



CITY OF AMERICAN CANYON
CALIFORNIA

**COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE YEAR ENDING
June 30, 2007**



Leon Garcia, Mayor
Joan Bennett, Vice Mayor
Don Callison, Councilmember
Cindy Coffey, Councilmember
Ed West, Councilmember
City Manager, Richard Ramirez

PREPARED BY:

FINANCE DEPARTMENT

*City of American Canyon
California*

*Comprehensive Annual Financial Report
for the
Fiscal Year Ended 2006-2007*



Prepared by the Department of Finance

Introductory Section



*City Attorney
William Ross*



*City Clerk
Dorothy Roadman*

CITY OF AMERICAN CANYON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2007

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CITY OF AMERICAN CANYON

Finance Department

Gateway to the Napa Valley



April 18, 2008

To the Honorable Mayor, Members of
the City Council
City of American Canyon
American Canyon, California

INTRODUCTION

The City follows a policy of preparing a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America after the end of each fiscal year. These financial statements are audited by a licensed certified public accounting firm. The financial statement audit has been completed and we hereby issue the Comprehensive Annual Financial Report of the City of American Canyon for the fiscal year ended June 30, 2007.

This report consists of management's representations concerning the finances of the City of American Canyon. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of American Canyon has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to communicate sufficient reliable information for the City of American Canyon's financial statements in conformity with U.S. generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City of American Canyon's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of American Canyon's financial statements have been audited by Terry E. Krieg CPA, a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of American Canyon for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditing firm concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of American Canyon's financial statements for the fiscal

year ended June 30, 2007, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

This report contains financial information and data using the financial reporting format established for governments by the Governmental Accounting Standards Board (GASB). The GASB sets accounting and financial reporting standards for governments in the United States of America. The City implemented a new financial reporting format in accordance with GASB Statement Number thirty-four beginning in fiscal year ended June 30, 2003, in order to stay in conformance with accounting principles used by Governments in the U.S.A.

GASB Statement Number thirty-four requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of American Canyon's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE CITY AND ITS OPERATIONS

The City of American Canyon is a relatively new City and was incorporated in 1992. The City is located at the Southern end of the wine growing region known as the Napa Valley, and the City is in close proximity to the San Francisco Bay and related wetlands area.

The City's population is 16,031 as of January 1, 2007, as estimated by the California State Department of Finance. The City, predominantly a residential community, had a relatively stable population from 1992 through 2001. However, over the past few years, over 3,200 residential building and commercial construction permits were issued causing a spike in the City's population. During this time the City made significant progress in improving its infrastructure. Vital portions of the City's recycled water distribution system have been completed and the system will be put into service as soon as the storage tank is completed. Operational improvements to the Wastewater Treatment Plant were undertaken and have been completed. Currently, the City is contemplating expansions to both the water and wastewater treatment plants.

The City operates under a council-manager form of government. 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, Finance Director, Attorney and other Department Heads. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the daily operations of the City, and for appointing other employees and otherwise managing daily operations of the City. The City Council is comprised of five members and is 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.

Budget to actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. The general fund and fire district operations fund comparisons, designated as the City's major funds under the GASB No. 34 reporting standards, are presented as required supplementary information in a separate section of this report immediately following the notes to the financial statements. For the City's other governmental-type funds, a budget to actual comparison schedule is presented as optional information in the section of this report containing combining financial statements and individual fund schedules.

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

With the continuing general economic slowdown and the downturn in the housing sector in 2007, the rate of residential growth in the City of American Canyon has slowed. However, according to Napa County Assessor John Tuteur, commercial growth hit an all time high in American Canyon. This growth was fueled by major projects like the Walmart Supercenter and surrounding businesses in the Napa Junction mixed use project. The City posted a 14.8 percent increase in value or about \$312 million. The opening of anchor tenant Walmart, in September 2007, boosted business at Napa Junction and helped offset declines in building industry related businesses which have been key contributors to the local economy in the past few years.

In October 2006, the 133 room Gaia Napa Valley Hotel opened in the City of American Canyon. It was the first hotel in the United States to earn the gold rating for its energy and environmental design features throughout the property. This was the city's second hotel opening in recent years and two more hotels are in the planning stages.

The Napa Valley School District has been working diligently on the new American Canyon high school which will be American Canyon's biggest civic project to-date and will help define the City. It is estimated that the 2,200 student school will cost \$129.2 million and will be funded by Measure G, a \$183 million bond issue approved by the voters in November 2006. The City has made this landmark project a priority and is partnering with the School District whenever possible to keep it on schedule. Project plans, which also include a middle school for 700 students, incorporate a 400 seat performing arts theater, library, gymnasium, swimming pool, tennis courts, basketball courts, all-weather track, football and soccer fields. It is anticipated that the high school will open in the fall of 2010 while the middle school, the second in American Canyon, will open about two years later.

The City of American Canyon police and Fire Protection District staff recently moved into their new \$8.5 million 17,000 square foot public safety building which was completed in July 2007. The City and Fire District accumulated sufficient reserves so that no debt was incurred to construct the facility.

Due to the economic down cycle, the collection of fees and charges for services relating to building permits, design reviews, engineering services, and impact fees has noticeably slowed. Governor Schwarzenegger and the State Legislature have continued to struggle with the State's budget deficit of about \$17 billion. The Governor has considered various options to reduce the deficit which included across the board cuts to state programs, cutting back state mandates to cities, delaying distribution of gas tax revenues to cities, and terminating the COPS program which has provided supplemental money to law enforcement agencies to buy high tech equipment or other items which they otherwise could not afford.

In November 2004, the voters of California approved Proposition 1A, an amendment to the state constitution which included various provisions to protect local government revenues. Prior to this protection, the State, in past years, during times of fiscal hardship, shifted or "borrowed" local revenues to balance its budget. This practice created havoc with local government finances. One of the key protections in Prop 1A was to prohibit the State from shifting property taxes unless the Governor issued a proclamation of "severe fiscal hardship" and complied with certain other restrictions. Under Prop 1A, the state must repay all amounts shifted and interest within three years. The State may "borrow" local agency revenues beginning in fiscal year 2008-2009. In January 2008, the Governor invoked the "severe fiscal hardship" clause but has not yet proposed "borrowing" local revenues.

With the commercial growth, the City has enjoyed a modest increase in overall sales tax revenues. The increases realized due to the Napa Junction Project businesses have been partially offset by decreases in local building and construction related businesses. Economists are predicting that the housing market will be slow through most of 2008 and likely into 2009 so the City will be challenged to manage its finances conservatively.

The City is located at the Southern end of Napa Valley which is an ideal place to live especially for individuals desiring to be employed in the Napa-Vallejo area or in the communities surrounding the Northern part of the San Francisco Bay

Long-Term Financial Planning

The City had been hopeful that the economy would begin recovering from a modest downturn in 2007 but a recovery has not materialized. Nationally, there has been a sluggish real estate market coupled with serious mortgage credit problems which have had a negative impact on the economy throughout most of the Country including the City of American Canyon. Economists do not have a consensus that there is a recession but virtually all agree that there is a slowdown. In the past few years, the City of American Canyon has enjoyed increases in property tax revenues of ten to fifteen percent. However, the number of home sales and resales has dramatically dropped and as a result, it is predicted that property tax revenues will be flat until the economy improves the last part of 2008 or 2009.

The housing sector has had major impacts on the economy both nationally and locally. The housing industry provides jobs to construction trade workers, building material sellers, realtors and mortgage related workers. Property taxes on homes generate unrestricted general fund revenue which is critical for the City in delivering services to its residents. Home construction also generates sales taxes from building material sales but due to the economic downturn, substantially less revenues have been generated from building supply outlets.

The Association of Bay Area Governments (ABAG) described their economic outlook of the regional as guarded in anticipation of a weak 2008 but with economic growth stabilizing at a low level by year end. ABAG projects that incomes will grow slightly more than inflation in the coming year. The City expects its major revenue sources, property tax and sales tax, to remain fairly flat until the economy improves.

The City's capital projects program provides for the construction and maintenance of a mix of street, water, wastewater and park projects throughout the City. During fiscal year 2006-2007, the City completed ten major capital improvement projects totaling almost \$9 million. Key projects completed were:

- ✓ 14" Waterline Replacement -\$1,419,700 – Replaced 50 year old water main between the Napa County Airport and Napa Junction Road

- ✓ Broadway Realignment - \$1,282,100 – Aligned Broadway south of American Canyon Road
- ✓ Hanna Bridge - \$1,443,000 – Completed Hanna Drive to allow for final development of the Green Island Industrial Park
- ✓ Wastewater Pond Liner - \$1,189,952 – replaced the lining of the overflow and sludge ponds at the Wastewater Treatment Plant to keep wastewater from leaching out

The City's water and wastewater enterprises were in financial difficulty in fiscal 2007 because there had not been a rate increase in seven years. An analysis revealed that rates, which must pay for all costs of running the treatment plants, repairing or replacing pipes in the ground and accumulating funds for the eventual plant replacement, were not sufficient to pay for ongoing operations. Additionally, there was concern that there will not be sufficient reserves available to complete key capital projects, both expansion and replacement, to meet future water needs. To address these needs, City staff, with the assistance of consulting staff from Bartle Wells Associates, analyzed the finances and capital needs of the water and wastewater enterprises. Operating costs were analyzed to determine revenue requirements and a list of essential capital projects was prepared. In April 2007, in order to get community feedback and buy-in about rate adjustments and additional investments in capital projects, the City formed a Blue Ribbon Committee (BRC) on Water Resources from a cross section of the community including developers, short and long time residents, and the business community. They were charged with examining a number of complex issues related to water – sources, use, treatment, distribution, conservation, recycling, flood control, and ultimately, how it is returned to the environment. Various Sub-Committees were formed including a Finance Sub-Committee, to examine historical and current finances. The Sub-Committee reviewed revenues and costs of operations for the past several years and considered adjustments to rates and to capacity fees to fund expansion related capital projects. The Finance Sub-Committee recommendations were presented to the full BRC which, in October 2007, recommended to the City Council, rate and fee increases to help ensure that customers' future water needs will be met. In December 2007, the City Council approved the BRC recommendations to adjust rates over three to four years and fees.

The general fund ended fiscal year 2006-2007 with a \$7.9 million fund balance, some of which can be used for future capital improvements. Additionally, the City has accumulated about \$4.9 million in various impact fee funds. This money is dedicated for future capital projects, including street infrastructure, parks, affordable housing and fire facilities. While these financial resources are currently available to meet the City's long-range needs, the City routinely evaluates its capital and infrastructure improvement needs annually as part of the budget process and may find it necessary to obtain long-term debt financing to complete planned projects.

Cash Resources and Practices

During the year, about eighty-eight percent of idle cash was invested by the City in the State of California Local Agency Investment Fund, a pooled investment arrangement among California governments. Another eleven percent was invested with the Napa County Investment pool.

The City ended the fiscal year with \$ 31.3 million in cash and investment holdings. This amount is 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

In 2007, the City, entered into a lease financing arrangement for \$6.7 million to purchase a commercial office building located in the north part of the City, just off Highway 29. The City is in the process of selecting a general contractor to construct tenant improvements in order to convert the building to the new city hall. As a result of this debt, the City's long-term debt obligations outstanding increased to \$38.2 million. For the most part, the remaining debt is loans, leases and bonds entered into by the City to acquire sufficient funds to upgrade or construct water and wastewater facilities and systems and to construct an aquatic and recreation facility.

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 employees. The City funds each year's required contribution to the regular and public safety plans as determined by the PERS based upon actuarial information. The City expects that required employer contributions will continue to increase in future years because PERS investment returns have not met goals. Additionally, the City is considering increased contributions 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.

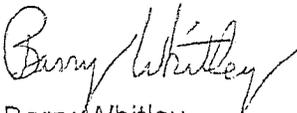
Challenges for Fiscal 2007

In fiscal 2008, the City expects to develop a plan to fund retiree health care costs. Governmental Accounting Standards Board Statement No. 45 requires the City to convert from a "pay as you go" method of recognizing expenses to a full accrual method beginning in fiscal 2009. Any difference between the annual required contributions, as determined by an independent actuary, and amounts contributed to an irrevocable trust, must be recognized in the City's financial statements. Other challenges will be to prioritize civic, transportation, park, water and wastewater facility capital projects and to develop a financing plan to pay for them. The City continues to work on preparation of a comprehensive integrated water management plan and City Council directed goals. Staff will continue ongoing efforts to improve customer service and to meet the future needs of the citizens of this community.

Awards and Staff Contributions

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administration departments. We would like to express our appreciation to all members of the departments 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,



Barry Whitley,
Finance Director

City of American Canyon
List of Principal Officials
June 30, 2007

Elected Officials

Leon Garcia, Mayor

Joan Bennett, Vice Mayor

Don Callison, Councilmember

Cindy Coffey, Councilmember

Ed West, Councilmember

Appointed Officials

City Manager

Richard Ramirez

Fire Chief

Glen Weeks

City Clerk

Dorothy Roadman

City Attorney

William Ross

Human Resources

Bronda Silva

Community Services Director

Randy Davis

Finance Director/Fire District Treasurer

Barry Whitley

Interim Planning Director

Sandra Cleisz

Police Chief

Brian Banducci

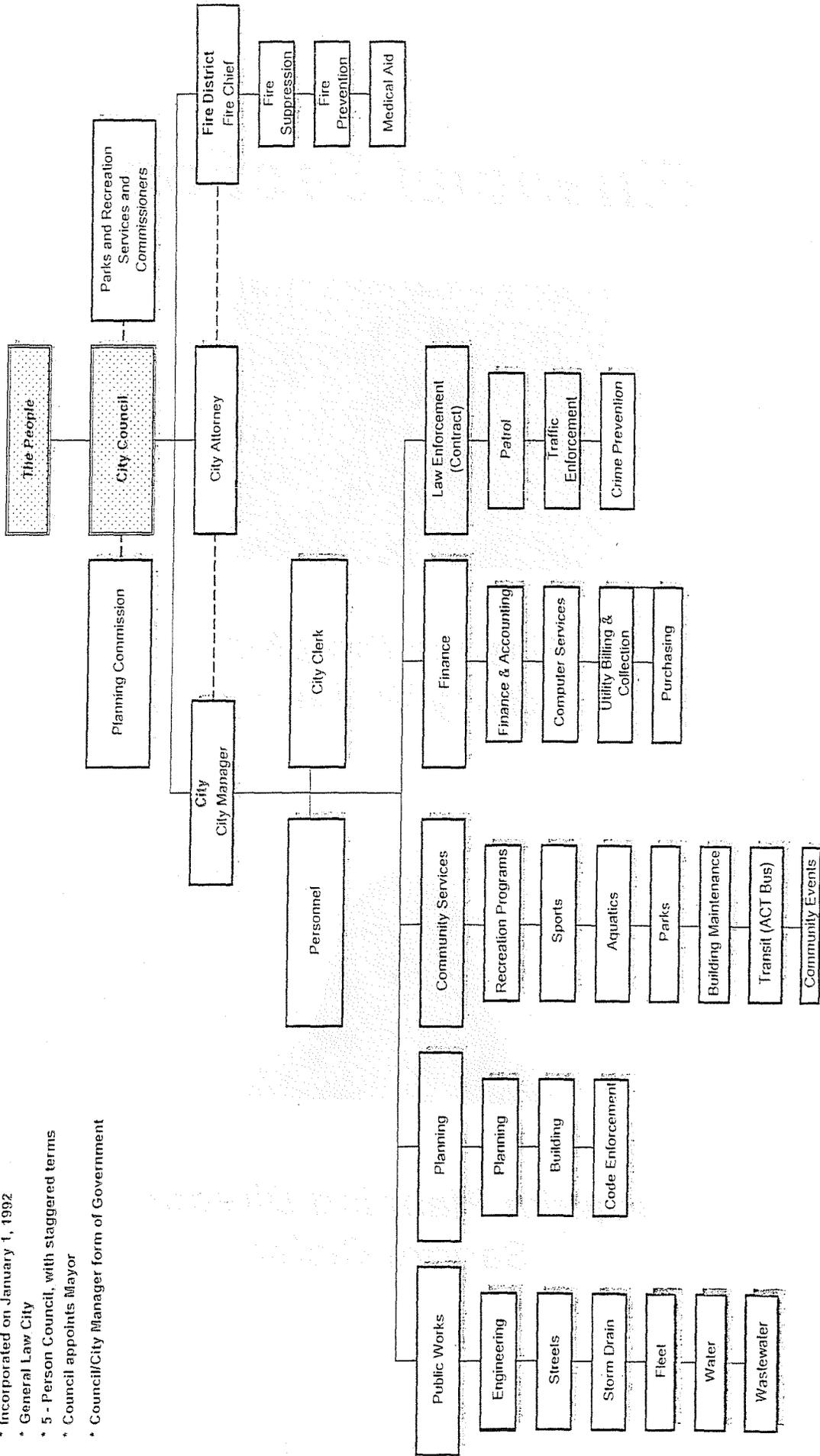
Public Works Director

Robert Well

Organization and Lines of Authority City of American Canyon Fiscal Year 2006 - 2007

City Government Facts:

- * Incorporated on January 1, 1992
- * General Law City
- * 5 - Person Council, with staggered terms
- * Council appoints Mayor
- * Council/City Manager form of Government



Financial Section



*Finance Director
Barry Whitley*



*Interim Planning Director
Sandra Cleisz*

FINANCIAL SECTION
MANAGEMENT'S DISCUSSION AND ANALYSIS,
BASIC FINANCIAL STATEMENTS
AND
NOTES TO THE FINANCIAL STATEMENTS



Terry E. Krieg, CPA

Certified Public Accountant

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of American Canyon
American Canyon, California

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of American Canyon, California, (the City) as of and for the year ended June 30, 2007, 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 of American Canyon's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of American Canyon, California, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 2 through 11 and pages 40 through 42 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of American Canyon's basic financial statements. The accompanying introductory section, combining nonmajor fund financial statements and schedules, and statistical schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly presented, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

As discussed in note 5E to the financial statements, the City in fiscal 2007 implemented the provisions of Governmental Accounting Standards Board Statement Number 34 as that Statement relates to the retroactive recording and reporting in these financial statements of major infrastructure capital assets used in governmental-type activities.


Certified Public Accountant
April 8, 2008

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, 2007. Please read it in conjunction with the City's audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's total net assets increased by about \$8.8 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 \$335.4 million at the end of the 2007 fiscal year. Of that amount, \$14.8 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 decreased by about \$25.8 million compared to the 2006 fiscal year for a 2007 total of about \$37.2 million. Of the \$37.2 million, \$2.1 million was from capital contributions of subdivision improvements completed by developers and dedicated to the City's business type activities.
- The City's total expense of all programs in fiscal 2007 increased by about \$2.6 million compared to the 2006 fiscal year for a 2007 total of about \$28.4 million.
- The general fund reported a fund balance of \$7.9 million at the end of the 2007 year. The Fire District operations fund ended the 2007 year with a \$2.2 million fund balance.
- The City also ended the fiscal year with \$11.2 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 governmental funds ended 2007 with about \$25.07 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 nonmajor 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, general government, community services, 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 nonmajor 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, streets, public works, and community services. 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 governmental funds, the *general fund, fire district operations fund, infrastructure and city capital projects funds, La Vigne and Road East debt service funds, and the Begin Program fund* are reported in separate columns and all other governmental funds are aggregated in a single column.
- The City Council 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* - The City maintains 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 among the City of American Canyon's various functions. The City uses an internal service fund to account for its fleet of vehicles and administrative support services. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. 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. The internal service funds are presented in a separate column alongside the totals for the City's proprietary enterprise funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Assets. The City's *combined* net assets increased about \$8.8 million between fiscal years 2006 and 2007. (See Table A-1.)

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

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2006	2007	2006	2007	2006	2007	2006-2007
Current and other assets	\$ 79.5	\$ 72.6	\$ 20.8	\$ 13.1	\$ 100.3	\$ 85.7	-14.6%
Capital assets	226.8	249.11	52.5	61.7	279.3	310.8	11.3%
Total assets	\$306.3	\$321.7	\$ 73.3	\$ 74.8	\$379.6	\$396.5	4.45%
Long-term debt outstanding	\$ 29.6	\$ 35.5	\$ 16.9	\$ 18.0	\$ 46.5	\$ 53.5	15.1%
Other liabilities	3.7	5.6	2.8	2.0	6.5	7.6	16.9%
Total liabilities	\$ 33.3	\$ 41.1	\$ 19.7	\$ 20.0	\$ 53.0	\$ 61.1	15.28%
Net assets							
Invested in capital assets	216.8	227.6	36.0	43.6	252.8	271.2	7.27%
Restricted	41.3	42.7	13.7	6.6	55.0	49.3	-10.36%
Unrestricted	14.9	10.3	3.9	4.6	18.8	14.9	-20.74%
Total net assets	\$ 273.0	\$ 280.6	\$ 53.6	\$ 54.8	\$326.6	\$335.4	2.69%

Net assets of the City's governmental and business-type activities increased 2.69 percent to \$335.4 million. About 81% of the net assets of the City is represented by the City's net investment in its capital assets such as buildings, land, equipment and facilities. The remaining 19% is essentially represented by cash, investments and receivables. About 88% 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.

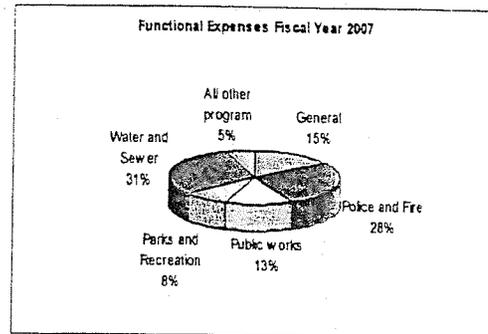
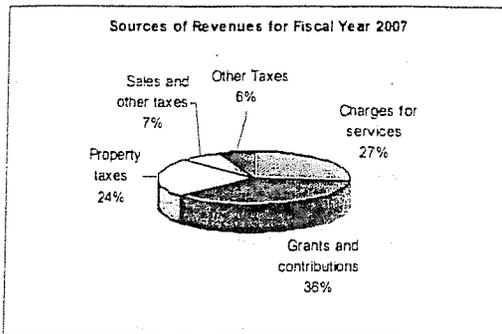
Changes in net assets. The City's 2007 total revenues of about \$37.2 million was \$25.8 million or 40.95% less than the prior year (See Table A-2.); this decline was a result of less land owner contributions in fiscal year 2007 related to development activities. Approximately 36% of the City's revenues come from some type of tax including property, sales, or other taxes. The remainder comes from fees charged for services, state, local and federal aid, and contributions.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The total cost of all programs and services in 2007 was about \$28.4 million and includes a wide range of services such as police and fire protection, streets, public works, general administration, community services, water, wastewater and the support services operations.

The Sources of the City's major types of revenue and the areas where such resources are used is shown below in summary graphic form:



Governmental Activities

Revenues from all governmental type activities in fiscal year 2007 decreased by about \$21.3 million compared to 2006. This was largely due to capital contributions which went from \$27.9 million in 2006 to \$8.1 million in 2007. This was somewhat offset by a 12% increase in property tax revenues within the City.

As illustrated by the above graph, the City's primary sources of revenue were charges for service and capital contributions. About 27% of all City revenues came from water and wastewater service fees, and impact fees which were collected upon the issuance of building permits.

The majority of the City's operating expenses for fiscal year 2007 were incurred to provide police protection and fire protection services. These public safety departments account for 28% of the City's total 2007 operating expenses while the water and wastewater enterprises total 31% of expenses. The public works, planning, and street maintenance departments account for 18% of expenses while the remaining 23% was spent on parks and recreation programs and general City administration.

When all operations were concluded, the governmental activities function generated a \$7.5 million increase in net assets for 2007 compared to an increase of \$30 million in the prior year.

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
	2006	2007	2006	2007	2006	2007	2006-2007
Revenues							
Program revenues							
Charges for services	\$ 7.4	\$ 4.0	\$ 6.3	\$ 6.8	\$ 13.7	\$ 10.8	-21.1%
Grants and contributions	27.9	8.1	9.0	4.0	36.9	12.1	-67.2%
General revenues							
Property taxes	8.3	9.3	0.0	0.0	8.3	9.3	12.0%
Sales and other taxes	2.4	2.6	0.0	0.0	2.4	2.6	8.33%
Other	1.7	2.4	0.0	0.0	1.7	2.4	41.18%
Total revenues	47.7	26.4	15.3	10.8	63.0	37.2	-40.95%
Expenses							
General government	2.0	2.1	0.0	0.0	2.0	2.1	5.00%
Police services	3.7	4.2	0.0	0.0	3.7	4.2	13.51%
Fire services	2.9	3.4	0.0	0.0	2.9	3.4	17.24%
Public works	3.1	4.4	0.0	0.0	3.1	4.4	41.94%
Planning	2.4	2.1	0.0	0.0	2.4	2.1	-12.50%
Recreation/parks	2.2	2.3	0.0	0.0	2.2	2.3	4.55%
Water	0.0	0.0	4.2	4.9	4.2	4.9	16.67%
Wastewater	0.0	0.0	3.8	3.5	3.8	3.5	-7.89%
Other	1.3	1.5	0.2	0.0	1.5	1.5	0.00%
Total expenses	17.6	20.0	8.2	8.4	25.8	28.4	10.07%
Excess (deficiency) before transfers	30.1	6.4	7.1	2.4	37.2	8.8	-76.34%
Transfers	-0.2	1.1	0.2	-1.1	0.0	0.0	-100.00%
Increase(decrease) in net assets	29.9	7.5	7.3	1.3	37.2	8.8	-76.34%
Net assets, beginning	243.1	273.0	46.3	53.6	289.4	326.6	
Net assets, ending	\$ 273.0	\$ 280.5	\$ 53.6	\$ 54.9	\$ 326.6	\$ 335.4	2.69%

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 six largest programs – police, fire, public works, parks and recreation, water and wastewater

- The cost of all *programs* this year was \$ 28.4 million which, when compared to \$25.8 million in fiscal 2006, amounts to a 10.1% increase for the year. For governmental activities, program costs increased in 2007 by about \$2.4 million or about a 14.2% overall program cost increase.

Governmental Activities

- Users and contributors funded \$12.1 million of the city's governmental activity program expenses leaving the City to fund the other \$7.9 million. This shortfall was a result of the decrease in General Fund charges for services revenues of \$743 thousand, a decrease in Public Works revenues of \$1.4 million, and a decrease in Planning revenues of \$884 thousand due to developer related activity. The City's governmental activities generated an additional \$14.3 million in tax revenues and general revenues. The expense of governmental services was absorbed by:
 - Those who directly benefited from or used the programs (\$ 4.0 million), and
 - Other governments, organizations and developers that subsidized certain programs with grants and contributions (about \$ 8.1 million).

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

	Total Cost of Services		Percentage Change
	2006	2007	2006-2007
Police	\$ 3.7	\$ 4.2	13.5%
Fire	2.9	3.4	17.2%
Public works	3.1	4.4	41.9%
Parks & recreation	2.2	2.3	4.5%
Water	4.2	4.9	16.7%
Wastewater	3.8	3.5	-7.9%
All other	5.9	5.7	-3.4%
Total	\$ 25.8	\$ 28.4	10.1%

MANAGEMENT'S DISCUSSION AND ANALYSIS

Business-Type Activities

The City's business-type activities, primarily water and wastewater, were responsible for about \$1.3 million of the total \$8.8 million increase in net assets in 2007. Total business-type revenues decreased 29 percent in 2007 which for the most part was caused by a \$5 million decrease in contributions and impact fees compared to the prior year. Without the \$ 4 million in capital contributions in fiscal 2007 (mostly impact fees), business type activities recorded about a \$1.6 million loss before capital contributions. In fiscal 2006 this loss was \$1.7 million.

The higher loss in fiscal year 2007 was caused by a \$77 thousand increase in interfund charges for services, a \$217 thousand increase in depreciation expense, about a \$37 thousand decrease in personnel costs due to the resignation of the laboratory manager and backfilling the position with a lower cost temporary worker. There was also a net decrease of \$350 thousand in maintenance and operations costs primarily caused by lower wastewater legal fees to settle construction contract disputes.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a *combined* fund balance of \$35.3 million, about \$12.4 million less than last fiscal year. The City borrowed \$6.7 million to purchase Cabernet Village, a two story commercial office building. The City plans to convert it to the new city hall. The City paid a \$3.0 million down payment and sized the debt issue to include capitalized interest for two years. The debt proceeds were allocated to a debt service fund for future debt service payments and to the capital project funds to pay for tenant improvements, furnishings, and equipment. Other major capital expenses during the year included \$3.6 for a joint police and fire public safety building, and \$7.7 million for the construction of American Canyon Road East.

Other General Fund transfers included \$675 thousand for the City's recreation program fund and \$81 thousand was set aside for future retiree health care costs. At year end, the City's *general fund* had a fund balance of \$7.96 million. Of this amount, \$3.8 million was designated for future projects and unanticipated emergencies. The *Fire District Operations Fund* ended the 2007 fiscal year with about \$2.2 million available for future use.

In addition, the City's other governmental funds ended the fiscal year with a combined fund balance of \$25.07 million. Of this amount, \$17.7 million is in capital projects and impact fee funds which legally can only be used for capital assets and infrastructure. Another \$1.8 is restricted for use as debt service funds. The water and wastewater enterprises ended the year with \$11.3 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, account for unanticipated revenues, and 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 \$8.2 million less than final budget amounts but only \$4.7 million less after subtracting the general contingency budget of \$3.5 million. General fund expenditure budget changes were significant; and amounted to \$7.4 million or about a 36 percent increase over the original budget. This was due to the debt incurred to purchase the commercial office building on Broadway which is going to be the new city hall. The debt related transfers which were not included in the original budget, were about \$7 million. Without these transfers, General Fund had a 1.21% decrease in expenditures over the original budget.

MANAGEMENT'S DISCUSSION AND ANALYSIS

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

In order to comply with GASB Statement No. 34 provisions as a Phase 2 Implementation, the City was required to capture the historical costs of its major assets put in service subsequent to fiscal year 1980 and prior to June 30, 2002. The City contracted with CBIZ Accounting, Tax and Advisory Services, LLC to provide an infrastructure inventory and valuation of all of the city's infrastructure assets without regard to the date put in service. As a result of CBIZ's work, infrastructure assets valuation, net of accumulated depreciation, increased \$185.9 million.

During fiscal year 2006-07, the City's developers dedicated over \$2.08 million in water and wastewater system improvements as a result of growth within the City. At the end of 2007, the City's investment in capital assets totaled \$310.8 million, net of accumulated depreciation, for land, vehicles, equipment, water treatment plant and distribution system, wastewater treatment plant and collection system and streets. (See Table A-4.) This represents a net increase, including additions and deductions during the year, of about \$31.5 million, or 11.8 percent over last year. Construction In Progress in governmental activities consists primarily of \$7.7 million for the American Canyon Road Widening Project and \$6.8 million for the new City Hall Facility, the Cabernet Village commercial office building. Construction in Progress in the business type activities consists mainly of \$1.9 million Wetlands Edge wastewater Force Main Replacement. Additional information can be found on page 29 of 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 Percent age Change
	2006	2007	2006	2007	2006	2007	2006- 2007
Land	\$ 7.0	\$ 6.8	\$ 1.6	\$ 1.6	\$ 8.6	\$ 8.4	-2.33%
Construction in progress	5.6	19.8	1.6	2.8	7.2	22.6	213.88%
Buildings	3.4	12.6	5.5	5.3	8.9	17.9	101.12%
Machinery and equipment	1.6	1.6	0.5	0.5	2.1	2.1	0.00%
Internal Services Equipment	0.6	0.7	-	-	0.6	0.7	16.67%
Water utility system	-	-	22.7	27.4	22.7	27.4	20.70%
Wastewater system	-	-	20.6	24.1	20.6	24.1	16.99%
Infrastructure system	208.6	207.6	-	-	208.6	207.6	-48%
Total	\$ 226.8	\$249.1	\$ 52.5	\$ 61.7	\$279.3	\$ 310.8	11.28%

Long - Term Debt

At the end of 2007, the City had \$54 million in long-term debt obligations outstanding. Sixty-seven percent relates solely to the City's governmental type activities while thirty-three percent was applicable to business type financing activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

As to the business-type activities, about \$6 million was capital lease type arrangements mostly for the water system and the City's water rights. Also, there was a \$1.56 million state loan for water system improvements, a \$8.4 million state revolving loan for construction of a new wastewater treatment plant facility, and a \$2 million loan from the City of Vallejo to purchase water rights to an additional 1.15 MGD of water. The City has no bonded debt outstanding for its business-type activities.

As to governmental-type activities, the major long-term debt consists of \$3.8 million of 2002 lease revenue bonds issued to refund 1997 bonds to construct the City gym and aquatic center; \$18.1 million of Infrastructure Revenue Bonds issued to pay for the American Canyon Road East Widening Project; \$7.0 million of Reassessment bonds issued to refund limited improvement obligation bonds which residential developer used to pay connection fees for the LaVigne development; \$6.7 million of Capital lease financing which the City used to purchase Cabernet Village, a commercial office building, for its new City Hall. The lease revenue bonds were paid from general fund monies, the infrastructure reassessment revenue bonds were paid from special assessments levied upon land parcels, and the City Hall capital lease will be paid from debt proceeds for the first two years. Additional information about the City's long-term obligations can be found starting on page 31 of the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For fiscal year 2008, general fund revenue projections have been unfavorably impacted by slumping housing prices caused by the subprime mortgage crisis and slowing economy among other factors.

For the past few years, the City has benefitted from general fund revenues increases which were driven in large part by the housing industry. In 2008, property taxes and sales taxes, key general fund revenues, are expected to post modest increases. There are no significant planned changes in tax rates or in other forms of revenue subject to adjustment by the City. The City expects general fund spending to equal revenues in fiscal 2008.

In 2007, the City contracted with a consulting firm to review its water and sewer user charges and connection fees to determine whether the City was recovering all its costs. A Blue Ribbon Citizen Advisory Committee (BRC) was formed to provide an objective review and recommendation to the City Council. After months of work reviewing the financial history for the past several years, the BRC recommended rate and fee increases to the City Council. In December 2007, the City Council approved rate and fee increases that would enable the water and wastewater enterprises to pay their ongoing operating costs and provide the resources to begin accumulating reserves for system replacement and expansion.

In 2008, the City expects the employer's share of retirement contributions to the PERS to increase significantly as the PERS investment returns have declined in recent years and the employer contribution rates are being raised to offset the decline.

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, 300 Crawford Way, American Canyon, California 94503. Note that in the Winter of 2008, City Hall will move to 4381 Broadway in American Canyon.

CITY OF AMERICAN CANYON
Statement of Net Assets
June 30, 2007

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 15,877,971	\$ 4,679,882	\$ 20,557,853
Net receivables	3,540,580	1,221,306	4,761,886
Prepayments	378,196	653,930	1,032,126
Total current assets	<u>19,796,747</u>	<u>6,555,118</u>	<u>26,351,865</u>
Noncurrent assets:			
Restricted cash and cash equivalents	22,015,723	6,612,632	28,628,355
Receivables-long-term	28,924,694	-	28,924,694
Bond issuance costs	1,859,448	-	1,859,448
Capital assets not being depreciated	188,885,703	4,465,803	193,351,506
Capital assets being depreciated, net	60,206,211	57,211,804	117,418,015
Total noncurrent assets	<u>301,891,779</u>	<u>68,290,239</u>	<u>370,182,018</u>
Total assets	<u>\$ 321,688,526</u>	<u>\$ 74,845,357</u>	<u>\$ 396,533,883</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 3,101,031	\$ 824,775	\$ 3,925,806
Accrued liabilities	1,525,171	470,970	1,996,141
Compensated absences	271,378	111,620	382,998
Unearned revenue	-	134,398	134,398
Deposits	-	151,919	151,919
Accrued interest payable	437,296	287,641	724,937
Bonds, loans and leases	839,147	1,340,094	2,179,241
Total current liabilities	<u>6,174,023</u>	<u>3,321,417</u>	<u>9,495,440</u>
Noncurrent liabilities:			
Compensated absences	200,000	-	200,000
Claims and judgments	22,861	-	22,861
Bonds, loans and leases	34,698,404	16,686,363	51,384,767
Total noncurrent liabilities	<u>34,921,265</u>	<u>16,686,363</u>	<u>51,607,628</u>
Total liabilities	<u>41,095,288</u>	<u>20,007,780</u>	<u>61,103,068</u>
NET ASSETS			
Invested in capital assets, net of related debt	227,564,725	43,651,150	271,215,875
Restricted for:			
Debt service	25,557,188	-	25,557,188
Capital projects	6,394,613	6,612,632	13,007,245
Fire protection	1,023,500	-	1,023,500
Housing	5,944,000	-	5,944,000
Streets and other purposes	2,759,167	-	2,759,167
Development and planning	1,104,081	-	1,104,081
Unrestricted	10,245,964	4,573,795	14,819,759
Total net assets	<u>280,593,238</u>	<u>54,837,577</u>	<u>335,430,815</u>
Total liabilities and net assets	<u>\$ 321,688,526</u>	<u>\$ 74,845,357</u>	<u>\$ 396,533,883</u>

See accompanying notes to the basic financial statements

CITY OF AMERICAN CANYON
Statement of Activities
For the Fiscal Year Ended June 30, 2007

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
City government				
Governmental activities:				
General government	\$ 2,137,443	\$ 574,407		\$ -
Public safety:				
Police protection	4,166,984	195,088	122,211	-
Fire protection	3,402,246	840,819	41,510	-
Public works	4,363,249	825,602	1,004,466	953,299
Planning and housing	2,070,303	1,030,340	5,944,000	-
Recreation	1,509,326	344,223	-	-
Parks	820,265	211,047	-	-
Interest on long-term debt	1,494,237	-	-	-
Total governmental activities	<u>19,964,053</u>	<u>4,021,526</u>	<u>7,112,187</u>	<u>953,299</u>
Business-Type Activities:				
Water	4,907,860	3,901,103	-	1,691,375
Wastewater	3,508,065	2,901,494	-	2,249,655
Transit	19,778	5,351	9,009	-
Total business-type activities	<u>8,435,703</u>	<u>6,807,948</u>	<u>9,009</u>	<u>3,941,030</u>
Total City government	<u>\$ 28,399,756</u>	<u>\$ 10,829,474</u>	<u>\$ 7,121,196</u>	<u>\$ 4,894,329</u>

General revenues and transfers:

Taxes:

- Property taxes
- Fire district property taxes
- Sales taxes
- Other taxes

Other general revenues:

- Motor vehicle in lieu fees not restricted to a specific program
- Unrestricted investment earnings
- Other general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning

Net assets, ending

See accompanying notes to the basic financial statements

Net (Expenses) Revenue and
Changes in Net Assets

City Government

Governmental Activities	Business-Type Activities	Total
\$ (1,563,036)	\$ -	\$ (1,563,036)
(3,849,685)	-	(3,849,685)
(2,519,917)	-	(2,519,917)
(1,579,882)	-	(1,579,882)
4,904,037	-	4,904,037
(1,165,103)	-	(1,165,103)
(609,218)	-	(609,218)
(1,494,237)	-	(1,494,237)
<u>(7,877,041)</u>	<u>-</u>	<u>(7,877,041)</u>
-	684,618	684,618
-	1,643,084	1,643,084
-	(5,418)	(5,418)
<u>-</u>	<u>2,322,284</u>	<u>2,322,284</u>
<u>(7,877,041)</u>	<u>2,322,284</u>	<u>(5,554,757)</u>
6,416,082	-	6,416,082
2,940,497	-	2,940,497
1,794,124	-	1,794,124
784,213	-	784,213
1,191,706	-	1,191,706
885,293	-	885,293
348,145	-	348,145
1,068,900	(1,068,900)	-
<u>15,428,960</u>	<u>(1,068,900)</u>	<u>14,360,060</u>
7,551,919	1,253,384	8,805,303
273,041,319	53,584,193	326,625,512
<u>\$ 280,593,238</u>	<u>\$ 54,837,577</u>	<u>\$ 335,430,815</u>

CITY OF AMERICAN CANYON
Balance Sheet
Governmental Funds
June 30, 2007

ASSETS

	General Fund	Fire District Operations Fund	Infrastructure Capital Projects Fund	City Capital Projects Fund	La Vigne Assessment District Debt Service Fund	Road East Assessment District Debt Service Fund	Begh Program Fund	Other Governmental Funds	Total Governmental Funds
Cash and investments	\$ 6,951,635	\$ 849,857	\$ 10,858,865	\$ 3,697,043	\$ 757,021	\$ 1,478,631	\$ 180,000	\$ 11,169,586	\$ 35,942,638
Taxes receivable	358,965	117,053	-	-	-	-	-	33,361	476,018
Accounts receivable	208,960	-	-	-	246,062	608,564	-	1,600,230	242,321
Due from other governments	103,311	-	-	2,633	1,424	1,916	-	114,589	2,454,856
Accrued interest receivable	48,196	-	-	-	-	-	-	-	233,834
Prepayments	1,588,363	1,532,733	-	-	-	-	330,000	-	378,196
Internal balances-due from other funds	277,735	-	-	-	-	-	-	-	-
Notes receivable	\$ 9,537,165	\$ 2,509,604	\$ 10,858,865	\$ 3,699,676	\$ 5,581,346	\$ 16,020,769	\$ 5,614,000	\$ 1,319,089	\$ 3,121,096
Special assessments receivable	129,791	113,033	353,193	68,313	8,647	14,051	6,124,000	217,435	7,210,824
Total assets	148,555	72,238	354,758	410,238	8,647	14,051	6,124,000	14,454,290	21,819,550
Deferred revenue	1,574,587	261,345	-	-	-	-	-	-	71,879,333
Fund balances:									
Reserved	2,912,695	707,951	478,551	5,581,346	16,020,769	5,844,000	1,319,901	5,820,510	36,611,757
Unreserved, designated for:									
Capital projects	3,795,186	10,150,914	3,221,125	995,860	2,075,060	-	-	884,153	6,867,768
Other purposes	1,254,697	1,507,216	-	-	-	-	-	4,339,131	17,711,170
Unreserved, undesignated	-	-	-	-	-	-	-	-	4,516,229
Capital projects fund	-	-	-	-	-	-	-	-	2,761,913
Special revenue funds	-	-	-	-	-	-	-	-	(367,123)
Total fund balances	7,962,578	2,228,259	3,221,125	995,860	2,075,060	3,777,619	8,633,760	35,267,576	
Total Governmental Fund Balances	\$ 9,537,165	\$ 2,509,604	\$ 10,858,865	\$ 3,699,676	\$ 6,585,853	\$ 16,109,880	\$ 6,124,000	\$ 14,454,290	\$ 71,879,333

Amounts reported for governmental activities in the statement of net assets are different because:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds
- Long-term receivables used in governmental activities are not current financial resources and are therefore deferred in the funds
- Deferred bond issuance costs in governmental activities are not current financial resources and are therefore not reported in the funds
- The net assets and liabilities of the internal service fund are not activities in the statement of net assets
- Some liabilities, including bonds, leases, compensated absences, and accrued interest are not due and payable in the current period and are therefore not reported in the funds

Net Assets of Governmental Activities

See accompanying notes to the basic financial statements

248,386,079
29,014,571
1,859,448
2,419,360
<u>(36,353,796)</u>
<u>\$ 280,593,238</u>

CITY OF AMERICAN CANYON
Statements of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	General Fund	Fire District Operations Fund	Infrastructure Capital Projects Fund	City Capital Projects Fund	La Vigne Assessment District Debt Service Fund	Road East Assessment District Debt Service Fund	Begin Program Fund	Other Governmental Funds	Total Governmental Funds
REVENUES									
Property taxes	\$ 6,416,082	\$ 2,940,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,356,579
Sales taxes	1,276,569	-	-	-	-	-	-	587,172	1,863,741
Other taxes	784,213	-	-	-	-	-	-	-	784,213
Special assessments	-	-	-	-	479,974	1,187,535	-	436,862	2,104,371
Licenses and permits	484,348	-	-	-	-	-	-	-	484,348
Fines and forfeits	136,733	-	-	-	-	-	-	-	136,733
Intergovernmental	1,710,704	-	-	-	-	-	1,080,000	757,855	3,548,559
Interest and rents	645,352	98,011	651,634	93,290	39,279	87,309	-	534,072	2,148,947
Charges for services	902,335	729,868	-	-	-	-	-	540,212	2,172,415
Miscellaneous	512,921	10,735	-	-	-	-	-	56,173	581,829
Total revenues	12,869,257	3,779,111	651,634	93,290	519,253	1,274,844	1,080,000	2,914,346	23,181,735
EXPENDITURES									
Current:									
General government	2,181,806	-	-	-	-	-	-	-	2,181,806
Public safety	4,140,610	3,088,867	-	-	-	-	-	217,982	7,447,459
Planning	2,074,005	-	-	-	-	-	-	-	2,074,005
Parks	820,727	-	-	-	-	-	-	-	820,727
Public works	1,992,285	-	-	-	-	-	1,080,000	910,760	3,983,045
Recreation	-	-	-	-	-	-	-	1,371,636	1,371,636
Debt service:									
Principal	-	-	-	-	165,000	275,000	-	333,406	773,406
Interest	-	-	-	-	318,728	903,562	-	168,066	1,390,356
Costs of issuance	-	-	-	-	-	-	-	52,606	52,606
Capital outlay	-	149,824	7,922,860	9,083,630	-	-	-	7,289,758	24,446,072
Total expenditures	11,209,433	3,238,691	7,922,860	9,083,630	483,728	1,178,562	1,080,000	10,344,214	44,541,118
Excess (deficiency) of revenues over expenditures	1,659,824	540,420	(7,271,226)	(8,999,340)	35,525	96,282	-	(7,429,868)	(21,359,383)
OTHER FINANCING SOURCES (USES)									
Proceeds from issuance of long-term debt	6,695,000	-	-	-	-	-	-	-	6,695,000
Sale of affordable housing sites	-	-	-	-	-	-	-	1,217,628	1,217,628
Transfers in	151,900	-	-	9,143,019	-	-	-	2,175,713	11,470,632
Transfers out	(8,663,656)	(445,876)	-	-	-	-	-	(1,292,200)	(10,401,732)
Total other financing sources (uses)	(1,816,756)	(445,876)	-	9,143,019	-	-	-	2,101,141	8,981,528
Net change in fund balances	(156,932)	94,544	(7,271,226)	152,679	35,525	96,282	-	(5,328,727)	(12,377,856)
Fund balances, July 1	8,119,510	2,133,715	17,422,140	3,068,446	960,335	1,978,778	-	13,962,507	47,645,431
Fund balances, June 30	\$ 7,962,578	\$ 2,228,259	\$ 10,150,914	\$ 3,221,125	\$ 995,860	\$ 2,075,060	\$ -	\$ 8,633,780	\$ 35,267,576

See accompanying notes to the basic financial statements

CITY OF AMERICAN CANYON
 Reconciliation of the Statement of Revenues,
 Expenditures and Changes in Fund Balances of
 Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2007

Net Change in Fund Balances - Total Governmental Funds	<u>\$ (12,377,855)</u>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$23,989,527) exceed depreciation (\$1,570,728) in the current period.	22,418,799
Repayments of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces liabilities in the statement of net assets.	773,406
Proceeds from long-term debt are recorded as inflows in the fund statements' but are not reported in the statement of activities because proceeds of debt increase liabilities in the statement of net assets	(6,695,000)
Under the modified accrual basis of accounting used in governmental funds, expenditures for debt issue costs recognized for transactions use expendable available resources. However, in the statement of activities, which is prepared on the accrual basis, bond issue cost are not reported as expenses but are reported as assets in the statement of net assets	52,606
Governmental funds report bond issuance costs as expenditures. However, in the statement of activities, these costs are capitalized and amortized over the life of the bond issue as an expenses	(84,280)
Governmental funds report interest expenditures when due, but these costs are accrued as an expense in the statement of net assets	(19,601)
Governmental funds report compensated absences when payments are made or are immediately due. However, in the statement of activities these costs are recorded when incurred.	(65,803)
Internal service funds are closed by charging additional amounts or reducing charges to participating governmental activities to completely cover the internal service fund's costs for the year	316,457
Long-term receivables are deferred in the funds until collected and available for use. In the statement of activities, no revenues are recognized from the collection of receivables	<u>3,233,190</u>
Net differences	<u>19,929,774</u>
Change in Net Assets of Governmental Activities	<u>\$ 7,551,919</u>

See accompanying notes to the basic financial statements

City of American Canyon
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Wastewater	Nonmajor Transit Fund	Totals	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,252,242	\$ 424,666	\$ 2,974	\$ 4,679,882	\$ 1,951,056
Receivables(net)	610,889	456,320	36	1,067,245	6,845
Interest receivable	61,490	92,571	-	154,061	21,026
Due from other funds	-	66,000	-	66,000	-
Prepayments	-	653,930	-	653,930	-
Total current assets	<u>4,924,621</u>	<u>1,693,487</u>	<u>3,010</u>	<u>6,621,118</u>	<u>1,978,927</u>
Noncurrent assets:					
Other assets:					
Restricted cash and cash equivalents	386,015	6,226,617	-	6,612,632	-
Total other noncurrent assets	<u>386,015</u>	<u>6,226,617</u>	<u>-</u>	<u>6,612,632</u>	<u>-</u>
Capital assets:					
Land	134,676	1,508,317	-	1,642,993	-
Equipment	832,520	391,011	125,016	1,348,547	1,990,101
Distribution and collection systems	39,534,097	33,519,623	15,239	73,068,959	-
Construction in progress	439,221	2,383,589	-	2,822,810	-
Less accumulated depreciation	<u>(11,489,647)</u>	<u>(5,613,513)</u>	<u>(102,542)</u>	<u>(17,205,702)</u>	<u>(1,284,266)</u>
Net capital assets	<u>29,450,867</u>	<u>32,189,027</u>	<u>37,713</u>	<u>61,677,607</u>	<u>705,835</u>
Total noncurrent assets	<u>29,836,882</u>	<u>38,415,644</u>	<u>37,713</u>	<u>68,290,239</u>	<u>705,835</u>
Total assets	<u>\$ 34,761,503</u>	<u>\$ 40,109,131</u>	<u>\$ 40,723</u>	<u>\$ 74,911,357</u>	<u>\$ 2,684,762</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 413,524	\$ 410,945	\$ 306	\$ 824,775	\$ 103,923
Compensated absences	62,620	49,000	-	111,620	92,429
Claims payable	-	-	-	-	22,861
Other current liabilities	39,567	431,074	329	470,970	46,189
Deposits	117,263	34,656	-	151,919	-
Deferred revenue	-	134,398	-	134,398	-
Internal balances-due to other funds	-	66,000	-	66,000	-
Interest	60,688	226,953	-	287,641	-
Capital leases, agreements and loans	<u>808,880</u>	<u>531,214</u>	<u>-</u>	<u>1,340,094</u>	<u>-</u>
Total current liabilities	<u>1,502,542</u>	<u>1,884,240</u>	<u>635</u>	<u>3,387,417</u>	<u>265,402</u>
Noncurrent liabilities:					
Capital leases, agreements and loans	8,620,532	8,065,831	-	16,686,363	-
Total noncurrent liabilities	<u>8,620,532</u>	<u>8,065,831</u>	<u>-</u>	<u>16,686,363</u>	<u>-</u>
Total liabilities	<u>10,123,074</u>	<u>9,950,071</u>	<u>635</u>	<u>20,073,780</u>	<u>265,402</u>
NET ASSETS					
Invested in capital assets, net of related debt	20,021,455	23,591,982	37,713	43,651,150	705,835
Restricted	386,015	6,226,617	-	6,612,632	-
Unrestricted	<u>4,230,959</u>	<u>340,461</u>	<u>2,375</u>	<u>4,573,795</u>	<u>1,713,525</u>
Total net assets	<u>\$ 24,638,429</u>	<u>\$ 30,159,060</u>	<u>\$ 40,088</u>	<u>\$ 54,837,577</u>	<u>\$ 2,419,360</u>

See accompanying notes to the basic financial statements

CITY OF AMERICAN CANYON
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Enterprise Funds				Governmental Activities Internal- Service Fund
	Water	Wastewater	Nonmajor Transit Fund	Totals	
OPERATING REVENUES					
Sales of water	\$ 3,449,525	\$ -	\$ -	\$ 3,449,525	\$ -
Service fees	-	2,397,773	2,870	2,400,643	2,639,100
Miscellaneous	141,604	37,609	2,481	181,694	29,218
Total operating revenues	<u>3,591,129</u>	<u>2,435,382</u>	<u>5,351</u>	<u>6,031,862</u>	<u>2,668,318</u>
OPERATING EXPENSES					
Maintenance and operations	1,735,631	877,398	6,138	2,619,167	1,151,757
Employee services	1,031,839	921,829	628	1,954,296	1,137,006
Interfund charges for services	637,100	474,000	-	1,111,100	-
Depreciation and amortization	967,649	996,421	13,012	1,977,082	208,529
Total operating expenses	<u>4,372,219</u>	<u>3,269,648</u>	<u>19,778</u>	<u>7,661,645</u>	<u>2,497,292</u>
Operating income (loss)	<u>(781,090)</u>	<u>(834,266)</u>	<u>(14,427)</u>	<u>(1,629,783)</u>	<u>171,026</u>
NON-OPERATING REVENUES (EXPENSES)					
Operating subsidies	-	-	9,009	9,009	-
Gain on sale capital assets	-	-	-	-	65,575
Interest and investment revenue	309,974	466,112	-	776,086	79,856
Interest expense	(535,641)	(238,417)	-	(774,058)	-
net nonoperating revenues (expenses)	<u>(225,667)</u>	<u>227,695</u>	<u>9,009</u>	<u>11,037</u>	<u>145,431</u>
Income (loss) before contributions and transfers	<u>(1,006,757)</u>	<u>(606,571)</u>	<u>(5,418)</u>	<u>(1,618,746)</u>	<u>316,457</u>
Contributions and transfers:					
Capital contributions	1,691,375	2,249,655	-	3,941,030	-
Transfers out	(687,000)	(681,900)	-	(1,368,900)	-
Transfers in	-	300,000	-	300,000	-
Net contributions and transfers	<u>1,004,375</u>	<u>1,867,755</u>	<u>-</u>	<u>2,872,130</u>	<u>-</u>
Change in net assets	<u>(2,382)</u>	<u>1,261,184</u>	<u>(5,418)</u>	<u>1,253,384</u>	<u>316,457</u>
Total net assets, July 1	<u>24,640,811</u>	<u>28,897,876</u>	<u>45,506</u>	<u>53,584,193</u>	<u>2,102,903</u>
Total net assets, June 30	<u>\$ 24,638,429</u>	<u>\$ 30,159,060</u>	<u>\$ 40,088</u>	<u>\$ 54,837,577</u>	<u>\$ 2,419,360</u>

See accompanying notes to the basic financial statements

CITY OF AMERICAN CANYON
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2007

	Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Wastewater	Nonmajor Transit Fund	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,296,582	\$ 2,244,291	\$ 2,870	\$ 5,543,743	\$ -
Payments to suppliers	(1,620,871)	(858,863)	(6,898)	(2,486,630)	(1,231,881)
Payments to other funds for services	(637,100)	(474,000)	-	(1,111,100)	-
Payments from other funds for services	-	-	-	-	2,639,100
Payments to employees for services	(1,107,798)	(1,067,549)	(3,212)	(2,178,559)	(1,100,744)
Other operating receipts	141,604	37,609	2,445	181,658	40,506
Net cash provided by (used for) operating activities	<u>72,417</u>	<u>(118,512)</u>	<u>(4,793)</u>	<u>(50,888)</u>	<u>346,981</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advances from other funds	-	-	(66,454)	(66,454)	(25,000)
Operating subsidies	-	-	75,574	75,574	-
Transfers to other funds	(687,000)	(681,900)	-	(1,368,900)	-
Transfers from other funds	-	300,000	-	300,000	-
Net cash provided by noncapital financing activities	<u>(687,000)</u>	<u>(381,900)</u>	<u>9,120</u>	<u>(1,059,780)</u>	<u>(25,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	-	-	-	-	65,575
Capital contributions	774,625	1,059,655	-	1,834,280	-
Refund of capital connection fees	(1,400,000)	-	-	(1,400,000)	-
Proceeds from issuance long-term debt	2,346,860	-	-	2,346,860	-
Payments on long-term debt principal	(645,403)	(1,032,477)	-	(1,677,880)	-
Interest paid on long-term debt	(474,953)	(476,596)	-	(951,549)	-
Purchases of capital assets	(4,175,357)	(4,147,876)	-	(8,323,233)	(261,775)
Net cash provided by (used for) capital and related financing activities	<u>(3,574,228)</u>	<u>(4,597,294)</u>	<u>-</u>	<u>(8,171,522)</u>	<u>(196,200)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest receipts	321,208	466,263	-	787,471	66,978
Net cash provided by investing activities	<u>321,208</u>	<u>466,263</u>	<u>-</u>	<u>787,471</u>	<u>66,978</u>
Net increase (decrease) in cash and cash equivalents	(3,867,603)	(4,631,443)	4,327	(8,494,719)	192,759
Balances-beginning of the year	<u>8,505,860</u>	<u>11,282,726</u>	<u>(1,353)</u>	<u>19,787,233</u>	<u>1,758,297</u>
Balances-end of the year	<u>\$ 4,638,257</u>	<u>\$ 6,651,283</u>	<u>\$ 2,974</u>	<u>\$ 11,292,514</u>	<u>\$ 1,951,056</u>

See accompanying notes to the basic financial statements

CITY OF AMERICAN CANYON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2007

	Enterprise Funds				Governmental Activities- Internal Service Fund
	Water	Wastewater	Nonmajor Transit Fund	Totals	
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ (781,090)	\$ (834,266)	\$ (14,427)	\$ (1,629,783)	\$ 171,026
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation expense	967,649	996,421	13,012	1,977,082	208,529
Change in assets and liabilities:	0				
Decrease(increase) in accounts receivable	(159,969)	(33,469)	(36)	(193,474)	11,288
Increase(decrease) in other liabilities	(68,933)	(265,733)	(758)	(335,424)	36,262
Increase(decrease) in accounts payable	114,760	18,535	(2,584)	130,711	(80,124)
Net cash provided by (used for) operating activities	<u>\$ 72,417</u>	<u>\$ (118,512)</u>	<u>\$ (4,793)</u>	<u>\$ (50,888)</u>	<u>\$ 346,981</u>

Noncash capital financing activities:

During fiscal year 2007, the City accepted \$916,750 in water system and \$1,190,000 in wastewater system improvements from developers.

See accompanying notes to the basic financial statements

1. **Summary of Significant Accounting Policies**

A. **Reporting Entity**

The City of American Canyon is a municipal corporation governed by an elected five-member City Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable.

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. **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the *proprietary fund financial statements*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Note 1. Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Property taxes, sales taxes, transient occupancy taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The *Fire District Operations* fund is used to account for fire services provided by the component unit fire protection district. The *Infrastructure Capital Projects* fund is used to account for bond proceeds restricted for street and road modernization projects. The *City Capital Projects* fund used to account for major capital projects funded by other City sources. The *La Vigne and Road East Debt Service Funds* are used to account for special assessments collected for debt service, and the *Begin Program Fund* is used to account for first-time homebuyer assistance program resources.

The City reports the following major proprietary funds as well as internal service funds:

The *water fund* accounts for the operations of the City's water treatment and distribution system. The *wastewater fund* accounts for the operation of the City's wastewater treatment plant and collection facilities. In addition, the City reports internal service funds used to account for the City's general operating equipment and support services provided to other City departments, on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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 City's water and wastewater function and other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 the proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the costs of sales and services, administration costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The City is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, the Napa County Treasurer's Investment Pool, U.S. Treasury bonds, bills, and notes, obligations issued by US Government agencies, bankers acceptances, repurchase agreements, and time deposits and savings and demand accounts. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value. The State Treasurer's Investment Pool and County Investment Pool operate in accordance with appropriate state laws and regulations. The reported value of the pools is the same as the fair value of the pool shares. The investment agreement is carried at cost as it is a fixed rate and fixed term investment not subject to market factors.

The City's policy is to report as restricted cash and investments amounts held by the City's enterprise funds which amounts by law or other formal requirements can only be used for capital improvements or betterments to the respective enterprise systems.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are not shown net of an allowance for uncollectibles. Long-term notes receivable are reported as assets in the governmental funds, but are offset by deferred revenue amounts until collection is realized by the City and the collections are available for use in the funds.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to one percent of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of Napa collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1 and March 1, and become delinquent on December 10 and April 10. The City receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the plan, the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City recognizes property tax revenues in the fiscal year in which they are due to the City.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

Note 1. Summary of Significant Accounting Policies (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental-type or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$ 1,000(\$50,000 for infrastructure type assets) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Under the GASB 34 Implementation Rules, the City is a Phase 2 entity and was not required to record infrastructure assets existing or acquired prior to July 1, 2002 at the date these new financial reporting standards were implemented. The City is required to record such infrastructure assets prior to the fiscal year ending June 30, 2007, and the City has completed an inventory of its infrastructure type assets; and has reported them in these financial statements.. The costs of normal maintenance and repairs that do not add to the value of asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-30
Public domain infrastructure	50
System infrastructure-Utility	60
Vehicles and equipment	4 - 15

5. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Long-term Obligations

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

7. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Comparative Data

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in net assets. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current years' presentation.

2. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statements of net assets. One element of that reconciliation explains that "capital assets are not financial resources and are not reported in the funds." The details of this \$ 248,386,079 difference (exclusive on internal service fund net capital assets) is as follows:

Capital assets	\$ 263,610,212
Less: Accumulated depreciation	<u>(15,224,133)</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$ 248,386,079</u>

Another element of the reconciliation explains that "long-term liabilities" are not due and payable in the current period and are therefore not reported in the funds. The details of this \$36,353,796 difference are as follows:

Long-Term Debt Obligations and Related Interest	
Revenue bonds	\$ 3,380,000
Special assessment bonds	25,130,000
Capital lease obligation City Hall Facility	6,695,000
Capital lease obligation Fire equipment	332,551
Accrued interest on bonds	437,296
Compensated absences	<u>378,949</u>
Net adjustment to decrease fund balance total governmental Funds to arrive at net assets - governmental activities	<u>\$ (36,353,796)</u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$ 19,929,774 difference and other significant components of the difference are as follows:

Capital outlay	\$ 23,989,527
Depreciation expense	(1,570,728)
Proceeds of long-term debt	(6,695,000)
Long-term receivables-deferred revenues	3,233,190
Other items	<u>972,785</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 19,929,774</u>

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

3. Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis of consistent with generally accepted accounting principles for all governmental funds and proprietary funds. Appropriations lapse at fiscal year end. The appropriated budget is prepared by fund, function and department. The City Manager may make transfers of appropriations within a department. Transfers between departments and other changes require City Council approval. The legal level of control is the department and fund level. The Council made supplemental appropriations during the fiscal year. Encumbrance accounting is not employed in governmental funds. The expenditures budgets were exceeded by \$33,667, \$892, \$5,848, \$1,080,000, \$79,157, \$37,074, \$1,178,562 and \$830,599 in the Fire Equipment, SLESF, abandoned vehicle, Begin Program; LaVigne, Lease, and Road East Debt service funds, and Fire Mitigation funds respectively. These over expenditures were funded by available resources.

4. Detailed Notes on All Funds

A. Deposits and Investments

Deposits and investments at June 30, 2007 consisted of the following:

Pooled demand despots	\$ 984,510
Pooled investments	33,842,923
Investments with trustees	<u>14,358,775</u>

Total deposits and investments \$ 49,186,208

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy for deposits is that they will be made only in institutions in California, they shall be insured or collateralized with United States backed securities, and time certificates of deposit shall have a maturity of less than three years. At June 30, 2007, of the City's bank balances of \$3,746,828, \$ 3,446,828 was exposed to credit risk as that amount was uninsured but secured by collateral held by the pledging bank's agent but not in the name of the City.

Investments - At June 30, 2007, the City had the following investments.

<u>Type Investment</u>	<u>Average Maturity</u>	<u>Fair Value</u>
State of California Investment Pool	176 Days	\$ 30,191,274
Napa County Investment Pool	562 Days	3,651,649
Mutual Funds - First American Treasury	90 Days	<u>14,358,775</u>
Totals		<u>\$ 48,201,698</u>

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to maturities prescribed in Sections 53600 through 53609 of the California Government Code.

Credit Risk - State law limits investments in various securities to certain level of risk ratings issued by nationally recognized statistical rating organizations. It is the City's policy to comply with State law as regards securities ratings. The City's investment in mutual funds was rated Aaa, and the State of California Investment Pool and County of Napa Treasurer's Pool are unrated.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in mutual funds and external investment pools are not subject to custodial credit risk because the City's investment is not evidenced by specific securities. The City's investment policy specifies that securities are to be held by a third party, other than the counterparty, in the City's name, whenever possible.

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

4. Detailed Notes on All Funds (Continued)

B. Receivables

Receivables as of year-end for the government's individual major and nonmajor funds in the aggregate, net of the applicable allowances for uncollectible accounts, are as follows:

	General Fund and Fire District	Internal Service	Nonmajor Funds	Total Governmental	Water Wastewater	Nonmajor Proprietary
Accounts	\$ 208,960	\$ 6,845	\$ 33,361	\$ 249,166	\$ 1,067,209	\$ 36
Taxes	476,018	-	-	476,018	-	-
Interest	115,905	21,026	117,929	254,860	154,061	-
Governments	-	-	2,454,856	2,454,856	-	-
Notes	277,735	-	6,933,089	7,210,825	-	-
Assessments	-	-	21,819,550	21,819,550	-	-
Totals	\$ 1,078,618	\$ 27,871	\$ 31,358,785	\$ 32,465,275	\$ 1,221,270	\$ 36

Notes receivable consists primarily of 30 year notes secured by second and third deeds of trust on homes purchased by first-time homebuyers. Periodic payments of principal or interest are not required. Principal and accrued unpaid interest is payable upon sale of the residence or upon other specified conditions. The notes may be completely forgiven between years 26 through 30.

C. Interfund Transfers, receivables and payables

1. The composition of interfund transfers of June 30, 2007, is as follows:

Transfers In:	General Fund	Non-Major Funds	Fire District Operations	Water Wastewater Fund	City Capital Projects Fund	Total Transfers Out
Transfers Out:						
General fund	\$ -	\$1,520,637	\$ -	\$ -	\$ 7,143,019	\$ 8,663,656
Fire District Ops	-	445,876	-	-	-	445,876
Internal service	-	-	-	-	-	-
Nonmajor funds	31,900	160,300	-	300,000	800,000	1,292,200
Nonmajor transit	-	-	-	-	-	-
Water fund	60,000	27,000	-	-	600,000	687,000
Wastewater fund	60,000	21,900	-	-	600,000	681,900
Totals	\$151,900	\$2,175,713	\$ -	\$ 300,000	\$ 9,143,019	\$ 11,770,632

The primary transfers out of the general fund were \$675,600 to subsidize recreation activities, \$7,143,019 to fund capital projects (the City hall facility), and \$729,436 for lease revenue bonds and capital lease debt service. The primary non major fund transfers out were \$800,000 from the Civic Facility Impact Fee Fund to the City Capital Projects fund for the City Hall facility project.

2. The composition of interfund balances was:

Receivable Fund	Payable Fund	Asset	Liability
	Storm drain	\$ -	\$ 1,322,507
	PG&E grant	-	76,657
	Other non-major funds	-	96,961
	Fire mitigation	-	1,466,065
	Total nonmajor governmental Nonmajor transit	-	2,962,190
Internal service fund	Purpose-temporary cash flow needs	-	-
General fund	Purpose-temporary cash flow needs	1,588,363	86,668
Fire district operations fund	Purpose-temporary cash flow needs	1,532,733	72,238
Totals		\$ 3,121,096	\$ 3,121,096

The internal balances are all cash flow short term advances except for the advance made by the fire district operations fund to the fire district fire mitigation fund for funding of the new safety facility. That advance is to be repaid from future fire mitigation impact fees revenue.

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

4. Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital asset activity relating to governmental activities for the year ended June 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 7,039,675	\$ -	\$ (260,370)	\$ 6,779,305
Infrastructure - street right of ways	162,263,808			162,263,808
Construction in progress	<u>5,685,789</u>	<u>16,393,617</u>	<u>(2,236,816)</u>	<u>19,842,590</u>
Total capital assets, not being depreciated	<u>174,989,272</u>	<u>16,393,617</u>	<u>(2,497,186)</u>	<u>188,885,703</u>
Capital assets, being depreciated:				
Buildings	4,920,350	9,442,574	-	14,362,924
Machinery and equipment	3,386,362	390,153	-	3,776,515
Equipment- internal service fund	1,728,326	261,775	-	1,990,101
Infrastructure-streets and storm drains	<u>56,585,070</u>	<u>-</u>	<u>-</u>	<u>56,585,070</u>
Total capital assets being depreciated	<u>66,620,108</u>	<u>10,094,502</u>	<u>-</u>	<u>76,714,610</u>
Less accumulated depreciation for:				
Buildings	(1,562,218)	(192,963)	-	(1,755,181)
Machinery and equipment	(1,888,247)	(281,615)	-	(2,169,862)
Equipment-internal service	(1,075,737)	(208,529)	-	(1,284,266)
Infrastructure – streets and storm drains	<u>(10,202,940)</u>	<u>(1,096,150)</u>	<u>-</u>	<u>(11,299,090)</u>
Total accumulated depreciation	<u>(14,729,142)</u>	<u>(1,779,257)</u>	<u>-</u>	<u>(16,508,399)</u>
Total capital assets, being depreciated, net	<u>51,890,966</u>	<u>8,315,245</u>	<u>-</u>	<u>60,206,211</u>
Governmental activities capital assets, net	<u>\$226,880,238</u>	<u>\$24,708,862</u>	<u>\$(2,497,186)</u>	<u>\$249,091,914</u>

Construction in progress consists primarily of \$9,705,975 for the American Canyon Road widening project, \$6,804,800 for the new city hall facility, and \$1,527,100 for the wetlands restoration project.

CITY OF AMHERST, MASSACHUSETTS
Notes to the Basic Financial Statements
June 30, 2007

4. Detailed Notes on All Funds (Continued)

D. Capital Assets

Capital asset activity relating to business-type activities for the year ended June 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 1,642,993	\$ -	\$ -	\$ 1,642,993
Construction in progress	1,574,903	2,321,333	(1,073,426)	2,822,810
Total capital assets, not being depreciated	<u>3,217,896</u>	<u>2,321,333</u>	<u>(1,073,426)</u>	<u>4,465,803</u>
Capital assets, being depreciated:				
Buildings	6,827,336	-	-	6,827,336
Water treatment and distribution	32,028,375	5,570,060	-	37,598,435
Equipment	1,283,974	64,573	-	1,348,547
Wastewater treatment and collection	24,373,336	4,269,852	-	28,643,188
Total capital assets being depreciated	<u>64,513,021</u>	<u>9,904,485</u>	<u>-</u>	<u>74,417,506</u>
Less accumulated depreciation for:				
Buildings	(1,375,910)	(197,454)	-	(1,573,364)
Water treatment and distribution	(9,354,860)	(813,153)	-	(10,168,013)
Equipment	(811,432)	(140,773)	-	(952,205)
Wastewater treatment and collection	(3,686,418)	(825,702)	-	(4,512,120)
Total accumulated depreciation	<u>(15,228,620)</u>	<u>(1,977,082)</u>	<u>-</u>	<u>(17,205,702)</u>
Total capital assets, being depreciated, net	<u>49,284,401</u>	<u>7,927,403</u>	<u>-</u>	<u>57,211,804</u>
Business-type activities capital assets, net	<u>\$ 52,502,297</u>	<u>\$ 10,248,736</u>	<u>\$ (1,073,426)</u>	<u>\$ 61,677,607</u>

Construction in progress at year end consists primarily of water and wastewater line replacement projects.

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

4. Detailed Notes on All Funds (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	\$ 68,451
Public safety-fire	219,967
Public safety-police	74,161
Parks and recreation	111,999
Infrastructure-Streets	1,096,150
Capital assets held by the City's internal service fund are charged to the various functions based on their usage of the assets	<u>208,529</u>
Total depreciation expense-governmental activities	<u>\$ 1,779,257</u>
Business-type activities:	
Water	\$ 967,649
Wastewater	996,421
Transit	<u>13,012</u>
Total depreciation expense-governmental activities	<u>\$ 1,977,082</u>

E. Capital Leases - Business Type Activities

The City has entered into two lease agreements with original amounts of \$2,558,434 and \$7,308,527, respectively, as lessee for financing the acquisition of water and wastewater facilities, distribution systems, and water capacity. The lease agreements qualify as capital leases for accounting purposes and, therefore, the original costs capitalized were recorded at \$10,153,629 as of the inception dates. The assets have been capitalized in the respective funds and the related accumulated depreciation is recorded also in such funds. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2005 were as follows:

Fiscal Year Ending June 30	Business-Type Activities Water and Wastewater Enterprises	Business-Type Activities Water North Bay Aqueduct
2008	\$ 156,766	\$ 438,061
2009	138,068	437,985
2010	-	437,988
2011	-	433,629
2012	-	418,589
2013-2017	-	2,150,941
2018-2022	-	2,008,786
2023-2027	-	1,884,355
2028-2032	-	1,695,341
2033-2035	<u>-</u>	<u>940,498</u>
Total minimum lease payments	294,834	10,846,173
Less amounts representing interest	<u>(4,981)</u>	<u>(5,100,973)</u>
Net present value of minimum lease payments	<u>\$ 289,853</u>	<u>\$ 5,745,200</u>

4. Detailed Notes on All Funds(Continued)

F. Long-Term Debt

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. The City's general fund provides the majority of funds for repayment of this obligation. Annual debt service requirements to maturity for the 1992 Series Revenue Bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 175,000	\$ 139,762	\$ 314,762
2009	175,000	134,950	309,950
2010	180,000	129,524	309,524
2011	190,000	123,495	313,495
2012	195,000	116,750	311,750
2013-2017	1,100,000	463,728	1,563,728
2018-2022	1,365,000	199,225	1,564,225
Totals	<u>\$ 3,380,000</u>	<u>\$1,307,434</u>	<u>\$ 4,687,434</u>

Reassessment Revenue Bonds with Governmental Commitment

In fiscal year 2005, the City's Financing Authority issued \$7,255,000 in its Reassessment Revenue Bonds, Series 2004A, with an average coupon interest rate of 4.66 percent to advance refund \$6,675,000 of outstanding 2001 Limited Obligation Improvement Bonds. The bonds are secured by special assessments levied against properties within the District. The City is not obligated for repayment of the bonds or for payment of interest on the bonds, although the City may, in its sole discretion advance funds to cure deficiencies, should any arise. Principal on the bonds is due each September 2 through 2031, interest is payable each September 2 and March 2, and the bonds bear interest at rates from 2.0 to 5.0 percent. Future debt service on the bonds is:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 170,000	\$ 306,725	\$ 476,725
2009	175,000	302,475	477,475
2010	175,000	298,100	473,100
2011	185,000	293,068	478,068
2012	190,000	284,082	474,082
2013-2017	1,060,000	1,310,655	2,370,655
2018-2022	1,305,000	1,069,319	2,374,319
2023-2027	1,635,000	733,002	2,368,002
2028-2032	2,105,000	273,625	2,378,625
Totals	<u>\$ 7,000,000</u>	<u>\$ 4,871,051</u>	<u>\$11,871,051</u>

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

4. Detailed Notes on All Funds(Continued)

F. Long-Term Debt(Continued)

Infrastructure Revenue Bonds with Governmental Commitment

In fiscal year 2006, the City's Financing Authority issued \$18,405,000 in its Infrastructure Revenue Bonds, Series 2005. The bonds were issued for the purpose of providing financing to make major street and road realignments and improvements. Under the arrangement, the component unit Financing Authority sold its bonds and then used the proceeds to purchase Limited Obligation Bonds issued by the City. The limited obligation bonds are the security for repayment of the Infrastructure Revenue Bonds. The transactions between the blended component unit Financing Authority and the City have been eliminated from the financial statements.

The bonds are secured by special assessments levied against properties within the District. The City is not obligated for repayment of the bonds or for payment of interest on the bonds, although the City may, in its sole discretion advance funds to cure deficiencies, should any arise. Principal on the bonds is due each September 2 through 2036, interest is payable each September 2 and March 2, and the bonds bear interest at rates from 2.95 to 5.1 percent.

Future debt service on the bonds is:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 320,000	\$ 870,815	\$ 1,190,815
2009	330,000	860,895	1,190,895
2010	340,000	849,675	1,189,675
2011	355,000	837,350	1,192,350
2012	365,000	823,594	1,188,594
2013-2017	2,075,000	3,831,729	5,906,729
2018-2022	2,595,000	3,276,188	5,871,188
2023-2027	3,315,000	2,565,099	5,880,099
2028-2032	4,220,000	1,627,263	5,847,263
2033-2036	4,215,000	443,573	4,658,573
Totals	<u>\$ 18,130,000</u>	<u>\$ 15,986,181</u>	<u>\$34,116,181</u>

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

4. Detailed Notes on All Funds (Continued)

F. Long-Term Debt(Continued)

Loans From Other Governments

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 bears interest at 2.5 percent, and the loan is secured by a pledge to levy taxes or assessments in amounts sufficient to payment debt service. The City makes repayments from its water enterprise fund from available resources. Future debt service on the loan is:

Fiscal Year	Principal	Interest	Total
2008	\$ 48,620	\$ 33,042	\$ 81,662
2009	49,836	31,826	81,662
2010	51,082	30,580	81,662
2011	52,359	29,303	81,662
2012	53,668	27,994	81,662
2013-2017	289,147	119,160	408,307
2018-2022	327,143	81,164	408,307
2023-2027	370,132	38,175	408,307
2028	321,464	1,992	323,456
Totals	<u>\$ 1,563,451</u>	<u>\$ 393,236</u>	<u>\$ 1,956,687</u>

State of California Revolving Fund Loan

The City obtained a \$10,008,812 loan from the State of California Department of Water Resources under the State Revolving Loan Program for the purpose of obtaining financing to construction 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. Future debt service is:

Fiscal Year	Principal	Interest	Total
2008	\$ 426,977	\$ 226,954	\$ 653,931
2009	438,505	215,426	653,931
2010	450,345	203,586	653,931
2011	462,504	191,427	653,931
2012	474,992	178,939	653,931
2013-2017	2,574,397	695,258	3,269,655
2018-2022	2,941,222	328,433	3,269,655
2023	636,741	17,190	653,931
Totals	<u>\$ 8,405,683</u>	<u>\$ 2,057,213</u>	<u>\$10,462,896</u>

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

4. Detailed Notes on All Funds (Continued)

F. Long-Term Debt (Continued)

Note Payable – City of Vallejo

During the 2007 fiscal year, 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 annum as follows:

Fiscal Year	Principal	Interest	Total
2008	\$ 535,755	\$ 113,421	\$ 649,176
2009	568,383	80,793	649,176
2010	602,998	46,178	649,176
2010	<u>315,134</u>	<u>9,454</u>	<u>324,588</u>
Totals	<u>\$ 2,022,270</u>	<u>\$ 249,846</u>	<u>\$ 2,272,116</u>

Changes in Long-term liabilities

Long-term debt activity for the 2007 fiscal year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2002 Lease Revenue Bonds	\$ 3,545,000	\$ -	\$ 165,000	\$ 3,380,000	\$175,000
Infrastructure revenue Bonds	18,405,000	-	275,000	18,130,000	320,000
Reassessment Revenue Bonds	7,165,000	-	165,000	7,000,000	170,000
Capital Lease – Fire Engines	500,957	-	168,406	332,551	174,147
Capital Lease – City Hall	-	6,695,000	-	6,695,000	-
Compensated Absences Claims	378,481 22,861	92,897 -	- -	471,378 22,861	271,378 -
Total	<u>\$30,017,299</u>	<u>\$ 6,787,897</u>	<u>\$ 773,406</u>	<u>\$ 36,031,790</u>	<u>\$1,110,525</u>
Business-Type Activities:					
Capital Lease-NBA	\$ 5,909,403	\$ -	\$ 164,203	\$ 5,745,200	\$125,439
Capital Lease	577,265	-	287,412	289,853	143,343
Davis Grunsky State Loan	1,622,398	-	58,947	1,563,451	48,620
Note Payable	-	2,346,860	324,590	2,022,270	263,919
State Revolving Fund Loan	8,821,434	-	415,751	8,405,683	426,977
Compensated Absences	114,080	111,620	114,080	111,620	111,620
Total	<u>\$17,044,581</u>	<u>\$ 2,458,480</u>	<u>\$1,364,983</u>	<u>\$18,138,079</u>	<u>\$1,119,918</u>

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

4. Detailed Notes on All Funds (Continued)

G. Capital Leases - Governmental Type-Activities

In fiscal year 2005, the City's Fire District entered into a capital lease for the purpose of financing the acquisition of new fire engines. The lease is a capital lease and the equipment has been capitalized at \$850,000 in the capital assets of the City's governmental activities. The lease bears interest at a rate of 3.175 percent and is payable in annual installments through 2009. In fiscal 2007, the City and its Financing Authority entered into a lease purchase arrangement for \$6,695,000 to provide financing for the acquisition, construction and improvement of facilities to be used as a City Hall. Future minimum lease obligations and the net present value of these minimum lease payments at June 30, 2007 are:

<u>Fiscal Year</u>	<u>City Hall Facility</u>	<u>Fire Equipment</u>
2008	\$ 287,066	\$ 184,399
2009	303,953	184,399
2010	473,953	-
2011	476,235	-
2012	473,063	-
2013-2017	2,380,250	-
2018-2022	2,373,300	-
2023-2027	2,376,200	-
2028-2032	2,371,923	-
Total minimum lease payments	11,515,943	368,798
Less amounts representing interest	(4,820,943)	(46,247)
Net present value of minimum lease payments	<u>\$ 6,695,000</u>	<u>\$ 322,551</u>

5. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance. The City participates as a member of the ABAG Plan Corporation (The Plan).

Members of the Plan pool or transfer the risk of losses to the Plan. The Plan is self-insured for the first \$ 5 million in general liability losses and carries commercial excess insurance for an additional \$5 million. The uninsured risk of loss retained by the City for general liability claims is \$25,000 per incident. The Plan provides property insurance to members with a coverage of one billion per occurrence for all members; and the Plan is self-insured for the first \$100,000 per incident with the excess provided by purchased insurance. The City is also covered by the Plan's Employee Dishonesty coverage up to \$ one million. Workers compensation insurance is provided by the State Compensation Insurance Fund with coverage up to \$ one million per claim; and the City has no deductible for such claims. Insurance transactions are accounted for in the City's support service internal service 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 \$6 million per occurrence with an aggregate limit of \$6 million. The Authority also provides property coverage with a limit of \$5 million. 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 \$ 5 million per claim. The District has no deductible for such claims.

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

5. Other Information (Continued)

A. Risk Management (Continued)

Liabilities of the City are reported in the statement of net assets for the governmental activities when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverage for each of the past three fiscal years.

Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2006	Year Ended 6/30/2007
Unpaid claims, beginning of fiscal year	\$ 22,861	\$ 22,861
Incurred claims (including IBNRs)	175,000	-
Claim payments	(175,000)	-
Unpaid claims, end of fiscal year	<u>\$ 22,861</u>	<u>\$ 22,861</u>

B. Contingencies and Commitments

Litigation. The City is involved in litigation incurred in the normal course of conducting City business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants and allocations. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

5. Other Information (Continued)

C. Public Employees Retirement System

Plan Description. The City of American Canyon contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer, public employee, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by the State statute and City ordinance. The PERS issues publicly available financial reports that includes the financial statements and required supplementary information for the PERS. Copies of PERS annual financial report may be obtained from their executive office, 400 "P" Street, Sacramento, California 95814.

Funding Policy and Annual Pension Cost. The contribution requirements of plan members and the City are established by and may be amended by PERS. Regular plan members are required to contribute 7 percent of their annual covered salary and safety members are required to contribute 9.0 percent. The City is required to contribute at actuarially determined rates. The current rate for regular employees is 14.922 percent of covered payroll and is 28.398 percent of covered payroll for safety personnel. The City's annual pension cost for the most recent year for each plan is as follows:

Three-year Trend of Information

Plan	Year Ending	Annual Pension Cost	Percentage of APC Contributed	Net Pension Obligation
Regular employees	6/30/05	\$ 393,789	100%	\$ -
	6/30/06	\$ 530,949	100%	\$ -
	6/30/07	\$ 665,542	100%	\$ -
Safety employees	6/30/05	\$ 282,131	100%	\$ -
	6/30/06	\$ 286,593	100%	\$ -
	6/30/07	\$ 405,299	100%	\$ -

D. Restricted Net Assets and Designated Fund Balances

The \$ 43,147,950 restricted amount in the governmental activities and the \$ 6,612,632 in the business-type activities statement net assets represent amounts to be used only for specific purposes which restrictions are imposed by laws, formal agreements or other governments.

Reserved fund balances consisted of the following:

Purpose	General Fund	Other Funds
Notes receivables	\$ 172,055	\$ -
Internal balances	1,588,363	-
Development and planning	1,104,081	-
Prepayments	48,196	-
Debt service	-	3,955,073
	<u>\$ 2,912,695</u>	<u>\$ 3,955,073</u>

CITY OF AMERICAN CANYON
Notes to the Basic Financial Statements
June 30, 2007

5. Other Information (Continued)

D. Restricted Net Assets and Designated Fund Balances Continued)

Portions of unreserved fund balances in the fund financial statements may be designated to indicate tentative plans for financial resource utilization in a future period, such as for general contingencies or capital projects. Such plans are subject to change, have not been legally authorized, and may not result in expenditures. Unreserved designated fund balances were:

Purpose	General Fund	Fire District	Infrastructure	City Capital	Nonmajor Funds
Little League	\$ 7,500	\$ -	\$ -	\$ -	\$ -
Cash flow needs	-	400,000	-	-	-
Economic development	750,000	-	-	-	-
Catastrophy	750,000	-	-	-	-
Technology	300,000	-	-	-	-
Capital projects	-	-	10,150,914	3,221,125	4,339,131
Pavement repairs	400,000	-	-	-	-
Equipment replacement	-	147,043	-	-	-
Contingencies	840,000	-	-	-	-
Employee retiree benefits	500,000	44,000	-	-	-
General plan and other	200,000	-	-	-	-
Seismic retrofit	-	130,000	-	-	-
City hall building	47,686	-	-	-	-
Totals	\$3,795,186	\$ 721,043	\$10,150,914	\$3,221,125	\$4,339,131

E Other Post Employment Benefits

The City provides post retirement health insurance benefits, as per the requirements of a local resolution, for certain retirees and their dependents. The benefits vary depending upon the retiree's years of service. The City pays a percentage of the retiree's health insurance premiums. For the fiscal year ended June 30, 2007, there were 13 retirees receiving such benefits and the city paid \$108,223 in premiums. The City funds these costs on a pay as you go basis. In addition, the City has set aside in special local funds \$875,125 to pay for such future costs.

F. Change in Accounting Principle

As required by Governmental Accounting Standards Board (GASB) Statement Number 34, the City in fiscal year 2007 retroactively accounted for the estimated cost of the City's infrastructure capital assets such as streets, roads, bridges, street lights, storm drains, right of ways, and similar major infrastructure type assets owned and maintained by the City but not previously accounted for and reported in the City's financial statements in their entirety. The impact of reporting these major infrastructure capital assets and related accumulated depreciation was:

	Amount
Net assets, governmental-type activities as originally reported at June 30, 2006	\$ 91,162,152
Changes to record:	
Estimated costs of major infrastructure capital assets	218,848,878
Estimated accumulated depreciation on such capital assets	(10,202,940)
Remove estimated costs and accumulated depreciation on	
Net capital assets reported since 2003 and included in above	(26,766,771)
Net assets, governmental-type activities as restated At June 30, 2006	<u>\$ 273,041,319</u>

Required Supplemental Information Section



**Public Works Director
Robert Weil**



**Community Services Director
Randy Davis**

CITY OF AMERICAN CANTON
 Budgetary Comparison Schedule - General Fund
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
Fund Balance, July 1	\$ 8,119,510	\$ 8,119,510	\$ 8,119,510	\$ -
Resources (inflows):				
Property taxes	6,334,642	6,334,642	6,416,082	81,440
Sales taxes	1,750,000	1,750,000	1,276,569	(473,431)
Other taxes	817,554	1,446,087	784,213	(661,874)
License permits	1,159,000	542,000	484,348	(57,652)
Fines and forfeits	90,500	90,500	136,733	46,233
Interest and rents	285,000	285,000	645,352	360,352
Intergovernmental	1,622,065	1,622,065	1,710,704	88,639
Charges for services	1,566,274	1,580,324	902,335	(677,989)
Miscellaneous	266,850	265,900	512,921	247,021
Proceeds of long term debt	-	6,610,000	6,695,000	85,000
Transfers in	151,900	186,900	151,900	(35,000)
Amounts available for charges to appropriations	<u>22,163,295</u>	<u>28,832,928</u>	<u>27,835,667</u>	<u>(997,261)</u>
Charges to appropriations:				
<i>General government:</i>				
City council	144,200	200,058	128,761	71,297
City clerk	297,300	382,959	314,426	68,533
City attorney	526,500	776,500	780,550	(4,050)
City Manager	534,200	544,032	362,986	181,046
Economic development	113,400	113,400	75,418	37,982
Nondepartmental	543,600	608,600	519,665	88,935
General contingencies	4,786,928	3,522,108	-	3,522,108
<i>Public safety:</i>				
Police	4,228,000	4,237,702	4,140,610	97,092
<i>Planning</i>				
Planning	3,116,532	3,861,259	1,059,768	2,801,491
Housing	186,000	186,000	74,520	111,480
Building and safety	1,310,900	1,363,974	939,717	424,257
<i>Public works:</i>				
Road maintenance	1,418,200	1,734,078	975,295	758,783
Engineering	1,570,000	968,302	897,189	71,113
Curb and sidewalk maintenance	-	15,000	2,707	12,293
Fencing	-	5,000	3,456	1,544
Stormwater	125,700	139,125	113,638	25,487
<i>Parks:</i>				
Parks	930,400	933,319	820,727	112,592
<i>Transfers out</i>	871,600	8,481,600	8,663,656	(182,056)
Total charges to appropriations	<u>20,703,460</u>	<u>28,073,016</u>	<u>19,873,089</u>	<u>8,199,927</u>
Fund Balance, June 30	<u>\$ 1,459,835</u>	<u>\$ 759,912</u>	<u>\$ 7,962,578</u>	<u>\$ 7,202,666</u>

CITY OF AMERICAN CANYON

Budgetary Comparison Schedule - General Fund
 Note to RSI
 For the Fiscal Year Ended June 30, 2007

Note A. Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and expenditures:

Sources/inflows resources:

Actual amounts "available for appropriation" from budgetary comparison schedule: \$ 27,835,667

Differences - budget to GAAP:

The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes (8,119,510)

Proceeds from the issuance of long-term provides current financial resources in the funds, but is not reported as a revenue in the statement of activities. (6,695,000)

Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes (151,900)

Total revenues as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 12,869,257

Uses/outflows of resources:

Actual amounts "total charges to appropriations" from the budgetary comparison schedule \$ 19,873,089

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes (8,663,656)

Total expenditures as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds \$ 11,209,433

CITY OF AMERICAN CANYON
 Budgetary Comparison Schedule - Fire District Operations Special Revenue Fund
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Fund Balance, July 1	\$ 2,133,715	\$ 2,133,715	\$ 2,133,715	\$ -
Resources (inflows):				
Property taxes	2,475,000	2,932,500	2,940,497	7,997
Charges for services	575,000	732,500	729,868	(2,632)
Interest	28,000	60,000	98,011	38,011
Miscellaneous	22,000	22,000	10,735	(11,265)
Transfers in	75,000	-	-	-
Amounts available for charges to appropriations	<u>5,308,715</u>	<u>5,880,715</u>	<u>5,912,826</u>	<u>32,111</u>
Charges to appropriations:				
Current:				
Public safety	2,949,000	3,206,700	3,088,867	117,833
Capital outlay	156,000	298,000	149,824	148,176
Transfers	70,000	479,293	445,876	33,417
Total charges to appropriations	<u>3,175,000</u>	<u>3,983,993</u>	<u>3,684,567</u>	<u>299,426</u>
Fund Balance, June 30	<u>\$ 2,133,715</u>	<u>\$ 1,896,722</u>	<u>\$ 2,228,259</u>	<u>\$ 331,537</u>

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

Sources/inflows of resources::

Actual amounts available for appropriation from budgetary data above: \$ 5,912,826

Differences-budget to GAAP:

Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes \$ -

The fund balance at the beginning of the year is a budgetary resource but is not current year revenue for financial reporting purposes (2,133,715)

Total revenues as reported in the statement of revenues, expenditures and changes in fund balances-governmental funds \$ 3,779,111

Sources of outflows of resources:

Actual charges to appropriations from budgetary data above: \$ 3,684,567

Differences-budget to GAAP:

Transfers out are a budgetary use but are not considered to be expenditures for financial reporting purposes (445,876)

Total expenditures as reported in the statement of revenues, expenditures, and changes in fund balances \$ 3,238,691

Optional Supplementary Information Section



***Police Chief
Brian Banducci***

OPTIONAL SUPPLEMENTARY INFORMATION

*NONMAJOR FUNDS AND INTERNAL SERVICE FUNDS
COMBINING FINANCIAL STATEMENTS
BUDGET AND ACTUAL SCHEDULES OTHER GOVERNMENTAL FUNDS
SCHEDULES OF CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES*

City of American Canyon
 Contributing Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007
 (With Comparative Totals for June 30, 2006)

	Special Revenue Funds												
	Storm Drainage	Gas Tax	Equipment Replacement	State and Federal Grants	Recreation	CDBG Loan Repayment	State Supplemental Law Enforcement	STP Road Maintenance	Police Grants	Cat Fed Grant	LA Vigne Landscape and Lighting	LA Vigne Administration	LA Vigne Open Space
Assets													
Cash and Investments	\$ -	\$ 834,114	\$ 129,584	\$ 3,858	\$ 157,417	\$ 366,869	\$ 30,871	\$ -	\$ -	\$ -	\$ 827,477	\$ 101,122	\$ 172,064
Receivables:													
Accounts	-	-	-	-	5,604	-	-	-	-	-	-	-	-
Interest	-	10,284	-	-	1,379	-	15	-	-	-	9,414	1,126	1,910
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Assessments	1,329,282	28,793	-	-	-	-	-	55	275	-	217,435	-	-
Notes receivable, long-term	-	-	-	-	-	200,515	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Held for Resale	-	-	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 1,329,282	\$ 873,191	\$ 129,584	\$ 3,858	\$ 164,460	\$ 567,384	\$ 30,886	\$ 55	\$ 275	\$ -	\$ 1,054,326	\$ 102,248	\$ 173,974
Liabilities and Fund Balances													
Liabilities:													
Accounts payable	\$ 7,074	\$ 38,695	\$ -	\$ -	\$ 28,317	\$ -	\$ 30,886	\$ -	\$ -	\$ -	\$ 13,323	\$ 1,148	\$ -
Accrued liabilities	8,119	-	-	-	49,651	-	-	-	-	-	-	-	-
Due to other funds	1,322,507	-	-	-	-	201,327	-	55	275	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	1,337,700	38,695	-	-	77,968	201,327	30,886	55	275	-	13,323	1,148	-
Fund balances:													
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved:													
Designated for capital projects	(8,418)	834,496	129,584	3,858	86,492	366,057	-	-	-	-	1,041,003	101,100	173,974
Undesignated	(8,418)	834,496	129,584	3,858	86,492	366,057	-	-	-	-	1,041,003	101,100	173,974
Total fund balances	\$ 1,329,282	\$ 873,191	\$ 129,584	\$ 3,858	\$ 164,460	\$ 567,384	\$ 30,886	\$ 55	\$ 275	\$ -	\$ 1,054,326	\$ 102,248	\$ 173,974

(continued)

City of American Canyon
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007
 (With Comparative Totals for June 30, 2006)

Special Revenue Funds											
	PG&E Grant	Employee Home Assistance	Relieve Health Benefits	Solid Waste Management	Newell Park Open Space	Abandoned Vehicle	Fire District Health Benefits	Safe Route to Schools	Bus Stop Improvement	IFCA Grant	Proposition 50 Grant
Assets											
Cash and Investments	\$ -	\$ 124,720	\$ 717,156	\$ 13,309	\$ 13,644	\$ 39,144	\$ 150,000	\$ -	\$ -	\$ -	\$ -
Receivables:											
Accounts	-	-	7,969	-	-	-	-	-	-	-	-
Interest	-	-	-	140	151	408	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	76,657	-	-	-	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-	4,000	15,651	72,065	54,885
Notes receivable, long-term	-	184,170	-	-	-	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 76,657	\$ 308,890	\$ 725,125	\$ 13,449	\$ 13,795	\$ 39,552	\$ 150,000	\$ 4,000	\$ 15,651	\$ 72,065	\$ 54,885
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ 15,716	\$ -	\$ -	\$ -	\$ -	\$ 15,651	\$ 72,065	\$ -
Accrued liabilities	-	-	-	1,309	-	113	-	-	-	-	-
Due to other funds	76,657	-	-	-	-	-	-	4,000	-	-	54,885
Deferred revenue	-	184,170	-	-	-	-	-	-	-	-	-
Total liabilities	76,657	184,170	-	17,055	-	113	-	4,000	15,651	72,065	54,885
Fund balances:											
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-
Unreserved:											
Designated for capital projects	-	124,720	725,125	(3,606)	13,795	39,439	150,000	-	-	-	-
Undesignated	-	124,720	725,125	(3,606)	13,795	39,439	150,000	-	-	-	-
Total fund balances	\$ 76,657	\$ 308,890	\$ 725,125	\$ 13,449	\$ 13,795	\$ 39,552	\$ 150,000	\$ 4,000	\$ 15,651	\$ 72,065	\$ 54,885
Total liabilities and fund balances											

City of American Canyon
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007
 (With Comparative Totals for June 30, 2006)

Special Revenue Fund	Debt Service Funds		Capital Projects Funds					Totals	
	Fire District	Fire District	Fire Mitigation	Park Improvement	Traffic Impact	Civic Facility	Affordable Housing	2007	2006
CLEEF	Lease Revenue Bonus	Cabernet Village Lease							
\$ -	\$ 310,602	\$ 566,971	\$ 428,959	\$ 3,391,190	\$ 1,553,146	\$ -	\$ 1,229,229	\$ 11,169,586	\$ 14,137,588
-	-	-	6,722	-	21,035	-	-	33,361	93,573
-	-	-	5,096	38,602	17,356	9,011	11,726	114,589	134,344
-	-	-	-	-	-	-	-	-	43,028
-	-	-	-	10,567	-	-	-	1,600,230	805,696
-	-	-	-	-	-	-	-	217,435	-
-	-	-	-	-	-	-	934,404	1,319,089	2,461,365
-	-	-	-	-	-	-	-	131,929	260,370
\$ -	\$ 310,602	\$ 566,971	\$ 440,779	\$ 3,448,359	\$ 1,591,537	\$ 9,011	\$ 2,175,359	\$ 14,454,290	\$ 18,067,903
\$ -	\$ 1,500	\$ -	\$ 53,956	\$ 403,387	\$ 297,378	\$ 24,666	\$ 46,476	\$ 1,050,238	\$ 603,328
-	-	-	428,959	-	-	-	-	408,181	51,259
-	-	-	1,446,065	-	-	51,746	-	2,962,190	988,631
-	-	-	-	-	-	-	934,404	1,319,901	2,462,178
-	1,500	-	1,928,980	403,387	297,378	82,412	980,800	5,820,510	4,105,396
-	317,182	566,971	-	-	-	-	-	864,153	361,622
-	-	-	(1,488,201)	3,044,972	1,294,159	(13,401)	1,194,479	4,339,131	9,900,345
-	317,182	566,971	(1,488,201)	3,044,972	1,294,159	(13,401)	1,194,479	3,410,496	3,700,540
\$ -	\$ 318,682	\$ 566,971	\$ 440,779	\$ 3,448,359	\$ 1,591,537	\$ 9,011	\$ 2,175,359	\$ 14,454,290	\$ 18,067,903

Assets

Cash and investments
 Receivables:
 Accounts
 Interest
 Taxes
 Intergovernmental
 Assessments
 Notes receivable, long-term
 Prepayments
 Property Held for Resale

Total assets

Liabilities and Fund Balances

Liabilities:

Accounts payable
 Accrued liabilities
 Due to other funds
 Deferred revenue

Total liabilities

Fund balances:

Reserved for debt service
 Unreserved:
 Designated for capital projects
 Undesignated

Total fund balances

Total liabilities and fund balances

City of American Canyon
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Nonmajor Governmental Funds
 For The Fiscal Year Ended June 30, 2007
 (With Comparative Totals For June 30, 2006)

	Special Revenue Funds										
Revenues:	PG&E Grant	Employee Home Assistance	Retiree Health Benefits	Solid Waste Management	Newell Park Open Space	Abandoned Vehicles	Fire District Health Benefits	Sale Routes to Schools	Bus Stop Improvement	TFCA Grant	Proposition 50 Grant
Sales taxes	-	-	-	-	-	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	78,000	-	-	5,000	-	16,842	-	4,000	15,651	72,065	54,885
Interest	-	5,474	32,610	813	678	1,885	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-
Total revenues	78,000	5,474	32,610	5,813	678	18,627	-	4,000	15,651	72,065	54,885
Expenditures:											
Current:											
Public safety:											
Police and fire services	-	-	108,224	-	-	8,548	-	-	-	-	-
Public works:											
Road and park maintenance	-	-	-	-	-	-	-	-	-	-	-
Storm drain	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	40,000	-	-	-	-	-	-	-	-	-
Solid waste management	-	-	-	61,353	-	-	-	-	-	-	-
Recreation	-	-	-	-	3,251	-	-	-	-	-	-
Capital outlay	78,148	-	-	-	-	-	-	4,000	15,651	72,065	54,885
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Costs of issuance	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	78,148	40,000	108,224	61,353	3,251	8,548	-	4,000	15,651	72,065	54,885
Excess (deficiency) of revenues over expenditures	(148)	(34,526)	(75,614)	(55,540)	(2,573)	10,079	-	-	-	-	-
Other financing sources (uses):											
Sale of affordable housing sites	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	145,200	34,500	-	-	50,000	-	-	-	-
Transfers out	-	-	-	(200)	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	145,200	34,300	-	-	50,000	-	-	-	-
Net change in fund balances	(148)	(34,526)	69,586	(21,240)	(2,573)	10,079	50,000	-	-	-	-
Fund balances, July 1	148	159,246	655,539	17,634	16,368	29,360	100,000	-	-	-	-
Fund balances, June 30	\$ -	\$ 124,720	\$ 725,125	\$ (3,606)	\$ 13,795	\$ 39,439	\$ 150,000	\$ -	\$ -	\$ -	\$ -

City of American Canyon
 Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Nonmajor Governmental Funds
 For The Fiscal Year Ended June 30, 2007
 (With Comparative Totals For June 30, 2006)

Special Revenue Fund	Debt Service Funds		Capital Projects Funds					Totals		
	CLEEP	1997 Lease Revenue Bonds	Cabernet Village Lease	Fire Mitigation	Park Improvement	Traffic Impact	Civic Facility	Affordable Housing	2007	2006
Revenues:										
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 587,172	\$ 742,110
Special assessments	-	-	-	-	-	-	-	-	436,862	490,220
Intergovernmental	-	-	-	-	-	-	-	-	757,855	1,343,377
Interest	-	17,674	-	39,201	168,444	76,882	53,577	10,439	534,072	675,645
Charges for services	-	-	-	61,015	41,925	39,242	53,807	-	540,212	2,250,285
Miscellaneous	-	-	-	-	-	-	-	9,495	58,173	29,799
Total revenues	-	17,674	-	100,216	210,369	116,124	107,384	19,935	2,914,346	5,531,436
Expenditures:										
Current:										
Public safety:										
Police and fire services	43	-	-	-	-	-	-	-	217,982	200,737
Public works:										
Road and park maintenance	-	-	-	-	-	-	-	-	463,855	391,401
Storm drain	-	-	-	-	-	-	-	-	283,772	176,118
Economic development	-	-	-	-	-	-	-	50,227	101,780	2,323,683
Solid waste management	-	-	-	-	-	-	-	-	61,353	34,699
Recreation	-	-	-	-	-	-	-	-	1,371,636	1,103,794
Capital outlay	-	-	-	3,585,544	720,403	1,017,967	1,380,751	-	7,209,758	3,952,606
Debt services:										
Principal	-	165,000	-	-	-	-	-	-	333,406	329,644
Interest	-	152,074	-	-	-	-	-	-	166,066	171,481
Costs of issuance	-	-	52,606	-	-	-	-	-	52,606	-
Total expenditures	43	317,074	52,606	3,585,544	720,403	1,017,967	1,380,751	50,227	10,344,214	8,764,165
Excess (deficiency) of revenues over expenditures	(43)	(299,400)	(52,606)	(3,485,328)	(510,034)	(901,843)	(1,273,367)	(30,292)	(7,429,068)	(3,232,729)
Other financing sources (uses):										
Sale of affordable housing sites	-	-	-	-	-	-	-	-	1,217,628	-
Transfers in	-	254,960	619,577	-	-	-	-	-	2,175,713	1,554,158
Transfers out	-	-	-	-	(117,600)	-	(827,500)	-	(1,292,200)	(2,281,918)
Total other financing sources (uses)	-	254,960	619,577	-	(117,600)	-	(827,500)	1,217,628	2,101,141	(727,760)
Net change in fund balances	(43)	(44,440)	566,971	(3,485,328)	(627,634)	(801,843)	(2,100,867)	1,187,336	(5,328,727)	(3,960,489)
Fund balances, July 1	43	961,622	-	1,997,127	3,672,606	2,196,002	2,027,466	7,143	13,962,507	17,922,996
Fund balances, June 30	-	\$ 317,182	\$ 566,971	\$ (1,488,201)	\$ 3,044,972	\$ 1,294,159	\$ (73,401)	\$ 1,194,479	\$ 8,633,780	\$ 13,962,507

CITY OF AMERICAN CANYON
Storm Drainage Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 828,700	\$ 1,128,700	\$ 587,172	\$ (541,528)
Interest	-	-	-	-
Total revenues	<u>828,700</u>	<u>1,128,700</u>	<u>587,172</u>	<u>(541,528)</u>
Expenditures:				
Current:				
Highways and streets:				
Storm drainage projects	528,700	830,700	283,772	546,928
Total expenditures	<u>528,700</u>	<u>830,700</u>	<u>283,772</u>	<u>546,928</u>
Excess(deficiency) of revenues over expenditures	300,000	298,000	303,400	5,400
Other Financing Use				
Transfers out	(300,000)	(303,400)	(303,400)	-
Fund balance, July 1	<u>(8,418)</u>	<u>(8,418)</u>	<u>(8,418)</u>	<u>-</u>
Fund balance, June 30	<u>\$ (8,418)</u>	<u>\$ (13,818)</u>	<u>\$ (8,418)</u>	<u>\$ 5,400</u>

CITY OF AMERICAN CANYON
Gas Tax Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 333,248	\$ 333,248	\$ 364,079	\$ 30,831
Interest	3,710	3,710	47,402	43,692
Miscellaneous	-	-	-	-
Total revenues	<u>336,958</u>	<u>336,958</u>	<u>411,481</u>	<u>74,523</u>
Expenditures:				
Current:				
Highways and streets:				
Traffic lights and signals	20,000	25,496	74,410	(48,914)
Street maintenance	246,700	331,691	207,754	123,937
Capital outlay	<u>928,500</u>	<u>909,000</u>	<u>253,537</u>	<u>655,463</u>
Total expenditures	<u>1,195,200</u>	<u>1,266,187</u>	<u>535,701</u>	<u>730,486</u>
Excess (deficiency) of revenues over expenditures	<u>(858,242)</u>	<u>(929,229)</u>	<u>(124,220)</u>	<u>805,009</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Net change in fund balances	(858,242)	(929,229)	(124,220)	805,009
Fund balance, July 1	<u>958,716</u>	<u>958,716</u>	<u>958,716</u>	<u>-</u>
Fund balance, June 30	<u>\$ 100,474</u>	<u>\$ 29,487</u>	<u>\$ 834,496</u>	<u>\$ 805,009</u>

CITY OF AMERICAN CANTON
 Fire District Equipment Replacement Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	5,000	-	-	-
Total revenues	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Public safety training	-	-	-	-
Debt service:				
Principal	180,000	180,000	168,406	11,594
Interest	-	-	15,992	(15,992)
Capital outlay	-	-	29,269	(29,269)
Total expenditures	<u>180,000</u>	<u>180,000</u>	<u>213,667</u>	<u>(33,667)</u>
Excess(deficiency) of revenues over expenditures	<u>(175,000)</u>	<u>(180,000)</u>	<u>(213,667)</u>	<u>(33,667)</u>
Other financing sources:				
Transfers out	-	-	-	-
Transfers in	-	381,349	381,349	-
Total other financing sources(uses)	<u>-</u>	<u>381,349</u>	<u>381,349</u>	<u>-</u>
Net change in fund balances	(175,000)	201,349	167,682	(33,667)
Fund balance, July 1	<u>(38,098)</u>	<u>(38,098)</u>	<u>(38,098)</u>	<u>-</u>
Fund balance, June 30	<u>\$ (213,098)</u>	<u>\$ 163,251</u>	<u>\$ 129,584</u>	<u>\$ (33,667)</u>

CITY OF AMERICAN CANYON
 Fire District State and Federal Grants Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental - federal grant	\$ 235,000	\$ 285,000	\$ 41,510	\$ (243,490)
Intergovernmental - state grant	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>235,000</u>	<u>285,000</u>	<u>41,510</u>	<u>(243,490)</u>
Expenditures:				
Current:				
Fire services	-	-	-	-
Capital outlay	300,000	300,000	56,037	243,963
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>56,037</u>	<u>243,963</u>
Excess(deficiency) of revenues over expenditures	<u>(65,000)</u>	<u>(15,000)</u>	<u>(14,527)</u>	<u>473</u>
Other financing sources:				
Transfers in	65,000	47,944	14,527	(33,417)
Transfers out	-	-	-	-
Total other financing sources(uses)	<u>65,000</u>	<u>47,944</u>	<u>14,527</u>	<u>(33,417)</u>
Net change in fund balances	-	32,944	-	(32,944)
Fund balance, July 1	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>	<u>-</u>
Fund balance, June 30	<u>\$ 3,858</u>	<u>\$ 36,802</u>	<u>\$ 3,858</u>	<u>\$ (32,944)</u>

CITY OF AMERICAN CANYON
 Recreation Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services:				
Recreation programs	\$ 158,200	\$ 143,000	\$ 209,220	\$ 66,220
Sports	13,000	26,000	31,921	5,921
Aquatics	66,000	68,200	103,082	34,882
Interest earnings	6,500	6,500	10,556	4,056
Total revenues	<u>243,700</u>	<u>243,700</u>	<u>354,779</u>	<u>111,079</u>
Expenditures:				
Recreation:				
Recreation programs	742,300	743,144	735,625	7,519
Sports	73,400	73,400	64,509	8,891
Aquatics	559,300	581,796	567,179	14,617
Capital outlay	-	-	-	-
Total expenditures	<u>1,375,000</u>	<u>1,398,340</u>	<u>1,367,313</u>	<u>31,027</u>
Excess(deficiency) of revenues over expenditures	<u>(1,131,300)</u>	<u>(1,154,640)</u>	<u>(1,012,534)</u>	<u>142,106</u>
Other financing sources:				
Transfers out	(10,200)	(10,200)	(11,600)	(1,400)
Transfers in	675,600	675,600	675,600	-
Total other financing sources(uses)	<u>665,400</u>	<u>665,400</u>	<u>664,000</u>	<u>(1,400)</u>
Net change in fund balances	(465,900)	(489,240)	(348,534)	140,706
Fund balance, July 1	<u>435,026</u>	<u>435,026</u>	<u>435,026</u>	<u>-</u>
Fund balance, June 30	<u>\$ (30,874)</u>	<u>\$ (54,214)</u>	<u>\$ 86,492</u>	<u>\$ 140,706</u>

CITY OF AMERICAN CANYON
 CDBG Loan Repayment Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Program revenue	\$ -	\$ -	\$ 48,642	\$ 48,642
Interest income	-	-	11,620	11,620
Total revenues	<u>-</u>	<u>-</u>	<u>60,262</u>	<u>60,262</u>
Expenditures:				
Current:				
Economic development	<u>245,443</u>	<u>245,443</u>	<u>11,553</u>	<u>233,890</u>
Total expenditures	<u>245,443</u>	<u>245,443</u>	<u>11,553</u>	<u>233,890</u>
Excess(deficiency) of revenues over expenditures	<u>(245,443)</u>	<u>(245,443)</u>	<u>48,709</u>	<u>294,152</u>
Net change in fund balances	(245,443)	(245,443)	48,709	294,152
Fund balance, July 1	<u>317,348</u>	<u>317,348</u>	<u>317,348</u>	<u>-</u>
Fund balance, June 30	<u>\$ 71,905</u>	<u>\$ 71,905</u>	<u>\$ 366,057</u>	<u>\$ 294,152</u>

CITY OF AMERICAN CANYON
 State Supplemental Law Enforcement Grant Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Interest	-	-	892	892
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>100,892</u>	<u>892</u>
Expenditures:				
Current:				-
Public safety	100,000	100,000	100,892	(892)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,892</u>	<u>(892)</u>
Excess(deficiency) of revenues over expenditures	-	-	-	-
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF AMERICAN CANYON
 STP Road Maintenance Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental:				
STP grant	\$ 768.000	\$ 768.000	\$ 55	\$ (767.945)
Total revenues	<u>768.000</u>	<u>768.000</u>	<u>55</u>	<u>(767.945)</u>
Expenditures:				
Capital outlay:				
Street improvements	768.000	768.000	55	767.945
Total expenditures	<u>768.000</u>	<u>768.000</u>	<u>55</u>	<u>767.945</u>
Other Financing Uses				
Transfers out	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF AMERICAN CANYON
 Police Grants Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental:				
Office traffic safety grant	\$ -	\$ 63,960	\$ 21,319	\$ (42,641)
Total revenues	<u>-</u>	<u>63,960</u>	<u>21,319</u>	<u>(42,641)</u>
Expenditures:				
Current:				
Public safety:				
Supplies and services		30,862	275	30,587
Capital outlay:				
Police equipment	-	33,098	21,044	12,054
Total expenditures	<u>-</u>	<u>63,960</u>	<u>21,319</u>	<u>42,641</u>
Other Financing Uses				
Transfers out	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF AMERICAN CANYON
 Cal Fed Grant Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental grants	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	-	-	402	(402)
Total expenditures	-	-	402	(402)
Excess(deficiency) of revenues over expenditures	-	-	(402)	(402)
Other financing sources (uses):				
Transfers in	-	-	-	-
Net changes in fund balances	-	-	(402)	(402)
Fund balance, July 1	402	402	402	-
Fund balance, June 30	<u>\$ 402</u>	<u>\$ 402</u>	<u>\$ -</u>	<u>\$ (402)</u>

CITY OF AMERICAN CANYON
 LaVigne Landscaping and Lighting Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Special assessment:				
Landscaping and lighting	\$ 589,200	\$ 589,300	\$ 421,246	\$ (168,054)
Interest	17,924	17,824	41,809	23,985
Total revenues	<u>607,124</u>	<u>607,124</u>	<u>463,055</u>	<u>(144,069)</u>
Expenditures:				
Current:				
Road and park maintenance:				
Zone 1	418,300	492,100	164,271	327,829
Zone 2	443,600	443,600	8,243	435,357
Zone 3	99,900	99,900	2,357	97,543
Total expenditures	<u>961,800</u>	<u>1,035,600</u>	<u>174,871</u>	<u>860,729</u>
Excess(deficiency) of revenues over expenditures	<u>(354,676)</u>	<u>(428,476)</u>	<u>288,184</u>	<u>716,660</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(92,500)	(92,500)	(31,900)	60,600
Total other financing sources(uses)	<u>(92,500)</u>	<u>(92,500)</u>	<u>(31,900)</u>	<u>60,600</u>
Net changes in fund balances	(447,176)	(520,976)	256,284	777,260
Fund balance, July 1	<u>784,719</u>	<u>784,719</u>	<u>784,719</u>	<u>-</u>
Fund balance, June 30	<u>\$ 337,543</u>	<u>\$ 263,743</u>	<u>\$ 1,041,003</u>	<u>\$ 777,260</u>

CITY OF AMERICAN CANYON
 LaVigne Administration Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 4,551	\$ 4,551	\$ 6,360	\$ 1,809
Miscellaneous	-	-	-	-
Total revenues	<u>4,551</u>	<u>4,551</u>	<u>6,360</u>	<u>1,809</u>
Expenditures:				
Current:				
Road and park maintenance:				
Administration	8,710	12,000	6,820	5,180
Total expenditures	<u>8,710</u>	<u>12,000</u>	<u>6,820</u>	<u>5,180</u>
Excess(deficiency) of revenues over expenditures	<u>(4,159)</u>	<u>(7,449)</u>	<u>(460)</u>	<u>6,989</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Net changes in fund balances	(4,159)	(7,449)	(460)	6,989
Fund balance, July 1	<u>101,560</u>	<u>101,560</u>	<u>101,560</u>	<u>-</u>
Fund balance, June 30	<u>\$ 97,401</u>	<u>\$ 94,111</u>	<u>\$ 101,100</u>	<u>\$ 6,989</u>

CITY OF AMERICAN CANTON
 LaVigne Open Space Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 5,500	\$ 5,500	\$ 7,956	\$ 2,456
Miscellaneous	-	-	-	-
Total revenues	<u>5,500</u>	<u>5,500</u>	<u>7,956</u>	<u>2,456</u>
Expenditures:				
Current:				
Parks	3,200	3,200	1,072	2,128
Total expenditures	<u>3,200</u>	<u>3,200</u>	<u>1,072</u>	<u>2,128</u>
Excess(deficiency) of revenues over expenditures	<u>2,300</u>	<u>2,300</u>	<u>6,884</u>	<u>4,584</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Net changes in fund balances	2,300	2,300	6,884	4,584
Fund balance, July 1	<u>167,090</u>	<u>167,090</u>	<u>167,090</u>	<u>-</u>
Fund balance, June 30	<u>\$ 169,390</u>	<u>\$ 169,390</u>	<u>\$ 173,974</u>	<u>\$ 4,584</u>

CITY OF AMERICAN CANYON
 PG&G Grant Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 66,000	\$ 78,000	\$ 78,000	\$ 148
Miscellaneous	-	-	-	-
Total revenues	-	-	78,000	148
Expenditures:				
Capital outlay	66,000	78,000	78,148	(148)
Total expenditures	66,000	78,000	78,148	(148)
Excess(deficiency) of revenues over expenditures	(66,000)	(78,000)	(148)	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Net changes in fund balances	-	-	(148)	(148)
Fund balance, July 1	148	148	148	-
Fund balance, June 30	<u>\$ 148</u>	<u>\$ 148</u>	<u>\$ -</u>	<u>\$ (148)</u>

CITY OF AMERICAN CANYON
Employee Home Assistance Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Program revenues	\$ -	\$ -	\$ -	\$ -
Interest	-	-	5,474	5,474
Total revenues	-	-	5,474	5,474
Expenditures:				
Housing assistance	-	150,000	40,000	110,000
Total expenditures	-	150,000	40,000	110,000
Excess(deficiency) of revenues over expenditures	-	(150,000)	(34,526)	115,474
Other financing sources (uses):				
Transfers in	-	-	-	-
Net changes in fund balances	-	(150,000)	(34,526)	115,474
Fund balance, July 1	159,246	159,246	159,246	-
Fund balance, June 30	<u>\$ 159,246</u>	<u>\$ 9,246</u>	<u>\$ 124,720</u>	<u>\$ 115,474</u>

CITY OF AMERICAN CANYON
 Retiree Health Benefits Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance With Final
	Original	Final		Budget Positive(Negative)
Revenues:				
Program revenues	\$ -	\$ -	\$ -	\$ -
Interest	18,604	18,604	20,254	1,650
Total revenues	<u>18,604</u>	<u>18,604</u>	<u>20,254</u>	<u>1,650</u>
Expenditures:				
Current				
Retiree health benefits	80,000	80,000	53,364	26,636
Total expenditures	<u>80,000</u>	<u>80,000</u>	<u>53,364</u>	<u>26,636</u>
Excess(deficiency) of revenues over expenditures	<u>(61,396)</u>	<u>(61,396)</u>	<u>(33,110)</u>	<u>28,286</u>
Other financing sources (uses):				
Transfers in	<u>145,200</u>	<u>145,200</u>	<u>131,100</u>	<u>(14,100)</u>
Net changes in fund balances	83,804	83,804	97,990	14,186
Fund balance, July 1	<u>655,539</u>	<u>655,539</u>	<u>655,539</u>	<u>-</u>
Fund balance, June 30	<u>\$ 739,343</u>	<u>\$ 739,343</u>	<u>\$ 753,529</u>	<u>\$ 14,186</u>

CITY OF AMERICAN CANYON
Solid Waste Management Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 4,500	\$ 4,500	\$ 5,000	\$ 500
interest	500	500	813	313
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,813</u>	<u>813</u>
Expenditures:				
Current:				
Public works	64,600	69,430	61,353	8,077
Total expenditures	<u>64,600</u>	<u>69,430</u>	<u>61,353</u>	<u>8,077</u>
Excess(deficiency) of revenues over expenditures	<u>(59,600)</u>	<u>(64,430)</u>	<u>(55,540)</u>	<u>8,890</u>
Other financing sources (uses):				
Transfers in	34,500	34,500	34,500	-
Transfers in	(200)	(200)	(200)	-
Total other financing sources(uses)	<u>34,300</u>	<u>34,300</u>	<u>34,300</u>	<u>-</u>
Net change in fund balances	(25,300)	(30,130)	(21,240)	8,890
Fund balance, July 1	<u>17,634</u>	<u>17,634</u>	<u>17,634</u>	<u>-</u>
Fund balance, June 30	<u>\$ (7,666)</u>	<u>\$ (12,496)</u>	<u>\$ (3,606)</u>	<u>\$ 8,890</u>

CITY OF AMERICAN CANYON
 Newell Park Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Interest	\$ 300	\$ 300	\$ 678	\$ 378
Intergovernmental	5,000	5,000	-	(5,000)
Miscellaneous	9,700	9,700	-	(9,700)
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>678</u>	<u>(14,322)</u>
Expenditures:				
Current:				
Recreation	16,000	16,000	3,251	12,749
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>3,251</u>	<u>12,749</u>
Excess(deficiency) of revenues over expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>(2,573)</u>	<u>(1,573)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources(uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,000)	(1,000)	(2,573)	(1,573)
Fund balance, July 1	<u>16,368</u>	<u>16,368</u>	<u>16,368</u>	<u>-</u>
Fund balance, June 30	<u>\$ 15,368</u>	<u>\$ 15,368</u>	<u>\$ 13,795</u>	<u>\$ (1,573)</u>

Abandoned Vehicle Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ 2,700	\$ 2,700	\$ 16,942	\$ 14,242
Interest	-	-	1,685	1,685
Miscellaneous	-	-	-	-
Total revenues	<u>2,700</u>	<u>2,700</u>	<u>18,627</u>	<u>15,927</u>
Expenditures:				
Current:				
Police	<u>2,700</u>	<u>2,700</u>	<u>8,548</u>	<u>(5,848)</u>
Total expenditures	<u>2,700</u>	<u>2,700</u>	<u>8,548</u>	<u>(5,848)</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>10,079</u>	<u>10,079</u>
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>10,079</u>	<u>10,079</u>
Fund balance, July 1	<u>29,360</u>	<u>29,360</u>	<u>29,360</u>	<u>-</u>
Fund balance, June 30	<u>\$ 29,360</u>	<u>\$ 29,360</u>	<u>\$ 39,439</u>	<u>\$ 10,079</u>

CITY OF AMERICAN CANYON
 Begin Program Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,080,000	\$ 1,080,000
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,080,000</u>	<u>1,080,000</u>
Expenditures:				
Current:				
Housing assistance loans	-	-	1,080,000	(1,080,000)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,080,000</u>	<u>(1,080,000)</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfers in	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF AMERICAN CANYON
 Fire District Retiree Health Benefit Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Fire retirees health benefits	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfers in	-	-	50,000	50,000
Net change in fund balances	-	-	50,000	50,000
Fund balance, July 1	100,000	100,000	100,000	-
Fund balance, June 30	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 50,000</u>

CITY OF AMERICAN CANYON
 Safe Route to Schools Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental	\$ -	\$ 129,600	\$ 4,000	\$ (125,600)
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>129,600</u>	<u>4,000</u>	<u>(125,600)</u>
Expenditures:				
Capital outlay:				
Street improvements	-	4,000	4,000	-
Total expenditures	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>125,600</u>	<u>-</u>	<u>(125,600)</u>
Other financing sources:				
Transfers in	-	-	-	-
Net change in fund balances	-	125,600	-	(125,600)
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 125,600</u>	<u>\$ -</u>	<u>\$ (125,600)</u>

CITY OF AMERICAN CANTON
 Bus Stop Grant Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
intergovernmental interest	\$ 27,500	\$ 27,500	\$ 15,651	\$ (11,849)
Total revenues	<u>27,500</u>	<u>27,500</u>	<u>15,651</u>	<u>(11,849)</u>
Expenditures:				
Capital outlay	<u>27,500</u>	<u>35,433</u>	<u>15,651</u>	<u>19,782</u>
Total expenditures	<u>27,500</u>	<u>35,433</u>	<u>15,651</u>	<u>19,782</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>(7,933)</u>	<u>-</u>	<u>7,933</u>
Other Financing Sources (Uses)				
Transfers in		7,933	-	(7,933)
Net change in fund balances		-	-	
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF AMERICAN CANYON
 Bus Stop Grant Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Intergovernmental interest	\$ 95,000	\$ 95,000	\$ 72,065	\$ (22,935)
	-	-	-	-
Total revenues	<u>95,000</u>	<u>95,000</u>	<u>72,065</u>	<u>(22,935)</u>
Expenditures:				
Capital outlay	95,000	107,214	72,065	35,149
Total expenditures	<u>95,000</u>	<u>107,214</u>	<u>72,065</u>	<u>35,149</u>
Excess(deficiency) of revenues over expenditures	-	(12,214)	-	12,214
Other Financing Sources (Uses)				
Transfers in		12,214	-	(12,214)
Net change in fund balances				
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Proposition 50 Grant Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 575,600	\$ 575,600	\$ 54,885	\$ (520,715)
Interest	-	-	-	-
Total revenues	<u>575,600</u>	<u>575,600</u>	<u>54,885</u>	<u>(520,715)</u>
Expenditures:				
Capital outlay	575,600	575,600	54,885	520,715
Total expenditures	<u>575,600</u>	<u>575,600</u>	<u>54,885</u>	<u>520,715</u>
Excess(deficiency) of revenues over expenditures	-	-	-	-
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF AMERICAN CANTON
 Cleep Grant Special Revenue Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Police services	-	-	43	(43)
Total expenditures	-	-	43	(43)
Excess(deficiency) of revenues over expenditures	-	-	(43)	(43)
Fund balance, July 1	-	-	43	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ (43)

CITY OF AMERICAN CANYON
 La Vigne Assessment District Debt Service Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Interest	\$ 13,300	\$ 13,300	\$ 39,279	\$ 25,979
Special assessments	443,903	443,903	479,974	36,071
Total revenues	<u>457,203</u>	<u>457,203</u>	<u>519,253</u>	<u>62,050</u>
Expenditures:				
Debt service:				
Principal	83,310	83,310	165,000	(81,690)
Interest and fiscal charges	321,261	321,261	318,728	2,533
Total expenditures	<u>404,571</u>	<u>404,571</u>	<u>483,728</u>	<u>(79,157)</u>
Net change in fund balances	52,632	52,632	35,525	(17,107)
Fund balance, July 1	<u>960,335</u>	<u>960,335</u>	<u>960,335</u>	<u>-</u>
Fund balance, June 30	<u>\$ 1,012,957</u>	<u>\$ 1,012,967</u>	<u>\$ 995,860</u>	<u>\$ (17,107)</u>

CITY OF AMERICAN CANYON
 Lease Revenue Bonds Debt Service Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ -	\$ -	\$ 17,674	\$ 17,674
Total revenues	<u>-</u>	<u>-</u>	<u>17,674</u>	<u>17,674</u>
Expenditures:				
Debt service:				
Principal	148,400	148,400	165,000	(16,600)
Interest	<u>131,600</u>	<u>131,600</u>	<u>152,074</u>	<u>(20,474)</u>
Total expenditures	<u>280,000</u>	<u>280,000</u>	<u>317,074</u>	<u>(37,074)</u>
Excess(deficiency) of revenues over expenditures	<u>(280,000)</u>	<u>(280,000)</u>	<u>(299,400)</u>	<u>(19,400)</u>
Other financing sources:				
Transfers in	<u>145,100</u>	<u>145,100</u>	<u>254,960</u>	<u>109,860</u>
Total other financing sources	<u>145,100</u>	<u>145,100</u>	<u>254,960</u>	<u>109,860</u>
Net change in fund balances	(134,900)	(134,900)	(44,440)	90,460
Fund balance, July 1	<u>361,622</u>	<u>361,622</u>	<u>361,622</u>	<u>-</u>
Fund balance, June 30	<u>\$ 226,722</u>	<u>\$ 226,722</u>	<u>\$ 317,182</u>	<u>\$ 90,460</u>

CITY OF AMERICAN CANYON
American Canyon Road East Assessment District Debt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive(Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ -	\$ -	\$ 87,309	\$ 87,309
Special assessments	-	-	1,817,535	1,817,535
Total revenues	-	-	1,904,844	1,904,844
Expenditures:				
Debt service:				
Principal	-	-	275,000	(275,000)
Interest and fiscal charges	-	-	903,562	(903,562)
Bond issuance costs	-	-	-	-
Total expenditures	-	-	1,178,562	(1,178,562)
Excess(deficiency) of revenues over expenditures	-	-	726,282	726,282
Other financing sources (uses)				
Proceeds of long-term debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	726,282	726,282
Fund balance, July 1	1,978,778	1,978,778	1,978,778	-
Fund balance, June 30	<u>\$ 1,978,778</u>	<u>\$ 1,978,778</u>	<u>\$ 2,705,060</u>	<u>\$ 726,282</u>

CITY OF AMERICAN CANYON
Cabernet Village LeaseDebt Service Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget Positive(Negative)
	Original	Final		
Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	560,760	-	560,760
Bond issuance costs	-	49,240	52,606	(3,366)
Total expenditures	-	610,000	52,606	557,394
Excess(deficiency) of revenues over expenditures	-	(610,000)	(52,606)	557,394
Other financing sources (uses)				
Proceeds of long-term debt	-	-	-	-
Transfers in	-	610,000	619,577	9,577
Transfers out	-	-	-	-
Total other financing sources (uses)	-	610,000	619,577	9,577
Net change in fund balances	-	-	566,971	566,971
Fund balance, July 1	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ 566,971	\$ 566,971

Fire Mitigation Impact Fee Capital Projects Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Fire mitigation impact fees	\$ 500,000	\$ 500,000	\$ 61,015	\$ (438,985)
Interest	75,000	75,000	39,201	(35,799)
Total revenues	<u>575,000</u>	<u>575,000</u>	<u>100,216</u>	<u>(474,784)</u>
Expenditures:				
Capital outlay:				
Construction	575,000	2,754,945	3,585,544	(830,599)
Total expenditures	<u>575,000</u>	<u>2,754,945</u>	<u>3,585,544</u>	<u>(830,599)</u>
Excess(deficiency) of revenues over expenditures	-	(2,179,945)	(3,485,328)	(1,305,383)
Fund balance, July 1	<u>1,997,127</u>	<u>1,997,127</u>	<u>1,997,127</u>	-
Fund balance, June 30	<u>\$ 1,997,127</u>	<u>\$ (182,818)</u>	<u>\$ (1,488,201)</u>	<u>\$ (1,305,383)</u>

CITY OF AMERICAN CANYON
 Park Improvement Impact Fee Capital Projects Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Park development impact fees	\$ 719,500	\$ 719,500	\$ 41,925	\$ (677,575)
Intergovernmental	-	-	-	-
Interest	54,200	54,200	168,444	114,244
Total revenues	<u>773,700</u>	<u>773,700</u>	<u>210,369</u>	<u>(563,331)</u>
Expenditures:				
Capital outlay	4,309,445	3,099,765	720,403	2,379,362
Total expenditures	<u>4,309,445</u>	<u>3,099,765</u>	<u>720,403</u>	<u>2,379,362</u>
Excess(deficiency) of revenues over expenditures	<u>(3,535,745)</u>	<u>(2,326,065)</u>	<u>(510,034)</u>	<u>1,816,031</u>
Other financing sources (uses):				
Transfers out	(117,600)	(137,747)	(117,600)	20,147
Total other financing sources (uses)	<u>(117,600)</u>	<u>(137,747)</u>	<u>(117,600)</u>	<u>20,147</u>
Net change in fund balances	(3,653,345)	(2,463,812)	(627,634)	1,836,178
Fund balance, July 1	<u>3,672,606</u>	<u>3,672,606</u>	<u>3,672,606</u>	<u>-</u>
Fund balance, June 30	<u>\$ 19,261</u>	<u>\$ 1,208,794</u>	<u>\$ 3,044,972</u>	<u>\$ 1,836,178</u>

Traffic Impact Fee Capital Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services:				
Traffic impact fees	\$ 1,594,165	\$ 1,594,165	\$ 39,242	\$ (1,554,923)
Developer contributions	10,000	10,000	-	(10,000)
Interest	47,900	47,900	76,882	28,982
Total revenues	<u>1,652,065</u>	<u>1,652,065</u>	<u>116,124</u>	<u>(1,535,941)</u>
Expenditures:				
Capital outlay	4,331,702	4,774,226	1,017,967	3,756,259
Total expenditures	<u>4,331,702</u>	<u>4,774,226</u>	<u>1,017,967</u>	<u>3,756,259</u>
Excess(deficiency) of revenues over expenditures	<u>(2,679,637)</u>	<u>(3,122,161)</u>	<u>(901,843)</u>	<u>2,220,318</u>
Other financing sources (uses):				
Transfers out	-	-	-	-
Net change in fund balances	-	(3,122,161)	(901,843)	2,220,318
Fund balance, July 1	<u>2,196,002</u>	<u>2,196,002</u>	<u>2,196,002</u>	<u>-</u>
Fund balance, June 30	<u>\$ (483,635)</u>	<u>\$ (926,159)</u>	<u>\$ 1,294,159</u>	<u>\$ 2,220,318</u>

CITY OF AMERICAN CANYON
 Civic Facility Impact Capital Project Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	Budgeted Amounts		Actual	Variance With final Budget Positive(Negative)
	Original	Final		
Revenues:				
Charges for services:				
Civic impact fees	\$ 515,815	\$ 515,815	\$ 53,807	\$ (462,008)
Interest	21,500	21,500	53,577	32,077
Total revenues	<u>537,315</u>	<u>537,315</u>	<u>107,384</u>	<u>(429,931)</u>
Expenditures:				
Capital outlay	52,500	1,411,869	1,380,751	31,118
Total expenditures	<u>52,500</u>	<u>1,411,869</u>	<u>1,380,751</u>	<u>31,118</u>
Excess(deficiency) of revenues over expenditures	<u>484,815</u>	<u>(874,554)</u>	<u>(1,273,367)</u>	<u>(398,813)</u>
Other Financing Use				
Transfers out	-	(827,500)	(827,500)	-
Net change in fund balances	484,815	(1,702,054)	(2,100,867)	(398,813)
Fund balance, July 1	<u>2,027,466</u>	<u>2,027,466</u>	<u>2,027,466</u>	<u>-</u>
Fund balance, June 30	<u><u>\$2,512,281</u></u>	<u><u>\$ 325,412</u></u>	<u><u>\$ (73,401)</u></u>	<u><u>\$ (398,813)</u></u>

CITY OF AMERICAN CANYON
 Affordable Housing Capital Projects Fund
 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive(Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 2,140,000	\$ 2,140,000	\$ -	\$ (2,140,000)
Interest	80,000	60,000	10,439	(49,561)
Miscellaneous	-	-	9,496	9,496
Total revenues	<u>2,200,000</u>	<u>2,200,000</u>	<u>19,935</u>	<u>(2,180,065)</u>
Expenditures:				
Housing	2,200,000	2,200,000	50,227	2,149,773
Total expenditures	<u>2,200,000</u>	<u>2,200,000</u>	<u>50,227</u>	<u>2,149,773</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(30,292)</u>	<u>(30,292)</u>
Other financing sources (uses):				
Sale affordable housing sites			1,217,628	1,217,628
Transfers out			-	-
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,217,628</u>	<u>1,217,628</u>
Net change in fund balances	-	-	1,187,336	1,187,336
Fund balance, July 1	<u>7,143</u>	<u>7,143</u>	<u>7,143</u>	<u>-</u>
Fund balance, June 30	<u>\$ 7,143</u>	<u>\$ 7,143</u>	<u>\$ 1,194,479</u>	<u>\$ 1,187,336</u>

CITY OF AMERICAN CANYON
Internal Service Funds
Combining Statement of Net Assets
June 30, 2007
(With Comparative Totals for June 30, 2006)

	Equipment Replacement	Support Services	Totals	
			2007	2006
Assets				
Current assets:				
Cash and investments	\$ 1,225,216	\$ 725,840	\$ 1,951,056	\$ 1,758,297
Accounts receivable	-	6,845	6,845	18,133
Due from other funds	-	-	-	-
Interest receivable	13,259	7,767	21,026	8,148
Total current assets	1,238,475	740,452	1,978,927	1,784,578
Fixed assets:				
Machinery and equipment	1,669,108	320,993	1,990,101	1,728,326
Less accumulated depreciation	(1,072,277)	(211,989)	(1,284,266)	(1,075,737)
Net fixed assets	596,831	109,004	705,835	652,589
Total assets	\$ 1,835,306	\$ 849,456	\$ 2,684,762	\$ 2,437,167
Liabilities				
Liabilities:				
Accounts payable	\$ 13,855	\$ 90,068	\$ 103,923	\$ 184,047
Accrued liabilities	8,333	37,856	46,189	37,020
Due to other funds	-	-	-	25,000
Claims payable	-	22,861	22,861	22,861
Compensated absences	12,260	80,169	92,429	65,336
Total current liabilities	34,448	230,954	265,402	334,264
Net Assets				
Invested in capital assets, net of related debt	596,831	109,004	705,835	652,589
Unrestricted	1,204,027	509,498	1,713,525	1,450,314
Total net assets	\$ 1,800,858	\$ 618,502	\$ 2,419,360	\$ 2,102,903

CITY OF AMERICAN CANTON
Internal Service Funds
Combining Statement of Revenues, Expenses, and
Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2007
(With Comparative Totals for June 30, 2006)

	Equipment Replacement	Support Services	Totals	
			2007	2006
Operating revenues:				
Charges for services	\$ 763,300	\$ 1,875,800	\$ 2,639,100	\$ 2,829,046
Other revenue	25,000	4,218	29,218	4,589
Total revenues	<u>788,300</u>	<u>1,880,018</u>	<u>2,668,318</u>	<u>2,833,635</u>
Operating expenses:				
Personnel	196,769	940,237	1,137,006	997,560
Contract services	-	352,645	352,645	423,134
Supplies and services	133,014	280,145	413,159	301,761
Insurance and claims	-	270,906	270,906	174,068
Fuel and oil	59,675	-	59,675	-
Utilities	15,903	-	15,903	23,178
Maintenance and repair	39,469	-	39,469	174,973
Depreciation	147,373	61,156	208,529	228,287
Total operating expenses	<u>592,203</u>	<u>1,905,089</u>	<u>2,497,292</u>	<u>2,322,961</u>
Operating income (loss)	<u>196,097</u>	<u>(25,071)</u>	<u>171,026</u>	<u>510,674</u>
Nonoperating revenues (expenses):				
Gain on fixed asset disposals	65,575	-	65,575	68,616
Interest income	51,933	27,923	79,856	31,144
Total nonoperating revenues (expenses)	<u>117,508</u>	<u>27,923</u>	<u>145,431</u>	<u>99,760</u>
Transfers in (out) other funds:	-	-	-	(25,000)
Change in net assets	313,605	2,852	316,457	585,434
Net assets, July 1	<u>1,487,253</u>	<u>615,650</u>	<u>2,102,903</u>	<u>1,517,469</u>
Net assets, June 30	<u>\$ 1,800,858</u>	<u>\$ 618,502</u>	<u>\$ 2,419,360</u>	<u>\$ 2,102,903</u>

CITY OF AMERICAN CANYON
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2007
(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Equipment Replacement	Support Services	Totals	
			2007	2006
Cash flows from operating activities:				
Cash received from City departments for charges for services	\$ 769,100	\$ 1,875,800	\$ 2,644,900	\$ 2,829,046
Cash payments to suppliers for goods and services	(274,915)	(956,966)	(1,231,881)	(968,071)
Cash payments to employees services and benefits	(193,080)	(907,664)	(1,100,744)	(1,009,825)
Other operating revenues	25,000	9,706	34,706	1,877
Net cash provided (used) by operating activities	326,105	20,876	346,981	853,027
Cash flows from noncapital financing activities:				
Advances to other funds	(25,000)	-	(25,000)	10,000
Transfers in (out)	-	-	-	(25,000)
Net cash provided by(used for) noncapital financing activities	(25,000)	-	(25,000)	(15,000)
Cash flows from capital and related financing activities:				
Proceeds sale of fixed assets	65,575	-	65,575	62,816
Acquisition of fixed assets	(233,735)	(28,040)	(261,775)	(321,776)
Net cash provided (used) for capital and related financing activities	(168,160)	(28,040)	(196,200)	(258,960)
Cash flows from investing activities:				
Interest on investments	46,440	20,538	66,978	29,518
Net cash provided by investing activities	46,440	20,538	66,978	29,518
Net change in cash and cash equivalents	179,385	13,374	192,759	608,585
Cash and cash equivalents, July 1	1,045,831	712,466	1,758,297	1,149,712
Cash and cash equivalents, June 30	\$ 1,225,216	\$ 725,840	\$ 1,951,056	\$ 1,758,297

(Continued)

Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2007
(With Comparative Totals for the Fiscal Year Ended June 30, 2006)

	Equipment Replacement	Support Services	Totals	
			2007	2006
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 196,097	\$ (25,071)	\$ 171,026	\$ 510,674
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	147,373	61,156	208,529	228,287
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	5,800	5,488	11,288	(2,712)
Increase (decrease) in accounts payable for services	(26,854)	(53,270)	(80,124)	129,043
Increase (decrease) in compensated absences and other liabilities	3,689	32,573	36,262	(12,265)
Net cash provided (used) by operating activities	\$ 326,105	\$ 20,876	\$ 346,981	\$ 853,027

CITY OF AMERICAN CANYON
 Comparative Schedule of Capital Assets Used In Governmental Activities
 By Source

	June 30	
	2006	2007
Capital assets used in governmental activities:		
Land	\$ 7,039,675	\$ 6,779,305
Buildings	4,920,349	14,362,924
Improvements	-	-
Infrastructure - street and road	162,263,808	162,263,808
Infrastructure - storm drain system	56,585,070	56,585,070
Equipment	3,386,362	3,776,515
Construction in progress	5,685,789	19,842,590
Equipment-internal service operations	1,728,326	1,990,101
	<u>\$ 241,609,379</u>	<u>\$ 265,600,313</u>
 Investment in capital assets from:		
General governmental activities	\$ 235,819,739	\$ 255,821,636
Internal service	1,728,326	1,990,101
Fire District funds	4,061,314	7,788,576
	<u>\$ 241,609,379</u>	<u>\$ 265,600,313</u>
 Total investment in capital assets used in governmental activities	<u>\$ 241,609,379</u>	<u>\$ 265,600,313</u>

Schedule of Changes in Capital Assets Used in Governmental Activities
CITY OF AMERICAN CANYON
For the Fiscal Year Ended June 30, 2007

	Land	Buildings	Infrastructure	Equipment	Construction in Progress	Total Cost
General fixed assets June 30, 2006	\$ 7,039,675	\$ 4,920,349	\$ 2,18,848,878	\$ 5,114,688	\$ 5,685,789	\$ 241,609,379
Add:						
Expenditures from:						
General fund						
Special revenue funds						
Fire District						
Internal service						
Capital projects funds		3,570,258		233,125	3,870	236,995
Contributions				157,028	180,670	180,670
Developers		3,619,202		261,775		3,727,286
Deduct:						
Transfers						261,775
Retirements and contributions					16,209,077	19,828,279
General fixed assets June 30, 2007	<u>(260,370)</u>	<u>2,253,115</u>			<u>(2,236,816)</u>	
	<u>\$ 6,779,305</u>	<u>\$ 14,362,924</u>	<u>\$ 218,848,878</u>	<u>\$ 5,766,616</u>	<u>\$ 19,842,590</u>	<u>\$ 265,600,313</u>
					<u>(260,370)</u>	

CITY OF AMERICAN CANYON
 Schedule of Capital Assets Used in Governmental Activities
 By Function and Activity
 June 30, 2007

Function and Activity	Land	Buildings	Infrastructure	Equipment	Construction in Progress	Total Cost
General government:						
General government	\$ 238,161	\$ 758,281	\$ -	\$ 326,541	\$ 6,896,796	\$ 8,219,779
Internal Service:						
Support operations	-	-	-	1,990,101	-	1,990,101
Public safety:						
Police protection	-	4,758,797	-	593,316	-	5,352,113
Fire protection	6,387	5,213,703	-	2,568,488	-	7,788,578
Total public safety	6,387	9,972,500	-	3,161,804	-	13,140,691
Parks and recreation	3,452,272	3,439,823	-	165,685	192,556	7,250,336
Public works	3,082,485	192,320	218,848,878	122,485	12,753,238	234,999,406
Total general fixed assets	\$ 6,779,305	\$ 14,362,924	\$ 218,848,878	\$ 5,766,616	\$ 19,842,590	\$ 265,600,313

Schedule of Changes in Capital Assets Used in Governmental Activities
By Function and Activity
For the Fiscal Year Ended June 30, 2007

<u>Function and Activity</u>	<u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>
General government:				
City management	1,414,999	6,804,780	-	8,219,779
Total general government	1,414,999	6,804,780	-	8,219,779
Internal service:				
Support operations	1,728,326	261,775	-	1,990,101
Public safety:				
Police protection	1,525,221	3,826,892	-	5,352,113
Fire protection	4,061,314	3,727,262	-	7,788,576
Total public safety	5,586,535	7,554,154	-	13,140,689
Parks and recreation:				
Parks	3,921,574	39,602	(179,862)	3,781,314
Recreation	3,469,022	-	-	3,469,022
Total parks and recreation	7,390,596	39,602	(179,862)	7,250,336
Public works:				
All other	3,637,212	-	-	3,637,212
Storm drainage	254,217	-	-	254,217
Open space	2,748,616	-	-	2,748,616
Streets and roads	218,848,878	9,510,485	-	228,359,363
Total public works	225,488,923	9,510,485	-	234,999,408
Total general fixed assets	<u>\$ 241,609,379</u>	<u>\$ 24,170,796</u>	<u>\$ (179,862)</u>	<u>\$ 265,600,313</u>

Statistical Section



*Fire Chief
Glen Weeks*

*Human Resources Director
Bronda Silva*

STATISTICAL SECTION

This part of the City of American Canyon'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.

Financial Trends	Schedules 1-4
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These schedules contain trend information to help understand how the City's financial performance and well-being have changed over time.

Revenue Capacity	Schedules 5-8
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These schedules contain information to help assess the City's most significant local revenue source, the revenues realized from property taxes.

Debt Capacity	Schedules 9-13
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These schedules present information to help assess the afford ability of the City's current levels of outstanding debt and the city's ability to issue additional debt in the future.

Demographic and Economic Information	Schedules 14-15
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These schedules offer demographic and economic indicators to help understand the environment within which the City's financial activities take place.

Operating Information	Schedules 16-18
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These schedules contain service and infrastructure data to help understand how the information in the City's financial report relates to services the City provides and the activities it performs.

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

	For The Fiscal Years Ended June 30			
	2004	2005	2006	2007
Governmental activities:				
Invested in capital assets, net of related debt	\$ 8,796,308	\$ 22,013,417	\$ 34,983,375	\$ 227,564,725
Restricted	22,718,268	24,818,325	41,254,502	42,782,549
Unrestricted	11,651,750	14,406,044	14,924,274	10,245,964
Total governmental activities net assets	\$ 43,166,326	\$ 61,237,786	\$ 91,162,151	\$ 280,593,238
Business-type activities:				
Invested in capital assets, net of related debt	\$ 24,457,197	\$ 31,643,785	\$ 36,004,059	\$ 43,651,150
Restricted	6,998,746	10,259,428	13,730,771	6,612,632
Unrestricted	5,459,072	4,346,620	3,849,363	4,573,795
Total business-type activities	\$ 36,915,015	\$ 46,250,033	\$ 53,584,193	\$ 54,837,577
Primary government (City wide totals)				
Invested in capital assets, net of related debt	\$ 33,253,505	\$ 53,657,202	\$ 70,987,434	\$ 271,215,875
Restricted	29,717,014	35,077,753	54,985,273	49,395,181
Unrestricted	17,110,822	18,752,864	18,773,637	14,819,759
Total primary government net assets	\$ 80,081,341	\$ 107,487,819	\$ 144,746,344	\$ 335,430,815

to: The City implemented GASB Statement Number 34 in the 2003 fiscal year. The information in this schedule is therefore set
h prospectively from the year of implementation.

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

	For The Fiscal Years Ended June 30			
	2004	2005	2006	2007
Expenses:				
Governmental activities:				
General government	\$ 1,436,274	\$ 1,314,727	\$ 2,010,072	\$ 2,137,443
Police	2,244,185	2,855,277	3,650,257	4,165,984
Fire	2,128,279	2,865,622	2,869,014	3,402,246
Public works	1,976,079	2,365,794	3,154,375	4,363,249
Planning	1,229,717	1,723,158	2,408,385	2,070,303
Recreation	963,371	1,183,495	1,349,352	1,509,326
Parks	636,868	762,735	811,565	820,255
Interest on long-term debt	613,322	800,248	1,307,101	1,494,237
Total governmental activities expenses	11,228,095	13,871,056	17,560,151	19,964,053
Business-type activities:				
Water	3,636,359	3,708,254	4,277,051	4,907,860
Wastewater	3,032,914	3,783,313	3,783,076	3,508,065
Transit	168,110	161,627	180,006	19,778
Total business-type activities expenses	6,837,383	7,653,194	8,240,133	8,435,703
Total City government expenses	\$ 18,065,478	\$ 21,524,250	\$ 25,800,284	\$ 28,399,756
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	\$ 520,438	\$ 891,990	\$ 1,316,594	\$ 574,407
Police protection	110,422	130,094	178,825	195,088
Fire protection	922,619	1,058,858	1,055,168	840,819
Public works	1,695,417	3,478,602	2,126,087	825,602
Planning	2,086,627	1,702,797	1,920,903	1,030,340
Parks and recreation	1,399,997	559,504	814,243	555,270
Operating grants and contributions	580,863	617,845	1,247,123	7,112,187
Capital grants and contributions	5,855,574	16,591,942	26,671,090	953,299
Total governmental activities program revenues	13,171,957	25,031,632	35,332,033	12,067,012
Business-type activities:				
Charges for services:				
Water	3,676,016	3,514,930	3,602,305	3,901,103
Wastewater	2,109,236	2,330,231	2,751,242	2,901,494
Transit	8,985	9,110	9,010	5,351
Operating grants and contributions	119,818	141,041	143,371	9,009
Capital grants and contributions	7,484,990	11,112,300	8,878,705	3,941,030
Total business-type activities programs revenues	13,399,045	17,107,612	15,384,633	10,757,957
Total City government program revenues	\$ 26,571,002	\$ 42,139,244	\$ 50,716,666	\$ 22,844,999

(Continued)

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

	For The Fiscal Years Ended June 30			
	2004	2005	2006	2007
Net(Expense)Revenue:				
Governmental activities	\$ 1,943,862	\$ 11,160,576	\$ 17,771,882	\$ (7,877,041)
Business-type activities	6,551,662	9,454,418	7,144,500	2,322,284
Total City government	<u>\$ 8,505,524</u>	<u>\$ 20,614,994</u>	<u>\$ 24,916,382</u>	<u>\$ (5,554,757)</u>
General Revenues and Other Changes in in Net Assets:				
Governmental activities:				
Taxes:				
Property taxes	\$ 3,873,957	\$ 4,614,381	\$ 5,697,961	\$ 6,416,062
Fire district property taxes	1,802,616	2,119,356	2,599,463	2,940,497
Sales taxes	1,139,783	1,434,077	1,660,673	1,794,124
Other taxes	531,253	813,874	785,907	784,213
Unrestricted grants and contributions	551,324	852,361	1,058,703	1,191,706
Investment earnings	33,536	244,066	453,653	885,293
Miscellaneous	118,100	7,519	85,783	348,145
Transfers	110,600	119,400	(189,660)	1,068,900
Special item: contribution of land	-	(2,800,000)	-	-
Total governmental activities	<u>8,161,169</u>	<u>7,405,034</u>	<u>12,152,483</u>	<u>15,428,980</u>
Business-type activities				
Investment earnings	-	-	-	-
Transfers	(110,600)	(119,400)	189,660	(1,068,900)
Total business-type activities	<u>(110,600)</u>	<u>(119,400)</u>	<u>189,660</u>	<u>(1,068,900)</u>
Total City government	<u>\$ 8,050,569</u>	<u>\$ 7,285,634</u>	<u>\$ 12,342,143</u>	<u>\$ 14,360,080</u>
Change in net assets:				
Governmental activities	\$ 10,105,031	\$ 18,565,610	\$ 29,924,365	\$ 7,551,919
Business-type activities	6,451,062	9,335,018	7,334,160	1,253,384
Total City government	<u>\$ 16,556,093</u>	<u>\$ 27,900,628</u>	<u>\$ 37,258,525</u>	<u>\$ 8,805,303</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.

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

Fiscal Year	General Fund			All Other Governmental Funds			
	Reserved	Unreserved	Total General Fund	Reserved	Unreserved, reported in		Total
					Special Revenue	Capital Projects	
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

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.

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)

	Fiscal Years Ended June 30									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues:										
Taxes	\$ 3,368	\$ 3,855	\$ 4,195	4,629	\$ 5,498	\$ 6,666	\$ 7,543	\$ 9,232	\$ 11,315	\$ 12,005
Licenses and permits	249	174	299	1,400	954	1,400	1,198	782	960	484
Fines and forfeits	10	32	39	63	56	68	102	121	87	137
Charges for services	442	992	1,413	5,056	4,642	3,536	5,657	6,233	6,314	2,172
Special assessments										2,104
Intergovernmental	835	995	1,162	3,502	1,540	1,636	1,291	1,248	2,683	3,549
Investment earnings	624	376	386	764	574	563	242	594	1,723	2,149
Other revenues	302	228	141	202	240	217	532	1,045	1,119	562
Total revenues	5,830	6,652	7,635	15,616	13,504	14,106	16,565	19,255	24,201	23,182
Expenditures:										
General government	580	777	616	870	1,057	1,126	1,310	1,463	2,136	2,182
Public safety	2,270	2,368	2,567	2,661	3,121	3,715	4,213	5,508	6,422	7,447
Parks	257	292	399	323	440	541	615	758	815	821
Planning and public works	863	1,402	1,015	1,614	2,194	2,439	3,267	3,805	7,632	6,057
Recreation	148	293	420	530	580	679	809	1,007	1,184	1,372
Capital outlay	1,101	3,126	361	1,981	2,896	703	417	2,226	6,086	24,446
Debt service:										
Payment to escrow agent				-	-	360	-	694	-	-
Costs of issuance				-	447	247	-	404	902	53
Principal	15	285	90	95	100	255	255	454	420	773
Interest	303	271	262	255	489	535	579	415	974	1,390
Total expenditures	5,537	8,814	5,730	8,329	11,324	10,600	11,465	16,734	26,571	44,541
Excess of revenues over(under) expenditures	293	(2,162)	1,905	7,287	2,180	3,506	5,100	2,521	(2,371)	(21,359)
Other Financing Sources(Uses)										
Proceeds from borrowing	-	-	-	-	6,935	4,230	-	8,105	18,405	6,895
Sale of Affordable Hsng Site										1,218
Payments to escrow agent	-	-	-	-	-	(3,663)	-	(6,355)	-	-
Transfers in	664	705	677	1,394	4,296	2,006	1,313	2,552	23,623	11,471
Transfers out	(949)	(770)	(990)	(1,492)	(9,234)	(1,998)	(1,176)	(2,433)	(23,787)	(10,402)
Total other financing Sources(Uses)	(285)	(65)	(113)	(98)	1,997	575	137	1,869	18,241	8,982
Net change in fund balances	8	(2,227)	1,792	7,189	4,177	\$ 4,081	\$ 5,237	\$ 4,390	\$ 15,870	\$ (12,377)
Debt service as a percentage of noncapital expenditures	6.1%	6.7%	6.5%	4.4%	10.1%	15.2%	7.8%	13.3%	9.5%	5.2%

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	Proprietary Int.	Unsecured	Unknown	Total	Total Direct Rate
1997-1998	277,769	19,301	65,751	18,646	1,373	9,922	29,929	1,373	444,064	0.33%
1998-1999	293,146	19,763	91,906	20,608	1,981	9,922	36,392	36,782	514,500	0.33%
1999-2000	305,042	19,636	100,512	27,675	1,862	9,922	32,271	-	497,720	0.33%
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	1,632,620	70,370	245,592	58,862	1,262	12,742	73,975	-	2,103,451	0.29%

Source: Napa County Assessors Office 1997/98 - 2006/07 Combined Tax Rolls

Note: Exempt values are not included in Total.
In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

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

10 Year Detail of Rates producing Revenue for the City				Total Direct Rate
City General Fund Direct Rates				
Roll Year	City Share of 1% Levy per Prop 13	Debt Rates	Total City Rates	
1997-1998	0.35396%	0.00000%	0.35396%	0.33005%
1998-1999	0.35396%	0.00000%	0.35396%	0.32817%
1999-2000	0.35396%	0.00000%	0.35396%	0.32843%
2000-2001	0.35396%	0.00000%	0.35396%	0.32533%
2001-2002	0.35396%	0.00000%	0.35396%	0.31952%
2002-2003	0.35396%	0.00000%	0.35396%	0.31972%
2003-2004	0.35396%	0.00000%	0.35396%	0.31339%
2004-2005	0.35396%	0.00000%	0.35396%	0.30318%
2005-2006	0.35396%	0.00000%	0.35396%	0.30143%
2006-2007	0.35396%	0.00000%	0.35396%	0.28917%

10 Year Detail of all Taxpayer Rates for Largest General Fund Tax Rate Area 005-007 (direct rate agencies in bold)										
Agency	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
City of American Canyon	0.35396	0.35396	0.35396	0.35396	0.35396	0.35396	0.35396	0.35396	0.35396	0.35396
American Canyon Fire Prot District	0.22907	0.22907	0.22907	0.22907	0.22907	0.22907	0.22907	0.22907	0.22907	0.22907
Bay Area Air Quality	0.00168	0.00168	0.00168	0.00168	0.00168	0.00168	0.00168	0.00168	0.00168	0.00168
Fire Non-Structural	0.00647	0.00647	0.00647	0.00647	0.00647	0.00647	0.00647	0.00647	0.00647	0.00647
Library County	0.01765	0.01765	0.01765	0.01765	0.01765	0.01765	0.01765	0.01765	0.01765	0.01765
Mosquito Abatement	0.00248	0.00248	0.00248	0.00248	0.00248	0.00248	0.00248	0.00248	0.00248	0.00248
Napa Valley Community College	0.05037	0.05037	0.05037	0.05037	0.05037	0.05037	0.05037	0.05037	0.05037	0.05037
Napa Valley School District	0.31983	0.31983	0.31983	0.31983	0.31983	0.31983	0.31983	0.31983	0.31983	0.31983
Resources Conservation	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056	0.00056
Dept of Schools Napa	0.01793	0.01793	0.01793	0.01793	0.01793	0.01793	0.01793	0.01793	0.01793	0.01793
Total Prop 13 Rate	1.00000									
Napa College 2003 Bd Series B	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01460	0.01280
Napa College 2003 Bond	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.02180	0.02150	0.00000	0.00000
Napa College 2005 Rt/Bd	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01850	0.00580
Napa Valley Unified School District	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00980
USD 1996 Bond A	0.01400	0.01330	0.01220	0.01180	0.00190	0.00170	0.00150	0.00130	0.00000	0.00000
USD 1996 Bond B	0.00000	0.00000	0.00000	0.00000	0.00240	0.00230	0.00230	0.00200	0.00000	0.00000
USD 1996 Bond C	0.00000	0.00000	0.00000	0.00000	0.00250	0.00260	0.00210	0.00200	0.00150	0.00150
USD 1996 Bond D	0.00000	0.00000	0.00000	0.00000	0.00260	0.00240	0.00220	0.00210	0.00160	0.00140
USD 1996 Bond E	0.00000	0.00000	0.00000	0.00000	0.00330	0.00260	0.00220	0.00190	0.00160	0.00130
USD 2002 Series B	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01490	0.01570
USD 2002 Bond	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.04250	0.03540	0.01060	0.00750
USD 2004 Bond	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00660	0.00280
Total Voter Approved Rate	0.01400	0.01330	0.01220	0.01180	0.01270	0.01160	0.07460	0.06620	0.07030	0.05900
Total Tax Rate	1.01400	1.01330	1.01220	1.01180	1.01270	1.01160	1.07460	1.06620	1.07030	1.05900

Source: Napa County Assessors Office 1997/98 - 2006/07 Tax Rate Table

1. General Fund tax rates are representative and based upon the direct and overlapping rates for the largest General Fund tax rate area (TRA) by net taxable value.
 2. Direct rates are the weighted average of all individual direct rates applied by the government preparing the statistical section information. The percentages presented in the columns are the net sum across rows. TRA rate is based on the largest TRA tax rate area (TRA) and includes only rates from municipalities adopted prior to 1997 per California Constitution. Direct and overlapping rates are applied only to the incremental property values.

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) Pokka USA Inc.	1	\$ 122,658.36	2.10%				\$ 122,658.36	2.02%	Industrial TAX DISTRICT #1
2) SDG Commerce 201 LLC	4	\$ 82,245.69	1.41%				\$ 82,245.69	1.35%	Industrial TAX DISTRICT #1
3) Sutter Home Winery Inc.	2	\$ 78,911.69	1.35%				\$ 78,911.69	1.30%	Industrial TAX DISTRICT #1
4) 125 Mezzetta Court Inc.	1	\$ 5,709,218.00	0.98%				\$ 57,092.18	0.94%	Industrial TAX DISTRICT #1
5) Barry Callebaut USA LLC				1	\$ 37,444.95	16.41%	\$ 37,444.95	0.62%	Industrial TAX DISTRICT #1
6) BDC American Canyon Ltd	5	\$ 37,393.94	0.64%				\$ 37,393.94	0.62%	Industrial TAX DISTRICT #1
7) YHB Napa LLC	1	\$ 32,615.09	0.56%				\$ 32,615.09	0.54%	Industrial TAX DISTRICT #1
8) LBL Duc II Scally Ranch LI	280	\$ 31,529.22	0.54%				\$ 31,529.22	0.52%	Industrial TAX DISTRICT #1
9) Mezzetta Court Ventures L	1	\$ 29,203.16	0.50%				\$ 29,203.16	0.48%	Industrial TAX DISTRICT #1
10) Homanap Limited Partners	1	\$ 27,008.73	0.46%				\$ 27,008.73	0.44%	Industrial TAX DISTRICT #1
Top Ten Totals	296	\$ 6,150,783.88	8.54%	1	\$ 37,444.95	16.41%	\$ 536,103.01	8.83%	
City Totals		\$ 5,849,853.26			\$ 228,243.94		\$ 6,078,097.20		

Source: HDL Coren & Cone, Napa County Assessors Office 2006/07 Combined Tax Rolls

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.

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
1997	\$ 2,268,607	\$ 2,268,607	100%
1998	2,341,083	2,341,083	100%
1999	2,494,194	2,494,194	100%
2000	2,737,294	2,737,294	100%
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%

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	Reassessment Revenue Bonds	Capital Lease Obligations	Capital Lease Obligations	State of California and Other Loans			
1998	-	4,250	-	-	195	10,288	3,054	17,787	6.37%	1,964
1999	-	4,160	-	-	-	8,957	2,815	15,932	5.36%	1,729
2000	-	4,070	-	-	-	8,599	2,553	15,222	4.75%	1,624
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	-	7,255	666	6,910	10,906	29,447	5.04%	2,051
2006	-	3,545	-	25,570	501	6,486	10,443	46,545	7.28%	3,111
2007	-	3,380	-	25,130	6,695	6,035	11,991	53,231	7.74%	3,321

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		
1998	-	4,250,000	4,250,000	0.98%	469.30
1999	-	4,160,000	4,160,000	0.91%	451.34
2000	-	4,070,000	4,070,000	0.83%	434.13
2001	-	3,975,000	3,975,000	0.69%	406.69
2002	-	3,875,000	3,875,000	0.58%	343.83
2003	-	4,030,000	4,030,000	0.44%	326.82
2004	-	3,875,000	3,875,000	0.33%	294.54
2005	-	3,710,000	3,710,000	0.25%	259.33
2006	-	3,545,000	3,545,000	0.20%	236.95
2007	-	3,380,000	3,380,000	0.20%	210.84

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.

Schedule 11
City of American Canyon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2007

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Napa Valley Community College District	\$ 86,362,030	9.108%	\$ 7,865,854
Napa Valley Unified School District	197,085,000	13.145%	25,906,823
Napa County Assessment District 87-1	470,000	100.000%	470,000
Other debt:			
Napa County Certificates of Participation	40,340,000	9.184%	3,704,826
Napa County Board of Education Certificate of Participation	3,710,000	9.184%	<u>340,726</u>
Subtotal overlapping debt			38,288,229
City direct debt			<u>28,510,000</u>
Total direct and overlapping debt			<u><u>\$ 66,798,229</u></u>

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
1998	64,915,418	\$ -	0%
1999	68,534,657	-	0%
2000	73,169,622	-	0%
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%

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 2,103,991,026
Debt limit (15% of assessed value)	315,598,654
Less debt applicable to limit:	
General obligation bonds	-
Total debt applicable to limit	315,598,654
Legal debt margin	\$ 315,598,654

Under state finance law, the city's outstanding general obligation bonded debt should not exceed 15 percent of total assessed property value.

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		Coverage
			Principal	Interest	
1998	\$ -	\$ -	\$ -	\$ -	-
1999	-	-	-	-	-
2000	-	-	-	-	-
2001	-	-	-	-	-
2002	508,941	-	-	238,689	2.13
2003	509,449	-	55,000	417,613	1.08
2004	501,326	-	100,000	423,350	0.95
2005	499,733	-	105,000	256,240	1.38
2006	484,100	-	90,000	311,338	1.21
2007	465,854	-	165,000	308,581	0.98

State of California Water Loan

	Water Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
1998	\$ 1,805,707	\$ 518,778	\$ 1,286,929	\$ 1,063,717	\$ 49,439	\$ 43,700	11.42
1999	2,152,615	609,218	1,543,397	1,794,542	40,439	42,732	21.58
2000	2,692,059	668,869	2,023,190	2,121,021	52,514	41,759	22.50
2001	3,033,045	2,918,467	1,164,622	4,029,230	52,514	40,759	22.74
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

State of California Wastewater Construction Loan

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
1998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
1999	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-
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	2,565,857	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

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

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

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
1998	9,056	279,167,424	30,829	4.00%
1999	9,217	297,119,212	32,236	3.20%
2000	9,375	320,653,125	34,203	2.60%
2001	9,774	370,708,272	37,928	2.50%
2002	11,270	427,865,550	37,965	2.60%
2003	12,331	473,029,491	38,361	3.40%
2004	13,156	504,558,912	38,352	3.70%
2005	14,306	581,767,796	40,666	4.10%
2006	14,961	639,133,920	42,720	6.70%
2007	16,031	667,633,714	42,894	6.70%

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

Fiscal Year Ended June 30, 2007

Employer	Number Employees	Rank	Percentage of Total City Employment
Walmart	513	1	10.26%
G.L. Mezzetta, Inc.	195	2	3.90%
American Canyon Beverages	175	3	3.50%
Safeway	120	4	2.40%
City of American Canyon	74	5	1.48%
Adobe Lumber Company	59	6	1.18%
Sutter Home Trinchero Estates Winery	55	6	1.10%
Barry Callebaut	50	7	1.00%
Culligan	45	8	0.90%
Diablo Timber	33	9	0.66%
All Bay Mill & Lumber Co.	30	10	0.60%

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	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
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	1.05	1.05	1.20	1.20	1.20	2.50	2.00	2.10	2.10	3.10
City Clerk	1.50	1.50	1.40	1.40	2.40	1.70	1.70	1.70	1.40	3.40
Economic Development	0.55	0.55	0.55	0.60	0.60	0.40	0.30	0.40	0.40	0.40
Housing Services					0.30	0.30	0.30	0.30	0.30	0.60
Support Services	7.25	7.25	7.10	7.10	7.10	8.60	9.20	10.00	10.30	9.30
Building & Equipment Maintenance				1.00	1.00	2.00	2.00	2.00	2.00	2.40
Public safety:										
Police						1.00	1.00	1.00	2.00	2.00
Administrative Clerk										0.70
Planning:										
Planning	2.85	2.05	1.90	1.90	1.60	1.00	1.00	1.00	1.00	2.20
Building and safety	1.75	1.55	2.80	2.80	4.80	6.50	6.50	6.50	6.50	8.00
Public works:										
Administration										4.00
Engineering	2.15	2.15	2.15	2.00	3.00	3.00	4.27	2.80	2.80	1.65
Streets & Roads	2.60	2.60	2.60	3.00	4.05	2.55	3.72	4.70	4.70	5.50
Storm Water Quality							0.05	1.05	1.05	0.50
Storm Drain	0.40	0.40	0.40	0.50	0.50	0.50	0.50	1.30	1.30	1.95
Solid Waste								0.10	0.10	0.35
Parks and Recreations										
Parks	3.15	3.15	3.15	4.40	5.25	5.15	6.31	6.55	6.55	5.95
Recreation	2.70	2.70	2.70	3.80	3.80	3.70	3.70	4.70	4.70	5.60
Transit										
Transit	1.20	1.20	1.20	1.20	1.20	1.30	1.30	1.30	1.30	0.00
Water:										
Treatment and Distribution	5.95	6.75	6.75	7.00	8.50	7.80	8.60	10.20	10.20	9.75
Wastewater:										
Collection and Treatment	2.90	3.10	4.10	4.10	5.70	10.00	8.55	8.30	8.30	9.35
Totals	<u>41.00</u>	<u>41.00</u>	<u>43.00</u>	<u>47.00</u>	<u>56.00</u>	<u>63.00</u>	<u>66.00</u>	<u>71.00</u>	<u>72.00</u>	<u>81.70</u>

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

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police:										
Physical arrest	345	325	338	352	449	515	620	429	695	446
Traffic violations	799	1,060	1,077	695	993	936	1,861	1,162	2,377	1,557
Fire:										
Emergency responses	295	1,033	1,058	1,097	1,119	1,159	1,237	1,249	1,240	1,266
Structure Fires	21	23	17	20	27	43	45	27	25	17
Fire Loss (Thousand \$)	15	187	260	100	125	163	534	219	455	825
Fire Engines	6	7	7	7	7	7	7	8	8	8
Inspections	170	170	183	190	210	220	230	250	264	374
Construction Inspection	650	700	500	800	800	987	700	850	800	135
Planning:										
Building permits issued	3	38	87	542	362	312	440	208	226	273
Public Works:										
Miles streets resurfaced	-	2.17	1.42	-	1.61	-	-	-	-	-
Parks:										
Community events held	5	13	14	15	15	16	16	17	17	17
Swimming pool admissions	No Pool	4,216	7,028	7,398	8,578	11,185	16,197	18,376	21,005	21,000
Water:										
Number new connections	222	231	233	533	426	328	504	884	407	250
Daily average water production in MGD	1.49	1.82	1.90	2.04	2.35	2.52	3.06	3.05	3.12	3.12
Daily average water consumption in MGD	1.49	1.60	2.07	2.03	2.30	2.50	2.54	2.55	3.93	3.93
Wastewater:										
Number new connections	230	239	27	109	647	21	4	945	981	221
Daily average treatment millions gallons(MGD)	1.06	1.17	1.00	0.98	1.20	1.10	1.77	1.46	2.50	2.50

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

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police:										
Stations		1	1	1	1	1	1	1	1	1
Patrol units		4	4	6	8	12	12	12	12	12
Fire										
Stations		1	1	1	1	1	1	1	1	2
Engines	6	6	7	7	7	7	7	8	8	8
Public works:										
Miles of streets		22	22	22	22	22	25	47	47	48
Streetlights		345	345	345	345	345	397	663	969	1,062
Traffic signals		2	2	2	3	3	3	3	3	4
Parks and recreation:										
Community centers		2	2	2	2	2	2	2	2	2
Parks		14	12	12	15	15	15	15	18	20
Park acreage		38	39	39	52	52	52	70	83	88
Water:										
Miles of mains		32	32	35	35	80	81	87	92	95
Number connections		2,583	2,816	3,349	3,775	4,103	4,607	5,491	5,898	6,148
Maximum plant capacity in millions gallons		2.59	2.25	2.59	2.60	2.60	2.60	2.60	4.70	4.70
Wastewater:										
Miles of sewers		18	18	18	18	18	19	24	29	29
Number connections		2,464	2,491	2,500	3,247	3,268	3,272	4,217	5,198	5,419
Maximum plant capacity in millions gallons		4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00	5.00