



City of  
**Chico**  
California



**2019**

**Financial Reports**

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**Fiscal Year Ended June 30, 2019**

# **CITY OF CHICO**

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**Chico, California**



## **Comprehensive Annual Financial Report** **Year Ended June 30, 2019**

**Prepared by:**  
**Chico Finance Department**

# CITY OF CHICO, CALIFORNIA

June 30, 2019

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ADMINISTRATIVE  
SERVICES DEPARTMENT

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P.O. Box 3420 Fax (530) 895-4656  
Chico, CA 95927 <http://www.ci.chico.ca.us>

November 20, 2019

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Chico:

The City of Chico (City) submits to you its Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2019. The Administrative Services Department publishes the CAFR to provide information about the City to its citizens, the investment community, the general public, and others who may have an interest in the financial well-being of the City. The data presented is designed to help readers assess our financial condition and understand the services we provide to the citizens of the City of Chico. This letter of transmittal is designed to be read with and complement the Management’s Discussion and Analysis (MD&A). The MD&A can be found immediately following the report of the independent auditor.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Chico. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and fairly represent the financial position and changes in financial position of the City. Disclosures necessary to enable the reader to gain an understanding of the City’s financial affairs have been included.

The City has a comprehensive internal control framework that is designed to protect the City’s assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the City’s financial statements. Because the cost of internal controls should not outweigh their benefits, the City’s internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

The Charter of the City of Chico requires an annual audit to be conducted by an independent auditor employed by the City Council. The audit report is to be prepared in accordance with auditing standards generally accepted in the United States of America (GAAP) and submitted to the City Council on or before the first regular City Council meeting in February. Eide Bailly, LLP, a firm of licensed certified public accountants, has audited the attached financial statements. Based on the results of the audit, the City of Chico’s financial statements for the fiscal year ended June 30, 2019, received an unmodified (“clean”) opinion in the independent auditor’s report (which is presented as the first component of the financial section of this report).

**Profile of Chico**

The City of Chico was founded in 1860 by General John Bidwell, and incorporated on February 5, 1872, with a population of approximately 1,000 persons in an area of 6.6 square miles. The incorporated area of the City of Chico has grown to over 30 square miles, with a population of 112,111.

Chico is the largest city in Butte County, located in the Northern Sacramento Valley approximately 90 miles north of Sacramento, and serves as the commercial center for a three-county regional market area. Chico supports a diverse range of industries including agriculture, recreation, tourism, education, medical,

and manufacturing. Chico is also the home of the second oldest institution in the California State University system, enrolling over 17,000 students annually.

Residents and visitors alike can sample locally grown almonds, bicycle in Bidwell Park (one of the largest municipally owned parks in the United States), tour the historic Bidwell Mansion, and take in the beauty of the California State University, Chico campus without having to stray too far from Chico's quaint and thriving downtown business district. A municipal airport and industrial park are situated in northern Chico.

The City is governed by a charter and operates under a Council-Manager form of government. The City Council consists of seven members, elected to staggered four-year terms. An election held each November in even numbered years chooses either three or four council members. The Council selects a mayor and vice mayor from among its members to serve two-year terms. The mayor presides over the Council meetings, which are held on the first and third Tuesdays of each month. The City Council appoints a City Manager to implement its policies and directives, a City Clerk to maintain public records and manage the elections process, and a City Attorney to serve as its legal counsel.

The City provides a broad range of services including: police and fire protection; construction and maintenance of streets and infrastructure; community development, including planning and zoning, building and safety, and housing activities; park and recreational activities; municipal airport; and general administrative services.

The City Council also governs the Chico Parking Authority. This agency is reported as a blended component unit in the attached financial statements. In addition, two members of the City Council serve on the board of the Chico Urban Area Joint Powers Financing Authority, which provides services exclusively to the City and thus is reported as a discretely presented component unit.

The budget serves as the foundation for financial planning and control for the City of Chico. Budgetary control is maintained to ensure compliance with legal provisions of the annual appropriated budget as approved and modified by the City Council. The City Charter requires the City Manager to present a proposed budget to the City Council by June 1 of each year. Budgetary control is at the department level.

### **Camp Fire**

In November 2018, Butte County experienced a wildfire, known as the Camp Fire. This event was one of the worst disasters in California history. The fire burned approximately 153,300 acre and destroyed approximately 14,000 residences as well as 528 commercial buildings primarily in the neighboring Town of Paradise. More than 50,000 residents from Paradise and the surrounding unincorporated area were evacuated. Many of the evacuees fled to Chico, to stay with friends and family and in evacuation shelters. Although the fire did minimal damage to properties in the City of Chico boundaries, the effects of the fire will impact the City of Chico in the short and long term.

The Department of Finance has confirmed Chico's population on January 1, 2019 at 112,111, which is an increase of 19,250 or 20.7% from January 1, 2018. This increase is largely a result of Camp Fire survivors who now call Chico home.

Although some municipal revenue, including sales tax and transient occupancy taxes, initially increased as a result of the new residents, the long term revenue projections are difficult to predict. The City is also trying to provide services to the new residents without corresponding long term revenue increases.

### **Chico's Economic Condition**

#### ***Local Economy***

Aside from the Camp fire effects, Chico's local economy continues to make steady positive progress and growth in the areas of economic development, housing market and employment.

One indicator of the local economy is the rate of unemployment. The unemployment rate for Chico remains at 5% as of June 2019 despite a 20% increase in the population due to Paradise population relocating to Chico following the Camp Fire.

Another indicator of the local economy is community development. During the fiscal year, 348 residential building permits were issued along with 125 commercial building permits. This continues the strong building market that occurred during the year ended June 2018, when 304 residential building and 118 commercial building permits were issued.

While there are clearly positive indications that the local economy is moving forward, the lingering question is whether or not the level of economic growth is sufficient to provide the revenue necessary to meet increasing City costs. The City will continue to partner with the private sector in order to further economic development and find new ways to attract businesses as well as finding new ways to provide City services more effectively and efficiently.

The influences of the local economy impacts, including the Camp Fire, are evidenced by the following key City revenue sources, which increased during the fiscal year ended June 30, 2019 as follows:

- Sales Tax increased 15%
- Property Tax revenue increased by 9%
- Utility Users tax revenue increased 2%
- Transient Occupancy Tax increased 25%

**Sales Tax**

Sales tax revenue, which accounts for over 40% of all General Fund revenue, experienced growth in all major industry groups except for fuel and service stations as gas prices were stagnant. Major industry groups changed as follows:

<b>INDUSTRY</b>	<b>PERCENTAGE INCREASE</b>
<b>AUTOS AND TRANSPORTATION</b>	5%
<b>BUILDING AND CONTRUCTION</b>	4%
<b>BUSINESS AND INDUSTRY</b>	22%
<b>FOOD AND DRUGS</b>	8%
<b>GENERAL CONSUMER GOODS</b>	2%
<b>RESTAURANTS AND HOTELS</b>	9%

**Property Tax**

Property tax revenue, which accounts for almost 30% of all General Fund revenue, increased 9% from the prior year. Property tax revenue is composed of numerous property related tax categories. Current secured property taxes increased 6%, which is closely related to the change in overall property values in the City. The local housing market is experiencing increased growth in construction of new homes and increased growth in the resale of existing homes. Indications are that the current level of growth will continue into the next year. Residual property tax revenue came into place following the dissolution of the City’s Redevelopment Agency. As the former Redevelopment Agency’s obligations are liquidated, the City receives a larger share of this property tax source. This year, the growth in residual property tax increased 6%.

***Long-term Financial Planning***

The largest financial challenge the City of Chico faces is the pending increases in the CalPERS retirement contributions. Current projections from CalPERS estimate that our annual unfunded actuarial liability payments will increase from approximately \$9,000,000 in 2019-20 to \$15,000,000 in 2029-30. These



increases exceed projected City revenue growth during that time frame. As such, City management is actively working with CalPERS to mitigate these large increases, but is also focusing on what can be done locally to tackle this challenge. Starting in August 2018, the City created and began funding a Pension Stabilization Trust to help fund future unfunded actuarial liability payments.

In light of the CalPERS retirement contribution increases, City management will continue to present Council with conservative budgets, recommendations to increase reserve fund balances, budgets that provide consideration of City cash flows, and as identified, additional fiscal controls that will ensure the City continues to improve financially.

### ***Relevant Financial Policies***

The City Council has adopted a number of fiscal policies (See Appendix C-10 of the City's Annual Budget for the complete set of fiscal policies) designed to preserve the fiscal integrity of the City's resources, some of which are listed below.

- **Emergency Reserve** – An Emergency Reserve has been established to help buffer the City from issues such as fluctuation in sales tax, changes in State laws as to how the sales tax is allocated, a sudden draw through employee attrition on vacation payment obligations, or other catastrophic events. The desired level of this reserve is established at 20% of the General Fund operating expenditures or approximately \$10,776,000. The balance in the Emergency Reserve as of June 30, 2019 is \$3,829,257 and is included in the General Fund's Committed Fund Balance. The City's fiscal policy (Section D.5 of the City of Chico's Fiscal Year 2019-20 Annual Budget) includes a Plan to increase Emergency Reserves. \$1,300,000 will be contributed in fiscal year 2019-120 with gradual increases reaching \$1,500,000 in fiscal year 2021-22 and each year thereafter until the Reserve targets are met.
- **Compensated Absence Reserve** – A Compensated Absence Reserve has been established to accumulate funds for the City's liability for compensated absences. Compensated absences are defined as paid time off, such as vacation, sick leave, and compensatory time off, which becomes a City liability when the employee earns their right to the paid time off. The Reserve is intended to accumulate funds to cover the City's liability with the intended target of reaching and maintaining a funding level of 50% of the City-wide liability. When the Reserve achieves a sufficient balance, the Reserve may be used for leave payouts when employees separate with the intent of minimizing the time necessary for City departments to replace vacant positions that occur without funds budgeted for these payouts. The balance in the Compensated Absence Reserve as of June 30, 2019 is \$940,196 and is included in the General Fund's Committed Fund Balance.
- **Replacement Funds** – The City maintains a number of internal replacement funds including a Technology Replacement Fund (City Fund 931) to accumulate funds for the replacement of technological equipment, a Fleet Replacement Fund (City Fund 932) for the replacement of the City's vehicle fleet, and a Facilities Maintenance Fund (City Fund 933) for the repair and maintenance of City-owned facilities. Annual contributions are made from the funds owning such equipment or vehicles, based on the estimated cost to replace the item at the end of its useful life. Although the replacement funds are underfunded, the net fund balances of all replacement funds was \$2,764,216 as of June 30, 2019.

### **The Future**

The City must look to the future in determining how to prepare and respond to the needs and realities facing many local governments in California. Specifically, the projected pensions costs and increasing need to invest in capital infrastructure is expected to majorly impact services in most California cities, including the City of Chico.

Since 2013-14, the City has been resolute and successful in turning the City from certain demise. However today, we see the impending impact coming from rising pension costs and crumbling infrastructure. Thus, the City is focusing on making decisions today that are intended to strengthen its ability to deal with the

issues of tomorrow. The City is ensuring it continues to grow its emergency and operating reserve funds, while making strategic investments in technology to improve reliability and longevity of critical systems. At the department level, each department head continues to re-evaluate operations to ensure the City is focusing on the value-added activities that are necessary while eliminating waste, delay, and duplication of efforts. The growth in expenditures is expected to outpace growth in revenue, so the City is evaluating options and approaches to dealing with the related issues that come from this disparity in resources.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Chico for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. This was the fifteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This Financial Report is the result of the cooperative effort of many people. We wish to convey our appreciation to the members of the Finance team who contributed to and assisted with the successful completion of the audit. We would also like to express our appreciation to all the City departments, who provided assistance and support, and to the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Mark Orme  
City Manager



Scott Dowell  
Administrative Services Director

# *DIRECTORY OF CITY OFFICIALS*

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**Randall Stone, Mayor**

**Alex Brown, Vice-Mayor**

**Scott Huber, Councilmember**

**Sean Morgan, Councilmember**

**Karl Ory, Councilmember**

**Kasey Reynolds, Councilmember**

**Ann Schwab, Councilmember**

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**Mark Orme**  
*City Manager*

**Chris Constantin**  
*Assistant City Manager*

**Vincent C. Ewing**  
*City Attorney*

**Debbie Presson**  
*City Clerk*

**Scott Dowell**  
*Administrative Services Director*

**Steve Standridge**  
*Fire Chief*

**Mike O'Brien**  
*Chief of Police*

**Brendan Ottoboni**  
*Public Works Director-  
Engineering*

**Brendan Vieg**  
*Community Development Director*

**Erik Gustafson**  
*Public Works Director-  
Operations & Maintenance*



# Citizens of Chico

- BOARDS & COMMISSIONS**
- Airport Commission
  - Architectural Review & Historic Preservation Board
  - Arts Commission
  - Bidwell Park & Playground Commission
  - Planning Commission

## City Council

- COUNCIL COMMITTEES**
- Finance Committee
  - Internal Affairs Committee

**City Attorney**

**City Manager  
Human Resources  
Risk**

**City Clerk**

**Assistant City  
Manager**

**Administrative  
Services**

**Community  
Development**

**Fire**

**Police**

**Public Works**



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Chico  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO



## Independent Auditor's Report

To the Honorable Mayor and City Council  
City of Chico, California

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Sacramento, California  
November 25, 2019



# Management's Discussion and Analysis

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As management of the City of Chico (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-v of this report.

## FINANCIAL HIGHLIGHTS

- The City had a net position at June 30, 2019 of \$453,899,458 (*net position*). Of this amount, \$407,963,065 is the *net investment in capital assets*.
- As of June 30, 2019, the City's governmental funds reported combined fund balances of \$121,682,699, an increase of \$15,267,449 in comparison with the prior year. Amounts available for spending include *restricted, committed, assigned and unassigned fund balance*. *Restricted* fund balances totaled \$101,587,996, although \$61,431,882 is composed of long-term loans receivable. *Committed* fund balances totaled \$5,017,069. *Assigned* fund balances totaled \$9,833,429 while *unassigned* fund balance reported a fund balance of \$5,175,097.
- At June 30, 2019, the General Fund had a fund balance of \$20,283,854.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components; (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements. In addition to the basic financial statements, this report also includes required supplementary information and other supplementary information.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of City finances in a manner similar to a private-sector business.

The *statement of net position* presents information on all City assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected revenues and unused vacation leave that has been earned).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, parks and recreation, community development and community agencies. The business-type activities of the City include the sewer, parking, private development and airport.

Component units are included in our basic financial statements and consist of legally separate entities for which the City is financially accountable or receives a financial benefit. The City has three component units – Chico Parking Authority, Chico Public Financing Authority and the Chico Urban Area Joint Powers Financing. Based on the criteria generally accepted accounting principles, the Chico Parking Authority and Chico Public Financing Authority are blended into the City's basic financial statements. The Parking Authority and Chico Public Financing Authority's governing bodies are substantially the same as the governing body of the City. Both blended component

## Management's Discussion and Analysis

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units are an integral part of the City's operations as they both provide operational and capital benefits to the City. The Chico Urban Area Joint Powers Financing Authority's governing board is composed of two members of the City of Chico Council and two members of the Butte County Board of Supervisors but is reported as a discretely presented component unit due to the significance of the economic resources the City receives from it.

Complete financial statements of the Chico Public Financing Authority and Chico Urban Area Joint Powers Financing Authority may be obtained from the Finance Department of the City of Chico at 411 Main Street, Chico, California 95928.

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City can be divided into three categories: *governmental funds, proprietary funds and fiduciary funds.*

**Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of expendable resources*, as well as on *balances of expendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintained several individual governmental funds at June 30, 2019. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, CDBG and HOME Housing Fund, Capital Grants Fund, and the Low and Moderate Income Housing Asset Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* found elsewhere in this report.

**Proprietary funds** are generally used to account for activities for which the City charges a fee to either its external or internal customers. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

**Enterprise funds** are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its sewer, parking, private development and airport operations, which are considered to be major funds of the City.

**Internal service funds** are used to report activities that provide goods and services for certain City programs and activities. The City uses internal service funds to account for its self-insurance, central garage, municipal building maintenance, and information services functions. Because these services benefit primarily governmental functions, they have been included within *governmental activities* in the government-wide financial statements. The City's four internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

## Management's Discussion and Analysis

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**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. These statements include one Private-purpose Trust Fund that includes the activity of the Successor Agency to the Chico Redevelopment Agency and one Agency Fund that accounts for the assets held by the City as an agent for bonded assessment districts.

**Notes to Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information** is presented in addition to the basic financial statements and accompanying notes. A Schedule of Changes in Net Pension Liability and Related Ratios is included along with a Schedule of Contributions relating to the CalPERS Retirement Plans. The schedule of funding progress related to the City's participation in the Other Postemployment Benefits Plan is presented as required supplementary information. Budget Schedules for the major funds are also presented as required supplementary information.

**Other Information** includes the *combining and individual fund statements and schedules* referred to earlier. Specifically included is information for the Capital Grants Fund budget, nonmajor governmental funds and internal service funds. These statements and schedules are presented immediately following the required supplementary information.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$453,899,458 at the close of the most recent fiscal year.

The largest portion of the City's net position, \$407,963,065, or 93%, reflects its investment in capital assets (e.g. land, buildings, improvements, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. These capital assets are used by the City to provide services to the citizens. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Management's Discussion and Analysis

Governmental and Business-type Activities assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position as of June 30, 2019 are presented in the following table:

### Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total		Dollar Change
	2018	2019	2018	2019	2018	2019	
Current and other assets	\$ 134,955,922	\$ 149,083,854	\$ 34,126,406	\$ 39,444,717	\$ 169,082,328	\$ 188,528,571	\$ 19,446,243
Capital assets	314,132,849	315,477,206	130,480,951	127,158,866	444,613,800	442,636,072	(1,977,728)
Total assets	449,088,771	464,561,060	164,607,357	166,603,583	613,696,128	631,164,643	17,468,515
Deferred Outflows of Resources							
Deferred outflows related to pensions & OPEB	26,694,375	20,178,627	3,982,680	2,637,403	30,677,055	22,816,030	(7,861,025)
Current and other liabilities	127,573,032	124,102,794	22,096,179	22,245,277	149,669,211	146,348,071	(3,321,140)
Long-term liabilities	14,128,960	14,112,606	36,271,141	32,026,015	50,400,101	46,138,621	(4,261,480)
Total liabilities	141,701,992	138,215,400	58,367,320	54,271,292	200,069,312	192,486,692	(7,582,620)
Deferred Inflows of Resources							
Deferred inflows related to pensions & OPEB	5,486,263	6,266,539	1,210,427	1,327,984	6,696,690	7,594,523	897,833
Net position:							
Net investment							
in capital assets	311,573,441	\$ 312,439,193	94,581,345	95,523,872	406,154,786	407,963,065	1,808,279
Restricted	94,268,379	98,770,815	14,426,819	15,310,919	108,695,198	114,081,734	5,386,536
Unrestricted	(77,246,929)	(70,952,260)	4,126	2,806,919	(77,242,803)	(68,145,341)	9,097,462
Total net position	\$ 328,594,891	\$ 340,257,748	\$ 109,012,290	\$ 113,641,710	\$ 437,607,181	\$ 453,899,458	\$ 16,292,277

**Governmental Activities.** Primary changes in governmental activities are summarized below:

**Assets.** Total assets increased by \$15,472,289. The primary causes of the increase were an increase in restricted and unrestricted cash of approximately \$15,667,147.

**Deferred Outflows of Resources.** This classification balance, although similar to “assets,” is set apart because these items do not meet the technical definition of being a City asset on the date of these financial statements. In other words, these amounts are not available to pay liabilities in the way assets are available. When all the recognition criteria are met, the deferred outflow of resources will become an expense.

The most significant deferred outflows of resources reported are related to the implementation of GASB Statement No. 68 and GASB No. 75 for net pension liability and net OPEB reporting. GASB 68 and 75 require that contributions made to the retirement system subsequent to the measurement date be reported as deferred outflows of resources. Differences between projected and actual earnings on pension plan investments are also reported as deferred outflows and amortized over several years. The City has reported deferred outflows of resources for pension contributions and differences between actual and estimated earnings of plan investments totaling \$19,993,154 for pensions and \$185,473 for OPEB for governmental activities at June 30, 2019. The deferred outflows of resources will be reflected in the change in the net pension liability in the next fiscal year.

## Management's Discussion and Analysis

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**Liabilities.** Governmental activities liabilities decreased by \$3,484,592 primarily due to an decrease in the net pension liability ,of \$1,783,818.

**Deferred Inflows of Resources.** Deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources are not technically liabilities of the City as of the date of the financial statements. When all the recognition criteria are met, the deferred inflows of resources will become revenue or an increase to net position.

Deferred inflows of resources related to pensions represent a net amount attributable to the various components that impact pension and OPEB changes and can include the differences between actual and expected experience and changes in assumptions. The City has reported deferred inflows of resources for deferred pensions totaling \$4,310,436 and for OPEB totaling \$1,956,103 for government activities at June 30,2019.

**Net Position.** Governmental activities net position increased \$11,662,857 due primarily to increase in taxes.

**Business-type Activities.** Primary changes in business-type activities are summarized below:

**Assets.** Total assets increased by \$1,996,226. Construction in progress in the Sewer Fund increased by \$1,730,691.

**Deferred Outflows of Resources.** GASB Statement No. 68 and GASB 75 requires that contributions made subsequent to the measurement date be reported as deferred outflows of resources. Differences between projected and actual earnings on pension plan investments are also reported as deferred outflows and amortized over several years. The Business-type activities have reported deferred outflows of resources for deferred pension contributions totaling \$2,560,350 and for OPEB \$77,053.

**Liabilities.** Business-type activities liabilities decreased by \$4,096,028 primarily due to the payment of long-term debt related to the Sewer Fund.

**Deferred Inflows of Resources.** As discussed above, deferred inflows of resources are the counterpart to deferred outflows of resources on the Statement of Net Position. Deferred inflows of resources related to pensions represent a net amount attributable to the various components that impact pension changes and can include the differences between actual and expected experience and changes in assumptions. The City has reported deferred inflows of resources for deferred pensions totaling \$493,083 and for OPEB \$834,90 for business-type activities at June 30, 2019.

**Net Position.** Business-type activities net position increased \$4,629,420 primarily due to the fees exceeding expenses (from which net gains are reserved for future debt repayment and capital replacement.)

## Management's Discussion and Analysis

The following table indicates the changes in net position for governmental and business-type activities for the year ended June 30:

### Condensed Statement of Activities

	Governmental Activities		Business-type Activities		Total		Dollar Change
	2018	2019	2018	2019	2018	2019	
<b>Program revenues:</b>							
Charges for services	\$ 9,807,167	\$ 8,782,846	\$ 19,601,631	\$ 21,189,162	\$ 29,408,798	\$ 29,972,009	\$ 563,211
Operating grants and contributions	8,229,294	5,536,995	292,340	2,266,256	8,521,634	7,803,251	(718,383)
Capital grants and contributions	3,808,123	6,714,357	2,649,150	77,051	6,457,273	6,791,408	334,135
<b>General revenues:</b>							
Taxes	50,625,023	57,013,160	-	-	50,625,023	57,013,160	6,388,137
Grants and contributions not restricted to specific programs	1,775,871	5,627,242	-	-	1,775,871	5,627,242	3,851,371
Unrestricted investment earnings	265,529	1,161,700	322,007	793,227	587,536	1,954,927	1,367,391
Miscellaneous	186,758	1,180,286	-	-	186,758	1,180,286	993,528
<b>Total revenues</b>	<b>74,697,765</b>	<b>86,016,587</b>	<b>22,865,128</b>	<b>24,325,696</b>	<b>97,562,893</b>	<b>110,342,283</b>	<b>12,779,390</b>
<b>Expenses:</b>							
General government	5,059,302	5,160,003	-	-	5,059,302	5,160,003	100,701
Public safety	41,213,981	42,712,128	-	-	41,213,981	42,712,128	1,498,147
Public works	19,763,113	20,061,696	-	-	19,763,113	20,061,696	298,583
Parks and recreation	3,566,533	3,848,819	-	-	3,566,533	3,848,819	282,286
Arts and culture	-	27,132	-	-	-	27,132	27,132
Community development	2,431,870	2,206,592	-	-	2,431,870	2,206,592	(225,278)
Community agencies	50,000	2,292	-	-	50,000	2,292	(47,708)
Interest on long-term debt	82,371	139,836	-	-	82,371	139,836	57,465
Sewer	-	-	12,091,786	11,866,946	12,091,786	11,866,946	(224,840)
Parking	-	-	1,027,456	1,332,762	1,027,456	1,332,762	305,306
Private development	-	-	3,685,574	4,098,518	3,685,574	4,098,518	412,944
Airport	-	-	2,167,468	2,593,282	2,167,468	2,593,282	425,814
Transit	-	-	-	-	-	-	-
Household Hazardous Waste	-	-	-	-	-	-	-
<b>Total expenses</b>	<b>72,167,170</b>	<b>74,158,498</b>	<b>18,972,284</b>	<b>19,891,508</b>	<b>91,139,454</b>	<b>94,050,006</b>	<b>2,910,552</b>
Increase (decrease) in net position before transfers	2,530,595	11,858,089	3,892,844	4,434,188	6,423,439	16,292,277	9,868,838
Transfers	(427,855)	(195,232)	427,855	195,232	-	-	-
<b>Change in net position</b>	<b>2,102,740</b>	<b>11,662,857</b>	<b>4,320,699</b>	<b>4,629,420</b>	<b>6,423,439</b>	<b>16,292,277</b>	<b>9,868,838</b>
Net position, beginning of year	326,492,151	328,594,891	104,691,591	109,012,290	431,183,742	437,607,181	6,423,439
<b>Net position, end of year</b>	<b>\$ 328,594,891</b>	<b>\$ 340,257,748</b>	<b>\$ 109,012,290</b>	<b>\$ 113,641,710</b>	<b>\$ 437,607,181</b>	<b>\$ 453,899,458</b>	<b>\$ 16,292,277</b>

**Governmental Activities.** Governmental activities increased the City's net position by \$11,662,857 due to an increase in tax revenue.

**Revenues.** Total revenues for governmental activities were within 9% of prior year:

- Taxes increased \$6,388,137 due to increases in sales tax revenue and property tax revenue as the economy reacts to population changes due to the Camp Fire.

## Management's Discussion and Analysis

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- Capital grants and contributions increased \$9,294,361 due primarily to increased grant activity in the 2019/20 fiscal year.
- Charges for service decreased \$1,024,320 due primarily to the write off of a loan.

**Expenses.** Total expenses for governmental activities increased \$1,991,324 from the prior year:

- Public safety operations during the year accounted for an increase in expenses of \$1,498,143 over the previous year, due to increases in wages and benefits.

**Business-type Activities.** Business-type activities increased the City's net position by \$4,629,420. Charges for service revenues combined with expenses reductions increased net position. The operations of individual enterprise funds are presented more thoroughly in the Proprietary Funds section.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The general government functions are contained in the General, Special Revenue and Capital Projects Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, restricted, committed, assigned and unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2019, the City's governmental funds reported combined fund balances of \$121,682,699 an increase of \$15,267,449 compared to the prior year. While the City reported \$101,587,996 of restricted fund balance, \$61,431,882 is composed of long-term loans receivable. As a result, most of the restricted funds may be unavailable for operational purposes.

Nonspendable fund balance is composed of: \$69,108 in prepaid items.

Committed fund balance is composed of: \$940,196 for compensated absences, \$247,616 in donations and \$3,829,257 for emergency contingencies.

Total assigned fund balance is \$9,833,429. It is specifically assigned for equipment replacement of \$2,764,216 assigned for capital projects of \$4,908,110, assigned for remediation \$10,983 and subsequent year's budget of \$2,150,120.



## Management's Discussion and Analysis

The changes in fund balance as of June 30, is presented in the following table:

### Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

	Major Funds			
	General Fund	CDBG and HOME Housing	Capital Grants	Low and Moderate Income Housing Asset
Revenues	\$ 61,187,794	\$ 1,304,986	\$ 3,675,516	\$ 508,820
Expenditures	(52,734,382)	(1,239,169)	(1,285,882)	(309,284)
Other financing sources (uses), net	(465,322)	-	-	-
Change in fund balances	7,988,090	65,817	2,389,634	199,536
Fund balances (deficits), beginning of year	12,295,764	7,518,697	(3,309,562)	56,249,071
Fund balances (deficits), end of year	\$ 20,283,854	\$ 7,584,514	\$ (919,928)	\$ 56,448,607

	Nonmajor Funds			
	Special Revenue Funds	Capital Projects Funds	2019 Total Governmental Funds	2018 Total Governmental Funds
Revenues	\$ 10,658,800	\$ 5,302,067	\$ 82,637,983	\$ 72,986,670
Expenditures	(6,877,607)	(5,428,905)	(67,875,229)	(65,232,312)
Other financing sources (uses), net	(2,100,908)	3,070,925	504,695	(1,112,969)
Change in fund balances	1,680,285	2,944,087	15,267,449	6,641,389
Fund balances (deficits), beginning of year	7,222,532	26,438,748	106,415,250	99,773,850
Fund balances (deficits), end of year	\$ 8,902,817	\$ 29,382,835	\$ 121,682,699	\$ 106,415,239

Revenues for governmental funds overall totaled \$82,637,983, an increase of 13% from the prior fiscal year, and expenditures for governmental funds totaled \$67,875,229, an increase of 4% compared to the prior year. Revenue increases were due primarily to increases in property and sales taxes. Expenditures increased due to additional capital outlay expenditures, capital lease debt service costs for radio equipment and applicable operational costs for filling police open positions. In the current fiscal year, revenues and other financing sources (uses) exceeded expenditures for governmental funds by \$15,267,449.

General Fund revenue increased \$7,163,807 due to an approximately 13% increase in sales tax revenue and a 9% increase in property tax revenue mainly due to sales tax from purchases made within the city limits following the Camp Fire.

Current year General Fund expenditures increased over 2018 by \$3,023,700. Expenditures in 2018-19 include \$870,306 for the purchase of a radios under a capital lease. This purchase is off-set by \$870,306 recognized as an Other Financing Source for Capital leases.

CDBG and HOME Housing Fund revenues and transfers exceeded expenditures by \$65,817. The excess of revenues over expenditures was the result of additional draws for the federal Home Program used for new loans. The draws are reported as revenue while the loan disbursements are reported as loans receivable.

Revenue in the Capital Grants Fund exceeded expenditures by \$2,389,635 due to timing of receipts for reimbursements of prior year expenditures.



## Management's Discussion and Analysis

The Low and Moderate Income Housing Asset Fund's change in fund balance consists mostly of loans receivable received from the Successor Agency to the Chico Redevelopment Agency. Otherwise, there is very little activity occurring within this Fund as the revenue is considered restricted as most of it is composed of long-term loan receivables.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The following table shows actual revenues, expenses and results of operations of proprietary funds for the current fiscal year:

	Sewer	Parking	Private Development	Airport	Total
Operating revenues	\$ 14,666,824	\$ 1,241,922	\$ 4,187,961	\$ 956,511	\$ 21,053,218
Operating expenses	11,084,592	1,332,762	4,098,518	2,593,282	19,109,154
Operating income (loss)	3,582,232	(90,840)	89,443	(1,636,771)	1,944,064
Nonoperating revenues (expenses), net	18,776	58,941	48,382	97,769	223,868
Income (loss) before contributions and transfers	3,601,008	(31,899)	137,825	(1,539,002)	2,167,932
Contributions and transfers	2,111,761	(39,600)	66,403	322,924	2,461,488
Change in net position	<u>\$ 5,712,769</u>	<u>\$ (71,499)</u>	<u>\$ 204,228</u>	<u>\$ (1,216,078)</u>	<u>\$ 4,629,420</u>

- Sewer Fund revenues increased over the prior year due to increased Water Pollution Control Plant capacity development fees collected. Expenses were within 1% of expense totals for 2018.
- Parking Fund revenues increased by \$13,780 over the prior year due primarily due to increase in the number of vehicles within the city limits increasing as a result of the Camp Fire.
- The Private Development Fund had an increase in net position of \$175,116. Operations in the fund reflected additional activity in the building industry in Chico during the year ended June 30, 2019.
- Airport Fund operating revenues increased \$316,505 primarily due to additional rental charges for airport related facilities. Transfers from the General Fund totaled \$392,700 to help cover annual operating costs of the airport.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Budget to actual information for the General Fund is presented as part of required supplementary information in this report. The City Council amended the budget several times during the period. These amendments, generally, were to adjust for actual beginning balances and carryovers after closing the prior fiscal year and for new sources and uses realized during the fiscal year.

Overall, actual revenue exceeded budgeted revenue by \$5,312,541. Property tax revenues exceeded budget by \$236,880 while sales and use taxes exceeded budget \$2,534,702. Other taxes including transient and occupancy taxes (TOT) exceeded budget by \$1,130,167.

Overall, budgeted expenditures were under budget by \$4,803,131. All departments recognized actual expenditures under budget.

Amendments to the public works budget were made for capital projects initiated during the year. Fire had increases in the original budget to account for increases in wages and benefits.

## Management's Discussion and Analysis

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In spite of City Council budgetary amendments, variances between actual amounts and the final budget occur. Generally, all of the variances were positive (i.e., actual revenue exceeded budgeted revenue and actual expenditures were less than budgeted expenditures) due to the fact that a conservative budgetary approach was utilized.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

#### Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounted to \$442,636,072 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. Total current year depreciation expense was \$18,169,335.

Capital assets, net of depreciation, for the governmental and business-type activities are presented on the next page to illustrate changes from the prior year:

	Governmental Activities		Business-type Activities	
	2018	2019	2018	2019
Land	\$ 31,247,077	\$ 31,456,230	\$ 2,154,341	\$ 2,154,341
Buildings	10,036,536	9,532,339	5,701,345	5,196,601
Improvements	7,827,374	7,284,000	116,929,049	112,300,962
Equipment	9,855,501	10,758,302	638,667	718,722
Infrastructure	238,100,023	238,019,303	-	-
Construction in progress	17,066,338	18,427,032	5,057,549	6,788,240
Total, Net	\$ 314,132,849	\$ 315,477,206	\$ 130,480,951	\$ 127,158,866

	Total		Total	
	2018	2019	Dollar Change	Percentage Change
Land	\$ 33,401,418	\$ 33,610,571	\$ 209,153	1%
Buildings	15,737,881	14,728,940	(1,008,941)	-6%
Improvements	124,756,423	119,584,962	(5,171,461)	-4%
Equipment	10,494,168	11,477,024	982,856	9%
Infrastructure	238,100,023	238,019,303	(80,720)	0%
Construction in progress	22,123,887	25,215,272	3,091,385	14%
Total, Net	\$ 444,613,800	\$ 442,636,072	\$ (1,977,728)	

Major capital asset events during the current fiscal year included the following:

- Land-Increased due to an acquisition of land for a bike trail.
- Buildings – Decrease is due primarily to depreciation expense. No significant capitalized construction to building category occurred.
- Improvements – Decrease is due primarily to depreciation expense
- Equipment – Increases reflect the lease of radios for the fire department
- Infrastructure – Decrease is due primarily to depreciation expense.

# Management's Discussion and Analysis

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- Construction in progress (CIP) – Increase is due to initiation of projects not yet completed and transferred to appropriated capital accounts.

Additional information on the City's capital assets can be found in Note II D of this report.

## Long-term liabilities

At June 30, 2019, the City had total long-term liabilities outstanding of \$14,112,606 an overall decrease of \$16,353 from June 30, 2018. Additional information related to the City's long-term liabilities can be found in Note II E of this report. Information related to the City's OPEB liability can be found in Note III D of this report.

## Economic Factors and Next Year's Budget

The Chico City Council adopted the fiscal year 2019-20 final budget on June 4, 2019, with a total Operating Budget of \$95,092,544, which is a \$2,967,305 increase from the prior fiscal year's final modified budget. The adopted Capital Improvement Budget totaled \$39,863,688 which is approximately \$880,378 increase from the prior year. Total General Fund revenue and transfers in total of \$56,672,241, which is lower than budgeted expenditures and transfers out of \$58,010,996. The City has also assigned fund balance from June 30, 2019 of \$2,150,120 to cover expenditures in the fiscal year 2019-20 budget. As reflected in this CAFR, the City's General Fund experienced the benefit of management decisions that cut expenditures, and thanks to an economy that yielded better than estimated results, revenue also was higher. Management believes that the current fiscal policies and current economic climate will continue to assist with the process of building operating and emergency reserves.

## Local Revenue Base

Chico's local economy is demonstrated material changes in sales tax and transient occupancy tax as a result of population increase due to the Camp Fire. Noted revenue percentage increases include the following:

- Sales tax revenue increased 13%
- Property tax revenue increased 9%
- Transient occupancy tax increased 22%

The most significant economic factor impacting revenue in the City is the increase in population as a result of the Camp Fire. According to the Department of finance, the fire destroyed 14,600 housing units. Most of the displaced persons relocated to Chico adding over 19,000 citizens to the City. The demand for housing was immediate and as a result, real estate values are strong, and the construction of new neighborhoods has jumped.

Although the local economy is rebounding, the City will continue to budget very conservatively due to the fact that minimal reserves exist.

## Requests for Information

Questions concerning any of the information provided in this report or requests for additional financial information may be requested as follows:

**US Mail:** or **Phone:** or **Email:**  
City of Chico (530) 879-7300 [scott.dowell@chicoca.gov](mailto:scott.dowell@chicoca.gov)  
Administrative Services Director  
P.O. Box 3420  
Chico, California 95927

***GOVERNMENT-WIDE FINANCIAL  
STATEMENTS***

**CITY OF CHICO, CALIFORNIA**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Chico Urban Area Joint Powers Financing Authority
<b>ASSETS</b>				
Current Assets:				
Cash and investments	\$ 62,769,113	\$ 21,474,885	\$ 84,243,998	\$ -
Restricted cash and investments	1,991,108	15,310,919	17,302,027	12,399,820
Receivables:				
Interest	11,214,371	-	11,214,371	160,042
Property taxes	783,704	-	783,704	-
Accounts	2,088,556	2,618,801	4,707,357	-
Intergovernmental	8,465,334	36,593	8,501,927	-
Loans	61,431,882	-	61,431,882	-
Deposits with others	136,674	-	136,674	-
Prepaid	144,554	3,518	148,072	-
Other assets	58,558	-	58,558	-
Noncurrent Assets:				
Capital assets:				
Nondepreciable	49,883,262	8,942,581	58,825,843	-
Depreciable, net	265,593,944	118,216,285	383,810,229	-
Total assets	<u>464,561,060</u>	<u>166,603,582</u>	<u>631,164,642</u>	<u>12,559,862</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows related to OPEB	185,473	77,053	262,526	
Deferred outflows related to pensions	19,993,154	2,560,350	22,553,504	-
Total deferred outflows of resources	<u>20,178,627</u>	<u>2,637,403</u>	<u>22,816,030</u>	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	2,709,309	1,939,288	4,648,597	-
Accrued salaries and benefits	910,022	106,352	1,016,374	-
Intergovernmental payable	37,249	-	37,249	-
Interest payable	50,303	386,534	436,837	-
Deposits	30,173	27,176	57,349	-
Unearned revenue	40,540	274,476	315,016	-
Other accrued liabilities	61,394	-	61,394	-
Long-term liabilities:				
Due within one year	3,082,083	4,409,638	7,491,721	-
Due in more than one year	11,030,523	27,616,377	38,646,900	23,059,478
Total OPEB liability	7,148,573	995,204	8,143,777	-
Total pension liability	<u>113,115,230</u>	<u>18,516,247</u>	<u>131,631,477</u>	<u>-</u>
Total liabilities	<u>138,215,399</u>	<u>54,271,292</u>	<u>192,486,691</u>	<u>23,059,478</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to OPEB	1,956,103	834,901	2,791,004	
Deferred inflows related to pensions	4,310,436	493,083	4,803,519	-
Total deferred inflows of resources	<u>6,266,539</u>	<u>1,327,984</u>	<u>7,594,523</u>	
<b>NET POSITION</b>				
Net investment in capital assets	312,439,193	95,523,872	407,963,065	-
Restricted for:				
Capital projects	29,814,658	15,310,919	45,125,577	-
Housing	64,033,120	-	64,033,120	-
Maintenance districts	3,712,658	-	3,712,658	-
Telecommunications equipment	464,755	-	464,755	-
Abandoned vehicle program	100,731	-	100,731	-
Public safety	644,893	-	644,893	-
Unrestricted (deficit)	<u>(70,952,259)</u>	<u>2,806,918</u>	<u>(68,145,341)</u>	<u>(10,499,616)</u>
Total net position (deficit)	<u>\$ 340,257,749</u>	<u>\$ 113,641,709</u>	<u>\$ 453,899,458</u>	<u>\$ (10,499,616)</u>

See accompanying notes to the financial statements.

**TY OF CHICO, CALIFORNIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Primary Government</b>									Component Unit	
	Program Revenues						Net (Expense) Revenue and				Chico Urban Area Joint Powers Financing Authority
	Charges for						Changes in Net Position				
	Direct	Indirect	Total	Operating	Capital	Governmental	Business-type	Total			
Expenses	Expenses	Expenses	Services	Grants and Contributions	Grants and Contributions	Activities	Activities	Total			
<b>FUNCTIONS/PROGRAMS:</b>											
<b>Primary government:</b>											
Governmental activities:											
General government	\$ 7,081,847	\$ (1,932,653)	\$ 5,149,194	\$ 1,225,596	\$ 863,313	\$ -	\$ (3,060,285)	\$ -	\$ (3,060,285)		
Public safety	42,713,704	9,231	42,722,935	1,591,661	303,286	-	(40,827,988)	-	(40,827,988)		
Public works	19,660,051	401,645	20,061,696	5,894,010	2,104,336	6,714,357	(5,348,993)	-	(5,348,993)		
Parks and recreation	3,561,423	287,396	3,848,819	15,731	104,141	-	(3,728,947)	-	(3,728,947)		
Arts and culture	27,132	-	27,132	-	-	-	(27,132)	-	(27,132)		
Community development	2,118,315	88,277	2,206,592	55,848	2,161,919	-	11,175	-	11,175		
Community agencies	2,292	-	2,292	-	-	-	(2,292)	-	(2,292)		
Interest on long-term debt	139,836	-	139,836	-	-	-	(139,836)	-	(139,836)		
<b>Total governmental activities</b>	<b>75,304,600</b>	<b>(1,146,104)</b>	<b>74,158,496</b>	<b>8,782,846</b>	<b>5,536,995</b>	<b>6,714,357</b>	<b>(53,124,298)</b>	<b>-</b>	<b>(53,124,298)</b>		
Business-type activities:											
Sewer	11,420,814	446,134	11,866,948	14,787,991	2,266,256	-	-	5,187,299	5,187,299		
Parking	1,229,888	102,874	1,332,762	1,246,922	-	-	-	(85,840)	(85,840)		
Private development	3,792,031	306,487	4,098,518	4,191,142	-	-	-	92,624	92,624		
Airport	2,440,557	152,725	2,593,282	963,108	-	77,051	-	(1,553,123)	(1,553,123)		
<b>Total business-type activities</b>	<b>18,883,290</b>	<b>1,008,220</b>	<b>19,891,510</b>	<b>21,189,163</b>	<b>2,266,256</b>	<b>77,051</b>	<b>-</b>	<b>3,640,960</b>	<b>3,640,960</b>		
<b>Total primary government</b>	<b>\$ 94,187,890</b>	<b>\$ (137,884)</b>	<b>\$ 94,050,006</b>	<b>\$ 29,972,009</b>	<b>\$ 7,803,251</b>	<b>\$ 6,791,408</b>	<b>(53,124,298)</b>	<b>3,640,960</b>	<b>(49,483,338)</b>		
<b>Component unit:</b>											
Chico Urban Area Joint											
Powers Financing Authority	\$ 225,964	\$ -	\$ 225,964	\$ -	\$ -	\$ 1,900,000				\$ 1,674,036	

General revenues:										
Taxes:										
Property taxes						16,750,026	-	16,750,026	-	
Sales and use tax						25,173,855	-	25,173,855	-	
Utility users tax						7,199,740	-	7,199,740	-	
Other taxes						7,889,539	-	7,889,539	-	
Grants and contributions not restricted to specific programs						5,627,242	-	5,627,242	-	
Unrestricted investment earnings						1,161,700	793,227	1,954,927	339,195	
Miscellaneous						1,180,286	-	1,180,286	-	
Transfers						(195,232)	195,232	-	-	
<b>Total general revenues and transfers</b>						<b>64,787,156</b>	<b>988,459</b>	<b>65,775,615</b>	<b>2,013,231</b>	
Change in net position						11,662,858	4,629,419	16,292,277	2,013,231	
Net position (deficit), beginning of year						328,594,891	109,012,290	437,607,181	(12,512,847)	
<b>Net position (deficit), end of year</b>						<b>\$ 340,257,749</b>	<b>\$ 113,641,709</b>	<b>\$ 453,899,458</b>	<b>\$ (10,499,616)</b>	

See accompanying notes to the financial statements.

# ***FUND FINANCIAL STATEMENTS***

## FUND FINANCIAL STATEMENTS

### **Governmental Fund Types**

Governmental funds consist of the General Fund, special revenue funds and capital projects funds.

Major Governmental Funds include:

- **General**  
The City's primary operating fund. Accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **CDBG and HOME Housing**  
Accounts for the Community Development Block Grant (CDBG) annual federal grant program and the State and Federal HOME grant programs. The CDBG program provides for development of viable urban community by providing a suitable living environment and expansion of economic opportunities, principally for low and moderate income residents. The HOME program provides for the development of affordable housing and mortgage subsidy programs and housing rehabilitation to benefit low income households. Use of CDBG and HOME funding is restricted per federal guidelines.
- **Capital Grants**  
Accounts for receipts and disbursements of a variety of governmental fund capital grants.
- **Low and Moderate Income Housing Asset Fund**  
The Low and Moderate Income Housing Special Revenue Fund accounts for all activities resulting from the elimination of the Redevelopment Agency's low and moderate income housing function. Primarily, this Fund utilizes program income from loan payments restricted for the development and assistance for low-income households. Use of Housing Funds is restricted according to the provisions contained in California State Assembly Bill 1X26 and California State Assembly Bill 1484.

### **Proprietary Fund Types**

Proprietary funds consist of the enterprise funds and the internal service funds.

Major enterprise funds include:

- **Sewer**  
Accounts for sanitary sewer collection system and Water Pollution Control Plant operations including major repair and replacement of the City's Water Pollution Control Plant facilities.
- **Parking**  
Accounts for parking facilities operations and improvements and debt service on the 1994 Parking Revenue Bonds issued to finance the downtown parking structure.
- **Private Development**  
Accounts for private development planning and building inspection and subdivision planning and inspection.
- **Airport**  
Accounts for airport operations and improvements.



## **FUND FINANCIAL STATEMENTS** (Continued)

### **Fiduciary Fund Type**

Fiduciary funds include:

- **Private-purpose Trust Fund**  
Accounts for the assets, liabilities and activities of the Successor Agency to the Chico Redevelopment Agency.
- **Agency Fund**  
Accounts for assets held in an agency capacity for parties outside the City. The resources of this fund cannot be used to support the City's own programs. The Fund accounts for assets held by the City as an agent for bonded assessment districts.

**CITY OF CHICO, CALIFORNIA**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General	CDBG & HOME Housing	Capital Grants	Low & Moderate Income Housing Housing Asset Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 13,209,647	\$ 23,795	\$ -	\$ 3,153,593	\$ 37,668,188	\$ 54,055,223
Restricted cash and investments	1,359,793	-	-	-	331,315	1,691,108
Receivables:						
Interest	392,081	1,105,829	-	9,714,088	2,373	11,214,371
Property taxes	780,085	-	-	-	3,619	783,704
Accounts	1,864,765	-	-	-	48,322	1,913,087
Intergovernmental	5,878,574	176,390	1,153,783	-	1,252,719	8,461,466
Loans	-	7,419,509	-	53,978,768	33,605	61,431,882
Deposits with others	-	-	136,674	-	-	136,674
Prepaid items	64,056	2,042	-	47	2,963	69,108
Advances to other funds	-	-	-	-	1,721,793	1,721,793
<b>Total assets</b>	<b>\$ 23,549,001</b>	<b>\$ 8,727,565</b>	<b>\$ 1,290,457</b>	<b>\$ 66,846,496</b>	<b>\$ 41,064,897</b>	<b>\$ 141,478,416</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 949,353	\$ 33,338	\$ 210,555	\$ 56	\$ 940,917	\$2,134,219
Accrued salaries and benefits	805,722	3,884	-	2,742	56,381	868,729
Deposits	10,573	-	-	20,000	-	30,573
Intergovernmental payable	-	-	-	37,249	-	37,249
Due to other funds	-	-	1,051,645	-	-	1,051,645
Unearned revenue	12,284	-	28,256	-	-	40,540
Other accrued liabilities	61,395	-	-	-	-	61,395
Advances from other funds	363,178	-	-	-	1,721,793	2,084,971
<b>Total liabilities</b>	<b>2,202,505</b>	<b>37,222</b>	<b>1,290,456</b>	<b>60,047</b>	<b>2,719,091</b>	<b>6,309,321</b>
Deferred inflows of resources:						
Unavailable housing loan interest revenue	-	1,105,829	-	9,714,088	-	10,819,917
Unavailable revenue	1,062,642	-	919,929	623,754	60,154	2,666,479
<b>Total deferred inflows of resources</b>	<b>1,062,642</b>	<b>1,105,829</b>	<b>919,929</b>	<b>10,337,842</b>	<b>60,154</b>	<b>13,486,396</b>
Fund balances (deficit):						
Nonspendable	64,056	2,042	-	47	2,963	69,108
Restricted	1,831,389	7,584,514	-	56,448,560	35,800,642	101,665,105
Committed	5,017,069	-	-	-	-	5,017,069
Assigned	5,601,803	-	-	-	4,231,626	9,833,429
Unassigned	7,769,537	(2,042)	(919,928)	-	(1,749,579)	5,097,988
<b>Total fund balances (deficit)</b>	<b>20,283,854</b>	<b>7,584,514</b>	<b>(919,928)</b>	<b>56,448,607</b>	<b>38,285,652</b>	<b>121,682,699</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 23,549,001</b>	<b>\$ 8,727,565</b>	<b>\$ 1,290,457</b>	<b>\$ 66,846,496</b>	<b>\$ 41,064,897</b>	<b>\$ 141,478,416</b>

See accompanying notes to the financial statements.

CITY OF CHICO, CALIFORNIA  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES  
JUNE 30, 2019

Total fund balances (deficit) - total governmental funds	\$	121,682,699
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		315,445,801
Deferred outflows of resources reported in the Statement of Net Position		
Related to OPEB	151,502	
Related to Pension	<u>18,864,332</u>	19,015,834
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenues in the fund.		13,486,396
Interest payable on long-term debt does not require current financial resources, therefore,, interest payable is not reported as a liability in government funds.		(50,303)
Deferred inflows of resources reported in the Statement of Net Position		
Related to OPEB	(1,594,374)	
Related to Pension	<u>(4,093,042)</u>	(5,687,416)
Internal service funds are used by management to charge the costs of activities to individual funds. The asset and liabilities of internal service funds are included in governmental activities in the statement of net position.		(5,332,947)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(104,951,678)	
Capital leases payable	(3,038,013)	
Other post employment benefits liability	(6,744,577)	
Compensated absences	<u>(3,568,047)</u>	(118,302,315)
Net position of governmental activities	\$	<u><u>340,257,749</u></u>

See accompanying notes to the financial statements.

**CITY OF CHICO, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General	CDBG and Housing	Capital Grants	Low and Moderate Income Housing Asset Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>						
Property taxes	\$ 16,750,026	\$ -	\$ -	\$ -	\$ -	\$ 16,750,026
Sales and use taxes	25,173,855	-	-	-	-	25,173,855
Other taxes	15,070,392	-	-	18,887	-	15,089,279
Licenses and permits	138,578	-	-	-	-	138,578
Intergovernmental	1,490,912	1,288,036	3,675,516	-	8,995,986	15,450,450
Charges for services	123,534	-	-	1,440	5,992,645	6,117,619
Fines, forfeitures, and penalties	867,193	-	-	-	36,477	903,670
Use of money and property	431,882	16,950	-	488,493	896,900	1,834,225
Miscellaneous	1,141,422	-	-	-	38,859	1,180,281
<b>Total revenues</b>	<b>61,187,794</b>	<b>1,304,986</b>	<b>3,675,516</b>	<b>508,820</b>	<b>15,960,867</b>	<b>82,637,983</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	3,256,401	-	247,038	-	952,793	4,456,232
Public safety	38,805,132	-	-	-	722,402	39,527,534
Public works	4,213,848	-	-	-	5,827,464	10,041,312
Parks and recreation	3,290,038	-	-	-	21,842	3,311,880
Arts and culture	27,132	-	-	-	-	27,132
Community development	1,133,614	550,595	-	309,283	137,170	2,130,662
Community agencies	2,292	-	-	-	-	2,292
<b>Capital outlay:</b>						
Capital outlay - Operations	715,955	688,574	1,038,844	-	4,583,261	7,026,634
Capital outlay - Capital leases	870,306	-	-	-	-	870,306
<b>Debt service:</b>						
Principal retirement	337,525	-	-	-	54,175	391,700
Interest and fiscal charges	82,137	-	-	-	7,396	89,533
<b>Total expenditures</b>	<b>52,734,380</b>	<b>1,239,169</b>	<b>1,285,882</b>	<b>309,283</b>	<b>12,306,503</b>	<b>67,875,217</b>
Excess (deficiency) of revenues over (under) expenditures	8,453,414	65,817	2,389,634	199,537	3,654,364	14,762,766
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	3,377,073	-	-	-	3,219,100	6,596,173
Transfers out	(4,712,701)	-	-	-	(2,249,083)	(6,961,784)
Increase in obligations under Capital leases	870,306	-	-	-	-	870,306
<b>Total other financing sources (uses)</b>	<b>(465,322)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>970,017</b>	<b>504,695</b>
<b>Net change in fund balances</b>	<b>7,988,092</b>	<b>65,817</b>	<b>2,389,634</b>	<b>199,537</b>	<b>4,624,381</b>	<b>15,267,461</b>
<b>Fund balances (deficit), beginning of year</b>	<b>12,295,762</b>	<b>7,518,697</b>	<b>(3,309,562)</b>	<b>56,249,070</b>	<b>33,661,271</b>	<b>106,415,238</b>
<b>Fund balances (deficit), end of year</b>	<b>\$ 20,283,854</b>	<b>\$ 7,584,514</b>	<b>\$ (919,928)</b>	<b>\$ 56,448,607</b>	<b>\$ 38,285,652</b>	<b>\$ 121,682,699</b>

See accompanying notes to the financial statements.

CITY OF CHICO, CALIFORNIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds \$ 15,267,461

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	7,026,634	
Capital outlay leases	870,306	
Depreciation expense	<u>(12,178,089)</u>	(4,281,149)

The net effect of various miscellaneous transactions involving capital assets (i.e. disposals, transfers, donations, etc.) was to increase (decrease) net position:

Increase in obligations under capital leases	(870,306)	
Capital Contributions	<u>5,627,242</u>	4,756,936

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Unavailable revenues		(2,248,552)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Principal retirement		391,700
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in interest payable	(50,303)	
Change in net pension liability	(2,843,793)	
Change in compensated absences	(196,016)	
Change in OPEB liability	<u>(109,581)</u>	(3,199,693)

Internal service funds are used by management to charge the costs of certain activities to individual funds. A portion of the net revenue (expense) of internal service funds is reported with governmental activities.

		<u>976,155</u>
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Change in net position of governmental activities		<u>\$ 11,662,858</u>
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See accompanying notes to the financial statements.

CITY OF CHICO, CALIFORNIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2019

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Sewer	Parking	Private Development	Airport	Total Enterprise Funds	
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 15,982,782	\$ 2,425,264	\$ 2,077,731	\$ 989,108	\$ 21,474,885	\$ 8,713,890
Receivables:						
Accounts	2,441,135	2,661	164,498	10,507	2,618,801	175,469
Intergovernmental	5,332	-	-	31,261	36,593	3,868
Due from other funds	-	-	-	-	-	1,051,645
Inventories	-	-	-	-	-	58,558
Prepaid expenses	1,900	174	604	840	3,518	75,446
Total current assets	<u>18,431,149</u>	<u>2,428,099</u>	<u>2,242,833</u>	<u>1,031,716</u>	<u>24,133,797</u>	<u>10,078,876</u>
Noncurrent assets:						
Restricted cash and investments	15,310,919	-	-	-	15,310,919	300,000
Advances to other funds	-	-	-	-	-	363,178
Capital assets:						
Land and construction in progress	6,258,869	1,317,999	-	1,365,713	8,942,581	30,391
Other capital assets, net of accumulated depreciation	102,834,049	1,713,799	-	13,668,437	118,216,285	1,014
Total noncurrent assets	<u>124,403,837</u>	<u>3,031,798</u>	<u>-</u>	<u>15,034,150</u>	<u>142,469,785</u>	<u>694,583</u>
Total assets	<u>142,834,986</u>	<u>5,459,897</u>	<u>2,242,833</u>	<u>16,065,866</u>	<u>166,603,582</u>	<u>10,773,459</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred outflow related to OPEB	33,210	5,986	33,210	4,647	77,053	33,971
Deferred outflows related to pensions	1,103,524	198,896	1,103,524	154,406	2,560,350	1,128,822
Total deferred outflows of resources	<u>1,136,734</u>	<u>204,882</u>	<u>1,136,734</u>	<u>159,053</u>	<u>2,637,403</u>	<u>1,162,793</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	1,664,986	15,202	224,861	34,239	1,939,288	574,690
Accrued salaries and benefits	48,840	8,069	42,818	6,625	106,352	41,293
Interest payable	386,534	-	-	-	386,534	-
Deposits	-	-	27,176	-	27,176	-
Compensated absences - current portion	17,366	2,152	19,048	2,258	40,824	26,426
Claims liability - current portion	-	-	-	-	-	2,177,493
Loan payable - current portion	4,368,814	-	-	-	4,368,814	-
Unearned revenue	-	-	274,476	-	274,476	-
Total current liabilities	<u>6,486,540</u>	<u>25,423</u>	<u>588,379</u>	<u>43,122</u>	<u>7,143,464</u>	<u>2,819,902</u>
Noncurrent liabilities:						
Loan payable	27,266,180	-	-	-	27,266,180	-
Compensated absences	148,968	18,462	163,397	19,370	350,197	162,465
Claims liability	-	-	-	-	-	5,140,162
Total OPEB liability	548,504	65,076	369,344	12,280	995,204	403,996
Net pension liability	7,980,597	1,438,400	7,980,597	1,116,653	18,516,247	8,163,551
Total noncurrent liabilities	<u>35,944,249</u>	<u>1,521,938</u>	<u>8,513,338</u>	<u>1,148,303</u>	<u>47,127,828</u>	<u>13,870,174</u>
Total liabilities	<u>42,430,789</u>	<u>1,547,361</u>	<u>9,101,717</u>	<u>1,191,425</u>	<u>54,271,292</u>	<u>16,690,076</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows related to OPEB	365,942	60,963	356,401	51,595	834,901	361,729
Deferred inflows related to pensions	212,522	38,304	212,521	29,736	493,083	217,394
Total deferred inflows of resources	<u>578,464</u>	<u>99,267</u>	<u>568,922</u>	<u>81,331</u>	<u>1,327,984</u>	<u>579,123</u>
<b>NET POSITION</b>						
Net investment in capital assets	77,457,924	3,031,798	-	15,034,150	95,523,872	31,405
Restricted for insurance	-	-	-	-	-	300,000
Restricted for capital projects	15,310,919	-	-	-	15,310,919	-
Unrestricted	8,193,624	986,353	(6,291,072)	(81,987)	2,806,918	(5,664,352)
Total net position (deficit)	<u>\$ 100,962,467</u>	<u>\$ 4,018,151</u>	<u>\$ (6,291,072)</u>	<u>\$ 14,952,163</u>	<u>\$ 113,641,709</u>	<u>\$ (5,332,947)</u>

See accompanying notes to the financial statements.

**CITY OF CHICO, CALIFORNIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Sewer	Parking	Private Development	Airport		
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 14,644,277	\$ 1,241,922	\$ 2,547,790	\$ 72,592	\$ 18,506,581	\$ 16,744,735
Licenses and permits	-	-	1,640,171	-	1,640,171	-
Rental charges	22,547	-	-	883,919	906,466	-
Total operating revenues	<u>14,666,824</u>	<u>1,241,922</u>	<u>4,187,961</u>	<u>956,511</u>	<u>21,053,218</u>	<u>16,744,735</u>
<b>OPERATING EXPENSES:</b>						
Salaries and benefits	1,095,912	748,887	2,625,981	983,817	5,454,597	3,585,602
Materials and supplies	932,182	14,182	27,740	9,004	983,108	542,448
Purchased services	979,725	158,849	566,797	68,982	1,774,353	2,809,589
Other expenses	3,497,084	227,012	876,158	307,334	4,907,588	9,292,014
Depreciation	4,579,689	183,832	1,842	1,224,146	5,989,509	1,737
Total operating expenses	<u>11,084,592</u>	<u>1,332,762</u>	<u>4,098,518</u>	<u>2,593,283</u>	<u>19,109,155</u>	<u>16,231,390</u>
Operating income (loss)	<u>3,582,232</u>	<u>(90,840)</u>	<u>89,443</u>	<u>(1,636,772)</u>	<u>1,944,063</u>	<u>513,345</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Intergovernmental	-	-	-	77,051	77,051	-
Interest income	679,964	53,941	45,201	14,121	793,227	117,997
Interest expense	(782,354)	-	-	-	(782,354)	182,646
Miscellaneous revenue (expense)	121,166	5,000	3,181	6,597	135,944	(8,212)
Total nonoperating revenues (expenses)	<u>18,776</u>	<u>58,941</u>	<u>48,382</u>	<u>97,769</u>	<u>223,868</u>	<u>292,431</u>
Income (loss) before capital contributions and transfers	3,601,008	(31,899)	137,825	(1,539,003)	2,167,931	805,776
Capital contributions	2,266,256	-	-	-	2,266,256	-
Transfers in	-	-	394,883	400,637	795,520	1,250,000
Transfers out	(154,495)	(39,600)	(328,480)	(77,713)	(600,288)	(1,079,621)
Change in net position	<u>5,712,769</u>	<u>(71,499)</u>	<u>204,228</u>	<u>(1,216,079)</u>	<u>4,629,419</u>	<u>976,155</u>
Net position (deficit), beginning of year	<u>95,249,698</u>	<u>4,089,650</u>	<u>(6,495,300)</u>	<u>16,168,242</u>	<u>109,012,290</u>	<u>(6,309,102)</u>
Net position (deficit), end of year	<u>\$ 100,962,467</u>	<u>\$ 4,018,151</u>	<u>\$ (6,291,072)</u>	<u>\$ 14,952,163</u>	<u>\$ 113,641,709</u>	<u>\$ (5,332,947)</u>

See accompanying notes to the financial statements.

**CITY OF CHICO, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Sewer	Parking	Private Development	Airport	Total Enterprise Funds	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers and users	\$ 14,666,812	\$ 1,244,922	\$ 4,312,160	\$ 966,119	\$ 21,190,013	\$ -
Receipts from interfund services provided	-	-	-	-	-	16,914,173
Payments to suppliers and claimants	(3,379,832)	(199,022)	(713,944)	(237,977)	(4,530,775)	(13,147,120)
Payments to employees	(2,204,121)	(398,748)	(2,216,239)	(307,962)	(5,127,070)	(2,259,508)
Payments for interfund services used	(749,032)	(198,634)	(614,094)	(212,370)	(1,774,130)	-
Net cash provided (used) by operating activities	<u>8,333,827</u>	<u>448,518</u>	<u>767,883</u>	<u>207,810</u>	<u>9,758,038</u>	<u>1,507,545</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Interfund borrowings	-	-	-	-	-	2,878,573
Transfers in	-	-	394,883	400,637	795,520	1,250,000
Transfers out	(154,495)	(39,600)	(328,480)	(77,713)	(600,288)	(1,079,621)
Net cash provided (used) by noncapital financing activities	<u>(154,495)</u>	<u>(39,600)</u>	<u>66,403</u>	<u>322,924</u>	<u>195,232</u>	<u>3,048,952</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Acquisition and construction of capital assets	(167,447)	(148,730)	(2)	(84,987)	(401,166)	-
Principal paid on long-term debt	(4,264,613)	-	-	-	(4,264,613)	-
Interest paid	(844,574)	-	-	-	(844,574)	-
Intergovernmental receipts	-	-	-	205,153	205,153	-
Net cash used by capital and related financing activities	<u>(5,276,634)</u>	<u>(148,730)</u>	<u>(2)</u>	<u>120,166</u>	<u>(5,305,200)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest paid	679,964	53,941	45,201	14,121	793,227	-
Net cash provided by investing activities	<u>679,964</u>	<u>53,941</u>	<u>45,201</u>	<u>14,121</u>	<u>793,227</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	3,582,662	314,129	879,485	665,021	5,441,297	4,556,497
CASH AND INVESTMENTS, beginning of year	27,711,039	2,111,135	1,198,246	324,087	31,344,507	4,457,393
CASH AND INVESTMENTS, end of year	<u>\$ 31,293,701</u>	<u>\$ 2,425,264</u>	<u>\$ 2,077,731</u>	<u>\$ 989,108</u>	<u>\$ 36,785,804</u>	<u>\$ 9,013,890</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>						
Cash and investments	15,982,782	2,425,264	2,077,731	989,108	21,474,885	8,713,890
Restricted cash and investments	15,310,919	-	-	-	15,310,919	300,000
CASH AND INVESTMENTS, end of year	<u>\$ 31,293,701</u>	<u>\$ 2,425,264</u>	<u>\$ 2,077,731</u>	<u>\$ 989,108</u>	<u>\$ 36,785,804</u>	<u>\$ 9,013,890</u>

See accompanying notes to the financial statements.



**CITY OF CHICO, CALIFORNIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities - Enterprise Funds				Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Sewer	Parking	Private Development	Airport		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 3,582,232	\$ (90,840)	\$ 89,443	\$ (1,636,772)	\$ 1,944,063	\$ 513,345
Changes in assets, deferred inflows of resources, liabilities and deferred outflows of resources:						
Depreciation	4,579,689	183,832	1,842	1,224,146	5,989,509	1,737
OPEB expense	24,019	4,329	24,019	3,361	55,728	24,571
Pension expense	(1,181,249)	338,381	408,965	670,010	236,107	1,362,646
Miscellaneous revenues	121,166	5,000	3,181	6,597	135,944	292,431
Change in assets and liabilities:						
Accounts receivable	(142,088)	(2,000)	116,836	3,011	(24,241)	(123,523)
Intergovernmental receivables	20,910	-	-	-	20,910	532
Inventories	-	-	-	-	-	(8,697)
Deposits with others	1,734	-	-	-	1,734	-
Prepaid	(1,900)	(174)	(604)	(840)	(3,518)	(48,727)
Accounts payable	1,280,293	2,561	143,261	(64,187)	1,361,928	176,869
Accrued salaries and benefits	10,701	996	3,158	1,351	16,206	6,936
Compensated absences	38,320	6,433	(26,400)	1,133	19,486	(68,061)
Unearned revenue	-	-	4,238	-	4,238	-
Deposits	-	-	(56)	-	(56)	400
Claims liability	-	-	-	-	-	(622,914)
Total adjustments	4,751,595	539,358	678,440	1,844,582	7,813,975	994,200
Net cash provided (used) by operating activities	<u>\$ 8,333,827</u>	<u>\$ 448,518</u>	<u>\$ 767,883</u>	<u>\$ 207,810</u>	<u>\$ 9,758,038</u>	<u>\$ 1,507,545</u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>						
Transfer of capital assets	<u>\$ 2,266,256</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,266,256</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

**CITY OF CHICO, CALIFORNIA**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**June 30, 2019**

	Private-purpose Trust Fund	Agency Funds
<b>Assets</b>		
Restricted cash and investments	\$ 6,694,880	\$ 600,164
Receivables:		
Loans	670,127	39,726
Capital Assets - Land	1,667,105	-
Total assets	9,032,112	\$ 639,890
<b>Liabilities</b>		
Accounts payable	\$ 280	\$ -
Special assessment deposits	-	639,890
Long-term liabilities:		
Due within one year	4,735,000	-
Due in more than one year	62,885,000	-
Total liabilities	67,620,280	\$ 639,890
<b>Deferred Inflows of Resources</b>		
Deferred amount on bond refunding	425,710	
<b>Net Position</b>		
Total net position (deficit) held in trust	\$ (59,013,878)	

See accompanying notes to the financial statements.

**CITY OF CHICO, CALIFORNIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Private-purpose Trust Fund
<b>Additions:</b>	
Property taxes	\$ 8,572,329
Sale of capital asset	42,788
Use of money and property	134,947
Total additions	8,750,064
<b>Deductions:</b>	
Redevelopment obligations	1,900,000
Interest on bonds payable	2,036,070
Distribution of sales proceeds	761,793
City administrative expenses	168,310
Total deductions	4,866,173
Change in net position	3,883,891
Net deficit - beginning	(62,897,769)
Net deficit - ending	\$ (59,013,878)

See accompanying notes to the financial statements.

***NOTES TO THE  
FINANCIAL STATEMENTS***

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. THE FINANCIAL REPORTING ENTITY**

The City of Chico, California (City) was incorporated on February 5, 1872 under the laws of the State of California. The City is a charter city and is governed by a seven member City Council. The City provides a full range of services including police and fire protection; sanitation; parking and transportation services; the construction and maintenance of highways, streets and infrastructure; and recreational activities and cultural events. The City's reporting entity includes all of the funds of the City, as well as its component units. Component units are legally separate entities for which the City is financially accountable.

Due to the financial and operational relationships of the following entities, the City has two blended component units – Chico Public Financing Authority and Chico Parking Authority and one discretely presented component unit - Chico Urban Area Joint Powers Financing Authority. Based on generally accepted accounting principles, the Chico Public Financing Authority and the Chico Parking Authority are blended into the City's basic financial statements, as the governing bodies are substantially the same as the governing body of the City. In addition, the Chico Urban Area Joint Powers Financing Authority (JPFA) is reported as a discretely presented component unit as the economic resources of the JPFA directly benefit the City and its inclusion is considered necessary to ensure complete financial reporting.

**Blended Component Units**

Chico Public Financing Authority

In order to facilitate the financing of public improvements, as well as other facilities and improvements which can be funded through the issuance of tax exempt bonds, the City Council and the governing board of the Chico Redevelopment Agency (now known as the Successor Agency to the Chico Redevelopment Agency) established a joint powers agency, known as the Chico Public Financing Authority (CPFA), pursuant to the provisions of the joint powers laws of the State of California, as set forth in Article 1, Chapter 5, Division 7, Title 1, of the California Government Code (commencing with Government Code Section 6500). The CPFA is authorized, among other things, to issue bonds pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as set forth in Article 4, Chapter 5, Division 7, Title 1, of the California Government Code (commencing with Government Code Section 6584) for the purpose of financing facilities and improvements. Facilities and improvements constructed become assets of the City. The financing activity of the CPFA is included in the Private-Purpose Trust Fund. Complete financial statements for the CPFA may be obtained from the Finance Office of the City of Chico at 411 Main Street, Chico, California 95928.

Chico Parking Authority

The Chico Parking Authority was activated by a resolution of the Chico City Council on March 7, 1978, pursuant to the Parking Law of 1949 (Section 32500 et seq. of the Streets and Highways Code of the State of California). The Parking Authority has the power to acquire, construct, finance and lease parking facilities in the City. The Parking Authority is governed by the City Council. The operations of the Parking Authority are an integral part of the City's operations as the funds are used to enhance parking in downtown Chico. The financial activity of the Chico Parking Authority is included in the City's financial statements as a major enterprise fund.

**Discretely Presented Component Unit**

Chico Urban Area Joint Powers Financing Authority

In August 2005, the governing boards of the Chico Redevelopment Agency, which due to State Assembly Bill 1X 26 is now known as the Successor Agency to the Chico Redevelopment Agency, and the County of Butte, established a joint powers agency known as the Chico Urban Area Joint Powers Financing Authority (JPFA) to facilitate the financing, construction and installation of sewer facilities and improvements in the greater Chico urban area. The JPFA was formed pursuant to the provisions of the joint powers laws of the State of

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

California, as set forth in Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Government Code Section 6500). Subsequent to dissolution of the Chico Redevelopment Agency, the governing Board of the JPFA is composed of two members of the Butte County Board of Supervisors and two members of the Chico City Council. The JPFA is authorized to obtain state or federal loans for the purpose of financing the construction and installation of sewer facilities and improvements. The financial activity of the JPFA is included in the City of Chico's financial statements as a discretely presented component unit as the JPFA provides a financial benefit by contributing to the City's Sewer Enterprise Fund. Complete financial statements of the JPFA may be obtained from the Finance Department of the City of Chico at 411 Main Street, Chico, California 95928.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment earnings, and other items, which are excluded from program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **CDBG and HOME Housing Special Revenue Fund** accounts for the Community Development Block Grant (CDBG) annual federal grant program and the state and federal HOME grant programs. The CDBG program provides for the development of a viable urban community by providing a suitable living environment and expansion of economic opportunities, principally for low and moderate income residents. The HOME program provides for the development of affordable housing and mortgage subsidy programs and housing rehabilitation to benefit low-income households. Use of CDBG and HOME funding is restricted per federal guidelines.

The **Capital Grants Capital Projects Fund** accounts for the receipts and disbursements for a variety of governmental fund capital grants.

The **Low and Moderate Income Housing Asset Special Revenue Fund** accounts for all activities resulting from the elimination of the Redevelopment Agency's low and moderate housing function. Primarily, this Fund utilizes program income from loan payments restricted for the development and assistance for low income households. New loans conveyed to the Fund from the Successor Agency are

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

recorded as other transfers from the private-purpose trust fund. Use of these Housing Funds is restricted according to the provisions contained in California State Assembly Bill 1X26 and California State Assembly Bill 1484.

The City reports the following major proprietary funds:

The **Sewer Enterprise Fund** accounts for sanitary sewer collection system and Water Pollution Control Plant operations, including major repair and replacement of the City's Water Pollution Control Plant facilities.

The **Parking Enterprise Fund** accounts for parking facilities operations and improvements.

The **Private Development Enterprise Fund** accounts for private development planning and building inspection and subdivision planning and inspection.

The **Airport Enterprise Fund** accounts for airport operations and improvements.

Additionally, the City reports the following fund types:

**Internal Service Funds** account for self insurance, central garage, municipal building maintenance, pension funding and information services provided to other departments or agencies of the City on a cost-reimbursement basis.

The **Private-purpose Trust Fund** is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, deferred inflows, liabilities, and activities of the Successor Agency of the City of Chico Redevelopment Agency (Successor Agency) and the Chico Public Financing Authority which is also included within the Successor Agency's fiscal activity.

The **Agency Fund** is custodial in nature and does not involve measurement of results of operations. The Fund has no equity since all assets are due to individuals or entities at some future time. The Fund accounts for assets held by the City as an agent for bonded assessment districts.

**C. BASIS OF PRESENTATION, BASIS OF ACCOUNTING, AND MEASUREMENT FOCUS**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales tax true up payments, which the City considers to be available if they are collected within seven months of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, certain expenditures, such as principal, interest and compensated absences, are recorded as fund liabilities only when

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

they become due and payable. The City includes certain indirect costs as program expenses, which are reported in the City's functional activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are exchange or exchange-like transactions between functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION OR EQUITY**

Cash and Investments

Cash and investments (including restricted assets) held in the City's investment pool are reported as cash and cash equivalents in the statements of cash flows of the proprietary fund types.

Investments are recorded at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Restricted Cash and Investments

Restricted cash and investments represent amounts that are restricted for debt service, capital projects, and other amounts held in connection with the City's self-insurance programs.

Receivables and Payables

Balances representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either "due from/due to other funds" (amounts due within one year) or "advances to/from other funds" (non-current portions of interfund lending/borrowing transactions). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances to other funds are offset by nonspendable fund balance in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All property taxes are collected and allocated by the County of Butte to the various taxing entities. Property taxes are determined annually as of March 1 and attach as an enforceable lien on real property as of January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10,



**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

respectively. The City participates in the County "Teeter Plan" method of property tax distribution. Under the Teeter Plan, the County remits property taxes to the City based on assessments, not on collections. Property tax is recognized when it is measurable and available. The City considers property tax as available if it is received within 60 days after year end.

Revenue from taxpayer-assessed taxes (sales and use, business license, transient occupancy, utility users, gas, and franchise fees) are accrued in the governmental funds when they are both measurable and available. The City considers these revenues available if they are received during the period when settlement of prior fiscal year accounts payable occurs. Historically, the majority of these taxes are received within 60 days of the fiscal year end; therefore, revenue from taxpayer-assessed taxes is accrued if it is received by August 31.

The City records its receivables as follows:

1. Interest receivable represents interest earned by the City's cash and investment pool at year end and available within the 60 day availability period. In addition, interest receivable also includes interest from loans receivable with the portion available within 60 days recorded as revenue and the portion not available within 60 days recorded as unavailable revenue or deferred inflows of resources.
2. Property taxes receivable represents property taxes received from Butte County within the 60 day availability period.
3. Accounts receivable represents amounts due from non-governmental entities for revenue earned and available at year end. These include transient occupancy taxes, franchise fees and utility user taxes.
4. Intergovernmental receivables represent amounts due from governmental entities for revenue earned and available at year end and within the 60 day availability period. These include sales taxes, grants, and other revenue from federal, state and county sources.

Grant and entitlement revenues are recorded as receivables in the funds when they are susceptible to accrual (i.e., when all eligibility requirements have been met). The corresponding governmental fund revenues are recorded when they become measurable and available, with the differences recorded as deferred inflows of resources. The corresponding proprietary fund grant revenues are recorded as nonoperating revenues when the receivables are recorded.

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost using the first-in/first-out (FIFO) method. The cost is recorded as inventory when items are purchased and as expenses when the items are used.

Capital Assets

Capital assets, which include land, easements, buildings, improvements, equipment and infrastructure, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as equipment with an initial individual cost of more than \$20,000 and all other capital assets with an initial individual cost of more than \$100,000 and an estimated useful life in excess of one year. In addition, the City capitalizes all capital assets with an individual cost of \$5,000 for all assets acquired with federal funds. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized in the enterprise funds during the fiscal year ended June 30, 2019.

Depreciation is recorded using the straight line method over the following estimated useful lives of the assets:

Buildings	30-40 years
Improvements other than buildings	20-50 years
Equipment, furniture and vehicles	3-30 years
Roadways	50 years
Bridges	30-50 years
Drainage	50 years

Capital leases are recorded as an asset and an obligation at an amount equal to the present value at the beginning of the lease term of future minimum lease payments during the lease term.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and compensatory time. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place. All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. The City's liability for compensated absences is recorded in various governmental funds or proprietary funds as appropriate. For all governmental funds, amounts expected to be paid out of current financial resources are recorded as fund liabilities; as these liabilities represent the matured value due to retirement or resignations; the long-term portion is recorded in the Statement of Net Position.

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

Long-Term Debt

In the government-wide financial statements, proprietary fund types and fiduciary fund types in the fund financial statements, long-term debt, along with other long-term obligations are reported as long-term liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are expensed in the period incurred.

Fund Balance

In the fund financial statements, the City's Governmental Funds report the following fund balances:

Non-spendable fund balances are not expected to be converted to cash within the next operating cycle and

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

are typically comprised of long-term receivables, prepaid items and advances to other funds.

Restricted fund balances include amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restrictions are also recorded for long-term loans receivable that originate from funding sources that are externally restricted.

Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has authority to establish, modify, or rescind a fund balance commitment through a City Resolution.

Assigned fund balances include amounts that are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as restricted or committed. As contained in the City's budget policies, the City Council has authorized the City Manager to establish, modify, or rescind a fund balance assignment made within the confines of the budget policies.

Unassigned fund balance is the residual classification for the City's funds and includes all spendable amounts not contained in the other classifications. The General Fund is the only fund that may report a positive unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Net Position

In the government-wide statements, the City's net position is classified in the following categories:

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents the net position of the City, which is not restricted or invested in capital assets net of related debt for any project or other purpose.

When both restricted and unrestricted resources are available for use, it is the City's practice to use restricted resources first followed by unrestricted resources as they are needed.

Reserve Policies

The City Council has established policies for operating reserves, emergency reserves and compensated absence reserves. The operating reserve is targeted at seven and one-half percent of General Fund operating expenditures. The emergency reserve was established to help buffer the City from issues such as fluctuation in sales tax, changes in state laws that impact City finances and other catastrophic events. The desired level of the emergency reserve is twenty percent of General Fund operating expenditures. The compensated absence reserve is targeted at 50% of the citywide liability for leave payouts when employees separate from City employment. The City is not meeting the minimum operating or desired emergency reserve and compensated absence reserve levels.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. It is the deferred outflows related to OPEB and pensions reported in the government-wide statement of net position. This item represents pension contributions made subsequent to the measurement date and is discussed in Notes 12 and 13.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has four types of deferred inflows of resources. Two items are the deferred inflows related to pensions and OPEB that is reflected in the statements of net position. These items are further discussed in Notes 12 and 13. Two items, unavailable housing loan interest revenue and unavailable revenue, arise only under a modified accrual basis of accounting. Accordingly, these items are reported only in the governmental funds statement of net position and are discussed in Note 4. The Private Purpose Trust fund includes deferred inflow related to the deferred amount on refunding.

**E. PENSIONS**

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

**F. OTHER SIGNIFICANT ACCOUNTING POLICIES**

Budgetary Data

The annual operating budget is adopted by the City Council on or before the first meeting in July each year on a basis consistent with accounting principles generally accepted in the United States of America. The appropriated budget is prepared by fund, department, function, and activity. The City Manager is authorized to transfer budget amounts up to \$50,000 between departments without City Council approval. Any budget transfers in excess of \$50,000 must be approved by City Council. All City governmental and proprietary funds have approved budgets. Original appropriations are adjusted by supplemental appropriations and budget modifications approved during the year, creating the modified adopted budget.

Budgetary comparisons and reconciliations are included in Required Supplementary Information as Schedules of Revenue and Changes in Fund Balance – Budget and Actual, for the General Fund, CDBG and HOME Housing Fund, and the Low and Moderate Income Housing Asset Fund. In addition, a budgetary comparison and reconciliation is included in the Supplemental Budgetary Comparisons section as Schedules of Revenue and Changes in Fund Balance – Budget and Actual, for the Capital Grants Fund. Annual budgets are adopted on a budgetary basis.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Interfund Transactions

Interfund transactions between funds are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables or payables as appropriate and are subject to elimination upon consolidation. The City transfers resources among funds in the course of normal operations. Services provided, deemed to be at market or near market rates, such as vehicle maintenance, are accounted for as revenues and expenditures/expenses. Transactions to reimburse a fund for expenditures/expenses initially made from it that are applicable to another fund are recorded as expenditures/expenses in the correct fund and as reductions of expenditures/expenses in the original fund. All other interfund transactions are reported as transfers.

**G. IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the City's financial reporting process. New standards applicable to the year ending June 30, 2019 are as follows:

GASB Statement No. 83 – Certain Asset Retirement Obligations. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City has determined that there is no material impact on the financial statements.

GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The City implemented this as of July 1, 2018.

The City is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB statements:

GASB Statement No. 84 – Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City has not determined its effect on the financial statements.

GASB Statement No. 87 – Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources,

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has not determined its effect on the financial statements.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statement prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The City has not determined its effect on the financial statements.

GASB Statement No. 90 – *Conduit Debt Obligations*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The City has not determined its effect on the financial statements.

GASB Statement No. 91 – *Majority Equity Interests - an amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not determined its effect on the financial statements.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS**

At June 30, 2019, the City’s cash and investments at fair value were as follows:

	Primary Government	Discretely Presented Component Unit	Fiduciary Fund Statement of Net Position	Total
Cash and investments	\$ 84,243,998	\$ -	\$ -	\$ 84,243,998
Restricted cash and investments	17,302,027	12,399,820	7,295,044	36,996,891
Total cash and investments	<u>\$ 101,546,025</u>	<u>\$ 12,399,820</u>	<u>\$ 7,295,044</u>	<u>\$ 121,240,889</u>

At June 30, 2019, the City’s cash and investments consist of the following:

Authorized Investments

Cash in bank, deposits and petty cash	\$ 23,566,154
Investments	97,674,735
Total cash and investments	<u>\$ 121,240,889</u>

The table below identifies the investment types that are authorized by the City’s investment policy and California Government Code Section 53601. The City’s investment policy is more restrictive than the California Government Code, as the City may not invest in derivatives, reverse repurchase agreements, or corporate bonds. The City’s investment policy limits the amount of funds invested in instruments with maturities over one year to 15%, unless adequate liquidity is available, yield appears favorable and the City Manager approves the investment in advance. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City rather than the general provisions of the City’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating</u>
U.S. Treasury Securities	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Money Market Mutual Funds	N/A	20%	10%	AAA
Collateralized Bank Deposits	N/A	None	None	None
State of California and California Local Agency Bonds	5 years	15%	5%	None
Repurchase Agreements	5 years	None	5%	None
Local Agency Investment Fund	N/A	None	None	None
Certificates of Deposit	5 years	None	None	None

Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee are governed by the provisions of the debt agreements. These agreements specify that the eligible investments are those that are permitted by California Government Code Section 53601 at the time of the investment.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that the City will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. This risk is mitigated in that the City’s bank deposits are insured by Federal Depository Insurance Corporation (FDIC). The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS (Continued)**

and securities lending transactions: 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 depository regulated under stated law. 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. As of June 30, 2019, the City's balance in financial institutions was \$20,094,208, which was covered by collateral held in the pledging bank's trust department in the name of the City of Chico.

Interest Rate

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 its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City manages its exposure to interest rate risk by investing in the Local Agency Investment Fund (LAIF), which provides the necessary cash flow and liquidity needed for operations, as well as purchasing a combination of shorter term and longer-term investments so that a portion of the portfolio is maturing or coming close to maturing evenly over time. The City uses the segmented time distribution method for reporting its interest rate risk.

As of 2019, the City's investments distributed by maturity are as follows:

	<u>Maturity</u>			Fair Value
	Under 30 Days	31-365 Days	1-5 Years	
Investments held by fiscal agents:				
Money Market Mutual Funds	\$ 4,070	\$ -	\$ -	\$ 4,070
Section 115 Trust Mutual Funds	1,359,793	-	-	<u>1,359,793</u>
Total investments held by fiscal agents				<u>1,363,863</u>
Investments held in City treasury:				
Local Agency Investment Fund	67,829,627	-	-	67,829,627
Federal Agency Securities	-	-	1,000,002	1,000,002
Money Market Mutual Funds	2,223,877	-	-	2,223,877
Certificates of Deposit	-	<u>7,767,366</u>	<u>17,490,000</u>	<u>25,257,366</u>
Total investments held in City treasury				<u>96,310,872</u>
Total investments by maturity	<u>\$ 70,057,574</u>	<u>\$ 7,767,366</u>	<u>\$ 18,490,002</u>	<u>\$ 97,674,735</u>

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. It is the City's policy to purchase investments with the minimum ratings required by the California Government Code.

Investments held in City treasury					
Fair Value					
S&P/Moody's Rating	Local Agency Investment Fund	Federal Agency Securities (FFCB)	Money Market Mutual Funds	Certificates of Deposit	Total
AA+/Aaa	\$ -	\$ 1,000,002	\$ -	\$ -	\$ 1,000,002
Not Rated	<u>67,829,627</u>	-	<u>3,587,740</u>	<u>25,257,366</u>	<u>96,674,733</u>
Total	<u>\$ 67,829,627</u>	<u>\$ 1,000,002</u>	<u>\$ 3,587,740</u>	<u>\$ 25,257,366</u>	<u>\$ 97,674,735</u>



**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS (Continued)**

Investment in State Investment Pool

The City invests funds in the State Treasurer’s Pooled Money Investment Account (PMIA) through the Local Agency Investment Fund (LAIF), a voluntary program created by statute in 1977. The PMIA has regulatory oversight from the Pooled Money Investment Board and an in-house Investment Committee. LAIF has oversight by the Local Agency Investment Advisory Board. The fair value of the City’s position in the pool is based upon the City’s pro-rata share of the fair value provided by LAIF for the entire pool.

In accordance with authorized investment laws, LAIF invests in various structured notes and mortgage-backed securities, such as collateralized mortgage obligations. LAIF is not registered with the Security and Exchange Commission and is not rated.

Discretely Presented Component Unit

Restricted cash and investments held by the JPFA total \$12,399,820. JPFA’s restricted cash includes \$11,615,545 held in LAIF. The JPFA’s remaining restricted cash of \$784,275 is maintained in the City’s Treasury.

Restricted Cash and Investments

As of June 30, 2019 cash and investments that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities:

<u>General Fund</u>	<u>Amount</u>	<u>Totals</u>
Restricted Section 115 Pension Trust	\$ 1,359,793	
Total General Fund		\$ 1,359,793
 <u>Non-major Governmental Funds</u>		
Restricted bond proceeds	331,315	
Total Non-major Governmental Funds		331,315
 <u>Internal Service Funds</u>		
Insurance deposits	300,000	
Total Internal Service Funds		300,000
Total governmental activities restricted cash and investments		1,991,108
 <u>Business-Type Activities:</u>		
Restricted for sewer capital projects - State Revolving Fund	15,310,919	
Total business-type activities restricted cash and investments		15,310,919
Total primary government restricted cash and investments		17,302,027
 <u>Discretely Presented Component Unit:</u>		
Restricted for capital projects and debt service	12,399,820	
Total JPFA restricted cash and investments		12,399,820
 <u>Fiduciary Funds</u>		
<u>Private-purpose Trust Fund</u>		
Restricted for Successor Agency Recognized Obligations	6,694,880	
Total Private-purpose Trust Fund		6,694,880
Restricted for debt service	600,164	
Total Agency Funds		600,164
Total Fiduciary Fund restricted cash and investments		7,295,044
Total restricted cash and investments		<u>\$ 36,996,891</u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS (Continued)**

Fair Value Measurements

Statement No. 72 of the Governmental Accounting Standards Board (“GASB”) *Fair Value Measurements and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes investment valuation techniques used to measure fair value. The three levels of the fair value hierarchy under GASB 72 are described as follows:

Level 1 – Inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset’s level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The determination of what constitutes observable requires judgment by the City’s management. City management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market.

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management’s perceived risk of that investment. The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management 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.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. The City’s Level 1 investments consist of mutual funds that have values calculated from the daily closing prices of all the underlying assets.

For a large portion of the City’s portfolio, the City’s custodians generally uses a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others. The City’s Level 2 investments primarily consist of investments in certificates of deposit that did not trade on the City’s fiscal year end date.

The City did not have any Level 3 investments at June 30, 2019. The inputs or methodology used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**2. CASH AND INVESTMENTS (Continued)**

Investments in money market funds and guaranteed investment contracts are reported at amortized cost. Deposits and withdrawals in governmental investment pools, such as LAIF are made on the basis of \$1 and not fair value. Accordingly, the City's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

As of June 30, 2019, the City has the following fair value measurements:

	Observable Inputs (Level 2)	Total
Investments by fair value:		
Certificates of Deposit	\$ 25,257,366	\$ 25,257,366
Federal Securities	1,000,002	1,000,002
Mutual Funds	-	1,359,793
	<u>                    </u>	<u>                    </u>
Total investments measured at fair value	<u>\$ 26,257,368</u>	<u>\$ 27,617,161</u>
Investments measured at amortized costs or not subject to fair		
Local Agency Investment Fund		67,829,627
Money Market		<u>2,227,947</u>
Total investments measured at fair value		<u><u>\$ 97,674,735</u></u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**3. RECEIVABLES**

The following summarizes the City’s governmental activities receivables as of June 30, 2019:

	Interest	Property Taxes	Accounts	Inter- governmental	Loans	Total
Governmental activities:						
General Fund	\$ 392,081	\$ 780,085	\$ 1,864,765	\$ 5,878,574	\$ -	\$ 8,915,505
CDBG and HOME Housing Fund	1,105,829	-	-	176,390	7,419,509	8,701,728
Capital Grants Fund	-	-	-	1,153,783	-	1,153,783
Low and Moderate Income						
Housing Asset Fund	9,714,088	-	-	-	53,978,768	63,692,856
Other Nonmajor Governmental Funds	2,373	3,619	48,322	1,252,719	33,605	1,340,638
Internal Service Funds	-	-	175,469	3,868	-	179,337
Total governmental activities	<u>\$ 11,214,371</u>	<u>\$ 783,704</u>	<u>\$ 2,088,556</u>	<u>\$ 8,465,334</u>	<u>\$ 61,431,882</u>	<u>\$ 83,983,847</u>

Loans Receivable

The loans receivable in the CDBG and HOME Housing Fund and Low and Moderate Income Housing Asset Fund of \$ 7,419,509 and \$ 53,978,768 consist of loans made for low and moderate income housing rehabilitation, property improvement and small business origination. The loans are collateralized by deeds of trust on the improved properties and bear annual interest at 0.0 - 7.5 percent. The City considers these long-term loans to be collectible, and the amounts are included in restricted fund balance. Due to the likelihood of collectability, the City has not recorded an allowance for uncollectible accounts. Related accrued interest is recorded as interest receivable and unavailable revenue.

The following summarizes the City’s business-type activities receivables as of June 30, 2019:

	Accounts	Intergovernmental	Total
Business-type activities:			
Sewer Fund	\$ 2,441,135	\$ 5,332	\$ 2,446,467
Parking Fund	2,661	-	2,661
Private Development Fund	164,498	-	164,498
Airport Fund	<u>10,507</u>	<u>31,261</u>	<u>41,768</u>
Total business-type activities	<u>\$ 2,618,801</u>	<u>\$ 36,593</u>	<u>\$ 2,655,394</u>

Accounts receivable in the Sewer Fund is composed of \$ 2,441,135 in sewer service fees billed for services rendered on or before June 30, 2019 and received in the months of July and August of 2019 and \$ 5,332 in sewer development impact fees owed to the City as of June 30, 2019.

The intergovernmental receivable of \$31,261 in the Airport Fund represents a receivable for an Airport Improvement Program grant.

Accounts receivable in the Private Development fund are for services provided for community development services provided to developers.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**4. UNAVAILABLE REVENUE**

The City recognized deferred inflows of resources in the governmental fund statements. These items are an acquisition of fund balance by the City that is applicable to a future reporting period.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measureable and available to finance expenditures of the current period). Government funds report revenues not susceptible to accrual as deferred inflows of resources. The City has two items that are reportable on the government fund statements: the first item relates to housing loan interest receivable and the second relates to grant receivables and development impact fees receivables that are not available for revenue recognition.

Deferred inflows of resources balances for the year ended June 30, 2019 were as follows:

	Unavailable Housing Loan Revenue	Unavailable Revenue	Total
General Fund	\$ -	\$ 1,062,642	\$ 1,062,642
CDBG and HOME Housing Fund	1,105,829	-	1,105,829
Capital Grants Fund	-	919,929	919,929
Low and Moderate Income Housing Asset Fund	9,714,088	623,754	10,337,842
Other Nonmajor Governmental Funds	-	60,154	60,154
Total governmental funds	<u>\$ 10,819,917</u>	<u>\$ 2,666,479</u>	<u>\$ 13,486,396</u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. CAPITAL ASSETS**

Capital assets for governmental activities for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 31,247,077	\$ 209,153	\$ -	\$ -	\$ 31,456,230
Construction in progress	<u>17,066,338</u>	<u>3,455,354</u>		<u>(2,094,660)</u>	<u>18,427,032</u>
Total capital assets, not being depreciated	<u>48,313,415</u>	<u>3,664,507</u>	<u>-</u>	<u>(2,094,660)</u>	<u>49,883,262</u>
Capital assets being depreciated:					
Buildings	22,360,648	-	-	-	22,360,648
Improvements other than buildings	20,951,926	-	-	-	20,951,926
Equipment, furniture and vehicles	22,606,002	2,501,150	(1,027,915)	50,672	24,129,909
Infrastructure	<u>376,269,026</u>	<u>7,358,526</u>	<u>-</u>	<u>2,043,988</u>	<u>385,671,540</u>
Total capital assets, being depreciated	<u>442,187,602</u>	<u>9,859,676</u>	<u>(1,027,915)</u>	<u>2,094,660</u>	<u>453,114,023</u>
Less accumulated depreciation for:					
Buildings	(12,324,112)	(504,197)	-	-	(12,828,309)
Improvements other than buildings	(13,124,552)	(543,374)		-	(13,667,926)
Equipment, furniture and vehicles	(12,750,501)	(1,649,021)	1,027,915	-	(13,371,607)
Infrastructure	<u>(138,169,003)</u>	<u>(9,483,234)</u>			<u>(147,652,237)</u>
Total accumulated depreciation	<u>(176,368,168)</u>	<u>(12,179,826)</u>	<u>1,027,915</u>	<u>-</u>	<u>(187,520,079)</u>
Total capital assets being depreciated, net	<u>265,819,434</u>	<u>(2,320,150)</u>	<u>-</u>	<u>2,094,660</u>	<u>265,593,944</u>
Governmental activities capital asset, net	<u>\$ 314,132,849</u>	<u>\$ 1,344,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 315,477,206</u>

**Reconciliation of Governmental activities capital asset increases:**

Total capital assets, not being depreciated - increases	\$ 3,664,507
Total capital assets, being depreciated - increases	<u>9,859,676</u>
Governmental activities capital asset increases	<u>\$ 13,524,183</u>
Governmental Funds - capital outlay	\$ 7,026,634
Governmental Funds - capital lease	870,306
Donations and contributed capital*	<u>5,627,243</u>
Governmental activities capital asset increases	<u>\$ 13,524,183</u>

\*Donations and contributed capital represents infrastructure conveyed to the City as a result of completed subdivisions, easements and infrastructure donated through developer agreements.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. CAPITAL ASSETS (Continued)**

Capital assets for business-type activities for the year ended June 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,154,341	\$ -	\$ -	\$ 2,154,341
Construction in progress	5,057,549	1,730,691		6,788,240
Total capital assets, not being depreciated:	7,211,890	1,730,691	-	8,942,581
Capital assets, being depreciated:				
Buildings	19,412,388	-	-	19,412,388
Improvements other than buildings	189,947,081	692,567	-	190,639,648
Equipment, furniture and vehicles	2,898,949	249,750	(46,319)	3,102,380
Total capital assets, being depreciated:	212,258,418	942,317	(46,319)	213,154,416
Less accumulated depreciation for:				
Buildings	(13,711,043)	(504,744)	-	(14,215,787)
Improvements other than buildings	(73,018,032)	(5,320,654)	-	(78,338,686)
Equipment, furniture and vehicles	(2,260,282)	(164,111)	40,735	(2,383,658)
Total accumulated depreciation	(88,989,357)	(5,989,509)	40,735	(94,938,131)
Total capital assets being depreciated, net	123,269,061	(5,047,192)	(5,584)	118,216,285
Business-type activities capital assets, net	\$ 130,480,951	\$ (3,316,501)	\$ (5,584)	\$ 127,158,866

**Reconciliation of Business-type activities capital asset increases:**

Total capital assets, not being depreciated - increases	\$ 1,730,691
Total capital assets, being depreciated - increases	942,317
Business-type activities capital asset increases	<u>\$ 2,673,008</u>
Business-type activities - capital outlay	\$ 406,752
Donations and contributed capital*	2,266,256
Business-type activities capital asset increases	<u>\$ 2,673,008</u>

\* Donations and contributed capital represent the conveyance of sewer infrastructure from the JPFA to the City's Sewer Fund as well as completed subdivisions, easements and infrastructure donated through developer agreements.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. CAPITAL ASSETS (Continued)**

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 401,873
Public safety	1,468,978
Public works	9,842,010
Parks and recreation	456,600
Community development	8,628
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>1,737</u>
Total depreciation expense - governmental activities	<u><u>\$ 12,179,826</u></u>
Business-type activities:	
Sewer	\$ 4,579,689
Parking	183,832
Private Development	1,842
Airport	<u>1,224,146</u>
Total depreciation expense - business-type activities	<u><u>\$ 5,989,509</u></u>



**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended June 30, 2019, was as follows

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
Direct Borrowings					
Capital leases-direct financing	\$ 2,559,407	\$ 870,306	\$ (391,700)	\$ 3,038,013	\$ 512,357
Compensated absences	3,628,983	2,157,787	(2,029,832)	3,756,938	392,233
Self-insurance claims & settlements	7,940,569	1,154,061	(1,776,975)	7,317,655	2,177,493
Governmental activities long term liabilities	<u>\$ 14,128,959</u>	<u>\$ 4,182,154</u>	<u>\$ (4,198,507)</u>	<u>\$ 14,112,606</u>	<u>\$ 3,082,083</u>
<b>Business-type Activities:</b>					
Direct Borrowings					
Loans payable	\$ 35,899,606	\$ -	\$ (4,264,612)	\$ 31,634,994	\$ 4,368,814
Compensated absences	371,535	227,300	(207,814)	391,021	40,824
Business-type activities long-term liabilities	<u>\$ 36,271,141</u>	<u>\$ 227,300</u>	<u>\$ (4,472,426)</u>	<u>\$ 32,026,015</u>	<u>\$ 4,409,638</u>

The City's outstanding capital leases from direct borrowings, secured by equipment, related to governmental activities of \$3,038,013 contain provisions that in an event of default, outstanding amounts become immediately due if the City is unable to make a payment, if the City is unable to pay the full balance all equipment is to be returned at the expense of the City.

The City's outstanding loans from direct borrowings related to business-type activities of \$31,634,994 contain a provision that in an event of default, the timing of repayment of outstanding amounts become immediately due.

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Installments	Original Issue Amount	Outstanding at June 30, 2019
<b>Governmental Activities:</b>					
<b>Capital Leases</b>					
Oshkosh Capital	7/25/2024	2.46%	\$ 136,868	\$ 1,200,359	\$ 753,883
Oshkosh Capital	4/25/2025	2.80%	224,132	1,931,551	1,222,253
Tymco, Inc	12/15/2021	2.85%	99,899	472,572	191,571
Motorola Solutions, Inc.	11/1/2025	4.06%	145,322	870,306	870,306
Total governmental activities capital lease				<u>4,474,788</u>	<u>3,038,013</u>
Total governmental activities				<u>\$ 4,474,788</u>	<u>\$ 3,038,013</u>
<b>Business-Type Activities:</b>					
<b>Loans Payable</b>					
State Revolving Fund Loan Program	10/20/2020	2.60%	\$ 2,276,673	\$ 33,613,142	\$ 4,381,728
State Revolving Fund Loan Program	12/31/2029	2.40%	2,642,146	40,624,861	25,279,617
State Revolving Fund Loan Program	2/26/2030	1.00%	190,366	3,422,120	1,973,649
Total business-type activities loans payable				<u>77,660,123</u>	<u>31,634,994</u>
Total business-type activities				<u>\$ 77,660,123</u>	<u>\$ 31,634,994</u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. LONG-TERM LIABILITIES (Continued)**

Governmental Activities:

Direct financing

Capital Leases

Lease payable to Oshkosh Capital; for a Pierce Arrow XT Quint Aerial Truck for the Fire Department; interest at 2.46%; due in annual installments on July 25, in the amount of \$136,868, including interest, through July 25, 2024. Original lease amount was \$1,200,359. Payments to be made from General Fund.

<u>Amount</u>	<u>Totals</u>
\$ 753,883	

Lease payable to Oshkosh Capital; for three Pierce Velocity Pumpers for the Fire Department; interest at 2.80%; due in annual installments on April 22, in the amount of \$224,132, including interest, through April 25, 2025. Original lease amount was \$1,931,551. Payments to be made from General Fund.

1,222,253

Lease payable to Tymco, Inc, for two Tymco model 600 Regenerative Air Sweepers for Public Works, interest at 2.85%; due in annual installments on December 15, in the amount of \$99,899. Original lease amount was \$472,572. Payments to be made 59% from General Fund and 41% from Street Maintenance Equipment Fund.

191,571

Lease payable to Motorola, Inc, 130 All Band Digital Portable Radios for the police department. Interest is 4.060%, payments are in annual installments on November 1, in the amount of \$145,323. Original lease amount was \$870,305.76. Payments to be made from the General Fund.

870,306

Total governmental activities capital leases

\$ 3,038,013

Total governmental activities long-term liabilities

\$ 3,038,013

Business-Type Activities:

Direct borrowings

Loans Payable

Loan payable to the State Revolving Fund Loan Program; for the 2000 upgrade of the Water Pollution Control Plant; interest at 2.60%; due in annual installments on October 20, in the amount of \$2,276,673, including interest, through October 20, 2020. Original loan amount was \$33,613,142.

\$ 4,381,728

Loan payable to the State Revolving Fund Loan Program; for the 2008 upgrade and expansion of the Water Pollution Control Plant. Interest on the loan is 2.40%; due in annual installments on December 31, in the amount of \$2,642,146, including interest, through December 31, 2029. Original loan amount was \$40,624,861.

25,279,617

Loan payable to the State Revolving Fund Loan Program; for the 2009 replacement of the existing outfall and diffuser at the Water Pollution Control Plant. Interest on the loan is 1.00%; due in installments on February 26, in the amount of \$190,366, including interest, through February 26, 2030. Original loan amount was \$3,422,120.

1,973,649

Total business-type activities loans payable

\$ 31,634,994

Total business-type activities long-term liabilities

\$ 31,634,994

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED JUNE 30, 2019

**6. LONG-TERM LIABILITIES (Continued)**

Debt service requirements at June 30, 2019 are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Capital Leases from Direct Financing		Loans from Direct Borrowings	
	Principal	Interest	Principal	Interest
2020	\$ 512,357	\$ 93,864	\$ 4,368,814	\$ 740,372
2021	527,782	78,439	4,475,602	633,584
2022	443,788	62,534	2,308,368	524,144
2023	457,343	48,979	2,361,332	471,180
2024	471,329	34,993	2,415,543	416,970
2025-2029	625,414	26,231	12,936,632	1,225,932
2030	-	-	2,768,703	63,810
Total	<u>\$ 3,038,013</u>	<u>\$ 345,040</u>	<u>\$ 31,634,994</u>	<u>\$ 4,075,992</u>

The City has entered into certain capital lease agreements under which the related equipment will become the property of the City when all terms of the lease agreement are met.

	Interest Rate	Present Value at June 30, 2019
Governmental Activities:		
Fire Department Tiller Truck	2.46%	\$ 753,883
Fire Department Pumpers (3)	2.80%	1,222,253
Sweepers (2)	2.85%	191,571
Radios	4.06%	870,306
Total Capital Lease Obligations		<u>\$ 3,038,013</u>

Equipment and related accumulated amortization under capital lease are as follows:

	Governmental Activities
Equipment	\$ 4,474,788
Less: accumulated amortization	(347,118)
Net Value	<u>\$ 4,127,670</u>

As of June 30, 2019, capital lease annual amortization are as follows:

Year ending June 30:	Governmental Activities
2020	\$ 606,222
2021	606,222
2022	506,322
2023	506,322
2024	506,322
2025-2029	651,644
Total requirements	3,383,054
Less interest	(345,041)
Present value of remaining payments	<u>\$ 3,038,013</u>

Amortization of leased equipment under capital assets is included with depreciation expense.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. INTERFUND ACTIVITY**

Due From/To Other Funds

Amounts due from/to other funds at June 30, 2019

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service Funds	Capital Grants Fund	\$ 1,051,645
	Total Due From/Due	<u>\$ 1,051,645</u>

Due from/to other funds typically result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, or (4) revenue earned by the Fund is not received until just after the end of the fiscal year, normally 60 days. All of these due from/to balances are anticipated to be paid back completely within the next fiscal year.

Advances To/From Other Funds

Advances from /to other funds at June 30, 2019

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	\$ 1,721,793
Internal Service Funds	General Fund	<u>363,178</u>
	Total Advances	<u>\$ 2,084,971</u>

All advances are due to cash deficits as listed for each payable fund. In addition, no formal borrowing arrangements exist. Finally, all payable funds may be unable to repay the advance within the next fiscal year.

Development Impact Fee Funds: Four Development Impact Fee Funds require a total of \$1,672,470 in cash advances. Deficits in the funds occurred due to a former practice of capital spending prior to the collection of fees. For the three largest cash deficits, repayment (collection of impact fee revenue) is estimated to take approximately 20-25 years from the time of the purchase and construction of the buildings and land. Although the deficits are significant, management has analyzed the nexus between the projects and fee recovery and has determined that recovery of future revenue is estimated to be sufficient to cover existing deficits. During fiscal year 2018-19, the three Funds recovered \$1,941,128 of the prior cash deficit. However, if future revenue is not sufficient, it is likely the general Fund will be responsible for any remaining deficits. The advances do not have formal borrowing agreements but are allowable in accordance with State law and City fiscal policies.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**7. INTERFUND ACTIVITY (Continued)**

Transfers From/To Other Funds

The following is a schedule of interfund transfers from/to other funds as of June 30, 2019:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 2,748,898
	Enterprise Funds	713,803
	Internal Service Funds	1,250,000
	Subtotal	<u>4,712,701</u>
Nonmajor Governmental	General Fund	2,200,000
	Enterprise Funds	49,083
	Subtotal	<u>2,249,083</u>
Enterprise Funds	General Fund	135,618
	Nonmajor Governmental Funds	432,036
	Enterprise Funds	32,634
	Subtotal	<u>600,288</u>
Internal Service Funds	General Fund	1,041,455
	Nonmajor Governmental Funds	38,166
	Subtotal	<u>1,079,621</u>
	Total Transfers	<u>\$ 8,641,693</u>

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various City operations and re-allocations of special revenue.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**8. RESTRICTED NET POSITION/FUND BALANCES**

**A. FUND BALANCES**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned. The following is a detailed schedule of the Governmental Funds fund balance classifications as of June 30, 2019:

	General	CDBG & HOME Housing	Capital Grants	Low & Moderate Income Housing Asset Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances (deficit):						
Nonspendable						
Prepaid items	\$ 64,056	\$ 2,042	\$ -	\$ 47	\$ 2,963	\$ 69,108
	<u>64,056</u>	<u>2,042</u>	<u>-</u>	<u>47</u>	<u>2,963</u>	<u>69,108</u>
Restricted						
Capital projects	-	-	-	-	26,820,716	26,820,716
Housing	-	7,584,514	-	56,448,560	-	64,033,074
Transportation related projects	-	-	-	-	4,637,387	4,637,387
Maintenance districts	-	-	-	-	3,712,658	3,712,658
Other purposes	-	-	-	-	629,881	629,881
Police officer salary grant	500,000	-	-	-	-	500,000
Setion 115 Trust	1,331,389	-	-	-	-	1,331,389
	<u>1,831,389</u>	<u>7,584,514</u>	<u>-</u>	<u>56,448,560</u>	<u>35,800,642</u>	<u>101,665,105</u>
Committed						
Compensated absences	940,196	-	-	-	-	940,196
Donations	247,616	-	-	-	-	247,616
Emergency contingencies	3,829,257	-	-	-	-	3,829,257
	<u>5,017,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,017,069</u>
Assigned						
Equipment replacement	-	-	-	-	2,764,216	2,764,216
Capital projects	3,451,683	-	-	-	1,456,427	4,908,110
Remediation	-	-	-	-	10,983	10,983
Subsequent year budget	2,150,120	-	-	-	-	2,150,120
	<u>5,601,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,231,626</u>	<u>9,833,429</u>
Unassigned						
General Fund	7,769,537	-	-	-	-	7,769,537
Special Revenue Funds	-	-	-	-	(77,109)	(77,109)
Debt Service Funds	-	(2,042)	-	-	-	(2,042)
Capital Projects Funds	-	-	(919,928)	-	(1,672,470)	(2,592,398)
	<u>7,769,537</u>	<u>(2,042)</u>	<u>(919,928)</u>	<u>-</u>	<u>(1,749,579)</u>	<u>5,097,988</u>
Total fund balances (deficit)	<u>\$ 20,283,854</u>	<u>\$ 7,584,514</u>	<u>\$ (919,928)</u>	<u>\$ 56,448,607</u>	<u>\$ 38,285,652</u>	<u>\$ 121,682,699</u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. RESTRICTED NET POSITION/FUND BALANCES (Continued)**

**B. DEFICIT FUND EQUITY**

The Funds listed below reported deficit fund balances or net position on June 30, 2019:

<u>Fund</u>	<u>Deficit Fund Balance</u>	
Private Development Fund	\$ (6,291,072)	<u>Private</u>
Capital Grants Fund	(919,928)	
Operating Grants Fund	(77,109)	
Bidwell Park Land Acquisition Fund	(1,007,582)	
Administrative Building Fund	(534,608)	
Zone J Neighborhood Parks	(130,280)	
Central Garage Fund	(2,478,832)	
Municipal Building Maintenance Fund	(1,789,538)	
Information Services Fund	(3,682,616)	
Total Deficit Funds	<u>\$ (16,911,565)</u>	

Development Fund

The Net Position of the Private Development Fund has a deficit largely due to the recording of the net pension liability under GASB No. 68 and the OPEB liability under GASB No. 75.

Capital Grants Fund Deficit

The Capital Grants Capital Projects Fund deficit represents grant expenditures that had not been reimbursed by granting agencies within the 60-day period of availability for which corresponding revenues have not been recognized. The deficit amount is recorded as a deferred inflow of resources on the Fund’s Balance Sheet. Projects are invoiced at completion and expenditures are subject to audit by the granting agencies. Collection of reimbursements can take several years.

Central Garage, Municipal Building Maintenance, Self Insurance and Information Service Internal Service Funds

The Net Position of Internal Service Funds have a deficit largely due to the recording of the net pension liability under GASB No. 68 and the OPEB liability under GASB No. 75. Actuarial estimates for future claims reserve contributed to a deficit in the Self Insurance Fund.

Other Deficits

The remaining fund deficits represent development impact fee funds that have constructed infrastructure projects prior to the collection of impact fees. These funds by their nature are created in a way that total fees collected/earned over the life of each fund should be adequate to cover total expenses. As a result, future revenue should cover the deficits over the life of each impact fee fund. However, failure by each fund to recover future revenue necessary to reduce each fund deficits may result in remaining deficits becoming an obligation of the General Fund.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**8. RESTRICTED NET POSITION/FUND BALANCES (Continued)**

**C. OTHER FUND DISCLOSURES**

The following funds had an excess of expenditures over appropriations on June 30, 2019:

General Fund Department	Expenditures over Appropriations
Public works department	\$ 143,949
Community development department	51,963
Arts & Culture	27,132
Total Deficit Funds	\$ 223,044

**D. RESTRICTED COMPONENTS OF NET POSITION**

The restricted components of net position are assets that are subject to constraints either (1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Restricted for Capital Assets		
Capital projects		\$ 26,820,716
Restricted for Housing		
Affordable housing loans	7,584,514	
CDBG housing loans	56,448,560	64,033,074
Restricted for Transportation		4,637,387
Restricted for Maintenance Districts		
Maintenance districts		3,712,658
Restricted for Telecommunications Equipment		
Telecommunications equipment		464,755
Restricted for Abandoned Vehicle Program		
Abandoned vehicle program		100,731
Restricted for Public Safety		
Public safety		500,000
Restricted for Section 115 Trust		1,331,389
Restricted for Other Purposes		64,395
Total restricted component of net position - governmental activities		\$ 101,665,105



**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City established the general liability and workers' compensation liability funds (self-insurance funds) to account for and finance its uninsured risks of loss. Under this program, the general liability program provides coverage for up to a maximum of \$500,000 for each general liability claim, and the workers' compensation program provides coverage for up to a maximum of \$750,000 for each workers' compensation claim.

Workers' Compensation Insurance

The workers' compensation program provides coverage for up to a maximum of \$750,000 per occurrence. The City purchases excess insurance to cover losses over \$750,000 up to State statutory limits.

The claims liability reported in the self-insurance fund at June 30, 2019, is based on the requirements of GASB Statements No. 10 and No. 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The City's provision of \$6,119,471 for insurance losses through June 30, 2019 represents the estimated cost of settling self-insurance liability claims. The provision for insurance losses was established by an outside actuary using accepted actuarial methods. These methods consider case-basis reserves established by the City, the rate of loss development on older claims, the effects of IBNR claims and the effects of inflation and other economic factors to determine ultimate cost.

Changes in the workers' compensation claims liability are as follows:

	Claims Liability July 1	Current Year Claims and Changes in Estimate	Current Year Payments	Claims Liability June 30	Current Portion
2017-18	\$ 7,392,989	\$ 760,501	\$ (1,508,859)	\$ 6,644,631	\$ 1,538,618
2018-19	6,644,631	991,197	(1,516,357)	6,119,471	1,538,618

General Liability Insurance

The City is a member of the California Joint Powers Risk Management Authority (Authority) for liability insurance purposes. The Authority is comprised of California member cities and special districts organized under a joint powers agreement pursuant to the California Government Code. The purpose of the Authority is to arrange and administer programs of self-insurance and insurance for the pooling of losses and to purchase excess liability coverage. The Board of Directors consists of representatives from each member entity, with an Executive Committee consisting of the President and Vice President elected by the Directors every two years, and Executive Committee non-officer positions filled by a permanent rotation list every two years. Annual deposits are paid by member entities and may be adjusted retrospectively to cover costs. The City self-insures the first \$500,000 of each loss.

Participating entities share in loss occurrences in excess of \$500,000 or \$1,000,000 and up to \$5,000,000, and purchase insurance to provide additional coverage up to \$40,000,000. The auto/general liability program of the Authority provides coverage for comprehensive general liability, personal injury, employment practices liability (\$6,000,000 sublimit), contractual liability, errors and omissions, and auto liability. The City also participates in the Authority's auto physical damage program which provides property damage coverage for vehicles, with a \$10,000 deductible for vehicles, and in the Authority's property insurance program which provides property

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**9. RISK MANAGEMENT (Continued)**

and boiler & machinery coverage with a \$25,000 deductible per occurrence.

Premium payments by member entities are planned to match expenses of insurance premiums for coverage in excess of the self-insured amount, estimated claims resulting from self-insurance programs and Authority operating expenses. Total premiums paid to the Authority during the year ended June 30, 2019, were \$353,895.

The claims liability reported in the Self Insurance Internal Service Fund at June 30, 2019, was also based on the requirements of GASB Statement No. 10, as described. The City’s provision of \$1,198,184 for insurance losses represents the estimated cost of settling self-insurance liability claims.

Changes in the claims liability are as follows:

	Claims Liability July 1	Current Year Claims and Changes in Estimate	Current Year Payments	Claims Liability June 30	Current Portion
2017-18	\$ 1,486,185	\$ 1,092,435	\$ (390,714)	\$ 1,295,938	\$ 638,875
2018-19	1,295,938	162,864	(260,618)	1,198,184	638,875

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. CONTINGENCIES AND COMMITMENTS**

Litigation

The City is a defendant in a number of lawsuits and has other claims pending, some of which seek substantial monetary damages. Some claims may not be covered under the City's excess liability insurance policy; however, management is of the opinion that the potential liability would not have a significant adverse effect on the City's financial position.

Grant Programs

The City participates in a number of federal and state-assisted grant programs. These programs are subject to financial and compliance audits by grantors or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the City's management does not expect such amounts, if any, to be material.

Construction and Other Commitments

The City has commitments of \$9,038,078 in the Capital Grants Fund for contracts awarded but not completed as of June 30, 2019. The major contracts outstanding are \$205,249 for Bruce Road Reconstruction, \$89,921 for Bicycle Path Improvements, and \$2,060,930 for Southeast Trunk Sewer Project.

Business-type commitments of \$2,645,695 are for Airport Improvement Grant funds committed to Reconstructing Taxiway A and Cross Taxiways.

**CITY OF CHICO**  
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**11. DEFINED BENEFIT PENSION PLAN**

Summary of Pension Plan Balances

Pension related balances presented on the Statement of Net Position as of June 30, 2019 by individual plan are described in the following table:

	<u>Deferred Outflows- Pension</u>	<u>Net Pension Liability</u>	<u>Deferred Inflows- Pension</u>	<u>Pension Expense</u>
CALPERS Miscellaneous Agent Multiple Employer Plan	\$ 8,723,510	\$ (63,087,725)	\$ (1,680,013)	\$ 7,424,948
CALPERS Safety Agent Multiple Employer Plan	<u>13,829,994</u>	<u>(68,543,752)</u>	<u>(3,123,506)</u>	<u>8,606,777</u>
Total	<u>\$ 22,553,504</u>	<u>\$ (131,631,477)</u>	<u>\$ (4,803,519)</u>	<u>\$ 16,031,725</u>

General Information about the Pension Plans

**Plan Descriptions** – All qualified permanent probationary employees are eligible to participate in the City’s separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple employer defined benefit pension plans administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and may be amended by 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 retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic and PEPRA safety CalPERS members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA CalPERS miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 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.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**11. DEFINED BENEFIT PENSION PLAN (Continued)**

	<u>Miscellaneous</u>		
	<u>Classic</u>	<u>Classic</u>	<u>PEPRA - on or after January 1, 2013</u>
Hire Date			
Formula	2% @ 55	3% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of annual salary	2.000%	3.000%	2.000%
Required employee contribution rates	8.000%	8.000%	6.750%
Required employer contribution rates	12.815%	12.815%	12.815%
	<u>Safety</u>		
	<u>Classic</u>	<u>PEPRA - on or after January 1, 2013</u>	
Hire Date			
Formula	3% @ 50	2.7% @ 57	
Benefit vesting schedule	5 years of service	5 years of service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50	57	
Monthly benefits, as a % of annual salary	3.000%	2.700%	
Required employee contribution rates	9.000%	12.000%	
Required employer contribution rates	21.016%	21.016%	

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

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

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	324	228
Inactive employees entitled to but not yet receiving benefits	168	62
Active employees	203	148
Total	<u>695</u>	<u>438</u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. DEFINED BENEFIT PENSION PLAN (Continued)**

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. The total plan contributions are determined through CalPERS’ annual actuarial valuations process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions by the City for the Miscellaneous Plan were \$5,299,890 and for the Safety Plan \$6,289,265.

**Net Pension Liability**

The City’s net pension liability for each plan was measured as of June 30, 2018 and the total pension liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to June 30, 2018.

**Actuarial Assumptions** – The total pension liability in the June 30, 2017 actuarial valuations was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2017	June 30, 2017
Measurement Date	June 30, 2018	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	3.00%	3.00%
Projected Salary Increase	3.30% to 14.20%	3.30% to 14.20% (1)
Investment Rate of Return	7.15%	7.15%

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a CalPERS experience study for the period of 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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

In determining the long-term expected rate of return on pension plan investments, CalPERS took into account both short term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical rates of the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are the same for each Plan and are summarized in the table on the next page.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**11. DEFINED BENEFIT PENSION PLAN (Continued)**

<u>Asset Class</u>	<u>Assumed Allocation</u>	<u>Real Return Years 1-10</u>	<u>Real Return Years 11+</u>
Global Equity	50%	4.80%	5.98%
Global Fixed Income	28%	1.00%	2.62%
Inflation Sensitive	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	<u>100%</u>		

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15%, unchanged from the June 30, 2018 measurement date. To determine whether the municipal bond rates should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS website under the GASB No. 68 section. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment, expense and inflation) are developed for each major asset class.





**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. DEFINED BENEFIT PENSION PLAN (Continued)**

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 87,019,372	\$ 100,213,180	\$ 187,232,552
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 63,087,725	\$ 68,543,752	\$ 131,631,477
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 43,198,892	\$ 42,727,977	\$ 85,926,869

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

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2019, the City recognized pension expense of \$16,031,725. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Miscellaneous Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 5,299,890	\$ -
Differences between actual and expected experience	509,472	(895,491)
Changes in assumption	2,581,170	(784,522)
Net difference between projected and actual earnings on plan investments	332,978	-
Total	<u>\$ 8,723,510</u>	<u>\$ (1,680,013)</u>
	<u>Safety Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 6,289,264	\$ -
Differences between actual and expected experience	57,357	(2,036,251)
Changes in assumption	6,932,498	(1,087,255)
Net difference between projected and actual earnings on plan investments	550,875	-
Total	<u>\$ 13,829,994</u>	<u>\$ (3,123,506)</u>
Total of all plans	<u>\$ 22,553,504</u>	<u>\$ (4,803,519)</u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. DEFINED BENEFIT PENSION PLAN (Continued)**

The amounts of \$5,299,890 for the Miscellaneous plan, and \$6,289,265 for the safety plan reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous	Safety	Total
2020	\$ 3,094,021	\$ 3,188,155	\$ 6,282,176
2021	228,056	2,455,943	2,683,999
2022	(1,235,171)	(837,660)	(2,072,831)
2023	(343,299)	(389,214)	(732,513)
	<u>\$ 1,743,607</u>	<u>\$ 4,417,224</u>	<u>\$ 6,160,831</u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. OTHER POST EMPLOYMENT BENEFITS – (OPEB)**

**Plan Description** - The City of Chico Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the City. The plan allows retirees the option to participate in the City’s group medical insurance plan, which covers both active and retired participants. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. The City of Chico is the governing authority over the plan.

**Benefits Provided** - The premium amount retirees pay is a blended rate for covering both active and retired OPEB Plan members. Retirees participating in the City’s medical insurance plan pay the full premium. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its non-represented employees, and the unions representing City employees. Employees are eligible to participate in the City’s Retiree Healthcare Plan if they retire directly from the City under CalPERS and pay the full premium. Since premiums are determined for actives and retirees on a combined basis, an implied subsidy must be reflected under GASB 75.

**Employees covered by benefit terms -**

Inactive employees or beneficiaries currently receiving benefit payments	76
Active employees	<u>297</u>
Total membership	<u>373</u>

**Total OPEB Liability** – The City’s total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

**Actuarial Assumptions and other inputs** – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2018
Actuarial Assumptions:	
Discount Rate	3.87%
Inflation	3.00%
Projected Salary Increase	3.25%
Mortality	Based on CalPERS tables (*)
Healthcare cost trend rate	5.50% trending down to 5.00% in later years

\* The mortality table used was developed based on CalPERS' specific data. The table includes 20 year mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the CalPERS 2014 experience study report available on CalPERS website.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. OTHER POST EMPLOYMENT BENEFITS – (OPEB) (Continued)**

The discount rate of 3.58 percent is based on the Bond Buyer 20-Bond General Obligation Index at June 30, 2018. Mortality rates were taken from the 2014 CalPERS OPEB Assumptions Model

<i>Changes in Total OPEB Liability</i>	<i>Total OPEB liability</i>
Balance at June 30, 2018	\$ 9,808,658
Changes for the year	
Service Cost	390,946
Interest	346,132
Differences between actual and expected experience	(1,869,037)
Changes in assumptions	(252,572)
Benefit payments	<u>(280,350)</u>
Net change in total OPEB liability	<u>(1,664,881)</u>
Balance at June 30, 2019	<u><u>\$ 8,143,777</u></u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*** – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current discount rate.

<u>Discount Rate</u>	<u>Total OPEB Liability</u>
1% Decrease (2.87%)	
Total OPEB Liability	\$9,057,660
Current Discount Rate (3.87%)	
Total OPEB Liability	\$8,143,777
1% Increase (4.87%)	
Total OPEB Liability	\$7,344,251

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. OTHER POST EMPLOYMENT BENEFITS – (OPEB) (Continued)**

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate*** – The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.0% to 4.8%) or 1-percentage point higher (6.0% to 6.8%) than the current healthcare cost trend rates:

<u>Healthcare Cost Trend Rate</u>	<u>Total OPEB Liability</u>
1% Decrease (4.0% to 4.5%)	
Total OPEB Liability	\$7,271,172
Assumed Rate (5.00% to 5.5%)	
Total OPEB Liability	\$8,143,777
1% Increase (6.0% to 6.5%)	
Total OPEB Liability	\$9,158,240

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***– For the year ended June 30, 2019, the City recognized an OPEB expense of \$452,405. At June 30, 2018, the City reported deferred outflows of resources and inflow of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ 1,700,654
Changes of Assumptions	-	1,090,350
OPEB benefits provided subsequent to measurement date	<u>262,526</u>	<u>-</u>
	<u>\$ 262,526</u>	<u>\$ 2,791,004</u>

The \$262,526 reported as deferred outflow of resources relates to benefits provided by the City subsequent to the measurement date and will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<b>Year ended June 30:</b>	
2020	\$ (284,672)
2021	(284,672)
2022	(284,672)
2023	(284,672)
2024	(284,672)
Thereafter	<u>(1,367,644)</u>
Total	<u>\$ (2,791,004)</u>

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**13. SUCCESSOR AGENCY TRUST FOR ASSETS AND OBLIGATIONS OF THE FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 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 that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

Due to the dissolution of the City’s Redevelopment Agency, 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 following components of this footnote document the Successor Agency’s capital assets and long-term liabilities as of June 30, 2019.

**CAPITAL ASSETS - LAND**

As of June 30, 2019, the Successor Agency owns six parcels of land with a cost of \$1,667,105. During the year three lots were sold for \$761,793. The remaining land will be utilized for a public purpose at a time to be determined by the Successor Agency’s Oversight Board.

**LONG-TERM LIABILITIES**

As of June 30, 2019, the balances of the Successor Agency long-term obligations are presented below:

	Beginning Balance		Ending Balance	
	June 30, 2018	Deductions	June 30, 2019	Due within One Year
2017 Successor Agency to the Chico RDA Tax Allocation Refunding Bonds Series A	\$ 65,475,000	\$ -	\$ 65,475,000	\$ 2,590,000
2017 Successor Agency to the Chico RDA Tax Allocation Refunding Bonds Series B	6,750,000	(4,605,000)	2,145,000	2,145,000
Successor Agency long-term liabilities	<u>\$ 72,225,000</u>	<u>\$ (4,605,000)</u>	<u>\$ 67,620,000</u>	<u>\$ 4,735,000</u>

**Successor Agency Tax Allocation Refunding Bonds**

A deferred amount on refunding of \$475,793 was recognized with the issuance of the bonds. The unamortized balance at June 30, 2019, was \$425,710 and is reported as a deferred inflow of resources.

**CITY OF CHICO**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**13. SUCCESSOR AGENCY TRUST FOR ASSETS AND OBLIGATIONS OF THE FORMER REDEVELOPMENT AGENCY (Continued)**

**LONG-TERM LIABILITIES**

Successor Agency Long-term Liabilities

Direct Placements

<u>Revenue Bonds</u>	<u>Amount</u>	<u>Totals</u>
2017 Tax Allocation Refunding Bonds Series A (2017 TABS Series A) were issued in the amount of \$65,475,000 for the purpose of refunding the outstanding 2001 Tax Allocation Revenue Bonds, the 2005 Tax Allocation Bonds, and the 2007 Tax Allocation Refunding Bonds. Interest rates for the term of the 2017 TABS Series A is 2.82%. Payments are due in semi-annual installments on October 1 and April 1 through April 1, 2032.	\$65,475,000	
2017 Tax Allocation Refunding Bonds Series B (2017 TABS Series B) were issued in the amount of \$12,435,000 for the purpose of partially refunding the outstanding 2001 Tax Allocation Revenue Bonds. Interest rates for the term of the 2017 TABS Series B is 2.81%. Payments are due in semi-annual installments on October 1 and April 1 through April 1, 2020.	<u>2,145,000</u>	
Total Successor Agency long-term liabilities		<u><u>\$67,620,000</u></u>

The following is a schedule of total debt service requirements to maturity as of June 30, 2019 for the tax allocation bonds:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,735,000	\$ 1,906,670	\$ 6,641,670
2021	4,860,000	1,773,357	6,633,357
2022	4,665,000	1,636,305	6,301,305
2023	4,795,000	1,504,752	6,299,752
2024	4,925,000	1,369,533	6,294,533
2025-2029	26,080,000	4,730,127	30,810,127
2030-2032	17,560,000	999,690	18,559,690
Total	<u>\$ 67,620,000</u>	<u>\$ 13,920,434</u>	<u>\$ 81,540,434</u>

The Successor Agency’s outstanding bond debt from direct placements includes a priority pledge of “Tax Increment Revenues” allocated to the Successor Agency by the Butte County Auditor Controller. The Successor Agency is prohibited from entering any new enforceable obligations which are secured by a lien on this pledged collateral.

## **REQUIRED SUPPLEMENTARY INFORMATION**

- Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous
- Schedule of Changes in Net Pension Liability and Related Ratios – Safety
- Schedule of Contributions – Miscellaneous
- Schedule of Contributions – Safety
- Schedules of Changes in Net OPEB Liability and Related Ratios
- Schedules of Revenues, Expenditures, and Changes in Fund Balances, Budget to Actual, (General Fund and Major Special Revenue Funds):
  - General Fund
  - CDBG and HOME Housing Fund
  - Low and Moderate Income Housing Asset Fund
- Notes to Required Supplementary Information



**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)**  
**CalPERS MISCELLANEOUS RETIREMENT PLAN**  
**LAST TEN YEARS\***

Measurement Period	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total pension liability</b>					
Service cost	\$2,702,893	\$2,762,977	\$2,352,654	\$2,441,836	\$3,139,806
Interest	12,817,844	12,410,522	12,292,564	12,098,168	11,852,134
Differences between expected and actual experience	792,512	(3,454,037)	(3,764,124)	(3,748,881)	-
Changes in assumptions	(1,220,368)	9,955,942	-	(2,850,219)	-
Benefit payments, including refunds of employee contributions	(9,357,597)	(8,680,046)	(8,251,225)	(8,129,122)	(7,723,542)
<b>Net change in total pension liability</b>	<b>5,735,284</b>	<b>12,995,358</b>	<b>2,629,869</b>	<b>(188,218)</b>	<b>7,268,398</b>
<b>Total pension liability -- beginning</b>	<b>183,025,742</b>	<b>170,030,384</b>	<b>167,400,515</b>	<b>167,588,733</b>	<b>160,320,335</b>
<b>Total pension liability -- ending (a)</b>	<b>\$188,761,026</b>	<b>\$183,025,742</b>	<b>\$170,030,384</b>	<b>\$167,400,515</b>	<b>\$167,588,733</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$4,892,157	\$4,835,288	\$3,774,160	\$3,273,509	\$3,326,062
Contributions - employee	1,211,601	1,042,124	960,903	950,096	991,678
Net investment income	10,107,344	12,216,475	574,677	2,533,100	17,333,730
Plan to plan resource movement	(293)	-	(3,366)	3,313	-
Benefit payments, including refunds of employee contributions	(9,357,597)	(8,680,046)	(8,251,225)	(8,129,122)	(7,723,542)
Administrative Expense	(185,995)	(162,567)	(68,942)	(127,469)	-
Miscellaneous income (expense)	(353,207)	-	-	-	-
<b>Net change in fiduciary net position</b>	<b>6,314,010</b>	<b>9,251,274</b>	<b>(3,013,793)</b>	<b>(1,496,573)</b>	<b>13,927,928</b>
<b>Plan fiduciary net position -- beginning</b>	<b>119,359,291</b>	<b>110,108,017</b>	<b>113,121,810</b>	<b>114,618,383</b>	<b>100,690,455</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$125,673,301</b>	<b>\$119,359,291</b>	<b>\$110,108,017</b>	<b>\$113,121,810</b>	<b>\$114,618,383</b>
<b>Net pension liability -- ending (a) - (b)</b>	<b>\$63,087,725</b>	<b>\$63,666,451</b>	<b>\$59,922,367</b>	<b>\$54,278,705</b>	<b>\$52,970,350</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	66.58%	65.21%	64.76%	67.58%	68.39%
<b>Covered payroll</b>	\$12,101,584	\$12,743,802	\$12,095,926	\$11,927,104	\$14,799,933
<b>Net pension liability as a percentage of covered payroll</b>	521.56%	499.59%	495.39%	455.09%	357.91%

**Notes to Schedule:**

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

**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)**  
**CalPERS SAFETY RETIREMENT PLAN**  
**LAST TEN YEARS\***

Measurement Period	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total pension liability</b>					
Service cost	\$4,390,653	\$4,563,295	\$3,944,837	\$4,060,125	\$4,587,446
Interest	15,059,804	14,578,548	13,926,474	13,452,675	12,801,088
Differences between expected and actual experience	(1,573,264)	105,155	(2,584,243)	(602,213)	-
Changes in assumptions	(1,049,800)	12,709,578	-	(3,450,890)	-
Benefit payments, including refunds of employee contributions	(10,094,391)	(9,308,811)	(8,981,039)	(8,373,881)	(7,428,081)
<b>Net change in total pension liability</b>	<b>6,733,002</b>	<b>22,647,765</b>	<b>6,306,029</b>	<b>5,085,816</b>	<b>9,960,453</b>
<b>Total pension liability -- beginning</b>	<b>216,101,557</b>	<b>193,453,792</b>	<b>187,147,763</b>	<b>182,061,947</b>	<b>172,101,494</b>
<b>Total pension liability -- ending (a)</b>	<b>\$222,834,559</b>	<b>\$216,101,557</b>	<b>\$193,453,792</b>	<b>\$187,147,763</b>	<b>\$182,061,947</b>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$5,601,393	\$5,349,238	\$4,852,766	\$4,398,219	\$4,361,304
Contributions - employee	1,542,571	1,550,187	1,404,504	1,236,718	1,260,761
Net investment income	12,224,670	14,750,340	663,425	2,981,880	20,361,356
Plan to plan resource movement	(359)	-	3,366	(3,313)	-
Benefit payments, including refunds of employee contributions	(10,094,391)	(9,308,811)	(8,981,039)	(8,373,881)	(7,428,081)
Administrative Expense	(227,002)	(197,150)	(82,684)	(152,694)	-
Miscellaneous income (expense)	(431,079)	-	-	-	-
<b>Net change in fiduciary net position</b>	<b>8,615,803</b>	<b>12,143,804</b>	<b>(2,139,662)</b>	<b>86,929</b>	<b>18,555,340</b>
<b>Plan fiduciary net position -- beginning</b>	<b>145,675,004</b>	<b>133,531,200</b>	<b>135,670,862</b>	<b>135,583,933</b>	<b>117,028,593</b>
<b>Plan fiduciary net position -- ending (b)</b>	<b>\$154,290,807</b>	<b>\$145,675,004</b>	<b>\$133,531,200</b>	<b>\$135,670,862</b>	<b>\$135,583,933</b>
<b>Net pension liability -- ending (a) - (b)</b>	<b>\$68,543,752</b>	<b>\$70,426,553</b>	<b>\$59,922,592</b>	<b>\$51,476,901</b>	<b>\$46,478,014</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>69.24%</b>	<b>67.41%</b>	<b>69.02%</b>	<b>72.49%</b>	<b>74.47%</b>
<b>Covered payroll</b>	<b>\$13,938,580</b>	<b>\$14,048,439</b>	<b>\$14,048,202</b>	<b>\$14,089,826</b>	<b>\$15,179,163</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>491.76%</b>	<b>501.31%</b>	<b>426.55%</b>	<b>365.35%</b>	<b>306.20%</b>

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

**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF CONTRIBUTIONS (UNAUDITED)**  
**CalPERS MISCELLANEOUS RETIREMENT PLAN**  
**LAST TEN YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$5,299,889	\$4,898,914	\$4,840,128	\$3,774,896	\$3,273,509
Contributions in relation to the actuarially determined contribution	<u>(5,299,889)</u>	<u>(4,898,914)</u>	<u>(4,840,128)</u>	<u>(3,774,896)</u>	<u>(3,273,509)</u>
Covered payroll	\$12,095,926	\$12,101,584	\$12,743,802	\$12,095,926	\$11,927,104
Contributions as a percentage of covered-payroll	43.82%	40.50%	37.98%	31.21%	27.45%

**Notes to Schedule**

Valuation date: 6/30/2016 6/30/2015 6/30/2014 6/30/2013 6/30/2012

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Average remaining period	29 Years as of the valuation date
Asset valuation method	Market Value
Inflation	2.50%
Salary Increase	3.30% to 14.20% depending on age, service and type of employment
Payroll Growth	3.00%
Discount Rate	7.15%
Retirement age	50 or 57 years depending on type of employment and entry date
Mortality	The probabilities of mortality are based on the 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include five years of projected mortality improvement using Scale AA.

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

**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF CONTRIBUTIONS (UNAUDITED)**  
**CalPERS SAFETY RETIREMENT PLAN**  
**LAST TEN YEARS\***

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contributions	\$6,289,265	\$5,618,264	\$5,352,995	\$4,943,984	\$4,398,219
Contributions in relation to the actuarially determined contribution	<u>(6,289,265)</u>	<u>(5,618,264)</u>	<u>(5,352,995)</u>	<u>(4,943,984)</u>	<u>(4,398,219)</u>
Covered payroll	\$13,715,620	\$13,938,580	\$14,048,439	\$14,048,202	\$14,089,826
Contributions as a percentage of covered payroll	45.85%	40.31%	38.10%	35.19%	31.22%

**Notes to Schedule**

Valuation date:	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Average remaining period	29 Years as of the valuation date
Asset valuation method	Market Value
Inflation	2.50%
Salary Increase	3.30% to 14.20% depending on age, service and type of employment
Payroll Growth	3.00%
Discount Rate	7.15%
Retirement age	50 or 57 years depending on type of employment and entry date
Mortality	The probabilities of mortality are based on the 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rates include five years of projected mortality improvement using Scale AA

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

**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)**  
**LAST TEN YEARS\***

	<u>2019</u>	<u>2018</u>
Measurement Period	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>Total OPEB liability</b>		
Service cost	\$390,946	\$411,300
Interest	346,132	292,769
Differences between expected and actual experience	(1,869,037)	-
Changes in assumptions	(252,572)	(1,047,604)
Benefit payments, including refunds of employee contributions	<u>(280,350)</u>	<u>(240,838)</u>
<b>Net change in total OPEB liability</b>	(1,664,881)	(584,373)
<b>Total OPEB liability -- beginning</b>	<u>9,808,658</u>	<u>10,393,031</u>
<b>Total OPEB liability -- ending</b>	<u><u>\$8,143,777</u></u>	<u><u>\$9,808,658</u></u>
<b>Covered employee payroll</b>	\$25,811,546	\$25,211,635
Total OPEB liability as a percentage of covered employee payroll	31.55%	38.91%

\* Fiscal year 2018 was the first year of implementation, therefore, only two years are shown.

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 15,512,731	\$ 16,513,146	\$ 16,750,026	\$ 236,880
Sales and use taxes	22,189,153	22,639,153	25,173,855	2,534,702
Other taxes	13,134,000	13,940,225	15,070,392	1,130,167
Licenses and permits	90,700	90,700	138,578	47,878
Intergovernmental	425,585	1,237,875	1,490,912	253,037
Charges for services	194,000	294,000	123,534	(170,466)
Fines, forfeitures, and penalties	754,000	754,000	867,193	113,193
Use of money and property	187,271	195,245	431,882	236,637
Miscellaneous	127,000	210,909	1,141,422	930,513
<b>Total revenues</b>	<b>52,614,440</b>	<b>55,875,253</b>	<b>61,187,794</b>	<b>5,312,541</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Administrative services department	1,932,393	1,899,283	1,898,613	670
City attorney department	638,339	638,339	423,531	214,808
City clerk department	916,326	1,000,805	944,355	56,450
City manager department	2,109,513	2,112,752	1,933,913	178,839
Less - indirect costs	(1,944,011)	(1,944,011)	(1,944,011)	-
General government	3,652,560	3,707,168	3,256,401	450,767
Police department	25,765,560	25,603,924	25,289,569	314,355
Fire department	13,096,043	14,173,052	13,515,563	657,489
Public safety	38,861,603	39,776,976	38,805,132	971,844
Public works department	4,204,102	4,069,899	4,213,848	(143,949)
Parks department	3,357,536	3,367,696	3,290,038	77,658
Community development department	1,041,375	1,081,651	1,133,614	(51,963)
Arts & Culture	-	-	27,132	(27,132)
Community agencies	-	15,000	2,292	12,708
<b>Capital outlay:</b>				
Capital outlay - Operations	1,554,407	5,099,460	715,955	4,383,505
Capital outlay - Capital leases	-	-	870,306	(870,306)
<b>Debit Service:</b>				
Principal retirement	327,140	327,140	337,525	(10,385)
Interest and fiscal charges	74,818	92,523	82,137	10,386
<b>Total expenditures</b>	<b>53,073,541</b>	<b>57,537,513</b>	<b>52,734,380</b>	<b>4,803,133</b>
Excess (deficiency) of revenues over (under) expenditures	(459,101)	(1,662,260)	8,453,414	10,115,674

*Continued on next page*

**CITY OF CHICO, CALIFORNIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019**

*Continued from previous page*

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES):				
Transfers in	2,321,790	3,363,245	3,377,073	13,828
Transfers out	(3,535,275)	(5,085,443)	(4,712,701)	372,742
Capital leases	-	-	870,306	870,306
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Total other financing sources (uses)	(1,213,485)	(1,722,198)	(465,322)	1,256,876
Net change in fund balance	(1,672,586)	(3,384,458)	7,988,092	11,372,550
Fund balance, beginning of year	12,295,762	12,295,762	12,295,762	-
	<u>                  </u>	<u>                  </u>	<u>                  </u>	<u>                  </u>
Fund balance, end of year	<u>\$ 10,623,176</u>	<u>\$ 8,911,304</u>	<u>\$ 20,283,854</u>	<u>\$ 11,372,550</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CDBG AND HOME HOUSING FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Other taxes	458,247	1,274,360	-	(1,274,360)
Intergovernmental	\$ 1,111,289	\$ 1,372,212	\$ 1,288,036	\$ (84,176)
Use of money and property	320	320	16,950	16,630
Miscellaneous	4,840	4,840	-	(4,840)
<b>Total revenues</b>	<b>1,574,696</b>	<b>2,651,732</b>	<b>1,304,986</b>	<b>(1,346,746)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	306,637	306,637	550,595	(243,958)
Capital outlay	1,617,067	2,628,412	688,574	1,939,838
<b>Total expenditures</b>	<b>1,923,704</b>	<b>2,935,049</b>	<b>1,239,169</b>	<b>1,695,880</b>
Excess (deficiency) of revenues over (under) expenditures	(349,008)	(283,317)	65,817	349,134
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	37,372	37,372	-	(37,372)
<b>Total other financing sources (uses)</b>	<b>37,372</b>	<b>37,372</b>	<b>-</b>	<b>(37,372)</b>
Net change in fund balance	(311,636)	(245,945)	65,817	311,762
Fund balance, beginning of year	7,518,697	7,518,697	7,518,697	-
<b>Fund balance, end of year</b>	<b>\$ 7,207,061</b>	<b>\$ 7,272,752</b>	<b>\$ 7,584,514</b>	<b>\$ 311,762</b>



**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LOW AND MODERATE INCOME HOUSING ASSET FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Other taxes	\$ 17,971	\$ 17,971	\$ 18,887	\$ 916
Charges for services	-	-	1,440	1,440
Use of money and property	170,000	170,000	488,493	318,493
Miscellaneous	30,000	30,000	-	(30,000)
<b>Total revenues</b>	<u>217,971</u>	<u>217,971</u>	<u>508,820</u>	<u>290,849</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	293,046	293,046	309,283	(16,237)
Capital outlay	215,000	705,000	-	705,000
<b>Total expenditures</b>	<u>508,046</u>	<u>998,046</u>	<u>309,283</u>	<u>688,763</u>
Excess (deficiency) of revenues over (under) expenditures	(290,075)	(780,075)	199,537	979,612
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(37,372)	(37,372)	-	37,372
<b>Total other financing sources (uses)</b>	<u>(37,372)</u>	<u>(37,372)</u>	<u>-</u>	<u>37,372</u>
<b>Net change in fund balance</b>	<u>(327,447)</u>	<u>(817,447)</u>	<u>199,537</u>	<u>1,016,984</u>
Fund balance, beginning of year	56,249,070	56,249,070	56,249,070	-
<b>Fund balance, end of year</b>	<u>\$ 55,921,623</u>	<u>\$ 55,431,623</u>	<u>\$ 56,448,607</u>	<u>\$ 1,016,984</u>

**CITY OF CHICO**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

The annual operating budget is adopted by the City Council on or before the first meeting in July each year on a basis consistent with accounting principles generally accepted in the United States of America as noted below. The appropriated budget is prepared by fund, function and activity. The City Manager is authorized to transfer budget amounts between departments within any fund; however, any revision that exceeds the appropriated expenditures on any fund requires approval by the City Council. The legal level of budgetary control is at the department level. Outside of the General Fund, all funds are one department.

Original appropriations are adjusted by supplemental appropriations and budget modifications approved during the year, creating the modified adopted budget.

The General Fund does not budget for non-cash transfers including transfers of loans and transfers used to cover other Funds' fund balance deficits and capital lease transactions.

Budgetary comparisons and reconciliations are included in Required Supplementary Information as Schedules of Revenue and Changes in Fund Balance - Budget and Actual, for the General Fund, CDBG and HOME Housing Fund and the Low and Moderate Income Housing Asset Fund.

## **SUPPLEMENTAL BUDGETARY COMPARISONS**

Schedules of Revenues, Expenditures, and Changes in Fund Balances, Budget to Actual (Major Capital Projects Funds):

- Capital Grants Fund

**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**CAPITAL GRANTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 4,454,520	\$ 19,109,816	\$ 3,675,516	\$ (15,434,300)
Total revenues	<u>4,454,520</u>	<u>19,109,816</u>	<u>3,675,516</u>	<u>(15,434,300)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	247,038	(247,038)
Capital outlay	4,454,520	15,800,256	1,038,844	14,761,412
Total expenditures	<u>4,454,520</u>	<u>15,800,256</u>	<u>1,285,882</u>	<u>14,514,374</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>3,309,560</u>	<u>2,389,634</u>	<u>(29,948,675)</u>
Net change in fund balance	-	3,309,560	2,389,634	(29,948,675)
Fund balance, beginning of year	<u>(3,309,562)</u>	<u>(3,309,562)</u>	<u>(3,309,562)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (3,309,562)</u>	<u>\$ (2)</u>	<u>\$ (919,928)</u>	<u>\$ (29,948,675)</u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

#### **Operating Grants**

Accounts for a variety of governmental operating grants, including law enforcement grants. These funds are restricted to be used only for the purpose of the grants.

#### **Community Maintenance Districts**

Accounts for maintenance and operation of specified public improvements. These funds are restricted to be used only for the maintenance districts.

#### **Transportation**

Accounts for Transportation Development Act (TDA) funding for the planning, development, construction and maintenance of street/road and bicycle/pedestrian projects. These funds are restricted to be used only for allowable TDA activities.

#### **Gas Tax**

Accounts for revenues and expenditures apportioned under the Streets and Highway Code, Sections 2103, 2105, 2106, 2107 and 2107.5 for administration, maintenance, and construction which is street-related and Transportation Congestion Relief monies. Also accounts for federal funds allocated for street maintenance and rehabilitation, and right-of-way acquisition, maintenance, construction, street sweeping, and improvement of street facilities, from the Transportation Equity Act for the 21<sup>st</sup> Century. All gas tax funds are restricted to be used only as allowed within the Streets and Highway Code and federal regulations.

#### **Other Special Revenue**

Accounts for comparatively smaller special revenue funds including traffic safety, asset forfeiture, private activity revenue bond reserve administration and assessment district administration fund. These funds are restricted to be used for allowable activities as listed.

### **CAPITAL PROJECTS FUNDS**

#### **Capital Improvements**

Accounts for various capital improvements - building/facility improvements, passenger facility charges, in lieu offsite improvements, Liberator Street remediation and sewer main installation.

#### **Bond Proceeds Fund**

Accounts for the transfer of bond proceeds from the 2001 Chico Public Financing Authority Tax Allocation Revenue Bonds and 2005 Chico Redevelopment Agency Tax Allocation Bond that are to be used by the City for purposes for which all bonds were sold. The transfer and use of the proceeds is allowed by provisions of AB 1484 (Redevelopment Dissolution).

#### **Fleet Replacement and Facility Maintenance**

Accounts for accumulation of reserves and expenditures for major equipment replacement and major building and facility maintenance.

#### **Remediation**

Accounts for transactions related to clean up of various remediation sites within the City.

## **NONMAJOR GOVERNMENTAL FUNDS** (Continued)

### **CAPITAL PROJECTS FUNDS** (Continued)

#### **Fire Protection Building and Equipment Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for site acquisition, improvement and equipping of fire protection buildings and facilities, and acquisition and improvement of fire protection equipment.

#### **Bidwell Park Land Acquisition Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition of unimproved parkland sites adjacent to Bidwell Park.

#### **Administrative Building Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for site acquisition, construction, and equipping of administrative building facilities.

#### **Street Facility Improvement Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for right of way acquisition, construction and improvement of street facilities.

#### **Zone J Neighborhood Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of neighborhood park facilities in Zone J (Central East Chico - between Big Chico Creek and Lindo Channel from SHR 99 to Manzanita Avenue).

#### **Bikeway Improvement Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for right of way acquisition, construction, and improvement of bicycle facilities.

#### **Community Park Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of community park facilities.

#### **Street Maintenance Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for street maintenance equipment acquisition and improvements.

#### **Police Protection Building and Equipment Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for site acquisition, construction, improvement and equipping of police protection buildings and facilities, and acquisition and improvement of police protection equipment.

## **NONMAJOR GOVERNMENTAL FUNDS** (Continued)

### **CAPITAL PROJECTS FUNDS (Continued)**

#### **Zone I Neighborhood Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of neighborhood park facilities in Zone I (Southeast Chico – east of SHR 99, south of Big Chico Creek).

#### **Zone F & G Neighborhood Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of neighborhood park facilities in Zone F & G (North Central Chico (Foothill region) – east of the Airport Bike Path, west of the Diversion Channel and north of East Avenue/Lindo Channel).

#### **Zone B Neighborhood Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of neighborhood park facilities in Zone B (West Chico – boundaries identical to those of the Oak Way Park Assessment District).

#### **Storm Drainage Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for construction and installation of storm drainage improvements.

#### **Linear Parks/Greenways Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of linear parks and greenway facilities.

#### **Zone A Neighborhood Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of neighborhood park facilities in Zone A (Southwest Chico – south of Big Chico Creek and west of SHR 99).

#### **Zone C Neighborhood Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of neighborhood park facilities in Zone C (Northwest Chico – south of West Lassen Avenue, west of SHR 99 and north of Lindo Channel).

#### **Zone D & E Neighborhood Development Impact Fee**

Accounts for the collection of and expenditure of fees imposed as a condition of new development within the City. These fees can only be used for acquisition and development of neighborhood park facilities in Zone D & E (North Northwest Chico – north of West Lassen Avenue to SHR 99 to the Airport Bike Path).

**CITY OF CHICO, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 7,938,164	\$ 29,730,024	\$ 37,668,188
Receivables:			
Interest	-	2,373	2,373
Taxes	3,619	-	3,619
Accounts	48,322	-	48,322
Intergovernmental	1,252,719	-	1,252,719
Loans	33,605	-	33,605
Prepaid expenses	-	2,963	2,963
Advances to other funds	-	1,721,793	1,721,793
Restricted cash and investments	-	331,315	331,315
Total assets	<u>\$ 9,276,429</u>	<u>\$ 31,788,468</u>	<u>\$ 41,064,897</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 244,603	\$ 696,314	\$ 940,917
Accrued salaries and benefits	19,532	36,849	56,381
Advances from other funds	49,323	1,672,470	1,721,793
Total liabilities	<u>313,458</u>	<u>2,405,633</u>	<u>2,719,091</u>
Deferred inflows of resources:			
Deferred housing loan principal payments development impact fees and grants	<u>60,154</u>	<u>-</u>	<u>60,154</u>
Total deferred inflows of resources	<u>60,154</u>	<u>-</u>	<u>60,154</u>
Nonspendable	-	2,963	2,963
Restricted	8,979,926	26,820,716	35,800,642
Assigned	-	4,231,626	4,231,626
Unassigned	<u>(77,109)</u>	<u>(1,672,470)</u>	<u>(1,749,579)</u>
Total fund balances	<u>8,902,817</u>	<u>29,382,835</u>	<u>38,285,652</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,276,429</u>	<u>\$ 31,788,468</u>	<u>\$ 41,064,897</u>



**CITY OF CHICO, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES:</b>			
Intergovernmental	\$ 8,995,986	\$ -	\$ 8,995,986
Charges for services	1,433,321	4,559,324	5,992,645
Fines, forfeitures, and penalties	36,477	-	36,477
Use of money and property	193,016	703,884	896,900
Miscellaneous	-	38,859	38,859
<b>Total revenues</b>	<b>10,658,800</b>	<b>5,302,067</b>	<b>15,960,867</b>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General government	314,909	637,884	952,793
Public safety	722,402	-	722,402
Public works	4,613,149	1,214,315	5,827,464
Parks and recreation	21,842	-	21,842
Community development	-	137,170	137,170
<b>Capital outlay:</b>			
Capital outlay - Operations	1,202,665	3,380,596	4,583,261
<b>Debt service:</b>			
Principal retirement	-	54,175	54,175
Interest and fiscal charges	2,631	4,765	7,396
<b>Total expenditures</b>	<b>6,877,598</b>	<b>5,428,905</b>	<b>12,306,503</b>
Excess (deficiency) of revenues over (under) expenditures	3,781,202	(126,838)	3,654,364
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	99,092	3,120,008	3,219,100
Transfers out	(2,200,000)	(49,083)	(2,249,083)
<b>Total other financing sources (uses)</b>	<b>(2,100,908)</b>	<b>3,070,925</b>	<b>970,017</b>
Net change in fund balances	1,680,294	2,944,087	4,624,381
Fund balances, beginning of year	7,222,523	26,438,748	33,661,271
Fund balances, end of year	<u>\$ 8,902,817</u>	<u>\$ 29,382,835</u>	<u>\$ 38,285,652</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2019**

	Operating Grants	Community Maintenance Districts	Transportation	Gas Tax	Other Special Revenue Funds	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 3,865,654	\$ 1,742,894	\$ 1,763,057	\$ 566,559	\$ 7,938,164
Receivables:						
Taxes	-	3,619				3,619
Accounts	-	575	-	-	47,747	48,322
Intergovernmental	43,210	-	47,312	1,141,091	21,106	1,252,719
Loans	-	-	-	-	33,605	33,605
Total assets	<u>\$ 43,210</u>	<u>\$ 3,869,848</u>	<u>\$ 1,790,206</u>	<u>\$ 2,904,148</u>	<u>\$ 669,017</u>	<u>\$ 9,276,429</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 47,940	\$ 107,867	\$ 29,320	\$ 22,569	\$ 36,907	\$ 244,603
Accrued salaries and benefits	12,225	-	5,078	-	2,229	19,532
Advances from other funds	-	49,323	-	-	-	49,323
Total liabilities	<u>60,165</u>	<u>157,190</u>	<u>34,398</u>	<u>22,569</u>	<u>39,136</u>	<u>313,458</u>
Deferred inflows of resources:						
Unavailable revenue	60,154	-	-	-	-	60,154
Total deferred inflows of resources	<u>60,154</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,154</u>
Fund balances:						
Restricted	-	3,712,658	1,755,808	2,881,579	629,881	8,979,926
Unassigned	(77,109)	-	-	-	-	(77,109)
Total fund balances (deficit)	<u>(77,109)</u>	<u>3,712,658</u>	<u>1,755,808</u>	<u>2,881,579</u>	<u>629,881</u>	<u>8,902,817</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,210</u>	<u>\$ 3,869,848</u>	<u>\$ 1,790,206</u>	<u>\$ 2,904,148</u>	<u>\$ 669,017</u>	<u>\$ 9,276,429</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Operating Grants	Community Maintenance Districts	Transportation	Gas Tax	Other Special Revenue Funds	Total Nonmajor Special Revenue Funds
<b>REVENUES:</b>						
Intergovernmental	\$ 929,656	\$ -	\$ 3,492,143	\$ 4,574,187	\$ -	\$ 8,995,986
Charges for services	-	1,179,172	466	-	253,683	1,433,321
Fines, forfeitures, and penalties	-	-	-	-	36,477	36,477
Use of money and property	-	90,202	58,949	27,804	16,061	193,016
<b>Total revenues</b>	<b>929,656</b>	<b>1,269,374</b>	<b>3,551,558</b>	<b>4,601,991</b>	<b>306,221</b>	<b>10,658,800</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	-	-	-	-	314,909	314,909
Public safety	722,059	-	-	-	343	722,402
Public works	-	1,386,323	2,847,712	379,114	-	4,613,149
Parks and recreation	21,842	-	-	-	-	21,842
Capital outlay	397,303	-	534,780	176,481	94,101	1,202,665
<b>Debt service:</b>						
Interest	-	2,631	-	-	-	2,631
<b>Total expenditures</b>	<b>1,141,204</b>	<b>1,388,954</b>	<b>3,382,492</b>	<b>555,595</b>	<b>409,353</b>	<b>6,877,598</b>
Excess (deficiency) of revenues over (under) expenditures	(211,548)	(119,580)	169,066	4,046,396	(103,132)	3,781,202
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	28,863	34,229	36,000	-	-	99,092
Transfers out	-	-	(100,000)	(2,050,000)	(50,000)	(2,200,000)
<b>Total other financing sources (uses)</b>	<b>28,863</b>	<b>34,229</b>	<b>(64,000)</b>	<b>(2,050,000)</b>	<b>(50,000)</b>	<b>(2,100,908)</b>
Net change in fund balances	(182,685)	(85,351)	105,066	1,996,396	(153,132)	1,680,294
Fund balances, beginning of year	105,576	3,798,009	1,650,742	885,183	783,013	7,222,523
Fund balances, end of year	<u>\$ (77,109)</u>	<u>\$ 3,712,658</u>	<u>\$ 1,755,808</u>	<u>\$ 2,881,579</u>	<u>\$ 629,881</u>	<u>\$ 8,902,817</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
OPERATING GRANTS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 142,876	\$ 1,490,286	\$ 929,656	\$ (560,630)
Total revenues	142,876	1,490,286	929,656	(560,630)
<b>EXPENDITURES:</b>				
Current:				
Public safety	158,881	790,132	722,059	68,073
Capital outlay	-	430,872	397,303	33,569
Total expenditures	158,881	1,221,004	1,141,204	79,800
Excess (deficiency) of revenues over (under) expenditures	(16,005)	269,282	(211,548)	(480,830)
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	8,889	159,601	28,863	(130,738)
Total other financing sources (uses)	8,889	159,601	28,863	(130,738)
Net change in fund balance	(7,116)	428,883	(182,685)	(611,568)
Fund balance, beginning of year	105,576	105,576	105,576	-
Fund balance, end of year	\$ 98,460	\$ 534,459	\$ (77,109)	\$ (611,568)

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COMMUNITY MAINTENANCE DISTRICTS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,128,256	\$ 1,220,660	\$ 1,179,172	\$ (41,488)
Use of money and property	-	-	90,202	90,202
Total revenues	<u>1,128,256</u>	<u>1,220,660</u>	<u>1,269,374</u>	<u>48,714</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	976,402	1,510,344	1,386,323	124,021
Debt Service				
Interest	-	-	2,631	(2,631)
Total expenditures	<u>976,402</u>	<u>1,510,344</u>	<u>1,388,954</u>	<u>121,390</u>
Excess (deficiency) of revenues over (under) expenditures	<u>151,854</u>	<u>(289,684)</u>	<u>(119,580)</u>	<u>170,104</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>20,000</u>	<u>37,258</u>	<u>34,229</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>37,258</u>	<u>34,229</u>	<u>-</u>
Net change in fund balance	171,854	(252,426)	(85,351)	167,075
Fund balance, beginning of year	<u>3,798,009</u>	<u>3,798,009</u>	<u>3,798,009</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,969,863</u>	<u>\$ 3,545,583</u>	<u>\$ 3,712,658</u>	<u>\$ 167,075</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TRANSPORTATION SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,339,291	\$ 3,339,291	\$ 3,492,143	\$ 152,852
Charges for services	-	-	466	466
Use of money and property	17,220	17,220	58,949	41,729
<b>Total revenues</b>	<b>3,356,511</b>	<b>3,356,511</b>	<b>3,551,558</b>	<b>195,047</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	2,514,838	2,796,933	2,847,712	(50,779)
Capital outlay	1,105,870	2,142,980	534,780	1,608,200
<b>Total expenditures</b>	<b>3,620,708</b>	<b>4,939,913</b>	<b>3,382,492</b>	<b>1,557,421</b>
Excess (deficiency) of revenues over (under) expenditures	(264,197)	(1,583,402)	169,066	1,752,468
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	36,000	36,000	36,000	-
Transfers out	(100,000)	(100,000)	(100,000)	-
<b>Total other financing sources (uses)</b>	<b>(64,000)</b>	<b>(64,000)</b>	<b>(64,000)</b>	<b>-</b>
Net change in fund balance	(328,197)	(1,647,402)	105,066	1,752,468
Fund balance, beginning of year	1,650,742	1,650,742	1,650,742	-
Fund balance, end of year	<u>\$ 1,322,545</u>	<u>\$ 3,340</u>	<u>\$ 1,755,808</u>	<u>\$ 1,752,468</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GAS TAX FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 4,818,640	\$ 4,321,559	\$ 4,574,187	\$ 252,628
Use of money and property	-	-	27,804	27,804
<b>Total revenues</b>	<b>4,818,640</b>	<b>4,321,559</b>	<b>4,601,991</b>	<b>280,432</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	379,114	(379,114)
Capital outlay	2,363,900	3,156,666	176,481	2,980,185
<b>Total expenditures</b>	<b>2,363,900</b>	<b>3,156,666</b>	<b>555,595</b>	<b>2,601,071</b>
Excess (deficiency) of revenues over (under) expenditures	2,454,740	1,164,893	4,046,396	2,881,503
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(2,050,000)	(2,050,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(2,050,000)</b>	<b>(2,050,000)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>2,454,740</b>	<b>(885,107)</b>	<b>1,996,396</b>	<b>2,881,503</b>
Fund balance, beginning of year	885,183	885,183	885,183	-
<b>Fund balance, end of year</b>	<b>\$ 3,339,923</b>	<b>\$ 76</b>	<b>\$ 2,881,579</b>	<b>\$ 2,881,503</b>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
OTHER SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 243,000	\$ 256,035	\$ 253,683	\$ (2,352)
Fines, forfeitures and penalties	36,477	66,734	36,477	(30,257)
Use of money and property	-	-	16,061	16,061
Total revenues	279,477	322,769	306,221	(16,548)
<b>EXPENDITURES:</b>				
Current:				
General government	156,585	165,620	314,909	(149,289)
Public safety	10,343	10,343	343	10,000
Capital outlay	150,800	264,138	94,101	170,037
Total expenditures	317,728	440,101	409,353	30,748
Excess (deficiency) of revenues over (under) expenditures	(38,251)	(117,332)	(103,132)	14,200
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	-
Net change in fund balance	(88,251)	(167,332)	(153,132)	14,200
Fund balance, beginning of year	783,013	783,013	783,013	-
Fund balance, end of year	<u>\$ 694,762</u>	<u>\$ 615,681</u>	<u>\$ 629,881</u>	<u>\$ 14,200</u>



**CITY OF CHICO, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

	Capital Improvements Fund	Bond Proceeds Fund	Fleet Replacement and Facility Maintenance	Remediation Fund
<b>ASSETS</b>				
Cash and investments	\$ 1,535,480	\$ -	\$ 2,920,050	\$ 12,732
Receivables:				
Interest	-	2,373	-	-
Prepaid items	2,963	-	-	-
Advances to other funds	-	-	-	-
Restricted cash and investments	-	331,315	-	-
Total assets	<u>\$ 1,538,443</u>	<u>\$ 333,688</u>	<u>\$ 2,920,050</u>	<u>\$ 12,732</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 42,204	\$ -	\$ 155,834	\$ 1,749
Accrued salaries and benefits	36,849	-	-	-
Advance from other funds	-	-	-	-
Loans from other funds	-	-	-	-
Total liabilities	<u>79,053</u>	<u>-</u>	<u>155,834</u>	<u>1,749</u>
Fund balances:				
Nonspendable	2,963	-	-	-
Restricted	-	333,688	-	-
Assigned	1,456,427	-	2,764,216	10,983
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>1,459,390</u>	<u>333,688</u>	<u>2,764,216</u>	<u>10,983</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,538,443</u>	<u>\$ 333,688</u>	<u>\$ 2,920,050</u>	<u>\$ 12,732</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

	Impact Fee Funds				
	Public Infrastructure Replacement	Fire Protection Building & Equipment Dev	Bidwell Park Land Acquisition Dev	Administrative Building	Street Facility Improvement
<b>ASSETS</b>					
Cash and investments	\$ 1,366,086	\$ 282,546	\$ -	\$ -	\$ 6,774,277
Receivables:					
Interest	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 1,366,086</u>	<u>\$ 282,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,774,277</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 5,188	\$ -	\$ -	\$ -	\$ 406,517
Accrued salaries and benefits	-	-	-	-	-
Advance from other funds	-	-	1,007,582	534,608	-
Loans from other funds	-	-	-	-	-
Total liabilities	<u>5,188</u>	<u>-</u>	<u>1,007,582</u>	<u>534,608</u>	<u>406,517</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	1,360,898	282,546	-	-	6,367,760
Assigned	-	-	-	-	-
Unassigned	-	-	(1,007,582)	(534,608)	-
Total fund balances (deficit)	<u>1,360,898</u>	<u>282,546</u>	<u>(1,007,582)</u>	<u>(534,608)</u>	<u>6,367,760</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,366,086</u>	<u>\$ 282,546</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,774,277</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

	Impact Fee Funds				
	Zone J Neighborhood Parks	Bikeway Improvement	Community Park	Street Maintenance Equipment	Police Protection Building and Equipment
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 996,038	\$ 5,927,436	\$ 945,474	\$ 3,433,618
Receivables:					
Interest	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	1,007,582	534,608	130,280
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 996,038</u>	<u>\$ 6,935,018</u>	<u>\$ 1,480,082</u>	<u>\$ 3,563,898</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 11,085	\$ -	\$ -	\$ 71,040
Accrued salaries and benefits	-	-	-	-	-
Advance from other funds	130,280	-	-	-	-
Loans from other funds	-	-	-	-	-
Total liabilities	<u>130,280</u>	<u>11,085</u>	<u>-</u>	<u>-</u>	<u>71,040</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	984,953	6,935,018	1,480,082	3,492,858
Assigned	-	-	-	-	-
Unassigned	(130,280)	-	-	-	-
Total fund balances (deficit)	<u>(130,280)</u>	<u>984,953</u>	<u>6,935,018</u>	<u>1,480,082</u>	<u>3,492,858</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ -</u>	<u>\$ 996,038</u>	<u>\$ 6,935,018</u>	<u>\$ 1,480,082</u>	<u>\$ 3,563,898</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

	Impact Fee Funds				
	Zone I Neighborhood Parks	Zone F and G Neighborhood Parks	Zone B Neighborhood Parks	Storm Drainage Facility	Linear Parks/ Greenways
<b>ASSETS</b>					
Cash and investments	\$ 1,146,273	\$ 1,030,293	\$ 576,372	\$ 1,348,225	\$ 633,320
Receivables:					
Interest	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	49,323	-	-	-	-
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 1,195,596</u>	<u>\$ 1,030,293</u>	<u>\$ 576,372</u>	<u>\$ 1,348,225</u>	<u>\$ 633,320</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 2,697
Accrued salaries and benefits	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Loans from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,697</u>
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	1,195,596	1,030,293	576,372	1,348,225	630,623
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>1,195,596</u>	<u>1,030,293</u>	<u>576,372</u>	<u>1,348,225</u>	<u>630,623</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,195,596</u>	<u>\$ 1,030,293</u>	<u>\$ 576,372</u>	<u>\$ 1,348,225</u>	<u>\$ 633,320</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

	Impact Fee Funds			Total Nonmajor Capital Projects Funds
	Zone A Neighborhood Parks	Zone C Neighborhood Parks	Zone D and E Neighborhood Parks	
<b>ASSETS</b>				
Cash and investments	\$ 207,318	\$ 178,263	\$ 416,223	\$ 29,730,024
Receivables:				
Interest	-	-	-	2,373
Prepaid items	-	-	-	2,963
Advances to other funds	-	-	-	1,721,793
Restricted cash and investments	-	-	-	331,315
Total assets	<u>207,318</u>	<u>\$ 178,263</u>	<u>\$ 416,223</u>	<u>\$ 31,788,468</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 696,314
Accrued salaries and benefits	-	-	-	36,849
Advance from other funds	-	-	-	1,672,470
Loans from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,405,633</u>
Fund balances:				
Nonspendable	-	-	-	2,963
Restricted	207,318	178,263	416,223	26,820,716
Assigned	-	-	-	4,231,626
Unassigned	-	-	-	(1,672,470)
Total fund balances (deficit)	<u>207,318</u>	<u>178,263</u>	<u>416,223</u>	<u>29,382,835</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 207,318</u>	<u>\$ 178,263</u>	<u>\$ 416,223</u>	<u>\$ 31,788,468</u>

**CITY OF CHICO, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Capital Improvements Fund	Bond Proceeds Fund	Fleet Replacement and Facility Maintenance	Remediation Fund
<b>REVENUES:</b>				
Charges for services	\$ 455,853	\$ -	\$ -	\$ -
Use of money and property	28,051	8,779	58,568	3,755
Miscellaneous	-	-	38,859	-
Total revenues	<u>483,904</u>	<u>8,779</u>	<u>97,427</u>	<u>3,755</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	-	-	637,884	-
Public works	1,017,531	-	-	99,189
Community development	-	-	-	-
<b>Capital outlay:</b>				
Capital outlay - Operations	-	54,498	1,000,426	-
<b>Debt service:</b>				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,017,531</u>	<u>54,498</u>	<u>1,638,310</u>	<u>99,189</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(533,627)</u>	<u>(45,719)</u>	<u>(1,540,883)</u>	<u>(95,434)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	1,747,277	-
Transfers out	-	(7,937)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(7,937)</u>	<u>1,747,277</u>	<u>-</u>
Net change in fund balances	(533,627)	(53,656)	206,394	(95,434)
Fund balances (deficit), beginning of year	<u>1,993,017</u>	<u>387,344</u>	<u>2,557,822</u>	<u>106,417</u>
Fund balances (deficit), end of year	<u>\$ 1,459,390</u>	<u>\$ 333,688</u>	<u>\$ 2,764,216</u>	<u>\$ 10,983</u>

**CITY OF CHICO, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Impact Fee Funds				
	Public	Fire Protection	Bidwell Park		
	Infrastructure Replacement	Building & Equipment Dev	Land Acquisition Dev	Administrative Building	Street Facility Improvement
<b>REVENUES:</b>					
Charges for services	\$ -	\$ 378,041	\$ 95,598	\$ 77,542	\$ 1,062,797
Use of money and property	17,177	2,514	-	-	157,481
Miscellaneous	-	-	-	-	-
Total revenues	<u>17,177</u>	<u>380,555</u>	<u>95,598</u>	<u>77,542</u>	<u>1,220,278</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	-	-	-	-	-
Public works	97,595	-	-	-	-
Community development	-	2,091	21	30	81,825
<b>Capital outlay:</b>					
Capital outlay - Operations	326,363	-	-	-	1,046,319
<b>Debt service:</b>					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>423,958</u>	<u>2,091</u>	<u>21</u>	<u>30</u>	<u>1,128,144</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(406,781)</u>	<u>378,464</u>	<u>95,577</u>	<u>77,512</u>	<u>92,134</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,372,731	-	-	-	-
Transfers out	-	(3,755)	(956)	(911)	(10,628)
Total other financing sources (uses)	<u>1,372,731</u>	<u>(3,755)</u>	<u>(956)</u>	<u>(911)</u>	<u>(10,628)</u>
Net change in fund balances	965,950	374,709	94,621	76,601	81,506
Fund balances (deficit), beginning of year	<u>394,948</u>	<u>(92,163)</u>	<u>(1,102,203)</u>	<u>(611,209)</u>	<u>6,286,254</u>
Fund balances (deficit), end of year	<u>\$ 1,360,898</u>	<u>\$ 282,546</u>	<u>\$ (1,007,582)</u>	<u>\$ (534,608)</u>	<u>\$ 6,367,760</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Impact Fee Funds				
	Zone J			Street	Police Protection
	Neighborhood	Bikeway	Community	Maintenance	Building
	Parks	Improvement	Park	Equipment	and Equipment
<b>REVENUES:</b>					
Charges for services	\$ 6,056	\$ 285,977	\$ 883,044	\$ 73,373	\$ 523,646
Use of money and property	-	21,555	153,161	36,242	85,328
Miscellaneous	-	-	-	-	-
Total revenues	<u>6,056</u>	<u>307,532</u>	<u>1,036,205</u>	<u>109,615</u>	<u>608,974</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Community development	-	22,541	212	2,498	2,207
<b>Capital outlay:</b>					
Capital outlay - Operations	-	112,379	-	82,911	457,561
<b>Debt service:</b>					
Principal retirement	-	-	-	54,175	-
Interest	-	-	-	4,765	-
Total expenditures	<u>-</u>	<u>134,920</u>	<u>212</u>	<u>144,349</u>	<u>459,768</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,056</u>	<u>172,612</u>	<u>1,035,993</u>	<u>(34,734)</u>	<u>149,206</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	<u>(61)</u>	<u>(2,860)</u>	<u>(8,830)</u>	<u>(734)</u>	<u>(5,236)</u>
Total other financing sources (uses)	<u>(61)</u>	<u>(2,860)</u>	<u>(8,830)</u>	<u>(734)</u>	<u>(5,236)</u>
Net change in fund balances	5,995	169,752	1,027,163	(35,468)	143,970
Fund balances (deficit), beginning of year	<u>(136,275)</u>	<u>815,201</u>	<u>5,907,855</u>	<u>1,515,550</u>	<u>3,348,888</u>
Fund balances (deficit), end of year	<u>\$ (130,280)</u>	<u>\$ 984,953</u>	<u>\$ 6,935,018</u>	<u>\$ 1,480,082</u>	<u>\$ 3,492,858</u>



**CITY OF CHICO, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Impact Fee Funds				
	Zone I	Zone F and G	Zone B	Storm	Linear Parks/ Greenways
	Neighborhood Parks	Neighborhood Parks		Drainage Facility	
<b>REVENUES:</b>					
Charges for services	\$ 152,483	\$ 134,757	\$ 14,908	\$ 232,976	\$ 136,502
Use of money and property	27,412	22,859	13,407	31,230	17,928
Miscellaneous	-	-	-	-	-
Total revenues	<u>179,895</u>	<u>157,616</u>	<u>28,315</u>	<u>264,206</u>	<u>154,430</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public works	-	-	-	-	-
Community development	8	31	12	20,368	5,225
Capital outlay:					
Capital outlay - Operations	-	-	-	3,413	293,727
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>8</u>	<u>31</u>	<u>12</u>	<u>23,781</u>	<u>298,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>179,887</u>	<u>157,585</u>	<u>28,303</u>	<u>240,425</u>	<u>(144,522)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	(1,525)	(1,348)	(149)	(2,330)	(1,365)
Total other financing sources (uses)	<u>(1,525)</u>	<u>(1,348)</u>	<u>(149)</u>	<u>(2,330)</u>	<u>(1,365)</u>
Net change in fund balances	178,362	156,237	28,154	238,095	(145,887)
Fund balances (deficit), beginning of year	<u>1,017,234</u>	<u>874,056</u>	<u>548,218</u>	<u>1,110,130</u>	<u>776,510</u>
Fund balances (deficit), end of year	<u>\$ 1,195,596</u>	<u>\$ 1,030,293</u>	<u>\$ 576,372</u>	<u>\$ 1,348,225</u>	<u>\$ 630,623</u>

**CITY OF CHICO, CALIFORNIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Impact Fee Funds			Total Nonmajor Capital Projects Funds
	Zone A	Zone C	Zone D and E	
	Parks	Parks	Parks	
REVENUES:				
Charges for services	\$ 9,700	\$ 2,982	\$ 33,089	\$ 4,559,324
Use of money and property	4,779	4,189	9,469	703,884
Miscellaneous	-	-	-	38,859
Total revenues	14,479	7,171	42,558	5,302,067
EXPENDITURES:				
Current:				
General government	-	-	-	637,884
Public works	-	-	-	1,214,315
Community development	92	-	9	137,170
Capital outlay:				
Capital outlay - Operations	2,999	-	-	3,380,596
Debt service:				
Principal retirement	-	-	-	54,175
Interest	-	-	-	4,765
Total expenditures	3,091	-	9	5,428,905
Excess (deficiency) of revenues over (under) expenditures	11,388	7,171	42,549	(126,838)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	3,120,008
Transfers out	(97)	(30)	(331)	(49,083)
Total other financing sources (uses)	(97)	(30)	(331)	3,070,925
Net change in fund balances	11,291	7,141	42,218	2,944,087
Fund balances (deficit), beginning of year	196,027	171,122	374,005	26,438,748
Fund balances (deficit), end of year	\$ 207,318	\$ 178,263	\$ 416,223	\$ 29,382,835

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL IMPROVEMENTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 690,000	\$ 390,000	\$ 455,853	\$ 65,853
Use of money and property	-	-	28,051	28,051
Total revenues	<u>690,000</u>	<u>390,000</u>	<u>483,904</u>	<u>93,904</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>2,244,009</u>	<u>2,398,636</u>	<u>1,017,531</u>	<u>1,381,105</u>
Total expenditures	<u>2,244,009</u>	<u>2,398,636</u>	<u>1,017,531</u>	<u>1,381,105</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,554,009)</u>	<u>(2,008,636)</u>	<u>(533,627)</u>	<u>1,475,009</u>
Net change in fund balance	(1,554,009)	(2,008,636)	(533,627)	1,475,009
Fund balance, beginning of year	<u>1,993,017</u>	<u>1,993,017</u>	<u>1,993,017</u>	<u>-</u>
Fund balance, end of year	<u>\$ 439,008</u>	<u>\$ (15,619)</u>	<u>\$ 1,459,390</u>	<u>\$ 1,475,009</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BOND PROCEEDS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 8,779	\$ 8,779
Total revenues	\$ -	\$ -	\$ 8,779	\$ 8,779
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	-	158,857	54,498	104,359
Excess (deficiency) of revenues over (under) expenditures	-	(158,857)	(45,719)	113,138
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(194,302)	(172,693)	(7,937)	(164,756)
Net change in fund balance	(194,302)	(331,550)	(53,656)	(51,618)
Fund balance, beginning of year	387,344	387,344	387,344	-
Fund balance, end of year	<u>\$ 193,042</u>	<u>\$ 55,794</u>	<u>\$ 333,688</u>	<u>\$ (51,618)</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FLEET REPLACEMENT AND FACILITY MAINTENANCE  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 58,568	\$ 58,568
Miscellaneous	20,000	20,000	38,859	18,859
Total revenues	20,000	20,000	97,427	77,427
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	637,884	(637,884)
Capital outlay	2,380,235	4,108,890	1,000,426	3,108,464
Total expenditures	2,380,235	4,108,890	1,638,310	2,470,580
Excess (deficiency) of revenues over (under) expenditures	(2,360,235)	(4,088,890)	(1,540,883)	2,548,007
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,371,550	1,747,277	1,747,277	-
Total other financing sources (uses)	1,371,550	1,747,277	1,747,277	-
Net change in fund balance	(988,685)	(2,341,613)	206,394	2,548,007
Fund balance, beginning of year	2,557,822	2,557,822	2,557,822	-
Fund balance, end of year	<u>\$ 1,569,137</u>	<u>\$ 216,209</u>	<u>\$ 2,764,216</u>	<u>\$ 2,548,007</u>

**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**REMEDIATION FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 3,755	\$ 3,755
Total revenues	<u>-</u>	<u>-</u>	<u>3,755</u>	<u>3,755</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	99,189	(99,189)
Capital outlay	<u>225,150</u>	<u>312,161</u>	<u>-</u>	<u>312,161</u>
Total expenditures	<u>225,150</u>	<u>312,161</u>	<u>99,189</u>	<u>212,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(225,150)</u>	<u>(312,161)</u>	<u>(95,434)</u>	<u>216,727</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>207,851</u>	<u>207,851</u>	<u>-</u>	<u>(207,851)</u>
Total other financing sources (uses)	<u>207,851</u>	<u>207,851</u>	<u>-</u>	<u>(207,851)</u>
Net change in fund balance	(17,299)	(104,310)	(95,434)	8,876
Fund balance, beginning of year	<u>106,417</u>	<u>106,417</u>	<u>106,417</u>	<u>-</u>
Fund balance, end of year	<u>\$ 89,118</u>	<u>\$ 2,107</u>	<u>\$ 10,983</u>	<u>\$ 8,876</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
PUBLIC INFRASTRUCTURE REPLACEMENT  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 17,177	\$ (17,177)
Total revenues	<u>-</u>	<u>-</u>	<u>17,177</u>	<u>(17,177)</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	<u>800,000</u>	<u>928,275</u>	<u>326,363</u>	<u>601,912</u>
Total expenditures	<u>800,000</u>	<u>928,275</u>	<u>423,958</u>	<u>504,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(800,000)</u>	<u>(928,275)</u>	<u>(406,781)</u>	<u>521,494</u>
Transfers in	<u>800,000</u>	<u>1,372,731</u>	<u>1,372,731</u>	<u>-</u>
Net change in fund balance	-	444,456	965,950.00	521,494
Fund balance, beginning of year	<u>394,948</u>	<u>394,948</u>	<u>394,948</u>	<u>-</u>
Fund balance, end of year	<u>\$ 394,948</u>	<u>\$ 839,404</u>	<u>\$ 1,360,898</u>	<u>\$ 521,494</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FIRE PROTECTION BLDG & EQUIP DEV IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 350,000	\$ 378,040	\$ 378,041	\$ 1
Use of money and property	-	-	2,514	2,514
<b>Total revenues</b>	<b>350,000</b>	<b>378,040</b>	<b>380,555</b>	<b>2,515</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community development	-	-	2,091	(2,091)
Capital outlay	4,836	13,297	-	13,297
<b>Total expenditures</b>	<b>4,836</b>	<b>13,297</b>	<b>2,091</b>	<b>11,206</b>
Excess (deficiency) of revenues over (under) expenditures	345,164	364,743	378,464	13,721
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(48)	(3,781)	(3,755)	26
<b>Total other financing sources (uses)</b>	<b>(48)</b>	<b>(3,781)</b>	<b>(3,755)</b>	<b>26</b>
Net change in fund balance	345,116	360,962	374,709	13,747
Fund balance, beginning of year	(92,163)	(92,163)	(92,163)	-
Fund balance, end of year	<u>\$ 252,953</u>	<u>\$ 268,799</u>	<u>\$ 282,546</u>	<u>\$ 13,747</u>



**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**BIDWELL PARK LAND ACQUISITION DEV IMPACT FEE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 70,000	\$ 95,598	\$ 95,598	\$ -
Total revenues	70,000	95,598	95,598	-
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	21	(21)
Capital outlay	-	1,912	-	1,912
Excess (deficiency) of revenues over (under) expenditures	70,000	93,686	95,577	1,891
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(956)	(956)	-
Total other financing sources (uses)	-	(956)	(956)	-
Net change in fund balance	70,000	92,730	94,621	1,891
Fund balance (deficit), beginning of year	(1,102,203)	(1,102,203)	(1,102,203)	-
Fund balance (deficit), end of year	\$ (1,032,203)	\$ (1,009,473)	\$ (1,007,582)	\$ 1,891

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ADMINISTRATIVE BUILDING IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 100,000	\$ 100,000	\$ 77,542	\$ (22,458)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>77,542</u>	<u>(22,458)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	30	(30)
Capital outlay	-	1,821	-	1,821
Total expenditures	<u>-</u>	<u>1,821</u>	<u>30</u>	<u>1,791</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>98,179</u>	<u>77,512</u>	<u>(20,667)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(1,000)	(911)	89
Total other financing sources (uses)	<u>-</u>	<u>(1,000)</u>	<u>(911)</u>	<u>89</u>
Net change in fund balance	100,000	97,179	76,601	(20,578)
Fund balance (deficit), beginning of year	<u>(611,209)</u>	<u>(611,209)</u>	<u>(611,209)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (511,209)</u>	<u>\$ (514,030)</u>	<u>\$ (534,608)</u>	<u>\$ (20,578)</u>

**CITY OF CHICO, CALIFORNIA**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**STREET FACILITY IMPROVEMENT IMPACT FEE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,500,000	\$ 2,500,000	\$ 1,062,797	\$ (1,437,203)
Use of money and property	-	-	157,481	157,481
Total revenues	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,220,278</u>	<u>(1,279,722)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	81,825	(81,825)
Capital outlay	<u>1,728,699</u>	<u>5,923,015</u>	<u>1,046,319</u>	<u>4,876,696</u>
Total expenditures	<u>1,728,699</u>	<u>5,923,015</u>	<u>1,128,144</u>	<u>4,794,871</u>
Excess (deficiency) of revenues over (under) expenditures	<u>771,301</u>	<u>(3,423,015)</u>	<u>92,134</u>	<u>3,515,149</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(15,964)</u>	<u>(25,000)</u>	<u>(10,628)</u>	<u>14,372</u>
Net change in fund balance	755,337	(3,448,015)	81,506	3,529,521
Fund balance, beginning of year	<u>6,286,254</u>	<u>6,286,254</u>	<u>6,286,254</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,041,591</u>	<u>\$ 2,838,239</u>	<u>\$ 6,367,760</u>	<u>\$ 3,529,521</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ZONE J NEIGHBORHOOD PARKS IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 5,000	\$ 6,056	\$ 6,056	\$ -
Total revenues	<u>5,000</u>	<u>6,056</u>	<u>6,056</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>-</u>	<u>(61)</u>	<u>(61)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(61)</u>	<u>(61)</u>	<u>-</u>
Net change in fund balance	5,000	5,995	5,995	-
Fund balance (deficit), beginning of year	<u>(136,275)</u>	<u>(136,275)</u>	<u>(136,275)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (131,275)</u>	<u>\$ (130,280)</u>	<u>\$ (130,280)</u>	<u>\$ -</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BIKEWAY IMPROVEMENT IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 200,000	\$ 285,977	\$ 285,977	\$ -
Use of money and property	-	-	21,555	21,555
<b>Total revenues</b>	<u>200,000</u>	<u>285,977</u>	<u>307,532</u>	<u>21,555</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	22,541	(22,541)
Capital outlay	209,069	779,613	112,379	667,234
<b>Total expenditures</b>	<u>209,069</u>	<u>779,613</u>	<u>134,920</u>	<u>644,693</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,069)</u>	<u>(493,636)</u>	<u>172,612</u>	<u>666,248</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(2,091)</u>	<u>(2,860)</u>	<u>(2,860)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(11,160)</u>	<u>(496,496)</u>	<u>169,752</u>	<u>666,248</u>
Fund balance, beginning of year	<u>815,201</u>	<u>815,201</u>	<u>815,201</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 804,041</u>	<u>\$ 318,705</u>	<u>\$ 984,953</u>	<u>\$ 666,248</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
COMMUNITY PARK IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 800,000	\$ 883,044	\$ 883,044	\$ -
Use of money and property	-	-	153,161	153,161
<b>Total revenues</b>	<b>800,000</b>	<b>883,044</b>	<b>1,036,205</b>	<b>153,161</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community development	-	-	212	(212)
Capital outlay	15,510	15,902	-	15,902
<b>Total expenditures</b>	<b>15,510</b>	<b>15,902</b>	<b>212</b>	<b>15,690</b>
Excess (deficiency) of revenues over (under) expenditures	784,490	867,142	1,035,993	168,851
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(155)	(8,831)	(8,830)	1
<b>Total other financing sources (uses)</b>	<b>(155)</b>	<b>(8,831)</b>	<b>(8,830)</b>	<b>1</b>
Net change in fund balance	784,335	858,311	1,027,163	168,852
Fund balance, beginning of year	5,907,855	5,907,855	5,907,855	-
Fund balance, end of year	<u>\$ 6,692,190</u>	<u>\$ 6,766,166</u>	<u>\$ 6,935,018</u>	<u>\$ 168,852</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STREET MAINTENANCE EQUIPMENT IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 60,000	\$ 73,373	\$ 73,373	\$ -
Use of money and property	-	-	36,242	36,242
<b>Total revenues</b>	<b>60,000</b>	<b>73,373</b>	<b>109,615</b>	<b>36,242</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community development	-	-	2,498	(2,498)
Capital outlay	1,951	1,515,537	82,911	1,432,626
Debt Service				
Principal retirement	54,175	54,175	54,175	-
Interest and finance charges	4,765	4,765	4,765	-
<b>Total expenditures</b>	<b>60,891</b>	<b>1,574,477</b>	<b>144,349</b>	<b>1,430,128</b>
Excess (deficiency) of revenues over (under) expenditures	(891)	(1,501,104)	(34,734)	1,466,370
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(20)	(734)	(734)	-
<b>Total other financing sources (uses)</b>	<b>(20)</b>	<b>(734)</b>	<b>(734)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(911)</b>	<b>(1,501,838)</b>	<b>(35,468)</b>	<b>1,466,370</b>
Fund balance, beginning of year	1,515,550	1,515,550	1,515,550	-
<b>Fund balance, end of year</b>	<b>\$ 1,514,639</b>	<b>\$ 13,712</b>	<b>\$ 1,480,082</b>	<b>\$ 1,466,370</b>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
POLICE PROTECTION BUILDING AND EQUIPMENT IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 600,000	\$ 600,000	\$ 523,646	\$ (76,354)
Use of money and property	-	-	85,328	85,328
<b>Total revenues</b>	<u>600,000</u>	<u>600,000</u>	<u>608,974</u>	<u>8,974</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community development	-	-	2,207	(2,207)
Capital outlay	574,829	705,923	457,561	248,362
<b>Total expenditures</b>	<u>574,829</u>	<u>705,923</u>	<u>459,767</u>	<u>246,155</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,171</u>	<u>(105,923)</u>	<u>149,207</u>	<u>255,130</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(55)	(6,000)	(5,236)	764
<b>Total other financing sources (uses)</b>	<u>(55)</u>	<u>(6,000)</u>	<u>(5,236)</u>	<u>764</u>
<b>Net change in fund balance</b>	<b>25,116</b>	<b>(111,923)</b>	<b>143,971</b>	<b>255,894</b>
Fund balance, beginning of year	<u>3,348,888</u>	<u>3,348,888</u>	<u>3,348,888</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 3,374,004</u></u>	<u><u>\$ 3,236,965</u></u>	<u><u>\$ 3,492,859</u></u>	<u><u>\$ 255,894</u></u>



**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ZONE I NEIGHBORHOOD PARKS IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 30,000	\$ 152,482	\$ 152,483	\$ 1
Use of money and property	-	-	27,412	27,412
<b>Total revenues</b>	<b>30,000</b>	<b>152,482</b>	<b>179,895</b>	<b>27,413</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community Development	-	-	8	(8)
Capital outlay	-	3,050	-	3,050
<b>Total expenditures</b>	<b>-</b>	<b>3,050</b>	<b>8</b>	<b>3,042</b>
Excess (deficiency) of revenues over (under) expenditures	30,000	149,432	179,887	30,455
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(1,525)	(1,525)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,525)</b>	<b>(1,525)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>30,000</b>	<b>147,907</b>	<b>178,362</b>	<b>30,455</b>
Fund balance, beginning of year	1,017,234	1,017,234	1,017,234	-
<b>Fund balance, end of year</b>	<b>\$ 1,047,234</b>	<b>\$ 1,165,141</b>	<b>\$ 1,195,596</b>	<b>\$ 30,455</b>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ZONE F & G NEIGHBORHOOD PARKS IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 100,000	\$ 134,750	\$ 134,757	\$ 7
Use of money and property	-	-	22,859	22,859
<b>Total revenues</b>	<b>100,000</b>	<b>134,750</b>	<b>157,616</b>	<b>22,866</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community development	-	-	31	(31)
Capital outlay	-	2,695	-	2,695
<b>Total expenditures</b>	<b>-</b>	<b>2,695</b>	<b>31</b>	<b>2,664</b>
Excess (deficiency) of revenues over (under) expenditures	100,000	132,055	157,585	25,530
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(1,348)	(1,348)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,348)</b>	<b>(1,348)</b>	<b>-</b>
Net change in fund balance	100,000	130,707	156,237	25,530
Fund balance, beginning of year	874,056	874,056	874,056	-
Fund balance, end of year	<u>\$ 974,056</u>	<u>\$ 1,004,763</u>	<u>\$ 1,030,293</u>	<u>\$ 25,530</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ZONE B NEIGHBORHOOD PARKS IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 40,000	\$ 40,000	\$ 14,908	\$ (25,092)
Use of money and property	-	-	13,407	13,407
<b>Total revenues</b>	<b>40,000</b>	<b>40,000</b>	<b>28,315</b>	<b>(11,685)</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community development	-	-	12	(12)
Capital outlay	-	298	-	298
<b>Total expenditures</b>	<b>-</b>	<b>298</b>	<b>12</b>	<b>286</b>
Excess (deficiency) of revenues over (under) expenditures	40,000	39,702	28,303	(11,399)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(400)	(149)	251
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(400)</b>	<b>(149)</b>	<b>251</b>
<b>Net change in fund balance</b>	<b>40,000</b>	<b>39,302</b>	<b>28,154</b>	<b>(11,148)</b>
Fund balance, beginning of year	548,218	548,218	548,218	-
<b>Fund balance, end of year</b>	<b>\$ 588,218</b>	<b>\$ 587,520</b>	<b>\$ 576,372</b>	<b>\$ (11,148)</b>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
STORM DRAIN FACILITY IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 300,000	\$ 300,000	\$ 232,976	\$ (67,024)
Use of money and property	-	-	31,230	31,230
<b>Total revenues</b>	<u>300,000</u>	<u>300,000</u>	<u>264,206</u>	<u>(35,794)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community Development	-	-	20,368	(20,368)
Capital outlay	314,189	785,651	3,413	782,238
<b>Total expenditures</b>	<u>314,189</u>	<u>785,651</u>	<u>23,781</u>	<u>761,870</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,189)</u>	<u>(485,651)</u>	<u>240,425</u>	<u>726,076</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(3,142)	(3,000)	(2,330)	670
<b>Total other financing sources (uses)</b>	<u>(3,142)</u>	<u>(3,000)</u>	<u>(2,330)</u>	<u>670</u>
<b>Net change in fund balance</b>	<b>(17,331)</b>	<b>(488,651)</b>	<b>238,095</b>	<b>726,746</b>
Fund balance, beginning of year	1,110,130	1,110,130	1,110,130	-
<b>Fund balance, end of year</b>	<u><u>\$ 1,092,799</u></u>	<u><u>\$ 621,479</u></u>	<u><u>\$ 1,348,225</u></u>	<u><u>\$ 726,746</u></u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
LINEAR PARKS & GREENWAYS IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 100,000	\$ 136,501	\$ 136,502	\$ 1
Use of money and property	-	-	17,928	17,928
<b>Total revenues</b>	<b>100,000</b>	<b>136,501</b>	<b>154,430</b>	<b>17,929</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community Development	-	-	5,225	(5,225)
Capital outlay	252,060	590,095	293,727	296,368
<b>Total expenditures</b>	<b>252,060</b>	<b>590,095</b>	<b>298,952</b>	<b>291,143</b>
Excess (deficiency) of revenues over (under) expenditures	(152,060)	(453,594)	(144,522)	309,072
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,521)	(1,365)	(1,365)	-
<b>Total other financing sources (uses)</b>	<b>(2,521)</b>	<b>(1,365)</b>	<b>(1,365)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>(154,581)</b>	<b>(454,959)</b>	<b>(145,887)</b>	<b>309,072</b>
Fund balance, beginning of year	776,510	776,510	776,510	-
<b>Fund balance, end of year</b>	<b>\$ 621,929</b>	<b>\$ 321,551</b>	<b>\$ 630,623</b>	<b>\$ 309,072</b>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ZONE A NEIGHBORHOOD PARKS IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 10,000	\$ 10,000	\$ 9,700	\$ (300)
Use of money and property	-	-	4,779	4,779
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>14,479</u>	<u>4,479</u>
EXPENDITURES:				
Current:				
Parks and recreation	-	-	92	(92)
Capital outlay	-	44,779	2,999	41,780
Total expenditures	<u>-</u>	<u>44,779</u>	<u>3,091</u>	<u>41,688</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,000</u>	<u>(34,779)</u>	<u>11,388</u>	<u>46,167</u>
Transfers out	<u>-</u>	<u>(100)</u>	<u>(97)</u>	<u>3</u>
Net change in fund balance	10,000	(34,879)	11,291	46,170
Fund balance, beginning of year	<u>196,027</u>	<u>196,027</u>	<u>196,027</u>	<u>-</u>
Fund balance, end of year	<u>\$ 206,027</u>	<u>\$ 161,148</u>	<u>\$ 207,318</u>	<u>\$ 46,170</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ZONE C NEIGHBORHOOD PARKS IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ 2,980	\$ 2,982	\$ 2
Use of money and property	-	-	4,189	4,189
Total revenues	-	2,980	7,171	4,191
Capital outlay	-	60	-	60
Total expenditures	-	60	-	60
Excess (deficiency) of revenues over (under) expenditures	-	2,920	7,171	4,251
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(30)	(30)	-
Net change in fund balance	-	2,890	7,171	4,251
Fund balance, beginning of year	171,122	171,122	171,122	-
Fund balance, end of year	<u>\$ 171,122</u>	<u>\$ 174,012</u>	<u>\$ 178,293</u>	<u>\$ 4,251</u>

**CITY OF CHICO, CALIFORNIA  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ZONE D & E NEIGHBORHOOD PARKS IMPACT FEE FUND  
FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 30,000	\$ 33,088	\$ 33,089	\$ 1
Use of money and property	-	-	9,469	9,469
<b>Total revenues</b>	<b>30,000</b>	<b>33,088</b>	<b>42,558</b>	<b>9,470</b>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
Community development			9	(9)
Capital outlay	130,000	403,767	-	403,767
<b>Total expenditures</b>	<b>130,000</b>	<b>403,767</b>	<b>9</b>	<b>403,758</b>
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(370,679)	42,549	413,228
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,300)	(331)	(331)	-
<b>Net change in fund balance</b>	<b>(101,300)</b>	<b>(371,010)</b>	<b>42,218</b>	<b>413,228</b>
Fund balance, beginning of year	374,005	374,005	374,005	-
<b>Fund balance, end of year</b>	<b>\$ 272,705</b>	<b>\$ 2,995</b>	<b>\$ 416,223</b>	<b>\$ 413,228</b>



## **INTERNAL SERVICE FUNDS**

### **Self Insurance**

Accounts for liability, property and related insurance program activities; workers' compensation insurance program activities; and unemployment insurance reimbursement transactions to State Unemployment Insurance Fund.

### **Central Garage**

Accounts for central garage operating costs which are subsequently distributed to user offices and departments.

### **Municipal Building Maintenance**

Accounts for municipal buildings operating costs which are subsequently distributed to user offices and departments.

### **Information Services**

Accounts for information and communications systems costs which are subsequently distributed to user offices and departments.

**CITY OF CHICO, CALIFORNIA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**JUNE 30, 2019**

	Self Insurance	Central Garage	Municipal Building Maintenance	Information Services	Retirement Funding	Total
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 6,926,511	\$ 9,497	\$ 45,662	\$ 218,007	\$ 1,514,213	\$ 8,713,890
Receivables:						
Accounts	175,469	-	-	-	-	175,469
Intergovernmental	-	3,868	-	-	-	3,868
Due from other funds	1,051,645	-	-	-	-	1,051,645
Inventories	-	58,558	-	-	-	58,558
Prepaid items	1,208	-	-	74,238	-	75,446
Total current assets	<u>8,154,833</u>	<u>71,923</u>	<u>45,662</u>	<u>292,245</u>	<u>1,514,213</u>	<u>10,078,876</u>
Noncurrent assets:						
Restricted cash and investments	300,000	-	-	-	-	300,000
Advances to other funds	363,178	-	-	-	-	363,178
Land and construction in progress net of accumulated depreciation	-	30,391	-	-	-	30,391
	-	1,014	-	-	-	1,014
Total noncurrent assets	<u>663,178</u>	<u>31,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694,583</u>
Total assets	<u>8,818,011</u>	<u>103,328</u>	<u>45,662</u>	<u>292,245</u>	<u>1,514,213</u>	<u>10,773,459</u>
<b>DEFERRED OUTFLOWS OF</b>						
Deferred amounts related to OPEB	-	10,449	7,482	16,040	-	33,971
Deferred amounts related to pensions	-	347,196	248,620	533,006	-	1,128,822
Total deferred outflows of resources	<u>-</u>	<u>357,645</u>	<u>256,102</u>	<u>549,046</u>	<u>-</u>	<u>1,162,793</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	396,530	79,501	49,264	49,395	-	574,690
Accrued salaries and benefits	-	10,571	6,078	24,644	-	41,293
Compensated absences - current	-	2,720	11,579	12,127	-	26,426
Claims liability - current portion	2,177,493	-	-	-	-	2,177,493
Total current liabilities	<u>2,574,023</u>	<u>92,792</u>	<u>66,921</u>	<u>86,166</u>	<u>-</u>	<u>2,819,902</u>
Noncurrent liabilities:						
Compensated absences	-	16,624	41,814	104,027	-	162,465
Claims liability	5,140,162	-	-	-	-	5,140,162
Net OPEB liability	-	141,360	55,712	206,924	-	403,996
Net pension liability	-	2,510,891	1,798,000	3,854,660	-	8,163,551
Total noncurrent liabilities	<u>5,140,162</u>	<u>2,668,875</u>	<u>1,895,526</u>	<u>4,165,611</u>	<u>-</u>	<u>13,870,174</u>
Total liabilities	<u>7,714,185</u>	<u>2,761,667</u>	<u>1,962,447</u>	<u>4,251,777</u>	<u>-</u>	<u>16,690,076</u>
<b>DEFERRED INFLOWS OF</b>						
Deferred amounts related to OPEB	-	111,273	80,975	169,481	-	361,729
Deferred amounts related to pensions	-	66,865	47,880	102,649	-	217,394
Total deferred inflows of resources	<u>-</u>	<u>178,138</u>	<u>128,855</u>	<u>272,130</u>	<u>-</u>	<u>579,123</u>
<b>NET POSITION</b>						
Net investment in capital assets	-	31,405	-	-	-	31,405
Restricted for insurance	300,000	-	-	-	-	300,000
Unrestricted	803,826	(2,510,237)	(1,789,538)	(3,682,616)	1,514,213	(5,664,352)
Total net position (deficit)	<u>\$ 1,103,826</u>	<u>\$ (2,478,832)</u>	<u>\$ (1,789,538)</u>	<u>\$ (3,682,616)</u>	<u>\$ 1,514,213</u>	<u>\$ (5,332,947)</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Self Insurance	Central Garage	Municipal Building Maintenance	Information Services	Retirement Funding	Total
<b>OPERATING REVENUES:</b>						
Charges for services - internal	\$ 3,421,735	\$ 1,794,265	\$ 1,145,274	\$ 1,907,520	\$ 8,386,383	\$ 16,655,177
Charges for services - external	-	44,558	-	45,000	-	89,558
Total operating revenues	<u>3,421,735</u>	<u>1,838,823</u>	<u>1,145,274</u>	<u>1,952,520</u>	<u>8,386,383</u>	<u>16,744,735</u>
Salaries and benefits	-	882,959	1,367,304	1,335,339	-	3,585,602
Materials and supplies	427	385,624	100,399	55,998	-	542,448
Purchased services	1,901,925	104,197	245,228	558,239	-	2,809,589
Other Expenses	492,753	674,313	280,327	246,060	7,598,561	9,292,014
Depreciation	-	1,737	-	-	-	1,737
Total operating expenses	<u>2,395,105</u>	<u>2,048,830</u>	<u>1,993,258</u>	<u>2,195,636</u>	<u>7,598,561</u>	<u>16,231,390</u>
Operating income (loss)	<u>1,026,630</u>	<u>(210,007)</u>	<u>(847,984)</u>	<u>(243,116)</u>	<u>787,822</u>	<u>513,345</u>
<b>NONOPERATING REVENUES</b>						
Investment earnings	167,911	-	-	-	(49,914)	117,997
Miscellaneous	182,246	-	400	-	-	182,646
Miscellaneous expense	-	(8,212)	-	-	-	(8,212)
Total nonoperating revenues	<u>350,157</u>	<u>(8,212)</u>	<u>400</u>	<u>-</u>	<u>(49,914)</u>	<u>292,431</u>
Income (loss) before transfers	1,376,787	(218,219)	(847,584)	(243,116)	737,908	805,776
Transfers in	750,000	-	-	-	500,000	1,250,000
Transfers out	-	(17,941)	(20,225)	-	(1,041,455)	(1,079,621)
Change in net position	2,126,787	(236,160)	(867,809)	(243,116)	196,453	976,155
Net position (deficit), beginning of year	<u>(1,022,961)</u>	<u>(2,242,672)</u>	<u>(921,729)</u>	<u>(3,439,500)</u>	<u>1,317,760</u>	<u>(6,309,102)</u>
Net position (deficit), end of year	<u>\$ 1,103,826</u>	<u>\$ (2,478,832)</u>	<u>\$ (1,789,538)</u>	<u>\$ (3,682,616)</u>	<u>\$ 1,514,213</u>	<u>\$ (5,332,947)</u>

**CITY OF CHICO, CALIFORNIA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019**

	Self Insurance	Central Garage	Municipal Building Maintenance	Information Services	Retirement Funding	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from services provided	\$ 3,648,369	\$ 1,831,143	\$ 1,145,672	\$ 1,952,520	\$ 8,336,469	\$ 16,914,173
Payments to suppliers and claimants	(2,869,140)	(1,154,467)	(635,976)	(888,976)	(7,598,561)	(13,147,120)
Payments to employees	-	(696,216)	(501,426)	(1,061,866)	-	(2,259,508)
Net cash provided (used) by operating activities	<u>779,229</u>	<u>(19,540)</u>	<u>8,270</u>	<u>1,678</u>	<u>737,908</u>	<u>1,507,545</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Interfund borrowings	2,878,573	-	-	-	-	2,878,573
Transfers in	750,000	-	-	-	500,000	1,250,000
Transfers out	-	(17,941)	(20,225)	-	(1,041,455)	(1,079,621)
Net cash provided (used) by noncapital financing activities	<u>3,628,573</u>	<u>(17,941)</u>	<u>(20,225)</u>	<u>-</u>	<u>(541,455)</u>	<u>3,048,952</u>
Net increase (decrease) in cash and cash equivalents	4,407,802	(37,481)	(11,955)	1,678	196,453	4,556,497
Cash and cash equivalents, beginning of year	2,818,709	46,978	57,617	216,329	1,317,760	4,457,393
Cash and cash equivalents, end of year	<u>\$ 7,226,511</u>	<u>\$ 9,497</u>	<u>\$ 45,662</u>	<u>\$ 218,007</u>	<u>\$ 1,514,213</u>	<u>\$ 9,013,890</u>
<b>RECONCILIATION TO STATEMENT OF NET POSITION:</b>						
Cash and investments	\$ 6,926,511	\$ 9,497	\$ 45,662	\$ 218,007	\$ 1,514,213	\$ 8,713,890
Restricted cash and investments	300,000	-	-	-	-	300,000
CASH AND INVESTMENTS, end of year	<u>\$ 7,226,511</u>	<u>\$ 9,497</u>	<u>\$ 45,662</u>	<u>\$ 218,007</u>	<u>\$ 1,514,213</u>	<u>\$ 9,013,890</u>

**CITY OF CHICO, CALIFORNIA**  
**COMBINING STATEMENT OF CASH FLOWS (CONTINUED)**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Self Insurance	Central Garage	Municipal Building Maintenance	Information Services	Retirement Funding	Total
<b>RECONCILIATION OF OPERATING INCOME</b>						
<b>(LOSS) TO NET CASH PROVIDED (USED)</b>						
<b>BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ 1,026,630	\$ (210,007)	\$ (847,984)	\$ (243,116)	\$ 787,822	\$ 513,345
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	-	1,737	-	-	-	1,737
OPEB expense	-	7,557	5,412	11,602	-	24,571
Pension expense	-	225,371	860,761	276,514	-	1,362,646
Miscellaneous revenue	350,157	(8,212)	400	-	(49,914)	292,431
Accounts receivable	(123,523)	-	-	-	-	(123,523)
Intergovernmental receivable	-	532	-	-	-	532
Prepaid	133	-	-	(48,860)	-	(48,727)
Inventories	-	(8,697)	-	-	-	(8,697)
Accounts payable	148,446	18,264	(10,022)	20,181	-	176,869
Deposits	300	100	-	-	-	400
Accrued salaries and benefits	-	1,109	(3,062)	8,889	-	6,936
Compensated absences	-	(47,294)	2,765	(23,532)	-	(68,061)
Claims liability	(622,914)	-	-	-	-	(622,914)
Total adjustments	(247,401)	190,467	856,254	244,794	(49,914)	994,200
Net cash provided (used) by operating activities	<u>\$ 779,229</u>	<u>\$ (19,540)</u>	<u>\$ 8,270</u>	<u>\$ 1,678</u>	<u>\$ 737,908</u>	<u>\$ 1,507,545</u>

**AGENCY FUNDS**

**CITY OF CHICO, CALIFORNIA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Assessment Districts			Balance June 30, 2019
	Balance June 30, 2018	Additions	Deletions	
<b>ASSETS</b>				
Restricted cash and investments	\$ 597,577	\$ 11,676	\$ (9,089)	\$ 600,164
Receivables:				
Loans	46,347	-	(6,622)	39,726
Total assets	<u>\$ 643,924</u>	<u>\$ 11,676</u>	<u>\$ (15,711)</u>	<u>\$ 639,889</u>
<b>LIABILITIES</b>				
Special assessment deposits	<u>\$ 643,924</u>	<u>\$ 11,676</u>	<u>\$ (15,711)</u>	<u>\$ 639,889</u>

## STATISTICAL SECTION (UNAUDITED)

This part of the City of Chico’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

<b>Contents:</b>	<b>Page</b>
Financial Trends	127-131
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	132-136
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity	137-140
<i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	141-142
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	143-145
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.



**City of Chico, California**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 216,288	\$ 223,393	\$ 310,074	\$ 305,769	\$ 306,134	\$ 311,705	\$ 313,120	\$ 314,106	\$ 311,573	\$ 312,439
Restricted	80,689	85,568	64,494	69,526	82,485	89,720	87,015	91,661	94,268	98,771
Unrestricted	(42,420)	(44,346)	(43,720)	(11,653)	(3,972)	(92,205)	(82,202)	(77,226)	(77,243)	(70,952)
Total governmental activities net position	<u>\$ 254,557</u>	<u>\$ 264,615</u>	<u>\$ 330,848</u>	<u>\$ 363,642</u>	<u>\$ 384,647</u>	<u>\$ 309,220</u>	<u>\$ 317,933</u>	<u>\$ 328,541</u>	<u>\$ 328,599</u>	<u>\$ 340,258</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 107,633	\$ 108,507	\$ 114,359	\$ 75,135	\$ 79,617	\$ 85,684	\$ 85,451	\$ 90,874	\$ 94,581	\$ 95,524
Restricted	1,935	2,449	3,588	5,230	6,857	8,804	10,641	12,519	14,427	16,369
Unrestricted	(3,427)	(2,573)	(990)	12,553	12,621	(743)	1,786	3	4	1,749
Total business-type activities net position	<u>\$ 106,141</u>	<u>\$ 108,383</u>	<u>\$ 116,957</u>	<u>\$ 92,918</u>	<u>\$ 99,095</u>	<u>\$ 93,745</u>	<u>\$ 97,878</u>	<u>\$ 103,396</u>	<u>\$ 109,012</u>	<u>\$ 113,642</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 323,921	\$ 331,900	\$ 424,433	\$ 380,904	\$ 385,751	\$ 397,389	\$ 398,571	\$ 404,980	\$ 406,155	\$ 407,963
Restricted	82,625	88,017	68,082	74,756	89,342	98,524	97,656	104,180	108,695	115,140
Unrestricted	(45,847)	(46,919)	(44,710)	900	8,649	(92,948)	(80,416)	(77,223)	(77,243)	(69,203)
Total primary government net position	<u>\$ 360,699</u>	<u>\$ 372,998</u>	<u>\$ 447,805</u>	<u>\$ 456,560</u>	<u>\$ 483,742</u>	<u>\$ 402,965</u>	<u>\$ 415,811</u>	<u>\$ 431,936</u>	<u>\$ 437,607</u>	<u>\$ 453,899</u>

**City of Chico, California**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,885	\$ 3,125	\$ 2,341	\$ 2,667	\$ 2,636	\$ 3,218	\$ 3,972	\$ 4,577	\$ 5,059	\$ 5,160
Public safety	38,146	37,521	37,436	37,797	34,599	36,709	39,324	41,972	41,214	42,712
Public works	16,244	16,694	18,764	19,555	16,823	18,954	18,530	18,589	19,763	20,062
Parks and recreation	3,521	3,525	3,476	3,531	3,360	3,582	3,388	3,537	3,567	3,849
Community development	4,652	4,355	4,088	2,575	2,654	2,296	2,588	3,360	2,432	2,207
Community agencies	465	381	354	323	162	53	99	100	50	2
Redevelopment	24,926 <sup>3</sup>	13,867	5,187	-	-	-	-	-	-	0
Interest on long-term debt	7,036	6,511	2,424	3	3	3	85	80	82	140
Total governmental activities expenses	<u>96,875</u>	<u>85,979</u>	<u>74,070</u>	<u>66,451</u>	<u>60,237</u>	<u>64,815</u>	<u>67,986</u>	<u>72,215</u>	<u>72,167</u>	<u>74,131</u>
Business-type activities:										
Sewer	8,815	8,921	10,383	12,161	12,235	11,428	10,986	11,451	12,092	11,867
Parking	813	965	1,034	1,017	825	714	839	849	1,027	1,333
Private development	4,097	2,291	1,794	1,993	2,479	2,746	3,001	3,488	3,686	4,099
Airport	1,451	1,584	1,786	2,001	2,263	2,036	1,927	104,180	2,167	2,593
Waste management	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>15,176</u>	<u>13,761</u>	<u>14,997</u>	<u>17,172</u>	<u>17,802</u>	<u>16,924</u>	<u>16,753</u>	<u>119,968</u>	<u>18,972</u>	<u>19,892</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	171	117	97	-	-	349	188	247	318	1,226
Public safety	1,197	1,219	1,283	1,139	962	1,163	1,118	1,176	1,395	1,592
Public works	1,594	1,702	1,934	3,439	5,641	8,674	9,462	8,715	8,288	5,894
Community development	2,714	4,089	5,793	2	17	1	94	215	237	16
Other activities	156	125	120	106	155	86	282	4,487	1,338	56
Operating grants and contributions	11,669	7,743	13,102	9,297	10,874	11,855	10,752	9,976	8,229	5,537
Capital grants and contributions	4,545	15,062	4,064	3,261	2,235	4,565	2,075	929	3,808	6,714
Total governmental activities program revenues	<u>22,046</u>	<u>30,057</u>	<u>26,393</u>	<u>17,244</u>	<u>19,884</u>	<u>26,693</u>	<u>23,971</u>	<u>25,745</u>	<u>23,612</u>	<u>21,034</u>
Business-type activities:										
Charges for services:										
Sewer	8,587	8,168	10,000	14,857	14,942	16,465	14,333	14,737	13,802	14,788
Private development	1,766	1,538	1,461	2,026	2,470	2,539	3,166	3,906	1,876	2,210
Other activities	1,577	1,586	1,525	1,496	1,506	1,453	1,633	1,745	3,923	4,191
Operating grants and contributions	-	-	130	318	303	-	270	3,252	2,649	2,266
Capital grants and contributions	1,346	2,901	10,655	8,713	4,535	7,352	812	1,942	292	77
Total business-type activities program revenues	<u>13,276</u>	<u>14,193</u>	<u>23,771</u>	<u>27,410</u>	<u>23,756</u>	<u>27,809</u>	<u>20,214</u>	<u>25,582</u>	<u>22,543</u>	<u>23,532</u>
Total primary government program revenues	<u>35,322</u>	<u>44,250</u>	<u>50,164</u>	<u>44,654</u>	<u>43,640</u>	<u>54,502</u>	<u>44,185</u>	<u>51,327</u>	<u>46,155</u>	<u>44,567</u>
<b>Net (expenses)/revenue</b>										
Governmental activities	(74,829)	(55,922)	(47,677)	(49,207)	(40,353)	(38,122)	(44,015)	(46,470)	(48,555)	(53,097)
Business-type activities	(1,900)	432	8,774	10,238	5,954	10,885	3,461	(94,385)	3,571	3,641
Total primary government net expense	<u>\$ (76,729)</u>	<u>\$ (55,490)</u>	<u>\$ (38,903)</u>	<u>\$ (38,969)</u>	<u>\$ (34,399)</u>	<u>\$ (27,237)</u>	<u>\$ (40,554)</u>	<u>\$ (140,855)</u>	<u>\$ (44,984)</u>	<u>\$ (49,456)</u>

**Last Ten Fiscal Years**  
**(accrual bases of accounting)**  
**(amounts expressed in thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 43,295	\$ 41,041	\$ 25,998	\$ 11,604	\$ 12,327	\$ 13,649	\$ 14,564	\$ 15,169	\$ 15,410	\$ 16,750
Sales and use tax	11,082	11,603	12,367	12,783	13,945	14,597	17,320	21,134	21,832	25,173
Sales tax in-lieu	3,708	3,896	4,128	4,261	4,597	4,812	2,589	-	-	0
Utility users tax	6,691	6,632	6,655	6,241	6,305	6,203	6,552	6,895	7,052	7,200
Other taxes	3,676	3,763	3,976	4,078	4,324	5,536	4,836	5,200	6,332	7,890
Unrestricted grants and contributions	716	469	33	2,483	8,576	8,837	5,854	0	1,776	5,627
Unrestricted investment earnings	336	229	54	168	136	231	250	109	266	1,162
Miscellaneous	30	93	200	158	921	155	83	182	588	1,180
Extraordinary Gain due to dissolution of RDA	-	-	70,196	-	-	-	-	-	-	-
Loss on disposition of capital assets	-	-	-	(667)	(118)	(545)	-	-	-	-
Loans received from private-purpose trust fund	-	-	-	6,361	4,100	-	-	-	-	-
Bonds received from private-purpose trust fund	-	-	-	-	6,467	-	-	-	-	-
Transfers	<sup>2</sup> (9,199) <sup>2</sup>	(1,814)	200	(9,729)	(222)	(718)	(601)	(370)	(428)	(195)
Business-type activities:										
Unrestricted investment earnings	(16)	(5)	-	-	-	-	70	149	322	793
Transfers	<sup>2</sup> 9,062 <sup>2</sup>	1,814	(200)	9,729	222	718	601	370	428	195
Total business-type activities	9,046	1,808	(200)	9,729	222	718	671	519	750	988
Total primary government	<u>\$ 69,381</u>	<u>\$ 67,721</u>	<u>\$ 123,607</u>	<u>\$ 47,470</u>	<u>\$ 61,580</u>	<u>\$ 53,475</u>	<u>\$ 52,118</u>	<u>\$ 48,838</u>	<u>\$ 750</u>	<u>\$ 65,775</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (14,494)	\$ 9,992	\$ 76,129	\$ (11,467)	\$ 21,005	\$ 14,635	\$ 7,432	\$ 10,607	\$ 2,103	\$ 11,663
Business-type activities	7,146	2,242	8,574	19,968	6,177	11,603	4,133	8,409	4,321	4,629
	<u>\$ (7,348)</u>	<u>\$ 12,234</u>	<u>\$ 84,703</u>	<u>\$ 8,501</u>	<u>\$ 27,182</u>	<u>\$ 26,235</u>	<u>\$ 11,565</u>	<u>\$ 19,016</u>	<u>\$ 6,423</u>	<u>\$ 16,292</u>

**City of Chico, California**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>Fiscal Year Ending June 30</b>								
	<b><u>2011 (a)</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>
General Fund:									
Nonspendable	\$ 3,213	\$ 1,088	\$ 554	\$ 52	\$ 236	\$ 243	\$ 224	\$ 235	\$ 64
Restricted	-	-	-	-	-	-	-	-	1,831
Committed	4,072	4,262	-	-	988	1,025	2,461	3,650	5,017
Assigned	-	-	-	-	2,980	678	3,837	4,576	5,602
Unassigned	-	-	(8,219)	(2,858)	-	4,643	2,454	3,835	7,770
Total General Fund	<u>\$ 7,285</u>	<u>\$ 5,350</u>	<u>\$ (7,665)</u>	<u>\$ (2,806)</u>	<u>\$ 4,204</u>	<u>\$ 6,589</u>	<u>\$ 8,976</u>	<u>\$ 12,296</u>	<u>\$ 20,284</u>
All other Governmental funds:									
Nonspendable	\$ 52,102	\$ 56,356 <sup>2</sup>	\$ 3,008	\$ 1,841	\$ 757	\$ 55	\$ 41	\$ - <sup>2</sup>	\$ 5
Restricted	45,845	5,411 <sup>2</sup>	70,020	82,397	84,034	87,431	92,390	94,714 <sup>2</sup>	99,757
Committed	2,831	2,924	-	-	-	-	-	3,650	-
Assigned	66	-	848	2,871	4,263	4,429	4,926	9,233	4,232
Unassigned	(1,901)	(2,333)	(7,871)	(4,985)	(4,413)	(3,527)	(6,560)	(1,416)	(2,594)
Total other Governmental Funds	<u>\$ 98,943</u>	<u>\$ 62,359</u>	<u>\$ 66,005</u>	<u>\$ 82,124</u>	<u>\$ 84,641</u>	<u>\$ 88,388</u>	<u>\$ 90,797</u>	<u>\$ 106,180</u>	<u>\$ 101,399</u>
	<b>Fiscal Year Ending June 30</b>								
	<b><u>2009</u></b>	<b><u>2010</u></b>							
General fund:									
Reserved	\$ 2,761	\$ 143							
Unreserved	6,830	6,755							
Total General fund	<u>\$ 9,591</u>	<u>\$ 6,898</u>							
All other governmental funds:									
Unreserved, reported in:	\$ 56,876	\$ 65,689							
Special revenue funds	21,815	8,318							
Capital projects funds	33,530	27,919							
Total all other governmental funds	<u>\$ 112,221</u>	<u>\$ 101,926</u>							

(a) The City implemented GASB Statement No. 54 in the fiscal year ended June 30, 2011.

- 1 Changes were due primarily to the reclassification of the Redevelopment Agency Fund (blended component unit) to a Major Special Revenue Fund in the City's CAFR.
- 2 Changes were due primarily to the reclassification of loans receivable previously reported as nonspendable but now reported as restricted fund balance.

**Changes in Fund Balances of Governmental Fund**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<b>Revenues</b>									
Property taxes	\$ 43,295	\$ 41,041	\$ 25,991	\$ 11,589	\$ 12,311	\$ 13,649	\$ 14,564	\$ 15,169	\$ 15,410
Sales and use taxes	14,790	15,508	16,502	17,044	18,542	19,408	19,908	21,134	21,832
Other taxes	10,256	10,283	10,517	10,198	10,509	11,739	11,389	12,095	13,383
Licenses and permits	108	114	121	136	133	131	108	91	147
Intergovernmental	14,452	18,179	15,993	10,831	12,215	14,951	12,817	10,137	11,261
Charges for services	4,300	5,587	7,327	3,118	5,619	7,994	6,875	9,083	8,811
Fines, forfeitures, and penalties	817	945	882	776	743	854	777	840	806
Use of money and property	1,199	992	502	426	361	528	728	814	989
Miscellaneous	309	233	414	360	1,138	247	216	524	348
Total revenues	<u>89,526</u>	<u>92,882</u>	<u>78,249</u>	<u>54,478</u>	<u>61,571</u>	<u>69,501</u>	<u>67,382</u>	<u>69,887</u>	<u>72,987</u>
<b>Expenditures</b>									
General government	1,768	2,553	1,762	2,278	2,232	2,397	3,692	4,265	4,615
Public safety	36,925	35,289	35,085	35,332	32,853	34,203	37,820	37,896	37,554
Public works	7,898	7,615	9,248	9,794	7,652	9,119	9,219	9,639	9,982
Parks and recreation	3,086	3,014	2,916	3,044	2,883	2,976	3,074	3,153	3,022
Community development	4,651	4,335	4,050	2,468	2,589	2,228	2,657	3,189	2,393
Community agencies	467	377	350	323	162	53	99	100	50
Redevelopment	-	12,206	5,312	-	-	-	-	-	-
Contribution to other governments	9,248	1,904	-	-	-	-	-	-	-
Capital outlay	21,768	17,256	6,941	4,357	2,581	8,290	7,427	6,793	7,153
Principal retirement	4,242	5,787	2,793	-	-	-	279	384	381
Interest and fiscal charges	-	6,444	3,726	3	3	3	85	80	82
Total expenditures	<u>90,053</u>	<u>96,779</u>	<u>72,183</u>	<u>57,600</u>	<u>50,956</u>	<u>59,269</u>	<u>64,352</u>	<u>65,498</u>	<u>65,232</u>
Excess of revenues over (under) expenditures	(527)	(3,897)	6,066	(3,122)	10,616	10,232	3,030	4,389	138,219
<b>Other financing sources (uses)</b>									
Transfers in	9,413	10,612	5,834	6,424	5,864	5,038	5,620	4,692	4,624
Transfers out	(9,364)	(10,646)	(5,613)	(16,306)	(6,069)	(5,742)	(5,651)	(4,754)	(5,737)
Capital leases	-	-	-	-	-	-	3,132	473	-
Revenue bonds issued	-	-	-	-	-	-	-	-	-
Premium on revenue bonds	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Discount on refunding bonds	-	-	-	-	-	-	-	-	-
Payment to refunding bond escrow	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	9,089	1,336	554	-	-	-	-	-	-
Extraordinary gain due to dissolution of RDA	-	-	41,849	-	-	-	-	-	-
Extraordinary loss due to dissolution of RDA	-	-	(79,156)	-	-	-	-	-	-
Loans received from private-purpose trust fund	-	-	-	6,361	4,100	-	-	-	-
Bond Proceeds from private purpose trust fund	-	-	-	-	6,467	-	-	-	-
Total other financing sources (uses)	<u>9,138</u>	<u>1,302</u>	<u>(36,532)</u>	<u>(3,521)</u>	<u>10,362</u>	<u>(704)</u>	<u>3,101</u>	<u>411</u>	<u>(1,113)</u>
Net change in fund balance	<u>\$ 8,611</u>	<u>\$ (2,595)</u>	<u>\$ (30,466)</u>	<u>\$ (6,643)</u>	<u>\$ 20,977</u>	<u>\$ 9,528</u>	<u>\$ 6,131</u>	<u>\$ 4,799</u>	<u>\$ 137,106</u>
Debt service as a percentage of noncapital expenditures	11%	15%	10% #	0% <sup>1</sup>	0%	0%	0%	1%	0%

<sup>1</sup> - Decrease in debt service as a percentage of noncapital expenditures is due to the reclassification of loans into the City's Sewer Fund.

For further analysis, please reference the schedule of Changes in Net Position on page 140-141, and

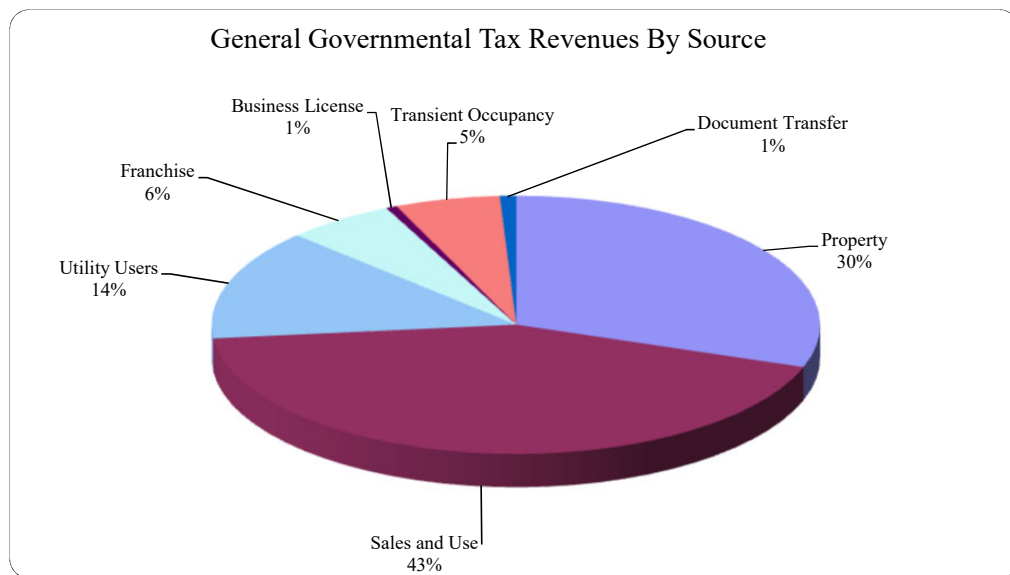
**City of Chico, California**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

Fiscal Year	Property	Sales and Use	Utility Users	Other Taxes				Total
				Franchise	Business License	Transient Occupancy	Document Transfer	
2010	43,295	14,790	6,691	1,214	514	1,765	183	68,452
2011	41,041	15,508	6,632	1,238	498	1,880	147	66,944
2012 (1)	25,991	16,502	6,655	1,293	515	1,970	197	53,123
2013 (2)	11,589	17,044	6,241	1,480	319	2,049	230	38,952
2014	12,311	18,542	6,305	1,548	311	2,219	245	41,481
2015	13,649	19,409	6,203	2,927	304	2,362	288	45,142
2016	14,564	19,909	6,553	1,877	295	2,522	312	46,032
2017	15,169	21,134	6,895	1,998	298	2,712	386	48,592
2018	15,410	21,832	7,052	2,943	296	2,835	441	50,810
2019	16,750	25,174	6,539	2,561	387	3,194	531	55,136

Notes: General Governmental Revenues includes General, Special Revenue, Debt Service and Capital Projects Funds.

- (1) Decrease was due to the dissolution of the City Redevelopment Agency on January 31, 2012
- (2) Decrease was due to the first full year subsequent to the dissolution of the City Redevelopment Agency

Source: City of Chico, Finance Department.



**City of Chico, California**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

**City of Chico**

<b>Fiscal Year</b>	<b>Secured Roll</b>	<b>Utility Roll</b>	<b>Unsecured Roll</b>	<b>Gross Assessed Value</b>	<b>Less Exemptions</b>	<b>Net Assessed Value</b>	<b>Total Direct Tax Rate %</b>
2010	7,230,195	889	484,544	7,715,628	404,946	7,310,682	1.0000
2011	7,083,981	1,024	485,021	7,570,026	490,228	7,079,798	1.0000
2012	7,140,144	969	485,354	7,626,467	623,104	7,003,363	1.0000
2013	7,051,026	969	474,665	7,526,660	674,431	6,852,229	1.0000
2014	7,300,487	969	474,173	7,775,629	740,734	7,034,895	1.0000
2015	7,506,597	766	496,210	8,003,573	660,197	7,343,376	1.0000
2016	7,974,709	766	497,516	8,472,991	703,805	7,769,186	1.0000
2017	8,334,966	766	527,595	8,863,327	738,780	8,124,547	1.0000
2018	8,805,532	662	560,997	9,367,191	768,498	8,598,694	1.0000
2019	9,336,796	1,057	579,295	9,917,149	803,824	9,113,324	1.0000

Source: Butte County Auditor/Controller's Office.

**City of Chico, California**  
**Property Tax Rates - Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	City of Chico			Overlapping Rates		Total Direct and Overlapping Rates %
	Basic Countywide Levy %	City %	Total Direct Tax Rate %	Chico Unified School District % (1)	Butte College % (2)	
2010	1.00	0.00	1.00	0.0383	0.0209	1.0591
2011	1.00	0.00	1.00	0.0415	0.0209	1.0624
2012	1.00	0.00	1.00	0.0211	0.0209	1.0420
2014	1.00	0.00	1.00	0.0401	0.0209	1.0610
2015	1.00	0.00	1.00	0.0451	0.0209	1.0660
2016	1.00	0.00	1.00	0.0291	0.0209	1.0500
2017	1.00	0.00	1.00	0.0817	0.0466	1.1283
2018	1.00	0.00	1.00	0.0874	0.0413	1.1287
2019	1.00	0.00	1.00	0.0616	0.0413	1.1029

On June 6, 1978, California voters approved an amendment to the Article XIII A of the California Constitution. The amendment, commonly known as Proposition 13, limits the taxing power of California public agencies. The California Legislature enacted legislation to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) providing that local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted of \$1.00 per 100 of full assessed value.

- (1) Chico Unified School District: 1998 Series B, 2012 Chico Refunding and 2012 Measure E Series A.
- (2) Butte-Glenn Community College District: General obligation bonds, Refunded Series A and B, and Series B and C.

Source: Butte County Auditor/Controller's Office.



**City of Chico, California**  
**Principal Secured Property Taxpayers**  
**June 30, 2019**  
**Current Year and Nine Years Ago**  
**(amounts expressed in thousands)**

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Merle A. Webb and Sons	\$ 72,222	1	0.84	\$ 20,027	5	0.24
MP Core Chico LLC	56,067	2	0.65			-
Chico Crossroads LP	39,256	3	0.46			-
North Chico	38,338	4	0.45			-
Chico Mall Investors LLC	31,585	5	0.37			-
Chico Senior Living LP	30,706	6	0.36			-
North Valley Mall II LLC	29,526	7	0.34			-
Amcal Chico LLC	27,406	8	0.32			-
Carwood Skypark LLC Et Al.	25,546	9	0.30			-
Sierra Nevada Brewing Company	24,016	10	0.28			-
Carwood Skypark LLC Et Al.				28,352	3	0.35
Chico Mall Investors LLC				60,395	1	0.74
Lowe's HIW INC				18,056	8	0.22
Chico Crossroads LP				29,763	2	0.36
Evergreen Orchard LLC				19,271	6	0.23
Costco Wholesale Corporation				21,718	4	0.26
California Water Service Company				18,564	7	0.23
Chico Lodging LLC				16,166	9	0.20
Littlefoot Property Company LLC				15,278	10	0.19
Largest Secured Property Valuation	374,668			247,590		
Other Secured Taxpayers	8,204,727			6,054,941		
Total Secured Property Valuation - Net of Exemptions	\$ 8,579,394		100.00%	\$ 6,302,531		100.00%

Source: Butte County Auditor/Controller's Office.  
HdL's " 2017/18 Top Property Taxpayers - Secured."  
2009 CAFR Statistics Table 8

**City of Chico, California**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy		Total Tax Collections	Percent of Total Collections to Tax Levy
			Collected (1)	Delinquent Tax Collections		
2010	43,295	43,295	100	-	43,295	100
2011	41,041	41,041	100	-	41,041	100
2012	25,991 (2)	25,991	100	-	25,991	100
2013	11,589 (3)	11,589	100	-	11,589	100
2014	12,311	12,311	100	-	12,311	100
2015	13,649	13,649	100	-	13,649	100
2016	14,564	14,564	100	-	14,564	100
2017	15,169	15,169	100	-	15,169	100
2018	15,410	15,410	100	-	15,410	100
2019	\$ 16,750	16,750	100	-	16,750	100

Source: Butte County Auditor/Controller's Office.  
City of Chico, Finance Department.

Note: Amounts shown are net of property tax administration fee. The amounts presented include City property taxes and former Chico Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and former Chico Redevelopment Agency that were passed through to other taxing agencies.

- (1) The City participates in the County "Teeter Plan" method of property tax distribution. Under the Teeter Plan, the County remits property taxes and assessments to the City based on levy, not on collections.
- (2) Tax levy decreased substantially in 2012 due to the dissolution of the City's Redevelopment Agency on January 31, 2012. Included tax increment for the first half of the fiscal year.
- (3) Tax levy decreased substantially in 2013 due to the dissolution of the City's Redevelopment Agency on January 31, 2012. No tax increment in the fiscal year.

**City of Chico, California**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands, except percentage of personal income)**

<b>Fiscal Year</b>	<b>Governmental Activities</b>			<b>Business-Type Activities</b>		<b>Percentage of Personal Income</b>	<b>Per Capita</b>
	<b>Revenue Bonds</b>	<b>Loans</b>	<b>Capital Leases</b>	<b>Revenue Bonds</b>	<b>Loans</b>		
2010	110,040	52,519	-	-	13,917	2.46	2,000
2011	106,955	51,153	-	-	13,693	2.33	1,977
2012	-	46,364	-	-	13,072	0.81	679
2013	-	-	-	-	55,746	0.76	636
2014	-	-	-	-	51,966	0.66	588
2015	-	-	-	-	48,093	0.58	537
2016	-	-	2,852	-	-	0.03	31
2017	-	-	2,568	-	40,063	0.47	457
2018	-	-	2,559	-	-	0.03	28
2019	-	-	3,038	-	31,635	0.35	375

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

Revenue bonds are no longer an obligation of the City's, but rather of the Successor Agency to the Chic Agency due to the dissolution of the City Redevelopment Agency on January 31, 2012.

In 2013, existing loans were moved from Governmental Activities to Business-Type Activities to more reflect the Funds responsible for the debt.

Source: City of Chico, Finance Department.  
U.S. Census Bureau.  
State of California, Department of Finance, Demographic Research Unit.

**City of Chico, California**  
**Direct and Overlapping Government Activities Debt**  
**June 30, 2019**  
**(amounts expressed in thousands)**

Jurisdiction	Net General Obligation Bonded Debt Outstanding	Percentage Applicable to City *	City Share of Debt
Overlapping Debt Repaid with Property Tax:			
Chico Unified School District	\$ 174,675	73.88%	\$ 129,045
Butte-Glenn Community College District	96,158	45.10%	<u>43,369</u>
Subtotal, overlapping debt			172,414
City of Chico direct debt			<u>-</u>
Total direct and overlapping debt			<u><u>\$ 172,414</u></u>

\* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the city's taxable assessed value and dividing it by the Chico Unified School District's and Butte-Glenn Community College District's taxable assessed value.

Chico Unified School District.  
Butte Community College.

**City of Chico, California  
 Legal Debt Margin Information  
 Last Ten Fiscal Years  
 (amounts expressed in thousands)**

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Total Assessed Valuation (less other exemptions)	\$ 7,310,682	\$ 7,079,798	\$ 7,003,363	\$ 6,852,229	\$ 7,034,895	\$ 7,343,376	\$ 7,769,186	\$ 8,124,547	\$ 8,598,694	\$ 9,113,324
Debt Limit - 15 Percent of Assessed Valuation (1)	\$ 1,096,602	\$ 1,061,970	\$ 1,050,504	\$ 1,027,834	\$ 1,055,234	\$ 1,101,506	\$ 1,165,378	\$ 1,218,682	\$ 1,289,804	\$ 1,366,999
Amount of Debt Applicable to Debt Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 1,096,602	\$ 1,061,970	\$ 1,050,504	\$ 1,027,834	\$ 1,055,234	\$ 1,101,506	\$ 1,165,378	\$ 1,218,682	\$ 1,289,804	\$ 1,366,999
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Butte County Auditor/Controller's Office.

(1) Section 43605 of the California Government Code provides that:

"A city shall not incur an indebtedness for public improvements which exceeds in the aggregate 15 percent of the assessed value of all real and personal property of the city. Within the meaning of this section 'indebtedness' means bonded indebtedness of the city payable from the proceeds of taxes levied upon taxable property in the city."

**City of Chico, California  
Pledged-Revenue Coverage  
Last Ten Fiscal Years**

Fiscal Year	Parking Fund Bond (1)					Tax Allocation Bonds (2)		
	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Total Debt Service	% Coverage	Tax Increment	Debt Service Interest	% Coverage
2010	-	-	-	-	-	31,728,673	5,335,471	3.82
2011	-	-	-	-	-	-	5,221,121	-
2012	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-

Source: City of Chico, Finance Department.

Note: (1) 1994 Parking Revenue Bonds:  
 - Operating Expenses exclude Depreciation and one-time non-recurring items.  
 - Parking Bonds were retired in August 2009.

(2) 2001, 2005 and 2007 Tax Allocation Bonds. Bonds were no longer an obligation of the City due to the dissolution of the Chico Redevelopment Agency on January 31, 2012.

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

<b>Fiscal Year</b>	<b>City of Chico</b>		<b>Chico Metropolitan Statistical Area</b>			
	<b>City of Chico Population (1)</b>	<b>City of Chico Unemploy- ment Rate (3)</b>	<b>Butte County Population (1)</b>	<b>Butte County Personal Income (thousands of dollars) (2)</b>	<b>Butte County Per Capita Personal Income (2)</b>	<b>Butte County Unemploy- ment Rate (3)</b>
2010	88,228	12.8	221,768	7,163,944	32,304	13.8
2011	86,900	12.9	221,388	7,372,059	33,299	13.8
2012	87,500	11.5	221,273	7,372,059	33,317	12.3
2013	87,671	9.3	221,485	7,347,286	33,173	10.0
2014	88,389	7.5	222,316	7,907,991	35,571	8.1
2015	89,634	5.7	224,323	8,250,752	36,781	6.9
2016	92,464	5.6	224,601	8,298,110	36,946	6.7
2017	93,383	5.3	226,404	9,009,925	39,796	6.3
2018	92,348	4.1	227,621	9,465,874	41,586	4.7
2019	112,111	3.6	226,466	9,925,500	43,828	5.0

- (1) Source: State of California, Department of Finance, Demographic Research Unit.  
(2) Source: U.S. Department of Commerce - Bureau of Economic Analysis.  
(3) Source: Employment Development Department - Labor Market Information.

**City of Chico, California  
Principal Employers  
Current Year and Nine Years Ago**

<u>Employer</u>	<u>2019</u>			<u>2010*</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Enloe Medical Center	3,563	1	40.42%	2,275	1	31.65%
Chico Unified School District	1,494	2	16.95	1,400	3	19.48
California State University, Chico	1,106	3	12.55	1,825	2	25.39
Build.com	543	4	0.06			-
Sierra Nevada Brewery	485	5	5.50	325	6	4.52
United Health Care	425	6	0.05			-
City of Chico	356	7	4.04	438	4	6.09
Costco	350	8	3.97			-
Walmart	276	9	3.13	400	5	5.56
Lulu's Fashion Lounge	217	10	0.02			-
Sun Gard Bi-Tech			-	200	7	2.78
Aero Union Corporation			-	175	8	2.43
Chico Enterprise Record			-	150	9	2.09
Smuckers			-	125	10	1.74
<b>Total</b>	<b>8,815</b>		<b>100.00%</b>	<b>7,188</b>		<b>100.00%</b>

\* No current data available for this statistic, therefore 2010 statistics are carried from the prior year except the City of Chico, which represents the actual 2010 amount. All numbers are estimates except the City of Chico amounts.

Source: City of Chico staff.



**City of Chico, California**  
**Full-time and Part-time City of Chico Employees by Function**  
**Last Ten Fiscal Years**

Function	Full-time and Part-time Employees									
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General government	55	52	45	45	42	29	29	31	30	30
Public safety										
Police	151 <sup>4</sup>	155 <sup>4</sup>	150 <sup>4</sup>	148 <sup>4</sup>	143 <sup>4</sup>	131 <sup>4</sup>	136 <sup>4</sup>	143 <sup>4</sup>	143 <sup>4</sup>	148 <sup>4</sup>
Fire	74	74	72	70	67	74	74	74	59	59
Public works	70	66	60	59	67 <sup>2</sup>	69	69	72	73	73
Parks and recreation	23	24	21	21	21	12	13	13	14	14
Community development	5 <sup>1</sup>	6 <sup>1</sup>	6 <sup>1</sup>	8 <sup>1</sup>	36 <sup>3</sup>	20	21	22	22	22
Sewer	16	16	15	16	0	0	0	0	0	0
Parking	2	2	2	2	0	0	0	0	0	0
Private development	45	43	31	24	0	0	0	0	0	0
Airport	1	0	0	0	0	0	0	0	2	0
<b>Total</b>	<b>442</b>	<b>438</b>	<b>402</b>	<b>393</b>	<b>376</b>	<b>334</b>	<b>342</b>	<b>355</b>	<b>343</b>	<b>346</b>

Note: Numbers shown reflect budgeted Full-Time Equivalent positions. Budget to actuals variance at any time is immaterial. The number of employees may not agree with the Principal Employers table due to timing and methodology differences. Employees per function are rounded to the nearest whole number. Hourly Exempt employees are not included in the totals.

1 - Represents a reclassification of three positions from Private Development to Community Development in Fiscal Year 2011-12.

2 - Functions for Sewer and Parking were moved to Public works in Fiscal Year 2012-13.

3 - Functions for Private development were moved to Community development in Fiscal Year 2012-13.

4 - Full Time (Contractual Services) for the Animal Shelter employees are not included.

Source: City of Chico, Annual Budgets.

**City of Chico, California  
Operating Indicators by Function  
Last Ten Fiscal Years**

**City of Chico  
Operating Indicators by Function  
Last Ten Fiscal Years**

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Calls for service*	116,037	131,709	129,790	132,143	132,030	126,577	131,077	135,013	126,669	128,699
Arrests*	6,100	5,539	5,272	4,762	4,965	5,150	4,696	6,243	7,120	9,386
Fire										
Service calls answered*	701	760	789	827	883	851	969	929	1,026	1,037
Medical emergencies*	7,714	7,922	8,498	8,969	8,919	9,390	9,696	9,537	8,751	8,428
Public works										
Street resurfacing (tons of asphalt)	780	635	683	1,070	491	1,092	1,196	1,401	550	323
Community development										
Annexation activity (net acreage)*	16,192	16,192	16,252	16,252	16,252	16,278	16,280	16,288	16,376	16,376
Code violation notices issued	699	476	260	355	361	434	441 <sup>2</sup>	175	214	120
Sewer										
Maximum daily treatment capacity (million gallons)	12	12	12	12	12	12	12	12	12	12
Parking										
Parking meter repairs	672	701	765	769	1,090	1,366	573 <sup>3</sup>	624	819	620
Private development										
Residential building permits	132	105	117	211	226	242	317	306	401	348
Commercial building permits	60	52	52	51	64	87	81	88	118	125
Airport										
Passengers per year (loading/unloading)	46,559 <sup>1</sup>	43,394 <sup>1</sup>	41,832 <sup>1</sup>	37,813 <sup>1</sup>	39,246 <sup>1</sup>	16,825 <sup>1</sup>	0	0	0	0 <sup>1</sup>

The City of Chico's transit operations transferred over to Butte County Association of Governments (BCAG) July 1, 2005; therefore, the City of Chico has no transit operating indicators from 2006 through the present.

Note: Indicators are not available for general government, parks and recreation, community agencies, redevelopment and waste management

Source: City of Chico departments.

1 - Represents passengers through December 2, 2014. Commercial air service terminated in its entirety as of this date.

2 - Represents actual letter notices generated and sent. This amount does not reflect the verbal notices to gain compliance.

3 - Number of meter repairs is significantly lower due to transition to smart meters. It is anticipated to return to normal levels in future years.

\* These statistics only available on a calendar year basis.

**City of Chico, California**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal Year</b>								
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>
<b>Police</b>									
Police stations	1	1	1	1	1	1	1	1	1
Patrol cars	25	25	24	24	24	24	25	25	25
<b>Fire</b>									
Fire stations	6	6	6	6	6	6	6	4	4
Fire hydrants*	3,197	3,285	3,299	3,322	3,357	3,834	3896	4030	4042
<b>Public works</b>									
Street (miles)**	257	257.9	257.9	258.3	289.2	296.3	293.8	300	300.8
Traffic signals	98	98	99	99	100	101	102	102	103
<b>Parks and recreation</b>									
Park acreage***	3751.2	3751.2	3751.2	3751.2	3679.0	3679.0	3836.0	3836.0	3836.0
Sanitary sewer (miles)	212.4	212.9	213.4	213.8	214.6	216.2	217.3	219.32	220.33
Storm sewer (miles)	221.3	221.8	222.4	222.8	223.4	225.6	226.67	228.4	229.33
Parking lots	5	5	5	5	5	5	5	5	5
Parking structures	1	1	1	1	1	1	1	1	1
<b>Airport</b>									
Runway lengths 13L/31R (feet)	6724	6724	6724	6724	6724	6724	6724	6724	6724
Runway lengths 13R/31L (feet)	3005	3005	3005	3005	3005	3000	3000	3000	3000

The City of Chico's transit operations transferred over to Butte County Association of Governments (BCAG) July 1, 2005; therefore, the City of Chico has no transit Capital Asset indicators from 2006 to present.

Note: Indicators are not available for general government, community development, community agencies, redevelopment, private development and waste management functions.

Source: Various City of Chico departments.

\*Data available for calendar year only.

\*\* Based on inventory performed for City's Pavement Management Plan (no longer includes Upper Park Rd graded section) (2016).

\*\*\*Does not include greenways, open space or preserves.