fund | 2,133 (A) |
| Safe Route to School Grant | City Capital Projects Fund | 90,200 (B) |
| State and Federal Grants - City Funds | General Fund | 41,516 (A) |
| | City Capital Projects Fund | 975,854 (B) |
| | Water Enterprise Fund | 698,545 (B) |
| TDA | City Capital Projects Fund | 14 (B) |
| Capital Projects Funds: | | |
| Park Improvement | General Fund | 59,902 (A) |
| | 1997 Lease Revenue Bonds Debt Service Fund | 100,000 (C) |
| | City Capital Projects Fund | 259,313 (B) |
| Traffic Impact | City Capital Projects Fund | 25,660 (B) |
| Civic Facilities | General Fund | 92,520 (A) |
| | City Capital Projects Fund | 1,496,855 (B) |
| Enterprise Funds: | | |
| Water | General Fund | 1,019,883 (A) |
| | Retiree Health Benefits Special Revenue Fund | 59,300 (A) |
| | Wastewater Enterprise Fund | 2,603,374 (B) |
| Wastewater | General Fund | 842,282 (A) |
| | Retiree Health Benefits Special Revenue Fund | 86,000 (A) |
| | Water Enterprise Fund | 532,263 (B) |
| | | \$13,784,580 |

- (A) Transfer to fund City operations.
- (B) Transfer to fund capital improvements.
- (C) Transfer to fund debt service payments.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. 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, 2010, the following funds have interfund balances.

| Fund Making Loan | Fund Receiving Loan | Amount |
|---------------------|---|--------------------|
| <i>General Fund</i> | | |
| | <i>Fire District Operations Fund</i> | \$25,440 |
| | <i>State and Federal Grants - City Fund</i> | 1,427,651 |
| | <i>Non-Major Special Revenue Funds:</i> | |
| | Storm Drainage | 210,228 |
| | State Supplemental Law Enforcement | 10,238 |
| | <i>Non-Major Capital Projects Fund:</i> | |
| | Infrastructure | 488,449 |
| | <i>Total Due To/Due From Other Funds</i> | \$2,162,006 |

C. Advances Between Funds

During fiscal year ended June 30, 2010, the General Fund advanced the Civic Facilities Capital Projects Fund \$1,514,166 for construction of the Senior Multi-Use Center. As of June 30, 2010, \$1,525,522 was outstanding including accrued interest of \$11,356.

During fiscal year ending June 30, 2010, the Wastewater Enterprise Fund advanced the Water Enterprise Fund \$4,943,827.

NOTE 5 – LOANS RECEIVABLE

At June 30, 2010, the City had the following loans receivable:

| | |
|--------------------------------------|---------------------|
| BEGIN Program | \$7,058,900 |
| Mid Peninsula Housing Coalition Loan | 2,335,476 |
| Employee Home Purchase Assistance | 239,095 |
| CDBG Housing Rehabilitation Program | 612,307 |
| Hess Construction Loan | 100,000 |
| Mosquito Abatement District Loan | 11,978 |
| Employee Computer Purchase Loans | 2,827 |
| | \$10,360,583 |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 5 – LOANS RECEIVABLE (Continued)

A. *BEGIN Program*

The City was awarded \$1,080,000 (\$30,000 each for 36 homes) from the State of California on August 17, 2005, which the City can draw down on as needed. The City has provided this funding plus an additional \$6,038,900, to 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.

B. *Mid Peninsula Housing Coalition Loan*

The City loaned the Mid-Peninsula Housing Coalition (MPHC) \$2,335,476 for the construction of above mentioned homes. As part of the agreement, the City will receive a residual share of the increase in value of the homes which accounts for the remaining portion of the loan.

C. *Employee Home Purchase Assistance*

The City provided home down payment assistance to its employees until fiscal year 2009-10 when the program was terminated. At June 30, 2010, there were six loans outstanding to employees. To qualify for the program, employees were required to be full time and purchase a home within city limits. The maximum loan amount was 10% of the purchase price or \$50,000 whichever was less. Interest on the loans was determined using the current Local Agency Investment Fund rate. The maximum loan term was 20 years. During the fiscal year ended June 30, 2010, the City wrote off loans of \$50,000 which became uncollectable.

D. *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. As of June 30, 2010, residents owed the City \$612,307 in loans offered by this Program.

E. *Hess Construction Loan*

At June 30, 2010, Hess Construction owed the City \$100,000.

F. *Mosquito Abatement District Loan*

At June 30, 2010, the Mosquito Abatement District owed the City \$11,978.

G. *Employee Computer Purchase Loans*

The City provides a 5% interest loan to its employees for the purchase of personal computers. These loans are payable in a maximum of 24 equal payroll deductions (2 years). The maximum amount each employee may borrow is \$2,000. This program will loan to employees until the total amount of outstanding loans reaches \$15,000.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 6 – 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 fair market value on the date contributed. The City defines capital assets as equipment, vehicles, furniture and fixtures with an initial individual cost of more than \$5,000 (\$50,000 for infrastructure type assets) and an estimated useful life in excess of one year (30-75 years for infrastructure type assets) with the exception of Federally funded acquisitions, which are \$5,000 or more. Land is capitalized at an initial individual cost of more than \$150,000.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets:

| | |
|-------------------------------|-------------|
| Buildings & Improvements | 20-30 years |
| Public Domain Infrastructure | 50 years |
| System Infrastructure-Utility | 60 years |
| Vehicles and Equipment | 4-15 years |

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Asset Additions and Retirements

Capital assets at June 30 comprise:

| | Balance June 30, 2009 | Additions and Adjustments | Retirements and Transfers | Balance June 30, 2010 |
|---|--------------------------|------------------------------|------------------------------|--------------------------|
| Governmental Activities: | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$6,793,338 | | | \$6,793,338 |
| Infrastructure - Street Right of Ways | 162,284,085 | | | 162,284,085 |
| Construction in Progress | 29,679,608 | \$1,762,563 | | 31,442,171 |
| Total Non-Depreciable Assets | <u>198,757,031</u> | <u>1,762,563</u> | | <u>200,519,594</u> |
| Capital Assets being Depreciated: | | | | |
| Buildings and Improvements | 18,148,428 | 1,350,606 | | 19,499,034 |
| Machinery and Equipment | 6,968,359 | 135,269 | | 7,103,628 |
| Infrastructure - Streets and Storm Drains | 63,974,917 | | | 63,974,917 |
| Total Capital Assets being Depreciated | <u>89,091,704</u> | <u>1,485,875</u> | | <u>90,577,579</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | (2,772,863) | (614,138) | | (3,387,001) |
| Machinery and Equipment | (4,852,651) | (577,131) | | (5,429,782) |
| Infrastructure - Streets and Storm Drains | (13,342,263) | (1,340,530) | | (14,682,793) |
| Total Accumulated Depreciation | <u>(20,967,777)</u> | <u>(2,531,799)</u> | | <u>(23,499,576)</u> |
| Net Depreciable Assets | <u>68,123,927</u> | <u>(1,045,924)</u> | | <u>67,078,003</u> |
| Governmental Activity Capital Assets, Net | <u>\$266,880,958</u> | <u>\$716,639</u> | | <u>\$267,597,597</u> |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 6 – CAPITAL ASSETS (Continued)

| | Balance June 30, 2009 | Additions and Adjustments | Retirements and Transfers | Balance June 30, 2010 |
|--|--------------------------|------------------------------|------------------------------|--------------------------|
| Business-Type Activities: | | | | |
| Non-Depreciable Assets: | | | | |
| Land and Improvements | \$1,642,993 | | | \$1,642,993 |
| Construction in Progress | 2,687,681 | \$5,309,304 | (\$1,679,902) | 6,317,083 |
| Total Non-Depreciable Assets | <u>4,330,674</u> | <u>5,309,304</u> | <u>(1,679,902)</u> | <u>7,960,076</u> |
| Capital Assets being Depreciated: | | | | |
| Buildings and Improvements | 6,827,336 | | | 6,827,336 |
| Water Treatment and Distribution | 37,862,588 | 793,173 | | 38,655,761 |
| Equipment | 1,452,204 | 89,028 | | 1,541,232 |
| Wastewater Treatment and Collection | 31,894,277 | 41,451 | 1,679,902 | 33,615,630 |
| Total Capital Assets being Depreciated | <u>78,036,405</u> | <u>923,652</u> | <u>1,679,902</u> | <u>80,639,959</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings and Improvements | (2,296,791) | 12,382 | | (2,284,409) |
| Water Treatment and Distribution | (12,101,135) | (1,561,692) | | (13,662,827) |
| Equipment | (1,157,265) | (15,492) | | (1,172,757) |
| Wastewater Treatment and Collection | (6,450,593) | (1,064,046) | | (7,514,639) |
| Total Accumulated Depreciation | <u>(22,005,784)</u> | <u>(2,628,848)</u> | | <u>(24,634,632)</u> |
| Net Depreciable Assets | <u>(56,030,621)</u> | <u>(1,705,196)</u> | <u>\$1,679,902</u> | <u>56,005,327</u> |
| Business-type Activity Capital Assets, Net | <u>\$60,361,295</u> | <u>\$3,604,108</u> | | <u>\$63,965,403</u> |

B. Project Commitments

At June 30, 2010, the City had outstanding commitments with contractors for the following projects:

| Project | Remaining Commitment |
|---|-------------------------|
| American Canyon Road E. Assessment District | \$14,720 |
| Parks Projects | 36,126 |
| Storm Drain Projects | 48,546 |
| Transportation Projects | 106,232 |
| Wastewater Projects | 78,518 |
| Water Projects | 285,773 |
| | <u>\$569,915</u> |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 6 – CAPITAL ASSETS (Continued)

C. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. GASB Statement 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

D. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or programs are as follows:

| | <u>Depreciation</u> |
|---------------------------------|---------------------|
| Governmental Activities: | |
| General government | \$799,670 |
| Public safety - police and fire | 396,346 |
| Parks and recreation | 10,491 |
| Public works | 1,325,292 |
| Total Governmental Activities | \$2,531,799 |
| Business-type Activities: | |
| Water | \$1,323,904 |
| Wastewater | 1,304,944 |
| Total Business-Type Activities | \$2,628,848 |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 7 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

The City's debt issues and transactions are summarized below and discussed in detail thereafter.

A. Current Year Transactions and Balances

| | Original Issue Amount | Balance June 30, 2009 | Additions | Retirements | Balance June 30, 2010 | Current Portion |
|---|-----------------------------|--------------------------|-----------|-------------|--------------------------|--------------------|
| Governmental Activity Debt | | | | | | |
| 2002 Lease Revenue Bonds | | | | | | |
| 1.30-4.45%, due 06/01/22 | \$4,230,000 | \$3,030,000 | | \$180,000 | \$2,850,000 | \$190,000 |
| Capital Lease - City Hall Facility | | | | | | |
| 4.54%, due 05/01/32 | 6,695,000 | 6,695,000 | | 170,000 | 6,525,000 | 180,000 |
| Capital Lease - Broadway Properties | | | | | | |
| 4.57%, due 08/22/2018 | 1,075,000 | 1,031,847 | | 89,240 | 942,607 | 93,302 |
| Total Governmental Long-Term Debt | | 10,756,847 | | 439,240 | 10,317,607 | \$463,302 |
| Less: Amount due within one year | | 439,240 | | | 463,302 | |
| Total Governmental Long-Term Debt, Net | | \$10,317,607 | | \$439,240 | \$9,854,305 | |
| | | | | | | |
| | Original Issue Amount | Balance June 30, 2009 | Additions | Retirements | Balance June 30, 2010 | Current Portion |
| Business-Type Activity Debt | | | | | | |
| Capital Lease - Water North Bay Aqueduct | | | | | | |
| 5.56%, due 07/01/35 | \$5,909,403 | \$5,490,494 | | \$135,239 | \$5,355,255 | \$141,487 |
| State of California Davis-Grunsky Loan | | | | | | |
| 2.5%, due 12/31/27 | 2,050,000 | 1,223,200 | | 50,778 | 1,172,422 | 53,642 |
| State Water Resources Control Board, State Revolving Fund Loan | | | | | | |
| 1.7%, due 07/15/22 | 10,859,470 | 8,554,323 | | 510,913 | 8,043,410 | 524,709 |
| City of Vallejo Note Payable | | | | | | |
| 6.0%, due 06/30/2010 | 2,346,860 | 621,088 | | 621,088 | | |
| City of Napa Note Payable | | | | | | |
| 4.0%, due 09/30/2017 | 350,000 | | \$350,000 | | 350,000 | |
| Total Business-Type Long-Term Debt | | 15,889,105 | 350,000 | 1,318,018 | 14,921,087 | \$719,838 |
| Less: Amount due within one year | | 1,318,323 | | | 719,838 | |
| Add: Unamortized deferred interest on Davis-Grunsky Loan | | 218,766 | | 11,514 | 207,252 | |
| Total Business-type Activity Debt | | \$14,789,548 | | \$1,329,532 | \$14,408,501 | |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 7 - LONG TERM DEBT (Continued)

B. 2002 Lease Revenue Bonds

The City's Financing Authority authorized the issuance of \$4,230,000 of its 2002 Lease Revenue Bonds to provide funds for refunding of the City's 1997 Lease Revenue Bonds. The Authority and the City entered into a site lease and lease-back arrangement wherein the City, in substance, acquired ownership of the facilities and is responsible for making payments in amounts sufficient to pay debt service on the revenue bonds. The lease receivable and payable between the City and the City's Financing Authority have been eliminated from the accompanying financial statements. The bonds bear interest at rates from 1.30 to 4.45 percent, and interest is payable each June 1 and December 1. Principal is due each June 1, through 2022.

C. Capital Lease – City Hall Facility

In fiscal year 2007, the City and its Financing Authority entered into lease purchase arrangement for \$6,695,000 to provide financing for the acquisition, construction, and improvement of facilities to be used as a City Hall.

D. Capital Lease – Broadway Properties

In July 2008, the City entered into a lease purchase financing for \$1,075,000 to purchase property adjacent to City Hall. The primary purpose was to provide access to City Hall from Napa Junction Road and it also provides additional parking and is available for future civic purposes.

E. Capital Lease – Water North Bay Aqueduct

In fiscal year 1982, the City has entered into a water supply contract with the Napa County Flood Control and Water Conservation District for certain quantities of water to be supplied to the City. Payments are made semiannually for the City's portion of the bonds used to finance the project.

F. 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. Payments are due each July 1 and January 1 through January 1, 2028. The loan amounts sufficient to payment debt service. The City makes repayments from its water enterprise fund from available resources.

G. 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 percent 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 due each January 15 through 2023.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 7 - LONG TERM DEBT (Continued)

H. City of Vallejo Note Payable

In fiscal year 2007, the City exercised an option to purchase additional water rights capacity from the City of Vallejo. The option price was \$2,346,860 for an additional 1.15 MGD of water. The City has agreed to pay for this additional water capacity over four fiscal years. The arrangement provides for semi-annual payments of \$324,588 with interest at 6 percent per year. As of June 30, 2010, the City paid off this note.

I. City of Napa Note Payable

In fiscal year 2010, the City entered into a loan with the City of Napa to pay for participation in environmental analysis, planning, and design associated with the North Bay Aqueduct Alternate intake project and environmental analysis. The loan amount totals \$350,000 with a stated interest rate of 4.0% per annum. Principal payments are due semi-annually beginning March 31, 2013 through September 20, 2017.

J. Debt Service Requirements

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

| For the Year Ending June 30 | Governmental Activities | | | | Business-Type Activities | |
|--------------------------------|-------------------------|------------------|--------------------|--------------------|--------------------------|--------------------|
| | Outstanding Bonds | | Capital Leases | | Principal | Interest |
| | Principal | Interest | Principal | Interest | | |
| 2011 | \$190,000 | \$123,496 | \$273,302 | \$337,614 | \$719,838 | \$538,624 |
| 2012 | 195,000 | 116,750 | 282,547 | 325,197 | 741,883 | 501,540 |
| 2013 | 200,000 | 109,632 | 296,986 | 312,358 | 796,609 | 497,679 |
| 2014 | 210,000 | 101,832 | 311,627 | 298,865 | 854,011 | 466,714 |
| 2015 | 220,000 | 93,432 | 326,479 | 284,705 | 880,946 | 442,391 |
| 2016 - 2020 | 1,255,000 | 316,492 | 1,656,666 | 1,191,747 | 4,535,527 | 1,832,332 |
| 2021 - 2025 | 580,000 | 41,562 | 1,530,000 | 848,074 | 3,484,636 | 1,132,608 |
| 2026 - 2030 | | | 1,900,000 | 468,530 | 1,452,674 | 500,591 |
| 2031 - 2035 | | | 890,000 | 61,064 | 1,454,963 | 157,655 |
| Total | \$2,850,000 | \$903,196 | \$7,467,607 | \$4,128,154 | \$14,921,087 | \$6,070,134 |

K. Special Assessment Debt Without City Commitment

At June 30, 2010, the outstanding principal amount of bonded debt issued by special assessment districts in the City was as follows:

| | |
|-----------------------------------|-------------|
| 2004 A Reassessment Revenue Bonds | \$6,655,000 |
| 2005 Infrastructure Revenue Bonds | 17,480,000 |

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

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 8 – NET ASSETS AND FUND BALANCES

A. Net Assets

Net Assets are the excess of all the City's assets over all its liabilities, regardless of fund. Net Assets are divided into three captions. These captions apply only to Net Assets, which is determined only at the Government-wide level, and are described below:

Invested in capital assets, net of related debt describes the portion of Net Assets which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects and debt service requirements.

Unrestricted describes the portion of Net Assets which is not restricted to use.

B. Fund Balance Reserves

Reserves are placed by outside entities, such as other governments, which restrict the expenditures of the reserved funds to the purpose intended by the entity that provided the funds. The City cannot modify or remove these reserves. At June 30, 2010, reserves included the following:

Debt Service reserve are the balance of debt service funds legally restricted for the payment of principal and interest on long-term debt, or the portion of proprietary funds retained earnings reserved to retire bond principal.

Prepaid Items, Long Term Notes Receivable, and Property Held for Resale reserves are the portions of fund balance set aside to indicate these items do not represent available, spendable resources even though they are a component of assets.

Encumbrances reserve represents the portion of fund balance set aside for open purchase orders.

Development and Planning reserve is the portion of fund balance set aside for development and planning improvement.

C. Fund Balance Designations

Designations are imposed by City Council to reflect future spending plans or concerns about the availability of future resources. Designations may be modified, amended or removed by Council action. At June 30, 2010, designations included the following: capital projects and other purposes.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 8 – NET ASSETS AND FUND BALANCES (Continued)

D. General Fund Reservations and Designations

As of June 30, 2010 the reservations and designations for the General Fund are as follows:

RESERVED

| | |
|----------------------------|------------------|
| Advances to other funds | \$1,525,522 |
| Long Term Loans Receivable | 114,805 |
| Development and Planning | 482,191 |
| Prepayments / Imprest Cash | 2,780 |
| Internal Balances | <u>2,162,006</u> |
| | <u>4,287,304</u> |

UNRESERVED

Designated:

| | |
|------------------------------|------------------|
| Vehicle Replacement | 382,000 |
| Contingency | 400,000 |
| Catastrophe | 950,000 |
| Economic Development | 220,000 |
| Pavement Repair | 400,000 |
| Retiree Health Care Benefits | 96,600 |
| Tow Fee | 95,056 |
| General Plan Update | <u>218,811</u> |
| | <u>2,762,467</u> |

| | |
|---------------------------|------------------|
| Unreserved / Undesignated | <u>3,024,995</u> |
|---------------------------|------------------|

| | |
|--------------|----------------------------|
| Fund Balance | <u><u>\$10,074,766</u></u> |
|--------------|----------------------------|

E. Fund Equity Deficits

The State and Federal Grants – City Special Revenue Fund had a deficit fund balance of \$1,094,869 at June 30, 2010.

NOTE 9 – DEFERRED COMPENSATION PLAN

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 10 - PENSION PLAN

CalPERS Safety and Miscellaneous Employees Plans

The City participates in pension plans offered by California Public Employees Retirement System (CalPERS), an agent multiple employer defined benefit pension plan which acts as a common investment and administrative agent for its participating member employers. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. The City's employees participate in the separate Safety (fire) and Miscellaneous (all other) Employee Plans. Benefit provisions under both Plans are established by State statute and City resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding for city's contributions for both Plans are determined annually on an actuarial basis as of June 30, 2008 by CalPERS. The Plans' provisions and benefits in effect at June 30, 2010, are summarized as follows:

| | <u>Safety</u> | <u>Miscellaneous</u> |
|---|------------------|----------------------|
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 | 50 |
| Monthly benefits, as a % of annual salary | 3% | 1.426% - 2.418% |
| Required employee contribution rates | 9% | 7% |
| Required employer contribution rates | 26.285% | 13.103% |

CalPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the City's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the City must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability.

CalPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.75% is assumed, including inflation at 3.00%. Annual salary increases are assumed to vary by duration of service and annual retirement benefit increases are assumed to be 3.25%. The City's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at June 30, 2010 was 16 years.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 10 - PENSION PLAN (Continued)

The Miscellaneous and Safety Plan's actuarial value (which differs from market value) and funding progress over the past three years is set forth below at their actuarial valuation date of June 30:

Miscellaneous Plan:

| Actuarial | | | | | | |
|----------------|-----------------------------------|--------------------|---------------------------------------|-----------------|------------------------------|--|
| Valuation Date | Entry Age Accrued Liability | Value of Assets | Unfunded (Overfunded) Liability | Funded Ratio | Annual Covered Payroll | Unfunded (Overfunded) Liability as % of Payroll |
| 6/30/2006 | \$2,754,396,608 | \$2,492,226,176 | \$262,170,432 | 90.5% | \$699,897,835 | 37.5% |
| 6/30/2007 | 2,611,746,790 | 2,391,434,447 | 220,312,343 | 91.6% | 665,522,859 | 33.1% |
| 6/30/2008 | 2,780,280,768 | 2,547,323,278 | 232,957,490 | 91.6% | 688,606,681 | 33.8% |

Safety Plan:

| Actuarial | | | | | | |
|----------------|-----------------------------------|--------------------|---------------------------------------|-----------------|------------------------------|--|
| Valuation Date | Entry Age Accrued Liability | Value of Assets | Unfunded (Overfunded) Liability | Funded Ratio | Annual Covered Payroll | Unfunded (Overfunded) Liability as % of Payroll |
| 6/30/2006 | \$7,278,049,834 | \$6,102,615,567 | \$1,175,434,267 | 83.8% | \$754,730,439 | 155.7% |
| 6/30/2007 | 7,986,055,176 | 6,826,599,459 | 1,159,455,717 | 85.5% | 831,607,658 | 139.4% |
| 6/30/2008 | 8,700,467,733 | 7,464,927,716 | 1,235,540,017 | 85.8% | 914,840,596 | 135.1% |

As required by State law, effective July 1, 2005, the City's Miscellaneous and Safety Plans were terminated, and the employees in the Plans were required by CalPERS to join a State-wide pool. One of the conditions of entry was for the City to adjust and true-up any unfunded liabilities or overfunded assets in the former Plan, either by paying cash or by increasing or decreasing its future contribution rates through a Side Fund offered by CalPERS. The City's Miscellaneous and Safety Plans were under-funded at June 30, 2004. The amount of this under-funding is accounted for separately and is to be used by CalPERS to reduce future City contributions to the Miscellaneous Plan and the Safety Plan over the next 13 and 10 years, respectively.

The actuarial value and funding progress of the State-wide pool, and the information regarding audited annual financial statements are available from CalPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 10 - PENSION PLAN (Continued)

Actuarially required employer contributions for Miscellaneous and Safety Plans for the last three fiscal years were as follows:

| Fiscal Year | Annual Pension Cost (APC) | Percentage of APC Contributed | Contribution Rate |
|-------------|---------------------------------|-------------------------------------|-------------------|
| 6/30/2008 | \$1,014,337 | 100% | 15.113% - 26.863% |
| 6/30/2009 | 1,034,154 | 100% | 13.339% - 26.863% |
| 6/30/2010 | 1,038,617 | 106% | 13.103% - 26.285% |

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS

During fiscal year 2009, the City and Fire District implemented the provisions of Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement establishes uniform financial reporting standards for employers providing postemployment benefits other than pensions (OPEB). The provisions of this statement are applied prospectively and do not affect prior year's financial statements. Required disclosures are presented below.

The City and Fire District joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, CA 94229-2703.

A. Retiree Medical Benefits

Eligibility for retiree health benefits is based on an employee's age and number of years of service with all CalPERS agencies at retirement. Retirees must be in receipt of pension payment from CalPERS and meet the following provisions:

- Nondisabled retirement from full-time active status with at least age 50 and five years of service.
- Disabled retirement from active full-time service at any age with at least five years of service.

City employees/retirees receive medical benefits offered through CalPERS. Upon retirement, the City subsidy is limited to 100% of the lowest cost option available in the area (currently the PERS Select plan) for retirees and their covered dependents. Retirees can choose higher cost plan options but they are responsible for any premiums in excess of the applicable lowest cost plan's rate.

Covered dependents of eligible retirees include spouses, domestic partners, and children under age 23 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 actives beyond COBRA continuation.

As of June 30, 2010 there were 15 participants receiving these health care benefits.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

B. *City of American Canyon's Plan*

To qualify for postemployment medical benefits, an employee must be eligible for and retire from the City. At the present time, retirees receive the same level of medical benefits as offered to active employees. Prior to a new change to a flat contribution rate which will be effective January 1, 2011, the benefit amount was equal to the PERS Select Plan through CalPERS Health. The City does not provide dental benefits to retirees.

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.75% investment rate of return, (b) 3.25% projected annual salary increase, and (c) health care cost trend rates from 5% to 8% for medical. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members to that point. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The actuarial value of assets is based upon the balance in the CERBT Trust. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year amortization period on a closed basis.

Concurrent with implementing Statement No. 45, the City Council passed a resolution to prefund the other post-employment benefits by transferring \$900,000 to the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of the City Council. This Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding Progress and Funded Status

Generally accepted accounting principles permit contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2010, the City contributed \$286,800 to the Plan, and funded pay-as-you-go premiums of \$109,600. As a result, the City has calculated and recorded the Net OPEB Asset on the Statement of Net Assets, representing the difference between the ARC, amortization and contributions, as presented below:

| | |
|--|------------------|
| Net OPEB asset at June 30, 2009 | \$565,738 |
| Annual required contribution (ARC) | 447,400 |
| Interest on net OPEB asset | (43,800) |
| Adjustment to annual required contribution | 34,600 |
| Annual OPEB cost | 438,200 |
| Contributions: | |
| Contributions to CERBT | 359,900 |
| City's portion of current year premiums paid | 109,600 |
| Total Contributions | 469,500 |
| Increase in net OPEB asset | 31,300 |
| Net OPEB asset at June 30, 2010 | \$597,038 |

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2010, amounted to \$5,429,600. The AAL is partially funded since assets have been transferred into CERBT.

The Plan's annual required contributions and actual contributions for fiscal year ended June 30, 2010 are set forth below:

| Fiscal Year | Estimated Annual Required OPEB Cost (AOC) | Actual Contribution | Percentage of APC Contributed | Net OPEB Obligation (Asset) |
|---------------|---|------------------------|-------------------------------------|-----------------------------------|
| June 30, 2009 | \$454,863 | \$1,020,601 | 224% | (\$565,738) |
| June 30, 2010 | 438,200 | 469,500 | 107% | (597,038) |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the June 30, 2007 actuarial study is presented below:

| Actuarial Valuation Date | Actuarial Value of Assets | Entry Age Actuarial Accrued Liability | Unfunded (Overfunded) Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll |
|--------------------------------|---------------------------------|--|---|-----------------|--------------------|---|
| 6/30/07 | \$0 | \$3,897,000 | \$3,897,000 | 0.00% | \$4,713,606 | 82.68% |
| 6/30/10 | 1,323,200 | 5,429,600 | 4,106,400 | 24.37% | 5,592,900 | 73.42% |

C. Fire District's Plan

To qualify for postemployment medical and dental benefits, an employee must be eligible and retire from the Fire District and maintain enrollment in one of the District's eligible health plans. In addition there are eligibility rules and contribution requirements defined in the Memorandum of Understanding (MOU) including a healthcare vesting program that was implemented in fiscal year 2009-10 which is required for all new District employees and optional for others. For employees not enrolled in the vesting program, the District pays up to the Kaiser Bay Area medical premium rate.

Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2008 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 7.75% investment rate of return, (b) 3.25% projected annual salary increase, and (c) health care cost trend rates from 9.05% to 10.10% for medical. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the City and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the District and plan members to that point. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The District's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year amortization period on a closed basis.

Concurrent with implementing Statement No. 45, the District's Board passed a resolution to participate in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is administered by CalPERS, and is managed by an appointed board not under the control of Association Board. This Trust is not considered a component unit by the Association and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding Progress and Funded Status

Generally accepted accounting principles permit contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2010, the District contributed \$205,000 to the Plan, and funded pay-as-you-go premiums of \$81,979. As a result, the District has calculated and recorded the Net OPEB Liability on the Statement of Net Assets, representing the difference between the ARC, amortization and contributions, as presented below:

| | |
|--|------------------------------------|
| Net OPEB obligation at June 30, 2009 | \$240,440 |
| Annual required contribution (ARC) | 283,000 |
| Interest on net OPEB obligation | 18,634 |
| Adjustment to annual required contribution | <u>(24,152)</u> |
| Annual OPEB cost | 277,482 |
| Contributions: | |
| Contributions to CERBT | 205,000 |
| District's portion of current year premiums paid | <u>81,979</u> |
| Total Contributions | <u>286,979</u> |
| (Decrease) in net OPEB obligation | <u>(9,497)</u> |
| Net OPEB obligation at June 30, 2010 | <u><u>\$230,943</u></u> |

The actuarial accrued liability (AAL) representing the present value of future benefits, included in the actuarial study dated June 30, 2008, amounted to \$2,531,000 and was unfunded since no assets had been transferred into an irrevocable trust or CERBT as of that date.

The Plan's annual required contributions and actual contributions for fiscal year ended June 30, 2010 are set forth below:

| Fiscal Year | Estimated Annual Required OPEB Cost (AOC) | Actual Contribution | Percentage of AOC Contributed | Net OPEB Obligation (Asset) |
|---------------|---|------------------------|-------------------------------------|-----------------------------------|
| June 30, 2009 | \$300,500 | \$60,060 | 20% | \$240,440 |
| June 30, 2010 | 277,482 | 286,979 | 103% | 230,943 |

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The Schedule of Funding Progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Trend data from the actuarial studies is presented below:

| Actuarial Valuation Date | Actuarial Value of Assets | Entry Age Actuarial Accrued Liability | Unfunded (Overfunded) Actuarial Accrued Liability | Funded Ratio | Covered Payroll | Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll |
|--------------------------------|---------------------------------|--|---|-----------------|--------------------|---|
| 6/30/08 | \$0 | \$2,531,000 | \$2,531,000 | 0.00% | \$1,650,824 | 153.32% |

NOTE 12 – RISK MANAGEMENT

A. Coverages

The City is a member of the Association of Bay Area Governments (ABAG), which provides general and auto liability coverage of \$5,000,000 above the City's deductible of \$25,000 per occurrence. ABAG is governed by a board consisting of representatives from member municipalities. The board controls the operations of ABAG, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. During the fiscal year ended June 30, 2010, the City contributed \$208,948 for current year coverage.

Audited financial statements may be obtained from ABAG Services, P.O. Box 2050, Oakland, CA 94604-2050.

The City is also covered by the Plan's Employee Dishonesty coverage up to \$1,000,000. Workers compensation insurance is provided by the State Compensation Insurance Fund with coverage up to \$1,000,000 per claim; and the City has no deductible for such claims. Insurance transactions are accounted for in the City's General Fund.

The component unit Fire Protection District of the City obtains general liability insurance through its membership in the Fire Agencies Insurance Risk Authority. The District transfers the risk of loss to the Authority and is covered by the Authority up to \$1,000,000 per occurrence with an aggregate limit of \$2,000,000. The Authority also provides property coverage with a limit of \$10,000,000. The Fire Association Self Insurance System, a risk sharing pool, provides workers compensation insurance coverage for the Fire District. The System is self-insured for the first \$500,000 of each claim and purchases commercial insurance excess coverage up to \$3,000,000 per claim. The District has no deductible for such claims.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 12 – RISK MANAGEMENT (Continued)

B. Liability for Uninsured Claims

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

| | Year Ended June 30, 2010 | Year Ended June 30, 2009 | Year Ended June 30, 2008 |
|---|-----------------------------|-----------------------------|-----------------------------|
| Unpaid claims, beginning of fiscal year | \$10,407 | \$3,100 | \$22,861 |
| Incurred claims (including IBNRs) | 38,856 | 12,421 | 6,547 |
| Claim payments | <u>(7,326)</u> | <u>(5,114)</u> | <u>(26,308)</u> |
| Unpaid claims, end of fiscal year | <u>\$41,937</u> | <u>\$10,407</u> | <u>\$3,100</u> |

For the years ended June 30, 2010, 2009, and 2008, the amount of settlements did not exceed insurance coverage.

NOTE 13 – STATE OF CALIFORNIA PROPOSITION 1A SECURITIZATION

Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concurs.

Under the provisions of Proposition 1A and as part of the fiscal year 2009-10 budget package passed by the California State legislature on July 28, 2009, the State of California borrowed 8% of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fees, triple flip in lieu sales taxes, and supplemental property taxes, apportioned to the City. The State is required to repay the \$983,049 it borrowed from the City, plus interest, by June 30, 2013.

Authorized with the 2009-10 State budget package was the Proposition 1A Securitization Program (Program), administered by the California Statewide Communities Development Authority (“California Communities”), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. Under the Program, the participating cities receive cash equal to their share of State borrowings and forgo interest they otherwise would have received from the State on the unpaid borrowings. The City is a participant in the Program.

California Communities simultaneously purchased the Proposition 1A receivables from the City and other participants, and issued bonds to provide participants with proceeds to be remitted in two equal installments due on January 15, 2010 and May 3, 2010. All costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State.

As of June 30, 2010, the City received both installments due under the Program and recorded them as property taxes in the same manner as if the State had not exercised its rights under Proposition 1A. Since sales proceeds to the City equal the book value of State borrowings no gain or loss was incurred.

CITY OF AMERICAN CANYON
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

NOTE 14 – OTHER COMMITMENTS AND CONTINGENT LIABILITIES

The City participates in a number of federal and state grant programs subject to financial and compliance audits by the grantors or their representatives. Audits of certain grant programs, including those for the year ended June 30, 2010, have yet to be conducted. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. Management believes that such disallowances, if any, would not have a material effect on the financial statements.

The City is a defendant in a number of lawsuits that have arisen in the normal course of business, the outcome of which cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have a material adverse effect on the financial position of the City.

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Optional Supplementary Information Section



Views across the new Bay Trail

**MAJOR GOVERNMENTAL FUNDS, OTHER THAN GENERAL FUND
AND SPECIAL REVENUE FUNDS**

CITY OF AMERICAN CANYON
 AFFORDABLE HOUSING CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

| | Budget | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------|----------------|---|
| REVENUES: | | | |
| Interest and rents | \$25,000 | \$6,311 | (\$18,689) |
| Total Revenues | 25,000 | 6,311 | (18,689) |
| EXPENDITURES: | | | |
| Economic development | 272,040 | 176,841 | 95,199 |
| Capital outlay | 630,000 | | 630,000 |
| Total Expenditures | 902,040 | 176,841 | 725,199 |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | (877,040) | (170,530) | 706,510 |
| NET CHANGE IN FUND BALANCE | (\$877,040) | (170,530) | \$706,510 |
| Beginning fund balance | | 1,777,014 | |
| Ending fund balance | | \$1,606,484 | |

CITY OF AMERICAN CANYON
CITY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

| | <u>Budget</u> | <u>Actual Amounts</u> | Variance with Final Budget Positive (Negative) |
|---|--------------------|-----------------------|---|
| EXPENDITURES: | | | |
| Capital outlay | <u>\$4,165,021</u> | <u>\$3,276,929</u> | <u>\$888,092</u> |
| Total Expenditures | <u>4,165,021</u> | <u>3,276,929</u> | <u>888,092</u> |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | <u>(4,165,021)</u> | <u>(3,276,929)</u> | <u>(888,092)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>3,481,801</u> | <u>3,365,745</u> | <u>116,056</u> |
| Total other financing sources (uses) | <u>3,481,801</u> | <u>3,365,745</u> | <u>116,056</u> |
| NET CHANGE IN FUND BALANCE | <u>(\$683,220)</u> | 88,816 | <u>(\$772,036)</u> |
| Beginning fund balance | | <u>55,319</u> | |
| Ending fund balance | | <u>\$144,135</u> | |

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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.

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

Equipment Replacement-Fire – accounts for contributions from the Fire District Operations Fund to replace existing fire apparatus.

State and Federal Grants-Fire – accounts for State and Federal Grants.

CDBG Loan Repayment – accounts for housing rehabilitation made with Federal Community Development Grant monies.

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

STP Road Maintenance – accounts for grant funds received for street and road improvements.

La Vigne Landscape and Lighting - accounts for maintenance expenses of the three District zones which are paid for through property tax assessments placed on owners annual tax bills.

La Vigne Open Space – accounts for the costs to maintain open space at the La Vigne Open Space.

Employee Home Assistance – accounts for loans made to employees with City funds for the purpose of assisting them to purchase homes within the City.

Retiree Health Benefits – this fund was set up to accumulate funds for the purpose of funding retiree health benefits.

Newell Park Open Space – accounts for the costs to maintain open space at the Newell Open Space.

Abandoned Vehicle – accounts for the grand funds used to abate abandoned vehicles.

Fire District Health Benefits – accounts for the District's retiree health care resources. Monies have been set aside for a few years to save for the future expenses.

Safe Route to Schools – accounts for federal funds received to enable and encourage children, including those with disabilities to walk and bicycle to school, make bicycling and walking to school safer, and reduce traffic and air pollution in the vicinity of schools.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

Transportation Development Act (TDA) Grant – accounts for grant funds received for street and road improvements.

DEBT SERVICE FUNDS

2002 Lease Revenue Bonds – issued to finance the acquisition and construction of a Community Center/Gymnasium facility and Aquatic Center Facility.

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

Broadway Property - accounts for debt service on lease financing for the purchase of property just north of the new city hall facility.

CAPITAL PROJECTS FUNDS

Fire Mitigation – accounts for a special voter approved new development tax for the purchase of 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.

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

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

AGENCY FUNDS

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

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

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CITY OF AMERICAN CANYON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

SPECIAL REVENUE FUNDS

| ASSETS | Storm Drainage | Gas Tax | Equipment Replacement - Fire | State and Federal Grants-Fire | CDBG Loan Repayment |
|--------------------------------------|------------------|------------------|------------------------------------|-------------------------------------|------------------------|
| Cash and cash equivalents | | \$551,829 | \$563,671 | \$7,858 | \$113,283 |
| Restricted cash and cash equivalents | | | | | |
| Taxes receivable | | 69,244 | | | |
| Accounts receivable | | | | | 115 |
| Due from other governments | \$219,334 | | | | |
| Interest receivable | | 635 | 817 | | |
| Loans receivable | | | | | 612,307 |
| | <u>\$219,334</u> | <u>\$621,708</u> | <u>\$564,488</u> | <u>\$7,858</u> | <u>\$725,705</u> |
| Total Assets | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | | | | | \$23,892 |
| Deferred revenue | | | | | 612,307 |
| Due to other funds | \$210,228 | | | | |
| Advances from other funds | | | | | |
| | <u>210,228</u> | | | | <u>636,199</u> |
| Total Liabilities | | | | | |
| FUND EQUITY | | | | | |
| Fund balances | | | | | |
| Reserved | | | | | |
| Unreserved: | | | | | |
| Undesignated, reported in: | | | | | |
| Special Revenue Funds | 9,106 | \$621,708 | \$564,488 | \$7,858 | \$89,506 |
| Capital Projects Funds | | | | | |
| | <u>9,106</u> | <u>621,708</u> | <u>564,488</u> | <u>7,858</u> | <u>89,506</u> |
| Total Fund Balances | | | | | |
| | <u>\$219,334</u> | <u>\$621,708</u> | <u>\$564,488</u> | <u>\$7,858</u> | <u>\$725,705</u> |
| Total Liabilities and Fund Balances | | | | | |

SPECIAL REVENUE FUNDS

| State Supplemental Law Enforcement | STP Road Maintenance | La Vigne Landscape and Lighting | La Vigne Open Space | Employee Home Assistance | Retiree Health Benefits |
|--|-------------------------|---------------------------------------|------------------------|-----------------------------|----------------------------|
| | | \$1,625,205 | \$179,591 | \$173,754 | \$127,928 |
| \$10,177 | | 8,865 | | | |
| 61 | | 2,180 | 149 | 24,253 | 66 |
| | | | | 239,095 | |
| <u>\$10,238</u> | | <u>\$1,636,250</u> | <u>\$179,740</u> | <u>\$437,102</u> | <u>\$127,994</u> |
| | | \$14,963 | | \$263,205 | |
| \$10,238 | | | | | |
| <u>10,238</u> | | <u>14,963</u> | | <u>263,205</u> | |
| | | 768,827 | | | |
| | | 852,460 | \$179,740 | 173,897 | \$127,994 |
| | | 1,621,287 | 179,740 | 173,897 | 127,994 |
| <u>\$10,238</u> | | <u>\$1,636,250</u> | <u>\$179,740</u> | <u>\$437,102</u> | <u>\$127,994</u> |

(Continued)

CITY OF AMERICAN CANYON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

SPECIAL REVENUE FUNDS

| | Newell Park Open Space | Abandoned Vehicle | Fire District Health Benefits | Safe Route to Schools | TDA Grant |
|--------------------------------------|---------------------------|------------------------|----------------------------------|--------------------------|--------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$36,322 | \$64,609 | \$150,766 | | |
| Restricted cash and cash equivalents | | | | | |
| Taxes receivable | | | | | |
| Accounts receivable | | | | | |
| Due from other governments | | | | | |
| Interest receivable | 29 | 51 | 228 | | |
| Loans receivable | | | | | |
| | <u>36,351</u> | <u>64,660</u> | <u>150,994</u> | | |
| Total Assets | <u><u>\$36,351</u></u> | <u><u>\$64,660</u></u> | <u><u>\$150,994</u></u> | | |
| LIABILITIES | | | | | |
| Accounts payable | \$52 | | | | |
| Deferred revenue | | | | | |
| Due to other funds | | | | | |
| Advances from other funds | | | | | |
| | <u>52</u> | | | | |
| Total Liabilities | <u>52</u> | | | | |
| FUND EQUITY | | | | | |
| Fund balances | | | | | |
| Reserved | | | | | |
| Unreserved: | | | | | |
| Undesignated, reported in: | | | | | |
| Special Revenue Funds | 36,299 | \$64,660 | \$150,994 | | |
| Capital Projects Funds | | | | | |
| | <u>36,299</u> | <u>64,660</u> | <u>150,994</u> | | |
| Total Fund Balances | <u>36,299</u> | <u>64,660</u> | <u>150,994</u> | | |
| Total Liabilities and Fund Balances | <u><u>\$36,351</u></u> | <u><u>\$64,660</u></u> | <u><u>\$150,994</u></u> | | |

CITY OF AMERICAN CANYON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2010

CAPITAL PROJECTS FUNDS

| | Traffic Impact | Civic Facilities | Infrastructure | Total Non-major Governmental Funds |
|--------------------------------------|--------------------|---------------------|--------------------|---|
| ASSETS | | | | |
| Cash and cash equivalents | \$2,125,209 | \$303,131 | | \$7,878,541 |
| Restricted cash and cash equivalents | | | \$3,039,407 | 3,355,020 |
| Taxes receivable | | | | 78,109 |
| Accounts receivable | | | | 10,567 |
| Due from other governments | | | | 219,334 |
| Interest receivable | 1,851 | 273 | | 32,572 |
| Loans receivable | | | | 851,402 |
| | <u>\$2,127,060</u> | <u>\$303,404</u> | <u>\$3,039,407</u> | <u>\$12,425,545</u> |
| LIABILITIES | | | | |
| Accounts payable | | | \$6,006 | \$44,913 |
| Deferred revenue | | | | 875,512 |
| Due to other funds | | | 488,449 | 708,915 |
| Advances from other funds | | 1,525,522 | | 1,525,522 |
| | | <u>1,525,522</u> | <u>494,455</u> | <u>3,154,862</u> |
| FUND EQUITY | | | | |
| Fund balances | | | | |
| Reserved | | | | 1,218,689 |
| Unreserved: | | | | |
| Undesignated, reported in: | | | | |
| Special Revenue Funds | | | | 2,878,710 |
| Capital Projects Funds | \$2,127,060 | (\$1,222,118) | 2,544,952 | 5,173,284 |
| Total Fund Balances | <u>2,127,060</u> | <u>(1,222,118)</u> | <u>2,544,952</u> | <u>9,270,683</u> |
| Total Liabilities and Fund Balances | <u>\$2,127,060</u> | <u>\$303,404</u> | <u>\$3,039,407</u> | <u>\$12,425,545</u> |

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CITY OF AMERICAN CANYON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

SPECIAL REVENUE FUNDS

| | Storm Drainage | Gas Tax | Equipment Replacement -Fire | State and Federal Grants-Fire | CDBG Loan Repayment |
|--|-------------------|------------------|-----------------------------------|-------------------------------------|------------------------|
| REVENUES | | | | | |
| Special assessments | | | | | |
| Sales tax | \$960,508 | | | | |
| Intergovernmental | | \$416,296 | | | |
| Interest and rents | | 4,363 | \$2,096 | | \$1,597 |
| Charges for services | | | | | |
| Other | | | | | 3,265 |
| | | | | | <u>3,265</u> |
| Total Revenues | <u>960,508</u> | <u>420,659</u> | <u>2,096</u> | | <u>4,862</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | | | | | |
| Public safety: | | | | | |
| Police and fire services | | | | | |
| Community development: | | | | | |
| Economic development | | | | | 272,775 |
| Parks and recreation: | | | | | |
| Recreation | | | | | |
| Public works: | | | | | |
| Streets and roads | | | | | |
| Debt service: | | | | | |
| Principal | | | | | |
| Interest | | | | | |
| Capital outlay | | | | | |
| | | | | | <u>272,775</u> |
| Total Expenditures | | | | | <u>272,775</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>960,508</u> | <u>420,659</u> | <u>2,096</u> | | <u>(267,913)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | | | 500,000 | | |
| Transfers (out) | (951,402) | (524,775) | | | |
| | | | | | |
| Total Other Financing Sources (Uses) | <u>(951,402)</u> | <u>(524,775)</u> | <u>500,000</u> | | |
| NET CHANGE IN FUND BALANCES | 9,106 | (104,116) | 502,096 | | (267,913) |
| BEGINNING FUND BALANCES | | 725,824 | 62,392 | \$7,858 | 357,419 |
| ENDING FUND BALANCES | <u>\$9,106</u> | <u>\$621,708</u> | <u>\$564,488</u> | <u>\$7,858</u> | <u>\$89,506</u> |

SPECIAL REVENUE FUNDS

| <u>State Supplemental Law Enforcement</u> | <u>STP Road Maintenance</u> | <u>La Vigne Landscape and Lighting</u> | <u>La Vigne Open Space</u> | <u>Employee Home Assistance</u> | <u>Retiree Health Benefits</u> |
|---|-------------------------------------|--|--------------------------------|-------------------------------------|------------------------------------|
| | | \$515,121 | | | |
| \$100,191 121 | \$55 | 9,296 | \$1,126 | \$1,059 | \$1,015 |
| | | <u>3,884</u> | | <u>7,793</u> | <u>73,125</u> |
| <u>100,312</u> | <u>55</u> | <u>528,301</u> | <u>1,126</u> | <u>8,852</u> | <u>74,140</u> |
| | | | | | 469,540 |
| | | | 2,769 | | |
| | | 315,060 | | | |
| | | <u>315,060</u> | <u>2,769</u> | | <u>469,540</u> |
| <u>100,312</u> | <u>55</u> | <u>213,241</u> | <u>(1,643)</u> | <u>8,852</u> | <u>(395,400)</u> |
| <u>(100,312)</u> | | <u>(34,112)</u> | | | <u>461,900</u> |
| <u>(100,312)</u> | | <u>(34,112)</u> | | | <u>461,900</u> |
| | 55 | 179,129 | (1,643) | 8,852 | 66,500 |
| | (55) | 1,442,158 | 181,383 | 165,045 | 61,494 |
| | | <u>\$1,621,287</u> | <u>\$179,740</u> | <u>\$173,897</u> | <u>\$127,994</u> |

(Continued)

CITY OF AMERICAN CANYON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

| | SPECIAL REVENUE FUNDS | | | | |
|--|----------------------------|----------------------|----------------------------------|--------------------------|--------------|
| | Newell Park Open Spaces | Abandoned Vehicle | Fire District Health Benefits | Safe Route to Schools | TDA Grant |
| REVENUES | | | | | |
| Special assessments | | | | | |
| Sales tax | | | | | |
| Intergovernmental | | \$18,286 | | \$129,600 | |
| Interest and rents | \$9,927 | 333 | \$952 | | |
| Charges for services | | | | | |
| Other | | | 5,724 | | |
| | | | | | |
| Total Revenues | 9,927 | 18,619 | 6,676 | 129,600 | |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | | | | | |
| Public safety: | | | | | |
| Police and fire services | | | 286,919 | | |
| Community development: | | | | | |
| Economic development | | | | | |
| Parks and recreation: | | | | | |
| Recreation | 3,478 | | | | |
| Public works: | | | | | |
| Streets and roads | | | | | |
| Debt service: | | | | | |
| Principal | | | | | |
| Interest | | | | | |
| Capital outlay | | | | | |
| | | | | | |
| Total Expenditures | 3,478 | | 286,919 | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | | | |
| | 6,449 | 18,619 | (280,243) | 129,600 | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | | | 283,000 | | |
| Transfers (out) | | (2,133) | | (90,200) | (\$14) |
| | | | | | |
| Total Other Financing Sources (Uses) | | (2,133) | 283,000 | (90,200) | (14) |
| NET CHANGE IN FUND BALANCES | | | | | |
| | 6,449 | 16,486 | 2,757 | 39,400 | (14) |
| BEGINNING FUND BALANCES | | | | | |
| | 29,850 | 48,174 | 148,237 | (39,400) | 14 |
| ENDING FUND BALANCES | | | | | |
| | \$36,299 | \$64,660 | \$150,994 | | |

| DEBT SERVICE FUNDS | | | CAPITAL PROJECTS FUNDS | | |
|--------------------------------|------------------------------|--------------------------------------|------------------------|---------------------|--------------------|
| 2002 Lease Revenue Bonds | Cabernet Village Lease | Broadway Property Debt Service | Fire Mitigation | Park Improvement | Traffic Impact |
| \$923 | \$1,375 | \$141 | \$2,907 318,359 | \$9,003 47,863 | \$14,718 10,605 |
| <u>923</u> | <u>1,375</u> | <u>141</u> | <u>321,266</u> | <u>56,866</u> | <u>25,323</u> |
| 180,000 134,135 | 170,000 303,953 | 89,240 45,440 | | | 9,495 |
| <u>314,135</u> | <u>473,953</u> | <u>134,680</u> | | | <u>9,495</u> |
| <u>(313,212)</u> | <u>(472,578)</u> | <u>(134,539)</u> | <u>321,266</u> | <u>56,866</u> | <u>15,828</u> |
| 200,000 | 472,700 | 70,000 | 1,446,065 | (419,215) | (25,660) |
| <u>200,000</u> | <u>472,700</u> | <u>70,000</u> | <u>1,446,065</u> | <u>(419,215)</u> | <u>(25,660)</u> |
| (113,212) | 122 | (64,539) | 1,767,331 | (362,349) | (9,832) |
| <u>434,296</u> | <u>128,178</u> | <u>65,017</u> | <u>(1,143,584)</u> | <u>1,461,992</u> | <u>2,136,892</u> |
| <u>\$321,084</u> | <u>\$128,300</u> | <u>\$478</u> | <u>\$623,747</u> | <u>\$1,099,643</u> | <u>\$2,127,060</u> |

(Continued)

CITY OF AMERICAN CANYON
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

| | <u>CAPITAL PROJECTS FUNDS</u> | | Total Non-major Governmental Funds |
|--|-------------------------------|-----------------------|---|
| | <u>Civic Facilities</u> | <u>Infrastructure</u> | |
| REVENUES | | | |
| Special assessments | | | \$515,121 |
| Sales tax | | | 960,508 |
| Intergovernmental | | | 664,428 |
| Interest and rents | \$1,854 | \$51 | 62,857 |
| Charges for services | 70,125 | | 446,952 |
| Other | | | 93,791 |
| | | | |
| Total Revenues | 71,979 | 51 | 2,743,657 |
| EXPENDITURES | | | |
| Current: | | | |
| General government | | | |
| Public safety: | | | |
| Police and fire services | | | 756,459 |
| Community development: | | | |
| Economic development | | | 272,775 |
| Parks and recreation: | | | |
| Recreation | | | 6,247 |
| Public works: | | | |
| Streets and roads | | | 315,060 |
| Debt service: | | | |
| Principal | | | 439,240 |
| Interest | 11,356 | | 494,884 |
| Capital outlay | | 516,457 | 525,952 |
| | | | |
| Total Expenditures | 11,356 | 516,457 | 2,810,617 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | | |
| | 60,623 | (516,406) | (66,960) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | | | 3,433,665 |
| Transfers (out) | (1,589,375) | | (3,737,198) |
| | | | |
| Total Other Financing Sources (Uses) | (1,589,375) | | (303,533) |
| NET CHANGE IN FUND BALANCES | (1,528,752) | (516,406) | (370,493) |
| BEGINNING FUND BALANCES | 306,634 | 3,061,358 | 9,641,176 |
| ENDING FUND BALANCES | (\$1,222,118) | \$2,544,952 | \$9,270,683 |

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CITY OF AMERICAN CANYON
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

| | GAS TAX | | | EQUIPMENT REPLACEMENT FIRE | | |
|--|--------------------|------------------|------------------------------------|-------------------------------|------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Special assessments | | | | | | |
| Intergovernmental | \$345,600 | \$416,296 | \$70,696 | | | |
| Interest and rents | 18,000 | 4,363 | (13,637) | | \$2,096 | \$2,096 |
| Charges for services | | | | | | |
| Other | | | | | | |
| Total Revenues | <u>363,600</u> | <u>420,659</u> | <u>57,059</u> | | <u>2,096</u> | <u>2,096</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Public safety: | | | | | | |
| Police and fire services | | | | | | |
| Community development: | | | | | | |
| Economic development | | | | | | |
| Parks and recreation: | | | | | | |
| Recreation | | | | | | |
| Public works: | | | | | | |
| Streets and roads | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | | | | | |
| Capital outlay | | | | | | |
| Total Expenditures | | | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>363,600</u> | <u>420,659</u> | <u>57,059</u> | | <u>2,096</u> | <u>2,096</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | | | | \$500,000 | 500,000 | |
| Transfers (out) | (484,285) | (524,775) | (40,490) | | | |
| Total Other Financing Sources (Uses) | <u>(484,285)</u> | <u>(524,775)</u> | <u>(40,490)</u> | <u>500,000</u> | <u>500,000</u> | |
| NET CHANGE IN FUND BALANCES | <u>(\$120,685)</u> | <u>(104,116)</u> | <u>\$16,569</u> | <u>\$500,000</u> | <u>502,096</u> | <u>\$2,096</u> |
| BEGINNING FUND BALANCES | | <u>725,824</u> | | | <u>62,392</u> | |
| ENDING FUND BALANCES | | <u>\$621,708</u> | | | <u>\$564,488</u> | |

| CDBG LOAN REPAYMENT | | | STATE SUPPLEMENTAL LAW ENFORCEMENT | | | STP ROAD MAINTENANCE | | |
|------------------------|------------------|------------------------------------|---------------------------------------|-----------|------------------------------------|-------------------------|--------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$7,000 | \$1,597 | (\$5,403) | \$100,000 | \$100,191 | \$191 | | \$55 | \$55 |
| 4,000 | 3,265 | (735) | | 121 | 121 | | | |
| 11,000 | 4,862 | (6,138) | 100,000 | 100,312 | 312 | | 55 | 55 |
| 335,000 | 272,775 | 62,225 | | | | | | |
| 335,000 | 272,775 | 62,225 | | | | | | |
| (324,000) | (267,913) | 56,087 | 100,000 | 100,312 | 312 | | 55 | 55 |
| | | | (100,000) | (100,312) | (312) | | | |
| | | | (100,000) | (100,312) | (312) | | | |
| <u>(\$324,000)</u> | <u>(267,913)</u> | <u>\$56,087</u> | | | | | 55 | <u>\$55</u> |
| | 357,419 | | | | | | (55) | |
| | <u>\$89,506</u> | | | | | | | |

(Continued)

CITY OF AMERICAN CANYON
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

| | LA VIGNE LANDSCAPE AND LIGHTING | | | LA VIGNE OPEN SPACE | | |
|--|------------------------------------|--------------------|------------------------------------|------------------------|------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Special assessments | \$482,544 | \$515,121 | \$32,577 | | | |
| Intergovernmental | | | | | | |
| Interest and rents | 13,149 | 9,296 | (3,853) | \$6,000 | \$1,126 | (\$4,874) |
| Charges for services | | | | | | |
| Other | | 3,884 | 3,884 | | | |
| Total Revenues | 495,693 | 528,301 | 32,608 | 6,000 | 1,126 | (4,874) |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Public safety: | | | | | | |
| Police and fire services | | | | | | |
| Community development: | | | | | | |
| Economic development | | | | | | |
| Parks and recreation: | | | | | | |
| Recreation | | | | | | |
| | | | | \$3,000 | 2,769 | 231 |
| Public works: | | | | | | |
| Streets and roads | | | | | | |
| | 439,146 | 315,060 | 124,086 | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | | | | | |
| Capital outlay | | | | | | |
| Total Expenditures | 439,146 | 315,060 | 124,086 | 3,000 | 2,769 | 231 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 56,547 | 213,241 | 156,694 | 3,000 | (1,643) | (4,643) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | | | | | | |
| Transfers (out) | | | | | | |
| | (28,340) | (34,112) | (5,772) | | | |
| Total Other Financing Sources (Uses) | (28,340) | (34,112) | (5,772) | | | |
| NET CHANGE IN FUND BALANCES | \$28,207 | 179,129 | \$150,922 | \$3,000 | (1,643) | (\$4,643) |
| BEGINNING FUND BALANCES | | 1,442,158 | | | 181,383 | |
| ENDING FUND BALANCES | | \$1,621,287 | | | \$179,740 | |

| EMPLOYEE HOME ASSISTANCE | | | RETIREE HEALTH BENEFITS | | | NEWELL PARK OPEN SPACE | | |
|--------------------------|-----------|------------------------------|-------------------------|-----------|------------------------------|------------------------|----------|------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$3,000 | \$1,059 | (\$1,941) | \$40,000 | \$1,015 | (\$38,985) | \$10,000 | \$9,927 | (\$73) |
| | 7,793 | 7,793 | | 73,125 | 73,125 | | | |
| 3,000 | 8,852 | 5,852 | 40,000 | 74,140 | 34,140 | 10,000 | 9,927 | (73) |
| | | | 461,900 | 469,540 | (7,640) | | | |
| 160,000 | | 160,000 | | | | 9,700 | 3,478 | 6,222 |
| 160,000 | | 160,000 | 461,900 | 469,540 | (7,640) | 9,700 | 3,478 | 6,222 |
| (157,000) | 8,852 | 165,852 | (421,900) | (395,400) | 26,500 | 300 | 6,449 | 6,149 |
| | | | 461,900 | 461,900 | | | | |
| | | | 461,900 | 461,900 | | | | |
| (\$157,000) | 8,852 | \$165,852 | \$40,000 | 66,500 | \$26,500 | \$300 | 6,449 | \$6,149 |
| | 165,045 | | | 61,494 | | | 29,850 | |
| | \$173,897 | | | \$127,994 | | | \$36,299 | |

(Continued)

CITY OF AMERICAN CANYON
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

| | ABANDONED VEHICLE | | | FIRE DISTRICT HEALTH BENEFITS | | |
|--|-------------------|-----------------|------------------------------------|----------------------------------|------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Special assessments | | | | | | |
| Intergovernmental | \$7,300 | \$18,286 | \$10,986 | | | |
| Interest and rents | 500 | 333 | (167) | \$4,000 | \$952 | (\$3,048) |
| Charges for services | | | | | | |
| Other | | | | 1,500 | 5,724 | 4,224 |
| Total Revenues | <u>7,800</u> | <u>18,619</u> | <u>10,819</u> | <u>5,500</u> | <u>6,676</u> | <u>1,176</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Public safety: | | | | | | |
| Police and fire services | | | | 80,000 | 286,919 | (206,919) |
| Community development: | | | | | | |
| Economic development | | | | | | |
| Parks and recreation: | | | | | | |
| Recreation | | | | | | |
| Public works: | | | | | | |
| Streets and roads | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | | | | | |
| Capital outlay | | | | | | |
| Total Expenditures | | | | <u>80,000</u> | <u>286,919</u> | <u>(206,919)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>7,800</u> | <u>18,619</u> | <u>10,819</u> | <u>(74,500)</u> | <u>(280,243)</u> | <u>(205,743)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | | | | 283,000 | 283,000 | |
| Transfers (out) | (7,800) | (2,133) | 5,667 | | | |
| Total Other Financing Sources (Uses) | <u>(7,800)</u> | <u>(2,133)</u> | <u>5,667</u> | <u>283,000</u> | <u>283,000</u> | |
| NET CHANGE IN FUND BALANCES | | <u>16,486</u> | <u>\$16,486</u> | <u>\$208,500</u> | 2,757 | <u>(\$205,743)</u> |
| BEGINNING FUND BALANCES | | <u>48,174</u> | | | <u>148,237</u> | |
| ENDING FUND BALANCES | | <u>\$64,660</u> | | | <u>\$150,994</u> | |

| SAFE ROUTE TO SCHOOLS | | | TDA GRANT | | | 2002 LEASE REVENUE BONDS | | |
|-----------------------|-------------------|------------------------------|-----------|---------------|------------------------------|--------------------------|------------------|------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$133,845 | \$129,600 | (\$4,245) | | | | \$4,500 | \$923 | (\$3,577) |
| <u>133,845</u> | <u>129,600</u> | <u>(4,245)</u> | | | | <u>4,500</u> | <u>923</u> | <u>(3,577)</u> |
| | | | | | | 180,000 | 180,000 | |
| | | | | | | 134,400 | 134,135 | 265 |
| | | | | | | <u>314,400</u> | <u>314,135</u> | <u>265</u> |
| <u>133,845</u> | <u>129,600</u> | <u>(4,245)</u> | | | | <u>(309,900)</u> | <u>(313,212)</u> | <u>(3,312)</u> |
| <u>(133,845)</u> | <u>(90,200)</u> | <u>43,645</u> | | <u>(\$14)</u> | <u>(14)</u> | <u>200,000</u> | <u>200,000</u> | |
| <u>(133,845)</u> | <u>(90,200)</u> | <u>43,645</u> | | <u>(14)</u> | <u>(14)</u> | <u>200,000</u> | <u>200,000</u> | |
| | <u>39,400</u> | <u>\$39,400</u> | | <u>(14)</u> | <u>(14)</u> | <u>(\$109,900)</u> | <u>(113,212)</u> | <u>(\$3,312)</u> |
| | <u>(\$39,400)</u> | | | <u>14</u> | | | <u>434,296</u> | |
| | | | | | | | <u>\$321,084</u> | |

(Continued)

CITY OF AMERICAN CANYON
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

| | CABERNET VILLAGE LEASE | | | BROADWAY PROPERTY | | |
|--|---------------------------|------------------|------------------------------------|-------------------|------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Special assessments | | | | | | |
| Intergovernmental | | | | | | |
| Interest and rents | \$1,300 | \$1,375 | \$75 | \$500 | \$141 | (\$359) |
| Charges for services | | | | | | |
| Other | | | | | | |
| Total Revenues | <u>1,300</u> | <u>1,375</u> | <u>75</u> | <u>500</u> | <u>141</u> | <u>(359)</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Public safety: | | | | | | |
| Police and fire services | | | | | | |
| Community development: | | | | | | |
| Economic development | | | | | | |
| Parks and recreation: | | | | | | |
| Recreation | | | | | | |
| Public works: | | | | | | |
| Streets and roads | | | | | | |
| Debt service: | | | | | | |
| Principal | 170,000 | 170,000 | | 89,300 | 89,240 | 60 |
| Interest | 304,000 | 303,953 | 47 | 45,500 | 45,440 | 60 |
| Capital outlay | | | | | | |
| Total Expenditures | <u>474,000</u> | <u>473,953</u> | <u>47</u> | <u>134,800</u> | <u>134,680</u> | <u>120</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(472,700)</u> | <u>(472,578)</u> | <u>122</u> | <u>(134,300)</u> | <u>(134,539)</u> | <u>(239)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 472,700 | 472,700 | | 70,000 | 70,000 | |
| Transfers (out) | | | | | | |
| Total Other Financing Sources (Uses) | <u>472,700</u> | <u>472,700</u> | | <u>70,000</u> | <u>70,000</u> | |
| NET CHANGE IN FUND BALANCES | | <u>122</u> | <u>\$122</u> | <u>(\$64,300)</u> | <u>(64,539)</u> | <u>(\$239)</u> |
| BEGINNING FUND BALANCES | | <u>128,178</u> | | | <u>65,017</u> | |
| ENDING FUND BALANCES | | <u>\$128,300</u> | | | <u>\$478</u> | |

| FIRE MITIGATION | | | PARK IMPROVEMENT | | | TRAFFIC IMPACT | | |
|--------------------|------------------|------------------------------------|--------------------|--------------------|------------------------------------|------------------|--------------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| \$2,500 | \$2,907 | \$407 | \$26,000 | \$9,003 | (\$16,997) | \$20,000 | \$14,718 | (\$5,282) |
| 250,000 | 318,359 | 68,359 | 36,000 | 47,863 | 11,863 | 600,000 | 10,605 | (589,395) |
| <u>252,500</u> | <u>321,266</u> | <u>68,766</u> | <u>62,000</u> | <u>56,866</u> | <u>(5,134)</u> | <u>620,000</u> | <u>25,323</u> | <u>(594,677)</u> |
| | | | | | | | 9,495 | (9,495) |
| | | | | | | | 9,495 | (9,495) |
| <u>252,500</u> | <u>321,266</u> | <u>68,766</u> | <u>62,000</u> | <u>56,866</u> | <u>(5,134)</u> | <u>620,000</u> | <u>15,828</u> | <u>(604,172)</u> |
| 1,446,065 | 1,446,065 | | (464,553) | (419,215) | 45,338 | (49,797) | (25,660) | 24,137 |
| <u>1,446,065</u> | <u>1,446,065</u> | | <u>(464,553)</u> | <u>(419,215)</u> | <u>45,338</u> | <u>(49,797)</u> | <u>(25,660)</u> | <u>24,137</u> |
| <u>\$1,698,565</u> | 1,767,331 | <u>\$68,766</u> | <u>(\$402,553)</u> | (362,349) | <u>\$40,204</u> | <u>\$570,203</u> | (9,832) | <u>(\$580,035)</u> |
| | (1,143,584) | | | 1,461,992 | | | 2,136,892 | |
| | <u>\$623,747</u> | | | <u>\$1,099,643</u> | | | <u>\$2,127,060</u> | |

(Continued)

CITY OF AMERICAN CANYON
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010

| | CIVIC FACILITIES | | | INFRASTRUCTURE | | |
|--|-----------------------------|-----------------------------|------------------------------------|---------------------------|---------------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| REVENUES | | | | | | |
| Special assessments | | | | | | |
| Intergovernmental | | | | | | |
| Interest and rents | \$3,700 | \$1,854 | (\$1,846) | | \$51 | \$51 |
| Charges for services | 150,000 | 70,125 | (79,875) | | | |
| Other | | | | | | |
| Total Revenues | <u>153,700</u> | <u>71,979</u> | <u>(81,721)</u> | | <u>51</u> | <u>51</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | | | | | | |
| Public safety: | | | | | | |
| Police and fire services | | | | | | |
| Community development: | | | | | | |
| Economic development | | | | | | |
| Parks and recreation: | | | | | | |
| Recreation | | | | | | |
| Public works: | | | | | | |
| Streets and roads | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest | | 11,356 | (11,356) | | | |
| Capital outlay | | | | \$726,041 | 516,457 | 209,584 |
| Total Expenditures | | <u>11,356</u> | <u>(11,356)</u> | <u>726,041</u> | <u>516,457</u> | <u>209,584</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>153,700</u> | <u>60,623</u> | <u>(93,077)</u> | <u>(726,041)</u> | <u>(516,406)</u> | <u>209,635</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | | | | | | |
| Transfers (out) | (1,514,166) | (1,589,375) | (75,209) | | | |
| Total Other Financing Sources (Uses) | <u>(1,514,166)</u> | <u>(1,589,375)</u> | <u>(75,209)</u> | | | |
| NET CHANGE IN FUND BALANCES | <u><u>(\$1,360,466)</u></u> | <u><u>(1,528,752)</u></u> | <u><u>(\$168,286)</u></u> | <u><u>(\$726,041)</u></u> | <u><u>(516,406)</u></u> | <u><u>\$209,635</u></u> |
| BEGINNING FUND BALANCES | | <u>306,634</u> | | | <u>3,061,358</u> | |
| ENDING FUND BALANCES | | <u><u>(\$1,222,118)</u></u> | | | <u><u>\$2,544,952</u></u> | |

CITY OF AMERICAN CANYON
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2010

| | Balance June 30, 2009 | Additions | Reductions | Balance June 30, 2010 |
|--|--------------------------|--------------------|----------------------|--------------------------|
| <u>American Canyon Road East Assessment District</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | \$943,416 | \$1,319,294 | (\$1,199,540) | \$1,063,170 |
| Restricted cash and cash equivalents | 1,210,216 | 1,183,306 | (1,183,512) | 1,210,010 |
| Receivables - Interest | 1,959 | 587 | (1,959) | 587 |
| | <u>\$2,155,591</u> | <u>\$2,503,187</u> | <u>(\$2,385,011)</u> | <u>\$2,273,767</u> |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$1,108 | \$1,887 | (\$1,108) | \$1,887 |
| Due to bondholders | 2,154,483 | 1,471,722 | (1,354,325) | 2,271,880 |
| | <u>\$2,155,591</u> | <u>\$1,473,609</u> | <u>(\$1,355,433)</u> | <u>\$2,273,767</u> |
| <u>La Vigne Assessment District</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | \$602,580 | \$540,189 | (\$482,781) | \$659,988 |
| Restricted cash and cash equivalents | 543,082 | 470,480 | (470,584) | 542,978 |
| Receivables - Interest | 1,459 | 438 | (1,459) | 438 |
| | <u>\$1,147,121</u> | <u>\$1,011,107</u> | <u>(\$954,824)</u> | <u>\$1,203,404</u> |
| <u>Liabilities</u> | | | | |
| Due to bondholders | \$1,147,121 | \$612,244 | (\$555,961) | \$1,203,404 |
| | <u>\$1,147,121</u> | <u>\$612,244</u> | <u>(\$555,961)</u> | <u>\$1,203,404</u> |
| <u>Total Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | \$1,545,996 | \$1,859,483 | (\$1,682,321) | \$1,723,158 |
| Restricted cash and cash equivalents | 1,753,298 | 1,653,786 | (1,654,096) | 1,752,988 |
| Receivables - Interest | 3,418 | 1,025 | (3,418) | 1,025 |
| | <u>\$3,302,712</u> | <u>\$3,514,294</u> | <u>(\$3,339,835)</u> | <u>\$3,477,171</u> |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$1,108 | \$1,887 | (\$1,108) | \$1,887 |
| Due to bondholders | 3,301,604 | 2,083,966 | (1,910,286) | 3,475,284 |
| | <u>\$3,302,712</u> | <u>\$2,085,853</u> | <u>(\$1,911,394)</u> | <u>\$3,477,171</u> |

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Statistical Section



911 Donaldson Way
Station 11

The Fire District was founded in 1957 and exists as a subsidiary Special District to the City of American Canyon.

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 Assets by Component
2. Changes in Net Assets
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. Assessed Actual Value of Taxable Property
6. Direct and Overlapping Property Tax Rates
7. Principal Property Taxpayers
8. 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:

9. Ratio of Outstanding Debt by Type
10. Ratio of General Bonded Debt Outstanding
11. Direct and Overlapping Governmental Activities Debt
12. Computation of Legal Bonded Debt Margin
13. 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:

14. Demographic and Economic Statistics
15. 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:

16. Full-Time Equivalent City Government Employees by Function
17. Operating Indicators by Function/Program
18. 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. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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

| | For The Fiscal Years Ended June 30 | | | | | | | |
|---|------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Governmental activities: | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 3,574,394 | \$ 8,796,308 | \$ 22,013,417 | \$ 34,983,375 | \$ 227,564,725 | \$ 250,971,443 | \$ 256,124,111 | \$ 257,279,990 |
| Restricted | 19,526,583 | 22,718,268 | 24,818,325 | 41,254,502 | 42,782,549 | 17,020,361 | 9,033,170 | 7,204,451 |
| Unrestricted | 9,960,318 | 11,651,750 | 14,406,044 | 14,924,274 | 10,245,964 | 20,757,525 | 27,809,270 | 25,364,653 |
| Total governmental activities net assets | 33,061,295 | 43,166,326 | 61,237,786 | 91,162,151 | 280,593,238 | 288,749,329 | 292,966,551 | 289,849,094 |
| Business-type activities: | | | | | | | | |
| Invested in capital assets, net of related debt | 15,063,969 | 24,457,197 | 31,643,785 | 36,004,059 | 43,651,150 | 43,155,744 | 44,253,424 | 48,837,064 |
| Restricted | 8,694,739 | 6,998,746 | 10,259,428 | 13,730,771 | 6,612,632 | 6,785,993 | 11,559,556 | 7,387,841 |
| Unrestricted | 6,705,245 | 5,459,072 | 4,346,820 | 3,849,363 | 4,573,795 | 4,707,005 | 4,828,423 | 4,976,718 |
| Total business-type activities | 30,463,953 | 36,915,015 | 46,250,033 | 53,584,193 | 54,837,577 | 54,648,742 | 60,641,403 | 61,201,623 |
| Primary government (City wide totals) | | | | | | | | |
| Invested in capital assets, net of related debt | 18,638,363 | 33,253,505 | 53,657,202 | 70,987,434 | 271,215,875 | 294,127,187 | 300,377,535 | 306,117,054 |
| Restricted | 28,221,322 | 29,717,014 | 35,077,753 | 54,985,273 | 49,395,181 | 23,806,354 | 20,592,726 | 14,592,292 |
| Unrestricted | 16,665,563 | 17,110,822 | 18,752,864 | 18,773,637 | 14,819,759 | 25,464,530 | 32,637,693 | 30,341,371 |
| Total primary government net assets | \$ 63,525,248 | \$ 80,081,341 | \$ 107,487,819 | \$ 144,746,344 | \$ 335,430,815 | \$ 343,398,071 | \$ 353,607,954 | \$ 351,050,717 |

Note: The City implemented GASB statement Number 34 in the 2003 fiscal year. The information in this schedule is therefore set forth prospectively from the year of implementation.
Source is the City of American Canyon Comprehensive Annual Financial Report.

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

For The Fiscal Years Ended June 30

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 1,137,627 | \$ 1,436,274 | \$ 1,314,727 | \$ 2,010,072 | \$ 2,137,443 | \$ 2,967,301 | \$ 2,792,871 | \$ 5,925,952 |
| Public safety | 3,933,923 | 4,372,464 | 5,720,899 | 6,519,301 | 7,569,230 | 7,890,538 | 9,528,522 | 9,230,672 |
| Community development | 863,640 | 1,229,717 | 1,723,158 | 2,408,385 | 2,070,303 | 2,398,727 | 1,931,299 | 2,019,771 |
| Parks and recreation | 1,395,391 | 1,600,239 | 1,946,230 | 2,160,917 | 2,329,591 | 1,881,005 | 2,282,212 | 2,028,223 |
| Public works | 1,074,740 | 1,976,079 | 2,365,794 | 3,154,375 | 4,363,249 | 3,833,395 | 4,195,481 | 3,529,403 |
| Interest on long-term debt | 661,671 | 613,322 | 800,248 | 1,307,101 | 1,494,237 | 452,048 | 97,246 | 417,421 |
| Total governmental activities expenses | <u>9,066,992</u> | <u>11,228,095</u> | <u>13,871,056</u> | <u>17,560,151</u> | <u>19,964,053</u> | <u>19,423,014</u> | <u>20,827,631</u> | <u>23,151,442</u> |
| Business-type activities: | | | | | | | | |
| Water | 2,853,746 | 3,636,359 | 3,708,254 | 4,277,051 | 4,907,860 | 6,401,819 | 5,074,018 | 4,951,067 |
| Wastewater | 2,245,701 | 3,032,914 | 3,783,313 | 3,783,076 | 3,508,065 | 4,263,817 | 4,072,014 | 3,623,805 |
| Transit | 150,875 | 168,110 | 161,627 | 180,006 | 19,778 | 21,896 | 30,060 | - |
| Total business-type activities expenses | <u>5,250,322</u> | <u>6,837,383</u> | <u>7,653,194</u> | <u>8,240,133</u> | <u>8,435,703</u> | <u>10,687,532</u> | <u>9,176,092</u> | <u>8,574,872</u> |
| Total City government expenses | <u>14,317,314</u> | <u>18,065,478</u> | <u>21,524,250</u> | <u>25,800,284</u> | <u>28,399,756</u> | <u>30,110,546</u> | <u>30,003,723</u> | <u>31,726,314</u> |
| Program Revenues: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| General government | 447,651 | 520,438 | 891,990 | 1,318,594 | 574,407 | 2,189,873 | 441,894 | 536,747 |
| Public safety | 784,650 | 1,033,041 | 1,188,952 | 1,233,993 | 1,035,907 | 960,774 | 1,152,729 | 1,051,178 |
| Community development | 1,051,428 | 2,086,627 | 1,702,797 | 1,920,903 | 1,030,340 | 664,775 | 573,456 | 498,947 |
| Parks and recreation | 804,241 | 1,399,997 | 559,504 | 814,243 | 555,270 | 376,472 | 362,699 | 373,227 |
| Public works | 1,560,826 | 1,695,417 | 3,478,602 | 2,126,087 | 825,602 | 476,631 | 252,634 | 80,745 |
| Operating grants and contributions | 767,668 | 580,863 | 617,845 | 1,247,123 | 7,112,187 | 10,800,170 | 165,350 | 342,197 |
| Capital grants and contributions | 585,531 | 5,855,574 | 16,591,942 | 26,671,090 | 953,299 | 2,163,102 | 3,381,171 | 1,732,699 |
| Total governmental activities program revenues | <u>6,001,995</u> | <u>13,171,957</u> | <u>25,031,632</u> | <u>35,332,033</u> | <u>12,087,012</u> | <u>17,631,797</u> | <u>6,329,933</u> | <u>4,615,740</u> |
| Business-type activities: | | | | | | | | |
| Charges for services: | | | | | | | | |
| Water | 3,120,778 | 3,676,016 | 3,514,930 | 3,602,305 | 3,901,103 | 4,160,383 | 4,232,638 | 4,010,648 |
| Wastewater | 2,126,846 | 2,109,236 | 2,330,231 | 2,751,242 | 2,901,494 | 3,157,260 | 3,373,740 | 3,420,812 |
| Transit | 9,080 | 8,985 | 9,110 | 9,010 | 5,351 | 3,045 | 2,419 | - |
| Operating grants and contributions | 129,600 | 119,818 | 141,041 | 143,371 | 9,009 | - | - | - |
| Capital grants and contributions | 2,316,597 | 7,484,990 | 11,112,300 | 8,878,705 | 3,941,030 | 2,934,877 | 1,347,892 | 2,597,250 |
| Total business-type activities programs revenues | <u>7,702,901</u> | <u>13,399,045</u> | <u>17,107,612</u> | <u>15,384,633</u> | <u>10,757,987</u> | <u>10,255,565</u> | <u>8,956,689</u> | <u>10,028,710</u> |
| Total City government program revenues | <u>\$ 13,704,896</u> | <u>\$ 26,571,002</u> | <u>\$ 42,139,244</u> | <u>\$ 50,716,666</u> | <u>\$ 22,844,999</u> | <u>\$ 27,887,362</u> | <u>\$ 15,286,622</u> | <u>\$ 14,644,450</u> |

(Continued)

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

For The Fiscal Years Ended June 30

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---------------------|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|-----------------------|
| Net(Expense)Revenue: | | | | | | | | |
| Governmental activities | \$ (3,064,997) | \$ 1,943,862 | \$ 11,160,576 | \$ 17,771,882 | \$ (7,877,041) | \$ (1,791,217) | \$ (14,497,698) | \$ (18,535,702) |
| Business-type activities | 2,452,579 | 6,561,662 | 9,454,418 | 7,144,500 | 2,322,284 | (431,967) | (219,403) | 1,453,838 |
| Total City government | <u>(612,418)</u> | <u>8,505,524</u> | <u>20,614,994</u> | <u>24,916,382</u> | <u>(5,554,757)</u> | <u>(2,223,184)</u> | <u>(14,717,101)</u> | <u>(17,081,864)</u> |
| General Revenues and Other Changes in in Net Assets: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes | 3,083,158 | 3,873,957 | 6,733,737 | 8,297,424 | 9,356,579 | 10,673,890 | 10,852,126 | 10,162,212 |
| Sales taxes | 1,559,258 | 1,802,616 | 1,434,077 | 1,660,673 | 1,794,124 | 2,446,951 | 2,275,741 | 2,888,182 |
| Other taxes | 1,536,865 | 1,139,783 | 813,874 | 785,907 | 784,213 | 2,717,561 | 2,905,454 | 1,104,662 |
| Unrestricted grants and contributions | 506,887 | 531,253 | 852,361 | 1,058,703 | 1,191,706 | 110,157 | 79,109 | 55,668 |
| Investment earnings | 670,055 | 551,324 | 244,066 | 453,653 | 885,293 | 1,368,236 | 666,535 | 203,205 |
| Settlement award (Note 13) | 245,662 | 33,536 | 7,519 | 0 | 0 | 0 | 7,593,000 | 0 |
| Miscellaneous | 0 | 118,100 | 119,400 | 85,783 | 348,145 | 472,604 | 555,019 | 110,698 |
| Transfers | 8,500 | 110,600 | (2,800,000) | (189,660) | 1,068,900 | 483,198 | (6,212,064) | 893,618 |
| Total governmental activities | <u>7,610,385</u> | <u>8,161,169</u> | <u>7,405,034</u> | <u>12,152,483</u> | <u>15,428,960</u> | <u>18,272,597</u> | <u>18,714,920</u> | <u>15,418,245</u> |
| Business-type activities | | | | | | | | |
| Transfers | <u>(8,500)</u> | <u>(110,600)</u> | <u>(119,400)</u> | <u>189,660</u> | <u>(1,068,900)</u> | <u>243,132</u> | <u>6,212,064</u> | <u>(893,618)</u> |
| Total business-type activities | <u>(8,500)</u> | <u>(110,600)</u> | <u>(119,400)</u> | <u>189,660</u> | <u>(1,068,900)</u> | <u>243,132</u> | <u>6,212,064</u> | <u>(893,618)</u> |
| Total City government | <u>7,601,885</u> | <u>8,050,569</u> | <u>7,285,634</u> | <u>12,342,143</u> | <u>14,360,060</u> | <u>18,515,729</u> | <u>24,926,984</u> | <u>14,524,627</u> |
| Change in net assets: | | | | | | | | |
| Governmental activities | 4,545,388 | 10,105,031 | 18,565,610 | 29,924,365 | 7,551,919 | 16,481,380 | 4,217,222 | (3,117,457) |
| Business-type activities | <u>2,444,079</u> | <u>6,451,062</u> | <u>9,335,018</u> | <u>7,334,160</u> | <u>1,253,384</u> | <u>(188,835)</u> | <u>5,992,661</u> | <u>560,220</u> |
| Total City government | <u>\$ 6,989,467</u> | <u>\$ 16,556,093</u> | <u>\$ 27,900,628</u> | <u>\$ 37,258,525</u> | <u>\$ 8,805,303</u> | <u>\$ 16,292,545</u> | <u>\$ 10,209,883</u> | <u>\$ (2,557,237)</u> |

Note: The City implemented GASB statement Number 34 in the 2003 fiscal year. The information in this schedule is therefore set forth prospectively from the year of implementation.

Source is the City of American Canyon Comprehensive Annual Financial Report.

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

| Fiscal Year | General Fund | | | All Other Governmental Funds | | | | |
|-------------|--------------|--------------|--------------------|------------------------------|-----------------------------------|-----------------|------------------|---------------|
| | Reserved | Unreserved | Total General Fund | Reserved | Designated for: Other Purposes | Special Revenue | Capital Projects | Total |
| 2010 | \$ 4,287,304 | \$ 5,787,462 | \$ 10,074,766 | \$ 2,361,971 | \$ 1,447,000 | \$ 2,988,237 | \$ 5,780,621 | \$ 12,577,829 |
| 2009 | 2,989,559 | 8,337,849 | 11,327,408 | 6,027,173 | | 4,739,327 | 5,107,191 | 15,873,691 |
| 2008 | 2,076,721 | 8,899,893 | 10,976,614 | 4,867,860 | | 7,959,292 | 4,547,519 | 17,374,671 |
| 2007 | 2,912,695 | 5,049,883 | 7,962,578 | 3,955,073 | | 6,005,878 | 17,344,047 | 27,304,998 |
| 2006 | 1,375,885 | 6,743,625 | 8,119,510 | 1,321,957 | | 7,813,033 | 30,390,931 | 39,525,921 |
| 2005 | 809,859 | 7,212,803 | 8,022,662 | 1,180,815 | | 4,775,233 | 17,798,038 | 23,754,086 |
| 2004 | 609,588 | 5,065,694 | 5,675,282 | 1,479,695 | | 3,576,822 | 17,149,198 | 22,205,715 |
| 2003 | 1,249,859 | 3,273,972 | 4,523,831 | 1,388,570 | | 2,959,721 | 13,772,176 | 18,120,467 |

Note: The City implemented GASB statement Number 34 in the 2003 fiscal year. The information in this schedule is therefore set forth prospectively from the year of implementation.
Source is the City of American Canyon Comprehensive Annual Financial Report.

Schedule 4
City of American Canyon
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In Rounded Thousands of Dollars)
(Modified accrual basis of accounting)

For the Fiscal Years ended June 30

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|--------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | | | | | | |
| Taxes | \$ 4,629 | \$ 5,498 | \$ 6,686 | \$ 7,543 | \$ 9,232 | \$ 11,315 | \$ 12,005 | \$ 14,165 | \$ 14,196 | \$ 14,155 |
| Licenses and permits | 1,400 | 954 | 1,400 | 1,198 | 782 | 960 | 484 | 633 | 578 | 530 |
| Fines and forfeits | 63 | 56 | 68 | 102 | 121 | 87 | 137 | 196 | 178 | 177 |
| Charges for services | 5,056 | 4,642 | 3,536 | 5,657 | 6,233 | 6,314 | 2,172 | 3,745 | 3,504 | 1,566 |
| Special assessments | | | | | | | 2,104 | 473 | 498 | 515 |
| Intergovernmental | 3,502 | 1,540 | 1,636 | 1,291 | 1,248 | 2,683 | 3,549 | 3,032 | 3,163 | 1,286 |
| Interest and rents | 764 | 574 | 563 | 242 | 594 | 1,723 | 2,149 | 1,702 | 895 | 352 |
| Other revenues | 202 | 240 | 217 | 532 | 1,045 | 1,119 | 582 | 706 | 7,874 | 403 |
| Total revenues | 15,616 | 13,504 | 14,106 | 16,565 | 19,255 | 24,201 | 23,182 | 24,652 | 30,886 | 18,984 |
| Expenditures: | | | | | | | | | | |
| General government | 870 | 1,057 | 1,126 | 1,310 | 1,463 | 2,136 | 2,182 | 4,577 | 5,117 | 4,587 |
| Public safety | 2,661 | 3,121 | 3,715 | 4,213 | 5,508 | 6,422 | 7,447 | 7,630 | 8,374 | 8,849 |
| Parks and Recreation | 853 | 1,020 | 1,220 | 1,424 | 1,765 | 1,999 | 2,193 | 1,748 | 2,217 | 2,023 |
| Comm. Dev. and Public Works | 1,614 | 2,194 | 2,439 | 3,267 | 3,805 | 7,632 | 6,057 | 4,974 | 4,933 | 4,231 |
| Capital outlay | 1,981 | 2,896 | 703 | 417 | 2,226 | 6,086 | 24,446 | 10,580 | 5,759 | 3,803 |
| Debt service: | | | | | | | | | | |
| Payment to escrow agent | - | - | 360 | - | 694 | - | - | - | - | - |
| Costs of issuance | - | 447 | 247 | - | 404 | 902 | 53 | - | - | - |
| Principal | 95 | 100 | 255 | 255 | 454 | 420 | 773 | 351 | 401 | 439 |
| Interest | 255 | 489 | 535 | 579 | 415 | 974 | 1,390 | 441 | 469 | 495 |
| Total expenditures | 8,329 | 11,324 | 10,600 | 11,465 | 16,734 | 26,571 | 44,541 | 30,301 | 27,270 | 24,427 |
| Excess of revenues over(under) expenditures | 7,287 | 2,180 | 3,506 | 5,100 | 2,521 | (2,371) | (21,359) | (5,648) | \$ 3,616 | \$ (5,442) |
| Other Financing Sources(Uses) | | | | | | | | | | |
| Proceeds from borrowing | - | 6,935 | 4,230 | - | 8,105 | 18,405 | 6,695 | - | 1,075 | - |
| Sale of Affordable Hsng Site | | | | | | | 1,218 | 410 | 371 | - |
| Payments to escrow agent | - | - | (3,663) | - | (6,355) | - | - | - | - | - |
| Transfers in | 1,394 | 4,296 | 2,006 | 1,313 | 2,552 | 23,623 | 11,471 | 6,064 | 5,003 | 9,535 |
| Transfers out | (1,492) | (9,234) | (1,998) | (1,176) | (2,433) | (23,787) | (10,402) | (4,574) | (11,215) | (8,641) |
| Total other financing Sources(Uses) | (98) | 1,997 | 575 | 137 | 1,869 | 18,241 | 8,982 | 1,900 | \$ (4,766) | \$ 894 |
| Net change in fund balances | \$ 7,189 | \$ 4,177 | \$ 4,081 | \$ 5,237 | \$ 4,390 | \$ 15,870 | \$ (12,377) | \$ (3,748) | \$ (1,150) | \$ (4,548) |
| Debt service as a percentage of noncapital expenditures | 4.4% | 10.1% | 15.2% | 7.8% | 13.3% | 9.5% | 5.2% | 2.7% | 3.3% | 4.0% |

Source: City of American Canyon Comprehensive Annual Financial Report

**Schedule 5
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 | Prosessory Int. | Unsecured | Unknown | Total | Total Direct Rate |
|-------------|-------------|------------|------------|-------------|----------------|-----------------|-----------|----------|------------|-------------------|
| 2000-2001 | \$ 334,024 | \$ 21,059 | \$ 118,916 | \$ 52,665 | \$ 1,735 | \$ 9,922 | \$ 34,018 | \$ 1,735 | \$ 574,074 | 0.32% |
| 2001-2002 | 388,282 | 21,177 | 133,500 | 70,355 | 2,442 | 9,779 | 38,596 | - | 664,131 | 0.32% |
| 2002-2003 | 567,348 | 45,550 | 157,555 | 97,063 | 2,432 | 10,575 | 37,048 | - | 917,571 | 0.32% |
| 2003-2004 | 795,424 | 48,611 | 178,764 | 58,532 | 2,524 | 10,999 | 45,704 | 2,524 | 1,143,082 | 0.31% |
| 2004-2005 | 1,024,087 | 64,383 | 200,032 | 74,015 | 420 | 11,258 | 63,544 | 420 | 1,438,159 | 0.30% |
| 2005-2006 | 1,348,106 | 72,886 | 223,619 | 49,993 | 1,263 | 11,750 | 62,603 | 1,263 | 1,771,483 | 0.30% |
| 2006-2007 | 1,632,628 | 78,370 | 245,592 | 58,882 | 1,262 | 12,742 | 73,975 | - | 2,103,451 | 0.29% |
| 2007-2008 | 1,870,452 | 119,382 | 246,670 | 47,636 | 1,226 | 13,816 | 116,944 | - | 2,416,126 | 0.29% |
| 2008-2009 | 1,740,322 | 133,785 | 321,819 | 54,152 | 1,226 | 14,600 | 107,201 | - | 2,373,105 | 0.29% |
| 2009-2010 | 1,433,334 | 144,510 | 354,716 | 46,983 | 1,226 | 15,377 | 112,735 | - | 2,108,881 | 0.29% |

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 are 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 2000/01 - 2009/10 Combined Tax Rolls

Schedule 6
City of American Canyon
Direct and Overlapping Property Tax Rates
For The Last ten Fiscal Years
(Rates per \$100 of assessed value)

| Agency | Last 10 Fiscal Years | | | | | | | | | |
|---|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2000-2001 | 2001-2002 | 2002-2003 | 2003-2004 | 2004-2005 | 2005-2006 | 2006-2007 | 2007-2008 | 2008-2009 | 2009-2010 |
| Basic Levy ¹ | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| Napa College | 0.000 | 0.000 | 0.000 | 0.022 | 0.022 | 0.033 | 0.019 | 0.011 | 0.024 | 0.025 |
| Napa Valey Unified School District | 0.012 | 0.013 | 0.012 | 0.053 | 0.045 | 0.037 | 0.040 | 0.031 | 0.057 | 0.073 |
| Total Direct & Overlapping² Tax Rates | 1.012 | 1.013 | 1.012 | 1.075 | 1.066 | 1.070 | 1.059 | 1.042 | 1.081 | 1.099 |
| City's Share of 1% Levy per Prop 13³ | 0.354 | 0.354 | 0.354 | 0.354 | 0.354 | 0.354 | 0.354 | 0.354 | 0.354 | 0.296 |
| Total Direct Rate⁴ | 0.323 | 0.319 | 0.320 | 0.313 | 0.304 | 0.301 | 0.289 | 0.285 | 0.285 | 0.285 |

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 2000/01 - 2009/10 Tax Rate Table

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

**Schedule 7
City of American Canyon
Top Ten Property Taxpayers**

| Owner | Secured | | | Unsecured | | | Combined | | Primary Use & Primary Agency |
|--------------------------------------|-----------|----------------------|--------------------|-----------|-------------------|-----------------|------------------------|--------------------|---------------------------------|
| | Parcels | Revenue | Portion of City | Parcels | Revenue | Portion of City | Value | Portion of City | |
| 1) AmCan Beverages Inc | 1 | \$ 178,702 | 2.08% | | | | \$ 178,702 | 1.98% | Industrial TAX DISTRICT #1 |
| 2) 5500 Eucalyptus Dr Apts LLC | 1 | 113,305 | 1.32% | | | | 113,305 | 1.25% | Residential TAX DISTRICT #1 |
| 3) SDG Hanna Court 411 LLC | 2 | 105,191 | 1.23% | | | | 105,191 | 1.16% | Industrial TAX DISTRICT #1 |
| 4) Sutter Home Winery Inc | 2 | 89,843 | 1.05% | | | | 89,843 | 0.99% | Commercial TAX DISTRICT #1 |
| 5) Butterfly Effect Hotels LLC | 2 | 75,141 | 0.88% | | | | 75,141 | 0.83% | Commercial TAX DISTRICT #1 |
| 6) Barry Callebaut USA | | | | 1 | \$ 68,887 | 14.83% | 68,887 | 0.76% | Industrial TAX DISTRICT #1 |
| 7) 125 Mezzetta Court Inc | 1 | 60,586 | 0.71% | | | | 60,586 | 0.67% | Industrial TAX DISTRICT #1 |
| 8) Walmart Real Estate Business Tru: | 1 | 58,942 | 0.69% | | | | 58,942 | 0.65% | Unsecured TAX DISTRICT #1 |
| 9) SDG Commerce 232 LLC | 3 | 52,393 | 0.61% | | | | 52,393 | 0.58% | Industrial TAX DISTRICT #1 |
| 10) Napa Junction Retail | 6 | 44,738 | 0.52% | | | | 44,738 | 0.49% | Residential TAX DISTRICT #1 |
| Top Ten Totals | 19 | 778,841 | 9.08% | 1 | 68,887 | 14.83% | 847,728 | 9.37% | |
| City Totals | | \$ 85,850,541 | | | \$ 464,450 | | \$9,044,991.08* | | |

*Revenue includes Outer TRAs

Note: The 'Revenue' line for each owner is the estimated total revenue for that owner. Although these estimated calculations are performed on a parcel level, county auditor/ controllers' offices neither calculate nor apportion revenues at a parcel level.

Data Source: Napa County Assessor 2009/10 Combined Tax Rolls and the SBE Non Unitary Tax Roll

**Schedule 8
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 |
| 2001 | \$ 3,141,725 | \$ 3,141,725 | 100% |
| 2002 | 3,542,245 | 3,542,245 | 100% |
| 2003 | 4,673,526 | 4,673,526 | 100% |
| 2004 | 5,676,573 | 5,676,573 | 100% |
| 2005 | 6,733,737 | 6,733,737 | 100% |
| 2006 | 8,499,909 | 8,499,909 | 100% |
| 2007 | 9,356,579 | 9,356,579 | 100% |
| 2008 | 10,673,890 | 10,673,890 | 100% |
| 2009 | 10,852,126 | 10,852,126 | 100% |
| 2010 | 10,162,212 | 10,162,212 | 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 9
City of American Canyon
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Dollars in Thousands except for Per Capita)

| Fiscal Year | Governmental Activities | | | | Business-type Activities | | Total City Debt | Total City Debt as a Percentage of Personal Income | Total City Debt Per Capita |
|-------------|--------------------------|---------------------|--------------------------|---------------------------|---------------------------|-------------------------------------|-----------------|--|----------------------------|
| | General Obligation Bonds | Lease Revenue Bonds | Special Assessment Bonds | Capital Lease Obligations | Capital Lease Obligations | State of California and Other Loans | | | |
| 2001 | - | \$ 3,975 | - | - | \$ 8,282 | \$ 7,026 | \$ 19,283 | 5.20% | \$ 1,973 |
| 2002 | - | 3,875 | \$ 6,935 | - | 7,936 | 11,386 | 30,132 | 7.04% | 2,674 |
| 2003 | - | 4,030 | 6,880 | - | 7,614 | 11,801 | 30,325 | 6.41% | 2,459 |
| 2004 | - | 3,875 | 6,780 | - | 7,269 | 11,357 | 29,281 | 5.80% | 2,226 |
| 2005 | - | 3,710 | - | \$ 666 | 6,910 | 10,906 | 22,192 | 5.04% | 1,551 |
| 2006 | | 3,545 | - | 501 | 6,486 | 10,443 | 20,975 | 7.28% | 1,402 |
| 2007 | | 3,380 | - | 6,695 | 6,035 | 11,991 | 28,101 | 7.74% | 1,753 |
| 2008 | | 3,205 | - | 6,695 | 5,776 | 11,545 | 27,221 | 3.29% | 1,671 |
| 2009 | | 3,030 | - | 7,727 | 5,490 | 10,399 | 26,646 | 2.78% | 1,615 |
| 2010 | | 2,850 | - | 7,467 | 5,355 | 9,565 | 25,237 | 2.20% | 1,499 |

Data Source: City of American Canyon Comprehensive Annual Financial Report

Schedule 10
City of American Canyon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Bonded Debt Outstanding | | | Percentage of Actual Taxable Value of Property | Per Capita |
|-------------|---------------------------------|---------------------|--------------|--|------------|
| | General Obligation Bonds | Lease Revenue Bonds | Total | | |
| 2001 | - | \$ 3,975,000 | \$ 3,975,000 | 0.69% | \$ 407 |
| 2002 | - | 3,875,000 | 3,875,000 | 0.58% | 344 |
| 2003 | - | 4,030,000 | 4,030,000 | 0.44% | 327 |
| 2004 | - | 3,875,000 | 3,875,000 | 0.33% | 295 |
| 2005 | - | 3,710,000 | 3,710,000 | 0.26% | 259 |
| 2006 | - | 3,545,000 | 3,545,000 | 0.20% | 237 |
| 2007 | - | 3,380,000 | 3,380,000 | 0.16% | 211 |
| 2008 | - | 3,205,000 | 3,205,000 | 0.13% | 197 |
| 2009 | - | 3,030,000 | 3,030,000 | 0.13% | 184 |
| 2010 | - | 2,850,000 | 2,850,000 | 0.14% | 169 |

Note: Debt service on the lease revenue bonds is financed by the use of general governmental financial resources available in the general fund and special revenue funds of the City.

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

Schedule 11
City of American Canyon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Estimated Share of Overlapping Debt</u> |
|--|-----------------------------|--|--|
| Debt repaid with property taxes: | | | |
| Napa Joint Community College District | \$ 120,818,349 | 7.866% | \$ 9,503,571 |
| Napa Valley Unified School District | 278,365,000 | 11.680% | 32,513,032 |
| City of American Canyon 1915 Act Bonds | 23,620,000 | 100.000% | 23,620,000 |
| Other debt: | | | |
| Napa County Certificates of Participation | 33,135,000 | 7.939% | 2,630,588 |
| Napa County Board of Education Certificate of Participation | 3,550,000 | 7.939% | <u>281,835</u> |
| Subtotal overlapping debt | | | 68,549,025 |
| City of American Canyon Lease Revenue Bond | | | <u>2,850,000</u> |
| Total Direct and Overlapping General Fund Debt | | | <u><u>\$ 71,399,026</u></u> |
| <u>Ratios to Assessed Valuation:</u> | | | |
| Combined Direct Debt (\$2,850,000) | | 0.14% | |
| Total Direct and Overlapping Tax and Assessment Debt | | 3.11% | |
| Combined Total Debt | | 3.39% | |

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: \$0

Source: California Municipal Statistics, Inc.

Schedule 12
City of American Canyon
Legal Debt Margin Information
Last Ten Fiscal Years

| Fiscal Year | Debt Limit | Total Debt Applicable To Limit | Total Debt Applicable To Limit as Percentage of Debt Limit |
|-------------|---------------|--------------------------------|--|
| 2001 | \$ 85,850,977 | - | 0% |
| 2002 | 99,253,418 | - | 0% |
| 2003 | 137,600,489 | - | 0% |
| 2004 | 171,033,503 | - | 0% |
| 2005 | 214,868,550 | - | 0% |
| 2006 | 265,533,042 | - | 0% |
| 2007 | 315,598,654 | - | 0% |
| 2008 | 90,604,707 | - | 0% |
| 2009 | 88,991,467 | - | 0% |
| 2010 | 79,083,050 | - | 0% |

Legal Debt Margin Calculation for Fiscal Year 2010

| | |
|----------------------------------|------------------|
| Assessed value | \$ 2,108,881,346 |
| Debt Margin Ratio ⁽¹⁾ | 79,083,050 |
| Less debt applicable to limit: | |
| General obligation bonds | - |
| Total debt applicable to limit | 79,083,050 |
| Legal debt margin | \$ 79,083,050 |

Notes:

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

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

Schedule 13
City of American Canyon
Pledged Revenue Coverage
Last Ten Fiscal Years

Special Assessment Bonds

| Fiscal Year | Special Assessment Collections | Capital Impact Fees | Debt Service | | |
|-------------|--------------------------------|---------------------|--------------|-----------|----------|
| | | | Principal | Interest | Coverage |
| 2001 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2002 | 508,941 | - | - | 238,689 | 2.13 |
| 2003 | 582,445 | - | 55,000 | 417,613 | 1.23 |
| 2004 | 603,908 | - | 100,000 | 423,350 | 1.15 |
| 2005 | 516,039 | - | 105,000 | 256,240 | 1.43 |
| 2006 | 1,704,616 | - | 255,000 | 802,011 | 1.61 |
| 2007 | 1,667,509 | - | 440,000 | 1,222,290 | 1.00 |
| 2008 | 1,706,675 | - | 490,000 | 1,170,455 | 1.03 |
| 2009 | 1,711,386 | - | 505,000 | 1,155,572 | 1.03 |
| 2010 | 1,896,142 | - | 515,000 | 1,139,097 | 1.15 |

State of California Water Loan

| | Water Service Revenues | Capital Impact Fees | Less Operating Expenses | Net Available Revenue | Debt Service | | |
|------|------------------------|---------------------|-------------------------|-----------------------|--------------|-----------|----------|
| | | | | | Principal | Interest | Coverage |
| 2001 | \$ 3,033,045 | \$ 2,918,467 | \$ 1,922,282 | \$ 4,029,230 | \$ 52,514 | \$ 40,759 | 43.20 |
| 2002 | 3,298,767 | 2,444,907 | 1,955,408 | 3,788,266 | 46,461 | 39,734 | 43.95 |
| 2003 | 3,120,778 | 1,112,053 | 2,015,017 | 2,217,814 | 54,564 | 38,684 | 23.78 |
| 2004 | 3,676,016 | 2,051,915 | 2,691,466 | 3,036,465 | 55,552 | 37,606 | 32.59 |
| 2005 | 3,514,930 | 2,135,971 | 2,681,338 | 2,969,563 | 56,614 | 36,504 | 31.89 |
| 2006 | 3,602,305 | 2,321,468 | 3,277,499 | 2,646,274 | 57,844 | 35,376 | 28.39 |
| 2007 | 3,901,103 | 774,625 | 3,404,570 | 1,271,158 | 58,938 | 34,236 | 13.64 |
| 2008 | 4,160,383 | 1,567,463 | 5,341,105 | 386,741 | 48,620 | 33,042 | 4.74 |
| 2009 | 4,232,638 | 1,174,189 | 3,985,190 | 1,421,637 | 49,836 | 31,826 | 17.41 |
| 2010 | 4,010,648 | 2,163,696 | 3,198,507 | 2,975,837 | 50,778 | 29,950 | 36.86 |

State of California Wastewater Construction Loan

| | Wastewater Service Revenues | Capital Impact Fees | Less Operating Expenses | Net Available Revenue | Debt Service | | |
|------|-----------------------------|---------------------|-------------------------|-----------------------|--------------|----------|----------|
| | | | | | Principal | Interest | Coverage |
| 2001 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2002 | - | - | - | - | - | - | - |
| 2003 | 2,126,846 | 1,274,778 | 1,625,389 | 1,776,235 | - | 252,173 | 7.04 |
| 2004 | 2,109,236 | 3,054,972 | 1,925,889 | 3,238,319 | 388,377 | 265,554 | 4.95 |
| 2005 | 2,330,231 | 5,418,862 | 2,683,153 | 5,065,940 | 394,181 | 259,752 | 7.75 |
| 2006 | 2,751,242 | 3,594,248 | 2,566,867 | 3,778,623 | 404,821 | 249,110 | 5.78 |
| 2007 | 2,901,495 | 1,059,655 | 2,273,227 | 1,687,923 | 415,752 | 238,179 | 2.58 |
| 2008 | 3,157,260 | 1,367,414 | 2,943,791 | 1,580,883 | 426,977 | 226,954 | 2.42 |
| 2009 | 3,373,740 | 173,703 | 2,592,028 | 955,415 | 510,331 | 230,967 | 1.29 |
| 2010 | 3,420,812 | 433,554 | 2,072,946 | 1,781,420 | 524,709 | 217,172 | 2.40 |

Note: Water and wastewater revenues include operating revenues, interest revenues, and capital impact fees. Data for wastewater shown in fiscal 2003 and thereafter when proceeds of State of California construction loan first were drawn down. Operating expenses exclude depreciation and amortization. Source is the City of American Canyon Comprehensive Annual Financial Report.

Schedule 14
City of American Canyon
Demographic and Economic Statistics
For The Last ten Calendar Years

| <u>Calendar Year</u> | <u>Population</u> | <u>Median Household Income</u> | <u>Unemployment Rate</u> |
|----------------------|-------------------|--------------------------------|--------------------------|
| 2001 | 9,774 | \$ 37,928 | 2.50% |
| 2002 | 11,270 | 37,965 | 2.60% |
| 2003 | 12,331 | 38,361 | 3.40% |
| 2004 | 13,156 | 38,352 | 3.70% |
| 2005 | 14,306 | 40,666 | 4.10% |
| 2006 | 14,961 | 42,720 | 6.70% |
| 2007 | 15,925 | 47,491 | 6.70% |
| 2008 | 16,293 | 50,817 | 9.00% |
| 2009 | 16,503 | 58,014 | 8.50% |
| 2010 | 16,836 | 67,996 | 14.60% |

Data Sources:
California Department of Finance
U.S. Bureau of Economic Analysis for Napa County by Calendar Year

Schedule 15
City of American Canyon
Principal Employers (Ten Largest)
Last Fiscal Year

Fiscal Year ended June 30, 2010

| Owner | Number Employees | Percentage of Total City Employment |
|---------------------------------|---------------------|---|
| Walmart Supercenter | 426 | 11.49% |
| AmCan Beverages | 155 | 4.18% |
| GL Mezzetta Inc | 150 | 4.05% |
| Golden State Vintners Inc | 150 | 4.05% |
| Kona Coast Food Products | 150 | 4.05% |
| Ghilotti Construction Company | 100 | 2.70% |
| Napa Valley Cast Stone | 99 | 2.67% |
| R E Maher Inc | 80 | 2.16% |
| City of American Canyon | 81 | 2.19% |
| American Canyon Middle School | 70 | 1.89% |
| Donaldson Way Elementary School | 60 | 1.62% |

Data Source: InfoGroup

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 16
City of American Canyon
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Full-Time Equivalent Employees as of June 30

| Function/Program | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General government: | | | | | | | | | | |
| City Council | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| City Manager | 1.20 | 1.20 | 2.50 | 2.00 | 2.10 | 2.10 | 2.10 | 2.10 | 1.85 | 2.85 |
| City Clerk | 1.40 | 2.40 | 1.70 | 1.70 | 1.70 | 1.40 | 1.40 | 1.40 | 1.40 | 1.40 |
| Human Resources | | | | | | | 1.50 | 2.00 | 2.00 | 2.00 |
| Finance | | | | | | | | | | |
| Finance | 4.10 | 4.10 | 4.60 | 5.20 | 6.00 | 6.90 | 4.90 | 4.90 | 4.90 | 4.90 |
| Information Systems | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.20 | 0.20 | 0.20 | 0.20 | 0.20 |
| Utility Billing | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.20 | 3.20 | 3.20 | 3.20 | 3.20 |
| Public safety: | | | | | | | | | | |
| Police | | | 1.00 | 1.00 | 1.00 | 2.00 | 2.70 | 2.70 | 2.70 | 2.70 |
| Non Departmental | | | | | | 1.00 | 0.30 | 1.30 | 1.30 | 1.30 |
| Community development: | | | | | | | | | | |
| Planning | 1.90 | 1.60 | 1.00 | 1.00 | 1.00 | 2.00 | 2.00 | 2.20 | 2.20 | 4.30 |
| Building and safety | 2.80 | 4.80 | 6.50 | 6.50 | 6.50 | 6.50 | 6.50 | 8.00 | 8.00 | 5.90 |
| Economic Development | 0.60 | 0.60 | 0.40 | 0.30 | 0.40 | 0.70 | 0.40 | 0.40 | 0.40 | 0.45 |
| Housing Services | | 0.30 | 0.30 | 0.30 | 0.30 | 0.00 | 0.30 | 0.60 | 0.85 | 0.50 |
| City Engineer | | | | | | | | | | 1.30 |
| Parks and Recreations | | | | | | | | | | |
| Parks | 4.40 | 5.25 | 5.15 | 6.31 | 6.55 | 6.55 | 6.55 | 5.95 | 5.75 | 6.00 |
| Recreation | 3.80 | 3.80 | 3.70 | 3.70 | 4.70 | 4.70 | 4.70 | 5.60 | 5.20 | 5.15 |
| Building & Equipment Maintenance | 1.00 | 1.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.05 | 2.50 | 1.15 |
| Public works: | | | | | | | | | | |
| Administration | | | | | | | | 4.00 | 4.00 | 4.00 |
| Engineering | 2.00 | 3.00 | 3.00 | 4.27 | 2.80 | 2.80 | 2.80 | 1.65 | 1.90 | |
| Streets & Roads | 3.00 | 4.05 | 2.55 | 3.72 | 4.70 | 4.70 | 4.70 | 5.85 | 5.35 | 4.40 |
| Storm Drain | 0.50 | 0.50 | 0.50 | 0.50 | 1.30 | 1.30 | 1.30 | 1.95 | 2.35 | 1.90 |
| Capital Projects | | | | | | | | | | 4.00 |
| Fleet | | | | | | | | | | 1.10 |
| Water: | | | | | | | | | | |
| Treatment and Distribution | 7.00 | 8.50 | 7.80 | 8.60 | 10.20 | 10.20 | 10.20 | 9.75 | 9.85 | 9.50 |
| Wastewater: | | | | | | | | | | |
| Collection and Treatment | 4.10 | 5.70 | 10.00 | 8.55 | 8.30 | 8.30 | 8.40 | 9.85 | 9.25 | 12.00 |
| Storm Water Quality | | | | 0.05 | 1.05 | 1.05 | 1.05 | 0.35 | 0.85 | 0.45 |
| Solid Waste | | | | | | | | | | 0.35 |
| Totals | <u>45.80</u> | <u>54.80</u> | <u>61.70</u> | <u>64.70</u> | <u>69.60</u> | <u>72.60</u> | <u>72.20</u> | <u>81.00</u> | <u>81.00</u> | <u>86.00</u> |

Source: Human Resources Department

Schedule 17
City of American Canyon
Operating Indicators by Function/Program
Last Ten Fiscal Years

| | Fiscal Years | | | | | | | | | |
|--|--------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Police: | | | | | | | | | | |
| Physical arrest | 352 | 449 | 515 | 620 | 429 | 695 | 446 | 520 | 595 | 543 |
| Traffic violations | 695 | 993 | 936 | 1,861 | 1,162 | 2,377 | 1,557 | 2,035 | 1,897 | 1,817 |
| Fire: | | | | | | | | | | |
| Emergency responses | 1,097 | 1,119 | 1,159 | 1,237 | 1,249 | 1,240 | 1,266 | 1,320 | 1,393 | 1,355 |
| Structure Fires | 20 | 27 | 43 | 45 | 27 | 25 | 17 | 29 | 20 | 10 |
| Fire Loss (Thousand \$) | 100 | 125 | 163 | 534 | 219 | 455 | 825 | 400 | 285 | 279 |
| Fire Engines | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 6 | 6 |
| Inspections | 190 | 210 | 220 | 230 | 250 | 264 | 374 | 171 | 184 | 261 |
| Construction Inspection | 800 | 800 | 987 | 700 | 850 | 800 | 135 | 120 | 103 | 111 |
| Planning: | | | | | | | | | | |
| Building permits issued | 542 | 362 | 312 | 440 | 208 | 226 | 273 | 375 | 352 | 327 |
| Public works: | | | | | | | | | | |
| Miles streets resurfaced | - | 1.61 | - | - | - | - | - | 1.56 | 0.77 | 0.51 |
| Parks: | | | | | | | | | | |
| Community events held | 15 | 15 | 16 | 16 | 17 | 17 | 17 | 19 | 19 | 24 |
| Swimming pool admissions | 7,398 | 8,578 | 11,185 | 16,197 | 18,376 | 21,005 | 21,000 | 20,000 | 21,480 | 18,494 |
| Water: | | | | | | | | | | |
| Number of new services | 533 | 426 | 640 | 775 | 868 | 708 | 423 | 668 | 732 | 761 |
| Daily average water production in MGD | 2.04 | 2.35 | 2.52 | 3.06 | 3.05 | 3.12 | 3.12 | 3.53 | 3.30 | 3.29 |
| Daily average water consumption in MGD | 2.03 | 2.30 | 2.50 | 2.54 | 2.55 | 3.93 | 3.93 | 4.06 | 2.88 | 2.46 |
| Wastewater: | | | | | | | | | | |
| Daily average treatment in millions gallons(MGD) | 0.98 | 1.20 | 1.10 | 1.77 | 1.46 | 1.69 | 1.48 | 1.55 | 1.54 | 1.54 |

Source: Various departments within the City of American Canyon

Schedule 18
City of American Canyon
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| Function/Program | Fiscal Years | | | | | | | | | |
|--|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 6 | 8 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Fire | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 |
| Engines | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 | 8 | 8 |
| Public works: | | | | | | | | | | |
| Miles of streets | 2.2 | 2.2 | 2.2 | 2.5 | 4.7 | 6.4 | 9.5 | 14.2 | 14.2 | 38.1 |
| Streetlights | 345 | 345 | 345 | 397 | 683 | 969 | 1,062 | 1,233 | 1,233 | 1,233 |
| Traffic signals | 2 | 3 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 4 |
| Parks and recreation: | | | | | | | | | | |
| Community centers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Parks | 12 | 15 | 15 | 15 | 15 | 18 | 20 | 22 | 22 | 22 |
| Park acreage | 39 | 52 | 52 | 52 | 52 | 70 | 75 | 79 | 79 | 79 |
| Water: | | | | | | | | | | |
| Miles of mains added | 7 | 7 | 5 | 5 | 5 | 5 | 5 | 7 | 8 | - |
| Number of services billed | 3,349 | 3,775 | 3,839 | 4,294 | 4,515 | 4,759 | 4,914 | 5,147 | 5,208 | 5,232 |
| Maximum plant capacity in million gallons | 2.59 | 2.60 | 2.60 | 2.60 | 2.60 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 |
| Storage capacity in million gallons | 4.81 | 4.81 | 4.81 | 4.81 | 4.81 | 4.81 | 4.81 | 4.81 | 4.81 | 4.81 |
| Wastewater: | | | | | | | | | | |
| Miles of sewers added | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | - |
| Number of services billed | 2,600 | 3,247 | 3,567 | 3,941 | 4,217 | 4,386 | 4,562 | 4,667 | 4,738 | 4,809 |
| Maximum plant capacity in million gallons | 4.50 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 |
| Recycled Water: | | | | | | | | | | |
| Miles of pipelines added | | | | | 3.96 | 0.28 | 0.35 | 2.53 | 0.00 | 2.45 |
| Number of services billed | | | | | | | 1 | 1 | 1 | 3 |
| Storage capacity in million gallons | | | | | | | | | | 1.00 |

Source: Various departments within the City of American Canyon