



City of Ukiah, California

Comprehensive Annual Financial Report

Fiscal Year Ended
June 30, 2019



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Fiscal Year Ended June 30, 2019

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Introductory Section



January 28, 2020

To the Honorable Mayor, members of the City Council and citizens of the City of Ukiah:

We are pleased to submit the City of Ukiah's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This report is prepared in accordance with state law, generally accepted accounting principles (GAAP), and the best management practices for financial reporting as defined by the Government Finance Officers' Association (GFOA). California law requires that a financial report be prepared annually and audited by a licensed certified public accountant within a reasonable period following the year end. These financial statements are presented in conformity with GAAP and audited in accordance with generally accepted auditing standards.

Responsibility for the accuracy of the data and the fairness of presentation, including all footnotes and disclosures, rests with City management. We believe the data presented in this report is accurate in all material respects, and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included. GAAP 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 MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditor.

Management of the City has established an internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile enough, reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements.

As the City did not expend over \$750,000 of federal money during this reporting period, it was not required to conduct a broader, federally mandated uniform guidance designed to meet the special needs of federal grantor agencies.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to external users who include the citizens of the City of Ukiah, City staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The City's financial statements have been audited by Van Lant & Fankhanel, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2019, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the 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.

Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2019, are presented fairly in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. This report includes all funds of the City and its blended component unit: The Successor Agency to the Ukiah Redevelopment Agency.



Profile of the City of Ukiah

The City of Ukiah is a full-service city in that it provides most typical municipal functions, including public safety (including police and fire protection), public works, community development and parks and recreation. In addition, the City provides proprietary services, including water, wastewater, electric, golf, and airport services. It operates in a council-manager form of government, whereby the council serves as the legislative body and the City Manager its executive.

Incorporated on March 8, 1876 as a general law city, Ukiah serves as the administrative seat for the County of Mendocino, and with a residential population of more than 16,296¹ in a 4.7 square-mile area, Ukiah is graced with a strong business base and a well-established residential community.

Ukiah is a travel and recreation-oriented destination and fortunate to serve as a hub for Lake, Mendocino, southern Humboldt, and northern Sonoma counties. The Ukiah business environment is positive and well organized. Driven by an active chamber of commerce, local businesses are community-oriented and engaged in City-business partnerships, including economic development, job creation, tourism, and community events. The City's permanent retail trade area population is approximately 104,000 people with 45,000 within a 10-mile radius. Ukiah's historic downtown area is the center of commercial activity within the community. There are also commercial areas along Orchard/Perkins corridor, Airport Park Boulevard, Perkins Street, as well as much of State Street.

The City's total labor force is approximately 7,230². Unemployment in Ukiah is approximately 4.2 percent, down from 6.9 percent in 2018. Within ten miles, there is a diverse labor force specializing in such occupations as

¹ 2019 California Department of Finance, Demographic Research Unit, E-1 Population Estimates for Cities, Counties, and the State, May 2, 2019

² 2019 California Employment Development Department, Labor Market Information Division, <http://www.labormarketinfo.edd.ca.gov>

sales, technical and professional services, education, medical, agriculture, and government services, and other specialties. The largest employment sectors in the Ukiah area are: government (county and city); education; healthcare; light industry; and the service and hospitality trades. The agricultural and construction sectors are important, and the transportation/public utilities, wholesale trade, finance/insurance/real estate and manufacturing sectors round out the employment picture. Some of the larger employers in the primary trade area include the Ukiah Valley Medical Center, Ukiah Unified School District, County of Mendocino, City of Ukiah, and Savings Bank of Mendocino County. Approximately 17 percent of all jobs in Mendocino County are located within the City of Ukiah.

The City of Ukiah Organization

The City is committed to providing high quality services in an economical manner. For fiscal year 2018-19, the City's efforts were focused in the following areas:

- **Public Safety Services.** Demand for police and fire services continued to grow. The Police Department has initiated aggressive recruiting strategies in a highly competitive job market, working to increase staffing of skilled officers capable of serving an expanding scope of duties to meet the broadened demands on law enforcement. These include untreated mental illness, substance abuse, homelessness, criminals more sophisticated, use of technology, and the effects of prison realignment and decriminalization. With the continued and steady rise of incidents, the Fire Department is seeing an increasing number of times where all their resources are committed and unable to respond to additional calls for service.
- **Housing.** The City of Ukiah adopted a 2019-2027 Housing Element on October 23, 2019, and the newly updated Housing Element was certified by the State Department of Housing and Community Development (HCD) on December 5, 2019. This was the culmination of a significant amount of effort during the 2018-19 fiscal year. The 2019-2027 Housing Element combines existing policy such as the Housing Strategy adopted by City Council in 2017, and existing housing programs within the Housing Division of the Community Development, is designed to increase the supply of housing for persons of all incomes in Ukiah.
- **Streets.** Public Works has continued to utilize Measure Y funds for the improvement of all streets throughout the City. In this effort, the establishment of a Construction Management and Inspection Team has been implemented, as requested by Council.

The City Council establishes annual budgets for the General Fund, proprietary (enterprise and internal service) funds, and all special revenue funds, with a possible exception for certain special revenue funds for which expenditures are controlled by grant funding or by special assessments. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30.

The Ukiah City Council consists of five members, elected at-large to four-year overlapping terms. Council members must be residents of the City. The positions of Mayor and Vice Mayor are chosen by the Council through its own policy. The Mayor conducts the Council meetings and represents the City in ceremonial functions.

The City Council serves as the policy board for the municipality. It provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the broad policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, the City Attorney, and all members of advisory boards and commissions. The City also maintains an elected City Treasurer.

Current Economic Conditions and Outlook

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Understanding that property and sales taxes generate the City's largest two sources of general revenue, it is important to look at the economy in the context of people's wherewithal for producing General Fund tax revenues.

The local economy in and around the City of Ukiah remains diverse, strong, and continues to grow. Unemployment remains low, and consumer spending (through sales tax analysis), building permits, and planning work indicates economic confidence to invest in housing and business development. The housing market, while making progress toward recovering values from the highs of 2007, remains strong, albeit insufficient to meet the demands for market-based housing due to its low supply of units and high prices.

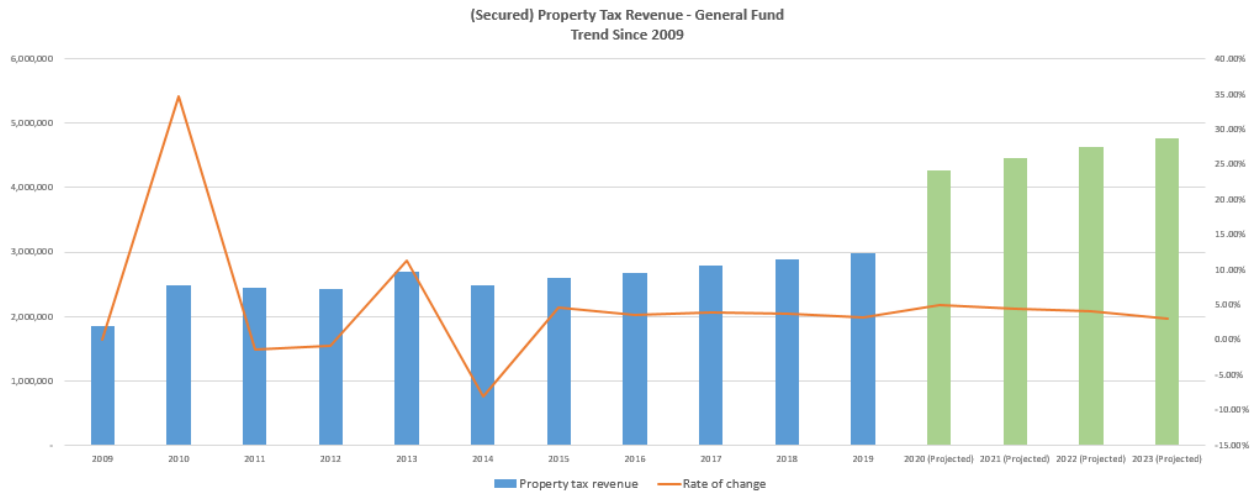
Unemployment rates in the City of Ukiah were higher at 4.2 percent than the national rate (3.6 percent), the state rate (3.7 percent) and the Mendocino County rate of 3.1 percent. But this is down slightly from the prior year of 5.4 percent³.

The City's economic development efforts and development of a high-quality workforce help to promote Ukiah's long-term fiscal stability. This will be a cornerstone in the Council's approach to debt structuring, capital improvement planning, labor negotiations, and service delivery.

As mentioned earlier, the City's principal General Fund revenue sources are sales tax and property taxes. These sources are expected to grow modestly, averaging of 2-5 percent per year for the next five years without a recession. In the event of a recession, however, management estimates sales tax revenue sources to decline 2-3 percent.

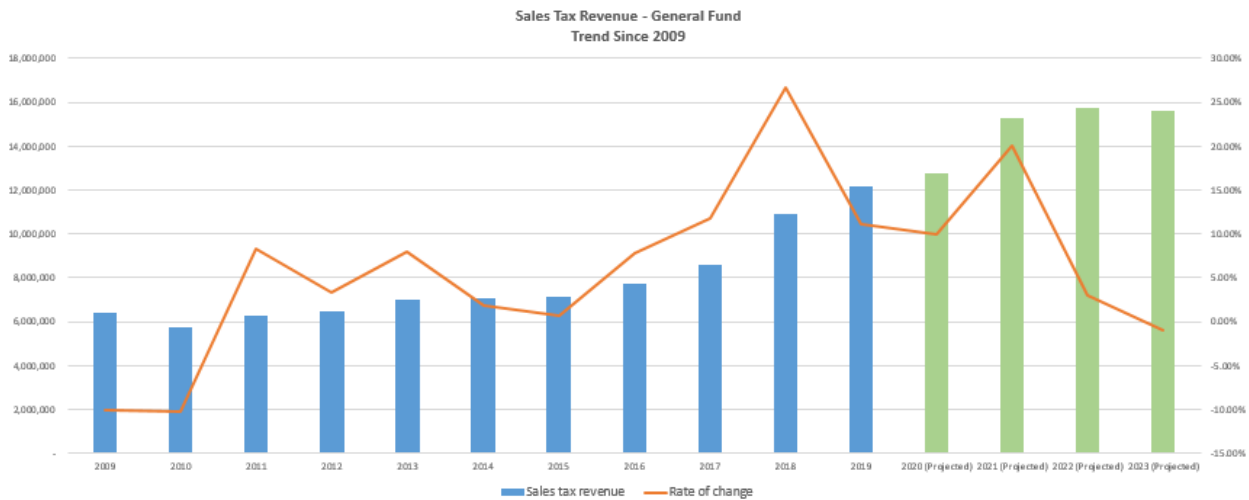
The housing market has improved markedly; however, changes to property tax receipts will continue to be nominal due to retroactive Prop 8 adjustments still being processed by the Mendocino County Assessor. Property-related revenues in general are expected to increase modestly FY 2019-20 and beyond, likely to average 4-5 percent, as illustrated in the following table.

³ 2019 California Employment Development Department, Labor Market Information Division, <http://www.labormarketinfo.edd.ca.gov>

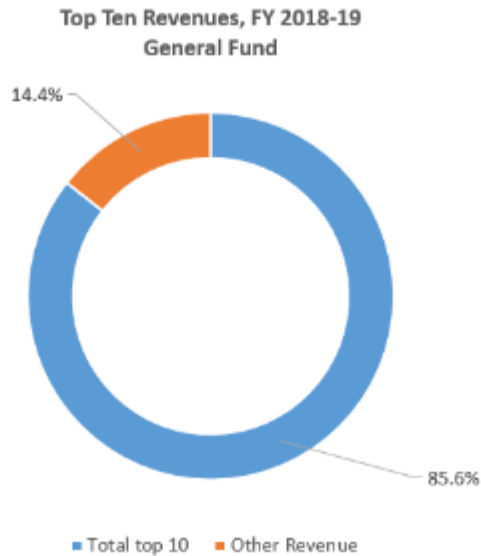


As the hub of Mendocino County, Ukiah has a strong sales tax base. After the Great Recession, Ukiah began seeing a gradual increase in sales tax beginning in 2015. However, with the buildout of Airport Park Boulevard, the sales tax is projected to continue increasing through 2021.

Forecasting through 2023 shows a drop due to a potential recession, which management believes, based on historical economic cycles, is likely to occur within the next three years. There is no indication of a recession currently; however, management exercises caution estimating future revenues. Below illustrates the effect of a 1 percent decrease.



Financial Condition: General Revenues - Top Ten:



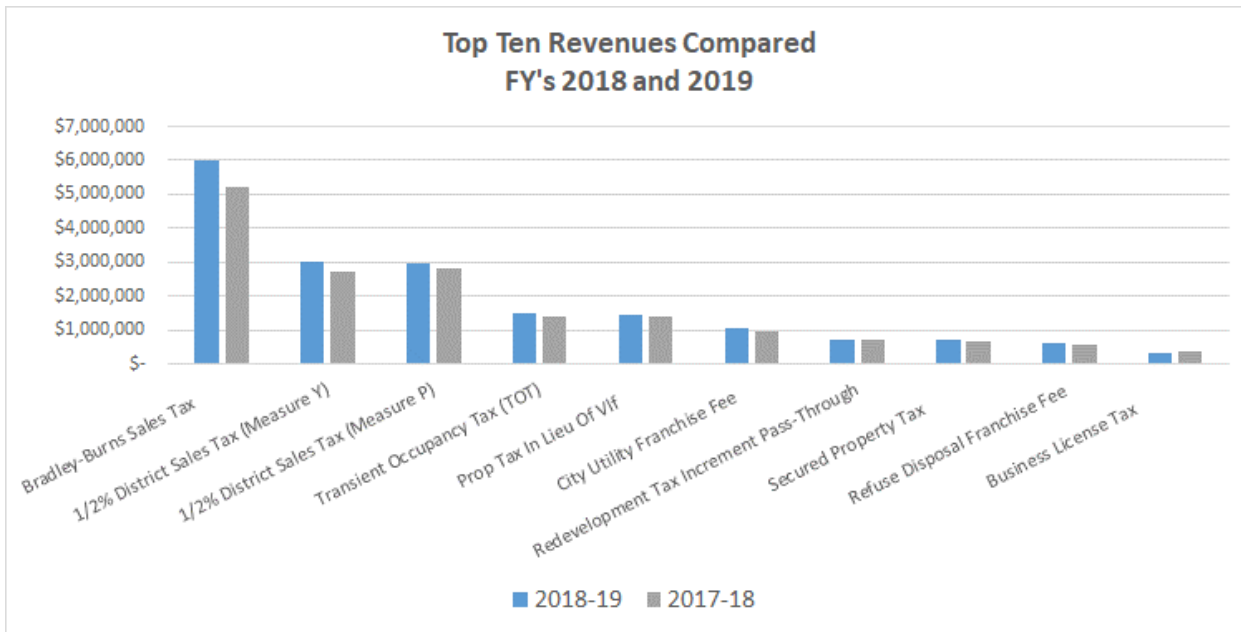
The City's top ten revenue sources account for 85.6 percent of total General Fund income. Focusing on these sources can provide a useful understanding of the City's revenue position.

Overall, these key revenues performed better in 2019 than in 2018. The strongest performer was Bradley-Burns Sales Tax (14.57 percent increase). The weakest performer was Business License Tax (-17.57 percent increase), which resulted from a collection error with the City's business license billing system. The error has been corrected and back business license taxes are being collected. The following schedule and chart demonstrate this comparison:

TOP 10 - REVENUES

Current from Prior
Year Ended June 30, 2019

REVENUE	2018-19	2017-18	Percent Change	Percent of Total 2018-19 General Revenues
Top 10:				
Bradley-Burns Sales Tax	\$ 5,985,840	\$ 5,224,629	14.57%	28.06%
1/2% District Sales Tax (Measure Y)	3,016,205	2,729,798	10.49%	14.14%
1/2% District Sales Tax (Measure P)	2,972,334	2,790,669	6.51%	13.93%
Transient Occupancy Tax (TOT)	1,496,473	1,406,417	6.40%	7.01%
Prop Tax In Lieu Of Vlf	1,451,100	1,390,342	4.37%	6.80%
City Utility Franchise Fee	1,040,975	942,628	10.43%	4.88%
Redevelopment Tax Increment Pass-Through	709,061	724,761	-2.17%	3.32%
Secured Property Tax	690,720	662,049	4.33%	3.24%
Refuse Disposal Franchise Fee	609,150	568,596	7.13%	2.86%
Business License Tax	293,706	356,331	-17.57%	1.38%
Total top 10	18,265,564	16,796,219	8.75%	85.61%
Other Revenue	3,070,306	2,960,565	3.71%	14.39%
Total operating revenue	\$ 21,335,870	\$ 19,756,784	7.99%	100.00%



Sales Tax. The City collects sales tax from three sources: normal Bradley-Burns sales taxes (1 percent of taxable transactions), a ½ cent sales and use tax, commonly referred to as Measure P, and a ½ cent sales and use tax, commonly referred to as Measure Y. All are devoted entirely to the City and are distinct and considered separate sources of revenue. Each behave slightly differently given their tax base. Bradley-Burns sales taxes are referred to as “sales and use” taxes, levied on transactions based geographically in the City. Measures P and Y are referred to as a “transaction and use” taxes and is applied to any taxable sale in the City as well as any sale where the use of the item is in the City. For instance, a car purchased outside the City but registered to, and therefore presumed to be used at, an address within would be levied the ½ cent on the purchase price for Measure P and the same amount for Measure Y. Both are general taxes and can be used for any regular, general governmental purpose; however, the City Council, through resolution, has assigned their use to public safety and streets, respectively.

Overall, sales taxes receipts (Bradley-Burns and Measure P) were up moderately from a year ago due in part to stronger sales in the City’s retail sector. All sales tax due the City will come exclusively from the California Department of Tax and Fee Administration (CDTFA).

Property Tax in Lieu of VLF (Vehicle License Fee). These are property tax shares allocated to cities and counties beginning in FY 04-05 as compensation for the state’s take of Vehicle License Fees (VLF). This revenue source typically follows regular property tax collections, discussed under “Secured Property Tax” below and is up 4.33 percent compared to last year.

Transient Occupancy Tax (TOT). Commonly referred to as a “bed,” “hotel,” or “room” tax this revenue source has performed strongly over the last two years, up 6.4 percent from 2017-18. Driven by increased tourism in the greater Ukiah Valley area and a larger volume of travelers heading north, this revenue source is poised to

continue its growth trend for several more years. Visitors are stopping in Ukiah as a final layover before making the trek to Fort Bragg and Humboldt County and are exploring the wonders of what the Ukiah Valley has to offer.

The TOT rate in Ukiah currently is 10 percent; however, 1 percentage point has been committed by the Ukiah City Council to fund the Visit Ukiah Program.

City Utility Franchise Fees. This revenue source is a charge to the City's electric utility. Franchise fees are not taxes; rather, they are rents paid by utility providers to operate on or in City rights-of-way and City property, such as roads, sidewalks, parklands, etc. The rents are established by the City Council and typically are correlated to gross revenues generated by the utility provider. Revenues from this source remain stable as electric charges from rates rise through increased usage and rate adjustments.

Redevelopment Tax Increment Pass-Through. After the dissolution of Redevelopment in California by the Legislature, the Ukiah Redevelopment Agency was sent into receivership of a successor agency. Property tax increment revenue once received by the former redevelopment agency was instead held in trust by the County Auditor-Controller in a specific fund, affectionately known as the Redevelopment Property Tax Trust Fund (RPTTF). Property tax increment collected in this fund would first pay the County Auditor-Controller's administrative costs, then pass to the successor agency of the former RDA (City of Ukiah) to satisfy the obligations of the former agency, then to the taxing entities in the project area of the former RDA, including the Ukiah Unified School District and the County of Mendocino General Fund. The City also receives a share of these residuals which are reported in the General Fund.

This revenue source tracks like regular (secured) property tax, although it is calculated from a slightly different derivative property tax base (tax increment).

Secured Property Tax. Traditionally, revenue from property tax was viewed as a very stable source. The housing collapse of 2008 tested that assumption. However, as the housing market continued to recover modestly in Ukiah, receipts came in higher than the year prior. This was due to a combination of factors, including retroactive Prop 8 (1978) assessment adjustments and increased assessed values from housing sales. Slightly less than 11 percent of property taxes paid by property owners within the City are allocated to the City. The majority is distributed to local schools and the County of Mendocino.

As mentioned earlier, revenue from this source will continue to trend positively over the next few years as the county continues to process Prop 8 property value adjustments and as housing prices and home sales increase.

Refuse Disposal Franchise Fees. This revenue source is a charge to the City's franchise solid waste hauler. As discussed earlier, franchise fees are not taxes; rather, in the case of refuse disposal franchise fees they are rents paid by the refuse hauler for the use of rights-of-way to provide and distribute its services. Refuse hauler vehicles used to haul refuse are utilized more frequently and wear roads more significantly than other commercial or non-commercial vehicles. Revenues from this source were higher in FY 2018-19 than in the preceding year due to increased sales by the hauler, Ukiah Waste Solutions.

Business License Tax. Businesses that operate within City limits are required to obtain a business license. The fees are based on the type of business and an estimate of their gross receipts. The proceeds from the tax collected are available for unrestricted use in the General Fund. Receipts are down from a year ago due to a billing error for renewals.

Major Initiatives

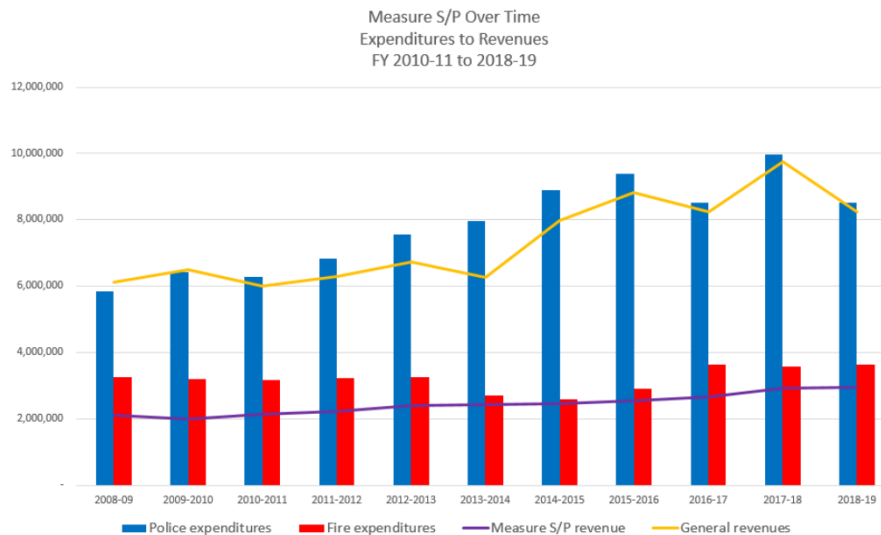
The Ukiah City Council, through a strategic process of discussion, observation, and education, has developed the following set of focused priorities that help guide the development and implementation of policies, activities, and programs. These three areas are in no way all-encompassing of the City's scope of work nor are they finite; rather, the strategic planning process is considered evolutionary and vision-based. All these areas work to further promote the vibrancy and sustainability of the Ukiah community and the organization.

- Create alignment among Council Members, City Staff, and the Community about the top strategic priorities for the City of Ukiah.
- Develop a set of operational principles that will guide the practices and decisions of the Council in focusing the strategic priorities.
- Identify specific mechanisms for tracking these strategic priorities over time that will allow the Council and City Staff to make the necessary adjustments to achieve the strategic priorities.

Measure P

Measure P, passed by a simple majority (50 percent plus 1) of Ukiah voters in November of 2014, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. It continued a sun-set transaction and use tax, known as Measure S (2005), accompanied by an advisory Measure T (2005). Measure P, however, was passed with no advisory measure.

The purpose of Measure P is to augment public safety expenditures to provide a higher level of police and fire service to the community. Amounts collected from the tax are to be used in addition to the commitment of the General Fund and not in replacement of. The following graph demonstrates how the past revenue measure (S) and now Measure P have been employed with relation to the General Fund.



Every year, the City Council appropriates resources in the amount of revenue expected from Measure P for projects, programs, and activities that are in the spirit of the measure. The City Council has committed these funds to enhance the General Fund activities in public safety. Below is a schedule of what those were and what resources were allocated to them.

Uses and Sources
Public Safety Activities
 Comparative

Expenditure Uses by Category	Measure P		Increase (Decrease)
	Baseline FY 2014-15	FY 2018-19	
Police:			
Sworn officers	32	34	2
Misc personnel	18	19	1
Personnel	\$ 6,049,608	5,986,885	\$ (62,723)
Operations	2,660,085	2,492,717	(167,368)
Capital	186,594	261,265	74,671
Total police	8,896,287	8,740,867	(155,420)
Fire:			
Firefighters:			
City	11	19	8
UVFD ¹	6	0	(6)
Personnel	1,506,406	2,010,994	504,588
Operations:			
Contractual	516,180	263,765	(252,415)
Other	530,822	1,357,198	826,376
Capital	30,400	5,183	(25,217)
Total fire	2,583,807	3,637,140	1,053,333
Total public safety	11,480,094	12,378,007	897,913
Dedicated Revenue Sources			
Measure P transaction and use tax	2,465,521	2,972,334	506,813
Public safety revenue:			
Police ²	1,001,861	830,514	(171,347)
Fire	37,235	128,898	91,663
Other revenue	-	-	-
Total revenue	3,504,617	3,931,746	427,129
Excess (deficiency) revenues over expenditures	(7,975,477)	(8,235,405)	(259,928)
Other Financing Sources			
General revenues, general fund	7,975,477	8,235,405	259,928
Remaining resources	\$ -	\$ -	\$ -

Notes:

- 1) UVFD personnel were transferred to the City in 2018 as permanent City employees. UVFD contracts for all fire services through the City.
- 2) Includes external revenue for dispatch services.
- 3) UVFD personnel were transferred to the City in 2018 as permanent City employees. UVFD contracts for all fire services through the City.

Measure Y

Measure Y, passed by a simple majority (50 percent plus 1) of Ukiah voters in November of 2016, is a general (unrestricted) transaction and use tax. A general, unrestricted tax is one that can be used to fund any program, function, service, or project at the discretion of the City Council. It is not a special, restricted tax, which would require approval of two-thirds of the voting public. Measure Z, passed in conjunction with Measure Y, was a distinctly separate, advisory Measure Y, indicating the voting public's preference for the use of Measure Y proceeds. Language for the two ballot measures was as follows:

Ballot Measure "Y":

Shall Ordinance No. 1165 be adopted to impose as a general tax an additional transaction (sales) and use tax of on-half of one percent within the city limits of the City of Ukiah to fund essential City services, including street repair and maintenance. Such tax increase is estimated to raise \$2,470,000 annually at a rate of 0.5 percent. The duration of the tax will continue unless or until the tax is repealed by majority vote in a municipal election.

Advisory Measure "Z":

Shall street repair and maintenance and related public infrastructure improvements be the exclusive use of the revenues from an additional 0.5 percent sales tax in the City of Ukiah and add to and not replace current spending for street maintenance and repair.

Fiscal Year 2018-19 Measure Y Uses

Street Maintenance and Repair - General Fund		2018-19
Maintenance level	\$	373,870 (a)
Expenditures for streets in general fund, 2018-19		6,294,955 (b)
Increase (decrease) from base year (b) - (a)	\$	5,921,085 (c)
Specific Resources		
Measure Y: Transaction and Use Tax	\$	3,016,205 (d)
Special revenues and transfers		1,262,650 (e)
Total available specific resources for street maintenance and repair (d) + (e)	\$	4,278,855 (f)
Analysis		
General fund base commitment amount (a)	\$	373,870 (g)
Additional resources (f)		4,278,855 (h)
Additional general fund use of general revenues for streets (c) - (f)		1,642,230 (j)

Fiscal Year 2018-19	Expenditures and Allocations	General Revenue Share	Other Financing Sources	Measure Y Share	Total Funding
Debt Service on new infrastructure borrowing	\$ 222,749	\$ 151,469	\$ -	\$ 71,280	\$ 222,749
Enhanced Public Works capacity - Streets	70,411	-	-	70,411	70,411
Road and rights-of-way maintenance	1,418,667	1,418,667	-	-	1,418,667
Road and rights-of-way rehab and improvement	4,583,128	445,964	1,262,650	2,874,514	4,583,128
	\$ 6,294,955	\$ 2,016,100	\$ 1,262,650	\$ 3,016,205	\$ 6,294,955

Relevant Financial Policies

City Management has adopted a series of financial policies meant to guide its use and reporting of revenues. Some of the more germane policies as related to this report include the following:

- All current operating expenditures will be paid for with current revenues, unless the use of reserves is approved by the City Council.
- Revenues will be conservatively estimated.
- Intergovernmental assistance in the form of grants and loans will be used to finance only:
 - Those capital improvements which can be maintained and operated over time; or
 - Operating programs that can either be sustained over time or have a limited horizon.
- A strategic reserve in the General Fund will be maintained. The minimal level required for this reserve will be 25 percent of General Fund expenditures. The reserve will be drawn down as a funding source of last resort and used only after other reserve accounts have been accessed.
- The unrestricted fund balance in the General Fund will be maintained at a level enough to provide adequate working capital and to accommodate required adjustments to other reserve accounts, including the reserves for advances to other funds, deposits and prepaid items.
- In general, one-time revenues will be used only to support capital or other non-recurring expenditures. One-time revenues may be used for operating programs only after an examination determines if they are subsidizing an imbalance between operating revenues and expenditures; and then only if a long-term forecast shows that the operating deficit will not continue.
- The City invests all idle cash as determined by analysis of anticipated cash flow needs. Specific emphasis will be placed on future cash requirements when selecting maturity dates to avoid forced liquidations and the potential corresponding loss of investment earnings.
- When the City finances capital projects by issuing bonds or acquiring loans, it will pay back those obligations within a period that is consistent with the useful life of the project.
- The City requires an annual audit of the books of account, financial records, inventories and reports of all City officers and employees involved in the handling of financial matters by a qualified independent auditor.

Information concerning significant accounting policies affecting the finances of the City is summarized in the Notes to the Financial Statements.

Acknowledgements

The preparation of this Comprehensive Annual Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department, the City's Management Team, and the auditing firm of Van Lant & Fankhanel, LLP. We would like to express our appreciation to Brett Van Lant, CPA; Greg Fankhanel, CPA; the staff of Van Lant & Fankhanel, LLP; and to the members of the Finance Department, City Manager's Office, and other administrative divisions who assisted and contributed to its development.

We also would like to thank members of the City Council and all City departments for their cooperation and support in planning and conducting the financial operations of the City during the fiscal year.

Respectfully submitted,



Sage Sangiacomo
City Manager



Daniel Buffalo, MPA, CPA, CGMA
Finance Director

City of Ukiah, California
List of Officials
June 30, 2019

CITY COUNCIL
UKIAH REDEVELOPMENT SUCCESSOR AGENCY BOARD OF DIRECTORS

Maureen Mulheren	Mayor
Doug Crane	Vice Mayor
Jim Brown	Council Member
Juan Orozco	Council Member
Steve Scalmanini	Council Member

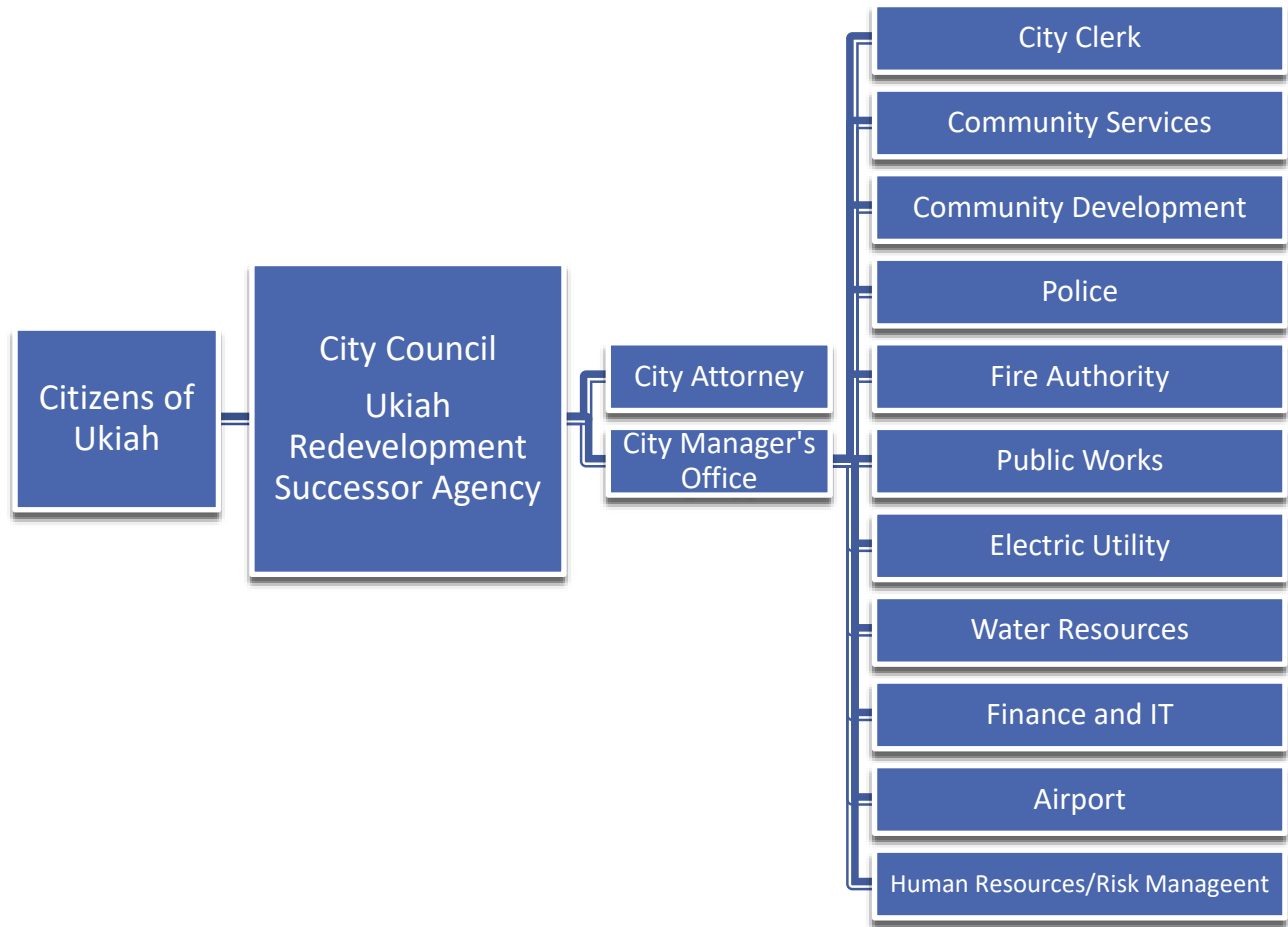
EXECUTIVE MANAGEMENT TEAM

Sage Sangiacomo	City Manager
Shannon Riley	Deputy City Manager
David Rapport	City Attorney
Kristine Lawler	City Clerk
Justin Wyatt	Chief of Police
Doug Hutchison	Fire Authority Chief
Daniel Buffalo	Finance Director
Sheri Mannion	Human Resources/Risk Management Director
Tim Eriksen	Public Works Director/City Engineer
Craig Schlatter	Community Development Director
Greg Owen	Airport Manager
Mel Grandi	Electric Utility Director
Sean White	Water Resources Director



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City Organizational Chart



Financial Section



Independent Auditor's Report

The Honorable City Council
City of Ukiah, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ukiah (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Van Lant & Fankhanel, LLP
25901 Kellogg Street
Loma Linda, CA 92354

909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Ukiah, as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 15 to the financial statements, in 2019, the City adopted new accounting guidance, *GASBS No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the schedules listed in the supplementary Information section of the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules listed in the supplementary information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated January 23, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant & Fankhaed, LLP

Loma Linda, California
January 23, 2020

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Management Discussion and Analysis (MD&A) (Required Supplementary Information)

The following discussion provides readers of the City of Ukiah's financial statements a narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the Independent Auditor's Report, the basic financial statements, and the accompanying notes.

Financial Highlights

- City assets exceeded its liabilities by \$138.8 million (net position) as of June 30, 2019
- The City's net position in total increased by \$18.3 million during the fiscal year 2018-19
- The net position for governmental activities ended the year at \$36.0 million, while the net position of business activities was \$102.7 million
- Of the \$36.1 million in total governmental activities net position, a negative \$18.9 million is characterized as unrestricted
- The governmental activities saw increased revenues from most major sources. Tax sources rose in the amount of \$1.3 million offset, in part, by a decline in business license tax receipts.
- Business activities saw revenue for charges for services increase by \$362,491, reflecting increased rates for electric and water.

Overview of the Comprehensive Annual Financial Report

This Comprehensive Annual Financial Report is presented in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information; and
- 2) **Financial section**, which includes the Management's Discussion and Analysis (MD&A), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements, along with the notes to these financial statements and Combining and Individual Fund Financial Statements and Schedules; and
- 3) **Statistical section**, which includes financial, demographic and economic information on the City and surrounding community such as the value of taxable property, direct and overlapping tax rates, direct and overlapping debt, population and estimated per capita income.

This Management Discussion and Analysis is intended to serve as an introduction to the financial section. The statements of this section are comprised of components including financial highlights, government-wide financial statements, fund financial statements, a General Fund budgetary comparison and an economic outlook.

The Government-Wide Financial Statements

The government-wide financial analysis provides an overview of the City's activities and is comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all its assets, capital assets and liabilities on the full-accrual basis, like that used by private sector entities. The Statement of Activities provides information about all the City's revenues and expenses, also on the full-accrual basis, with the emphasis on measuring net revenues or expenses of each the City's major functions, which have been categorized as follows:

Governmental Activities

- General and administrative (City Council, City manager, City Clerk)
- General government (e.g., administration, finance and accounting, human resources, legal, treasurer, etc.)
- Community development (planning and building)
- Roads and infrastructure (road maintenance, city engineer and public works,)
- Housing and support programs (CDBG and HOME grants, etc.)
- Redevelopment/Economic development
- Public safety (Police and Fire)
- Parks, buildings, and grounds (parks, building and grounds maintenance, etc.)
- Culture and recreation (museum, pool, sports, etc.)

Business-type activities

- Airport
- Conference Center
- Electric
- Golf Course
- Landfill
- Parking District
- Street lighting
- Wastewater
- Water

The Statement of Activities explains in detail the change in Net Position for the year. As indicated in the Financial Highlights, the City's net position increased \$18.3 million, which includes costs associated with depreciation and other non-budgeted items that may not influence cash or current financial resources but do affect net position. The statement presents expenses categorized by function or activity. This is done so that a direct connection can be made to the cost of providing that service or function for the year. The statement then presents how that activity was financed using funds other than those that can be used for any purpose (i.e. taxes, fines, investment earnings, etc.). This is an attempt to demonstrate how self-sufficient an activity was during the year. The remainder is the net expense covered by general revenues.

All the City's activities are grouped into either governmental activities or business-type activities, as explained below. The amounts in the Statement of Net Position and the Statement of Activities are separated into governmental activities and business-type activities in order to provide a clear summary of the two.

Government-wide financial statements, prepared on the accrual basis, measure the flow of all economic resources of the City.

The Statement of Net Position and the Statement of Activities present information about the following:

- **Governmental activities**—all the City's basic services are governmental activities. These services are supported by general city revenues, such as taxes, and by specific program revenues such as user fees and charges.

The City's governmental activities also include the housing activities of the (former) Ukiah Redevelopment Agency, a separate legal entity for which the City is financially responsible. As of February 1, 2012, the Ukiah Redevelopment Agency was dissolved, and a successor agency was established to handle the remaining affairs and obligations of the former agency. The City of Ukiah elected to be that successor agency. Upon dissolution, the assets and liabilities of the former agency were transferred to a private-purpose trust fund, which is not reported on the government-wide statements but is presented in the fund-based statements using the full accrual basis of accounting.

- **Business-type activities**—The City's enterprise activities of electric, water, wastewater, recycled water, solid waste disposal site, parking, street lighting, airport, conference center and golf course are reported in this area. Unlike governmental activities, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

The fund financial statements report the City's operations in more detail than the entity-wide statements and focus primarily on the short-term activities of the City's General Fund and other major funds. The fund financial statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Because the focus of fund statements is narrower than that of the government-wide, it is useful to compare the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impacts of the City's near-term financing decisions. Both the governmental activities Statement of Net Position and the governmental funds Statement of Revenues, Expenditures, and Changes in Net Position provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Major funds account for the largest portion of the financial activities of the City and are presented individually, while the activities of non-major funds are presented in summary, with supplementary schedules presenting the detail for each. Major funds are explained below.

The fund financial statements provide detailed information about each of the City's most significant funds, termed major funds. The concept of major funds, and the determination of which are major, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them in total. Instead, each major fund is presented individually, with all non-major funds summarized and presented only in a single column. Supplementary Information present the detail of these non-major funds. Major funds present the major activities of the City for the year and may change from year to year as a result of changes in the pattern of City's activities.

For the fiscal year ended June 30, 2019, the City's major funds were as follows:

GOVERNMENTAL FUNDS:

- General Fund
- Streets Capital Projects

PROPRIETARY FUNDS:

- Landfill
- Electric Enterprise
- Water Enterprise
- Wastewater Enterprise

The City's enterprise funds (electric, water, wastewater and landfill) are reported as proprietary funds. Enterprise fund financial statements are prepared on the full-accrual basis, and include all their assets and liabilities, both current and long-term.

The City adopts an annual appropriated budget for all governmental and proprietary funds. Budgetary comparison statements for the General Fund and all major governmental funds are presented as required supplementary information (RSI), as required by GASB 34. Proprietary budget comparison statements are not required or presented.

Fiduciary Statements

The City's fiduciary activities are reported in the separate Statement of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its own operations. The City maintains two fund types in this category: custodial and private purpose trust funds. These funds include resources held by the City on behalf of the Ukiah Valley Sanitation District, The Russian River Watershed Association, and the Ukiah Valley Fire District and the Ukiah Redevelopment Successor Agency. They provide information about the cash balances and activities of these funds. In its presentation of these statements, the City has adopted the provisions of GASB 85: Fiduciary Activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found following the basic financial statement presentation of this report.

Other Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report also presents combined statements, which illustrate the condition and activities of all non-major funds. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found subsequent to the notes section of this report.

Government-Wide Financial Analysis

Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed net position for both governmental and business-type activities.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 27,324,781	\$ 28,476,340	\$ 55,608,409	\$ 56,854,120	\$ 82,933,190	\$ 85,330,460
Capital assets(net)	47,386,857	43,591,052	169,238,480	146,416,552	216,625,337	190,007,604
Total assets	74,711,638	72,067,392	224,846,889	203,270,672	299,558,527	275,338,064
Deferred outflows of resources	7,197,955	8,317,594	2,414,751	3,212,944	9,612,706	11,530,538
Total assets and deferred outflows of resources	81,909,593	80,384,986	227,261,640	206,483,616	309,171,233	286,868,602
Current and other liabilities	3,310,766	9,005,846	5,522,562	8,737,666	8,833,328	17,743,512
Long-term liabilities	41,723,009	41,049,956	118,677,956	106,100,799	160,400,965	147,150,755
Total liabilities	45,033,775	50,055,802	124,200,518	114,838,465	169,234,293	164,894,267
Deferred inflows of resources	820,201	838,237	369,346	679,940	1,189,547	1,518,177
Total Liability and deferred inflows of resources	45,853,976	50,894,039	124,569,864	115,518,405	170,423,840	166,412,444
NET POSITION						
Net investment in capital assets	42,321,290	38,289,548	86,114,096	70,965,675	128,435,386	109,255,223
Restricted	12,610,721	12,610,721	123,367	81,992	12,734,088	12,692,713
Unrestricted	(18,876,394)	(21,409,322)	16,454,313	19,917,544	(2,422,081)	(1,491,778)
Total net position	\$ 36,055,617	\$ 29,490,947	\$ 102,691,776	\$ 90,965,211	\$ 138,747,393	\$ 120,456,158

The City's net position as of June 30, 2019, was \$138.8 million, an increase of \$18.3 million. The overall change in net position is due in large part to recognition as an extraordinary item of a reinstated \$6 million loan receivable to the City from the Ukiah Redevelopment Successor Agency. The City also recorded grant revenues for its recycled water project of \$9.9 million. Additionally, increased revenues for taxes and charges for services bolstered the City's overall net position.

The change in net position for the fiscal years ended June 30, 2019 and 2018 are discussed below. This information is presented in greater detail than that found on the Statement of Activities or Changes in Net Position to allow the reader to gain a more in-depth understanding of the sources and uses of revenue.

Restricted net position of \$12.7 million is primarily comprised of cash and cash-equivalents for use as prescribed by an outside entity, such as a grantor, bond holder, covenant, or other restricting entity or instrument, or are in the form of long-term notes receivable and are unavailable for spending. In the case for FY 2019, this is held primarily for Housing Programs in the form of loans receivable and unspent bond proceeds. It is important to note that restricted cash and investments may be different than restricted net position, e.g., cash restricted by a bond indenture as part of a bond issue is offset by the corresponding liability on the statement of net position, which is part of net investment in capital assets.

Unrestricted net position of negative \$2.4 million includes cash and cash equivalents and may be used to meet the City's ongoing obligations to citizens, creditors, and City-imposed designations (e.g. reserves, pending litigations, contingencies, capital projects, special grant and revenue programs and projects, etc.). It is negative primarily due to the City's long-term obligations related to net pension liabilities, capital-related debt, and estimated landfill closure costs. The City's working capital to meet current and other near-term operating and capital concerns was \$64.5 million.

Activities

Activity expenses of the City for FY 2019 year totaled \$61.5 million, an increase from FY 2018 of \$5.1 million. Governmental expenses totaled nearly \$24.6 million or 40 percent of total expenses. Public safety costs represented most of the governmental expenses, followed by public works and recreation.

Business-type activities incurred \$36.8 million of expense during the fiscal year, 60 percent of all City expenses.

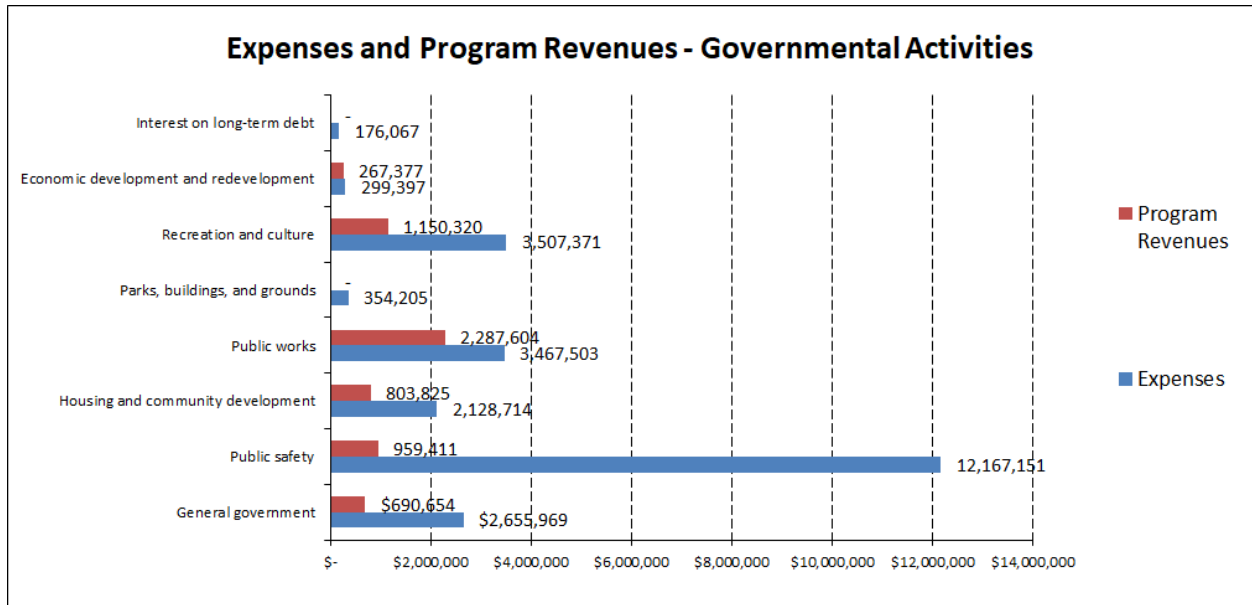
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program revenues:						
Charges for services	\$ 2,539,362	\$ 2,977,647	\$ 33,601,553	\$ 34,023,235	\$ 36,140,915	\$ 37,000,882
Operating grants and contributions	2,044,901	580,562	819,586	-	2,864,487	580,562
Capital grants and contributions	1,574,928	2,960,991	12,524,559	2,251,303	14,099,487	5,212,294
General revenues:						
Taxes:						
Property tax	2,984,192	2,838,902	17,121	73,004	3,001,313	2,911,906
Sales tax	11,974,379	10,853,469	-	-	11,974,379	10,853,469
Transient occupancy	1,496,473	1,406,417	-	-	1,496,473	1,406,417
Business license	303,604	434,464	-	-	303,604	434,464
Other taxes	462	-	-	-	462	-
Licenses permits and franchises	1,781,141	1,653,146	-	-	1,781,141	1,653,146
Use of money and property	850,711	328,535	1,166,919	315,104	2,017,630	643,639
Other revenue	181,676	139,439	11,513	-	193,189	139,439
Total revenues	<u>25,731,829</u>	<u>24,173,572</u>	<u>48,141,251</u>	<u>36,662,646</u>	<u>73,873,080</u>	<u>60,836,218</u>
EXPENSES						
Governmental activities:						
General government	2,655,969	1,517,657	-	-	2,655,969	1,517,657
Public safety	12,167,151	13,376,937	-	-	12,167,151	13,376,937
Housing and community development	2,128,714	899,662	-	-	2,128,714	899,662
Public works	3,467,503	2,948,713	-	-	3,467,503	2,948,713
Parks, buildings, and grounds	354,205	1,412,291	-	-	354,205	1,412,291
Recreation and culture	3,507,371	1,846,275	-	-	3,507,371	1,846,275
Economic development and redevelopment	299,397	273,570	-	-	299,397	273,570
Interest on long-term debt	176,067	73,532	-	-	176,067	73,532
Business-Type activities:						
Airport	-	-	1,360,631	1,518,021	1,360,631	1,518,021
Conference Center	-	-	500,305	369,086	500,305	369,086
Electric	-	-	17,373,419	16,302,780	17,373,419	16,302,780
Golf	-	-	213,949	223,368	213,949	223,368
Landfill	-	-	2,114,576	667,195	2,114,576	667,195
Parking District	-	-	128,643	153,686	128,643	153,686
Street Lighting	-	-	43,349	395,722	43,349	395,722
Wastewater	-	-	10,979,067	9,731,326	10,979,067	9,731,326
Water	-	-	4,111,529	4,619,376	4,111,529	4,619,376
Total expenses	<u>24,756,377</u>	<u>22,348,637</u>	<u>36,825,468</u>	<u>33,980,560</u>	<u>61,581,845</u>	<u>56,329,197</u>
Change in net position before extraordinary items and transfers						
	975,452	1,824,935	11,315,783	2,682,086	12,291,235	4,507,021
Extraordinary Item	6,000,000	-	-	-	6,000,000	-
Transfers	(410,782)	(363,796)	410,782	363,796	-	-
Change in net position	<u>6,564,670</u>	<u>1,461,139</u>	<u>11,726,565</u>	<u>3,045,882</u>	<u>18,291,235</u>	<u>4,507,021</u>
Net position - beginning	<u>29,490,947</u>	<u>28,029,808</u>	<u>90,965,211</u>	<u>87,919,329</u>	<u>120,456,158</u>	<u>115,949,137</u>
Net position - ending	<u>\$ 36,055,617</u>	<u>\$ 29,490,947</u>	<u>\$ 102,691,776</u>	<u>\$ 90,965,211</u>	<u>\$ 138,747,393</u>	<u>\$ 120,456,158</u>

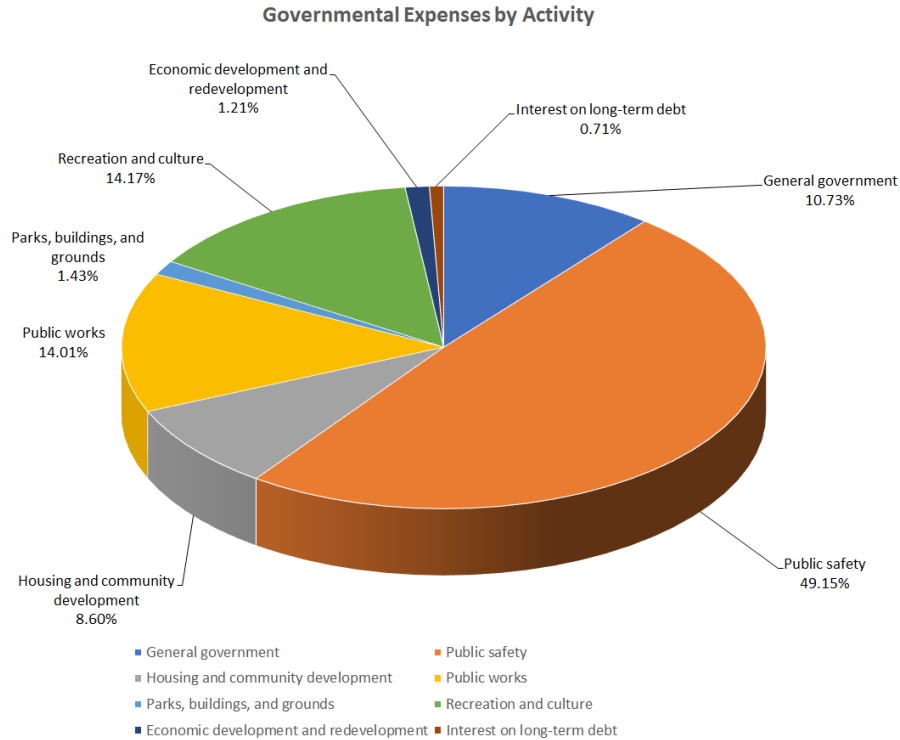
Governmental Activities

The most significant expenses incurred by the City are providing public safety services (49.4 percent of governmental expenses). Streets and infrastructure include depreciation expense associated with assets assigned to governmental functions, such as buildings, equipment, and vehicles. Costs directly associated with governmental activities were as follows:

**Expenses and Program Revenues
Governmental Activities
For the Year Ended June 30, 2019**

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General government	\$ 2,655,969	10.73%	\$ 690,654	11.21%	\$ (1,965,315)
Public safety	12,167,151	49.15%	959,411	15.58%	(11,207,740)
Housing and community development	2,128,714	8.60%	803,825	13.05%	(1,324,889)
Public works	3,467,503	14.01%	2,287,604	37.14%	(1,179,899)
Parks, buildings, and grounds	354,205	1.43%	-	0.00%	(354,205)
Recreation and culture	3,507,371	14.17%	1,150,320	18.68%	(2,357,051)
Economic development and redevelopment	299,397	1.21%	267,377	4.34%	(32,020)
Interest on long-term debt	176,067	0.71%	-	0.00%	(176,067)
Total	\$ 24,756,377	100.00%	\$ 6,159,191	100.00%	\$ (18,597,186)





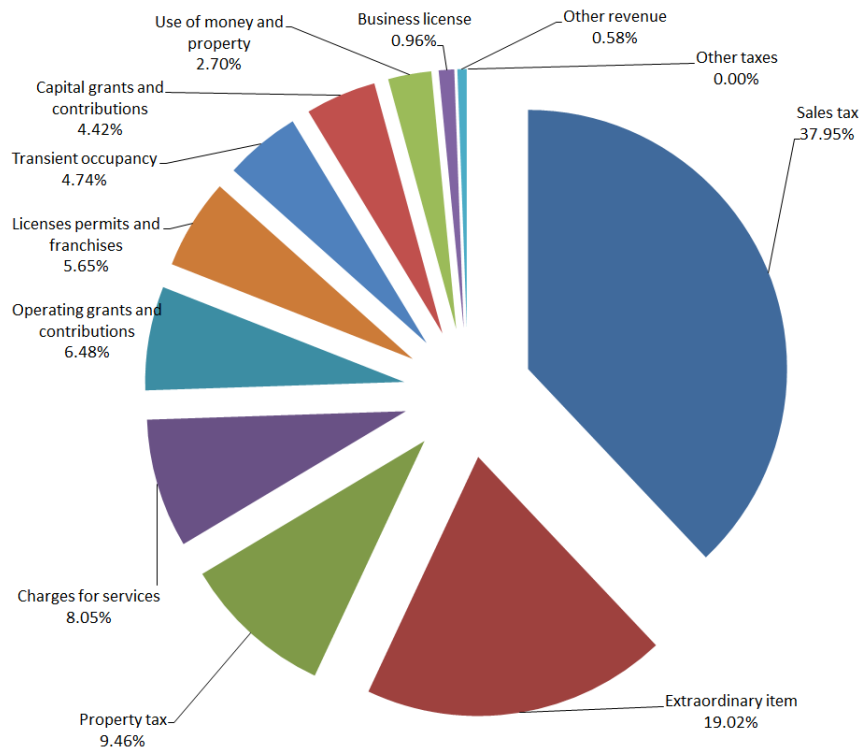
Significant revenues for the City came from taxes (53 percent), which included sales taxes (Bradley-Burns, Measure P and Measure Y transactions and use taxes), property taxes and transient occupancy taxes. Tax revenues overall were higher than in the prior year due to increases to the sales and property tax base from a strong local economy and from a new Costco warehouse, which opened in the City July 2018.

From highest to lowest, revenues directly associated with governmental collections were as follows. This information is presented in greater detail than that found on the Statement of Activities or Changes in Fund Balance to allow the reader to gain a more in-depth understanding of the sources and uses of revenue.

**Revenues by Source
Governmental Activities
For the Year Ended June 30, 2019**

Revenues Source	Revenue	% of Total
Sales tax	\$ 11,974,379	37.95%
Extraordinary item	6,000,000	19.02%
Property tax	2,984,192	9.46%
Charges for services	2,539,362	8.05%
Operating grants and contributions	2,044,901	6.48%
Licenses permits and franchises	1,781,141	5.65%
Transient occupancy	1,496,473	4.74%
Capital grants and contributions	1,393,587	4.42%
Use of money and property	850,711	2.70%
Business license	303,604	0.96%
Other revenue	181,676	0.58%
Other taxes	462	0.00%
Total	\$ 31,550,488	100.00%

Revenues by Source - Governmental

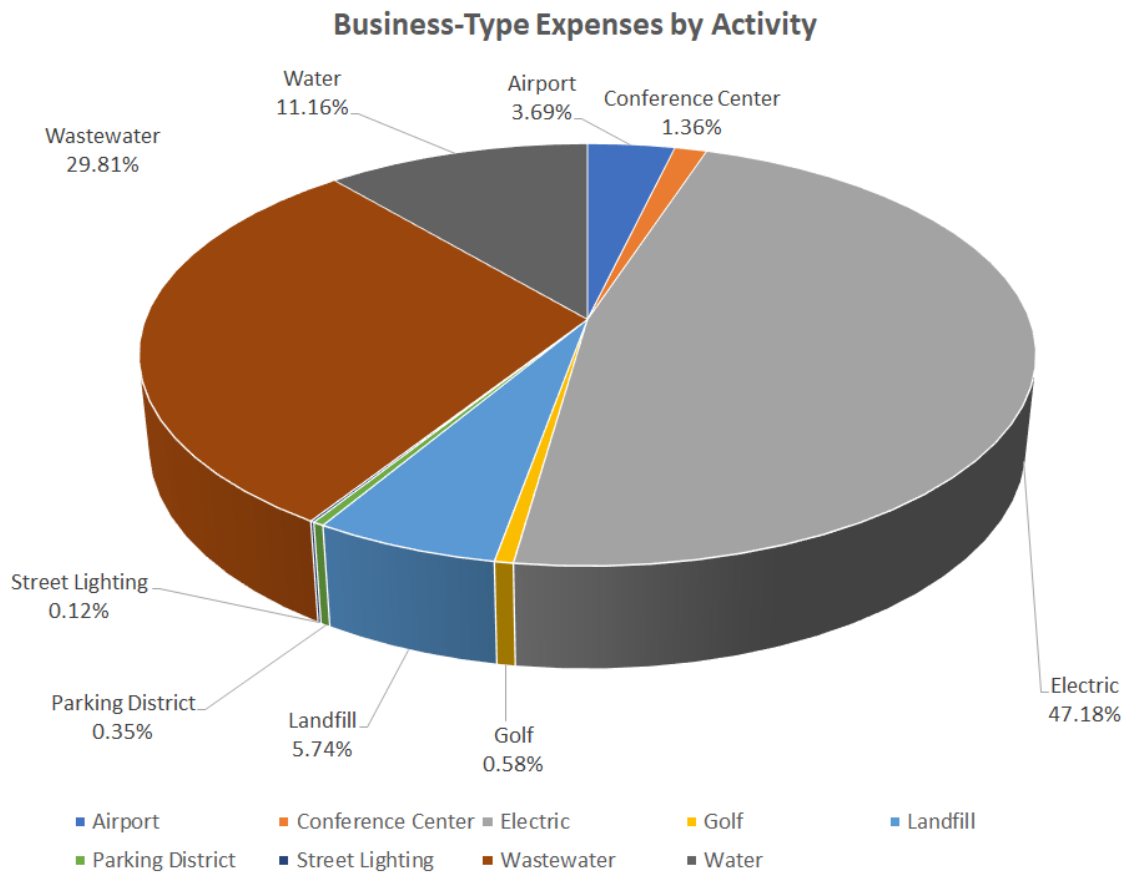
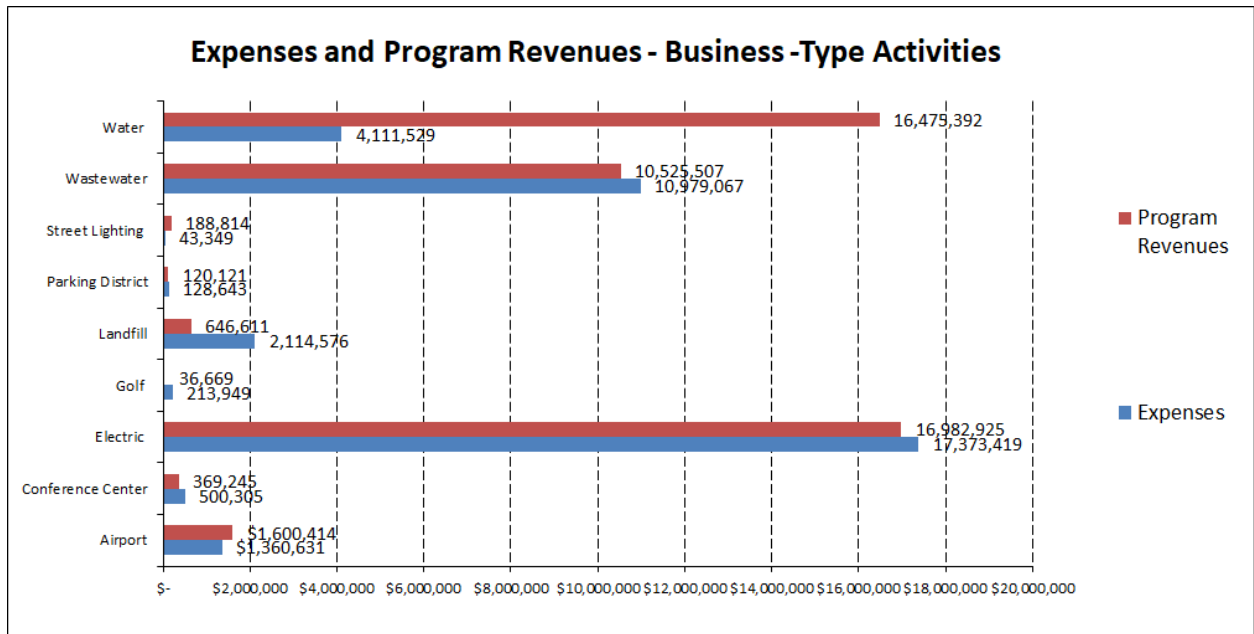


Business-type Activities

In the fiscal year ended June 30, 2019, business-type activities increased the City's net position by \$11.7 million. Of that amount \$10.1 million came from net revenues, which is defined as total expenses minus program revenues, which include charges for service, as well as operating and capital grants and contributions.

Expenses and Program Revenues Business-Type Activities For the Year Ended June 30, 2019

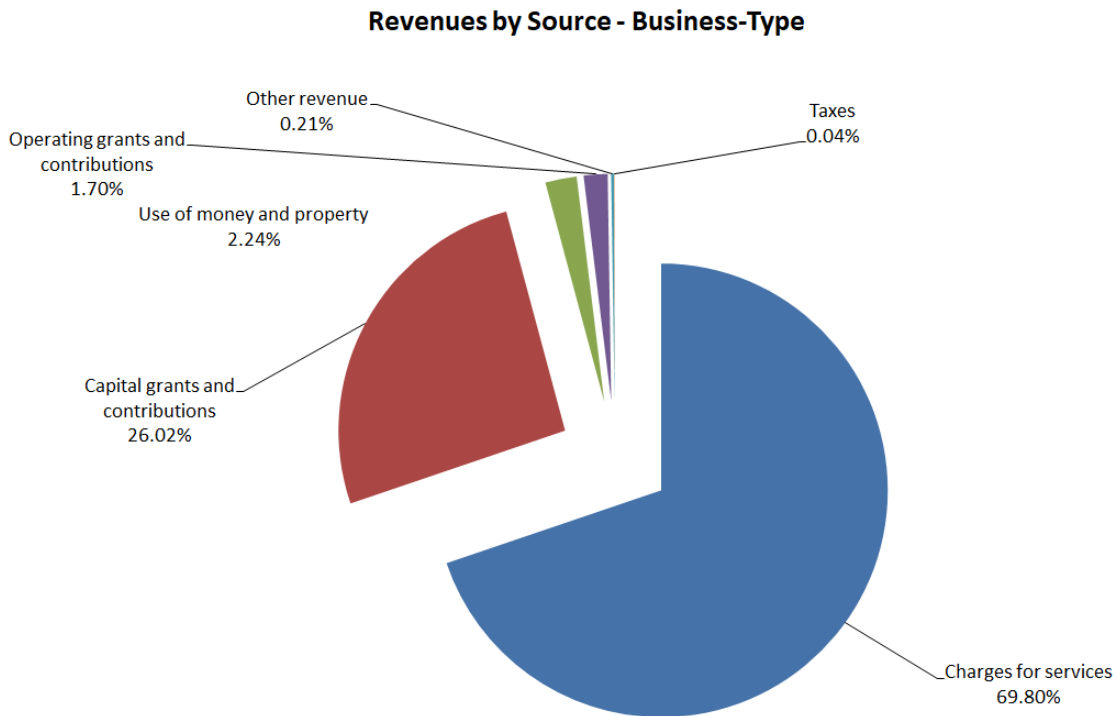
Funds	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Airport	\$ 1,360,631	3.69%	\$ 1,600,414	3.41%	\$ 239,783
Conference Center	500,305	1.36%	369,245	0.79%	(131,060)
Electric	17,373,419	47.18%	16,982,925	36.18%	(390,494)
Golf	213,949	0.58%	36,669	0.08%	(177,280)
Landfill	2,114,576	5.74%	646,611	1.38%	(1,467,965)
Parking District	128,643	0.35%	120,121	0.26%	(8,522)
Street Lighting	43,349	0.12%	188,814	0.40%	145,465
Wastewater	10,979,067	29.81%	10,525,507	22.42%	(453,560)
Water	4,111,529	11.16%	16,475,392	35.09%	12,363,863
Total	\$ 36,825,468	100.00%	\$ 46,945,698	100.00%	\$ 10,120,230



Increased revenues from rates helped to better the net position of the enterprises but, as mentioned earlier, grant revenues for the City's recycled water project were the largest element of revenue growth from the prior year.

**Revenues by Source
Business-Type Activities
For the Year Ended June 30, 2019**

Revenues Source	Revenue	% of Total
Charges for services	\$ 33,601,553	69.80%
Capital grants and contributions	12,524,559	26.02%
Use of money and property	1,166,919	2.42%
Operating grants and contributions	819,586	1.70%
Other revenue	11,513	0.02%
Taxes	17,121	0.04%
Total	\$ 48,141,251	100.00%



Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities at June 30, 2019 totaled \$216.6 million (net of accumulated depreciation). The investment in capital assets includes land, buildings and improvements, equipment, vehicles, infrastructure, and construction in progress. Depreciation expense for the year, government-wide, totaled \$6.1 million.

Capital Assets, net of depreciation Two-Year Comparison

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 495,340	\$ 495,340	\$ 6,831,470	\$ 6,699,399	\$ 7,326,810	\$ 7,194,739
Capacity rights	-	-	90,000	-	90,000	-
Construction in progress	2,093,214	8,437,121	27,793,600	18,658,759	29,886,814	27,095,880
Buildings and improvements	15,254,206	15,521,701	32,081,609	29,225,060	47,335,815	44,746,761
Machinery, equipment, and vehicles	2,970,238	2,833,605	6,271,198	5,773,745	9,241,436	8,607,350
Infrastructure and network	26,573,859	16,303,285	96,170,603	86,059,589	122,744,462	102,362,874
Total Capital Assets, Net	\$ 47,386,857	\$ 43,591,052	\$ 169,238,480	\$ 146,416,552	\$ 216,625,337	\$ 190,007,604

Additional information on the City's capital assets can be found in Note 6, along with the City's capitalization policies in Note 1 in the notes to the basic financial statements. Reasons for the change in capital assets were engagement in major work on several construction projects, including completion of the recycled water project, phase 3 in business-type activities and completion of right-of-way improvements for the Redwood Business Park project in governmental activities.

Long-Term Liabilities

The City's outstanding Noncurrent liabilities, including bonds, loans payable, the net pension liability and compensated absences totaled \$160.4 million as of June 30, 2019. The most significant obligation added this year was the 2017 State Water Resources Control Board (SWRCB) recycled water loan, which, in part with a grant received for the project, financed a significant portion of the recycled water project.

The net pension liability was \$49.7 million, an increase of \$115,366 from the prior year. The landfill closure and post-closure liability was adjusted to \$16.2 million to account for revised engineering estimates of the landfill closure project. A more accurate estimate of total landfill closure, post-closure, and corrective action costs will not be determined until contractor bids are received. City expects those in later fiscal year 2020 or early 2021.

**Long-term Obligations
Two-Year Comparison**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
2017 CalTrans Aeronautics Loan - Airpc	\$ -	\$ -	\$ 180,174	\$ 190,121	\$ 180,174	\$ 190,121
2016 Water Revenue Refunding Bonds	-	-	9,690,000	10,190,000	9,690,000	10,190,000
2016 unamortized premium	-	-	1,408,581	1,433,734	1,408,581	1,433,734
2006 Wastewater Revenue Bonds	-	-	56,640,000	58,820,000	56,640,000	58,820,000
Lawsuit settlement liability	-	-	4,000,000	4,984,310	4,000,000	4,984,310
Landfill closure and post-closure	-	-	16,236,314	14,700,370	16,236,314	14,700,370
2017 SWRCB recycled water loan	-	-	15,204,589	-	15,204,589	-
2017 fire engine lease	974,079	1,075,806	-	-	974,079	1,075,806
2017 computer equipment lease	171,058	225,698	-	-	171,058	225,698
2017 I-Bank financing lease	3,919,930	4,000,000	-	-	3,919,930	4,000,000
Claims payable	717,430	860,916	198,332	247,915	915,762	1,108,831
Net pension liability	35,039,367	34,062,535	14,674,241	15,535,707	49,713,608	49,598,242
Compensated absences	901,145	577,086	445,725	246,557	1,346,870	823,643
	<u>\$ 41,723,009</u>	<u>\$ 40,802,041</u>	<u>\$ 118,677,956</u>	<u>\$ 106,348,714</u>	<u>\$ 160,400,965</u>	<u>\$ 147,150,755</u>

Additional information on the City's outstanding long-term liabilities can be found in Note 7.

Fund Financial Analysis

The City employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As was mentioned earlier, fund financial statements present information based on current financial resources and expenditures. Essentially, they are snapshots of the condition of major funds in the near-term; whereas, the government-wide statements present the entire picture of the reporting entity. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. For comparison purposes, fund statements correlate well to the City's adopted budget.

Governmental Funds

As of June 30, 2019, the City's governmental fund balance was \$19.9 million. GASB 54 established five new criteria for categorizing that balance based on its restricted and unrestricted use. The five categories are the following:

- Non-spendable fund balance
- Restricted fund balance
- Committed fund balance
- Assigned fund balance
- Unassigned fund balance.

A more detailed discussion of these fund balance categories is presented in Note 1.

General Fund Financial Condition

The City's General Fund is its primary source of discretionary resources for the provision of service deemed necessary and desirable by the citizens of Ukiah and the City Council. General fund revenues were up \$1.6

million with increases reflected in most categories. A strong and diverse local economic base supports this growth.

Other governmental funds reported a net decrease in revenues of \$777,024. These funds include revenues from many federal, state and special district grants which vary greatly from year to year.

Governmental funds reported \$5.5 million in non-spendable fund balance at the end of the fiscal year. This is comprised of long-term interfund advances held by the General Fund as well as reinstatement of a loan receivable from the Ukiah Redevelopment Successor Agency.

The balance of \$11.8 million in restricted fund balance - those financial resources can be spent only on specific activities as defined by outside entities (e.g. a grantor, state agency, statute, etc.) – is found in special revenue funds law enforcement, housing and streets, and infrastructure.

Assigned fund balance of \$1.4 million consists primarily of the General Fund reserve and several select capital projects earmarked by the City Council through resolution.

The remaining amount of \$520,348 of unassigned fund balance result primarily from deferred revenues in several special revenue funds that have not been converted to revenues but are expected to in the following year. Additional information on deficit fund balances can be found in Note 2.

Proprietary Funds

Enterprise Fund - Electric

The net position of the electric enterprise fund decreased by \$218,691 from \$38.7 million to \$38.5 million. Operating expenses exceeded operating revenues by \$446,928, driven by increased personnel costs, specifically retirement-related expenses. Non-operating revenues outpaced expenses by \$228,237.

Enterprise Fund - Water

The net position of the water enterprise fund increased by \$13.2 million primarily due to receipt of grant funds for the City's recycled water project. Operating revenues exceeded operating expenses by \$2.9 million, while non-operating revenues outpaced expenses (property taxes and interest of water loans and bonds) by \$123,526.

Enterprise Fund - Wastewater

The net position of the wastewater enterprise fund decreased by \$388,393. Operating revenue was lower than operating expenses, resulting in an operating loss of 307,491. Operating income included charges for services as well as sewer connection fees. Residual litigation defense expenses and costs related to the lawsuit settlement with the Ukiah Valley Sanitation District also affected the cash position and working capital of the fund negatively.

Budgetary Comparison

A comparison of budget to actual for major governmental funds is presented in the fund financial statements. These statements and the notes are presented as additional information to show that appropriations are being spent as authorized by the City Council. Budgetary control for the City rests at the fund level.

General Fund

The original budget estimated \$21.6 million in revenues. It was increased to \$22.1 in anticipation of grant revenues for capital projects. However, revenues in the General Fund were \$737,793 lower than was budgeted due primarily to lower sales tax collections.

Expenditures were \$3.5 million less than budget appropriations primarily due to capital projects that were not complete by the close of the year. Expenditures related to recreation and culture (Museum) ended the year higher than anticipated, while public safety costs ended it lower chiefly due to salary and other operating cost savings in the Police Department.

Police Resolution No. 39 (2013), passed the Ukiah City Council and incorporated in the City's financial management policies, established an unrestricted fund balance of at least 25 percent of annual operating expenditures in the General Fund. Its purpose is to serve as a strategic reserve, ensuring liquidity of the General Fund and to make certain adequate resources are available to manage economic uncertainties. The General Fund ended the year with a fund balance (consisting of nonspendable and unassigned amounts) of \$8.8 million, representing 49.9 percent of operating expenditures for the year.

**City of Ukiah
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property tax	\$ 2,934,000	\$ 2,934,000	\$ 2,984,192	\$ 50,192
Sales tax	12,754,424	12,754,424	11,974,379	(780,045)
Franchise fees	1,612,000	1,612,000	1,781,141	169,141
Transient occupancy	1,400,000	1,400,000	1,496,473	96,473
Business license tax	390,000	390,000	293,706	(96,294)
Other taxes	250	250	462	212
Licenses and permits	276,425	276,425	211,113	(65,312)
Grants contributions and donations	280,000	280,000	375,300	95,300
Intergovernmental	63,000	63,000	142,885	79,885
Fines penalties and forfeitures	52,500	52,500	33,588	(18,912)
Facility rental	119,800	119,800	73,362	(46,438)
Interest, rent, and concessions	70,000	70,000	91,154	21,154
Charges for service	1,450,672	1,450,005	1,615,737	165,732
Miscellaneous	226,000	670,890	262,009	(408,881)
Total revenues	<u>21,585,071</u>	<u>22,073,294</u>	<u>21,335,501</u>	<u>(737,793)</u>
EXPENDITURES				
Current:				
General government	3,253,428	34,193	45,889	(11,696)
Public safety	12,156,445	12,267,629	11,768,069	499,560
Housing and community development	1,045,529	1,164,398	1,107,911	56,487
Public works	1,429,169	1,494,939	1,518,533	(23,594)
Parks, buildings, and grounds	-	-	26	(26)
Recreation and culture	2,499,696	2,543,937	2,753,995	(210,058)
Economic development and redevelopment	167,617	177,017	178,493	(1,476)
Total current	<u>20,551,884</u>	<u>17,682,113</u>	<u>17,372,916</u>	<u>309,197</u>
Debt service:				
Interest expense	94,168	94,168	142,679	(48,511)
Principal	52,846	52,846	80,070	(27,224)
Capital lease principal	121,926	116,726	101,727	14,999
Capital lease interest	35,231	35,231	26,232	8,999
Total debt service	<u>304,171</u>	<u>298,971</u>	<u>350,708</u>	<u>(51,737)</u>
Capital outlay:				
General government	-	5,369	5,369	-
Public safety	210,000	322,681	266,449	56,232
Housing and community development	-	56,353	55,870	483
Public works	3,467,513	4,591,376	1,503,788	3,087,588
Recreation and culture	315,000	410,249	321,471	88,778
Total capital outlay	<u>3,992,513</u>	<u>5,386,028</u>	<u>2,152,947</u>	<u>3,233,081</u>
Total expenditures	<u>24,848,568</u>	<u>23,367,112</u>	<u>19,876,571</u>	<u>3,490,541</u>
Excess (deficiency) of revenues over expenditures	<u>(3,263,497)</u>	<u>(1,293,818)</u>	<u>1,458,930</u>	<u>2,752,748</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	300,000	300,000	-	(300,000)
Transfers in	2,637,704	2,637,704	166,699	(2,471,005)
Transfers out	(3,925,130)	(3,925,130)	(2,959,541)	965,589
Total other financing sources (uses)	<u>(987,426)</u>	<u>(987,426)</u>	<u>(2,792,842)</u>	<u>(1,805,416)</u>
EXTRAORDINARY ITEM				
Reinstatement of loan from former Ukiah Redevelopment Agency	-	-	6,000,000	6,000,000
Total extraordinary items	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>6,000,000</u>
Net change in fund balances	<u>(4,250,923)</u>	<u>(2,281,244)</u>	<u>4,666,088</u>	<u>6,947,332</u>
Fund balances - beginning	<u>4,169,921</u>	<u>4,169,921</u>	<u>4,169,921</u>	<u>-</u>
Fund balances - ending	<u>\$ (81,002)</u>	<u>\$ 1,888,677</u>	<u>\$ 8,836,009</u>	<u>\$ 6,947,332</u>

Economic Outlook

Continuing its recovery in fiscal year 2019, the local and national economy continued growing at a good pace. Unemployment in the area increased slightly. Sales tax grew at a robust 11.4 percent due, in part, to the addition of a Costco store in Ukiah in July 2018. Home values continue to rise, and we expect to see revenues from property-related taxes increase as a result.

The State's impact on, and relationship with, local government will continue to impose barriers to economic growth within the City and in unincorporated Mendocino County as a result of realignment and more regulatory requirements on local government and small business. However, several state initiatives related to housing may positively impact Ukiah and allow for more market-based housing to be developed in and around the City.

Maintaining and growing revenue streams to the City remains a high priority for staff. Existing sources – predominately sales and property taxes – are stable, and our estimates for the future will continue to be conservative. Expenses related to personnel (primarily in health premium and pension costs) are increasing at a substantial, though manageable, pace. We continue to look to find cost saving measures to help offset these expenses. The challenge remains providing the highest level and quality of service that the community needs, expects and deserves.

Requests for Information

This Comprehensive Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. Questions regarding this report, or request for additional information, should be made to the Finance Department, City of Ukiah, CA, 95453.

Government-Wide Financial Statements

The Statement of Net Position reports the difference between the City's total assets and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all City Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these are followed by a total column which presents the financial position of the entire City.

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

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

Both these Statements include the financial activities of the City, the Ukiah Redevelopment Agency and the City of Ukiah Municipal Sewer District, which are legally separate but are component units of the City because they are controlled by the City, which is financially accountable for their activities.

City of Ukiah, California
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 6,569,973	\$ 22,760,853	\$ 29,330,826
Restricted cash and investments	3,647,707	4,894,019	8,541,726
Investment in NCPA reserves	-	7,214,056	7,214,056
Receivables (net allowance for uncollectables)	4,900,190	8,530,023	13,430,213
Inventories and prepaids	216	1,386,284	1,386,500
Land held for resale	2,435,114	-	2,435,114
Internal balances	(1,276,904)	1,276,904	-
Total current assets	<u>16,276,296</u>	<u>46,062,139</u>	<u>62,338,435</u>
Noncurrent assets:			
Notes and loans receivable	11,048,485	32,500	11,080,985
Capacity project receivable from UVSD	-	9,513,770	9,513,770
Capital assets, not being depreciated	2,588,554	34,715,070	37,303,624
Capital assets, depreciated, net	44,798,303	134,523,410	179,321,713
Total noncurrent assets	<u>58,435,342</u>	<u>178,784,750</u>	<u>237,220,092</u>
Total assets	<u>74,711,638</u>	<u>224,846,889</u>	<u>299,558,527</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pension	7,197,955	2,414,751	9,612,706
Total deferred outflows of resources	<u>7,197,955</u>	<u>2,414,751</u>	<u>9,612,706</u>
Total assets and deferred outflows of resources	<u>81,909,593</u>	<u>227,261,640</u>	<u>309,171,233</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,613,495	4,181,799	6,795,294
Accrued payroll liabilities	627,531	313,930	941,461
Interest payable	69,740	1,020,508	1,090,248
Deposits payable	-	6,324	6,324
Total current liabilities	<u>3,310,766</u>	<u>5,522,561</u>	<u>8,833,327</u>
Noncurrent liabilities:			
Due within one year	475,952	4,562,860	5,038,812
Due in more than one year	41,247,057	114,115,097	155,362,154
Total noncurrent liabilities	<u>41,723,009</u>	<u>118,677,957</u>	<u>160,400,966</u>
Total liabilities	<u>45,033,775</u>	<u>124,200,518</u>	<u>169,234,293</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources related to pension	820,201	369,346	1,189,547
Total deferred inflows of resources	<u>820,201</u>	<u>369,346</u>	<u>1,189,547</u>
Total liabilities and deferred inflows of resources	<u>45,853,976</u>	<u>124,569,864</u>	<u>170,423,840</u>
NET POSITION			
Net investment in capital assets	42,321,290	86,114,096	128,435,386
Restricted for:			
NCPA Projects	-	123,367	123,367
Housing and community development	11,736,766	-	11,736,766
Parks and recreation	136,219	-	136,219
Public safety	361,887	-	361,887
Public works	375,849	-	375,849
Unrestricted	(18,876,394)	16,454,313	(2,422,081)
Total net position	<u>\$ 36,055,617</u>	<u>\$ 102,691,776</u>	<u>\$ 138,747,393</u>

City of Ukiah, California
Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 2,655,969	\$ 111,355	\$ 561,001	\$ 18,298	\$ (1,965,315)	\$ -	\$ (1,965,315)
Public safety	12,167,151	505,451	453,960	-	(11,207,740)	-	(11,207,740)
Housing and community development	2,128,714	783,575	20,250	-	(1,324,889)	-	(1,324,889)
Public works	3,467,503	92,923	663,051	1,531,630	(1,179,899)	-	(1,179,899)
Parks, buildings, and grounds	354,205	-	-	-	(354,205)	-	(354,205)
Recreation and culture	3,507,371	786,161	339,159	25,000	(2,357,051)	-	(2,357,051)
Economic development and redevelopment	299,397	259,897	7,480	-	(32,020)	-	(32,020)
Interest on long-term debt	176,067	-	-	-	(176,067)	-	(176,067)
Total governmental activities	<u>24,756,377</u>	<u>2,539,362</u>	<u>2,044,901</u>	<u>1,574,928</u>	<u>(18,597,186)</u>	-	<u>(18,597,186)</u>
Business-type activities:							
Airport	1,360,631	1,541,327	30,153	28,934	-	239,783	239,783
Conference Center	500,305	369,245	-	-	-	(131,060)	(131,060)
Electric	17,373,419	16,193,492	789,433	-	-	(390,494)	(390,494)
Golf	213,949	36,669	-	-	-	(177,280)	(177,280)
Landfill	2,114,576	646,611	-	-	-	(1,467,965)	(1,467,965)
Parking District	128,643	120,121	-	-	-	(8,522)	(8,522)
Street Lighting	43,349	188,814	-	-	-	145,465	145,465
Wastewater	10,979,067	8,002,895	-	2,522,612	-	(453,560)	(453,560)
Water	4,111,529	6,502,379	-	9,973,013	-	12,363,863	12,363,863
Total business-type activities	<u>36,825,468</u>	<u>33,601,553</u>	<u>819,586</u>	<u>12,524,559</u>	-	<u>10,120,230</u>	<u>10,120,230</u>
Total primary government	<u>\$ 61,581,845</u>	<u>\$ 36,140,915</u>	<u>\$ 2,864,487</u>	<u>\$ 14,099,487</u>	<u>(18,597,186)</u>	<u>10,120,230</u>	<u>(8,476,956)</u>
General revenues:							
Property tax					2,984,192	17,121	3,001,313
Sales tax					11,974,379	-	11,974,379
Licenses permits and franchises					1,781,141	-	1,781,141
Transient occupancy					1,496,473	-	1,496,473
Business license					303,604	-	303,604
Other taxes					462	-	462
Use of money and property					850,711	1,166,919	2,017,630
Other revenue					181,676	11,513	193,189
Transfers					(410,782)	410,782	-
Total general revenues and transfers					<u>19,161,856</u>	<u>1,606,335</u>	<u>20,768,191</u>
Extraordinary item - reinstatement of loan from former Ukiah Redevelopment Agency					6,000,000	-	6,000,000
Change in net position					6,564,670	11,726,565	18,291,235
Net position - beginning					29,490,947	90,965,211	120,456,158
Net position - ending					<u>\$ 36,055,617</u>	<u>\$ 102,691,776</u>	<u>\$ 138,747,393</u>

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

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Fund Financial Statements

Major funds are defined generally as having significant activities or balances in the current year. The funds described below were determined to be Major Governmental Funds by the City for fiscal 2013. Individual nonmajor funds may be found in the Supplemental section.

Governmental Funds

General Fund

The General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds, and the related expenditures. The major revenue sources for this Fund are property taxes, sales taxes, franchise fees, business licenses, unrestricted revenues from the state, fines and forfeitures and interest income. Expenditures are made for community development, public safety, public works, and other services.

Streets Capital Improvement

This fund accounts for street and right-of-way capital projects supported primarily by Measure Y resources.

City of Ukiah, California
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Streets Capital Improvements	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 140,160	\$ 1,509,221	\$ 3,480,709	\$ 5,130,090
Restricted cash and investments	797,531	-	2,850,176	3,647,707
Accounts receivable	645,439	-	319,365	964,804
Taxes receivable	1,801,306	-	-	1,801,306
Advance to Successor Agency	6,000,000	-	-	6,000,000
Notes receivable	216	-	5,048,268	5,048,484
Interest receivable	34,381	-	6,138	40,519
Grants and subventions receivable	-	197,491	1,724,212	1,921,703
Inventories and prepaids	216	-	-	216
Due from other funds	48,772	-	-	48,772
Advances to other funds	1,590,370	-	1,119,338	2,709,708
Land held for resale	-	-	2,435,114	2,435,114
Due from other agencies	103,091	-	-	103,091
Total assets	<u>\$ 11,161,482</u>	<u>\$ 1,706,712</u>	<u>\$ 16,983,320</u>	<u>\$ 29,851,514</u>
LIABILITIES				
Accounts payable	\$ 874,063	\$ 1,333,122	\$ 254,104	\$ 2,461,289
Accrued payroll liabilities	500,924	2,428	25,968	529,320
Due to other funds	-	-	48,772	48,772
Advance from other funds	921,469	1,154,441	1,910,701	3,986,611
Total liabilities	<u>2,296,456</u>	<u>2,489,991</u>	<u>2,239,545</u>	<u>7,025,992</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - grants and subventions	29,017	197,491	2,683,055	2,909,563
Total deferred inflow of resources	<u>29,017</u>	<u>197,491</u>	<u>2,683,055</u>	<u>2,909,563</u>
Total liabilities and deferred inflows of resources	<u>2,325,473</u>	<u>2,687,482</u>	<u>4,922,600</u>	<u>9,935,555</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Interfund loans	1,590,369	-	-	1,590,369
Notes receivable	3,923,857	-	-	3,923,857
Restricted:				
CDBG activities	-	-	453,180	453,180
Housing activities	-	-	9,603,731	9,603,731
Public safety	-	-	1,100,159	1,100,159
Riparian corridor management	-	-	143,071	143,071
Streets and rights-of-way	-	-	464,885	464,885
Committed:				
Park development	-	-	33,659	33,659
Economic development	-	-	212,666	212,666
Solid waste management	-	-	72,921	72,921
Planning activities	-	-	366,687	366,687
Assigned:				
Capital projects	-	-	57,226	57,226
Economic uncertainty reserve	-	-	-	-
Equipment reserve	-	-	451,598	451,598
Project reserve	-	-	921,602	921,602
Special events	-	-	-	-
Unassigned	3,321,783	(980,770)	(1,820,665)	520,348
Total fund balances (deficits)	<u>\$ 8,836,009</u>	<u>\$ (980,770)</u>	<u>\$ 12,060,720</u>	<u>\$ 19,915,959</u>
Total liabilities and fund balances (deficits)	<u>\$ 11,161,482</u>	<u>\$ 1,706,712</u>	<u>\$ 16,983,320</u>	<u>\$ 29,851,514</u>

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

City of Ukiah, California
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
 June 30, 2019

Fund balances of governmental funds		\$19,915,959
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds:		
Capital assets	84,606,449	
Accumulated depreciation	<u>(37,841,804)</u>	46,764,645
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(738,758)	
Net pension liability	(35,039,367)	
2017 fire engine lease	(974,079)	
2017 I-Bank financing lease	<u>(3,919,930)</u>	(40,672,134)
Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds:		
Deferred outflows - pension related items	7,197,955	
Deferred inflows - pension related items	<u>(820,201)</u>	6,377,754
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
	<u>826,463</u>	826,463
Accrued interest on long-term debt is not due and payable in the current period and is not reported in the funds.	<u>(66,633)</u>	(66,633)
Long-term assets are not available for current use. Amounts are deferred under the modified accrual basis of accounting.	<u>2,909,563</u>	2,909,563
Net position of governmental activities		<u><u>\$36,055,617</u></u>

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

City of Ukiah, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2019

	General Fund	Streets Capital Improvements	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Property tax	\$ 2,984,192	\$ -	\$ -	\$ 2,984,192
Sales tax	11,974,379	-	-	11,974,379
Franchise fees	1,781,141	-	-	1,781,141
Transient occupancy	1,496,473	-	-	1,496,473
Business license tax	293,706	-	9,898	303,604
Other taxes	462	-	-	462
Charges for service	1,615,737	-	420,340	2,036,077
Licenses and permits	211,113	-	-	211,113
Grants contributions and donations	375,300	-	563,008	938,308
Intergovernmental	142,885	-	1,010,603	1,153,488
Fines penalties and forfeitures	33,588	-	-	33,588
Facility rental	73,362	-	533,658	607,020
Interest, rent, and concessions	91,154	-	152,840	243,994
Miscellaneous	262,009	-	174,352	436,361
Total revenues	<u>21,335,501</u>	<u>-</u>	<u>2,864,699</u>	<u>24,200,200</u>
EXPENDITURES				
Current:				
General government	45,889	-	122,130	168,019
Public safety	11,768,069	-	343,489	12,111,558
Housing and community development	1,107,911	-	999,516	2,107,427
Public works	1,518,533	70,410	57,516	1,646,459
Parks, buildings, and grounds	26	-	-	26
Recreation and culture	2,753,995	-	685,601	3,439,596
Economic development and redevelopment	178,493	-	120,904	299,397
Debt service:				
Interest	142,679	-	-	142,679
Principal	80,070	-	-	80,070
Capital lease principal	101,727	-	-	101,727
Capital lease interest	26,232	-	-	26,232
Capital outlay:				
General government	5,369	-	-	5,369
Public safety	266,449	-	-	266,449
Housing and community development	55,870	-	100,000	155,870
Public works	1,503,788	3,202,222	875,071	5,581,081
Recreation and culture	321,471	-	43,564	365,035
Total expenditures	<u>19,876,571</u>	<u>3,272,632</u>	<u>3,347,791</u>	<u>26,496,994</u>
Excess (deficiency) of revenues over expenditures	<u>1,458,930</u>	<u>(3,272,632)</u>	<u>(483,092)</u>	<u>(2,296,794)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	166,699	2,291,862	5,354,961	7,813,522
Transfers out	(2,959,541)	-	(5,278,762)	(8,238,303)
Total other financing sources (uses)	<u>(2,792,842)</u>	<u>2,291,862</u>	<u>76,199</u>	<u>(424,781)</u>
EXTRAORDINARY ITEM				
Reinstatement of loan from former Ukiah Redevelopment Agency	6,000,000	-	-	6,000,000
Total extraordinary items	<u>6,000,000</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>
Net change in fund balances	<u>4,666,088</u>	<u>(980,770)</u>	<u>(406,893)</u>	<u>3,278,425</u>
Fund balances - beginning	<u>4,169,921</u>	<u>-</u>	<u>12,467,613</u>	<u>16,637,534</u>
Fund balances - ending	<u>\$ 8,836,009</u>	<u>\$ (980,770)</u>	<u>\$ 12,060,720</u>	<u>\$ 19,915,959</u>

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

City of Ukiah, California
 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund
 Balances to the Statement of Activities
 Year Ended June 30, 2019

Net change in fund balances - total governmental funds \$ 3,278,425

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

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 as depreciation expense.

Capital outlay	5,503,342	
Depreciation expense	<u>(1,690,554)</u>	
		3,812,788

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

Net pension liability	(976,832)	
Compensated absences	<u>(277,770)</u>	
		(1,254,602)

Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. This is the net change in deferred inflows and deferred outflows related to the net pension liability:

Deferred outflows: pension-related items	(1,119,639)	
Deferred inflows: pension-related items	<u>18,031</u>	
		(1,101,608)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The effect of these differences are as follows:

Principal paid on loans and capital leases	<u>181,797</u>	
		181,797

Some revenues reported in the Statement of Activities are not considered available to finance current expenditures and, therefore, are not reported as revenues in the governmental funds.

1,531,630

Accrued interest for long-term debt. This is the net change in accrued interest for the current period.

(7,156)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds. The net revenue (expense) of the internal services funds is reported with governmental activities.

123,396

Change in net position of governmental activities	<u>\$ 6,564,670</u>	
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The accompanying notes are an integral part of these financial statements.

Proprietary Funds

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

The City maintains four primary enterprise funds: electric, water, sewer, and landfill.

Landfill

This is the fund used to account for activities related to the closure, post-closure, and corrective action plan of the City of Ukiah landfill.

Electric Enterprise Fund

The Electric Utility provides electrical services to the citizens of Ukiah, including 24-hour, 365-day response to emergency service calls for customer power problems, and outages. Additionally, the enterprise is responsible for making high voltage power lines safe for Fire & Police personnel at structure fires, automobile accidents and to make other situations where electric lines are near emergency crews.

Water Enterprise Fund

Chapter 13.04 of the Ukiah Municipal Code provides the authority for City to operate water system. Revenues (fees and charges) are collected to pay for service (water) received.

Sewer Enterprise Fund

Chapter 13.20 of the Ukiah Municipal Code provides the authority for the City to operate sewer system. Revenues (fees and charges) are collected to pay for availability of collection, transportation, treatment, and disposal system. In addition, grazing lease payments, LACOSAN payments for flows, tax revenues, FEMA storm damage reimbursement, OES storm damage reimbursement, and insurance rebates have been credited to this fund.

The City also employs the use of internal service funds.

Internal Service Funds

Established to account for the costs of activities primarily serving multiple department and funds. Such funds may also provide services to external users, such as other governmental entities.

City of Ukiah, California
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities						Governmental Activities
	Landfill	Electric	Water	Wastewater	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
ASSETS							
Current assets:							
Cash and investments	\$ 6,900,046	\$ 5,797,966	\$ 2,097,462	\$ 6,431,783	\$ 403,555	\$ 21,630,812	\$ 2,569,923
Investment in NCPA Reserves	-	7,214,056	-	-	-	7,214,056	-
Restricted cash and investments	-	-	-	4,894,019	-	4,894,019	-
Accounts receivable	99,721	3,056,643	1,751,081	1,004,616	106,064	6,018,125	67,901
Interest receivable	13,918	4,980	41,895	17,175	550	78,518	2,197
Grants and subventions receivable	-	-	2,401,893	-	30,153	2,432,046	-
Inventories and prepaids	-	1,275,049	89,408	21,828	-	1,386,285	-
Due from other funds	-	133	-	-	-	133	-
Total current assets	<u>7,013,685</u>	<u>17,348,827</u>	<u>6,381,739</u>	<u>12,369,421</u>	<u>540,322</u>	<u>43,653,994</u>	<u>2,640,021</u>
Noncurrent assets:							
Notes receivable	-	-	-	-	32,500	32,500	-
Advances to other funds	2,207,104	186,270	-	-	783,636	3,177,010	745,000
Due from other agencies	-	-	-	9,513,770	-	9,513,770	-
Intangible assets	-	-	90,000	-	-	90,000	-
Land	699,654	1,963,436	1,704,086	670,431	1,793,862	6,831,469	-
Construction in progress	2,208	496,499	26,863,618	344,509	86,769	27,793,603	16,100
Infrastructure and network	-	21,312,643	17,303,536	87,344,259	2,504,298	128,464,736	-
Buildings and improvements	26,700	26,270,860	22,271,536	10,328,621	4,542,795	63,440,512	327,113
Machinery equipment and vehicles	535,586	6,154,578	3,339,106	3,962,116	805,043	14,796,429	1,046,751
Less accumulated depreciation	(419,599)	(29,653,644)	(12,800,868)	(24,746,947)	(4,558,251)	(72,179,309)	(766,711)
Total noncurrent assets	<u>3,051,653</u>	<u>26,730,642</u>	<u>58,771,014</u>	<u>87,416,759</u>	<u>5,990,652</u>	<u>181,960,720</u>	<u>1,368,253</u>
Total assets	<u>10,065,338</u>	<u>44,079,469</u>	<u>65,152,753</u>	<u>99,786,180</u>	<u>6,530,974</u>	<u>225,614,714</u>	<u>4,008,274</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflow of resources related to pension	72,440	973,179	525,953	588,803	254,377	2,414,752	-
Total deferred outflows of resources	<u>72,440</u>	<u>973,179</u>	<u>525,953</u>	<u>588,803</u>	<u>254,377</u>	<u>2,414,752</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 10,137,778</u>	<u>\$ 45,052,648</u>	<u>\$ 65,678,706</u>	<u>\$ 100,374,983</u>	<u>\$ 6,785,351</u>	<u>\$ 228,029,466</u>	<u>\$ 4,008,274</u>
LIABILITIES							
Current liabilities:							
Accounts payable	879	196,781	3,483,344	267,740	176,621	4,125,365	207,865
Accrued payroll liabilities	15,791	104,546	68,500	65,162	30,869	284,868	127,281
Due to other funds	-	-	-	-	133	133	-
Deposits payable	-	-	-	-	6,324	6,324	-
Compensated absences - current	1,688	17,726	8,709	8,935	4,359	41,417	-
Long-term obligations - current	-	-	1,181,685	3,280,000	10,175	4,471,860	248,927
Interest payable	-	-	138,713	880,221	1,575	1,020,509	3,107
Total current liabilities	<u>18,358</u>	<u>319,053</u>	<u>4,880,951</u>	<u>4,502,058</u>	<u>230,056</u>	<u>9,950,576</u>	<u>587,180</u>
Noncurrent liabilities:							
Claims payable	-	-	-	-	-	-	722,693
Advance from other funds	-	-	1,528,636	-	1,116,470	2,645,106	-
Capital leases	-	-	-	-	-	-	115,200
Installment obligations	-	-	25,121,485	54,360,000	169,999	79,651,484	-
Settlement liability	-	-	-	3,000,000	-	3,000,000	-
Landfill closure/post-closure	16,236,314	-	-	-	-	16,236,314	-
Net pension liability	440,227	5,913,920	3,196,171	3,578,103	1,545,821	14,674,242	-
Compensated absences	15,194	159,534	78,378	80,413	34,161	367,680	199,772
Total noncurrent liabilities	<u>16,691,735</u>	<u>6,073,454</u>	<u>29,924,670</u>	<u>61,018,516</u>	<u>2,866,451</u>	<u>116,574,826</u>	<u>1,037,665</u>
Total liabilities	<u>16,710,093</u>	<u>6,392,507</u>	<u>34,805,621</u>	<u>65,520,574</u>	<u>3,096,507</u>	<u>126,525,302</u>	<u>1,624,845</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred inflow of resources related to pension	11,080	148,851	80,446	90,061	38,908	369,346	-
Total deferred inflows of resources	<u>11,080</u>	<u>148,851</u>	<u>80,446</u>	<u>90,061</u>	<u>38,908</u>	<u>369,346</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>16,721,173</u>	<u>6,541,358</u>	<u>34,886,067</u>	<u>65,610,635</u>	<u>3,135,415</u>	<u>126,894,648</u>	<u>1,624,845</u>
NET POSITION							
Net investment in capital assets	844,549	26,544,372	32,467,844	21,262,989	4,994,342	86,114,096	452,195
Restricted for:							
NCPA Projects	-	123,367	-	-	-	123,367	-
Unrestricted	(7,427,944)	11,843,551	(1,675,205)	13,501,359	(1,344,406)	14,897,355	1,931,234
Total net position	<u>(6,583,395)</u>	<u>\$ 38,511,290</u>	<u>\$ 30,792,639</u>	<u>\$ 34,764,348</u>	<u>\$ 3,649,936</u>	<u>101,134,818</u>	<u>\$ 2,383,429</u>
Difference between business-type adjustments to assets and liabilities						1,556,958	
Net position of business-type activities						<u>\$ 102,691,776</u>	

City of Ukiah, California

Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities					Governmental Activities	
	Landfill	Electric	Water	Wastewater	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES							
Charges for service	\$ 638,408	\$ 16,100,036	\$ 6,481,921	\$ 7,477,802	\$ 257,474	\$ 30,955,641	\$ 7,596,873
Licenses and permits	-	-	-	-	42,586	42,586	-
Grants contributions and donations	-	744	-	-	-	744	-
Intergovernmental	-	209,070	-	-	-	209,070	-
Cap and trade	-	579,619	-	-	-	579,619	-
Fines penalties and forfeitures	-	-	-	-	48,082	48,082	-
Facility rental	8,203	-	-	-	772,349	780,552	-
Fuel sales	-	-	-	-	1,132,122	1,132,122	-
Connection fees	-	-	-	328,490	-	328,490	-
Miscellaneous	-	93,456	20,458	208,117	3,563	325,594	51,049
Total operating revenues	<u>646,611</u>	<u>16,982,925</u>	<u>6,502,379</u>	<u>8,014,409</u>	<u>2,256,176</u>	<u>34,402,500</u>	<u>7,647,922</u>
OPERATING EXPENSES							
General and administrative	159,740	1,887,135	726,425	1,089,129	238,074	4,100,503	740,678
Maintenance and operations	1,961,011	14,348,595	1,955,570	5,197,396	1,058,099	24,520,671	6,823,866
Fuel	-	-	-	-	780,184	780,184	-
Depreciation	13,271	1,194,123	845,799	2,035,375	160,005	4,248,573	106,559
Total operating expenses	<u>2,134,022</u>	<u>17,429,853</u>	<u>3,527,794</u>	<u>8,321,900</u>	<u>2,236,362</u>	<u>33,649,931</u>	<u>7,671,103</u>
Operating income (loss)	<u>(1,487,411)</u>	<u>(446,928)</u>	<u>2,974,585</u>	<u>(307,491)</u>	<u>19,814</u>	<u>752,569</u>	<u>(23,181)</u>
NONOPERATING REVENUES (EXPENSES)							
Property tax	-	-	-	-	17,121	17,121	-
Interest, rent, and concessions	155,731	202,498	515,858	158,548	11,756	1,044,391	22,917
Interest expense and fiscal charges	-	(12)	(392,332)	(2,665,255)	(4,344)	(3,061,943)	(3,932)
Use of money and property	-	-	-	-	90,779	90,779	-
Sale of property	-	25,751	-	-	6,000	31,751	-
Total nonoperating revenues (expenses)	<u>155,731</u>	<u>228,237</u>	<u>123,526</u>	<u>(2,506,707)</u>	<u>121,312</u>	<u>(1,877,901)</u>	<u>18,985</u>
Income (loss) before contributions and transfers	(1,331,680)	(218,691)	3,098,111	(2,814,198)	141,126	(1,125,332)	(4,196)
Capital contributions	-	-	9,973,013	2,522,612	59,087	12,554,712	-
Transfers in	410,781	-	96,807	-	-	507,588	14,000
Transfers out	-	-	-	(96,807)	-	(96,807)	-
Change in net position	(920,899)	(218,691)	13,167,931	(388,393)	200,213	11,840,161	9,804
Total net position - beginning	(5,662,496)	38,729,981	17,624,708	35,152,741	3,449,723	89,294,657	2,373,625
Total net position - ending	<u>\$ (6,583,395)</u>	<u>\$ 38,511,290</u>	<u>\$ 30,792,639</u>	<u>\$ 34,764,348</u>	<u>\$ 3,649,936</u>	<u>101,134,818</u>	<u>\$ 2,383,429</u>
						(113,596)	
						<u>\$ 11,726,565</u>	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds
Changes in net position of business-type activities

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

City of Ukiah, California
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Landfill	Electric	Water	Wastewater	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash receipts from customers	\$ 643,298	\$ 16,442,035	\$ 5,996,351	\$ 7,869,041	\$ 2,249,496	\$ 33,200,221	\$ 534,019
Receipts from interfund services provided	-	-	-	-	-	-	7,094,588
Payments to employees	(301,956)	(3,083,682)	(1,708,242)	(1,684,811)	(739,693)	(7,518,384)	(3,556,560)
Payments to suppliers	(220,005)	(11,163,922)	(391,360)	(3,239,009)	(1,482,584)	(16,496,880)	(3,232,568)
Payments for interfund services used	(159,741)	(1,887,135)	(729,357)	(1,089,129)	(237,960)	(4,103,322)	(740,681)
Receipts from other governmental agencies	-	209,070	-	-	-	209,070	-
Payments to other governmental agencies	-	(372,835)	-	-	-	(372,835)	-
Net cash provided (used) by operating activities	<u>(38,404)</u>	<u>143,531</u>	<u>3,167,392</u>	<u>1,856,092</u>	<u>(210,741)</u>	<u>4,917,870</u>	<u>98,798</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Principal payments received on loans receivable	-	-	-	366,173	-	366,173	-
Cash received (paid) to other funds	(1,796,321)	(105,811)	(549)	(100,298)	278,209	(1,724,770)	211,737
Property taxes received	-	-	-	-	18,360	18,360	-
Lawsuit settlement payments	-	-	-	(984,310)	-	(984,310)	-
Net cash provided (used) by noncapital financing activities	<u>(1,796,321)</u>	<u>(105,811)</u>	<u>(549)</u>	<u>(718,435)</u>	<u>296,569</u>	<u>(2,324,547)</u>	<u>211,737</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital grants and contributions	-	-	7,571,120	2,522,612	108,430	10,202,162	-
Proceeds from capital loans	-	-	15,204,589	-	(9,947)	15,194,642	-
Interest paid	-	(12)	(424,263)	(2,695,191)	(4,431)	(3,123,897)	(4,922)
Principal paid on capital and related debt	-	-	(500,000)	(2,180,000)	-	(2,680,000)	(54,640)
Acquisition and construction of capital assets	(2,208)	(1,615,120)	(27,313,452)	(1,104,018)	(136,106)	(30,170,904)	(90,615)
Proceeds from sale of property	-	25,751	-	-	6,000	31,751	-
Net cash provided (used) by capital and related financing activities	<u>(2,208)</u>	<u>(1,589,381)</u>	<u>(5,462,006)</u>	<u>(3,456,597)</u>	<u>(36,054)</u>	<u>(10,546,246)</u>	<u>(150,177)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	163,246	215,643	484,584	175,644	11,978	1,051,095	26,710
Net cash provided (used) by investing activities	<u>163,246</u>	<u>215,643</u>	<u>484,584</u>	<u>175,644</u>	<u>11,978</u>	<u>1,051,095</u>	<u>26,710</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,673,687)</u>	<u>(1,336,018)</u>	<u>(1,810,579)</u>	<u>(2,143,296)</u>	<u>61,752</u>	<u>(6,901,828)</u>	<u>187,068</u>
Balances - beginning of year	8,573,733	14,348,040	3,908,041	13,469,099	341,803	40,640,716	2,382,856
Balances - end of the year	<u>\$ 6,900,046</u>	<u>\$ 13,012,022</u>	<u>\$ 2,097,462</u>	<u>\$ 11,325,803</u>	<u>\$ 403,555</u>	<u>\$ 33,738,888</u>	<u>\$ 2,569,924</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating Income	\$ (1,487,412)	\$ (446,928)	\$ 2,974,585	\$ (307,491)	\$ 19,814	\$ 752,568	\$ (23,181)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	13,271	1,194,123	845,799	2,035,375	160,005	4,248,573	106,559
Changes in assets and liabilities:							
Decrease (increase) in accounts receivable	(3,313)	(331,820)	(522,393)	(145,367)	(6,049)	(1,008,942)	(19,313)
Decrease (increase) in inventory	-	(241,728)	25,483	(21,828)	-	(238,073)	-
Decrease (increase) in deferred outflows	48,708	320,681	173,475	80,472	174,856	798,192	-
Increase (decrease) in accounts payable	153	29,511	(124,699)	(135,971)	11,036	(219,970)	137,166
Increase (decrease) in accrued salaries and benefits	6,617	14,349	14,011	19,600	3,870	58,447	6,963
Increase (decrease) in compensated absences	7,771	72,854	34,618	41,059	6,889	163,191	83,673
Increase (decrease) in deferred inflows	(14,559)	(124,970)	(67,575)	(51,580)	(51,910)	(310,594)	-
Increase (decrease) in net pension liability	(145,584)	(342,541)	(185,912)	341,823	(529,252)	(861,466)	-
Increase (decrease) in landfill liability	1,535,944	-	-	-	-	1,535,944	-
Increase (decrease) in claims payable	-	-	-	-	-	-	(193,069)
Net cash provided (used) by operating activities	<u>\$ (38,404)</u>	<u>\$ 143,531</u>	<u>\$ 3,167,392</u>	<u>\$ 1,856,092</u>	<u>\$ (210,741)</u>	<u>\$ 4,917,870</u>	<u>\$ 98,798</u>
Noncash investing, capital and financing activities							
Amortization related to long-term debt	\$ -	\$ -	\$ 25,153	\$ -	\$ -	\$ 25,153	\$ -
Acquisition of capital assets on account	-	-	3,234,507	-	-	3,234,507	-
Total noncash investing, capital and financing activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,259,660</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,259,660</u>	<u>\$ -</u>

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

Fiduciary Funds

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

PRIVATE PURPOSE TRUST FUND

Redevelopment Non-Housing Housing Successor Private Purpose Trust Fund

Resources held for the benefit of the state from the dissolution of the Ukiah Redevelopment Agency's non-housing functions.

CUSTODIAL FUNDS

The City accounts for activities on behalf of external entities, including other governments.

City of Ukiah, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Ukiah Redevelopment Successor Agency Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Cash and investments	\$ 3,250,295	\$ 4,224,140
Restricted cash and investments	5,921,149	-
Accounts receivable	-	906,951
Taxes receivable	-	75,937
Interest receivable	14,914	11,293
Inventories and prepaids	-	222,114
Land held for resale	3,874,046	-
Total Cash	<u>13,060,404</u>	<u>5,440,435</u>
Total assets	<u>13,060,404</u>	<u>5,440,435</u>
LIABILITIES		
Accounts payable	\$ -	\$ 464,300
Accrued payroll liabilities	263	21,143
Deposits payable	-	811,800
Interest payable	101,934	-
Due to other agencies	-	91,394
Intergovernmental payable	-	41,905
Due to City of Ukiah	-	168,923
Advances from City of Ukiah	6,000,000	-
Due in more than one year	6,800,000	-
Total liabilities	<u>12,902,197</u>	<u>1,599,465</u>
NET POSITION		
Held for the benefit of the state	158,207	-
Individuals, organizations and other governments	-	3,840,970
Total net position	<u>\$ 158,207</u>	<u>\$ 3,840,970</u>

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

City of Ukiah, California
Statement of Changes in Fiduciary Net Position
Fiduciary Activities
Year Ended June 30, 2019

	Private-Purpose Trust Funds	Custodial Funds
ADDITIONS		
Contributions:		
Grants contributions and donations	\$ -	\$ 439,302
Taxes and assessments collected for other governments	-	1,057,253
Service charges collected for other governments	-	5,620,834
Service charges collected for other agencies	-	1,149,513
Miscellaneous	-	8,297
Members	-	592,133
Total contributions	-	8,867,332
Investment earnings:		
Interest, rent, and concessions	-	86,731
Total investment earnings	-	86,731
Net investment earnings	-	86,731
Revenues		
Interest, rent, and concessions	207,738	-
Miscellaneous	10,000	-
Total revenues	217,738	-
Total additions	217,738	8,954,063
DEDUCTIONS		
General and administrative	250,000	240,179
Maintenance and operations	25,066	-
Interest expense and fiscal charges	487,133	76,769
Reinstatement of Successor Agency loan	6,000,000	-
Distributions to other governments	-	801,165
Payments to other agencies for service charges collected	-	477,971
Payments to City for services provided	-	7,990,539
Total deductions	6,762,199	9,586,623
Net increase (decrease) in fiduciary net position	(6,544,461)	(632,560)
Net Position -- beginning of the year	6,702,668	4,473,530
Net Position -- end of the year	\$ 158,207	\$ 3,840,970

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

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Notes to the Basic Financial Statements

City of Ukiah, California
Notes to the Basic Financial Statements Index
June 30, 2019

The notes to the financial statements include a summary of significant accounting policies and other notes considered essential to fully disclose and fairly present the transactions and financial position of the City as follows:

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Note 1 - Summary of Significant Accounting Policies

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applied to government agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below:

A. Defining the reporting entity

The City of Ukiah was incorporated March 8, 1876 under the laws of the State of California. Ukiah operates under a Council-Manager form of government. The City Manager serves as the chief executive for day-to-day operations and long-term planning, including executing the policies and directives of the City Council. Department heads report directly to the City Manager and serve at his or her pleasure. The City provides a range of municipal services to its citizens including public safety (fire and police), public works; planning and building regulation; recreation and parks; airport, golf; and water, sewer, and electric utilities.

The Redevelopment Agency of the City of Ukiah (the Agency) was established by the City as a separate legal entity in accordance with state law. The purpose of the Agency was to encourage new investment and reinvestment within legally designated redevelopment areas in partnership with property owners. The Agency was dissolved on February 1, 2012 by the State Legislature and California Governor, Jerry Brown.

B. Government-wide and Fund Financial Statement

The government-wide financial statements report information on all the non-fiduciary activities of the primary government. 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 is 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) grant and contributors that are restricted to meeting the operational or capital requirements of a function. Taxes, and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the City are organized based on funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

In the fund financial statement in the report, the various funds are grouped into generic funds within three broad fund types. They are as follows:

Note 1 - Summary of Significant Accounting Policies (Continued)

The City reports two major governmental funds:

The *General Fund* is the City'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 *Streets Capital Improvements Fund* accounts for resources and activities related to streets and rights-of-way improvements, funded primarily with resources derived from Measure Y, a half-cent district transaction and use tax.

The City reports the following major proprietary funds:

The *Electric Fund* accounts for the activities of the City's electric generation and distribution operations.

The *Water Fund* accounts for the activities of the City's water treatment and distribution operations.

The *Sewer Fund* accounts for the activities of the City's sewage collection and treatment operations.

The *Landfill Fund* accounts for the activities of the City's solid waste landfill operations.

Additionally, the City reports the following fund types:

Internal Service Funds - account for garage (vehicle maintenance), stores (purchasing), public safety dispatch, utility billing, workers' compensation and liability insurance services provided to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

Private-Purpose Trust Funds - account for resources legally held in trust for use by other organizations. All resources of the fund, including any earnings on the invested resources, may be used to support the organization's or department's activities. There is no requirement that any portion of these resources be preserved as capital.

Custodial Funds - used by the City to report resources held by the City in a custodial capacity for the Ukiah Valley Sanitation District, Ukiah Waste Solutions, and Russian River Watershed. These funds are used to record receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

Note 1 - Summary of Significant Accounting Policies (Continued)

Generally, 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 proprietary fund functions and various 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. 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 a proprietary fund's principal ongoing operations. Principal operating revenues of the City's electric, water, wastewater, golf and street lighting funds and the City's internal service funds are charges to customers for sales and services. Principal operating revenues of the City's airport, disposal site and conference center funds include charges to customers for sales and services and rental fees. The parking district fund's principal operating revenues include the sale of parking permits to customers and parking fines. The City also recognizes as operating revenue tap fees intended to recover the cost of connecting new customers to the City's utilities. Operating expenses for the enterprise funds and internal service funds include cost of power purchases, fuels and lubricants, operations, maintenance, utilities, insurance premiums and deductibles, general and administration, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type; and,
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental funds combined.

The City reports the following major funds:

- General Fund
- Streets Capital Projects
- Landfill
- Electric
- Water
- Sewer

C. Basis of Accounting and Measurement focus

Basis of accounting refers to when revenue and expenditures (or expenses) are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurements made, regardless of the measurement focus applied.

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement focus is the determination of (1) which assets and which liabilities are included on a government's balance sheet and where they are reported, and (2) whether an operating statement presents information on the flow of financial resources (revenues and expenditures) or information on the flow of economic resources (revenues and expenses).

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. Revenue is recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are received. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

In the fund financial statements, all governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when they become both measurable and available to finance the expenditures of the current period (susceptible to accrual). For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Major revenue sources susceptible to accrual include substantially all property taxes, taxpayer-assessed taxes (such as sales and use, utility users, business license, transient occupancy, franchise fees and gas taxes), interest, special assessments levied, state and federal grants and charges for current services. Revenue from licenses, permits, fines and forfeits are recorded as received. Expenditures are recorded when the related fund liability is incurred.

Fiduciary fund revenue and expenditures (as appropriate) are recognized on the basis consistent with the fund's accounting measurement objective.

All governmental funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of "available spendable resources" during a period.

The government-wide financial statements, as well as the proprietary funds financial statements, are accounted for on a flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund operating statements present increases (revenues) in net total assets.

D. Use of Estimates

Financial statement preparation, in conformity with accounting principles generally accepted in the United States of America, requires the use of estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

For purposes of the statement of cash flows the City's cash and cash equivalents are cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

F. Receivable and Payables

Balances representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either "due to/due from other funds" (amounts due within one year), "advances to/from other funds" (non-current portions of interfund lending/borrowing transactions), or "loans to/from other funds" (long-term lending/borrowing transactions as evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Property, sales, use, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. The City considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occurs.

Grants, entitlements or shared revenue is recorded as receivables and revenue in the general, special revenue and capital project funds when they are received or susceptible to accrual. Notes receivables represent individual loans, secured by property liens in favor of the City and the Redevelopment Successor Agency, made through various sources, including the Community Development Block Grant (CDBG) and federal HOME housing programs. When repaid, these amounts are designated for purposes allowed under the reuse guidelines.

G. Allowance for Doubtful Accounts

Management has elected to record bad debts using the allowance method.

H. Prepaid Items and Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. An annual charge is made to various City funds to assist in the financing of warehouse operations in addition to being billed as inventory is issued. 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

I. Capital Assets

Government-Wide Statements

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems. The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized, since then these assets have been valued at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The City capitalizes assets with an original cost greater than \$10,000 and with a useful lifespan longer than two years. No depreciation is recorded in the year of acquisition or in the year of disposition.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	30 – 60 years
Roadway improvements	50 years
Sidewalks, curbs and gutters	50 years
Storm drain pipes/structures	50 years
Traffic signal devices	5 – 40 years
Landscaping	30 years
Signage	25 years
Leasehold improvements	5 years
Machinery and equipment	5 – 20 years
Vehicles	5 – 10 years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

J. Compensated Absences

Compensated absences represent the vested portion of accumulated vacation and sick leave. In governmental funds, the cost of vacation and sick leave benefits is recognized when payments are made to employees. Upon separation, 100 of accrued vacation and accrued comp time is paid and in proprietary funds, a long-term liability for such benefits has been recorded.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has one item that qualifies for reporting in this category, the result of the City's implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. See Note 11 – Public Employee Retirement Plan for more information.

Note 1 - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under the modified accrual basis of accounting, and another, which is a result of the City's implementation of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which qualify for reporting in this category. Under the modified accrual basis of accounting, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are applied.

It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

M. Long-term Liabilities

In both the governmental-wide financial statements and proprietary fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

N. Equity Classification

Government-Wide Statements

Equity is classified as net position and is displayed in three components:

Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.

Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets debt.”

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable). These are not in spendable form.
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (Creditors, Grantors, Contributors and Other Governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

Committed Fund Balance –

- Self-imposed limitations set in place prior to the end of the period. (Encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove, done typically through resolution during the budget process.

Assigned Fund Balance –

- Amounts in excess of nonspendable, restricted, and committed fund balance in funds other than the General Fund are reported as assigned fund balance and are done so by the City Council.

Unassigned Fund Balance –

- Residual net resources
- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Note 1 - Summary of Significant Accounting Policies (Continued)

An additional safeguard to the City's fiscal sustainability lies in the General Fund's strategic reserve. The Council created this reserve in FY 2013 at 25 percent of operating expenditures for the year. The reserve is to be used to ensure adequate resources are available to manage cash flow and economic uncertainties, minimizing the impact to our employees and the Ukiah citizenry to the greatest extent possible.

O. Property Taxes

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations are established by the Mendocino County Assessor for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provision of Article XIII-A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100 percent of full value. From this base assessment, subsequent annual increases in valuation are limited to a maximum of two percent. However, an increase to full value is allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

Tax Levies are limited to one percent of full assessed value which results in a tax rate of one percent assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property are not relieved by subsequent renewal or change in ownership.

Tax Collections are the responsibility of the Mendocino County Treasurer-Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments.

The First is due on November 1 of the fiscal year and is delinquent if not paid by December 10;
The second is due on March 1 of the fiscal year and is delinquent if not paid by April 10.

Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payments must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments. The City has elected to receive the City's portion of the property taxes from the county under the county Teeter Bill program. Under this program, the City receives 100 percent of the City's share of the levied property taxes in periodic payments with the county assuming the responsibility for the delinquencies.

Property Tax Administration Fees – the state of California FY 90-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes.

Note 1 - Summary of Significant Accounting Policies (Continued)

Tax Levy Apportionments – due to the nature of the City-wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county's auditor-controller based primarily on the ratio that each agency represented of the total City-wide levy for the three fiscal years prior to fiscal year 1979.

P. Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Ukiah can be found in the following notes and with the City's pension administrator, CalPERS. California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. New or Closed Funds

The City opened the following new funds in this reporting year:

- Streets Capital Improvements
- Advanced Planning Activities

S. Extraordinary Items

An extraordinary item is one that is both unusual in nature and infrequent in occurrence. For the year ended June 30, 2019 management recorded an amount of \$6.0 million to be received by the City from the Ukiah Redevelopment Successor Agency (SA) as payment of a loan from the City to the former Ukiah Redevelopment Agency (URDA) for the Redwood Business Park right-of-way improvement project, which the City completed in 2019. The recognition of the receivable followed a California appellate court decision overruling a California Department of Finance determination that a 2011 agreement between the City and URDA was not an enforceable obligation under the California Redevelopment Dissolution Act and, as such, the commensurate loan between the two agencies was not enforceable or the responsibility of the SA to repay. Repayment of the loan will commence at the first property tax remittance in January 2020. The amortization period of the loan is unknown to the City; however, the City believes it likely will mature within five years.

Note 2 - Stewardship, Compliance, and Accountability

The following major and non-major funds had deficit fund balances as of June 30, 2019,

Deficit Fund Equity

Major and Non-major Governmental Funds

Fund Name	Deficit Amount	Discussion/Explanation
Streets Capital Improvement Fund	\$ (980,770)	Deficit amount is the result of capital projected funded by a specific general revenue source (Measure Y) and will be eliminated with revenues received in 2020.
Museum Grant	(14,281)	Deficit amount is the result of capital projected funded by a specific grant revenues and will be eliminated in 2020 with other revenues from operation of the Museum.
ARRC	(44,467)	Deficit amount is the result of prior capital projects and operational deficiencies. The deficit is being eliminated with future revenues generated by ARRC operations.
Downtown Business Improvement	(4,656)	Deficit amount is the result of an advanced payment to the Ukiah Main Street Program and will be eliminated with revenues in 2020.
1998 STIP Augmentation	(112,000)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated when unavailable revenues are recognized as revenues in the future.
SB325 Reimbursement	(115,472)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated when unavailable revenues are recognized as revenues in the future.
S.T.P.	(803,801)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated when unavailable revenues are recognized as revenues in the future.
Trans-Traffic Congest Relief	(478,639)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated with future traffic congestion relief funds.
Museum	(5,118)	Deficit will be eliminated in 2020 by general fund resources.
Swimming Pool	(136,187)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated with future revenues dedicated for pool activities.
Riverside Park	(7,086)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated when unavailable revenues are recognized as revenues in the future.
Rail Trail	(98,958)	Deficit amount is the result of capital projected funded by a specific revenue sources and will be eliminated when unavailable revenues are recognized as revenues in the future.

Note 3 - Cash and Investments

The City follows the practice of pooling cash and investments of all funds except for the restricted funds required to be held by outside custodians, fiscal agents or trustees under the provisions of bond indentures. Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Cash and Investments

	Total
Cash equivalents and investments	
Pooled cash and investments, at fair value	
Cash in bank	\$ 7,359,366
Cash in investment portfolio, excluding LAIF	25,104,756
Cash with LAIF	3,735,710
Total pooled investment balances	28,840,466
Non pooled cash and investments, at fair value	
Petty cash	3,651
Total non pooled cash, at fair value	3,651
Cash with fiscal agent	15,064,653
Total non pooled investments, at fair value	15,064,653
 Total cash equivalents and investments	 \$ 51,268,136

Investment Portfolio Analysis

PAR		%of Portfolio	In compliance		Maturities (in years)			
			Permitted by Policy	with investment policy	<1	1 to 2	>2	
\$6,170,000	US treasury obligations	21.55%	100%	Yes	\$ -	\$ -	\$6,233,464	\$ 6,233,464
	Federal agency:							
1,290,000	Government sponsored enterprise	4.51%	100%	Yes	-	-	1,318,990	1,318,990
93,1753	Collateral mortgage obligation	3.25%	100%	Yes	941	-	937,706	938,647
425,000	Municipal obligations	1.48%	100%	Yes	-	431,634	-	431,634
1,345,000	Supra-National agency	4.70%	30%	Yes	-	1,012,722	341,191	1,353,913
5,935,000	Corporate notes	20.73%	30%	Yes	1,214,843	2,545,653	2,224,604	5,985,100
4,420,000	Negotiable certificates of deposit	15.44%	30%	Yes	1,773,249	2,418,945	252,526	4,444,720
4,362,623	Asset-backed securities	15.24%	20%	Yes	-	188,314	4,199,052	4,387,366
3,735,711	Local agency investment fund	13.05%	\$65M	Yes	3,735,711	-	-	3,735,711
10,921	Money market	0.04%	20%	Yes	10,921	-	-	10,921
	Total pooled investments	<u>100.00%</u>			<u>\$ 6,735,665</u>	<u>\$ 6,597,268</u>	<u>\$ 15,507,533</u>	<u>\$28,840,466</u>
1,250,331	Local agency investment fund	8.30%	\$65M	Yes	\$ 1,250,331	\$ -	\$ -	\$ 1,250,331
13,212,545	Money market	87.71%	20%	Yes	13,212,545	-	-	13,212,545
601,777	Municipal obligations-County of Mendocino	3.99%	100%	Yes	601,777	-	-	601,777
	Total non-pooled investments	<u>100.00%</u>			<u>\$ 15,064,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,064,653</u>

Note 3 - Cash and Investments (continued)

Collateral and Categorization Requirements

At the fiscal year end, the City's carrying amount of demand deposits was \$7,359,366 and the bank account balance was \$9,633,999. The difference of \$ 2,274,633 represented outstanding checks and deposits in transit. All deposits not insured by Federal Depository Insurance Corporation (FDIC) would be covered by collateralized securities in accordance with California Government Code Section 53600-53609.

Investment Policy

The table below identifies the investment types that are authorized under provisions of the City's investment policy adopted August 16, 2005 (subsequently updated July 5, 2017), and in accordance with Section 53601 of the California Government Code. The table also identifies certain provisions of the investment policy that address interest rate risk, credit risk, and concentration of credit risk. The City's investment policy also limits the weighted average of the City's investment portfolio to 2.5 years and except for obligations of the U.S. government and its agencies, no more than 10 percent of the portfolio may be invested in the securities of any single issuer.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
City of Ukiah Bonds	5 Years	None	10%
U.S. treasury obligations	5 Years	Unlimited	None
State of California obligations	5 Years	None	10%
Non-California state obligations	5 Years	None	10%
Local agency obligations	5 Years	None	10%
Federal agency or government sponsored enterprise obligations	5 Years	None	10%
Bankers' acceptances	180 Days	40%	5%
U.S. Commercial paper (highest rating)	270 Days	25%	5%
Negotiable certificates of deposit	5 Years	30%	5%
Repurchase agreements (1)	365 Days	None	10%
Reverse repurchase agreements (2)	92 Days	20%	10%
Medium-term notes-corporate or depository institutions (3)	5 Years	30%	5%
Money market funds (highest rating)	n/a	20%	10%
Local Agency Investment Fund (LAIF)	N/A	\$65m	\$65m
Time deposits	5 Years	25%	10%
Mortgage-backed and Asset-backed Securities (rated "AA" or better)	5 Years	20%	10%

(1) Market value of collateral shall be valued at 102 percent and monitored daily.

(2) Requires prior City Council approval.

(3) Five years or less.

Note 3 - Cash and Investments (continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City of Ukiah manages its exposure to interest rate risk is by investing in the State of California's Local Agency Investment Fund (LAIF), whose underlying securities have staggered maturities and are generally due on demand, which provides cash flow and liquidity needed for operations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for investment of public funds, as described in detail above.

Concentration of Credit Risk

Except for securities of the U.S. Government and its agencies, the investment policy of the City limits the amount that can be invested in any one issuer to no more than 10 percent of the total portfolio. As of June 30, 2019, holdings in any one issuer did not exceed 5 percent of the total portfolio.

Custodial Credit Risk

The credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able recover its deposits or will not be able to recover collateral securities that are in the possession on an outside party. The California government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits:

The California government code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must be equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

At June 30, 2019, the City had \$8,909,608 in financial institutions that were not covered by the FDIC but were covered by collateralized securities of the financial institutions where the deposits were maintained. The credit risk for *investments* is the risk that, in the event of the failure of counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of another party. The California government code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities using mutual funds or government investment pools (such as LAIF).

Note 3 - Cash and Investments (continued)

Credit Risk Schedule

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Fiscal Year End		
			AAA	AA+-BBB+	Unrated
US Treasury obligations	\$ 6,233,465	N/A	\$ -	\$ 6,233,465	\$ -
Federal agency/GSE	1,318,990	N/A	-	1,318,990	-
Federal agency/CMO	938,647	N/A	-	938,647	-
Municipal obligations	431,634	N/A	-	431,634	-
Supra-National agency	1,353,913	N/A	1,353,913	-	-
Corporate notes	5,985,100	N/A	-	5,985,100	-
Negotiable certificates of deposit	4,444,720	N/A	-	4,444,720	-
Asset-backed securities	4,387,366	N/A	4,387,366	-	-
LAIF	3,735,711	N/A	-	-	3,735,711
Money market	10,921	N/A	10,921	-	-
County of Mendocino treasury	601,777	N/A	-	-	601,777
Held by fiscal agent:					
LAIF	1,250,330	N/A	-	-	1,250,330
Money market	13,212,545	N/A	12,849,754	-	362,791
Total	\$ 43,905,119		\$ 18,601,954	\$ 19,352,556	\$ 5,950,609

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are other than quoted process included in Level 1 and are valued using a matrix pricing model using either directly or indirectly observable inputs; Level 3 inputs are significant unobservable inputs.

Fair Value Schedule

Investment Type	Total Investment	Investments Not Measured at Fair Value	Level	
			1	2
US Treasury obligations	\$ 6,233,465	\$ -	\$ -	\$ 6,233,465
Federal agency/GSE	1,318,990	-	-	1,318,990
Federal agency/CMO	938,647	-	-	938,647
Municipal obligations	431,634	-	-	431,634
Supra-National agency	1,353,913	-	-	1,353,913
Corporate notes	5,985,100	-	-	5,985,100
Negotiable certificates of deposit	4,444,720	-	-	4,444,720
Asset-backed securities	4,387,366	-	-	4,387,366
LAIF	3,735,711	3,735,711	-	-
Money market	10,921	10,921	-	-
Municipal obligations-County of Mendocino	601,777	601,777	-	-
Held by fiscal agent:				
LAIF	1,250,330	1,250,330	-	-
Money market	13,212,545	13,212,545	-	-
Total	\$ 43,905,119	\$ 18,811,284	\$ -	\$ 25,093,835

Note 3 - Cash and Investments (continued)

Participation in an External Investment Pool

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute and is chaired by the State Treasurer who is responsible for the day to day administration of LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. The State Treasurer determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available. As of June 30, 2019, the City's investment in LAIF was \$4,986,041. The total amount invested by all public agencies at that date was \$24.58 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2019 has a balance of \$105.7 billion. Financial Statements of LAIF and PMIA may be obtained from the California Treasurer's web site at www.treasurer.ca.gov.

Note 4 - Accounts Receivable

Accounts receivable consisted of the following at June 30, 2019:

	Receivables	Allowance	Net
Governmental activities			
Interest	\$ 41,386	\$ -	\$ 41,386
Taxes	2,167,476	-	2,167,476
	-	-	-
Grants and subventions	1,921,702	-	1,921,702
Due from other governments	103,091	-	103,091
Accounts receivable:			
Customers	666,535	-	666,535
Total Governmental activities	<u>4,900,190</u>	<u>-</u>	<u>4,900,190</u>
Business-type activities			
Interest	79,851	-	79,851
Grants and subventions	2,432,046	-	2,432,046
Due from other governments	-	-	-
Accounts receivable:			
Customers	6,128,061	109,935	6,018,126
Other	-	-	-
Total Business-type activities	<u>8,639,958</u>	<u>109,935</u>	<u>8,530,023</u>

Amounts do not indicate a significant concentration (greater than 25 percent of the total receivable balance) with any single individual, business or agency.

Note 5 – Notes and Loans Receivables

Through the City's various housing rehabilitation funds, first-time homebuyer's funds, and business/economic development loan funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest accrues on the loans that bear interest.

Following a determination letter from the California Department of Finance, dated June 12, 2019, complying with a court order dated June 3, 2019, the City successfully reinstated a loan, in the amount of \$6,000,000, between the former Ukiah Redevelopment Agency (now the Ukiah Redevelopment Successor Agency) for certain capital projects completed by the City.

Notes and Loans receivable for the year ended June 30, 2019, consisted of the following:

Notes and Loans Receivable

	Beginning 7/1/2018	Additions	Deletions	Transfers	Ending 6/30/2019
Governmental activities					
General fund	\$ 825	\$ 6,000,000	\$ 609	\$ -	\$ 6,000,216
Special revenue funds:					
LMIHF Housing Asset Fund	1,764,500	-	294,608	-	1,469,892
CDBG Program Income	435,830	-	-	-	435,830
HOME Program Income	2,926,558	215,989	-	-	3,142,547
Total governmental activities	5,127,713	6,215,989	295,217	-	11,048,485
Business-type activities					
Golf Fund	32,500	-	-	-	32,500
Capacity project receivable from UVSD	9,879,943	-	366,173	-	9,513,770
Total business-type activities	9,912,443	-	366,173	-	9,546,270
Total notes and loans receivable	15,040,156	6,215,989	661,390	-	20,594,755

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Note 5 – Notes and Loans Receivable (continued)

In March 2006, the City entered into a financing agreement with the Ukiah Valley Sanitation District (the "District") related to the City's 2006 Wastewater Revenue Bonds. Under the agreement, the District received an intangible right to a portion of the increased capacity of the City's wastewater treatment plant and is required to pay 65 percent of the portion of the 2006 Wastewater Revenue Bonds related to the Capacity Project to the City in annual principal installments of \$67,188 to \$787,775 with interest rates of 4.00 percent to 4.75 percent and maturity on March 1, 2036. The initial receivable from the District based on the agreement was \$12,607,761.

The payments are deposited into the City's Sewer Enterprise Fund. As of June 30, 2019, the receivable from the District is \$9,513,770. The future payment schedule may be adjusted through a negotiation process pursuant to an Operating Agreement between the City and the District effective October 2018. Future payments to be received from the District, including principal and interest, are as follows:

UVSD Capacity Project Receivable

Fiscal Year Ending June 30,	Principal	Interest	Total
2020	\$ 382,970	\$ 436,279	\$ 819,249
2021	398,087	420,003	818,090
2022	416,563	403,084	819,647
2023	435,040	384,859	819,899
2024	455,196	365,826	821,022
2025-2029	2,606,880	1,503,538	4,110,418
2030-2034	3,278,757	842,626	4,121,383
2035-2036	1,540,277	110,582	1,650,859
Totals	\$ 9,513,770	\$ 4,466,797	\$ 13,980,567

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Note 6 - Capital Assets

Governmental capital asset activity for the year ended June 30, 2019, was as follows:

Capital Assets - Governmental

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Governmental activities:					
Nondepreciable assets:					
Land	\$ 495,340	\$ -	\$ -	\$ -	\$ 495,340
Construction in progress	8,437,121	1,866,666	-	(8,210,573)	2,093,214
Total nondepreciable assets	8,932,461	1,866,666	-	(8,210,573)	2,588,554
Depreciable assets:					
Buildings and improvements	21,308,727	289,062	-	51,859	21,649,648
Machinery, equipment, and vehicles	10,621,263	546,248	-	(232,438)	10,935,073
Infrastructure and network	39,540,003	2,891,981	-	8,158,714	50,590,698
Total depreciable assets	71,469,993	3,727,291	-	7,978,135	83,175,419
Total	80,402,454	5,593,957	-	(232,438)	85,763,973
Accumulated depreciation:					
Buildings and improvements	(5,787,026)	(608,416)	-	-	(6,395,442)
Machinery, equipment, and vehicles	(7,787,658)	(407,535)	-	230,358	(7,964,835)
Infrastructure and network	(23,236,718)	(780,121)	-	-	(24,016,839)
Total accumulated depreciation	(36,811,402)	(1,796,072)	-	230,358	(38,377,116)
Net depreciable assets	34,658,591	1,931,219	-	8,208,493	44,798,303
Total governmental capital assets, net	\$ 43,591,052	\$ 3,797,885	\$ -	\$ (2,080)	\$ 47,386,857

Allocation of Depreciation Expense in Statement of Activities

Governmental Activities:	
General government	\$ 164,125
Public works	1,138,913
Public safety	120,932
Recreation and culture	17,923
Parks, buildings, and grounds	354,179
Total Depreciation Expense	\$ 1,796,072

Note 6 – Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2019, was as follows:

Capital Assets - Business-type

	Balance July 1, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Business-type activities:					
Nondepreciable assets:					
Land	\$ 6,699,399	\$ 132,071	\$ -	\$ -	\$ 6,831,470
Capacity rights	-	-	-	90,000	90,000
Construction in progress	18,658,759	18,466,948	-	(9,332,107)	27,793,600
Total nondepreciable assets	25,358,158	18,599,019	-	(9,242,107)	34,715,070
Depreciable assets:					
Buildings and improvements	59,401,876	3,999,092	-	39,543	63,440,511
Machinery, equipment, and vehicles	13,692,647	1,103,784	-	232,438	15,028,869
Infrastructure and network	115,894,607	3,367,566	-	9,202,564	128,464,737
Total depreciable assets	188,989,130	8,470,442	-	9,474,545	206,934,117
Total	214,347,288	27,069,461	-	232,438	241,649,187
Accumulated depreciation:					
Buildings and improvements	(30,176,816)	(1,182,086)	-	-	(31,358,902)
Machinery, equipment, and vehicles	(7,918,902)	(608,411)	-	(230,358)	(8,757,671)
Infrastructure and network	(29,835,018)	(2,459,116)	-	-	(32,294,134)
Total accumulated depreciation	(67,930,736)	(4,249,613)	-	(230,358)	(72,410,707)
Net depreciable assets	\$ 121,058,394	\$ 4,220,829	\$ -	\$ 9,244,187	\$ 134,523,410
Total business-type capital assets, net	\$ 146,416,552	\$ 22,819,848	\$ -	\$ 2,080	\$ 169,238,480

Allocation of Depreciation Expense in the Statement of Activities

Business-type Activities:	
Airport	\$ 106,513
Conference Center	45,889
Electric	1,194,123
Golf	2,236
Internal service funds	1,039
Landfill	13,271
Parking	2,424
Sewer	2,035,375
Street lighting	2,943
Water	845,799
Total Depreciation Expense	\$ 4,249,613

Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019.

Long-term Obligations

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
	July 1, 2018			June 30, 2019	
2017 fire engine lease (direct borrowing)	\$ 1,075,806	\$ -	\$ 101,727	\$ 974,079	\$ 103,781
2017 computer equipment lease (direct borrowing)	225,698	-	54,640	171,058	55,858
2017 I-Bank financing lease (direct borrowing)	4,000,000	-	80,070	3,919,930	82,712
Claims payable	860,916	-	143,486	717,430	143,486
Net pension liability	34,062,535	976,832	-	35,039,367	-
Compensated absences	577,086	973,404	649,345	901,145	90,115
Total	<u>\$ 40,802,041</u>	<u>\$ 1,950,236</u>	<u>\$ 1,029,268</u>	<u>\$ 41,723,009</u>	<u>\$ 475,952</u>
Business-Type Activities					
2017 CalTrans Aeronautics Loan - Airport (direct borrowing)	\$ 190,121	\$ -	\$ 9,947	\$ 180,174	\$ 10,175
2016 Water Revenue Refunding Bonds	10,190,000	-	500,000	9,690,000	530,000
2016 unamortized premium	1,433,734	-	25,153	1,408,581	25,153
2006 Wastewater Revenue Bonds	58,820,000	-	2,180,000	56,640,000	2,280,000
Lawsuit settlement liability	4,984,310	-	984,310	4,000,000	1,000,000
Landfill closure and post-closure	14,700,370	1,535,944	-	16,236,314	-
2017 SWRCB recycled water loan (direct borrowing)	-	15,204,589	-	15,204,589	626,532
Claims payable	247,915	-	49,583	198,332	49,583
Net pension liability	15,535,707	-	861,465	14,674,242	-
Compensated absences	246,557	373,690	174,522	445,725	41,417
Total	<u>\$ 106,348,714</u>	<u>\$ 17,114,223</u>	<u>\$ 4,784,980</u>	<u>\$ 118,677,957</u>	<u>\$ 4,562,860</u>

The general fund is primarily responsible for liquidating the net pension liability and compensated absences of governmental activities.

Governmental Activities

2017 Fire Engine Lease (direct borrowing)

In October 2017, the City entered a capital lease with Umpqua Bank for the purchase of two Type-1 fire engines totaling \$1,125,731. Principal and interest payments are due semi-annually on May 1 and November 1 of each year with an interest rate of 2.45 percent. Lease payments are made by the General Fund. The total combined amount of accumulated depreciation on both fire engines is \$112,572.

2017 Computer Equipment Lease (direct borrowing)

In July 2017, the City entered into a capital lease with IBM Credit LLC for the purchase of computer equipment and software totaling \$285,663. Principal is paid annually on September 1 and interest payments are due monthly with interest rates ranging from 2.15 percent to 2.37 percent. Lease payments are made primarily by the Information Technology internal service fund. The total combined amount of accumulated depreciation on this computer equipment is \$57,052.

2017 I-Bank Financing Lease (direct borrowing)

In August 2017, the City entered into an agreement for \$4,000,000 with the California Infrastructure and Economic Development Bank (I-Bank) to finance roadway and other right-of-way improvements related to the Redwood Business Park. Principal is paid annually commencing on August 1, 2018, and interest payments are made semi-annually on August 1 and February 1 at an interest rate of 3.30 percent. Lease payments are made primarily by the General Fund. The total combined amount of accumulated depreciation on the roadway improvements is \$80,000.

Note 7 – Long-Term Liabilities (Continued)

The annual debt service of these obligations to maturity are as follows:

Year Ending June 30,	Governmental Activities					
	Capital Lease, Fire Engines (2017)		IBM Credit Capital Lease		I-Bank Financing Lease (2017)	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 104,281	\$ 23,677	\$ 55,858	\$ 3,822	\$ 82,712	\$ 139,752
2021	106,899	21,057	57,104	2,576	85,441	136,730
2022	109,585	18,373	58,096	1,302	88,261	133,607
2023	112,337	15,621	-	-	91,173	130,383
2024	115,158	12,800	-	-	94,182	127,050
2025-2029	425,819	21,541	-	-	519,633	581,297
2030-2034	-	-	-	-	611,223	479,868
2035-2039	-	-	-	-	718,955	360,564
2040-2044	-	-	-	-	845,674	220,235
2045-2049	-	-	-	-	782,676	58,669
2050-2054	-	-	-	-	-	-
Total	\$ 974,079	\$ 113,069	\$ 171,058	\$ 7,700	\$ 3,919,930	\$ 2,368,155
Due within one year	\$ 104,281	\$ 23,677	\$ 55,858	\$ 3,822	\$ 82,712	\$ 139,752
Due after one year	869,798	89,392	115,200	3,878	3,837,218	2,228,403
Total	\$ 974,079	\$ 113,069	\$ 171,058	\$ 7,700	\$ 3,919,930	\$ 2,368,155

Year Ending June 30,	Total	
	Principal	Interest
2020	\$ 242,851	\$ 167,251
2021	249,444	160,363
2022	255,942	153,282
2023	203,510	146,004
2024	209,340	139,850
2025-2029	945,452	602,838
2030-2034	611,223	479,868
2035-2039	718,955	360,564
2040-2044	845,674	220,235
2045-2049	782,676	58,669
2050-2054	-	-
Total	\$ 5,065,067	\$ 2,488,924
Due within one year	\$ 242,851	\$ 167,251
Due after one year	4,822,216	2,321,673
Total	\$ 5,065,067	\$ 2,488,924

Note 7 – Long-Term Liabilities (Continued)

Business-Type Activities

2019 Caltrans Aeronautics Loan – Airport (direct borrowing)

Loan issued to the City for the design, purchase, and installation of a 12,000-gallon service aviation gas fuel tank at the Ukiah Municipal Airport. Annual principal and interest payments are made at an annual interest rate of 2.33 percent, are due February each year. Revenues generated by airport operations secure payments.

2016 Water Revenue Refunding Bonds

Dated March 1, 2016 the original amount of the obligation was \$11,155,000 and is secured with a pledge of net revenues from the City's Water system. The obligation principal is payable in annual installments beginning September 1, 2016 ranging from \$475,000 to \$740,000 through September 1, 2035. Interest payments commence September 1, 2016 and are payable semiannually on September 1st and March 1st and pay interest ranging from 2.00 percent to 3.125 percent. The 2016 Water Revenue Refunding Bonds were issued to refund the 2005 ABAG Bonds (Water Treatment Plant Installment Loan) and the SWRCB Water Treatment Loan. The two debt obligations were used to acquire and construct capital improvements to the City's water treatment plant.

2006 Wastewater Revenue Bonds

Dated March 1, 2006 the original amount of the obligation was \$75,060,000 and is secured with a pledge of net revenues from the City's wastewater system. The obligation principal is payable in annual installments beginning March 1, 2009 ranging from \$400,000 to \$4,690,000 through March 1, 2036. Interest payments commence September 1, 2006 and are payable semiannually on September 1st and March 1st and pay interest ranging from 4.00 percent to 4.75 percent.

Lawsuit Settlement Liability

In October 2018 the City entered into a settlement agreement as part of the ongoing lawsuit with the Ukiah Valley Sanitation District. As part of the settlement agreement, the City agreed to pay \$4,984,310 to the District over a 5-year period. The first payment of \$984,310 was made in October 2018, with annual installments of \$1,000,000 to be made each year for year four years beginning in October 2019.

2017 SWRCB Recycled Water Loan (direct borrowing)

In July 2017, the City entered into an agreement with the California State Water Resource Control Board (SWRCB) to finance the development and construction of a recycled water system. The principal amount of the loan is \$21,809,000 with an interest rate of 1.00 percent. The loan will be repaid with revenues from the Water

Enterprise Fund. Issuance of the loan is dependent upon the project costs and reimbursements from SWRCB. As of June 30, 2019, total projects costs funded by the loan were \$15,204,589. In addition, repayment of the loan does not begin until the project is completed, and the total loan balance has been drawn down.

Note 7 – Long-Term Liabilities (Continued)

The annual debt service of these obligations to maturity are as follows:

Debt Service Schedule

Business-type

Year Ending June 30,	Business-type Activities					
	2017 CalTrans Aeronautics Loan - Airport		2016 Water Revenue Refunding Bonds		2006 Wastewater Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 10,175	\$ 4,199	\$ 530,000	\$ 398,718	\$ 2,280,000	\$ 2,597,375
2021	10,412	3,962	540,000	377,319	2,370,000	2,500,475
2022	10,655	3,719	565,000	355,219	2,480,000	2,399,750
2023	10,903	3,471	415,000	335,618	2,590,000	2,291,250
2024	11,157	3,217	435,000	316,444	2,710,000	2,177,938
2025-2029	59,809	12,062	2,535,000	1,223,469	15,520,000	8,951,275
2030-2034	67,063	4,765	3,215,000	533,418	19,520,000	5,016,612
2035-2039	-	-	1,455,000	45,860	9,170,000	658,350
2040-2044	-	-	-	-	-	-
2045-2049	-	-	-	-	-	-
2050-2054	-	-	-	-	-	-
Total	\$ 180,174	\$ 35,395	\$ 9,690,000	\$ 3,586,065	\$ 56,640,000	\$ 26,593,025
Due within one year	\$ 10,175	\$ 4,199	\$ 530,000	\$ 398,718	\$ 2,280,000	\$ 2,597,375
Due after one year	169,999	31,196	9,160,000	3,187,347	54,360,000	23,995,650
Total	\$ 180,174	\$ 35,395	\$ 9,690,000	\$ 3,586,065	\$ 56,640,000	\$ 26,593,025

Year Ending June 30,	Lawsuit settlement liability		2017 SWRCB Recycled Water Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$ 1,000,000	\$ -	\$ 626,532	\$ 215,223	\$ 4,446,707
2021	1,000,000	90,000	632,827	208,929	4,553,239	3,180,685
2022	1,000,000	60,000	639,184	202,572	4,694,839	3,021,260
2023	1,000,000	30,000	645,605	196,150	4,661,508	2,856,489
2024	-	-	652,091	189,665	3,808,248	2,687,264
2025-2029	-	-	3,361,303	863,984	21,476,112	11,050,790
2030-2034	-	-	3,532,763	692,524	26,334,826	6,247,319
2035-2039	-	-	3,712,970	512,317	14,337,970	1,216,527
2040-2044	-	-	1,401,314	322,919	1,401,314	322,919
2045-2049	-	-	-	123,859	-	123,859
2050-2054	-	-	-	-	-	-
Total	\$ 4,000,000	\$ 180,000	\$ 15,204,589	\$ 3,528,142	\$ 85,714,763	\$ 33,922,627
Due within one year	\$ 1,000,000	\$ -	\$ 626,532	\$ 215,223	\$ 4,446,707	\$ 3,215,515
Due after one year	3,000,000	180,000	14,578,057	3,312,919	81,268,056	30,707,112
Total	\$ 4,000,000	\$ 180,000	\$ 15,204,589	\$ 3,528,142	\$ 85,714,763	\$ 33,922,627

Note 8 – Landfill Closure and Post Closure Costs

State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the amount of landfill used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$16,236,314 (including \$634,925 for corrective action liability) as of June 30, 2019, which is based on 100.0 percent usage (filled) of the landfill.

This estimated total current cost of the landfill closure and post closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of June 30, 2019, as determined by the last engineering study performed. However, the actual cost of closure and post closure care may change due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and federal laws and regulations to make annual contributions to finance closure and post closure care. The City follows these requirements, and at June 30, 2019, held \$9,220,789 in cash and receivables designated for these purposes, \$6,900,746 of which within its pooled investments. The City has made a pledge of future service revenues for anticipated remaining expected costs, future inflation costs, and any additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example).

Note 9 - Interfund Transactions and Interfund Borrowing

With City Council approval through the budget process, resources may be transferred from one City fund to another. One of the primary purposes of transfers is to provide a subsidy from one fund to another. Transfers may also be used to provide resources from one fund to another for significant capital projects or to accumulate resources for debt service. Transfers between funds during the fiscal year 2019 were as follows:

Interfund Transfers

Transfers Out	Transfers In						Total
	General Fund	Streets Capital Improvement	Non-major Governmental Funds	Landfill	Water Enterprise Fund	Internal service funds	
General fund	\$ -	\$ 2,291,862	\$ 667,679	\$ -	\$ -	\$ -	\$ 2,959,541
Streets Capital Improvement	-	-	-	-	-	-	-
Non-major governmental funds	166,699	-	4,687,282	410,781	-	14,000	5,278,762
Landfill	-	-	-	-	-	-	-
Electric enterprise fund	-	-	-	-	-	-	-
Water enterprise fund	-	-	-	-	-	-	-
Sewer enterprise fund	-	-	-	-	96,807	-	96,807
Non-major enterprise funds	-	-	-	-	-	-	-
Internal service funds	-	-	-	-	-	-	-
Total	\$ 166,699	\$ 2,291,862	\$ 5,354,961	\$ 410,781	\$ 96,807	\$ 14,000	\$ 8,335,110

Significant transfers included \$2.3 million from the general fund to the Streets Capital Improvement fund representing Measure Y proceeds dedicated to specific capital projects and \$4.7 million between non-major governmental funds representing primarily one-time transfers of funds related to special projects. Pursuant to the City's debt management policy, interfund loans are recorded for the purposes of financing operations, grant activities, or capital projects on a temporary basis.

Note 9 - Interfund Transactions and Interfund Borrowing (Continued)

Amounts recorded as due to/from are for the purposes of providing temporary cash flow to funds, most notably between operating periods. Examples of this include cash provided by the General Fund to a grant fund to financing expenditure driven grant activities. When the grantor reimburses the City for those activities, the interfund borrowing is reversed, i.e. the General Fund is paid back. This type of transaction is approved and executed by the Finance Director when needed per the City's debt management policy.

Amounts recorded as advances from/to are longer-term interfund borrowing for the purposes of providing cash flow for activities with operational conditions requiring a longer repayment period. Such borrowing is approved by the City Council per policy.

Borrowing Fund (Due To)		Lending Fund (Due From)	
Fund Name	Amount	Fund Name	Amount
Prop 172	\$ 31,942	General Fund	\$ 31,942
Museum Grant Fund	14,292	General Fund	14,292
Downtown Business Improvement	2,338	General Fund	2,338
SB325 Reimbursement	200	General Fund	200
Street Lighting	133	Electric	133
	<u>48,905</u>		<u>48,905</u>

Borrowing Fund (Advances From)		Lending Fund (Advances To)	
Fund Name	Amount	Fund Name	Amount
Streets Capital Improvements	1,154,441	Landfill	1,154,441
Golf	930,200	General Fund	930,200
General Fund	921,469	Special Projects Reserve	921,469
Water	783,636	Golf	783,636
Water	745,000	Liability Fund	745,000
S.T.P.	573,982	Landfill	573,982
Trans-Traffic Congest Relief	478,680	Landfill	478,680
S.T.P.	229,819	General Fund	229,819
Street Lighting	186,270	Electric	186,270
Rail Trail Fund	146,661	General Fund	146,661
Swimming Pool	136,349	General Fund	136,349
1998 Stip Augmentation Fund	112,000	Gas Tax Fund	112,000
SB325 Reimbursement Fund	97,741	General Fund	97,741
Rail Trail Fund	68,325	Signalization Fund	68,325
ARRC	49,600	General Fund	49,600
SB325 Reimbursement Fund	17,543	Signalization Fund	17,543
	<u>6,631,716</u>		<u>6,631,716</u>

Note 10 - 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 participates. The City is a member of the Redwood Empire Municipal Insurance Fund (REMIF), a public entity pool comprised of fifteen northern California charter and associate member cities. REMIF is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of REMIF is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The City pays an annual premium to REMIF for its workers' compensation, general liability and property coverage.

The City of Ukiah participates in the following three REMIF programs:

General Liability Insurance

Annual premiums are paid by the member cities and are adjusted retrospectively to cover costs. The City of Ukiah self-insures for the first \$25,000 of each loss and pays 100 percent of all losses incurred under \$25,000. The City does not share or pay for losses of other cities under \$5,000, depending on the entity's deductible amount. Participating cities then share in the next \$5,000 to \$500,000 per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, contractual liability, professional liability, and certain other coverage. REMIF is a member of the California Joint Powers Risk Management Authority, which provides REMIF with an additional \$39,500,000 liability insurance coverage over and above REMIF retention level of \$500,000.

Worker's Compensation

Periodic deposits are paid by member cities and are adjusted retrospectively to cover costs. The City of Ukiah is self-insured for the first \$10,000 of each loss and pays 100 percent of all losses incurred under \$10,000. The City does not share or pay for losses of other cities under \$5,000.

Property Insurance

The City participates in REMIF's property insurance program. The annual deposits paid by participating member cities are based upon deductibility levels and are not subject to retroactive adjustments. The City of Ukiah has a deductible level of \$100,000 for all property, \$500,000 for wildfire, \$250,000 for high flood zones, and a coverage limit of \$400,000,000 declared value.

Separate internal service funds are maintained by the City for the City's deductibles and allocated share of pooled costs noted above. The total cash and investments held in these funds at June 30, 2019, was \$1,200,317.

Changes in the Internal Service Funds claims liabilities amounts in fiscal year 2019 and 2018 were as follows:

	2019	2018
Balance, beginning of the fiscal year	\$ 1,108,831	\$ -
Claims and adjustments	-	1,108,831
Claims payments	(193,069)	-
Balance, end of the fiscal year	<u>\$ 915,762</u>	<u>\$ 1,108,831</u>

Note 10 - Risk Management (Continued)

In accordance with the REMIF governing documents, REMIF Board has the authority to levy a cash assessment for any pooled coverage program on the Participating member. Due to unfavorable claims development and underfunding, REMIF's overall audited equity balance was \$1.4 million as of June 30, 2019.

On March 22, 2018, the REMIF Board approved assessment for the following programs to be collected beginning in the 2018/2019 fiscal year:

- Workers' Compensation - \$6 million to be collected over 6 years.
- Liability program - \$2.5 million to be collected over 5 years.

Of those amounts the City of Ukiah was liable for \$860,916 and \$247,915 to be paid over 6 and 5 years, for the Workers' Compensation and Liability program, respectively for a total of \$1,108,831. The remaining balance of \$915,762 as of June 30, 2019 is detailed in Note 7.

Risk Management Coverage

Amount	Coverage Provider	Payment Source
General Liability Claims:		
\$0 - \$25,000	Self-insured retention	City funds
25,001 - 500,000	Public Agency Risk Sharing Authority	Shared risk pool
500,001 - 9,500,000	California Affiliated Risk Management Authorities	Shared risk pool
5,000,001 - 15,000,000	Commercial reinsurance	
15,000,001 - 25,000,000	California Affiliated Risk Management Authorities	Shared risk pool
Workers' Compensation Claims:		
\$0 - \$10,000	Self-insured retention	City funds
10,001 - 300,000	Public Agency Risk Sharing Authority	Shared risk pool
300,000 +	Local Agency Workers' Compensation Excess Pool	Shared risk pool
5,000,001 - 50,000,000	Commercial reinsurance	
50,000,001 - 300,000,000	Insurance	
Property Insurance Claims		
\$0 - \$100,000	Deductible	City funds
100,001 - 400,000,000	REMIF coverage of declared value	Shared risk pool

Note 10 - Risk Management (Continued)

The following is a summary of the most recent financial statements of REMIF as of and for the fiscal year ended June 30, 2019:

REMIF Equity

Total assets	\$ 31,189,650
Total deferred outflows of resources	659,765
Total liabilities	30,229,545
To deferred inflow of resources	<u>216,372</u>
Members' equity	<u>\$ 1,403,498</u>
Net operating revenues	\$ 26,012,592
Total operating expenses	<u>25,661,506</u>
Operating income (loss)	<u>\$ 351,086</u>

REMIF issues a separate comprehensive annual financial report. Copies of that report may be obtained from REMIF at Post Office Box 885, Sonoma, California 95476.

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Note 11 - Public Employee Retirement Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

The Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the City of Ukiah. The City of Ukiah does not have any rate plans in the miscellaneous risk pool. The City of Ukiah's employer rate plans in the safety risk pool include the Safety Fire plan (Fire), the Safety Police plan (Police), the PEPRA Safety Fire plan (PEPRA Safety Fire) and the PEPRA Safety Police plan (PEPRA Police).

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

Employer Rate Plans in the Safety Risk Pool

Employer rate plan	PEPRA Safety			
	Fire	Police	Fire	PEPRA Police
Hire Date	Prior to January 01, 2013	Prior to January 01, 2013	On or after January 01, 2013	On or after January 01, 2013
Benefit formula	3.0% @ 55	3.0% @ 50	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50	50
Monthly benefits, as of % of eligible compensation	2.4% to 3.0%	3.0%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	9%	9%	12.25%	12.25%
Required employer contribution rates	20.416%	22.346%	12.965%	12.965%

Note 11 – Public Employee Retirement Plan (Continued)

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS’ annual actuarial valuation process. Each employer rate plan’s actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan’s allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City of Ukiah is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City of Ukiah’s contributions to the risk pools in the Plan for the year ended June 30, 2019, were as follows:

	Contributions
Miscellaneous Risk Pool	\$0
Safety Risk Pool	<u>1,950,142</u>
Total contributions	<u>\$1,950,142</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, City of Ukiah reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Risk Pool	\$0
Safety Risk Pool	<u>17,100,610</u>
Total net pension liability	<u>\$17,100,610</u>

Note 11 – Public Employee Retirement Plan (Continued)

As of June 30, 2019, the City reported a liability of \$17,100,610 for its proportionate share of the net pension liability. The City's net pension liability for the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City of Ukiah's proportionate share percentage of the net pension liability for each risk pool as of June 30, 2017, and June 30, 2018, was as follows:

	Safety Risk Pool
Proportion at measurement date – June 30, 2017	0.28762%
Proportion at measurement date – June 30, 2018	0.29144%
	<hr/>
	(0.00382)%
	<hr/> <hr/>

For the year ended June 30, 2019, the City of Ukiah recognized pension expense of \$2,756,371. At June 30, 2019, the City of Ukiah reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$322,531	-
Changes of Assumptions	1,463,912	(217,353)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	281,491	-
Adjustment due to Differences in Proportions	148,668	(64,040)
Differences between Actual and Required Contributions	79,258	(87,298)
Contributions after Measurement Date	1,950,142	-
Total	<hr/> \$4,246,002 <hr/>	<hr/> (\$368,691) <hr/>

Note 11 – Public Employee Retirement Plan (Continued)

Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Date	Deferred Outflows/(Inflows) of Resources
June 30:	
2019	1,539,486
2020	901,897
2021	(402,200)
2022	(112,014)
2023	-
2024	-
Total	\$1,927,169

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Safety
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase ⁽¹⁾	Varies by Age & Length of Service
Investment Rate of Return	7.15%
Mortality Rate Table ⁽²⁾	Derived Using CalPERS' Membership Data

Note 11 – Public Employee Retirement Plan (Continued)

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

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New	Real Return	Real Return
	Strategic Allocation	Years 1-10 ^(a)	Years 11+ ^(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0	1.0	2.62
Inflation Assets	-	0.77	1.81
Private Equity	8.0	6.30	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	-	-0.92

(a) An expected inflation of 2.0 percent used for this period.

(b) An expected inflation of 2.92 percent used for this period.

Note 11 – Public Employee Retirement Plan (Continued)

Sensitivity of the City of Ukiah’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City of Ukiah’s proportionate share of the net pension liability of each risk pool as of the measurement date, calculated using the discount rate, as well as what the City of Ukiah’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
City of Ukiah’s proportionate share of the Safety Risk Pool’s net pension liability	\$25,608,125	\$17,100,610	\$10,130,224

General Information about the Pension Plans - Miscellaneous

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City’s separate Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding purposes but not accounting purposes), and membership information are listed in the plan’s June 30, 2018 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report is a publicly available valuation report that can be obtained at CalPERS’ website under Forms and Publications.

The Plan’s provisions and benefits in effect at June 30, 2019, are summarized as follows:

Employees Covered – At June 30, 2019, the following employees were covered by the benefit terms for the Plan:

Benefits Provided

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit Formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	Depending on years of service	
Required employee contribution rates	8%	7%
Required employer contribution rates	12.859%	6.75%

Note 11 – Public Employee Retirement Plan (Continued)

Employees Covered by Plan

Inactive employees of beneficiaries currently receiving benefits	183
Inactive employees entitled to but not yet receiving benefits	135
Active employees	144

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Net Pension Liability

The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

	Miscellaneous
Valuation date	6/30/2017
Measurement	6/30/2018
Actuarial cost method	Entry-age normal
Discount rate	7.15%
Inflation	2.75%
Payroll growth	3.00%
Projected salary increase	Varies by age and length of service
Investment rate of return	7.15%
Mortality	Derived from CalPERS membership data

(1) Depending on entry age and service.

(2) Derived using CalPERS membership data for all funds. The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.

Note 11 – Public Employee Retirement Plan (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Discount Rate – The discount rate used to measure the total pension liability for PERF C was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff considered both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Rates of Return

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	-%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-%	-.92%
Total	100.00%		

(a) An expected inflation of 2.0 percent used for this period.

(b) An expected inflation of 2.92 percent used for this period.

Note 11 – Public Employee Retirement Plan (Continued)

Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan follows:

	Increase (Decrease)		
	Pension Plan Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2017	\$ 85,677,713	\$ 53,265,442	\$ 32,412,271
Change in the year:			
Service Cost	1,808,418	-	1,808,418
Interest on Total Pension Liability	6,053,276	-	6,053,276
Changes in Benefit Terms	-	-	-
Changes of Assumptions	(544,277)	-	(544,277)
Differences between Expected and Actual Experience	845,262	-	845,262
Net Plan to Plan Resource Movement	-	(132)	132
Contributions - Employer	-	2,941,163	(2,941,163)
Contributions - Employees	-	727,232	(727,232)
Net Investment Income	-	4,534,314	(4,534,314)
Benefit Payments	(4,443,388)	(4,443,388)	-
Administrative Expenses	-	(83,002)	83,002
Other Miscellaneous Income	-	(157,623)	157,623
Net Changes	3,719,291	3,518,564	200,727
Balance at June 30, 2018	\$ 89,397,004	\$ 56,784,006	\$ 32,612,998

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

Sensitivity

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 44,186,653
Current Discount Rate	7.15%
Net Pension Liability	\$ 32,612,998
1% Increase	8.15%
Net Pension Liability	\$ 23,013,618

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Note 11 – Public Employee Retirement Plan (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the City recognized pension expense for the Miscellaneous Plan of \$4,183,181. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources for the Miscellaneous Plan from the following sources:

Pension Expense and Deferred Outflows/Inflows

	Deferred Outflows of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	\$ 3,243,884	\$ -
Differences between actual and expected experience	572,597	(452,152)
Changes of assumptions	1,456,683	(368,704)
Net differences between projected and actual earning on plan investments	93,541	-
Total	<u>\$ 5,366,705</u>	<u>\$ (820,856)</u>

\$3,243,884 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Amortization

Year Ending June 30,	
2020	1,765,837
2021	237,334
2022	(544,839)
2023	(156,365)
2024	-
Thereafter	-

Payable to the Pension Plan

At June 30, 2019, the City reported a payable of \$ -0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

Note 12 – Related Organizations

The City is a member of various joint powers authorities that provide goods or services to the City and other authority members. Under the criteria established by GASB-14, the City does not have enough authority, influence or accountability over these entities to incorporate them in this annual report. Additionally, the City has determined that it has no ongoing financial interest or responsibility for any of these organizations as defined by GASB-14. The names and general functions of these joint powers are as follows:

Northern California Power Agency (NCPA)

NCPA has 14 members including municipal electric utilities, a port authority, an irrigation district, a public utility district, a transportation district; and one associate member entity. The NCPA is generally empowered to purchase, generate, transmit, distribute, and sell electrical energy. Members participate in the projects of the Agency on an elective basis. A Commission comprised of one representative for each member governs the NCPA.

The City is currently involved in several hydroelectric, geothermal and other energy related projects as a member of this agreement. The NCPA is financed by contributions from member cities, government grants and debt. The City is committed to provide substantial additional financial support for its portion of the actions and projects of the NCPA. During the year ended June 30, 2019, the City paid \$8,347,879 to the NCPA for power supplied by the agency.

The NCPA holds certain funds under a separate member custodial agreement - the general operating reserve. The purpose of the reserve is to allow members to fund all, or a portion, of the contingent liabilities that the NCPA faces at any given time, while providing the individual member with the flexibility to draw upon their part of the reserve, as each member individually deems appropriate. At June 30, 2019, the City's balance held in the reserve was \$7,214,056, of which \$123,367 is restricted for NCPA OPS/Security accounts. Due to the nature of the reserve held by NCPA, the reserve is recorded as an asset in the Electric Fund as Investment in NCPA reserve.

Mendocino Transit Authority

This Agency consists of four Mendocino County cities and the County of Mendocino. The Agency was created to apply for and receive Transportation Development Act, Urban Mass Transportation Act, and other funds as a public transportation operator and to provide public transportation services within Mendocino County. Its activities are primarily financed from fare box revenue and federal and state government grants. A Board of Directors comprised of one member from each city and three members that are appointed by the Mendocino County Board of Supervisors governs the Authority.

Redwood Empire Financing Authority (REFA)

This is an agreement between seven Northern California cities. The Authority is authorized to acquire, through lease purchase, installment sale agreements, or otherwise such property necessary or convenient for the operation of the member cities. A Commission comprised of one member appointed by each member city administers the Authority. As explained previously, the City has entered into various financing arrangements with REFA.

Note 12 – Related Organizations (continued)

Redwood Empire Municipal Insurance Fund (REMIF)

A group of Northern California cities participate in this agreement to provide themselves with various levels of liability, property and worker's compensation insurance. A Commission comprised of one member appointed by each member city administers the Authority. As explained previously, the City provides for its general and workers' compensation insurance needs through REMIF. Annual premiums paid to the Authority were \$1,260,848. During the year, the City received no distribution from REMIF's liability insurance program.

Transmission Agency of Northern California (TANC)

Members include ten cities, one electric co-op, two irrigation districts, and two public utility districts. The Agency was created to provide electric transmission or other facilities, including real property and rights of way, for the use of its members. A Commission comprised of one representative appointed by each member governs the Agency. The City has authorized its participation in the project up to one percent (1 percent) of the total.

Mendocino Solid Waste Management Authority (MSWMA)

This Authority consists of three Mendocino County cities and the County of Mendocino. The Agency was created for the purpose of: (a) siting, licensing, developing, constructing, maintaining, and operating disposal sites and sanitary landfills and (b) preparing and implementing a solid waste management plan. A Commission comprised of one member from each city and two members that are appointed by the Mendocino County Board of Supervisors governs the Authority.

Note 13 - Commitments and Contingencies

Grants and Allocations

The City receives funding from several federal, state and local grant programs, principally Community Development Block Grants (CDBG). These programs are subject to financial and compliance review by grantors. Expenditures, if any, which may be disallowed by the granting agencies, cannot be determined at this time. The City does not expect the undeterminable amounts of disallowed expenditures, if any, to materially affect the financial statements. Receipt of these federal, state and local grant revenues is not assured in the future.

Construction commitments. The government has active construction projects as of June 30, 2019. The projects include street reconstruction and rehabilitation, facility repairs and maintenance, right-of way improvements, and the construction of recycled water plant facilities. At year end the government's significant commitments with contractors were as follows:

Construction Commitments

Project	Spent to Date	Remaining Commitment
Anton Stadium Building Demo	\$ -	\$ 14,897
Standley St Bldg Removal	-	21,881
Civic Center Annex Facia Repair	-	197,070
Recycled Water Sys Phase 1 & 2	16,004,646	576,552
Oak Manor Utility Imp Proj	174,581	24,781
S. Fire Station Roof Replacement	-	121,000

Note 13 – Commitments and Contingencies (continued)

Encumbrances and related appropriation lapse at the end of the year but are re-appropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Encumbrances. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the number of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Encumbrances	
Fund(s)	Encumbrances
General fund	\$ 426,813
Streets Capital Improvements	1,810
Nonmajor governmental funds	1,576,985
Internal service funds	251,907
Landfill	328,878
Electric	715,439
Water	1,748,463
Wastewater	1,017,537
Nonmajor enterprise funds	<u>275,370</u>
Total	\$ 6,343,202

Note 14 – Successor Agency Trust, Former Ukiah Redevelopment Agency

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Ukiah that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 9, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 2012-04

Note 14 – Successor Agency Trust, Former Ukiah Redevelopment Agency (continued)

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Enforceable Obligations - Bonds

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

Redevelopment Successor Private Purpose Trust Debt Service Activity

	Balance July 1, 2018	Transfers/ Additions	Retirements	Balance June 30, 2019	Due Within One Year
Trust Activities:					
Series 2007 Tax Allocation Bonds	\$ 2,410,000	\$ -	\$ 360,000	\$ 2,050,000	\$ 375,000
Series 2011A Tax Allocation Bonds	2,380,000	-	10,000	2,370,000	10,000
Series 2011B Tax Allocation Bonds	2,560,000	-	180,000	2,380,000	210,000
Total trust fund debt	\$ 7,350,000	\$ -	\$ 550,000	\$ 6,800,000	\$ 595,000

Series 2007 Tax Allocation Bonds

On April 18, 2007, the former RDA issued \$5,595,000 in tax allocation bonds to refinance a loan agreement between the RDA and the Redwood Empire Financing Authority. The bond series is comprised of \$4,310,000 in serial bonds maturing annually on December 1st through the year 2020, and \$1,285,000 in term bonds maturing on December 1, 2023. The serial bonds require annual principal payments ranging from \$230,000 to \$390,000. Interest rates on the serial bonds range from 3.75 percent to 4.70 percent, and the term bonds carry an interest rate of 4.75 percent. Interest is paid semi-annually on June 1st and December 1st.

Series 2011A Tax Allocation Bonds

On March 8, 2011, the former RDA issued \$5,180,000 Tax Allocation Bonds, 2011 Series A. The bonds were a special obligation of the RDA payable solely from and secured by a pledge of Agency tax revenues. The bonds carry an interest rate ranging from 3.0 percent to 6.5 percent. The bond series is comprised of \$2,840,000 in serial bonds maturing annually on December 1st through the year 2021, and \$2,340,000 in term bonds maturing on December 1, 2028. The serial bonds require annual principal payments ranging from \$10,000 to \$620,000. Proceeds of the bonds were to be used to finance redevelopment activities, fund a reserve account for the bond issue and provide for the cost of issuing the bonds.

Note 14 – Successor Agency Trust, Former Ukiah Redevelopment Agency
(continued)

Series 2011B Tax Allocation Bonds

On March 8, 2011, the former RDA issued \$3,250,000 Taxable Tax Allocation Bonds, 2011 Series B. The bonds were a special obligation of the RDA payable solely from RDA housing tax revenues. The bonds carry an interest rate ranging from 3.25 percent to 9.0 percent. The bond series is comprised of \$1,585,000 in serial bonds maturing annually on August 1st through the year 2021, and \$1,665,000 in term bonds maturing on August 1, 2026. The serial bonds require annual principal payments ranging from \$75,000 to \$270,000. Proceeds of the bonds were to be used to finance redevelopment activities benefiting low- and moderate-income housing, fund a reserve account for the bond issue and provide for the cost of issuing the bonds.

Future debt service for Fiduciary Activities at June 30, 2019, is as follows:

**Debt Service Schedule
Redevelopment Successor Agency**

Year Ending June 30,	Series 2007 Tax Allocation Bonds		Series 2011A Tax Allocation Bonds		Series 2011B Tax Allocation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 375,000	\$ 85,292	\$ 10,000	\$ 153,487	\$ 210,000	\$ 198,125
2021	390,000	67,983	10,000	152,950	235,000	180,850
2022	405,000	49,795	10,000	152,388	270,000	160,650
2023	430,000	30,590	-	152,100	300,000	136,350
2024	450,000	10,350	-	152,100	340,000	107,550
2025-2029	-	-	2,340,000	395,849	1,025,000	122,175
2030-2034	-	-	-	-	-	-
2035-2039	-	-	-	-	-	-
2040-2044	-	-	-	-	-	-
2045-2049	-	-	-	-	-	-
2050-2054	-	-	-	-	-	-
Total	<u>\$ 2,050,000</u>	<u>\$ 244,010</u>	<u>\$ 2,370,000</u>	<u>\$ 1,158,874</u>	<u>\$ 2,380,000</u>	<u>\$ 905,700</u>
Due within one year	\$ 375,000	\$ 85,292	\$ 10,000	\$ 153,487	\$ 210,000	\$ 198,125
Due after one year	1,675,000	158,718	2,360,000	1,005,387	2,170,000	707,575
Total	<u>\$ 2,050,000</u>	<u>\$ 244,010</u>	<u>\$ 2,370,000</u>	<u>\$ 1,158,874</u>	<u>\$ 2,380,000</u>	<u>\$ 905,700</u>

Year Ending June 30,	Total	
	Principal	Interest
2020	\$ 595,000	\$ 436,904
2021	635,000	401,783
2022	685,000	362,833
2023	730,000	319,040
2024	790,000	270,000
2025-2029	3,365,000	518,024
2030-2034	-	-
2035-2039	-	-
2040-2044	-	-
2045-2049	-	-
2050-2054	-	-
Total	<u>\$ 6,800,000</u>	<u>\$ 2,308,584</u>
Due within one year	\$ 595,000	\$ 436,904
Due after one year	6,205,000	1,871,680
Total	<u>\$ 6,800,000</u>	<u>\$ 2,308,584</u>

Note 15 – New Pronouncements

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

GASB 84 - Fiduciary Activities: This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City early implemented this statement in the fiscal year ended June 30, 2019.

GASB 86, Certain Debt Extinguishment Issues: This Statement establishes reporting requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish debt. In financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price (the amount required to be placed in the trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2019.

GASB 87 – Leases: This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period: This Statement establishes accounting requirements for interest cost incurred before the end of a construction period, effective for reporting periods beginning after December 15, 2019.

GASB 90 – Majority Equity Interests: The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB 91 – Conduit Debt Obligations: The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

Note 16 – Service Contracts

The City has entered into several agreements to provide services to the citizens of the City and surrounding areas. The general purpose and description of these contract agreements are as follows:

Joint Venture for Valley-Wide Fire Protection Services

The City has entered into an agreement with the Ukiah Valley Fire District (“UVFD”) to provide firefighting, emergency medical response and hazardous material response services within the corporate limits of the City. For the year ended June 30, 2019, the City paid \$312,409 under the terms of the agreement.

Under the terms of the agreement, entered July 1, 2018, the City provides fulltime and temporary fire personnel and use of City fire engines, rolling stock and related equipment to the UVFD, as well as making City facilities available to the UVFD. Fire personnel will remain employees of the City, and the City will continue to own all the equipment and facilities affected by the agreement. The City will be responsible for day-to-day management and administration. The City will share in the cost for the employment of the Fire Chief, as well as certain fixed and reimbursable costs.

Golf Course Maintenance and Operations

The City has entered into a leasing agreement with Tayman Park Golf Group, Inc. (“Lessee”) to operate, manage, repair and maintain the City’s municipal golf course. The lease includes the 18-hole golf course, clubhouse, and shared usage of City equipment. The Lessee is responsible to provide all services, maintenance, and administration –including setting user fees – for the normal operation of the course. The initial term of the agreement is ten years commencing July 1, 2012, with an option for two (2) additional five (5) year extensions, and cancellable by either party in the event of default. The Lessee must pay to the City rent based on a percentage of gross revenues from course operations and concessions and reimburse the City for personnel and equipment provided by the City. In addition, the Lessee annually must contribute \$40,000 to a Capital Improvement Project for the benefit of the golf course.

For the year ended June 30, 2019, the City received \$36,668 in rents. The City reports activities of the golf course as a nonmajor enterprise fund. The cost and carrying amount of assets lease under this agreement were as follows:

Service Agreement - Tayman Park Golf Group, Inc. Schedule of Asset Carrying Costs

Asset	Cost	Accumulated Depreciation	Carrying Value
Land	\$ 965,284	\$ -	\$ 965,284
Land improvements	308,753	305,753	3,000
Infrastructure	178,259	178,259	-
Buildings	105,992	91,360	14,632
Rolling equipment	28,006	28,006	-
Machinery and equipment	30,390	30,390	-
Total trust fund debt	\$1,616,684	\$ 633,768	\$ 982,916

Note 16 – Service Contracts (continued)

Solid Waste Collection and Ukiah Transfer Station Agreement

The City has granted Ukiah Waste Solutions a franchise for mandatory residential and optional commercial garbage collection and disposal. The City has also contracted with Ukiah Waste Solutions to provide a citywide recycling program. The City acts as billing and collecting agent for the residential accounts of Ukiah Waste Solutions. Amounts held by the City on behalf of the corporation are accounted for in the Custodial funds.

Participation Agreement with Ukiah Valley Sanitation District

The City has contracted with the Ukiah Valley Sanitation District to provide processing of the District's wastewater. In addition, the City provides professional billing, collection and other direct maintenance services for the District. District assets held by the City are accounted for in the Custodial funds.

Note 17 – Subsequent Events

As of the date of this report, the City has entered the following long-term obligations. Debt service schedules for each are as follows:

Redevelopment Tax Allocation Refunding Bonds 2019

In December 2019, the Ukiah Redevelopment Successor Agency (SA) issued taxable and tax-exempt tax allocation refunding bonds. The bonds refund the SA's series 2007 refunding bonds and series 2011 A and B tax allocation bonds described in Note 14. The future debt service of these bonds is as follows:

Debt Service Schedule

Redevelopment Successor Agency

Year Ending June 30,					Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ -	\$ 12,768	\$ -	\$ 58,870	\$ -	\$ 71,638
2021	304,584	23,907	327,718	120,552	632,302	144,459
2022	308,386	17,287	345,535	110,588	653,921	127,875
2023	319,563	10,506	354,103	100,234	673,666	110,740
2024	326,621	3,529	374,509	89,451	701,130	92,980
2025-2029	-	-	2,834,752	181,198	2,834,752	181,198
Total	\$ 1,259,154	\$ 67,997	\$ 4,236,617	\$ 660,893	\$ 5,495,771	\$ 728,890
Due within one year	\$ -	\$ 12,768	\$ -	\$ 58,870	\$ -	\$ 71,638
Due after one year	1,259,154	55,229	4,236,617	602,023	5,495,771	657,252
Total	\$ 1,259,154	\$ 67,997	\$ 4,236,617	\$ 660,893	\$ 5,495,771	\$ 728,890

Required Supplementary Information (RSI)

City of Ukiah, California

Schedules of Contributions and Proportionate Share of Net Pension Liability, Agent Multiple Employer
(Miscellaneous), Last Ten Years

Schedule of Changes in Net Pension Liability for the Measurement Periods Ended June 30,

Measurement Period	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY:					
Service Cost	\$1,808,418	\$1,823,230	\$1,572,047	\$1,612,003	\$1,788,902
Interest on Total Pension Liability	6,053,276	5,794,263	5,696,580	5,564,428	5,416,497
Changes of Benefit Terms	0	0	56,535	0	0
Changes of Assumptions	(544,277)	4,693,759	0	(1,318,850)	0
Difference between Expected and Actual Experience	845,262	(1,456,928)	(1,392,062)	(1,280,133)	0
Benefit Payments, Including Refunds of Employee Contributions	(4,443,388)	(4,133,617)	(3,981,386)	(4,205,497)	(3,795,124)
Net Change in Total Pension Liability	\$3,719,291	\$6,720,707	\$1,951,714	\$371,951	\$3,410,275
Total Pension Liability – Beginning	85,677,713	78,957,006	77,005,292	76,633,341	73,223,066
Total Pension Liability – Ending (a)	\$89,397,004	\$85,677,713	\$78,957,006	\$77,005,292	\$76,633,341
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$2,941,163	\$2,652,462	\$2,391,847	\$2,156,759	\$2,193,059
Contributions – Employee	727,232	659,895	648,121	634,373	779,732
Net Investment Income	4,534,314	5,421,492	246,475	1,106,699	7,445,055
Benefit Payments, Including Refunds of Employee Contributions	(4,443,388)	(4,133,617)	(3,981,386)	(4,205,497)	(3,795,124)
Net Plan to Plan Resource Movement	(132)	0	0	0	0
Administrative Expense	(83,002)	(71,957)	(30,145)	(55,697)	0
Other Miscellaneous Income/(Expense) ¹	(157,623)	0	0	0	0
Net Change in Fiduciary Net Position	\$3,518,564	\$4,528,275	\$(725,088)	\$(363,363)	\$6,622,722
Plan Fiduciary Net Position – Beginning ²	\$53,265,442	\$48,737,167	\$49,462,255	\$49,825,618	\$43,202,896
Plan Fiduciary Net Position – Ending (b)	56,784,006	53,265,442	48,737,167	49,462,255	49,825,618
Plan Net Pension Liability/(Asset) – (a)-(b)	\$32,612,998	\$32,412,271	\$30,219,839	\$27,543,037	\$26,807,723
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	63.52%	62.17%	61.73%	64.23%	65.02%
Covered Payroll	\$8,821,982	\$8,412,838	\$7,949,673	\$8,008,361	\$8,340,257
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	369.68%	385.27%	380.14%	343.93%	321.43%

¹ During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

² Includes any beginning of year adjustment.

Schedule of Plan Contributions for the fiscal years ended June 30¹,

Employer Fiscal Year End	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 3,243,884	\$ 2,941,163	\$ 2,652,462	\$ 2,391,847	\$ 2,156,759	\$ 2,193,059
Contributions in Relation to the Actuarially Determined Contribution ²	(3,243,884)	(2,941,163)	(2,652,462)	(2,391,847)	(2,156,759)	(2,193,059)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll ³	\$ 9,841,006	\$ 8,821,982	\$ 8,412,838	\$ 7,949,673	\$ 8,008,361	\$ 8,340,257
Contributions as Percentage of Covered Payroll	32.96%	33.34%	31.53%	30.09%	26.93%	26.29%

¹ As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

² Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

³ Includes one year's payroll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17.

* Fiscal Year 2015 was the first year of implementation, therefore only 5 years are shown.

City of Ukiah, California

Schedules of Contributions and Proportionate Share of Net Pension Liability, Cost Sharing Plan (Safety), Last Ten Years

Schedule of Changes in Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30,

Safety Plan	Measurement Date June 30, 2014	Measurement Date June 30, 2015	Measurement Date June 30, 2016	Measurement Date June 30, 2017	Measurement Date June 30, 2018
Plan's Proportion of the PERF C Net Pension Liability/(Asset)	0.185181%	0.180597%	0.176726%	0.173294%	0.177461%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$11,522,849	\$12,396,052	\$15,292,260	\$17,185,970	\$17,100,610
Plan's Covered-Employee Payroll	\$3,330,571	\$3,844,242	\$3,434,144	\$3,366,699	\$3,928,981
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	345.97%	322.46%	445.30%	510.47%	435.24%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	79.27%	75.31%	71.08%	70.49%	72.29%

Notes to Schedule:

Changes of benefit terms – There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes).

Changes in assumptions – The assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent.

* Fiscal Year 2015 was the first year of implementation, therefore only 5 years are shown.

City of Ukiah, California
Schedules of Contributions and Proportionate Share of Net Pension Liability, Cost Sharing Plan (Safety), Last
Ten Years (cont)

Schedule of Plan Contributions for the fiscal years ended June 30,

Safety Plan	CalPERS Fiscal Year 2014-15	CalPERS Fiscal Year 2015-16	CalPERS Fiscal Year 2016-17	CalPERS Fiscal Year 2017-18	CalPERS Fiscal Year 2018-19
Actuarially Determined Contributions	\$1,309,930	\$1,520,825	\$1,575,086	\$1,763,563	\$1,950,142
Actual Contributions During the Measurement Period	(\$1,309,930)	(\$1,520,825)	(\$1,575,086)	(\$1,763,563)	(\$1,950,142)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0
Covered-Employee Payroll	\$3,844,242	\$3,434,144	\$4,135,089	\$4,088,030	\$3,928,981
Contributions as a Percentage of Covered-Employee Payroll	34.08%	44.29%	38.09%	43.14%	49.63%

Notes to Schedule:

Contribution Valuation Date:

June 30, 2012 June 30, 2013 June 30, 2014 June 30, 2015 June 30, 2016

* Fiscal Year 2015 was the first year of implementation, therefore only 5 years are shown.

City of Ukiah, California
 General Fund Budgetary Comparison Schedule
 Schedule of Revenues, Expenditures, and Changes in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property tax	\$ 2,934,000	\$ 2,934,000	\$ 2,984,192	\$ 50,192
Sales tax	12,754,424	12,754,424	11,974,379	(780,045)
Franchise fees	1,612,000	1,612,000	1,781,141	169,141
Transient occupancy	1,400,000	1,400,000	1,496,473	96,473
Business license tax	390,000	390,000	293,706	(96,294)
Other taxes	250	250	462	212
Licenses and permits	276,425	276,425	211,113	(65,312)
Grants contributions and donations	280,000	280,000	375,300	95,300
Intergovernmental	63,000	63,000	142,885	79,885
Fines penalties and forfeitures	52,500	52,500	33,588	(18,912)
Facility rental	119,800	119,800	73,362	(46,438)
Interest, rent, and concessions	70,000	70,000	91,154	21,154
Charges for service	1,406,672	1,450,005	1,615,737	165,732
Miscellaneous	226,000	670,890	262,009	(408,881)
Total revenues	<u>21,585,071</u>	<u>22,073,294</u>	<u>21,335,501</u>	<u>(737,793)</u>
EXPENDITURES				
Current:				
General government	3,253,428	34,193	45,889	(11,696)
Public safety	12,156,445	12,267,629	11,768,069	499,560
Housing and community development	1,045,529	1,164,398	1,107,911	56,487
Public works	1,429,169	1,494,939	1,518,533	(23,594)
Parks, buildings, and grounds	-	-	26	(26)
Recreation and culture	2,499,696	2,543,937	2,753,995	(210,058)
Economic development and redevelopment	167,617	177,017	178,493	(1,476)
Total current	<u>20,551,884</u>	<u>17,682,113</u>	<u>17,372,916</u>	<u>309,197</u>
Debt service:				
Interest expense	94,168	94,168	142,679	(48,511)
Principal	52,846	52,846	80,070	(27,224)
Capital lease principal	121,926	116,726	101,727	14,999
Capital lease interest	35,231	35,231	26,232	8,999
Total debt service	<u>304,171</u>	<u>298,971</u>	<u>350,708</u>	<u>(51,737)</u>
Capital outlay:				
General government	-	5,369	5,369	-
Public safety	210,000	322,681	266,449	56,232
Housing and community development	-	56,353	55,870	483
Public works	3,467,513	4,591,376	1,503,788	3,087,588
Recreation and culture	315,000	410,249	321,471	88,778
Total capital outlay	<u>3,992,513</u>	<u>5,386,028</u>	<u>2,152,947</u>	<u>3,233,081</u>
Total expenditures	<u>24,848,568</u>	<u>23,367,112</u>	<u>19,876,571</u>	<u>3,490,541</u>
Excess (deficiency) of revenues over expenditures	<u>(3,263,497)</u>	<u>(1,293,818)</u>	<u>1,458,930</u>	<u>2,752,748</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	300,000	300,000	-	(300,000)
Transfers in	2,637,704	2,637,704	166,699	(2,471,005)
Transfers out	(3,925,130)	(3,925,130)	(2,959,541)	965,589
Total other financing sources (uses)	<u>(987,426)</u>	<u>(987,426)</u>	<u>(2,792,842)</u>	<u>(1,805,416)</u>
EXTRAORDINARY ITEM				
Reinstatement of loan from former Ukiah Redevelopment Agency	-	-	6,000,000	6,000,000
Total extraordinary items	-	-	6,000,000	6,000,000
Net change in fund balances	<u>(4,250,923)</u>	<u>(2,281,244)</u>	<u>4,666,088</u>	<u>6,947,332</u>
Fund balances - beginning	<u>4,169,921</u>	<u>4,169,921</u>	<u>4,169,921</u>	<u>-</u>
Fund balances - ending	<u>\$ (81,002)</u>	<u>\$ 1,888,677</u>	<u>\$ 8,836,009</u>	<u>\$ 6,947,332</u>

Budgetary Data

General Budget Policies

The City Council approves the annual budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by Council. Supplemental appropriations, where required during the period, are also approved by the Council. There were several supplemental appropriations required during the year. At fiscal year-end, all operating budget appropriations lapse.

Expenditures are monitored at the fund level for all funds with a legally adopted budget. These levels are considered the legal level of control.

Department heads are authorized to transfer budgeted amounts within their departments, within the same fund, with the approval of the City Manager. Transfers of appropriations between departments may be made only by authority of the City Manager. Transfers of appropriations between funds may be made only by authority of the City Council. Formal budgetary integration is employed as a management control device during the fiscal year for all governmental funds.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except for certain special revenue and capital projects funds, which adopt project-length budgets.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds. Encumbrances outstanding at year-end are reported as a committed fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

City of Ukiah, California
Streets Capital Improvement Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Public works	\$ 71,283	\$ 71,283	\$ 70,410	\$ 873
Total current	71,283	71,283	70,410	873
Debt service:				
Interest expense	48,511	48,511	-	48,511
Principal	27,223	27,223	-	27,223
Total debt service	75,734	75,734	-	75,734
Capital outlay:				
Public works	3,222,694	3,969,671	3,202,222	767,449
Total capital outlay	3,222,694	3,969,671	3,202,222	767,449
Total expenditures	3,369,711	4,116,688	3,272,632	844,056
Excess (deficiency) of revenues over expenditures	(3,369,711)	(4,116,688)	(3,272,632)	844,056
OTHER FINANCING SOURCES (USES)				
Transfers in	3,197,694	3,197,694	2,291,862	(905,832)
Total other financing sources (uses)	3,197,694	3,197,694	2,291,862	(905,832)
Net change in fund balances	(172,017)	(918,994)	(980,770)	(61,776)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ (172,017)	\$ (918,994)	\$ (980,770)	\$ (61,776)

Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

City Housing Bond Proceeds	The City Housing Bond Proceeds Fund is used to account for the unspent bond proceeds of the former Redevelopment Agency.
Special Revenue Fund	The Special Revenue Fund is used to account for reserve amounts being accumulated for special programs, projects and activities.
City Prop 172	Used to account for revenues received from allocation of Prop 172 monies for public safety.
Museum Grant Fund	The Museum Grant Fund is used to account for resources received for the Grace Hudson Museum provided by grantors or other third-party entities.
ARRC General Operating Fund	The ARRC General Operating Fund is used to account for resources and operating expenditures in support of the Alex Rorabaugh Center.
Downtown Business Improvement	The Downtown Business Improvement Fund is used to account for resources accumulated for improvements to the downtown business district, funded by business license fees and transferred to the Ukiah Main Street Program as the administrative agency.
LMIHF Housing Asset Fund	The Low- and Moderate-Income Housing Asset Fund is used to account for resources associated with program income received from low- and moderate-income housing assets. It contains restricted monies that are the proceeds of properties purchased by the Ukiah Redevelopment Agency (Agency) with affordable housing set-aside funds and were transferred to the City of Ukiah, as the Housing Successor to the former Agency, pursuant to Health and Safety Code Section 34176(a).
Winter Special Events	The Winter Special Events Fund is used to account for resources and expenditures associated with winter events, such as the ice rink.
Advanced Planning	Fund to account for special or highly technical planning activities, such as updates or revisions to the general plan or any of its elements.
Gas Tax Fund	The Gas Tax (HUTA) Fund is used to account for resources received from highway user taxes (HUTA) and special street funding from the state.

Signalization Fund	The Signalization Fund is used to account for resources and activities associated with traffic signalization in the City of Ukiah pursuant to Government Code Section 66000 et. seq.
1998 STIP Augmentation	Fund to account for street and right-of-way improvements with special conditions.
SB 325 Reimbursement Fund	The SB 325 Reimbursement Fund is used to account for resources accumulated for improvements to streets and rights-of-way.
S.T.P.	The Surface Transportation Program Fund is used to account for resources accumulated for street and traffic safety improvements, funded by the Mendocino Council of Governments.
Trans-Traffic Congest Relief	The Trans-Traffic Congest Relief fund is used to account for resources accumulated for improvements to address traffic congestion in the City of Ukiah.
CDBG Program Income	The Community Development Block Grant (CDBG) Fund is used to account for resources accumulated and held resulting from current and prior Community Development Block Grant activities.
HOME Program Income	The HOME Program Income Fund is used to account for resources accumulated and held resulting from current and prior HOME program Grant activities.
Asset Seizure Fund	The Asset Seizure fund is used to account for resources accumulated from adjudicated asset seizures in which the City participated.
Sup.Law Enforce.Svc.Fd(SLESF)	The Supplemental Law Enforcement Services Fund (SLESF) Fund is used to account for special resources for police, provided by funding through a State of California COPS Grant program.
Community-Based Transitional Housing Program (CBTHP)	Fund to account for activities funded by resources from the Community-Based Transitional Housing Program.
Asset Forfeiture 11470.2 H&S	The Asset Forfeiture 11470.2 H&S Fund is used to account for resources accumulated from adjudicated asset seizures in which the City participated.
Special Revenue Police	The AB 109 Special Revenue Police Fund is used to account for resources available for police activities derived from state subventions.
Museum Fund	The Museum Fund is used to account for the operating activities of the City's Grace Hudson Museum.

Transfer Station Fund	The Transfer Station Fund is used to account for resources accumulated from the activities of the City's solid waste transfer station.
Visit Ukiah Fund	The Visit Ukiah Fund is used to account for activities related to the City's Visit Ukiah program, with all funds derived from dedicated transient occupancy tax (TOT).

CAPITAL PROJECT FUNDS

Equipment Reserve Fund	The Equipment Reserve Fund is used to account for resources accumulated for significant governmental capital acquisitions related to vehicles and equipment.
Special Projects Reserve	The Special Projects Reserve Fund is used to account for resources accumulated for governmental special projects.
Park Development Fees Fund	The Park Development Fees Fund is used to account for resources being collected for the development or enhancement of parklands in the City of Ukiah.
Anton Stadium Fund	The Anton Stadium Fund is used to account for resources accumulated for improvements to the stadium.
Observatory Park Fund	The Observatory Park Fund is used to account for resources accumulated for improvements to the park.
Playground & Park Amenities	The Playground & Park Amenities Fund is used to account for resources accumulated for improvements to City playgrounds and other similar park amenities.
Swimming Pool Fund	The Swimming Pool Fund is used to account for resources accumulated for improvements to the City-owned pool.
Riverside Park Fund	The Riverside Park Fund is used to account for resources accumulated for improvements to the park.
Skate Park Fund	The Skate Park Fund is used to account for resources accumulated for improvements to the park.
Softball Complex Fund	The Softball Complex Fund is used to account for resources accumulated for improvements to the complex.
Rail Trail Fund	To account for activities related to and resources supporting the City's Rail Trail project.

PERMANENT FUNDS

Riparian Corridor Enhancement

Permanent funds are those in which the principal resources accounted for in the fund cannot be spent; rather, the proceeds of earnings on those principal amounts may be used to support activities and programs of the City. This fund accounts for resources and activities related to mitigating development impacts to riparian areas near the Redwood Business Park.

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City of Ukiah, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

Nonmajor Special Revenue Funds				
	City Housing Bond Proceeds	Special Revenue	Prop 172	Museum Grant
ASSETS				
Cash and investments	\$ -	\$ 15,729	\$ 19	\$ 11
Restricted cash and investments	-	-	-	-
Accounts receivable	-	-	51,655	-
Notes receivable	-	-	-	-
Interest receivable	-	170	-	-
Grants and subventions receivable	-	-	-	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 15,899</u>	<u>\$ 51,674</u>	<u>\$ 11</u>
LIABILITIES				
Accounts payable	\$ -	\$ 842	\$ 3,341	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	-	31,942	14,292
Advance from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>842</u>	<u>35,283</u>	<u>14,292</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - grants and subventions	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>842</u>	<u>35,283</u>	<u>14,292</u>
FUND BALANCES (DEFICITS)				
Restricted:				
CDBG activities	-	-	-	-
Housing activities	-	-	-	-
Public safety	-	-	16,391	-
Riparian corridor management	-	-	-	-
Streets and rights-of-way	-	15,057	-	-
Committed:				
Park development	-	-	-	-
Economic development	-	-	-	-
Solid waste management	-	-	-	-
Planning activities	-	-	-	-
Assigned:				
Capital projects	-	-	-	-
Equipment reserve	-	-	-	-
Project reserve	-	-	-	-
Special events	-	-	-	-
Unassigned	-	-	-	(14,281)
Total fund balances (deficits)	<u>\$ -</u>	<u>\$ 15,057</u>	<u>\$ 16,391</u>	<u>\$ (14,281)</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 15,899</u>	<u>\$ 51,674</u>	<u>\$ 11</u>

Nonmajor Special Revenue Funds

ARRC	Downtown Business Improvement	LMIHF Housing Asset	Winter Special Events	Advanced Planning	Highway User Tax (Gas Tax)	Signalization
\$ 20,387	\$ 8	\$ 297,459	\$ 3,830	\$ 410,645	\$ 20,962	\$ 267,768
-	-	2,850,176	-	-	-	-
-	44	-	-	-	-	-
-	-	1,469,891	-	-	-	-
33	-	597	30	627	791	533
-	-	-	-	-	53,105	-
-	-	-	-	-	112,000	85,868
-	-	2,435,114	-	-	-	-
<u>\$ 20,420</u>	<u>\$ 52</u>	<u>\$ 7,053,237</u>	<u>\$ 3,860</u>	<u>\$ 411,272</u>	<u>\$ 186,858</u>	<u>\$ 354,169</u>
\$ 14,110	\$ 2,370	\$ -	\$ -	\$ 44,585	\$ 91,199	\$ -
1,176	-	-	-	-	-	-
-	2,338	-	-	-	-	-
49,601	-	-	-	-	-	-
<u>64,887</u>	<u>4,708</u>	<u>-</u>	<u>-</u>	<u>44,585</u>	<u>91,199</u>	<u>-</u>
-	-	69,100	-	-	-	-
-	-	69,100	-	-	-	-
<u>64,887</u>	<u>4,708</u>	<u>69,100</u>	<u>-</u>	<u>44,585</u>	<u>91,199</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	6,984,137	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	95,659	354,169
-	-	-	3,860	-	-	-
-	-	-	-	-	-	-
-	-	-	-	366,687	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(44,467)	(4,656)	-	-	-	-	-
<u>\$ (44,467)</u>	<u>\$ (4,656)</u>	<u>\$ 6,984,137</u>	<u>\$ 3,860</u>	<u>\$ 366,687</u>	<u>\$ 95,659</u>	<u>\$ 354,169</u>
\$ 20,420	\$ 52	\$ 7,053,237	\$ 3,860	\$ 411,272	\$ 186,858	\$ 354,169

Continued

City of Ukiah, California
Combining Balance Sheet
Nonmajor Governmental Funds (cont)
June 30, 2019

	Nonmajor Special Revenue Funds			
	1998 STIP Augmentation	SB325 Reimbursement	S.T.P.	Trans-Traffic Congest Relief
ASSETS				
Cash and investments	\$ -	\$ 12	\$ -	\$ 42
Restricted cash and investments	-	-	-	-
Accounts receivable	-	6,340	-	-
Notes receivable	-	-	-	-
Interest receivable	-	-	-	-
Grants and subventions receivable	112,000	221,828	1,047,044	-
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 112,000</u>	<u>\$ 228,180</u>	<u>\$ 1,047,044</u>	<u>\$ 42</u>
LIABILITIES				
Accounts payable	\$ -	\$ 6,340	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	200	-	-
Advance from other funds	112,000	115,284	803,801	478,681
Total liabilities	<u>112,000</u>	<u>121,824</u>	<u>803,801</u>	<u>478,681</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - grants and subventions	112,000	221,828	1,047,044	-
Total deferred inflow of resources	<u>112,000</u>	<u>221,828</u>	<u>1,047,044</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>224,000</u>	<u>343,652</u>	<u>1,850,845</u>	<u>478,681</u>
FUND BALANCES (DEFICITS)				
Restricted:				
CDBG activities	-	-	-	-
Housing activities	-	-	-	-
Public safety	-	-	-	-
Riparian corridor management	-	-	-	-
Streets and rights-of-way	-	-	-	-
Committed:				
Park development	-	-	-	-
Economic development	-	-	-	-
Solid waste management	-	-	-	-
Planning activities	-	-	-	-
Assigned:				
Capital projects	-	-	-	-
Equipment reserve	-	-	-	-
Project reserve	-	-	-	-
Special events	-	-	-	-
Unassigned	(112,000)	(115,472)	(803,801)	(478,639)
Total fund balances (deficits)	<u>\$ (112,000)</u>	<u>\$ (115,472)</u>	<u>\$ (803,801)</u>	<u>\$ (478,639)</u>
Total liabilities and fund balances (deficits)	<u>\$ 112,000</u>	<u>\$ 228,180</u>	<u>\$ 1,047,044</u>	<u>\$ 42</u>

Nonmajor Special Revenue Funds

CDBG Program Income	Home Program Income	Asset Seizure	Sup.Law Enforce.Svc.Fd(Slesf)	Community-Based Transitional Housing	Asset Forfeiture 11470.2 H&S F	Special Revenue - Police
\$ 71,779	\$ 355,368	\$ 84,138	\$ 87,762	\$ 860,646	\$ 50,449	\$ 2,168
-	-	-	-	-	-	-
28,397	7,864	7,387	-	-	-	-
435,830	3,142,547	-	-	-	-	-
428	553	127	150	1,307	76	191
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 536,434</u>	<u>\$ 3,506,332</u>	<u>\$ 91,652</u>	<u>\$ 87,912</u>	<u>\$ 861,953</u>	<u>\$ 50,525</u>	<u>\$ 2,359</u>
\$ 27,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	742	3,317	6,574	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>27,144</u>	<u>-</u>	<u>742</u>	<u>3,317</u>	<u>6,574</u>	<u>-</u>	<u>-</u>
56,110	886,738	-	-	-	-	-
56,110	886,738	-	-	-	-	-
83,254	886,738	742	3,317	6,574	-	-
453,180	-	-	-	-	-	-
-	2,619,594	-	-	-	-	-
-	-	90,910	84,595	855,379	50,525	2,359
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 453,180</u>	<u>\$ 2,619,594</u>	<u>\$ 90,910</u>	<u>\$ 84,595</u>	<u>\$ 855,379</u>	<u>\$ 50,525</u>	<u>\$ 2,359</u>
<u>\$ 536,434</u>	<u>\$ 3,506,332</u>	<u>\$ 91,652</u>	<u>\$ 87,912</u>	<u>\$ 861,953</u>	<u>\$ 50,525</u>	<u>\$ 2,359</u>

Continued

City of Ukiah, California
Combining Balance Sheet
Nonmajor Governmental Funds (cont)
June 30, 2019

Nonmajor Special Revenue Funds

	Museum	Transfer Station	Visit Ukiah
ASSETS			
Cash and investments	\$ 16,940	\$ 1,689	\$ 215,988
Restricted cash and investments	-	-	-
Accounts receivable	-	71,230	-
Notes receivable	-	-	-
Interest receivable	-	2	155
Grants and subventions receivable	-	-	-
Advances to other funds	-	-	-
Land held for resale	-	-	-
Total assets	<u>\$ 16,940</u>	<u>\$ 72,921</u>	<u>\$ 216,143</u>
LIABILITIES			
Accounts payable	\$ 9,540	\$ -	\$ 1,836
Accrued payroll liabilities	12,518	-	1,641
Due to other funds	-	-	-
Advance from other funds	-	-	-
Total liabilities	<u>22,058</u>	<u>-</u>	<u>3,477</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - grants and subventions	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>22,058</u>	<u>-</u>	<u>3,477</u>
FUND BALANCES (DEFICITS)			
Restricted:			
CDBG activities	-	-	-
Housing activities	-	-	-
Public safety	-	-	-
Riparian corridor management	-	-	-
Streets and rights-of-way	-	-	-
Committed:			
Park development	-	-	-
Economic development	-	-	212,666
Solid waste management	-	72,921	-
Planning activities	-	-	-
Assigned:			
Capital projects	-	-	-
Equipment reserve	-	-	-
Project reserve	-	-	-
Special events	-	-	-
Unassigned	(5,118)	-	-
Total fund balances (deficits)	<u>\$ (5,118)</u>	<u>\$ 72,921</u>	<u>\$ 212,666</u>
Total liabilities and fund balances (deficits)	<u>\$ 16,940</u>	<u>\$ 72,921</u>	<u>\$ 216,143</u>

Nonmajor Capital Project Funds

Equipment Reserve	Special Projects Reserve	Park Development Fees	Anton Stadium	Observatory Park	Playground & Park Amenities	Swimming Pool
\$ 451,598	\$ 132	\$ 29,754	\$ 33,137	\$ 3,247	\$ 2,602	\$ 162
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	45	49	5	3	-
-	-	-	-	-	-	-
-	921,470	-	-	-	-	-
<u>\$ 451,598</u>	<u>\$ 921,602</u>	<u>\$ 29,799</u>	<u>\$ 33,186</u>	<u>\$ 3,252</u>	<u>\$ 2,605</u>	<u>\$ 162</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	136,349
-	-	-	-	-	-	136,349
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	136,349
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	29,799	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
451,598	-	-	33,186	3,252	2,605	-
-	921,602	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	(136,187)
<u>\$ 451,598</u>	<u>\$ 921,602</u>	<u>\$ 29,799</u>	<u>\$ 33,186</u>	<u>\$ 3,252</u>	<u>\$ 2,605</u>	<u>\$ (136,187)</u>
<u>\$ 451,598</u>	<u>\$ 921,602</u>	<u>\$ 29,799</u>	<u>\$ 33,186</u>	<u>\$ 3,252</u>	<u>\$ 2,605</u>	<u>\$ 162</u>

Continued

City of Ukiah, California
Combining Balance Sheet
Nonmajor Governmental Funds (cont)
June 30, 2019

	Nonmajor Capital Project Funds			
	Riverside Park	Skate Park	Softball Complex	Rail Trail
ASSETS				
Cash and investments	\$ 15,267	\$ 11,527	\$ 6,628	\$ -
Restricted cash and investments	-	-	-	-
Accounts receivable	-	-	-	146,448
Notes receivable	-	-	-	-
Interest receivable	23	18	10	-
Grants and subventions receivable	27,597	-	-	262,638
Advances to other funds	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>\$ 42,887</u>	<u>\$ 11,545</u>	<u>\$ 6,638</u>	<u>\$ 409,086</u>
LIABILITIES				
Accounts payable	\$ 22,376	\$ -	\$ -	\$ 30,421
Accrued payroll liabilities	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	214,985
Total liabilities	<u>22,376</u>	<u>-</u>	<u>-</u>	<u>245,406</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - grants and subventions	27,597	-	-	262,638
Total deferred inflow of resources	<u>27,597</u>	<u>-</u>	<u>-</u>	<u>262,638</u>
Total liabilities and deferred inflows of resources	<u>49,973</u>	<u>-</u>	<u>-</u>	<u>508,044</u>
FUND BALANCES (DEFICITS)				
Restricted:				
CDBG activities	-	-	-	-
Housing activities	-	-	-	-
Public safety	-	-	-	-
Riparian corridor management	-	-	-	-
Streets and rights-of-way	-	-	-	-
Committed:				
Park development	-	-	-	-
Economic development	-	-	-	-
Solid waste management	-	-	-	-
Planning activities	-	-	-	-
Assigned:				
Capital projects	-	11,545	6,638	-
Equipment reserve	-	-	-	-
Project reserve	-	-	-	-
Special events	-	-	-	-
Unassigned	(7,086)	-	-	(98,958)
Total fund balances (deficits)	<u>\$ (7,086)</u>	<u>\$ 11,545</u>	<u>\$ 6,638</u>	<u>\$ (98,958)</u>
Total liabilities and fund balances (deficits)	<u>\$ 42,887</u>	<u>\$ 11,545</u>	<u>\$ 6,638</u>	<u>\$ 409,086</u>

Permanent Fund

<u>Riparian Corridor Enhancement</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 142,856	\$ 3,480,709
-	2,850,176
-	319,365
-	5,048,268
215	6,138
-	1,724,212
-	1,119,338
-	2,435,114
<u>\$ 143,071</u>	<u>\$ 16,983,320</u>
\$ -	\$ 254,104
-	25,968
-	48,772
-	1,910,701
<u>-</u>	<u>2,239,545</u>
-	2,683,055
-	2,683,055
-	4,922,600
-	453,180
-	9,603,731
-	1,100,159
143,071	143,071
-	464,885
-	33,659
-	212,666
-	72,921
-	366,687
-	57,226
-	451,598
-	921,602
-	-
-	(1,820,665)
<u>\$ 143,071</u>	<u>\$ 12,060,720</u>
<u>\$ 143,071</u>	<u>\$ 16,983,320</u>

City of Ukiah, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
Year Ended June 30, 2019

Nonmajor Special Revenue Funds				
	City Housing Bond Proceeds	Special Revenue	Prop 172	Museum Grant
REVENUES				
Business license tax	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Grants contributions and donations	-	-	-	-
Intergovernmental	-	-	51,655	-
Facility rental	-	-	-	-
Interest, rent, and concessions	59,022	1,787	(85)	(2)
Miscellaneous	-	-	-	-
Total revenues	<u>59,022</u>	<u>1,787</u>	<u>51,570</u>	<u>(2)</u>
EXPENDITURES				
Current:				
General government	-	91	-	-
Public safety	-	-	86,006	-
Housing and community development	-	-	-	-
Public works	-	1,820	-	-
Recreation and culture	-	-	-	-
Economic development and redevelopment	-	-	-	-
Capital outlay:				
Housing and community development	100,000	-	-	-
Public works	-	-	-	-
Recreation and culture	-	-	-	15,967
Total expenditures	<u>100,000</u>	<u>1,911</u>	<u>86,006</u>	<u>15,967</u>
Excess (deficiency) of revenues over expenditures	<u>(40,978)</u>	<u>(124)</u>	<u>(34,436)</u>	<u>(15,969)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(2,750,176)	(96,602)	-	-
Total other financing sources (uses)	<u>(2,750,176)</u>	<u>(96,602)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,791,154)	(96,726)	(34,436)	(15,969)
Fund balances - beginning	2,791,154	111,783	50,827	1,688
Fund balances - ending	<u>\$ -</u>	<u>\$ 15,057</u>	<u>\$ 16,391</u>	<u>\$ (14,281)</u>

Nonmajor Special Revenue Funds

ARRC	Downtown Business Improvement	LMIHF Housing Asset	Winter Special Events	Advanced Planning	Highway User Tax (Gas Tax)	Signalization
\$ -	\$ 9,898	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	420,340	-	-
-	-	-	4,200	-	-	-
-	-	-	-	-	622,226	-
77,782	-	39,832	-	-	-	-
385	(20)	22,222	320	7,483	9,771	6,062
20,004	-	-	127,777	-	-	26,530
98,171	9,878	62,054	132,297	427,823	631,997	32,592
1,404	176	47,936	39,440	335	422	285
-	-	-	-	-	-	-
-	-	-	-	60,801	-	-
-	-	-	-	-	48,517	-
89,914	-	-	114,951	-	-	-
-	27,647	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	524,919	-
-	-	-	-	-	-	-
91,318	27,823	47,936	154,391	61,136	573,858	285
6,853	(17,945)	14,118	(22,094)	366,687	58,139	32,307
-	-	2,750,176	-	-	-	-
-	-	-	-	-	-	-
-	-	2,750,176	-	-	-	-
6,853	(17,945)	2,764,294	(22,094)	366,687	58,139	32,307
(51,320)	13,289	4,219,843	25,954	-	37,520	321,862
\$ (44,467)	\$ (4,656)	\$ 6,984,137	\$ 3,860	\$ 366,687	\$ 95,659	\$ 354,169

Continued

City of Ukiah, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds (cont)
Year Ended June 30, 2019

Nonmajor Special Revenue Funds				
	1998 STIP Augmentation	SB325 Reimbursement	S.T.P.	Trans-Traffic Congest Relief
REVENUES				
Business license tax	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Grants contributions and donations	-	-	-	-
Intergovernmental	-	24,001	-	18,298
Facility rental	-	-	-	-
Interest, rent, and concessions	-	(77)	-	(579)
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>23,924</u>	<u>-</u>	<u>17,719</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Housing and community development	-	-	-	-
Public works	-	7,178	-	-
Recreation and culture	-	-	-	-
Economic development and redevelopment	-	-	-	-
Capital outlay:				
Housing and community development	-	-	-	-
Public works	-	-	-	-
Recreation and culture	-	-	-	-
Total expenditures	<u>-</u>	<u>7,178</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>16,746</u>	<u>-</u>	<u>17,719</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	16,746	-	17,719
Fund balances - beginning	(112,000)	(132,218)	(803,801)	(496,358)
Fund balances - ending	<u>\$ (112,000)</u>	<u>\$ (115,472)</u>	<u>\$ (803,801)</u>	<u>\$ (478,639)</u>

Nonmajor Special Revenue Funds

CDBG Program Income	Home Program Income	Asset Seizure	Sup.Law Enforce.Svc.Fd(Slesf)	Community- Based Transitional Housing	Asset Forfeiture 11470.2 H&S F	Special Revenue - Police
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
193,403	7,864	-	-	-	-	-
2,128	-	67,295	100,000	-	-	125,000
-	-	-	-	-	-	-
13,502	5,471	1,399	1,778	14,651	844	2,349
-	-	-	32	-	-	-
<u>209,033</u>	<u>13,335</u>	<u>68,694</u>	<u>101,810</u>	<u>14,651</u>	<u>844</u>	<u>127,349</u>
30,614	28	-	77	692	-	102
-	-	44,174	132,382	64,587	7,847	-
111,561	827,154	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>142,175</u>	<u>827,182</u>	<u>44,174</u>	<u>132,459</u>	<u>65,279</u>	<u>7,847</u>	<u>102</u>
66,858	(813,847)	24,520	(30,649)	(50,628)	(7,003)	127,247
-	1,800,503	40,000	-	-	-	-
(1,800,503)	-	-	-	-	-	(125,000)
<u>(1,800,503)</u>	<u>1,800,503</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125,000)</u>
(1,733,645)	986,656	64,520	(30,649)	(50,628)	(7,003)	2,247
2,186,825	1,632,938	26,390	115,244	906,007	57,528	112
<u>\$ 453,180</u>	<u>\$ 2,619,594</u>	<u>\$ 90,910</u>	<u>\$ 84,595</u>	<u>\$ 855,379</u>	<u>\$ 50,525</u>	<u>\$ 2,359</u>

Continued

City of Ukiah, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds (cont)
Year Ended June 30, 2019

	Nonmajor Special Revenue Funds		
	Museum	Transfer Station	Visit Ukiah
REVENUES			
Business license tax	\$ -	\$ -	\$ -
Charges for service	-	-	-
Grants contributions and donations	61,618	-	7,480
Intergovernmental	-	-	-
Facility rental	2,895	413,149	-
Interest, rent, and concessions	(8)	1,825	1,888
Miscellaneous	-	-	9
Total revenues	<u>64,505</u>	<u>414,974</u>	<u>9,377</u>
EXPENDITURES			
Current:			
General government	-	251	82
Public safety	-	-	-
Housing and community development	-	-	-
Public works	-	-	-
Recreation and culture	471,377	-	-
Economic development and redevelopment	-	-	93,257
Capital outlay:			
Housing and community development	-	-	-
Public works	-	-	-
Recreation and culture	-	-	-
Total expenditures	<u>471,377</u>	<u>251</u>	<u>93,339</u>
Excess (deficiency) of revenues over expenditures	<u>(406,872)</u>	<u>414,723</u>	<u>(83,962)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	423,677	-	244,003
Transfers out	-	(410,782)	-
Total other financing sources (uses)	<u>423,677</u>	<u>(410,782)</u>	<u>244,003</u>
Net change in fund balances	16,805	3,941	160,041
Fund balances - beginning	(21,923)	68,980	52,625
Fund balances - ending	<u>\$ (5,118)</u>	<u>\$ 72,921</u>	<u>\$ 212,666</u>

Nonmajor Capital Projects Funds

Equipment Reserve	Special Projects Reserve	Park Development Fees	Anton Stadium	Observatory Park	Playground & Park Amenities	Swimming Pool
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	500	-	-	-
-	-	-	-	-	-	-
(26)	(1,296)	508	567	52	44	3
-	-	-	-	-	-	-
<u>(26)</u>	<u>(1,296)</u>	<u>508</u>	<u>1,067</u>	<u>52</u>	<u>44</u>	<u>3</u>
-	-	24	27	-	2	-
8,493	-	-	-	-	-	-
-	-	-	-	-	-	-
-	6,160	-	-	3,199	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	31,880	-	-	-	-	-
-	-	-	-	-	-	-
<u>8,493</u>	<u>38,040</u>	<u>24</u>	<u>27</u>	<u>3,199</u>	<u>2</u>	<u>-</u>
<u>(8,519)</u>	<u>(39,336)</u>	<u>484</u>	<u>1,040</u>	<u>(3,147)</u>	<u>42</u>	<u>3</u>
-	-	-	-	-	-	-
(14,000)	(81,699)	-	-	-	-	-
<u>(14,000)</u>	<u>(81,699)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(22,519)	(121,035)	484	1,040	(3,147)	42	3
474,117	1,042,637	29,315	32,146	6,399	2,563	(136,190)
<u>\$ 451,598</u>	<u>\$ 921,602</u>	<u>\$ 29,799</u>	<u>\$ 33,186</u>	<u>\$ 3,252</u>	<u>\$ 2,605</u>	<u>\$ (136,187)</u>

Continued

City of Ukiah, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds (cont)
Year Ended June 30, 2019

	Nonmajor Capital Projects Funds			
	<u>Riverside Park</u>	<u>Skate Park</u>	<u>Softball Complex</u>	<u>Rail Trail</u>
REVENUES				
Business license tax	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-
Grants contributions and donations	-	-	-	287,943
Intergovernmental	-	-	-	-
Facility rental	-	-	-	-
Interest, rent, and concessions	256	197	113	-
Miscellaneous	-	-	-	-
Total revenues	<u>256</u>	<u>197</u>	<u>113</u>	<u>287,943</u>
EXPENDITURES				
Current:				
General government	12	9	5	-
Public safety	-	-	-	-
Housing and community development	-	-	-	-
Public works	-	-	-	-
Recreation and culture	-	-	-	-
Economic development and redevelopment	-	-	-	-
Capital outlay:				
Housing and community development	-	-	-	-
Public works	-	-	-	318,272
Recreation and culture	27,597	-	-	-
Total expenditures	<u>27,609</u>	<u>9</u>	<u>5</u>	<u>318,272</u>
Excess (deficiency) of revenues over expenditures	<u>(27,353)</u>	<u>188</u>	<u>108</u>	<u>(30,329)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	96,602
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,602</u>
Net change in fund balances	(27,353)	188	108	66,273
Fund balances - beginning	20,267	11,357	6,530	(165,231)
Fund balances - ending	<u>\$ (7,086)</u>	<u>\$ 11,545</u>	<u>\$ 6,638</u>	<u>\$ (98,958)</u>

Permanent Fund

<u>Riparian Corridor Enhancement</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 9,898
-	420,340
-	563,008
-	1,010,603
-	533,658
2,434	152,840
-	<u>174,352</u>
<u>2,434</u>	<u>2,864,699</u>
116	122,130
-	343,489
-	999,516
1	57,516
-	685,601
-	120,904
-	100,000
-	875,071
-	<u>43,564</u>
<u>117</u>	<u>3,347,791</u>
<u>2,317</u>	<u>(483,092)</u>
-	5,354,961
-	<u>(5,278,762)</u>
-	<u>76,199</u>
2,317	(406,893)
140,754	12,467,613
<u>\$ 143,071</u>	<u>\$ 12,060,720</u>

Governmental Fund Budget Comparisons

City of Ukiah, California
 City Housing Bond Proceeds
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 9,974	\$ 9,974	\$ 59,022	\$ 49,048
Total revenues	9,974	9,974	59,022	49,048
EXPENDITURES				
Current:				
Housing and community development	500,000	500,000	-	500,000
Total current	500,000	500,000	-	500,000
Capital outlay:				
Housing and community development	-	1,500,000	100,000	1,400,000
Total capital outlay	-	1,500,000	100,000	1,400,000
Total expenditures	500,000	2,000,000	100,000	1,900,000
Excess (deficiency) of revenues over expenditures	(490,026)	(1,990,026)	(40,978)	1,949,048
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(2,750,176)	(2,750,176)
Total other financing sources (uses)	-	-	(2,750,176)	(2,750,176)
SPECIAL ITEM				
Total special items	-	-	-	-
Net change in fund balances	(490,026)	(1,990,026)	(2,791,154)	(801,128)
Fund balances - beginning	2,791,154	2,791,154	2,791,154	-
Fund balances - ending	\$ 2,301,128	\$ 801,128	\$ -	\$ (801,128)

City of Ukiah, California
Special Revenue Fund
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 603	\$ 603	\$ 1,787	\$ 1,184
Total revenues	<u>603</u>	<u>603</u>	<u>1,787</u>	<u>1,184</u>
EXPENDITURES				
Current:				
General government	-	-	91	(91)
Public works	-	-	1,820	(1,820)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,911</u>	<u>(1,911)</u>
Excess (deficiency) of revenues over expenditures	<u>603</u>	<u>603</u>	<u>(124)</u>	<u>(727)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(96,602)	(96,602)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(96,602)</u>	<u>(96,602)</u>
Net change in fund balances	603	603	(96,726)	(97,329)
Fund balances - beginning	111,783	111,783	111,783	-
Fund balances - ending	<u>\$ 112,386</u>	<u>\$ 112,386</u>	<u>\$ 15,057</u>	<u>\$ (97,329)</u>

City of Ukiah, California
 Prop 172
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 55,000	\$ 55,000	\$ 51,655	\$ (3,345)
Interest, rent, and concessions	-	-	(85)	(85)
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>51,570</u>	<u>(3,430)</u>
EXPENDITURES				
Current:				
Public safety	92,750	92,750	86,006	6,744
Total expenditures	<u>92,750</u>	<u>92,750</u>	<u>86,006</u>	<u>6,744</u>
Excess (deficiency) of revenues over expenditures	<u>(37,750)</u>	<u>(37,750)</u>	<u>(34,436)</u>	<u>3,314</u>
Net change in fund balances	(37,750)	(37,750)	(34,436)	3,314
Fund balances - beginning	50,827	50,827	50,827	-
Fund balances - ending	<u>\$ 13,077</u>	<u>\$ 13,077</u>	<u>\$ 16,391</u>	<u>\$ 3,314</u>

City of Ukiah, California
Museum Grant Fund
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ 2,500,000	\$ 2,500,000	\$ -	\$ (2,500,000)
Interest, rent, and concessions	-	-	(2)	(2)
Total revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>(2)</u>	<u>(2,500,002)</u>
EXPENDITURES				
Capital outlay:				
Recreation and culture	-	-	15,967	(15,967)
Total expenditures	<u>-</u>	<u>-</u>	<u>15,967</u>	<u>(15,967)</u>
Excess (deficiency) of revenues over expenditures	<u>2,500,000</u>	<u>2,500,000</u>	<u>(15,969)</u>	<u>(2,515,969)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,500,000)	(2,500,000)	-	2,500,000
Total other financing sources (uses)	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>	<u>2,500,000</u>
Net change in fund balances	-	-	(15,969)	(15,969)
Fund balances - beginning	1,688	1,688	1,688	-
Fund balances - ending	<u>\$ 1,688</u>	<u>\$ 1,688</u>	<u>\$ (14,281)</u>	<u>\$ (15,969)</u>

City of Ukiah, California
ARRC
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Facility rental	\$ 86,000	\$ 86,000	\$ 77,782	\$ (8,218)
Interest, rent, and concessions	-	-	385	385
Miscellaneous	20,000	20,000	20,004	4
Total revenues	<u>106,000</u>	<u>106,000</u>	<u>98,171</u>	<u>(7,829)</u>
EXPENDITURES				
Current:				
General government	2,035	2,035	1,404	631
Recreation and culture	89,490	89,490	89,914	(424)
Total expenditures	<u>91,525</u>	<u>91,525</u>	<u>91,318</u>	<u>207</u>
Excess (deficiency) of revenues over expenditures	<u>14,475</u>	<u>14,475</u>	<u>6,853</u>	<u>(7,622)</u>
Net change in fund balances	14,475	14,475	6,853	(7,622)
Fund balances - beginning	(51,320)	(51,320)	(51,320)	-
Fund balances - ending	<u>\$ (36,845)</u>	<u>\$ (36,845)</u>	<u>\$ (44,467)</u>	<u>\$ (7,622)</u>

City of Ukiah, California
Downtown Business Improvement
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Business license tax	\$ 18,000	\$ 18,000	\$ 9,898	\$ (8,102)
Interest, rent, and concessions	-	-	(20)	(20)
Total revenues	18,000	18,000	9,878	(8,122)
EXPENDITURES				
Current:				
General government	426	426	176	250
Economic development and redevelopment	15,840	15,840	27,647	(11,807)
Total current	16,266	16,266	27,823	(11,557)
Total expenditures	16,266	16,266	27,823	(11,557)
Excess (deficiency) of revenues over expenditures	1,734	1,734	(17,945)	(19,679)
Net change in fund balances	1,734	1,734	(17,945)	(19,679)
Fund balances - beginning	13,289	13,289	13,289	-
Fund balances - ending	\$ 15,023	\$ 15,023	\$ (4,656)	\$ (19,679)

City of Ukiah, California
 Low-Mod Income Housing Fund (LMIHF)
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Facility rental	\$ 42,660	\$ 42,660	\$ 39,832	\$ (2,828)
Interest, rent, and concessions	-	-	22,222	22,222
Total revenues	42,660	42,660	62,054	19,394
EXPENDITURES				
Current:				
General government	1,009	1,009	47,936	(46,927)
Total expenditures	1,009	1,009	47,936	(46,927)
Excess (deficiency) of revenues over expenditures	41,651	41,651	14,118	(27,533)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	2,750,176	2,750,176
Total other financing sources (uses)	-	-	2,750,176	2,750,176
Net change in fund balances	41,651	41,651	2,764,294	2,722,643
Fund balances - beginning	4,219,843	4,219,843	4,219,843	-
Fund balances - ending	\$ 4,261,494	\$ 4,261,494	\$ 6,984,137	\$ 2,722,643

City of Ukiah, California
 Winter Special Events
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ -	\$ -	\$ 4,200	\$ 4,200
Interest, rent, and concessions	-	-	320	320
Miscellaneous	150,000	150,000	127,777	(22,223)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>132,297</u>	<u>(17,703)</u>
EXPENDITURES				
Current:				
General government	153,018	153,018	39,440	113,578
Recreation and culture	458	458	114,951	(114,493)
Total expenditures	<u>153,476</u>	<u>153,476</u>	<u>154,391</u>	<u>(915)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,476)</u>	<u>(3,476)</u>	<u>(22,094)</u>	<u>(18,618)</u>
Net change in fund balances	(3,476)	(3,476)	(22,094)	(18,618)
Fund balances - beginning	25,954	25,954	25,954	-
Fund balances - ending	<u>\$ 22,478</u>	<u>\$ 22,478</u>	<u>\$ 3,860</u>	<u>\$ (18,618)</u>

City of Ukiah, California
 Advanced Planning
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ -	\$ -	\$ 7,483	\$ 7,483
Charges for service	-	-	420,340	420,340
Total revenues	-	-	427,823	427,823
EXPENDITURES				
Current:				
General government	-	-	335	(335)
Housing and community development	-	444,890	60,801	384,089
Total expenditures	-	444,890	61,136	383,754
Excess (deficiency) of revenues over expenditures	-	(444,890)	366,687	811,577
Net change in fund balances	-	(444,890)	366,687	811,577
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (444,890)	\$ 366,687	\$ 811,577

City of Ukiah, California
Highway User Tax (Gas Tax)
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 908,134	\$ 908,134	\$ 622,226	\$ (285,908)
Interest, rent, and concessions	500	500	9,771	9,271
Total revenues	<u>908,634</u>	<u>908,634</u>	<u>631,997</u>	<u>(276,637)</u>
EXPENDITURES				
Current:				
General government	-	5,806	422	5,384
Public works	116,454	110,648	48,517	62,131
Total current	<u>116,454</u>	<u>116,454</u>	<u>48,939</u>	<u>67,515</u>
Capital outlay:				
Public works	50,000	662,389	524,919	137,470
Total expenditures	<u>166,454</u>	<u>778,843</u>	<u>573,858</u>	<u>204,985</u>
Excess (deficiency) of revenues over expenditures	<u>742,180</u>	<u>129,791</u>	<u>58,139</u>	<u>(71,652)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(520,691)	(520,691)	-	520,691
Total other financing sources (uses)	<u>(520,691)</u>	<u>(520,691)</u>	<u>-</u>	<u>520,691</u>
Net change in fund balances	221,489	(390,900)	58,139	449,039
Fund balances - beginning	37,520	37,520	37,520	-
Fund balances - ending	<u>\$ 259,009</u>	<u>\$ (353,380)</u>	<u>\$ 95,659</u>	<u>\$ 449,039</u>

City of Ukiah, California
Signalization
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 1,500	\$ 1,500	\$ 6,062	\$ 4,562
Miscellaneous	-	-	26,530	26,530
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>32,592</u>	<u>31,092</u>
EXPENDITURES				
Current:				
General government	-	-	285	(285)
Public works	230	230	-	230
Total expenditures	<u>230</u>	<u>230</u>	<u>285</u>	<u>(55)</u>
Excess (deficiency) of revenues over expenditures	<u>1,270</u>	<u>1,270</u>	<u>32,307</u>	<u>31,037</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(287,013)	(287,013)	-	287,013
Total other financing sources (uses)	<u>(287,013)</u>	<u>(287,013)</u>	<u>-</u>	<u>287,013</u>
Net change in fund balances	(285,743)	(285,743)	32,307	318,050
Fund balances - beginning	321,862	321,862	321,862	-
Fund balances - ending	<u>\$ 36,119</u>	<u>\$ 36,119</u>	<u>\$ 354,169</u>	<u>\$ 318,050</u>

City of Ukiah, California
 1998 STIP Augmentation
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 826,000	\$ 826,000	\$ -	\$ (826,000)
Total revenues	<u>826,000</u>	<u>826,000</u>	<u>-</u>	<u>(826,000)</u>
EXPENDITURES				
Capital outlay:				
Public works	826,000	826,000	-	826,000
Total expenditures	<u>826,000</u>	<u>826,000</u>	<u>-</u>	<u>826,000</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	(112,000)	(112,000)	(112,000)	-
Fund balances - ending	<u>\$ (112,000)</u>	<u>\$ (112,000)</u>	<u>\$ (112,000)</u>	<u>\$ -</u>

City of Ukiah, California
 SB 325 Reimbursement
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 24,001	\$ 24,001
Interest, rent, and concessions	-	-	(77)	(77)
Total revenues	-	-	23,924	23,924
EXPENDITURES				
Current:				
Public works	-	6,419	7,178	(759)
Total expenditures	-	6,419	7,178	(759)
Excess (deficiency) of revenues over expenditures	-	(6,419)	16,746	23,165
Net change in fund balances	-	(6,419)	16,746	23,165
Fund balances - beginning	(132,218)	(132,218)	(132,218)	-
Fund balances - ending	\$ (132,218)	\$ (138,637)	\$ (115,472)	\$ 23,165

City of Ukiah, California
S.T.P.
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

No financial transactions to report.

City of Ukiah, California
 Trans-Traffic Congestion Relief
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 125,073	\$ 125,073	\$ 18,298	\$ (106,775)
Interest, rent, and concessions	-	-	(579)	(579)
Total revenues	<u>125,073</u>	<u>125,073</u>	<u>17,719</u>	<u>(107,354)</u>
EXPENDITURES				
Current:				
Public works	138,991	138,991	-	138,991
Capital outlay:				
Public works	180,000	180,000	-	180,000
Total expenditures	<u>318,991</u>	<u>318,991</u>	<u>-</u>	<u>318,991</u>
Excess (deficiency) of revenues over expenditures	<u>(193,918)</u>	<u>(193,918)</u>	<u>17,719</u>	<u>211,637</u>
Net change in fund balances	(193,918)	(193,918)	17,719	211,637
Fund balances - beginning	(496,358)	(496,358)	(496,358)	-
Fund balances - ending	<u>\$ (690,276)</u>	<u>\$ (690,276)</u>	<u>\$ (478,639)</u>	<u>\$ 211,637</u>

City of Ukiah, California
 CDBG Program Income
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ 1,010,478	\$ 1,010,478	\$ 193,403	\$ (817,075)
Intergovernmental	-	-	2,128	2,128
Interest, rent, and concessions	49,630	49,630	13,502	(36,128)
Program income	10,000	10,000	-	(10,000)
Total revenues	<u>1,070,108</u>	<u>1,070,108</u>	<u>209,033</u>	<u>(861,075)</u>
EXPENDITURES				
Current:				
General government	-	11,125	30,614	(19,489)
Housing and community development	-	232,558	111,561	120,997
Economic development and redevelopment	-	10,000	-	10,000
Total expenditures	<u>-</u>	<u>253,683</u>	<u>142,175</u>	<u>111,508</u>
Excess (deficiency) of revenues over expenditures	<u>1,070,108</u>	<u>816,425</u>	<u>66,858</u>	<u>(749,567)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(1,800,503)	(1,800,503)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,800,503)</u>	<u>(1,800,503)</u>
Net change in fund balances	1,070,108	816,425	(1,733,645)	(2,550,070)
Fund balances - beginning	2,186,825	2,186,825	2,186,825	-
Fund balances - ending	<u>\$ 3,256,933</u>	<u>\$ 3,003,250</u>	<u>\$ 453,180</u>	<u>\$ (2,550,070)</u>

City of Ukiah, California
HOME Program Income
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ 500,000	\$ 500,000	\$ 7,864	\$ (492,136)
Interest, rent, and concessions	-	-	5,471	5,471
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>13,335</u>	<u>(486,665)</u>
EXPENDITURES				
Current:				
General government	-	-	28	(28)
Housing and community development	108,450	108,450	827,154	(718,704)
Total expenditures	<u>108,450</u>	<u>108,450</u>	<u>827,182</u>	<u>(718,732)</u>
Excess (deficiency) of revenues over expenditures	<u>391,550</u>	<u>391,550</u>	<u>(813,847)</u>	<u>(1,205,397)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,800,503	1,800,503
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,800,503</u>	<u>1,800,503</u>
Net change in fund balances	391,550	391,550	986,656	595,106
Fund balances - beginning	1,632,938	1,632,938	1,632,938	-
Fund balances - ending	<u>\$ 2,024,488</u>	<u>\$ 2,024,488</u>	<u>\$ 2,619,594</u>	<u>\$ 595,106</u>

City of Ukiah, California
 Asset Seizure
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 63,500	\$ 63,500	\$ 67,295	\$ 3,795
Interest, rent, and concessions	495	495	1,399	904
Total revenues	<u>63,995</u>	<u>63,995</u>	<u>68,694</u>	<u>4,699</u>
EXPENDITURES				
Current:				
General government	-	2,958	-	2,958
Public safety	58,727	77,971	44,174	33,797
Total expenditures	<u>58,727</u>	<u>80,929</u>	<u>44,174</u>	<u>36,755</u>
Excess (deficiency) of revenues over expenditures	<u>5,268</u>	<u>(16,934)</u>	<u>24,520</u>	<u>41,454</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	40,000	40,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>40,000</u>
Net change in fund balances	5,268	(16,934)	64,520	81,454
Fund balances - beginning	26,390	26,390	26,390	-
Fund balances - ending	<u>\$ 31,658</u>	<u>\$ 9,456</u>	<u>\$ 90,910</u>	<u>\$ 81,454</u>

City of Ukiah, California
 Sup. Law Enforcement Svc. (SLESF)
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 98,000	\$ 98,000	\$ 100,000	\$ 2,000
Interest, rent, and concessions	-	-	1,778	1,778
Miscellaneous	-	-	32	32
Total revenues	<u>98,000</u>	<u>98,000</u>	<u>101,810</u>	<u>3,810</u>
EXPENDITURES				
Current:				
General government	-	7,782	77	7,705
Public safety	106,963	99,181	132,382	(33,201)
Total expenditures	<u>106,963</u>	<u>106,963</u>	<u>132,459</u>	<u>(25,496)</u>
Excess (deficiency) of revenues over expenditures	<u>(8,963)</u>	<u>(8,963)</u>	<u>(30,649)</u>	<u>(21,686)</u>
Net change in fund balances	(8,963)	(8,963)	(30,649)	(21,686)
Fund balances - beginning	115,244	115,244	115,244	-
Fund balances - ending	<u>\$ 106,281</u>	<u>\$ 106,281</u>	<u>\$ 84,595</u>	<u>\$ (21,686)</u>

City of Ukiah, California
 Community-Based Transitional Housing
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ -	\$ -	\$ 14,651	\$ 14,651
Total revenues	-	-	14,651	14,651
EXPENDITURES				
Current:				
General government	-	-	692	(692)
Public safety	99,396	99,396	64,587	34,809
Total expenditures	99,396	99,396	65,279	34,117
Excess (deficiency) of revenues over expenditures	(99,396)	(99,396)	(50,628)	48,768
Net change in fund balances	(99,396)	(99,396)	(50,628)	48,768
Fund balances - beginning	906,007	906,007	906,007	-
Fund balances - ending	\$ 806,611	\$ 806,611	\$ 855,379	\$ 48,768

City of Ukiah, California
 Asset Forfeiture 11470.2 H&S
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 8,000	\$ 8,000	\$ -	\$ (8,000)
Interest, rent, and concessions	-	-	844	844
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>844</u>	<u>(7,156)</u>
EXPENDITURES				
Current:				
General government	-	829	-	829
Public safety	16,669	15,840	7,847	7,993
Total expenditures	<u>16,669</u>	<u>16,669</u>	<u>7,847</u>	<u>8,822</u>
Excess (deficiency) of revenues over expenditures	<u>(8,669)</u>	<u>(8,669)</u>	<u>(7,003)</u>	<u>1,666</u>
Net change in fund balances	(8,669)	(8,669)	(7,003)	1,666
Fund balances - beginning	57,528	57,528	57,528	-
Fund balances - ending	<u>\$ 48,859</u>	<u>\$ 48,859</u>	<u>\$ 50,525</u>	<u>\$ 1,666</u>

No financial transactions to report.

City of Ukiah, California
Special Revenue - Police
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 125,000	\$ 125,000	\$ 125,000	\$ -
Interest, rent, and concessions	-	-	2,349	2,349
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>127,349</u>	<u>2,349</u>
EXPENDITURES				
Current:				
General government	-	-	102	(102)
Total expenditures	<u>-</u>	<u>-</u>	<u>102</u>	<u>(102)</u>
Excess (deficiency) of revenues over expenditures	<u>125,000</u>	<u>125,000</u>	<u>127,247</u>	<u>2,247</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(125,000)	(125,000)	(125,000)	-
Total other financing sources (uses)	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Net change in fund balances	-	-	2,247	2,247
Fund balances - beginning	112	112	112	-
Fund balances - ending	<u>\$ 112</u>	<u>\$ 112</u>	<u>\$ 2,359</u>	<u>\$ 2,247</u>

City of Ukiah, California
Museum
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ 67,800	\$ 67,800	\$ 61,618	\$ (6,182)
Facility rental	6,000	6,000	2,895	(3,105)
Interest, rent, and concessions	-	-	(8)	(8)
Total revenues	<u>73,800</u>	<u>73,800</u>	<u>64,505</u>	<u>(9,295)</u>
EXPENDITURES				
Current:				
Recreation and culture	486,983	496,391	471,377	25,014
Capital outlay:				
Recreation and culture	<u>100,000</u>	<u>100,000</u>	-	100,000
Total expenditures	<u>586,983</u>	<u>596,391</u>	<u>471,377</u>	<u>125,014</u>
Excess (deficiency) of revenues over expenditures	<u>(513,183)</u>	<u>(522,591)</u>	<u>(406,872)</u>	<u>115,719</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>545,603</u>	<u>545,603</u>	<u>423,677</u>	<u>(121,926)</u>
Total other financing sources (uses)	<u>545,603</u>	<u>545,603</u>	<u>423,677</u>	<u>(121,926)</u>
Net change in fund balances	32,420	23,012	16,805	(6,207)
Fund balances - beginning	<u>(21,923)</u>	<u>(21,923)</u>	<u>(21,923)</u>	-
Fund balances - ending	<u>\$ 10,497</u>	<u>\$ 1,089</u>	<u>\$ (5,118)</u>	<u>\$ (6,207)</u>

City of Ukiah, California
 Transfer Station
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Facility rental	\$ 375,000	\$ 375,000	\$ 413,149	\$ 38,149
Interest, rent, and concessions	-	-	1,825	1,825
Total revenues	<u>375,000</u>	<u>375,000</u>	<u>414,974</u>	<u>39,974</u>
EXPENDITURES				
Current:				
General government	-	-	251	(251)
Total expenditures	<u>-</u>	<u>-</u>	<u>251</u>	<u>(251)</u>
Excess (deficiency) of revenues over expenditures	<u>375,000</u>	<u>375,000</u>	<u>414,723</u>	<u>39,723</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(375,000)	(375,000)	(410,782)	(35,782)
Total other financing sources (uses)	<u>(375,000)</u>	<u>(375,000)</u>	<u>(410,782)</u>	<u>(35,782)</u>
Net change in fund balances	-	-	3,941	3,941
Fund balances - beginning	68,980	68,980	68,980	-
Fund balances - ending	<u>\$ 68,980</u>	<u>\$ 68,980</u>	<u>\$ 72,921</u>	<u>\$ 3,941</u>

City of Ukiah, California
 Visit Ukiah
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ -	\$ -	\$ 7,480	\$ 7,480
Interest, rent, and concessions	-	-	1,888	1,888
Miscellaneous	-	-	9	9
Total revenues	-	-	9,377	9,377
EXPENDITURES				
Current:				
General government	-	-	82	(82)
Economic development and redevelopment	137,455	137,455	93,257	44,198
Total expenditures	137,455	137,455	93,339	44,116
Excess (deficiency) of revenues over expenditures	(137,455)	(137,455)	(83,962)	53,493
OTHER FINANCING SOURCES (USES)				
Transfers in	130,000	130,000	244,003	114,003
Total other financing sources (uses)	130,000	130,000	244,003	114,003
Net change in fund balances	(7,455)	(7,455)	160,041	167,496
Fund balances - beginning	52,625	52,625	52,625	-
Fund balances - ending	\$ 45,170	\$ 45,170	\$ 212,666	\$ 167,496

City of Ukiah, California
 Equipment Reserve
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 4,352	\$ 4,352	\$ (26)	\$ (4,378)
Total revenues	<u>4,352</u>	<u>4,352</u>	<u>(26)</u>	<u>(4,378)</u>
EXPENDITURES				
Current:				
Public safety	-	7,502	8,493	(991)
Capital outlay:				
Recreation and culture	-	1,082	-	1,082
Total expenditures	<u>-</u>	<u>8,584</u>	<u>8,493</u>	<u>91</u>
Excess (deficiency) of revenues over expenditures	<u>4,352</u>	<u>(4,232)</u>	<u>(8,519)</u>	<u>(4,287)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(14,000)	(14,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(14,000)</u>	<u>(14,000)</u>
Net change in fund balances	4,352	(4,232)	(22,519)	(18,287)
Fund balances - beginning	474,117	474,117	474,117	-
Fund balances - ending	<u>\$ 478,469</u>	<u>\$ 469,885</u>	<u>\$ 451,598</u>	<u>\$ (18,287)</u>

City of Ukiah, California
Special Projects Reserve
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 8,138	\$ 8,138	\$ (1,296)	\$ (9,434)
Total revenues	<u>8,138</u>	<u>8,138</u>	<u>(1,296)</u>	<u>(9,434)</u>
EXPENDITURES				
Current:				
Recreation and culture	-	35,000	6,160	28,840
Capital outlay:				
Public works	250,000	32,100	31,880	220
Recreation and culture	50,000	50,000	-	50,000
Total capital outlay	<u>300,000</u>	<u>82,100</u>	<u>31,880</u>	<u>50,220</u>
Total expenditures	<u>300,000</u>	<u>117,100</u>	<u>38,040</u>	<u>79,060</u>
Excess (deficiency) of revenues over expenditures	<u>(291,862)</u>	<u>(108,962)</u>	<u>(39,336)</u>	<u>69,626</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(81,699)	18,301
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(81,699)</u>	<u>18,301</u>
Net change in fund balances	(391,862)	(208,962)	(121,035)	87,927
Fund balances - beginning	1,042,637	1,042,637	1,042,637	-
Fund balances - ending	<u>\$ 650,775</u>	<u>\$ 833,675</u>	<u>\$ 921,602</u>	<u>\$ 87,927</u>

City of Ukiah, California
 Park Development Fees
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 297	\$ 297	\$ 508	\$ 211
Total revenues	<u>297</u>	<u>297</u>	<u>508</u>	<u>211</u>
EXPENDITURES				
Current:				
General government	-	-	24	(24)
Total expenditures	<u>-</u>	<u>-</u>	<u>24</u>	<u>(24)</u>
Excess (deficiency) of revenues over expenditures	<u>297</u>	<u>297</u>	<u>484</u>	<u>187</u>
Net change in fund balances	297	297	484	187
Fund balances - beginning	29,315	29,315	29,315	-
Fund balances - ending	<u>\$ 29,612</u>	<u>\$ 29,612</u>	<u>\$ 29,799</u>	<u>\$ 187</u>

City of Ukiah, California
Anton Stadium
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ -	\$ -	\$ 500	\$ 500
Interest, rent, and concessions	163	163	567	404
Total revenues	<u>163</u>	<u>163</u>	<u>1,067</u>	<u>904</u>
EXPENDITURES				
Current:				
General government	-	-	27	(27)
Capital outlay:				
Recreation and culture	20,000	44,284	-	44,284
Total expenditures	<u>20,000</u>	<u>44,284</u>	<u>27</u>	<u>44,257</u>
Excess (deficiency) of revenues over expenditures	<u>(19,837)</u>	<u>(44,121)</u>	<u>1,040</u>	<u>45,161</u>
Net change in fund balances	(19,837)	(44,121)	1,040	45,161
Fund balances - beginning	32,146	32,146	32,146	-
Fund balances - ending	<u>\$ 12,309</u>	<u>\$ (11,975)</u>	<u>\$ 33,186</u>	<u>\$ 45,161</u>

City of Ukiah, California
 Observatory Park
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ -	\$ -	\$ 52	\$ 52
Total revenues	-	-	52	52
EXPENDITURES				
Current:				
Recreation and culture	-	6,365	3,199	3,166
Total expenditures	-	6,365	3,199	3,166
Excess (deficiency) of revenues over expenditures	-	(6,365)	(3,147)	3,218
Net change in fund balances	-	(6,365)	(3,147)	3,218
Fund balances - beginning	6,399	6,399	6,399	-
Fund balances - ending	\$ 6,399	\$ 34	\$ 3,252	\$ 3,218

City of Ukiah, California
 Playground & Park Amenities
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 13	\$ 13	\$ 44	\$ 31
Total revenues	<u>13</u>	<u>13</u>	<u>44</u>	<u>31</u>
EXPENDITURES				
Current:				
General government	-	-	2	(2)
Total expenditures	<u>-</u>	<u>-</u>	<u>2</u>	<u>(2)</u>
Excess (deficiency) of revenues over expenditures	<u>13</u>	<u>13</u>	<u>42</u>	<u>29</u>
Net change in fund balances	13	13	42	29
Fund balances - beginning	2,563	2,563	2,563	-
Fund balances - ending	<u>\$ 2,576</u>	<u>\$ 2,576</u>	<u>\$ 2,605</u>	<u>\$ 29</u>

City of Ukiah, California
Swimming Pool
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 60	\$ 60	\$ 3	\$ (57)
Total revenues	60	60	3	(57)
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	60	60	3	(57)
Net change in fund balances	60	60	3	(57)
Fund balances - beginning	(136,190)	(136,190)	(136,190)	-
Fund balances - ending	\$ (136,130)	\$ (136,130)	\$ (136,187)	\$ (57)

City of Ukiah, California
Riverside Park
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 161	\$ 161	\$ 256	\$ 95
Total revenues	161	161	256	95
EXPENDITURES				
Current:				
General government	-	-	12	(12)
Capital outlay:				
Recreation and culture	20,000	1,133,700	27,597	1,106,103
Total expenditures	20,000	1,133,700	27,609	1,106,091
Excess (deficiency) of revenues over expenditures	(19,839)	(1,133,539)	(27,353)	1,106,186
Net change in fund balances	(19,839)	(1,133,539)	(27,353)	1,106,186
Fund balances - beginning	20,267	20,267	20,267	-
Fund balances - ending	\$ 428	\$ (1,113,272)	\$ (7,086)	\$ 1,106,186

City of Ukiah, California
 Skate Park
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 58	\$ 58	\$ 197	\$ 139
Total revenues	58	58	197	139
EXPENDITURES				
Current:				
General government	-	-	9	(9)
Total expenditures	-	-	9	(9)
Excess (deficiency) of revenues over expenditures	58	58	188	130
Net change in fund balances	58	58	188	130
Fund balances - beginning	11,357	11,357	11,357	-
Fund balances - ending	\$ 11,415	\$ 11,415	\$ 11,545	\$ 130

City of Ukiah, California
 Softball Complex
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ 33	\$ 33	\$ 113	\$ 80
Total revenues	<u>33</u>	<u>33</u>	<u>113</u>	<u>80</u>
EXPENDITURES				
Current:				
General government	-	-	5	(5)
Total expenditures	<u>-</u>	<u>-</u>	<u>5</u>	<u>(5)</u>
Excess (deficiency) of revenues over expenditures	<u>33</u>	<u>33</u>	<u>108</u>	<u>75</u>
Net change in fund balances	33	33	108	75
Fund balances - beginning	6,530	6,530	6,530	-
Fund balances - ending	<u>\$ 6,563</u>	<u>\$ 6,563</u>	<u>\$ 6,638</u>	<u>\$ 75</u>

City of Ukiah, California
 Rail Trail
 Schedule of Revenue, Expenditures, and Change in Fund Balances
 Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Grants contributions and donations	\$ 1,875,000	\$ 1,875,000	\$ 287,943	\$ (1,587,057)
Total revenues	<u>1,875,000</u>	<u>1,875,000</u>	<u>287,943</u>	<u>(1,587,057)</u>
EXPENDITURES				
Capital outlay:				
Public works	1,875,000	2,090,201	318,272	1,771,929
Total expenditures	<u>1,875,000</u>	<u>2,090,201</u>	<u>318,272</u>	<u>1,771,929</u>
Excess (deficiency) of revenues over expenditures	-	(215,201)	(30,329)	184,872
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	96,602	96,602
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>96,602</u>	<u>96,602</u>
Net change in fund balances	-	(215,201)	66,273	281,474
Fund balances - beginning	(165,231)	(165,231)	(165,231)	-
Fund balances - ending	<u>\$ (165,231)</u>	<u>\$ (380,432)</u>	<u>\$ (98,958)</u>	<u>\$ 281,474</u>

City of Ukiah, California
Riparian Corridor Enhancement
Schedule of Revenue, Expenditures, and Change in Fund Balances
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rent, and concessions	\$ -	\$ -	\$ 2,434	\$ 2,434
Total revenues	-	-	2,434	2,434
EXPENDITURES				
Current:				
General government	-	-	117	(117)
Total expenditures	-	-	117	(117)
Excess (deficiency) of revenues over expenditures	-	-	2,317	2,317
Net change in fund balances	-	-	2,317	2,317
Fund balances - beginning	140,754	140,754	140,754	-
Fund balances - ending	\$ 140,754	\$ 140,754	\$ 143,071	\$ 2,317

Combining Nonmajor Enterprise funds

Parking District #1

The Parking District #1 Fund is used to account for the operating activities of the City's parking district.

Golf Fund

The Golf Fund is issued to account for activities related to the City's municipal golf course, which is managed by a contracted, private vendor.

Conference Center Fund

The Conference Center Fund is used to account for activities of the Ukiah Valley Conference Center.

Airport Fund

The Airport Fund is the primary fund used to account for the operating activities of the City's municipal airport.

Street Lighting Fund

The Street Lighting Fund is used to account for resources accumulated for street light operation, maintenance and capital planning.

City of Ukiah, California
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2019

	Parking District	Golf	Conference Center	Airport	Street Lighting	Total Nonmajor Enterprise Funds
ASSETS						
Current assets:						
Cash and investments	\$ 554	\$ 107,109	\$ 33,277	\$ 262,615	\$ -	\$ 403,555
Accounts receivable	21,528	-	200	61,599	22,737	106,064
Interest receivable	6	39	71	434	-	550
Grants and subventions receivable	-	-	-	30,153	-	30,153
Total current assets	22,088	107,148	33,548	354,801	22,737	540,322
Noncurrent assets:						
Notes receivable	-	32,500	-	-	-	32,500
Advances to other funds	-	783,636	-	-	-	783,636
Land	183,871	965,284	372,750	271,957	-	1,793,862
Construction in progress	-	-	-	86,769	-	86,769
Infrastructure and network	77,682	178,259	-	2,130,622	117,735	2,504,298
Buildings and improvements	-	414,745	2,294,473	1,833,577	-	4,542,795
Machinery equipment and vehicles	42,875	58,396	53,093	650,679	-	805,043
Less accumulated depreciation	(53,427)	(633,768)	(1,223,274)	(2,636,433)	(11,349)	(4,558,251)
Total noncurrent assets	251,001	1,799,052	1,497,042	2,337,171	106,386	5,990,652
Total assets	273,089	1,906,200	1,530,590	2,691,972	129,123	6,530,974
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow of resources related to pension	-	8,270	104,529	141,578	-	254,377
Total deferred outflows of resources	-	8,270	104,529	141,578	-	254,377
Total assets and deferred outflows of resources	\$ 273,089	\$ 1,914,470	\$ 1,635,119	\$ 2,833,550	\$ 129,123	\$ 6,785,351
LIABILITIES						
Current liabilities:						
Accounts payable	2,480	92,498	29,638	15,287	36,718	176,621
Accrued payroll liabilities	-	921	5,969	20,020	3,959	30,869
Due to other funds	-	-	-	-	133	133
Deposits payable	-	-	2,162	4,162	-	6,324
Compensated absences - current	-	755	942	2,662	-	4,359
Long-term obligations - current	-	-	-	10,175	-	10,175
Interest payable	-	-	-	1,575	-	1,575
Total current liabilities	2,480	94,174	38,711	53,881	40,810	230,056
Noncurrent liabilities:						
Advance from other funds	-	930,200	-	-	186,270	1,116,470
Installment obligations	-	-	-	169,999	-	169,999
Net pension liability	-	50,254	635,214	860,353	-	1,545,821
Compensated absences	-	1,726	8,476	23,959	-	34,161
Total noncurrent liabilities	-	982,180	643,690	1,054,311	186,270	2,866,451
Total liabilities	2,480	1,076,354	682,401	1,108,192	227,080	3,096,507
DEFERRED INFLOWS OF RESOURCES						
Deferred inflow of resources related to pension	-	1,265	15,988	21,655	-	38,908
Total deferred inflows of resources	-	1,265	15,988	21,655	-	38,908
Total liabilities and deferred inflows of resources	2,480	1,077,619	698,389	1,129,847	227,080	3,135,415
NET POSITION						
Net investment in capital assets	251,001	982,916	1,497,042	2,156,997	106,386	4,994,342
Restricted for:						
Unrestricted	19,608	(146,065)	(560,312)	(453,294)	(204,343)	(1,344,406)
Total net position	\$ 270,609	\$ 836,851	\$ 936,730	\$ 1,703,703	\$ (97,957)	\$ 3,649,936

City of Ukiah, California
Combining Statement of Revenues, expenses, and Changes in Net Position
Nonmajor Governmental Funds
Year Ended June 30, 2019

	Parking District	Golf	Conference Center	Airport	Street Lighting	Total Enterprise Funds
OPERATING REVENUES						
Charges for service	\$ 29,454	\$ -	\$ 19,421	\$ 19,785	\$ 188,814	\$ 257,474
Licenses and permits	42,586	-	-	-	-	42,586
Fines penalties and forfeitures	48,082	-	-	-	-	48,082
Facility rental	-	36,669	349,824	385,856	-	772,349
Fuel sales	-	-	-	1,132,122	-	1,132,122
Miscellaneous	-	-	-	3,563	-	3,563
Total operating revenues	<u>120,122</u>	<u>36,669</u>	<u>369,245</u>	<u>1,541,326</u>	<u>188,814</u>	<u>2,256,176</u>
OPERATING EXPENSES						
General and administrative	19,326	16,690	45,840	135,350	20,868	238,074
Maintenance and operations	106,709	196,421	411,004	327,523	16,442	1,058,099
Fuel	-	-	-	780,184	-	780,184
Depreciation	2,424	2,236	45,889	106,513	2,943	160,005
Total operating expenses	<u>128,459</u>	<u>215,347</u>	<u>502,733</u>	<u>1,349,570</u>	<u>40,253</u>	<u>2,236,362</u>
Operating income (loss)	<u>(8,337)</u>	<u>(178,678)</u>	<u>(133,488)</u>	<u>191,756</u>	<u>148,561</u>	<u>19,814</u>
NONOPERATING REVENUES (EXPENSES)						
Property tax	17,121	-	-	-	-	17,121
Interest, rent, and concessions	63	3,655	-	8,038	-	11,756
Interest expense and fiscal charges	-	-	-	(4,344)	-	(4,344)
Use of money and property	-	90,000	779	-	-	90,779
Sale of property	-	6,000	-	-	-	6,000
Total nonoperating revenues (expenses)	<u>17,184</u>	<u>99,655</u>	<u>779</u>	<u>3,694</u>	<u>-</u>	<u>121,312</u>
Income (loss) before contributions and transfers	8,847	(79,023)	(132,709)	195,450	148,561	141,126
Capital contributions	-	-	-	59,087	-	59,087
Change in net position	8,847	(79,023)	(132,709)	254,537	148,561	200,213
Total net position - beginning	261,762	915,874	1,069,439	1,449,166	(246,518)	3,449,723
Total net position - ending	<u>\$ 270,609</u>	<u>\$ 836,851</u>	<u>\$ 936,730</u>	<u>\$ 1,703,703</u>	<u>\$ (97,957)</u>	<u>\$ 3,649,936</u>

City of Ukiah, California
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year Ended June 30, 2019

	Parking District	Golf	Conference Center	Airport	Street Lighting	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	\$ 103,383	\$ 35,844	\$ 398,063	\$ 1,525,555	\$ 186,651	\$ 2,249,496
Payments to employees	-	(27,667)	(194,370)	(394,168)	(123,488)	(739,693)
Payments to suppliers	(106,456)	(148,326)	(164,315)	(924,191)	(139,296)	(1,482,584)
Payments for interfund services used	(19,213)	(16,690)	(45,839)	(135,351)	(20,867)	(237,960)
Net cash provided (used) by operating activities	(22,286)	(156,839)	(6,461)	71,845	(97,000)	(210,741)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Cash received (paid) to other funds	-	182,932	-	-	95,277	278,209
Property taxes received	18,360	-	-	-	-	18,360
activities	18,360	182,932	-	-	95,277	296,569
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital grants and contributions	-	-	-	108,430	-	108,430
Principal paid on capital related debt	-	-	-	(9,947)	-	(9,947)
Interest paid	-	-	-	(4,431)	-	(4,431)
Acquisition and construction of capital assets	-	-	-	(136,106)	-	(136,106)
Proceeds from sale of property	-	6,000	-	-	-	6,000
Net cash provided (used) by capital and related financing activities	-	6,000	-	(42,054)	-	(36,054)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	67	3,141	807	7,963	-	11,978
Net cash provided (used) by investing activities	67	3,141	807	7,963	-	11,978
Net increase (decrease) in cash and cash equivalents	(3,859)	35,234	(5,654)	37,754	(1,723)	61,752
Balances - beginning of year	4,413	71,875	38,931	224,861	1,723	341,803
Balances - end of the year	\$ 554	\$ 107,109	\$ 33,277	\$ 262,615	\$ -	\$ 403,555
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating Income	\$ (8,337)	\$ (178,678)	\$ (133,488)	\$ 191,756	\$ 148,561	\$ 19,814
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,424	2,236	45,889	106,513	2,943	160,005
Changes in assets and liabilities:						
Decrease (increase) in accounts receivable	(16,738)	(825)	28,818	(15,142)	(2,162)	(6,049)
Decrease (increase) in deferred outflows	-	5,191	20,926	86,719	62,020	174,856
Increase (decrease) in accounts payable	365	30,662	12,616	(44,847)	12,240	11,036
Increase (decrease) in accrued salaries and benefits	-	7	(1,808)	6,015	(344)	3,870
Increase (decrease) in compensated absences	-	988	2,574	11,066	(7,739)	6,889
Increase (decrease) in deferrred inflows	-	(1,584)	(10,562)	(26,660)	(13,104)	(51,910)
Increase (decrease) in net pension liability	-	(14,836)	28,574	(243,575)	(299,415)	(529,252)
Net cash provided (used) by operating activities	\$ (22,286)	\$ (156,839)	\$ (6,461)	\$ 71,845	\$ (97,000)	\$ (210,741)

Combining Internal Service Funds

Worker's Comp Fund

The Worker's Compensation Fund is used to account for premiums paid for worker's compensation benefits as required by the State of California.

Liability Fund

The Liability Fund is used to account for resources needed to meet liability insurance premiums and to allocate those costs to all City functions through its Cost Allocation Plan.

Billing and Collection Fund

The Billing and Collection Fund is used to account for shared resources used to provide billing and collection service to City functions and other governmental entities and to allocate those costs accordingly through its Cost Allocation Plan.

Garage Fund

The Garage Fund is used to account for shared resources used to operate the City's central garage and corporation yard and to allocate those costs to all City functions through its Cost Allocation Plan.

Purchasing Fund

The Purchasing Fund is used to account for shared resources used to maintain and implement the City's central procurement system and to allocate those costs to all City functions through its Cost Allocation Plan.

Public Safety Dispatch Fund

The Public Safety Dispatch Fund is used to account for shared resources used to provide public safety dispatch services to City departments and other governmental entities and to allocate those costs accordingly through its Cost Allocation Plan.

Building & Maintenance Fund

The Building & Maintenance Fund is used to account for shared resources used to provide central building and grounds maintenance services to City departments and to allocate those costs accordingly through its Cost Allocation Plan.

IT Fund

The IT Fund is used to account for shared resources used to provide information technology services to City departments and to allocate those costs accordingly through its Cost Allocation Plan.

City of Ukiah, California
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	<u>Worker's Comp</u>	<u>Liability</u>	<u>Garage</u>
ASSETS			
Current assets:			
Cash and investments	\$ 955,922	\$ 244,395	\$ 40,539
Accounts receivable	47,321	-	-
Interest receivable	864	230	-
Total current assets	<u>1,004,107</u>	<u>244,625</u>	<u>40,539</u>
Noncurrent assets:			
Advances to other funds	-	745,000	-
Construction in progress	-	-	-
Buildings and improvements	-	-	327,113
Machinery equipment and vehicles	-	-	223,045
Less accumulated depreciation	-	-	<u>(245,398)</u>
Total noncurrent assets	<u>-</u>	<u>745,000</u>	<u>304,760</u>
Total assets	<u>1,004,107</u>	<u>989,625</u>	<u>345,299</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 1,004,107</u>	<u>\$ 989,625</u>	<u>\$ 345,299</u>
LIABILITIES			
Current liabilities:			
Accounts payable	77,683	40,255	2,998
Accrued payroll liabilities	-	-	13,566
Long-term obligations - current	143,486	49,583	-
Interest payable	-	-	-
Total current liabilities	<u>221,169</u>	<u>89,838</u>	<u>16,564</u>
Noncurrent liabilities:			
Claims payable	573,944	148,749	-
Capital leases	-	-	-
Compensated absences	-	-	28,676
Total noncurrent liabilities	<u>573,944</u>	<u>148,749</u>	<u>28,676</u>
Total liabilities	<u>795,113</u>	<u>238,587</u>	<u>45,240</u>
DEFERRED INFLOWS OF RESOURCES			
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>795,113</u>	<u>238,587</u>	<u>45,240</u>
NET POSITION			
Net investment in capital assets	-	-	304,760
Restricted for:			
Unrestricted	208,994	751,038	(4,701)
Total net position	<u>\$ 208,994</u>	<u>\$ 751,038</u>	<u>\$ 300,059</u>

<u>Purchasing</u>	<u>Billing And Collection</u>	<u>Public Safety Dispatch</u>	<u>Building & Maintenance</u>	<u>Information Technology</u>	<u>Total Nonmajor Internal Service Funds</u>
\$ 44,621	\$ 885,646	\$ 88,937	\$ 229,136	\$ 80,727	\$ 2,569,923
-	-	1,002	19,578	-	67,901
-	1,103	-	-	-	2,197
<u>44,621</u>	<u>886,749</u>	<u>89,939</u>	<u>248,714</u>	<u>80,727</u>	<u>2,640,021</u>
-	-	-	-	-	745,000
-	-	-	16,100	-	16,100
-	-	-	-	-	327,113
4,769	232,438	228,710	41,181	316,608	1,046,751
<u>(4,769)</u>	<u>(231,397)</u>	<u>(226,111)</u>	<u>(1,984)</u>	<u>(57,052)</u>	<u>(766,711)</u>
-	1,041	2,599	55,297	259,556	1,368,253
<u>44,621</u>	<u>887,790</u>	<u>92,538</u>	<u>304,011</u>	<u>340,283</u>	<u>4,008,274</u>
-	-	-	-	-	-
<u>\$ 44,621</u>	<u>\$ 887,790</u>	<u>\$ 92,538</u>	<u>\$ 304,011</u>	<u>\$ 340,283</u>	<u>\$ 4,008,274</u>
1,595	16,174	6,201	38,229	24,730	207,865
12,420	28,307	39,971	15,302	17,715	127,281
-	-	-	-	55,858	248,927
-	-	-	-	3,107	3,107
<u>14,015</u>	<u>44,481</u>	<u>46,172</u>	<u>53,531</u>	<u>101,410</u>	<u>587,180</u>
-	-	-	-	-	722,693
-	-	-	-	115,200	115,200
32,261	37,385	59,641	24,646	17,163	199,772
<u>32,261</u>	<u>37,385</u>	<u>59,641</u>	<u>24,646</u>	<u>132,363</u>	<u>1,037,665</u>
<u>46,276</u>	<u>81,866</u>	<u>105,813</u>	<u>78,177</u>	<u>233,773</u>	<u>1,624,845</u>
-	-	-	-	-	-
<u>46,276</u>	<u>81,866</u>	<u>105,813</u>	<u>78,177</u>	<u>233,773</u>	<u>1,624,845</u>
-	1,041	2,599	55,297	88,498	452,195
<u>(1,655)</u>	<u>804,883</u>	<u>(15,874)</u>	<u>170,537</u>	<u>18,012</u>	<u>1,931,234</u>
<u>\$ (1,655)</u>	<u>\$ 805,924</u>	<u>\$ (13,275)</u>	<u>\$ 225,834</u>	<u>\$ 106,510</u>	<u>\$ 2,383,429</u>

City of Ukiah, California
Combining Statement of Revenues, expenses, and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2019

	<u>Worker's Comp</u>	<u>Liability</u>	<u>Garage</u>
OPERATING REVENUES			
Charges for service	\$ 1,304,199	\$ 589,367	\$ 559,172
Miscellaneous	-	-	14,463
Total operating revenues	<u>1,304,199</u>	<u>589,367</u>	<u>573,635</u>
OPERATING EXPENSES			
General and administrative	500	39,899	82,257
Maintenance and operations	1,299,400	642,343	458,317
Depreciation	-	-	25,753
Total operating expenses	<u>1,299,900</u>	<u>682,242</u>	<u>566,327</u>
Operating income (loss)	<u>4,299</u>	<u>(92,875)</u>	<u>7,308</u>
NONOPERATING REVENUES (EXPENSES)			
Interest, rent, and concessions	9,609	2,085	(93)
Interest expense and fiscal charges	-	-	-
Total nonoperating revenues (expenses)	<u>9,609</u>	<u>2,085</u>	<u>(93)</u>
Income (loss) before contributions and transfers	13,908	(90,790)	7,215
Transfers in	-	-	-
Change in net position	<u>13,908</u>	<u>(90,790)</u>	<u>7,215</u>
Total net position - beginning	195,086	841,828	292,844
Total net position - ending	<u>\$ 208,994</u>	<u>\$ 751,038</u>	<u>\$ 300,059</u>

Purchasing	Billing And Collection	Public Safety Dispatch	Building & Maintenance	Information Technology	Total Internal service funds
\$ 462,433	\$ 1,137,349	\$ 1,409,329	\$ 886,898	\$ 1,248,126	\$ 7,596,873
-	15,203	901	19,939	543	51,049
<u>462,433</u>	<u>1,152,552</u>	<u>1,410,230</u>	<u>906,837</u>	<u>1,248,669</u>	<u>7,647,922</u>
59,918	177,786	157,522	110,200	112,596	740,678
423,679	1,008,484	1,217,093	684,797	1,089,753	6,823,866
-	1,040	20,730	1,984	57,052	106,559
<u>483,597</u>	<u>1,187,310</u>	<u>1,395,345</u>	<u>796,981</u>	<u>1,259,401</u>	<u>7,671,103</u>
<u>(21,164)</u>	<u>(34,758)</u>	<u>14,885</u>	<u>109,856</u>	<u>(10,732)</u>	<u>(23,181)</u>
(102)	11,956	(25)	(307)	(206)	22,917
-	-	-	-	(3,932)	(3,932)
<u>(102)</u>	<u>11,956</u>	<u>(25)</u>	<u>(307)</u>	<u>(4,138)</u>	<u>18,985</u>
(21,266)	(22,802)	14,860	109,549	(14,870)	(4,196)
-	-	14,000	-	-	14,000
<u>(21,266)</u>	<u>(22,802)</u>	<u>28,860</u>	<u>109,549</u>	<u>(14,870)</u>	<u>9,804</u>
19,611	828,726	(42,135)	116,285	121,380	2,373,625
<u>\$ (1,655)</u>	<u>\$ 805,924</u>	<u>\$ (13,275)</u>	<u>\$ 225,834</u>	<u>\$ 106,510</u>	<u>\$ 2,383,429</u>

City of Ukiah, California
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019

	<u>Worker's Comp</u>	<u>Liability</u>	<u>Garage</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	\$ -	\$ -	\$ 14,463
Receipts from interfund services provided	1,304,199	589,367	559,172
Payments to employees	(763)	-	(362,530)
Payments to suppliers	(1,364,440)	(651,671)	(85,693)
Payments for interfund services used	(500)	(39,900)	(82,258)
Net cash provided (used) by operating activities	<u>(61,504)</u>	<u>(102,204)</u>	<u>43,154</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash received (paid) to other funds	<u>197,737</u>	-	-
Net cash provided (used) by noncapital financing activities	<u>197,737</u>	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Interest paid	-	-	-
Principal paid on capital and related debt	-	-	-
Acquisition and construction of capital assets	-	-	(31,746)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>(31,746)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>10,764</u>	<u>2,713</u>	<u>27</u>
Net cash provided (used) by investing activities	<u>10,764</u>	<u>2,713</u>	<u>27</u>
Net increase (decrease) in cash and cash equivalents	146,997	(99,491)	11,435
Balances - beginning of year	808,925	343,886	29,104
Balances - end of the year	<u>\$ 955,922</u>	<u>\$ 244,395</u>	<u>\$ 40,539</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income	\$ 4,299	\$ (92,875)	\$ 7,308
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	-	25,753
Changes in assets and liabilities:			
Decrease (increase) in accounts receivable	-	-	-
Increase (decrease) in accounts payable	78,446	40,254	1,794
Increase (decrease) in accrued salaries and benefits	(763)	-	2,293
Increase (decrease) in compensated absences	-	-	6,006
Increase (decrease) in claims payable	(143,486)	(49,583)	-
Net cash provided (used) by operating activities	<u>\$ (61,504)</u>	<u>\$ (102,204)</u>	<u>\$ 43,154</u>

Purchasing	Billing And Collection	Public Safety Dispatch	Building & Maintenance	Information Technology	Total
\$ -	\$ 189,295	\$ 329,356	\$ 362	\$ 543	\$ 534,019
462,433	963,257	1,081,136	886,898	1,248,126	7,094,588
(373,435)	(808,401)	(1,108,017)	(411,527)	(491,887)	(3,556,560)
(33,646)	(179,189)	(82,562)	(256,870)	(578,497)	(3,232,568)
(59,918)	(177,786)	(157,523)	(110,200)	(112,596)	(740,681)
(4,566)	(12,824)	62,390	108,663	65,689	98,798
-	-	14,000	-	-	211,737
-	-	14,000	-	-	211,737
-	-	-	-	(4,922)	(4,922)
-	-	-	-	(54,640)	(54,640)
-	-	-	(27,521)	(31,348)	(90,615)
-	-	-	(27,521)	(90,910)	(150,177)
20	13,063	5	61	57	26,710
20	13,063	5	61	57	26,710
(4,546)	239	76,395	81,203	(25,164)	187,068
49,167	885,407	12,542	147,933	105,892	2,382,856
\$ 44,621	\$ 885,646	\$ 88,937	\$ 229,136	\$ 80,728	\$ 2,569,924
\$ (21,164)	\$ (34,758)	\$ 14,885	\$ 109,856	\$ (10,732)	\$ (23,181)
-	1,040	20,730	1,984	57,052	106,559
-	-	263	(19,576)	-	(19,313)
(1,203)	(167)	2,105	8,056	7,881	137,166
790	2,619	3,228	2,203	(3,407)	6,963
17,011	18,442	21,179	6,140	14,895	83,673
-	-	-	-	-	(193,069)
\$ (4,566)	\$ (12,824)	\$ 62,390	\$ 108,663	\$ 65,689	\$ 98,798

Combining Fiduciary Funds

CUSTODIAL FUNDS

Payroll Posting Fund

Resources held on a limited basis to act as a clearing fund for City payroll.

Special Deposit Custodial Fund

Resources held for outside parties that are not available for spending by the City.

General Services Clearing (Accounts Receivable) Fund

Resources held on a limited basis act as a clearing fund for utility billing collections.

Garbage Billing and Collection Fund

Resources held resulting from billing and collections of mandatory residential solid waste collection.

Russian River Watershed Association

Resources held on behalf of the Russian River Watershed Association, of which the City is a member and acts as its general fiscal agent.

Ukiah Valley Fire Protection District

The Ukiah Valley Fire District Fund is used to account for the activities of the Ukiah Valley Fire District. The City provides accounting, budget management, and other fiscal and administrative services to the District.

Ukiah Valley Sanitation District

Resources held for the benefit of the Ukiah Valley Sanitation District resulting from collections from sewer billing and payments to the City for share of operating and debt service costs.

City of Ukiah, California
Combining Fiduciary Net Position
Custodial Funds
June 30, 2019

	Custodial Funds							
	Payroll Posting	Special Deposit Trust	General Service (Accts Recv)	Garbage Billing & Coll.	Russian River Watershed Assoc	Ukiah Valley Fire District	Ukiah Valley Sanitation District	Total Custodial funds
ASSETS								
Cash and investments	\$ 2,318	\$ 880,077	\$ -	\$ 563,711	\$ 45,591	\$ 689,873	\$ 2,042,570	\$ 4,224,140
Accounts receivable	157	44	44,629	47,176	46,945	58,493	709,507	906,951
Taxes receivable	-	-	-	-	-	75,937	-	75,937
Interest receivable	-	1,334	-	361	69	3,424	6,105	11,293
Inventories and prepaids	222,114	-	-	-	-	-	-	222,114
Total assets	<u>224,589</u>	<u>881,455</u>	<u>44,629</u>	<u>611,248</u>	<u>92,605</u>	<u>827,727</u>	<u>2,758,182</u>	<u>5,440,435</u>
LIABILITIES								
Accounts payable	\$ 223,653	\$ 2,979	\$ 3,568	\$ 37,245	\$ 61,812	\$ 12,739	\$ 122,304	\$ 464,300
Accrued payroll liabilities	154	-	-	-	-	20,989	-	21,143
Deposits payable	-	811,800	-	-	-	-	-	811,800
Due to other agencies	-	-	-	91,394	-	-	-	91,394
Intergovernmental payable	-	41,905	-	-	-	-	-	41,905
Due to City for services provided	-	24,771	41,061	-	-	103,091	-	168,923
Total liabilities	<u>223,807</u>	<u>881,455</u>	<u>44,629</u>	<u>128,639</u>	<u>61,812</u>	<u>136,819</u>	<u>122,304</u>	<u>1,599,465</u>
NET POSITION								
Restricted for:								
Individuals, Organizations and Other Governments	782	-	-	482,609	30,793	690,908	2,635,878	3,840,970
Total net position	<u>\$ 782</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 482,609</u>	<u>\$ 30,793</u>	<u>\$ 690,908</u>	<u>\$ 2,635,878</u>	<u>\$ 3,840,970</u>

City of Ukiah, California
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
Year Ended June 30, 2019

	Payroll Posting	Special Deposit Trust	General Service (Accts Recv)	Garbage Billing & Coll.	Russian River Watershed Assoc	Ukiah Valley Fire District	Ukiah Valley Sanitation District	Total Custodial funds
ADDITIONS								
Contributions:								
Grants contributions and donations governments	\$ -	\$ -	\$ -	\$ -	\$ 123,143	\$ 316,159	\$ -	\$ 439,302
Service charges collected for other governments	-	-	-	-	-	1,057,253	-	1,057,253
Service charges collected for other agencies	-	-	-	1,149,513	-	237,739	5,383,095	5,620,834
Miscellaneous	-	-	-	-	-	8,297	-	8,297
Members	-	-	-	-	592,133	-	-	592,133
Total contributions	-	-	-	1,149,513	715,276	1,619,448	5,383,095	8,867,332
Investment earnings:								
Interest, rent, and concessions	1,843	-	-	3,825	816	8,079	72,168	86,731
Total investment earnings	1,843	-	-	3,825	816	8,079	72,168	86,731
Net investment earnings	1,843	-	-	3,825	816	8,079	72,168	86,731
Total additions	1,843	-	-	1,153,338	716,092	1,627,527	5,455,263	8,954,063
DEDUCTIONS								
General and administrative	220	-	-	20,461	-	214,246	5,252	240,179
Interest expense and fiscal charges	-	-	-	-	-	76,769	-	76,769
Distributions to other governments collected	-	-	-	-	599,707	-	201,458	801,165
Payments to City for services provided	-	-	-	477,971	-	-	-	477,971
Total deductions	220	-	-	764,575	599,707	1,922,297	5,303,667	7,990,539
Net increase (decrease) in fiduciary net position	1,623	-	-	1,263,007	599,707	2,213,312	5,510,377	9,586,623
Net Position -- beginning of the year	(841)	-	-	(109,669)	116,385	(585,785)	(65,114)	(632,560)
Net Position -- end of the year	\$ 782	\$ -	\$ -	\$ 482,609	\$ 30,793	\$ 690,908	\$ 2,635,878	\$ 3,840,970

Statistical Section

Statistical Section Index

This part of the City of Ukiah's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Financial Trends

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

Net Position by Component	169
Changes in Net Position.....	170
Fund Balances, Governmental Funds.....	172
Changes in Fund Balances, Governmental Funds	173

Revenue Capacity

These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.

Tax Revenues by Source, Governmental Funds	174
Property Tax Rates	175
Electric Utility Rates	176
Wastewater Utility Rates	177
Water Utility Rates.....	178
Top Ten Electric Usage Customers	179

Debt Capacity

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

Ratio of Outstanding Debt by Type	180
Ratio of General Bonded Outstanding Debt.....	181

Demographic and Economic Information

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

Demographic and Economic Statistics..... 185
Principal Employers..... 186

Operating Information

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

Full-time and Part-time City Employees by Function 187

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. Information was available beginning with the year ended June 30, 2004 for the financial trend schedules.

Financial Trends

City of Ukiah, California
 Net Position by Component
 Last Ten Fiscal Years
 Fiscal Year Ended June 30, 2019
 (Accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 31,547,564	\$ 17,407,569	\$ 26,649,167	\$ 27,304,019	\$ 27,139,213	\$ 27,624,813	\$ 29,088,528	\$ 33,668,910	\$ 38,289,548	\$ 42,321,290
Restricted	7,574,594	17,276,255	3,086,157	3,025,432	6,021,075	12,931,066	12,263,161	11,698,264	12,610,721	12,610,721
Unrestricted	7,547,784	14,030,594	17,420,652	15,461,713	12,110,479	(20,291,488)	(20,646,894)	(17,337,366)	(21,409,323)	(18,876,394)
Total governmental net position	\$ 46,669,942	\$ 48,714,418	\$ 47,155,976	\$ 45,791,164	\$ 45,270,767	\$ 20,264,391	\$ 20,704,795	\$ 28,029,808	\$ 29,490,946	\$ 36,055,617
Business-type activities										
Net investment in capital assets	\$ 33,203,171	\$ 40,266,700	\$ 48,101,086	\$ 44,514,348	\$ 46,693,900	\$ 50,088,246	\$ 54,756,782	\$ 46,328,983	\$ 70,965,675	\$ 86,114,096
Restricted	2,006,773	2,172,384	4,128,472	2,027,529	2,072,014	2,072,225	2,427,020	-	81,993	123,367
Unrestricted	40,762,605	33,817,844	28,366,417	32,460,639	31,604,793	26,648,008	24,215,129	31,286,562	19,917,540	16,454,313
Total business-type net position	\$ 75,972,549	\$ 76,256,928	\$ 80,595,975	\$ 79,002,516	\$ 80,370,707	\$ 78,808,479	\$ 81,398,931	\$ 77,615,545	\$ 90,965,208	\$ 102,691,776
Primary governmental										
Net investment in capital assets	\$ 64,750,735	\$ 57,674,269	\$ 74,750,253	\$ 71,818,367	\$ 73,833,113	\$ 77,713,059	\$ 83,845,310	\$ 79,997,893	\$ 109,255,223	\$ 128,435,386
Restricted	9,581,367	19,448,639	7,214,629	5,052,961	8,093,089	15,003,291	14,690,181	11,698,264	12,692,714	12,734,088
Unrestricted	48,310,389	47,848,438	45,787,069	47,922,352	43,715,272	6,356,520	3,568,235	13,949,197	(1,491,783)	(2,422,081)
Total primary governmental net position	\$ 122,642,491	\$ 124,971,346	\$ 127,751,951	\$ 124,793,680	\$ 125,641,474	\$ 99,072,870	\$ 102,103,726	\$ 105,645,354	\$ 120,456,154	\$ 138,747,393

Source: Audited Financial Statements – Statement of Net Position

City of Ukiah, California
 Changes in Net Position
 Last Ten Fiscal Years
 Fiscal Year Ended June 30, 2019
 (Accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 2,837,619	\$ 2,479,770	\$ 2,570,568	\$ 2,956,583	\$ 3,715,968	\$ 772,771	\$ 142,792	\$ 141,713	\$ 1,856,104	\$ 2,655,969
Public safety	9,181,714	9,595,075	9,827,504	10,514,943	9,867,900	10,563,479	11,081,325	8,887,246	11,794,779	12,167,151
Housing and community development	10,308,280	3,598,630	1,223,579	1,254,265	832,020	348,477	891,644	171,523	1,039,784	2,128,714
Public works	1,577,833	3,097,652	2,206,556	2,109,273	2,290,261	2,847,800	2,555,524	296,934	4,018,082	3,467,503
Parks and recreation	1,985,137	2,466,386	2,262,816	2,481,572	2,540,689	2,829,367	2,757,551	39,796	3,306,839	3,861,576
Economic development and redevelopment	-	-	-	-	-	-	-	-	273,570	299,397
Interest on long-term debt	317,152	451,141	420,132	-	-	-	-	-	59,477	176,067
Total governmental activities expenses	\$ 26,207,735	\$ 21,688,654	\$ 18,511,155	\$ 19,316,636	\$ 19,246,838	\$ 17,361,894	\$ 17,428,836	\$ 9,537,212	22,348,635	24,756,377
Business-type activities:										
Airport	-	-	-	-	-	-	-	-	1,532,905	1,360,631
Conference Center	-	-	-	-	-	-	-	-	369,045	500,305
Electric	14,900,706	12,859,394	13,980,276	14,483,083	14,554,884	16,140,229	15,779,225	17,408,177	15,830,736	17,373,419
Golf	-	-	-	-	-	-	-	-	223,341	213,949
Landfill	-	-	-	-	-	-	-	-	667,140	2,114,576
Parking District	-	-	-	-	-	-	-	-	153,620	128,643
Street Lighting	-	-	-	-	-	-	-	-	395,694	43,349
Wastewater	3,301,200	8,329,472	8,243,340	8,637,591	8,118,315	8,229,553	8,620,824	10,092,436	10,116,164	10,979,067
Water	3,629,692	3,289,935	3,414,760	3,651,349	3,717,064	3,783,257	3,930,252	5,187,510	4,659,530	4,111,529
Disposal site	381,384	196,168	340,324	413,657	573,478	5,950,554	388,553	565,819	-	-
Nonmajor activities	2,636,680	2,756,727	2,980,963	2,648,970	2,196,295	2,287,340	2,029,634	2,816,055	-	-
Total business-type activities expenses	24,849,662	27,431,696	28,959,663	29,834,650	29,160,036	36,390,933	30,748,488	36,069,997	33,948,175	36,825,468
Total primary government expenses	\$ 51,057,397	\$ 49,120,350	\$ 47,470,818	\$ 49,151,286	\$ 48,406,874	\$ 53,752,827	\$ 48,177,324	\$ 45,607,209	\$ 56,296,810	\$ 61,581,845
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 1,642,298	\$ 1,843,825	\$ 1,630,601	\$ 1,005,296	\$ 1,255,815	\$ 288,049	\$ 258,262	\$ 333,458	366,171	111,355
Public safety	1,111,741	1,092,577	1,080,981	1,224,421	851,328	221,156	284,562	362,711	567,592	505,451
Housing and community development	326,202	210,910	211,904	456,294	197,003	-	-	-	454,920	783,575
Public works	584,329	587,676	554,639	368,895	682,559	215,615	339,403	-	28,773	92,923
Parks and recreation	632,037	751,854	716,363	1,072,615	749,548	756,906	716,575	791,257	782,091	786,161
Economic development and redevelopment	-	-	-	-	-	-	-	-	256,554	259,897
Operating grants and contributions	1,011,588	1,320,581	1,062,183	1,237,955	1,097,599	1,471,799	2,283,777	1,233,883	3,007,794	2,044,901
Capital grants and contributions	2,720,942	2,430,383	3,098,450	250,992	483,992	889,024	859,772	1,325,091	618,546	1,574,928
Total governmental activities program revenues	8,029,137	8,237,806	8,355,121	5,616,468	5,317,844	3,842,549	4,742,351	4,046,400	6,082,441	6,159,191
Business-type activities:										
Charges for services										
Airport	-	-	-	-	-	-	-	-	1,326,141	1,541,327
Conference Center	-	-	-	-	-	-	-	-	367,504	369,245
Electric	15,148,212	15,314,426	16,157,282	15,140,175	14,993,910	15,243,471	15,076,565	15,971,210	15,875,141	16,193,492
Golf	-	-	-	-	-	-	-	-	133,370	36,669
Landfill	-	-	-	-	-	-	-	-	630,477	646,611
Parking District	-	-	-	-	-	-	-	-	134,689	120,121
Street Lighting	-	-	-	-	-	-	-	-	191,388	188,814
Wastewater	7,419,735	6,423,276	9,786,375	6,213,481	8,832,757	9,264,399	9,667,659	7,493,383	8,093,392	8,002,895
Water	2,698,212	4,038,757	4,935,691	5,813,699	6,006,675	5,579,127	5,446,778	5,785,553	6,486,959	6,502,379
Disposal site	66,947	108,401	127,228	129,321	132,287	217,999	132,106	362,018	-	-
Nonmajor activities	2,448,397	2,508,685	2,905,410	2,467,226	1,965,547	2,053,819	1,806,110	1,723,513	-	-
Operating grants and contributions	20,155	10,359	10,660	40,717	57,271	-	-	210,298	534,619	819,586
Capital grants and contributions	1,737,550	-	-	-	-	25,175	10,384	2,640,396	2,592,224	12,524,559
Total business-type activities program revenues	29,537,208	28,404,904	33,922,646	29,804,619	31,988,447	32,383,990	32,139,602	34,186,371	36,365,904	46,945,698
Total primary government program revenues	\$ 37,566,345	\$ 36,642,710	\$ 42,277,767	\$ 35,421,087	\$ 37,306,291	\$ 36,226,539	\$ 36,881,953	\$ 38,232,771	\$ 42,448,345	\$ 53,104,889
Net (Expense) Revenue										
Government activities	\$ (18,178,598)	\$ (13,450,848)	\$ (10,156,034)	\$ (13,700,168)	\$ (13,928,994)	\$ (13,519,345)	\$ (12,686,485)	\$ (5,490,812)	\$ (16,266,194)	\$ (18,597,186)
Business-type activities	4,687,546	973,208	4,962,983	(30,031)	2,828,411	(4,006,943)	1,391,114	(1,883,626)	2,417,729	10,120,230
Total primary government net expense	\$ (13,491,052)	\$ (12,477,640)	\$ (5,193,051)	\$ (13,730,199)	\$ (11,100,583)	\$ (17,526,288)	\$ (11,295,371)	\$ (7,374,438)	\$ (13,848,465)	\$ (8,476,956)

(continued)

City of Ukiah, California
 Changes in Net Position (continued)
 Last Ten Fiscal Years
 Fiscal Year Ended June 30, 2019
 (Accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property tax	\$ 5,106,817	\$ 4,426,250	\$ 3,182,981	\$ 1,484,934	\$ 1,251,189	\$ 3,729,370	\$ 3,531,272	\$ 1,470,323	2,890,291	2,984,192
Sales tax	5,776,015	6,951,957	6,518,506	6,901,284	7,134,537	5,976,938	6,740,622	9,805,225	10,745,095	11,974,379
Licenses permits and franchises	-	-	-	-	-	-	-	-	1,653,146	1,781,141
Transient occupancy	661,149	691,627	775,547	828,000	959,570	1,061,823	1,229,814	1,302,336	1,406,417	1,496,473
Business license	-	-	-	-	-	-	-	-	380,797	303,604
Other taxes	936,854	891,717	917,930	929,173	916,007	2,281,810	1,939,984	2,450,254	249	462
Use of money and property	-	-	-	-	-	-	-	-	708,389	850,711
Vehicle in-lieu taxes	1,295,970	1,311,862	1,238,660	1,229,156	1,237,181	-	-	-	-	-
Interest and investment earnings	300,784	173,255	175,318	91,117	93,521	501,217	323,373	404,235	-	-
Other revenue	-	-	-	-	-	-	-	-	306,746	181,676
Transfers	1,012,185	1,408,163	1,065,910	871,692	1,816,592	-	(473,539)	(639,819)	(363,796)	(410,782)
Total governmental activities	15,089,774	15,854,831	13,874,852	12,335,356	13,408,597	13,551,158	13,291,526	14,792,554	17,727,334	19,161,856
Business-type activities:										
Property tax	-	-	-	-	-	-	-	-	16,949	17,121
Interest and investment earnings	1,091,216	719,334	441,974	200,899	356,372	321,824	672,730	468,003	-	-
Use of money and property	-	-	-	-	-	-	-	-	247,347	1,166,919
Other revenue	-	-	-	-	-	-	-	-	-	11,513
Transfers	(1,012,185)	(1,408,163)	(1,065,910)	(584,482)	(1,816,592)	-	473,539	639,819	363,796	410,782
Total business-type activities	79,031	(688,829)	(623,936)	(383,583)	(1,460,220)	321,824	1,146,269	1,107,822	628,092	1,606,335
Total primary government	\$ 15,168,805	\$ 15,166,002	\$ 13,250,916	\$ 11,951,773	\$ 11,948,377	\$ 13,872,982	\$ 14,437,795	\$ 15,900,376	\$ 18,355,426	\$ 20,768,191
Extraordinary items										
Government activities	\$ (1,746,178)	\$ (359,507)	\$ (5,277,260)	-	-	-	-	-	-	-
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	\$ (1,746,178)	\$ (359,507)	\$ (5,277,260)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special items										
Government activities	-	-	-	-	-	-	-	-	-	6,000,000
Business-type activities	-	-	-	-	-	-	-	(4,984,310)	-	-
Total Special Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,984,310)	\$ -	\$ 6,000,000
Accounting Change - Accumulative Effect										
Government activities	-	-	-	-	-	-	-	-	-	-
Business-type activities	-	-	-	(1,179,845)	-	-	-	-	-	-
Total Accounting Change - Accumulative Effect	\$ -	\$ -	\$ -	\$ (1,179,845)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Change in Net Position										
Government activities	\$ (4,835,002)	\$ 2,044,476	\$ (1,558,442)	\$ (1,364,812)	\$ (520,397)	\$ 31,813	\$ 605,041	\$ 9,301,742	\$ 1,461,140	\$ 6,564,670
Business-type activities	4,766,577	284,379	4,339,047	(1,593,459)	1,368,191	(3,685,119)	2,537,383	(5,760,114)	3,045,821	11,726,565
Total primary government	\$ (68,425)	\$ 2,328,855	\$ 2,780,605	\$ (2,958,271)	\$ 847,794	\$ (3,653,306)	\$ 3,142,424	\$ 3,541,628	\$ 4,506,961	\$ 18,291,235

Source - Audited Financial Statements - Statement of Activities

City of Ukiah, California
Fund Balances, Governmental Funds
Last Ten Fiscal Years
Fiscal Year Ended June 30, 2019
(Modified accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Nonspendable	\$ -	\$ 877,506	\$ 559,134	\$ 619,044	\$ 619,044	\$ 645,728	\$ 911,343	\$ 951,167	\$ 1,793,247	\$ 5,514,226
Restricted	-	-	-	-	-	-	-	-	4,000,000	-
Committed	-	146,147	-	183,956	203,105	-	-	-	-	-
Assigned	-	4,686,766	4,851,110	89,859	-	-	185,443	4,371,069	-	-
Unassigned	5,690,562	527,381	1,454,665	4,381,047	4,233,953	4,878,803	4,116,215	-	(1,623,326)	3,321,778
Total general fund	5,690,562	\$ 6,237,800	\$ 6,864,909	\$ 5,273,906	\$ 5,056,102	\$ 5,524,531	\$ 5,213,001	\$ 5,322,236	\$ 4,169,921	8,836,004
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	137,576	-
Restricted	-	13,404,870	5,867,124	4,486,098	4,805,526	12,931,066	12,276,877	11,698,264	126,110,721	11,765,026
Committed	-	756,047	1,235,785	713,402	3,569,505	-	-	-	12,610,721	685,933
Assigned	-	7,759,509	3,460,240	5,832,173	2,514,649	4,395,621	3,358,684	2,952,598	1,516,753	1,430,426
Unassigned	-	-	-	(894,993)	(736,226)	(232,412)	(442,572)	(1,044,381)	(1,919,041)	(2,801,435)
Reserved	6,402,686	-	-	-	-	-	-	-	-	-
Unreserved	10,027,963	-	-	-	-	-	-	-	-	-
Total other governmental funds	16,430,649	21,920,426	10,563,149	10,136,680	10,153,454	17,094,275	15,192,989	13,606,481	138,456,730	11,079,950

Source: Audited Financial Statements - Balance Sheet-Governmental funds

Note: The City of Ukiah adopted the provisions of GASB Statement No. 54 in FY2011. Prior year amounts were not restated.

City of Ukiah, California
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 Fiscal Year Ended June 30, 2019
 (Modified accrual basis of accounting)

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Property tax	\$ 5,106,817	\$ 4,426,250	\$ 3,182,981	\$ 1,484,934	\$ 1,251,189	\$ 3,729,370	\$ 3,531,272	\$ 1,470,323	\$ 2,890,291	\$ 2,984,192
Sales tax	5,776,015	6,807,971	6,465,410	6,977,233	7,104,666	5,976,938	6,824,737	9,805,225	10,745,095	11,974,379
Franchise fees	-	-	-	-	-	-	-	-	1,653,146	1,781,141
Transient occupancy	661,149	691,627	775,547	828,000	925,191	1,061,823	1,229,814	1,302,336	1,406,417	1,496,473
Business license tax	-	-	-	-	-	-	-	-	380,797	303,604
Other taxes	936,854	891,717	917,930	929,173	950,386	2,047,734	1,917,323	391,473	249	462
Charges for service	1,024,323	1,309,827	1,146,590	1,580,632	1,013,534	1,032,957	755,074	1,487,426	1,780,430	2,036,077
Licenses and permits	337,508	344,593	434,492	272,070	292,688	186,012	341,642	1,792,595	299,101	211,113
Grants contributions and donations	-	-	-	-	-	-	-	-	274,995	938,308
Intergovernmental	4,419,645	4,626,790	4,756,038	2,964,207	3,270,042	3,048,401	2,911,624	1,945,803	2,524,311	1,153,488
Fines penalties and forfeitures	195,817	295,613	270,468	319,189	256,776	58,692	78,589	73,835	73,639	33,588
Facility rental	-	-	-	-	-	-	-	-	589,952	607,020
Interest, rent, and concessions	1,565,187	1,264,421	1,083,685	224,129	340,887	497,681	336,173	415,979	99,543	243,994
Use of money and property	-	-	-	-	-	-	-	-	36,656	-
Miscellaneous	301,866	497,661	375,103	243,654	493,158	232,651	411,052	187,999	654,186	436,361
Total revenues	\$ 20,325,181	\$ 21,156,470	\$ 19,408,244	\$ 15,823,221	\$ 15,898,517	\$ 17,872,259	\$ 18,337,300	\$ 18,872,994	\$ 23,408,808	\$ 24,200,200
EXPENDITURES										
Current:										
General government	1,712,083	1,701,144	1,861,192	2,117,303	2,773,585	852,079	542,434	549,540	270,429	168,024
Public safety	8,794,788	8,712,155	8,996,781	9,831,860	9,297,118	10,229,049	11,096,768	11,592,123	11,703,851	12,111,558
Housing and community development	10,255,824	3,530,698	1,151,384	1,205,464	785,349	327,921	870,450	1,261,361	1,039,784	2,107,427
Public works	1,398,207	2,255,054	1,508,698	1,411,445	1,612,266	2,337,389	2,173,214	1,192,369	1,679,304	1,646,459
Parks, buildings, and grounds	-	-	-	-	-	-	-	-	-	26
Parks and recreation	1,859,248	2,312,834	2,048,294	2,327,464	2,304,893	2,692,906	2,616,856	2,873,224	3,183,278	3,439,596
Economic development and redevelopment	-	-	-	-	-	-	-	-	273,570	299,397
Debt service:										
Interest	307,978	289,515	559,797	-	-	-	-	-	-	142,679
Issuance expense	-	192,808	-	-	-	-	-	-	4,019	-
Principal	235,000	250,000	265,000	-	-	-	-	-	40,000	80,070
Capital lease principal	-	-	-	-	-	-	-	16,243	49,967	101,727
Capital lease interest	-	-	-	-	-	-	-	-	14,055	26,232
Capital outlay	5,188,025	5,354,765	2,481,671	1,545,538	1,159,928	1,739,147	2,612,218	2,147,966	12,217,670	6,373,804
Total expenditures	29,751,153	24,598,973	18,872,817	18,439,074	17,933,139	18,178,491	19,911,940	19,632,826	30,475,927	26,496,999
Excess (deficiency) of revenues over expenditures	(9,425,972)	(3,442,503)	535,427	(2,615,853)	(2,034,622)	(306,232)	(1,574,640)	(759,832)	(7,067,119)	(2,296,799)
OTHER FINANCING SOURCES (USES)										
Bond issue and Debt proceeds	-	8,430,000	-	-	-	-	-	-	5,125,731	-
Discount on bonds issued	-	(249,138)	-	-	-	-	-	-	-	-
Transfers in	2,114,256	4,047,961	1,072,410	2,680,654	2,076,641	1,349,208	940,063	1,010,534	1,613,884	7,813,522
Transfers out	(1,102,071)	(2,389,798)	(6,500)	(2,082,273)	(243,049)	(1,378,578)	(1,413,602)	(1,727,975)	(1,963,679)	(8,238,303)
Total other financing sources (uses)	1,012,185	9,839,025	1,065,910	598,381	1,833,592	(29,370)	(473,539)	(717,441)	4,775,936	(424,781)
SPECIAL ITEM										
Reinstatement of Successor Agency loan	-	-	-	-	-	-	-	-	-	6,000,000
Extraordinary items & Prior Period Adj.	(1,746,178)	(359,507)	(12,331,505)	-	-	7,744,852	-	-	-	-
Total special items	(1,746,178)	(359,507)	(12,331,505)	-	-	7,744,852	-	-	-	6,000,000
Net change in fund balances	(10,159,965)	6,037,015	(10,730,168)	(2,017,472)	(201,030)	7,409,250	(2,048,179)	(1,477,273)	(2,291,183)	3,278,420
Debt service as a percentage of noncapital expenditures	2.26%	3.96%	5.30%	0.00%	0.00%	0.00%	0.00%	0.09%	0.60%	0.54%

Source: Audited Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances

Prior Period adjustment of is the result of moving long-term receivables and Land Held for Resale from deferred inflows-available revenues to restricted fund balance.

Revenue Capacity

City of Ukiah, California
 Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years

Fiscal Year	Type of Tax					Total
	Property	Sales & Use	Occupancy	Franchise	Other	
2010	5,106,817	5,776,015	661,149	545,503	391,351	12,480,835
2011	4,426,250	6,260,583	691,627	548,783	342,934	12,270,177
2012	3,182,981	6,465,410	775,547	567,486	350,444	11,341,868
2013	1,484,934	6,977,233	828,000	569,892	359,281	10,219,340
2014	1,251,189	7,104,666	925,191	591,767	358,618	10,231,431
2015	3,729,370 ^{1.}	5,976,938 ^{2.}	1,061,823	1,643,559 ^{3.}	404,175	12,815,865
2016	3,531,272	6,824,737	1,229,814	1,514,798	402,524	13,503,146
2017	2,703,312 ^{4.}	8,489,734	1,302,336	1,551,794	473,976	14,521,151
2018	2,838,902	10,853,469	1,406,417	1,653,146	434,464	17,186,398
2019	2,984,192	11,974,379	1,496,473	1,781,141	304,066	18,540,251
Change 2018-2019	5.1%	10.3%	6.4%	7.7%	-30.0%	7.9%

Source: Audited Financial Statements - Statement of Revenues, Expenditures and Changes in Fund Balances

1. The change in FY2015 included moving the Motor Vehicle License fee from Sales & Use to Property.
2. The change in FY2015 included moving the Motor Vehicle License fee from Sales & Use to Property.
3. Includes the Electric Utility Franchise Fee which was previously included as a Transfer to General Fund.
4. Reduction over prior year due to the elimination of the Triple Flip portion of the Property Tax.

City of Ukiah, California
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Property Tax Schedules are not readily available from the County and are not presented here.

City of Ukiah, California
 Electric Utility Rates
 Last Ten Fiscal Years

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential, single phase										
Per meter per month, per KWH	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12790	\$ 0.13180
Minimum monthly billing	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00
General service:										
Base charge:										
Single phase	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.92	\$ 9.19	\$ 9.47
Polyphase	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.99	\$ 10.29	\$ 10.60
X-ray machine	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 22.28	\$ 22.95	\$ 22.28
Minimum charge:										
second meter	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.92	\$ 9.19	\$ 9.47
Energy use charge, per meter, per month, per KWH										
Summer	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.17578	\$ 0.18106	\$ 0.18650
Winter	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.13043	\$ 0.13435	\$ 0.13839
General Service with Demand:										
Base rate, per meter, per month	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 74.91	\$ 77.16	\$ 79.48
Demand charge per KWH										
Summer	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.11634	\$ 0.11984	\$ 0.12344
Winter	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.09367	\$ 0.09649	\$ 0.10238
General large Industrial Service:										
Base charge, per meter, per month	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 74.91	\$ 77.16	\$ 79.48
Demand charge per kwh of maximum demand:										
Winter	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.31	\$ 4.44	\$ 4.58
Summer	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.85	\$ 7.06	\$ 7.28

Source: City of Ukiah, Finance Department, Billing and Customer Services Division

City of Ukiah, California
Wastewater Utility Rates
Last Ten Fiscal Years

Wastewater System Rates- City (1)	Fiscal Year										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Residential											
Fixed Minimum Charge- Per Dwelling Unit	\$ 47.18	\$ 47.18	\$ 50.44	\$ 58.40	\$ 60.39	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44
Consumption Rate (\$/hcf (2))	\$ 1.85	\$ 1.85	\$ 1.98	\$ 2.29	\$ 2.37	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45
Commercial											
Commercial Low Strength (\$/hcf)	\$ 7.40	\$ 7.40	\$ 7.91	\$ 9.16	\$ 9.47	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79
Commercial Moderate Strength (\$/hcf)	\$ 7.91	\$ 7.91	\$ 8.46	\$ 9.79	\$ 10.12	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47
Commercial Medium Strength (\$/hcf)	\$ 13.99	\$ 13.99	\$ 14.96	\$ 17.32	\$ 17.91	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52
Commercial High Strength (\$/hcf)	\$ 18.02	\$ 18.02	\$ 19.26	\$ 22.31	\$ 23.07	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85

(1) The rates beginning in 2009-10 were approved pursuant to Resolution No. 2010-28 by City Council on July 21, 2010.
(2) Each unit equals 748 gallons or 100 cubic feet (hcf).

Wastewater System Rates- District (1)

Residential											
Fixed Minimum Charge- Per Dwelling Unit	\$ 47.18	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47
Consumption Rate (\$/hcf (2))	\$ 1.85	\$ 3.40	\$ 4.45	\$ 5.50	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60
Commercial											
Commercial Low Strength (\$/hcf)	\$ 7.40	\$ 7.91	\$ 8.46	\$ 9.06	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69
Commercial Moderate Strength (\$/hcf)	\$ 7.91	\$ 8.46	\$ 9.05	\$ 9.68	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36
Commercial Medium Strength (\$/hcf)	\$ 13.99	\$ 14.96	\$ 16.00	\$ 17.12	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32
Commercial High Strength (\$/hcf)	\$ 18.02	\$ 19.26	\$ 20.61	\$ 22.05	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60
Special (3)											

(1) The rates beginning in 2010-2011 were approved pursuant to Ordinance No. 36 approved by the District on June 30, 2011.
(2) Each unit equals 748 gallons or 100 cubic feet (hcf).
(3) Determined on a case-by-case basis.

Source: City of Ukiah, Finance Department, Billing and Customer Services Division

City of Ukiah, California
 Water Utility Rates
 Last Ten Years

Water System Rates (1)	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Consumption Rate (\$/unit (2))										
Single Family Residential	\$ 1.29	\$ 1.92	\$ 2.21	\$ 2.41	\$ 2.65	\$ 2.73	\$ 2.86	\$ 2.95	\$ 3.04	\$ 3.13
All Other Customers	\$ 1.29	\$ 1.92	\$ 2.21	\$ 2.41	\$ 2.65	\$ 2.73	\$ 2.86	\$ 2.95	\$ 3.04	\$ 3.13
Minimum base charge by Meter Size/ Class:										
3/4" Meter	\$ 15.24	\$ 22.71	\$ 26.11	\$ 28.46	\$ 31.31	\$ 32.25	\$ 33.63	\$ 34.64	\$ 35.68	\$ 36.75
1" Meter	\$ 25.90	\$ 38.59	\$ 44.38	\$ 48.37	\$ 53.21	\$ 54.81	\$ 54.00	\$ 55.62	\$ 57.29	\$ 59.01
1 1/2" Meter	\$ 50.28	\$ 74.92	\$ 86.15	\$ 93.91	\$ 103.30	\$ 106.40	\$ 104.47	\$ 107.60	\$ 110.83	\$ 114.15
2" Meter	\$ 80.75	\$ 120.32	\$ 138.37	\$ 150.82	\$ 165.90	\$ 170.88	\$ 165.27	\$ 170.23	\$ 175.34	\$ 180.60
3" Meter	\$ 152.36	\$ 227.02	\$ 261.07	\$ 284.57	\$ 313.02	\$ 322.41	\$ 307.24	\$ 316.46	\$ 325.95	\$ 335.73
4" Meter	\$ 254.45	\$ 379.13	\$ 436.00	\$ 475.24	\$ 522.76	\$ 538.45	\$ 510.02	\$ 525.32	\$ 541.08	\$ 557.31
6" Meter	\$ 507.37	\$ 755.98	\$ 869.38	\$ 947.62	\$1,042.38	\$1,073.66	\$1,073.66	\$1,047.00	\$1,078.41	\$1,110.76
Fire Service 2" & under	\$ 16.15	\$ 24.06	\$ 27.67	\$ 30.16	\$ 33.18	\$ 34.18	\$ 36.07	\$ 37.15	\$ 38.26	\$ 39.41
Fire Service 3"	\$ 30.47	\$ 45.40	\$ 52.21	\$ 56.91	\$ 62.60	\$ 64.48	\$ 64.84	\$ 66.79	\$ 68.79	\$ 70.85
Fire Service 4"	\$ 50.89	\$ 75.83	\$ 87.20	\$ 95.05	\$ 104.55	\$ 107.69	\$ 105.93	\$ 109.11	\$ 112.38	\$ 115.75
Fire Service 6" & up	\$ 101.47	\$ 151.19	\$ 173.87	\$ 189.52	\$ 208.47	\$ 214.72	\$ 208.56	\$ 214.82	\$ 221.26	\$ 227.90

(1) The rates beginning in 2009-10 were approved pursuant to Resolution No. 2010-27 by City Council on July 21, 2010.

(2) Each unit equals 748 gallons.

City of Ukiah, California
 Top Ten Electric Usage Customers
 Current
 Fiscal Year Ended June 30, 2019

	2019	
Rate Payers	Electric Usage	
City of Ukiah	\$ 821,411	5.10%
County of Medocino	574,610	3.57%
Ukiah Unified School District	464,936	2.89%
Ukiah Valley Medical Center	364,628	2.26%
Costco	351,575	2.18%
Safeway Stores	281,721	1.75%
Maverick Enterprises	202,813	1.26%
Save Mart Supermarkets (Lucky's)	198,684	1.23%
Wal-Mart	182,257	1.13%
Save Mart Supermarkets (Food Maxx)	178,441	1.11%
	\$ 3,621,076	22%

Source: City of Ukiah, Finance Department, Billing and Customer Services Division

Debt Capacity

City of Ukiah, California

Ratio of Outstanding Debt by Type

Per Capita and Per Capita Income Data

Last Ten Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Estimated Ukiah Personal Income	Governmental Type Activities	Business Type Activities			Total Primary Government	Debt Per Capita	
				Redevelopment Bonds	Electric Revenue Bonds	Installment Agreements	State Loans			Landfill Obligations
2010	15,682	\$ 32,388	\$ 507,908,616	\$ 4,785,000	\$ 12,570,000	\$86,945,000	\$ 4,068,249	\$ 8,594,214	\$ 13,379,214	\$ 853
2011	16,109	\$ 33,353	\$ 537,283,477	\$12,965,000	\$ 11,330,000	\$85,035,000	\$ 3,591,810	\$ 8,595,222	\$ 21,560,222	\$ 1,338
2012	15,960	\$ 35,110	\$ 560,355,600	\$12,700,000	\$ 10,005,000	\$83,055,000	\$ 3,100,437	\$ 8,775,386	\$ 21,475,386	\$ 1,346
2013	16,065	\$ 36,791	\$ 591,047,415	\$11,845,000	\$ 8,595,000	\$81,010,000	\$ 2,593,306	\$ 8,928,942	\$ 20,773,942	\$ 1,293
2014	16,185	\$ 38,307	\$ 619,998,795	\$10,935,000	\$ 7,095,000	\$78,895,000	\$ 2,070,256	\$ 9,062,877	\$ 19,997,877	\$ 1,236
2015	16,073	\$ 39,545	\$ 635,606,785	\$ 9,970,000	\$ 5,485,000	\$76,695,000	\$ 1,530,670	\$14,700,370	\$ 24,670,370	\$ 1,535
2016	16,186	\$ 43,845	\$ 709,675,170	\$ 8,950,000	\$ 3,775,000	\$74,075,000	\$ -	\$14,700,370	\$ 23,650,370	\$ 1,461
2017	16,314	\$ 45,436	\$ 741,242,904	\$ 7,865,000	\$ 1,950,000	\$73,597,990	\$ -	\$14,700,370	\$ 22,565,370	\$ 1,383
2018	16,226	\$ 47,611	\$ 772,536,086	\$ 7,350,000	\$ -	\$69,010,000	\$ -	\$14,700,370	\$ 22,050,370	\$ 1,359
2019	16,296	\$ 50,150	\$ 817,244,400	\$ 6,800,000	\$ -	\$81,714,763	\$ -	\$16,236,314	\$ 23,036,314	\$ 1,414

Source: Estimated Population-from the State of California Department of Finance.
 Countywide Per Capita Income- Bureau of Economic Analysis CA1 Personal Income Summary;Personal Income, Population,
 Per Capita Personal Income
 Redevelopment Bond - Audited Financial Statements-Combining Statement of Fiduciary Net Position
 Installment Agreements/State Loans & Landfill Obligations-Notes to Financial Statements-Long Term Debt

City of Ukiah, California
Ratio of General Bonded Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Actual Taxable Value of Property	General Bonded Debt Outstanding			Debt Per Capita	Percentage of Actual Taxable Value of Property
				Redevelopment Bonds	General Obligation Bonds	Total Primary Government		
2010	15,682	\$ 32,388	\$1,205,686,442	\$ 4,785,000	\$ -	\$ 4,785,000	\$ 305	0.40%
2011	16,109	\$ 33,353	\$1,180,790,444	\$12,965,000	\$ -	\$ 12,965,000	\$ 805	1.10%
2012	15,960	\$ 35,110	\$1,169,395,369	\$12,700,000	\$ -	\$ 12,700,000	\$ 796	1.09%
2013	16,065	\$ 36,791	\$1,171,599,083	\$11,845,000	\$ -	\$ 11,845,000	\$ 737	1.01%
2014	16,185	\$ 38,307	\$1,195,466,105	\$10,935,000	\$ -	\$ 10,935,000	\$ 676	0.91%
2015	16,073	\$ 39,545	\$1,224,746,468	\$ 9,970,000	\$ -	\$ 9,970,000	\$ 620	0.81%
2016	16,186	\$ 43,845	\$1,267,903,229	\$ 8,950,000	\$ -	\$ 8,950,000	\$ 553	0.71%
2017	16,314	\$ 45,436	\$1,304,711,495	\$ 7,865,000	\$ -	\$ 7,865,000	\$ 482	0.60%
2018	16,226	\$ 47,611	\$1,364,333,801	\$ 7,350,000	\$ -	\$ 7,350,000	\$ 453	0.54%
2019	16,296	\$ 50,150	\$1,424,497,607	\$ 6,800,000	\$ -	\$ 6,800,000	\$ 417	0.48%

Source: Estimated Population-from the State of California Department of Finance
Countywide Per Capita Income- Bureau of Economic Analysis CA1 Personal Income Summary; Personal Income, Population, Per Capita Personal Income
Redevelopment Bond - Audited Financial Statements-Combining Statement of Fiduciary Net Position
County of Mendocino Assessed Valuations by District

City of Ukiah, California
 Computation of Direct and Overlapping Debt
 June 30, 2019

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to City (1)	Estimated Share of Direct and Overlapping Debt
2018-19 Assessed Valuation (City of Ukiah):			\$ 1,499,125,974
2018-19 Assessed Valuation (Successor Agency to the Ukiah RDA):			926,525,455
2018-19 Incremental Assessed Valuation (Successor Agency to the Ukiah RDA):			670,318,458
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		<u>% Applicable⁽¹⁾</u>	<u>Debt 6/30/2019</u>
City of Ukiah		100.00%	\$ -
Ukiah Unified School District		34.27%	16,468,477.55
Mendocino-Lake Community College District		13.63%	7,968,806.27
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 24,437,283.82
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
City of Ukiah		100.00%	\$ -
Mendocino County General Fund Obligations		12.67%	2,170,742.26
Mendocino County Pension Obligation Bonds		12.67%	6,367,764.07
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 8,538,506.33
OVERLAPPING TAX INCREMENT DEBT(SUCCESSOR AGENCY)		100.00%	\$ 6,800,000.00
Total Direct Debt			\$ -
Total Overlapping Debt			39,775,790.15
Total Combined Debt			<u>\$ 39,775,790.15</u> ⁽²⁾
<u>Ratios to 2018-19 Assessed Valuation:</u>			
Total Direct Debt	0.00%		
Total Overlapping Tax and Assessment Debt	1.63%		
Total Overlapping Debt	2.65%		
Total Combined Debt	2.65%		
<u>Ratios to 2018-19 Redevelopment Successor Agency Incremental Assessed Valuation:</u>			
Total Overlapping Tax Increment Debt	1.01%		

⁽¹⁾ The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping entities' assessed value that is within the boundaries of the City, divided by the entities' total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue and mortgage revenue and non-bonded capital lease obligations.

City of Ukiah, California
 Legal Debt Margin Information
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Assessed Valuation</u>	<u>Ratio Applied as % of Assessed Value</u>	<u>Legal Debt Limit Margin</u>	<u>Total Debt Subject to Limit</u>	<u>Debt Subject to Limit as % of Debt Limit</u>
2010	\$1,205,686,442	15.00%	180,852,966	-	0.00%
2011	\$1,180,790,444	15.00%	177,118,567	-	0.00%
2012	\$1,169,395,369	15.00%	175,409,305	-	0.00%
2013	\$1,171,599,083	15.00%	175,739,862	-	0.00%
2014	\$1,195,466,105	15.00%	179,319,916	-	0.00%
2015	\$1,224,746,468	15.00%	183,711,970	-	0.00%
2016	\$1,267,903,229	15.00%	190,185,484	-	0.00%
2017	\$1,304,711,495	15.00%	195,706,724	-	0.00%
2018	\$1,364,333,801	15.00%	204,650,070	-	0.00%
2019	\$1,424,497,607	15.00%	213,674,641	-	0.00%

Legal Debt Limit Margin Calculation for 2018-2019

Assessed value	<u>\$ 1,424,497,607</u>
Debt limit is 15% of assessed value	\$ 213,674,641
Less: Debt applicable to limitation	\$ -
Total bonded debt	<u>\$ -</u>
Legal debt margin	<u>\$ 213,674,641</u>

In accordance with state law the City may not incur general obligation bonded indebtedness in excess of 15% of total assessed valuation, with such debt being payable from the proceeds of taxes levied upon taxable properties
 Source: County of Mendocino Assessed Valuations by District

City of Ukiah, California
Pledged Net Revenue Debt Coverage
Last Ten Fiscal Years

Fiscal Year	Water System Debts ⁽²⁾				Wastewater System Debts ⁽⁴⁾				2016 Water System Installment ⁽³⁾			
	Pledged System Net Revenues	Debt Service		Coverage	Pledged System Net Revenues ⁽¹⁾	Debt Service		Coverage	Pledged System Net Revenues	Debt Service		Coverage
		Principal	Interest			Principal	Interest			Principal	Interest	
2010	\$ 2,643,638	\$ 639,325	\$ 675,991	2.01	\$ 6,026,227	\$ 1,546,380	\$ 3,428,024	1.21	\$ -	\$ -	\$ -	-
2011	2,007,243	647,515	665,601	1.53	3,577,709	1,956,772	3,369,632	0.67	-	-	-	-
2012	2,769,261	687,854	622,659	2.11	6,903,915	2,027,475	3,267,419	1.30	-	-	-	-
2013	2,662,015	453,632	622,148	2.47	6,685,684	2,098,499	3,189,995	1.26	-	-	-	-
2014	2,792,636	468,196	587,262	2.65	8,978,102	2,169,854	3,109,840	1.70	-	-	-	-
2015	3,223,234	488,037	567,331	3.05	7,260,306	2,263,252	3,038,640	1.37	-	-	-	-
2016	2,563,208	-	338,868	7.56	5,855,558	2,343,252	2,940,898	1.11	2,563,208	-	340,258	7.53
2017	-	-	-	-	5,051,019	2,010,000	2,851,300	1.04	3,132,696	475,000	448,769	3.39
2018	-	-	-	-	5,380,901	2,090,000	2,770,900	1.11	3,009,652	490,000	436,669	3.25
2019	-	-	-	-	4,250,496	2,180,000	2,687,300	0.87	3,820,384	500,000	419,319	4.16

Details regarding the City's outstanding debt can be found in the notes to the

1. Includes Ukiah Valley Sanitation District payments for Waste Water services and portion of Debt Service.
2. 2005 Water System Installment Agreement
State of California Department of Water Resources-paid off in 2016 as part of the refinancing of the Water System bonds
3. 2016 Water System Installment Agreement refunding. Paid off Water System Debts.
4. 2006 Waste Water System Installment Agreement.
State of California Water Resources Control Board

Demographic and Economic information

City of Ukiah, California
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	Estimated Population	Countywide Per Capita Income	Estimated City Ukiah Income	Assessed Valuation	Unemployment Rate
2010	15,682	\$ 32,388	\$ 507,908,616	\$ 1,205,686,442	10.80%
2011	16,109	\$ 33,353	\$ 537,283,477	\$ 1,180,790,444	10.60%
2012	15,960	\$ 35,110	\$ 560,355,600	\$ 1,169,395,369	9.90%
2013	16,065	\$ 36,791	\$ 591,047,415	\$ 1,171,599,083	7.40%
2014	16,185	\$ 38,307	\$ 619,998,795	\$ 1,195,466,105	5.90%
2015	16,073	\$ 39,545	\$ 635,606,785	\$ 1,224,746,468	5.40%
2016	16,186	\$ 43,845	\$ 709,675,170	\$ 1,267,903,229	5.90%
2017	16,314	\$ 45,436	\$ 741,242,904	\$ 1,304,711,495	4.50%
2018	16,226	\$ 47,611	\$ 772,536,086	\$ 1,364,333,801	3.90%
2019	16,296	\$ 50,150	\$ 817,244,400	\$ 1,424,497,607	4.20%

Source: Estimated Population-State of California Department of Finance
 Countywide Per Capita Income- Bureau of Economic Analysis CA1 Personal Income Summary:Personal Income, Population, Per Capita Personal Income
 Assessed Valuations-County of Mendocino-Assessed Valuations by District
 Unemployment Rate-State of California Employment Development Department Labor Market Division Labor Force Data for Counties

City of Ukiah, California
Principal Employers

2019 Employers	Industry	Number of Employees (1)
Adventist Health Ukiah Valley	Outpatient Services	500-999
City of Ukiah	City Services	100-249
Costco Wholesale	Wholesale Clubs	100-249
County of Mendocino	Government Offices-County	1000-1250
Dharma Realm Buddhist Association	Associations	100-249
Mendocino Community Health	Clinics	250-499
Mendocino County Office of Education	Government Offices-County	100-249
Pacific Coast Farm Credit	Loans-Agricultural	100-279
Ukiah Valley Medical Center	Hospitals	500-999
Walmart	Department Stores	100-249

Notes:

1. Number of Employees reflects a range provided by California Employment Development Department (EDD) Labor Market Information data, 2020 1st Edition.

Source: California Employment Development Department (EDD).

Operating Information

City of Ukiah, California
 Full-time and Part-time City Employees by Function
 Last Ten Calendar Years

Function	Full-Time Equivalent Personnel as of June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government ⁽¹⁾	21.2	21.7	20.7	23.2	23.1	24.0	21.5	27.5	32.9	36.5
Police ⁽²⁾	42.5	39.5	39.5	38.5	43.0	48.0	49.0	49.0	52.7	53.0
Fire	20.5	18.5	18.5	15.5	11.0	11.0	11.0	11.0	13.2	20.5
Planning & Building	4.5	4.3	4.3	4.0	5.5	6.0	6.0	6.0	5.4	5.8
Public Works, Water Sewer & Wastewater Treatment	43.9	45.7	41.6	38.9	38.3	39.0	41.5	42.5	44.2	43.5
Electric	18.1	17.8	17.4	18.2	16.2	17.0	17.0	18.0	21.6	21.3
Airport	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	4.2	4.2
Parks & Recreation	19.5	18.9	17.9	18.7	17.9	17.0	20.0	19.0	33.5	35.5
Total: ⁽³⁾	<u>172.2</u>	<u>168.4</u>	<u>162.0</u>	<u>159.0</u>	<u>157.0</u>	<u>164.0</u>	<u>168.0</u>	<u>175.0</u>	<u>207.6</u>	<u>220.3</u>

(1) includes City Administration, Finance, Human Resources, Administrative Support and Information Services Functions

(2) Includes dispatch that supports both police and fire.

(3) The City's method of counting FTE changed for FY2018 & FY2019.

Source: City of Ukiah Budget-Authorized Full-Time Personnel (FTE) FY19/20



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

City Council
City of Ukiah
Ukiah, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Ukiah (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described as item 2019-001 in the accompanying schedule of findings and responses to be a material weakness.

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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2019-002 to 2019-004 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Ukiah's Responses to Findings

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Lant + Fankhaed, LLP

January 23, 2020

CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2019

2019-001 Adjusting Audit Entries

Condition:

In preparation for the annual audit, the City's Finance staff performed significant analysis and reconciliations of various accounts in the City's general ledger. When we began our year-end audit fieldwork, it became apparent that the City's Finance staff made significant improvements in its year-end accounting preparation compared to the previous fiscal year audit. However, while performing audit procedures, we identified and proposed several material adjusting journal entries to the City's accounting records.

Criteria:

Statements on Auditing Standards No. 115, Communicating Internal Control Related Matters Identified in an Audit, states that, "indicators of material weaknesses in internal control include: identification by the auditor of a material misstatement of the financial statements under audit in circumstances that indicate the misstatement would not have been detected by the entity's internal control."

Cause of Condition:

Required year-end accounting entries were recommended by the City's auditors.

Potential Effect of Condition:

Material misstatements of the City's financial statements could go undetected.

Recommendation:

We recommend the City review the adjusting journal entries proposed by the auditors throughout the audit and make the necessary changes to the year-end closing process to ensure the required year-end entries are made in preparation of future financial statements.

Management's Response:

The Finance Department was successful in recruiting and filling critical vacancies integral to regular and year-end review of the general ledger. Management agrees with the Auditor's recommendation and will continue to strengthen its accounting review.

**CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2019**

2019-002 Segregation of Incompatible Duties Over Cash Receipts for Community Services

The following is a continuation from the prior year:

Condition:

As part of our audit procedures we reviewed the process of collecting cash receipts at the Community Services Department in order to gain an understanding of the internal controls in this area. During our review we noted several weaknesses in the cash collection process. Below is a list of the issues identified:

- 1) No numerical reconciliation of the manual receipts issued, and through discussions with City staff, the issuance of receipts is not mandatory.
- 2) Cash payments are taken by instructors without the issuance of receipts.
- 3) Reconciliation of the number of people registered for classes to the number of people in attendance in a class is not done on a consistent basis.
- 4) Lack of segregation of duties for the receptionist/clerk who collects payments, inputs receipts, and reconciles the cash and checks collected.

Criteria:

In a strong internal control environment, receipts should be issued for all transactions, manual receipts should only be used in very limited circumstances and, if used, the numerical sequence of receipts issued should be performed, and incompatible duties should be properly segregated.

Cause of Condition:

Procedures for reviewing numerical sequence of receipts has not been established or implemented, and cash receipting duties have not been sufficiently segregated.

Potential Effect of Condition:

Lack of internal controls over the collection of payments at the Community Services Department could result in payments collected that are not ultimately recorded in the City's general ledger and deposited into the City's bank accounts.

Recommendation:

We recommend the City implement procedures for reviewing the numerical sequence of cash receipts by an individual independent of the cash collection process, make sure all customers are issued receipts, and properly segregate duties for cash collection.

CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2019

*2019-002 Segregation of Incompatible Duties Over Cash Receipts for Community Services
- Continued*

Management's Response:

Management agrees with the Auditor's recommendation and will work to implement the appropriate procedures and protocols for cash management in the Community Services Department. The Finance Department was unable to address this issue fully in 2018-19 but intends to complete an evaluation of the condition by the end of 2019-20 and implement changes if needed.

2019-003 Building Permits

Condition:

The City's building permit system is a module of Munis, the general ledger accounting system used. Payments for building permits are collected by the cashiers by crediting the permit application in Munis. However, the permit technicians can issue permits with a balance due, with no independent reconciliation performed between the permits issued and the revenues collected and posted to the general ledger.

Criteria:

In a strong internal control environment, permits issued should be reconciled with the revenues collected and recorded in the general ledger on a periodic basis to ensure all permits issued have a corresponding cash receipt.

Cause of Condition:

The City does not reconcile the building permits issued to the revenues collected and recorded in the general ledger.

Potential Effect of Condition:

Building permits could be issued without a corresponding cash receipt being recorded in the City's general ledger and deposits in the City's bank account.

Recommendation:

We recommend the City implement procedures to generate reports from the building permit module, and periodically (daily, weekly, monthly) have someone independent of the permit issuance and collection functions review and reconcile the amounts from these reports to the revenues posted in the City's general ledger.

CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2019

2019-004 Building Permits - Continued

Management's Response:

Management agrees with the Auditor's recommendation. The City's Finance Department worked with the Community Development Department to evaluate and implement reasonable and appropriate procedures to strengthen its ability to account for building permit activities during the 2017-18 and 2018-19 fiscal years. The process is ongoing but significant improvements were implemented in 2018-19, following a complete review and re-training by Community Development and Finance Department team members on the use of the Munis building permit module.

2019-005 Credit Card Use Policy

Condition:

While conducting audit procedures relating to disbursements/expenditures, we were unable to obtain a detailed credit card use policy. In addition, through review of credit card activity, it appears that meals are being purchased using the City's credit card. The City has reimbursement policies for meals and travel expenses; however, there is no detailed policy for credit card use when traveling or for the purchase of meals.

Criteria:

Credit card usage should be well documented and subject to established City policies. Use of City credit cards by City staff should have sufficient supporting documentation detailing the specific reasons for using the credit cards, including meals and travel. In addition, travel costs incurred should be in accordance with set standards, such as those established by the General Services Administration (GSA).

Cause of Condition:

The City's credit card policies do not provide detailed guidance regarding allowable use and proper documentation.

Potential Effect of Condition:

The potential for unauthorized purchases or excessive costs incurred is increased.

Recommendation:

We recommend the City establish detailed policies on the appropriate use of City credit cards and implement procedures to ensure all credit card activity is properly reviewed and documented. Credit card policies should be established to ensure conservative, efficient use of City funds. In

**CITY OF UKIAH
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2019**

2019-005 Credit Card Use Policy - Continued

addition, policies for allowable use of City credit cards while traveling should also be clearly defined. The supporting documentation should include the purpose for travel and a reconciliation of travel costs with a set standard of limits for meals and lodging.

Management's Response:

Management agrees with the Auditor's recommendation. The City does have a defined policy, adopted by City Council, on travel and related meals for City team members. It follows that policy accordingly when travel and related meals are reviewed, approved, incurred, and reconciled. The City does not have a specific, defined credit card use policy outside of its standard policies on the use of City funds and resources. The latter has been used to govern credit card use. All credit card transactions are reviewed by the respective department head and the Finance Department during the credit card statement reconciliation and before payment. However, in 2018-19 the City began implementing a new travel program and protocol along, with a new credit card system planned for 2019-20, aligning with the State of California's CalCard program. Integral to its implementation will be a specific policy on the use of the CalCard. Further, the new travel program will align the City's policies to GSA guidelines and standards.



**INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES
APPLIED TO APPROPRIATIONS LIMIT WORKSHEETS**

City Council
City of Ukiah
Ukiah, California

We have performed procedures enumerated below to be the accompanying Appropriations Limit worksheet of the City of Ukiah, for the year ended June 30, 2019. These procedures, which were agreed to by the City of Ukiah and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII B of the California Constitution*), were performed solely to assist the City in meeting the requirements of Section 1.5 of Article XIII B of the California Constitution. The City's management is responsible for the Appropriations Limit worksheet. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and our findings were as follows:

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

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

2. For the accompanying Appropriations Limit worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

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

3. We agreed the current year information presented in the accompanying Appropriations Limit worksheet to the other documents referenced in #1 above.

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

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4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

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

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying Appropriations Limit worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriations limit for the base year, as defined by the League publication entitled *Article XIII B of the California Constitution*.

This report is intended solely for the use of the City Council and management of the City of Ukiah and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Van Lant + Fankhanel, LLP

January 23, 2020

CITY OF UKIAH
 APPROPRIATIONS LIMIT COMPUTATION
 2018 – 2019

	2018-19
Change in Per Capita Personal Income	3.67%
Population Change	
City Population Growth	2.12%
A. Change in Per Capita Personal Income Converted to a Ratio	1.0367
B. Population Growth Converted to a Ratio	1.0212
Calculation of Growth Factor (A x B)	1.05868
2017 - 2018 Appropriations Limit	<u>\$ 40,289,117</u>
2018 - 2019 Appropriations Limit (42,289,117 x 1.05868)	<u>\$ 42,653,203</u>

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