

**CITY OF RIPON  
CALIFORNIA  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2021**

**CITY OF RIPON  
CALIFORNIA**

**JUNE 30, 2021**

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Ripon, California

### **Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ripon, California (the 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.

### ***Managements Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***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 City'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 City'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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## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ripon, California, as of June 30, 2021, and the respective changes in modified cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

## ***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## ***Other Matters***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City's basic financial statements. The management's discussion and analysis on pages 3–12, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has 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 it.

The combining and individual nonmajor fund financial statements and additional information on the Successor Agency Trust Fund 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 combining and individual nonmajor fund financial statements and additional information on the Successor Agency Trust Fund are fairly stated in all material respects in relation to the basic financial statements as a whole.

## ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 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 solely 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 effectiveness of the City's 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.

*Price Pange & Company*

Clovis, California  
October 18, 2021

**CITY OF RIPON  
CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

Our discussion and analysis of the City of Ripon's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021, within the limitations of the City's modified cash basis of accounting. Please read this management's discussion and analysis in conjunction with the City's financial statements that begin on page 14.

**FINANCIAL HIGHLIGHTS**

The net position of the City is the difference between total assets and total liabilities and includes restricted and unrestricted funds of both governmental and business-type activities. As summarized in Table 1 on page 7, the City's assets exceeded its liabilities by \$41,422,039 (net position) for the fiscal year ended June 30, 2021. This compares favorably to the previous year's net position of \$36,050,061. This increase is due mainly to capital development fees, which are restricted funds and increased property taxes, motor vehicle in lieu fees, and interest income, which are unrestricted funds. This net position is comprised of the following:

- Capital related debt of \$8,086,841 represents debt recorded in the proprietary funds for capital assets. The debt is associated with the water and sewer enterprise funds. The City does not capitalize capital assets; therefore, this category solely reflects the debt. Capital related debt of \$8,086,841 constitutes a negative net position.
- Restricted net position of \$36,462,605 represents the portion restricted for public safety, street construction and maintenance, assessment districts, capital projects, mitigation fees, and low and moderate income housing.
- Unrestricted net position of \$13,046,275 represents the portion available to maintain the City's obligations to citizens and creditors. These unrestricted funds are made up of committed, assigned and unassigned funds. Committed funds are funds approved by the City Council for a specific purpose. Assigned funds are funds that are constrained by the City's intent to be used for a specific purpose. Unassigned funds are funds that are not restricted, committed, or assigned.

Below is a summary of unrestricted funds:

	2021	2020
General Fund Reserves:		
Sick Leave Contingency	\$ 353,947	\$ 349,766
PERS Leave Contingency	972,998	962,385
Healthcare Contingency	208,136	205,865
Litigation SIR Contingency	624,407	617,597
Litigation/Natural Disaster Contingency	505,514	296,927
Operating Reserve	3,397,624	2,873,376
Subsequent Year (FY2020-2021) Budget Deficit	-	634,690
Street and Road Reserve Fund	2,451,596	1,954,561
General Capital Funds:		
Parks and Recreation	930,684	1,031,213
CNG Station Capital Reserve	202,066	169,934
Department Capital Funds	1,547,068	1,531,146
Ripon Lighting Fund	(48,960)	(149,987)
Enterprise Funds	1,901,195 *	1,901,240 *
<b>Total Unrestricted Funds</b>	<b>\$ 13,046,275</b>	<b>\$ 12,378,713</b>

\* Enterprise funds are considered unrestricted however, these must be used in accordance with the laws governing the City's various enterprise funds. Also, certain reclassifications were made to this table as it relates to unrestricted funds, but does not affect any prior year financial statement numbers.

**CITY OF RIPON  
CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

- During the fiscal year ended June 30, 2019, City staff completed a Reserve Study and City Council approved a policy regarding reserve balances. These policies set goals for the General Fund Reserve, Sick Leave Contingency Reserve, CalPERS Reserve, Healthcare Deductible Reimbursement Reserve, Workers Compensation/Liability Self Insured Retention Reserve and the Natural Disaster/Litigation Reserve. These reserves were funded during the fiscal year ended June 30, 2019 through the budgeting process. These balances will be reviewed annually to confirm the City is in compliance with the policies. During the COVID-19 pandemic, the City Council authorized funding for Small Business grants to the City of Ripon's businesses effected by the state-wide operating restrictions using the Natural Disaster Reserve Fund. The Natural Disaster Reserve Fund has since been fully repaid in line with the City Council reserve policy.
- During the fiscal year ended June 30, 2019, the City Council created a policy of transferring General Fund dollars to the Landscape Maintenance Districts at the end of the year that have an annual operating deficit and do not have a fund balance to cover the annual deficit. This analysis is completed at the end of the fiscal year and transfers are presented to the City Council for approval. For the fiscal year ended June 30, 2021, \$53,082 was transferred from the General Fund to four different Landscape Maintenance Districts to cover their deficit fund balances.

**USING THIS ANNUAL REPORT**

This annual report is presented in a format consistent with the presentation requirements of the Governmental Accounting Standards Board, as applicable to the City's modified basis of accounting.

**Report Components**

This annual report consists of the following four parts:

- 1) *Government-Wide Financial Statements.* The Statement of Net Position and the Statement of Activities (on pages 14-15) provide information about the activities of the City government-wide (or as a whole) and present a longer-term view of the City's finances.
- 2) *Fund Financial Statements.* Fund financial statements (beginning on page 16) focus on the individual parts of the City government. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant (major) funds. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. For proprietary activities, these statements offer short-term and long-term financial information about the activities which the City operates like businesses, such as the water, sewer and refuse services.
- 3) *Notes to the Financial Statements.* The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.
- 4) *Supplementary Information.* The annual report includes optional financial information, such as management's discussion and analysis, combining statements for non-major funds (that are added together and shown in the fund financial statements in a single column) and additional information on the Successor Agency Trust Fund. This other supplementary financial information is provided to address certain specific needs of various users of the City's annual report.

**Basis of Accounting**

The City has elected to present its financial statements on a modified cash basis of accounting. This modified cash basis of accounting is a basis of accounting other than accounting principles generally accepted in the United States of America. Basis of accounting is a reference to when financial events are recorded, such as the timing for recognizing revenues, expenses, and their related assets and liabilities. Under the City's modified cash basis of accounting, revenues and expenses and certain related assets, liabilities, and deferred inflows and outflows are recorded when they result from cash transactions or events.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements, with the exception of long-term liabilities arising from cash transactions. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and postemployment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Lastly, the City does not recognize its investment in capital assets in its statement of net position.

Therefore, when reviewing the financial information and discussion within this annual report, the reader should keep in mind the limitations resulting from the use of the modified cash basis of accounting.

**Reporting the City as a Whole**

***The City's Reporting Entity Presentation***

This annual report includes all activities for which the City of Ripon's City Council is fiscally responsible.

City management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The City concluded that there are no potential component units which should be included in the reporting entity.

***The Government-Wide Statement of Net Position and the Statement of Activities***

Management's analysis of the City as a whole begins on page 3. The government-wide financial statements are presented on pages 14 and 15. The Statement of Net Position and Statement of Activities report information about the City as a whole and its activities. These statements include all the City's assets, liabilities, and deferred inflows and outflows resulting from the use of the modified cash basis of accounting, as further defined in the notes to the financial statements.

These two statements report the City's net position and changes therein. Keeping in mind the limitation of the modified cash basis of accounting, the City's net position, the difference among assets, deferred outflows, liabilities, and deferred inflows is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other nonfinancial factors should also be considered, such as changes in the City's sales tax base and the condition of the City's roads, to assess the overall health of the City.

- 1) *Governmental activities.* Most of the City's basic services are reported here, including the general administration, police, streets, public works and recreation. Property taxes, sales and use taxes, charges for services, operating grants, and contributions finance most of these activities.
- 2) *Business-type activities.* The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water, sewer, and refuse service are reported here.

**CITY OF RIPON  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Reporting the City's Most Significant Funds**

***The Fund Financial Statements***

Management's analysis of the City's major funds begins on page 16 and provides detailed information about the most significant funds, not the City as a whole. Some funds are required to be established by State law. However, the City Council establishes certain other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City has three types of funds: governmental, proprietary and fiduciary.

- *Governmental Funds.* Most of the City's basic services are reported in governmental funds that focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds report the acquisition of capital assets and payments for debt principal as expenditures, not changes to asset and debt balances. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The City uses the modified cash basis of accounting and, accordingly, there are no reconciling differences between the governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds. The City considers the General Fund, Special Revenue Fund, and Capital Improvement Fund to be its significant, or major, governmental funds. All other governmental funds are aggregated in a single column titled "Non-major Special Revenue Funds."
- *Proprietary Funds.* The City charges customers for the services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way all activities are reported in the Statement of Net Position and Statement of Activities. For example, principal payments on long-term debt are recorded as a reduction to the liability. The City's proprietary (enterprise) fund financial statements are essentially the same as the business-type activities we report in the government-wide financial statements. The City utilizes the modified cash basis of accounting and, accordingly, capital assets are not capitalized or depreciated. The City has three enterprise funds: Water, Sewer, and Refuse.
- *Fiduciary Funds.* Private Purpose Trust Funds are established to serve as the custodian for assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the City's own programs. The City has one private purpose trust fund known as the Successor Agency Trust Fund which holds the assets and accounts for the activities related to the winding down of the former Redevelopment Agency.

**Net Position – Modified Cash Basis**

The City's combined net position resulting from modified cash basis transactions or events increased from \$36,050,061 to \$41,422,039 between fiscal years 2020 and 2021. Looking at the net position and net expenses of governmental and business-type activities separately, governmental activities had a larger increase than business-type activities.

Table 1 on the following page shows a breakdown and comparison of these activities.



**CITY OF RIPON  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

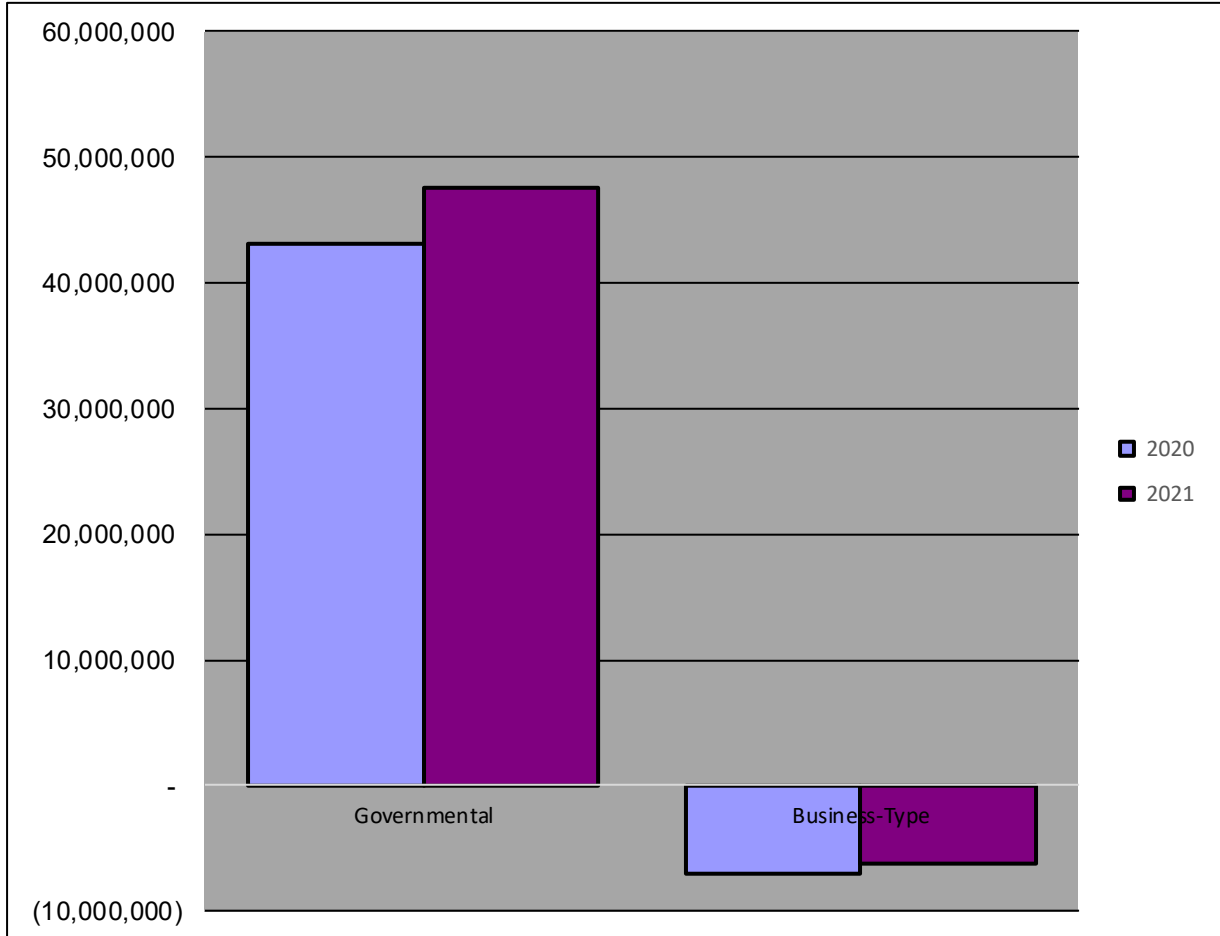
TABLE 1:

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020-2021</b>
Cash and investments	\$ 14,749,270	\$ 15,980,978	\$ 1,901,240	\$ 1,901,195	\$ 16,650,510	\$ 17,882,173	7%
Cash and investments - restricted	27,869,401	31,347,872	199	244	27,869,600	31,348,116	12%
Internal balances	1,022,075	826,841	(1,022,075)	(826,841)	-	-	0%
<b>Total assets</b>	<b>43,640,746</b>	<b>48,155,691</b>	<b>879,364</b>	<b>1,074,598</b>	<b>44,520,110</b>	<b>49,230,289</b>	<b>11%</b>
Long-term liabilities:							
Loan due to private-purpose trust funds	545,049	548,250	-	-	545,049	548,250	1%
Debt due within one year	-	-	665,000	685,000	665,000	685,000	3%
Debt due in more than one year	-	-	7,260,000	6,575,000	7,260,000	6,575,000	-9%
<b>Total liabilities</b>	<b>545,049</b>	<b>548,250</b>	<b>7,925,000</b>	<b>7,260,000</b>	<b>8,470,049</b>	<b>7,808,250</b>	<b>-8%</b>
Capital related debt	-	-	(8,947,075)	(8,086,841)	(8,947,075)	(8,086,841)	-10%
Restricted for:							
Public safety	162,516	174,997	-	-	162,516	174,997	8%
Street construction and maintenance	2,456,065	2,934,728	-	-	2,456,065	2,934,728	19%
Assessment districts	243,551	255,822	-	-	243,551	255,822	5%
Capital outlay	20,791,512	23,706,370	-	-	20,791,512	23,706,370	14%
Mitigation fees	7,688,366	7,922,809	-	-	7,688,366	7,922,809	3%
Low and moderate income housing	1,266,214	1,467,635	-	-	1,266,214	1,467,635	16%
Debt service	-	-	199	244	199	244	23%
Unrestricted	10,487,473	11,145,080	1,901,240	1,901,195	12,388,713	13,046,275	5%
<b>Total Net Position</b>	<b>\$ 43,095,697</b>	<b>\$ 47,607,441</b>	<b>\$ (7,045,636)</b>	<b>\$ (6,185,402)</b>	<b>\$ 36,050,061</b>	<b>\$ 41,422,039</b>	<b>15%</b>

The net position of the City's governmental activities increased 10.5% to \$47,607,441. However, \$36,462,361 of this amount is restricted regarding the purposes for which it can be used. Consequently, unrestricted amounts showed \$11,145,080 at the end of this year. A summary of the total unrestricted funds, including these governmental activities, is noted on page 3 under Financial Highlights.

**CITY OF RIPON  
CALIFORNIA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Net Position – Modified Cash Basis**



Changes from 2020 to 2021 reflect an increase of 14.9% in net position, an increase of 10.5% for governmental activities and an increase of 12.2% for business-type activities.

**Changes in Net Position – Modified Cash Basis**

For the year ended June 30, 2021, net position (resulting from modified cash basis transactions or events) changed as follows on page 9.

**CITY OF RIPON  
CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total Percentage Change</b>
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020-2021</b>
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 1,801,086	\$ 1,525,929	\$ 7,383,126	\$ 7,819,460	\$ 9,184,212	\$ 9,345,389	2%
Operating grants and contributions	893,824	1,769,336	-	-	893,824	1,769,336	98%
Capital grants and contributions	6,728,230	3,439,030	1,784,862	437,802	8,513,092	3,876,832	-54%
General revenues							
Taxes:							
Property taxes	2,173,648	2,263,340	-	-	2,173,648	2,263,340	4%
Sales and use taxes	3,578,287	3,383,767	-	-	3,578,287	3,383,767	-5%
Other	267,317	292,763	139,438	153,239	406,755	446,002	10%
Motor vehicle in lieu	1,632,053	1,725,970	-	-	1,632,053	1,725,970	6%
Investment income	732,914	409,411	40,173	23,136	773,087	432,547	-44%
Miscellaneous	832,369	694,051	-	-	832,369	694,051	-17%
<b>Total revenue</b>	<b>18,639,728</b>	<b>15,503,597</b>	<b>9,347,599</b>	<b>8,433,637</b>	<b>27,987,327</b>	<b>23,937,234</b>	<b>-14%</b>
<b>Expenditures</b>							
Administrative	44,815	40,667	-	-	44,815	40,667	-9%
Legislative	2,867	2,767	-	-	2,867	2,767	-3%
Police	6,405,580	6,749,793	-	-	6,405,580	6,749,793	5%
Streets and public works	2,974,487	1,829,400	-	-	2,974,487	1,829,400	-38%
Culture and recreation	3,671,237	2,072,375	-	-	3,671,237	2,072,375	-44%
Community development	239,653	277,132	-	-	239,653	277,132	16%
Redevelopment	185,427	196,592	-	-	185,427	196,592	6%
Other	100,430	99,279	-	-	100,430	99,279	-1%
Capital outlay	4,012,143	2,041,040	-	-	4,012,143	2,041,040	-49%
Water	-	-	1,995,020	2,015,165	1,995,020	2,015,165	1%
Sewer	-	-	1,049,140	1,135,228	1,049,140	1,135,228	8%
Refuse	-	-	1,961,915	2,105,818	1,961,915	2,105,818	7%
<b>Total expenditures</b>	<b>17,636,639</b>	<b>13,309,045</b>	<b>5,006,075</b>	<b>5,256,211</b>	<b>22,642,714</b>	<b>18,565,256</b>	<b>-18%</b>
Excess (deficiency) before transfers	1,003,089	2,194,552	4,341,524	3,177,426	5,344,613	5,371,978	1%
Transfers	3,495,274	2,317,192	(3,495,274)	(2,317,192)	-	-	
Increase in net position	4,498,363	4,511,744	846,250	860,234	5,344,613	5,371,978	1%
Net position - beginning	38,597,334	43,095,697	(7,891,886)	(7,045,636)	30,705,448	36,050,061	
<b>Net position - ending</b>	<b>\$ 43,095,697</b>	<b>\$ 47,607,441</b>	<b>\$ (7,045,636)</b>	<b>\$ (6,185,402)</b>	<b>\$ 36,050,061</b>	<b>\$ 41,422,039</b>	

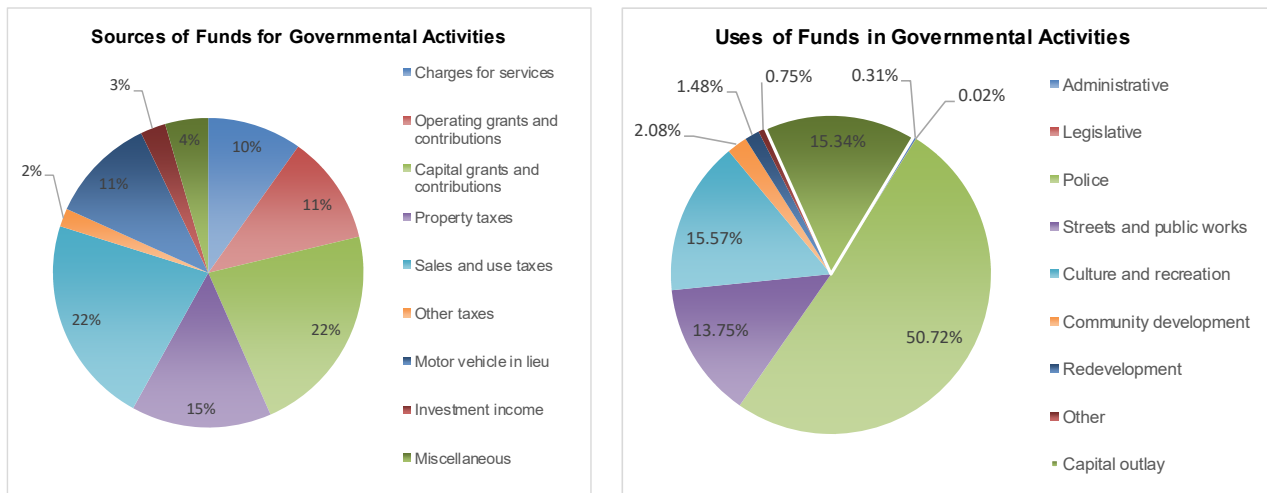
**CITY OF RIPON  
CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**Governmental Activities**

The Statement of Activities format is significantly different from a typical Statement of Revenues, Expenses and Changes in Fund Balance. Expenses are listed in the first column, with revenues from that particular program reported to the right. The result is net (expense) revenue. This type of format highlights the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants or contributions. All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue, even if restricted for a specific purpose.

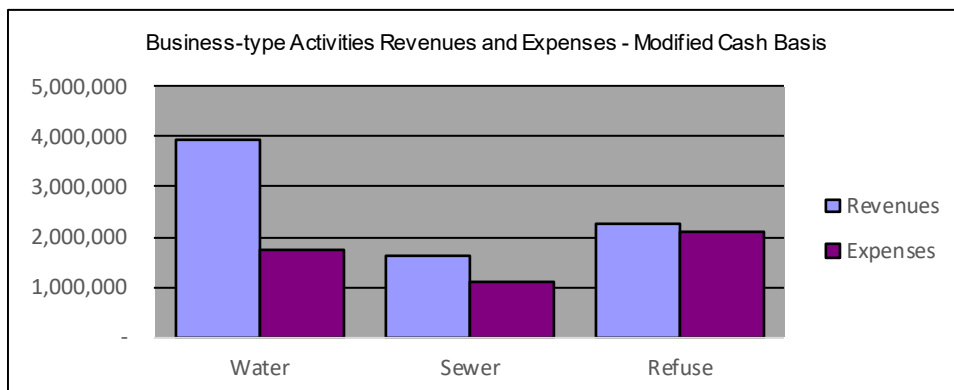
For the year ended June 30, 2021, the City's governmental activities sources and uses follow:



For the year ended June 30, 2021, total expenses for governmental activities resulting from modified cash basis transactions or events amounted to \$13,309,045. Of these total expenses, taxpayers and other general revenues funded only \$8,769,302, and those directly benefiting from the program funded \$5,208,366 from grants and other contributions, and \$1,525,929 from charges for services.

**Business-Type Activities**

The business-type activities' net revenue (expenses), before contributions and transfers, resulting from modified cash basis transactions or events follow: The water, sewer and refuse service activities reported net revenues (expenses) of \$2,166,161, \$831,911, and \$179,354, respectively.



**CITY OF RIPON  
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**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**A FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

Certain funds experienced noteworthy changes from the prior year and are highlighted as follows:

Revenues:

- Sales and use taxes decreased 5% from the prior fiscal year to the current fiscal year. This is due to both COVID and reallocations done by the State of California Department of Finance.
- Development-related General Fund fees were conservatively budgeted at \$201,500, but the amount actually received by the City was \$383,535.
- The City continues to receive the \$250,000 administrative allowance for administering the winding-down of the Redevelopment Agency. At this time, it is not clear when the City would no longer be receiving this allowance.
- Water, Sewer, and Refuse capital grants and contributions decreased by \$857,589, \$406,571, and \$82,900, respectively, which is due to less development fees collected in the current year.
- During FYE June 30, 2021, in accordance with Proposition 218, the City Council approved rate increases to occur over a 5-year period. The utility rate study projected increases to water, sewer, and refuse rates during fiscal year 2020/2021 of 2%, 4%, and 5%, respectively. The City Council has directed staff to re-analyze the financial position of each Enterprise Fund each year to decide if any rate needs to be increased based upon the approved increases.

Expenditures:

- Capital Outlay expenditures decreased \$1,971,103 from the prior year. Below is a list of major capital expenditures that were incurred during the current fiscal year:
  - Corporation Yard Design - \$207,000
  - License Plate Readers – \$10,000
  - MESH Camera Upgrades/Replacements – \$2,000
  - Police Vehicles - \$53,000
  - E. Main Traffic Signal Project – \$3,000
  - Traffic Signal at the intersection of Colony and Hoff – \$564,000
  - Drilling of Well #19 – \$38,000
  - Well 5 & 12 Rehab - \$8,000
  - Mistlin Parking Lot - \$155,000
  - Purchase of Walker Mower and Public Works Pick-up Trucks (3) - \$139,000
  - Storm Drain Outfall Structure Emergency Repair - \$216,000
  - Mulholand/California Resurface Project - \$102,000
  - E. Main Handicap Ramp and Crosswalk Project - \$34,000
  - Wilma Driveways - \$62,000
  - Rehabilitation to Stockton Avenue – \$1,018,000
  - Safe Routes to School – Ripon and Parkview Project – \$6,000
  - Lower Stanislaus River Multi-Use Trail - \$21,000

**CITY OF RIPON  
CALIFORNIA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2021**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets – Modified Cash Basis**

The City does not capitalize capital assets.

**Long-Term Debt – Modified Cash Basis**

At June 30, 2021, the City had \$7,808,250 in long-term debt arising from modified cash basis transactions or events, compared with \$8,470,049 at June 30, 2020. At June 30, 2021, the debt is related to business-type activities and a loan due to the Successor Agency Trust.

At June 30, 2021, the City's Private-Purpose Trust Fund (Former Ripon Redevelopment Agency) had \$20,005,512 in long-term debt arising from the modified cash basis transactions or events, compared with \$22,480,000 at June 30, 2020. At June 30, 2021, all of the debt is related to redevelopment tax allocation bonds.

**ECONOMIC OUTLOOK AND MAJOR INITIATIVES**

The impacts to the general fund revenue as a result of COVID-19 regulations did not negatively impact the City as much as we originally projected. In addition, the City has sufficient contingencies that have been set aside to mitigate these impacts. During the fiscal year ending June 30, 2022, the City is projecting to receive \$3,900,000 of American Rescue Plan dollars which it will use to replenish any lost revenue due to COVID.

The City staffing levels for the year ending June 30, 2022 are planned to remain consistent with the year ended June 30, 2021.

The City's Redevelopment Successor Agency expects to continue to receive the \$250,000 administrative allowance for administering the winding-down of the Redevelopment Agency for the upcoming fiscal years, but is projected to be reduced or eliminated in the future.

The City's share of CalPERS unfunded accrued liability is projected to increase significantly over the next several years as a result of the CalPERS Board lowering the discount rate. The City has transferred \$1,181,800 to a reserve fund for future CalPERS payments. In addition, a \$250,000 prepayment was made towards the City's unfunded accrued liability in fiscal year ended June 30, 2018. It is important to continue to monitor CalPERS increasing rates and unfunded accrued liability.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the City Clerk's Office at 259 N. Wilma Avenue, Ripon, California 95366, or telephone (209) 599-2108.

## BASIC FINANCIAL STATEMENTS

**CITY OF RIPON**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**JUNE 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 15,980,978	\$ 1,901,195	\$ 17,882,173
Cash and investments - restricted	31,347,872	244	31,348,116
Internal balances	<u>826,841</u>	<u>(826,841)</u>	<u>-</u>
Total assets	<u>48,155,691</u>	<u>1,074,598</u>	<u>49,230,289</u>
<b>LIABILITIES</b>			
Loan due to private-purpose trust funds	548,250	-	548,250
Long-term liabilities:			
Debt due within one year	-	685,000	685,000
Debt due in more than one year	<u>-</u>	<u>6,575,000</u>	<u>6,575,000</u>
Total liabilities	<u>548,250</u>	<u>7,260,000</u>	<u>7,808,250</u>
<b>NET POSITION</b>			
Capital related debt	-	(8,086,841)	(8,086,841)
Restricted for:			
Public safety	174,997	-	174,997
Street construction and maintenance	2,934,728	-	2,934,728
Assessment districts	255,822	-	255,822
Capital projects	23,706,370	-	23,706,370
Mitigation fees	7,922,809	-	7,922,809
Low and moderate income housing	1,467,635	-	1,467,635
Debt service	-	244	244
Unrestricted	<u>11,145,080</u>	<u>1,901,195</u>	<u>13,046,275</u>
Total net position (deficit)	<u>\$ 47,607,441</u>	<u>\$ (6,185,402)</u>	<u>\$ 41,422,039</u>

The notes to the basic financial statement are an integral part of this statement.



**CITY OF RIPON**  
**STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Expenses			Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Direct	Indirect	Total	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>									
<b>Governmental activities:</b>									
Administrative	\$ 1,354,920	\$ (1,314,253)	\$ 40,667	\$ 357,817	\$ -	\$ 24,765	\$ 341,915	\$ -	\$ 341,915
Legislative	412,968	(410,201)	2,767	-	-	-	(2,767)	-	(2,767)
Police	5,774,452	975,341	6,749,793	324,930	189,150	-	(6,235,713)	-	(6,235,713)
Streets and public works	2,120,059	(290,659)	1,829,400	584,077	1,079,092	1,500,759	1,334,528	-	1,334,528
Culture and recreation	1,869,248	203,127	2,072,375	259,105	-	-	(1,813,270)	-	(1,813,270)
Community development	277,132	-	277,132	-	196,690	-	(80,442)	-	(80,442)
Redevelopment	196,592	-	196,592	-	-	-	(196,592)	-	(196,592)
Other	84,933	14,346	99,279	-	304,404	-	205,125	-	205,125
Capital outlay	1,976,819	64,221	2,041,040	-	-	1,913,506	(127,534)	-	(127,534)
Total governmental activities	14,067,123	(758,078)	13,309,045	1,525,929	1,769,336	3,439,030	(6,574,750)	-	(6,574,750)
<b>Business-type activities:</b>									
Water	1,724,401	290,764	2,015,165	3,931,854	-	238,118	-	2,154,807	2,154,807
Sewer	971,613	163,615	1,135,228	1,623,296	-	181,374	-	669,442	669,442
Refuse	1,802,119	303,699	2,105,818	2,264,310	-	18,310	-	176,802	176,802
Total business-type activities	4,498,133	758,078	5,256,211	7,819,460	-	437,802	-	3,001,051	3,001,051
Total primary government	\$ 18,565,256	\$ -	\$ 18,565,256	\$ 9,345,389	\$ 1,769,336	\$ 3,876,832	(6,574,750)	3,001,051	(3,573,699)
<b>General revenues:</b>									
<b>Taxes:</b>									
Property taxes							2,263,340	-	2,263,340
Sales and use taxes							3,383,767	-	3,383,767
Other							292,763	153,239	446,002
Motor vehicle in lieu							1,725,970	-	1,725,970
Investment income							409,411	23,136	432,547
Miscellaneous							694,051	-	694,051
Transfers							2,317,192	(2,317,192)	-
Total general revenues and transfers							11,086,494	(2,140,817)	8,945,677
Change in net position							4,511,744	860,234	5,371,978
Net position (deficit) - beginning							43,095,697	(7,045,636)	36,050,061
Net position (deficit) - ending							\$ 47,607,441	\$ (6,185,402)	\$ 41,422,039

The notes to the basic financial statement are an integral part of this statement.

**CITY OF RIPON**  
**BALANCE SHEET – MODIFIED CASH BASIS**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General Fund	Streets & Roads Special Revenue Fund	Capital Projects Fund	Other Non-major Special Revenue Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 7,656,387	\$ 2,451,596	\$ 2,659,930	\$ 3,213,065	\$ 15,980,978
Cash and investments - restricted	9,565,441	-	21,782,431	-	31,347,872
Due from other funds	48,960	-	-	-	48,960
Advance to other funds	-	-	2,469,562	-	2,469,562
Total assets	<u>\$ 17,270,788</u>	<u>\$ 2,451,596</u>	<u>\$ 26,911,923</u>	<u>\$ 3,213,065</u>	<u>\$ 49,847,372</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ 48,960	\$ 48,960
Advances from other funds	1,642,721	-	-	-	1,642,721
Loan due to private-purpose trust funds	-	-	548,250	-	548,250
Total liabilities	<u>1,642,721</u>	<u>-</u>	<u>548,250</u>	<u>48,960</u>	<u>2,239,931</u>
<b>FUND BALANCES</b>					
Restricted for:					
Public safety	174,997	-	-	-	174,997
Street construction and maintenance	-	-	-	2,934,728	2,934,728
Assessment districts	-	-	-	255,822	255,822
Capital projects	-	-	23,683,855	22,515	23,706,370
Mitigation fees	7,922,809	-	-	-	7,922,809
Low and moderate income housing	1,467,635	-	-	-	1,467,635
Committed to:					
Street construction and maintenance	-	2,451,596	-	-	2,451,596
Capital projects	-	-	2,649,805	-	2,649,805
Contingencies:					
Sick leave	353,947	-	-	-	353,947
Retirement	972,998	-	-	-	972,998
Healthcare	208,136	-	-	-	208,136
Liability SIR	624,407	-	-	-	624,407
Litigation and natural disaster	505,514	-	-	-	505,514
Assigned to:					
Subsequent year budget deficit	-	-	-	-	-
Capital projects	-	-	30,013	-	30,013
Unassigned	<u>3,397,624</u>	<u>-</u>	<u>-</u>	<u>(48,960)</u>	<u>3,348,664</u>
Total fund balances	<u>15,628,067</u>	<u>2,451,596</u>	<u>26,363,673</u>	<u>3,164,105</u>	<u>47,607,441</u>
Total liabilities and fund balances	<u>\$ 17,270,788</u>	<u>\$ 2,451,596</u>	<u>\$ 26,911,923</u>	<u>\$ 3,213,065</u>	<u>\$ 49,847,372</u>

The notes to the basic financial statement are an integral part of this statement.

**CITY OF RIPON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**MODIFIED CASH BASIS – GOVERNMENTAL FUNDS**  
**JUNE 30, 2021**

	General Fund	Streets & Roads Special Revenue Fund	Capital Projects Fund	Other Non-major Special Revenue Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 7,809,240	\$ -	\$ -	\$ 32,579	\$ 7,841,819
Assessments	-	-	-	395,956	395,956
Licenses, permits and fees	1,894,506	-	653,336	-	2,547,842
Investment income	336,082	20,503	240,021	33,146	629,752
Intergovernmental revenue	229,113	75,477	763,492	1,730,115	2,798,197
Charges for services	556,174	15,692	-	1,117	572,983
Fines and forfeitures	161,609	-	-	-	161,609
Housing/loan program income	291,904	-	-	-	291,904
Contributions	41,680	-	-	-	41,680
Other	192,305	24,268	5,281	-	221,854
Total revenues	<u>11,512,613</u>	<u>135,940</u>	<u>1,662,130</u>	<u>2,192,913</u>	<u>15,503,596</u>
<b>EXPENDITURES</b>					
General government:					
Administration	1,354,920	-	-	-	1,354,920
Legislative	410,201	-	-	-	410,201
Public safety:					
Police	5,774,452	-	-	-	5,774,452
Streets and public works:					
Streets	-	663,339	-	41,414	704,753
Planning	279,220	-	-	5,001	284,221
Engineering	315,699	-	-	-	315,699
Building	319,044	-	-	-	319,044
Culture and recreation:					
Library	40,545	-	-	-	40,545
Parks and recreation	1,630,741	-	3,201	-	1,633,942
Community Center	50,199	-	-	-	50,199
Community development	277,132	-	-	7,500	284,632
Special assessment districts	-	-	-	315,097	315,097
Successor agency administration	196,592	-	-	-	196,592
Allocation to other department costs	(994,625)	112,043	64,221	60,282	(758,079)
Other	84,933	-	-	-	84,933
Capital outlay	153,472	573,835	1,570,586	-	2,297,893
Total expenditures	<u>9,892,525</u>	<u>1,349,217</u>	<u>1,638,008</u>	<u>429,294</u>	<u>13,309,044</u>
Excess (deficiency) of revenues over expenditures	<u>1,620,088</u>	<u>(1,213,277)</u>	<u>24,122</u>	<u>1,763,619</u>	<u>2,194,552</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	1,710,312	2,835,972	53,081	4,599,365
Operating transfers out	(1,049,723)	-	-	(1,232,450)	(2,282,173)
Total other financing sources (uses)	<u>(1,049,723)</u>	<u>1,710,312</u>	<u>2,835,972</u>	<u>(1,179,369)</u>	<u>2,317,192</u>
Net change in fund balances	570,365	497,035	2,860,094	584,250	4,511,744
Fund balances - beginning	<u>15,057,702</u>	<u>1,954,561</u>	<u>23,503,579</u>	<u>2,579,855</u>	<u>43,095,697</u>
Fund balances - ending	<u>\$ 15,628,067</u>	<u>\$ 2,451,596</u>	<u>\$ 26,363,673</u>	<u>\$ 3,164,105</u>	<u>\$ 47,607,441</u>

The notes to the basic financial statement are an integral part of this statement.

**CITY OF RIPON**  
**STATEMENT OF NET POSITION – MODIFIED CASH BASIS**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Business-Type Activities			
	Sewer Enterprise Fund	Water Enterprise Fund	Refuse Enterprise Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 763,699	\$ 926,271	\$ 211,225	\$ 1,901,195
Cash and investments - restricted	-	244	-	244
Total assets	<u>763,699</u>	<u>926,515</u>	<u>211,225</u>	<u>1,901,439</u>
<b>LIABILITIES</b>				
Current liabilities:				
Current portion of bonds payable	160,000	525,000	-	685,000
Noncurrent liabilities:				
Advance from capital projects fund	-	826,841	-	826,841
Noncurrent portion of bonds payable	<u>720,000</u>	<u>5,855,000</u>	<u>-</u>	<u>6,575,000</u>
Total liabilities	<u>880,000</u>	<u>7,206,841</u>	<u>-</u>	<u>8,086,841</u>
<b>NET POSITION</b>				
Capital related debt	(880,000)	(7,206,841)	-	(8,086,841)
Restricted for debt service	-	244	-	244
Unrestricted	<u>763,699</u>	<u>926,271</u>	<u>211,225</u>	<u>1,901,195</u>
Total net position (deficit)	<u>\$ (116,301)</u>	<u>\$ (6,280,326)</u>	<u>\$ 211,225</u>	<u>\$ (6,185,402)</u>

The notes to the basic financial statement are an integral part of this statement.

**CITY OF RIPON**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**MODIFIED CASH BASIS – PROPRIETARY FUNDS**  
**JUNE 30, 2021**

	Sewer Enterprise Fund	Water Enterprise Fund	Refuse Enterprise Fund	Total
Operating revenues:				
Charges for services:				
Sewer usage services	\$ 1,623,296	\$ -	\$ -	\$ 1,623,296
Water revenue	-	3,931,854	-	3,931,854
Refuse revenue	-	-	2,264,310	2,264,310
Total operating revenues	<u>1,623,296</u>	<u>3,931,854</u>	<u>2,264,310</u>	<u>7,819,460</u>
Operating expenses:				
Salaries and wages	300,147	447,646	604,202	1,351,995
Employee benefits	176,946	249,975	352,952	779,873
Professional services	113,028	41,291	9,747	164,066
Repairs and maintenance	138,589	169,826	82,284	390,699
Gas and oil	17,367	15,210	83,042	115,619
Utilities	107,318	377,143	8,915	493,376
Supplies	7,589	11,348	9,037	27,974
Conference expenses	308	351	-	659
Communications	2,944	61,117	4,444	68,505
Membership, dues, books, etc.	48,626	34,093	2,754	85,473
Postage	6,884	8,517	6,884	22,285
Refuse disposal	-	-	604,213	604,213
Other	11,652	38,428	33,645	83,725
Allocation of other department costs	<u>163,615</u>	<u>290,766</u>	<u>303,699</u>	<u>758,080</u>
Total operating expenses	<u>1,095,013</u>	<u>1,745,711</u>	<u>2,105,818</u>	<u>4,946,542</u>
Operating income	<u>528,283</u>	<u>2,186,143</u>	<u>158,492</u>	<u>2,872,918</u>
Nonoperating revenues (expenses):				
Contributions/developer fees	181,374	238,118	18,310	437,802
Assessments	153,242	-	-	153,242
Interest revenue	9,227	11,357	2,552	23,136
Debt service - interest	<u>(40,215)</u>	<u>(269,457)</u>	<u>-</u>	<u>(309,672)</u>
Total nonoperating revenues (expenses)	<u>303,628</u>	<u>(19,982)</u>	<u>20,862</u>	<u>304,508</u>
Net income before transfers	<u>831,911</u>	<u>2,166,161</u>	<u>179,354</u>	<u>3,177,426</u>
Operating transfers out	<u>(676,912)</u>	<u>(1,460,921)</u>	<u>(179,359)</u>	<u>(2,317,192)</u>
Change in net position	154,999	705,240	(5)	860,234
Net position (deficit) - beginning	<u>(271,300)</u>	<u>(6,985,566)</u>	<u>211,230</u>	<u>(7,045,636)</u>
Net position (deficit) - ending	<u>\$ (116,301)</u>	<u>\$ (6,280,326)</u>	<u>\$ 211,225</u>	<u>\$ (6,185,402)</u>

The notes to the basic financial statement are an integral part of this statement.

**CITY OF RIPON**  
**STATEMENT OF FIDUCIARY NET POSITION – MODIFIED CASH BASIS**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**JUNE 30, 2021**

	Successor Agency Trust Fund
<b>ASSETS</b>	
Cash and investments	\$ 4,046,111
Cash and investments - restricted	3,016,247
Cash and investments with fiscal agents - restricted	12,305
Loan due from capital projects fund	<u>548,250</u>
Total assets	<u>7,622,913</u>
<b>LIABILITIES</b>	
Due to County of San Joaquin	1,297,266
Long-term liabilities:	
Debt due within one year	-
Debt due in more than one year	<u>20,005,512</u>
Total liabilities	<u>21,302,778</u>
<b>NET POSITION</b>	
Net position held in trust for redevelopment dissolution and other purposes	<u>\$ (13,679,865)</u>

The notes to the basic financial statement are an integral part of this statement.

**CITY OF RIPON**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – MODIFIED CASH BASIS**  
**PRIVATE-PURPOSE TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Successor Agency Trust Fund
	<u>                    </u>
<b>ADDITIONS</b>	
Property taxes	\$ 1,701,551
Program income	549,936
Investment income	<u>242,616</u>
Total additions	<u>2,494,103</u>
<b>DEDUCTIONS</b>	
General operating	265,300
Debt service - interest	910,974
Cost of issuance	<u>559,673</u>
Total deductions	<u>1,735,947</u>
Change in net position	758,156
Total net position (deficit) - beginning of year	<u>(14,438,021)</u>
Total net position (deficit) - end of year	<u><u>\$ (13,679,865)</u></u>

The notes to the basic financial statement are an integral part of this statement.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Ripon (the City) are presented on the modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

**Financial Reporting Entity**

The City was incorporated on November 27, 1945, under the general laws of the State of California. The City operates under a Council-Manager form of government consisting of five elected council members including the Mayor and a city council appointed City Manager. The City provides the following services as authorized by its charter: public safety, sanitation, water utility, street maintenance, community development, library, parks and recreation, and general administrative services.

**Individual Component Unit Disclosures**

There are no entities which meet the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61 criteria for discrete disclosure within these basic financial statements.

**Basis of Presentation**

The government-wide financial statements (i.e. statement of net position and statement of activities) display information about the primary government (the City). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct and indirect expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expenses are allocated to functions based on the relativity of direct expenses by department. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. 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.

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

Total assets, liabilities, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.



**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

The funds of the financial reporting entity are described below:

**Governmental Funds**

The General Fund is the primary operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds are used to account for the proceeds of the specified revenue sources that are either legally restricted to expenditures for specified purposes or designated to finance particular functions or activities of the City. The reporting entity includes the following special revenue fund, which is reported as a major fund.

*Streets and Road Fund* – Accounts for revenues and expenditures for streets and roads related maintenance and construction.

Capital Projects Funds are used to account for resources restricted or designated for the acquisition or construction of specific capital projects or items. The reporting entity includes the following capital projects fund, of which is reported as a major fund.

*Capital Projects Fund* – Accounts for contributions and specific revenues and transfers from other City funds and expenditures for various capital projects as the City Council may designate.

**Proprietary Funds**

Enterprise Funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges, and the measurement of financial activity focuses on net income measurement similar to the private sector. The reporting entity includes the following enterprise funds: water, sewer, and refuse funds; all of which qualify as major funds.

*Sewer Fund* – Accounts for activities associated with operating and maintaining the City's sewer and surface drainage system. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

*Water Fund* – Accounts for the provision of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

*Refuse Fund* – Accounts for the provision of refuse collection services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, capital improvements, maintenance, financing and related debt service, and billing and collection.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Contributions/developer fees are reported separately and represent capital contributions charged by the City. Operating expenses are those expenses essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**CITY OF RIPON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

**Fiduciary Funds**

Private-Purpose Trust Funds are established to serve as the custodian for assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the City's own programs. The reporting entity includes on private-purpose trust fund.

*Successor Agency Trust Fund* – Accounts for activities related to the servicing of debt of the former Redevelopment Agency.

**Measurement Focus**

In the Government-Wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus, as applied to the modified cash basis of accounting, is used as appropriate:

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. The operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The proprietary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), and financial position. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Proprietary fund equity is classified as net position.

The fiduciary fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of additions, deductions, changes in net position, and financial position. All assets and liabilities (whether current or noncurrent, financial, or nonfinancial) associated with their activities are reported. Fiduciary fund equity is classified as net position.

**Basis of Accounting**

In the Government-Wide Statement of Net Position and Statement of Activities, and the fund financial statements, governmental and business-like activities are presented using a modified cash basis of accounting. This is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. The basis of accounting involves modification to the cash basis of accounting to report in the statement of net position cash transactions that result in an obligation that covers a period greater than the period in which the cash transaction occurred. Accordingly, long-term liabilities arising from cash transactions have been reported in the statement of net position.

**CITY OF RIPON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

**Basis of Accounting (Continued)**

This modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected, and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods or services received but not yet paid, and other accrued expenses and liabilities) are not recorded in these financial statements, with the exception of long-term liabilities arising from cash transactions. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event (such as donated assets and postemployment benefit obligations) are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Lastly, the City does not recognize its investment in capital assets in its statement of net position.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary and fiduciary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

**Cash, Cash Equivalents and Investments**

For the purpose of financial reporting, “cash and cash equivalents” includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity date of three months or less. This also includes deposits with the State of California Local Agency Investment Fund (LAIF) and trust account investments in open-ended mutual fund shares.

Investments are stated at cost basis.

Restricted cash and investments includes proceeds from the 2012 refunding water revenue bonds and the 2006 water revenue bonds which are restricted for expansion of the wastewater treatment plant, upgrade of water facilities and for repayment of bonds. Additionally, proceeds from 2020 tax allocation refunding bonds are restricted for various capital projects and for payment of bonds. Restricted cash and investments also include proceeds from grants for which the funds have not been expended.

**Long-term Debt**

All long-term debt arising from cash basis transactions to be repaid from governmental and business-type resources is reported as liabilities in the government-wide financial statements.

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as the treatment in the government-wide financial statements.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

**Equity Classification**

Equity in the government-wide statements is classified as net position and displayed in three components:

*Capital related debt* – Consists of the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvements of capital assets.

*Restricted* – Consists of restricted assets reduced by liabilities with restriction constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or law through constitutional provisions or enabling legislation.

*Unrestricted* – Net amount of assets and liabilities that are not scheduled in the determination of net investment in capital assets on the restricted component of net position.

It is the City's policy to first use restricted net resources prior to the use of unrestricted net resources when an expense is incurred for purposes for which both restricted and unrestricted net resources are available.

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned and unassigned.

*Nonspendable* – Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

*Restricted* – Amounts constrained regarding the use from restrictions externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or by restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed* – Amounts constrained regarding use for specific purposes pursuant to requirements imposed by formal action of the City's highest level of decision-making authority.

*Assigned* – Amounts constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The authority of assigning fund balance is expressed by the City Council, City manager or their designee as established in the City's Fund Balance Policy.

*Unassigned* – Amounts that have not been restricted, committed or assigned to specific purposes within the General fund. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Proprietary fund equity is classified the same as in the government-wide financial statements.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

**Internal and Interfund Balances and Activities**

In the process of aggregating the financial information for the Government-Wide Statement of Net Position and Statement of Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Interfund activity, if any, within and among the governmental, proprietary, and fiduciary fund categories is reported as follows in the fund financial statements:

*Interfund loans and advances* – Amounts provided with a requirement for repayment are reported as interfund receivables and payables.

*Interfund services* – Sales or purchases of goods and services between funds are reported as revenues and expenditures/expenses.

*Interfund reimbursements* – Repayments from funds responsible for certain expenditures/ expenses to the funds that initially paid for them are not reported as reimbursements but as adjustments to expenditures/expenses in the respective funds.

*Interfund transfers* – Flow of assets from one fund to another where repayment is not expected are reported as transfers in and out.

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide statements as follows:

*Internal balances* – Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are reported as Internal Balances.

*Internal activities* – Amounts reported as interfund transfers in the fund financial statements are eliminated in the Government-Wide Statement of Activities except for the net amount of transfers between governmental and business-type activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities.

**Minimum Fund Balance Policy**

The City's fiscal policy requires the City to maintain a General Fund reserve of 35% of the current year's budgeted General Fund annual expenditures for cash flow purposes.

**Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting described in Note 1 used by the City requires management to make estimates and assumptions that affect certain reported amounts and disclosures; accordingly, actual results could differ from those estimates.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation (Continued)**

Budgetary Accounting

The City does not adopt an appropriated budget and is not required to adopt such a budget by law. However, the City does adopt a non-appropriated budget annually which is approved by the City Council. The budget for all governmental and proprietary funds is on the cash basis of accounting.

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 Assessor of the County of San Joaquin for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by voters on June 6, 1978) properties are assessed at 100% of full value. From this based of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are 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 1% of full value which results in a tax rate of \$1.00 per \$100 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 proceeding 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 county 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 real property unless the taxes become delinquent. Payment 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 County of San Joaquin levies bills and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received, in the fiscal year of the levy, due to the adoption of the "alternate method of property tax distribution", known as the Teeter Plan, by the City of Ripon and the County of San Joaquin. The Teeter Plan authorizes the Auditor/Controller of the County of San Joaquin to allocate 100 percent of the secured property taxes billed, but not yet paid. The County of San Joaquin remits tax monies to the City in three installments as follows:

- 50 percent remitted in December
- 45 percent remitted in April
- 5 percent remitted in June

**CITY OF RIPON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of net position:

Governmental and proprietary funds:

Cash and investments	\$ 17,882,173
Cash and investments - restricted	<u>31,348,116</u>
	49,230,289

Fiduciary funds:

Cash and investments	4,046,111
Cash and investments - restricted	3,016,247
Cash and investments with fiscal agents - restricted	<u>12,305</u>
	<u>7,074,663</u>

Total cash and investments	<u>\$ 56,304,952</u>
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Cash and investments as of June 30, 2021 consist of the following:

Cash on hand	\$ 1,300
Deposits with financial institutions	156,302
Investments	<u>56,147,350</u>
	<u>\$ 56,304,952</u>

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position and balance sheet as "cash and investments". California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code Section 53600.

The Government Code and the City of Ripon Investment Policy allow investments in the following instruments:

Investment Type	Maximum Maturity	Authorized Limit %	Required Rating
Local Agency Bonds	5 years	None	None
U.S. Treasury Bills, Notes or Bonds	5 years	None	None
State Registered Warrants, Notes or Bonds	5 years	None	None
Notes and Bonds of Other Local California Agencies	5 years	None	None
U.S. Agencies	5 years	None	None
Bankers Acceptances	180 days	40%	None
Prime Commercial Paper	270 days	15% or 30%	A1/P1
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Purchase Agreements	1 yr/92 days	None/20%	None
Medium Term Corporate Notes	5 years	30%	A
Money Market Mutual Funds	5 years	15%	2-AAA
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	AA
Local Agency Investment Fund (LAIF)	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Supranational Obligations	5 years	30%	AA
Funds Held Under the Terms of a Trust Indenture			
Indenture or Other Contract	*	*	*

\* Such funds may be invested according to the provisions of those indentures or agreements.

**CITY OF RIPON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 – 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 manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total Cost	Fair Value	12 Months or Less
State Investment Pool	\$ 30,007,715	\$ 30,010,204	\$ 30,010,204
CSJV Pool	26,127,085	26,985,404	26,985,404
Held by Bond Trustees:			
Money Market Funds	<u>12,550</u>	<u>12,550</u>	<u>12,550</u>
Total	<u>\$ 56,147,350</u>	<u>\$ 57,008,158</u>	<u>\$ 57,008,158</u>

**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 a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of fiscal year-end for each investment type.

Investment Type	Amount	Fair Value	Minimum Legal Rating	Not Rated
State Investment Pool	\$ 30,007,715	\$ 30,010,204	N/A	\$ 30,010,204
CSJV Pool	26,127,085	26,985,404 *	N/A	26,985,404
Held by Bond Trustees:				
Money Market Funds	<u>12,550</u>	<u>12,550</u>	<u>N/A</u>	<u>12,550</u>
Total	<u>\$ 56,147,350</u>	<u>\$ 57,008,158</u>	<u>N/A</u>	<u>\$ 57,008,158</u>

\* Average rating of portfolio AA/aa1



**CITY OF RIPON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Concentration of Credit Risk**

The investment policy of the City contains limitations on the amount that can be invested in certain types of investments. The City's investments are concentrated in external investment pools which are not subject to investment limits.

Custodial 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 deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits or investments, other than the following provisions for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2021, none of the City's deposits with financial institutions were in excess of federal depository insurance limits.

A description of the City's investments in external pools is as follows:

**Investment in State Investment Pool**

Although the City did not participate in any securities lending transactions or enter into any reverse repurchase agreements during the year, the City does have an investment in the California Local Agency Investment Fund (LAIF) with fair value in the amount of \$30,007,715. The total amount invested by all public agencies in the LAIF is \$37,066,592,514. The Local Investment Advisory Board (Board) has oversight responsibility for the LAIF. The Board consists of five members as designated by state statute. The value of the pool shares in the LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the City's portion in the pool. Included in the LAIF's Investment Portfolio are United States Treasury and federal agency securities, International Bank for Reconstruction and Development federal agency floating rate debentures, bank notes, certificates of deposit, commercial paper, corporate floaters and bonds, time deposits, and California Assembly Bill 55 and State of California General Fund loans. Participant's equity in the LAIF is determined by the dollar amount at the participant's deposits, adjusted for withdrawals and distributed investment income. The State Treasurer's investment policy for the LAIF and separately issued financial statements for the LAIF are available at <https://www.treasurer.ca.gov/pmia-laif/pmia/index.asp>.

**Central San Joaquin Valley Risk Management Authority Pool**

The City maintains an investment of \$26,985,404 in the Central San Joaquin Valley Risk Management Authority (CSJVRMA) Pool as of June 30, 2021. The total amount invested by all participants in the pool is \$149,134,521. The value of the pool shares which may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the City's portion in the pool. The fair value of the City's share of the pool is determined monthly and is \$27,012,229 as of June 30, 2021. The pool is not registered with the Securities Exchange Commission; however, it is managed by a registered investment advisor. Participation in the pool is voluntary. The pool's average maturity is 2.88 years and the average rating is AA/Aa1. The pool consists of 57% Securities of U.S. Government Agencies, 20% U.S. Corporate Obligations and 23% other. The pool complies with the City's investment policy.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 – INTERFUND TRANSACTIONS**

Interfund transactions consist of the following:

**Transfers Between Funds**

Resources may be transferred from one City fund to another with Council approval. Transfers between funds during the year ended June 30, 2021 were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General Fund	\$ -	\$ 1,049,723
Streets and Roads Special Revenue Fund	1,710,312	-
Capital Projects Fund	2,835,972	-
Major Proprietary Funds:		
Sewer Enterprise	-	676,912
Water Enterprise	-	1,460,921
Refuse Enterprise	-	179,359
Non-major Special Revenue Funds:		
2103 Fund	-	107,118
2105 Fund	-	81,798
2106 Fund	-	5,976
2107.5 Fund	-	4,032
SB1 Street & Road Tax Fund	-	287,693
COG/LTF Fund	-	745,833
Dutch Meadows Fund	7,994	-
Country Woods Fund	8,220	-
Farmland Estates Fund	4,112	-
Main Street Landscape Fund	32,755	-
	<u>\$ 4,599,365</u>	<u>\$ 4,599,365</u>
Total interfund transfers	<u>\$ 4,599,365</u>	<u>\$ 4,599,365</u>

In general, the City uses interfund transfers to:

- Transfer unrestricted revenues collected in the General Fund to help finance various programs and capital projects accounted for in other funds
- Transfer unrestricted revenues collected in the General Fund to help cover excess expenditures over revenues accounted for in other funds
- Fund operations (move revenues from the funds that collect them to the funds that statute or budget requires to expend them)
- Fund interdepartmental cost reimbursement
- Fund capital projects

The effect of the interfund activity has been eliminated from the government-wide financial statements.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 3 – INTERFUND TRANSACTIONS (Continued)**

**Internal Balances**

**Due To/From Other Funds**

	<u>Due From</u>	<u>Due To</u>
Governmental Funds		
Major Funds:		
General Fund	\$ 48,960	\$ -
Non-major Funds:		
Ripon Lighting Fund	<u>-</u>	<u>48,960</u>
Total	<u>\$ 48,960</u>	<u>\$ 48,960</u>

The "due from" balance of \$48,960 in the General Fund listed above represents short-term cash advances made to the Ripon Lighting Fund to cover operating cash deficits.

**Advances To/From Other Funds**

During the year ended June 30, 2014 City Council passed a resolution authorizing the installation of water meters on all water customer connections known as the Water Meter Implementation Program. This resolution called for the recovery of costs related to the installation project over the period of ten years through an additional charge to customers known as a "Water Meter Surcharge" fee. To pay for the cost of the project, City Council authorized expenditures from the Capital Projects Fund with the understanding, and legal requirement, that the Water Enterprise Fund will reimburse the expenditures incurred by the Capital Projects Fund from the revenues received from the newly implement Water Meter Surcharge fee. The City anticipates collections from this revenue source to be approximately \$193,000 in each fiscal year. During the year ended June 30, 2021 the Water Enterprise Fund collected approximately \$195,235 in water meter surcharges which was subsequently paid back to the capital projects fund. As of June 30, 2021 the balance owed from the Water Enterprise Fund to the Capital Projects Fund was \$826,841.

During the year ended June 30, 2020, City Council passed a resolution authorizing an agreement with a local business in which the City would pay for certain capital improvements to a City owned recreation facility which would then be rented by the business. These capital expenditures were paid for by the Capital Projects Fund on behalf of the General Fund with the expectation that these costs would be recovered over a ten-year period through rent proceeds received from the tenant. During the year ended June 30, 2021, the General Fund collected \$44,022 in facilities rent which was subsequently paid back to the Capital Projects Fund. As of June 30, 2021 the balance owed from the General Fund to the Capital Projects fund was \$1,642,721.

**NOTE 4 – LOAN DUE TO PRIVATE-PURPOSE TRUST FUND**

In 2011, the City entered into a loan agreement between the Redevelopment Agency and the City of Ripon (City). The City shall repay the Redevelopment Agency, the principal sum of up to five million dollars (\$5,000,000) and pay interest on the outstanding balance of said sum at the rate of 0.4625% (the LAIF rate as of December 2010) for the first year. Thereafter, at the end of each calendar year, the interest rate may be reset according to the December LAIF rate (2.40% at December 2018). A minimum of fifty percent (50%) of all development impact (PFFP) paid in connection with building activity of the City for the same calendar year shall be applied towards the loan. Only after the interest accrued for that calendar year has been paid, shall the outstanding balance be reduced. The full payment of principal and interest outstanding was due as of February 1, 2016; however, the City has only partially repaid the total balance owed and continues to work with the Department of Finance to settle the liability.

As of February 1, 2012, the Redevelopment Agency was dissolved, and the assets and activities of the Redevelopment Agency were transferred to a private-purpose trust fund (Successor Agency Trust).

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 5 – LONG-TERM DEBT**

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

In governmental fund types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs incurred by proprietary fund types have also been recorded in the period incurred in accordance with the modified cash basis of accounting.

**Current Year Transactions and Balances**

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

	Original Amount	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Current Year
<b>Business-Type Activities</b>						
2011 Refunding Revenue Bonds (Sewer)	\$ 2,195,000	\$ 1,035,000	\$ -	\$ 155,000	\$ 880,000	\$ 160,000
2006 Revenue Bonds (Water)	7,845,000	4,960,000	-	290,000	4,670,000	300,000
2012 Refunding Revenue Bonds (Water)	<u>3,350,000</u>	<u>1,930,000</u>	<u>-</u>	<u>220,000</u>	<u>1,710,000</u>	<u>225,000</u>
Total	<u>\$ 13,390,000</u>	<u>\$ 7,925,000</u>	<u>\$ -</u>	<u>\$ 665,000</u>	<u>\$ 7,260,000</u>	<u>\$ 685,000</u>

**Revenue Bonds**

Enterprise fund long-term debt outstanding as of June 30, 2021 consisted of the following:

In 2011, the City entered into an Installment Purchase Agreement with Bank of America Leasing to refund the City's portion of the California Statewide Communities Development Authority Water and Wastewater Revenue Bonds (Pooled Financing Program) Series 1999A. The original borrowing was \$2,195,000. The bonds are secured by a pledge of net revenues of the Sewer Enterprise Fund. The Sewer Enterprise Fund is required to establish user fees and rates that will yield net revenues equal to at least 1.2 times the annual debt service. Principal payments are due annually on October 1. Interest payments are payable semi-annually on April 1 and October 1. In the event the City fails to make prompt payment the Trustee may declare the entire unpaid balance immediately due and payable.

In August 2006, the City issued \$7,845,000 California Statewide Communities Development Authority Water Revenue Bonds Series 2006C. The bonds are secured by a pledge of net revenues of the Water Enterprise Fund. The Water Enterprise Fund is required to establish user fees and rates that will yield net revenues equal to at least 1.2 times the annual debt service. Principal payments are due annually on October 1. Interest payments are payable semi-annually on April 1 and October 1. In the event the City fails to make prompt payment the Trustee may declare the entire unpaid balance immediately due and payable.

In September 2012, the City entered into an agreement with Union Bank, N.A. to refund the City's portion of the California Statewide Community Development Authority Water and Wastewater Revenue Bonds (Pooled Financing Agreement) Series 2002A. The original borrowing was \$3,350,000. The bonds are secured by a pledge of net revenues of the Water Enterprise Fund. The Water Enterprise Fund is required to establish user fees and rates that will yield net revenues equal to at least 1.2 times the annual debt service. Principal payments are due annually on October 1. Interest payments are payable semi-annually on April 1 and October 1. In the event the City fails to make prompt payment the Trustee may declare the entire unpaid balance immediately due and payable.

**CITY OF RIPON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 5 – LONG-TERM DEBT (Continued)**

**Revenue Bonds (Continued)**

Debt Outstanding as of June 30, 2021 consisted of the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amounts Issued</u>	<u>Outstanding</u>
<b>Business-Type Activities</b>				
Enterprise Fund Bonds				
2011 Refunding Wastewater Revenue Bonds (Sewer):				
Term Bonds	4.20%	October 1, 2025	\$ 2,195,000	\$ 880,000
2006 Revenue Bonds (Water):				
Serial Bonds	3.625%-4.30%	October 1, 2021	3,475,000	300,000
Term Bonds	4.50%	October 1, 2027	2,120,000	2,120,000
Term Bonds	4.50%	October 1, 2032	2,250,000	2,250,000
Subtotal			<u>7,845,000</u>	<u>4,670,000</u>
2012 Refunding Revenue Bonds (Water):				
Serial Bonds	2.00%-3.375%	October 1, 2027	3,350,000	1,710,000
Total			<u>\$ 13,390,000</u>	<u>\$ 7,260,000</u>

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

<u>For the Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 685,000	\$ 291,606
2023	715,000	265,945
2024	740,000	237,981
2025	965,000	212,361
2026	610,000	
2027-2031	2,585,000	630,016
2032-2035	<u>960,000</u>	<u>128,700</u>
Total	<u>\$ 7,260,000</u>	<u>\$ 1,766,609</u>

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 6 – SITE LEASE**

On October 11, 2006, the City entered into a lease-financing agreement with Municipal Finance Corporation to facilitate the purchase of street lighting. Municipal Finance Corporation assigned the lease to Westamerica Bank, which in turn leases the property to the City. Westamerica prepaid all rental payments totaling \$420,422 in November 2006.

Future minimum annual rental expense on the sublease with Westamerica Bank follows:

For the Years Ending June 30,	
2022	\$ 39,147
Total	\$ 39,147

Rental expense related to the site totaled \$39,147 for the year ended June 30, 2021.

**NOTE 7 – DEFICIT NET POSITION AND FUND BALANCES**

**Fund Balance and Net Position Deficits**

Major Funds

The Sewer Enterprise Fund and the Water Enterprise Fund had net position deficits of \$116,301 and \$6,280,326, respectively, at June 30, 2021. These deficits are due to debts financing and are expected to be offset in the future from the receipts of revenues from charges for services and construction permits and the repayment of said debt.

Non-major Funds

A deficit fund balance of \$48,960 exists in the Ripon Lighting Assessment District Fund. The deficit is due to the City incurring costs in advance of revenues. The fund deficit is expected to be offset in the future from the receipt of assessment revenue.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS**

**Defined Contribution Plan**

The City provides pension benefits for all of its permanent full-time employees, who completed six consecutive months of employment, through the City of Ripon Money Purchase Thrift Pension Plan (the Contribution Plan), a defined contribution plan, with the exception of public safety officers. On April 4, 1990, the public safety officers elected to participate in the California Public Employees Retirement System. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As of June 30, 2021, there were 62 plan members. The Contribution Plan provisions and contribution requirements are established and may be amended by the City Council. The City contributes 10% of the total compensation of all participants who agree to contribute 5% of their compensation to the plan. The City entered into a Memorandum of Understanding with the Union representing its employees which requires the City to “pick up” the 5% employee contribution. All such contributions are designated as employee contributions and are fully vested. The Contribution Plan also allows additional employee contributions up to 6.6% of annual compensation, and the City will match such contributions at a 50% rate up to 3.3% of the qualified employee’s annual compensation.

The trust agreement provides that each participant directs the investments held in his/her individual account. Participants are immediately vested in their contributions plus actual earnings thereon. The City’s contributions for each employee and interest allocated to the employee’s account are fully vested after six years of continuous service. City contributions for, and interest forfeited by, employees who leave employment before six years of service are redistributed to all participants based on salary and vesting levels with the exception of the additional contributions up to 6.6% of annual compensation referenced above, which are immediately fully vested.

The City’s total payroll in fiscal year 2021 was \$6,819,325. The City’s contributions were calculated using the base salary amount of \$3,924,007 for employees participating in the City’s defined contribution plan. The total employee and employer contributions for the year ended June 30, 2021 were \$406,171 and \$497,386, respectively. The employee and employer contributions represented 10.35% and 12.68% of covered payroll, respectively.

The Contribution Plan’s investments are reported at fair value in the separately issued plan financial Statements. The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective future fair values. Furthermore, although the Contribution Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2 inputs are from other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable and have the lowest priority. The Contribution Plan uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Contribution Plan measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs were used only when Level 1 or Level 2 inputs were not available.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Defined Contribution Plan (Continued)**

The following table sets forth, by level within the fair value hierarchy, the Plan's investments at fair value as of June 30, 2021:

	Assets at Fair Value as of June 30, 2021			
	Level 1	Level 2	Level 3	Total
U.S. Government securities	\$ -	\$ 513,442	\$ -	\$ 513,442
Corporate obligations	-	434,878	-	434,878
Mutual funds	8,316,419	-	-	8,316,419
Real estate investment trusts	-	232,807	-	232,807
Common and preferred stock	2,879,387	-	-	2,879,387
Total	<u>\$ 11,195,806</u>	<u>\$ 1,181,127</u>	<u>\$ -</u>	<u>\$ 12,376,933</u>

**California Public Employees Retirement System**

Plan Descriptions

All public safety officers are eligible to participate in the City's Safety Employee Pension Plan (the Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

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

	<b>Safety</b>		
	Prior to January 1, 2012	January 1, 2012 through December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.400% to 3.000%	2.000% to 2.700%
Required employee contribution rates	9.000%	9.000%	13.000%
Required employer contribution rates	22.437%	20.585%	13.044%



**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 8 – EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**California Public Employees Retirement System (Continued)**

Contributions

Section 20814c of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the contributions recognized as part of pension expense totaled \$612,980.

**NOTE 9 – DEFERRED COMPENSATION PLAN AND TRUST**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employee or other beneficiary) are solely the property and rights of the employees. Accordingly, the plan/trust assets have been excluded from the City's reported assets.

**NOTE 10 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, errors and omissions and injuries to employees. The City participates in a pooled liability program for general liability and workers compensation through the Central San Joaquin Valley Risk Management Authority (the Authority). The pooled liability program is an insurance pool provided through the deposits of approximately 58 member cities. The Authority is not an insurance company and does not charge a premium for coverage. Audited financial statements are available from the Central San Joaquin Valley Risk Management Authority at 1750 Creekside Oaks Drive, Suite, 200, Sacramento, CA 95833.

**General Liability**

The liability coverage provided by the Authority is completely self-insured by its member cities and all losses and related costs are shared among the other member cities in the pool above the City's retained limit of \$50,000 for the fiscal year ended June 30, 2021. The Authority determines the amount of risk each member city brings to the pool and calculates a relative risk distribution factor. The unobligated balance of program years 2016 through 2020 is a balance of \$65,964 as of June 30, 2020 (most recent information). At the time the respective program year is closed, any surplus will be refunded to the City and net deficits will be billed to the City. The City financial statements are prepared on the modified cash basis of accounting and, accordingly, a liability for net fund deficits, if any, on open program years has not been recorded. Disbursements to the Authority for general liability coverage during the year ended June 30, 2021 were \$261,782.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 10 – RISK MANAGEMENT (Continued)**

**Workers' Compensation**

The workers' compensation coverage is provided by the Authority through a pooling feature which requires the member cities to self-insure a portion of each claim. Sharing of the risk is accomplished by forming pooled layers above the member city's retained limit of \$50,000 for the fiscal year ended June 30, 2021. The unobligated balance is \$86,844 as of June 30, 2020 (most recent information). At the time the respective program year is closed any surplus will be refunded to the City and net deficits will be billed to the City. The Pooled Workers' Compensation Program participates in Local Agency Workers' Compensation Joint Powers Authority (LAWCX).

Members of LAWCX risk share the layer between \$2,000,000 and \$5,000,000 (most recent information). Effective July 1, 2003, LAWCX joined the California State Association of Counties Excess Insurance Authority (CSAC EIA), a joint powers authority comprised of a number of individual public entities and other joint power authorities. CSAC EIA provides coverage above \$5,000,000. The City's financial statements are prepared on the modified cash basis of accounting and, accordingly, a liability for net fund deficits, if any, on open program years has not been recorded. Disbursements to the Authority for workers' compensation coverage during the year ended June 30, 2021 were \$503,972.

**NOTE 11 – CONTINGENCIES**

**Grant Program Involvement**

In the normal course of operations, the City participates in various federal or state grant/loan programs from year to year. The grant/loan programs are often subject to additional audits by agents of the granting or loaning agency, the purpose of which is to ensure compliance with the specific conditions of the grant or loan. Any liability or reimbursement that may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**COVID-19**

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus, COVID-19, a pandemic. Accordingly, some functions of the City's operations were limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

**NOTE 12 – REVENUE LIMITATIONS IMPOSED BY CALIFORNIA PROPOSITION 218**

Proposition 218, which was approved by the voters in November 1996, regulates the City's ability to impose, increase, and extend taxes, assessments and fees. Any new increased or extended taxes, assessments and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments and fees are subject to the voter initiative process and may be rescinded in the future years by the voters.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 13 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER 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 Ripon 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 governments. On January 17, 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 12-7.

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.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported as fiduciary funds (private-purpose trust funds) in the financial statements of the City.

In addition, the former Ripon Redevelopment Agency transferred all housing rights, powers, assets, liabilities, duties and obligations to the Housing Authority of the County of San Joaquin by operation of law, on February 1, 2012. The Housing Authority has chosen not to take any action on this transfer because it does not believe it is obligated to accept the housing functions previously performed by the former Ripon Redevelopment Agency. The City’s position on this issue is not a position of settled law and there is uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue. Currently the remaining housing assets and loan portfolios are currently administered by the City of Ripon until a final resolution is determined. The activity of the housing assets of the former Ripon Redevelopment Agency are also reported as fiduciary funds (private-purpose trust funds) in the financial statements of the City.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 13 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**  
**(Continued)**

**Long-Term Debt**

The Successor Agency's debt issues and transactions are summarized below and discussed in detail thereafter:

	Original Amount	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Current
<b>Fiduciary Fund</b>						
Former Redevelopment Agency of the City of Ripon						
2003 Tax Allocation Bonds	\$ 6,320,000	\$ 4,425,000	\$ -	\$ 4,425,000	\$ -	\$ -
2005 Tax Allocation Bonds	5,660,000	4,105,000	-	4,105,000	-	-
2007 Tax Allocation Refunding Bonds	20,395,000	13,950,000	-	13,950,000	-	-
2020 Tax Allocation Refunding Bonds	16,560,000	-	16,560,000	-	16,560,000	-
Premiums	<u>3,595,317</u>	<u>-</u>	<u>3,595,317</u>	<u>149,805</u>	<u>3,445,512</u>	<u>-</u>
Total	<u>\$ 52,530,317</u>	<u>\$ 22,480,000</u>	<u>\$ 20,155,317</u>	<u>\$ 22,629,805</u>	<u>\$ 20,005,512</u>	<u>\$ -</u>

**Tax Allocation Bonds**

In 2003, the Former Redevelopment Agency of the City of Ripon issued Tax Allocation Bonds in the amount of \$6,320,000 to finance redevelopment projects. Agency tax increment revenue is pledged for the repayment of these Bonds. Principal and interest are payable semi-annually each May 1 and November 1. During the year ended June 30, 2021 the 2003 Tax Allocations Bonds were fully defeased through the issuance of the 2020 Tax Allocation Refunding Bonds.

In 2005, the Former Redevelopment Agency of the City of Ripon issued Tax Allocation Bonds in the amount of \$5,660,000 to finance redevelopment projects. Agency tax increment revenue is pledged for the repayment of these Bonds. Principal and interest are payable semi-annually each May 1 and November 1. During the year ended June 30, 2021 the 2005 Tax Allocations Bonds were fully defeased through the issuance of the 2020 Tax Allocation Refunding Bonds.

In 2007, the Former Redevelopment Agency of the City of Ripon, Ripon Community Redevelopment Project issued Tax Allocation Bonds in the amount of \$20,395,000 to provide funds for certain redevelopment projects and to defease 2000 Tax Allocation Bonds. The bond issue included \$11,025,000 of serial bonds with interest rates ranging from 4.0% to 5% with maturities ranging from 2007 through 2027, \$4,300,000 of term bonds with an interest rate of 4.5% maturing in 2034 and \$5,070,000 of escrow term bonds with an interest rate of 4.75% maturing in 2036. The bonds maturing on or after November 1, 2018 may be called before maturity and redeemed at the option of the Former Redevelopment Agency of the City of Ripon, in whole or in part from proceeds of refunding bonds or other available funds, on November 1, 2017 or on any date thereafter. The net proceeds of the 2007 Tax Allocation Refunding Bonds were \$19,581,738, after paying issuance costs of \$813,262. The Former Redevelopment Agency of the City of Ripon deposited \$10,066,703, representing a portion of net proceeds from the issuance of the 2007 Tax Allocation Refunding Bonds and \$806,580, representing funds held by trustee relating to the 2000 Tax Allocation Bonds into an irrevocable trust with an escrow agent for investment in U.S. government securities to defease the 2000 Tax Allocation Bonds. The funds deposited with the escrow agent were used to pay the principal and interest on the refunded bonds on November 1, 2010, at a redemption price equal to 102% of par. During the year ended June 30, 2021, the 2007 Tax Allocations Bonds were fully defeased through the issuance of the 2020 Tax Allocation Refunding Bonds.

**CITY OF RIPON  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2021**

**NOTE 13 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**  
**(Continued)**

**Tax Allocation Bonds (Continued)**

In 2020, the Successor Agency to the Former Redevelopment Agency of the City of Ripon issued Tax allocation Refunding Bonds in the amount of \$16,560,000 to refund the 2003, 2005, and 2007 series Tax Allocation Bonds previously issued by the Former Redevelopment Agency. This was done to take advantage of lower interest rates and to save on future debt service payments. Total debt service payments were reduced by \$3,339,938. As a result, the 2003, 2005, and 2007 series Tax Allocation Bonds are considered fully defeased as of June 30, 2021. The 2020 bonds mature beginning on November 1, 2025 through 2036 and include variable rates of interest from 3%-4%. Those bonds maturing on or before November 1, 2030 are not subject to optional redemption prior to maturity and those maturing after November 1, 2030 are subject to redemption at the option of the Successor Agency on any date on or after November 1, 2030. Payments on the bonds are due biannually on May 1 and November 1 beginning on May 1, 2021. There is a provision whereby if the Successor Agency is unable to make payment or does not comply with bond covenants the Trustee may and shall at the written direction of the Owners of not less than a majority in aggregate principal amount of bonds at that time outstanding, declare the principal of all bonds outstanding and the accrued interest thereon to be due and payable immediately. The 2020 Tax Allocation Refunding Bonds are secured by a pledge of Tax Revenues derived from the Project Area and moneys in certain funds held under the bond indenture.

Fiduciary Fund debt outstanding as of June 30, 2021 consists of the following:

<u>Fiduciary Fund</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Amounts Issued</u>	<u>Outstanding</u>
Redevelopment Agency 2020 Tax Allocation Bonds				
Serial Bonds	3.00%	Nov. 1, 2025	\$ 210,000	\$ 210,000
Term Bonds	4.00%	Nov. 1, 2036	<u>16,350,000</u>	<u>16,350,000</u>
 Total			 <u>\$ 16,560,000</u>	 <u>\$ 16,560,000</u>

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

<u>For the Years Ending June 30,</u>	<u>Fiduciary Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ -	\$ 660,300
2023	-	660,300
2024	-	660,300
2025	-	660,300
2026	210,000	657,150
2027-2031	6,585,000	2,666,900
2032-2036	8,080,000	1,150,600
2037-2041	<u>1,685,000</u>	<u>33,700</u>
 Total	 <u>\$ 16,560,000</u>	 <u>\$ 7,149,550</u>

**CITY OF RIPON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2021**

**NOTE 14 – PUBLIC FACILITIES FINANCING PLAN**

The City collects fees from various developers in accordance with its Public Facilities Financing Plan (PFFP) that is restricted to be used for fund infrastructure needed to support growth in the City. The PFFP fees are collected to fund specific facility types, which include transportation, water, wastewater, storm drain, parks and recreation, library, administration, police, and corporation yard facilities. Additional other non PFFP fees are collected, including garbage, mitigation and building permit fees, each of which is also restricted for specific purposes. Each of these funds, which are maintained in the City's Capital Projects Fund, are required to be accounted for separately.

There are a number of PFFP funds with negative balances, which was a result of advancing certain infrastructure projects ahead of collecting the necessary funds. These negative balances, which were borrowed from other PFFP funds and restricted funds with positive balances, continue to be tracked and are charged with interest expense that are applied to the funds with positive balances.

During the most recent PFFP fee update, a consultant evaluated the funds with negative balances and determined that the fees, as currently established, allows the City to collect sufficient revenue from future development to reimburse the funds with negative balances within the timeframe of the remainder of the City's General Plan.

The following includes the City's PFFP fund balances for the year ended June 30, 2021:

Facility Type	Balance June 30, 2020	Revenue	Expenditures	Transfers	Balance June 30, 2021
Water	\$ 2,422,958	\$ 216,256	\$ -	\$ -	\$ 2,639,214
SSJID Connection Reserve	712,207	61,845	-	-	774,052
Garbage	(669,149)	18,310	(17,347)	-	(668,186)
Wastewater	4,890,250	242,891	-	-	5,133,141
Storm Drainage	2,046,286	120,857	-	-	2,167,143
Transportation	197,412	1,087,278	(567,074)	-	717,616
Regional Transportation Impact Fee	1,163,888	82,332	-	-	1,246,220
Parks and Recreation	858,862	245,489	-	-	1,104,351
Parks and Recreation Loan Repayment	545,050	3,201	-	-	548,251
Police Station/City Hall	(4,964,621)	41,296	(61,801)	-	(4,985,126)
Corporation Yard	725,734	45,861	(182,116)	-	589,479
Library	(605,834)	8,054	(7,524)	-	(605,304)
Total balances by facility type	<u>\$ 7,323,043</u>	<u>\$ 2,173,670</u>	<u>\$ (835,862)</u>	<u>\$ -</u>	<u>\$ 8,660,851</u>

## SUPPLEMENTARY INFORMATION

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**CITY OF RIPON**  
**COMBINING BALANCE SHEET – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	HUTA 2103 Fund	HUTA 2105 Fund	HUTA 2106 Fund	HUTA 2107 Fund	HUTA 2107.5 Fund
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ 46,253	\$ 423,587	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,253</u>	<u>\$ 423,587</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted for:					
Street construction and maintenance	-	-	46,253	423,587	-
Assessment districts	-	-	-	-	-
Capital projects	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>46,253</u>	<u>423,587</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,253</u>	<u>\$ 423,587</u>	<u>\$ -</u>

**CITY OF RIPON**  
**COMBINING BALANCE SHEET – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**  
(Continued)

	SB1 Street & Road Tax Fund	Measure K Fund	COG/LTF Fund	STA/BUS Fund	CDBG Fund
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 2,464,888	\$ -	\$ 22,515	\$ -
Total assets	<u>\$ -</u>	<u>\$ 2,464,888</u>	<u>\$ -</u>	<u>\$ 22,515</u>	<u>\$ -</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted for:					
Street construction and maintenance	-	2,464,888	-	-	-
Assessment districts	-	-	-	-	-
Capital projects	-	-	-	22,515	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>2,464,888</u>	<u>-</u>	<u>22,515</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,464,888</u>	<u>\$ -</u>	<u>\$ 22,515</u>	<u>\$ -</u>

**CITY OF RIPON**  
**COMBINING BALANCE SHEET – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**  
(Continued)

	Dutch Meadows Fund	Country Woods Fund	Farmland Estates Fund	Jacob's Landing Fund	Carolina's Landscape Fund
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ 23,287	\$ 25,534
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,287</u>	<u>\$ 25,534</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted for:					
Street construction and maintenance	-	-	-	-	-
Assessment districts	-	-	-	23,287	25,534
Capital projects	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,287</u>	<u>25,534</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,287</u>	<u>\$ 25,534</u>

**CITY OF RIPON**  
**COMBINING BALANCE SHEET – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**  
(Continued)

	Boesch/ Kingery Assessment Fund	Main Street Landscape Fund	Cornerstone I Fund	Vineyards Landscape Fund	Alexandra Landscape Fund
<b>ASSETS</b>					
Cash and investments	\$ 29,277	\$ -	\$ 82,345	\$ 93,094	\$ 2,285
Total assets	<u>\$ 29,277</u>	<u>\$ -</u>	<u>\$ 82,345</u>	<u>\$ 93,094</u>	<u>\$ 2,285</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Restricted for:					
Street construction and maintenance	-	-	-	-	-
Assessment districts	29,277	-	82,345	93,094	2,285
Capital projects	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>29,277</u>	<u>-</u>	<u>82,345</u>	<u>93,094</u>	<u>2,285</u>
Total liabilities and fund balances	<u>\$ 29,277</u>	<u>\$ -</u>	<u>\$ 82,345</u>	<u>\$ 93,094</u>	<u>\$ 2,285</u>

**CITY OF RIPON**  
**COMBINING BALANCE SHEET – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	Ripon Lighting Fund	Total Non-major Special Revenue Funds
	<u>          </u>	<u>          </u>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 3,213,065
Total assets	<u>\$ -</u>	<u>\$ 3,213,065</u>
<b>LIABILITIES</b>		
Due to other funds	\$ 48,960	\$ 48,960
Total liabilities	<u>48,960</u>	<u>48,960</u>
<b>FUND BALANCES</b>		
Restricted for:		
Street construction and maintenance	-	2,934,728
Assessment districts	-	255,822
Capital projects	-	22,515
Unassigned	<u>(48,960)</u>	<u>(48,960)</u>
Total fund balances	<u>(48,960)</u>	<u>3,164,105</u>
Total liabilities and fund balances (deficit)	<u>\$ -</u>	<u>\$ 3,213,065</u>

**CITY OF RIPON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**

	HUTA 2103 Fund	HUTA 2105 Fund	HUTA 2106 Fund	HUTA 2107 Fund	HUTA 2107.5 Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-
Investment income	837	640	408	3,313	32
Intergovernmental revenue	106,281	81,158	51,821	109,820	4,000
Charges for services	-	-	-	-	-
Total revenues	<u>107,118</u>	<u>81,798</u>	<u>52,229</u>	<u>113,133</u>	<u>4,032</u>
<b>EXPENDITURES</b>					
Streets and public works:					
Streets	-	-	-	-	-
Planning	-	-	-	-	-
Community development	-	-	-	-	-
Special assessment districts	-	-	-	-	-
Allocation to other department costs	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>107,118</u>	<u>81,798</u>	<u>52,229</u>	<u>113,133</u>	<u>4,032</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	-	-	-	-
Operating transfers out	<u>(107,118)</u>	<u>(81,798)</u>	<u>(5,976)</u>	<u>-</u>	<u>(4,032)</u>
Total other financing sources (uses)	<u>(107,118)</u>	<u>(81,798)</u>	<u>(5,976)</u>	<u>-</u>	<u>(4,032)</u>
Net change in fund balances	-	-	46,253	113,133	-
Fund balances (deficit) - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,454</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,253</u>	<u>\$ 423,587</u>	<u>\$ -</u>

**CITY OF RIPON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**  
(Continued)

	SB1 Streets & Road Tax Fund	Measure K Fund	COG/LTF Fund	STA/BUS Fund	CDBG Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	-	-	-
Investment income	2,251	19,277	5,833	555	-
Intergovernmental revenue	285,442	300,000	740,000	39,092	12,501
Charges for services	-	-	-	1,117	-
Total revenues	<u>287,693</u>	<u>319,277</u>	<u>745,833</u>	<u>40,764</u>	<u>12,501</u>
<b>EXPENDITURES</b>					
Streets and public works:					
Streets	-	-	-	41,414	-
Planning	-	-	-	-	5,001
Community development	-	-	-	-	7,500
Special assessment districts	-	-	-	-	-
Allocation to other department costs	-	-	-	7,061	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,475</u>	<u>12,501</u>
Excess (deficiency) of revenues over expenditures	<u>287,693</u>	<u>319,277</u>	<u>745,833</u>	<u>(7,711)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	-	-	-	-
Operating transfers out	<u>(287,693)</u>	<u>-</u>	<u>(745,833)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(287,693)</u>	<u>-</u>	<u>(745,833)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	319,277	-	(7,711)	-
Fund balances (deficit) - beginning	<u>-</u>	<u>2,145,611</u>	<u>-</u>	<u>30,226</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ 2,464,888</u>	<u>\$ -</u>	<u>\$ 22,515</u>	<u>\$ -</u>

**CITY OF RIPON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**  
(Continued)

	Dutch Meadows Fund	Country Woods Fund	Farmland Estates Fund	Jacob's Landing Fund	Carolina's Landscape Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	4,539	7,810	3,351	5,701	8,001
Investment income	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-
Charges for services	-	-	-	-	-
Total revenues	<u>4,539</u>	<u>7,810</u>	<u>3,351</u>	<u>5,701</u>	<u>8,001</u>
<b>EXPENDITURES</b>					
Streets and public works:					
Streets	-	-	-	-	-
Planning	-	-	-	-	-
Community development	-	-	-	-	-
Special assessment districts	10,722	13,714	6,385	7,644	7,745
Allocation to other department costs	<u>1,811</u>	<u>2,316</u>	<u>1,078</u>	<u>1,291</u>	<u>1,308</u>
Total expenditures	<u>12,533</u>	<u>16,030</u>	<u>7,463</u>	<u>8,935</u>	<u>9,053</u>
Excess (deficiency) of revenues over expenditures	<u>(7,994)</u>	<u>(8,220)</u>	<u>(4,112)</u>	<u>(3,234)</u>	<u>(1,052)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	7,994	8,220	4,112	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>7,994</u>	<u>8,220</u>	<u>4,112</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	(3,234)	(1,052)
Fund balances (deficit) - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,521</u>	<u>26,586</u>
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,287</u>	<u>\$ 25,534</u>



**CITY OF RIPON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**  
(Continued)

	Boesch/ Kingery Assessment Fund	Main Street Landscape Fund	Cornerstone I Fund	Vineyards Landscape Fund	Alexandra Landscape Fund
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Assessments	6,061	10,346	13,409	64,939	4,701
Investment income	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-
Charges for services	-	-	-	-	-
Total revenues	<u>6,061</u>	<u>10,346</u>	<u>13,409</u>	<u>64,939</u>	<u>4,701</u>
<b>EXPENDITURES</b>					
Streets and public works:					
Streets	-	-	-	-	-
Planning	-	-	-	-	-
Community development	-	-	-	-	-
Special assessment districts	10,573	36,873	10,817	36,119	4,560
Allocation to other department costs	<u>1,786</u>	<u>6,228</u>	<u>1,827</u>	<u>6,101</u>	<u>770</u>
Total expenditures	<u>12,359</u>	<u>43,101</u>	<u>12,644</u>	<u>42,220</u>	<u>5,330</u>
Excess (deficiency) of revenues over expenditures	<u>(6,298)</u>	<u>(32,755)</u>	<u>765</u>	<u>22,719</u>	<u>(629)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	32,755	-	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>32,755</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(6,298)	-	765	22,719	(629)
Fund balances (deficit) - beginning	<u>35,575</u>	<u>-</u>	<u>81,580</u>	<u>70,375</u>	<u>2,914</u>
Fund balances (deficit) - ending	<u>\$ 29,277</u>	<u>\$ -</u>	<u>\$ 82,345</u>	<u>\$ 93,094</u>	<u>\$ 2,285</u>

**CITY OF RIPON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – MODIFIED CASH BASIS**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2021**  
(Continued)

	Ripon Lighting Fund	Total Non-major Special Revenue Funds
<b>REVENUES</b>		
Taxes	\$ 32,579	\$ 32,579
Assessments	267,098	395,956
Investment income	-	33,146
Intergovernmental revenue	-	1,730,115
Charges for services	-	1,117
Total revenues	<u>299,677</u>	<u>2,192,913</u>
<b>EXPENDITURES</b>		
Streets and public works:		
Streets	-	41,414
Planning	-	5,001
Community development	-	7,500
Special assessment districts	169,945	315,097
Allocation to other department costs	<u>28,705</u>	<u>60,282</u>
Total expenditures	<u>198,650</u>	<u>429,294</u>
Excess (deficiency) of revenues over expenditures	<u>101,027</u>	<u>1,763,619</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	-	53,081
Operating transfers out	-	(1,232,450)
Total other financing sources (uses)	<u>-</u>	<u>(1,179,369)</u>
Net change in fund balances	101,027	584,250
Fund balances (deficit) - beginning	<u>(149,987)</u>	<u>2,579,855</u>
Fund balances (deficit) - ending	<u>\$ (48,960)</u>	<u>\$ 3,164,105</u>

**CITY OF RIPON  
ADDITIONAL INFORMATION ON THE  
SUCCESSOR AGENCY TRUST FUND**

The following information is presented to supplement the basic financial statements and provides additional information about the Successor Agency Trust Fund. The information includes: the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position in accordance with generally accepted accounting principles as of and for the year ended June 30, 2021. Accordingly, the fiduciary fund financial statements utilize the accrual basis of accounting. Also included in this section is a schedule of capital assets held by the Successor Agency Trust Fund. For additional information on the Successor Agency Trust Fund, refer to the notes to the City's basic financial statements.

**STATEMENT OF FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUND  
JUNE 30, 2021**

	Successor Agency Trust Fund
<b>ASSETS</b>	
Cash and investments	\$ 4,046,111
Cash and investments - restricted	3,016,247
Cash and investments with fiscal agents - restricted	12,305
Interest receivable	14,095
Prepaid bond insurance	130,929
Loan due from capital projects fund	<u>548,250</u>
Total assets	<u>7,767,937</u>
<b>LIABILITIES</b>	
Interest payable	100,050
Due to County of San Joaquin	1,297,266
Long-term liabilities	
Debt due within one year	-
Debt due in more than one year	<u>20,005,512</u>
Total liabilities	<u>21,402,828</u>
<b>NET POSITION</b>	
Net position held in trust for redevelopment dissolution and other purposes	<u>\$ (13,634,891)</u>

**CITY OF RIPON  
ADDITIONAL INFORMATION ON THE  
SUCCESSOR AGENCY TRUST FUND**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PRIVATE-PURPOSE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2021

	Successor Agency Trust Fund
<b>Additions</b>	
Property taxes	\$ 1,701,551
Program income	549,936
Investment income	<u>230,182</u>
Total additions	<u>2,481,669</u>
<b>Deductions</b>	
General operating	265,300
Debt service - interest	841,749
Cost of issuance	<u>428,744</u>
Total deductions	<u>1,535,793</u>
Change in net position	945,876
Total net position - beginning	<u>(14,580,767)</u>
Total net position - ending	<u>\$ (13,634,891)</u>