



*City of Ukiah*

# City of Ukiah, California Annual Comprehensive Financial Report

Fiscal Year Ended  
June 30, 2021

# Annual Comprehensive Financial Report

City of Ukiah, California

Fiscal Year Ended June 30, 2021

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## Introductory Section



December 30, 2021

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 Annual Comprehensive Financial Report (CAFR) for the fiscal year ended June 30, 2021. 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.

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, 2021, 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, 2021, 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 15,526<sup>1</sup> 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 6,960<sup>2</sup>. Unemployment in Ukiah was approximately 6.4 percent in June 2021, down from 15.3 percent in 2020<sup>3</sup>. Within ten miles, there is a diverse labor force specializing in such

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<sup>1</sup> 2021 California Department of Finance, Demographic Research Unit, E-1 Population Estimates for Cities, Counties, and the State, May 2021

<sup>2</sup> 2021 California Employment Development Department, Labor Market Information Division, <https://www.labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>

<sup>3</sup> Unemployment spike to end the fiscal year, June 30, 2020 due predominantly to the COVID-19 pandemic. Prior to March 2020, the unemployment rate in Ukiah was 5.9 percent.

occupations as 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 19.1<sup>4</sup> 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 2020-21, 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 sustained an aggressive recruiting strategy to attract officer candidates 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, more sophisticated criminal use of technology, and the effects of prison realignment and decriminalization. With the continued and steady rise of incidents, the Fire Department saw an increasing number of times where all their resources are committed and unable to respond to additional calls for service. The COVID-19 pandemic elevated considerably the need for public safety services, working with other services offered by the City and Mendocino County to ensure the Ukiah community could navigate the effects of the pandemic.
- **Recreation and civic culture.** The Community Services Department expanded programming to include Spanish-language swim classes, paddle boarding classes, pickleball, health and safety classes, aquatic yoga, and SCUBA certifications. Over 160 contractor classes were provided with a broad variety of offerings.

Additionally, the department improved Spanish-language accessibility by providing forms and flyers in Spanish. These additional activities enable the City to effectively serve even more of our valued community members.

Events are an important part of Ukiah's culture, education, economic and social well-being, and City staff organized and hosted numerous events throughout the year including: PumpkinFest, Sundays in the Park, Moonlight Movie Madness, All American Picnic in the Park, Flynn Creek Circus, Community Yard Sale and Kids Triathlon.

At the Grace Hudson Museum, the City replaced incandescent gallery lighting with LED lights, thus conserving energy and utilities expenses over time. Museum staff embraced the challenge of finding new and diverse ways to engage the public in this time of pandemic.

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<sup>4</sup> 2021 California Employment Development Department, Labor Market Information Division, <https://www.labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>

The Civic Center Council Chambers received a significant audio/visual overhaul and upgrade, allowing better community engagement and outreach as the Council conducts their meetings and City business.

- **Community preparedness and emergency management.** Unprecedented wildfires, drought, Public Safety Power Shut-offs, and the COVID-19 pandemic have led to an increased need for community outreach and emergency preparedness. The City responded to these needs by prioritizing emergency management through staff reassignments to provide a full-time Emergency Manager and a part-time analyst. The reassignments ensured that the City could provide optimal response to the pandemic and prepare for other disasters.

The City's Emergency Management Office partnered with the Ukiah Valley Fire Authority, Mendocino College, Adventist Health Ukiah Valley, Coastal Valley EMS, North Coast Opportunities, and Mendocino County Public Health, to organize a COVID-19 testing and vaccination sites where thousands of community members were successfully tested and/or vaccinated for COVID-19.

Additional emergency preparedness efforts included the ongoing development of community partnerships, collaboration to develop fire fuel breaks, and community outreach and preparedness events.

- **Housing.** The City of Ukiah adopted a 2021-2027 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. The City continued its efforts in 2021, implementing the measures contained in the Housing Element, with deliberate focus on increasing the supply of housing and bringing in over \$4.5 million in grant funding to support that effort.
- **Improving our streets and infrastructure.** 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. Altogether, \$2.9 million was expended on streets from Measure Y alone (additional discussion of this provided later in this letter).

The Public Works Department, in partnership with the Electric Utility Department and City Manager's Office, continued work on the Ukiah Streetscape Project. When completed, the Ukiah Streetscape Project will provide streetscape improvements in downtown Ukiah on State Street, Perkins Street, and Standley Street, including sidewalk widening, curb ramps and bulb outs, street lights, street furniture and tree planting. The project also includes a road diet between Henry Street and Mill Street that will transform the existing four-lane cross section to improve traffic and pedestrian safety and streamline traffic flow. This work also will comprise of pavement overlay, striping, and pavement markings.

Capital projects continued at the City of Ukiah Municipal Airport. A \$3.8 million dollar grant from the Federal Aviation Administration (FAA) awarded to the City supported runway improvements.

The project includes replacement of 75 feet of center runway, the installation of a new blast pad, and surface treatment for the remainder of the runway. Additionally, lighting, pavement markings, and signage were updated during this project. From daily freight operations to emergency services and so much more, the airport is itself an economic engine for the area.

Resiliency and sustainability continue to be major areas of focus for the City. In 2020-21, the Electric Utility Department completed a substantial utility undergrounding project in Oak Manor and began the Gobbi Street undergrounding project. Utilities will also be moved underground on State Street in the Streetscape Project area. The Department completed the State Fire Mitigation Plan, continues to participate in the State's Low Carbon Fuel Standard Program, and has expanded maintenance and preventative testing. These projects significantly increase our fire resiliency as well as reduce the risks of electrical outages for all customers.

Our Water Resources Department made significant progress in the replacement of an existing 100,000-gallon water reservoir in Pressure Zone 2 South. They also replaced several water mains as part of an ongoing capital improvement program, updated the Urban Water Management Plan, and re-initiated water rights petitions to ensure that this valuable resource provides maximum benefits for our community. The Recycled Water Division completed Phases 1-3 of the recycled water project, a highly successful component of the City's sustainability efforts, and the team will begin design of Phase 4. Phases 1-3 are currently serving about 650 acres of agriculture (vineyards, orchards, and alfalfa) 20 acres of pasture, and 15 acres of turf (3 parks and a school).

From all sources this year, the City spent over \$7.3 million on streets and rights-of-way infrastructure and \$22.2 million in utility and support services infrastructure, totaling \$29.5 million.

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

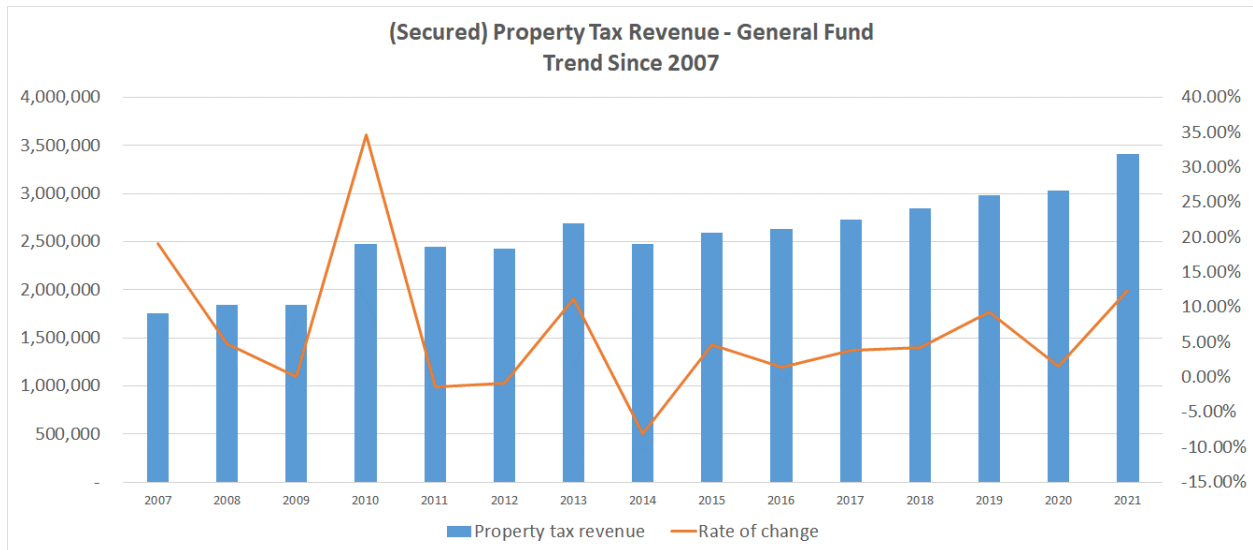
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates. Understanding that property and sales taxes generate the City's largest two sources of general revenue, it is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

Like every community in the nation, Ukiah was hit hard by the COVID-19 pandemic. The local economy, however, endured (and continues to endure) through the most challenging financial impacts of it. Due in large part to its diverse, economic base and function as an economic hub to the greater Mendocino, Lake, southern Humboldt, and northern Sonoma counties, Ukiah businesses have persevered, and the City finances have remained reasonably stable. Prior to March 2021, unemployment remained low, and consumer spending (through sales tax analysis), building permits, and planning work indicates economic confidence to invest in housing and business development was strong. The housing market, while making progress toward recovering values from the highs of 2007, remained strong, albeit insufficient to meet the demands for market-based housing due to its low supply of units and high prices.

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.

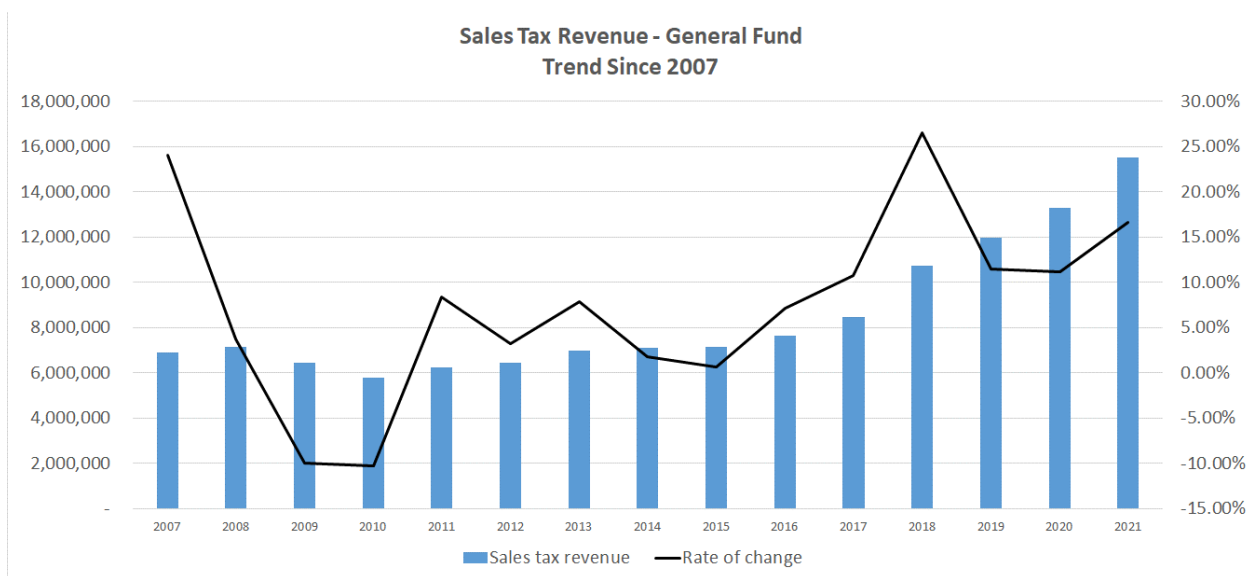
As mentioned earlier, the City's principal General Fund revenue sources are sales tax and property taxes. Sales tax (most notably) grew significantly from the year prior to end the fiscal year. Tax revenue sources are expected continue to grow modestly in the first quarter of FY 2022. But so much of that continued growth depends on the actions of the federal government, most notably Congress, in its economic response to the pandemic, including measure to address inflationary pressures on local businesses and consumers.

Underlying property-related revenues in general are expected to increase modestly FY 2021-21 and beyond, likely to average 2-2.5 percent; however, as illustrated in Figure 1 below, revenue received from this source increased at a higher rate due to adjustments of property tax increment payments to the City from the County of Mendocino. These adjustments are related more to the effects from dissolution activities of the former Ukiah Redevelopment Agency than to underlying property values in the former redevelopment project area.



**FIGURE 1**

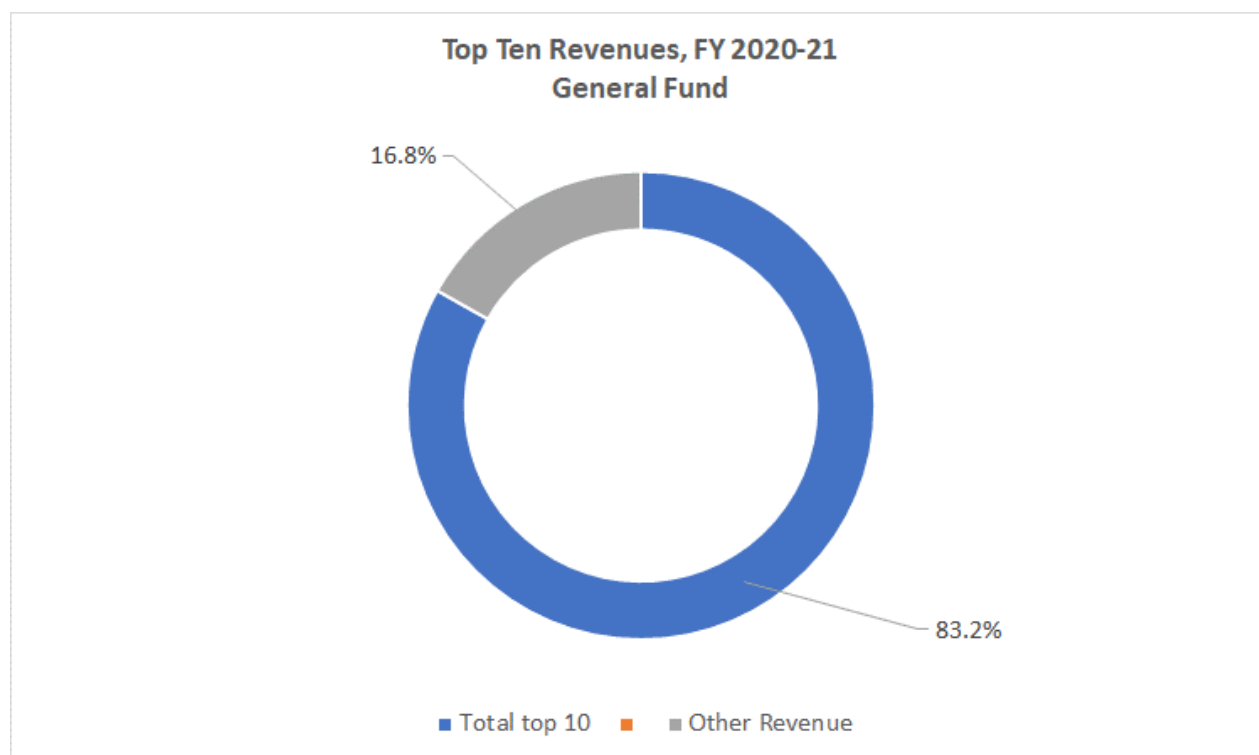
As the hub of Mendocino County, Ukiah has a strong sales tax base. This served the City well in providing sufficient revenues to maintain service levels at pre-pandemic levels with minimal interruption or disruption. The City realized positive sales tax returns beyond initial budgetary estimates for the year and exceeded amounts realized in the prior year, as Figure 2 demonstrates. We forecast continued growth and strong revenues from sales tax sources in the coming year and, short of an immediate recession, beyond for at least another. But we continue to take a cautiously optimistic view at this time and plan service delivery and budgetary estimates with conservative revenue assumptions.



**FIGURE 2**



### Financial Condition: General Revenues - Top Ten:



**FIGURE 3**

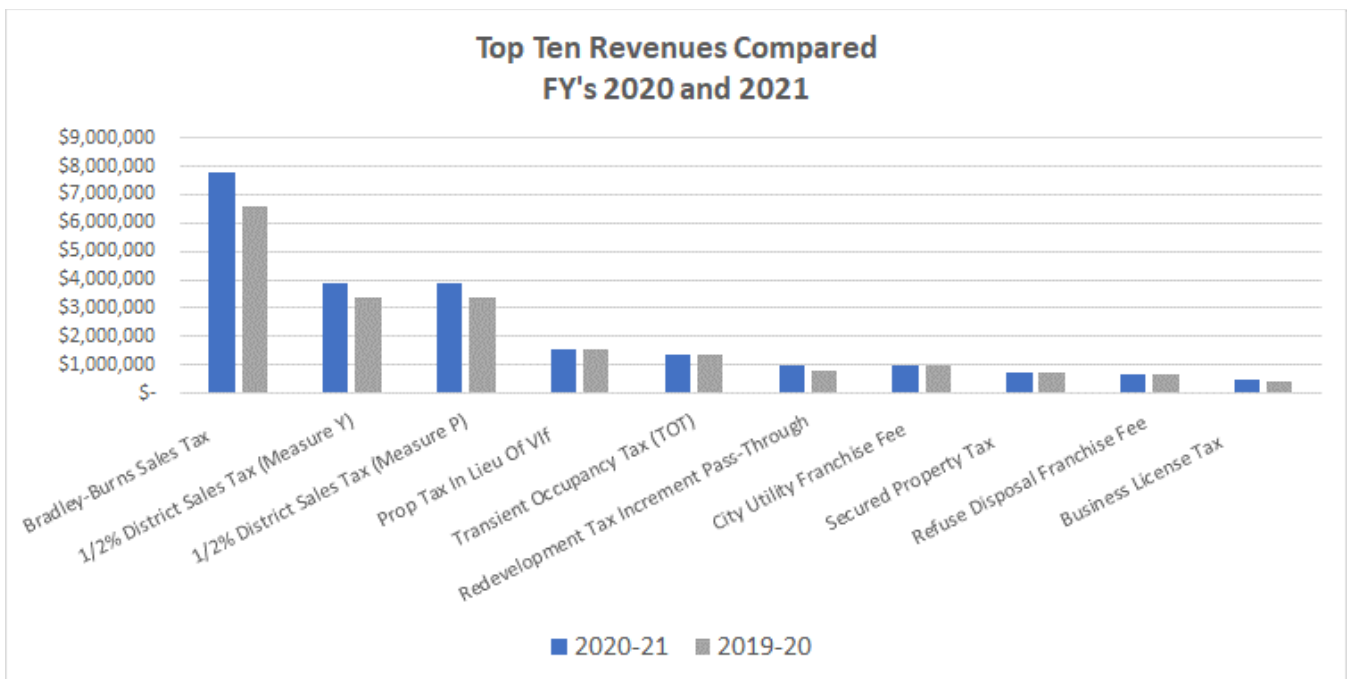
The City's top ten revenue sources account for 83.2 percent of total General Fund income. Focusing on these sources can provide a useful understanding of the City's revenue position.

Overall, these key revenues performed better in 2021 than in 2020. The strongest performer was Redevelopment Tax Increment pass-through, due principally to changes in funding and obligation requirements for the Ukiah Redevelopment Successor Agency. Business license tax revenue was next, but increased revenues from this source reflected more on the timing of payments from businesses that were past due or late in payment from the prior year. The most informative change in terms of the underlying revenue picture for the City's general fund is that of sales and transaction and use taxes. As the City is strongly reliant on the economic vitality of its retailers, strong returns in this revenue source signaled strong overall economic health for both the City and broader retail trade area.

## TOP 10 - REVENUES

Current from Prior  
Year Ended June 30, 2021

REVENUE	2020-21	2019-20	Percent Change	Percent of Total 2020-21 General Revenues
Top 10:				
Bradley-Burns Sales Tax	\$ 7,813,891	\$ 6,572,573	18.89%	29.11%
1/2% District Sales Tax (Measure Y)	3,862,145	3,368,450	14.66%	14.39%
1/2% District Sales Tax (Measure P)	3,858,985	3,372,183	14.44%	14.38%
Prop Tax In Lieu Of Vlf	1,559,290	1,530,602	1.87%	5.81%
Transient Occupancy Tax (TOT)	1,362,133	1,365,477	-0.24%	5.08%
Redevelopment Tax Increment Pass-Through	1,007,559	763,483	31.97%	3.75%
City Utility Franchise Fee	979,180	951,857	2.87%	3.65%
Secured Property Tax	710,556	743,317	-4.41%	2.65%
Refuse Disposal Franchise Fee	686,967	657,307	4.51%	2.56%
Business License Tax	484,533	389,829	24.29%	1.81%
Total top 10	22,325,239	19,715,078	13.24%	83.18%
Other Revenue	4,513,875	1,620,423	178.56%	16.82%
Total current revenue	\$ 26,839,114	\$ 21,335,501	25.80%	100.00%



**FIGURE 4**

**Sales Tax.** The City collects sales tax from three sources: normal Bradley-Burns sales taxes (1 percent of taxable transactions), a ½ cent transaction and use tax, commonly referred to as Measure P, and a ½ cent transaction 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 from a year ago due in part to growth across most of the City's major industry groups. Driving the change was general consumer goods (up 13.9% from the prior year), which also affected the City's share in the state and county pool allocation (up 28.9%). All sales tax due the City is administered by 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 1.87 percent compared to last year.

**Transient Occupancy Tax (TOT).** Commonly referred to as a "bed," "hotel," or "room" tax this revenue source was performing strongly over the last two years up until March. Travel restriction brought on by the pandemic will continue to negatively affect this revenue source. However, 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 after the pandemic has abated. 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 with a nominal increase from the prior year.

**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 lower than the year prior. This was due to adjustments made by the County Auditor-Controller. 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.

Depending on the final economic outcome of the pandemic to Ukiah, revenue from this source may 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 2020-21 than in the preceding year due to increased sales and rate adjustments 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. As mentioned earlier, receipts were higher in 2021 than in the prior year due to late payments. Before the onset of the pandemic in March 2021, business license activity was trending positively. That trend has slowed and likely will normalize in the 2022 fiscal year.

## Major Initiatives

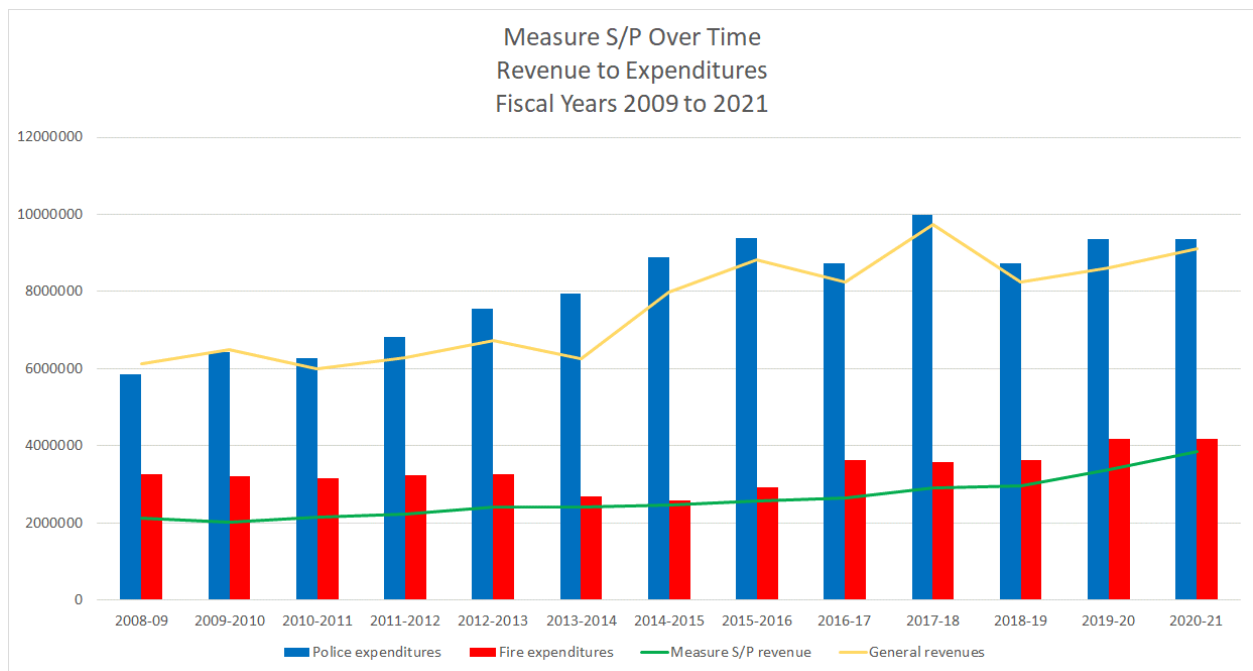
The Ukiah City Council, through a strategic process of discussion, observation, and education, has developed the following set of focused priorities that help guide the development and implementation of policies, activities, and programs. These three areas are in no way all-encompassing of the City's 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.

### Strategic Plan Priorities

- **Enhance Our Neighborhoods:** Foster a sense of small-town life by embracing our diversity and supporting our residents with quality services and vibrant places (People, Places, & Services).
- **Develop Quality Infrastructure:** Implement a prioritized plan for maintaining and improving public infrastructure and utilities.
- **Plan for the Future:** Utilize sound principles for valley-wide planning
- **Grow our Businesses:** Facilitate the development of a sound local economy that attracts investment, promotes economic diversity, supports businesses, creates employment opportunities, and generates public revenues.
- **Value our Team:** Ensure Council and staff work together to create a more responsive and effective workplace environment.

## 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.



**City of Ukiah**

**Measure P**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Baseline to Current Actual**

**For the Year Ended June 30, 2021**

	2014-15 Baseline	2020-21 Actual	Variance with Baseline
<b>REVENUES</b>			
Measure P	\$ 2,465,521	\$ 3,858,985	\$ 1,393,464
Public safety revenues:			
Police	1,001,861	296,441	(705,420)
Fire	37,235	196,930	159,695
Prop 172	53,471	102,251	48,780
General revenues (general fund)	7,922,006	9,100,101	1,178,095
Total revenues	11,480,094	13,554,708	2,074,614
<b>EXPENDITURES</b>			
Current:			
Police	8,709,693	9,308,866	(599,173)
Fire	2,553,407	4,166,491	(1,613,084)
Total current	11,263,100	13,475,357	(2,212,257)
Capital outlay:			
Police	186,594	55,999	130,595
Fire	30,400	23,352	7,048
Total capital outlay	216,994	79,351	137,643
Total expenditures	11,480,094	13,554,708	(2,074,614)
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	\$ -
<b>PERSONNEL</b>			
Police:			
Sworn	32	27	(5)
Miscellaneous	18	17	(1)
Total police	50	44	(6)
Fire:			
City	11	18	7
UVSD	6	-	(6)
Total fire	17	18	1

**Notes:**

- 1) Excludes parking enforcement expenditures and associated revenue.
- 2) Excludes dispatch service revenue, except for general fund contributions.
- 3) Includes a temporary reduction in budgeted officers and an increase to the number of CSO positions, an interim measure to meet work demands due to the number of sworn officer vacancies.
- 4) Does not include Emergency Management services, which are included in Public Safety on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

## 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.

City of Ukiah  
Comparative Schedule of Resources and Uses  
Measure Y  
For the Years Ended June 30, 2021, 2020, 2019, 2018, and 2017

	Measure Y					
	2021	2020	2019	2018	2017	Total
<b>OPERATING REVENUES</b>						
Measure Y 1/2 % transaction and use tax	\$ 3,862,145	\$ 3,368,450	\$ 3,016,205	\$ 2,729,797	\$ 528,057	\$ 13,504,654
<b>OPERATING EXPENSES</b>						
General and administrative	10,251	17,733	10,150	5,444	9,134	52,712
Basic maintenance and operations	598,296	644,771	387,449	306,143	294,084	2,230,742
Enhanced capacity for maintenance and operations	158,500	154,479	60,260	1,979	-	375,217
Less: general fund maintenance of effort (see Note 1)	(399,840)	(385,086)	(375,597)	(373,870)	(350,000)	(1,884,393)
Total operating expenditures	367,207	431,897	82,262	(60,304)	(46,782)	774,279
<b>DEBT SERVICE AND CAPITAL PROJECTS</b>						
Debt service, I-Bank	75,538	75,638	75,638	75,638	-	302,452
Projects	2,688,687	2,689,759	4,526,294	1,841,113	38,460	11,784,313
Total debt service and capital projects	2,764,225	2,765,397	4,601,932	1,916,751	38,460	12,086,765
Total expenditures, Measure Y	3,131,432	3,197,294	4,684,194	1,856,446	(8,322)	12,861,044
Change in Measure Y resources	730,714	171,156	(1,667,989)	873,351	536,379	643,610
Measure Y resources - beginning	(87,103)	(258,259)	1,409,729	536,379	-	-
Measure Y resources - ending	\$ 643,610	\$ (87,103)	\$ (258,259)	\$ 1,409,729	\$ 536,379	
<b>PROJECTS IN PROCESS</b> (see Note 2)						
Reconstruction	\$ 243,044					
Total projects in process	\$ 243,044					

#### Notes:

1. This is the amount established by the City Council, per Resolution 2016-34, committing a minimum of \$350,000 per year from the general fund on street maintenance and repair. That amount is to be adjusted annually by changes to the Construction Cost Index, as reported by the Engineering News-Record.
2. Projects in process are projects and activities that are in contract (encumbered) but which have not incurred expenditures as of June 30, 2021.
3. Measure Y resources for Public Works Engineering Services were enhanced in FY 2020 to support basic maintenance and operations due to increased focus on Measure Y activities.

## 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 minimum fund balance reserve in the General Fund will always be maintained. The minimal, optimal level required for this reserve will be 25 percent of the General Fund operating budget. 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 Annual Comprehensive 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; and to the members of the Finance Department, City Manager's Office, and other administrative divisions who assisted and contributed to its development.



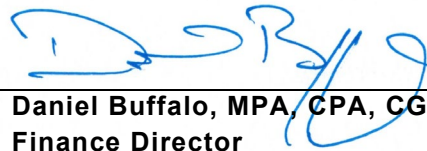
We also would like to thank members of the City Council and all City departments for their cooperation and support in planning and conducting the financial operations of the City during the fiscal year.

Respectfully submitted,



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**Sage Sangiacomo**  
**City Manager**



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**Daniel Buffalo, MPA, CPA, CGMA**  
**Finance Director**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Ukiah  
California**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrell*

Executive Director/CEO

City of Ukiah, California  
List of Officials  
June 30, 2021

CITY COUNCIL

UKIAH REDEVELOPMENT SUCCESSOR AGENCY BOARD OF DIRECTORS

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

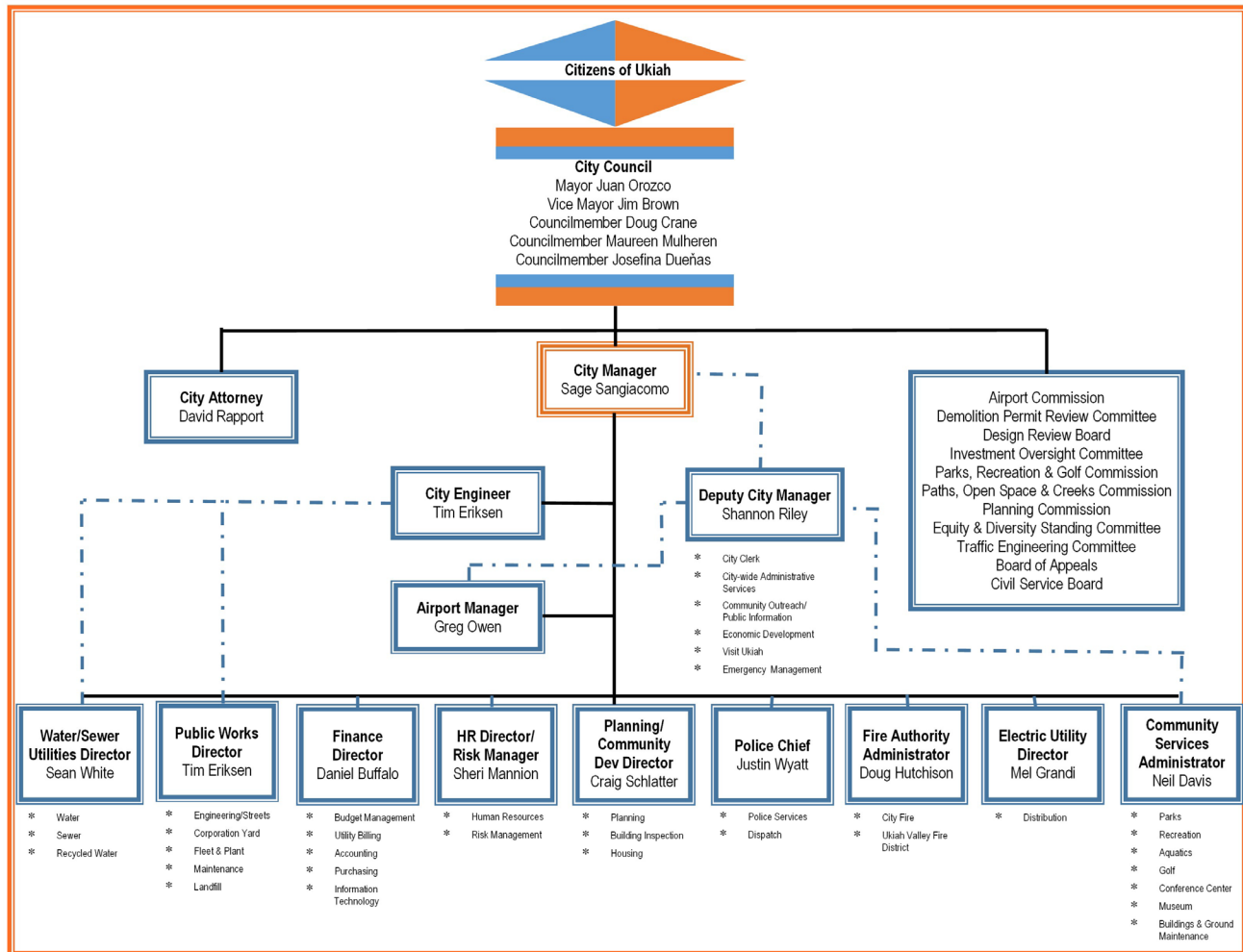
EXECUTIVE MANAGEMENT TEAM

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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
Neil Davis	Community Services Director



# 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, 2021, 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.

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**Van Lant & Fankhanel, LLP**

29970 Technology Drive, Suite 105 A  
Murrieta, CA 92563  
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, 2021, 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.

## ***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 December 30, 2021, 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.

A handwritten signature in dark ink that reads "Van Lant & Fankhaenel, LLP". The signature is written in a cursive, flowing style.

Murrieta, California  
December 30, 2021



## 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, 2021. 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 and deferred outflows exceeded its liabilities and deferred inflows of resources by \$166.9 million (net position) as of June 30, 2021.
- Deferred inflows and outflows related to the City's unfunded accrued pension liabilities (UAL) with CalPERS changed from the prior year due to gains and losses recognized by CalPERS, including contributions made by the City.
- The City's net position in total increased by \$7.4 million during the fiscal year 2020-21.
- The net position for governmental activities ended the year at \$47.9 million, while the net position of business activities was \$119.0 million.
- Of the \$47.9 million in total governmental activities net position, a negative \$18.5 million is characterized as unrestricted.
- The governmental activities saw increased revenues from most major sources. Tax sources rose in the amount of \$2.6 million driven by sales taxes.
- Business activities saw revenue for charges for services increase by \$3.1 million, resulting primarily from project reimbursements and changes to the rate revenue schedule for water and sewer services.

### Overview of the Annual Comprehensive Financial Report

This Annual Comprehensive 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
- Ambulance
- 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 \$9.7 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, 2021, the City's major funds were as follows:

**GOVERNMENTAL FUNDS:**

- General Fund
- Streets Capital Projects
- Pension Stabilization
- HOME Program Income

**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 84: 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	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 40,455,893	\$ 23,599,020	\$ 36,056,999	\$ 43,378,333	\$ 76,512,892	\$ 66,977,353
Capital assets(net)	58,404,222	53,075,972	178,049,774	173,928,238	236,453,996	227,004,210
Total assets	98,860,115	76,674,992	214,106,773	217,306,571	312,966,888	293,981,563
Deferred outflows of resources	35,276,895	6,786,028	18,409,328	2,572,408	53,686,223	9,358,436
Total assets and deferred outflows of resources	134,137,010	83,461,020	232,516,101	219,878,979	366,653,111	303,339,999
Current and other liabilities	5,879,729	1,796,527	3,200,728	5,784,110	9,080,457	7,580,637
Long-term liabilities	79,926,642	42,761,500	110,300,288	92,450,178	190,226,930	135,211,678
Total liabilities	85,806,371	44,558,027	113,501,016	98,234,288	199,307,387	142,792,315
Deferred inflows of resources	436,336	814,656	8,893	265,550	445,229	1,080,206
Total Liability and deferred inflows of resources	86,242,707	45,372,683	113,509,909	98,499,838	199,752,616	143,872,521
<b>NET POSITION</b>						
Net investment in capital assets	50,915,097	47,339,972	126,053,127	119,060,268	176,968,224	166,400,240
Restricted	15,484,736	10,544,419	251,126	99,829	15,735,862	10,644,248
Unrestricted	(18,505,530)	(19,796,054)	(7,298,061)	2,219,045	(25,803,591)	(17,577,009)
Total net position	\$ 47,894,303	\$ 38,088,337	\$ 119,006,192	\$ 121,379,142	\$ 166,900,495	\$ 159,467,479

The City's net position as of June 30, 2021, was \$166.9 million, an increase of \$7.4 million. The overall change in net position is due in large part to a capital contribution to increased revenues from taxes as well as a reduction in expense related to unfunded pension liabilities. The City also accrued \$9.98 million in grants, most notably for housing services and streets.

Restricted net position of \$15.7 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 2021, this is held primarily for Housing Programs in the form of loans receivable and unspent bond proceeds. A much small portion is restricted for public safety activities and streets. 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 \$25.8 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 \$52.2 million.

### Activities

Expenses incurred by the City for FY 2021 year totaled \$65.4 million, a decrease from FY 2020 of \$3.0 million. Much of this decrease was related to reductions to pension costs of the City UAL with CalPERS. Governmental

expenses totaled nearly \$24.9 million or 38.0 percent of total expenses. Public safety costs represented most of the governmental expenses, followed by public works and recreation.

Business-type activities incurred \$40.6 million of expense during the fiscal year, 62.0 percent of all City expenses.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 3,487,098	\$ 2,157,277	\$ 36,024,011	\$ 32,912,229	\$ 39,511,109	\$ 35,069,506
Operating grants and contributions	7,890,530	4,431,684	759,696	2,830,622	8,650,226	7,262,306
Capital grants and contributions	771,125	76,898	556,033	24,876,967	1,327,158	24,953,865
General revenues:						
Taxes	20,822,658	18,231,528	16,714	16,815	20,839,372	18,248,343
Franchise fees	1,815,271	1,742,671	-	-	1,815,271	1,742,671
Use of money and property	266,006	696,930	352,781	950,715	618,787	1,647,645
Other revenue	67,776	246,319	22,223	-	89,999	246,319
Total revenues	<u>35,120,464</u>	<u>27,583,307</u>	<u>37,731,458</u>	<u>61,587,348</u>	<u>72,851,922</u>	<u>89,170,655</u>
<b>EXPENSES</b>						
Governmental activities:						
General government	838,727	99,829	-	-	838,727	99,829
Public safety	13,659,736	12,812,411	-	-	13,659,736	12,812,411
Housing and community development	1,460,134	2,833,311	-	-	1,460,134	2,833,311
Public works	3,426,376	4,752,062	-	-	3,426,376	4,752,062
Parks, buildings, and grounds	1,560,436	248,989	-	-	1,560,436	248,989
Recreation and culture	2,640,963	3,724,424	-	-	2,640,963	3,724,424
Economic development and redevelopment	290,261	403,808	-	-	290,261	403,808
Interest on long-term debt	992,902	165,210	-	-	992,902	165,210
Business-Type activities:						
Airport	-	-	1,857,261	1,528,285	1,857,261	1,528,285
Ambulance Services	-	-	55,894	11,089	55,894	11,089
Conference Center	-	-	(336,910)	503,445	(336,910)	503,445
Electric	-	-	19,695,234	18,854,227	19,695,234	18,854,227
Golf	-	-	144,680	251,078	144,680	251,078
Landfill	-	-	969,800	4,165,711	969,800	4,165,711
Parking District	-	-	137,930	171,705	137,930	171,705
Street Lighting	-	-	186,765	147,861	186,765	147,861
Wastewater	-	-	9,659,518	11,580,850	9,659,518	11,580,850
Water	-	-	8,179,199	6,196,274	8,179,199	6,196,274
Total expenses	<u>24,869,535</u>	<u>25,040,044</u>	<u>40,549,371</u>	<u>43,410,525</u>	<u>65,418,906</u>	<u>68,450,569</u>
Change in net position before transfers	10,250,929	2,543,263	(2,817,913)	18,176,823	7,433,016	20,720,086
Transfers	(444,963)	(510,543)	444,963	510,543	-	-
Change in net position	9,805,966	2,032,720	(2,372,950)	18,687,366	7,433,016	20,720,086
Net position - beginning	38,088,337	36,055,617	121,379,142	102,691,776	159,467,479	138,747,393
Net position - ending	<u>\$ 47,894,303</u>	<u>\$ 38,088,337</u>	<u>\$ 119,006,192</u>	<u>\$ 121,379,142</u>	<u>\$ 166,900,495</u>	<u>\$ 159,467,479</u>

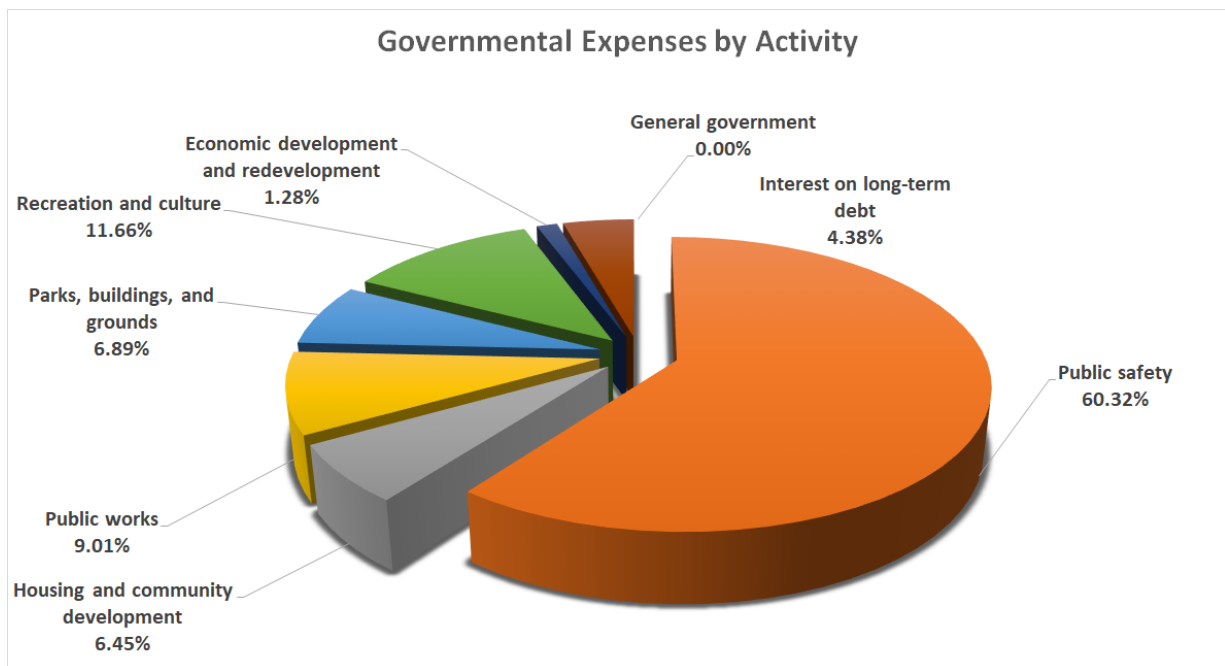
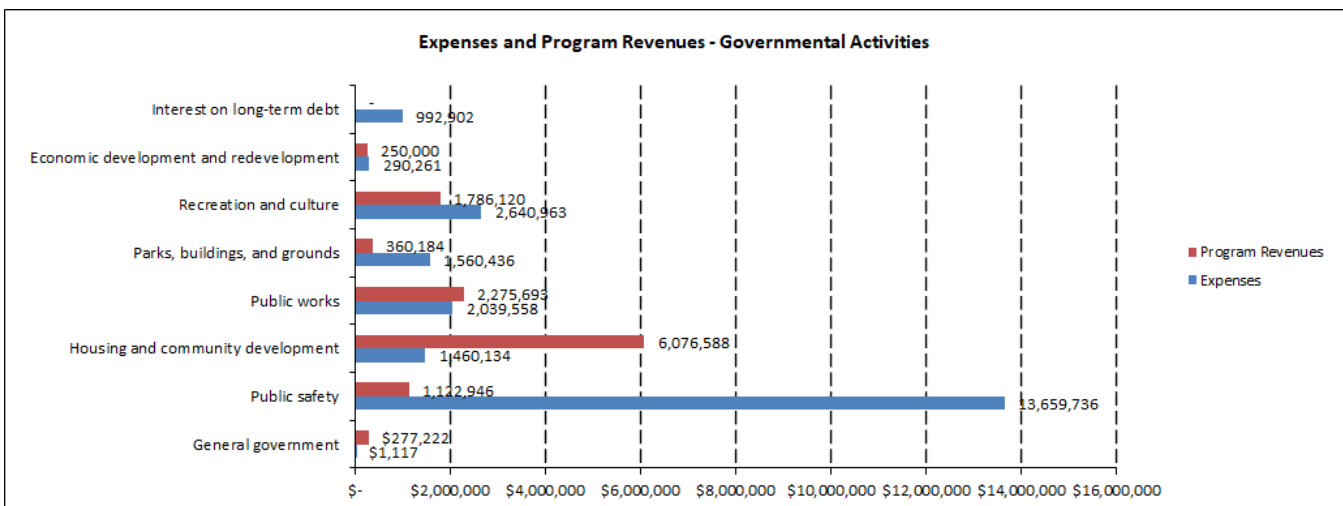
## Governmental Activities

Net expenses of \$10.5 million for the provision of these governmental activities was funded by general revenues, primarily in the general fund, including taxes, licenses, permits, franchise fees, and rents.

Public safety (police, fire, and emergency management services) comprised the largest activity segment of governmental expenses (\$13.6 million, 60.32 percent). A significant portion of this expense is related to retirement benefit costs. Maintenance of streets and rights-of-way were the next largest expense of the City's governmental activities. The City has deployed a significant portion of its discretionary and programmatic resources toward the improvement of City streets, walkways, and trails. Costs and programmatic revenues directly associated with governmental activities were as follows:

**City of Ukiah**  
**Expenses and Program Revenues**  
**Governmental Activities**  
**For the Year Ended June 30, 2020**

Functions/Programs	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
General government	\$ 1,117	0.00%	\$ 277,222	2.28%	\$ 276,105
Public safety	13,659,736	60.32%	1,122,946	9.24%	(12,536,790)
Housing and community development	1,460,134	6.45%	6,076,588	50.02%	4,616,454
Public works	2,039,558	9.01%	2,275,693	18.73%	236,135
Parks, buildings, and grounds	1,560,436	6.89%	360,184	2.96%	(1,200,252)
Recreation and culture	2,640,963	11.66%	1,786,120	14.70%	(854,843)
Economic development and redevelopment	290,261	1.28%	250,000	2.06%	(40,261)
Interest on long-term debt	992,902	4.38%	-	0.00%	(992,902)
Total	\$ 22,645,107	100.00%	\$ 12,148,753	100.00%	\$ (10,496,354)

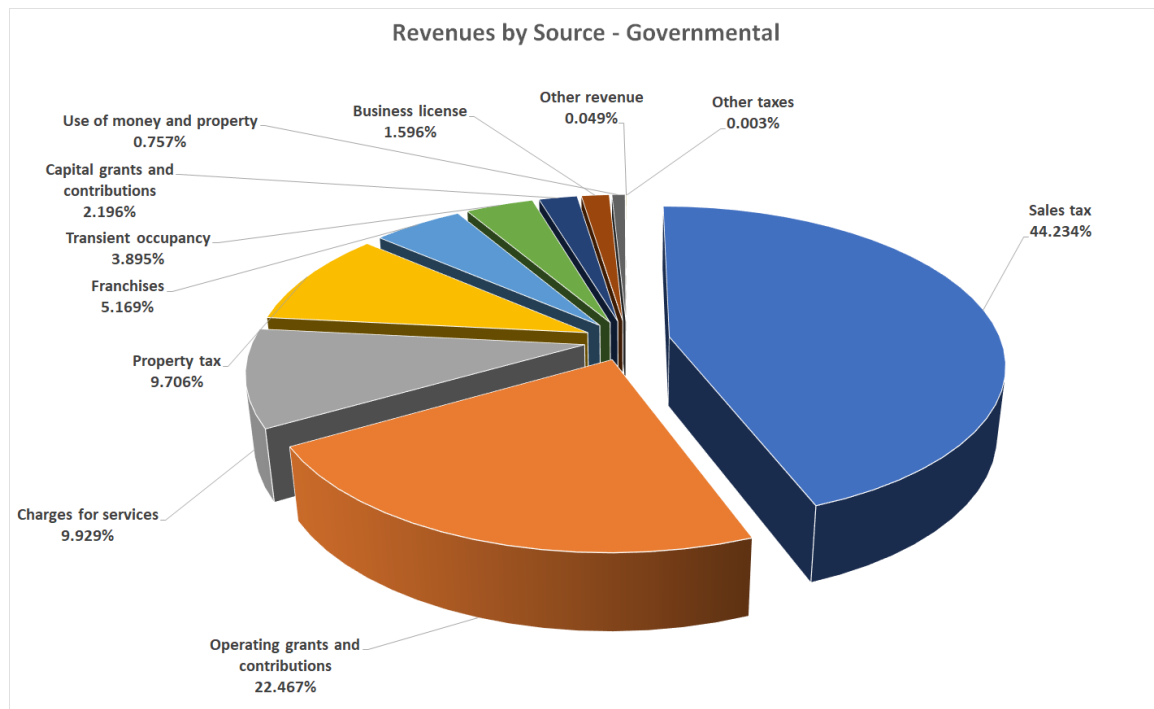


Significant revenues for the City came from taxes (59.4 percent), which included sales taxes (Bradley-Burns, Measure P and Measure Y transactions and use taxes), property taxes and transient occupancy taxes. Despite the continuation of the COVID-19 pandemic, tax revenues overall were higher than in the prior year due to increases to the sales and property tax base from a strong and diversified local economy.

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.

**City of Ukiah  
Revenues by Source  
Governmental Activities  
For the Year Ended June 30, 2021**

Revenues Source	Revenue	% of Total
Sales tax	\$ 15,535,021	44.23%
Operating grants and contributions	7,890,530	22.47%
Charges for services	3,487,098	9.93%
Property tax	3,408,846	9.71%
Franchises	1,815,271	5.17%
Transient occupancy	1,367,852	3.89%
Capital grants and contributions	771,125	2.20%
Business license	560,527	1.60%
Use of money and property	266,006	0.76%
Other revenue	17,052	0.05%
Other taxes	1,136	0.00%
Total	\$ 35,120,464	100.01%



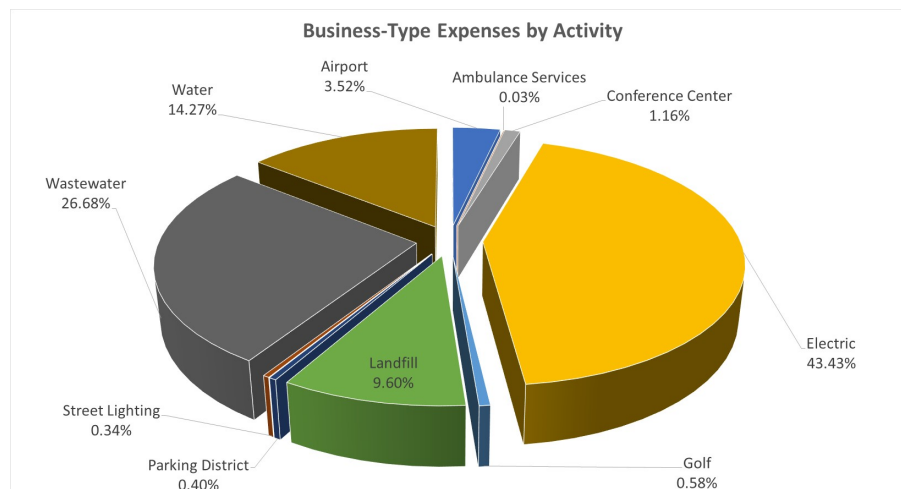
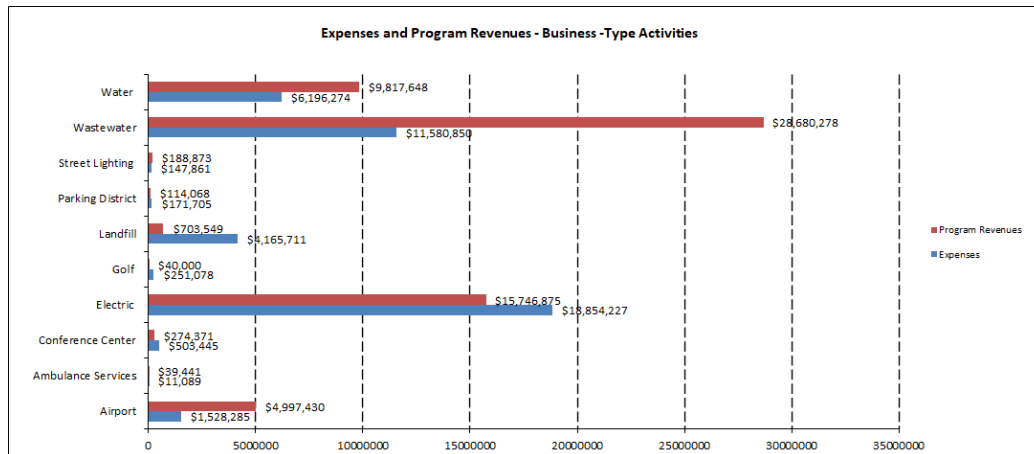


## Business-type Activities

In the fiscal year ended June 30, 2021, business-type activities decreased the City's net position by \$2.3 million. That loss 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, 2021

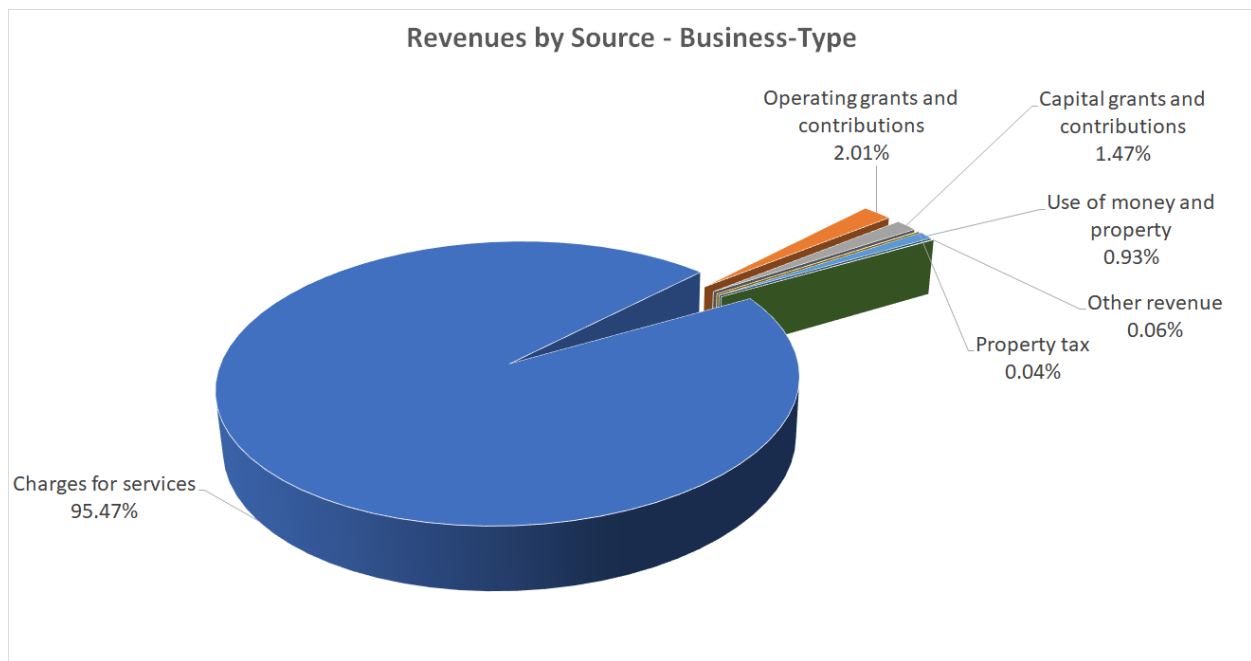
Funds	Expenses	% of Total	Program Revenues	% of Total	Net (Expense) Revenue
Airport	\$ 1,857,261	4.58%	\$ 1,946,228	5.21%	\$ 88,967
Ambulance Services	55,894	0.14%	79,891	0.21%	23,997
Conference Center	(336,910)	-0.83%	212,201	0.57%	549,111
Electric	19,695,234	48.57%	18,761,775	50.25%	(933,459)
Golf	144,680	0.36%	175,266	0.47%	30,586
Landfill	969,800	2.39%	716,223	1.92%	(253,577)
Parking District	137,930	0.34%	100,679	0.27%	(37,251)
Street Lighting	186,765	0.46%	183,278	0.49%	(3,487)
Wastewater	9,659,518	23.82%	7,935,941	21.25%	(1,723,577)
Water	8,179,199	20.17%	7,228,258	19.36%	(950,941)
Total	\$ 40,549,371	100.00%	\$ 37,339,740	100.00%	\$ (3,209,631)



General revenues for business-type activities include rents and interest earnings as well as some property taxes collected by the City's parking district. The general revenues were down from the prior year approximately 50 percent resulting primarily from smaller returns on the City's investment portfolio from less cash invested. Charges for services, however, was higher than the prior year due certain reimbursable jobs in the electric utility as well as increased rate revenue from the scheduled adjustment to water and sewer rates in October.

**Revenues by Source  
Business-Type Activities  
For the Year Ended June 30, 2021**

Revenues Source	Revenue	% of Total
Charges for services	\$ 36,024,011	95.47%
Operating grants and contributions	759,696	2.01%
Capital grants and contributions	556,033	1.47%
Property tax	16,714	0.04%
Use of money and property	352,781	0.93%
Other revenue	22,223	0.06%
Total	\$ 37,731,458	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, 2021 totaled \$236.5 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 \$7.5 million.

#### Comparative Statement of Capital Assets June 30, 2020 and 2021

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,092,630	\$ 2,705,812	\$ 7,042,727	\$ 6,932,722	\$ 11,135,357	\$ 9,638,534
Infrastructure and network	55,602,715	55,602,715	165,703,874	157,263,611	221,306,589	212,866,326
Buildings and improvements	21,862,814	21,860,720	63,283,228	63,440,511	85,146,042	85,301,231
Construction in progress	6,971,422	1,122,971	8,470,658	7,884,420	15,442,080	9,007,391
Machinery equipment and vehicles	10,045,491	11,642,531	13,562,385	14,898,769	23,607,876	26,541,300
Intangible assets	-	-	180,000	90,000	180,000	90,000
	<u>98,575,072</u>	<u>92,934,749</u>	<u>258,242,872</u>	<u>250,510,033</u>	<u>356,817,944</u>	<u>343,444,782</u>
Less: accumulated depreciation	(40,170,850)	(39,858,777)	(80,193,098)	(76,581,792)	(120,363,948)	(116,440,569)
Capital assets, net	<u>\$ 58,404,222</u>	<u>\$ 53,075,972</u>	<u>\$ 178,049,776</u>	<u>\$ 173,928,241</u>	<u>\$ 236,453,996</u>	<u>\$ 227,004,213</u>

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 work on the airport runway and several streets and rights-of-way.

### Long-Term Liabilities

The City's outstanding Noncurrent liabilities, including bonds, loans payable, the net pension liability and compensated absences totaled over \$135 million as of June 30, 2021. The most significant obligation added this year were additions to the landfill closure, post closure, and corrective action plan, the engineering estimates for which were updated in 2019 and adjusted for inflation. However, a more accurate estimate of total landfill closure, post-closure, and corrective action costs will not be determined until contractor bids are received.

#### Long-term Obligations Two-Year Comparison

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
2017 CalTrans Aeronautics Loan - Airport	\$ -	\$ -	\$ 159,635	\$ 169,999	\$ 159,635	\$ 169,999
2016 Water Revenue Refunding Bonds	-	-	8,620,000	9,160,000	8,620,000	9,160,000
2016 unamortized premium	-	-	1,358,275	1,383,428	1,358,275	1,383,428
Lawsuit settlement liability	-	-	2,000,000	3,000,000	2,000,000	3,000,000
Landfill closure and post-closure	-	-	19,297,593	19,063,628	19,297,593	19,063,628
2017 SWRCB recycled water loan	-	-	18,238,738	16,778,411	18,238,738	16,778,411
Series 2020 Wastewater Refunding Bonds	-	-	23,620,000	23,620,000	23,620,000	23,620,000
2017 fire engine lease	763,396	869,798	-	-	763,396	869,798
2017 computer equipment lease	58,280	116,418	-	-	58,280	116,418
2017 I-Bank financing lease	3,751,776	3,837,218	-	-	3,751,776	3,837,218
2020 fire brush truck equipment lease	207,216	227,606	-	-	207,216	227,606
2020 fire self-contained breathing apparatus equipment	328,457	-	-	-	328,457	-
Series 2020A Community Facilities Lease Revenue Bonds	2,380,000	-	-	-	2,380,000	-
2020A unamortized premium	351,130	-	-	-	351,130	-
Series 2020B CalPERS Taxable Lease Revenue Bonds	32,426,592	-	17,448,408	-	49,875,000	-
Claims payable	430,458	573,944	99,166	148,749	529,624	722,693
Net pension liability	38,156,746	36,143,162	18,895,630	17,210,447	57,052,376	53,353,609
Compensated absences	1,072,592	993,354	562,843	525,516	1,635,435	1,518,870
Total	<u>\$ 79,926,642</u>	<u>\$ 42,761,500</u>	<u>\$ 110,300,288</u>	<u>\$ 92,450,178</u>	<u>\$ 190,226,930</u>	<u>\$ 135,211,678</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, 2021, the City's governmental fund balance was \$30.7 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 nearly \$4.6 million from the year prior, driven by stronger than anticipated sales tax growth (even with the continuation of the COVID-19 pandemic) and the receipt of grant revenues. A diverse local economic base supports this growth. Similarly, total expenditures were higher by \$2.2 million due mostly to lower capital outlays. After other financing sources and uses were accounted for, fund balance increased by \$1.9 million.

Other governmental funds reported a net increase in fund balance of \$8.8 million, primarily influenced by an addition of \$3.5 million of cash from bond proceeds refunding the City's payment to CalPERS for its 2021 unfunded accrued liability payment. This amount was placed in a newly created fund as a reserve for future advanced prepayment of unfunded pension liabilities. These funds also include revenues from many federal, state and special district grants which vary greatly from year to year.

Governmental funds reported \$5.04 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 \$15.3 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.

Committed fund balance of \$415 thousand consists primarily of several select capital projects earmarked by the City Council through resolution. \$4.9 million in assigned fund balance consists of reserve amounts designated by management for future capital acquisition and specific projects, including maintaining a reserve for the advanced payment of pension liabilities.

The remaining amount of \$4.9 million of unassigned fund balance result primarily from general fund reserves and 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 - Landfill

The net position of the landfill closure and post-closure fund increased \$223 thousand from a negative 9.4 million to \$9.2 million. Surcharge amounts collected at the Ukiah Transfer Station and transferred to the Landfill fund helped to bolster it in preparation for final closure and remediation activities forthcoming.

### Enterprise Fund - Electric

The net position of the electric enterprise fund decreased \$817 thousand primarily due to decreased pandemic-related rate revenue in commercial accounts. Operating expenses exceeded operating revenues by \$757 thousand, driven by increased personnel costs related to market-based salary adjustments.

### Enterprise Fund - Water

The net position of the water enterprise fund decreased \$563 thousand primarily due to decreased pandemic-related rate revenue. Operating expenses nominally exceeded operating revenue while non-operating expenses, influenced by interest and fiscal costs, outpaced non-operating revenue.

### Enterprise Fund - Wastewater

The net position of the wastewater enterprise fund decreased \$1.9 million. Operating revenue was lower than operating expenses, resulting in an operating loss of \$977 thousand. The change was influenced in large part by operating costs (notably insurance premium increases) that exceeded pandemic-related decreasing rate revenue. The adoption of rate adjustments in October 2020 helped to reduce the effect. Further, nonoperating expenses outpaced revenues by \$1.6 million driven by interest and other fiscal charges.

## 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 \$20.2 million in revenues. It was increased to \$26.6 in anticipation of grant revenues for capital projects. Revenues in the General Fund were \$203 thousand higher than was budgeted primarily due to increased sales taxes. Additionally, property taxes received were higher than originally estimated due to adjustments to residual property tax increments passed to the City from the former Ukiah Redevelopment Agency.

Expenditures were \$1.7 million more than budget appropriations primarily due to various increased operating costs related to overtime and part-time personnel costs. They were offset by less than expected capital expenditures, resulting in total expenditures in the fund being \$573 thousand more than expected. These costs were difficult to plan for as the City responded to the COVID-19 pandemic.

Policy 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, committed, and unassigned amounts) of \$11.2 million, representing 52.5 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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Total revenues	20,207,269	26,636,208	26,839,114	202,906
<b>EXPENDITURES</b>				
Current:				
General government	(235,895)	(227,042)	60,132	(287,174)
Public safety	11,906,160	12,125,672	12,701,313	(575,641)
Housing and community development	968,815	1,142,970	1,044,627	98,343
Public works	1,246,454	1,639,473	1,487,609	151,864
Parks, buildings, and grounds	1,152,993	1,156,049	1,189,386	(33,337)
Recreation and culture	1,584,385	1,582,533	2,435,717	(853,184)
Economic development and redevelopment	99,923	99,923	256,392	(156,469)
Total current	16,722,835	17,519,578	19,175,176	(1,655,598)
Total debt service	304,780	304,780	300,874	3,906
Total capital outlay	682,000	2,956,754	1,877,910	1,078,844
Total expenditures	17,709,615	20,781,112	21,353,960	(572,848)
Excess (deficiency) of revenues over expenditures	2,497,654	5,855,096	5,485,154	(369,942)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	(2,497,653)	(3,272,579)	(3,558,932)	(286,353)
Net change in fund balances	1	2,582,517	1,926,222	(656,295)
Fund balances - beginning	9,303,307	9,303,307	9,303,307	-
Fund balances - ending	<u>\$ 9,303,308</u>	<u>\$ 11,885,824</u>	<u>\$ 11,229,529</u>	<u>\$ (656,295)</u>

## Economic Outlook

Despite the onset of the COVID-19 pandemic in March of 2020 and its subsequent effects, the City's financial position remained stable to end the fiscal year. A diverse economic base serving as a hub for the greater geographic region around the city and Mendocino County was largely responsible. City management took a very conservative approach to revenue estimation when preparing the City's 2021 budget and adjusted appropriations accordingly, particularly in the general fund, which resulted in positive financial outcomes for the general fund in particular. Management continued that approach into the fiscal year 2021-22.

The following economic factors currently affect the City of Ukiah and were considered in developing the 2021-22 fiscal year budget.

- Sales tax revenue and transient occupancy taxes were estimated to increase by marginal amounts respectively from the prior year due, even in considering the larger economic recessionary effects of the COVID-19 pandemic. General fund appropriations were nonetheless adjusted to continue to generate a budgetary surplus as a hedge against unexpected revenue shortfalls.
- An increase in water and sewer rates beginning October 1, 2021 was approved by the City Council and went into effect for commercial and residential rate payers. This was in response to anticipated current and future expenditure increases in operating costs, capital outlays, and settlement payments to the Ukiah Valley Sanitation District. The adjustment to rates will continue each July 1 for the next 4 years.
- Rate revenue in electric enterprise funds was estimated to be relatively unchanged from the year prior, which anticipated marginal increases in commercial accounts as the City's businesses continue to adjust and recover from the economic effects of the pandemic.
- A property tax rate increase of 2 percent to fund increases in recurring general fund obligations.
- Implementation of increased rates on the City of Ukiah's current fee schedule.
- Interest rates in municipal financial markets are expected to remain at record low levels throughout fiscal year 2021-22. The City intends to continue efforts to restructure its outstanding debt obligations to take advantage of the current municipal lending environment.
- On the expenditure side, regular increases are expected in health insurance premiums, as well as pension costs.
- Departmental budgets were held to comparably amounts from 2020-21.
- Contract adjustments with all City of Ukiah's bargaining groups resulted in the advancement of the final cost of living adjustment from its previously scheduled implementation date.

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 Annual Comprehensive 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, 95482.



## 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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 15,763,095	\$ 20,133,777	\$ 35,896,872
Restricted cash and investments	2,864,287	-	2,864,287
Investment in NCPA reserves	-	7,749,546	7,749,546
Accounts receivables (net allowance for uncollectibles)	6,252,963	7,680,913	13,933,876
Notes and loans receivable	121,175	-	121,175
Inventories and prepaids	207,097	1,430,648	1,637,745
Land held for resale	2,435,114	-	2,435,114
Internal balances	943,385	(943,385)	-
Noncurrent assets:			
Notes and loans receivable	11,868,777	5,500	11,874,277
Capital assets not being depreciated:			
Land	4,092,630	7,042,727	11,135,357
Construction in progress	6,971,422	8,470,658	15,442,080
Intangible assets	-	180,000	180,000
Capital assets, net depreciation:			
Buildings and improvements	14,013,246	29,341,998	43,355,244
Infrastructure and network	29,801,312	127,499,366	157,300,678
Machinery equipment and vehicles	3,525,612	5,515,025	9,040,637
Total assets	<u>98,860,115</u>	<u>214,106,773</u>	<u>312,966,888</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow of resources related to pension	35,276,895	18,409,328	53,686,223
Total deferred outflows of resources	<u>35,276,895</u>	<u>18,409,328</u>	<u>53,686,223</u>
Total assets and deferred outflows of resources	<u>134,137,010</u>	<u>232,516,101</u>	<u>366,653,111</u>
<b>LIABILITIES</b>			
Accounts payable	3,998,603	2,232,794	6,231,397
Accrued payroll liabilities	1,241,136	650,835	1,891,971
Interest payable	639,990	311,375	951,365
Deposits payable	-	5,724	5,724
Noncurrent liabilities:			
Due within one year	1,124,841	3,914,868	5,039,709
Due in more than one year	78,801,801	106,385,420	185,187,221
Total liabilities	<u>85,806,371</u>	<u>113,501,016</u>	<u>199,307,387</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow of resources related to pension	436,336	8,893	445,229
Total deferred inflows of resources	<u>436,336</u>	<u>8,893</u>	<u>445,229</u>
Total liabilities and deferred inflows of resources	<u>86,242,707</u>	<u>113,509,909</u>	<u>199,752,616</u>
<b>NET POSITION</b>			
Net investment in capital assets	50,915,097	126,053,127	176,968,224
Restricted for:			
Housing and community development	13,749,628	-	13,749,628
NCPA Projects	-	251,126	251,126
Parks and recreation:			
Expendable	8,460	-	8,460
Nonexpendable	137,576	-	137,576
Public safety	920,250	-	920,250
Public works	668,822	-	668,822
Unrestricted	(18,505,530)	(7,298,061)	(25,803,591)
Total net position	<u>\$ 47,894,303</u>	<u>\$ 119,006,192</u>	<u>\$ 166,900,495</u>

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

City of Ukiah, California  
Statement of Activities  
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 838,727	\$ 78,607	\$ 198,615	\$ -	\$ (561,505)	\$ -	\$ (561,505)
Public safety	13,659,736	326,986	452,197	343,763	(12,536,790)	-	(12,536,790)
Housing and community development	1,460,134	573,410	5,503,178	-	4,616,454	-	4,616,454
Public works	3,426,376	542,554	1,604,792	128,347	(1,150,683)	-	(1,150,683)
Parks, buildings, and grounds	1,560,436	60,400	769	299,015	(1,200,252)	-	(1,200,252)
Recreation and culture	2,640,963	1,655,141	130,979	-	(854,843)	-	(854,843)
Economic development and redevelopment	290,261	250,000	-	-	(40,261)	-	(40,261)
Interest on long-term debt	992,902	-	-	-	(992,902)	-	(992,902)
Total governmental activities	24,869,535	3,487,098	7,890,530	771,125	(12,720,782)	-	(12,720,782)
Business-type activities:							
Airport	1,857,261	1,390,195	-	556,033	-	88,967	88,967
Ambulance Services	55,894	79,891	-	-	-	23,997	23,997
Conference Center	(336,910)	210,000	2,201	-	-	549,111	549,111
Electric	19,695,234	18,141,046	620,729	-	-	(933,459)	(933,459)
Golf	144,680	38,500	136,766	-	-	30,586	30,586
Landfill	969,800	716,223	-	-	-	(253,577)	(253,577)
Parking District	137,930	100,679	-	-	-	(37,251)	(37,251)
Street Lighting	186,765	183,278	-	-	-	(3,487)	(3,487)
Wastewater	9,659,518	7,935,941	-	-	-	(1,723,577)	(1,723,577)
Water	8,179,199	7,228,258	-	-	-	(950,941)	(950,941)
Total business-type activities	40,549,371	36,024,011	759,696	556,033	-	(3,209,631)	(3,209,631)
Total primary government	\$ 65,418,906	\$ 39,511,109	\$ 8,650,226	\$ 1,327,158	(12,720,782)	(3,209,631)	(15,930,413)
General revenues:							
Property tax					3,408,846	16,714	3,425,560
Sales tax					15,535,021	-	15,535,021
Franchise fees					1,815,271	-	1,815,271
Transient occupancy					1,367,852	-	1,367,852
Business license					560,527	-	560,527
Other taxes					1,136	-	1,136
Use of money and property					266,006	352,781	618,787
Other revenue					17,052	22,223	39,275
Transfers					(444,963)	444,963	-
Total general revenues, special items, and transfers					22,526,748	836,681	23,363,429
Change in net position					9,805,966	(2,372,950)	7,433,016
Net position - beginning					38,088,337	121,379,142	159,467,479
Net position - ending					\$ 47,894,303	\$ 119,006,192	\$ 166,900,495

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

## 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 2021. 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 capital project fund accounts for street and right-of-way capital projects supported primarily by Measure Y resources, committed by the City Council through resolution.

#### Pension Debt Service

This debt service fund was created in 2021 to account for resources accumulated, used, and reserved for the retirement of lease revenue bonds.

#### HOME Program Income

The HOME Program Income Fund is a special revenue fund used to account for resources accumulated and held resulting from current and prior HOME program Grant activities.

City of Ukiah, California  
Balance Sheet  
Governmental Funds  
June 30, 2021

	General Fund	Home Program Income	Streets Capital Improvements	Pension Debt Service	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 3,596,165	\$ 1,078,591	\$ 508,606	\$ 3,488,664	\$ 5,720,644	\$ 14,392,670
Restricted cash and investments	-	-	-	5,316	8,971	14,287
Accounts receivable	1,663,429	32,874	-	-	170,954	1,867,257
Taxes receivable	2,898,954	-	-	-	-	2,898,954
Notes receivable	3,924	8,159,796	-	-	1,705,057	9,868,777
Interest receivable	1,915	280	-	1,747	1,847	5,789
Grants and subventions receivable	910,106	186,375	-	-	235,569	1,332,050
Inventories and prepaids	207,097	-	-	-	-	207,097
Due from other funds	678,260	-	-	-	-	678,260
Advances to other funds	2,013,542	-	-	-	-	2,013,542
Land held for resale	-	-	-	-	2,435,114	2,435,114
Advance to Successor Agency	2,000,000	-	-	-	-	2,000,000
Due from other agencies	121,175	-	-	-	-	121,175
Total assets	<u>\$ 14,094,567</u>	<u>\$ 9,457,916</u>	<u>\$ 508,606</u>	<u>\$ 3,495,727</u>	<u>\$ 10,278,156</u>	<u>\$ 37,834,972</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,069,402	\$ 1,080,805	\$ 1,057,005	\$ -	\$ 488,874	\$ 3,696,086
Accrued payroll liabilities	885,530	-	6,990	-	11,783	904,303
Due to other funds	-	-	-	-	230,760	230,760
Advance from other funds	-	-	-	-	332,611	332,611
Total liabilities	<u>1,954,932</u>	<u>1,080,805</u>	<u>1,063,995</u>	<u>-</u>	<u>1,064,028</u>	<u>5,163,760</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - grants and subventions	910,106	863,907	-	-	243,498	2,017,511
Total deferred inflow of resources	<u>910,106</u>	<u>863,907</u>	<u>-</u>	<u>-</u>	<u>243,498</u>	<u>2,017,511</u>
Total liabilities and deferred inflows of resources	<u>2,865,038</u>	<u>1,944,712</u>	<u>1,063,995</u>	<u>-</u>	<u>1,307,526</u>	<u>7,181,271</u>
<b>FUND BALANCES (DEFICITS)</b>						
Nonspendable:						
Interfund loans	2,013,542	-	-	-	-	2,013,542
Inventories and prepaids	207,097	-	-	-	-	207,097
Notes receivable	2,003,924	-	-	-	-	2,003,924
Riparian corridor management	-	-	-	-	137,576	137,576
Restricted:						
CDBG activities	-	-	-	-	461,071	461,071
Certifications and training	-	-	-	-	50,371	50,371
Federal stimulus	-	-	-	-	468	468
Housing activities	-	7,513,204	-	-	5,724,514	13,237,718
Project reserve	-	-	-	-	14,664	14,664
Public safety	-	-	-	-	920,250	920,250
Riparian corridor management	-	-	-	-	8,460	8,460
Streets and rights-of-way	-	-	-	-	654,158	654,158
Committed:						
Park development	-	-	-	-	42,204	42,204
Planning activities	-	-	-	-	296,641	296,641
Solid waste management	-	-	-	-	76,789	76,789
Assigned:						
Capital projects	-	-	-	-	35,420	35,420
Economic development	186,134	-	-	-	-	186,134
Equipment reserve	-	-	-	-	380,569	380,569
Park Development	-	-	-	-	6,033	6,033
Pension reserve	-	-	-	3,495,727	-	3,495,727
Project reserve	-	-	-	-	888,617	888,617
Unassigned:	6,818,832	-	(555,389)	-	(727,175)	5,536,268
Total fund balances (deficits)	<u>\$ 11,229,529</u>	<u>\$ 7,513,204</u>	<u>\$ (555,389)</u>	<u>\$ 3,495,727</u>	<u>\$ 8,970,630</u>	<u>\$ 30,653,701</u>
Total liabilities and fund balances (deficits)	<u>\$ 14,094,567</u>	<u>\$ 9,457,916</u>	<u>\$ 508,606</u>	<u>\$ 3,495,727</u>	<u>\$ 10,278,156</u>	<u>\$ 37,834,972</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  
For the Fiscal Year Ended June 30, 2021

Fund balances of governmental funds		\$30,653,701
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	95,620,194	
Accumulated depreciation	<u>(39,449,881)</u>	
		56,170,313
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Compensated absences	(885,429)	
Net pension liability	(38,156,746)	
2017 fire engine lease	(763,396)	
2017 I-Bank financing lease	(3,751,776)	
2020 Fire brush truck	(207,216)	
Fire apparatus	(328,457)	
2020B CalPERS Taxable Lease Revenue Bonds	<u>(32,426,592)</u>	
		(76,519,612)
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	35,276,895	
Deferred inflows - pension related items	<u>(436,336)</u>	
		34,840,559
Internal service funds are used by management to charge the costs of certain activities, such as insurance and vehicle maintenance, to individual funds.		
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
	<u>1,348,935</u>	
		1,348,935
Accrued interest on long-term debt is not due and payable in the current period and is not reported in the funds.		
	<u>(617,104)</u>	
		(617,104)
Long-term assets are not available for current use.		
Amounts are unavailable under the modified accrual basis of accounting.		
	<u>2,017,511</u>	
		2,017,511
Net position of governmental activities		<u>\$47,894,303</u>

City of Ukiah, California  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2021

	General Fund	Home Program Income	Streets Capital Improvements	Pension Debt Service	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>						
Property tax	\$ 3,408,846	\$ -	\$ -	\$ -	\$ -	\$ 3,408,846
Sales tax	15,535,021	-	-	-	-	15,535,021
Transient occupancy	1,362,134	-	-	-	-	1,362,134
Business license tax	484,533	-	-	-	25,270	509,803
Other taxes	1,136	-	-	-	-	1,136
Franchise fees	1,815,271	-	-	-	-	1,815,271
Charges for service	2,434,204	-	-	-	70,934	2,505,138
Licenses and permits	276,752	-	-	-	-	276,752
Grants contributions and donations	1,226,237	-	96,284	-	370,990	1,693,511
Use of money and property	52,427	147,587	270	(9,588)	732,114	922,810
Intergovernmental	77,668	4,783,983	-	-	1,174,603	6,036,254
Fines penalties and forfeitures	25,933	-	-	-	-	25,933
Interest, rent, and concessions	-	28,216	-	-	(372)	27,844
Miscellaneous	138,952	-	-	-	20,004	158,956
Total revenues	<u>26,839,114</u>	<u>4,959,786</u>	<u>96,554</u>	<u>(9,588)</u>	<u>2,393,543</u>	<u>34,279,409</u>
<b>EXPENDITURES</b>						
Current:						
General government	60,132	-	-	28,366,430	2,483	28,429,045
Public safety	12,701,313	-	-	-	785,114	13,486,427
Housing and community development	1,044,627	218,723	-	-	196,784	1,460,134
Public works	1,487,609	-	168,999	-	75,843	1,732,451
Parks, buildings, and grounds	1,189,386	-	-	-	880	1,190,266
Recreation and culture	2,435,717	-	-	-	81,656	2,517,373
Economic development and redevelopment	256,392	-	-	-	33,869	290,261
Debt service:						
Interest	90,242	-	46,488	-	2,340	139,070
Cost of issuance	-	-	-	554,846	-	554,846
Principal	56,392	-	29,050	-	-	85,442
Capital lease principal	127,291	-	-	-	-	127,291
Capital lease interest	26,949	-	-	-	-	26,949
Capital outlay:						
Public safety	65,051	-	-	-	14,300	79,351
Public works	1,812,859	-	2,687,602	-	1,133,087	5,633,548
Recreation and culture	-	-	-	-	63,302	63,302
Total expenditures	<u>21,353,960</u>	<u>218,723</u>	<u>2,932,139</u>	<u>28,921,276</u>	<u>2,389,658</u>	<u>55,815,756</u>
Excess (deficiency) of revenues over expenditures	<u>5,485,154</u>	<u>4,741,063</u>	<u>(2,835,585)</u>	<u>(28,930,864)</u>	<u>3,885</u>	<u>(21,536,347)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	129,001	-	3,662,605	-	478,156	4,269,762
Transfers out	(3,687,933)	-	(478,156)	-	(548,635)	(4,714,724)
Issuance of debt	-	-	-	32,426,591	343,763	32,770,354
Total other financing sources (uses)	<u>(3,558,932)</u>	<u>-</u>	<u>3,184,449</u>	<u>32,426,591</u>	<u>273,284</u>	<u>32,325,392</u>
Net change in fund balances	1,926,222	4,741,063	348,864	3,495,727	277,169	10,789,045
Fund balances - beginning	9,303,307	2,772,141	(904,253)	-	8,693,461	19,864,656
Fund balances - ending	<u>\$11,229,529</u>	<u>\$ 7,513,204</u>	<u>\$ (555,389)</u>	<u>\$ 3,495,727</u>	<u>\$ 8,970,630</u>	<u>\$30,653,701</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  
For the Fiscal Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$10,789,045
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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	5,776,202	
Depreciation expense	(2,041,122)	
Gain on disposal of assets	<u>899,161</u>	
		4,634,241

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):

Change to net pension liability	(2,013,584)	
Compensated absence expense	<u>(80,994)</u>	
		(2,094,578)

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:

Changes to deferred outflows: pension-related items	28,490,867	
Changes to deferred inflows: pension-related items	<u>378,320</u>	
		28,869,187

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	227,540	
Issuance of loan	(32,426,591)	
Issuance of capital lease	<u>(343,763)</u>	
		(32,542,814)

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.

497,291

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

(548,690)

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.

202,284

Change in net position of governmental activities	<u>\$9,805,966</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, 2021

	Business-type Activities						Governmental Activities
	Landfill	Electric	Water	Wastewater	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 9,650,782	\$ 305,884	\$ 5,560,508	\$ 3,620,429	\$ 158,008	\$ 19,295,611	\$ 2,208,590
Investment in NCPA Reserves	-	7,749,546	-	-	-	7,749,546	-
Restricted cash and investments	-	-	-	-	-	-	2,850,000
Accounts receivable	106,075	3,672,638	1,647,070	1,525,769	62,400	7,013,952	148,911
Interest receivable	2,409	1,185	2,210	1,970	(91)	7,683	-
Grants and subventions receivable	-	-	-	-	659,279	659,279	-
Inventories and prepaids	-	1,310,112	102,516	18,020	-	1,430,648	-
Total current assets	9,759,266	13,039,365	7,312,304	5,166,188	879,596	36,156,719	5,207,501
Noncurrent assets:							
Notes receivable	-	-	-	-	5,500	5,500	-
Advances to other funds	-	186,270	-	-	716,578	902,848	545,045
Intangible assets	-	-	180,000	-	-	180,000	-
Land	699,654	1,963,436	1,915,344	670,431	1,793,862	7,042,727	762,562
Construction in progress	139,776	1,618,104	3,677,462	2,206,555	828,761	8,470,658	676,013
Infrastructure and network	-	25,582,658	45,571,415	87,712,780	6,837,023	165,703,876	-
Buildings and improvements	26,700	26,270,859	22,271,536	10,328,621	4,385,511	63,283,227	516,596
Machinery equipment and vehicles	504,796	5,272,186	3,069,291	3,817,431	762,013	13,425,717	1,136,373
Less accumulated depreciation	(415,351)	(31,327,811)	(15,188,256)	(28,544,751)	(4,580,262)	(80,056,431)	(857,634)
Total noncurrent assets	955,575	29,565,702	61,496,792	76,191,067	10,748,986	178,958,122	2,778,955
Total assets	10,714,841	42,605,067	68,809,096	81,357,255	11,628,582	215,114,841	7,986,456
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflow of resources related to pension	551,351	7,225,603	4,257,012	4,680,682	1,694,680	18,409,328	-
Total deferred outflows of resources	551,351	7,225,603	4,257,012	4,680,682	1,694,680	18,409,328	-
Total assets and deferred outflows of resources	\$ 11,266,192	\$ 49,830,670	\$ 73,066,108	\$ 86,037,937	\$ 13,323,262	\$ 233,524,169	\$ 7,986,456
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	22,231	458,581	899,003	449,453	355,215	2,184,483	350,829
Accrued payroll liabilities	10,564	152,524	259,407	95,348	26,124	543,967	443,701
Due to other funds	-	-	-	-	447,500	447,500	-
Deposits payable	-	-	-	-	5,724	5,724	-
Interest payable	-	-	124,209	185,771	1,395	311,375	22,886
Compensated absences - current	1,602	23,021	11,502	11,433	3,979	51,537	23,457
Long-term obligations - current	7,289	93,448	1,174,913	2,503,068	30,287	3,809,005	341,349
Total current liabilities	41,686	727,574	2,469,034	3,245,073	870,224	7,353,591	1,182,222
Noncurrent liabilities:							
Claims payable	-	-	-	-	-	-	336,555
Advance from other funds	-	-	716,578	-	1,227,201	1,943,779	1,185,045
Installment obligations	508,399	6,517,492	31,230,319	26,861,670	1,518,171	66,636,051	-
Settlement liability	-	-	-	1,000,000	-	1,000,000	-
Landfill closure/post-closure	19,297,593	-	-	-	-	19,297,593	-
Net pension liability	565,916	7,416,475	4,369,465	4,804,327	1,739,447	18,895,630	-
Compensated absences	14,423	207,193	103,535	102,902	35,821	463,874	211,138
Due in more than one year	-	-	-	-	-	-	2,641,128
Total noncurrent liabilities	20,386,331	14,141,160	36,419,897	32,768,899	4,520,640	108,236,927	4,373,866
Total liabilities	20,428,017	14,868,734	38,888,931	36,013,972	5,390,864	115,590,518	5,556,088
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflow of resources related to pension	266	3,491	2,057	2,261	818	8,893	-
Total deferred inflows of resources	266	3,491	2,057	2,261	818	8,893	-
Total liabilities and deferred inflows of resources	20,428,283	14,872,225	38,890,988	36,016,233	5,391,682	115,599,411	5,556,088
<b>NET POSITION</b>							
Net investment in capital assets	955,575	29,379,433	33,279,779	52,571,067	9,867,273	126,053,127	2,233,910
Restricted for:							
NCPA Projects	-	251,126	-	-	-	251,126	-
Unrestricted	(10,117,666)	5,327,886	895,341	(2,549,363)	(1,935,693)	(8,379,495)	196,458
Total net position	\$ (9,162,091)	\$ 34,958,445	\$ 34,175,120	\$ 50,021,704	\$ 7,931,580	117,924,758	\$ 2,430,368
Difference between business-type adjustments to assets and liabilities.						1,081,435	
Net position of business-type activities						\$ 119,006,193	

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

City of Ukiah, California  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021

	Business-type Activities					Governmental Activities	
	Landfill	Electric	Water	Wastewater	Total Nonmajor Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>							
Charges for service	\$ 707,689	\$ 18,141,046	\$ 7,223,708	\$ 7,303,080	\$ 330,217	\$ 33,705,740	\$ 13,571,439
Licenses and permits	-	-	-	-	26,748	26,748	-
Cap and trade	-	618,246	-	-	-	618,246	-
Fines penalties and forfeitures	-	-	-	-	39,717	39,717	-
Facility rental	8,534	-	-	-	626,993	635,527	-
Fuel sales	-	-	-	-	975,786	975,786	-
Miscellaneous	-	-	26,523	-	3,082	29,605	145
Connection fees	-	-	-	617,861	-	617,861	-
Total operating revenues	716,223	18,759,292	7,250,231	7,920,941	2,002,543	36,649,230	13,571,584
<b>OPERATING EXPENSES</b>							
General and administrative	178,832	2,566,491	1,056,635	1,380,025	328,621	5,510,604	1,865,520
Maintenance and operations	768,889	15,641,579	4,597,956	5,354,833	993,121	27,356,378	11,750,775
Fuel	-	-	-	-	522,388	522,388	-
Depreciation	13,271	1,308,285	1,668,204	2,163,462	175,104	5,328,326	109,873
Total operating expenses	960,992	19,516,355	7,322,795	8,898,320	2,019,234	38,717,696	13,726,168
Operating income (loss)	(244,769)	(757,063)	(72,564)	(977,379)	(16,691)	(2,068,466)	(154,584)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Property tax	-	-	-	-	16,714	16,714	-
Intergovernmental	-	2,483	-	-	138,967	141,450	72,961
Interest, rent, and concessions	48,358	123,643	24,474	23,172	117,738	337,385	6,909
Miscellaneous	-	-	250	15,000	-	15,250	-
Interest expense and fiscal charges	-	-	(789,286)	(679,640)	(3,830)	(1,472,756)	(81,923)
Gain on sale of property	-	13,655	870	870	-	15,395	-
Total nonoperating revenues (expenses)	48,358	139,781	(763,692)	(640,598)	269,589	(946,562)	(2,053)
Income (loss) before contributions and transfers	(196,411)	(617,282)	(836,256)	(1,617,977)	252,898	(3,015,028)	(156,637)
Capital contributions	-	-	-	-	556,033	556,033	-
Transfers in	419,635	-	273,375	-	225,328	918,338	-
Transfers out	-	(200,000)	-	(273,375)	-	(473,375)	-
Change in net position	223,224	(817,282)	(562,881)	(1,891,352)	1,034,259	(2,014,032)	(156,637)
Total net position - beginning	(9,385,315)	35,775,727	34,738,001	51,913,056	6,897,321	119,938,790	2,587,005
Total net position - ending	\$ (9,162,091)	\$ 34,958,445	\$ 34,175,120	\$ 50,021,704	\$ 7,931,580	\$ 117,924,758	\$ 2,430,368
Adjustment to reflect the consolidation of internal service fund activities related to enterprise						(358,919)	
Changes in net position of business-type activities						\$ (2,372,951)	

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

City of Ukiah, California  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds					Governmental Activities	
	Landfill	Electric	Water	Wastewater	Total Nonmajor Enterprises Funds	Total Enterprise Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash receipts from customers	\$ 715,060	\$ 18,242,276	\$ 6,925,691	\$ 7,649,922	\$ 1,996,523	\$ 35,529,472	\$ 164,458
Receipts from interfund services provided	-	-	-	-	-	-	8,572,913
Payments to employees	(720,972)	(10,168,768)	(6,260,579)	(6,909,197)	(1,952,809)	(26,012,325)	(6,564,145)
Payments to suppliers	(251,529)	(11,656,710)	(1,260,486)	(1,947,694)	(3,429,121)	(18,545,540)	(4,940,838)
Payments for interfund services used	(178,832)	(2,566,491)	(1,056,635)	(1,380,025)	(328,621)	(5,510,604)	2,835,495
Other operating cash receipts (payments)	-	(147,302)	-	-	-	(147,302)	1,370
Net cash provided (used) by operating activities	(436,273)	(6,296,995)	(1,652,009)	(2,586,994)	(3,714,028)	(14,686,299)	69,253
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Principal payments received on loans receivable	-	-	-	-	6,500	6,500	-
Cash received (paid) to other funds	419,635	10,378	(445,751)	(273,375)	783,749	494,636	2,027,886
Property taxes received	-	-	-	-	16,714	16,714	-
Lawsuit settlement payments	-	-	-	(1,090,000)	-	(1,090,000)	-
Grants and contributions	-	2,483	-	-	2,201	4,684	72,961
Proceeds from pension bonds	515,688	6,610,940	4,188,219	4,744,738	1,388,824	17,448,409	-
Net cash provided (used) by noncapital financing activities	935,323	6,623,801	3,742,468	3,381,363	2,197,988	16,880,943	2,100,847
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital grants and contributions	-	-	924,899	-	2,494,718	3,419,617	-
Proceeds from capital loans	-	-	1,460,327	-	-	1,460,327	2,791,128
Interest paid	-	-	(662,926)	(608,222)	(3,962)	(1,275,110)	(63,257)
Principal paid on capital and related debt	-	-	(540,000)	(1,390,000)	(10,410)	(1,940,410)	(117,025)
Acquisition and construction of capital assets	(139,776)	(3,795,772)	(3,175,076)	(1,344,371)	(1,231,971)	(9,686,966)	(774,210)
Proceeds from sale of property	-	13,655	1,120	15,870	-	30,645	-
Net cash provided (used) by capital and related financing activities	(139,776)	(3,782,117)	(1,991,656)	(3,326,723)	1,248,375	(7,991,897)	1,836,636
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	60,527	131,428	31,514	33,590	2,015	259,074	10,686
Net cash provided (used) by investing activities	60,527	131,428	31,514	33,590	2,015	259,074	10,686
Net increase (decrease) in cash and cash equivalents	419,801	(3,323,883)	130,317	(2,498,764)	(265,650)	(5,538,179)	4,017,422
Balances - beginning of year	9,230,981	11,379,313	5,430,191	6,119,193	423,658	32,583,336	1,041,168
Balances - end of the year	\$ 9,650,782	\$ 8,055,430	\$ 5,560,508	\$ 3,620,429	\$ 158,008	\$ 27,045,157	\$ 5,058,590
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating Income	\$ (244,769)	\$ (757,063)	\$ (72,564)	\$ (977,379)	\$ (16,691)	\$ (2,068,466)	\$ (154,584)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	13,271	1,308,285	1,668,204	2,163,462	175,104	5,328,326	109,873
Changes in assets and liabilities:							
Decrease (increase) in accounts receivable	(1,163)	(517,016)	(302,723)	(243,170)	(6,019)	(1,070,091)	(131,827)
Decrease (increase) in prepaids	-	(1)	3,730	(1)	-	3,728	-
Decrease (increase) in inventory	-	19,339	(7,815)	453	-	11,977	-
Decrease (increase) in deferred outflows	(473,107)	(6,174,488)	(3,688,939)	(4,080,453)	(1,419,933)	(15,836,920)	-
Increase (decrease) in accounts payable	(1,595)	(484,521)	218,786	(176,259)	(2,307,683)	(2,751,272)	274,111
Increase (decrease) in accrued salaries and benefits	2,355	2,096	4,189	(6,983)	(6,901)	(5,244)	168,350
Increase (decrease) in compensated absences	149	27,294	12,884	4,482	(5,637)	39,172	(3,601)
Increase (decrease) in deferred inflows	(7,811)	(105,015)	(56,585)	(59,702)	(27,544)	(256,657)	-
Increase (decrease) in net pension liability	42,432	384,095	568,824	788,556	(98,724)	1,685,183	-
Increase (decrease) in landfill liability	233,965	-	-	-	-	233,965	-
Increase (decrease) in claims payable	-	-	-	-	-	-	(193,069)
Net cash provided (used) by operating activities	\$ (436,273)	\$ (6,296,995)	\$ (1,652,009)	\$ (2,586,994)	\$ (3,714,028)	\$ (14,686,299)	\$ 69,253
<b>Noncash investing, capital and financing activities</b>							
Amortization related to long-term debt	\$ -	\$ -	\$ 25,153	\$ -	\$ -	\$ 25,153	\$ -
Acquisition of capital assets on account	-	-	(20,634)	-	-	(20,634)	-
Total noncash investing, capital and financing activities	\$ -	\$ -	\$ 4,519	\$ -	\$ -	\$ 4,519	\$ -

## 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, 2021

	Private-Purpose Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and investments	\$ 6,698,578	\$ 1,895,559
Restricted cash and investments	23	-
Accounts receivable	-	321,383
Interest receivable	1,595	208
Land held for resale	5,443	-
Total assets	<u>6,705,639</u>	<u>2,217,150</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	\$ 316,518
Accrued payroll liabilities	440	69,244
Deposits payable	-	1,042,249
Interest payable	9,845	-
Due to other agencies	-	315,810
Intergovernmental payable	-	34,904
Due to City of Ukiah	-	551,425
Advances from City of Ukiah	2,000,000	-
Due in more than one year	4,863,469	-
Total liabilities	<u>6,873,754</u>	<u>2,330,150</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Total deferred inflows of resources	-	-
Total liabilities and deferred inflows of resources	<u>6,873,754</u>	<u>2,330,150</u>
<b>NET POSITION</b>		
Restricted for:		
Held for the benefit of the state	(168,115)	-
Individuals, Organizations and Other Governments	-	(112,998)
Total net position	<u>\$ (168,115)</u>	<u>\$ (112,998)</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  
For the Fiscal Year Ended June 30, 2021

	Private-Purpose Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Contributions:		
Grants contributions and donations	\$ -	\$ 395,189
Taxes and assessments collected for other governments	1,523,119	1,169,487
Service charges collected for other governments	-	304,300
Service charges collected for other agencies	-	1,471,242
Intergovernmental	-	60,390
Miscellaneous	-	6,892
Members	-	537,958
Total contributions	1,523,119	3,945,458
Investment earnings:		
Interest, rent, and concessions	25,104	8,991
Total investment earnings	25,104	8,991
Net investment earnings	25,104	8,991
Revenues		
Total revenues	-	-
Total additions	1,548,223	3,954,449
<b>DEDUCTIONS</b>		
General and administrative	250,000	312,329
Maintenance and operations	23,421	104,855
Interest expense and fiscal charges	211,130	75,212
Distributions to other governments	-	3,173,654
Payments to other agencies for service charges collected	-	668,368
Payments to City for services provided	-	2,530,120
Total deductions	484,551	6,864,538
Net increase (decrease) in fiduciary net position	1,063,672	(2,910,089)
Net Position -- beginning of the year	(1,231,787)	2,797,091
Net Position -- end of the year	\$ (168,115)	\$ (112,998)

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

## Notes to the Basic Financial Statements

City of Ukiah, California

Notes to the Basic Financial Statements Index

June 30, 2021

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:

## Notes to the Basic Financial Statements

### Note 1 - Summary of Significant Accounting Policies (Continued)

The City reports four 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 *Pension Debt Service* fund is used to account for the accumulation of financial resources to meet the City's lease revenue bonds. The reserve accumulated is to be used to ensure the City has resources to meet debt service in future periods.

The *HOME Program Income* fund is used to account for activities related to the City's federal HOME program activities and is considered part of the City's overall housing trust fund.

The City reports the following major proprietary funds:

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

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.

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
- Pension Stabilization
- HOME Program Income
- 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

The City utilizes the consumption method for recoding inventories and prepaid items in governmental funds. 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:

- CASP Certification
- American Rescue

## Notes to the Basic Financial Statements

### Note 2 - Stewardship, Compliance, and Accountability

The following major and non-major funds had deficit fund balances as of June 30, 2021,

#### Deficit Fund Equity

##### Major and Non-major Governmental Funds

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Fund Name	Deficit Amount	Discussion/Explanation
Streets Capital Improvement Fund	\$ (555,389)	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 2021.
ARRC	(38,365)	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	(16,417)	Deficit amount is the result of an advanced payment to the Ukiah Main Street Program and will be eliminated with revenues in 2022.
Winter Special Events	(12,636)	Deficit amount is the result of increased operational costs that current revenues were insufficient to cover. The deficit will be eliminated with revenues in 2022.
Highway User Tax (Gas Tax)	(501,985)	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.
Swimming Pool	(135,756)	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.
Rail Trail	(22,086)	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.

## Notes to the Basic Financial Statements

### 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, 2021 are classified in the accompanying financial statements as follows:

#### Cash and Investments

	Total
<u>Cash equivalents and investments</u>	
Pooled cash and investments, at fair value	
Cash in bank	\$ 17,392,697
Cash in investment portfolio, excluding LAIF	26,430,398
Cash with LAIF	581,805
Total pooled investment balances	27,012,203
Non pooled cash and investments, at fair value	
Petty cash	5,160
Total non pooled cash, at fair value	5,160
Cash with fiscal agent	2,945,257
Total non pooled investments, at fair value	2,945,257
Total cash equivalents and investments	\$ 47,355,317

#### Investment Portfolio Analysis

		Maturities (in years)						
		In compliance						
PAR		% of Portfolio	Permitted by Policy	with investment policy	<1	1 to 2	>2	
\$ 10,015,000	US treasury obligations	37.34%	100%	Yes	\$ -	\$ 5,152,396	\$ 4,937,621	\$ 10,090,017
	Federal agency:							
5,380,000	Government sponsored enterprise	20.06%	100%	Yes	-	2,252,804	3,126,702	5,379,506
982,498	Collateral mortgage obligation	3.66%	100%	Yes	231,789	693,638	73,546	998,973
760,000	Municipal obligations	2.83%	100%	Yes	-	110,518	652,704	763,222
445,000	Supra-National agency	1.66%	30%	Yes	-	279,995	164,526	444,521
3,690,000	Corporate notes	13.76%	30%	Yes	254,684	1,308,902	2,167,416	3,731,002
1,645,000	Negotiable certificates of deposit	6.13%	30%	Yes	507,228	1,162,378	-	1,669,606
3,312,749	Asset-backed securities	12.35%	20%	Yes	28,727	282,310	3,030,021	3,341,058
581,805	Local agency investment fund	2.17%	\$65M	Yes	581,805	-	-	581,805
12,493	Money market	0.05%	20%	Yes	12,493	-	-	12,493
\$ 26,824,545	Total pooled investments	100.00%			\$ 1,616,726	\$ 11,242,941	\$ 14,152,536	\$ 27,012,203
2,866,806	Money market	97.34%	20%	Yes	2,866,806	-	-	2,866,806
78,451	County of Mendocino treasury	2.66%	100%	Yes	78,451	-	-	78,451
	Total non-pooled investments	100.00%			\$ 2,945,257	\$ -	\$ -	\$ 2,945,257

## Notes to the Basic Financial Statements

### Note 3 - Cash and Investments (continued)

#### Collateral and Categorization Requirements

At the fiscal year end, the City's carrying amount of demand deposits was \$17,392,697 and the bank account balance was \$16,981,402. The difference of \$411,295 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, 2021, 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 to recover its deposits or will not be able to recover collateral securities that are in the possession of 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, 2021, the City had \$16,369,739 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).

## Notes to the Basic Financial Statements

### Note 3 - Cash and Investments (continued)

#### Credit Risk Schedule

Investment Type	Total Investment	Minimum Legal Rating	Rating as of Fiscal Year End			
			AAA	AA+ to A-	BBB+	Unrated
US Treasury obligations	\$ 10,090,017	N/A	\$ -	\$ 10,090,017	\$ -	\$ -
Federal agency/GSE	5,379,506	N/A	-	5,379,506	-	-
Federal agency/CMO	998,973	N/A	-	998,973	-	-
Municipal obligations	763,222	N/A	49,817	567,426	-	145,979
Supra-National agency	444,521	N/A	444,521	-	-	-
Corporate notes	3,731,002	N/A	-	3,175,884	555,118	-
Negotiable certificates of deposit	1,669,606	N/A	-	1,669,606	-	-
Asset-backed securities	3,341,058	N/A	2,668,504	-	-	672,554
LAIF	581,805	N/A	581,805	-	-	-
Money market	12,493	N/A	12,493	-	-	-
County of Mendocino treasury	78,451	N/A	78,451	-	-	-
Held by fiscal agent:						
Money market	2,866,806	N/A	2,866,806	-	-	-
Total	\$ 29,957,460		\$ 6,702,397	\$ 21,881,412	\$ 555,118	\$ 818,533

#### 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	\$ 10,090,017	\$ -	\$ -	\$ 10,090,017
Federal agency/GSE	5,379,506	-	-	5,379,506
Federal agency/CMO	998,973	-	-	998,973
Municipal obligations	763,222	-	-	763,222
Supra-National agency	444,521	-	-	444,521
Corporate notes	3,731,002	-	-	3,731,002
Negotiable certificates of deposit	1,669,606	-	-	1,669,606
Asset-backed securities	3,341,058	-	-	3,341,058
LAIF	581,805	581,805	-	-
Money market	12,493	12,493	-	-
County of Mendocino treasury	78,451	78,451	-	-
Held by fiscal agent:				
Money market	2,866,806	2,866,806	-	-
Total	\$ 29,957,460	\$ 3,539,555	\$ -	\$ 26,417,905

## Notes to the Basic Financial Statements

### 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, 2021, the City's investment in LAIF was \$581,805. The total amount invested by all public agencies at that date was \$37.07 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2021 has a balance of \$193.3 billion. Financial Statements of LAIF and PMIA may be obtained from the California Treasurer's web site at [www.treasurer.ca.gov](http://www.treasurer.ca.gov).

### Note 4 - Accounts Receivable

Accounts receivable consisted of the following at June 30, 2021:

	Receivables	Allowance	Net
Governmental activities			
Interest	\$ 5,791	\$ -	\$ 5,791
Taxes	2,898,954	-	2,898,954
Grants and subventions	1,332,050	-	1,332,050
Accounts receivable:			
Customers	2,016,168	-	2,016,168
Total Governmental activities	6,252,963	-	6,252,963
Business-type activities			
Interest	7,682	-	7,682
Grants and subventions	659,279	-	659,279
Accounts receivable:			
Customers	7,128,572	114,620	7,013,952
Total Business-type activities	7,795,533	114,620	7,680,913
Total receivables	\$ 14,048,496	\$ 114,620	\$ 13,933,876

#### Concentration of Receivables

Other governments	35.1%
Individuals/businesses	64.9%

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



## Notes to the Basic Financial Statements

### Note 5 – Notes and Loans Receivable

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.

Loans and notes receivable for the year ended June 30, 2021, consisted of the following:

#### Loans and Notes Receivable

	Beginning 7/1/2020	Additions	Deletions	Ending 6/30/2021
Major governmental funds:				
General fund	\$ 4,045,093	\$ 5,056	\$ 1,925,052	\$ 2,125,097
Nonmajor governmental funds:				
Special revenue funds:				
LMIHF Housing Asset Fund	1,476,183	7,291	-	1,483,474
CDBG Program Income	416,209	-	194,626	221,583
Home Program Income	3,215,794	5,019,500	75,496	8,159,798
Total governmental funds	9,153,279	5,031,847	2,195,174	11,989,952
Enterprise funds:				
Golf Fund	12,000		6,500	5,500
Total enterprise funds	12,000	-	6,500	5,500
Total loans/notes receivable	\$ 9,165,279	\$ 5,031,847	\$ 2,201,674	\$ 11,995,452

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## Notes to the Basic Financial Statements

### Note 6 - Capital Assets

Governmental capital asset activity for the year ended June 30, 2021, was as follows:

#### Capital Assets - Governmental

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
<b>Governmental activities:</b>					
<b>Nondepreciable assets:</b>					
Land	\$ 2,705,812	\$ 1,386,818	\$ -	\$ -	\$ 4,092,630
Construction in progress	1,122,971	5,909,767	(61,317)	-	6,971,422
<b>Total nondepreciable assets</b>	<b>3,828,783</b>	<b>7,296,586</b>	<b>(61,317)</b>	<b>-</b>	<b>11,064,052</b>
<b>Depreciable assets:</b>					
Buildings and improvements	21,860,720	2,094	-	-	21,862,814
Machinery, equipment, and vehicles	11,642,531	241,883	(1,838,922)	-	10,045,491
Infrastructure and network	55,602,715	-	-	-	55,602,715
<b>Total depreciable assets</b>	<b>89,105,966</b>	<b>243,976</b>	<b>(1,838,922)</b>	<b>-</b>	<b>87,511,020</b>
<b>Total</b>	<b>92,934,749</b>	<b>7,540,562</b>	<b>(1,900,239)</b>	<b>-</b>	<b>98,575,072</b>
<b>Accumulated depreciation:</b>					
Buildings and improvements	(7,118,904)	(730,664)	-	-	(7,849,568)
Machinery, equipment, and vehicles	(7,880,849)	(477,952)	1,838,922	-	(6,519,879)
Infrastructure and network	(24,859,024)	(942,379)	-	-	(25,801,403)
<b>Total accumulated depreciation</b>	<b>(39,858,777)</b>	<b>(2,150,995)</b>	<b>1,838,922</b>	<b>-</b>	<b>(40,170,850)</b>
<b>Net depreciable assets</b>	<b>49,247,189</b>	<b>(1,907,019)</b>	<b>-</b>	<b>-</b>	<b>47,340,170</b>
<b>Total governmental capital assets, net</b>	<b>\$ 53,075,972</b>	<b>\$ 5,389,567</b>	<b>\$ (61,317)</b>	<b>\$ -</b>	<b>\$ 58,404,222</b>

#### Allocation of Depreciation Expense

##### Governmental Activities:

General government	\$ 309,047
Public works	1,177,218
Public safety	170,970
Recreation and culture	123,590
Parks, buildings, and grounds	370,170
<b>Total Depreciation Expense</b>	<b>\$ 2,150,995</b>

## Notes to the Basic Financial Statements

### Note 6 – Capital Assets (Continued)

Business-type capital asset activity for the year ended June 30, 2021, was as follows:

#### Capital Assets - Business-type

	Balance July 1, 2020	Additions	Deletions	Transfers	Balance June 30, 2021
<b>Business-type activities:</b>					
<b>Nondepreciable assets:</b>					
Land	\$ 6,932,722	\$ 110,005	\$ -	\$ -	\$ 7,042,727
Capacity rights	90,000	90,000	-	-	180,000
Construction in progress	7,884,420	5,664,018	(136)	(5,077,642)	8,470,658
<b>Total nondepreciable assets</b>	<b>14,907,142</b>	<b>5,864,023</b>	<b>(136)</b>	<b>(5,077,642)</b>	<b>15,693,385</b>
<b>Depreciable assets:</b>					
Buildings and improvements	63,440,511	24,469	(181,752)	-	63,283,228
Machinery, equipment, and vehicles	14,898,769	198,886	(1,535,269)	-	13,562,385
Infrastructure and network	157,263,611	3,362,621	-	5,077,642	165,703,874
<b>Total depreciable assets</b>	<b>235,602,891</b>	<b>3,585,976</b>	<b>(1,717,021)</b>	<b>5,077,642</b>	<b>242,549,490</b>
<b>Total</b>	<b>250,510,033</b>	<b>9,449,998</b>	<b>(1,717,157)</b>	<b>-</b>	<b>258,242,874</b>
<b>Accumulated depreciation:</b>					
Buildings and improvements	(32,740,943)	(1,382,039)	181,752	-	(33,941,230)
Machinery, equipment, and vehicles	(8,883,231)	(699,398)	1,535,269	-	(8,047,360)
Infrastructure and network	(34,957,618)	(3,246,890)	-	-	(38,204,508)
<b>Total accumulated depreciation</b>	<b>(76,581,792)</b>	<b>(5,328,327)</b>	<b>1,717,021</b>	<b>-</b>	<b>(80,193,098)</b>
<b>Net depreciable assets</b>	<b>\$ 159,021,099</b>	<b>\$ (1,742,351)</b>	<b>\$ -</b>	<b>\$ 5,077,642</b>	<b>\$ 162,356,391</b>
<b>Total business-type capital assets, net</b>	<b>\$ 173,928,241</b>	<b>\$ 4,121,671</b>	<b>\$ (136)</b>	<b>\$ -</b>	<b>\$ 178,049,776</b>

#### Allocation of Depreciation Expense

##### Business-type Activities:

Water	\$ 1,099,917
Sewer	2,163,461
Recycled Water	568,287
Electric	1,308,285
Landfill	13,271
Parking	2,424
Airport	109,725
Street lighting	2,943
Conference Center	45,889
Golf	2,236
Ambulance	11,889
<b>Total Depreciation Expense</b>	<b>\$ 5,328,327</b>

## Notes to the Basic Financial Statements

### Note 7 - Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021.

#### Long-term Obligations

	Beginning Balance July 1, 2020	Additions	Reductions	Ending Balance June 30, 2021	Due within One Year
<b>Governmental Activities</b>					
2017 fire engine lease (direct borrowing)	\$ 869,798	\$ -	\$ 106,402	\$ 763,396	\$ 109,586
2017 computer equipment lease (direct borrowing)	116,418	-	58,138	58,280	58,280
2017 I-Bank financing lease (direct borrowing)	3,837,218	-	85,442	3,751,776	88,261
2020 fire brush truck equipment lease (direct borrowing)	227,606	-	20,390	207,216	20,884
2020 fire self-contained breathing apparatus equipment lease (direct borrowing)	-	343,763	15,306	328,457	31,167
Series 2020A Community Facilities Lease Revenue Bonds	-	2,530,000	150,000	2,380,000	90,000
2020A unamortized premium	-	351,130	-	351,130	17,557
Series 2020B CalPERS Taxable Lease Revenue Bonds	-	32,426,592	-	32,426,592	458,361
Claims payable	573,944	-	143,486	430,458	143,486
Net pension liability	36,143,162	2,013,584	-	38,156,746	-
Compensated absences	993,354	1,091,526	1,012,288	1,072,592	107,259
<b>Total</b>	<b>\$ 42,761,500</b>	<b>\$ 38,756,595</b>	<b>\$ 1,591,452</b>	<b>\$ 79,926,642</b>	<b>\$ 1,124,841</b>
<b>Business-Type Activities</b>					
2017 CalTrans Aeronautics Loan - Airport (direct borrowing)	\$ 169,999	\$ -	\$ 10,364	\$ 159,635	\$ 10,655
2016 Water Revenue Refunding Bonds	9,160,000	-	540,000	8,620,000	565,000
2016 unamortized premium	1,383,428	-	25,153	1,358,275	25,153
Lawsuit settlement liability	3,000,000	-	1,000,000	2,000,000	1,000,000
Landfill closure and post-closure	19,063,628	233,965	-	19,297,593	-
2017 SWRCB recycled water loan (direct borrowing)	16,778,411	1,460,327	-	18,238,738	525,558
Series 2020 Wastewater Refunding Bonds	25,010,000	-	1,390,000	23,620,000	1,436,000
Series 2020B CalPERS Taxable Lease Revenue Bonds	-	17,448,408	-	17,448,408	246,639
Claims payable	148,749	-	49,583	99,166	49,583
Net pension liability	17,210,447	1,685,183	-	18,895,630	-
Compensated absences	525,516	572,778	535,451	562,843	56,280
<b>Total</b>	<b>\$ 92,450,178</b>	<b>\$ 21,400,661</b>	<b>\$ 3,550,551</b>	<b>\$ 110,300,288</b>	<b>\$ 3,914,869</b>

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 \$296,419.

## **Note 7 – Long-Term Liabilities (Continued)**

### **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 \$171,156.

### **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 \$240,000.

### **2020 Fire Brush Truck Lease (direct borrowing)**

In February 2020, the City entered a capital lease with Umpqua Bank for the purchase of one Skeeter fire brush truck totaling \$227,606. Principal and interest payments are due semi-annually on March 1 and September 1 of each year with an interest rate of 2.8 percent. Lease payments are made by the General Fund. The total combined amount of accumulated depreciation on this truck is \$11,380.

### **2020 Self-Contained Breathing Apparatus Lease (direct borrowing)**

In November 2020, the City entered an equipment lease with Umpqua Bank for the purchase of one self-contained breathing apparatus system totaling \$343,762.85. Principal and interest payments are due on June 1 and December 1 of each year with an interest rate of 2.39 percent. Lease payments are made by both the General Fund and the Ukiah Valley Fire District at an even 50 percent split.

### **Series 2020A Lease Revenue Bonds (Community Facilities Improvement Project)**

Dated December 1, 2020 the original amount of the obligation was \$2,530,000 and is secured with a pledge consisting primarily of base rental payments to be made by the City as rental for certain City-owned property. The obligation principal is payable in annual installments beginning April 1, 2021 ranging from \$150,000 to \$175,000 through year 2040. Interest is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 2021, with an interest rate ranging from 3.00 percent to 4.00 percent. The Series 2020A Lease Revenue Bonds were issued to reimburse the City for the cost to purchase the Bank of America building, and to pay the costs associated with renovating the new customer service center and roof replacement project for the museum.

### **Series 2020B Taxable Lease Revenue Bonds (CalPERS Prepayment Project)**

Dated December 1, 2020 the original amount of the obligation was \$49,875,000 and is secured with a pledge consisting primarily of base rental payments to be made by the City as rental for certain City-owned property. This obligation is shared with business-type funds, with the governmental fund's share being 65 percent. The obligation principal is payable in annual installments beginning April 1, 2022 ranging from \$705,000 to \$3,015,000 through year 2049. Interest is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2021, with an interest rate ranging from 1.37 percent to 3.706 percent. The Series 2020B Taxable Lease Revenue Bonds were issued to refinance a portion of the UAL of the City's Miscellaneous, Safety Fire, and Safety Police pension plans with CalPERS.

## Notes to the Basic Financial Statements

### Note 7 – Long-Term Liabilities (Continued)

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

#### Debt Service Schedule Governmental

Year Ending June 30,	Governmental Activities							
	Capital Lease, Fire Engines (2017)		IBM Credit Capital Lease		I-Bank Financing Lease (2017)		Capital Lease, Fire Brush Truck (2020)	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 109,586	\$ 18,374	\$ 58,280	\$ 1,282	\$ 88,261	\$ 133,607	\$ 20,884	\$ 4,860
2023	112,338	15,622	-	-	91,173	130,383	21,389	4,355
2024	115,159	12,800	-	-	94,182	127,050	21,907	3,837
2025	118,051	9,908	-	-	97,290	123,609	22,437	3,307
2026	121,016	6,943	-	-	100,501	120,053	22,980	2,764
2027-2031	187,246	4,693	-	-	554,495	542,690	97,619	5,358
2032-2036	-	-	-	-	652,230	434,456	-	-
2037-2041	-	-	-	-	767,188	307,151	-	-
2042-2046	-	-	-	-	902,411	157,403	-	-
2047-2051	-	-	-	-	404,045	15,271	-	-
Total	\$ 763,396	\$ 68,340	\$ 58,280	\$ 1,282	\$ 3,751,776	\$ 2,091,673	\$ 207,216	\$ 24,481
Due within one year	\$ 109,586	\$ 18,374	\$ 58,280	\$ 1,282	\$ 88,261	\$ 133,607	\$ 20,884	\$ 4,860
Due after one year	653,811	49,967	-	-	3,663,515	1,958,066	186,332	19,621
Total	\$ 763,396	\$ 68,340	\$ 58,280	\$ 1,282	\$ 3,751,776	\$ 2,091,673	\$ 207,216	\$ 24,481

Year Ending June 30,	Equipment Lease, Self-Contained Breathing Apparatus (2020)		Series 2020A Community Facilities Lease Revenue Bonds		Series 2020B CalPERS Taxable Lease Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 31,167	\$ 7,715	\$ 90,000	\$ 92,450	458,361	1,519,425	\$ 856,538	\$ 1,777,713
2023	31,921	6,961	90,000	89,750	793,192	1,172,585	1,140,013	1,419,655
2024	32,694	6,188	95,000	87,050	841,954	1,160,124	1,200,896	1,397,049
2025	33,485	5,397	95,000	84,200	864,709	1,144,952	1,230,972	1,371,373
2026	34,295	4,587	100,000	80,400	897,217	1,127,640	1,276,009	1,342,387
2027-2031	164,895	10,075	570,000	338,000	4,970,452	5,259,024	6,544,707	6,159,839
2032-2036	-	-	685,000	215,800	6,124,481	4,382,705	7,461,711	5,032,961
2037-2041	-	-	655,000	66,800	7,701,112	3,063,221	9,123,300	3,437,172
2042-2046	-	-	-	-	7,853,899	1,345,067	8,756,310	1,502,470
2047-2051	-	-	-	-	1,921,215	139,690	2,325,260	154,961
Total	\$ 328,457	\$ 40,923	\$ 2,380,000	\$ 1,054,450	\$ 32,426,592	\$ 20,314,431	\$ 39,915,717	\$ 23,595,581
Due within one year	\$ 31,167	\$ 7,715	\$ 90,000	\$ 92,450	\$ 458,361	\$ 1,519,425	\$ 856,538	\$ 1,777,713
Due after one year	297,290	33,208	2,290,000	962,000	31,968,231	18,795,007	\$ 39,059,179	\$ 21,817,868
Total	\$ 328,457	\$ 40,923	\$ 2,380,000	\$ 1,054,450	\$ 32,426,592	\$ 31,245,415	\$ 39,915,717	\$ 23,595,581

## **Note 7 – Long-Term Liabilities (Continued)**

### **Business-Type Activities**

#### **2017 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 bonds contain a provision that, in an event of default, outstanding amounts may become immediately due. 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.

#### **Series 2020 Wastewater Revenue Refunding Obligations (2020 Wastewater Refunding Project)**

Dated February 24, 2020 the original amount of the obligation was \$25,010,000 and is secured with a pledge of net revenues from the City's wastewater system. Proceeds were used to refund the ABAG 2006 Water & Wastewater Revenue Bonds, Series A. The obligation principal and interest payments at an annual interest rate of 2.42% are payable in annual installments beginning March 1, 2022 ranging from \$1,998,772 to \$1,999,719 through March 1, 2035. The bonds contain a provision that, in an event of default, outstanding amounts may become immediately due.

#### **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 2020.

#### **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. Construction was completed in September 2019. The loan balance as of June 30, 2021 was \$16,778,411. Subsequent to fiscal year end June 30, 2021, the last drawdown was made in September 2020. The final total amount funded by the loan, including accrued interest, is \$18,224,756. Annual principal and interest payments will be made for a thirty-year term beginning in July 2022 at an interest rate of 1.00 percent. The loan will be repaid with revenues from the Water Enterprise Fund.

## Notes to the Basic Financial Statements

### Note 7 – Long-Term Liabilities (Continued)

#### Series 2020B Taxable Lease Revenue Bonds (CalPERS Prepayment Project)

Dated December 1, 2020 the original amount of the obligation was \$49,875,000 and is secured with a pledge consisting primarily of base rental payments to be made by the City as rental for certain City-owned property. This obligation is shared with governmental funds, with the business-type fund's share being 35 percent. The obligation principal is payable in annual installments beginning April 1, 2022 ranging from \$705,000 to \$3,015,000 through year 2049. Interest is payable semi-annually on April 1 and October 1 of each year, commencing October 1, 2021, with an interest rate ranging from 1.37 percent to 3.706 percent. The Series 2020B Taxable Lease Revenue Bonds were issued to refinance a portion of the UAL of the City's Miscellaneous, Safety Fire, and Safety Police pension plans with CalPERS.

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

#### Debt Service Schedule

Business-type	Business-type Activities							
	2017 CalTrans Aeronautics Loan - Airport		2016 Water Revenue Refunding Bonds		Lawsuit settlement liability		2017 SWRCB Recycled Water Loan	
Year Ending June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 10,655	\$ 3,719	\$ 565,000	\$ 355,219	\$ 1,000,000	\$ 60,000	\$ 525,558	181,109
2023	10,903	3,471	415,000	335,618	1,000,000	30,000	529,536	177,132
2024	11,157	3,217	435,000	316,444	-	-	534,831	171,836
2025	11,417	2,957	460,000	294,069	-	-	540,180	166,488
2026	11,683	2,691	480,000	270,569	-	-	545,581	161,086
2027-2031	62,629	9,243	2,795,000	957,218	-	-	2,810,843	722,495
2032-2036	41,191	1,936	3,470,000	280,891	-	-	2,954,224	579,114
2037-2041	-	-	-	-	-	-	3,104,920	428,419
2042-2046	-	-	-	-	-	-	3,263,302	270,037
2047-2051	-	-	-	-	-	-	3,429,763	103,575
Total	\$ 159,635	\$ 27,234	\$ 8,620,000	\$ 2,810,028	\$ 2,000,000	\$ 90,000	18,238,738	2,961,292
Due within one year	\$ 10,655	\$ 3,719	\$ 565,000	\$ 355,219	\$ 1,000,000	\$ 60,000	\$ 525,558	\$ 181,109
Due after one year	148,980	23,515	8,055,000	2,454,809	1,000,000	30,000	17,713,180	2,780,182
Total	\$ 159,635	\$ 27,234	\$ 8,620,000	\$ 2,810,028	\$ 2,000,000	\$ 90,000	18,238,738	2,961,292

Year Ending June 30,	Series 2020 Wastewater Refunding Bonds		Series 2020B CalPERS Taxable Lease Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,436,000	\$ 562,965	\$ 246,639	\$ 817,586	\$ 3,783,852	\$ 1,980,599
2023	1,471,000	528,008	426,808	630,955	\$ 3,853,247	\$ 1,705,184
2024	1,507,000	492,192	453,046	624,250	\$ 2,941,035	\$ 1,607,940
2025	1,543,000	455,505	465,291	616,086	\$ 3,019,887	\$ 1,535,106
2026	1,581,000	417,934	482,783	606,771	\$ 3,101,047	\$ 1,459,051
2027-2031	8,503,000	1,493,116	2,674,548	2,829,825	\$ 16,846,020	\$ 6,011,897
2032-2036	7,579,000	418,478	3,295,519	2,358,288	\$ 17,339,934	\$ 3,638,706
2037-2041	-	-	4,143,888	1,648,287	\$ 7,248,807	\$ 2,076,706
2042-2046	-	-	4,226,101	723,767	\$ 7,489,402	\$ 993,803
2047-2051	-	-	1,033,785	75,165	\$ 4,463,548	\$ 178,741
Total	\$ 23,620,000	\$ 4,368,198	\$ 17,448,408	\$ 10,930,982	\$ 70,086,781	\$ 21,187,733
Due within one year	\$ 1,436,000	\$ 562,965	\$ 246,639	\$ 817,586	\$ 3,783,852	\$ 1,980,599
Due after one year	22,184,000	3,805,233	17,201,769	10,113,395	66,302,929	19,207,135
Total	\$ 23,620,000	\$ 4,368,198	\$ 17,448,408	\$ 10,930,982	\$ 70,086,781	\$ 21,187,733



## Notes to the Basic Financial Statements

### 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 \$19,297,593 (including \$1,001,863 for corrective action liability) as of June 30, 2021, 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, 2021, 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, 2021, held \$9,759,265 in cash and receivables designated for these purposes, \$9,650,782 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 2021 were as follows:

Transfers Out	Transfers In						Total
	General Fund	Streets Capital Improvement	Non-major Governmental Funds	Non-major Enterprise Funds	Landfill	Water	
General fund	\$ -	\$ 3,662,605	\$ -	\$ 25,328	\$ -	\$ -	\$ 3,687,933
Streets capital improvement	-	-	478,156	-	-	-	478,156
Non-major governmental funds	129,001	-	-	-	419,635	-	548,636
Electric enterprise	-	-	-	200,000	-	-	200,000
Wastewater enterprise	-	-	-	-	-	273,375	273,375
Total	\$ 129,001	\$ 3,662,605	\$ 478,156	\$ 225,328	\$ 419,635	\$ 273,375	\$ 5,188,100

Significant transfers included \$3.6 million from the general fund to the Streets Capital Improvement fund representing Measure Y proceeds committed by the City Council dedicated to specific capital projects and \$419 thousand from the Transfer Station Fund to the Landfill Fund for capital improvements. The remaining transfer of funds represent one-time transfers 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.

## Notes to the Basic Financial Statements

### 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.

#### Interfund Borrowing and Internal Balances

Borrowing Fund (Due To)		Lending Fund (Due From)	
Fund Name	Amount	Fund Name	Amount
Gas Tax	\$ 145,000	General Fund	\$ 145,000
Riverside Park	66,500	General Fund	66,500
Conference Center	27,500	General Fund	27,500
Winter Special Events	12,657	General Fund	12,657
1998 STIP Augmentation	3,765	General Fund	3,765
Downtown Business Improvement	2,838	General Fund	2,838
Airport	420,000	General Fund	420,000
	<u>678,260</u>		<u>678,260</u>

Borrowing Fund (Advances From)		Lending Fund (Advances To)	
Fund Name	Amount	Fund Name	Amount
Golf Fund	930,200	General Fund	930,200
Water Fund	716,578	Golf Fund	716,578
Building Maintenance	640,000	General Fund	640,000
Building Maintenance	545,045	Utility Billing	545,045
Street Lighting	186,270	Electric Fund	186,270
Rail Trail	146,661	General Fund	146,661
Swimming Pool	136,349	General Fund	136,349
Conference Center	56,595	General Fund	56,595
Parking District	54,136	General Fund	54,136
ARRC	49,601	General Fund	49,601
	<u>3,461,435</u>		<u>3,461,435</u>
	<u>\$ 4,139,695</u>		<u>\$ 4,139,695</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 \$750,000 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 \$39,250,000 liability insurance coverage over and above REMIF retention level of \$750,000.

#### 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 \$500,000 for high risk flood zones and \$100,000 for all wildfire and property related claims, 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, 2021, was \$383,075.

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.

## Notes to the Basic Financial Statements

### Note 10 - Risk Management (Continued)

Changes in the Internal Service Funds claims liabilities amounts in fiscal year 2021 and 2020 were as follows:

	2021	2020
Balance, beginning of the fiscal year	\$ 722,693	\$ 915,762
Claims and adjustments	-	-
Claims payments	(193,069)	(193,069)
Balance, end of the fiscal year	\$ 529,624	\$ 722,693

The remaining balance of \$529,624 as of June 30, 2021 is detailed in Note 7.

In the past three years, no claims for general liability or workers' compensation have exceeded the City's purchased insurance coverage.

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. REMIF's overall equity balance was \$3.1 million as of June 30, 2020.

#### Risks Management Coverage

Amount	Coverage Provider	Payment Source
General Liability Claims:		
\$0-25,000	Self-insured Retention	City funds
25,001-40,000,000	California Joint Powers Risk Management Authority	Shared risk pool
Workers Compensation Claims:		
\$0-10,000	Self-insured Retention	City funds
10,001-750,000 (Non-Safety)	Commercial Re-insurance	Shared risk pool
1,000,000 (Safety)		
1,000,001-20,000,000	Commercial Reinsurance	Shared risk pool
Property Liability Claims:		
Claims other than High Risk Flood Claims:		
\$0-100,000	Deductible	City funds
100,001-100,000,000	REMIF Coverage of Declared Value	Shared risk pool
1,000,000-400,000,000	California Joint Powers Risk Management Authority	Shared risk pool
High Risk Flood Claims:		
\$0-500,000	Deductible	City funds
500,001-100,000,000	California Joint Powers Risk Management Authority	Shared risk pool

## Notes to the Basic Financial Statements

### Note 10 - Risk Management (Continued)

The following is a summary of the most recent audited financial statements of REMIF as of and for the fiscal year ended June 30, 2020:

#### REMIT Equity

Total assets	\$ 34,311,556
Total deferred outflows of resources	659,939
Total liabilities	31,672,831
To deferred inflow of resources	185,787
Members' equity	<u>\$ 3,112,877</u>
Net operating revenues	\$ 29,710,466
Total operating expenses	28,800,927
Operating income (loss)	<u>\$ 909,539</u>

REMIT issues a separate Annual Comprehensive financial report, which for June 30, 2021 was not available at the time of publication of the City's Annual Comprehensive report. Copies of that report may be obtained from REMIT at Post Office Box 885, Sonoma, California 95476.

### 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 Annual Comprehensive Financial Report, which is available online at [www.calpers.ca.gov](http://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 PEPRSA Safety Fire plan (PEPRSA Safety Fire) and the PEPRSA Safety Police plan (PEPRSA 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 PEPRSA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRSA 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.

## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

#### General Information about the Pension Plans - Safety

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

##### Employer Rate Plans in the Safety Risk Pool

Employer rate plan	Fire	Police	PEPRA Fire	PEPRA Police
	Prior to January	Prior to January	On or after	On or after
Hire Date	01, 2013	01, 2013	January 01, 2013	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	8.987%	8.99%	13.75%	13.75%
Required employer contribution rates	23.558%	25.54%	13.884%	13.884%

#### 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, 2021, were as follows:

	Contributions
Miscellaneous Risk Pool	\$ -
Safety Risk Pool	15,338,474
Total contributions	<u>\$15,338,474</u>

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

As of June 30, 2021, City of Ukiah reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

## Notes to the Basic Financial Statements

	<b>Proportionate Share of Net Pension Liability</b>
Miscellaneous Risk Pool	\$ -
Safety Risk Pool	\$19,556,573
Total net pension liability	<u>\$19,556,573</u>

\* The proportionate share of the total NPL to each of the enterprise and internal service funds is not being allocated because it is deemed to have an immaterial effect on the financial statements.

The City of Ukiah's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The City of Ukiah's proportionate share percentage of the net pension liability for each risk pool as of June 30, 2020, measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2020, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2020, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2020, was calculated by applying City of Ukiah's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2020, to obtain the total pension liability and fiduciary net position as of June 30, 2020. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

The City of Ukiah's proportionate share percentage of the net pension liability for each risk pool as of June 30, 2019, and June 30, 2020, was as follows:

	<b>Safety Risk Pool</b>
Proportion at measurement date – June 30, 2019	0.290879%
Proportion at measurement date – June 30, 2020	<u>0.293539%</u>
	<u>0.002660%</u>

## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

For the year ended June 30, 2021, the City of Ukiah recognized pension expense of \$3,551,524. At June 30, 2021, 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	\$1,440,569	-
Changes of Assumptions	-	(62,099)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	381,042	-
Adjustment due to Differences in Proportions	183,386	(10,509)
Differences between Actual and Required Contributions	-	(355,064)
Contributions after Measurement Date	15,338,474	-
<b>Total</b>	<b>\$17,343,471</b>	<b>(\$427,672)</b>

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 June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$361,035
2022	593,503
2023	428,032
2024	194,755
2025	-
<b>Total</b>	<b>\$1,577,325</b>



## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

#### Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Safety
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase <sup>(1)</sup>	Varies by Age & Length of Service
Investment Rate of Return <sup>(2)</sup>	7.00%
Mortality Rate Table <sup>(3)</sup>	Derived Using CalPERS' Membership Data for all Funds

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

(2) Net of Pension Plan Investment and Administrative Expenses; includes Inflation

(3) The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

#### Discount Rate

The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2020 based on June 30, 2019 Valuations, that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

In the December 2016 and April 2017 meetings, the Board voted to lower the funding discount rates used for the PERF. In making its decision, the Board reviewed recommendations from CalPERS team members, external pension and investment consultants, and input from employer and employee stakeholder groups. A lowered funding discount rate for the PERF will be phased in over a three-year period beginning July 1, 2018 for public agencies and school districts.

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 (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.

<b>Asset Class</b>	<b>New Strategic Allocation</b>	<b>Real Return Years 1-10<sup>(a)</sup></b>	<b>Real Return Years 11+<sup>(b)</sup></b>
Global Equity	50.0%	4.8%	5.98%
Fixed Income	28.0	1.0	2.62
Inflation Assets	0.0	0.77	1.81
Private Equity	8.0	6.3	7.23
Real Assets	13.0	3.75	4.93
Liquidity	1.0	0.0	(0.92)

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

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

## Notes to the Basic Financial Statements

### 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	\$28,817,906		\$19,556,573		\$11,956,773

#### 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, 2019 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, 2021, are summarized as follows:

## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

**Employees Covered** – At June 30, 2021, the following employees were covered by the benefit terms for the Plan:

Benefits Provided	Miscellaneous	
	Prior to January 31, 2013	On or after January 1, 2013
Hire Date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	
Retirement age	55	62
Monthly benefits as a % of eligible compensation	Depending on years of service	
Retired employee contribution rates	8.00%	7.00%
Required employer contribution rates	12.859%	6.750%

#### **Employees Covered by Plan**

Inactive employees of beneficiaries currently receiving benefits	190
Inactive employees entitled to but not yet receiving benefits	141
Active employees	149

**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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

#### Actuarial Assumptions

	Miscellaneous
Valuation date	6/30/2019
Measurement	6/30/2020
Actuarial cost method	Entry-age normal
Discount rate	7.15%
Inflation	2.50%
Projected salary increase	Varies by age and length of service
Mortality (1)	Derived from CalPERS membership data for all funds

(1) The mortality table used was developed based on CalPERS specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

**Discount Rate** – The discount rate used to measure the total pension liability is 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.

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

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## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

<b>Asset Class <sup>(1)</sup></b>	<b>Assumed Asset Allocation</b>	<b>Real Return Years 1-10<sup>(2)</sup></b>	<b>Real Return Years 11+<sup>(3)</sup></b>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0	1.00	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)

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.0% used for this period.

(3) An expected inflation of 2.92% used for this period.

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## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

#### Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan recognized over the measurement period.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (a)-(b)
Balance at June 30, 2019	\$ 95,042,257	\$ 59,846,891	\$ 35,195,366
Beginning of Year Adjustment	-	-	-
Adjusted Balance at June 30, 2019	\$ 95,042,257	\$ 59,846,891	\$ 35,195,366
Changes Recognized for the Measurement Period:			
Service Cost	1,935,834		1,935,834
Interest on Total Pension Liability	6,746,742		6,746,742
Changes of Benefit Terms	-		-
Changes of Assumptions	-		-
Differences Between Expected and Actual Experience	783,147		783,147
Net Plan to Plan Resource Movement	-	-	-
Contribution - Employer	-	3,591,800	(3,591,800)
Contribution - Employees	-	852,263	(852,263)
Net Investment Income	-	2,998,613	(2,998,613)
Benefits Payments, Including Refunds of Employee Contributions	(4,866,568)	(4,866,568)	-
Administrative Expense	-	(84,369)	84,369
Other Miscellaneous Income (Expense)	-	-	-
Net Changes During 2019-20	4,599,155	2,491,739	2,107,416
Balance at June 30, 2020	\$ 99,641,412	\$ 62,338,630	\$ 37,302,782

**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:

	Discount Rate -1%	Discount Rate	Discount Rate +1%
	6.15%	7.15%	8.15%
Plan's Net Pension Liability/(Asset)	\$ 50,026,879	\$ 37,302,782	\$ 26,728,057

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

## Notes to the Basic Financial Statements

### Note 11 – Public Employee Retirement Plan (Continued)

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

For the year ended June 30, 2021, the City recognized pension expense for the Miscellaneous Plan of \$5,103,809. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources for the Miscellaneous Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 34,602,386	\$ -
Changes of assumptions	-	(17,558)
Difference between actual and expected experience	1,283,571	
Net differences between projected and actual earnings on plan investments	456,795	
Total	\$ 36,342,752	\$ (17,558)

\$34,602,386 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ 658,246
2022	459,356
2023	354,671
2024	250,535
2025	-
Therefore	-

#### Payable to the Pension Plan

At June 30, 2021, the City reported a payable of \$ -0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

Total pension expense for both plans was \$3,551,524 for Safety and \$5,103,809 for Misc.



### 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, 2021, the City paid \$8,917,121 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, 2021, the City's balance held in the reserve was \$7,749,546, of which \$251,126 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.

## Notes to the Basic Financial Statements

### 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 \$2,482,861. 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, 2021. The projects include street reconstruction and rehabilitation, airport and utility infrastructure improvements. At year end the government's significant commitments with contractors were as follows:

#### Construction Commitments

Project	Spent to Date	Remaining Commitment
Downtown Streetscape & Road Diet	\$ 5,600,925	\$ 2,137,862
Downtown Streetscape & Road Diet - Utilities	\$ 4,757,364	\$ 544,894
Council Chambers and Conference Rooms A/V Upgrade	\$ 309,270.72	\$ 5,228
Museum Roof Replacement Project	\$ 391,589	\$ 49,517
State Street Undergrounding Project	\$ 1,051,522.72	\$ 83,329
Replacement of 100k Gallon PZ2S Water Tank	\$ 705,315.98	\$ 235,003
Pedestrian Improvement Project	\$ -	\$ 46,468
Gobbi/Waugh Transportation Improvements Project	\$ 57,538	\$ 395,567
Electric Service Center - Site Work	\$ 107,942	\$ 2,794,984
Hydro-Electric SCADA Upgrade	\$ 66,642	\$ 287,160

## Notes to the Basic Financial Statements

### 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:

<b>Encumbrances</b>	
<b>Fund(s)</b>	<b>Encumbrances</b>
General fund	\$ 1,279,842
Streets Capital Improvements	1,407,329
Nonmajor governmental funds	2,166,875
Internal service funds	610,218
Landfill	195,603
Electric	3,511,931
Water	2,247,354
Wastewater	855,401
Nonmajor enterprise funds	234,847
Total	\$ 12,509,402

### 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

## Notes to the Basic Financial Statements

### 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, 2021:

#### **Redevelopment Successor Private Purpose Trust Debt Service Activity**

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
<b>Trust Activities:</b>					
Series 2019A Tax Allocation Bonds	1,259,154	-	304,584	954,570	308,386
Series 2019B Taxable Tax Allocation Bonds	4,236,617	-	327,718	3,908,899	345,535
<b>Total trust fund debt</b>	<b>\$ 5,495,771</b>	<b>\$ -</b>	<b>\$ 632,302</b>	<b>\$ 4,863,469</b>	<b>\$ 653,921</b>

#### **Series 2019A Tax Allocation Bonds**

On December 12, 2019, the Successor Agency issued \$1,259,154 in tax allocation bonds to refund the outstanding Series 2007 Tax Allocation Bonds. The bond series is comprised of \$1,259,154 in serial bonds maturing December 1, 2023. The serial bonds require annual principal payments ranging from \$304,584 to \$326,621. The interest rate is 2.160%.

#### **Series 2019B Taxable Tax Allocation Bonds**

On December 12, 2019, the Successor Agency issued \$4,236,617 in taxable tax allocation bonds to refund the outstanding Series 2011A and 2011B Tax Allocation Bonds. The bond series is comprised of \$4,236,617 in serial bonds maturing on December 1, 2028. The serial bonds require annual principal payments ranging from \$327,718 to \$748,446. The interest rate is 2.960%.

## Notes to the Basic Financial Statements

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

Future debt service for Fiduciary Activities at June 30, 2021, is as follows:

#### Debt Service Schedule

#### Redevelopment Successor Agency

Year Ending June 30,	Series 2019A Tax Allocation Bonds		Series 2019B Taxable Tax Allocation Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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	-	-	717,252	73,293	717,252	73,293
2026	-	-	748,446	51,601	748,446	51,601
2027-2031	-	-	1,369,054	56,304	1,369,054	56,304
Total	\$ 954,570	\$ 31,322	\$ 3,908,899	\$ 481,471	\$ 4,863,469	\$ 512,793
Due within one year	\$ 308,386	\$ 17,287	\$ 345,535	\$ 110,588	\$ 653,921	\$ 127,875
Due after one year	646,184	14,035	3,563,364	370,883	4,209,548	384,918
Total	\$ 954,570	\$ 31,322	\$ 3,908,899	\$ 481,471	\$ 4,863,469	\$ 512,793

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## Notes to the Basic Financial Statements

### 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 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, 2021.

**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, 2021.

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## Notes to the Basic Financial Statements

### 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, 2021, the City paid \$387,757 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, 2021, the City received \$38,500 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	323,221	307,253	15,968
Infrastructure	340,353	178,259	162,093
Buildings	115,992	94,332	21,660
<b>Total Assets</b>	<b>\$ 1,744,849</b>	<b>\$ 579,844</b>	<b>\$ 1,165,006</b>

## **Notes to the Basic Financial Statements**

### **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 other direct maintenance services for the District. District assets held by the City are accounted for in the Custodial funds.



## Required Supplementary Information (RSI)

## 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	2020	2019	2018	2017	2016	2015	2014
<b>TOTAL PENSION LIABILITY:</b>							
Service Cost	\$1,935,834	\$1,842,840	\$1,808,418	\$1,823,230	\$1,572,047	\$1,612,003	\$1,788,902
Interest on Total Pension Liability	6,746,742	6,435,947	6,053,276	5,794,263	5,696,580	5,564,428	5,416,497
Changes of Benefit Terms	0	0	0	0	56,535	0	0
Changes of Assumptions	0	0	(544,277)	4,693,759	0	(1,318,850)	0
Difference Between Expected and Actual Experience	783,147	2,023,144	845,262	(1,456,928)	(1,392,062)	(1,280,133)	0
Benefit Payments, Including Refunds of Employee Contributions	(4,866,568)	(4,656,678)	(4,443,388)	(4,133,617)	(3,981,386)	(4,205,497)	(3,795,124)
<b>Net Change in Total Pension Liability</b>	<b>\$4,599,155</b>	<b>\$5,645,253</b>	<b>\$3,719,291</b>	<b>\$6,720,707</b>	<b>\$1,951,714</b>	<b>\$371,951</b>	<b>\$3,410,275</b>
Total Pension Liability – Beginning	95,042,257	89,397,004	85,677,713	78,957,006	77,005,292	76,633,341	73,223,066
<b>Total Pension Liability – Ending (a)</b>	<b>\$99,641,412</b>	<b>\$95,042,257</b>	<b>\$89,397,004</b>	<b>\$85,677,713</b>	<b>\$78,957,006</b>	<b>\$77,005,292</b>	<b>\$76,633,341</b>
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions – Employer	\$3,591,800	\$3,241,493	\$2,941,163	\$2,652,462	\$2,391,847	\$2,156,759	\$2,193,059
Contributions – Employee	852,263	774,314	727,232	659,895	648,121	634,373	779,732
Net Investment Income	2,998,613	3,744,146	4,534,314	5,421,492	246,475	1,106,699	7,445,055
Benefit Payments, Including Refunds of Employee Contributions	(4,866,568)	(4,656,678)	(4,443,388)	(4,133,617)	(3,981,386)	(4,205,497)	(3,795,124)
Net Plan to Plan Resource Movement	0	0	(132)	0	0	0	0
Administrative Expense	(84,369)	(40,522)	(83,002)	(71,957)	(30,145)	(55,697)	0
Other Miscellaneous Income/(Expense) <sup>1</sup>	0	132	(157,623)	0	0	0	0
<b>Net Change in Fiduciary Net Position</b>	<b>\$2,491,739</b>	<b>\$3,062,885</b>	<b>\$3,518,564</b>	<b>\$4,528,275</b>	<b>(\$725,088)</b>	<b>(\$363,363)</b>	<b>\$6,622,722</b>
Plan Fiduciary Net Position – Beginning <sup>2</sup>	\$59,846,891	\$56,784,006	\$53,265,442	\$48,737,167	\$49,462,255	\$49,825,618	\$43,202,896
Plan Fiduciary Net Position – Ending (b)	62,338,630	59,846,891	56,784,006	53,265,442	48,737,167	49,462,255	49,825,618
<b>Plan Net Pension Liability/(Asset) – (a)-(b)</b>	<b>\$37,302,782</b>	<b>\$35,195,366</b>	<b>\$32,612,998</b>	<b>\$32,412,271</b>	<b>\$30,219,839</b>	<b>\$27,543,037</b>	<b>\$26,807,723</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>62.56%</b>	<b>62.97%</b>	<b>63.52%</b>	<b>62.17%</b>	<b>61.73%</b>	<b>64.23%</b>	<b>65.02%</b>
Covered Payroll <sup>3</sup>	\$10,045,842	\$9,257,248	\$8,821,982	\$8,412,838	\$7,949,673	\$8,008,361	\$8,340,257
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b>	<b>371.33%</b>	<b>380.19%</b>	<b>369.68%</b>	<b>385.27%</b>	<b>380.14%</b>	<b>343.93%</b>	<b>321.43%</b>

<sup>1</sup> 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).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

<sup>4</sup> Fiscal Year 2015 was the first year of implementation; therefore, only 7 years are shown.

## Required Supplementary Information (RSI)

### Schedule of Plan Contributions for the fiscal years ended June 30<sup>1</sup>,

Employer Fiscal Year End	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 3,746,155	\$ 3,591,800	\$ 3,241,493	\$ 2,941,163	\$ 2,652,462	\$ 2,391,847	\$ 2,156,759	\$ 2,193,059
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(34,602,386)	(3,591,800)	(3,241,493)	(2,941,163)	(2,652,462)	(2,391,847)	(2,156,759)	(2,193,059)
Contribution Deficiency (Excess)	\$ (30,856,231)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll <sup>3</sup>	\$ 9,257,248	\$ 10,045,842	\$ 9,257,248	\$ 8,821,982	\$ 8,412,838	\$ 7,949,673	\$ 8,008,361	\$ 8,340,257
Contributions as Percentage of Covered Payroll	373.79%	35.75%	35.02%	33.34%	31.53%	30.09%	26.93%	26.29%

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Includes one year's payroll growth using 2.75 percent payroll assumption for fiscal year ended June 30, 2018-20; 3.00 percent payroll assumption for fiscal years ended June 30, 2014-17. Covered payroll for 2021 derived from actuarial valuation report for required contributions for FY 2021, valuation dated 6/30/19.

<sup>4</sup> Fiscal Year 2015 was the first year of implementation, therefore only 7 years are shown.

## Required Supplementary Information (RSI)

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,

<b>Safety Plan</b>	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	Measurement Date June 30, 2019	Measurement Date June 30, 2020
Plan's Proportion of the PERF C Net Pension Liability/(Asset)	0.185181%	0.180597%	0.176726%	0.173294%	0.177461%	0.177205%	0.179741%
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	\$18,158,244	\$19,556,573
Plan's Covered Payroll	\$3,330,571	\$3,844,242	\$3,434,144	\$3,366,699	\$3,928,981	\$4,038,688	\$4,323,583
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	345.97%	322.46%	445.30%	510.47%	435.24%	449.61%	452.32%
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%	72.67%	71.32%

#### Notes to Schedule:

1. 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). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.
2. Changes in assumptions – No changes to assumptions from year prior.
3. Fiscal Year 2015 was the first year of implementation, therefore only 6 years are shown.

## Required Supplementary Information (RSI)

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,

<b>Safety Plan</b>	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	CalPERS Fiscal Year 2019-20	CalPERS Fiscal Year 2020-21
Actuarially Determined Contributions	\$1,309,930	\$1,520,825	\$1,575,086	\$1,763,563	\$1,950,142	\$2,177,282	\$345,379
Actual Contributions During the Measurement Period	(\$1,309,930)	(\$1,520,825)	(\$1,575,086)	(\$1,763,563)	(\$1,950,142)	(\$2,177,282)	(\$15,338,474)
Contribution Deficiency (Excess)	\$0	\$0	\$0	\$0	\$0	\$0	(\$14,993,095)
Covered Payroll	\$3,844,242	\$3,434,144	\$4,135,089	\$4,088,030	\$3,928,981	\$4,163,203	\$4,263,870
Contributions as a Percentage of Covered Payroll	34.08%	44.29%	38.09%	43.14%	49.63%	52.30%	8.10%

#### Notes to Schedule:

Contribution Valuation Date:

June 30, 2012   June 30, 2013   June 30, 2014   June 30, 2015   June 30, 2016   June 30, 2017   June 30, 2018

\* Fiscal Year 2015 was the first year of implementation, therefore only 7 years are shown.

## Required Supplementary Information (RSI)

City of Ukiah, California

General Fund Budgetary Comparison Schedule

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property tax	\$ 3,099,480	\$ 3,099,480	\$ 3,408,846	\$ 309,366
Sales tax	10,697,430	14,334,111	15,535,021	1,200,910
Transient occupancy	870,000	1,200,000	1,362,134	162,134
Business license tax	343,200	343,200	484,533	141,333
Other taxes	300	300	1,136	836
Franchise fees	1,625,675	1,625,675	1,815,271	189,596
Charges for service	2,070,369	2,070,369	2,434,204	363,835
Licenses and permits	325,282	325,282	276,752	(48,530)
Grants contributions and donations	659,200	3,063,518	1,226,237	(1,837,281)
Use of money and property	168,322	168,322	52,427	(115,895)
Intergovernmental	41,011	42,681	77,668	34,987
Fines penalties and forfeitures	35,000	35,000	25,933	(9,067)
Interest, rent, and concessions	-	40,000	-	(40,000)
Miscellaneous	272,000	288,270	138,952	(149,318)
Total revenues	20,207,269	26,636,208	26,839,114	202,906
<b>EXPENDITURES</b>				
Current:				
General government	(235,895)	(227,042)	60,132	(287,174)
Public safety	11,906,160	12,125,672	12,701,313	(575,641)
Housing and community development	968,815	1,142,970	1,044,627	98,343
Public works	1,246,454	1,639,473	1,487,609	151,864
Parks, buildings, and grounds	1,152,993	1,156,049	1,189,386	(33,337)
Recreation and culture	1,584,385	1,582,533	2,435,717	(853,184)
Economic development and redevelopment	99,923	99,923	256,392	(156,469)
Total current	16,722,835	17,519,578	19,175,176	(1,655,598)
Debt service:				
Interest	92,976	92,976	90,242	2,734
Principal	58,100	58,100	56,392	1,708
Capital lease principal	127,170	127,170	127,291	(121)
Capital lease interest	26,534	26,534	26,949	(415)
Total debt service	304,780	304,780	300,874	3,906
Capital outlay:				
Public safety	-	117,268	65,051	52,217
Public works	-	2,507,486	1,812,859	694,627
Parks, buildings, and grounds	242,000	242,000	-	242,000
Recreation and culture	440,000	90,000	-	90,000
Total capital outlay	682,000	2,956,754	1,877,910	1,078,844
Total expenditures	17,709,615	20,781,112	21,353,960	(572,848)
Excess (deficiency) of revenues over expenditures	2,497,654	5,855,096	5,485,154	(369,942)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	129,000	129,000	129,001	1
Transfers out	(2,626,653)	(3,401,579)	(3,687,933)	(286,354)
Total other financing sources (uses)	(2,497,653)	(3,272,579)	(3,558,932)	(286,353)
Net change in fund balances	1	2,582,517	1,926,222	(656,295)
Fund balances - beginning	9,303,307	9,303,307	9,303,307	-
Fund balances - ending	\$ 9,303,308	\$ 11,885,824	\$ 11,229,529	\$ (656,295)

## Required Supplementary Information (RSI)

City of Ukiah, California

HOME Program Income Budgetary Comparison Schedule

Schedule of Revenues, Expenditures, and Changes in Fund Balances, Special Revenue Fund

Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Grants contributions and donations	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Use of money and property	-	-	147,587	147,587
Intergovernmental	-	-	4,783,983	4,783,983
Interest, rent, and concessions	-	-	28,216	28,216
Total revenues	500,000	500,000	4,959,786	4,459,786
<b>EXPENDITURES</b>				
Current:				
Housing and community development	845,000	5,862,750	218,723	5,644,027
Total current	845,000	5,862,750	218,723	5,644,027
Total expenditures	845,000	5,862,750	218,723	5,644,027
Excess (deficiency) of revenues over expenditures	(345,000)	(5,362,750)	4,741,063	10,103,813
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(345,000)	(5,362,750)	4,741,063	10,103,813
Fund balances - beginning	2,772,141	2,772,141	2,772,141	-
Fund balances - ending	\$ 2,427,141	\$ (2,590,609)	\$ 7,513,204	\$ 10,103,813

## **Required Supplementary Information (RSI)**

City of Ukiah, California

Notes to Required Supplemental Information

June 30, 2021

### **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



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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Grants contributions and donations	\$ -	\$ 77,022	\$ -	\$ (77,022)
Use of money and property	-	-	3,592	3,592
Total revenues	-	77,022	3,592	(73,430)
EXPENDITURES				
Current:				
Public works	199,541	206,916	172,212	34,704
Total current	199,541	206,916	172,212	34,704
Capital outlay:				
Public works	3,245,000	5,668,474	2,786,043	2,882,431
Total capital outlay	3,245,000	5,668,474	2,786,043	2,882,431
Total expenditures	3,444,541	5,875,390	2,958,255	2,917,135
Excess (deficiency) of revenues over expenditures	(3,444,541)	(5,798,368)	(2,954,663)	2,843,705
OTHER FINANCING SOURCES (USES)				
Transfers in	2,995,887	2,995,887	3,106,818	110,931
Total other financing sources (uses)	2,995,887	2,995,887	3,106,818	110,931
Net change in fund balances	(448,654)	(2,802,481)	152,155	2,954,636
Fund balances - beginning	(980,770)	(980,770)	(980,770)	-
Fund balances - ending	\$ (1,429,424)	\$ (3,783,251)	\$ (828,615)	\$ 2,954,636

Pension Debt Service Budgetary Comparison Schedule  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ (9,588)	\$ (9,588)
Total revenues	-	-	(9,588)	(9,588)
<b>EXPENDITURES</b>				
Current:				
General government	-	-	26,142,003	(26,142,003)
Total current	-	-	26,142,003	(26,142,003)
Debt service:				
Issuance expense	-	-	280,533	(280,533)
Total debt service	-	-	280,533	(280,533)
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	26,422,536	(26,422,536)
Excess (deficiency) of revenues over expenditures	-	-	(26,432,124)	(26,432,124)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	29,927,851	29,927,851
Total other financing sources (uses)	-	-	29,927,851	29,927,851
Net change in fund balances	-	-	3,495,727	3,495,727
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 3,495,727	\$ 3,495,727

## Nonmajor Governmental Funds

### SPECIAL REVENUE FUNDS

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.
CASP Certification and Training	This fund is to account for resources accumulated and used to train City team members on CASP requirements.
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.
American Rescue	This fund is to account for the receipt and use of federal funds appropriated to the City by the federal government under the American Rescue Act of 2021.
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.

## **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 – Special Revenue  
Nonmajor Governmental Funds  
June 30, 2021

	Special Revenue	Prop 172	Museum Grant	ARRC	Downtown Business Improvement	LMHIF Housing Asset
<b>ASSETS</b>						
Cash and investments	\$ 14,373	\$ 94,500	\$ 284	\$ 14,572	\$ 27	\$ 1,880,164
Restricted cash and investments	-	-	-	-	-	8,971
Accounts receivable	-	25,213	-	-	-	-
Notes receivable	-	-	-	-	-	1,483,474
Interest receivable	7	24	-	1	-	474
Grants and subventions receivable	-	-	-	-	-	-
Land held for resale	-	-	-	-	-	2,435,114
Total assets	<u>\$ 14,380</u>	<u>\$ 119,737</u>	<u>\$ 284</u>	<u>\$ 14,573</u>	<u>\$ 27</u>	<u>\$ 5,808,197</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 5,140	\$ -	\$ 2,654	\$ 13,606	\$ -
Accrued payroll liabilities	-	-	-	683	-	-
Due to other funds	-	-	-	-	2,838	-
Advance from other funds	-	-	-	49,601	-	-
Total liabilities	<u>-</u>	<u>5,140</u>	<u>-</u>	<u>52,938</u>	<u>16,444</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - grants and subventions	-	-	-	-	-	83,683
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,683</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>5,140</u>	<u>-</u>	<u>52,938</u>	<u>16,444</u>	<u>83,683</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted:						
CDBG activities	-	-	-	-	-	-
Certifications and training	-	-	-	-	-	-
Federal stimulus	-	-	-	-	-	-
Housing activities	-	-	-	-	-	5,724,514
Project reserve	14,380	-	284	-	-	-
Public safety	-	114,597	-	-	-	-
Streets and rights-of-way	-	-	-	-	-	-
Committed:						
Planning activities	-	-	-	-	-	-
Solid waste management	-	-	-	-	-	-
Unassigned	-	-	-	(38,365)	(16,417)	-
Total fund balances (deficits)	<u>\$ 14,380</u>	<u>\$ 114,597</u>	<u>\$ 284</u>	<u>\$ (38,365)</u>	<u>\$ (16,417)</u>	<u>\$ 5,724,514</u>
Total liabilities and fund balances (deficits)	<u>\$ 14,380</u>	<u>\$ 119,737</u>	<u>\$ 284</u>	<u>\$ 14,573</u>	<u>\$ 27</u>	<u>\$ 5,808,197</u>



City of Ukiah, California  
Combining Balance Sheet – Special Revenue (cont)  
Nonmajor Governmental Funds  
June 30, 2021

	Winter Special Events	Advanced Planning	Highway User Tax (Gas Tax)	Signalization	1998 STIP Augmentation	SB325 Reimbursement
<b>ASSETS</b>						
Cash and investments	\$ 21	\$ 311,754	\$ 7,828	\$ 381,209	\$ 1	\$ 102,949
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	-	-	54,305	-	-	-
Notes receivable	-	-	-	-	-	-
Interest receivable	-	43	-	96	8	29
Grants and subventions receivable	-	116,055	-	-	3,779	-
Land held for resale	-	-	-	-	-	-
Total assets	<u>\$ 21</u>	<u>\$ 427,852</u>	<u>\$ 62,133</u>	<u>\$ 381,305</u>	<u>\$ 3,788</u>	<u>\$ 102,978</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 15,156	\$ 419,118	\$ -	\$ -	\$ -
Accrued payroll liabilities	-	-	-	-	-	-
Due to other funds	12,657	-	145,000	-	3,765	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	<u>12,657</u>	<u>15,156</u>	<u>564,118</u>	<u>-</u>	<u>3,765</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - grants and subventions	-	116,055	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>116,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>12,657</u>	<u>131,211</u>	<u>564,118</u>	<u>-</u>	<u>3,765</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted:						
CDBG activities	-	-	-	-	-	-
Certifications and training	-	-	-	-	-	-
Federal stimulus	-	-	-	-	-	-
Housing activities	-	-	-	-	-	-
Project reserve	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Streets and rights-of-way	-	-	-	381,305	-	102,978
Committed:						
Planning activities	-	296,641	-	-	-	-
Solid waste management	-	-	-	-	-	-
Unassigned	(12,636)	-	(501,985)	-	23	-
Total fund balances (deficits)	<u>\$ (12,636)</u>	<u>\$ 296,641</u>	<u>\$ (501,985)</u>	<u>\$ 381,305</u>	<u>\$ 23</u>	<u>\$ 102,978</u>
Total liabilities and fund balances (deficits)	<u>\$ 21</u>	<u>\$ 427,852</u>	<u>\$ 62,133</u>	<u>\$ 381,305</u>	<u>\$ 3,788</u>	<u>\$ 102,978</u>

City of Ukiah, California  
Combining Balance Sheet – Special Revenue (cont)  
Nonmajor Governmental Funds  
June 30, 2021

	S.T.P.	Trans-Traffic Congest Relief	CDBG Program Income	CASP Certification and Training	Asset Seizure	Sup.Law Enforce.Svc.Fd(Slesf)
<b>ASSETS</b>						
Cash and investments	\$ 189,771	\$ -	\$ 239,426	\$ 50,357	\$ 107,557	\$ 179,301
Restricted cash and investments	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	4,201
Notes receivable	-	-	221,583	-	-	-
Interest receivable	37	47	62	14	26	39
Grants and subventions receivable	29,254	-	-	-	-	-
Land held for resale	-	-	-	-	-	-
Total assets	<u>\$ 219,062</u>	<u>\$ 47</u>	<u>\$ 461,071</u>	<u>\$ 50,371</u>	<u>\$ 107,583</u>	<u>\$ 183,541</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 19,933	\$ -	\$ -	\$ -	\$ 12,863	\$ -
Accrued payroll liabilities	-	-	-	-	-	4,767
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	<u>19,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,863</u>	<u>4,767</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - grants and subventions	29,254	-	-	-	-	-
Total deferred inflow of resources	<u>29,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>49,187</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,863</u>	<u>4,767</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted:						
CDBG activities	-	-	461,071	-	-	-
Certifications and training	-	-	-	50,371	-	-
Federal stimulus	-	-	-	-	-	-
Housing activities	-	-	-	-	-	-
Project reserve	-	-	-	-	-	-
Public safety	-	-	-	-	94,720	178,774
Streets and rights-of-way	169,875	-	-	-	-	-
Committed:						
Planning activities	-	-	-	-	-	-
Solid waste management	-	-	-	-	-	-
Unassigned	-	47	-	-	-	-
Total fund balances (deficits)	<u>\$ 169,875</u>	<u>\$ 47</u>	<u>\$ 461,071</u>	<u>\$ 50,371</u>	<u>\$ 94,720</u>	<u>\$ 178,774</u>
Total liabilities and fund balances (deficits)	<u>\$ 219,062</u>	<u>\$ 47</u>	<u>\$ 461,071</u>	<u>\$ 50,371</u>	<u>\$ 107,583</u>	<u>\$ 183,541</u>

City of Ukiah, California  
Combining Balance Sheet – Special Revenue (cont)  
Nonmajor Governmental Funds  
June 30, 2021

	Community-Based Transitional Housing	Asset Forfeiture 11470.2 H&S F	Special Revenue - Police	American Rescue Fund	Transfer Station	Total Nonmajor Special revenue funds
<b>ASSETS</b>						
Cash and investments	\$ 473,093	\$ 62,653	\$ 2,580	\$ -	\$ 914	\$ 4,113,334
Restricted cash and investments	-	-	-	-	-	8,971
Accounts receivable	-	-	-	-	75,767	159,486
Notes receivable	-	-	-	-	-	1,705,057
Interest receivable	113	18	35	468	108	1,649
Grants and subventions receivable	-	-	-	-	-	149,088
Land held for resale	-	-	-	-	-	2,435,114
Total assets	<u>\$ 473,206</u>	<u>\$ 62,671</u>	<u>\$ 2,615</u>	<u>\$ 468</u>	<u>\$ 76,789</u>	<u>\$ 8,572,699</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 488,470
Accrued payroll liabilities	6,333	-	-	-	-	11,783
Due to other funds	-	-	-	-	-	164,260
Advance from other funds	-	-	-	-	-	49,601
Total liabilities	<u>6,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,114</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - grants and subventions	-	-	-	-	-	228,992
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,992</u>
Total liabilities and deferred inflows of resources	<u>6,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>943,106</u>
<b>FUND BALANCES (DEFICITS)</b>						
Restricted:						
CDBG activities	-	-	-	-	-	461,071
Certifications and training	-	-	-	-	-	50,371
Federal stimulus	-	-	-	468	-	468
Housing activities	-	-	-	-	-	5,724,514
Project reserve	-	-	-	-	-	14,664
Public safety	466,873	62,671	2,615	-	-	920,250
Streets and rights-of-way	-	-	-	-	-	654,158
Committed:						
Planning activities	-	-	-	-	-	296,641
Solid waste management	-	-	-	-	76,789	76,789
Unassigned	-	-	-	-	-	(569,333)
Total fund balances (deficits)	<u>\$ 466,873</u>	<u>\$ 62,671</u>	<u>\$ 2,615</u>	<u>\$ 468</u>	<u>\$ 76,789</u>	<u>\$ 7,629,593</u>
Total liabilities and fund balances (deficits)	<u>\$ 473,206</u>	<u>\$ 62,671</u>	<u>\$ 2,615</u>	<u>\$ 468</u>	<u>\$ 76,789</u>	<u>\$ 8,572,699</u>

City of Ukiah, California  
Combining Balance Sheet – Capital Project  
Nonmajor Governmental Funds  
June 30, 2021

	Equipment Reserve	Special Projects Reserve	Park Development Fees	Anton Stadium	Observatory Park	Playground & Park Amenities
<b>ASSETS</b>						
Cash and investments	\$ 380,464	\$ 889,021	\$ 30,724	\$ 11,503	\$ 2,473	\$ 2,687
Accounts receivable	-	-	11,468	-	-	-
Interest receivable	105	-	12	3	1	1
Grants and subventions receivable	-	-	-	-	-	-
Total assets	<u>\$ 380,569</u>	<u>\$ 889,021</u>	<u>\$ 42,204</u>	<u>\$ 11,506</u>	<u>\$ 2,474</u>	<u>\$ 2,688</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 404	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - grants and subventions	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>						
Committed:						
Park development	-	-	42,204	-	-	-
Assigned:						
Capital projects	-	-	-	11,506	2,474	2,688
Equipment reserve	380,569	-	-	-	-	-
Park Development	-	-	-	-	-	-
Project reserve	-	888,617	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>\$ 380,569</u>	<u>\$ 888,617</u>	<u>\$ 42,204</u>	<u>\$ 11,506</u>	<u>\$ 2,474</u>	<u>\$ 2,688</u>
Total liabilities and fund balances (deficits)	<u>\$ 380,569</u>	<u>\$ 889,021</u>	<u>\$ 42,204</u>	<u>\$ 11,506</u>	<u>\$ 2,474</u>	<u>\$ 2,688</u>

City of Ukiah, California

Combining Balance Sheet – Capital Project (cont)  
Nonmajor Governmental Funds  
June 30, 2021

	Swimming Pool	Riverside Park	Skate Park	Softball Complex	Rail Trail	Total Nonmajor Capital projects funds
<b>ASSETS</b>						
Cash and investments	\$ 593	\$ 558	\$ 11,903	\$ 6,844	\$ 124,543	\$ 1,461,313
Accounts receivable	-	-	-	-	-	11,468
Interest receivable	-	-	3	2	32	159
Grants and subventions receivable	-	86,481	-	-	-	86,481
Total assets	<u>\$ 593</u>	<u>\$ 87,039</u>	<u>\$ 11,906</u>	<u>\$ 6,846</u>	<u>\$ 124,575</u>	<u>\$ 1,559,421</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404
Due to other funds	-	66,500	-	-	-	66,500
Advance from other funds	136,349	-	-	-	146,661	283,010
Total liabilities	<u>136,349</u>	<u>66,500</u>	<u>-</u>	<u>-</u>	<u>146,661</u>	<u>349,914</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - grants and subventions	-	14,506	-	-	-	14,506
Total deferred inflow of resources	<u>-</u>	<u>14,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,506</u>
Total liabilities and deferred inflows of resources	<u>136,349</u>	<u>81,006</u>	<u>-</u>	<u>-</u>	<u>146,661</u>	<u>364,420</u>
<b>FUND BALANCES (DEFICITS)</b>						
Committed:						
Park development	-	-	-	-	-	42,204
Assigned:						
Capital projects	-	-	11,906	6,846	-	35,420
Equipment reserve	-	-	-	-	-	380,569
Park Development	-	6,033	-	-	-	6,033
Project reserve	-	-	-	-	-	888,617
Unassigned	(135,756)	-	-	-	(22,086)	(157,842)
Total fund balances (deficits)	<u>\$ (135,756)</u>	<u>\$ 6,033</u>	<u>\$ 11,906</u>	<u>\$ 6,846</u>	<u>\$ (22,086)</u>	<u>\$ 1,195,001</u>
Total liabilities and fund balances (deficits)	<u>\$ 593</u>	<u>\$ 87,039</u>	<u>\$ 11,906</u>	<u>\$ 6,846</u>	<u>\$ 124,575</u>	<u>\$ 1,559,421</u>

City of Ukiah, California  
Combining Balance Sheet – Permanent  
Nonmajor Governmental Funds  
June 30, 2021

	Riparian Corridor Enhancement
<b>ASSETS</b>	
Cash and investments	\$ 145,997
Interest receivable	39
Total assets	<u>\$ 146,036</u>
<b>LIABILITIES</b>	
Total liabilities	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Total deferred inflow of resources	<u>-</u>
Total liabilities and deferred inflows of resources	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>	
Nonspendable:	
Riparian corridor management	137,576
Restricted:	
Riparian corridor management	8,460
Total fund balances (deficits)	<u>\$ 146,036</u>
Total liabilities and fund balances (deficits)	<u>\$ 146,036</u>

City of Ukiah, California  
Combining Balance Sheet – Summary  
Nonmajor Governmental Funds  
June 30, 2021

	Special revenue funds	Capital projects funds	Permanent funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 4,113,334	\$ 1,461,313	\$ 145,997	\$ 5,720,644
Restricted cash and investments	8,971	-	-	8,971
Accounts receivable	159,486	11,468	-	170,954
Notes receivable	1,705,057	-	-	1,705,057
Interest receivable	1,649	159	39	1,847
Grants and subventions receivable	149,088	86,481	-	235,569
Land held for resale	2,435,114	-	-	2,435,114
Total assets	<u>\$ 8,572,699</u>	<u>\$ 1,559,421</u>	<u>\$ 146,036</u>	<u>\$ 10,278,156</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 488,470	\$ 404	\$ -	\$ 488,874
Accrued payroll liabilities	11,783	-	-	11,783
Due to other funds	164,260	66,500	-	230,760
Advance from other funds	49,601	283,010	-	332,611
Total liabilities	<u>714,114</u>	<u>349,914</u>	<u>-</u>	<u>1,064,028</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues - grants and subventions	228,992	14,506	-	243,498
Total deferred inflow of resources	<u>228,992</u>	<u>14,506</u>	<u>-</u>	<u>243,498</u>
Total liabilities and deferred inflows of resources	<u>943,106</u>	<u>364,420</u>	<u>-</u>	<u>1,307,526</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable:				
Riparian corridor management	-	-	137,576	137,576
Restricted:				
CDBG activities	461,071	-	-	461,071
Certifications and training	50,371	-	-	50,371
Federal stimulus	468	-	-	468
Housing activities	5,724,514	-	-	5,724,514
Project reserve	14,664	-	-	14,664
Public safety	920,250	-	-	920,250
Riparian corridor management	-	-	8,460	8,460
Streets and rights-of-way	654,158	-	-	654,158
Committed:				
Park development	-	42,204	-	42,204
Planning activities	296,641	-	-	296,641
Solid waste management	76,789	-	-	76,789
Assigned:				
Capital projects	-	35,420	-	35,420
Equipment reserve	-	380,569	-	380,569
Park Development	-	6,033	-	6,033
Project reserve	-	888,617	-	888,617
Unassigned	(569,333)	(157,842)	-	(727,175)
Total fund balances (deficits)	<u>\$ 7,629,593</u>	<u>\$ 1,195,001</u>	<u>\$ 146,036</u>	<u>\$ 8,970,630</u>
Total liabilities and fund balances (deficits)	<u>\$ 8,572,699</u>	<u>\$ 1,559,421</u>	<u>\$ 146,036</u>	<u>\$ 10,278,156</u>

City of Ukiah, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue  
Nonmajor Governmental Funds  
Year Ended June 30, 2021

	Special Revenue	Prop 172	Museum Grant	ARRC	Downtown Business Improvement	LMIHF Housing Asset
<b>REVENUES</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business license tax	-	-	-	-	25,270	-
Charges for service	-	-	-	-	-	-
Use of money and property	79	200	264	49,571	7	54,338
Intergovernmental	-	102,051	-	-	-	-
Miscellaneous	-	-	-	20,004	-	-
Total revenues	79	102,251	264	69,575	25,277	54,338
<b>EXPENDITURES</b>						
Current:						
Public safety	-	385,346	-	-	-	-
Housing and community development	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Recreation and culture	-	-	-	61,750	-	-
Economic development and redevelopment	-	-	-	-	33,869	-
Debt service:						
Interest	-	2,340	-	-	-	-
Capital outlay:						
Public safety	-	14,300	-	-	-	-
Public works	-	-	-	-	-	-
Total expenditures	-	401,986	-	61,750	33,869	-
Excess (deficiency) of revenues over expenditures	79	(299,735)	264	7,825	(8,592)	54,338
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Debt proceeds	-	343,763	-	-	-	-
Total other financing sources (uses)	-	343,763	-	-	-	-
Net change in fund balances	79	44,028	264	7,825	(8,592)	54,338
Fund balances - beginning	14,301	70,569	20	(46,190)	(7,825)	5,670,176
Fund balances - ending	\$ 14,380	\$ 114,597	\$ 284	\$ (38,365)	\$ (16,417)	\$ 5,724,514



City of Ukiah, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue (cont)

Nonmajor Governmental Funds (cont)

Year Ended June 30, 2021

	Winter Special Events	Advanced Planning	Highway User Tax (Gas Tax)	Signalization	1998 STIP Augmentation	SB325 Reimbursement
<b>REVENUES</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business license tax	-	-	-	-	-	-
Charges for service	-	59,466	-	-	-	-
Use of money and property	-	1,687	224	2,005	47	704
Intergovernmental	-	-	663,357	-	-	35,000
Miscellaneous	-	-	-	-	-	-
Total revenues	-	61,153	663,581	2,005	47	35,704
<b>EXPENDITURES</b>						
Current:						
Public safety	-	-	-	-	-	-
Housing and community development	-	4,092	-	-	-	-
Public works	-	-	64,075	-	-	11,469
Recreation and culture	-	-	-	-	-	-
Economic development and redevelopment	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Public works	-	-	1,052,735	-	-	-
Total expenditures	-	4,092	1,116,810	-	-	11,469
Excess (deficiency) of revenues over expenditures	-	57,061	(453,229)	2,005	47	24,235
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(4,000)	-	-	-
Debt proceeds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(4,000)	-	-	-
Net change in fund balances	-	57,061	(457,229)	2,005	47	24,235
Fund balances - beginning	(12,636)	239,580	(44,756)	379,300	(24)	78,743
Fund balances - ending	\$ (12,636)	\$ 296,641	\$ (501,985)	\$ 381,305	\$ 23	\$ 102,978

City of Ukiah, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue (cont)

Nonmajor Governmental Funds (cont)

Year Ended June 30, 2021

	S.T.P.	Trans-Traffic Congest Relief	CDBG Program Income	CASP Certification and Training	Asset Seizure	Sup.Law Enforce.Svc.Fd(Slesf)
<b>REVENUES</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business license tax	-	-	-	-	-	-
Charges for service	-	-	-	-	-	-
Use of money and property	1,308	550	151,180	(353)	433	415
Intergovernmental	32,063	-	-	50,724	45,099	121,309
Miscellaneous	-	-	-	-	-	-
Total revenues	33,371	550	151,180	50,371	45,532	121,724
<b>EXPENDITURES</b>						
Current:						
Public safety	-	-	-	-	49,329	123,905
Housing and community development	-	-	192,351	-	-	-
Public works	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Economic development and redevelopment	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Public works	80,352	-	-	-	-	-
Total expenditures	80,352	-	192,351	-	49,329	123,905
Excess (deficiency) of revenues over expenditures	(46,981)	550	(41,171)	50,371	(3,797)	(2,181)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	478,156	-	-	-	-
Transfers out	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-
Total other financing sources (uses)	-	478,156	-	-	-	-
Net change in fund balances	(46,981)	478,706	(41,171)	50,371	(3,797)	(2,181)
Fund balances - beginning	216,856	(478,659)	502,242	-	98,517	180,955
Fund balances - ending	\$ 169,875	\$ 47	\$ 461,071	\$ 50,371	\$ 94,720	\$ 178,774

City of Ukiah, California

City of Ukiah, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Special Revenue (cont)  
Nonmajor Governmental Funds (cont)  
Year Ended June 30, 2021

	Community-Based Transitional Housing	Asset Forfeiture 11470.2 H&S F	Special Revenue - Police	American Rescue Fund	Transfer Station	Total Nonmajor Special revenue funds
<b>REVENUES</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business license tax	-	-	-	-	-	25,270
Charges for service	-	-	-	-	-	59,466
Use of money and property	4,119	394	(328)	468	461,404	728,716
Intergovernmental	-	-	125,000	-	-	1,174,603
Miscellaneous	-	-	-	-	-	20,004
Total revenues	4,119	394	124,672	468	461,404	2,008,059
<b>EXPENDITURES</b>						
Current:						
Public safety	221,293	5,241	-	-	-	785,114
Housing and community development	341	-	-	-	-	196,784
Public works	-	-	-	-	299	75,843
Recreation and culture	-	-	-	-	-	61,750
Economic development and redevelopment	-	-	-	-	-	33,869
Debt service:						
Interest	-	-	-	-	-	2,340
Capital outlay:						
Public safety	-	-	-	-	-	14,300
Public works	-	-	-	-	-	1,133,087
Total expenditures	221,634	5,241	-	-	299	2,303,087
Excess (deficiency) of revenues over expenditures	(217,515)	(4,847)	124,672	468	461,105	(295,028)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	478,156
Transfers out	-	-	(125,000)	-	(419,635)	(548,635)
Debt proceeds	-	-	-	-	-	343,763
Total other financing sources (uses)	-	-	(125,000)	-	(419,635)	273,284
Net change in fund balances	(217,515)	(4,847)	(328)	468	41,470	(21,744)
Fund balances - beginning	684,388	67,518	2,943	-	35,319	7,651,337
Fund balances - ending	\$ 466,873	\$ 62,671	\$ 2,615	\$ 468	\$ 76,789	\$ 7,629,593

City of Ukiah, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Capital Project  
Nonmajor Governmental Funds  
Year Ended June 30, 2021

	Equipment Reserve	Special Projects Reserve	Park Development Fees	Anton Stadium	Observatory Park	Playground & Park Amenities
<b>REVENUES</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	11,468	-	-	-
Grants contributions and donations	-	-	-	-	-	-
Use of money and property	2,228	-	169	74	14	15
Interest, rent, and concessions	-	-	-	-	-	-
Total revenues	2,228	-	11,637	74	14	15
<b>EXPENDITURES</b>						
Current:						
General government	2,483	-	-	-	-	-
Recreation and culture	-	19,906	-	-	-	-
Capital outlay:						
Recreation and culture	-	-	-	2,092	-	-
Total expenditures	2,483	19,906	-	2,092	-	-
Excess (deficiency) of revenues over expenditures	(255)	(19,906)	11,637	(2,018)	14	15
<b>OTHER FINANCING SOURCES (USES)</b>						
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	(255)	(19,906)	11,637	(2,018)	14	15
Fund balances - beginning	380,824	908,523	30,567	13,524	2,460	2,673
Fund balances - ending	\$ 380,569	\$ 888,617	\$ 42,204	\$ 11,506	\$ 2,474	\$ 2,688

City of Ukiah, California

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Capital Project (cont)

Nonmajor Governmental Funds (cont)

Year Ended June 30, 2021

	Swimming Pool	Riverside Park	Skate Park	Softball Complex	Rail Trail	Total Nonmajor Capital projects funds
<b>REVENUES</b>						
Property tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	-	-	-	-	11,468
Grants contributions and donations	-	71,975	-	-	299,015	370,990
Use of money and property	3	4	64	37	-	2,608
Interest, rent, and concessions	-	-	-	-	(372)	(372)
Total revenues	<u>3</u>	<u>71,979</u>	<u>64</u>	<u>37</u>	<u>298,643</u>	<u>384,694</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	2,483
Recreation and culture	-	-	-	-	-	19,906
Capital outlay:						
Recreation and culture	-	61,210	-	-	-	63,302
Total expenditures	<u>-</u>	<u>61,210</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,691</u>
Excess (deficiency) of revenues over expenditures	<u>3</u>	<u>10,769</u>	<u>64</u>	<u>37</u>	<u>298,643</u>	<u>299,003</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3	10,769	64	37	298,643	299,003
Fund balances - beginning	(135,759)	(4,736)	11,842	6,809	(320,729)	895,998
Fund balances - ending	<u>\$ (135,756)</u>	<u>\$ 6,033</u>	<u>\$ 11,906</u>	<u>\$ 6,846</u>	<u>\$ (22,086)</u>	<u>\$ 1,195,001</u>

City of Ukiah, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Permanent  
Nonmajor Governmental Funds  
Year Ended June 30, 2021

	Riparian Corridor Enhancement
<b>REVENUES</b>	
Use of money and property	\$ 790
Total revenues	<u>790</u>
<b>EXPENDITURES</b>	
Current:	
Parks, buildings, and grounds	880
Debt service:	
Capital outlay:	
Total expenditures	<u>880</u>
Excess (deficiency) of revenues over expenditures	<u>(90)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Total other financing sources (uses)	<u>-</u>
Net change in fund balances	(90)
Fund balances - beginning	146,126
Fund balances - ending	<u>\$ 146,036</u>

City of Ukiah, California  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Summary  
Nonmajor Governmental Funds (cont)  
Year Ended June 30, 2021

	Special revenue funds	Capital projects funds	Permanent funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Business license tax	\$ 25,270	\$ -	\$ -	\$ 25,270
Charges for service	59,466	11,468	-	70,934
Grants contributions and donations	-	370,990	-	370,990
Use of money and property	728,716	2,608	790	732,114
Intergovernmental	1,174,603	-	-	1,174,603
Interest, rent, and concessions	-	(372)	-	(372)
Miscellaneous	20,004	-	-	20,004
Total revenues	2,008,059	384,694	790	2,393,543
<b>EXPENDITURES</b>				
Current:				
General government	-	2,483	-	2,483
Public safety	785,114	-	-	785,114
Housing and community development	196,784	-	-	196,784
Public works	75,843	-	-	75,843
Parks, buildings, and grounds	-	-	880	880
Recreation and culture	61,750	19,906	-	81,656
Economic development and redevelopment	33,869	-	-	33,869
Debt service:				
Interest	2,340	-	-	2,340
Capital outlay:				
Public safety	14,300	-	-	14,300
Public works	1,133,087	-	-	1,133,087
Recreation and culture	-	63,302	-	63,302
Total expenditures	2,303,087	85,691	880	2,389,658
Excess (deficiency) of revenues over expenditures	(295,028)	299,003	(90)	3,885
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	478,156	-	-	478,156
Transfers out	(548,635)	-	-	(548,635)
Debt proceeds	343,763	-	-	343,763
Total other financing sources (uses)	273,284	-	-	273,284
Net change in fund balances	(21,744)	299,003	(90)	277,169
Fund balances - beginning	7,651,337	895,998	146,126	8,693,461
Fund balances - ending	\$ 7,629,593	\$ 1,195,001	\$ 146,036	\$ 8,970,630

## Governmental Fund Budget Comparisons

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 79	\$ 79
Total revenues	-	-	79	79
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	79	79
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	79	79
Fund balances - beginning	14,301	14,301	14,301	-
Fund balances - ending	\$ 14,301	\$ 14,301	\$ 14,380	\$ 79



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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Use of money and property	\$ 1,000	\$ 1,000	\$ 200	\$ (800)
Intergovernmental	55,756	55,756	102,051	46,295
Total revenues	56,756	56,756	102,251	45,495
<b>EXPENDITURES</b>				
Current:				
Public safety	40,990	40,990	385,346	(344,356)
Total current	40,990	40,990	385,346	(344,356)
Debt service:				
Interest	-	-	2,340	(2,340)
Total debt service	-	-	2,340	(2,340)
Capital outlay:				
Public safety	15,750	15,750	14,300	1,450
Total capital outlay	15,750	15,750	14,300	1,450
Total expenditures	56,740	56,740	401,986	(345,246)
Excess (deficiency) of revenues over expenditures	16	16	(299,735)	(299,751)
<b>OTHER FINANCING SOURCES (USES)</b>				
Debt proceeds	-	-	343,763	343,763
Total other financing sources (uses)	-	-	343,763	343,763
Net change in fund balances	16	16	44,028	44,012
Fund balances - beginning	70,569	70,569	70,569	-
Fund balances - ending	\$ 70,585	\$ 70,585	\$ 114,597	\$ 44,012

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 264	\$ 264
Total revenues	-	-	264	264
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	264	264
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	264	264
Fund balances - beginning	20	20	20	-
Fund balances - ending	\$ 20	\$ 20	\$ 284	\$ 264

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Use of money and property	\$ 62,000	\$ 62,000	\$ 49,571	\$ (12,429)
Miscellaneous	12,000	20,000	20,004	4
Total revenues	74,000	82,000	69,575	(12,425)
<b>EXPENDITURES</b>				
Current:				
Recreation and culture	96,891	106,891	61,750	45,141
Total current	96,891	106,891	61,750	45,141
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	96,891	106,891	61,750	45,141
Excess (deficiency) of revenues over expenditures	(22,891)	(24,891)	7,825	32,716
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(22,891)	(24,891)	7,825	32,716
Fund balances - beginning	(46,190)	(46,190)	(46,190)	-
Fund balances - ending	\$ (69,081)	\$ (71,081)	\$ (38,365)	\$ 32,716

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		
<b>REVENUES</b>				
Business license tax	\$ 20,864	\$ 20,864	\$ 25,270	\$ 4,406
Use of money and property	-	-	7	7
Total revenues	20,864	20,864	25,277	4,413
<b>EXPENDITURES</b>				
Current:				
Economic development and redevelopment	3,282	3,282	33,869	(30,587)
Total current	3,282	3,282	33,869	(30,587)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	3,282	3,282	33,869	(30,587)
Excess (deficiency) of revenues over expenditures	17,582	17,582	(8,592)	(26,174)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	17,582	17,582	(8,592)	(26,174)
Fund balances - beginning	(7,825)	(7,825)	(7,825)	-
Fund balances - ending	\$ 9,757	\$ 9,757	\$ (16,417)	\$ (26,174)

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		
<b>REVENUES</b>				
Use of money and property	\$ 98,586	\$ 98,586	\$ 54,338	\$ (44,248)
Total revenues	98,586	98,586	54,338	(44,248)
<b>EXPENDITURES</b>				
Current:				
Housing and community development	531,000	531,000	-	531,000
Total current	531,000	531,000	-	531,000
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	531,000	531,000	-	531,000
Excess (deficiency) of revenues over expenditures	(432,414)	(432,414)	54,338	486,752
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(432,414)	(432,414)	54,338	486,752
Fund balances - beginning	5,670,176	5,670,176	5,670,176	-
Fund balances - ending	\$ 5,237,762	\$ 5,237,762	\$ 5,724,514	\$ 486,752

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		
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	\$ (12,636)	\$ (12,636)	\$ (12,636)	\$ -
Fund balances - ending	\$ (12,636)	\$ (12,636)	\$ (12,636)	\$ -

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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Charges for service	\$ -	\$ -	\$ 59,466	\$ 59,466
Use of money and property	2,727	2,727	1,687	(1,040)
Intergovernmental	-	40,000	-	(40,000)
Total revenues	2,727	42,727	61,153	18,426
<b>EXPENDITURES</b>				
Current:				
Housing and community development	1,175	438,133	4,092	434,041
Total current	1,175	438,133	4,092	434,041
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	1,175	438,133	4,092	434,041
Excess (deficiency) of revenues over expenditures	1,552	(395,406)	57,061	452,467
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	1,552	(395,406)	57,061	452,467
Fund balances - beginning	239,580	239,580	239,580	-
Fund balances - ending	\$ 241,132	\$ (155,826)	\$ 296,641	\$ 452,467

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 224	\$ 224
Intergovernmental	674,368	674,368	663,357	(11,011)
Total revenues	674,368	674,368	663,581	(10,787)
<b>EXPENDITURES</b>				
Current:				
Public works	69,181	59,581	64,075	(4,494)
Total current	69,181	59,581	64,075	(4,494)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public works	-	1,452,000	1,052,735	399,265
Total capital outlay	-	1,452,000	1,052,735	399,265
Total expenditures	69,181	1,511,581	1,116,810	394,771
Excess (deficiency) of revenues over expenditures	605,187	(837,213)	(453,229)	383,984
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(4,000)	(4,000)	(4,000)	-
Total other financing sources (uses)	(4,000)	(4,000)	(4,000)	-
Net change in fund balances	601,187	(841,213)	(457,229)	383,984
Fund balances - beginning	(44,756)	(44,756)	(44,756)	-
Fund balances - ending	\$ 556,431	\$ (885,969)	\$ (501,985)	\$ 383,984



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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 2,005	\$ 2,005
Total revenues	-	-	2,005	2,005
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	2,005	2,005
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	2,005	2,005
Fund balances - beginning	379,300	379,300	379,300	-
Fund balances - ending	\$ 379,300	\$ 379,300	\$ 381,305	\$ 2,005

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 47	\$ 47
Total revenues	-	-	47	47
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	47	47
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	47	47
Fund balances - beginning	(24)	(24)	(24)	-
Fund balances - ending	\$ (24)	\$ (24)	\$ 23	\$ 47

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 704	\$ 704
Intergovernmental	40,000	40,000	35,000	(5,000)
Total revenues	40,000	40,000	35,704	(4,296)
<b>EXPENDITURES</b>				
Current:				
Public works	46,121	50,864	11,469	39,395
Total current	46,121	50,864	11,469	39,395
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	46,121	50,864	11,469	39,395
Excess (deficiency) of revenues over expenditures	(6,121)	(10,864)	24,235	35,099
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(6,121)	(10,864)	24,235	35,099
Fund balances - beginning	78,743	78,743	78,743	-
Fund balances - ending	\$ 72,622	\$ 67,879	\$ 102,978	\$ 35,099

City of Ukiah, California

S.T.P.

Schedule of Revenue, Expenditures, and Change in Fund Balances

Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 1,308	\$ 1,308
Intergovernmental	-	388,489	32,063	(356,426)
Total revenues	-	388,489	33,371	(355,118)
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public works	-	498,116	80,352	417,764
Total capital outlay	-	498,116	80,352	417,764
Total expenditures	-	498,116	80,352	417,764
Excess (deficiency) of revenues over expenditures	-	(109,627)	(46,981)	62,646
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(109,627)	(46,981)	62,646
Fund balances - beginning	216,856	216,856	216,856	-
Fund balances - ending	\$ 216,856	\$ 107,229	\$ 169,875	\$ 62,646

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 550	\$ 550
Intergovernmental	16,000	16,000	-	(16,000)
Total revenues	16,000	16,000	550	(15,450)
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	16,000	16,000	550	(15,450)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	478,156	478,156
Total other financing sources (uses)	-	-	478,156	478,156
Net change in fund balances	16,000	16,000	478,706	462,706
Fund balances - beginning	(478,659)	(478,659)	(478,659)	-
Fund balances - ending	\$ (462,659)	\$ (462,659)	\$ 47	\$ 462,706

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 151,180	\$ 151,180
Total revenues	-	-	151,180	151,180
<b>EXPENDITURES</b>				
Current:				
Housing and community development	50,000	50,000	192,351	(142,351)
Economic development and redevelopment	-	13,500	-	13,500
Total current	50,000	63,500	192,351	(128,851)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	50,000	63,500	192,351	(128,851)
Excess (deficiency) of revenues over expenditures	(50,000)	(63,500)	(41,171)	22,329
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(50,000)	(63,500)	(41,171)	22,329
Fund balances - beginning	502,242	502,242	502,242	-
Fund balances - ending	\$ 452,242	\$ 438,742	\$ 461,071	\$ 22,329

City of Ukiah, California  
CASP Certification and Training  
Schedule of Revenue, Expenditures, and Change in Fund Balances  
Budget and Actual

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ (353)	\$ (353)
Intergovernmental	-	-	50,724	50,724
Total revenues	-	-	50,371	50,371
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	50,371	50,371
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	50,371	50,371
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 50,371	\$ 50,371

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		
<b>REVENUES</b>				
Use of money and property	\$ 1,832	\$ 1,832	\$ 433	\$ (1,399)
Intergovernmental	35,000	35,000	45,099	10,099
Total revenues	36,832	36,832	45,532	8,700
<b>EXPENDITURES</b>				
Current:				
Public safety	79,000	85,856	49,329	36,527
Total current	79,000	85,856	49,329	36,527
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	79,000	85,856	49,329	36,527
Excess (deficiency) of revenues over expenditures	(42,168)	(49,024)	(3,797)	45,227
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(42,168)	(49,024)	(3,797)	45,227
Fund balances - beginning	98,517	98,517	98,517	-
Fund balances - ending	\$ 56,349	\$ 49,493	\$ 94,720	\$ 45,227



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

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 415	\$ 415
Intergovernmental	140,454	140,454	121,309	(19,145)
Total revenues	140,454	140,454	121,724	(18,730)
<b>EXPENDITURES</b>				
Current:				
Public safety	126,557	126,557	123,905	2,652
Total current	126,557	126,557	123,905	2,652
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	126,557	126,557	123,905	2,652
Excess (deficiency) of revenues over expenditures	13,897	13,897	(2,181)	(16,078)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	13,897	13,897	(2,181)	(16,078)
Fund balances - beginning	180,955	180,955	180,955	-
Fund balances - ending	\$ 194,852	\$ 194,852	\$ 178,774	\$ (16,078)

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		
<b>REVENUES</b>				
Use of money and property	\$ 7,206	\$ 7,206	\$ 4,119	\$ (3,087)
Total revenues	7,206	7,206	4,119	(3,087)
<b>EXPENDITURES</b>				
Current:				
Public safety	244,939	244,939	221,293	23,646
Housing and community development	-	-	341	(341)
Total current	244,939	244,939	221,634	23,305
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	244,939	244,939	221,634	23,305
Excess (deficiency) of revenues over expenditures	(237,733)	(237,733)	(217,515)	20,218
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(237,733)	(237,733)	(217,515)	20,218
Fund balances - beginning	684,388	684,388	684,388	-
Fund balances - ending	\$ 446,655	\$ 446,655	\$ 466,873	\$ 20,218

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		
<b>REVENUES</b>				
Use of money and property	\$ 900	\$ 900	\$ 394	\$ (506)
Intergovernmental	31,250	31,250	-	(31,250)
Total revenues	32,150	32,150	394	(31,756)
<b>EXPENDITURES</b>				
Current:				
Public safety	40,000	40,000	5,241	34,759
Total current	40,000	40,000	5,241	34,759
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	40,000	40,000	5,241	34,759
Excess (deficiency) of revenues over expenditures	(7,850)	(7,850)	(4,847)	3,003
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(7,850)	(7,850)	(4,847)	3,003
Fund balances - beginning	67,518	67,518	67,518	-
Fund balances - ending	\$ 59,668	\$ 59,668	\$ 62,671	\$ 3,003

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ (328)	\$ (328)
Intergovernmental	125,000	125,000	125,000	-
Total revenues	125,000	125,000	124,672	(328)
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	125,000	125,000	124,672	(328)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(125,000)	(125,000)	(125,000)	-
Total other financing sources (uses)	(125,000)	(125,000)	(125,000)	-
Net change in fund balances	-	-	(328)	(328)
Fund balances - beginning	2,943	2,943	2,943	-
Fund balances - ending	\$ 2,943	\$ 2,943	\$ 2,615	\$ (328)

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 468	\$ 468
Total revenues	-	-	468	468
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	468	468
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(156,419)	-	156,419
Total other financing sources (uses)	-	(156,419)	-	156,419
Net change in fund balances	-	(156,419)	468	156,887
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ (156,419)	\$ 468	\$ 156,887

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		
<b>REVENUES</b>				
Use of money and property	\$ 415,000	\$ 415,000	\$ 461,404	\$ 46,404
Total revenues	415,000	415,000	461,404	46,404
<b>EXPENDITURES</b>				
Current:				
Public works	-	299	299	-
Total current	-	299	299	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	299	299	-
Excess (deficiency) of revenues over expenditures	415,000	414,701	461,105	46,404
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(385,000)	(385,000)	(419,635)	(34,635)
Total other financing sources (uses)	(385,000)	(385,000)	(419,635)	(34,635)
Net change in fund balances	30,000	29,701	41,470	11,769
Fund balances - beginning	35,319	35,319	35,319	-
Fund balances - ending	\$ 65,319	\$ 65,020	\$ 76,789	\$ 11,769

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		
<b>REVENUES</b>				
Use of money and property	\$ 5,221	\$ 5,221	\$ 2,228	\$ (2,993)
Total revenues	5,221	5,221	2,228	(2,993)
<b>EXPENDITURES</b>				
Current:				
General government	2,249	2,249	2,483	(234)
Total current	2,249	2,249	2,483	(234)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	2,249	2,249	2,483	(234)
Excess (deficiency) of revenues over expenditures	2,972	2,972	(255)	(3,227)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	2,972	2,972	(255)	(3,227)
Fund balances - beginning	380,824	380,824	380,824	-
Fund balances - ending	\$ 383,796	\$ 383,796	\$ 380,569	\$ (3,227)

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		
<b>REVENUES</b>				
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Current:				
Recreation and culture	\$ -	\$ -	\$ 19,906	\$ (19,906)
Total current	-	-	19,906	(19,906)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	19,906	(19,906)
Excess (deficiency) of revenues over expenditures	-	-	(19,906)	(19,906)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(19,906)	(19,906)
Fund balances - beginning	908,523	908,523	908,523	-
Fund balances - ending	\$ 908,523	\$ 908,523	\$ 888,617	\$ (19,906)



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		
<b>REVENUES</b>				
Charges for service	\$ -	\$ -	\$ 11,468	\$ 11,468
Use of money and property	-	-	169	169
Total revenues	-	-	11,637	11,637
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	11,637	11,637
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	11,637	11,637
Fund balances - beginning	30,567	30,567	30,567	-
Fund balances - ending	\$ 30,567	\$ 30,567	\$ 42,204	\$ 11,637

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 74	\$ 74
Total revenues	-	-	74	74
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Recreation and culture	-	2,092	2,092	-
Total capital outlay	-	2,092	2,092	-
Total expenditures	-	2,092	2,092	-
Excess (deficiency) of revenues over expenditures	-	(2,092)	(2,018)	74
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(2,092)	(2,018)	74
Fund balances - beginning	13,524	13,524	13,524	-
Fund balances - ending	\$ 13,524	\$ 11,432	\$ 11,506	\$ 74

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 14	\$ 14
Total revenues	-	-	14	14
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	14	14
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	14	14
Fund balances - beginning	2,460	2,460	2,460	-
Fund balances - ending	\$ 2,460	\$ 2,460	\$ 2,474	\$ 14

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 15	\$ 15
Total revenues	-	-	15	15
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	15	15
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	15	15
Fund balances - beginning	2,673	2,673	2,673	-
Fund balances - ending	\$ 2,673	\$ 2,673	\$ 2,688	\$ 15

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	3	3
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	3	3
Fund balances - beginning	(135,759)	(135,759)	(135,759)	-
Fund balances - ending	\$ (135,759)	\$ (135,759)	\$ (135,756)	\$ 3

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		
<b>REVENUES</b>				
Grants contributions and donations	\$ 1,038,614	\$ 1,038,614	\$ 71,975	\$ (966,639)
Use of money and property	-	-	4	4
Total revenues	1,038,614	1,038,614	71,979	(966,635)
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Recreation and culture	832,005	1,029,852	61,210	968,642
Total capital outlay	832,005	1,029,852	61,210	968,642
Total expenditures	832,005	1,029,852	61,210	968,642
Excess (deficiency) of revenues over expenditures	206,609	8,762	10,769	2,007
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	206,609	8,762	10,769	2,007
Fund balances - beginning	(4,736)	(4,736)	(4,736)	-
Fund balances - ending	\$ 201,873	\$ 4,026	\$ 6,033	\$ 2,007

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 64	\$ 64
Total revenues	-	-	64	64
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	64	64
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	64	64
Fund balances - beginning	11,842	11,842	11,842	-
Fund balances - ending	\$ 11,842	\$ 11,842	\$ 11,906	\$ 64

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		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 37	\$ 37
Total revenues	-	-	37	37
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	37	37
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	37	37
Fund balances - beginning	6,809	6,809	6,809	-
Fund balances - ending	\$ 6,809	\$ 6,809	\$ 6,846	\$ 37



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		
<b>REVENUES</b>				
Grants contributions and donations	\$ -	\$ -	\$ 299,015	\$ 299,015
Interest, rent, and concessions	-	-	(372)	(372)
Total revenues	-	-	298,643	298,643
<b>EXPENDITURES</b>				
Current:				
Total current	-	-	-	-
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Public works	-	10,331	-	10,331
Total capital outlay	-	10,331	-	10,331
Total expenditures	-	10,331	-	10,331
Excess (deficiency) of revenues over expenditures	-	(10,331)	298,643	308,974
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	(10,331)	298,643	308,974
Fund balances - beginning	(320,729)	(320,729)	(320,729)	-
Fund balances - ending	\$ (320,729)	\$ (331,060)	\$ (22,086)	\$ 308,974

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		
<b>REVENUES</b>				
Use of money and property	\$ 1,850	\$ 1,850	\$ 790	\$ (1,060)
Total revenues	1,850	1,850	790	(1,060)
<b>EXPENDITURES</b>				
Current:				
Parks, buildings, and grounds	797	797	880	(83)
Total current	797	797	880	(83)
Debt service:				
Total debt service	-	-	-	-
Capital outlay:				
Total capital outlay	-	-	-	-
Total expenditures	797	797	880	(83)
Excess (deficiency) of revenues over expenditures	1,053	1,053	(90)	(1,143)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	1,053	1,053	(90)	(1,143)
Fund balances - beginning	146,126	146,126	146,126	-
Fund balances - ending	\$ 147,179	\$ 147,179	\$ 146,036	\$ (1,143)

## 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.

### **Ambulance Services**

The Ambulance Services fund is used to account for resources and activities of the Ukiah Valley Fire Authority in providing ambulatory services.

### **Golf**

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**

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

### **Airport**

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

### **Street Lighting**

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, 2021

	Parking District	Ambulance Services	Golf	Conference Center	Airport	Street Lighting	Total Nonmajor Enterprise funds
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 2,746	\$ 70,862	\$ 74,362	\$ 464	\$ 4,134	\$ 5,440	\$ 158,008
Accounts receivable	25,191	-	500	9,565	6,198	20,946	62,400
Interest receivable	1	16	13	-	(121)	-	(91)
Grants and subventions receivable	-	-	-	-	659,279	-	659,279
Total current assets	27,938	70,878	74,875	10,029	669,490	26,386	879,596
Noncurrent assets:							
Notes receivable	-	-	5,500	-	-	-	5,500
Advances to other funds	-	-	716,578	-	-	-	716,578
Land	183,871	-	965,284	372,750	271,957	-	1,793,862
Construction in progress	-	-	-	-	464,163	364,598	828,761
Infrastructure and network	77,682	-	340,353	-	6,301,252	117,736	6,837,023
Buildings and improvements	-	-	439,213	2,294,473	1,651,825	-	4,385,511
Machinery equipment and vehicles	42,876	91,529	-	-	627,608	-	762,013
Less accumulated depreciation	(58,276)	(11,887)	(579,844)	(1,261,959)	(2,651,060)	(17,236)	(4,580,262)
Total noncurrent assets	246,153	79,642	1,887,084	1,405,264	6,665,745	465,098	10,748,986
Total assets	274,091	150,520	1,961,959	1,415,293	7,335,235	491,484	11,628,582
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred outflow of resources related to pension	-	-	72,546	391,750	1,230,384	-	1,694,680
Total deferred outflows of resources	-	-	72,546	391,750	1,230,384	-	1,694,680
Total assets and deferred outflows of resources	\$ 274,091	\$ 150,520	\$ 2,034,505	\$ 1,807,043	\$ 8,565,619	\$ 491,484	\$ 13,323,262
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	8,295	15,237	60,115	5,703	103,299	162,566	355,215
Accrued payroll liabilities	-	-	1,012	5,163	19,949	-	26,124
Due to other funds	-	-	-	27,500	420,000	-	447,500
Deposits payable	-	-	-	2,162	3,562	-	5,724
Interest payable	-	-	-	-	1,395	-	1,395
Compensated absences - current	-	-	202	980	2,797	-	3,979
Long-term obligations - current	-	-	1,070	538	28,679	-	30,287
Total current liabilities	8,295	15,237	62,399	42,046	579,681	162,566	870,224
Noncurrent liabilities:							
Advance from other funds	54,136	-	930,200	56,595	-	186,270	1,227,201
Installment obligations	-	-	74,595	37,534	1,406,042	-	1,518,171
Net pension liability	-	-	74,463	402,098	1,262,886	-	1,739,447
Compensated absences	-	-	1,819	8,829	25,173	-	35,821
Total noncurrent liabilities	54,136	-	1,081,077	505,056	2,694,101	186,270	4,520,640
Total liabilities	62,431	15,237	1,143,476	547,102	3,273,782	348,836	5,390,864
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred inflow of resources related to pension	-	-	35	189	594	-	818
Total deferred inflows of resources	-	-	35	189	594	-	818
Total liabilities and deferred inflows of resources	62,431	15,237	1,143,511	547,291	3,274,376	348,836	5,391,682
<b>NET POSITION</b>							
Net investment in capital assets	246,153	79,642	1,165,006	1,405,264	6,506,110	465,098	9,867,273
Restricted for:							
Unrestricted	(34,493)	55,641	(274,012)	(145,512)	(1,214,867)	(322,450)	(1,935,693)
Total net position	\$ 211,660	\$ 135,283	\$ 890,994	\$ 1,259,752	\$ 5,291,243	\$ 142,648	\$ 7,931,580

City of Ukiah, California  
Combining Statement of Revenues, expenses, and Changes in Net Position  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2021

	Parking District	Ambulance Services	Golf	Conference Center	Airport	Street Lighting	Total Enterprise funds
<b>OPERATING REVENUES</b>							
Charges for service	\$ 34,214	\$ 79,891	\$ -	\$ 6,053	\$ 26,781	\$ 183,278	\$ 330,217
Licenses and permits	26,748	-	-	-	-	-	26,748
Fines penalties and forfeitures	39,717	-	-	-	-	-	39,717
Facility rental	-	-	38,500	203,947	384,546	-	626,993
Fuel sales	-	-	-	-	975,786	-	975,786
Miscellaneous	-	-	-	-	3,082	-	3,082
Total operating revenues	100,679	79,891	38,500	210,000	1,390,195	183,278	2,002,543
<b>OPERATING EXPENSES</b>							
General and administrative	24,020	5,818	26,081	57,961	188,525	26,216	328,621
Maintenance and operations	110,234	37,680	115,049	(441,712)	1,015,960	155,910	993,121
Fuel	-	-	-	-	522,388	-	522,388
Depreciation	2,424	11,888	2,236	45,889	109,724	2,943	175,104
Total operating expenses	136,678	55,386	143,366	(337,862)	1,836,597	185,069	2,019,234
Operating income (loss)	(35,999)	24,505	(104,866)	547,862	(446,402)	(1,791)	(16,691)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Property tax	16,714	-	-	-	-	-	16,714
Intergovernmental	-	-	136,766	2,201	-	-	138,967
Interest, rent, and concessions	(213)	(197)	116,131	-	1,625	392	117,738
Interest expense and fiscal charges	-	-	-	-	(3,830)	-	(3,830)
Total nonoperating revenues (expenses)	16,501	(197)	252,897	2,201	(2,205)	392	269,589
Income (loss) before contributions and transfers	(19,498)	24,308	148,031	550,063	(448,607)	(1,399)	252,898
Capital contributions	-	-	-	-	556,033	-	556,033
Transfers in	-	-	25,328	-	-	200,000	225,328
Change in net position	(19,498)	24,308	173,359	550,063	107,426	198,601	1,034,259
Total net position - beginning	231,158	110,975	717,635	709,689	5,183,817	(55,953)	6,897,321
Total net position - ending	\$ 211,660	\$ 135,283	\$ 890,994	\$ 1,259,752	\$ 5,291,243	\$ 142,648	\$ 7,931,580

City of Ukiah, California  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
Year Ended June 30, 2021

	Parking District	Ambulance Services	Golf	Conference Center	Airport	Street Lighting	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Cash receipts from customers	\$ 88,443	\$ 79,891	\$ 44,500	\$ 200,894	\$ 1,395,687	\$ 187,108	\$ 1,996,523
Payments to employees	-	-	(98,043)	(167,324)	(1,687,442)	-	(1,952,809)
Payments to suppliers	(106,510)	(22,619)	(80,300)	(43,049)	(3,158,848)	(17,795)	(3,429,121)
Payments for interfund services used	(24,020)	(5,818)	(26,081)	(57,961)	(188,525)	(26,216)	(328,621)
Net cash provided (used) by operating activities	(42,087)	51,454	(159,924)	(67,440)	(3,639,128)	143,097	(3,714,028)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Principal payments received on loans receivable	-	-	6,500	-	-	-	6,500
Cash received (paid) to other funds	20,446	-	115,803	27,500	420,000	200,000	783,749
Property taxes received	16,714	-	-	-	-	-	16,714
Grants and contributions	-	-	-	2,201	-	-	2,201
Proceeds from pension bonds	-	-	75,665	38,072	1,275,087	-	1,388,824
Net cash provided (used) by noncapital financing activities	37,160	-	197,968	67,773	1,695,087	200,000	2,197,988
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Capital grants and contributions	-	-	136,766	-	2,357,952	-	2,494,718
Interest paid	-	-	-	-	(3,962)	-	(3,962)
Principal paid on capital and related debt	-	-	-	-	(10,410)	-	(10,410)
Acquisition and construction of capital assets	-	(1,090)	(186,561)	-	(679,723)	(364,597)	(1,231,971)
Net cash provided (used) by capital and related financing activities	-	(1,090)	(49,795)	-	1,663,857	(364,597)	1,248,375
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	(212)	(207)	(57)	(1)	2,075	417	2,015
Net cash provided (used) by investing activities	(212)	(207)	(57)	(1)	2,075	417	2,015
Net increase (decrease) in cash and cash equivalents	(5,139)	50,157	(11,808)	332	(278,109)	(21,083)	(265,650)
Balances - beginning of year	7,885	20,705	86,170	132	282,243	26,523	423,658
Balances - end of the year	\$ 2,746	\$ 70,862	\$ 74,362	\$ 464	\$ 4,134	\$ 5,440	\$ 158,008
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating Income	\$ (35,999)	\$ 24,505	\$ (104,866)	\$ 547,862	\$ (446,402)	\$ (1,791)	\$ (16,691)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation	2,424	11,888	2,236	45,889	109,724	2,943	175,104
Changes in assets and liabilities:							
Decrease (increase) in accounts receivable	(12,236)	-	6,000	(9,105)	5,492	3,830	(6,019)
Decrease (increase) in deferred outflows	-	-	(63,614)	(278,850)	(1,077,469)	-	(1,419,933)
Increase (decrease) in accounts payable	3,724	15,061	(11,990)	(2,106)	(2,450,487)	138,115	(2,307,683)
Increase (decrease) in accrued salaries and benefits	-	-	(846)	(4,302)	(1,753)	-	(6,901)
Increase (decrease) in compensated absences	-	-	(662)	(2,113)	(2,862)	-	(5,637)
Increase (decrease) in deferred inflows	-	-	(887)	(11,466)	(15,191)	-	(27,544)
Increase (decrease) in net pension liability	-	-	14,705	(353,249)	239,820	-	(98,724)
Net cash provided (used) by operating activities	\$ (42,087)	\$ 51,454	\$ (159,924)	\$ (67,440)	\$ (3,639,128)	\$ 143,097	\$ (3,714,028)

## Combining Internal Service Funds

### **City Administrative Services**

City Administrative Services fund is used to account for all general administrative services provided to the City, including City Council, City Manager's Office (City Manager, City Clerk, Emergency Management, Economic Development, etc), Finance (Accounting and Budget), Human Resources, City Attorney, and Treasury management.

### **Worker's Comp**

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**

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.

### **Garage**

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**

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.

### **Billing and Collection**

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.

### **Public Safety Dispatch**

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**

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.

### **Information Technology (IT)**

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, 2021

	City Administrative Services	Worker's Comp	Liability	Garage	Purchasing	Billing And Collection	Public Safety Dispatch	Building & Maintenance	Information Technology	Total Nonmajor Internal service funds
<b>ASSETS</b>										
Current assets:										
Cash and investments	\$ 255,243	\$ 764,943	\$ 728,076	\$ 62,858	\$ 61,210	\$ 110,090	\$ 126,963	\$ 1,215	\$ 97,992	\$ 2,208,590
Restricted cash and investments	-	-	-	-	-	-	-	2,850,000	-	2,850,000
Accounts receivable	63,743	67,660	-	7,364	132	-	-	9,086	926	148,911
Total current assets	318,986	832,603	728,076	70,222	61,342	110,090	126,963	2,860,301	98,918	5,207,501
Noncurrent assets:										
Advances to other funds	-	-	-	-	-	545,045	-	-	-	545,045
Land	-	-	-	-	-	-	-	762,562	-	762,562
Construction in progress	-	-	-	-	-	-	-	676,013	-	676,013
Buildings and improvements	-	-	-	327,113	-	-	-	189,483	-	516,596
Machinery equipment and vehicles	-	-	-	203,051	4,769	136,669	242,007	67,705	482,172	1,136,373
Less accumulated depreciation	-	-	-	(281,810)	(4,769)	(136,669)	(228,710)	(13,410)	(192,266)	(857,634)
Total noncurrent assets	-	-	-	248,354	-	545,045	13,297	1,682,353	289,906	2,778,955
Total assets	318,986	832,603	728,076	318,576	61,342	655,135	140,260	4,542,654	388,824	7,986,456
<b>DEFERRED OUTFLOWS OF RESOURCES</b>										
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 318,986	\$ 832,603	\$ 728,076	\$ 318,576	\$ 61,342	\$ 655,135	\$ 140,260	\$ 4,542,654	\$ 388,824	\$ 7,986,456
<b>LIABILITIES</b>										
Current liabilities:										
Accounts payable	147,390	-	6,151	9,513	1,529	42,160	8,117	91,629	44,340	350,829
Accrued payroll liabilities	118,847	106,765	32,729	14,395	22,231	74,139	12,836	16,942	44,817	443,701
Interest payable	-	-	-	-	-	-	-	21,828	1,058	22,886
Compensated absences - current	-	-	-	3,743	3,831	4,743	6,563	2,551	2,026	23,457
Long-term obligations - current	-	143,486	49,583	-	-	-	-	90,000	58,280	341,349
Total current liabilities	266,237	250,251	88,463	27,651	27,591	121,042	27,516	222,950	150,521	1,182,222
Noncurrent liabilities:										
Claims payable	-	286,972	49,583	-	-	-	-	-	-	336,555
Advance from other funds	-	-	-	-	-	-	-	1,185,045	-	1,185,045
Compensated absences	-	-	-	33,692	34,487	42,689	59,073	22,965	18,232	211,138
Due in more than one year	-	-	-	-	-	-	-	2,641,128	-	2,641,128
Total noncurrent liabilities	-	286,972	49,583	33,692	34,487	42,689	59,073	3,849,138	18,232	4,373,866
Total liabilities	266,237	537,223	138,046	61,343	62,078	163,731	86,589	4,072,088	168,753	5,556,088
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	266,237	537,223	138,046	61,343	62,078	163,731	86,589	4,072,088	168,753	5,556,088
<b>NET POSITION</b>										
Net investment in capital assets	-	-	-	248,354	-	-	13,297	1,682,353	289,906	2,233,910
Unrestricted	52,749	295,380	590,030	8,879	(736)	491,404	40,374	(1,211,787)	(69,835)	196,458
Total net position	\$ 52,749	\$ 295,380	\$ 590,030	\$ 257,233	\$ (736)	\$ 491,404	\$ 53,671	\$ 470,566	\$ 220,071	\$ 2,430,368



City of Ukiah, California  
Combining Statement of Revenues, expenses, and Changes in Net Position  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2021

	City Administrative Services	Worker's Comp	Liability	Garage	Purchasing	Billing And Collection	Public Safety Dispatch	Building & Maintenance	Information Technology	Total Internal service funds
<b>OPERATING REVENUES</b>										
Charges for service	\$ 4,701,015	\$ 1,355,508	\$ 1,119,095	\$ 534,781	\$ 617,963	\$ 1,152,309	\$ 1,458,574	\$ 977,095	\$ 1,655,099	\$ 13,571,439
Miscellaneous	-	-	-	145	-	-	-	-	-	145
Total operating revenues	<u>4,701,015</u>	<u>1,355,508</u>	<u>1,119,095</u>	<u>534,926</u>	<u>617,963</u>	<u>1,152,309</u>	<u>1,458,574</u>	<u>977,095</u>	<u>1,655,099</u>	<u>13,571,584</u>
<b>OPERATING EXPENSES</b>										
General and administrative	737,746	14,957	92,115	112,915	88,992	278,279	199,885	176,673	163,958	1,865,520
Maintenance and operations	3,975,215	1,367,078	1,124,189	416,307	522,290	1,139,103	1,265,933	654,158	1,286,502	11,750,775
Depreciation	-	-	-	29,109	-	-	-	8,871	71,893	109,873
Total operating expenses	<u>4,712,961</u>	<u>1,382,035</u>	<u>1,216,304</u>	<u>558,331</u>	<u>611,282</u>	<u>1,417,382</u>	<u>1,465,818</u>	<u>839,702</u>	<u>1,522,353</u>	<u>13,726,168</u>
Operating income (loss)	<u>(11,946)</u>	<u>(26,527)</u>	<u>(97,209)</u>	<u>(23,405)</u>	<u>6,681</u>	<u>(265,073)</u>	<u>(7,244)</u>	<u>137,393</u>	<u>132,746</u>	<u>(154,584)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>										
Intergovernmental	63,743	-	-	-	132	-	-	9,086	-	72,961
Interest, rent, and concessions	952	1,464	689	182	79	2,674	504	250	115	6,909
Interest expense and fiscal charges	-	-	-	-	-	-	-	(80,964)	(959)	(81,923)
Total nonoperating revenues (expenses)	<u>64,695</u>	<u>1,464</u>	<u>689</u>	<u>182</u>	<u>211</u>	<u>2,674</u>	<u>504</u>	<u>(71,628)</u>	<u>(844)</u>	<u>(2,053)</u>
Income (loss) before contributions and transfers	<u>52,749</u>	<u>(25,063)</u>	<u>(96,520)</u>	<u>(23,223)</u>	<u>6,892</u>	<u>(262,399)</u>	<u>(6,740)</u>	<u>65,765</u>	<u>131,902</u>	<u>(156,637)</u>
Change in net position	<u>52,749</u>	<u>(25,063)</u>	<u>(96,520)</u>	<u>(23,223)</u>	<u>6,892</u>	<u>(262,399)</u>	<u>(6,740)</u>	<u>65,765</u>	<u>131,902</u>	<u>(156,637)</u>
Total net position - beginning	-	320,443	686,550	280,456	(7,628)	753,803	60,411	404,801	88,169	2,587,005
Total net position - ending	<u>\$ 52,749</u>	<u>\$ 295,380</u>	<u>\$ 590,030</u>	<u>\$ 257,233</u>	<u>\$ (736)</u>	<u>\$ 491,404</u>	<u>\$ 53,671</u>	<u>\$ 470,566</u>	<u>\$ 220,071</u>	<u>\$ 2,430,368</u>

City of Ukiah, California  
Combining Statement of Cash Flows  
Internal Service Funds  
Year Ended June 30, 2021

	Administrative Services	Worker's Comp	Liability	Garage	Purchasing	Billing And Collection	Public Safety Dispatch	Building & Maintenance	Information Technology	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>										
Cash receipts from customers	\$ (63,743)	\$ (67,661)	\$ -	\$ 35,964	\$ (132)	\$ 1,145	\$ 267,971	\$ (9,086)	\$ -	\$ 164,458
Receipts from interfund services provided	-	1,355,508	1,119,095	506,386	617,963	1,151,164	1,190,603	977,095	1,655,099	8,572,913
Payments to employees	(2,712,330)	60,157	-	(332,918)	(499,142)	(774,214)	(1,221,218)	(401,141)	(683,339)	(6,564,145)
Payments to suppliers	(1,024,211)	(1,481,830)	(1,160,299)	(76,516)	(28,011)	(313,096)	(66,797)	(222,103)	(567,975)	(4,940,838)
Payments for interfund services used	3,963,269	(14,957)	(92,115)	(112,915)	(88,992)	(278,279)	(199,885)	(176,673)	(163,958)	2,835,495
Other operating cash receipts (payments)	-	-	-	-	-	-	-	-	1,370	1,370
Net cash provided (used) by operating activities	162,985	(148,783)	(133,319)	20,001	1,686	(213,280)	(29,326)	168,092	241,197	69,253
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>										
Cash received (paid) to other funds	-	642,886	745,000	-	-	-	-	640,000	-	2,027,886
Grants and contributions	63,743	-	-	-	132	-	-	9,086	-	72,961
Net cash provided (used) by noncapital financing activities	63,743	642,886	745,000	-	132	-	-	649,086	-	2,100,847
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>										
Proceeds from capital loans	-	-	-	-	-	-	-	2,881,128	-	2,881,128
Interest paid	-	-	-	-	-	-	-	(59,136)	(4,121)	(63,257)
Principal paid on capital and related debt	-	-	-	-	-	-	-	(150,000)	(57,025)	(207,025)
Acquisition and construction of capital assets	-	-	-	-	-	-	(13,296)	(638,204)	(122,710)	(774,210)
Net cash provided (used) by capital and related financing activities	-	-	-	-	-	-	(13,296)	2,033,788	(183,856)	1,836,636
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Interest received	952	3,148	1,011	253	79	4,038	734	249	222	10,686
Net cash provided (used) by investing activities	952	3,148	1,011	253	79	4,038	734	249	222	10,686
Net increase (decrease) in cash and cash equivalents	227,680	497,251	612,692	20,254	1,897	(209,242)	(41,888)	2,851,215	57,563	4,017,422
Balances - beginning of year	27,563	267,692	115,384	42,604	59,313	319,332	168,851	-	40,429	1,041,168
Balances - end of the year	\$ 255,243	\$ 764,943	\$ 728,076	\$ 62,858	\$ 61,210	\$ 110,090	\$ 126,963	\$ 2,851,215	\$ 97,992	\$ 5,058,590
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>										
Operating Income	\$ (11,946)	\$ (26,527)	\$ (97,209)	\$ (23,405)	\$ 6,681	\$ (265,073)	\$ (7,244)	\$ 137,393	\$ 132,746	\$ (154,584)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:										
Depreciation	-	-	-	29,109	-	-	-	8,871	71,893	109,873
Changes in assets and liabilities:										
Decrease (increase) in accounts receivable	(63,743)	(67,661)	-	7,425	(132)	-	-	(9,086)	1,370	(131,827)
Increase (decrease) in accounts payable	147,390	28,734	13,473	6,402	(1,329)	18,850	5,179	34,183	21,229	274,111
Increase (decrease) in accrued salaries and benefits	91,284	60,157	-	(724)	1,630	34,788	(37,802)	(560)	19,577	168,350
Increase (decrease) in compensated absences	-	-	-	1,194	(5,164)	(1,845)	10,541	(2,709)	(5,618)	(3,601)
Increase (decrease) in claims payable	-	(143,486)	(49,583)	-	-	-	-	-	-	(193,069)
Net cash provided (used) by operating activities	\$ 162,985	\$ (148,783)	\$ (133,319)	\$ 20,001	\$ 1,686	\$ (213,280)	\$ (29,326)	\$ 168,092	\$ 241,197	\$ 69,253

## Combining Fiduciary Funds

### CUSTODIAL FUNDS

#### **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, 2021

	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
<b>ASSETS</b>							
Cash and investments	\$ 1,115,217	\$ 23,799	\$ 474,189	\$ 270,770	\$ -	\$ 16,767	\$ 1,900,742
Accounts receivable	3,753	170	267,028	-	50,435	-	321,386
Interest receivable	-	-	-	53	154	-	207
Total Cash	1,118,970	23,969	741,217	270,823	50,589	16,767	2,222,335
Total assets	1,118,970	23,969	741,217	270,823	50,589	16,767	2,222,335
<b>LIABILITIES</b>							
Accounts payable	\$ 15,888	\$ 1,148	\$ 43,907	\$ 202,308	\$ 53,267	\$ -	\$ 316,518
Accrued payroll liabilities	-	-	-	-	69,244	-	69,244
Deposits payable	1,042,249	-	-	-	-	-	1,042,249
Due to other agencies	-	-	194,635	-	126,357	-	320,992
Intergovernmental payable	34,904	-	-	-	-	-	34,904
Due to City of Ukiah	25,929	22,821	502,675	-	-	-	551,425
Total liabilities	1,118,970	23,969	741,217	202,308	248,868	-	2,335,332
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Total deferred inflows of resources	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	1,118,970	23,969	741,217	202,308	248,868	-	2,335,332
<b>NET POSITION</b>							
Held for benefit of:							
Individuals, Organizations and Other Governments	-	-	-	68,515	(198,279)	16,767	(112,997)
Total net position	\$ -	\$ -	\$ -	\$ 68,515	\$ (198,279)	\$ 16,767	\$ (112,997)

City of Ukiah, California  
Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds  
For the Fiscal Year Ended June 30, 2021

	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
<b>ADDITIONS</b>							
Contributions:							
Grants contributions and donations	\$ -	\$ -	\$ -	\$ -	\$ 395,189	\$ -	\$ 395,189
Taxes and assessments collected for other governments	-	-	-	-	1,169,487	-	1,169,487
Service charges collected for other governments	-	-	-	-	278,558	25,742	304,300
Service charges collected for other agencies	-	-	1,471,242	-	-	-	1,471,242
Intergovernmental	-	-	-	-	60,390	-	60,390
Miscellaneous	-	-	-	-	6,892	-	6,892
Members	-	-	-	537,958	-	-	537,958
Total contributions	-	-	1,471,242	537,958	1,910,516	25,742	3,945,458
Investment earnings:							
Interest, rent, and concessions	-	208	482	1,156	(386)	7,532	8,992
Total investment earnings	-	208	482	1,156	(386)	7,532	8,992
Net investment earnings	-	208	482	1,156	(386)	7,532	8,992
Revenues							
Total revenues	-	-	-	-	-	-	-
Total additions	-	208	1,471,724	539,114	1,910,130	33,274	3,954,450
<b>DEDUCTIONS</b>							
General and administrative	-	208	-	-	312,121	-	312,329
Maintenance and operations	-	-	6,211	-	81,059	17,585	104,855
Interest expense and fiscal charges	-	-	-	-	75,212	-	75,212
Distributions to other governments	-	-	-	697,593	-	2,476,061	3,173,654
Payments to other agencies for service charges collected	-	-	668,368	-	-	-	668,368
Payments to City for services provided	-	-	797,145	-	1,732,975	-	2,530,120
Total deductions	-	208	1,471,724	697,593	2,201,367	2,493,646	6,864,538
Net increase (decrease) in fiduciary net position	-	-	-	(158,479)	(291,237)	(2,460,372)	(2,910,088)
Net Position -- beginning of the year	-	-	-	226,994	92,958	2,477,139	2,797,091
Net Position -- end of the year	\$ -	\$ -	\$ -	\$ 68,515	\$ (198,279)	\$ 16,767	\$ (112,997)

## Statistical Section

## Statistical Section Index

This part of the City of Ukiah's Annual Comprehensive 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.

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Changes in Net Position.....	165
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Changes in Fund Balances, Governmental Funds .....	168

### 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.

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Property Tax Rates .....	170
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Top Ten Electric Usage Customers .....	174

### 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 .....	175
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## **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.....	180
Principal Employers.....	181

## **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 .....	182
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Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive 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, 2021  
 (Accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 26,649,167	\$ 27,304,019	\$ 27,139,213	\$ 27,624,813	\$ 29,088,528	\$ 33,668,910	\$ 38,289,548	\$ 42,321,290	\$ 47,339,972	\$ 50,915,097
Restricted	3,086,157	3,025,432	6,021,075	12,931,066	12,263,161	11,698,264	12,610,721	12,610,721	10,544,419	15,484,736
Unrestricted	17,420,652	15,461,713	12,110,479	(20,291,488)	(20,646,894)	(17,337,366)	(21,409,323)	(18,876,394)	(19,796,054)	(18,505,530)
Total governmental net position	\$ 47,155,976	\$ 45,791,164	\$ 45,270,767	\$ 20,264,391	\$ 20,704,795	\$ 28,029,808	\$ 29,490,946	\$ 36,055,617	\$ 38,088,337	\$ 47,894,303
<b>Business-type activities</b>										
Net investment in capital assets	\$ 48,101,086	\$ 44,514,348	\$ 46,693,900	\$ 50,088,246	\$ 54,756,782	\$ 46,328,983	\$ 70,965,675	\$ 86,114,096	\$ 119,060,268	\$ 126,053,127
Restricted	4,128,472	2,027,529	2,072,014	2,072,225	2,427,020	-	81,993	123,367	99,829	251,126
Unrestricted	28,366,417	32,460,639	31,604,793	26,648,008	24,215,129	31,286,562	19,917,540	16,454,313	2,219,045	(7,298,061)
Total business-type net position	\$ 80,595,975	\$ 79,002,516	\$ 80,370,707	\$ 78,808,479	\$ 81,398,931	\$ 77,615,545	\$ 90,965,208	\$ 102,691,776	\$ 121,379,142	\$ 119,006,192
<b>Primary governmental</b>										
Net investment in capital assets	\$ 74,750,253	\$ 71,818,367	\$ 73,833,113	\$ 77,713,059	\$ 83,845,310	\$ 79,997,893	\$ 109,255,223	\$ 128,435,386	\$ 166,400,240	\$ 176,968,224
Restricted	7,214,629	5,052,961	8,093,089	15,003,291	14,690,181	11,698,264	12,692,714	12,734,088	10,644,248	15,735,862
Unrestricted	45,787,069	47,922,352	43,715,272	6,356,520	3,568,235	13,949,197	(1,491,783)	(2,422,081)	(17,577,009)	(25,803,591)
Total primary governmental net position	\$ 127,751,951	\$ 124,793,680	\$ 125,641,474	\$ 99,072,870	\$ 102,103,726	\$ 105,645,354	\$ 120,456,154	\$ 138,747,393	\$ 159,467,479	\$ 166,900,495

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, 2021  
(Accrual basis of accounting)

	Fiscal Year									
For Fiscal Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,570,568	\$ 2,956,583	\$ 3,715,968	\$ 772,771	\$ 142,792	\$ 141,713	\$ 1,856,104	\$ 2,655,969	\$ 99,829	\$ 838,727
Public safety	9,827,504	10,514,943	9,867,900	10,563,479	11,081,325	8,887,246	11,794,779	12,167,151	12,812,411	13,659,736
Housing and community development	1,223,579	1,254,265	832,020	348,477	891,644	171,523	1,039,784	2,128,714	2,833,311	1,460,134
Public works	2,206,556	2,109,273	2,290,261	2,847,800	2,555,524	296,934	4,018,082	3,467,503	4,752,062	3,426,376
Parks and recreation	2,262,816	2,481,572	2,540,689	2,829,367	2,757,551	39,796	3,306,839	3,861,576	3,973,413	4,201,399
Economic development and redevelopment	-	-	-	-	-	-	273,570	299,397	403,808	290,261
Interest on long-term debt	420,132	-	-	-	-	-	59,477	176,067	165,210	992,902
Total governmental activities expenses	\$ 18,511,155	\$ 19,316,636	\$ 19,246,838	\$ 17,361,894	\$ 17,428,836	\$ 9,537,212	22,348,635	24,756,377	25,040,044	24,869,535
Business-type activities:										
Airport	-	-	-	-	-	-	1,532,905	1,360,631	1,528,285	1,857,261
Conference Center	-	-	-	-	-	-	369,045	500,305	503,445	(336,910)
Electric	13,980,276	14,483,083	14,554,884	16,140,229	15,779,225	17,408,177	15,830,736	17,373,419	18,854,227	19,695,234
Golf	-	-	-	-	-	-	223,341	213,949	251,078	144,680
Landfill	-	-	-	-	-	-	667,140	2,114,576	4,165,711	969,800
Parking District	-	-	-	-	-	-	153,620	128,643	171,705	137,930
Street Lighting	-	-	-	-	-	-	395,694	43,349	147,861	186,765
Wastewater	8,243,340	8,637,591	8,118,315	8,229,553	8,620,824	10,092,436	10,116,164	10,979,067	11,580,850	9,659,518
Water	3,414,760	3,651,349	3,717,064	3,783,257	3,930,252	5,187,510	4,659,530	4,111,529	6,196,274	8,179,199
Disposal site	340,324	413,657	573,478	5,950,554	388,553	565,819	-	-	-	-
Nonmajor activities	2,980,963	2,648,970	2,196,295	2,287,340	2,029,634	2,816,055	-	-	11,089	55,894
Total business-type activities expenses	28,959,663	29,834,650	29,160,036	36,390,933	30,748,488	36,069,997	33,948,175	36,825,468	43,410,525	40,549,371
Total primary government expenses	\$ 47,470,818	\$ 49,151,286	\$ 48,406,874	\$ 53,752,827	\$ 48,177,324	\$ 45,607,209	\$ 56,296,810	\$ 61,581,845	\$ 68,450,569	\$ 65,418,906
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General government	\$ 1,630,601	\$ 1,005,296	\$ 1,255,815	\$ 288,049	\$ 258,262	\$ 333,458	366,171	111,355	234,487	\$ 78,607
Public safety	1,080,981	1,224,421	851,328	221,156	284,562	362,711	567,592	505,451	301,503	326,986
Housing and community development	211,904	456,294	197,003	-	-	-	454,920	783,575	390,121	573,410
Public works	554,639	368,895	682,559	215,615	339,403	-	28,773	92,923	435,190	542,554
Parks and recreation	716,363	1,072,615	749,548	756,906	716,575	791,257	782,091	786,161	788,687	1,715,541
Economic development and redevelopment	-	-	-	-	-	-	256,554	259,897	7,289	250,000
Operating grants and contributions	1,062,183	1,237,955	1,097,599	1,471,799	2,283,777	1,233,883	3,007,794	2,044,901	4,431,684	7,890,530
Capital grants and contributions	3,098,450	250,992	483,992	889,024	859,772	1,325,091	618,546	1,574,928	76,898	771,125
Total governmental activities program revenues	8,355,121	5,616,468	5,317,844	3,842,549	4,742,351	4,046,400	6,082,441	6,159,191	6,665,859	12,148,753
Business-type activities:										
Charges for services										
Airport	-	-	-	-	-	-	1,326,141	1,541,327	1,234,045	1,390,195
Conference Center	-	-	-	-	-	-	367,504	369,245	274,794	210,000
Electric	16,157,282	15,140,175	14,993,910	15,243,471	15,076,565	15,971,210	15,875,141	16,193,492	15,581,664	18,141,046
Golf	-	-	-	-	-	-	133,370	36,669	40,000	38,500
Landfill	-	-	-	-	-	-	630,477	646,611	703,549	716,223
Parking District	-	-	-	-	-	-	134,689	120,121	114,068	100,679
Street Lighting	-	-	-	-	-	-	191,388	188,814	188,873	183,278
Wastewater	9,786,375	6,213,481	8,832,757	9,264,399	9,667,659	7,493,383	8,093,392	8,002,895	7,851,031	7,935,941
Water	4,935,691	5,813,699	6,006,675	5,579,127	5,446,778	5,785,553	6,486,959	6,502,379	6,909,764	7,228,258
Disposal site	127,228	129,321	132,287	217,999	132,106	362,018	-	-	-	-
Nonmajor activities	2,905,410	2,467,226	1,965,547	2,053,819	1,806,110	1,723,513	-	-	14,441	79,891
Operating grants and contributions	10,660	40,717	57,271	-	-	210,298	534,619	819,586	2,830,622	759,696
Capital grants and contributions	-	-	-	25,175	10,384	2,640,396	2,592,224	12,524,559	24,876,967	556,033
Total business-type activities program revenues	33,922,646	29,804,619	31,988,447	32,383,990	32,139,602	34,186,371	36,365,904	46,945,698	60,619,818	37,339,740
Total primary government program revenues	\$ 42,277,767	\$ 35,421,087	\$ 37,306,291	\$ 36,226,539	\$ 36,881,953	\$ 38,232,771	\$ 42,448,345	\$ 53,104,889	\$ 67,285,677	\$ 49,488,493
<b>Net (Expense) Revenue</b>										
Government activities	\$ (10,156,034)	\$ (13,700,168)	\$ (13,928,994)	\$ (13,519,345)	\$ (12,686,485)	\$ (5,490,812)	\$ (16,266,194)	\$ (18,597,186)	\$ (18,374,185)	\$ (12,720,782)
Business-type activities	4,962,983	(30,031)	2,828,411	(4,006,943)	1,391,114	(1,883,626)	2,417,729	10,120,230	17,209,293	(3,209,631)
Total primary government net expense	\$ (5,193,051)	\$ (13,730,199)	\$ (11,100,583)	\$ (17,526,288)	\$ (11,295,371)	\$ (7,374,438)	\$ (13,848,465)	\$ (8,476,956)	\$ (1,164,892)	\$ (15,930,413)

City of Ukiah, California  
Changes in Net Position (continued)  
Last Ten Fiscal Years  
Fiscal Year Ended June 30, 2021  
(Accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>For Fiscal Year Ended June 30</b>										
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property tax	\$ 3,182,981	\$ 1,484,934	\$ 1,251,189	\$ 3,729,370	\$ 3,531,272	\$ 1,470,323	2,890,291	2,984,192	3,139,960	3,408,846
Sales tax	6,518,506	6,901,284	7,134,537	5,976,938	6,740,622	9,805,225	10,745,095	11,974,379	13,313,206	15,535,021
Licenses, permits and franchises	-	-	-	-	-	-	1,653,146	1,781,141	1,742,671	1,815,271
Transient occupancy	775,547	828,000	959,570	1,061,823	1,229,814	1,302,336	1,406,417	1,496,473	1,365,477	1,367,852
Business license	-	-	-	-	-	-	380,797	303,604	411,997	560,527
Other taxes	917,930	929,173	916,007	2,281,810	1,939,984	2,450,254	249	462	888	1,136
Use of money and property	-	-	-	-	-	-	708,389	850,711	696,930	266,006
Vehicle in-lieu taxes	1,238,660	1,229,156	1,237,181	-	-	-	-	-	-	-
Interest and investment earnings	175,318	91,117	93,521	501,217	323,373	404,235	-	-	-	-
Other revenue	-	-	-	-	-	-	306,746	181,676	246,319	17,052
Transfers	1,065,910	871,692	1,816,592	-	(473,539)	(639,819)	(363,796)	(410,782)	(510,543)	(444,963)
Total governmental activities	13,874,852	12,335,356	13,408,597	13,551,158	13,291,526	14,792,554	17,727,334	19,161,856	20,406,905	22,526,748
Business-type activities:										
Property tax	-	-	-	-	-	-	16,949	17,121	16,815	16,714
Interest and investment earnings	441,974	200,899	356,372	321,824	672,730	468,003	-	-	-	-
Use of money and property	-	-	-	-	-	-	247,347	1,166,919	950,715	352,781
Other revenue	-	-	-	-	-	-	-	11,513	-	22,223
Transfers	(1,065,910)	(584,482)	(1,816,592)	-	473,539	639,819	363,796	410,782	510,543	444,963
Total business-type activities	(623,936)	(383,583)	(1,460,220)	321,824	1,146,269	1,107,822	628,092	1,606,335	1,478,073	836,681
Total primary government	\$ 13,250,916	\$ 11,951,773	\$ 11,948,377	\$ 13,872,982	\$ 14,437,795	\$ 15,900,376	\$ 18,355,426	\$ 20,768,191	\$ 21,884,978	\$ 23,363,429
<b>Extraordinary items</b>										
Government activities	\$ (5,277,260)	-	-	-	-	-	-	-	-	-
Business-type activities	-	-	-	-	-	-	-	-	-	-
Total Extraordinary Items	\$ (5,277,260)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Special items</b>										
Government activities	-	-	-	-	-	-	-	6,000,000	-	-
Business-type activities	-	-	-	-	-	(4,984,310)	-	-	-	-
Total Special Items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,984,310)	\$ -	\$ 6,000,000	\$ -	\$ -
<b>Accounting Change - Accumulative Effect</b>										
Government activities	-	-	-	-	-	-	-	-	-	-
Business-type activities	-	(1,179,845)	-	-	-	-	-	-	-	-
Total Accounting Change - Accumulative Effect	\$ -	\$ (1,179,845)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Change in Net Position</b>										
Government activities	\$ (1,558,442)	\$ (1,364,812)	\$ (520,397)	\$ 31,813	\$ 605,041	\$ 9,301,742	\$ 1,461,140	\$ 6,564,670	\$ 2,032,720	\$ 9,805,966
Business-type activities	4,339,047	(1,593,459)	1,368,191	(3,685,119)	2,537,383	(5,760,114)	3,045,821	11,726,565	18,687,366	(2,372,950)
Total primary government	\$ 2,780,605	\$ (2,958,271)	\$ 847,794	\$ (3,653,306)	\$ 3,142,424	\$ 3,541,628	\$ 4,506,961	\$ 18,291,235	\$ 20,720,086	\$ 7,433,016

Source - Audited Financial Statements - Statement of Activities

City of Ukiah, California  
Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
Fiscal Year Ended June 30, 2021  
(Modified accrual basis of accounting)

For Fiscal Year Ended June 30	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable	\$ 559,134	\$ 619,044	\$ 619,044	\$ 645,728	\$ 911,343	\$ 951,167	\$ 1,793,247	\$ 5,514,226	\$ 6,673,912	\$ 4,902,823
Restricted	-	-	-	-	-	-	4,000,000	-	-	-
Committed	-	183,956	203,105	-	-	-	-	-	194,655	-
Assigned	4,851,110	89,859	-	-	185,443	4,371,069	-	-	-	186,134
Unassigned	1,454,665	4,381,047	4,233,953	4,878,803	4,116,215	-	(1,623,326)	3,321,778	2,434,740	6,140,572
Total general fund	<u>\$ 6,864,909</u>	<u>\$ 5,273,906</u>	<u>\$ 5,056,102</u>	<u>\$ 5,524,531</u>	<u>\$ 5,213,001</u>	<u>\$ 5,322,236</u>	<u>\$ 4,169,921</u>	<u>\$ 8,836,004</u>	<u>\$ 9,303,307</u>	<u>\$ 11,229,529</u>
<b>All other governmental funds</b>										
Nonspendable	-	-	-	-	-	-	137,576	-	137,576	137,576
Restricted	5,867,124	4,486,098	4,805,526	12,931,066	12,276,877	11,698,264	126,110,721	11,765,026	10,747,218	15,347,160
Committed	1,235,785	713,402	3,569,505	-	-	-	12,610,721	685,933	305,466	415,634
Assigned	3,460,240	5,832,173	2,514,649	4,395,621	3,358,684	2,952,598	1,516,753	1,430,426	1,326,655	4,806,366
Unassigned	-	(894,993)	(736,226)	(232,412)	(442,572)	(1,044,381)	(1,919,041)	(2,801,435)	(1,955,567)	(1,282,564)
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Total other governmental funds	<u>10,563,149</u>	<u>10,136,680</u>	<u>10,153,454</u>	<u>17,094,275</u>	<u>15,192,989</u>	<u>13,606,481</u>	<u>138,456,730</u>	<u>11,079,950</u>	<u>10,561,348</u>	<u>19,424,172</u>

Source: Audited Financial Statements - Balance Sheet-Governmental funds

City of Ukiah, California  
Changes in Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
Fiscal Year Ended June 30, 2021  
(Modified accrual basis of accounting)

Function	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>REVENUES</b>										
Property tax	\$ 3,182,981	\$ 1,484,934	\$ 1,251,189	\$ 3,729,370	\$ 3,531,272	\$ 1,470,323	\$ 2,890,291	\$ 2,984,192	\$ 3,139,960	\$ 3,408,846
Sales tax	6,465,410	6,977,233	7,104,666	5,976,938	6,824,737	9,805,225	10,745,095	11,974,379	13,313,206	15,535,021
Franchise fees	-	-	-	-	-	-	1,653,146	1,781,141	1,742,671	1,815,271
Transient occupancy	775,547	828,000	925,191	1,061,823	1,229,814	1,302,336	1,406,417	1,496,473	1,365,477	1,362,134
Business license tax	-	-	-	-	-	-	380,797	303,604	411,997	509,803
Other taxes	917,930	929,173	950,386	2,047,734	1,917,323	391,473	249	462	888	1,136
Charges for service	1,146,590	1,580,632	1,013,534	1,032,957	755,074	1,487,426	1,780,430	2,036,077	1,340,123	2,505,138
Licenses and permits	434,492	272,070	292,688	186,012	341,642	1,792,595	299,101	211,113	259,533	276,752
Grants contributions and donations	-	-	-	-	-	-	274,995	938,308	3,164,054	1,693,511
Intergovernmental	4,756,038	2,964,207	3,270,042	3,048,401	2,911,624	1,945,803	2,524,311	1,153,488	2,686,013	6,036,254
Fines penalties and forfeitures	270,468	319,189	256,776	58,692	78,589	73,835	73,639	33,588	29,716	25,933
Facility rental	-	-	-	-	-	-	589,952	607,020	-	-
Interest, rent, and concessions	1,083,685	224,129	340,887	497,681	336,173	415,979	99,543	243,994	-	27,844
Use of money and property	-	-	-	-	-	-	36,656	-	1,072,805	922,810
Miscellaneous	375,103	243,654	493,158	232,651	411,052	187,999	654,186	436,361	388,629	158,956
Total revenues	\$ 19,408,244	\$ 15,823,221	\$ 15,898,517	\$ 17,872,259	\$ 18,337,300	\$ 18,872,994	\$ 23,408,808	\$ 24,200,200	\$ 28,915,072	\$ 34,279,409
<b>EXPENDITURES</b>										
Current:										
General government	1,861,192	2,117,303	2,773,585	852,079	542,434	549,540	270,429	168,024	284,410	28,429,045
Public safety	8,996,781	9,831,860	9,297,118	10,229,049	11,096,768	11,592,123	11,703,851	12,111,558	12,569,718	13,486,427
Housing and community development	1,151,384	1,205,464	785,349	327,921	870,450	1,261,361	1,039,784	2,107,427	1,385,401	1,460,134
Public works	1,508,698	1,411,445	1,612,266	2,337,389	2,173,214	1,192,369	1,679,304	1,646,459	1,706,516	1,732,451
Parks, buildings, and grounds	-	-	-	-	-	-	-	26	856	1,190,266
Parks and recreation	2,048,294	2,327,464	2,304,893	2,692,906	2,616,856	2,873,224	3,183,278	3,439,596	3,449,222	2,517,373
Economic development and redevelopment	-	-	-	-	-	-	273,570	299,397	403,808	290,261
Debt service:										
Interest	559,797	-	-	-	-	-	-	142,679	139,753	139,070
Issuance expense	-	-	-	-	-	-	4,019	-	-	554,846
Principal	265,000	-	-	-	-	-	40,000	80,070	82,712	85,442
Capital lease principal	-	-	-	-	-	16,243	49,967	101,727	104,282	127,291
Capital lease interest	-	-	-	-	-	-	14,055	26,232	23,678	26,949
Capital outlay	2,481,671	1,545,538	1,159,928	1,739,147	2,612,218	2,147,966	12,217,670	6,373,804	8,560,345	5,776,201
Total expenditures	18,872,817	18,439,074	17,933,139	18,178,491	19,911,940	19,632,826	30,475,927	26,496,999	28,710,701	55,815,756
Excess (deficiency) of revenues over expenditures	535,427	(2,615,853)	(2,034,622)	(306,232)	(1,574,640)	(759,832)	(7,067,119)	(2,296,799)	204,371	(21,536,347)
<b>OTHER FINANCING SOURCES (USES)</b>										
Bond issue and Debt proceeds	-	-	-	-	-	-	5,125,731	-	284,685	32,770,354
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Transfers in	1,072,410	2,680,654	2,076,641	1,349,208	940,063	1,010,534	1,613,884	7,813,522	5,079,682	4,269,762
Transfers out	(6,500)	(2,082,273)	(243,049)	(1,378,578)	(1,413,602)	(1,727,975)	(1,963,679)	(8,238,303)	(5,620,041)	(4,714,724)
Total other financing sources (uses)	1,065,910	598,381	1,833,592	(29,370)	(473,539)	(717,441)	4,775,936	(424,781)	(255,674)	32,325,392
<b>SPECIAL ITEM</b>										
Reinstatement of Successor Agency loan	-	-	-	-	-	-	-	6,000,000	-	-
Extraordinary items & Prior Period Adj.	(12,331,505)	-	-	7,744,852	-	-	-	-	-	-
Total special items	(12,331,505)	-	-	7,744,852	-	-	-	6,000,000	-	-
Net change in fund balances	(10,730,168)	(2,017,472)	(201,030)	7,409,250	(2,048,179)	(1,477,273)	(2,291,183)	3,278,420	(51,303)	10,789,045
Debt service as a percentage of noncapital expenditures										
	5.30%	0.00%	0.00%	0.00%	0.00%	0.09%	0.60%	1.67%	1.61%	1.90%

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	
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	5,976,938	1,061,823	1,643,559	404,175	12,815,871
2016	3,531,272	6,824,737	1,229,814	1,514,798	402,524	13,503,146
2017	2,703,312	8,489,734	1,302,336	1,551,794	473,976	14,521,155
2018	2,838,902	10,853,469	1,406,417	1,653,146	434,464	17,186,403
2019	2,984,192	11,974,379	1,496,473	1,781,141	304,066	18,540,251
2020	3,156,775	13,313,206	1,365,477	1,742,671	412,885	19,991,014
2021	3,425,560	15,535,021	1,367,852	1,815,271	561,663	22,705,367
Change 2020-2021	8.5%	16.7%	0.2%	4.2%	36.0%	13.6%

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.
5. In 2018 Property Transfer Tax was included in 'Other' Taxes. In 2019 we recategorized it as 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential, single phase										
Per meter per month, per KWH	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12040	\$ 0.12790	\$ 0.13180	\$ 0.13580	\$ 0.13580
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	\$ 8.92	\$ 9.19	\$ 9.47	\$ 9.76	\$ 9.76
Polyphase	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.80	\$ 9.99	\$ 10.29	\$ 10.60	\$ 10.92	\$ 10.92
X-ray machine	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 22.28	\$ 22.95	\$ 23.64	\$ 24.35	\$ 24.35
Minimum charge:										
second meter	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.40	\$ 8.92	\$ 9.19	\$ 9.47	\$ 9.76	\$ 9.76
Energy use charge, per										
meter, per month, per KWH										
Summer	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.16568	\$ 0.17578	\$ 0.18106	\$ 0.18650	\$ 0.19210	\$ 0.19210
Winter	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.12294	\$ 0.13043	\$ 0.13435	\$ 0.13839	\$ 0.14255	\$ 0.14255
General Service with Demand:										
Base rate, per meter, per month	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 74.91	\$ 77.16	\$ 79.48	\$ 81.87	\$ 81.87
Demand charge per KWH										
Summer	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.10966	\$ 0.11634	\$ 0.11984	\$ 0.12344	\$ 0.12715	\$ 0.12715
Winter	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.08829	\$ 0.09367	\$ 0.09367	\$ 0.09939	\$ 0.10238	\$ 0.10238
General large Industrial Service:										
Base charge, per meter, per month	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 70.60	\$ 74.91	\$ 77.16	\$ 79.48	\$ 81.87	\$ 81.87
Demand charge per kwh of										
maximum demand:										
Winter	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.05	\$ 4.31	\$ 4.44	\$ 4.58	\$ 4.72	\$ 4.72
Summer	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.45	\$ 6.85	\$ 7.06	\$ 7.28	\$ 7.50	\$ 7.50



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

	Fiscal Year									
Wastewater System Rates- City (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Residential</b>										
Fixed Minimum Charge- Per Dwelling Unit	\$ 50.44	\$ 58.40	\$ 60.39	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44	\$ 62.44	\$ 49.35
Consumption Rate (\$/hcf (2))	\$ 1.98	\$ 2.29	\$ 2.37	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 2.45	\$ 3.57
<b>Commercial</b>										
Commercial Low Strength (\$/hcf)	\$ 7.91	\$ 9.16	\$ 9.47	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79	\$ 9.79	\$ 3.57
Commercial Moderate Strength (\$/hcf)	\$ 8.46	\$ 9.79	\$ 10.12	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47	\$ 10.47	\$ 3.89
Commercial Medium Strength (\$/hcf)	\$ 14.96	\$ 17.32	\$ 17.91	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52	\$ 18.52	\$ 7.77
Commercial High Strength (\$/hcf)	\$ 19.26	\$ 22.31	\$ 23.07	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85	\$ 23.85	\$ 10.32

(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)**

<b>Residential</b>										
Fixed Minimum Charge- Per Dwelling Unit	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	\$ 53.47	N/A
Consumption Rate (\$/hcf (2))	\$ 3.40	\$ 4.45	\$ 5.50	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60	N/A
<b>Commercial</b>										
Commercial Low Strength (\$/hcf)	\$ 7.91	\$ 8.46	\$ 9.06	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	\$ 9.69	N/A
Commercial Moderate Strength (\$/hcf)	\$ 8.46	\$ 9.05	\$ 9.68	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	\$ 10.36	N/A
Commercial Medium Strength (\$/hcf)	\$ 14.96	\$ 16.00	\$ 17.12	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	\$ 18.32	N/A
Commercial High Strength (\$/hcf)	\$ 19.26	\$ 20.61	\$ 22.05	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	\$ 23.60	N/A
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: Utility Billing Department Rate Schedules

City of Ukiah, California  
Water Utility Rates  
Last Ten Years

Water System Rates (1)	Fiscal Year								2020	2021
	2012	2013	2014	2015	2016	2017	2018	2019		
Consumption Rate (\$/unit (2))										
Single Family Residential	\$ 2.21	\$ 2.41	\$ 2.65	\$ 2.73	\$ 2.86	\$ 2.95	\$ 3.04	\$ 3.13	\$ 3.22	\$ 3.26
All Other Customers	\$ 2.21	\$ 2.41	\$ 2.65	\$ 2.73	\$ 2.86	\$ 2.95	\$ 3.04	\$ 3.13	\$ 3.22	\$ 3.26
Minimum base charge by Meter Size/ Class:										
3/4" Meter	\$ 26.11	\$ 28.46	\$ 31.31	\$ 32.25	\$ 33.63	\$ 34.64	\$ 35.68	\$ 36.75	\$ 37.85	\$ 39.88
1" Meter	\$ 44.38	\$ 48.37	\$ 53.21	\$ 54.81	\$ 54.00	\$ 55.62	\$ 57.29	\$ 59.01	\$ 60.78	\$ 63.87
1 1/2" Meter	\$ 86.15	\$ 93.91	\$ 103.30	\$ 106.40	\$ 104.47	\$ 107.60	\$ 110.83	\$ 114.15	\$ 117.57	\$ 123.31
2" Meter	\$ 138.37	\$ 150.82	\$ 165.90	\$ 170.88	\$ 165.27	\$ 170.23	\$ 175.34	\$ 180.60	\$ 186.02	\$ 194.92
3" Meter	\$ 261.07	\$ 284.57	\$ 313.02	\$ 322.41	\$ 307.24	\$ 316.46	\$ 325.95	\$ 335.73	\$ 345.80	\$ 362.14
4" Meter	\$ 436.00	\$ 475.24	\$ 522.76	\$ 538.45	\$ 510.02	\$ 525.32	\$ 541.08	\$ 557.31	\$ 574.03	\$ 600.97
6" Meter	\$ 869.38	\$ 947.62	\$ 1,042.38	\$ 1,073.66	\$ 1,073.66	\$ 1,047.00	\$ 1,078.41	\$ 1,110.76	\$ 1,144.08	\$ 1,197.51
Fire Service 2" & under	\$ 27.67	\$ 30.16	\$ 33.18	\$ 34.18	\$ 36.07	\$ 37.15	\$ 38.26	\$ 39.41	\$ 40.59	\$ 40.59
Fire Service 3"	\$ 52.21	\$ 56.91	\$ 62.60	\$ 64.48	\$ 64.84	\$ 66.79	\$ 68.79	\$ 70.85	\$ 72.98	\$ 72.98
Fire Service 4"	\$ 87.20	\$ 95.05	\$ 104.55	\$ 107.69	\$ 105.93	\$ 109.11	\$ 112.38	\$ 115.75	\$ 119.22	\$ 119.22
Fire Service 6"	\$ 173.87	\$ 189.52	\$ 208.47	\$ 214.72	\$ 208.56	\$ 214.82	\$ 221.26	\$ 227.90	\$ 234.74	\$ 234.74
Fire Service 8"	\$ 214.72	\$ 214.72	\$ 214.72	\$ 214.72	\$ 331.77	\$ 341.72	\$ 351.97	\$ 362.53	\$ 373.41	\$ 373.41

(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.

Source: Utility Billing Department Rate Schedules

City of Ukiah, California  
Top Ten Electric Usage Customers  
Current  
Fiscal Year Ended June 30, 2021

	2021	
<u>Rate Payers</u>	<u>Electric Usage</u>	
City of Ukiah	\$ 904,055	5.62%
Costco	309,638	1.92%
County of Medocino	609,301	3.78%
Maverick Enterprises	290,780	1.81%
Safeway Stores	266,714	1.66%
Save Mart Supermarkets (Lucky's)	194,224	1.21%
Save Mart Supermarkets (Food Maxx)	196,829	1.22%
Ukiah Unified School District	362,708	2.25%
Ukiah Valley Medical Center	844,815	5.25%
Wal-Mart	<u>189,534</u>	<u>1.18%</u>
	<u>\$ 4,168,598</u>	<u>26%</u>

Source: Utility Billing Module

## 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	Percentage of Personal Income
				Redevelopment Bonds	Capital Leases	Lease Revenue Bonds	Electric Revenue Bonds	Installment Agreements	State Loans	Direct Borrowing Loans	Lease Revenue Bonds	Landfill Obligations			
2012	15,960	35,110	\$560,355,600	\$12,700,000	\$ -	\$ -	\$10,005,000	\$83,055,000	\$ 3,100,437	\$ -	\$ -	\$ 8,595,222	\$21,295,222	\$ 1,334	3.80%
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	3.51%
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	3.23%
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	3.88%
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	3.33%
2017	16,314	45,436	\$741,242,904	\$ 7,865,000	\$ -	\$ -	\$ 1,950,000	\$71,590,000	\$ -	\$ 199,883	\$ -	\$14,700,370	\$22,565,370	\$ 1,383	3.04%
2018	16,226	47,611	\$772,536,086	\$ 7,350,000	\$ 5,301,504	\$ -	\$ -	\$69,010,000	\$ -	\$ 190,121	\$ -	\$14,700,370	\$27,351,874	\$ 1,686	3.54%
2019	16,296	50,150	\$817,244,400	\$ 6,800,000	\$ 5,065,067	\$ -	\$ -	\$66,330,000	\$ -	\$15,384,763	\$ -	\$16,236,314	\$28,101,381	\$ 1,724	3.44%
2020	16,061	52,976	\$850,847,536	\$ 5,495,771	\$ 5,051,040	\$ -	\$ -	\$34,170,000	\$ -	\$16,948,410	\$ -	\$19,063,628	\$29,610,439	\$ 1,844	3.48%
2021	15,526	54,795	\$850,747,170	\$ 4,863,469	\$ 5,109,125	\$34,806,592	\$ -	\$32,240,000	\$ -	\$18,398,373	\$17,448,408	\$19,297,593	\$64,076,779	\$ 4,127	7.53%

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 Bonds, Capital Leases, Electric Revenue Bonds, Installment Agreements, State Loans, Direct Borrowing Loans & Landfill Obligations - Notes to Financial Statements-Long Term Debt

Notes: Information on Outstanding Debt updated from prior presentations to include Capital Leases and Direct Borrowing Loans  
Total Primary Government Debt reflects Redevelopment Bonds, Capital Leases and Landfill Obligations

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 Debt Outstanding					Percentage of Actual Taxable Value of Property
				Redevelopment Bonds	Capital Leases	Lease Revenue Bonds	Total Primary Government	Debt Per Capita	
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	\$ 5,301,504	\$ -	\$ 12,651,504	\$ 780	0.93%
2019	16,296	\$ 50,150	\$ 1,424,497,607	\$ 6,800,000	\$ 5,065,067	\$ -	\$ 11,865,067	\$ 728	0.83%
2020	16,061	\$ 52,976	\$ 1,491,766,585	\$ 5,495,771	\$ 5,051,040	\$ -	\$ 10,546,811	\$ 657	0.71%
2021	15,526	\$ 54,795	\$ 1,611,033,296	\$ 4,863,469	\$ 5,109,125	\$ 34,806,592	\$ 44,779,186	\$ 2,884	2.78%

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 Bonds & Capital Leases - Notes to Financial Statements-Long Term Debt  
County of Mendocino Assessed Valuations by District

NOTE: AV Information show Secured Only

City of Ukiah, California  
Computation of Direct and Overlapping Debt  
June 30, 2021

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to City (1)	Estimated Share of Direct and Overlapping Debt
2020-21 Assessed Valuation (City of Ukiah):			\$ 1,611,033,296
2020-21 Assessed Valuation (Successor Agency to the Ukiah RDA):			992,789,219
2020-21 Incremental Assessed Valuation (Successor Agency to the Ukiah RDA):			736,582,222
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		<u>% Applicable<sup>(1)</sup></u>	<u>Debt 6/30/2021</u>
City of Ukiah		100.00%	\$ -
Ukiah Unified School District		34.01%	21,711,065.46
Mendocino-Lake Community College District		13.61%	7,694,652.23
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 29,405,717.69
<u>OVERLAPPING GENERAL FUND DEBT:</u>			
City of Ukiah - Capital Lease Obligations		100.00%	\$ 5,109,125.00
City of Ukiah - Lease Revenue Bonds, Series 2020A		100.00%	2,380,000.00
City of Ukiah - Taxable Lease Revenue Bonds, Series 2020B		100.00%	32,426,592.00
Mendocino County General Fund Obligations		12.84%	1,875,424.56
Mendocino County Pension Obligation Bonds		12.84%	5,055,741.74
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 46,846,883.30
OVERLAPPING TAX INCREMENT DEBT(SUCCESSOR AGENCY)		100.00%	\$ 4,863,469.00
Total Direct Debt			\$ 39,915,717.00
Total Overlapping Debt			41,200,352.99
Total Combined Debt			<u>\$ 81,116,069.99</u>
<u>Ratios to 2020-21 Assessed Valuation:</u>			
Total Direct Debt	2.48%		
Total Overlapping Tax and Assessment Debt	1.83%		
Total Overlapping Debt	2.56%		
Total Combined Debt	5.04%		
<u>Ratios to 2020-21 Redevelopment Successor Agency Incremental Assessed Valuation:</u>			
Total Overlapping Tax Increment Debt	0.66%		

<sup>(1)</sup> 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.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue and mortgage revenue obligations.

The above Pledged-Revenue Coverage data is provided for interested parties. The specific Pledged-Revenue Coverage requirements for outstanding enterprise debt are detailed in the covenants for each outstanding enterprise debt. Investors in the City's enterprise debt obligations are encouraged to review the annual Continuing Disclosure Reports required under SEC Rule 15c2-12, as posted to the Municipal Securities Rulemaking Board Electronic Municipal Market Access website, to obtain the annual Continuing Disclosure report for Pledged-Revenue Coverage Ratio information in alignment with specific debt covenants.

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

Fiscal Year	Assessed Valuation	Ratio Applied as % of Assessed Value	Legal Debt Limit Margin	Total Debt Subject to Limit	Debt Subject to Limit as % of Debt Limit
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%
2020	\$ 1,491,766,585	15.00%	223,764,988	-	0.00%
2021	\$ 1,611,033,296	15.00%	241,654,994	-	0.00%

Legal Debt Limit Margin Calculation for 2020-2021

Assessed value	<u>\$ 1,611,033,296</u>
Debt limit is 15% of assessed value	\$ 241,654,994
Less: Debt applicable to limitation	\$ -
Total bonded debt	<u>\$ -</u>
Legal debt margin	<u><u>\$ 241,654,994</u></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	Wastewater System Debts (2)				2016 Water System Installment (3)			
	Pledged System	Debt Service		Coverage	Pledged System	Debt Service		Coverage
	Net Revenues (1)	Principal	Interest		Net Revenues	Principal	Interest	
2011	3,577,709	1,956,772	3,369,632	0.67	-	-	-	-
2012	6,903,915	2,027,475	3,267,419	1.30	-	-	-	-
2013	6,685,684	2,098,499	3,189,995	1.26	-	-	-	-
2014	8,978,102	2,169,854	3,109,840	1.70	-	-	-	-
2015	7,260,306	2,263,252	3,038,640	1.37	-	-	-	-
2016	5,855,558	2,343,252	2,940,898	1.11	2,563,208	-	340,258	7.53
2017 (4)	5,134,107	2,010,000	2,851,300	1.06	3,195,187	475,000	448,769	3.46
2018 (4)	5,789,893	2,090,000	2,770,900	1.19	3,009,652	490,000	436,669	3.25
2019 (4)	5,186,991	2,180,000	2,687,300	1.07	4,304,968	500,000	419,319	4.68
2020	4,816,620	1,185,600	1,915,615	1.55	2,351,327	530,000	398,719	2.53
2021	7,302,095	1,390,000	608,722	3.65	7,162,979	540,000	377,319	7.81

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

1. Includes Ukiah Valley Sanitation District payments for Waste Water services and portion of Debt Service, including a portion of such payments identified as capital contributions and maintenance and operations expense
2. 2020 Wastewater Refunding Bonds. Paid off prior wastewater system debts.
3. 2016 Water System Installment Agreement refunding. Paid off prior water system debts.
4. Pledged System Net Revenues for the Fiscal Years Ended June 30, 2017 through June 30, 2019 have been restated to align with Coverage computations presented in debt documentation.



## 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
2011	16,109	\$ 33,353	\$ 537,283,477	\$ 1,180,790,444	14.30%
2012	15,960	\$ 35,110	\$ 560,355,600	\$ 1,169,395,369	13.40%
2013	16,065	\$ 36,791	\$ 591,047,415	\$ 1,171,599,083	11.30%
2014	16,185	\$ 38,307	\$ 619,998,795	\$ 1,195,466,105	9.60%
2015	16,073	\$ 39,545	\$ 635,606,785	\$ 1,224,746,468	8.00%
2016	16,186	\$ 43,845	\$ 709,675,170	\$ 1,267,903,229	6.90%
2017	16,314	\$ 45,436	\$ 741,242,904	\$ 1,304,711,495	6.30%
2018	16,226	\$ 47,611	\$ 772,536,086	\$ 1,364,333,801	5.30%
2019	16,296	\$ 50,150	\$ 817,244,400	\$ 1,424,497,607	5.20%
2020	16,061	\$ 52,976	\$ 850,847,536	\$ 1,491,766,585	8.00%
2021	15,526	\$ 54,795	\$ 850,747,170	\$ 1,542,790,339	10.20%

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 Cities and Census Designated Places

City of Ukiah, California  
Principal Employers

<b>2021 Employers</b>	<b>Industry</b>	<b>Employee Size Class</b>
Adventist Health Ukiah Valley	Hospitals	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 Assn	Associations	100-249
Mendocino Community Health	Clinics	250-499
Mendocino County Office of Education	Boards of Education	100-249
Pacific Coast Farm Credit	Loans-Agricultural	100-249
Sawmill	Sawmills & Planing Mills-General (mfrs)	100-249
Ukiah Valley Medical Center	Hospitals	500-999
Walmart	Department Stores	100-249

Source: <https://www.labormarketinfo.edd.ca.gov/majorer/countymajorer.asp?CountyCode=000045>

## 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government <sup>(1)</sup>	20.7	23.2	23.1	24.0	21.5	27.5	32.9	36.5	37.6	40.2
Police <sup>(2)</sup>	39.5	38.5	43.0	48.0	49.0	49.0	52.7	53.0	46.8	49.8
Fire	18.5	15.5	11.0	11.0	11.0	11.0	13.2	20.5	19.8	29.8
Planning & Building	4.3	4.0	5.5	6.0	6.0	6.0	5.4	5.8	5.2	7.7
Public Works, Water, Sewer & Wastewater Treatment	41.6	38.9	38.3	39.0	41.5	42.5	44.2	43.5	41.3	43.1
Electric	17.4	18.2	16.2	17.0	17.0	18.0	21.6	21.3	18.8	22.0
Airport	2.0	2.0	2.0	2.0	2.0	2.0	4.2	4.2	4.3	4.2
Parks & Recreation	17.9	18.7	17.9	17.0	20.0	19.0	33.5	35.5	31.4	34.3
Total: <sup>(3)</sup>	<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>	<u>205.1</u>	<u>231.1</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 - FY2020.

Source: City of Ukiah Budget-Authorized Full-Time Personnel (FTE) FY21/22



**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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 30, 2021.

**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.

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. 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.

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. Given these limitations, during our audit we did not identify any deficiencies

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in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2021-001 that we consider to be a significant deficiency.

### **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*

December 30, 2021

**CITY OF UKIAH**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**Year Ended June 30, 2021**

***2021-001 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.

*Management's Response:*

The Finance Department plans to continue working with the Community Development Department to complete the refinement to this internal control and implement the recommendation as appropriate.

**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, 2021. 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: The population and inflation options used by the City as the annual adjustment factors were the annual adjustment factors applicable for the limit calculation for the fiscal year ended June 30, 2020. The change in per capital personal income factor should have been 3.73% instead of 3.85%. The population change factor should have been 0.20% instead of -0.10%. As a result, the City adopted an appropriations limit \$84,656 less than allowable by using the amounts indicated above.

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 except the City used a population growth factor and per capita personal income factor of -0.10% and 3.85% instead of 0.20% and 3.73%.

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 & Fankhauser, LLP*

December 30, 2021



**CITY OF UKIAH**  
**APPROPRIATIONS LIMIT COMPUTATION**  
2020 – 2021

	<u>2020 - 2021</u>
Change in Per Capita Personal Income	3.85%
Population Change	
County Population Growth	-0.10%
A. Change in Per Capita Personal Income Converted to a Ratio	1.0385
B. Population Growth Converted to a Ratio	0.999
Calculation of Growth Factor (A x B)	1.03746
2019 - 2020 Appropriations Limit	<u>\$ 44,251,056</u>
2020 - 2021 Appropriations Limit (44,251,056 x 1.03746)	<u>\$ 45,908,767</u>

END OF DOCUMENT