



City of **Chico** California



2022 **Financial Reports**

Fiscal Year Ended June 30, 2022

Prepared by CliftonLarsonAllen LLP

CITY OF CHICO, CALIFORNIA
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

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ADMINISTRATIVE
SERVICES DEPARTMENT

411 Main Street – 1st Floor (530) 879-7300
P.O. Box 3420 Fax (530) 895-4656
Chico, CA 95927 <http://www.ci.chico.ca.us>

February 27, 2023

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 Annual Financial Report (AFR) for the year ended June 30, 2022. The Administrative Services Department publishes the AFR 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. CliftonLarsonAllen 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, 2022, 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 102,892.

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 15,000 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 representing seven separate geographical districts, 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 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 category level.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operated in fiscal year 2021-22.

COVID-19

With the gradual emergence out of the global pandemic beginning in early 2021, the City maintained a conservative forecast for fiscal year 2021-22. As the year unfolded, the City's major revenue sources continued to recover and grow.

American Rescue Plan Act (ARPA)

The Congressional American Rescue Plan Act approved \$350 billion for state, local, and Tribal governments in form of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). As an entitlement city, Chico received \$22 million in funding directly from the U.S. Treasury. The funding was received on May 19, 2021 and June 6, 2022, respectively. The City Council approved a plan to use the funds on various economic recovery needs, costs related to a new 177-unit pallet shelter site, a Broadband pilot project, and a new sewer project. \$6,148,332 of the funding was used in fiscal year 2021-22 and the remainder remains available for spending through 2026.

Chico's Economic Condition

Local Economy

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 decreased from 8% as of June 2021 to 4% at June 2022.

Another indicator of the local economy is community development. During the fiscal year, residential building permits were issued along with commercial building permits. This continues the strong building market that occurred during the year ended June 2022, when 367 residential building and 30 commercial building permits were issued.

The influence of the local economy impacts, including emergence from COVID-19, are evidenced by the following key City revenue sources, which increased during the fiscal year ended June 30, 2022 as follows:

- Sales Tax increased 12%
- Transient Occupancy Tax increased 43%

Sales Tax

Sales tax revenue, which accounts for over 40% of all General Fund revenue, experienced increases in nearly all major industry groups as follows:

INDUSTRY	PERCENTAGE CHANGE
AUTOS AND TRANSPORTATION	7%
BUILDING AND CONSTRUCTION	12%
BUSINESS AND INDUSTRY	-2%
FOOD AND DRUGS	-2%
GENERAL CONSUMER GOODS	9%
RESTAURANTS AND HOTELS	26%

Property Tax

Property tax revenue, which accounts for almost 27% of all General Fund revenue, increased nearly 6% from the prior year. Property tax revenue is composed of numerous property related tax categories. Current secured property taxes increased 7.5%. The local housing market is experiencing increased growth in construction of new homes, although growth in the resale of existing homes is easing. Indications are that 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 7%.

Relevant Financial Policies

The City Council has adopted a number of fiscal policies (See Appendix C-8 through 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.

- **Operating Reserve** – The City Manager shall endeavor to present a Proposed Budget for the ensuing fiscal year which provides a balance in the General Fund to serve as an operating reserve in the amount of seven and one-half percent of the General Fund operating expenditures, or which the City Manager expects will reach seven and one-half percent by the time the books are closed at the end of the current fiscal year. These funds are available for

allocation to cover unanticipated expenditures or major declines in revenue. This reserve is fully funded as of June 30, 2022.

- **Emergency Reserve** – An Emergency Reserve has been established to help buffer the City from issues such as large fluctuations in revenues or catastrophic events. The desired level of this reserve is established at 20% of the General Fund operating expenditures. The reserve is fully funded as of June 30, 2022.
- **Compensated Absence Reserve** – 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. This 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. The balance in this reserve as of June 30, 2022 is \$1,460,000.
- **Replacement Funds** – The City maintains a number of internal replacement funds including a Technology Replacement Fund to accumulate funds for the replacement of technological equipment, a Fleet Replacement Fund for the replacement of the City's vehicle fleet, a Facilities Maintenance Fund for the repair and maintenance of City-owned facilities, and an Infrastructure Replacement Fund dedicated to repairing the City's road infrastructure. 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 were \$7,123,000 as of June 30, 2022.

The Future and Long-term Financial Planning

The City contracts with CalPERS to provide retirement benefits to retirees. The Net Pension Liability exceeds \$95,000,000 as of June 30, 2022, and is reported on the attached financial statements. CalPERS has provided an estimated repayment schedule for over thirty years. City management has placed emphasis on planning for future repayments of the annual Unfunded Accrued Liability (UAL). In fact, the annual UAL payment is paid in lump sum in July each year to reduce interest costs. These annual prepayments have resulted in over a \$1,500,000 interest savings over the last five years. In addition to prepayments, the City has created a Pension Stabilization Trust to help pay for future retirement payments.

The citizens of Chico passed Measure H in November 2022, which will provide a 1% local Use and Transactions tax beginning April 1, 2023. This will provide General Fund revenue to address the priorities of the Chico City Council and citizens.

Despite the challenges of COVID-19, pension costs, capital infrastructure and resident sheltering challenges; the City is poised to grow and excel. City management will continue to present Council with conservative budgets that provide consideration of City cash flows, and applicable fiscal controls that will ensure the City continues to improve financially.

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 Annual Financial Report for the fiscal year ended June 30, 2020. This was the seventeenth 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 Sorensen
City Manager



Barbara Martin
Administrative Services Director

INTRODUCTORY SECTION

DIRECTORY OF CITY OFFICIALS

Andrew Coolidge, Mayor

Kasey Reynolds, Vice-Mayor

Dale Bennett, Councilmember

Sean Morgan, Councilmember

Deepika Tandon, Councilmember

Tom van Overbeek, Councilmember

Addison Winslow, Councilmember

Mark Sorensen

City Manager

Debbie Presson

City Clerk

Vincent C. Ewing

City Attorney

Barbara Martin

Administrative Services Director

Billy Aldridge

Chief of Police

Brendan Vieg

Community Development Director

Steve Standridge

Fire Chief

Chelsea Phebus

*Human Resources and Risk
Management Director*

Leigh Ann Sutton

*Public Works Director-
Engineering*

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
 - Climate Action Commission
 - Planning Commission

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

City Council

City Attorney

City Manager

City Clerk

Administrative Services

Community Development

Fire

Human Resources & Risk

Police

Public Works - Engineering

Public Works - Operations & Maintenance



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Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Chico, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Chico, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Chico's basic financial statements as listed in the table of contents.

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 of Chico, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Chico and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, City of Chico adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Chico's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Chico's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Chico's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Chico's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2023, on our consideration of the City of Chico'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

Honorable Mayor and City Council
City of Chico

that testing, and not to provide an opinion on the effectiveness of the City of Chico's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Chico's internal control over financial reporting and compliance.

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

CliftonLarsonAllen LLP

Roseville, California
February 27, 2023

**CITY OF CHICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

As management of the City of Chico (the 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, 2022. 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, 2022 of \$583,312,702 (net position). Of this amount, \$457,558,488 is the net investment in capital assets.
- As of June 30, 2022, the City's governmental funds reported combined fund balances of \$160,321,943 an increase of \$1,353,179 in comparison with the prior year. Amounts available for spending include restricted, committed, assigned and unassigned fund balance. Restricted fund balances totaled \$121,658,977. Committed fund balances totaled \$13,780,149. Assigned fund balances totaled \$32,298,270 while unassigned fund balance reported a fund balance of \$(7,467,134).
- At June 30, 2022, the General Fund had a fund balance of \$47,497,571, an increase of \$8,064,813 from June 30, 2021.

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.

CITY OF CHICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022

One component unit is included in our basic financial statements and consists of a legally separate entity for which the City is financially accountable or receives a financial benefit – the Chico Urban Area Joint Powers Financing Authority. Based on the criteria of generally accepted accounting principles, 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. 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 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, 2022. 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, Public Facilities Impact Fees, 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 nonmajor governmental funds is provided in the form of *combining statements* found elsewhere in this report.

**CITY OF CHICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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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, retirement funding, 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 five 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.

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 three Custodial Funds that account 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. Budget Schedules for the General Fund and Major Special Revenue 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 and custodial 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 \$583,312,702 at the close of the most recent fiscal year.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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The largest portion of the City's net position, \$457,998,538, or 79%, 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.

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

Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		Dollar Change
	2021	2022	2021	2022	2021	2022	
Assets:							
Current and Other Assets	\$ 203,446,276	227,857,954	\$ 52,349,955	54,736,886	\$ 255,796,231	\$ 282,594,840	\$ 26,798,609
Capital Assets	325,628,722	347,636,245	139,189,844	139,933,435	464,818,566	487,569,680	22,751,114
Total Assets	529,074,998	575,494,199	191,539,799	194,670,321	720,614,797	770,164,520	49,549,723
Deferred Outflows of Resources:							
Deferred Outflows Related to Pensions	16,966,506	13,733,332	2,144,100	1,989,641	19,110,606	15,722,973	(3,387,633)
Liabilities:							
Current and Other Liabilities	143,484,019	26,742,416	29,092,551	2,162,806	172,576,570	28,905,222	(143,671,348)
Long-Term Liabilities	13,082,335	97,758,152	16,883,724	33,849,070	29,966,059	131,607,222	101,641,163
Total Liabilities	156,566,354	124,500,568	45,976,275	36,011,876	202,542,629	160,512,444	(42,030,185)
Deferred Inflows of Resources:							
Deferred Inflows Related to Pensions	949,995	32,925,623	165,246	9,136,724	1,115,241	42,062,347	40,947,106
Net Position:							
Net Investment in Capital Assets	323,630,848	337,304,415	114,578,515	120,694,123	438,209,363	457,998,538	19,789,175
Restricted	116,537,658	148,208,382	-	-	116,537,658	148,208,382	31,670,724
Unrestricted	(51,643,351)	(53,711,457)	32,963,863	30,817,239	(18,679,488)	(22,894,218)	(4,214,730)
Total Net Position	\$ 388,525,155	\$ 431,801,340	\$ 147,542,378	\$ 151,511,362	\$ 536,067,533	\$ 583,312,702	\$ 47,245,169

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

Assets. Total assets increased by \$46,419,201. The primary causes of the increase were an increase in restricted and unrestricted cash of approximately \$13 million and in capital asset purchases of approximately \$23 million due to increased capital project activity.

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.

CITY OF CHICO
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The most significant deferred outflows of resources reported are related to GASB Statement No. 68 and for net pension liability reporting. GASB No. 68 requires 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 pension plan investments totaling \$13,733,332 for governmental activities at June 30, 2022. The deferred outflows of resources will be reflected in the change in the net pension liability in the next fiscal year.

Liabilities. Governmental activities liabilities decreased by \$32,065,786 primarily due to a decrease in the net pension liability of \$49,595,338.

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 changes and can include the differences between actual and expected experience and changes in assumptions. The City has reported deferred inflows of resources for pensions totaling \$31,264,308 for government activities at June 30, 2022.

Net Position. Governmental activities net position increased \$43,276,185 due primarily to an increase in both operating and capital grants and contributions, an increase in tax revenue, as well as a decrease in general government expenses.

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

Assets. Total assets increased by \$3,130,522 due to standard acquisitions of equipment.

Deferred Outflows of Resources. GASB Statement No. 68 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 City has reported deferred inflows of resources for pensions totaling \$1,989,641 for government activities at June 30, 2022.

Liabilities. Business-type activities liabilities decreased by \$9,964,399 primarily due to the payment of long- term debt related to the Sewer Fund and a decrease in the total net pension liability.

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 \$4,957,880 for business-type activities at June 30, 2022.

**CITY OF CHICO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Net Position. Business-type activities net position increase of \$3,968,984 primarily due to debt payments made on Sewer Fund debt, as well as an increase in capital assets due to standard acquisitions of equipment needed in the current year.

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
	2021	2022	2021	2022	2021	2022	
Program Revenues:							
Charges for Services	\$ 13,501,962	\$ 13,916,850	\$ 24,172,344	\$ 22,848,668	\$ 37,674,306	\$ 36,765,518	\$ (908,788)
Operating Grants and Contributions	9,060,513	14,614,735	-	174,746	9,060,513	14,789,481	5,728,968
Capital Grants and Contributions	8,423,875	23,877,343	11,223,156	3,128,625	19,647,031	27,005,968	7,358,937
General Revenues and Special Items:							
Taxes	63,968,788	70,580,257	-	-	63,968,788	70,580,257	6,611,469
Grants and Contributions Not Restricted to Specific Programs	2,072,665	-	-	-	2,072,665	-	(2,072,665)
Unrestricted Investment Earnings	928,992	(3,870,646)	360,576	(1,688,041)	1,289,568	(5,558,687)	(6,848,255)
Miscellaneous	781,732	510,112	-	15,595	781,732	525,707	(256,025)
Total Revenues	98,738,527	119,628,651	35,756,076	24,479,593	134,494,603	144,108,244	9,613,641
Expenses:							
General Government	18,655,283	10,810,661	-	-	18,655,283	10,810,661	(7,844,622)
Public Safety	34,360,882	37,253,345	-	-	34,360,882	37,253,345	2,892,463
Public Works	17,822,977	17,345,495	-	-	17,822,977	17,345,495	(477,482)
Parks and Recreation	3,728,252	3,605,386	-	-	3,728,252	3,605,386	(122,866)
Arts and Culture	-	34,669	-	-	-	34,669	34,669
Community Development	8,361,864	5,996,591	-	-	8,361,864	5,996,591	(2,365,273)
Community Agencies	3,508	-	-	-	3,508	-	(3,508)
Health and Human Services	-	302,524	-	-	-	302,524	302,524
Interest on Long-Term Debt	80,732	64,644	-	-	80,732	64,644	(16,088)
Loss on Disposition of:							
Sewer	-	-	11,635,625	13,255,319	11,635,625	13,255,319	1,619,694
Parking	-	-	947,957	1,543,123	947,957	1,543,123	595,166
Private Development	-	-	4,365,232	4,297,258	4,365,232	4,297,258	(67,974)
Airport	-	-	2,043,302	1,910,686	2,043,302	1,910,686	(132,616)
City Recreation	-	-	-	443,374	-	443,374	443,374
Total Expenses	83,013,498	75,413,315	18,992,116	21,449,760	102,005,614	96,863,075	(5,585,913)
Increase in Net Position Before Transfers	15,725,029	44,215,336	16,763,960	3,029,833	32,488,989	47,245,169	15,199,554
Transfers	(1,942,237)	(939,151)	1,942,237	939,151	-	-	-
Change in Net Position	13,782,792	43,276,185	18,706,197	3,968,984	32,488,989	47,245,169	15,199,554
Net Position - Beginning of Year	374,742,364	388,525,155	128,836,181	147,542,378	503,578,545	536,067,533	32,488,988
Net Position - End of Year	\$ 388,525,156	\$ 431,801,340	\$ 147,542,378	\$ 151,511,362	\$ 536,067,534	\$ 583,312,702	\$ 47,688,542

Governmental Activities. Governmental activities increased the City's net position by \$43,276,185 due to an increase in capital grants as well as taxes.

**CITY OF CHICO
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Revenues. Total revenues for governmental activities increased 21% from the prior year:

- **Taxes** increased \$6,611,469 due to increases in sales tax revenue and property tax revenue as the economy and housing market continue to move in a modestly positive direction.
- **Capital grants and contributions** increased by \$15,453,468 due primarily to the start of a large infrastructure project.
- **Intergovernmental Revenue** increased \$5,554,222 due primarily to ARPA funding.

Expenses. Total expenses for governmental activities decreased \$7,600,183 from the prior year. The decrease in expenses is due to the timing of use of Coronavirus relief funding.

Business-type Activities. Business-type activities increased the City's net position by \$3,968,984. Overall revenue compared to expenses 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, 2022, the City's governmental funds reported combined fund balances of \$160,321,943, an increase of \$1,353,179 compared to the prior year. While the City reported \$121,658,977 of restricted fund balance, \$65,567,838 is composed of long-term loans receivable. By nature, restricted resources are restricted for specific purposes.

Nonspendable fund balance is composed of \$51,681 in prepaid items.

Committed fund balance is composed of: \$1,460,109 for compensated absences, \$341,836 in donations, and \$11,978,204 for emergency contingencies.

**CITY OF CHICO
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Total assigned fund balance is \$32,298,270. It is specifically assigned for capital projects and subsequent year's budget.

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	Public Facilities Impact Fees	Capital Grants	Low- and Moderate- Income Housing Asset
Revenues	\$ 78,236,279	\$ 3,803,928	\$ 7,518,702	\$ 5,487,645	\$ 245,708
Expenditures	(71,378,307)	(1,207,984)	(7,773,624)	(16,439,133)	(399,316)
Other Financing Sources (Uses), Net	1,206,841	37,958	(87,655)	-	(37,958)
Change in Fund Balances	8,064,813	2,633,902	(342,577)	(10,951,488)	(191,566)
Fund Balances (Deficits) - Beginning of Year	39,432,758	7,646,405	32,395,488	(834,334)	56,102,408
Fund Balances (Deficits) - End of Year	<u>\$ 47,497,571</u>	<u>\$ 10,280,307</u>	<u>\$ 32,052,911</u>	<u>\$ (11,785,822)</u>	<u>\$ 55,910,842</u>
	Nonmajor Funds		2022	2021	
	Special Revenue Funds	Capital Projects Funds	Total Governmental Funds	Total Governmental Funds	
Revenues	\$ 10,878,089	\$ 354,727	\$ 106,525,078	\$ 96,795,699	
Expenditures	(7,438,269)	(4,463,399)	(109,100,032)	(78,705,539)	
Other Financing Sources (Uses), Net	(1,808,308)	4,617,255	3,928,133	(1,364,068)	
Change in Fund Balances	1,631,512	508,583	1,353,179	16,726,092	
Fund Balances - Beginning of Year	15,611,055	8,614,984	158,968,764	142,242,672	
Fund Balances - End of Year	<u>\$ 17,242,567</u>	<u>\$ 9,123,567</u>	<u>\$ 160,321,943</u>	<u>\$ 158,968,764</u>	

Revenues for governmental funds overall totaled \$106,525,078 an increase of 10.1% from the prior fiscal year, and expenditures for governmental funds totaled \$109,100,032 an increase of 38.6% from the prior fiscal year. Revenue increases were due primarily to increases in intergovernmental revenues. Expenditures increases are largely due to an increase in capital projects funded by grants.

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General Fund revenue increased \$9,606,008 due to an increase in Intergovernmental revenues of over \$5.1 million due primarily to ARPA revenue as well as a 5.7 % increase in property taxes and an 11.7% increase in sales and use taxes. Current year General Fund expenditures increased by \$15,925,935. The primary increases includes \$4,446,970 in leased P25 radios for safety personnel and \$5,868,235 in ARPA funded expenses.

CDBG and HOME Housing fund increased by \$2,633,902 primarily due to federal program draws in both Community Development Block Grant and HOME funds for new loans.

Revenue in the Capital Grants Fund exceeded expenditures by \$10,951,488 due to timing of receipts for reimbursements of 2021-2022 expenditures. At year-end, \$11,549,136 of revenue was unavailable.

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.

Public Facility Impact Fee funds have been consolidated into one reporting fund. It is reported as a Major Capital Projects Fund. Fund balance in this fund fluctuates with building activity within the City limits.

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	\$ 15,041,654	\$ 861,412	\$ 5,840,562	\$ 794,698	\$ 22,538,326
Operating Expenses	13,195,779	1,543,123	4,297,258	1,910,686	20,946,846
Operating Income (Loss)	1,845,875	(681,711)	1,543,304	(1,115,988)	1,591,480
Nonoperating Revenues (Expenses), Net	(1,434,860)	(72,346)	(193,407)	152,899	(1,547,714)
Income (Loss) Before Contributions and Transfers	411,015	(754,057)	1,349,897	(963,089)	43,766
Contributions and Transfers	4,977	288,243	303,146	3,171,410	3,767,776
Change in Net Position	<u>\$ 415,992</u>	<u>\$ (465,814)</u>	<u>\$ 1,653,043</u>	<u>\$ 2,208,321</u>	<u>\$ 3,811,542</u>

- Sewer Fund revenues decreased over the prior year due to decreased Water Pollution Control Plant capacity development fees collected.
- Parking Fund revenues increased by \$488,220 over the prior year as the City started collection of Parking fees after halting collections during the COVID pandemic.

**CITY OF CHICO
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- The Private Development Fund had an increase in net position of \$1,653,043, due in large part to the reduction in net pension liability. Operations in the fund reflected additional activity in the building industry in Chico during the year ended June 30, 2022.
- Airport Fund operating revenues increased \$62,919 primarily due to additional rental charges for airport related facilities. The City is working to revitalize the airport and its industrial park.

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 was under budgeted revenue by \$8,582,637 primarily due to ARPA revenue recognized and market value of investments creating a loss on investment income. Property tax revenues were over budget by \$848,929 while sales and use taxes revenue exceeded budget by \$813,939. Other taxes including transient and occupancy taxes (TOT) were over budget by \$1,700,474.

Overall, budgeted expenditures were under budget by \$14,509,995. Most departments recognized actual expenditures under budget and budgeted capital projects were delayed beyond fiscal year-end.

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, 2022, amounted to \$487,569,680 (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 \$18,910,645.

**CITY OF CHICO
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Capital assets, net of depreciation, for the governmental and business-type activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Business-Type Activities	
	2021	2022	2021	2022
Land	\$ 31,561,925	\$ 33,114,506	\$ 2,154,341	\$ 2,154,341
Buildings	8,529,383	8,028,413	4,187,118	3,682,378
Improvements	8,319,818	8,280,749	107,734,478	119,826,585
Equipment	8,955,391	13,933,299	492,863	1,121,995
Infrastructure	242,601,613	248,898,493	-	-
Construction in Progress	25,660,592	35,380,785	24,621,042	13,148,136
Total, Net	\$ 325,628,722	\$ 347,636,245	\$ 139,189,842	\$ 139,933,435

	Total		Dollar Change	Percentage Change
	2021	2022		
Land	\$ 33,716,266	\$ 35,268,847	\$ 1,552,581	0.05 %
Buildings	12,716,501	11,710,791	(1,005,710)	(0.08)
Improvements	116,054,296	128,107,334	12,053,038	0.10
Equipment	9,448,254	15,055,294	5,607,040	0.59
Infrastructure	242,601,613	248,898,493	6,296,880	0.03
Construction in Progress	50,281,634	48,528,921	(1,752,713)	(0.03)
Total, Net	\$ 464,818,564	\$ 487,569,680	\$ 22,751,116	

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

- Land – Increase is due to several land acquisitions for City bikeway project.
- Buildings – Decrease is due primarily to depreciation expense. No significant capitalized construction to building category occurred.
- Improvements – Increase is due primarily to the completion of the Sewer Fund nitrate projects.
- Equipment – Increases reflect acquisitions of safety radios and upgraded software for several departments.
- Infrastructure – Increased as several large street projects were completed.
- Construction in progress (CIP) – Decrease is due to the completion of many projects in the current year.

Additional information on the City's capital assets can be found in Note 5 of this report.

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GASB Statement No. 87 - Leases

This pronouncement became effective for fiscal years beginning after June 15, 2021, and was included in the City's financial statements for the first time with FY 2021-22. As such, GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows 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, thereby enhancing the relevance and consistency of information about the governments' leasing activities. More detail is provided under Note 5 and Note 7 in the Financial Statements that follow.

Long-Term liabilities

At June 30, 2022, the City had total long-term liabilities outstanding of \$36,552,787 an overall increase of \$1,418,661 from June 30, 2021. Additional information related to the City's long-term liabilities can be found in Note 6 of this report.

Economic Factors and Next Year's Budget

The Chico City Council adopted the fiscal year 2022-23 budget on June 7, 2022, with a total Operating Budget of \$113,673,599, which is a \$15,139,633 increase from the prior fiscal year's Council adopted budget. The adopted Capital Improvement Budget totaled \$97,438,109. Total General Fund revenue and transfers in total of \$67,089,574, which is lower than budgeted expenditures and transfers out of \$74,930,245. The City has also assigned fund balance from June 30, 2022 of \$11,708,033 to cover expenditures in the fiscal year 2022-23 budget.

During this time of continued economic uncertainty, brought on by the coronavirus pandemic and the associated economic fallout, the fiscal year 2022-23 budget continues the City's record of strong fiscal management using sound fiscal policies. This fiscal year budget maintains a well-resourced City government, which is prepared to respond to the needs of our residents. The City does not currently anticipate any significant cash flow or liquidity issues in the near-term because of COVID-19 but continues to monitor that risk. This City cannot predict the extent to which consequences arising from this uncertain economic period will impact financial conditions, operations, reserves, and liquidity, but management is dedicated to monitor the unfolding impacts to ensure residents at all income levels a safe place to live and work.

Local Revenue Base

Chico's local economy show steady growth in spite of economic pressures. Noted revenue percentage increases include:

- Property tax revenue increased by almost 6%
- Sales tax revenue increased 12%
- Transient occupancy tax decreased 43%

**CITY OF CHICO
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JUNE 30, 2022**

Other key economic factors reflect slow but steady growth for the City. The City is seeing a continued increase in local construction as evidenced by an increase in building permits issued, planning fees, and sales of new and existing homes.

The City will continue to budget conservatively as these continue to be unprecedented economic times.

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

City of Chico
Administrative Services Director
P.O. Box 3420
Chico, California 95927

Phone

(530) 879-7349

Email:

Barbara.Martin@chicoca.gov

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF CHICO, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Chico Urban Area Joint Powers Financing Authority
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 116,256,013	\$ 47,228,869	\$ 163,484,882	\$ -
Restricted Cash and Investments	5,772,882	-	5,772,882	2,764,809
Receivables:				
Interest	12,380,304	-	12,380,304	-
Property Taxes	647,566	4,704	652,270	-
Accounts	2,201,919	3,162,668	5,364,587	-
Intergovernmental	21,980,474	48,460	22,028,934	-
Loans	65,567,838	-	65,567,838	-
Long-Term	1,093,092	-	1,093,092	-
Leases	1,692,800	4,292,185	5,984,985	-
Prepays	73,401	-	73,401	-
Inventory	83,748	-	83,748	-
Noncurrent Assets:				
Lease Assets, Net	107,917	-	107,917	-
Capital Assets:				
Nondepreciable	68,495,291	15,302,477	83,797,768	-
Depreciable, Net	279,140,954	124,630,958	403,771,912	-
Total Assets	<u>575,494,199</u>	<u>194,670,321</u>	<u>770,164,520</u>	<u>2,764,809</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows Related to Pensions	13,733,332	1,989,641	15,722,973	-
Total Deferred Outflows of Resources	<u>13,733,332</u>	<u>1,989,641</u>	<u>15,722,973</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	8,170,186	1,237,485	9,407,671	-
Accrued Salaries and Benefits	1,521,847	198,120	1,719,967	-
Intergovernmental Payable	29,358	-	29,358	-
Interest Payable	-	9,004	9,004	-
Deposits	29,173	16,812	45,985	-
Unearned Revenue	16,642,508	701,385	17,343,893	-
Other Accrued Liabilities	349,344	-	349,344	-
Long-Term Liabilities:				
Due Within One Year	3,915,474	1,746,908	5,662,382	-
Due in More Than One Year	12,893,922	17,996,483	30,890,405	22,720,070
Total Pension Liability	80,948,756	14,105,679	95,054,435	-
Total Liabilities	<u>124,500,568</u>	<u>36,011,876</u>	<u>160,512,444</u>	<u>22,720,070</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Related to Pensions	31,264,308	4,957,880	36,222,188	-
Deferred Inflows Related to Leases	1,661,315	4,178,844	5,840,159	-
Total Deferred Inflows of Resources	<u>32,925,623</u>	<u>9,136,724</u>	<u>42,062,347</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	337,304,415	120,694,123	457,998,538	-
Restricted for:				
Capital Projects	61,539,792	-	61,539,792	-
Housing	78,879,310	-	78,879,310	-
Maintenance Districts	4,521,047	-	4,521,047	-
Other Government Programs	646,219	-	646,219	-
Public Safety	2,622,014	-	2,622,014	-
Unrestricted	<u>(53,711,457)</u>	<u>30,817,239</u>	<u>(22,894,218)</u>	<u>(19,955,261)</u>
Total Net Position	<u>\$ 431,801,340</u>	<u>\$ 151,511,362</u>	<u>\$ 583,312,702</u>	<u>\$ (19,955,261)</u>

See accompanying Notes to Financial Statements.

**CITY OF CHICO, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Program Revenues			Net Revenue (Expense) and Changes in Net Position						Component Unit
	Direct Expenses	Indirect Expenses	Total Expenses	Charges for Services	Grants and Contribution	Grants and Contribution	Governmental Activities	Business-Type Activities	Total	Chico Urban Area Joint Power Financing Authority
PRIMARY GOVERNMENT										
Governmental Activities:										
General Government	\$ 10,810,661	\$ -	\$ 10,810,661	\$ 2,697,750	\$ 1,596,604	\$ 11,626,008	\$ 5,109,701	\$ -	\$ 5,109,701	
Public Safety	37,253,345	-	37,253,345	60,858	403,981	-	(36,788,506)	-	(36,788,506)	
Public Works	17,345,495	-	17,345,495	2,333,536	8,816,394	12,251,335	6,055,770	-	6,055,770	
Parks and Recreation	3,605,386	-	3,605,386	47,610	-	-	(3,557,776)	-	(3,557,776)	
Arts and Culture	34,669	-	34,669	-	-	-	(34,669)	-	(34,669)	
Community Development	5,996,591	-	5,996,591	8,777,096	3,797,756	-	6,578,261	-	6,578,261	
Health and Human Services	302,524	-	302,524	-	-	-	(302,524)	-	(302,524)	
Interest on Long-Term Debt	64,644	-	64,644	-	-	-	(64,644)	-	(64,644)	
Total Governmental Activities	75,413,315	-	75,413,315	13,916,850	14,614,735	23,877,343	(23,004,387)	-	(23,004,387)	
Business-Type Activities:										
Sewer	12,767,285	488,034	13,255,319	15,041,654	-	148,027	-	1,934,362	1,934,362	
Parking	1,452,084	91,039	1,543,123	861,412	-	-	-	(681,711)	(681,711)	
Private Development	3,938,383	358,875	4,297,258	5,840,562	-	-	-	1,543,304	1,543,304	
Airport	1,716,008	194,678	1,910,686	794,698	174,746	2,980,598	-	2,039,356	2,039,356	
City Recreation	443,374	-	443,374	310,342	-	-	-	(133,032)	(133,032)	
Total Business-Type Activities	20,317,134	1,132,626	21,449,760	22,848,668	174,746	3,128,625	-	4,702,279	4,702,279	
Total Primary Government	\$ 95,730,449	\$ 1,132,626	\$ 96,863,075	\$ 36,765,518	\$ 14,789,481	\$ 27,005,968	(23,004,387)	4,702,279	(18,302,108)	
COMPONENT UNIT										
Chico Urban Area Joint Powers Financing Authority										
	\$ 179,563	\$ -	\$ 179,563	\$ -	\$ -	\$ 1,900,000				\$ 1,720,437
GENERAL REVENUES										
Taxes:										
Property Taxes							21,002,149	-	21,002,149	-
Sales and Use Taxes							31,483,939	-	31,483,939	-
Transient Occupancy Tax							3,913,104	-	3,913,104	-
Utility Users tax							8,800,948	-	8,800,948	-
Franchise Fees							4,037,572	-	4,037,572	-
Other Taxes							1,342,545	-	1,342,545	-
Unrestricted Investment Earnings							(3,870,646)	(1,688,041)	(5,558,687)	(235,877)
Miscellaneous							510,112	15,595	525,707	-
Transfers							(939,151)	939,151	-	-
Total General Revenues and Transfers							66,280,572	(733,295)	65,547,277	(235,877)
CHANGE IN NET POSITION										
							43,276,185	3,968,984	47,245,169	1,484,560
Net position - Beginning of Year							388,525,155	147,542,378	536,067,533	(21,439,821)
NET POSITION - END OF YEAR										
							\$ 431,801,340	\$ 151,511,362	\$ 583,312,702	\$ (19,955,261)

See accompanying Notes to 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.

FUND FINANCIAL STATEMENTS (CONTINUED)

Proprietary Fund Types (Continued)

- **Airport**
Accounts for airport operations and improvements.

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.
- **Custodial 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, 2022**

	General Fund	CDBG and HOME Housing	Public Facilities Impact Fees	Capital Grants	Low- and Moderate-Income Housing Asset Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 45,467,735	\$ -	\$ 33,892,317	\$ -	\$ 1,123,609	\$ 25,272,379	\$ 105,756,040
Restricted Cash and Investments	3,146,752	-	-	-	-	102,100	3,248,852
Receivables:							
Interest	315,713	976,293	-	-	11,088,114	184	12,380,304
Property Taxes	613,704	-	-	-	-	33,862	647,566
Accounts	1,955,697	-	-	-	-	52,353	2,008,050
Intergovernmental	7,068,643	1,419,303	-	11,767,116	-	1,692,946	21,948,008
Loans	-	10,093,227	-	-	55,456,582	18,029	65,567,838
Long-Term	-	-	1,093,092	-	-	-	1,093,092
Leases	1,692,800	-	-	-	-	-	1,692,800
Due from Other Funds	11,046,789	-	-	-	-	-	11,046,789
Prepaid Items	51,681	-	-	-	-	-	51,681
Advances to Other Funds	-	-	38,377	-	-	-	38,377
Total Assets	\$ 71,359,514	\$ 12,488,823	\$ 35,023,786	\$ 11,767,116	\$ 67,668,305	\$ 27,171,853	\$ 225,479,397
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 3,266,446	\$ 158,160	\$ 1,877,783	\$ 1,557,262	\$ 20,276	\$ 495,446	\$ 7,375,373
Accrued Salaries and Benefits	1,372,732	10,000	-	-	5,319	49,264	1,437,315
Deposits	9,173	-	-	-	20,000	-	29,173
Intergovernmental Payable	26,303	3,055	-	-	-	-	29,358
Due to Other Funds	-	1,061,008	-	9,942,039	-	42,239	11,045,286
Unearned Revenue	15,957,614	-	-	504,501	-	180,393	16,642,508
Other Accrued Liabilities	349,344	-	-	-	-	-	349,344
Advances from Other Funds	-	-	-	-	-	38,377	38,377
Total Liabilities	20,981,612	1,232,223	1,877,783	12,003,802	45,595	805,719	36,946,734
DEFERRED INFLOWS OF RESOURCES							
Unavailable Housing Loan Interest Revenue	-	976,293	-	-	11,088,114	-	12,064,407
Unavailable Revenue	1,219,016	-	1,093,092	11,549,136	623,754	-	14,484,998
Deferred Lease Revenue	1,661,315	-	-	-	-	-	1,661,315
Total Deferred Inflows of Resources	2,880,331	976,293	1,093,092	11,549,136	11,711,868	-	28,210,720
FUND BALANCES							
Nonspendable	51,681	-	-	-	-	-	51,681
Restricted	2,660,960	10,280,307	32,052,911	-	55,910,842	20,753,957	121,658,977
Committed	13,780,149	-	-	-	-	-	13,780,149
Assigned	26,454,678	-	-	-	-	5,843,592	32,298,270
Unassigned	4,550,103	-	-	(11,785,822)	-	(231,415)	(7,467,134)
Total Fund Balances	47,497,571	10,280,307	32,052,911	(11,785,822)	55,910,842	26,366,134	160,321,943
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 71,359,514	\$ 12,488,823	\$ 35,023,786	\$ 11,767,116	\$ 67,668,305	\$ 27,171,853	\$ 225,479,397

See accompanying Notes to Financial Statements.

**CITY OF CHICO, CALIFORNIA
BALANCE SHEET
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT
OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2022**

Total Fund Balances (Deficit) - Total Governmental Funds \$ 160,321,943

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 governmental funds. 347,584,974

Deferred outflows of resources reported in the statement of net position related to pension. 12,859,722

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenues in the fund statements. 26,549,405

Deferred inflows of resources reported in the statement of net position related to pension (29,087,407)

Internal service funds are used by management to charge the costs of activities to individual funds. The assets and liabilities are included of internal service funds are included in governmental activities in the statement of net position. (2,611,898)

Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

Net Pension Liability	\$ (74,755,249)	
Note Payable	(6,001,056)	
Compensated Absences	(3,059,094)	(83,815,399)

Net Position of Governmental Activities \$ 431,801,340

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	CDBG and HOME Housing	Public Facilities Impact Fees	Capital Grants	Low- and Moderate- Income Housing Asset Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 21,002,149	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,002,149
Sales and Use Taxes	31,483,939	-	-	-	-	-	31,483,939
Franchise Fees	4,037,572	-	-	-	-	-	4,037,572
Transient Occupancy Tax	3,913,104	-	-	-	-	-	3,913,104
Other Taxes	10,133,589	-	-	-	9,904	-	10,143,493
Licenses and Permits	78,903	-	-	-	-	-	78,903
Intergovernmental	7,744,936	3,797,756	-	5,477,676	-	9,220,375	26,240,743
Charges for Services	255,878	-	8,765,474	-	1,517	2,668,505	11,691,374
Fines, Forfeitures, and Penalties	753,266	-	-	-	-	60,858	814,124
Use of Money and Property	(1,584,476)	6,172	(1,246,772)	-	230,287	(782,103)	(3,376,892)
Miscellaneous	417,419	-	-	9,969	4,000	65,181	496,569
Total Revenues	78,236,279	3,803,928	7,518,702	5,487,645	245,708	11,232,816	106,525,078
EXPENDITURES							
Current:							
General Government	4,704,823	-	-	423,257	-	1,113,629	6,241,709
Public Safety	45,328,840	-	-	-	-	622,358	45,951,198
Public Works	4,796,020	-	-	-	-	5,206,756	10,002,776
Parks and Recreation	3,647,963	-	-	-	-	124,344	3,772,307
Arts and Culture	34,669	-	-	-	-	-	34,669
Community Development	1,274,870	1,207,984	3,501,302	-	399,316	-	6,383,472
Health and Human Services	302,524	-	-	-	-	-	302,524
Capital Outlay:							
Capital Outlay - Operations	10,782,276	-	4,272,322	16,015,876	-	4,832,471	35,902,945
Debt Services:							
Principal Retirement	443,788	-	-	-	-	-	443,788
Interest and Fiscal Charges	62,534	-	-	-	-	2,110	64,644
Total Expenditures	71,378,307	1,207,984	7,773,624	16,439,133	399,316	11,901,668	109,100,032
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,857,972	2,595,944	(254,922)	(10,951,488)	(153,608)	(668,852)	(2,574,954)
OTHER FINANCING SOURCES (USES)							
Transfers In	2,748,940	37,958	-	-	-	5,000,035	7,786,933
Transfers Out	(5,989,069)	-	(87,655)	-	(37,958)	(2,191,088)	(8,305,770)
Debt Issued	4,446,970	-	-	-	-	-	4,446,970
Total Other Financing Sources (Uses)	1,206,841	37,958	(87,655)	-	(37,958)	2,808,947	3,928,133
NET CHANGE IN FUND BALANCES	8,064,813	2,633,902	(342,577)	(10,951,488)	(191,566)	2,140,095	1,353,179
Fund Balances - Beginning of Year	39,432,758	7,646,405	32,395,488	(834,334)	56,102,408	24,226,039	158,968,764
FUND BALANCES - END OF YEAR	\$ 47,497,571	\$ 10,280,307	\$ 32,052,911	\$ (11,785,822)	\$ 55,910,842	\$ 26,366,134	\$ 160,321,943

See accompanying Notes to 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
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 1,353,179

Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in fund balances were 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	\$ 33,459,080	
Depreciation Expense	<u>(12,463,641)</u>	20,995,439

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

Capital Contributions		1,013,822
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Unavailable Revenues		12,330,606
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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 position. 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		443,788
Issuance of Debt		<u>(4,446,970)</u>

Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, they are not reported as expenditures in governmental funds.

Change in Net Pension Liability	(10,174,351)	
Change in Compensated Absences	<u>(277,210)</u>	10,451,561

Internal service funds were 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>1,134,760</u>
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Change in Net Position of Governmental Activities		<u>\$ 43,276,185</u>
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See accompanying Notes to Financial Statements.

**CITY OF CHICO, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities Internal Service Funds
	Sewer	Parking	Private Development	Airport	Non Major City Recreation		
ASSETS							
Current Assets:							
Cash and Investments	\$ 36,355,774	\$ 2,228,075	\$ 6,013,904	\$ 2,473,604	\$ 157,512	\$ 47,228,869	\$ 12,539,003
Receivables:							
Accounts	2,705,268	2,661	341,338	113,401	-	3,162,668	193,869
Intergovernmental	166	-	-	48,294	-	48,460	32,466
Taxes	4,704	-	-	-	-	4,704	-
Leases	-	-	-	4,292,185	-	4,292,185	-
Inventories	-	-	-	-	-	-	83,748
Prepaid Expenses	-	-	-	-	-	-	21,720
Total Current Assets	<u>39,065,912</u>	<u>2,230,736</u>	<u>6,355,242</u>	<u>6,927,484</u>	<u>157,512</u>	<u>54,736,886</u>	<u>12,870,806</u>
Noncurrent Assets:							
Lease Assets, Net	-	-	-	-	-	-	107,917
Cash and Investments with Agent	-	-	-	-	-	-	485,000
Capital Assets:							
Land and Construction in Progress	6,942,166	1,239,403	-	7,120,908	-	15,302,477	30,391
Other Capital Assets, Net of Accumulated Depreciation	110,205,421	1,243,187	37,125	13,145,225	-	124,630,958	20,880
Total Noncurrent Assets	<u>117,147,587</u>	<u>2,482,590</u>	<u>37,125</u>	<u>20,266,133</u>	<u>-</u>	<u>139,933,435</u>	<u>644,188</u>
Total Assets	<u>156,213,499</u>	<u>4,713,326</u>	<u>6,392,367</u>	<u>27,193,617</u>	<u>157,512</u>	<u>194,670,321</u>	<u>13,514,994</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflows Related to Pensions	921,967	140,617	827,161	99,896	-	1,989,641	873,610
LIABILITIES							
Current Liabilities:							
Accounts Payable	407,708	464,916	311,713	53,078	70	1,237,485	794,813
Due to Other Cash Funds	-	-	-	-	-	-	1,503
Accrued Salaries and Benefits Payable	97,134	11,881	78,764	10,341	-	198,120	84,532
Interest Payable	9,004	-	-	-	-	9,004	-
Deposits	-	-	16,812	-	-	16,812	-
Compensated Absences - Current Portion	23,449	1,202	25,117	2,140	-	51,908	20,254
Lease Liability - Current	-	-	-	-	-	-	52,536
Claims Liability - Current Portion	-	-	-	-	-	-	2,667,710
Revenue Bonds Payable - Current Portion	1,695,000	-	-	-	-	1,695,000	-
Unearned Revenue	-	-	701,385	-	-	701,385	-
Total Current Liabilities	<u>2,232,295</u>	<u>477,999</u>	<u>1,133,791</u>	<u>65,559</u>	<u>70</u>	<u>3,909,714</u>	<u>3,621,348</u>
Noncurrent Liabilities:							
Revenue Bonds Payable, Net	17,544,312	-	-	-	-	17,544,312	-
Compensated Absences	204,258	10,468	218,802	18,643	-	452,171	176,430
Lease Liability	-	-	-	-	-	-	58,225
Claims Liability	-	-	-	-	-	-	4,774,091
Net Pension Liability	6,536,338	996,916	5,864,209	708,216	-	14,105,679	6,193,507
Total Noncurrent Liabilities	<u>24,284,908</u>	<u>1,007,384</u>	<u>6,083,011</u>	<u>726,859</u>	<u>-</u>	<u>32,102,162</u>	<u>11,202,253</u>
Total Liabilities	<u>26,517,203</u>	<u>1,485,383</u>	<u>7,216,802</u>	<u>792,418</u>	<u>70</u>	<u>36,011,876</u>	<u>14,823,601</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Inflows Related to Pensions	2,297,399	350,397	2,061,159	248,925	-	4,957,880	2,176,901
Deferred Inflows - Leases	-	-	-	4,178,844	-	4,178,844	-
Total Deferred Inflows of Resources	<u>2,297,399</u>	<u>350,397</u>	<u>2,061,159</u>	<u>4,427,769</u>	<u>-</u>	<u>9,136,724</u>	<u>2,176,901</u>
NET POSITION							
Net Investment in Capital Assets	97,908,275	2,482,590	37,125	20,266,133	-	120,694,123	48,427
Unrestricted	30,412,589	535,573	(2,095,558)	1,807,193	157,442	30,817,239	(2,660,325)
Total Net Position	<u>\$ 128,320,864</u>	<u>\$ 3,018,163</u>	<u>\$ (2,058,433)</u>	<u>\$ 22,073,326</u>	<u>\$ 157,442</u>	<u>\$ 151,511,362</u>	<u>\$ (2,611,898)</u>

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds						Governmental
	Sewer	Parking	Private Development	Airport	Non Major	Total Enterprise Funds	Activities
					City Recreation		Internal Service Funds
OPERATING REVENUES							
Charges for Services	\$ 15,017,656	\$ 861,412	\$ 3,108,262	\$ 96,356	\$ 310,342	\$ 19,394,028	\$ 23,136,253
Licenses and Permits	-	-	2,732,300	-	-	2,732,300	-
Rental Charges	23,998	-	-	698,342	-	722,340	62,787
Total Operating Revenues	<u>15,041,654</u>	<u>861,412</u>	<u>5,840,562</u>	<u>794,698</u>	<u>310,342</u>	<u>22,848,668</u>	<u>23,199,040</u>
OPERATING EXPENSES							
Salaries and Benefits	3,280,942	288,529	2,124,835	115,825	23,114	5,833,245	2,533,849
Materials and Supplies	1,024,100	41,501	27,576	15,173	27,840	1,136,190	576,463
Purchased Services	1,079,706	155,478	1,017,110	128,522	392,420	2,773,236	4,291,560
Amortization	-	-	-	-	-	-	51,801
Other Expenses	2,784,409	926,123	1,126,123	363,890	-	5,200,545	13,947,699
Depreciation	5,026,622	131,492	1,614	1,287,276	-	6,447,004	1,740
Total Operating Expenses	<u>13,195,779</u>	<u>1,543,123</u>	<u>4,297,258</u>	<u>1,910,686</u>	<u>443,374</u>	<u>21,390,220</u>	<u>21,403,112</u>
OPERATING INCOME (LOSS)	1,845,875	(681,711)	1,543,304	(1,115,988)	(133,032)	1,458,448	1,795,928
NONOPERATING REVENUES (EXPENSES)							
Intergovernmental	-	-	-	174,746	-	174,746	-
Investment Expense	(1,375,320)	(77,346)	(196,647)	(29,202)	(9,526)	(1,688,041)	(254,397)
Interest Expense	(59,540)	-	-	-	-	(59,540)	-
Miscellaneous Revenue (Expense)	-	5,000	3,240	7,355	-	15,595	13,543
Total Nonoperating Revenues (Expenses)	<u>(1,434,860)</u>	<u>(72,346)</u>	<u>(193,407)</u>	<u>152,899</u>	<u>(9,526)</u>	<u>(1,557,240)</u>	<u>(240,854)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	411,015	(754,057)	1,349,897	(963,089)	(142,558)	(98,792)	1,555,074
Capital Contributions	148,027	-	-	2,980,598	-	3,128,625	-
Transfers In	-	291,843	570,957	256,732	300,000	1,419,532	-
Transfers Out	(143,050)	(3,600)	(267,811)	(65,920)	-	(480,381)	(420,314)
CHANGE IN NET POSITION	415,992	(465,814)	1,653,043	2,208,321	157,442	3,968,984	1,134,760
Net Position - Beginning of Year	127,904,872	3,483,977	(3,711,476)	19,865,005	-	147,542,378	(3,746,658)
NET POSITION - END OF YEAR	<u>\$ 128,320,864</u>	<u>\$ 3,018,163</u>	<u>\$ (2,058,433)</u>	<u>\$ 22,073,326</u>	<u>\$ 157,442</u>	<u>\$ 151,511,362</u>	<u>\$ (2,611,898)</u>

See accompanying Notes to Financial Statements.

**CITY OF CHICO, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities - Internal Service Funds
	Sewer	Parking	Private Development	Airport	Nonmajor City Recreation		
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from Customers and Users	\$ 14,896,087	\$ 861,412	\$ 5,854,772	\$ 740,698	310,342	\$ 22,663,311	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	-	23,177,780
Payments to Suppliers and Claimants	(4,717,563)	(667,497)	(2,068,085)	(3,485,526)	(420,190)	(11,358,861)	(18,670,934)
Payments to Employees	(2,965,970)	(446,646)	(2,634,482)	(320,011)	(23,114)	(6,390,223)	(2,787,614)
Net Cash Provided (Used) by Operating Activities	7,212,554	(252,731)	1,152,205	(3,064,839)	(132,962)	4,914,227	1,719,232
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Interfund Borrowings	-	-	-	-	-	-	2,641,426
Grants and Subsidies from Other Governmental Agencies	-	5,000	3,239	182,100	-	190,339	-
Transfers In	-	291,843	570,957	256,732	300,000	1,419,532	-
Transfers Out	(143,050)	(3,600)	(267,811)	(65,920)	-	(480,381)	(420,314)
Net Cash Provided (Used) by Noncapital Financing Activities	(143,050)	293,243	306,385	372,912	300,000	1,129,490	2,221,112
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition and Construction of Capital Assets	(4,194,982)	-	(38,739)	(171,141)	-	(4,404,862)	-
Proceeds from sale of assets	95,879	98,986	-	-	-	194,865	-
Cash paid on lease liability	-	-	-	-	-	-	(48,957)
Principal Paid on Long-Term Debt	(1,610,000)	-	-	-	-	(1,610,000)	-
Interest Paid	(790,541)	-	-	-	-	(790,541)	-
Capital Grants Received	148,027	-	-	3,101,230	-	3,249,257	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,351,617)	98,986	(38,739)	2,930,089	-	(3,361,281)	(48,957)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Paid	(1,375,320)	(77,346)	(196,647)	(29,202)	(9,526)	(1,688,041)	(254,396)
Other noncapital revenues	-	-	-	-	-	-	-
Net Cash Used by Investing Activities	(1,375,320)	(77,346)	(196,647)	(29,202)	(9,526)	(1,688,041)	(254,396)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(657,433)	62,152	1,223,204	208,960	157,512	994,395	3,636,991
Cash and Cash Equivalents - Beginning of Year	37,013,207	2,165,923	4,790,700	2,264,644	-	46,234,474	9,387,012
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 36,355,774	\$ 2,228,075	\$ 6,013,904	\$ 2,473,604	157,512	\$ 47,228,869	\$ 13,024,003
RECONCILIATION TO STATEMENT OF NET POSITION							
Cash and Investments	\$ 36,355,774	\$ 2,228,075	\$ 6,013,904	\$ 2,473,604	\$ 157,512	\$ 47,228,869	\$ 12,539,003
Cash and Investments with Agent	-	-	-	-	-	-	\$ 485,000
CASH AND INVESTMENTS - END OF YEAR	\$ 36,355,774	\$ 2,228,075	\$ 6,013,904	\$ 2,473,604	\$ 157,512	\$ 47,228,869	\$ 13,024,003

See accompanying Notes to Financial Statements.

**CITY OF CHICO, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds					Total Enterprise Funds	Governmental Activities Internal Service Funds
	Sewer	Parking	Private Development	Airport	Nonmajor City Recreation		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ 1,845,875	\$ (681,711)	\$ 1,543,304	\$ (1,115,988)	(133,032)	\$ 1,458,448	\$ 1,795,928
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:							
Depreciation and Amortization	5,026,622	131,492	1,614	1,287,276	-	6,447,004	53,541
Decrease (Increase) in:							
Accounts Receivable	(147,602)	-	(115,352)	(171,304)	-	(434,258)	-
Intergovernmental Receivable	2,035	-	-	117,304	-	119,339	(21,260)
Inventory and Other Assets	-	-	-	-	-	-	(57,016)
Deferred Outflow Pension	2,151	25,943	96,957	29,408	-	154,459	71,692
Increase (Decrease) in:							
Accounts Payable	232,365	455,605	102,724	(2,977,941)	70	(2,187,177)	347,452
Accrued Liabilities	(41,148)	2,752	5,598	3,041	-	(29,757)	15,134
Claims Liability	-	-	-	-	-	-	(145,648)
Compensated Absences	9,466	7,073	13,377	2,681	-	32,597	35,976
Unearned Revenue	-	-	132,792	-	-	132,792	-
Deposits	-	-	(3,230)	-	-	(3,230)	-
Net Pension Liability	(1,943,387)	(531,445)	(2,615,516)	(478,276)	-	(5,568,624)	(2,480,614)
Deferred Inflow Pension	2,226,177	337,560	1,989,937	238,960	-	4,792,634	2,104,047
Total Adjustments	5,366,679	428,980	(391,099)	(1,948,851)	70	3,455,779	(76,696)
Net Cash Provided (Used) by Operating Activities	\$ 7,212,554	\$ (252,731)	\$ 1,152,205	\$ (3,064,839)	(132,962)	\$ 4,914,227	\$ 1,719,232
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Issuance of Lease Liability	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ 159,718
Issuance of Lease Receivable	-	-	-	4,392,737	-	4,392,737	-
Contributions of Capital Assets	1,078,078	-	-	2,980,598	-	4,058,676	-
Total Noncash Activities	1,078,078	-	-	7,373,335	-	8,451,413	159,718

See accompanying Notes to Financial Statements.

**CITY OF CHICO, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Private-Purpose Trust Fund	Custodial Funds
ASSETS		
Restricted Cash and Investments	\$ 6,032,318	\$ 542,439
Receivables:		
Loans	500,473	19,863
Capital Assets - Land	1,667,105	-
Total Assets	8,199,896	562,302
LIABILITIES		
Accounts Payable	494	-
Special Assessment Deposits	-	562,302
Long-Term Liabilities:		
Due Within One Year	4,795,000	-
Due in More Than One Year	48,565,000	-
Total Liabilities	53,360,494	562,302
DEFERRED INFLOWS OF RESOURCES		
Deferred Amount on Bond Refunding	325,543	-
NET POSITION		
Total Net Position (Deficit) Held in Trust	\$ (45,486,141)	\$ -

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022

	Private-Purpose Trust Fund	Custodial Funds
ADDITIONS		
Property Taxes	\$ 8,252,785	\$ -
Use of Money and Property	(76,931)	(2,119)
Reimbursements	-	35,545
Total Additions	8,175,854	33,426
DEDUCTIONS		
Redevelopment Obligations	1,900,000	5,447
Interest on Bonds Payable	1,636,305	1,174
City Administrative Expenses	143,145	26,805
Total Deductions	3,679,450	33,426
CHANGE IN NET POSITION	4,496,404	-
Net Position - Beginning of Year	(49,982,545)	-
NET POSITION - END OF YEAR	\$ (45,486,141)	\$ -

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The City of Chico, California (the 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 the Chico Urban Area Joint Powers Financing Authority (JPFA) which 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.

B. 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 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 Administrative Services Department of the City of Chico at 411 Main Street, Chico, California 95928.

C. 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

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:

General Fund

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.

CDBG and HOME Housing Special Revenue 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Public Facilities Impact Fee Capital Projects Fund

The Public Facilities Impact Fee Capital Projects Fund accounts for the collection of and expenditures of fees imposed as a condition of new development within the City. Impact fees have been established for each of the following types of public facilities:

- Bikeway Improvement
- Street Facility Improvement
- Storm Drainage Facility
- Sewer Trunk Line Capacity
- Water Pollution Control Plant Capacity
- Sewer Lift Stations
- Community Parks
- Bidwell Park Land Acquisition
- Major Maintenance Equipment
- Administrative Building
- Fire Protection Building and Equipment
- Police Protection Building and Equipment
- Neighborhood Parks

Capital Grants Capital Projects Fund

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

Low- and Moderate-Income Housing Asset Special Revenue Fund

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 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:

Sewer Enterprise Fund

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.

CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Government-Wide and Fund Financial Statements (Continued)

Parking Enterprise Fund

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

Private Development Enterprise Fund

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

Airport Enterprise Fund

The Airport Enterprise Fund accounts for airport operations and improvements.

Additionally, the City reports the following fund types:

Internal Service Funds

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.

Private-Purpose Trust Fund

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.

Custodial Fund

The Custodial Fund is custodial in nature. The Fund accounts for assets held by the City as an agent for bonded assessment districts.

D. 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.

CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Basis of Presentation, Basis of Accounting, and Measurement Focus (Continued)

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 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.

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 County's own programs. Fiduciary funds report the Private-Purpose Trust Funds and Custodial Funds.

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. 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.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in the City investments pool, the earnings from which are allocated quarterly to each fund based on average daily cash balances.

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" (noncurrent 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, 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

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Receivables and Payables (Continued)

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 nongovernmental 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Capital Assets (Continued)

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Buildings	30 to 40 Years
Improvements Other Than Buildings	20 to 50 Years
Equipment, Furniture, and Vehicles	3 to 30 Years
Roadways	50 Years
Bridges	30 to 50 Years
Drainage	50 Years

Capital leases are recorded as a right-to-use asset and an obligation at an amount equal to the present value at the beginning of the lease term.

Right-To-Use Lease Asset

Right-to-use lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service.

Right-to-use lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the County has determined reasonably certain of being exercised.

CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

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:

Nonspendable Fund Balances – These are not expected to be converted to cash within the next operating cycle and are typically comprised of long-term receivables, prepaid items, and advances to other funds.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Fund Balance (Continued)

Restricted Fund Balances – These 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 – These 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 – These 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 – This 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.

CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Net Position (Continued)

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 7-1/2% 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 20% 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 meeting desired operating and emergency reserve as of June 30, 2022.

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 assets 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 one item that qualify for reporting in this category. It is the deferred outflows related to 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 Note 12.

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 assets 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 several types of deferred inflows of resources. Deferred inflows related to pensions that are reflected in the statements of net position. These items are further discussed in Note 12. 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. Deferred inflows related to leases are also reflected in the statements of net position and further discussed in Note 7. The Private-Purpose Trust fund includes deferred inflow related to the deferred amount on refunding.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. 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.

G. 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.

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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, 2022, are as follows:

GASB Statement No. 87 – *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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 standard, 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. The City implemented this statement.

NOTE 2 CASH AND INVESTMENTS

At June 30, 2022, 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	\$ 166,630,229	\$ -	\$ -	\$ 166,630,229
Restricted Cash and Investments	2,626,130	2,764,809	6,574,757	11,965,696
Imprest Cash	1,405	-	-	1,405
Total Cash and Investments	<u>\$ 169,257,764</u>	<u>\$ 2,764,809</u>	<u>\$ 6,574,757</u>	<u>\$ 178,597,330</u>

At June 30, 2022, the City's cash and investments consist of the following:

Cash on Hand	\$ 1,405
Deposits with Financial Institutions	29,091,616
Investments	149,504,309
Total	<u>\$ 178,597,330</u>

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Authorized Investments

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 or reverse repurchase agreements. 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
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	30%	None	None
State and Local Agency Bonds	5 Years	None	5%	None
Repurchase Agreements	5 Years	None	5%	None
Commercial Paper	270 Days	25%	5%	A-1
Corporate Notes	5 Years	30%	5%	A
Supranationals	5 Years	30%	None	AA
Local Agency Investment Fund	N/A	None	None	None
Certificates of Deposit	5 Years	None	5%	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 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, 2022, the City's balance in financial institutions was \$28,561,557, which was covered by collateral held in the pledging bank's trust department in the name of the City of Chico.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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 2022, the City's investments distributed by maturity are as follows:

Investment Type	Fair Value	Maturity in Years				
		Less Than 1	1 - 2	2 - 3	3 - 4	4 - 5
With Fiscal Agent:						
Money Market Mutual Funds	\$ 2,614,546	\$ 2,614,546	\$ -	\$ -	\$ -	\$ -
With City Treasury:						
Certificate of Deposit	12,686,000	3,252,748	2,228,192	2,851,198	2,274,097	2,079,765
Corporate	12,725,590	-	-	1,907,556	9,904,316	913,718
Supranational Corporate	8,512,202	-	953,598	968,882	2,849,465	3,740,257
State and Local Bond	10,754,637	-	-	4,975,335	3,049,789	2,729,513
Federal Agency	39,841,725	-	1,005,023	8,420,583	21,373,646	9,042,473
Money Market Mutual Funds	1,053,541	1,053,541	-	-	-	-
CalTrust Investment	50,379	50,379	-	-	-	-
Local Agency Investment Pool (LAIF)	61,263,542	61,263,542	-	-	-	-
Total Investments	\$ 149,502,162	\$ 68,234,756	\$ 4,186,813	\$ 19,123,554	\$ 39,451,313	\$ 18,505,726

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.

<u>S & P Rating</u>	<u>Percentage of Investment Portfolio</u>
AAA	14.45 %
AA+	50.40
AA	2.18
AA-	5.73
A	2.28
A-	2.30
BBB+	5.59
Not Rated	17.07

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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 \$2,764,809.

Restricted Cash and Investments

As of June 30, 2022, cash and investments that are restricted by legal or contractual requirements are comprised of the following:

Fair Value Measurements	Amount
Governmental Activities:	
General Fund:	
Restricted Section 115 Pension Plan	\$ 2,039,030
Nonmajor Governmental Funds:	
Restricted Bond Proceeds	102,100
Internal Service Funds:	
Insurance Deposits	485,000
Total Primary Governmental Activities Restricted	2,626,130
Cash and Investments	2,626,130
Discretely Presented Component Unit:	
Restricted for Capital Projects and Debt Service	2,764,809
Fiduciary Funds:	
Private-Purpose Trust Fund:	
Restricted for Successor Agency Recognized	
Obligations	6,032,318
Restricted for Debt Service	542,439
Total Fiduciary Fund Restricted Cash and	6,574,757
Investments	6,574,757
Total Restricted Cash and Investments	\$ 11,965,696

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Restricted Cash and Investments (Continued)

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Restricted Cash and Investments (Continued)

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, 2022. 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.

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, 2022, the City has the following fair value measurements:

	Total	Fair Value Measurements at Report Date Using:		
		Quoted Prices		
		in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value:				
Corporate Holdings	\$ 12,725,590	\$ -	\$ 12,725,590	\$ -
Supranationals	8,514,349	-	8,514,349	-
State and Local Securities	10,754,637	-	10,754,637	-
Federal Agency Securities	39,841,725	-	39,841,725	-
Mutual Funds	3,668,087	3,668,087	-	-
Certificates of Deposit	12,686,000	-	12,686,000	-
Total Investments by Fair Value	88,190,388	\$ 3,668,087	\$ 84,522,301	\$ -
Investments Measured at Amortized Costs or Not Subject to Fair Value Hierarchy:				
CalTRUST Trust	50,379			
Local Agency Investment Fund	61,263,542			
Total Investments Measured at Fair Value	\$ 149,504,309			

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 RECEIVABLES

The following summarizes the City's governmental activities receivables as of June 30, 2022:

	Interest	Property Taxes	Accounts	Inter- governmental	Loans	Long-Term	Total
Governmental Activities:							
General Fund	\$ 315,713	\$613,704	\$ 1,955,697	\$ 7,068,643	\$ -	\$ -	9,953,757
CDBG and HOME Housing Fund	976,293	-	-	1,419,303	10,093,227	-	12,488,823
Capital Grants Fund Public Facilities Impact Fees	-	-	-	11,767,116	-	-	11,767,116
	-	-	-	-	-	1,093,092	1,093,092
Low- and Moderate- Income Housing Asset Fund	11,088,114	-	-	-	55,456,582	-	66,544,696
Other Nonmajor Governmental Funds	184	33,862	52,353	1,692,946	18,029	-	1,797,374
Internal Service Funds	-	-	193,869	32,466	-	-	226,335
Total Governmental Activities	\$ 12,380,304	\$647,566	\$ 2,201,919	\$ 21,980,474	\$65,567,838	\$ 1,093,092	\$ 103,871,193

Loans Receivable

The loans receivable in the CDBG and HOME Housing Fund and Low- and Moderate-Income Housing Asset Fund of \$10,093,227 and \$55,456,582, respectively, 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% - 7.5%. 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, 2022:

	Accounts	Inter- governmental	Property Taxes	Total
Business-Type Activities:				
Sewer Fund	\$ 2,705,268	\$ 166	\$ 4,704	\$ 2,710,138
Parking Fund	2,661	-	-	2,661
Private Development Fund	341,338	-	-	341,338
Airport Fund	113,401	48,294	-	161,695
Total Business-Type Activities	\$ 3,162,668	\$ 48,460	\$ 4,704	\$ 3,215,832

Accounts receivable in the Sewer Fund is composed of \$1,138,101 in sewer service fees billed for services rendered on or before June 30, 2022, and received in the months of July and August of 2022, and \$166 in sewer development impact fees owed to the City as of June 30, 2022.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 RECEIVABLES (CONTINUED)

Loans Receivable (Continued)

The intergovernmental receivable of \$48,294 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.

NOTE 4 UNAVAILABLE REVENUE

The City recognized unavailable revenues 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., measurable and available to finance expenditures of the current period). Government funds report revenues not susceptible to accrual as unavailable revenues. 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.

Unavailable revenue balances for the year ended June 30, 2022, were as follows:

	Unavailable Housing Loan Revenue	Unavailable Revenue	Total
General Fund	\$ -	\$ 1,219,016	\$ 1,219,016
CDBG and HOME Housing Fund	976,293	-	976,293
Capital Grants Fund	-	11,549,136	11,549,136
Public Facilities Impact Fees	-	1,093,092	1,093,092
Low- and Moderate-Income Housing Asset Fund	11,088,114	623,754	11,711,868
Total Governmental Funds	<u>\$ 12,064,407</u>	<u>\$ 14,484,998</u>	<u>\$ 26,549,405</u>

CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 CAPITAL ASSETS

Capital assets for governmental activities for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 31,561,925	\$ -	\$ -	\$ 1,552,581	\$ 33,114,506
Construction in Progress	25,660,592	28,801,885	(342,622)	(18,739,070)	35,380,785
Total Capital Assets, Not Being Depreciated	57,222,517	28,801,885	(342,622)	(17,186,489)	68,495,291
Capital Assets, Being Depreciated:					
Buildings	22,360,645	-	-	-	22,360,645
Improvements Other Than Buildings	23,019,024	-	-	542,641	23,561,665
Equipment, Furniture, and Vehicles	22,940,078	4,999,820	(463,327)	1,919,491	29,396,062
Infrastructure	409,477,834	1,013,822	-	14,724,357	425,216,013
Total Capital Assets, Being Depreciated	477,797,581	6,013,642	(463,327)	17,186,489	500,534,385
Less: Accumulated Depreciation for:					
Buildings	(13,831,262)	(500,970)	-	-	(14,332,232)
Improvements Other Than Buildings	(14,699,206)	(581,710)	-	-	(15,280,916)
Equipment, Furniture, and Vehicles	(13,984,687)	(1,941,402)	463,326	-	(15,462,763)
Infrastructure	(166,876,221)	(9,441,299)	-	-	(176,317,520)
Total Accumulated Depreciation	(209,391,376)	(12,465,381)	463,326	-	(221,393,431)
Total Capital Assets, Being Depreciated, Net	268,406,205	(6,451,739)	(1)	17,186,489	279,140,954
Right-to-Use Assets, Being Amortized:					
Equipment	159,718	-	-	-	159,718
Total Right-to-Use Assets, Being Amortized	159,718	-	-	-	159,718
Less: Accumulated Amortization for:					
Equipment	-	(51,801)	-	-	(51,801)
Total Accumulated Amortization	-	(51,801)	-	-	(51,801)
Total Right-to-Use Assets, Being Amortized, Net	159,718	(51,801)	-	-	107,917
Governmental Activities Capital Assets, Net	\$ 325,788,440	\$ 22,298,345	\$ (342,623)	\$ -	\$ 347,744,162

Reconciliation of Governmental activities capital asset increases:

Total Capital Assets, Not Being Depreciated - Increases	\$ 28,801,885
Total Capital Assets, Being Depreciated - Increases	6,013,642
Governmental Activities Capital Asset Increases	\$ 34,815,527
Governmental Funds - Capital Outlay	\$ 33,801,705
Donations and Contributed Capital *	1,013,822
Governmental Activities Capital Asset Increases	\$ 34,815,527

*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, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Capital assets for business-type activities for the year ended June 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 2,154,341	\$ -	\$ -	\$ -	\$ 2,154,341
Construction in Progress	24,621,042	7,198,694	(194,866)	(18,476,734)	13,148,136
Total Capital Assets, Not Being Depreciated	26,775,383	7,198,694	(194,866)	(18,476,734)	15,302,477
Capital Assets, Being Depreciated:					
Buildings	19,412,388	-	-	-	19,412,388
Improvements Other Than Buildings	196,867,808	148,030	-	17,741,950	214,757,788
Equipment, Furniture, and Vehicles	2,984,308	38,739	-	734,784	3,757,831
Total Capital Assets, Being Depreciated	219,264,504	186,769	-	18,476,734	237,928,007
Less: Accumulated Depreciation for:					
Buildings	(15,225,270)	(504,742)	-	-	(15,730,012)
Improvements Other Than Buildings	(89,133,330)	(5,797,870)	-	-	(94,931,200)
Equipment, Furniture, and Vehicles	(2,491,445)	(144,392)	-	-	(2,635,837)
Total Accumulated Depreciation	(106,850,045)	(6,447,004)	-	-	(113,297,049)
Total Capital Assets, Being Depreciated, Net	112,414,459	(6,260,235)	-	18,476,734	124,630,958
Business-Type Activities Capital Assets, Net	\$ 139,189,842	\$ 938,459	\$ (194,866)	\$ -	\$ 139,933,435

Reconciliation of business-type activities capital asset increases:

Total Capital Assets, Not Being Depreciated - Increases	\$ 7,198,694
Total Capital Assets, Being Depreciated - Increases	186,769
Business-Type Activities Capital Asset Increases	<u>\$ 7,385,463</u>
Business-Type Activities - Capital Outlay	\$ 6,307,385
Donations and Contributed Capital *	1,078,078
Business-Type Activities Capital Asset Increases	<u>\$ 7,385,463</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, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 5 CAPITAL AND RIGHT-TO-USE ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	\$ 824,721
Public Safety	1,302,818
Public Works	9,890,149
Parks and Recreation	423,154
Education	22,799
Capital Assets Held by the Government's Internal Service Funds are Charged to the Various Functions Based on Their Usage of the Assets	
	1,740
Total Depreciation Expense - Governmental Activities	\$ 12,465,381
Business-Type Activities:	
Sewer	\$ 5,026,622
Parking	131,492
Private Development	1,614
Airport	1,287,276
Total Depreciation Expense - Business-Type Activities	\$ 6,447,004

NOTE 6 LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Direct borrowings Notes					
Payable-Direct Financing	\$ 1,997,874	\$ 4,446,970	\$ (443,788)	\$ 6,001,056	\$ 859,955
Compensated Absences	3,497,012	1,730,068	(1,971,302)	3,255,778	335,273
Self-Insurance Claims and Settlements	7,587,449	2,632,000	(2,777,648)	7,441,801	2,667,710
Lease Liability	159,718	-	(48,957)	110,761	52,536
Total Governmental Activities Long-Term Liabilities	\$ 13,242,053	\$ 8,809,038	\$ (5,241,695)	\$ 16,809,396	\$ 3,915,474
Business-Type Activities:					
Direct Borrowings Loans Payable	\$ 17,850,000	\$ -	\$ (1,610,000)	\$ 16,240,000	\$ 1,695,000
Compensated Absences	471,482	357,713	(325,116)	504,079	51,908
Total Before Premium	18,321,482	357,713	(1,935,116)	16,744,079	1,746,908
Premium - Net	3,730,309	-	(730,997)	2,999,312	-
Total Business-Type Activities Long-Term Liabilities	\$ 22,051,791	\$ 357,713	\$ (2,666,113)	\$ 19,743,391	\$ 1,746,908

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The City's outstanding note payable-direct financing, secured by equipment, related to governmental activities of \$6,001,056 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 \$16,240,000 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, 2022
Governmental Activities:					
Notes Payable:					
Oshkosh Capital	7/25/2024	2.46%	\$ 136,868	\$ 1,200,359	\$ 390,897
Oshkosh Capital	4/25/2025	2.80%	224,132	1,931,551	636,427
Motorola Solutions, Inc.	11/1/2025	4.06%	145,322	870,306	526,762
Motorola Solutions, Inc.	10/1/2031	2.19%	499,999	4,446,970	4,446,970
Total Governmental Activities Capital Lease				<u>\$ 8,449,186</u>	<u>\$ 6,001,056</u>
Business-Type Activities:					
Loans Payable:					
Bank of America	12/1/2029	2.60%	\$ 2,276,673	\$ 33,613,142	\$ 16,240,000
Total Business-Type Activities Loans Payable				<u>\$ 33,613,142</u>	<u>\$ 16,240,000</u>

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Direct Financing Notes Payable:	
Note 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 note amount was \$1,200,359. Payments to be made from General Fund.	\$ 390,897
Note 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 note amount was \$1,931,551. Payments to be made from General Fund.	636,427
Note payable to Motorola, Inc. for All Band Digital Portable Radios for the police department, interest at 4.060%, due in annual installments on November 1, in the amount of \$145,323. Original note amount was \$870,305.76. Payments to be made from the General Fund.	526,762
Note payable to Motorola, Inc. for P25 Radio System for the safety personnel, interest at 2.190%, due in annual installments on October 1, in the amount of \$499,999. Original note amount was \$4,446,970. Payments to be made from the General Fund.	<u>4,446,970</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 6,001,056</u>

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Description	Amount
Business-Type Activities:	
Direct Borrowings Loans Payable:	
Loan payable to the BofA Securities, Inc. for the Sewer Revenue Refunding Bonds, Series 2020, interest at 5%, due in annual installments on December 1 and June 1, including interest through December 1, 2029. Original loan amount was \$19,735,000.	\$ 16,240,000
Total Business-Type Activities Long-Term Liabilities	\$ 16,240,000

In September of 2020, the City entered into a Bond Purchase Agreement with Bank of America Securities to issue \$19,735,000 in Bonds. Proceeds from the sale of the Bonds were used to prepay, in full, amounts due to the California State Water Resources Control Board for the Sewer Fund, pursuant to a state revolving fund loan agreement from 2008 and to pay the costs of issuing the Bonds.

The refunding was undertaken to reduce total debt service payments by, approximately \$1,799,136 over the term and resulted in an economic gain of \$1,741,109.

Debt service requirements at June 30, 2022, are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Notes Payable from		Loans from	
	Direct Financing		Direct Borrowings	
	Principal	Interest	Principal	Interest
2023	\$ 859,955	\$ 146,366	\$ 1,695,000	\$ 727,250
2024	882,758	123,563	1,780,000	638,250
2025	906,200	100,121	1,870,000	544,750
2026	569,300	76,022	1,965,000	446,500
2027	439,056	60,943	2,070,000	103,500
2028-2031	2,343,787	156,208	6,860,000	343,000
Total	\$ 6,001,056	\$ 663,223	\$ 16,240,000	\$ 2,803,250

NOTE 7 LEASES

City as Lessor

The City leases out several of its buildings, land, and airport lots. Lease terms may vary, with current agreements going out until fiscal year 2099-2100. For agreements with renewal options, the City has included the renewal periods in the lease term when it is reasonably certain that the renewal option(s) will be exercised. For contracts that contain termination options for either party to exercise (cancellable period), these periods are excluded from the lease receivable calculation. The City's lease arrangements do not contain any material residual value guarantees.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LEASES (CONTINUED)

City as Lessor (Continued)

When the borrowing rate is not stated in the contract, or readily available, the City will refer to the interest rate received on the most recent debt borrowed by the City. The agreements currently use a discount rate of 2.19% to measure the present value of the lease payments expected to be received during the lease term period.

Minimum lease payments receivable on leases of properties as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 99,005	\$ 35,819	\$ 108,734	\$ 90,237
2024	97,102	33,635	110,450	87,823
2025	92,422	31,609	114,998	85,352
2026	96,923	29,535	21,915	83,936
2027	101,591	27,360	16,586	83,576
2028-2032	540,133	101,285	48,952	413,092
2033 and Thereafter	665,624	71,957	3,870,550	5,783,854
Total Minimum Lease Payments	<u>\$ 1,692,800</u>	<u>\$ 331,200</u>	<u>\$ 4,292,185</u>	<u>\$ 6,627,870</u>

The total amount of revenue (inflows of resources) relating to leases recognized in the current fiscal year is as follows:

<u>June 30, 2022</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Lease Revenue	\$ 125,978	\$ 213,893
Lease Interest	37,938	94,610

The City did not have any leases of assets that are investments, regulated leases, sublease transactions, sale-leaseback transactions, or lease-leaseback transactions requiring disclosure.

City as Lessee

The City leases copiers for operational use under a long-term, noncancelable lease agreement. The lease expires in fiscal year 2024-25.

Total future minimum lease payments under lease agreement are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 52,536	\$ 1,801
2024	53,697	639
2025	4,528	-
Total Minimum Lease Payments	<u>\$ 110,761</u>	<u>\$ 2,440</u>

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 LEASES (CONTINUED)

City as Lessee (Continued)

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class:

	Governmental Activities
Equipment	\$ 159,718
Less: Accumulated Amortization	(51,801)
Total	\$ 107,917

NOTE 8 INTERFUND ACTIVITY

Due From/To Other Funds

Amounts due from/to other funds at June 30, 2022:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Grants Fund	\$ 9,942,039
	CDBG and HOME Housing Fund	1,061,008
	Operating Grants Fund	42,239
	Central Garage Fund	1,503
	Total Due To/From	\$ 11,046,789

Due from/to other funds typically result from the 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 to/from other funds at June 30, 2022:

Receivable Fund	Payable Fund	Amount
Public Infrastructure Impact Fees	Nonmajor Governmental Funds	\$ 38,377

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 INTERFUND ACTIVITY (CONTINUED)

Transfers From/To Other Funds

The following is a schedule of interfund transfers from/to other funds as of June 30, 2022:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 4,678,882
	Parking Fund	291,843
	Private Development Fund	461,612
	Airport Fund	256,732
	Nonmajor Enterprise Fund	300,000
	Subtotal	<u>5,989,069</u>
Public Facilities Impact	Private Development Fund	87,655
Low- and Moderate-Income Housing Asset Fund	CDBG and HOME Housing Fund	37,958
Nonmajor Governmental Funds	General Fund	2,191,088
Sewer Fund	Private Development Fund	21,690
	Nonmajor Governmental Funds	121,360
	Subtotal	<u>143,050</u>
Parking Fund	Nonmajor Governmental Funds	3,600
Private Development Fund	General Fund	242,501
	Nonmajor Governmental Funds	25,310
	Subtotal	<u>267,811</u>
Airport Fund	Nonmajor Governmental Funds	65,920
Internal Service Funds	General Fund	315,351
	Nonmajor Governmental Funds	104,963
	Subtotal	<u>420,314</u>
	Total Transfers	<u>\$ 9,206,465</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, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 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, 2022:

	General	CDBG and HOME Housing	Public Facilities Impact Fees	Capital Grants	Low- and Moderate-Income Housing Asset Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances (Deficit):							
Nonspendable:							
Prepaid Items	\$ 51,681	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,681
Total Nonspendable	51,681	-	-	-	-	-	51,681
Restricted:							
Housing	-	10,280,307	-	-	55,910,842	-	66,191,149
Transportation Related Projects	-	-	32,052,911	-	-	15,625,637	47,678,548
Maintenance Districts	-	-	-	-	-	4,521,047	4,521,047
Other Purposes	38,946	-	-	-	-	607,273	646,219
Section 115 Trust	2,622,014	-	-	-	-	-	2,622,014
Total Restricted	2,660,960	10,280,307	32,052,911	-	55,910,842	20,753,957	121,658,977
Committed:							
Compensated Absences	1,460,109	-	-	-	-	-	1,460,109
Donations	341,836	-	-	-	-	-	341,836
Emergency Contingencies	11,978,204	-	-	-	-	-	11,978,204
Total Committed	13,780,149	-	-	-	-	-	13,780,149
Assigned:							
Capital Projects	26,454,678	-	-	-	-	5,843,592	32,298,270
Total Assigned	26,454,678	-	-	-	-	5,843,592	32,298,270
Unassigned:							
General Government	4,550,103	-	-	-	-	(231,415)	4,318,688
Capital Projects Funds	-	-	-	(11,785,822)	-	-	(11,785,822)
Total Unassigned	4,550,103	-	-	(11,785,822)	-	(231,415)	(7,467,134)
Total Fund Balances (Deficit)	\$ 47,497,571	\$ 10,280,307	\$ 32,052,911	\$ (11,785,822)	\$ 55,910,842	\$ 26,366,134	\$ 160,321,943

B. Deficit Fund Equity

The Funds listed below reported deficit fund balances or net position on June 30, 2022:

Fund	Deficit Fund Balance
Operating Grants Fund	\$ (231,415)
Capital Grants Fund	(11,785,822)
Central Garage Fund	(2,213,291)
Municipal Building Maintenance Fund	(1,871,509)
Information Services Fund	(3,485,131)
Private Development Fund	(2,058,433)
Total Deficit Funds	\$ (21,645,601)

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 RESTRICTED NET POSITION/FUND BALANCES (CONTINUED)

B. Deficit Fund Equity (Continued)

Operating Grants Fund Deficit

The net position of the Operating Grants Fund has a deficit largely due to the recording of unearned revenues.

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, 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.

Private Development Fund Deficits

The Private Development fund deficit is largely due to net pension liability under GASB No. 68.

C. Other Fund Disclosures

The following funds had an excess of expenditures over appropriations on June 30, 2022:

Fund/Department	Expenditures Over Appropriations
General Fund:	
Public Works Department	\$ 559,270
Arts and Culture Department	11
Health and Human Services Department	95,399
Community Maintenance District Funds	309,228
Total Deficit Funds	\$ 963,908

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 RESTRICTED NET POSITION/FUND BALANCES (CONTINUED)

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 Projects:	
Public Facility Impact Fees	\$ 45,914,155
Transportation	5,359,287
Gas Tax	6,986,375
Bond Proceeds	101,141
Public Infrastructure Replacement	<u>3,178,834</u>
Total Restricted for Capital Projects	61,539,792
Restricted for Housing:	
Affordable Housing Loans	68,599,003
CDBG Housing Loans	<u>10,280,307</u>
Total Restricted for Housing	78,879,310
Restricted for Maintenance Districts:	
Maintenance Districts	4,521,047
Restricted for Other Government Programs:	
Grants and Donations	38,946
Other	<u>607,273</u>
Total Restricted for Other Government Programs	646,219
Restricted for Public Safety:	
Section 115 Trust	<u>2,622,014</u>
Total Restricted for Public Safety	<u>2,622,014</u>
Total Restricted Component of Net Position - Governmental Activities	<u><u>\$ 148,208,382</u></u>

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 RISK MANAGEMENT (CONTINUED)

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, 2022, 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 \$5,637,816 for insurance losses through June 30, 2022, 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 Estimates	Current Year Payments	Claims Liability June 30,	Current Portion
2020-21	\$ 5,592,972	\$ 1,765,000	\$ (1,762,778)	\$ 5,595,194	\$ 1,793,378
2021-22	5,595,194	1,836,000	(1,793,378)	5,637,816	1,834,089

General Liability Insurance

The City is a member of the California Joint Powers Risk Management Authority (the 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 nonofficer 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 RISK MANAGEMENT (CONTINUED)

General Liability Insurance (Continued)

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, and boiler and 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, 2022, were \$925,167.

The claims liability reported in the Self-Insurance Internal Service Fund at June 30, 2022, was also based on the requirements of GASB Statement No. 10, as described. The City's provision of \$1,803,985 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 Estimates	Current Year Payments	Claims Liability June 30,	Current Portion
2020-21	\$ 2,498,786	\$ 765,000	\$ (1,271,531)	\$ 1,992,255	\$ 984,270
2021-22	1,992,255	796,000	(984,270)	1,803,985	833,621

NOTE 11 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 CONTINGENCIES AND COMMITMENTS (CONTINUED)

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.

NOTE 12 DEFINED BENEFIT PENSION PLAN

A. Summary of Pension Plan Balances

Pension related balances presented on the statement of net position as of June 30, 2022, by individual plan are described in the following table:

	Deferred Outflows - Pension	Net Pension Liability	Deferred Inflows - Pension	Pension Expense
CALPERS Miscellaneous Agent Multiple Employer Plan	\$ 6,362,778	\$ 45,109,300	\$ 15,855,067	\$ 657,351
CALPERS Safety Agent Multiple Employer Plan	9,360,195	49,945,134	20,367,120	2,991,723
Total	<u>\$ 15,722,973</u>	<u>\$ 95,054,434</u>	<u>\$ 36,222,187</u>	<u>\$ 3,649,074</u>

B. 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. General Information about the Pension Plans (Continued)

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 nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous		
	Classic	Classic	PEPRA - On or After January 1, 2013
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 Percentage of Annual Salary	2.000%	3.000%	2.000%
Required Employee Contribution Rates	8.000%	8.000%	6.750%
Required Employer Contribution Rates	13.500%	13.500%	13.500%
		Safety	
		Classic	PEPRA - On or After January 1, 2013
Hire Date			
Formula		3% @ 60	2% @ 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 Percentage of Annual Salary		3.000%	2.700%
Required Employee Contribution Rates		9.000%	12.750%
Required Employer Contribution Rates		22.420%	22.420%

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. General Information about the Pension Plans (Continued)

Employees Covered

At June 30, 2022, 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	358	241
Inactive Employees Entitled to But Not Yet Receiving Benefits	212	73
Active Employees	<u>220</u>	<u>153</u>
Total	<u><u>790</u></u>	<u><u>467</u></u>

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 \$6,123,998 and for the Safety Plan \$7,675,945.

C. Net Pension Liability

The City's net pension liability for each plan was measured as of June 30, 2021, and the total pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021. Pension liabilities are paid out of the operating funds based on a percentage of covered payroll.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuations was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.88%	2.75
Projected Salary Increase	3.30% to 14.20%	3.30% to 14.20%
Investment Rate of Return	7.250%	7.250%

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021, 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 five years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

Asset Class	Assumed Allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	50 %	4.80 %	5.98 %
Global Fixed Income	28	1.00	2.62
Inflation Sensitive	-	0.77	1.81
Private Equity	8	6.30	7.23
Real Estate	13	3.75	4.93
Liquidity	1	-	(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, 2020, 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% 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% 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, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan for the measurement date of June 30, 2021, are as follows:

	Miscellaneous Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance - June 30, 2021	\$ 200,766,110	\$ 133,732,712	\$ 67,033,398
Changes in the Year:			
Service Cost	2,804,965	-	2,804,965
Interest on the Total Pension Liability	13,985,658	-	13,985,658
Differences Between Actual and Expected Experience	(789,082)	-	(789,082)
Contribution - Employer	-	6,108,120	(6,108,120)
Contribution - Employee	-	1,676,572	(1,676,572)
Projected Earnings on Investments	-	30,274,538	(30,274,538)
Administrative Expenses	-	(133,591)	133,591
Benefit Payments, Including Refunds of Employee Contributions	(11,551,802)	(11,551,802)	-
Net Changes	<u>4,449,739</u>	<u>26,373,837</u>	<u>(21,924,098)</u>
Balance - June 30, 2022	<u>\$ 205,215,849</u>	<u>\$ 160,106,549</u>	<u>\$ 45,109,300</u>
	Safety Plan		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance - June 30, 2021	\$ 244,670,487	\$ 167,054,113	\$ 77,616,374
Changes in the Year:			
Service Cost	4,466,679	-	4,466,679
Interest on the Total Pension Liability	17,076,960	-	17,076,960
Differences Between Actual and Expected Experience	(1,937,728)	-	(1,937,728)
Contribution - Employer	-	7,662,670	(7,662,670)
Contribution - Employee	-	1,846,839	(1,846,839)
Projected Earnings on Investments	-	37,934,519	(37,934,519)
Administrative Expenses	-	(166,877)	166,877
Benefit Payments, Including Refunds of Employee Contributions	(12,254,988)	(12,254,988)	-
Net Changes	<u>7,350,923</u>	<u>35,022,163</u>	<u>(27,671,240)</u>
Balance - June 30, 2022	<u>\$ 252,021,410</u>	<u>\$ 202,076,276</u>	<u>\$ 49,945,134</u>

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Changes in the Net Pension Liability (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%	12.30%
Net Pension Liability	\$ 69,793,654	\$ 84,903,083	\$ 154,696,737
Current Discount Rate	7.15%	7.15%	14.30%
Net Pension Liability	\$ 45,109,300	\$ 49,945,134	\$ 95,054,434
1% Increase	8.15%	8.15%	16.30%
Net Pension Liability	\$ 24,477,161	\$ 21,384,698	\$ 45,861,859

Pension Plan Fiduciary Net Position

Detailed information about each pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

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

For the year ended June 30, 2022, the City recognized pension expense of \$3,649,074. At June 30, 2022, 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	\$ 6,362,778	\$ -
Differences Between Actual and Expected Experience	-	(684,502)
Net Difference Between Projected and Actual Earnings on Plan Investments	-	(15,170,565)
Total	<u>\$ 6,362,778</u>	<u>\$ (15,855,067)</u>

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

E. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 8,416,207	\$ -
Differences Between Actual and Expected Experience	943,988	(1,453,296)
Change in Assumption	-	-
Net Difference Between Projected and Actual Earnings on Plan Investments	-	(18,913,824)
Total	\$ 9,360,195	\$ (20,367,120)

The amounts of \$6,362,778 for the Miscellaneous plan, and \$8,416,207 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Miscellaneous	Safety	Total
2023	\$ (4,334,372)	\$ (4,678,392)	\$ (9,012,764)
2024	(3,715,725)	(4,496,328)	(8,212,053)
2025	(3,633,748)	(5,028,289)	(8,662,037)
2026	(4,171,222)	(5,220,123)	(9,391,345)
Total	\$ (15,855,067)	\$ (19,423,132)	\$ (35,278,199)

NOTE 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 SUCCESSOR AGENCY TRUST FOR ASSETS AND OBLIGATIONS OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)

The following components of this footnote document the Successor Agency's capital assets and long-term liabilities as of June 30, 2022.

Capital Assets - Land

As of June 30, 2022, the Successor Agency owns six parcels of land with a cost of \$1,667,105. The 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, 2022, the balances of the Successor Agency long-term obligations are presented below:

	<u>Beginning Balance</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
2017 Successor Agency to the Chico RDA Tax Allocation Refunding Bonds Series A	\$ 58,025,000	\$ (4,665,000)	\$ 53,360,000	\$ 4,795,000
Total Successor Agency Long-Term Liabilities	<u>\$ 58,025,000</u>	<u>\$ (4,665,000)</u>	<u>\$ 53,360,000</u>	<u>\$ 4,795,000</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, 2022, was \$325,543 and is reported as a deferred inflow of resources.

Long-Term Liabilities

<u>Description</u>	<u>Amount</u>
Successor Agency Long-Term Liabilities	
Direct Placements:	
Revenue Bonds:	
2017 Tax Allocation Refund 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 2017 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.	<u>\$ 53,360,000</u>
Total Successor Agency Long-Term Liabilities	<u>\$ 53,360,000</u>

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 SUCCESSOR AGENCY TRUST FOR ASSETS AND OBLIGATIONS OF THE FORMER REDEVELOPMENT AGENCY (CONTINUED)

The following is a schedule of total debt service requirements to maturity as of June 30, 2022, for the tax allocation bonds:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,795,000	\$ 1,504,752	\$ 6,299,752
2024	4,925,000	1,369,533	6,294,533
2025	4,830,000	1,230,648	6,060,648
2026	5,095,000	1,094,442	6,189,442
2027	5,240,000	950,763	6,190,763
2028-2032	<u>28,475,000</u>	<u>2,453,964</u>	<u>30,928,964</u>
Total	<u>\$ 53,360,000</u>	<u>\$ 8,604,102</u>	<u>\$ 61,964,102</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	2022	2021	2020	2019	2018	2017	2016	2015
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:								
Service Cost	\$ 2,804,965	\$ 2,739,169	\$ 2,764,446	\$ 2,702,893	\$ 2,762,977	\$ 2,352,654	\$ 2,441,836	\$ 3,139,806
Interest	13,985,658	13,661,442	13,311,689	12,817,844	12,410,522	12,292,564	12,098,168	11,852,134
Differences Between Expected and Actual Experience	(789,082)	(938,361)	933,660	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	(11,551,802)	(10,668,087)	(9,798,874)	(9,357,597)	(8,680,046)	(8,251,225)	(8,129,122)	(7,723,542)
Net Change in Total Pension Liability	4,449,739	4,794,163	7,210,921	5,735,284	12,995,358	2,629,869	(188,218)	7,268,398
Total Pension Liability - Beginning	200,766,110	195,971,947	188,761,026	183,025,742	170,030,384	167,400,515	167,588,733	160,320,335
Total Pension Liability - Ending (a)	205,215,849	200,766,110	195,971,947	188,761,026	183,025,742	170,030,384	167,400,515	167,588,733
Plan Fiduciary Net Position:								
Contributions - Employer	6,108,120	5,721,757	5,289,597	4,892,157	4,835,288	3,774,160	3,273,509	3,326,062
Contributions - Employee	1,676,572	1,550,839	1,452,949	1,211,601	1,042,124	960,903	950,096	991,678
Net Investment Income	30,274,538	6,530,524	8,254,467	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	(11,551,802)	(10,668,087)	(9,798,874)	(9,357,597)	(8,680,046)	(8,251,225)	(8,129,122)	(7,723,542)
Administrative Expense	(133,591)	(184,371)	(89,683)	(185,995)	(162,567)	(68,942)	(127,469)	-
Miscellaneous Income (Expense)	-	-	293	(353,207)	-	-	-	-
Net Change in Plan Fiduciary Net Position	26,373,837	2,950,662	5,108,749	6,314,010	9,251,274	(3,013,793)	(1,496,573)	13,927,928
Plan Fiduciary Net Position - Beginning	133,732,712	130,782,050	125,673,301	119,359,291	110,108,017	113,121,810	114,618,383	100,690,455
Plan Fiduciary Net Position - Ending (b)	160,106,549	133,732,712	130,782,050	125,673,301	119,359,291	110,108,017	113,121,810	114,618,383
Net Pension Liability - Ending (a)-(b)	\$ 45,109,300	\$ 67,033,398	\$ 65,189,897	\$ 63,087,725	\$ 63,666,451	\$ 59,922,367	\$ 54,278,705	\$ 52,970,350
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.02%	66.61%	66.74%	68.39%	65.21%	68.39%	67.58%	68.39%
Covered Payroll	\$ 13,226,312	\$ 13,794,306	\$ 13,266,370	\$ 14,799,933	\$ 12,743,802	\$ 14,799,933	\$ 11,927,104	\$ 14,799,933
Net Pension Liability as a Percentage of Covered Payroll	341.06%	485.95%	491.39%	357.91%	499.59%	357.91%	455.09%	357.91%

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

See accompanying Notes to Required Supplementary Information.

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

Measurement Period	2022	2021	2020	2019	2018	2017	2016	2015
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:								
Service Cost	\$ 4,466,679	\$ 4,499,719	\$ 4,380,793	\$ 4,390,653	\$ 4,563,295	\$ 3,944,837	\$ 4,060,125	\$ 4,587,446
Interest	17,076,960	16,551,359	15,784,596	15,059,804	14,578,548	13,926,474	13,452,675	12,801,088
Differences Between Expected and Actual Experience	(1,937,728)	1,473,679	1,094,936	(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	(12,254,988)	(11,236,546)	(10,712,608)	(10,094,391)	(9,308,811)	(8,981,039)	(8,373,881)	(7,428,081)
Net Change in Total Pension Liability	7,350,923	11,288,211	10,547,717	6,733,002	22,647,765	6,306,029	5,085,816	9,960,453
Total Pension Liability - Beginning	244,670,487	233,382,276	222,834,559	216,101,557	193,453,792	187,147,763	182,061,947	172,101,494
Total Pension Liability - Ending (a)	252,021,410	244,670,487	233,382,276	222,834,559	216,101,557	193,453,792	187,147,763	182,061,947
Plan Fiduciary Net Position:								
Contributions - Employer	7,662,670	7,052,348	6,272,865	5,601,393	5,349,238	4,852,766	4,398,219	4,361,304
Contributions - Employee	1,846,839	1,760,356	1,783,895	1,542,571	1,550,187	1,404,504	1,236,718	1,260,761
Net Investment Income	37,934,519	8,073,042	10,107,564	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	(12,254,988)	(11,236,546)	(10,712,608)	(10,094,391)	(9,308,811)	(8,981,039)	(8,373,881)	(7,428,081)
Administrative Expense	(166,877)	(227,863)	(110,105)	(227,002)	(197,150)	(82,684)	(152,694)	-
Miscellaneous Income (Expense)	-	-	359	(431,079)	-	-	-	-
Net Change in Plan Fiduciary Net Position	35,022,163	5,421,337	7,341,970	8,615,803	12,143,804	(2,139,662)	86,929	18,555,340
Plan Fiduciary Net Position - Beginning	167,054,114	161,632,777	154,290,807	145,675,004	133,531,200	135,670,862	135,583,933	117,028,593
Plan Fiduciary Net Position - Ending (b)	202,076,277	167,054,114	161,632,777	154,290,807	145,675,004	133,531,200	135,670,862	135,583,933
Net Pension Liability - Ending (a)-(b)	\$ 49,945,133	\$ 77,616,373	\$ 71,749,499	\$ 68,543,752	\$ 70,426,553	\$ 59,922,592	\$ 51,476,901	\$ 46,478,014
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.18%	68.29%	69.26%	69.24%	67.41%	69.02%	72.49%	74.47%
Covered Payroll	\$ 14,339,448	\$ 14,054,746	\$ 13,801,250	\$ 13,938,580	\$ 14,048,439	\$ 14,048,202	\$ 14,089,826	\$ 15,179,163
Net Pension Liability as a Percentage of Covered Payroll	348.31%	551.88%	519.88%	491.76%	501.31%	426.55%	365.35%	306.20%

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

See accompanying Notes to Required Supplementary Information.

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS (UNAUDITED)
CALPERS MISCELLANEOUS RETIREMENT PLAN
LAST NINE YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 6,362,778	\$ 6,123,998	\$ 5,721,757	\$ 5,289,597	\$ 4,892,157	\$ 4,835,288	\$ 3,774,160	\$ 3,273,509	\$ 3,326,062
Contributions in Relation to the Actuarially Determined Contribution	(6,362,778)	(6,123,998)	(5,721,757)	(5,289,597)	(4,892,157)	(4,835,288)	(3,774,160)	(3,273,509)	(3,326,062)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 14,173,649	\$ 13,226,312	\$ 13,794,306	\$ 13,938,580	\$ 12,101,584	\$ 12,743,802	\$ 12,095,926	\$ 11,927,104	\$ 14,709,933
Contributions as a Percentage of Covered Payroll	43.09%	46.30%	41.48%	39.87%	40.43%	37.94%	31.20%	27.45%	22.47%

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

See accompanying Notes to Required Supplementary Information.

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF CONTRIBUTIONS (UNAUDITED)
CALPERS SAFETY RETIREMENT PLAN
LAST NINE YEARS***

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 8,416,207	\$ 7,675,945	\$ 7,052,348	\$ 6,272,865	\$ 5,601,393	\$ 5,349,238	\$ 4,852,766	\$ 4,398,219	\$ 4,361,304
Contributions in Relation to the Actuarially Determined Contribution	(8,416,207)	(7,675,945)	(7,052,348)	(6,272,865)	(5,601,393)	(5,349,238)	(4,852,766)	(4,398,219)	(4,361,304)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 14,441,252	\$ 14,339,448	\$ 14,054,746	\$ 13,801,250	\$ 13,938,580	\$ 14,048,439	\$ 14,048,202	\$ 14,089,826	\$ 15,179,163
Contributions as a Percentage of Covered Payroll	53.06%	53.53%	50.18%	45.45%	40.19%	38.08%	34.54%	31.22%	28.73%

* This schedule is intended to show information for 10 years. Additional years' information will be displayed as it becomes available.

See accompanying Notes to Required Supplementary Information.

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 19,595,713	\$ 20,153,220	\$ 21,002,149	\$ 848,929
Sales and Use Taxes	26,470,000	30,670,000	31,483,939	813,939
Franchise Fees	3,725,000	3,725,000	4,037,572	312,572
Transient Occupancy Taxes	2,800,000	3,700,000	3,913,104	213,104
Other Taxes	7,485,219	8,646,219	10,133,589	1,487,370
Licenses and Permits	89,400	89,400	78,903	(10,497)
Intergovernmental	11,255,735	16,217,965	7,744,936	(8,473,029)
Charges for Services	218,240	218,240	255,878	37,638
Fines, Forfeitures, and Penalties	446,000	446,000	753,266	307,266
Use of Money and Property	2,679,230	2,661,867	(1,584,476)	(4,246,343)
Miscellaneous	273,179	291,005	417,419	126,414
Total Revenues	75,037,716	86,818,916	78,236,279	(8,582,637)
EXPENDITURES				
Current:				
General Government:				
Administrative Services Department	2,822,793	3,917,400	4,054,396	(136,996)
City Attorney Department	640,367	700,367	590,803	109,564
City Clerk Department	876,091	944,053	665,098	278,955
City Council	322,926	322,926	263,596	59,330
City Manager Department	2,103,549	1,532,264	1,272,784	259,480
Less - Indirect Costs	(2,130,959)	(2,130,959)	(2,130,959)	-
Total General Government	4,634,767	5,286,051	4,715,718	570,333
Public Safety:				
Police Department	29,015,500	30,133,018	29,824,045	308,973
Fire Department	14,010,361	15,485,639	15,493,900	(8,261)
Total Public Safety	43,025,861	45,618,657	45,317,945	300,712
Public Works Department	4,205,847	4,236,750	4,796,020	(559,270)
Parks Department	3,548,070	3,686,293	3,647,963	38,330
Arts and Culture	-	34,658	34,669	(11)
Community Development Department	1,267,430	1,279,911	1,274,870	5,041
Community Agencies	30,000	92,485	-	92,485
Health & Human Services	7,822	207,125	302,524	(95,399)
Capital Outlay:				
Capital Outlay - Operations	14,210,456	24,940,050	10,782,276	14,157,774
Debt Service:				
Principal Retirement	4,070,475	430,651	443,788	13,137
Interest and Fiscal Charges	76,806	75,671	62,534	(13,137)
Total Debt Service	4,147,281	506,322	506,322	-
Total Expenditures	75,077,534	85,888,302	71,378,307	14,509,995
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(39,818)	930,614	6,857,972	5,927,358

See accompanying Notes to Required Supplementary Information.

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (CONTINUED)
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 10,954,329	\$ 10,954,329	2,748,940	\$ (8,205,389)
Transfers Out	(14,309,890)	(14,309,890)	(5,989,069)	8,320,821
Capital Lease Issuance	-	-	4,446,970	4,446,970
Total Other Financing Sources (Uses)	<u>(3,355,561)</u>	<u>(3,355,561)</u>	<u>1,206,841</u>	<u>4,562,402</u>
NET CHANGE IN FUND BALANCE	(3,395,379)	(2,424,947)	8,064,813	10,489,760
Fund Balance - Beginning of Year	<u>39,432,758</u>	<u>39,432,758</u>	<u>39,432,758</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 36,037,379</u>	<u>\$ 37,007,811</u>	<u>\$ 47,497,571</u>	<u>\$ 10,489,760</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CDBG AND HOME HOUSING FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,587,404	\$ 6,674,504	\$ 3,797,756	\$ (2,876,748)
Use of Money and Property	15,380	-	6,172	6,172
Total Revenues	<u>2,602,784</u>	<u>6,674,504</u>	<u>3,803,928</u>	<u>(2,870,576)</u>
EXPENDITURES				
Current:				
Community Development	2,916,377	6,382,524	1,207,984	5,174,540
Total Expenditures	<u>2,916,377</u>	<u>6,382,524</u>	<u>1,207,984</u>	<u>5,174,540</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(313,593)	291,980	2,595,944	2,303,964
OTHER FINANCING SOURCES (USES)				
Transfers In	31,518	37,958	37,958	-
Total Other Financing Sources (Uses)	<u>31,518</u>	<u>37,958</u>	<u>37,958</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(282,075)	329,938	2,633,902	2,303,964
Fund Balance - Beginning of Year	<u>7,646,405</u>	<u>7,646,405</u>	<u>7,646,405</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,364,330</u>	<u>\$ 7,976,343</u>	<u>\$ 10,280,307</u>	<u>\$ 2,303,964</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LOW- AND MODERATE-INCOME HOUSING ASSET FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ 25,000	\$ 25,000	\$ 9,904	\$ (15,096)
Charges for Services	-	-	1,517	1,517
Use of Money and Property	260,000	330,897	230,287	(100,610)
Miscellaneous	-	-	4,000	4,000
Total Revenues	<u>285,000</u>	<u>355,897</u>	<u>245,708</u>	<u>(110,189)</u>
EXPENDITURES				
Current:				
Community Development	431,445	456,764	399,316	57,448
Capital Outlay	550,000	1,405,000	-	1,405,000
Total Expenditures	<u>981,445</u>	<u>1,861,764</u>	<u>399,316</u>	<u>1,462,448</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(696,445)	(1,505,867)	(153,608)	1,352,259
OTHER FINANCING SOURCES (USES)				
Transfers Out	(31,518)	(37,958)	(37,958)	-
Total Other Financing Sources (Uses)	<u>(31,518)</u>	<u>(37,958)</u>	<u>(37,958)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(727,963)	(1,543,825)	(191,566)	1,352,259
Fund Balance - Beginning of Year	56,102,408	56,102,408	56,102,408	-
FUND BALANCE - END OF YEAR	<u>\$ 55,374,445</u>	<u>\$ 54,558,583</u>	<u>\$ 55,910,842</u>	<u>\$ 1,352,259</u>

See accompanying Notes to Required Supplementary Information.

CITY OF CHICO, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

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 noncash 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
(MAJOR CAPITAL PROJECTS FUNDS)**

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL GRANTS FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 397,317	\$ 60,860,186	\$ 5,477,676	\$ (55,382,510)
Miscellaneous	-	26,000	9,969	(16,031)
Total Revenues	<u>397,317</u>	<u>60,886,186</u>	<u>5,487,645</u>	<u>(55,398,541)</u>
EXPENDITURES				
Current:				
General Government	-	-	423,257	(423,257)
Capital Outlay	397,317	60,238,202	16,015,876	44,222,326
Total Expenditures	<u>397,317</u>	<u>60,238,202</u>	<u>16,439,133</u>	<u>43,799,069</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>647,984</u>	<u>(10,951,488)</u>	<u>(11,599,472)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>647,984</u>	<u>(10,951,488)</u>	<u>(11,599,472)</u>
Fund Balance - Beginning of Year	<u>(834,334)</u>	<u>(834,334)</u>	<u>(834,334)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (834,334)</u>	<u>\$ (186,350)</u>	<u>\$ (11,785,822)</u>	<u>\$ (11,599,472)</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PUBLIC FACILITIES IMPACT FEE FUNDS
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 6,907,700	\$ 6,907,700	\$ 8,765,474	\$ 1,857,774
Use of Money and Property	-	-	(1,246,772)	(1,246,772)
Total Revenues	<u>6,907,700</u>	<u>6,907,700</u>	<u>7,518,702</u>	<u>611,002</u>
EXPENDITURES				
Current:				
Community Development	-	-	3,501,302	(3,501,302)
Capital Outlay	10,189,601	25,317,254	4,272,322	21,044,932
Total Expenditures	<u>10,189,601</u>	<u>25,317,254</u>	<u>7,773,624</u>	<u>17,543,630</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,281,901)	(18,409,554)	(254,922)	18,154,632
OTHER FINANCING SOURCES (USES)				
Transfers Out	(69,077)	(92,102)	(87,655)	4,447
Total Other Financing Sources (Uses)	<u>(69,077)</u>	<u>(92,102)</u>	<u>(87,655)</u>	<u>4,447</u>
NET CHANGE IN FUND BALANCE	(3,350,978)	(18,501,656)	(342,577)	18,159,079
Fund Balance - Beginning of Year	<u>32,395,488</u>	<u>32,395,488</u>	<u>32,395,488</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 29,044,510</u>	<u>\$ 13,893,832</u>	<u>\$ 32,052,911</u>	<u>\$ 18,159,079</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENT 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 21st 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.

**CITY OF CHICO, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue					Total Nonmajor Special Revenue Funds
	Operating Grants	Community Maintenance Districts	Transportation	Gas Tax	Other Special Revenue Funds	
ASSETS						
Cash and Investments	\$ -	\$ 4,727,057	\$ 5,513,965	\$ 5,416,656	\$ 538,669	\$ 16,196,347
Restricted Cash and Investments	-	-	-	-	-	-
Receivables:						
Interest	-	-	-	-	-	-
Taxes	-	33,862	-	-	-	33,862
Accounts	-	-	-	-	49,004	49,004
Intergovernmental	26,585	-	1,340	1,650,330	14,691	1,692,946
Loans	-	-	-	-	18,029	18,029
Total Assets	<u>\$ 26,585</u>	<u>\$ 4,760,919</u>	<u>\$ 5,515,305</u>	<u>\$ 7,066,986</u>	<u>\$ 620,393</u>	<u>\$ 17,990,188</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 6,005	\$ 201,495	\$ 147,740	\$ 80,611	\$ 9,177	\$ 445,028
Accrued Salaries and Benefits	29,363	-	8,278	-	3,943	41,584
Intergovernmental Payable	-	-	-	-	-	-
Due to Other Funds	42,239	-	-	-	-	42,239
Advances from Other Funds	-	38,377	-	-	-	38,377
Unearned Revenue	180,393	-	-	-	-	180,393
Total Liabilities	<u>258,000</u>	<u>239,872</u>	<u>156,018</u>	<u>80,611</u>	<u>13,120</u>	<u>747,621</u>
FUND BALANCES						
Restricted	-	4,521,047	5,359,287	6,986,375	607,273	17,473,982
Assigned	-	-	-	-	-	-
Unassigned	(231,415)	-	-	-	-	(231,415)
Total Fund Balances	<u>(231,415)</u>	<u>4,521,047</u>	<u>5,359,287</u>	<u>6,986,375</u>	<u>607,273</u>	<u>17,242,567</u>
Total Liabilities, Deferred inflows of Resources, and Fund Balances	<u>\$ 26,585</u>	<u>\$ 4,760,919</u>	<u>\$ 5,515,305</u>	<u>\$ 7,066,986</u>	<u>\$ 620,393</u>	<u>\$ 17,990,188</u>

**CITY OF CHICO, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Capital Projects Funds					Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental
	Capital Improvements Fund	Bonds Proceeds Funds	Fleet Replacement and Facility Maintenance	Remediation Fund	Public Infrastructure Replacement		
ASSETS							
Cash and Investments	\$ 1,619,516	\$ -	\$ 3,859,109	\$ 418,573	\$ 3,178,834	\$ 9,076,032	\$ 25,272,379
Restricted Cash and Investments	-	102,100	-	-	-	102,100	102,100
Receivables:							
Interest	-	184	-	-	-	184	184
Taxes	-	-	-	-	-	-	33,862
Accounts	3,349	-	-	-	-	3,349	52,353
Intergovernmental	-	-	-	-	-	-	1,692,946
Loans	-	-	-	-	-	-	18,029
Total Assets	<u>\$ 1,622,865</u>	<u>\$ 102,284</u>	<u>\$ 3,859,109</u>	<u>\$ 418,573</u>	<u>\$ 3,178,834</u>	<u>\$ 9,181,665</u>	<u>\$ 27,171,853</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ -	\$ 1,143	\$ 40,337	\$ 8,938	\$ -	\$ 50,418	\$ 495,446
Accrued Salaries and Benefits	7,680	-	-	-	-	7,680	49,264
Intergovernmental Payable	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	42,239
Advances from Other Funds	-	-	-	-	-	-	38,377
Unearned Revenue	-	-	-	-	-	-	180,393
Total Liabilities	<u>7,680</u>	<u>1,143</u>	<u>40,337</u>	<u>8,938</u>	<u>-</u>	<u>58,098</u>	<u>805,719</u>
FUND BALANCES							
Restricted	-	101,141	-	-	3,178,834	3,279,975	20,753,957
Assigned	1,615,185	-	3,818,772	409,635	-	5,843,592	5,843,592
Unassigned	-	-	-	-	-	-	(231,415)
Total Fund Balances	<u>1,615,185</u>	<u>101,141</u>	<u>3,818,772</u>	<u>409,635</u>	<u>3,178,834</u>	<u>9,123,567</u>	<u>26,366,134</u>
Total Liabilities, Deferred inflows of Resources, and Fund Balances	<u>\$ 1,622,865</u>	<u>\$ 102,284</u>	<u>\$ 3,859,109</u>	<u>\$ 418,573</u>	<u>\$ 3,178,834</u>	<u>\$ 9,181,665</u>	<u>\$ 27,171,853</u>

CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue				Other Special Revenue Funds	Total Nonmajor Special Revenue Funds
	Operating Grants	Community Maintenance Districts	Transportation	Gas Tax		
REVENUES						
Intergovernmental	\$ 403,981	\$ -	\$ 2,750,445	\$ 6,065,949	\$ -	\$ 9,220,375
Charges for Services	-	1,907,572	270	-	234,223	2,142,065
Fines, Forfeitures, and Penalties	-	-	-	-	60,858	60,858
Use of Money and Property	469	(155,193)	(178,313)	(206,085)	(13,262)	(552,384)
Miscellaneous	-	-	-	-	7,175	7,175
Total Revenues	404,450	1,752,379	2,572,402	5,859,864	288,994	10,878,089
EXPENDITURES						
Current:						
General Government	-	-	-	-	474,152	474,152
Public Safety	612,154	-	-	-	10,204	622,358
Public Works	-	1,690,902	1,144,841	550,255	-	3,385,998
Parks and Recreation	124,344	-	-	-	-	124,344
Capital Outlay:						
Capital Outlay Operation	99,935	-	559,115	2,152,062	18,195	2,829,307
Debt Service:						
Interest and Fiscal Charges	-	2,110	-	-	-	2,110
Total Expenditures	836,433	1,693,012	1,703,956	2,702,317	502,551	7,438,269
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(431,983)	59,367	868,446	3,157,547	(213,557)	3,439,820
OTHER FINANCING SOURCES (USES)						
Transfers In	49,369	82,771	-	-	250,640	382,780
Transfers Out	(1,800)	-	(100,000)	(2,050,000)	(39,288)	(2,191,088)
Total Other Financing Sources (Uses)	47,569	82,771	(100,000)	(2,050,000)	211,352	(1,808,308)
NET CHANGE IN FUND BALANCES	(384,414)	142,138	768,446	1,107,547	(2,205)	1,631,512
Fund Balances - Beginning of Year	152,999	4,378,909	4,590,841	5,878,828	609,478	15,611,055
FUND BALANCES - END OF YEAR	\$ (231,415)	\$ 4,521,047	\$ 5,359,287	\$ 6,986,375	\$ 607,273	\$ 17,242,567

CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds					Total Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
	Capital Improvements Fund	Bonds Proceeds Funds	Fleet Replacement and Facility Maintenance	Remediation Fund	Public Infrastructure Replacement		
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,220,375
Charges for Services	526,440	-	-	-	-	526,440	2,668,505
Fines, Forfeitures, and Penalties	-	-	-	-	-	-	60,858
Use of Money and Property	46,650	396	(165,904)	(16,653)	(94,208)	(229,719)	(782,103)
Miscellaneous	-	-	58,006	-	-	58,006	65,181
Total Revenues	573,090	396	(107,898)	(16,653)	(94,208)	354,727	11,232,816
EXPENDITURES							
Current:							
General Government	-	-	639,477	-	-	639,477	1,113,629
Public Safety	-	-	-	-	-	-	622,358
Public Works	1,671,571	511	-	74,736	73,940	1,820,758	5,206,756
Parks and Recreation	-	-	-	-	-	-	124,344
Capital Outlay:							
Capital Outlay Operation	-	23,019	1,280,268	-	699,877	2,003,164	4,832,471
Debt Service:							
Interest and Fiscal Charges	-	-	-	-	-	-	2,110
Total Expenditures	1,671,571	23,530	1,919,745	74,736	773,817	4,463,399	11,901,668
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,098,481)	(23,134)	(2,027,643)	(91,389)	(868,025)	(4,108,672)	(668,852)
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	3,109,820	-	1,507,435	4,617,255	5,000,035
Transfers Out	-	-	-	-	-	-	(2,191,088)
Total Other Financing Sources (Uses)	-	-	3,109,820	-	1,507,435	4,617,255	2,808,947
NET CHANGE IN FUND BALANCES	(1,098,481)	(23,134)	1,082,177	(91,389)	639,410	508,583	2,140,095
Fund Balances - Beginning of Year	2,713,666	124,275	2,736,595	501,024	2,539,424	8,614,984	24,226,039
FUND BALANCES - END OF YEAR	\$ 1,615,185	\$ 101,141	\$ 3,818,772	\$ 409,635	\$ 3,178,834	\$ 9,123,567	\$ 26,366,134

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
OPERATING GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 170,912	\$ 1,330,496	\$ 403,981	\$ (926,515)
Use of Money and Property	-	-	469	469
Total Revenues	<u>170,912</u>	<u>1,330,496</u>	<u>404,450</u>	<u>(926,046)</u>
EXPENDITURES				
Current:				
General Government	-	500	-	500
Public Safety	1,052,421	1,052,421	612,154	440,267
Parks and Recreation	222,882	222,346	124,344	98,002
Capital Outlay	52,479	132,063	99,935	32,128
Total Expenditures	<u>1,327,782</u>	<u>1,407,330</u>	<u>836,433</u>	<u>570,897</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,156,870)	(76,834)	(431,983)	(355,149)
OTHER FINANCING SOURCES (USES)				
Transfers In	49,369	49,369	49,369	-
Transfers Out	-	(1,800)	(1,800)	-
Total Other Financing Sources (Uses)	<u>49,369</u>	<u>47,569</u>	<u>47,569</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,107,501)	(29,265)	(384,414)	(355,149)
Fund Balance - Beginning of Year	<u>152,999</u>	<u>152,999</u>	<u>152,999</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (954,502)</u>	<u>\$ 123,734</u>	<u>\$ (231,415)</u>	<u>\$ (355,149)</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
COMMUNITY MAINTENANCE DISTRICTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 1,793,836	\$ 2,186,355	\$ 1,907,572	\$ (278,783)
Property Tax	1,675	-	-	-
Use of Money and Property	-	-	(155,193)	(155,193)
Total Revenues	<u>1,795,511</u>	<u>2,186,355</u>	<u>1,752,379</u>	<u>(433,976)</u>
EXPENDITURES				
Current:				
Public Works	1,397,619	1,381,673	1,690,902	(309,229)
Debt Service:				
Interest	2,111	2,111	2,110	1
Total Expenditures	<u>1,399,730</u>	<u>1,383,784</u>	<u>1,693,012</u>	<u>(309,228)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	395,781	802,571	59,367	(743,204)
OTHER FINANCING SOURCES (USES)				
Transfers In	100,073	165,542	82,771	(82,771)
Total Other Financing Sources (Uses)	<u>100,073</u>	<u>165,542</u>	<u>82,771</u>	<u>(82,771)</u>
NET CHANGE IN FUND BALANCE	495,854	968,113	142,138	(825,975)
Fund Balance - Beginning of Year	<u>4,378,909</u>	<u>4,378,909</u>	<u>4,378,909</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,874,763</u>	<u>\$ 5,347,022</u>	<u>\$ 4,521,047</u>	<u>\$ (825,975)</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
TRANSPORTATION SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 3,195,056	\$ 3,026,574	\$ 2,750,445	\$ (276,129)
Charges for Services	-	-	270	270
Use of Money and Property	20,820	20,820	(178,313)	(199,133)
Total Revenues	<u>3,215,876</u>	<u>3,047,394</u>	<u>2,572,402</u>	<u>(474,992)</u>
EXPENDITURES				
Current:				
Public Works	542,301	598,750	1,144,841	(546,091)
Capital Outlay	2,106,464	5,958,243	559,115	5,399,128
Total Expenditures	<u>2,648,765</u>	<u>6,556,993</u>	<u>1,703,956</u>	<u>4,853,037</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	567,111	(3,509,599)	868,446	4,378,045
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	467,111	(3,609,599)	768,446	4,378,045
Fund Balance - Beginning of Year	<u>4,590,841</u>	<u>4,590,841</u>	<u>4,590,841</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,057,952</u>	<u>\$ 981,242</u>	<u>\$ 5,359,287</u>	<u>\$ 4,378,045</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
GAS TAX FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 6,014,541	\$ 6,453,513	\$ 6,065,949	\$ (387,564)
Use of Money and Property	-	38,599	(206,085)	(244,684)
Total Revenues	<u>6,014,541</u>	<u>6,492,112</u>	<u>5,859,864</u>	<u>(632,248)</u>
EXPENDITURES				
Current:				
Public Works	-	-	550,255	(550,255)
Capital Outlay	4,024,510	7,351,624	2,152,062	5,199,562
Total Expenditures	<u>4,024,510</u>	<u>7,351,624</u>	<u>2,702,317</u>	<u>4,649,307</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,990,031	(859,512)	3,157,547	4,017,059
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,050,000)	(2,050,000)	(2,050,000)	-
Total Other Financing Sources (Uses)	<u>(2,050,000)</u>	<u>(2,050,000)</u>	<u>(2,050,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(59,969)	(2,909,512)	1,107,547	4,017,059
Fund Balance - Beginning of Year	<u>5,878,828</u>	<u>5,878,828</u>	<u>5,878,828</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 5,818,859</u>	<u>\$ 2,969,316</u>	<u>\$ 6,986,375</u>	<u>\$ 4,017,059</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 160,000	\$ 160,000	\$ 234,223	\$ 74,223
Fines, Forfeitures, and Penalties	20,000	43,299	60,858	17,559
Use of Money and Property	1,174	1,321	(13,262)	(14,583)
Miscellaneous	-	-	7,175	7,175
Total Revenues	<u>181,174</u>	<u>204,620</u>	<u>288,994</u>	<u>84,374</u>
EXPENDITURES				
Current:				
General Government	316,334	341,648	474,152	(132,504)
Public Safety	10,204	10,204	10,204	-
Capital Outlay	176,800	227,638	18,195	209,443
Total Expenditures	<u>503,338</u>	<u>579,490</u>	<u>502,551</u>	<u>76,939</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(322,164)	(374,870)	(213,557)	161,313
OTHER FINANCING SOURCES (USES)				
Transfers In	164,070	250,640	250,640	-
Transfers Out	(20,000)	(39,288)	(39,288)	-
Total Other Financing Sources (Uses)	<u>144,070</u>	<u>211,352</u>	<u>211,352</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(178,094)	(163,518)	(2,205)	161,313
Fund Balance - Beginning of Year	<u>609,478</u>	<u>609,478</u>	<u>609,478</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 431,384</u>	<u>\$ 445,960</u>	<u>\$ 607,273</u>	<u>\$ 161,313</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUNDS
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Charges for Services	\$ 800,000	\$ 800,000	\$ 526,440	\$ (273,560)
Use of Money and Property	-	-	46,650	46,650
Total Revenues	<u>800,000</u>	<u>800,000</u>	<u>573,090</u>	<u>(226,910)</u>
EXPENDITURES				
Current:				
Public Works	3,626,705	3,808,638	1,671,571	2,137,067
Total Expenditures	<u>3,626,705</u>	<u>3,808,638</u>	<u>1,671,571</u>	<u>2,137,067</u>
NET CHANGE IN FUND BALANCE	(2,826,705)	(3,008,638)	(1,098,481)	1,910,157
Fund Balance - Beginning of Year	<u>2,713,666</u>	<u>2,713,666</u>	<u>2,713,666</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (113,039)</u>	<u>\$ (294,972)</u>	<u>\$ 1,615,185</u>	<u>\$ 1,910,157</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
BOND PROCEEDS FUNDS
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ 396	\$ 396
Total Revenues	<u>-</u>	<u>-</u>	<u>396</u>	<u>396</u>
EXPENDITURES				
Current:				
Public Works	-	-	511	(511)
Capital Outlay	-	62,958	23,019	39,939
Total Expenditures	<u>-</u>	<u>62,958</u>	<u>23,530</u>	<u>39,428</u>
NET CHANGE IN FUND BALANCE	-	(62,958)	(23,134)	39,824
Fund Balance - Beginning of Year	<u>-</u>	<u>124,275</u>	<u>124,275</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ 61,317</u>	<u>\$ 101,141</u>	<u>\$ 39,824</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FLEET REPLACEMENT AND FACILITY MAINTENANCE
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ (165,904)	\$ (165,904)
Miscellaneous	-	-	58,006	58,006
Total Revenues	-	-	(107,898)	(107,898)
EXPENDITURES				
Current:				
General Government	-	-	639,477	(639,477)
Capital Outlay	3,858,736	6,556,946	1,280,268	5,276,678
Total Expenditures	3,858,736	6,556,946	1,919,745	4,637,201
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,858,736)	(6,556,946)	(2,027,643)	4,529,303
OTHER FINANCING SOURCES (USES)				
Transfers In	3,720,457	4,049,821	3,109,820	(940,001)
Total Other Financing Sources (Uses)	3,720,457	4,049,821	3,109,820	(940,001)
NET CHANGE IN FUND BALANCE	(138,279)	(2,507,125)	1,082,177	3,589,302
Fund Balance - Beginning of Year	2,736,595	2,736,595	2,736,595	-
FUND BALANCE - END OF YEAR	<u>\$ 2,598,316</u>	<u>\$ 229,470</u>	<u>\$ 3,818,772</u>	<u>\$ 3,589,302</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
REMEDATION FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ (16,653)	\$ (16,653)
Total Revenues	<u>-</u>	<u>-</u>	<u>(16,653)</u>	<u>(16,653)</u>
EXPENDITURES				
Current:				
Public Works	-	-	74,736	(74,736)
Capital Outlay	5,000	506,022	-	506,022
Total Expenditures	<u>5,000</u>	<u>506,022</u>	<u>74,736</u>	<u>431,286</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,000)	(506,022)	(91,389)	414,633
OTHER FINANCING SOURCES (USES)				
Transfers In	5,000	5,000	-	(5,000)
Total Other Financing Sources (Uses)	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
NET CHANGE IN FUND BALANCE	-	(501,022)	(91,389)	409,633
Fund Balance - Beginning of Year	501,024	501,024	501,024	-
FUND BALANCE - END OF YEAR	<u>\$ 501,024</u>	<u>\$ 2</u>	<u>\$ 409,635</u>	<u>\$ 409,633</u>

**CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
PUBLIC INFRASTRUCTURE REPLACEMENT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Use of Money and Property	\$ -	\$ -	\$ (94,208)	\$ (94,208)
Total Revenues	<u>-</u>	<u>-</u>	<u>(94,208)</u>	<u>(94,208)</u>
EXPENDITURES				
Current:				
Public Works	-	-	73,940	(73,940)
Capital Outlay	1,800,000	3,010,057	699,877	2,310,180
Total Expenditures	<u>1,800,000</u>	<u>3,010,057</u>	<u>773,817</u>	<u>2,236,240</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,800,000)	(3,010,057)	(868,025)	2,142,032
OTHER FINANCING SOURCES (USES)				
Transfers In	1,520,000	1,520,000	1,507,435	(12,565)
Total Other Financing Sources (Uses)	<u>1,520,000</u>	<u>1,520,000</u>	<u>1,507,435</u>	<u>(12,565)</u>
NET CHANGE IN FUND BALANCE	(280,000)	(1,490,057)	639,410	2,129,467
Fund Balance - Beginning of Year	<u>2,539,424</u>	<u>2,539,424</u>	<u>2,539,424</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,259,424</u>	<u>\$ 1,049,367</u>	<u>\$ 3,178,834</u>	<u>\$ 2,129,467</u>

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.

Retirement Funding – Accounts for annual payments of CalPERS Unfunded Liability.

**CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2022**

	Self Insurance	Central Garage	Building Maintenance	Information Services	Retirement Funding	Total
ASSETS						
Current Assets:						
Cash and Investments	\$ 7,699,882	\$ -	\$ 85,057	\$ 104,703	\$ 4,649,361	\$ 12,539,003
Receivables:						
Accounts	193,869	-	-	-	-	193,869
Intergovernmental	-	32,466	-	-	-	32,466
Inventories	-	83,748	-	-	-	83,748
Prepaid Items	-	-	-	21,720	-	21,720
Total Current Assets	<u>7,893,751</u>	<u>116,214</u>	<u>85,057</u>	<u>126,423</u>	<u>4,649,361</u>	<u>12,870,806</u>
Noncurrent Assets:						
Lease Assets, Net	-	-	-	107,917	-	107,917
Restricted Cash and Investments	485,000	-	-	-	-	485,000
Land and Construction in Progress	-	30,391	-	-	-	30,391
Net of Accumulated Depreciation	-	20,880	-	-	-	20,880
Total Noncurrent Assets	<u>485,000</u>	<u>51,271</u>	<u>-</u>	<u>107,917</u>	<u>-</u>	<u>644,188</u>
Total Assets	<u>8,378,751</u>	<u>167,485</u>	<u>85,057</u>	<u>234,340</u>	<u>4,649,361</u>	<u>13,514,994</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Amounts Related to Pension	-	260,874	212,517	400,219	-	873,610
LIABILITIES						
Current Liabilities:						
Accounts Payable	628,278	56,364	60,951	49,220	-	794,813
Due to Other Cash Funds	-	1,503	-	-	-	1,503
Accrued Salaries and Benefits	-	26,859	18,454	39,219	-	84,532
Compensated Absences - Current	-	5,909	5,506	8,839	-	20,254
Lease Liability - Current	-	-	-	52,536	-	52,536
Claims Liability - Current Portion	2,667,710	-	-	-	-	2,667,710
Total Current Liabilities	<u>3,295,988</u>	<u>90,635</u>	<u>84,911</u>	<u>149,814</u>	<u>-</u>	<u>3,621,348</u>
Noncurrent Liabilities:						
Compensated Absences	-	51,476	47,962	76,992	-	176,430
Lease Liability	-	-	-	58,225	-	58,225
Claims Liability	4,774,091	-	-	-	-	4,774,091
Net Pension Liability	-	1,849,481	1,506,651	2,837,375	-	6,193,507
Total Noncurrent Liabilities	<u>4,774,091</u>	<u>1,900,957</u>	<u>1,554,613</u>	<u>2,972,592</u>	<u>-</u>	<u>11,202,253</u>
Total Liabilities	<u>8,070,079</u>	<u>1,991,592</u>	<u>1,639,524</u>	<u>3,122,406</u>	<u>-</u>	<u>14,823,601</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Amounts Related to Pension	-	650,058	529,559	997,284	-	2,176,901
NET POSITION						
Net Investment in Capital Assets	-	51,271	-	(2,844)	-	48,427
Unrestricted	308,672	(2,264,562)	(1,871,509)	(3,482,287)	4,649,361	(2,660,325)
Total Net Position	<u>\$ 308,672</u>	<u>\$ (2,213,291)</u>	<u>\$ (1,871,509)</u>	<u>\$ (3,485,131)</u>	<u>\$ 4,649,361</u>	<u>\$ (2,611,898)</u>

**CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Self Insurance	Central Garage	Municipal Building Maintenance	Information Services	Retirement Funding	Total
OPERATING REVENUES						
Charges for Services - Internal	\$ 5,187,769	\$ 2,208,759	\$ 1,483,179	\$ 2,332,144	\$ 11,924,402	\$ 23,136,253
Charges for Services - External	-	62,787	-	-	-	62,787
Total Operating Revenues	<u>5,187,769</u>	<u>2,271,546</u>	<u>1,483,179</u>	<u>2,332,144</u>	<u>11,924,402</u>	<u>23,199,040</u>
OPERATING EXPENSES						
Salaries and Benefits	-	687,164	795,307	1,051,378	-	2,533,849
Materials and Supplies	1,038	433,529	94,211	47,685	-	576,463
Purchased Services	2,999,341	107,746	359,067	825,406	-	4,291,560
Amortization	-	-	-	51,801	-	51,801
Other Expenses	1,801,901	893,553	349,152	300,917	10,602,176	13,947,699
Depreciation	-	1,740	-	-	-	1,740
Total Operating Expenses	<u>4,802,280</u>	<u>2,123,732</u>	<u>1,597,737</u>	<u>2,277,187</u>	<u>10,602,176</u>	<u>21,403,112</u>
OPERATING INCOME (LOSS)	385,489	147,814	(114,558)	54,957	1,322,226	1,795,928
NONOPERATING REVENUES (EXPENSES)						
Investment Earnings	(272,272)	-	-	-	17,875	(254,397)
Miscellaneous	13,543	-	-	-	-	13,543
Total Nonoperating Revenues (Expenses)	<u>(258,729)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,875</u>	<u>(240,854)</u>
INCOME (LOSS) BEFORE TRANSFERS	126,760	147,814	(114,558)	54,957	1,340,101	1,555,074
Transfers Out	(364,369)	(20,149)	(35,796)	-	-	(420,314)
CHANGE IN NET POSITION	(237,609)	127,665	(150,354)	54,957	1,340,101	1,134,760
Net Position - Beginning of Year	546,281	(2,340,956)	(1,721,155)	(3,540,088)	3,309,260	(3,746,658)
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 308,672</u>	<u>\$ (2,213,291)</u>	<u>\$ (1,871,509)</u>	<u>\$ (3,485,131)</u>	<u>\$ 4,649,361</u>	<u>\$ (2,611,898)</u>

**CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Self Insurance	Central Garage	Municipal Building Maintenance	Information Services	Retirement Funding	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Services Provided	\$ 5,198,975	\$ 2,239,080	\$ 1,483,179	\$ 2,332,144	\$ 11,924,402	\$ 23,177,780
Payments to Suppliers and Claimants	(4,653,161)	(1,444,917)	(800,867)	(1,169,813)	(10,602,176)	(18,670,934)
Payments to Employees	-	(826,097)	(685,125)	(1,276,392)	-	(2,787,614)
Net Cash Provided (Used) by Operating Activities	<u>545,814</u>	<u>(31,934)</u>	<u>(2,813)</u>	<u>(114,061)</u>	<u>1,322,226</u>	<u>1,719,232</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Interfund Borrowings	2,639,923	1,503	-	-	-	2,641,426
Transfers Out	(364,369)	(20,149)	(35,796)	-	-	(420,314)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,275,554</u>	<u>(18,646)</u>	<u>(35,796)</u>	<u>-</u>	<u>-</u>	<u>2,221,112</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Cash paid on Lease Liability	-	-	-	(48,957)	-	(48,957)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,957)</u>	<u>-</u>	<u>(48,957)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	(272,272)	1	-	-	17,875	(254,396)
Net Cash Provided (Used) by Investing Activities	<u>(272,272)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>17,875</u>	<u>(254,396)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	2,549,096	(50,579)	(38,609)	(163,018)	1,340,101	3,636,991
Cash and Cash Equivalents - Beginning of Year	<u>5,635,786</u>	<u>50,579</u>	<u>123,666</u>	<u>267,721</u>	<u>3,309,260</u>	<u>9,387,012</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,184,882</u>	<u>\$ -</u>	<u>\$ 85,057</u>	<u>\$ 104,703</u>	<u>\$ 4,649,361</u>	<u>\$ 13,024,003</u>
RECONCILIATION TO STATEMENT OF NET POSITION						
Cash and Investments	\$ 7,699,882	\$ -	\$ 85,057	\$ 104,703	\$ 4,649,361	\$ 12,539,003
Restricted Cash and Investments	485,000	-	-	-	-	485,000
CASH AND INVESTMENTS - END OF YEAR	<u>\$ 8,184,882</u>	<u>\$ -</u>	<u>\$ 85,057</u>	<u>\$ 104,703</u>	<u>\$ 4,649,361</u>	<u>\$ 13,024,003</u>

**CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022**

	Self Insurance	Central Garage	Municipal Building Maintenance	Information Services	Retirement Funding	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ 385,489	\$ 147,814	\$ (114,558)	\$ 54,957	\$ 1,322,226	\$ 1,795,928
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	-	1,740	-	51,801	-	53,541
Decrease (Increase) in:						
Intergovernmental Receivable	11,206	(32,466)	-	-	-	(21,260)
Inventory and Other Assets	1,307	(36,603)	-	(21,720)	-	(57,016)
Deferred Outflow Pension	-	29,876	(4,317)	46,133	-	71,692
Increase (Decrease) in:						
Accounts Payable	293,460	26,514	1,563	25,915	-	347,452
Accrued Salaries and Benefits	-	9,025	(496)	6,605	-	15,134
Claims Liability	(145,648)	-	-	-	-	(145,648)
Compensated Absences	-	12,964	5,282	17,730	-	35,976
Net Pension Liability	-	(818,448)	(403,800)	(1,258,366)	-	(2,480,614)
Deferred Inflow Pension	-	627,650	513,513	962,884	-	2,104,047
Total Adjustments	<u>160,325</u>	<u>(179,748)</u>	<u>111,745</u>	<u>(169,018)</u>	<u>-</u>	<u>(76,696)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 545,814</u>	<u>\$ (31,934)</u>	<u>\$ (2,813)</u>	<u>\$ (114,061)</u>	<u>\$ 1,322,226</u>	<u>\$ 1,719,232</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Issuance of Lease Liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 159,718</u>	<u>\$ -</u>	<u>\$ 159,718</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.

Contents	Page
<i>Financial Trends</i>	113 – 117
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</i>	118 – 122
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	123 – 126
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</i>	127 – 129
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</i>	130 – 131
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.	

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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Governmental activities										
Net investment in capital assets	\$ 305,769	\$ 306,134	\$ 311,705	\$ 313,120	\$ 314,106	\$ 311,573	\$ 312,439	\$ 323,203	\$ 323,631	\$ 337,304
Restricted	69,526	82,485	89,720	87,015	91,661	94,268	98,771	111,599	116,538	148,208
Unrestricted	(11,653)	(3,972)	(92,205)	(82,202)	(77,226)	(77,247)	(70,952)	(60,059)	(51,643)	(53,711)
Total governmental activities net position	<u>\$ 363,642</u>	<u>\$ 384,647</u>	<u>\$ 309,220</u>	<u>\$ 317,933</u>	<u>\$ 328,541</u>	<u>\$ 328,595</u>	<u>\$ 340,258</u>	<u>\$ 374,742</u>	<u>\$ 388,525</u>	<u>\$ 431,801</u>
Business-type activities										
Net investment in capital assets	\$ 75,135	\$ 79,617	\$ 85,684	\$ 85,451	\$ 90,874	\$ 94,581	\$ 95,524	\$ 105,603	\$ 114,579	\$ 120,694
Restricted	5,230	6,857	8,804	10,641	12,519	14,427	15,311	17,283	-	-
Unrestricted	12,553	12,621	(743)	1,786	3	4	2,807	5,951	32,964	30,817
Total business-type activities net position	<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>	<u>\$ 128,836</u>	<u>\$ 147,542</u>	<u>\$ 151,511</u>
Primary government										
Net investment in capital assets	\$ 380,904	\$ 385,751	\$ 397,389	\$ 398,571	\$ 404,980	\$ 406,155	\$ 407,963	\$ 428,806	\$ 438,209	\$ 457,998
Restricted	74,756	89,342	98,524	97,656	104,180	108,695	114,082	128,881	116,538	148,208
Unrestricted	900	8,649	(92,948)	(80,416)	(77,223)	(77,243)	(68,145)	(54,108)	(18,679)	(22,894)
Total primary government net position	<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>	<u>\$ 503,579</u>	<u>\$ 536,068</u>	<u>\$ 583,313</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Expenses										
Governmental activities:										
General government	\$ 2,667	\$ 2,636	\$ 3,218	\$ 3,972	\$ 4,577	\$ 5,059	\$ 5,160	\$ 7,182	\$ 18,655	\$ 10,465
Public safety	37,797	34,599	36,709	39,324	41,972	41,214	42,712	45,845	34,361	37,539
Public works	19,555	16,823	18,954	18,530	18,589	19,763	20,062	18,097	17,823	17,401
Parks and recreation	3,531	3,360	3,582	3,388	3,537	3,567	3,849	3,901	3,728	3,604
Arts and culture	-	-	-	-	-	-	-	28	-	35
Community development	2,575	2,654	2,296	2,588	3,360	2,432	2,207	2,679	8,362	6,003
Community agencies	323	162	53	99	100	50	2	10	4	-
Health and Human Services	-	-	-	-	-	-	-	-	-	303
Interest on long-term debt	3	3	3	85	80	82	140	46	81	65
Total governmental activities expenses	66,451	60,237	64,815	67,986	72,215	72,167	74,131	77,788	83,013	75,413
Business-type activities:										
Sewer	12,161	12,235	11,428	10,986	11,451	12,092	11,867	13,340	11,636	13,255
Parking	1,017	825	714	839	849	1,027	1,333	1,093	948	1,543
Private development	1,993	2,479	2,746	3,001	3,488	3,686	4,099	4,648	4,365	4,297
Airport	2,001	2,263	2,036	1,927	104,180	2,167	2,593	2,044	2,043	1,911
City Recreation	-	-	-	-	-	-	-	-	-	443
Total business-type activities expenses	17,172	17,802	16,924	16,753	119,968	18,972	19,892	21,125	18,992	21,450
Program Revenues										
Governmental activities:										
Charges for services:										
General government	-	-	349	188	247	318	1,226	7,721	772	2,698
Public safety	1,139	962	1,163	1,118	1,176	1,395	1,592	5,215	1,212	61
Public works	3,439	5,641	8,674	9,462	8,715	8,288	5,894	1,389	11,449	2,334
Community development	2	17	1	94	215	237	16	67	65	8,777
Other activities	106	155	86	282	4,487	1,338	56	10	4	48
Operating grants and contributions	9,297	10,874	11,855	10,752	9,976	8,229	5,537	9,677	9,061	14,615
Capital grants and contributions	3,261	2,235	4,565	2,075	929	3,808	6,714	5,790	8,424	23,877
Total governmental activities program revenues	17,244	19,884	26,693	23,971	25,745	23,612	21,034	29,869	30,986	52,409
Business-type activities:										
Charges for services:										
Sewer	14,857	14,942	16,465	14,333	14,737	13,802	14,788	15,433	18,055	15,042
Private development	2,026	2,470	2,539	3,166	3,906	1,876	2,210	5,061	5,099	5,841
Other activities	1,496	1,506	1,453	1,633	1,745	3,923	4,191	2,110	992	1,966
Operating grants and contributions	318	303	-	270	3,252	2,649	2,266	8,817	-	175
Capital grants and contributions	8,713	4,535	7,352	812	1,942	292	77	2,588	11,223	3,129
Total business-type activities program revenues	27,410	23,756	27,809	20,214	25,582	22,543	23,532	34,010	35,369	26,152
Total primary government program revenues	44,654	43,640	54,502	44,185	51,327	46,155	44,567	63,878	66,355	78,561
Net (expenses)/revenue										
Governmental activities	(49,207)	(40,353)	(38,122)	(44,015)	(46,470)	(48,555)	(53,097)	(47,920)	(52,027)	(23,004)
Business-type activities	10,238	5,954	10,885	3,461	(94,385)	3,571	3,641	12,885	16,377	4,702
Total primary government net expense	\$ (38,969)	\$ (34,399)	\$ (27,237)	\$ (40,554)	\$ (140,855)	\$ (44,984)	\$ (49,456)	\$ (35,035)	\$ (35,650)	\$ (18,302)

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 11,604	\$ 12,327	\$ 13,649	\$ 14,564	\$ 15,169	\$ 15,410	\$ 16,750	\$ 18,616	\$ 19,896	\$ 21,002
Sales and use tax	12,783	13,945	14,597	17,320	21,134	21,832	25,173	24,435	28,177	31,484
Sales tax in-lieu	4,261	4,597	4,812	2,589	-	-	-	-	-	-
Utility users tax	6,241	6,305	6,203	6,552	6,895	7,052	7,200	7,317	8,119	8,801
Other taxes	4,078	4,324	5,536	4,836	5,200	6,332	7,890	7,507	7,777	9,293
Unrestricted grants and contributions	2,483	8,576	8,837	5,854	0	1,776	5,627	14,110	2,073	-
Unrestricted investment earnings	168	136	231	250	109	266	1,162	1,568	929	(3,871)
Miscellaneous	158	921	155	83	182	588	1,180	714	782	510
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	-	-	-	-	-	-	-	-
Special item	-	-	-	-	-	-	-	8,012	-	-
Transfers	(9,729)	(222)	(718)	(601)	(370)	(428)	(195)	125	(1,942)	(939)
Business-type activities:										
Unrestricted investment earnings	-	-	-	70	149	322	793	812	361	(1,688)
Special item	-	-	-	-	-	-	-	1,623	41,771	16
Transfers	9,729	222	718	601	370	428	195	(125)	1,942	939
Total business-type activities	9,729	222	718	671	519	750	988	2,310	44,074	(733)
Total primary government	<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>	<u>\$ 84,715</u>	<u>\$ 109,883</u>	<u>\$ 65,547</u>
Change in Net Position										
Governmental activities	\$ (11,467)	\$ 21,005	\$ 14,635	\$ 7,432	\$ 10,607	\$ 2,103	\$ 11,663	\$ 34,485	\$ 13,783	\$ 43,276
Business-type activities	19,968	6,177	11,603	4,133	8,409	4,321	4,629	15,194	18,706	3,969
	<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>	<u>\$ 49,679</u>	<u>\$ 32,489</u>	<u>\$ 47,245</u>

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

	Fiscal Year Ending June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nonspendable	\$ 554	\$ 52	\$ 236	\$ 243	\$ 224	\$ 235	\$ 64	\$ 67	\$ 175	\$ 52
Restricted	-	-	-	-	-	-	1,831	2,229	2,250	2,661
Committed	-	-	988	1,025	2,461	3,650	5,017	12,205	12,329	13,780
Assigned	-	-	2,980	678	3,837	4,576	5,602	11,236	9,488	26,455
Unassigned	(8,219)	(2,858)	-	4,643	2,454	3,835	7,770	4,161	15,191	4,550
Total General Fund	\$ (7,665)	\$ (2,806)	\$ 4,204	\$ 6,589	\$ 8,976	\$ 12,296	\$ 20,284	\$ 29,898	\$ 39,433	\$ 47,498
All other Governmental funds:										
Nonspendable	\$ 3,008	\$ 1,841	\$ 757	\$ 55	\$ 41	\$ -	\$ 5	\$ 152	\$ -	\$ -
Restricted	70,020	82,397	84,034	87,431	92,390	94,714	99,757 ¹	109,407 ¹	114,419 ¹	118,998
Committed	-	-	-	-	-	3,650	-	-	-	-
Assigned	848	2,871	4,263	4,429	4,926	9,233	4,232	4,305	5,951	5,844
Unassigned	(7,871)	(4,985)	(4,413)	(3,527)	(6,560)	(1,416)	(2,594)	(1,519)	(834)	(12,017)
Total other Governmental Funds	\$ 66,005	\$ 82,124	\$ 84,641	\$ 88,388	\$ 90,797	\$ 106,180	\$ 101,399	\$ 112,345	\$ 119,536	\$ 112,824

¹ Changes were due reclassification of individual Public Facilities Impact Fees to one fund.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Property taxes	\$ 11,589	\$ 12,311	\$ 13,649	\$ 14,564	\$ 15,169	\$ 15,410	\$ 16,750	\$ 18,616	\$ 19,896	\$ 21,002
Sales and use taxes	17,044	18,542	19,408	19,908	21,134	21,832	25,174	24,435	28,177	31,484
Other taxes	10,198	10,509	11,739	11,389	12,095	13,383	15,089	14,824	15,896	18,094
Licenses and permits	136	133	131	108	91	147	139	91	91	79
Intergovernmental	10,831	12,215	14,951	12,817	10,137	11,261	15,450	14,472	18,023	26,241
Charges for services	3,118	5,619	7,994	6,875	9,083	8,811	6,118	13,119	11,758	11,691
Fines, forfeitures, and penalties	776	743	854	777	840	806	904	731	492	814
Use of money and property	426	361	528	728	814	989	1,834	2,161	1,682	(3,377)
Miscellaneous	360	1,138	247	216	524	348	1,180	714	782	497
Total revenues	<u>54,478</u>	<u>61,571</u>	<u>69,501</u>	<u>67,382</u>	<u>69,887</u>	<u>72,987</u>	<u>82,638</u>	<u>89,163</u>	<u>96,796</u>	<u>106,525</u>
Expenditures										
General government	2,278	2,232	2,397	3,692	4,265	4,615	4,456	5,636	5,764	6,242
Public safety	35,332	32,853	34,203	37,820	37,896	37,554	39,528	40,552	42,189	45,951
Public works	9,794	7,652	9,119	9,219	9,639	9,982	10,041	8,026	8,300	10,003
Parks and recreation	3,044	2,883	2,976	3,074	3,153	3,022	3,312	3,275	3,344	3,772
Arts and culture							27	28	-	35
Community development	2,468	2,589	2,228	2,657	3,189	2,393	2,131	2,501	8,344	6,383
Community agencies	323	162	53	99	100	50	2	10	4	-
Health and Human Services										303
Capital outlay	4,357	2,581	8,290	7,427	6,793	7,153	7,897	8,537	10,153	35,903
Principal retirement	-	-	-	279	384	381	392	512	528	444
Interest and fiscal charges	3	3	3	85	80	82	90	96	81	65
Total expenditures	<u>57,600</u>	<u>50,956</u>	<u>59,269</u>	<u>64,352</u>	<u>65,498</u>	<u>65,232</u>	<u>67,875</u>	<u>69,174</u>	<u>78,706</u>	<u>109,100</u>
Excess of revenues over (under) expenditures	(3,122)	10,616	10,232	3,030	4,389	138,219	14,763	19,989	18,090	(2,575)
Other financing sources (uses)										
Transfers in	6,424	5,864	5,038	5,620	4,692	4,624	6,596	5,909	7,561	7,787
Transfers out	(16,306)	(6,069)	(5,742)	(5,651)	(4,754)	(5,737)	(6,962)	(5,338)	(8,925)	(8,306)
Capital leases	-	-	-	3,132	473	-	870	-	-	4,447
Issuance of long-term debt	-	-	-	-	-	-	-	-	-	-
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>(3,521)</u>	<u>10,362</u>	<u>(704)</u>	<u>3,101</u>	<u>411</u>	<u>(1,113)</u>	<u>505</u>	<u>571</u>	<u>(1,364)</u>	<u>3,928</u>
Net change in fund balance	<u>\$ (6,643)</u>	<u>\$ 20,977</u>	<u>\$ 9,528</u>	<u>\$ 6,131</u>	<u>\$ 4,799</u>	<u>\$ 137,106</u>	<u>\$ 15,267</u>	<u>\$ 20,560</u>	<u>\$ 16,726</u>	<u>\$ 1,353</u>
Debt service as a percentage of noncapital expenditures	0%	0%	0%	1%	1%	1%	1%	1%	1%	1%

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

Total Govt Expenditures
Less Capital Expenditures

Debt Service Expenditures
Principal retirement
Interest and fiscal charges
Bond issuance and fiscal agent fees
Advanced refunding of bonds
Total Debt Service Expenditures

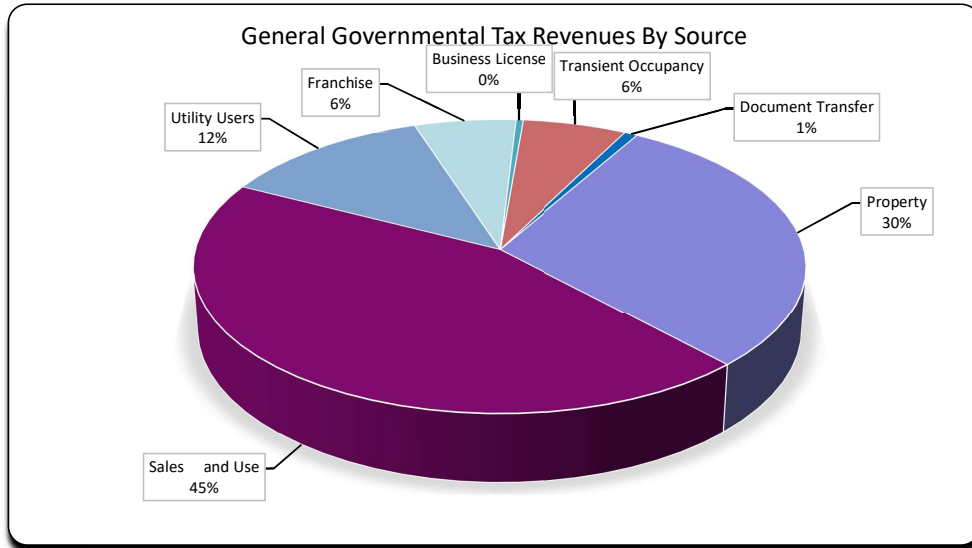
Debt Service Exp as % of Non-Cap Exp

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	
2013	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	7,200	3,441	326	3,569	531	56,990
2020	18,616	24,435	7,317	3,737	292	3,000	454	57,851
2021	19,896	28,177	7,360	3,429	386	2,747	532	62,526
2022	21,015	31,484	8,801	4,237	302	4,391	551	70,780

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

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

Fiscal Year	Secured Roll	Utility Roll	Unsecured Roll	Gross Assessed Value	Less Exemptions	Net Assessed Value	Total Direct Tax Rate %
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
2020	9,319,927	527	571,141	9,891,595	1,041,111	9,891,594	1.0000
2021	10,752,282	527	654,294	11,407,103	854,124	10,552,979	1.0000
2022	11,264,533	527	651,791	11,916,851	884,239	11,032,612	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)	
2013	1.00	0.00	1.00	0.0637	0.0209	1.0846
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
2020	1.00	0.00	1.00	0.0861	0.0411	1.1273
2021	1.00	0.00	1.00	0.0843	0.0414	1.1256
2022	1.00	0.00	1.00	0.0841	0.0331	1.1172

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, 2022
Current Year and Nine Years Ago
(amounts expressed in thousands)

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Sierra Nevada Brewing Company	\$ 100,941	1	0.94%	138,020	1	2.03%
Merle A Webb and Sons LP	94,265	2	0.88%	60,383	2	0.89%
AMCAL Chico LLC	58,975	3	0.55%			
MP Core Chico LLC	58,915	4	0.55%			
Chico Crossroads LP	43,564	5	0.41%	32,375	6	0.48%
North Chico LLC	41,806	6	0.39%			
Comcast	41,338	7	0.39%	\$ 32,591	5	0.48%
EGP Chico LLC	33,423	8	0.31%			
Chico Senior Living LP	32,280	9	0.30%			
ECP TPB1 LLC	31,837	10	0.30%			
Chico Mall Investors LLC				\$ 45,512	3	0.67%
California Water Service				38,925	4	0.57%
Smucker Quality Beverage Inc				31,213	7	0.46%
North Valley Mall LLC				26,590	8	0.39%
Carwood Skypark LLC				24,017	9	0.35%
Safeway Inc				22,497	10	0.33%
Largest Secured Property Valuation	537,345			452,125		
Other Secured Taxpayers	10,197,661			6,353,120		
Total Secured Property Valuation - Net of Exemptions	\$ 10,735,005		100.00%	\$ 6,805,245		100.00%

Source: Butte County Auditor/Controller's Office.
HdL's " 2021/22 Top Ten Property Taxpayers"
2013 Comprehensive Annual Financial Report 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		
2013	\$ 11,589	\$ 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
2020	\$ 18,616	\$ 18,616	100	-	18,616	100
2021	\$ 19,896	\$ 19,896	100	-	19,896	100
2022	\$ 21,015	\$ 21,015	100	-	21,015	100

Source: Butte County Auditor/Controller's Office
City of Chico, Administrative Services 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.

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

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Bonds	Loans	Capital Leases	Revenue Bonds	Loans			
2013	-	-	-	-	55,746	55,746	0.76	636
2014	-	-	-	-	51,966	51,966	0.66	588
2015	-	-	-	-	48,093	48,093	0.58	537
2016	-	-	2,852	-	44,126	46,978	0.57	508
2017	-	-	2,568	-	40,063	42,631	0.47	457
2018	-	-	2,559	-	35,900	38,459	0.41	351
2019	-	-	3,038	-	31,635	34,673	0.35	314
2020	-	-	2,526	-	27,266	29,792	0.29	323
2021	-	-	1,998	17,850	-	19,848	0.19	215
2022	-	-	6,001	16,240	-	22,241	0.20	216

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

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, 2022
(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	\$ 201,075	75.57%	\$ 151,959
Butte-Glenn Community College District	180,520	46.09%	<u>83,205</u>
Subtotal, overlapping debt			<u>235,163</u>
City of Chico direct debt			<u>-</u>
Total direct and overlapping debt			<u>\$ 235,163</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Total Assessed Valuation (less other exemptions)	\$ 6,852,229	\$ 7,034,895	\$ 7,343,376	\$ 7,769,186	\$ 8,124,547	\$ 8,598,694	\$ 9,113,324	\$ 9,891,594	\$ 10,552,979	\$ 11,032,612
Debt Limit - 15 Percent of Assessed Valuation (1)	\$ 1,027,834	\$ 1,055,234	\$ 1,101,506	\$ 1,165,378	\$ 1,218,682	\$ 1,289,804	\$ 1,366,999	\$ 1,483,739	\$ 1,582,947	\$ 1,654,892
Amount of Debt Applicable to Debt Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	\$ 1,027,834	\$ 1,055,234	\$ 1,101,506	\$ 1,165,378	\$ 1,218,682	\$ 1,289,804	\$ 1,366,999	\$ 1,483,739	\$ 1,582,947	\$ 1,654,892
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	Sewer Fund Bonds (1)					% Coverage
	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service		Total Debt Service	
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	\$ 18,353,946	\$ 6,652,084	\$ 11,701,862	\$ 2,460,076		4.76
2022	\$ 15,041,654	\$ 8,169,157	\$ 6,872,497	\$ 2,462,250		2.79

Source: City of Chico, Finance Department.

Note: (1) 2020 Sewer Revenue Refunding Bonds:
- Operating Expenses exclude Depreciation and one-time non-recurring items.

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

Fiscal Year	City of Chico		Chico Metropolitan Statistical Area			
	City of Chico Population (1)	City of Chico Unemploy- ment Rate (3)	Butte County Population (1)	Butte County Personal Income (thousands of dollars) (2)	Butte County Per Capita Personal Income (2)	Butte County Unemploy- ment Rate (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
2020	110,326	9.2	210,291	10,255,376	48,768	9.0
2021	111,490	7.7	202,669	10,490,209	51,760	7.7
2022	102,892	4.0	201,608	11,393,205	56,512	4.0

(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>2022¹</u>			<u>2013²</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	2,268	1	5.14%	2,581	1	8.60%
California State University, Chico	1,800	2	4.08	1,800	2	6.00
Chico Unified School District	1,400	3	3.17	1,300	3	4.33
Sierra Nevada Brewery	587	4	1.33	471	5	1.57
Build.com	500	5	1.13	365	6	1.22
City of Chico	406	6	0.92	340	7	1.13
United Health Care	350	7	0.79	500	4	1.67
Costco	350	8	0.79	279	9	0.93
Work Training Center	320	9	0.73	-	-	-
Walmart	276	10	0.63	310	8	1.03
Milestone Technologies				245	10	0.82
Total	8,257		18.71%	8,191		27.31%

¹ No current data available for this statistic, therefore 2022 statistics are carried forward from 2021 except for City of Chico, which represents the actual 2022 amount.

² No current data available for this statistic, therefore 2013 statistics are carried from the Fiscal Year 2012 except the City of Chico, which represents the actual 2012 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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General government	42	29	29	31	30	30	31	31	37	39
Public safety										
Police	143 ¹	131 ¹	136 ¹	143 ¹	143 ¹	148 ¹	153 ¹	154 ¹	157 ¹	160
Fire	67	74	74	74	59	59	59	60	62	65
Public works	67	69	69	72	73	73	76	81	87	90
Parks and recreation	21	12	13	13	14	14	13	14	18	18
Community development	36	20	21	22	22	22	24	27	30	32
Sewer	0	0	0	0	0	0	0	0	0	0
Parking	0	0	0	0	0	0	0	0	0	0
Private development	0	0	0	0	0	0	0	0	0	0
Airport	0	0	0	0	2	0	0	2	2	2
Total	376	334	342	355	343	346	356	369	393	406

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

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

Source: City of Chico, Annual Budgets.

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

Function	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police										
Calls for service*	132,143	132,030	126,577	131,077	135,013	126,669	128,699	129,340	112,423	120,020
Arrests*	4,762	4,965	5,150	4,696	6,243	7,120	9,386	9,280	5,671	6,086
Fire										
Service calls answered*	827	883	851	969	929	1,026	1037	1134	1312	1601
Medical emergencies*	8,969	8,919	9,390	9,696	9,537	8,751	8,428	5,365	4,868	6,590
Public works										
Street resurfacing (tons of asphalt)	1,070	491	1,092	1,196	1,401	550	323	575	627	458
Community development										
Annexation activity (net acreage)*	16,252	16,252	16,278	16,280	16,288	16,376	16,385	16,798	17,003	17,003
Code violation notices issued	355	361	434	441	175	214	120	462 ²	123	793
Sewer										
Maximum daily treatment capacity (million gallons)	12	12	12	12	12	12	12	12	12	12
Parking										
Parking meter repairs	769	1090	1366	573 ³	624	819	620	846	830	765
Private development										
Residential building permits*	211	226	242	317	306	401	348	311 ⁴	335	290
Commercial building permits*	51	64	87	81	88	118	125	33 ⁴	31	31
Airport										
Passengers per year (loading/unloading) ¹	37,813 ¹	39,246 ¹	16,825 ¹	0	0	0	0	0	0	0

Note: Indicators are not available for general government, parks and recreation, community

Source: City of Chicago 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

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.

4 - New Permit system - data tracked by calendar year.

* These statistics only available on a calendar year basis.

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

Function	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Police										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	24	24	24	25	25	25	28	33	33	36
Fire										
Fire stations	6	6	6	6	4	4	4	4	4	4
Fire hydrants*	3,322	3,357	3,834	3896	4030	4042	4,148	4,136	4,200	4,283
Public works										
Street (miles)**	258.3	289.2	296.3	293.8	300	300.8	303.7	312.2	318.4	318.7
Traffic signals	99	100	101	102	102	103	103	103	104	104
Parks and recreation										
Park acreage***	3751.2	3679.0	3679.0	3836.0	3836.0	3836.0	3744.0	3744.0	3744.0	3741.0
Sanitary sewer (miles)	213.8	214.6	216.2	217.3	219.32	220.33	221.97	226.64	222.62	222.99
Storm sewer (miles)	222.8	223.4	225.6	226.67	228.4	229.33	230.94	235.55	236.27	236.67
Parking lots	5	5	5	5	5	5	5	5	5	5
Parking structures	1	1	1	1	1	1	1	1	2	2
Airport										
Runway lengths 13L/31R (feet)	6724	6724	6724	6724	6724	6724	6724	6724	6724	6724
Runway lengths 13R/31L (feet)	3005	3005	3000	3000	3000	3000	3000	3000	3000	3000

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

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.



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