



2025 Annual Comprehensive Financial Report



Fiscal Year Ended June 30, 2025
City of Chico
California

CITY OF CHICO

Chico, California



Annual Comprehensive Financial Report

Year Ended June 30, 2025

Prepared by:
Administrative Services Department - Finance Division

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ADMINISTRATIVE
SERVICES DEPARTMENT

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

December 30, 2025

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 Comprehensive Financial Report (ACFR) for the year ended June 30, 2025. The Administrative Services Department publishes the ACFR 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, 2025, 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 January 8, 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 113,847.

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 approximately 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), 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; sewer collection and treatment; 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 early June 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 2024-25.

Chico's Economic Condition

Local Economy

Chico's local economy demonstrated overall stability during fiscal year 2024–25, despite broader economic pressures at the state and national levels. While certain indicators reflect moderation in economic activity, the City continues to benefit from a diverse economic base and steady underlying revenue performance..

One indicator of the local economy is the rate of unemployment. The unemployment rate for Chico increased from 4.9% in June 2024 to 6.5% as of June 2025, reflecting broader labor market softening seen throughout much of California during the year.

Another indicator of the local economy is construction activity. During calendar year 2024, 146 residential and 22 commercial building permits were issued, compared to . 183 residential building and 15 commercial building permits in calendar year 2023.. While this reflects some moderation in development activity, housing construction remained active, with 1,301 housing units completed during 2025.

While certain economic indicators softened during the year, we anticipate the local economy will remain generally stable in the near term. Ongoing uncertainty related to inflation, labor costs, and

interest rates may continue to place pressure on municipal operating costs. The City will continue to focus on prudent financial planning, conservative revenue assumptions, and collaboration with the private sector to support sustainable economic development and long-term fiscal stability. Key City revenue sources indicate stable progression for the City. The following revenues increased during the fiscal year ended June 30, 2025 as follows:

- Property Tax increased 3.4%.
- Utility Users Tax increased 12.2%
- Franchise Fees increased 3.9%
- Transient Occupancy Tax increased 13.3%

Sales Tax

Sales tax revenue, which accounts for over 47% of all General Fund revenue, remained a key indicator of local economic activity. During the fiscal year, performance varied by industry sector, reflecting shifts in consumer behavior and broader economic conditions.

| INDUSTRY | PERCENTAGE CHANGE |
|----------------------------------|--------------------------|
| AUTOS AND TRANSPORTATION | 1.7% |
| BUILDING AND CONSTRUCTION | -3.1% |
| BUSINESS AND INDUSTRY | -0.4% |
| FOOD AND DRUGS | -0.6% |
| GENERAL CONSUMER GOODS | -4.0% |
| RESTAURANTS AND HOTELS | 0.4% |

Property Tax

Property tax revenue, which accounts for over 22% of all General Fund revenue, increased 3.4% from the prior year. Property tax revenue is composed of numerous property related tax categories. Current secured property taxes increased 6.6%. The local housing market is experiencing increased home sales and a slight increase of the median sale prices. Indications are that the current level of growth will continue into the next year. Residual property tax revenue came into place following the dissolution of the City’s Redevelopment Agency. As the former Redevelopment Agency’s obligations are liquidated, the City receives a larger share of this property tax source. This year, the growth in residual property tax increased 4.1%. Property tax revenue continues to provide a stable and predictable funding source for City operations.

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 at June 30, 2025.

- **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 at June 30, 2025.
- **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, 2025 is \$1,573,000.
- **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 \$8,157,093 as of June 30, 2025.

The Future and Long-term Financial Planning

The City contracts with CalPERS to provide retirement benefits to retirees. The Unfunded Accrued Liability (UAL) associated with the retirement plan exceeds \$158,000,000 at June 30, 2025 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 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 \$1,898,000 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. As of June 30, 2025, the balance of the Pension Stabilization Trust Fund is \$8,662,306.

Despite the challenges of 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, 2024. This was the twenty-first 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 Annual Comprehensive 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
Mark Sorensen
City Manager

Barbara Martin
Barbara Martin
Administrative Services Director

DIRECTORY OF CITY OFFICIALS

Kasey Reynolds, Mayor

Dale Bennett, Vice-Mayor

Bryce Goldstein, Councilmember **Katie Hawley, Councilmember**

Mike O'Brien, Councilmember **Tom van Overbeek, Councilmember**

Addison Winslow, Councilmember

Mark Sorensen

City Manager

Debbie Presson

City Clerk

John Lam

City Attorney

Barbara Martin

Administrative Services Director

Billy Aldridge

Chief of Police

Brendan Vieg

Community Development Director

Steve Standridge

Fire Chief

Erik Gustafson

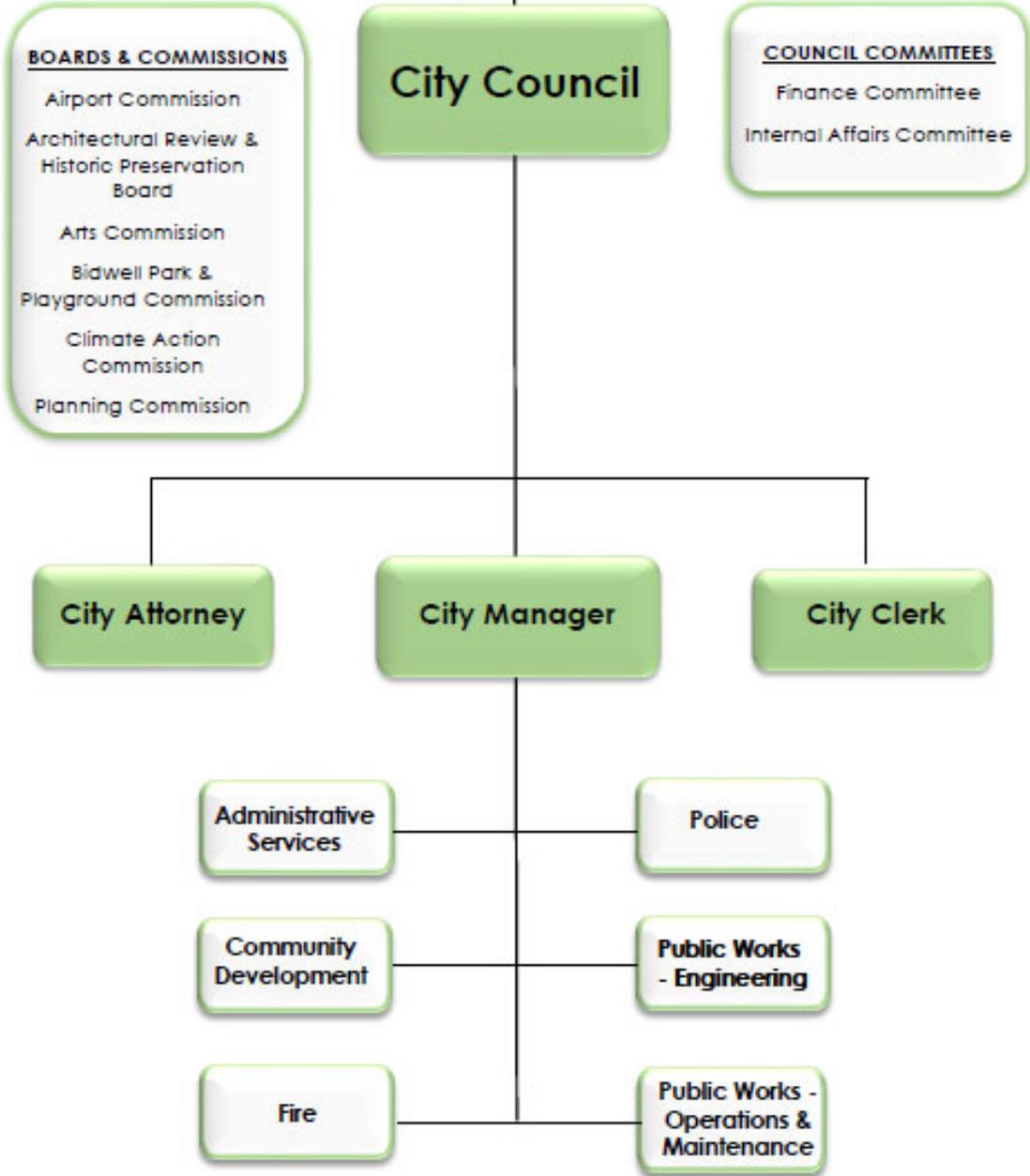
*Public Works Director-
Operations & Maintenance*

Brendan Ottoboni

*Public Works Director-
Engineering*



Citizens of Chico





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Chico
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and City Council
City of Chico
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 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, 2025, 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, 2025, 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

Adoption of New Accounting Standard

As described in Note 1 to the financial statements, effective July 1, 2024, the City of Chico adopted new accounting guidance for compensated absences. The guidance requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but has not yet been paid. Our opinions are 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 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 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.

Honorable Mayor and City Council
City of Chico

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, 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 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.



CliftonLarsonAllen LLP

Roseville, California
December 30, 2025

**CITY OF CHICO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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, 2025. 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's total net position at June 30, 2025 was \$755.9 million. Of this amount, \$565.0 million is the net investment in capital assets.
- As of June 30, 2025, the City's governmental funds reported combined fund balances of \$246.2 million an increase of \$26.9 million in comparison with the prior year. Amounts available for spending include restricted, committed, assigned and unassigned fund balance. Nonspendable fund balances totaled \$50 thousand. Restricted fund balances totaled \$160.1 million and committed fund balances totaled \$15.4 million. Assigned fund balances totaled \$70.9 million while unassigned fund balance reported a deficit of \$247 thousand.
- At June 30, 2025, the General Fund had a fund balance of \$90.8 million, an increase of \$116.9 thousand from June 30, 2024.

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).

The 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*). Governmental activities include general government, public safety, public works, parks and recreation, community development and community agencies. The City's business-type activities include the sewer, parking, private development and airport.

**CITY OF CHICO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

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. The Chico Urban Area Joint Powers Financing Authority's governing board is composed of two members of the City of Chico Council and two members of the Butte County Board of Supervisors but is reported as a discretely presented component unit due to the significance of the economic resources the City receives from it.

Complete financial statements of the Chico 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 compliance with finance-related legal requirements. All City funds are classified 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, 2025. 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 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.

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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 one Custodial Fund that accounts for the assets held by the City as an agent for bonded assessment districts.

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

Required Supplementary Information is presented in addition to the basic financial statements and accompanying notes. A Schedule of Changes in Net Pension Liability and Related Ratios is included along with a Schedule of Contributions relating to the CalPERS Retirement Plans. 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 \$755.9 million at the close of the most recent fiscal year.

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The largest portion of the City's net position, \$565.0 million, or 75%, 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 |
|--|----------------------------|----------------|-----------------------------|----------------|----------------|----------------|------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | |
| Assets: | | | | | | | |
| Current and Other Assets | \$ 291,134,181 | \$ 318,638,199 | \$ 53,836,738 | \$ 52,947,812 | \$ 344,970,919 | \$ 371,586,011 | \$ 26,615,092 |
| Capital Assets | 390,263,768 | 445,202,291 | 137,066,818 | 140,355,176 | 527,330,586 | 585,557,467 | 58,226,881 |
| Total Assets | 681,397,949 | 763,840,490 | 190,903,556 | 193,302,988 | 872,301,505 | 957,143,478 | 84,841,973 |
| Deferred Outflows of Resources: | | | | | | | |
| Deferred Outflows Related to Pensions | 36,795,833 | 28,805,680 | 4,950,640 | 3,257,731 | 41,746,473 | 32,063,411 | (9,683,062) |
| Liabilities: | | | | | | | |
| Current and Other Liabilities | 22,412,965 | 25,168,225 | 1,669,057 | 4,580,489 | 24,082,022 | 29,748,714 | 5,666,692 |
| Long-Term Liabilities | 165,453,906 | 162,957,856 | 36,600,903 | 32,701,384 | 202,054,809 | 195,659,240 | (6,395,569) |
| Total Liabilities | 187,866,871 | 188,126,081 | 38,269,960 | 37,281,873 | 226,136,831 | 225,407,954 | (728,877) |
| Deferred Inflows of Resources: | | | | | | | |
| Deferred Inflows Related to Pensions | 2,078,643 | 1,345,155 | 6,917,972 | 6,571,125 | 8,996,615 | 7,916,280 | (1,080,335) |
| Net Position: | | | | | | | |
| Net Investment in Capital Assets | 384,123,268 | 437,847,676 | 122,554,292 | 127,148,892 | 506,677,560 | 564,996,568 | 58,319,008 |
| Restricted | 155,702,363 | 178,865,348 | - | - | 155,702,363 | 178,865,348 | 23,162,985 |
| Unrestricted | (11,577,363) | (13,538,090) | 28,111,972 | 25,558,829 | 16,534,609 | 12,020,739 | (4,513,870) |
| Total Net Position | \$ 528,248,268 | \$ 603,174,934 | \$ 150,666,264 | \$ 152,707,721 | \$ 678,914,532 | \$ 755,882,655 | \$ 76,968,123 |

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

Assets. Total assets increased by \$84.8 million during the fiscal year. The increase was driven primarily by approximately \$58.2 million in capital asset additions due to increased capital project activity, an increase of approximately \$22.3 million in loans receivables, and an approximately \$11.7 million increase in cash.

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.

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The most significant deferred outflows of resources reported are related to GASB Statement No. 68 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 \$28.8 million for governmental activities at June 30, 2025. 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 increased by \$259 thousand primarily due to an increase in accounts payable of \$3.3 million, an increase in intergovernmental payable of \$762.5 thousand, an increase in long-term liabilities of \$2.6 million and an increase in accrued salaries and benefits of \$372.8 thousand, offset by a decrease in unearned revenue of \$1.7 million, a decrease in short-term liabilities of \$769.8 thousand and a decrease in the net pension liability of \$4.3 million.

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 for governmental activities totaling \$34 thousand at June 30, 2025.

Net Position. Governmental activities net position increased \$76.6 million due primarily to increases in tax revenue, investment earnings, and increased operating and capital grant activities.

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

Assets. Total assets increased by \$2.4 million due primarily to an increase in capital assets of \$3.3 million, an increase in accounts receivable of \$1.8 million, offset by a net decrease in cash of \$4.2 million.

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. Deferred inflows of resources for business-type activities for pensions totaled \$3.3 million at June 30, 2025.

Liabilities. Business-type activities liabilities decreased by \$988 thousand primarily due to reductions in long-term liabilities of \$2.2 million and a decrease in pension liability of \$1.8 million, offset by an increase in payables of \$2.7 million.

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

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changes in assumptions. The City has reported no deferred inflows of resources for deferred pensions for business-type activities at June 30, 2025.

Net Position. Business-type activities net position increased by \$2.2 million during the fiscal year, primarily due to an increase in operating grants for sewer of \$1.5 million, an increase in capital grants for sewer of \$2.5 million, and an increase in charges for services of \$400 thousand, offset by an increase in sewer expenses of \$400 thousand, an increase in parking expenses of \$400 thousand, and an increase in airport expenses of \$1.4 million.

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 |
|--|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | |
| Program Revenues: | | | | | | | |
| Charges for Services | \$ 38,109,590 | \$ 16,077,471 | \$ 23,425,403 | \$ 23,854,502 | \$ 61,534,993 | \$ 39,931,973 | \$ (21,603,020) |
| Operating Grants and Contributions | 30,050,468 | 43,282,350 | 14,650 | 1,663,004 | 30,065,118 | 44,945,354 | 14,880,236 |
| Capital Grants and Contributions | 14,864,825 | 31,865,811 | 509,762 | 2,971,800 | 15,374,587 | 34,837,611 | 19,463,024 |
| General Revenues and Special Items: | | | | | | | |
| Taxes | 98,658,813 | 100,684,751 | - | - | 98,658,813 | 100,684,751 | 2,025,938 |
| Grants and Contributions Not | | | | | | | |
| Unrestricted Investment Earnings | 5,146,851 | 6,998,039 | 1,410,003 | 1,607,376 | 6,556,854 | 8,605,415 | 2,048,561 |
| Loss on Sale of Capital Assets | - | (27,867) | - | - | - | (27,867) | (27,867) |
| Miscellaneous | 706,090 | 765,133 | 18,896 | 33,629 | 724,986 | 798,762 | 73,776 |
| Total Revenues | 187,536,637 | 199,645,688 | 25,378,714 | 30,130,311 | 212,915,351 | 229,775,999 | 16,860,648 |
| Expenses: | | | | | | | |
| General Government | 15,860,091 | 14,199,657 | - | - | 15,860,091 | 14,199,657 | (1,660,434) |
| Public Safety | 61,935,041 | 67,332,915 | - | - | 61,935,041 | 67,332,915 | 5,397,874 |
| Public Works | 27,008,625 | 27,567,411 | - | - | 27,008,625 | 27,567,411 | 558,786 |
| Parks and Recreation | 3,436,450 | 3,968,939 | - | - | 3,436,450 | 3,968,939 | 532,489 |
| Arts and Culture | 43,905 | 36,174 | - | - | 43,905 | 36,174 | (7,731) |
| Community Development | 5,720,912 | 6,085,001 | - | - | 5,720,912 | 6,085,001 | 364,089 |
| Community Agencies | - | 137 | - | - | - | 137 | 137 |
| Health and Human Services | 3,663,446 | 3,572,589 | - | - | 3,663,446 | 3,572,589 | (90,857) |
| Interest on Long-Term Debt | 132,719 | 117,506 | - | - | 132,719 | 117,506 | (15,213) |
| Business Type Expenditures: | | | | | | | |
| Sewer | - | - | 16,311,859 | 16,768,190 | 16,311,859 | 16,768,190 | 456,331 |
| Parking | - | - | 846,503 | 1,244,690 | 846,503 | 1,244,690 | 398,187 |
| Private Development | - | - | 6,649,182 | 5,953,925 | 6,649,182 | 5,953,925 | (695,257) |
| Airport | - | - | 2,422,082 | 3,777,469 | 2,422,082 | 3,777,469 | 1,355,387 |
| City Recreation | - | - | 374,351 | 322,301 | 374,351 | 322,301 | (52,050) |
| Total Expenses | 117,801,189 | 122,880,329 | 26,603,977 | 28,066,575 | 144,405,166 | 150,946,904 | 6,541,738 |
| Increase in Net Position Before Transfers | 69,735,448 | 76,765,359 | (1,225,263) | 2,063,736 | 68,510,185 | 78,829,095 | 10,318,910 |
| Transfers | 46,215 | (174,207) | (46,215) | 174,207 | - | - | - |
| Change in Net Position | 69,781,663 | 76,591,152 | (1,271,478) | 2,237,943 | 68,510,185 | 78,829,095 | 10,318,910 |
| Net Position - Beginning, As Originally Reported | 458,466,605 | 528,248,268 | 151,937,742 | 150,666,264 | 610,404,347 | 678,914,532 | 68,510,185 |
| Restatement | - | (1,664,486) | - | (196,486) | - | (1,860,972) | (1,860,972) |
| Net Position - Beginning, As Restated | 458,466,605 | 526,583,782 | 151,937,742 | 150,469,778 | 610,404,347 | 677,053,560 | 66,649,213 |
| Net Position - End of Year | <u>\$ 528,248,268</u> | <u>\$ 603,174,934</u> | <u>\$ 150,666,264</u> | <u>\$ 152,707,721</u> | <u>\$ 678,914,532</u> | <u>\$ 755,882,655</u> | <u>\$ 76,968,123</u> |

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Revenues. Total revenues for governmental activities increased 3.5% from the prior year:

- **Taxes** increased \$2 million due to property tax and utility users tax revenue increases as the housing market continues to move in a modestly positive direction and increased electric and gas rates rise.
- **Capital grants and contributions** increased by \$17 million due to increased activity in capital grants projects, primarily due to road projects.
- **Operating Grants and contributions** increased by \$13.2 million due to increased activity in operating grant projects, primarily due to Community Development Block Grant funds.

Expenses. Total expenses for governmental activities increased \$5.1 million from the prior year. The increase in expenses is primarily due to increased public safety costs.

Business-Type Activities. Business-type activities increased the City's net position by \$2.2 million. 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, 2025, the City's governmental funds reported combined fund balances of \$246.2 million, an increase of \$26.9 million compared to the prior year. While the City reported \$160.1 million of restricted fund balance, \$95.2 million is composed of long-term loans receivable. By nature, restricted resources are restricted for housing purposes.

Nonspendable fund balance is composed of \$50 thousand in prepaid items.

Committed fund balance is composed of: \$1.6 million for compensated absences, \$434 thousand in donations, \$1.8 million in capital projects, and \$11.7 million for emergency contingencies.

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Total assigned fund balance is \$70.9 million. 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 | \$ 112,232,057 | \$ 20,196,773 | \$ 9,203,862 | \$ 33,813,096 | \$ 246,688 |
| Expenditures | (101,012,959) | (2,496,681) | (10,692,985) | (27,172,885) | (945,880) |
| Other Financing Sources (Uses), Net | (11,102,153) | 31,659 | (79,460) | - | (108,059) |
| Change in Fund Balances | 116,945 | 17,731,751 | (1,568,583) | 6,640,211 | (807,251) |
| Fund Balances (Deficits) - Beginning of Year | 90,699,817 | 17,961,778 | 27,179,116 | (11,763,751) | 57,100,710 |
| Fund Balances (Deficits) - End of Year | <u>\$ 90,816,762</u> | <u>\$ 35,693,529</u> | <u>\$ 25,610,533</u> | <u>\$ (5,123,540)</u> | <u>\$ 56,293,459</u> |
| | Nonmajor Funds | | 2025 | 2024 | |
| | Special Revenue Funds | Capital Projects Funds | Total Governmental Funds | Total Governmental Funds | |
| Revenues | \$ 20,834,934 | \$ 2,729,630 | \$ 199,257,040 | \$ 179,473,497 | |
| Expenditures | (19,347,399) | (11,226,119) | (172,894,908) | (132,862,366) | |
| Other Financing Sources (Uses), Net | 936,543 | 10,863,804 | 542,334 | 263,290 | |
| Change in Fund Balances | 2,424,078 | 2,367,315 | 26,904,466 | 46,874,421 | |
| Fund Balances - Beginning of Year | 25,294,661 | 12,867,857 | 219,340,188 | 172,465,767 | |
| Fund Balances - End of Year | <u>\$ 27,718,739</u> | <u>\$ 15,235,172</u> | <u>\$ 246,244,654</u> | <u>\$ 219,340,188</u> | |

Revenues for governmental funds overall totaled \$199.3 million an increase of 11% from the prior fiscal year, primarily due to increased intergovernmental revenues associated with congestion mitigation, air quality, and infrastructure programs. Expenditures totaled \$172.9 million, an increase of 30% from the prior fiscal year, largely due to increased capital project activity and public safety costs.

General Fund revenue decreased \$22.2 million from the prior year, which included one-time revenue from the Fire Victim Trust. Current year General Fund expenditures increased by \$22 million, largely due to public safety costs and capital outlay.

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CDBG and HOME Housing fund revenue increased by \$12 million primarily due to increased federal program draws of Community Development Block Grant funds for loan disbursements for several large apartment building construction projects.

Revenue in the Capital Grants Fund exceeded expenditures by \$6.6 million due to timing of receipts for reimbursements of 2024-25 expenditures. At year-end, \$5.6 million 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. Expenditures exceeded revenue by \$1.6 million. Revenue increased by \$4 million primarily due to an increase in the amount of street facility improvement fees received. Expenses increased by \$7.8 million primarily due to increased projects for street facility improvements and police protection building and equipment.

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 | \$ 16,719,953 | \$ 867,082 | \$ 4,935,233 | \$ 1,097,562 | \$ 23,619,830 |
| Operating Expenses | 16,690,136 | 1,244,690 | 5,953,925 | 3,777,469 | 27,666,220 |
| Operating Income (Loss) | 29,817 | (377,608) | (1,018,692) | (2,679,907) | (4,046,390) |
| Nonoperating Revenues (Expenses), Net | 2,786,177 | 33,377 | 250,792 | 152,665 | 3,223,011 |
| Income (Loss) Before Contributions and Transfers | 2,815,994 | (344,231) | (767,900) | (2,527,242) | (823,379) |
| Contributions and Transfers | 2,887,946 | (2,250) | 309,880 | (68,388) | 3,127,188 |
| Change in Net Position | <u>\$ 5,703,940</u> | <u>\$ (346,481)</u> | <u>\$ (458,020)</u> | <u>\$ (2,595,630)</u> | <u>\$ 2,303,809</u> |

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- Sewer Fund revenues increased over the prior year by \$2.7 million due to increased sewer service fees collected and intergovernmental revenue received for the SST Conservation Credit.
- Parking Fund revenues decreased by \$124 thousand over the prior year due primarily to a decrease in parking fee collections for City lots.
- The Private Development Fund had a decrease in net position of \$538 thousand, due in large part to an increase in expenditures. Operations in the fund reflected activity in the building industry in Chico during the year ended June 30, 2025.
- Airport Fund operating revenues increased by \$308 thousand due to an increase in rental revenue. 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 over budgeted revenue by \$1.4 million primarily due to increased sales and use taxes, increased utility users taxes, increased investment income, and the receipt of Fire Victim Trust money. These increases were offset by a decrease of intergovernmental revenue primarily due to lower than anticipated activity in American Rescue Plan Act projects. Property tax revenues were over budget by \$80 thousand, sales and use taxes revenue exceeded budget by \$1.3 million, and utility users taxes revenues were over budget by \$1.5 million.

Overall, budgeted expenditures were under budget by \$59.8 million primarily due to capital projects that will carry over into the next fiscal year.

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, 2025, amounted to \$585.6 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. Total current year depreciation and amortization expense was \$19.5 million.

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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 | |
|--------------------------|-------------------------|-----------------------|--------------------------|-----------------------|
| | 2024 | 2025 | 2024 | 2025 |
| Land | \$ 33,114,506 | \$ 33,114,506 | \$ 2,154,341 | \$ 2,154,341 |
| Buildings | 7,101,471 | 7,795,613 | 2,672,894 | 4,024,638 |
| Improvements | 7,795,766 | 7,611,514 | 111,964,291 | 111,938,003 |
| Equipment | 17,678,261 | 23,792,331 | 1,009,805 | 1,038,607 |
| Infrastructure | 268,946,935 | 285,594,499 | - | - |
| Construction in Progress | 54,894,753 | 86,865,298 | 19,265,488 | 21,199,587 |
| Lease Assets | 4,315 | 181,746 | - | - |
| SBITA Assets | 727,761 | 246,784 | - | - |
| Total, Net | \$ 390,263,768 | \$ 445,202,291 | \$ 137,066,819 | \$ 140,355,176 |

| | Total | | Dollar Change | Percentage Change |
|--------------------------|-----------------------|-----------------------|----------------------|----------------------|
| | 2024 | 2025 | | |
| Land | \$ 35,268,847 | \$ 35,268,847 | \$ - | - |
| Buildings | 9,774,365 | 11,820,251 | 2,045,886 | 0.21 |
| Improvements | 119,760,057 | 119,549,517 | (210,540) | (0.00) |
| Equipment | 18,688,066 | 24,830,938 | 6,142,872 | 0.33 |
| Infrastructure | 268,946,935 | 285,594,499 | 16,647,564 | 0.06 |
| Construction in Progress | 74,160,241 | 108,064,885 | 33,904,644 | 0.46 |
| Right-to-Use Assets | 4,315 | 181,746 | 177,431 | |
| SBITA Assets | 727,761 | 246,784 | (480,977) | |
| Total, Net | \$ 527,330,587 | \$ 585,557,467 | \$ 58,226,880 | |

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

- Land – No significant capitalizations occurred.
- Buildings – Increase is due primarily to fire station remodels.
- Improvements – Increase is due primarily to reconstruction of a taxiway.
- Equipment – Increases reflect acquisitions of safety radios and replacements of several vehicles, including the acquisition of two fire engines.
- Infrastructure – Increased as several large street projects were completed.
- Construction in progress (CIP) – Increase is due to the increase activity of construction in the current year.

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

**CITY OF CHICO, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

Long-Term Liabilities

At June 30, 2025, the City had total long-term liabilities outstanding of \$36.7 million an overall decrease of \$297.7 thousand from June 30, 2024. 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 2025-26 budget on June 17, 2025, with a total Operating Budget of \$148.4 million, which is a \$9.7 million increase from the fiscal year 2024-25 Council adopted budget. The adopted Capital Improvement Budget totaled \$55.6 million. Total General Fund revenue of \$100.6 million, is higher than budgeted expenditures of \$97.8 million.

The fiscal year 2025-26 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 cannot predict the extent to which future economic changes 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

The local revenue base continues to show modest, steady growth during the fiscal year, with increases in property tax, transient occupancy tax, utility users tax, investment earnings, and charges for services.

The City closed the fiscal year in a good financial position, with a General Fund balance of \$90.8 million, an increase of approximately \$117 thousand over the prior year, and while economic uncertainty remains, the City continues to maintain adequate reserves and does not anticipate near-term cash flow or liquidity issues.

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) 879-7300

Email:

Barbara.Martin@chicoca.gov

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF CHICO, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2025**

| | Primary Government | | | Component Unit |
|---------------------------------------|----------------------------|-----------------------------|-----------------------|--|
| | Governmental Activities | Business-Type Activities | Total | Chico Urban Area Joint Powers Financing Authority |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 171,076,049 | \$ 17,025,718 | \$ 188,101,767 | \$ 1,195,794 |
| Receivables: | | | | |
| Interest | 15,860,741 | - | 15,860,741 | - |
| Accounts | 3,995,730 | 5,242,568 | 9,238,298 | - |
| Intergovernmental | 19,997,171 | 305,804 | 20,302,975 | - |
| Taxes | 845,947 | 13,675 | 859,622 | - |
| Leases | 1,410,802 | 7,094,515 | 8,505,317 | - |
| Prepays | 710,902 | 254 | 711,156 | - |
| Internal Balances | (1,286,905) | 1,286,905 | - | - |
| Inventory | 63,723 | - | 63,723 | - |
| Total Current Assets | <u>212,674,160</u> | <u>30,969,439</u> | <u>243,643,599</u> | <u>1,195,794</u> |
| Noncurrent Assets: | | | | |
| Restricted Cash and Investments | 9,888,736 | 21,978,373 | 31,867,109 | 4,071,135 |
| Loans Receivable | 95,200,829 | - | 95,200,829 | - |
| Long-Term Receivable | 874,474 | - | 874,474 | - |
| Capital and Right-to-Use Assets: | | | | |
| Nondepreciable | 119,979,804 | 23,353,928 | 143,333,732 | - |
| Depreciable, Net | 324,793,957 | 117,001,248 | 441,795,205 | - |
| Lease Assets, Net | 181,746 | - | 181,746 | - |
| SBITA Assets, Net | 246,784 | - | 246,784 | - |
| Total Noncurrent Assets | <u>551,166,330</u> | <u>162,333,549</u> | <u>713,499,879</u> | <u>4,071,135</u> |
| Total Assets | <u>763,840,490</u> | <u>193,302,988</u> | <u>957,143,478</u> | <u>5,266,929</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Outflows Related to Pensions | 28,805,680 | 3,257,731 | 32,063,411 | - |
| Total Deferred Outflows of Resources | <u>28,805,680</u> | <u>3,257,731</u> | <u>32,063,411</u> | <u>-</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 14,904,996 | 3,609,252 | 18,514,248 | - |
| Accrued Salaries and Benefits | 2,753,805 | 204,625 | 2,958,430 | - |
| Intergovernmental Payable | 835,980 | - | 835,980 | - |
| Interest Payable | - | 5,662 | 5,662 | - |
| Deposits | 31,098 | 16,812 | 47,910 | - |
| Unearned Revenue | 6,461,219 | 744,138 | 7,205,357 | - |
| Other Accrued Liabilities | 181,127 | - | 181,127 | - |
| Due Within One Year | 3,326,129 | 2,005,664 | 5,331,793 | 1,195,793 |
| Total Current Liabilities | <u>28,494,354</u> | <u>6,586,153</u> | <u>35,080,507</u> | <u>1,195,793</u> |
| Noncurrent Liabilities: | | | | |
| Due in More Than One Year | 20,481,107 | 10,906,296 | 31,387,403 | 17,936,898 |
| Total Net Pension Liability | 139,150,620 | 19,789,424 | 158,940,044 | - |
| Total Noncurrent Liabilities | <u>159,631,727</u> | <u>30,695,720</u> | <u>190,327,447</u> | <u>17,936,898</u> |
| Total Liabilities | <u>188,126,081</u> | <u>37,281,873</u> | <u>225,407,954</u> | <u>19,132,691</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Inflows Related to Pensions | 34,082 | - | 34,082 | - |
| Deferred Inflows Related to Leases | 1,311,073 | 6,571,125 | 7,882,198 | - |
| Total Deferred Inflows of Resources | <u>1,345,155</u> | <u>6,571,125</u> | <u>7,916,280</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 437,847,676 | 127,148,892 | 564,996,568 | - |
| Restricted for: | | | | |
| Capital Projects | 446,324 | - | 446,324 | - |
| Housing | 109,440,432 | - | 109,440,432 | - |
| Maintenance Districts | 5,755,027 | - | 5,755,027 | - |
| Transportation Related Projects | 51,493,041 | - | 51,493,041 | - |
| Other Government Programs | 3,068,218 | - | 3,068,218 | - |
| Pension Benefits | 8,662,306 | - | 8,662,306 | - |
| Unrestricted | <u>(13,538,090)</u> | <u>25,558,829</u> | <u>12,020,739</u> | <u>(13,865,762)</u> |
| Total Net Position | <u>\$ 603,174,934</u> | <u>\$ 152,707,721</u> | <u>\$ 755,882,655</u> | <u>\$ (13,865,762)</u> |

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 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.
- **Public Facilities Impact Fees**
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.
- **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.

FUND FINANCIAL STATEMENTS (CONTINUED)

- **Private Development**

Accounts for private development planning and building inspection, and subdivision planning and inspection.

- **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, 2025

| | General Fund | CDBG and HOME Housing | Public Facilities Impact Fees | Capital Grants | Low- and Moderate- Income Housing Housing Asset Funds | Nonmajor Governmental Funds | Total Governmental Funds |
|--|-----------------------|-----------------------------|-------------------------------------|---------------------|--|-----------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and Cash Equivalents | \$ 72,602,893 | \$ - | \$ 26,287,463 | \$ - | \$ 1,933,104 | \$ 49,387,886 | \$ 150,211,346 |
| Restricted Cash and Investments | 9,547,135 | - | - | - | - | 71,601 | 9,618,736 |
| Receivables: | | | | | | | |
| Interest | 1,033,685 | 1,427,426 | - | - | 13,399,630 | - | 15,860,741 |
| Accounts | 2,442,445 | - | 86,005 | - | 12,008 | 1,261,574 | 3,802,032 |
| Intergovernmental | 10,237,640 | 3,304,400 | - | 5,278,196 | - | 1,148,260 | 19,968,496 |
| Taxes | 789,400 | - | - | - | - | 56,547 | 845,947 |
| Loans | - | 40,160,529 | - | - | 55,040,300 | - | 95,200,829 |
| Long-Term | - | - | 874,474 | - | - | - | 874,474 |
| Leases | 1,410,802 | - | - | - | - | - | 1,410,802 |
| Due from Other Funds | 9,290,483 | 135,769 | 597,035 | 340,451 | - | 1,102,895 | 11,466,633 |
| Prepaid Items | 40,441 | - | - | - | - | 9,650 | 50,091 |
| Advances to Other Funds | - | - | 25,707 | - | - | - | 25,707 |
| Total Assets | \$ 107,394,924 | \$ 45,028,124 | \$ 27,870,684 | \$ 5,618,647 | \$ 70,385,042 | \$ 53,038,413 | \$ 309,335,834 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ 6,204,554 | \$ 3,289,039 | \$ 614,169 | \$ 1,797,027 | \$ 42,707 | \$ 2,010,728 | \$ 13,958,224 |
| Accrued Salaries and Benefits | 2,387,651 | 7,567 | - | - | 5,492 | 243,426 | 2,644,136 |
| Deposits | 11,098 | - | - | - | 20,000 | - | 31,098 |
| Intergovernmental Payable | - | 64,472 | 771,508 | - | - | - | 835,980 |
| Due to Other Funds | 27,284 | 2,543,457 | - | 3,375,295 | - | 5,551,670 | 11,497,706 |
| Unearned Revenue | 5,189,958 | - | - | - | - | 1,271,261 | 6,461,219 |
| Other Accrued Liabilities | 181,127 | - | - | - | - | - | 181,127 |
| Advances from Other Funds | - | - | - | - | - | 25,707 | 25,707 |
| Total Liabilities | 14,001,672 | 5,904,535 | 1,385,677 | 5,172,322 | 68,199 | 9,102,792 | 35,635,197 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable Housing Loan Interest Revenue | - | 1,427,426 | - | - | 13,399,630 | - | 14,827,056 |
| Unavailable Revenue | 1,265,417 | 2,002,634 | 874,474 | 5,569,865 | 623,754 | 981,710 | 11,317,854 |
| Deferred Lease Revenue | 1,311,073 | - | - | - | - | - | 1,311,073 |
| Total Deferred Inflows of Resources | 2,576,490 | 3,430,060 | 874,474 | 5,569,865 | 14,023,384 | 981,710 | 27,455,983 |
| FUND BALANCES | | | | | | | |
| Nonspendable | 40,441 | - | - | - | - | 9,650 | 50,091 |
| Restricted | 8,662,306 | 35,693,529 | 25,610,533 | - | 56,293,459 | 33,831,279 | 160,091,106 |
| Committed | 15,429,845 | - | - | - | - | - | 15,429,845 |
| Assigned | 61,807,670 | - | - | - | - | 9,112,982 | 70,920,652 |
| Unassigned | 4,876,500 | - | - | (5,123,540) | - | - | (247,040) |
| Total Fund Balances | 90,816,762 | 35,693,529 | 25,610,533 | (5,123,540) | 56,293,459 | 42,953,911 | 246,244,654 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 107,394,924 | \$ 45,028,124 | \$ 27,870,684 | \$ 5,618,647 | \$ 70,385,042 | \$ 53,038,413 | \$ 309,335,834 |

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO
THE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2025

| | | |
|--|------------------|----------------|
| Total Fund Balances (Deficit) - Total Governmental Funds | | \$ 246,244,654 |
| 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. | | 444,589,840 |
| Right-to-use lease and SBITA assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. | | 246,784 |
| Deferred outflows of resources reported in the statement of net position related to pension. | | 27,083,470 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenues in the fund statements. | | 26,144,910 |
| Deferred inflows of resources reported in the statement of net position related to pension | | (34,082) |
| 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. | | (2,818,075) |
| Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. | | |
| Net Pension Liability | \$ (128,688,876) | |
| SBITA Liability | (245,806) | |
| Note Payable | (3,352,174) | |
| Compensated Absences | (5,995,711) | (138,282,567) |
| | | |
| Net Position of Governmental Activities | | \$ 603,174,934 |

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, 2025

| | General Fund | CDBG and HOME Housing | Public Facilities Impact Fees | Capital Grants | Low- and Moderate-Income Housing Asset Fund | Gas Tax Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|-------------------------------|-----------------------|---|--------------|-----------------------------|--------------------------|
| REVENUES | | | | | | | | |
| Property Taxes | \$ 25,306,516 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 87,325 | \$ 25,393,841 |
| Sales and Use Taxes | 53,034,447 | - | - | - | - | - | - | 53,034,447 |
| Franchise Fees | 4,563,208 | - | - | - | - | - | - | 4,563,208 |
| Transient Occupancy Tax | 4,353,168 | - | - | - | - | - | - | 4,353,168 |
| Other Taxes | 13,316,071 | - | - | - | 24,016 | - | - | 13,340,087 |
| Licenses and Permits | 103,995 | - | - | - | - | - | - | 103,995 |
| Intergovernmental | 4,815,407 | 20,173,535 | - | 33,813,096 | - | - | 16,428,633 | 75,230,671 |
| Charges for Services | 426,854 | - | 7,946,000 | - | 609 | - | 5,106,793 | 13,480,256 |
| Fines, Forfeitures, and Penalties | 2,163,353 | - | - | - | - | - | 67,735 | 2,231,088 |
| Use of Money and Property | 3,841,573 | 6,738 | 1,257,862 | - | 142,063 | - | 1,512,910 | 6,761,146 |
| Miscellaneous | 307,465 | 16,500 | - | - | 80,000 | - | 361,168 | 765,133 |
| Total Revenues | 112,232,057 | 20,196,773 | 9,203,862 | 33,813,096 | 246,688 | - | 23,564,564 | 199,257,040 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| General Government | 8,598,402 | - | - | 927,296 | - | - | 1,810,654 | 11,336,352 |
| Public Safety | 62,489,957 | - | - | - | - | - | 935,582 | 63,425,539 |
| Public Works | 2,703,219 | - | - | - | - | - | 13,792,295 | 16,495,514 |
| Parks and Recreation | 3,672,742 | - | - | - | - | - | - | 3,672,742 |
| Arts and Culture | 38,485 | - | - | - | - | - | - | 38,485 |
| Community Development | 1,668,995 | 1,507,628 | 1,775,018 | - | 945,880 | - | 83,466 | 5,980,987 |
| Health and Human Services | 3,546,513 | - | - | - | - | - | - | 3,546,513 |
| Capital Outlay: | | | | | | | | |
| Capital Outlay - Operations | 16,953,336 | 989,053 | 8,917,967 | 26,245,589 | - | - | 13,950,014 | 67,055,959 |
| Debt Services: | | | | | | | | |
| Principal Retirement | 1,228,750 | - | - | - | - | - | - | 1,228,750 |
| Interest and Fiscal Charges | 112,560 | - | - | - | - | - | 1,507 | 114,067 |
| Total Expenditures | 101,012,959 | 2,496,681 | 10,692,985 | 27,172,885 | 945,880 | - | 30,573,518 | 172,894,908 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 11,219,098 | 17,700,092 | (1,489,123) | 6,640,211 | (699,192) | - | (7,008,954) | 26,362,132 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| SBITA | 34,867 | - | - | - | - | - | - | 34,867 |
| Transfers In | 1,783,292 | 31,659 | - | - | - | - | 14,641,747 | 16,456,698 |
| Transfers Out | (12,920,312) | - | (79,460) | - | (108,059) | - | (2,841,400) | (15,949,231) |
| Total Other Financing Sources (Uses) | (11,102,153) | 31,659 | (79,460) | - | (108,059) | - | 11,800,347 | 542,334 |
| NET CHANGE IN FUND BALANCES | 116,945 | 17,731,751 | (1,568,583) | 6,640,211 | (807,251) | - | 4,791,393 | 26,904,466 |
| Fund Balances - Beginning of Year, as Originally Reported | 90,699,817 | 17,961,778 | 27,179,116 | (11,763,751) | 57,100,710 | 10,005,151 | 28,157,367 | 219,340,188 |
| Change Within the Reporting Entity | - | - | - | - | - | (10,005,151) | 10,005,151 | - |
| Fund Balances - Beginning of Year, as Adjusted or Restated | 90,699,817 | 17,961,778 | 27,179,116 | (11,763,751) | 57,100,710 | - | 38,162,518 | 219,340,188 |
| FUND BALANCES - END OF YEAR | \$ 90,816,762 | \$ 35,693,529 | \$ 25,610,533 | \$ (5,123,540) | \$ 56,293,459 | \$ - | \$ 42,953,911 | \$ 246,244,654 |

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, 2025

Net Change in Fund Balances - Total Governmental Funds \$ 26,904,466

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 and amortization expense.

| | | |
|---------------------------------------|---------------------|------------|
| Capital Outlay | \$ 67,125,959 | |
| Depreciation and Amortization Expense | <u>(13,410,607)</u> | 53,715,352 |

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

| | | |
|------------------------|--|-----------|
| Capital Contributions | | 1,949,219 |
| Sale of Capital Assets | | (27,867) |
| SBITAs | | (34,867) |
| Other Adjustments | | (637,432) |

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

| | | |
|----------------------|--|-------------|
| Unavailable Revenues | | (3,621,232) |
|----------------------|--|-------------|

The issuance of long-term debt (e.g., bonds, leases, SBITA) 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.

| | | |
|----------------------|--|-----------|
| Interest | | (12,439) |
| Principal Retirement | | 1,241,189 |

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 Interest Payable | - | |
| Change in Net Pension Liability | 2,484,616 | |
| Change in Compensated Absences | <u>206,618</u> | (2,691,234) |

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.

(194,003)

Change in Net Position of Governmental Activities \$ 76,591,152

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2025

| | Business-Type Activities - Enterprise Funds | | | | | Total Enterprise Funds | Governmental Activities |
|---------------------------------------|---|---------------------|------------------------|----------------------|--------------------------------|------------------------------|----------------------------|
| | Sewer | Parking | Private Development | Airport | Nonmajor City Recreation | | Internal Service Funds |
| ASSETS | | | | | | | |
| Current Assets: | | | | | | | |
| Cash and Investments | \$ 10,514,670 | \$ 564,210 | \$ 5,687,220 | \$ 231,544 | \$ 28,074 | \$ 17,025,718 | \$ 20,864,703 |
| Receivables: | | | | | | | |
| Accounts | 3,830,562 | 98,942 | 1,039,201 | 273,863 | - | 5,242,568 | 193,698 |
| Intergovernmental | 201 | 23,637 | - | 47,294 | 234,672 | 305,804 | 28,675 |
| Taxes | 13,675 | - | - | - | - | 13,675 | - |
| Leases | - | - | - | 7,094,515 | - | 7,094,515 | - |
| Inventories | - | - | - | - | - | - | 63,723 |
| Due From Other Funds | 28,305 | 178 | 2,590 | 1,255,832 | - | 1,286,905 | - |
| Prepaid Expenses | 254 | - | - | - | - | 254 | 660,811 |
| Total Current Assets | <u>14,387,667</u> | <u>686,967</u> | <u>6,729,011</u> | <u>8,903,048</u> | <u>262,746</u> | <u>30,969,439</u> | <u>21,811,610</u> |
| Noncurrent Assets: | | | | | | | |
| Cash and Investments with Agent | 21,978,373 | - | - | - | - | 21,978,373 | 270,000 |
| Capital Assets: | | | | | | | |
| Land and Construction in Progress | 21,224,641 | 1,239,490 | - | 889,797 | - | 23,353,928 | 30,391 |
| Depreciable Capital Assets, Net | 100,626,405 | 892,174 | 72,672 | 15,409,997 | - | 117,001,248 | 153,530 |
| Lease Assets, Net | - | - | - | - | - | - | 181,746 |
| Total Noncurrent Assets | <u>143,829,419</u> | <u>2,131,664</u> | <u>72,672</u> | <u>16,299,794</u> | <u>-</u> | <u>162,333,549</u> | <u>635,667</u> |
| Total Assets | <u>158,217,086</u> | <u>2,818,631</u> | <u>6,801,683</u> | <u>25,202,842</u> | <u>262,746</u> | <u>193,302,988</u> | <u>22,447,277</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Deferred Outflows Related to Pensions | 1,499,350 | 158,686 | 1,453,844 | 145,851 | - | 3,257,731 | 1,722,210 |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts Payable | 1,981,244 | 6,299 | 190,140 | 1,287,825 | 143,744 | 3,609,252 | 946,772 |
| Due to Other Funds | - | - | - | - | - | - | 1,255,832 |
| Accrued Salaries and Benefits Payable | 91,070 | 7,862 | 94,410 | 11,283 | - | 204,625 | 109,669 |
| Interest Payable | 5,662 | - | - | - | - | 5,662 | - |
| Deposits | - | - | 16,812 | - | - | 16,812 | - |
| Compensated Absences - Current | 20,293 | 2,299 | 15,419 | 2,653 | - | 40,664 | 23,692 |
| Lease Liability - Current | - | - | - | - | - | - | 43,526 |
| Claims Liability - Current | - | - | - | - | - | - | 2,131,930 |
| Revenue Bonds Payable - Current | 1,965,000 | - | - | - | - | 1,965,000 | - |
| Unearned Revenue | - | - | 744,138 | - | - | 744,138 | - |
| Total Current Liabilities | <u>4,063,269</u> | <u>16,460</u> | <u>1,060,919</u> | <u>1,301,761</u> | <u>143,744</u> | <u>6,586,153</u> | <u>4,511,421</u> |
| Noncurrent Liabilities: | | | | | | | |
| Revenue Bonds Payable, Net | 10,165,193 | - | - | - | - | 10,165,193 | - |
| Compensated Absences | 369,837 | 41,894 | 281,013 | 48,359 | - | 741,103 | 431,796 |
| Claims Liability | - | - | - | - | - | - | 11,446,162 |
| Net Pension Liability | 9,107,955 | 963,955 | 8,831,526 | 885,988 | - | 19,789,424 | 10,461,744 |
| Total Noncurrent Liabilities | <u>19,642,985</u> | <u>1,005,849</u> | <u>9,112,539</u> | <u>934,347</u> | <u>-</u> | <u>30,695,720</u> | <u>22,476,141</u> |
| Total Liabilities | <u>23,706,254</u> | <u>1,022,309</u> | <u>10,173,458</u> | <u>2,236,108</u> | <u>143,744</u> | <u>37,281,873</u> | <u>26,987,562</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred Inflows - Leases | - | - | - | 6,571,125 | - | 6,571,125 | - |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,571,125</u> | <u>-</u> | <u>6,571,125</u> | <u>-</u> |
| NET POSITION | | | | | | | |
| Net Investment in Capital Assets | 108,644,762 | 2,131,664 | 72,672 | 16,299,794 | - | 127,148,892 | 160,188 |
| Unrestricted | 27,365,420 | (176,656) | (1,990,603) | 241,666 | 119,002 | 25,558,829 | (2,978,263) |
| Total Net Position | <u>\$ 136,010,182</u> | <u>\$ 1,955,008</u> | <u>\$ (1,917,931)</u> | <u>\$ 16,541,460</u> | <u>\$ 119,002</u> | <u>\$ 152,707,721</u> | <u>\$ (2,818,075)</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, 2025

| | Business-Type Activities - Enterprise Funds | | | | | Total Enterprise Funds | Governmental Activities |
|---|---|---------------------|------------------------|----------------------|--------------------------------|------------------------------|----------------------------|
| | Sewer | Parking | Private Development | Airport | Nonmajor City Recreation | | Internal Service Funds |
| OPERATING REVENUES | | | | | | | |
| Charges for Services | \$ 16,700,982 | \$ 867,082 | \$ 2,664,555 | \$ 118,654 | \$ 234,672 | \$ 20,585,945 | \$ 31,708,336 |
| Licenses and Permits | - | - | 2,270,678 | - | - | 2,270,678 | - |
| Rental Charges | 18,971 | - | - | 978,908 | - | 997,879 | 67,544 |
| Total Operating Revenues | <u>16,719,953</u> | <u>867,082</u> | <u>4,935,233</u> | <u>1,097,562</u> | <u>234,672</u> | <u>23,854,502</u> | <u>31,775,880</u> |
| OPERATING EXPENSES | | | | | | | |
| Salaries and Benefits | 3,550,568 | 392,781 | 3,847,558 | 209,419 | 431 | 8,000,757 | 4,850,900 |
| Materials and Supplies | 1,869,011 | 22,312 | 19,720 | 15,808 | 177,435 | 2,104,286 | 836,395 |
| Purchased Services | 1,802,732 | 340,386 | 685,013 | 1,479,473 | 144,392 | 4,451,996 | 6,842,044 |
| Other Expenses | 5,363,997 | 397,645 | 1,398,228 | 489,154 | 43 | 7,649,067 | 19,011,168 |
| Depreciation and Amortization | 4,103,828 | 91,566 | 3,406 | 1,583,615 | - | 5,782,415 | 308,812 |
| Total Operating Expenses | <u>16,690,136</u> | <u>1,244,690</u> | <u>5,953,925</u> | <u>3,777,469</u> | <u>322,301</u> | <u>27,988,521</u> | <u>31,849,319</u> |
| OPERATING INCOME (LOSS) | 29,817 | (377,608) | (1,018,692) | (2,679,907) | (87,629) | (4,134,019) | (73,439) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | |
| Intergovernmental | 1,523,306 | - | - | 139,698 | - | 1,663,004 | - |
| Investment Earnings (Expense) | 1,340,925 | 28,377 | 231,368 | 3,762 | 2,944 | 1,607,376 | 499,025 |
| Interest Expense | (78,054) | - | - | - | - | (78,054) | (3,439) |
| Miscellaneous Revenue (Expense) | - | 5,000 | 19,424 | 9,205 | - | 33,629 | 65,524 |
| Total Nonoperating Revenues (Expenses) | <u>2,786,177</u> | <u>33,377</u> | <u>250,792</u> | <u>152,665</u> | <u>2,944</u> | <u>3,225,955</u> | <u>561,110</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 2,815,994 | (344,231) | (767,900) | (2,527,242) | (84,685) | (908,064) | 487,671 |
| Capital Contributions | 2,971,800 | - | - | - | - | 2,971,800 | - |
| Transfers In | 15,376,064 | - | 449,245 | - | 18,819 | 15,844,128 | - |
| Transfers Out | (15,459,918) | (2,250) | (139,365) | (68,388) | - | (15,669,921) | (681,674) |
| CHANGE IN NET POSITION | 5,703,940 | (346,481) | (458,020) | (2,595,630) | (65,866) | 2,237,943 | (194,003) |
| Net Position - Beginning, As Originally Restated | 130,403,505 | 2,308,563 | (1,378,492) | 19,147,820 | 184,868 | 150,666,264 | (2,494,778) |
| Change in Accounting Principle | (97,263) | (7,074) | (81,419) | (10,730) | - | (196,486) | (129,294) |
| Net Position - Beginning, As Restated | <u>130,306,242</u> | <u>2,301,489</u> | <u>(1,459,911)</u> | <u>19,137,090</u> | <u>184,868</u> | <u>150,469,778</u> | <u>(2,624,072)</u> |
| NET POSITION - END OF YEAR | <u>\$ 136,010,182</u> | <u>\$ 1,955,008</u> | <u>\$ (1,917,931)</u> | <u>\$ 16,541,460</u> | <u>\$ 119,002</u> | <u>\$ 152,707,721</u> | <u>\$ (2,818,075)</u> |

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND
YEAR ENDED JUNE 30, 2025

| | 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 | \$ 15,602,100 | \$ 867,183 | \$ 4,501,283 | \$ 767,431 | \$ - | \$ 21,737,997 | \$ - |
| Receipts from Interfund Services Provided | - | - | - | - | - | - | 31,835,466 |
| Payments to Suppliers and Claimants | (7,530,904) | (777,387) | (2,318,619) | (702,178) | (178,126) | (11,507,214) | (25,753,371) |
| Payments to Employees | (3,704,180) | (391,625) | (3,581,385) | (356,844) | (431) | (8,034,465) | (4,234,461) |
| Net Cash Provided (Used) by Operating Activities | 4,367,016 | (301,829) | (1,398,721) | (291,591) | (178,557) | 2,196,318 | 1,847,634 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Interfund Borrowings | - | - | - | - | - | - | 1,255,832 |
| Grants and Subsidies from Other Governmental Agencies | 1,523,306 | 5,000 | 19,424 | 148,903 | - | 1,696,633 | - |
| Due from Other Funds | (28,305) | (178) | (2,590) | (1,255,832) | - | (1,286,905) | - |
| Transfers In | 15,376,064 | - | 449,245 | - | 18,819 | 15,844,128 | - |
| Transfers Out | (15,459,918) | (2,250) | (139,365) | (68,388) | - | (15,669,921) | (681,674) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 1,411,147 | 2,572 | 326,714 | (1,175,317) | 18,819 | 583,935 | 574,158 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Acquisition and Construction of Capital Assets | (9,022,888) | (88) | (45,409) | (2,388) | - | (9,070,773) | (25,514) |
| Cash paid on interest related to Capital Debt | - | - | - | - | - | - | (3,439) |
| Cash paid on lease liability | - | - | - | - | - | - | (47,111) |
| Cash paid on SBITA liability | - | - | - | - | - | - | (154,640) |
| Principal Paid on Long-Term Debt | (2,382,333) | - | - | - | - | (2,382,333) | - |
| Interest (Paid) | (78,054) | - | - | - | - | (78,054) | - |
| Capital Grants Received | 2,971,800 | - | - | - | - | 2,971,800 | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (8,511,475) | (88) | (45,409) | (2,388) | - | (8,559,360) | (230,704) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Interest Received | 1,340,925 | 28,377 | 231,368 | 3,762 | 2,944 | 1,607,376 | 499,025 |
| Net Cash Provided (Used) by Investing Activities | 1,340,925 | 28,377 | 231,368 | 3,762 | 2,944 | 1,607,376 | 499,025 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (1,392,387) | (270,968) | (886,048) | (1,465,534) | (156,794) | (4,171,731) | 2,690,113 |
| Cash and Cash Equivalents - Beginning of Year | 33,885,430 | 835,178 | 6,573,268 | 1,697,078 | 184,868 | 43,175,822 | 18,444,590 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 32,493,043</u> | <u>\$ 564,210</u> | <u>\$ 5,687,220</u> | <u>\$ 231,544</u> | <u>28,074</u> | <u>\$ 39,004,091</u> | <u>\$ 21,134,703</u> |
| RECONCILIATION TO STATEMENT OF NET POSITION | | | | | | | |
| Cash and Investments | \$ 10,514,670 | \$ 564,210 | \$ 5,687,220 | \$ 231,544 | \$ 28,074 | \$ 17,025,718 | \$ 20,864,703 |
| Cash and Investments with Agent | 21,978,373 | - | - | - | - | 21,978,373 | 270,000 |
| CASH AND INVESTMENTS - END OF YEAR | <u>\$ 32,493,043</u> | <u>\$ 564,210</u> | <u>\$ 5,687,220</u> | <u>\$ 231,544</u> | <u>\$ 28,074</u> | <u>\$ 39,004,091</u> | <u>\$ 21,134,703</u> |

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
STATEMENT OF CASH FLOWS – PROPRIETARY FUND (CONTINUED)
YEAR ENDED JUNE 30, 2025

| | 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) | \$ 29,817 | \$ (377,608) | \$ (1,018,692) | \$ (2,679,907) | (87,629) | \$ (4,134,019) | \$ (73,439) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Depreciation and Amortization | 4,103,828 | 91,566 | 3,406 | 1,583,615 | - | 5,782,415 | 308,812 |
| Decrease (Increase) in: | | | | | | | |
| Accounts Receivable | (1,107,454) | (51) | (608,247) | (289,287) | - | (2,005,039) | - |
| Intergovernmental Receivable | (10,399) | 152 | - | (40,844) | (234,672) | (285,763) | 59,586 |
| Prepays | (254) | - | - | - | - | (254) | - |
| Inventory and Other Assets | - | - | - | - | - | - | (663,123) |
| Deferred Outflow Pension | 822,555 | 82,641 | 666,381 | 121,332 | - | 1,692,909 | 710,016 |
| Increase (Decrease) in: | | | | | | | |
| Accounts Payable | 1,506,202 | (17,044) | (215,658) | 1,282,257 | 143,744 | 2,699,501 | 499,423 |
| Due to Other Governments | - | - | - | - | - | - | - |
| Accrued Liabilities | 10,895 | 342 | 22,671 | 3,726 | - | 37,634 | 33,858 |
| Claims Liability | - | - | - | - | - | - | 1,099,676 |
| Compensated Absences | 41,478 | 7,867 | 2,653 | 8,069 | - | 60,067 | 30,357 |
| Unearned Revenue | - | - | 174,297 | - | - | 174,297 | - |
| Net Pension Liability | (1,005,409) | (87,174) | (403,394) | (277,762) | - | (1,773,739) | (132,137) |
| Deferred Inflow Pension | (24,243) | (2,520) | (22,138) | (2,790) | - | (51,691) | (25,395) |
| Total Adjustments | <u>4,337,199</u> | <u>75,779</u> | <u>(380,029)</u> | <u>2,388,316</u> | <u>(90,928)</u> | <u>6,330,337</u> | <u>1,921,073</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 4,367,016</u> | <u>\$ (301,829)</u> | <u>\$ (1,398,721)</u> | <u>\$ (291,591)</u> | <u>(178,557)</u> | <u>\$ 2,196,318</u> | <u>\$ 1,847,634</u> |
| NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES | | | | | | | |
| Issuance of Leases | \$ - | \$ - | \$ - | \$ - | - | \$ - | \$ 222,549 |

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2025

| | Private-Purpose Trust Fund | Custodial Funds |
|--|-------------------------------|--------------------|
| ASSETS | | |
| Restricted Cash and Investments | \$ 6,071,474 | \$ 507,068 |
| Receivables: | | |
| Loans | 369,464 | - |
| Capital Assets - Land | 1,667,105 | - |
| Total Assets | 8,108,043 | 507,068 |
| LIABILITIES | | |
| Accounts Payable | 523 | - |
| Due to Other Governmental Units - Taxes | - | 530,249 |
| Long-Term Liabilities: | | |
| Due Within One Year | 5,095,000 | - |
| Due in More Than One Year | 33,748,389 | - |
| Total Liabilities | 38,843,912 | 530,249 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Amount on Bond Refunding | 225,376 | - |
| NET POSITION | | |
| Total Net Position (Deficit) Held in Trust | \$ (30,961,245) | \$ (23,181) |

See accompanying Notes to Financial Statements.

CITY OF CHICO, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2025

| | Private-Purpose Trust Fund | Custodial Funds |
|---------------------------------------|-----------------------------------|-------------------------------|
| | <u> </u> | <u> </u> |
| ADDITIONS | | |
| Property Taxes | \$ 8,089,218 | \$ - |
| Use of Money and Property | 173,754 | 1,862 |
| Reimbursements | - | 6,621 |
| Total Additions | <u>8,262,972</u> | <u>8,483</u> |
| DEDUCTIONS | | |
| Redevelopment Obligations | 1,900,000 | - |
| Interest on Bonds Payable | 1,197,258 | - |
| City Administrative Expenses | 207,725 | 39,429 |
| Total Deductions | <u>3,304,983</u> | <u>39,429</u> |
| CHANGE IN NET POSITION | 4,957,989 | (30,946) |
| Net Position - Beginning of Year | <u>(35,919,234)</u> | <u>7,765</u> |
| NET POSITION - END OF YEAR | <u><u>\$ (30,961,245)</u></u> | <u><u>\$ (23,181)</u></u> |

See accompanying Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025**

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, 2025**

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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).

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, 2025**

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.

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, 2025

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.

CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Receivables and Payables (Continued)

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

The City records its receivables as follows:

1. Interest receivable represents interest earned by the City's cash and investment pool at year-end and available within the 60-day availability period. In addition, interest receivable also includes interest from loans receivable with the portion available within 60 days recorded as revenue and the portion not available within 60 days recorded as unavailable revenue or deferred inflows of resources.
2. Property taxes receivable represents property taxes received from Butte County within the 60-day availability period.
3. Accounts receivable represents amounts due from 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Capital assets, which include land, easements, buildings, improvements, equipment, and infrastructure are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as equipment with an initial individual cost of more than \$20,000 and all other capital assets with an initial individual cost of more than \$100,000 and an estimated useful life in excess of one year.

In addition, the City capitalizes all capital assets with an individual cost of \$5,000 for all assets acquired with federal funds. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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 |
| Lease Asset - Structures | Lease Term |
| Lease Asset - Equipment | Lease Term |
| Subscription Asset | Subscription Term |

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 City has determined reasonably certain of being exercised.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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)

Subscription Based Information Technology Arrangements (SBITAs)

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

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

Compensated Absences

The City of Chico recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *vacation* and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The City of Chico's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The City of Chico's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the City of Chico and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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)

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. 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.

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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)

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

Net Position

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

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

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

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

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

Reserve Policies

The City Council has established policies for operating reserves, emergency reserves, and compensated absence reserves. The operating reserve is targeted at 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, 2025.

CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

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)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports 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 reports 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.

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Adoption of New Accounting Standards

GASB Statement No. 101, Compensated Absences

In June of 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. This standard requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet been paid. The City adopted the requirements of the guidance effective July 1, 2024, and has applied the provision of this standard to the beginning of the period of adoption.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS

At June 30, 2025, 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 | \$ 188,100,462 | \$ 1,195,794 | \$ - | \$ 189,296,256 |
| Restricted Cash and Investments | 31,867,109 | 4,071,135 | 6,578,542 | 42,516,786 |
| Imprest Cash | 1,305 | - | - | 1,305 |
| Total Cash and Investments | <u>\$ 219,968,876</u> | <u>\$ 5,266,929</u> | <u>\$ 6,578,542</u> | <u>\$ 231,814,347</u> |

At June 30, 2025, the City's cash and investments consist of the following:

| | |
|--------------------------------------|-----------------------|
| Cash on Hand | \$ 1,305 |
| Deposits with Financial Institutions | 63,804,115 |
| Investments | 168,008,927 |
| Total | <u>\$ 231,814,347</u> |

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.

| <u>Authorized Investment Type</u> | <u>Maximum Maturity</u> | <u>Maximum Percentage of Portfolio</u> | <u>Maximum Investment in One Issuer</u> | <u>Minimum Rating</u> |
|-----------------------------------|-----------------------------|--|---|---------------------------|
| U.S. Treasury Securities | 5 Years | None | None | None |
| U.S. Agency Securities | 5 Years | 20% | None | None |
| Money Market Mutual Funds | N/A | 20% | 10% | None |
| Collateralized Bank Deposits | 5 Years | 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% | 10% | A-1 |
| Corporate Notes | 5 Years | 30% | 5% | A |
| Supranational | 5 Years | 30% | None | AA |
| Local Agency Investment Fund | N/A | None | None | None |
| Certificates of Deposit | 5 Years | None | None | A |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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, 2025, the City's balance in financial institutions was \$54,853,069, which was covered by collateral held in the pledging bank's trust department in the name of the City of Chico.

Interest Rate

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

As of 2025, the City's investments distributed by maturity are as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Maturity in Years</u> | | | | |
|-------------------------------------|-----------------------|--------------------------|----------------------|---------------------|---------------------|------------------|
| | | <u>Less Than 1</u> | <u>1 - 2</u> | <u>2 - 3</u> | <u>3 - 4</u> | <u>4 - 5</u> |
| With Fiscal Agent: | | | | | | |
| Money Market Mutual Funds | \$ 29,210,759 | \$ 29,210,759 | \$ - | \$ - | \$ - | \$ - |
| With City Treasury: | | | | | | |
| Negotiable Certificate of Deposit | 5,393,104 | 2,709,842 | 2,179,894 | 247,634 | 255,734 | - |
| Corporate Bonds | 14,947,003 | 9,876,015 | 2,969,038 | - | 2,009,202 | 92,748 |
| Supranational Corporate Bonds | 6,832,667 | 2,931,157 | 3,901,510 | - | - | - |
| State and Local Bond | 15,429,342 | 4,982,627 | 3,842,389 | 2,839,907 | 3,764,419 | - |
| Federal Agency | 34,236,158 | 22,798,383 | 10,418,430 | 1,019,345 | - | - |
| Money Market Mutual Funds | - | - | - | - | - | - |
| CalTRUST | 53,879 | 53,879 | - | - | - | - |
| Local Agency Investment Pool (LAIF) | 61,906,015 | 61,906,015 | - | - | - | - |
| Total Investments | \$ 168,008,927 | \$ 134,468,677 | \$ 23,311,261 | \$ 4,106,886 | \$ 6,029,355 | \$ 92,748 |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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> |
|-------------------------|---|
| A | 6.69 % |
| A+ | 1.91 |
| AA | 3.82 |
| AA- | 2.23 |
| AA+ | 20.27 |
| BBB | 0.32 |
| BBB- | 0.32 |
| BBB+ | 8.60 |
| Not Rated | 55.83 |

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.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the amount of investment in a single issuer. U.S. treasury and agency securities are considered to be of the best quality grade, as such there is no limitation on amounts invested in U.S. treasury or agency securities per California Government Code. Investments in any one issuer (other than Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) that represent 5% or more of the total City investments are as follows:

| <u>Issuer Name</u> | <u>Investment Type</u> | <u>Amount</u> |
|------------------------|----------------------------|---------------|
| Federal Home Loan Bank | U.S. governmental agencies | \$ 12,691,769 |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Restricted Cash and Investments

As of June 30, 2025, cash and investments that are restricted by legal or contractual requirements are comprised of the following:

| <u>Fair Value Measurements</u> | <u>Amount</u> |
|--|-----------------------------|
| Governmental Activities: | |
| General Fund: | |
| Restricted Section 115 Pension Plan | \$ 7,647,461 |
| Contractor Retentions | 1,610,173 |
| Nonmajor Governmental Funds: | |
| Restricted Bond Proceeds | 361,102 |
| Internal Service Funds: | |
| Insurance Deposits | <u>270,000</u> |
| Total Primary Governmental Activities Restricted Cash and Investments | 9,888,736 |
| Discretely Presented Component Unit: | |
| Restricted for Capital Projects and Debt Service | 4,071,135 |
| Fiduciary Funds: | |
| Private-Purpose Trust Fund: | |
| Restricted for Successor Agency Recognized Obligations | 6,071,474 |
| Custodial Fund: | |
| Restricted for Debt Service | <u>507,068</u> |
| Total Fiduciary Fund Restricted Cash and Investments | <u>6,578,542</u> |
| Total Restricted Cash and Investments | <u><u>\$ 20,538,413</u></u> |

Fair Value Measurements and Application

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements and Application (Continued)

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

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

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

The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment. The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of its investments. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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

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

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements and Application (Continued)

The City did not have any Level 3 investments at June 30, 2025. 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, 2025, 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 | \$ 14,947,003 | \$ - | \$ 14,947,003 | \$ - |
| Supranational | 6,832,667 | - | 6,832,667 | - |
| State and Local Securities | 15,429,342 | - | 15,429,342 | - |
| Federal Agency Securities | 34,236,158 | - | 34,236,158 | - |
| Mutual Funds | 29,210,759 | 29,210,759 | - | - |
| Certificates of Deposit | 5,393,104 | - | 5,393,104 | - |
| Total Investments by Fair Value | 106,049,033 | \$ 29,210,759 | \$ 76,838,274 | \$ - |
| Investments Measured at Amortized Costs or Not Subject to Fair Value Hierarchy: | | | | |
| CalTRUST | 53,879 | | | |
| Local Agency Investment Fund | 61,906,015 | | | |
| Total Investments Measured at Fair Value | \$ 168,008,927 | | | |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 RECEIVABLES

The following summarizes the City's governmental activities receivables as of June 30, 2025:

| | Interest | Property Taxes | Accounts | Inter-governmental | Loans | Long-Term | Total |
|----------------------------------|----------------------|-------------------|---------------------|----------------------|----------------------|-------------------|-----------------------|
| Governmental Activities: | | | | | | | |
| General Fund | \$ 1,033,685 | \$ 789,400 | \$ 2,442,445 | \$ 10,237,640 | \$ - | \$ - | 14,503,170 |
| CDBG and HOME | | | | | | | |
| Housing Fund | 1,427,426 | - | - | 3,304,400 | 40,160,529 | - | 44,892,355 |
| Capital Grants Fund | - | - | - | 5,278,196 | - | - | 5,278,196 |
| Public Facilities | | | | | | | |
| Impact Fees | - | - | 86,005 | - | - | 874,474 | 960,479 |
| Low- and Moderate-Income Housing | | | | | | | |
| Asset Fund | 13,399,630 | - | 12,008 | - | 55,040,300 | - | 68,451,938 |
| Other Nonmajor | | | | | | | |
| Governmental Funds | - | 56,547 | 1,261,574 | 1,148,260 | - | - | 2,466,381 |
| Internal Service Funds | - | - | 193,698 | 28,675 | - | - | 222,373 |
| Total | | | | | | | |
| Governmental Activities | <u>\$ 15,860,741</u> | <u>\$ 845,947</u> | <u>\$ 3,995,730</u> | <u>\$ 19,997,171</u> | <u>\$ 95,200,829</u> | <u>\$ 874,474</u> | <u>\$ 136,774,892</u> |

Loans Receivable

The loans receivable in the CDBG and HOME Housing Fund and Low- and Moderate-Income Housing Asset Fund of \$40,160,529 and \$55,040,300, 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, 2025:

| | Accounts | Inter-governmental | Property Taxes | Total |
|---------------------------|---------------------|--------------------|------------------|---------------------|
| Business-Type Activities: | | | | |
| Sewer Fund | \$ 3,830,562 | \$ 201 | \$ 13,675 | \$ 3,844,438 |
| Parking Fund | 98,942 | 23,637 | - | 122,579 |
| Private Development Fund | 1,039,201 | - | - | 1,039,201 |
| Airport Fund | 273,863 | 47,294 | - | 321,157 |
| City Recreation Fund | - | 234,672 | - | 234,672 |
| Total Business-Type | | | | |
| Activities | <u>\$ 5,242,568</u> | <u>\$ 305,804</u> | <u>\$ 13,675</u> | <u>\$ 5,562,047</u> |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 3 RECEIVABLES (CONTINUED)

Accounts receivable in the Sewer Fund is composed of \$3,830,562 in sewer service fees billed for services rendered on or before June 30, 2025, and received in the months of July and August of 2025.

The intergovernmental receivable of \$47,294 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, 2025 were as follows:

| | Unavailable Housing Loan Revenue | Unavailable Revenue | Total |
|--|--|------------------------|----------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| General Fund | \$ - | \$ 1,265,417 | \$ 1,265,417 |
| CDBG and HOME Housing Fund | 1,427,426 | 2,002,634 | 3,430,060 |
| Capital Grants Fund | - | 5,569,865 | 5,569,865 |
| Public Facilities Impact Fees | - | 874,474 | 874,474 |
| Low- and Moderate-Income Housing Asset Fund | 13,399,630 | 623,754 | 14,023,384 |
| Other Nonmajor Governmental Funds | - | 981,710 | 981,710 |
| Total Governmental Funds | <u>\$ 14,827,056</u> | <u>\$ 11,317,854</u> | <u>\$ 26,144,910</u> |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 5 CAPITAL ASSETS

Capital assets for governmental activities for the year ended June 30, 2025 was as follows:

| | Beginning Balance | Increases | Decreases | Transfers/ Adjustments | Ending Balance |
|--|-----------------------|----------------------|--------------------|---------------------------|-----------------------|
| Governmental Activities: | | | | | |
| Capital Assets, Non-depreciable: | | | | | |
| Land | \$ 33,114,506 | \$ - | \$ - | \$ - | \$ 33,114,506 |
| Construction in Progress | 54,894,753 | 67,141,148 | - | (35,170,603) | 86,865,298 |
| Total Capital Assets, Non-depreciable | 88,009,259 | 67,141,148 | - | (35,170,603) | 119,979,804 |
| Capital Assets, Depreciable: | | | | | |
| Buildings | 22,360,645 | - | - | 1,157,612 | 23,518,257 |
| Improvements Other Than Buildings | 24,251,763 | - | - | 350,000 | 24,601,763 |
| Equipment, Furniture, and Vehicles | 36,565,455 | 25,514 | (494,956) | 9,295,224 | 45,391,237 |
| Infrastructure | 462,784,009 | 3,538,722 | - | 22,090,776 | 488,413,507 |
| Lease Assets, Equipment | 159,718 | 222,549 | - | - | 382,267 |
| Subscription Assets | 1,886,399 | 34,867 | - | - | 1,921,266 |
| Total Capital Assets, Depreciable | 548,007,989 | 3,821,652 | (494,956) | 32,893,612 | 584,228,297 |
| Less: Accumulated Depreciation for: | | | | | |
| Buildings | (15,259,174) | (463,470) | - | - | (15,722,644) |
| Improvements Other Than Buildings | (16,455,997) | (534,252) | - | - | (16,990,249) |
| Equipment, Furniture, and Vehicles | (18,887,194) | (3,178,801) | 467,089 | - | (21,598,906) |
| Infrastructure | (193,837,074) | (8,981,934) | - | - | (202,819,008) |
| Lease Assets, Equipment | (155,403) | (45,118) | - | - | (200,521) |
| Subscription Assets | (1,158,638) | (515,844) | - | - | (1,674,482) |
| Total Accumulated Depreciation | (245,753,480) | (13,719,419) | 467,089 | - | (259,005,810) |
| Total Capital Assets, Depreciable, Net | 302,254,509 | (9,897,767) | (27,867) | 32,893,612 | 325,222,487 |
| Governmental Activities Capital Assets, Net | \$ 390,263,768 | \$ 57,243,381 | \$ (27,867) | \$ (2,276,991) | \$ 445,202,291 |

Reconciliation of governmental activities capital asset increases:

| | |
|---|----------------------|
| Total Capital Assets, Not Being Depreciated - Increases | \$ 67,141,148 |
| Total Capital Assets, Being Depreciated - Increases | 3,821,652 |
| Governmental Activities Capital Asset Increases | \$ 70,962,800 |
| | |
| Governmental Funds - Capital Outlay | \$ 67,424,078 |
| Donations and Contributed Capital * | 3,538,722 |
| Governmental Activities Capital Asset Increases | \$ 70,962,800 |

*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, 2025**

NOTE 5 CAPITAL ASSETS (CONTINUED)

Capital assets for business-type activities for the year ended June 30, 2025, was as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|--|-----------------------|---------------------|-------------|-------------|-----------------------|
| Business-Type Activities: | | | | | |
| Capital Assets, Non-depreciable: | | | | | |
| Land | \$ 2,154,341 | \$ - | \$ - | \$ - | \$ 2,154,341 |
| Construction in Progress | 19,265,488 | 6,669,986 | - | (4,735,887) | 21,199,587 |
| Total Capital Assets, Non-depreciable | 21,419,829 | 6,669,986 | - | (4,735,887) | 23,353,928 |
| Capital Assets, Depreciable: | | | | | |
| Buildings | 19,412,390 | 1,639,559 | - | - | 21,051,949 |
| Improvements Other Than Buildings | 218,608,020 | 570,308 | - | 4,735,887 | 223,914,215 |
| Equipment, Furniture, and Vehicles | 3,912,130 | 190,916 | (462,672) | - | 3,640,374 |
| Total Capital Assets, Depreciable | 241,932,540 | 2,400,783 | (462,672) | 4,735,887 | 248,606,538 |
| Less: Accumulated Depreciation for: | | | | | |
| Buildings | (16,739,496) | (287,815) | - | - | (17,027,311) |
| Improvements Other Than Buildings | (106,643,729) | (5,332,483) | - | - | (111,976,212) |
| Equipment, Furniture, and Vehicles | (2,902,325) | (162,114) | 462,672 | - | (2,601,767) |
| Total Accumulated Depreciation | (126,285,550) | (5,782,412) | 462,672 | - | (131,605,290) |
| Total Capital Assets, Depreciable, Net | 115,646,990 | (3,381,629) | - | 4,735,887 | 117,001,248 |
| Business-Type Activities | | | | | |
| Capital Assets, Net | <u>\$ 137,066,819</u> | <u>\$ 3,288,357</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 140,355,176</u> |

Depreciation and amortization expense was charged to functions/programs as follows:

| | |
|--|----------------------|
| Governmental Activities: | |
| General Government | \$ 1,134,177 |
| Public Safety | 2,070,515 |
| Public Works | 9,701,699 |
| Parks and Recreation | 474,981 |
| Education | 29,235 |
| Capital Assets Held by the Government's Internal | |
| Service Funds are Charged to the Various Functions | |
| Based on Their Usage of the Assets | 308,812 |
| Total Depreciation Expense - Governmental | <u>13,719,419</u> |
| Activities | <u>\$ 13,719,419</u> |
| Business-Type Activities (Depreciation): | |
| Sewer | \$ 4,103,828 |
| Parking | 91,566 |
| Private Development | 3,403 |
| Airport | 1,583,615 |
| Total Depreciation Expense - Business-Type | <u>5,782,412</u> |
| Activities | <u>\$ 5,782,412</u> |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended June 30, 2025, was as follows:

| | Restated Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|--|----------------------------------|---------------------|-----------------------|----------------------|------------------------|
| Governmental Activities: | | | | | |
| Direct borrowings Notes | | | | | |
| Payable-Direct Financing | \$ 4,258,359 | \$ - | \$ (906,185) | \$ 3,352,174 | \$ 569,300 |
| Compensated Absences | 6,214,224 | 236,975 | - | 6,451,199 | 335,567 |
| Self-Insurance Claims | 12,478,416 | 5,095,025 | (3,995,349) | 13,578,092 | 2,131,930 |
| Lease Liability | 4,527 | 222,549 | (47,111) | 179,965 | 43,526 |
| SBITA Liability | 688,143 | 34,867 | (477,204) | 245,806 | 245,806 |
| Total Governmental Activities Long-Term Liabilities | <u>\$ 23,643,669</u> | <u>\$ 5,589,416</u> | <u>\$ (5,425,849)</u> | <u>\$ 23,807,236</u> | <u>\$ 3,326,129</u> |
| Business-Type Activities: | | | | | |
| Direct Borrowings Loans | | | | | |
| Payable | \$ 12,765,000 | \$ - | \$ (1,870,000) | \$ 10,895,000 | \$ 1,965,000 |
| Compensated Absences | 721,701 | 60,067 | - | 781,768 | 40,664 |
| Total Before Premium | 13,486,701 | 60,067 | (1,870,000) | 11,676,768 | 2,005,664 |
| Premium - Net | 1,747,526 | - | (512,334) | 1,235,192 | - |
| Total Business-Type Activities Long-Term Liabilities | <u>\$ 15,234,227</u> | <u>\$ 60,067</u> | <u>\$ (2,382,334)</u> | <u>\$ 12,911,960</u> | <u>\$ 2,005,664</u> |

The beginning balance was restated due to the implementation of GASB Statement No. 101, *Compensated Absences*. See Note 14. The change in compensated absences is presented as a net change.

The City's outstanding note payable-direct financing, secured by equipment, related to governmental activities of \$3,352,174 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 \$10,895,000 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, 2025 |
|--|-----------|-------------------|------------------------|-----------------------------|------------------------------------|
| Governmental Activities: | | | | | |
| Notes Payable: | | | | | |
| Motorola Solutions, Inc. | 11/1/2025 | 4.06% | \$ 145,322 | \$ 870,306 | \$ 139,654 |
| Motorola Solutions, Inc. | 10/1/2031 | 2.19% | 499,999 | 4,446,970 | 3,212,520 |
| Total Governmental Activities | | | | <u>\$ 5,317,276</u> | <u>\$ 3,352,174</u> |
| Business-Type Activities: | | | | | |
| Loans Payable: | | | | | |
| Bank of America | 12/1/2029 | 2.60% | \$ 2,276,673 | \$ 19,735,000 | \$ 10,895,000 |
| Total Business-Type Activities Loans Payable | | | | <u>\$ 19,735,000</u> | <u>\$ 10,895,000</u> |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

| Description | Amount |
|--|---------------|
| Governmental Activities: | |
| Direct Financing Notes Payable: | |
| 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. | \$ 139,654 |
| 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. | 3,212,520 |
| Total Governmental Activities Long-Term Liabilities | \$ 3,352,174 |
| 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. | \$ 10,895,000 |
| Total Business-Type Activities Long-Term Liabilities | \$ 10,895,000 |

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.

Debt service requirements at June 30, 2025 are as follows:

| <u>Year Ending June 30,</u> | Governmental Activities | | Business-Type Activities | |
|-----------------------------|-------------------------|------------|--------------------------|------------|
| | Notes Payable from | | Loans from | |
| | Direct Financing | | Direct Borrowings | |
| | Principal | Interest | Principal | Interest |
| 2026 | \$ 569,300 | \$ 76,022 | \$ 1,965,000 | \$ 98,250 |
| 2027 | 439,056 | 60,943 | 2,070,000 | 103,500 |
| 2028 | 448,671 | 51,328 | 2,175,000 | 108,750 |
| 2029 | 458,497 | 41,502 | 2,285,000 | 114,250 |
| 2030 | 468,538 | 31,461 | 2,400,000 | 120,000 |
| 2031-2032 | 968,112 | 31,916 | - | - |
| Total | \$ 3,352,174 | \$ 293,172 | \$ 10,895,000 | \$ 544,750 |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LEASES AND SBITAS

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.

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.

Payments receivable on leases of properties as of June 30, 2025 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> |
| 2026 | \$ 101,014 | \$ 29,644 | \$ 266,680 | \$ 157,775 |
| 2027 | 104,024 | 27,378 | 191,876 | 152,072 |
| 2028 | 106,431 | 25,082 | 197,069 | 147,216 |
| 2029 | 111,449 | 22,695 | 207,141 | 143,044 |
| 2030 | 115,129 | 20,214 | 219,650 | 138,652 |
| 2031-2035 | 453,635 | 68,457 | 1,176,650 | 594,166 |
| 2036-2040 | 419,120 | 36,794 | 4,835,449 | 5,656,955 |
| Total Lease Payments | <u>\$ 1,410,802</u> | <u>\$ 230,264</u> | <u>\$ 7,094,515</u> | <u>\$ 6,989,880</u> |

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

| | <u>Governmental Activities</u> | <u>Business-Type Activities</u> |
|----------------|------------------------------------|-------------------------------------|
| Lease Revenue | \$ 116,721 | \$ 433,335 |
| Lease Interest | 98,076 | 262,200 |

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 OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 7 LEASES AND SBITAs (CONTINUED)

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> |
| 2026 | \$ 43,526 | \$ 3,506 |
| 2027 | 44,488 | 2,543 |
| 2028 | 45,473 | 1,559 |
| 2029 | 46,478 | 553 |
| Total Minimum Lease Payments | <u>\$ 179,965</u> | <u>\$ 8,161</u> |

SBITAs

The City has entered into various SBITA agreements with various third parties. The SBITA agreements include software for various City operations. Most SBITA have initial terms of up to 5 years and contain one or more renewal options, generally for one- or three- year periods. The SBITA agreements sometimes include variable payments and termination penalties that are not known or certain to be exercised at the time of the SBITA liability valuation. Certain SBITAs require additional payments for using different components of the software functionality, which are expensed as incurred as variable payments. The City's SBITA arrangements do not contain any material residual value guarantees. As the interest rate implicit in the City's SBITAs is not readily determinable, the City utilizes its incremental borrowing rate to discount the SBITA payments.

The future principal and interest lease payments as of June 30, 2025 were as follows:

| <u>Year Ending June 30,</u> | <u>Governmental Activities</u> | |
|-----------------------------|--------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2026 | <u>\$ 245,806</u> | <u>\$ 8,793</u> |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 8 INTERFUND ACTIVITY

Due From/To Other Funds

Amounts due from/to other funds at June 30, 2025:

| <u>Payable Fund</u> | <u>Receivable Fund</u> | <u>Amount</u> |
|---------------------------|-----------------------------|----------------------|
| General Fund | Nonmajor Governmental Funds | \$ 27,284 |
| Capital Improvements Fund | General Fund | 2,209,906 |
| | CDBG & Home Housing Fund | 135,769 |
| | Capital Grants Fund | 340,451 |
| | Impact Fees Fund | 597,035 |
| | Sewer Fund | 28,305 |
| | Parking Fund | 178 |
| | Private Development Fund | 2,590 |
| | Nonmajor Governmental Funds | 1,075,611 |
| Capital Grants Fund | General Fund | 3,375,295 |
| CDBG & Home Housing Fund | General Fund | 2,543,457 |
| Self Insurance Fund | Airport Fund | 1,255,832 |
| Operating Grants Fund | General Fund | 1,161,825 |
| | Total Due To/From | <u>\$ 12,753,538</u> |

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.

Advances To/From Other Funds

Advances to/from other funds at June 30, 2025:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-----------------------------------|-----------------------------|------------------|
| Public Infrastructure Impact Fees | Nonmajor Governmental Funds | <u>\$ 25,707</u> |

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

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> |
|--|-----------------------------|-----------------------------|
| General Fund | Nonmajor Governmental Funds | \$ 12,541,484 |
| | Private Development Fund | 360,010 |
| | Nonmajor Enterprise Fund | 18,819 |
| | Subtotal | <u>12,920,313</u> |
| Public Facilities Impact | Private Development Fund | 79,460 |
| Low- and Moderate-Income Housing Asset Fund | General Fund | 76,400 |
| | CDBG and HOME Housing Fund | 31,659 |
| | Subtotal | <u>108,059</u> |
| Nonmajor Governmental Funds | General Fund | 978,506 |
| | Nonmajor Governmental Funds | 1,862,894 |
| | Subtotal | <u>2,841,400</u> |
| Sewer Fund | Sewer Fund | 15,376,064 |
| | Private Development Fund | 9,775 |
| | Nonmajor Governmental Funds | 74,079 |
| | Subtotal | <u>15,459,918</u> |
| Parking Fund | Nonmajor Governmental Funds | 2,250 |
| Private Development Fund | General Fund | 112,137 |
| | Nonmajor Governmental Funds | 27,228 |
| | Subtotal | <u>139,365</u> |
| Airport Fund | Nonmajor Governmental Funds | 68,388 |
| Internal Service Funds | General Fund | 616,250 |
| | Nonmajor Governmental Funds | 65,424 |
| | Subtotal | <u>681,674</u> |
| Total Transfers | | <u><u>\$ 32,300,827</u></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, 2025**

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, 2025:

| | 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 | \$ 40,441 | \$ - | \$ - | \$ - | \$ - | \$ 9,650 | \$ 50,091 |
| Total | | | | | | | |
| Nonspendable | 40,441 | - | - | - | - | 9,650 | 50,091 |
| Restricted: | | | | | | | |
| Capital Projects | - | - | - | - | - | - | - |
| Housing | - | 35,693,529 | - | - | 56,293,459 | - | 91,986,988 |
| Transportation | - | - | - | - | - | - | - |
| Related Projects | - | - | 25,610,533 | - | - | 25,008,034 | 50,618,567 |
| Maintenance | - | - | - | - | - | - | - |
| Districts | - | - | - | - | - | 5,755,027 | 5,755,027 |
| Other Purposes | - | - | - | - | - | 3,068,218 | 3,068,218 |
| Section 115 Trust | 8,662,306 | - | - | - | - | - | 8,662,306 |
| Total Restricted | 8,662,306 | 35,693,529 | 25,610,533 | - | 56,293,459 | 33,831,279 | 160,091,106 |
| Committed: | | | | | | | |
| Compensated | | | | | | | |
| Absences | 1,573,554 | - | - | - | - | - | 1,573,554 |
| Donations | 433,229 | - | - | - | - | - | 433,229 |
| Capital Projects | 1,757,519 | - | - | - | - | - | 1,757,519 |
| Other Purposes | 576 | - | - | - | - | - | 576 |
| Emergency | | | | | | | |
| Contingencies | 11,664,967 | - | - | - | - | - | 11,664,967 |
| Total Committed | 15,429,845 | - | - | - | - | - | 15,429,845 |
| Assigned: | | | | | | | |
| Capital Projects | 16,725,472 | - | - | - | - | 9,112,982 | 25,838,454 |
| Measure H | 23,066,561 | - | - | - | - | - | 23,066,561 |
| Fire Victims Trust | 22,015,637 | - | - | - | - | - | 22,015,637 |
| Total Assigned | 61,807,670 | - | - | - | - | 9,112,982 | 70,920,652 |
| Unassigned: | | | | | | | |
| General Government | 4,876,500 | - | - | - | - | - | 4,876,500 |
| Capital Projects | | | | | | | |
| Funds | - | - | - | (5,123,540) | - | - | (5,123,540) |
| Total Unassigned | 4,876,500 | - | - | (5,123,540) | - | - | (247,040) |
| Total Fund Balances (Deficit) | \$ 90,816,762 | \$ 35,693,529 | \$ 25,610,533 | \$ (5,123,540) | \$ 56,293,459 | \$ 42,953,911 | \$ 246,244,654 |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RESTRICTED NET POSITION/FUND BALANCES (CONTINUED)

B. Deficit Fund Equity

The Funds listed below reported deficit fund balances or net position on June 30, 2025:

| <u>Fund</u> | <u>Deficit Fund Balance</u> |
|-------------------------------------|---------------------------------|
| Capital Grants Fund | \$ 5,123,540 |
| Self-insurance Fund | 4,052,573 |
| Central Garage Fund | 2,532,619 |
| Municipal Building Maintenance Fund | 2,476,663 |
| Information Services Fund | 3,630,404 |
| Private Development Fund | 1,916,915 |
| Total Deficit Funds | \$ 19,732,714 |

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.

Self-Insurance Fund Deficit

The deficit is largely due to insurance claims exceeding premiums charged to departments which will reduced in future years with adjusted premiums.

Private Development Fund Deficits

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

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 9 RESTRICTED NET POSITION/FUND BALANCES (CONTINUED)

C. Other Fund Disclosures

The following funds had an excess of expenditures over appropriations on June 30, 2025:

| <u>Fund/Department</u> | <u>Expenditures Over Appropriations</u> |
|------------------------------------|---|
| General Fund: | |
| Administrative Services Department | \$ 1,479,500 |
| City Council Department | 26,429 |
| Police Department | 420,275 |
| Fire Department | 1,236,058 |
| Public Works Department | 2,095,289 |
| Parks Department | 1,078,767 |
| Debt Service | 334,989 |

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 Transportation Related Projects: | |
| Public Facility Impact Fees | \$ 26,485,007 |
| Transportation | 10,425,209 |
| Gas Tax | 8,468,780 |
| Bond Proceeds | 71,601 |
| Public Infrastructure Replacement | <u>6,042,444</u> |
| Total Restricted for Transportation Related Projects | 51,493,041 |
| Restricted for Housing: | |
| Affordable Housing Loans | 59,723,519 |
| CDBG Housing Loans | <u>49,716,913</u> |
| Total Restricted for Housing | 109,440,432 |
| Restricted for Capital Projects | 446,324 |
| Restricted for Maintenance Districts: | |
| Maintenance Districts | 5,755,027 |
| Restricted for Other Government Programs: | |
| Operating Grants | 1,640,039 |
| Other | <u>1,428,179</u> |
| Total Restricted for Other Government Programs | 3,068,218 |
| Restricted for Pension Benefits: | |
| Section 115 Trust | <u>8,662,306</u> |
| Total Restricted Component of Net Position - Governmental Activities | <u>\$ 178,865,348</u> |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 \$750,000 for each general liability claim, and the workers' compensation program provides coverage for up to a maximum of \$750,000 for each workers' compensation claim.

Workers' Compensation Insurance

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

The claims liability reported in the self-insurance fund at June 30, 2025, 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 \$8,739,781 for insurance losses through June 30, 2025, 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 |
|---------|--------------------------------|---|--------------------------|---------------------------------|--------------------|
| 2023-24 | \$ 5,713,727 | \$ 5,979,266 | \$ (3,486,316) | \$ 8,206,677 | \$ 1,641,097 |
| 2024-25 | 8,206,677 | 2,207,287 | (1,674,183) | 8,739,781 | 1,381,930 |

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 \$750,000 of each loss.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 10 RISK MANAGEMENT (CONTINUED)

General Liability Insurance (Continued)

Participating entities share in loss occurrences in excess of \$750,000 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, 2025, were \$1,976,715.

The claims liability reported in the Self-Insurance Internal Service Fund at June 30, 2025, was also based on the requirements of GASB Statement No. 10, as described. The City’s provision of \$4,838,311 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 |
|---------|--------------------------------|---|--------------------------|---------------------------------|--------------------|
| 2023-24 | \$ 1,798,364 | \$ 3,945,000 | \$ (1,471,625) | \$ 4,271,739 | \$ 869,225 |
| 2024-25 | 4,271,739 | 2,887,738 | (2,321,166) | 4,838,311 | 750,000 |

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.

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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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, 2025 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 | \$ 11,668,091 | \$ 70,879,024 | \$ - | \$ 9,174,251 |
| CALPERS Safety Agent Multiple Employer Plan | 20,395,320 | 88,061,020 | 34,082 | 12,813,917 |
| Total | <u>\$ 32,063,411</u> | <u>\$ 158,940,044</u> | <u>\$ 34,082</u> | <u>\$ 21,988,168</u> |

B. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple employer defined benefit pension plans administered by the California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by state statute and may be amended by City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic and PEPRAs safety CalPERS members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRAs 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. General Information about the Pension Plans (Continued)

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

| | Miscellaneous | | PEPRA - |
|---|-----------------------|-----------------------|---|
| | Classic | Classic | On or After January 1, 2013 |
| Hire Date | 2% @ 55 | 3% @ 60 | 2% @ 62 |
| Formula | 5 Years of Service | 5 Years of Service | 5 Years of Service |
| Benefit Vesting Schedule | Monthly for Life | Monthly for Life | Monthly for Life |
| Benefit Payments | 55 | 60 | 62 |
| Retirement Age | 2.000% | 3.000% | 2.000% |
| Monthly Benefits, as a Percentage of Annual Salary | 8.000% | 8.000% | 6.750% |
| Required Employee Contribution Rates | 13.500% | 13.500% | 13.500% |
| Required Employer Contribution Rates | | | |
| | | Safety | |
| | | Classic | PEPRA - On or After January 1, 2013 |
| Hire Date | | 3% @ 60 | 2% @ 57 |
| Formula | | 5 Years of Service | 5 Years of Service |
| Benefit Vesting Schedule | | Monthly for Life | Monthly for Life |
| Benefit Payments | | 50 | 57 |
| Retirement Age | | 3.000% | 2.700% |
| Monthly Benefits, as a Percentage of Annual Salary | | 9.000% | 12.750% |
| Required Employee Contribution Rates | | 22.420% | 22.420% |
| Required Employer Contribution Rates | | | |

Employees Covered

At June 30, 2025, the following employees were covered by the benefit terms for each Plan:

| | Miscellaneous | Safety |
|---|---------------|--------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 399 | 169 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 296 | 176 |
| Active Employees | 241 | 152 |
| Total | 936 | 497 |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. The total plan contributions are determined through CalPERS' annual actuarial valuations process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions by the City for the Miscellaneous Plan were \$7,986,350 and for the Safety Plan \$11,097,239.

C. Net Pension Liability

The City's net pension liability for each plan was measured as of June 30, 2024, and the total pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. Pension liabilities are paid out of the operating funds based on a percentage of covered payroll.

Actuarial Assumptions

The total pension liability in the June 30, 2023, actuarial valuations was determined using the following actuarial assumptions:

| | <u>Miscellaneous</u> | <u>Safety</u> |
|---------------------------|------------------------------------|------------------------------------|
| Valuation Date | June 30, 2023 | June 30, 2023 |
| Measurement Date | June 30, 2024 | June 30, 2024 |
| Actuarial Cost Method | Entry-Age Normal Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | | |
| Discount Rate | 6.90% | 6.90% |
| Inflation | 2.30% | 2.30% |
| Payroll Growth | 2.80% | 2.80% |
| Projected Salary Increase | 3.30% to 14.20% | 3.30% to 14.20% |
| Investment Rate of Return | 6.80% | 6.80% |

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023, 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.

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

NOTE 12 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Net Pension Liability (Continued)

Long-Term Expected Rate of Return

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

| <u>Asset Class</u> | <u>Assumed Allocation</u> | <u>Real Return</u> |
|-------------------------------|-------------------------------|--------------------|
| Global Equity - Cap-Weighted | 30 % | 4.54 % |
| Global Equity Noncap-Weighted | 12 | 3.84 |
| Private Equity | 13 | 7.28 |
| Treasury | 5 | 0.27 |
| Mortgage-Backed Securities | 5 | 0.50 |
| Investment Grade Corporates | 10 | 1.56 |
| High Yield | 5 | 2.27 |
| Emerging Market Debt | 5 | 2.48 |
| Private Debt | 5 | 3.57 |
| Real Assets | 15 | 3.21 |
| Leverage | (5) | (0.59) |
| Total | <u>100 %</u> | |

Discount Rate

The discount rate used to measure the total pension liability was 6.90% based on the June 30, 2024, 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 6.90% discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 6.90% 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, 2025**

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, 2024, are as follows:

| | Miscellaneous Plan | | |
|--|----------------------------|--------------------------------|----------------------------------|
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance - July 1, 2023 | \$ 223,902,510 | \$ 148,821,858 | \$ 75,080,652 |
| Changes in the Year: | | | |
| Service Cost | 3,542,345 | - | 3,542,345 |
| Interest on the Total Pension Liability | 15,187,567 | - | 15,187,567 |
| Differences Between Actual and Expected Experience | 999,044 | - | 999,044 |
| Changes in Benefit Terms | - | - | - |
| Changes of Assumptions | - | - | - |
| Contribution - Employer | - | 7,190,478 | (7,190,478) |
| Contribution - Employee | - | 2,627,430 | (2,627,430) |
| Net Investment Income | - | 14,233,773 | (14,233,773) |
| Administrative Expenses | - | (121,097) | 121,097 |
| Benefit Payments, Including Refunds of Employee Contributions | (13,126,109) | (13,126,109) | - |
| Net Changes | 6,602,847 | 10,804,475 | (4,201,628) |
| Balance - June 30, 2024 | <u>\$ 230,505,357</u> | <u>\$ 159,626,333</u> | <u>\$ 70,879,024</u> |
| | | | |
| | Safety Plan | | |
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance - July 1, 2023 | \$ 282,877,102 | \$ 192,919,869 | \$ 89,957,233 |
| Changes in the Year: | | | |
| Service Cost | 5,283,833 | - | 5,283,833 |
| Interest on the Total Pension Liability | 19,539,488 | - | 19,539,488 |
| Differences Between Actual and Expected Experience | 4,837,884 | - | 4,837,884 |
| Changes of Benefit Terms | - | - | - |
| Changes of Assumptions | - | - | - |
| Contribution - Employer | - | 10,313,218 | (10,313,218) |
| Contribution - Employee | - | 2,829,790 | (2,829,790) |
| Net Investment Income | - | 18,571,389 | (18,571,389) |
| Administrative Expenses | - | (156,979) | 156,979 |
| Benefit Payments, Including Refunds of Employee Contributions | (14,351,815) | (14,351,815) | - |
| Net Changes | 15,309,390 | 17,205,603 | (1,896,213) |
| Balance - June 30, 2024 | <u>\$ 298,186,492</u> | <u>\$ 210,125,472</u> | <u>\$ 88,061,020</u> |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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> |
|-----------------------|----------------------|----------------|
| 1% Decrease | 5.90% | 5.90% |
| Net Pension Liability | \$ 98,800,952 | \$ 129,908,139 |
| Current Discount Rate | 6.90% | 6.90% |
| Net Pension Liability | \$ 70,879,024 | \$ 88,061,020 |
| 1% Increase | 7.90% | 7.90% |
| Net Pension Liability | \$ 47,615,067 | \$ 54,007,969 |

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, 2025, the City recognized pension expense of \$21,988,168. At June 30, 2025, 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 | \$ 7,986,350 | \$ - |
| Changes of Assumptions | - | - |
| Differences Between Actual and Expected Experience | 1,387,067 | - |
| Net Difference Between Projected and Actual Earnings on Plan Investments | 2,294,674 | - |
| Total | <u>\$ 11,668,091</u> | <u>\$ -</u> |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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 | \$ 11,097,239 | \$ - |
| Changes in Assumptions | 2,595,003 | - |
| Differences Between Actual and Expected Experience | 3,771,430 | 34,082 |
| Net Difference Between Projected and Actual Earnings on Plan Investments | 2,931,648 | - |
| Total | \$ 20,395,320 | \$ 34,082 |

The amounts of \$7,986,350 for the Miscellaneous plan, and \$11,097,239 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, 2026. 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 |
|----------------------|---------------|--------------|---------------|
| 2025 | \$ 867,147 | \$ 3,729,985 | \$ 4,597,132 |
| 2026 | 4,271,399 | 6,212,087 | 10,483,486 |
| 2027 | (639,631) | 384,523 | (255,108) |
| 2028 | (817,174) | (1,062,596) | (1,879,770) |
| Total | \$ 3,681,741 | \$ 9,263,999 | \$ 12,945,740 |

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, 2025**

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, 2025.

Capital Assets – Land

As of June 30, 2025, 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, 2025, the balances of the Successor Agency long-term obligations are presented below:

| | Beginning Balance | Deductions | Ending Balance | Due Within One Year |
|--|----------------------|----------------|-------------------|------------------------|
| 2017 Successor Agency to the Chico RDA Tax Allocation Refunding Bonds Series A | \$ 43,640,000 | \$ (4,830,000) | \$ 38,810,000 | \$ 5,095,000 |
| Total Successor Agency Long-Term Liabilities | \$ 43,640,000 | \$ (4,830,000) | \$ 38,810,000 | \$ 5,095,000 |

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, 2025, was \$225,376 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. | \$ 38,810,000 |
| Total Successor Agency Long-Term Liabilities | \$ 38,810,000 |

**CITY OF CHICO, CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025**

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

Long-Term Liabilities (Continued)

The following is a schedule of total debt service requirements to maturity as of June 30, 2025, for the tax allocation bonds:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------------------------|----------------------|---------------------|----------------------|
| 2026 | \$ 5,095,000 | \$ 1,094,442 | \$ 6,189,442 |
| 2027 | 5,240,000 | 950,763 | 6,190,763 |
| 2028 | 5,380,000 | 802,995 | 6,182,995 |
| 2029 | 5,535,000 | 651,279 | 6,186,279 |
| 2030 | 5,690,000 | 495,192 | 6,185,192 |
| 2031-2033 | 11,870,000 | 504,498 | 12,374,498 |
| Total | <u>\$ 38,810,000</u> | <u>\$ 4,499,169</u> | <u>\$ 43,309,169</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.

NOTE 14 RESTATEMENT OF BEGINNING NET POSITION

During the current year, management recorded a prior period adjustment, restating beginning net position for governmental activities, enterprise activities, and internal service fund activities for the implementation of GASB Statement No. 101, Compensated Absences. The impact of the restatement and adjustments on the net position of governmental, enterprise and internal service fund activities as previously reported is presented below.

| | <u>June 30, 2024 As Previously Reported</u> | <u>Change in Accounting Principle</u> | <u>Change Within the Reporting Entity</u> | <u>June 30, 2024 As Adjusted or Restated</u> |
|-------------------------------------|---|---|---|--|
| Governmental Activities | \$ 528,248,268 | \$ (1,664,486) | - | \$ 526,583,782 |
| Enterprise Funds | 150,666,264 | (196,486) | - | 150,469,778 |
| Internal Service Funds | (2,494,778) | (129,294) | - | (2,624,072) |
| Governmental Funds: | | | | |
| Gas Tax Fund (Change in Major Fund) | 10,005,151 | - | (10,005,151) | - |
| Nonmajor Governmental Funds | 28,157,367 | | 10,005,151 | 38,162,518 |

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 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 –
CALPERS MISCELLANEOUS RETIREMENT PLAN (UNAUDITED)
LAST TEN YEARS

| Measurement Period | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 3,542,345 | \$ 3,249,078 | \$ 3,205,097 | \$ 2,804,965 | \$ 2,739,169 | \$ 2,764,446 | \$ 2,702,893 | \$ 2,762,977 | \$ 2,352,654 | \$ 2,441,836 |
| Interest | 15,187,567 | 14,761,628 | 14,221,289 | 13,985,658 | 13,661,442 | 13,311,689 | 12,817,844 | 12,410,522 | 12,292,564 | 12,098,168 |
| Changes in Benefit Terms | - | 239,727 | - | - | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 999,044 | 2,563,823 | (629,933) | (789,082) | (938,361) | 933,660 | 792,512 | (3,454,037) | (3,764,124) | (3,748,881) |
| Changes in Assumptions | - | - | 5,917,787 | - | - | - | (1,220,368) | 9,955,942 | - | (2,850,219) |
| Benefit Payments, Including Refunds of Employee Contributions | (13,126,109) | (12,840,590) | (12,001,245) | (11,551,802) | (10,668,087) | (9,798,874) | (9,357,597) | (8,680,046) | (8,251,225) | (8,129,122) |
| Net Change in Total Pension Liability | 6,602,847 | 7,973,666 | 10,712,995 | 4,449,739 | 4,794,163 | 7,210,921 | 5,735,284 | 12,995,358 | 2,629,869 | (188,218) |
| Total Pension Liability - Beginning | 223,902,510 | 215,928,844 | 205,215,849 | 200,766,110 | 195,971,947 | 188,761,026 | 183,025,742 | 170,030,384 | 167,400,515 | 167,588,733 |
| Total Pension Liability - Ending (a) | 230,505,357 | 223,902,510 | 215,928,844 | 205,215,849 | 200,766,110 | 195,971,947 | 188,761,026 | 183,025,742 | 170,030,384 | 167,400,515 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 7,190,478 | 6,721,026 | 6,363,079 | 6,108,120 | 5,721,757 | 5,289,597 | 4,892,157 | 4,835,288 | 3,774,160 | 3,273,509 |
| Contributions - Employee | 2,627,430 | 1,985,113 | 1,877,937 | 1,676,572 | 1,550,839 | 1,452,949 | 1,211,601 | 1,042,124 | 960,903 | 950,096 |
| Net Investment Income | 14,233,773 | 8,909,606 | (12,093,877) | 30,274,538 | 6,530,524 | 8,254,467 | 10,107,344 | 12,216,475 | 574,677 | 2,533,100 |
| Plan to Plan Resource Movement | - | - | - | - | - | - | (293) | - | (3,366) | 3,313 |
| Benefit Payments, Including Refunds of Employee Contributions | (13,126,109) | (12,840,590) | (12,001,245) | (11,551,802) | (10,668,087) | (9,798,874) | (9,357,597) | (8,680,046) | (8,251,225) | (8,129,122) |
| Administrative Expense | (121,097) | (106,003) | (99,737) | (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 | 10,804,475 | 4,669,152 | (15,953,843) | 26,373,837 | 2,950,662 | 5,108,749 | 6,314,010 | 9,251,274 | (3,013,793) | (1,496,573) |
| Plan Fiduciary Net Position - Beginning | 148,821,858 | 144,152,706 | 160,106,549 | 133,732,712 | 130,782,050 | 125,673,301 | 119,359,291 | 110,108,017 | 113,121,810 | 114,618,383 |
| Plan Fiduciary Net Position - Ending (b) | 159,626,333 | 148,821,858 | 144,152,706 | 160,106,549 | 133,732,712 | 130,782,050 | 125,673,301 | 119,359,291 | 110,108,017 | 113,121,810 |
| Net Pension Liability - Ending (a)-(b) | <u>\$ 70,879,024</u> | <u>\$ 75,080,652</u> | <u>\$ 71,776,138</u> | <u>\$ 45,109,300</u> | <u>\$ 67,033,398</u> | <u>\$ 65,189,897</u> | <u>\$ 63,087,725</u> | <u>\$ 63,666,451</u> | <u>\$ 59,922,367</u> | <u>\$ 54,278,705</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.25% | 66.47% | 66.76% | 78.02% | 66.61% | 66.74% | 66.58% | 65.21% | 64.76% | 67.58% |
| Covered Payroll | \$ 16,924,726 | \$ 15,253,885 | \$ 14,635,144 | \$ 14,173,649 | \$ 13,226,312 | \$ 13,266,370 | \$ 12,771,787 | \$ 12,741,419 | \$ 11,965,489 | \$ 11,927,104 |
| Net Pension Liability as a Percentage of Covered Payroll | 418.79% | 492.21% | 490.44% | 318.26% | 506.82% | 491.39% | 493.96% | 499.68% | 500.79% | 455.09% |

****Changes of assumptions:**

The discount rate to measure net pension liability was 7.5% as of June 30, 2014, 7.65% as of June 30, 2015 and 2016, 7.15% as of June 30, 2017 through 2021, and reduced to 6.90% as June 30, 2022 through 2025.

The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016 and 2017, 2.50% as of June 30, 2018, 2019, 2020, and 2021 and was reduced to 2.30% as of June 30, 2022 through 2025.

See accompanying Notes to Required Supplementary Information.

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

| Measurement Period | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| Total Pension Liability: | | | | | | | | | | |
| Service Cost | \$ 5,283,833 | \$ 5,171,903 | \$ 4,820,165 | \$ 4,466,679 | \$ 4,499,719 | \$ 4,380,793 | \$ 4,390,653 | \$ 4,563,295 | \$ 3,944,837 | \$ 4,060,125 |
| Interest | 19,539,488 | 18,532,425 | 17,866,632 | 17,076,960 | 16,551,359 | 15,784,596 | 15,059,804 | 14,578,548 | 13,926,474 | 13,452,675 |
| Changes in Benefit Terms | - | 127,089 | - | - | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | 4,837,884 | (66,540) | 572,068 | (1,937,728) | 1,473,679 | 1,094,936 | (1,573,264) | 105,155 | (2,584,243) | (602,213) |
| Changes in Assumptions | - | - | 10,380,015 | - | - | - | (1,049,800) | 12,709,578 | - | (3,450,890) |
| Benefit Payments, Including Refunds of Employee Contributions | (14,351,815) | (13,654,283) | (12,893,782) | (12,254,988) | (11,236,546) | (10,712,608) | (10,094,391) | (9,308,811) | (8,981,039) | (8,373,881) |
| Net Change in Total Pension Liability | 15,309,390 | 10,110,594 | 20,745,098 | 7,350,923 | 11,288,211 | 10,547,717 | 6,733,002 | 22,647,765 | 6,306,029 | 5,085,816 |
| Total Pension Liability - Beginning | 282,877,102 | 272,766,508 | 252,021,410 | 244,670,487 | 233,382,276 | 222,834,559 | 216,101,557 | 193,453,792 | 187,147,763 | 182,061,947 |
| Total Pension Liability - Ending (a) | 298,186,492 | 282,877,102 | 272,766,508 | 252,021,410 | 244,670,487 | 233,382,276 | 222,834,559 | 216,101,557 | 193,453,792 | 187,147,763 |
| Plan Fiduciary Net Position: | | | | | | | | | | |
| Contributions - Employer | 10,313,218 | 9,009,532 | 8,416,207 | 7,662,670 | 7,052,348 | 6,272,865 | 5,601,393 | 5,349,238 | 4,852,766 | 4,398,219 |
| Contributions - Employee | 2,829,790 | 2,213,607 | 1,966,715 | 1,846,839 | 1,760,356 | 1,783,895 | 1,542,571 | 1,550,187 | 1,404,504 | 1,236,718 |
| Net Investment Income | 18,571,389 | 11,410,655 | (15,363,816) | 37,934,519 | 8,073,042 | 10,107,564 | 12,224,670 | 14,750,340 | 663,425 | 2,981,880 |
| Plan to Plan Resource Movement | - | - | - | - | - | - | (359) | - | 3,366 | (3,313) |
| Benefit Payments, Including Refunds of Employee Contributions | (14,351,815) | (13,654,283) | (12,893,782) | (12,254,988) | (11,236,546) | (10,712,608) | (10,094,391) | (9,308,811) | (8,981,039) | (8,373,881) |
| Administrative Expense | (156,979) | (135,361) | (125,881) | (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 | 17,205,603 | 8,844,150 | (18,000,557) | 35,022,163 | 5,421,337 | 7,341,970 | 8,615,803 | 12,143,804 | (2,139,662) | 86,929 |
| Plan Fiduciary Net Position - Beginning | 192,919,869 | 184,075,719 | 202,076,276 | 167,054,113 | 161,632,776 | 154,290,806 | 145,675,003 | 133,531,199 | 135,670,861 | 135,583,932 |
| Plan Fiduciary Net Position - Ending (b) | 210,125,472 | 192,919,869 | 184,075,719 | 202,076,276 | 167,054,113 | 161,632,776 | 154,290,806 | 145,675,003 | 133,531,199 | 135,670,861 |
| Net Pension Liability - Ending (a)-(b) | \$ 88,061,020 | \$ 89,957,233 | \$ 88,690,789 | \$ 49,945,134 | \$ 77,616,374 | \$ 71,749,500 | \$ 68,543,753 | \$ 70,426,554 | \$ 59,922,593 | \$ 51,476,902 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 70.47% | 68.20% | 67.48% | 80.18% | 68.28% | 69.26% | 69.24% | 67.41% | 69.02% | 72.49% |
| Covered Payroll | \$ 15,786,774 | \$ 15,247,355 | \$ 14,073,473 | \$ 14,441,252 | \$ 14,339,448 | \$ 13,801,250 | \$ 13,938,580 | \$ 14,256,287 | \$ 13,789,281 | \$ 14,089,826 |
| Net Pension Liability as a Percentage of Covered Payroll | 557.82% | 589.99% | 630.20% | 345.85% | 541.28% | 519.88% | 491.76% | 494.00% | 434.56% | 365.35% |

****Changes of assumptions:**

The discount rate to measure net pension liability was 7.5% as of June 30, 2014, 7.65% as of June 30, 2015 and 2016, 7.15% as of June 30, 2017 through 2021, and reduced to 6.90% as June 30, 2022 through 2025.

The inflation rate to measure the net pension liability was 2.75% as of June 30, 2014, 2015, 2016 and 2017, 2.50% as of June 30, 2018, 2019, 2020, and 2021 and was reduced to 2.30% as of June 30, 2022 through 2025.

See accompanying Notes to Required Supplementary Information.

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

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially Determined Contribution | \$ 7,986,350 | \$ 7,190,478 | \$ 6,721,026 | \$ 6,363,079 | \$ 6,108,120 | \$ 5,721,757 | \$ 5,289,597 | \$ 4,892,157 | \$ 4,835,288 | \$ 3,774,160 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>(7,986,350)</u> | <u>(7,190,478)</u> | <u>(6,721,026)</u> | <u>(6,362,778)</u> | <u>(6,123,998)</u> | <u>(5,721,757)</u> | <u>(5,289,597)</u> | <u>(4,892,157)</u> | <u>(4,835,288)</u> | <u>(3,774,160)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 301</u> | <u>\$ (15,878)</u> | <u>\$ -</u> |
| Covered Payroll | \$ 16,924,726 | \$ 16,924,726 | \$ 15,253,885 | \$ 14,635,144 | \$ 14,173,649 | \$ 13,226,312 | \$ 13,266,370 | \$ 12,771,787 | \$ 12,741,419 | \$ 11,965,489 |
| Contributions as a Percentage of Covered Payroll | 47.19% | 42.49% | 44.06% | 43.48% | 43.09% | 43.26% | 39.87% | 38.30% | 37.95% | 31.54% |

See accompanying Notes to Required Supplementary Information.

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

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Actuarially Determined Contribution | \$ 11,097,239 | \$ 10,313,218 | \$ 9,009,532 | \$ 8,416,207 | \$ 7,662,670 | \$ 7,052,348 | \$ 6,272,865 | \$ 5,601,393 | \$ 5,349,238 | \$ 4,852,766 |
| Contributions in Relation to the Actuarially Determined Contribution | <u>(11,097,239)</u> | <u>(10,313,218)</u> | <u>(9,009,532)</u> | <u>(8,416,207)</u> | <u>(7,662,670)</u> | <u>(7,052,348)</u> | <u>(6,272,865)</u> | <u>(5,601,393)</u> | <u>(5,349,238)</u> | <u>(4,852,766)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered Payroll | \$ 15,786,774 | \$ 15,786,774 | \$ 15,247,355 | \$ 14,073,473 | \$ 14,441,252 | \$ 14,339,448 | \$ 13,801,250 | \$ 13,938,580 | \$ 14,256,287 | \$ 13,789,281 |
| Contributions as a Percentage of Covered Payroll | 70.29% | 65.33% | 59.09% | 53.06% | 53.53% | 50.18% | 45.45% | 40.19% | 38.08% | 34.54% |

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, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|---------------------|---------------------|--------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property Taxes | \$ 23,594,000 | \$ 25,226,524 | \$ 25,306,516 | \$ 79,992 |
| Sales and Use Taxes | 53,825,000 | 51,725,000 | 53,034,447 | 1,309,447 |
| Franchise Fees | 4,200,000 | 4,200,000 | 4,563,208 | 363,208 |
| Transient Occupancy Taxes | 4,000,000 | 4,000,000 | 4,353,168 | 353,168 |
| Other Taxes | 11,016,000 | 11,946,300 | 13,316,071 | 1,369,771 |
| Licenses and Permits | 60,600 | 60,600 | 103,995 | 43,395 |
| Intergovernmental | 404,000 | 8,413,477 | 4,815,407 | (3,598,070) |
| Charges for Services | 219,100 | 219,100 | 426,854 | 207,754 |
| Fines, Forfeitures, and Penalties | 547,000 | 447,000 | 2,163,353 | 1,716,353 |
| Use of Money and Property | 2,699,083 | 2,692,420 | 3,841,573 | 1,149,153 |
| Miscellaneous | 219,500 | 1,944,500 | 307,465 | (1,637,035) |
| Total Revenues | <u>100,784,283</u> | <u>110,874,921</u> | <u>112,232,057</u> | <u>1,357,136</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government: | | | | |
| Administrative Services Department | 5,732,947 | 5,865,222 | 7,344,722 | (1,479,500) |
| City Attorney Department | 644,669 | 952,763 | 709,470 | 243,293 |
| City Clerk Department | 1,842,851 | 1,554,506 | 1,208,892 | 345,614 |
| City Council | 553,561 | 576,874 | 603,303 | (26,429) |
| City Manager Department | 1,293,467 | 1,293,474 | 1,092,906 | 200,568 |
| Less - Indirect Costs | (2,360,891) | (2,360,891) | (2,360,891) | - |
| Total General Government | <u>7,706,604</u> | <u>7,881,948</u> | <u>8,598,402</u> | <u>(716,454)</u> |
| Public Safety: | | | | |
| Police Department | 40,500,902 | 41,277,610 | 41,697,885 | (420,275) |
| Fire Department | 18,824,542 | 19,556,014 | 20,792,072 | (1,236,058) |
| Total Public Safety | <u>59,325,444</u> | <u>60,833,624</u> | <u>62,489,957</u> | <u>(1,656,333)</u> |
| Public Works Department | 607,930 | 607,930 | 2,703,219 | (2,095,289) |
| Parks Department | 2,838,930 | 2,593,975 | 3,672,742 | (1,078,767) |
| Arts and Culture | 30,179 | 38,485 | 38,485 | - |
| Community Development Department | 1,798,805 | 1,809,567 | 1,668,995 | 140,572 |
| Health & Human Services | 4,372,320 | 5,947,978 | 3,546,513 | 2,401,465 |
| Capital Outlay: | | | | |
| Capital Outlay - Operations | 42,606,337 | 80,141,592 | 16,953,336 | 63,188,256 |
| Debt Service: | | | | |
| Principal Retirement | 915,407 | 915,407 | 1,228,750 | (313,343) |
| Interest and Fiscal Charges | 90,914 | 90,914 | 112,560 | (21,646) |
| Total Debt Service | <u>1,006,321</u> | <u>1,006,321</u> | <u>1,341,310</u> | <u>(334,989)</u> |
| Total Expenditures | <u>120,292,870</u> | <u>160,861,420</u> | <u>101,012,959</u> | <u>59,848,461</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (19,508,587) | (49,986,499) | 11,219,098 | 61,205,597 |

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 (CONTINUED)
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------------------|
| | Original | Final | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | \$ 10,587,737 | \$ 15,650,399 | \$ 1,783,292 | \$ (13,867,107) |
| Transfers Out | (20,344,876) | (24,964,906) | (12,920,312) | 12,044,594 |
| SBITAs Issued | - | - | 34,867 | 34,867 |
| Total Other Financing Sources (Uses) | <u>(9,757,139)</u> | <u>(9,314,507)</u> | <u>(11,102,153)</u> | <u>(1,787,646)</u> |
| NET CHANGE IN FUND BALANCE | (29,265,726) | (59,301,006) | 116,945 | 59,417,951 |
| Fund Balance - Beginning of Year | <u>90,699,817</u> | <u>90,699,817</u> | <u>90,699,817</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 61,434,091</u> | <u>\$ 31,398,811</u> | <u>\$ 90,816,762</u> | <u>\$ 59,417,951</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, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|----------------------|----------------------|----------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 13,925,340 | \$ 41,084,028 | \$ 20,173,535 | \$ (20,910,493) |
| Use of Money and Property | - | - | 6,738 | 6,738 |
| Other Revenue | - | - | 16,500 | 16,500 |
| Total Revenues | <u>13,925,340</u> | <u>41,084,028</u> | <u>20,196,773</u> | <u>(20,887,255)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community Development | 535,646 | 535,646 | 1,507,628 | (971,982) |
| Capital Outlay | 13,603,750 | 40,970,442 | 989,053 | 39,981,389 |
| Total Expenditures | <u>14,139,396</u> | <u>41,506,088</u> | <u>2,496,681</u> | <u>39,009,407</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (214,056) | (422,060) | 17,700,092 | 18,122,152 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | - | - | 31,659 | 31,659 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>31,659</u> | <u>31,659</u> |
| NET CHANGE IN FUND BALANCE | (214,056) | (422,060) | 17,731,751 | 18,153,811 |
| Fund Balance - Beginning of Year | <u>17,961,778</u> | <u>17,961,778</u> | <u>17,961,778</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 17,747,722</u> | <u>\$ 17,539,718</u> | <u>\$ 35,693,529</u> | <u>\$ 18,153,811</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, 2025

| | Budgeted Amounts | | Actual | Variance |
|--|----------------------|----------------------|----------------------|----------------------|
| | Original | Final | | With Final Budget |
| REVENUES | | | | |
| Property Taxes | \$ 23,600 | \$ 23,600 | \$ 24,016 | \$ 416 |
| Intergovernmental | 667,678 | 667,678 | - | (667,678) |
| Charges for Services | 500 | 500 | 609 | 109 |
| Use of Money and Property | 150,000 | 150,000 | 142,063 | (7,937) |
| Miscellaneous | - | - | 80,000 | 80,000 |
| Total Revenues | <u>841,778</u> | <u>841,778</u> | <u>246,688</u> | <u>(595,090)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community Development | 1,503,150 | 1,503,150 | 945,880 | 557,270 |
| Capital Outlay | 90,000 | 355,000 | - | 355,000 |
| Total Expenditures | <u>1,593,150</u> | <u>1,858,150</u> | <u>945,880</u> | <u>912,270</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (751,372) | (1,016,372) | (699,192) | 317,180 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | - | (111,435) | (108,059) | 3,376 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(111,435)</u> | <u>(108,059)</u> | <u>3,376</u> |
| NET CHANGE IN FUND BALANCE | (751,372) | (1,127,807) | (807,251) | 320,556 |
| Fund Balance - Beginning of Year | <u>57,100,710</u> | <u>57,100,710</u> | <u>57,100,710</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 56,349,338</u> | <u>\$ 55,972,903</u> | <u>\$ 56,293,459</u> | <u>\$ 320,556</u> |

See accompanying Notes to Required Supplementary Information.

CITY OF CHICO, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

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 Fund 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 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, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|------------------------|---------------------|-----------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental Revenues | \$ 18,753,424 | \$ 78,187,613 | \$ 33,813,096 | \$ (44,374,517) |
| Miscellaneous | - | 10,000 | - | (10,000) |
| Total Revenues | <u>18,753,424</u> | <u>78,197,613</u> | <u>33,813,096</u> | <u>(44,384,517)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 927,296 | (927,296) |
| Capital Outlay | 18,753,424 | 65,768,833 | 26,245,589 | 39,523,244 |
| Total Expenditures | <u>18,753,424</u> | <u>65,768,833</u> | <u>27,172,885</u> | <u>38,595,948</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>12,428,780</u> | <u>6,640,211</u> | <u>(5,788,569)</u> |
| NET CHANGE IN FUND BALANCE | - | 12,428,780 | 6,640,211 | (5,788,569) |
| Fund Balance - Beginning of Year | <u>(11,763,751)</u> | <u>(11,763,751)</u> | <u>(11,763,751)</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ (11,763,751)</u> | <u>\$ 665,029</u> | <u>\$ (5,123,540)</u> | <u>\$ (5,788,569)</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, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|----------------------|---------------------|----------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for Services | \$ 4,040,000 | \$ 5,743,065 | \$ 7,946,000 | \$ 2,202,935 |
| Use of Money and Property | - | - | 1,257,862 | 1,257,862 |
| Total Revenues | <u>4,040,000</u> | <u>5,743,065</u> | <u>9,203,862</u> | <u>3,460,797</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Community Development | 58,940 | 58,940 | 1,775,018 | (1,716,078) |
| Capital Outlay | 5,229,069 | 22,947,995 | 8,917,967 | 14,030,028 |
| Total Expenditures | <u>5,288,009</u> | <u>23,006,935</u> | <u>10,692,985</u> | <u>12,313,950</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (1,248,009) | (17,263,870) | (1,489,123) | 15,774,747 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (42,100) | (42,100) | (79,460) | (37,360) |
| Total Other Financing Sources (Uses) | <u>(42,100)</u> | <u>(42,100)</u> | <u>(79,460)</u> | <u>(37,360)</u> |
| NET CHANGE IN FUND BALANCE | (1,290,109) | (17,305,970) | (1,568,583) | 15,737,387 |
| Fund Balance - Beginning of Year | <u>27,179,116</u> | <u>27,179,116</u> | <u>27,179,116</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 25,889,007</u> | <u>\$ 9,873,146</u> | <u>\$ 25,610,533</u> | <u>\$ 15,737,387</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.

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.

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.

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 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.

Public Infrastructure Replacement Fund – Accounts for transactions related to replacement of City Infrastructure.

**CITY OF CHICO, CALIFORNIA
COMBINING BALANCE SHEET
JUNE 30, 2025**

| | Special Revenue | | | | Other Special Revenue Funds | Total Nonmajor Special Revenue Funds |
|--|---------------------|---------------------------------------|----------------------|---------------------|--------------------------------------|---|
| | Operating Grants | Community Maintenance Districts | Transportation | Gas Tax | | |
| ASSETS | | | | | | |
| Cash and Investments | \$ 2,735,816 | \$ 5,866,154 | \$ 9,900,249 | \$ 8,196,526 | \$ 2,547,171 | \$ 29,245,916 |
| Restricted Cash and Investments | - | - | - | - | - | - |
| Due From Other Funds | - | - | 161,001 | 853,421 | - | 1,014,422 |
| Receivables: | | | | | | |
| Taxes | - | 56,547 | - | - | - | 56,547 |
| Accounts | - | 1,023 | 420 | - | 1,122,449 | 1,123,892 |
| Intergovernmental | 73,344 | - | 549,189 | 513,494 | 12,233 | 1,148,260 |
| Prepaid Expenses | - | 1,419 | - | 86 | - | 1,505 |
| Total Assets | <u>\$ 2,809,160</u> | <u>\$ 5,925,143</u> | <u>\$ 10,610,859</u> | <u>\$ 9,563,527</u> | <u>\$ 3,681,853</u> | <u>\$ 32,590,542</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts Payable | \$ 350 | \$ 140,991 | \$ 172,771 | \$ 989,275 | \$ - | \$ 1,303,387 |
| Accrued Salaries and Benefits | 6,946 | 1,999 | 12,879 | 105,386 | 703 | 127,913 |
| Due to Other Funds | 1,161,825 | - | - | - | - | 1,161,825 |
| Advances from Other Funds | - | 25,707 | - | - | - | 25,707 |
| Total Liabilities | <u>1,169,121</u> | <u>168,697</u> | <u>185,650</u> | <u>1,094,661</u> | <u>703</u> | <u>2,618,832</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unearned Revenue | - | - | - | - | 1,271,261 | 1,271,261 |
| Unavailable Revenue | - | - | - | - | 981,710 | 981,710 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,252,971</u> | <u>2,252,971</u> |
| FUND BALANCES | | | | | | |
| Nonspendable | - | 1,419 | - | 86 | - | 1,505 |
| Restricted | 1,640,039 | 5,755,027 | 10,425,209 | 8,468,780 | 1,428,179 | 27,717,234 |
| Assigned | - | - | - | - | - | - |
| Total Fund Balances | <u>1,640,039</u> | <u>5,756,446</u> | <u>10,425,209</u> | <u>8,468,866</u> | <u>1,428,179</u> | <u>27,718,739</u> |
| Total Liabilities, Deferred inflows of Resources, and Fund Balances | <u>\$ 2,809,160</u> | <u>\$ 5,925,143</u> | <u>\$ 10,610,859</u> | <u>\$ 9,563,527</u> | <u>\$ 3,681,853</u> | <u>\$ 32,590,542</u> |

**CITY OF CHICO, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2025**

| | 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 | \$ 5,406,312 | \$ - | \$ 8,686,701 | \$ 6,513 | \$ 6,042,444 | \$ 20,141,970 | \$ 49,387,886 |
| Restricted Cash and Investments | - | 71,601 | - | - | - | 71,601 | 71,601 |
| Due From Other Funds | - | 126 | 27,284 | - | 61,063 | 88,473 | 1,102,895 |
| Receivables: | | | | | | | |
| Taxes | - | - | - | - | - | - | 56,547 |
| Accounts | 107,349 | - | 30,333 | - | - | 137,682 | 1,261,574 |
| Intergovernmental | - | - | - | - | - | - | 1,148,260 |
| Prepaid Expenses | - | - | 8,145 | - | - | 8,145 | 9,650 |
| Total Assets | <u>\$ 5,513,661</u> | <u>\$ 71,727</u> | <u>\$ 8,752,463</u> | <u>\$ 6,513</u> | <u>\$ 6,103,507</u> | <u>\$ 20,447,871</u> | <u>\$ 53,038,413</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ 44,269 | \$ 126 | \$ 595,370 | \$ 6,513 | \$ 61,063 | \$ 707,341 | \$ 2,010,728 |
| Accrued Salaries and Benefits | 115,513 | - | - | - | - | 115,513 | 243,426 |
| Due to Other Funds | 4,389,845 | - | - | - | - | 4,389,845 | 5,551,670 |
| Advances from Other Funds | - | - | - | - | - | - | 25,707 |
| Total Liabilities | <u>4,549,627</u> | <u>126</u> | <u>595,370</u> | <u>6,513</u> | <u>61,063</u> | <u>5,212,699</u> | <u>7,831,531</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unearned Revenue | - | - | - | - | - | - | 1,271,261 |
| Unavailable Revenue | - | - | - | - | - | - | 981,710 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,252,971</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable | - | - | 8,145 | - | - | 8,145 | 9,650 |
| Restricted | - | 71,601 | - | - | 6,042,444 | 6,114,045 | 33,831,279 |
| Assigned | 964,034 | - | 8,148,948 | - | - | 9,112,982 | 9,112,982 |
| Total Fund Balances | <u>964,034</u> | <u>71,601</u> | <u>8,157,093</u> | <u>-</u> | <u>6,042,444</u> | <u>15,235,172</u> | <u>42,953,911</u> |
| Total Liabilities, Deferred inflows of Resources, and Fund Balances | <u>\$ 5,513,661</u> | <u>\$ 71,727</u> | <u>\$ 8,752,463</u> | <u>\$ 6,513</u> | <u>\$ 6,103,507</u> | <u>\$ 20,447,871</u> | <u>\$ 53,038,413</u> |

CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2025

| | Special Revenue | | | | Other Special Revenue Funds | Total Nonmajor Special Revenue Funds |
|--|---------------------|---------------------------------------|----------------------|---------------------|--------------------------------------|---|
| | Operating Grants | Community Maintenance Districts | Transportation | Gas Tax | | |
| REVENUES | | | | | | |
| Intergovernmental | \$ 3,919,035 | \$ - | \$ 4,988,221 | \$ 7,521,377 | \$ - | \$ 16,428,633 |
| Property Tax | - | 87,325 | - | - | - | 87,325 |
| Charges for Services | - | 2,705,382 | 300 | - | 181,853 | 2,887,535 |
| Fines, Forfeitures, and Penalties | - | - | - | - | 67,735 | 67,735 |
| Use of Money and Property | (1,205) | 202,900 | 373,468 | 400,930 | 86,505 | 1,062,598 |
| Miscellaneous | - | 37,235 | - | 29,966 | 233,907 | 301,108 |
| Total Revenues | <u>3,917,830</u> | <u>3,032,842</u> | <u>5,361,989</u> | <u>7,952,273</u> | <u>570,000</u> | <u>20,834,934</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | - | 110,990 | 110,990 |
| Public Safety | 537,949 | - | - | - | 129,222 | 667,171 |
| Public Works | - | 2,369,313 | 987,334 | 8,101,149 | - | 11,457,796 |
| Parks and Recreation | - | - | - | - | - | - |
| Community Development | - | - | 5,623 | - | - | 5,623 |
| Capital Outlay: | | | | | | |
| Capital Outlay Operation | - | - | 2,556,950 | 4,547,362 | - | 7,104,312 |
| Debt Service: | | | | | | |
| Interest and Fiscal Charges | - | 1,507 | - | - | - | 1,507 |
| Total Expenditures | <u>537,949</u> | <u>2,370,820</u> | <u>3,549,907</u> | <u>12,648,511</u> | <u>240,212</u> | <u>19,347,399</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 3,379,881 | 662,022 | 1,812,082 | (4,696,238) | 329,788 | 1,487,535 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In | 48,162 | 162,281 | - | 3,567,500 | - | 3,777,943 |
| Transfers Out | (1,996,924) | (81,140) | (212,383) | (407,547) | (143,406) | (2,841,400) |
| Total Other Financing Sources (Uses) | <u>(1,948,762)</u> | <u>81,141</u> | <u>(212,383)</u> | <u>3,159,953</u> | <u>(143,406)</u> | <u>936,543</u> |
| NET CHANGE IN FUND BALANCES | 1,431,119 | 743,163 | 1,599,699 | (1,536,285) | 186,382 | 2,424,078 |
| Fund Balances - Beginning of Year | <u>208,920</u> | <u>5,013,283</u> | <u>8,825,510</u> | <u>10,005,151</u> | <u>1,241,797</u> | <u>25,294,661</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 1,640,039</u> | <u>\$ 5,756,446</u> | <u>\$ 10,425,209</u> | <u>\$ 8,468,866</u> | <u>\$ 1,428,179</u> | <u>\$ 27,718,739</u> |

CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
YEAR ENDED JUNE 30, 2025

| | 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 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 16,428,633 |
| Property Tax | - | - | - | - | - | - | 87,325 |
| Charges for Services | 2,219,258 | - | - | - | - | 2,219,258 | 5,106,793 |
| Fines, Forfeitures, and Penalties | - | - | - | - | - | - | 67,735 |
| Use of Money and Property | (112,928) | 3,942 | 339,853 | (257) | 219,702 | 450,312 | 1,512,910 |
| Miscellaneous | - | - | 60,060 | - | - | 60,060 | 361,168 |
| Total Revenues | <u>2,106,330</u> | <u>3,942</u> | <u>399,913</u> | <u>(257)</u> | <u>219,702</u> | <u>2,729,630</u> | <u>23,564,564</u> |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General Government | 7,512 | 4,361 | 1,635,402 | - | 52,389 | 1,699,664 | 1,810,654 |
| Public Safety | - | - | 268,411 | - | - | 268,411 | 935,582 |
| Public Works | 2,097,088 | - | - | 209,164 | 28,247 | 2,334,499 | 13,792,295 |
| Parks and Recreation | - | - | - | - | - | - | - |
| Community Development | 77,843 | - | - | - | - | 77,843 | 83,466 |
| Capital Outlay: | | | | | | | |
| Capital Outlay Operation | - | 21,712 | 4,803,599 | - | 2,020,391 | 6,845,702 | 13,950,014 |
| Debt Service: | | | | | | | |
| Interest and Fiscal Charges | - | - | - | - | - | - | 1,507 |
| Total Expenditures | <u>2,182,443</u> | <u>26,073</u> | <u>6,707,412</u> | <u>209,164</u> | <u>2,101,027</u> | <u>11,226,119</u> | <u>30,573,518</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (76,113) | (22,131) | (6,307,499) | (209,421) | (1,881,325) | (8,496,489) | (7,008,954) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | - | - | 6,641,647 | 209,421 | 4,012,736 | 10,863,804 | 14,641,747 |
| Transfers Out | - | - | - | - | - | - | (2,841,400) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>6,641,647</u> | <u>209,421</u> | <u>4,012,736</u> | <u>10,863,804</u> | <u>11,800,347</u> |
| NET CHANGE IN FUND BALANCES | (76,113) | (22,131) | 334,148 | - | 2,131,411 | 2,367,315 | 4,791,393 |
| Fund Balances - Beginning of Year | <u>1,040,147</u> | <u>93,732</u> | <u>7,822,945</u> | <u>-</u> | <u>3,911,033</u> | <u>12,867,857</u> | <u>38,162,518</u> |
| FUND BALANCES - END OF YEAR | <u>\$ 964,034</u> | <u>\$ 71,601</u> | <u>\$ 8,157,093</u> | <u>\$ -</u> | <u>\$ 6,042,444</u> | <u>\$ 15,235,172</u> | <u>\$ 42,953,911</u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS – OPERATING GRANTS
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|---------------------|--------------------|---------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 2,232,289 | \$ 3,962,715 | \$ 3,919,035 | \$ (43,680) |
| Use of Money and Property | - | - | (1,205) | (1,205) |
| Other Revenues | 50,000 | 116,975 | - | (116,975) |
| Total Revenues | <u>2,282,289</u> | <u>4,079,690</u> | <u>3,917,830</u> | <u>(161,860)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Safety | 700,141 | 545,572 | 537,949 | 7,623 |
| Parks and Recreation | - | 22,450 | - | 22,450 |
| Total Expenditures | <u>700,141</u> | <u>568,022</u> | <u>537,949</u> | <u>30,073</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,582,148 | 3,511,668 | 3,379,881 | (131,787) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 48,162 | 48,162 | 48,162 | - |
| TransfersOut | (2,071,840) | (3,235,044) | (1,996,924) | 1,238,120 |
| Total Other Financing Sources (Uses) | <u>(2,023,678)</u> | <u>(3,186,882)</u> | <u>(1,948,762)</u> | <u>1,238,120</u> |
| NET CHANGE IN FUND BALANCE | (441,530) | 324,786 | 1,431,119 | 1,106,333 |
| Fund Balance - Beginning of Year | <u>208,920</u> | <u>208,920</u> | <u>208,920</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ (232,610)</u> | <u>\$ 533,706</u> | <u>\$ 1,640,039</u> | <u>\$ 1,106,333</u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – NONMAJOR SPECIAL REVENUE FUNDS – GAS TAX FUND
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|----------------------------|--------------------------|----------------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 7,000,994 | \$ 7,303,509 | \$ 7,521,377 | \$ 217,868 |
| Use of Money and Property | - | - | 400,930 | 400,930 |
| Other Revenue | - | - | 29,966 | 29,966 |
| Total Revenues | <u>7,000,994</u> | <u>7,303,509</u> | <u>7,952,273</u> | <u>648,764</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | 7,509,061 | 7,504,658 | 8,101,149 | (596,491) |
| Capital Outlay | 2,730,900 | 12,652,681 | 4,547,362 | 8,105,319 |
| Total Expenditures | <u>10,239,961</u> | <u>20,157,339</u> | <u>12,648,511</u> | <u>7,508,828</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (3,238,967) | (12,853,830) | (4,696,238) | 8,157,592 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 3,567,500 | 3,567,500 | 3,567,500 | - |
| Transfers Out | (407,547) | (407,547) | (407,547) | - |
| Total Other Financing Sources (Uses) | <u>3,159,953</u> | <u>3,159,953</u> | <u>3,159,953</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (79,014) | (9,693,877) | (1,536,285) | 8,157,592 |
| Fund Balance - Beginning of Year | <u>10,005,151</u> | <u>10,005,151</u> | <u>10,005,151</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ 9,926,137</u></u> | <u><u>\$ 311,274</u></u> | <u><u>\$ 8,468,866</u></u> | <u><u>\$ 8,157,592</u></u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – COMMUNITY MAINTENANCE DISTRICTS FUND
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|---------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for Services | \$ 2,961,694 | \$ 2,961,694 | \$ 2,705,382 | \$ (256,312) |
| Property Tax | 87,389 | 87,389 | 87,325 | (64) |
| Use of Money and Property | - | - | 202,900 | 202,900 |
| Other Revenues | 37,273 | 37,273 | 37,235 | (38) |
| Total Revenues | <u>3,086,356</u> | <u>3,086,356</u> | <u>3,032,842</u> | <u>(53,514)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | 1,973,934 | 1,973,934 | 2,369,313 | (395,379) |
| Debt Service: | | | | |
| Interest | 2,111 | 2,111 | 1,507 | 604 |
| Total Expenditures | <u>1,976,045</u> | <u>1,976,045</u> | <u>2,370,820</u> | <u>(394,775)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,110,311 | 1,110,311 | 662,022 | (448,289) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 86,382 | 86,382 | 162,281 | 75,899 |
| Transfers Out | (43,172) | (43,172) | (81,140) | (37,968) |
| Total Other Financing Sources (Uses) | <u>43,210</u> | <u>43,210</u> | <u>81,141</u> | <u>37,931</u> |
| NET CHANGE IN FUND BALANCE | 1,153,521 | 1,153,521 | 743,163 | (410,358) |
| Fund Balance - Beginning of Year | <u>5,013,283</u> | <u>5,013,283</u> | <u>5,013,283</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 6,166,804</u> | <u>\$ 6,166,804</u> | <u>\$ 5,756,446</u> | <u>\$ (410,358)</u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – TRANSPORTATION FUND
YEAR ENDED JUNE 30, 2025

| | 1 | | Actual | Variance With Final Budget |
|--|---------------------|-------------------|----------------------|----------------------------------|
| | Budgeted Amounts | | | |
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 4,872,495 | \$ 4,997,603 | \$ 4,988,221 | \$ (9,382) |
| Charges for Services | - | - | 300 | 300 |
| Use of Money and Property | 6,000 | 6,000 | 373,468 | 367,468 |
| Total Revenues | <u>4,878,495</u> | <u>5,003,603</u> | <u>5,361,989</u> | <u>358,386</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | 697,214 | 701,617 | 987,334 | (285,717) |
| Community Development | 9,070 | 9,070 | 5,623 | 3,447 |
| Capital Outlay | 3,366,464 | 12,897,102 | 2,556,950 | 10,340,152 |
| Total Expenditures | <u>4,072,748</u> | <u>13,607,789</u> | <u>3,549,907</u> | <u>10,057,882</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 805,747 | (8,604,186) | 1,812,082 | 10,416,268 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (212,383) | (212,383) | (212,383) | - |
| Total Other Financing Sources (Uses) | <u>(212,383)</u> | <u>(212,383)</u> | <u>(212,383)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | 593,364 | (8,816,569) | 1,599,699 | 10,416,268 |
| Fund Balance - Beginning of Year | <u>8,825,510</u> | <u>8,825,510</u> | <u>8,825,510</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 9,418,874</u> | <u>\$ 8,941</u> | <u>\$ 10,425,209</u> | <u>\$ 10,416,268</u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|---------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for Services | \$ 223,000 | \$ 223,000 | \$ 181,853 | \$ (41,147) |
| Fines, Forfeitures, and Penalties | 20,000 | 20,000 | 67,735 | 47,735 |
| Use of Money and Property | 317 | 317 | 86,505 | 86,188 |
| Miscellaneous | 181,960 | 1,261,286 | 233,907 | (1,027,379) |
| Total Revenues | <u>425,277</u> | <u>1,504,603</u> | <u>570,000</u> | <u>(934,603)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 102,656 | 105,449 | 110,990 | (5,541) |
| Public Safety | 10,221 | 10,221 | 129,222 | (119,001) |
| Capital Outlay | 330,800 | 277,922 | - | 277,922 |
| Total Expenditures | <u>443,677</u> | <u>393,592</u> | <u>240,212</u> | <u>153,380</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (18,400) | 1,111,011 | 329,788 | (781,223) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | (20,000) | (112,206) | (143,406) | (31,200) |
| Total Other Financing Sources (Uses) | <u>(20,000)</u> | <u>(112,206)</u> | <u>(143,406)</u> | <u>(31,200)</u> |
| NET CHANGE IN FUND BALANCE | (38,400) | 998,805 | 186,382 | (812,423) |
| Fund Balance - Beginning of Year | <u>1,241,797</u> | <u>1,241,797</u> | <u>1,241,797</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 1,203,397</u> | <u>\$ 2,240,602</u> | <u>\$ 1,428,179</u> | <u>\$ (812,423)</u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – CAPITAL IMPROVEMENTS FUND
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|-----------------------------------|------------------------------|------------------------------|--------------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for Services | \$ 989,000 | \$ 1,239,000 | \$ 2,219,258 | \$ 980,258 |
| Use of Money and Property | - | - | (112,928) | (112,928) |
| Total Revenues | <u>989,000</u> | <u>1,239,000</u> | <u>2,106,330</u> | <u>867,330</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 7,512 | (7,512) |
| Community Development | - | - | 77,843 | (77,843) |
| Public Works | 5,549,448 | 5,890,819 | 2,097,088 | 3,793,731 |
| Total Expenditures | <u>5,549,448</u> | <u>5,890,819</u> | <u>2,182,443</u> | <u>3,708,376</u> |
| NET CHANGE IN FUND BALANCE | (4,560,448) | (4,651,819) | (76,113) | 4,575,706 |
| Fund Balance - Beginning of Year | <u>1,040,147</u> | <u>1,040,147</u> | <u>1,040,147</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ (3,520,301)</u></u> | <u><u>\$ (3,611,672)</u></u> | <u><u>\$ 964,034</u></u> | <u><u>\$ 4,575,706</u></u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – BOND PROCEEDS FUND
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|------------------|------------------|------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ - | \$ - | \$ 3,942 | \$ 3,942 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>3,942</u> | <u>3,942</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 4,361 | (4,361) |
| Capital Outlay | - | 26,073 | 21,712 | 4,361 |
| Total Expenditures | <u>-</u> | <u>26,073</u> | <u>26,073</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | (26,073) | (22,131) | 3,942 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | (63,922) | (54,982) | - | 54,982 |
| Total Other Financing Sources (Uses) | <u>(63,922)</u> | <u>(54,982)</u> | <u>-</u> | <u>54,982</u> |
| NET CHANGE IN FUND BALANCE | - | (81,055) | (22,131) | 58,924 |
| Fund Balance - Beginning of Year | 93,732 | 93,732 | 93,732 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 93,732</u> | <u>\$ 12,677</u> | <u>\$ 71,601</u> | <u>\$ 58,924</u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – FLEET REPLACEMENT AND FACILITY MAINTENANCE FUND
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|---------------------|-------------------|---------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ - | \$ - | \$ 339,853 | \$ 339,853 |
| Miscellaneous | - | - | 60,060 | 60,060 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>399,913</u> | <u>399,913</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 50,000 | 50,000 | 1,635,402 | (1,585,402) |
| Public Safety | - | - | 268,411 | (268,411) |
| Capital Outlay | 7,074,969 | 13,660,084 | 4,803,599 | 8,856,485 |
| Total Expenditures | <u>7,124,969</u> | <u>13,710,084</u> | <u>6,707,412</u> | <u>7,002,672</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (7,124,969) | (13,710,084) | (6,307,499) | 7,402,585 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 6,260,027 | 6,642,042 | 6,641,647 | (395) |
| Total Other Financing Sources (Uses) | <u>6,260,027</u> | <u>6,642,042</u> | <u>6,641,647</u> | <u>(395)</u> |
| NET CHANGE IN FUND BALANCE | (864,942) | (7,068,042) | 334,148 | 7,402,190 |
| Fund Balance - Beginning of Year | <u>7,822,945</u> | <u>7,822,945</u> | <u>7,822,945</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u>\$ 6,958,003</u> | <u>\$ 754,903</u> | <u>\$ 8,157,093</u> | <u>\$ 7,402,190</u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – REMEDIATION FUND
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|--------------------|--------------------|--------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ - | \$ - | \$ (257) | \$ (257) |
| Total Revenues | <u>-</u> | <u>-</u> | <u>(257)</u> | <u>(257)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public Works | 311,000 | 561,979 | 209,164 | 352,815 |
| Total Expenditures | <u>311,000</u> | <u>561,979</u> | <u>209,164</u> | <u>352,815</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (311,000) | (561,979) | (209,421) | 352,558 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 311,000 | 561,979 | 209,421 | (352,558) |
| Total Other Financing Sources (Uses) | <u>311,000</u> | <u>561,979</u> | <u>209,421</u> | <u>(352,558)</u> |
| NET CHANGE IN FUND BALANCE | - | - | - | - |
| Fund Balance - Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE - END OF YEAR | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

CITY OF CHICO, CALIFORNIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
BUDGET AND ACTUAL – PUBLIC INFRASTRUCTURE REPLACEMENT
YEAR ENDED JUNE 30, 2025

| | Budgeted Amounts | | Actual | Variance With Final Budget |
|--|---------------------|-------------------|---------------------|----------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Use of Money and Property | \$ - | \$ - | \$ 219,702 | \$ 219,702 |
| Total Revenues | - | - | 219,702 | 219,702 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 52,389 | (52,389) |
| Public Works | - | - | 28,247 | (28,247) |
| Capital Outlay | 2,185,000 | 5,571,600 | 2,020,391 | 3,551,209 |
| Total Expenditures | 2,185,000 | 5,571,600 | 2,101,027 | 3,470,573 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (2,185,000) | (5,571,600) | (1,881,325) | 3,690,275 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 1,672,000 | 2,054,017 | 4,012,736 | 1,958,719 |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | 1,672,000 | 2,054,017 | 4,012,736 | 1,958,719 |
| NET CHANGE IN FUND BALANCE | (513,000) | (3,517,583) | 2,131,411 | 5,648,994 |
| Fund Balance - Beginning of Year | 3,911,033 | 3,911,033 | 3,911,033 | - |
| FUND BALANCE - END OF YEAR | <u>\$ 3,398,033</u> | <u>\$ 393,450</u> | <u>\$ 6,042,444</u> | <u>\$ 5,648,994</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
JUNE 30, 2025**

| | Self Insurance | Central Garage | Municipal Building Maintenance | Information Services | Retirement Funding | Total |
|---------------------------------------|-----------------------|-----------------------|--------------------------------------|-------------------------|-----------------------|-----------------------|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash and Investments | \$ 10,630,248 | \$ 100,958 | \$ 117,185 | \$ 142,128 | \$ 9,874,184 | \$ 20,864,703 |
| Receivables: | | | | | | |
| Accounts | 193,698 | - | - | - | - | 193,698 |
| Intergovernmental | - | 28,675 | - | - | - | 28,675 |
| Due from Other Cash Funds | - | - | - | - | - | - |
| Inventories | - | 63,723 | - | - | - | 63,723 |
| Prepaid Items | 85,636 | - | - | 575,175 | - | 660,811 |
| Total Current Assets | <u>10,909,582</u> | <u>193,356</u> | <u>117,185</u> | <u>717,303</u> | <u>9,874,184</u> | <u>21,811,610</u> |
| Noncurrent Assets: | | | | | | |
| Restricted Cash and Investments | 270,000 | - | - | - | - | 270,000 |
| Capital Assets: | | | | | | |
| Land and Construction in Progress | - | 30,391 | - | - | - | 30,391 |
| Depreciable Capital Assets, Net | - | 17,400 | - | 136,130 | - | 153,530 |
| Lease Assets, Net | - | - | - | 181,746 | - | 181,746 |
| SBITA Assets, Net | - | - | - | - | - | - |
| Total Noncurrent Assets | <u>270,000</u> | <u>47,791</u> | <u>-</u> | <u>317,876</u> | <u>-</u> | <u>635,667</u> |
| Total Assets | <u>11,179,582</u> | <u>241,147</u> | <u>117,185</u> | <u>1,035,179</u> | <u>9,874,184</u> | <u>22,447,277</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Deferred Amounts Related to Pension | - | 487,726 | 478,391 | 756,093 | - | 1,722,210 |
| LIABILITIES | | | | | | |
| Current Liabilities: | | | | | | |
| Accounts Payable | 397,971 | 104,638 | 18,792 | 425,371 | - | 946,772 |
| Due to Other Funds | 1,255,832 | - | - | - | - | 1,255,832 |
| Accrued Salaries and Benefits | 260 | 30,330 | 32,898 | 46,181 | - | 109,669 |
| Compensated Absences - Current | - | 8,519 | 5,956 | 9,217 | - | 23,692 |
| Lease Liability - Current | - | - | - | 43,526 | - | 43,526 |
| Claims Liability - Current | 2,131,930 | - | - | - | - | 2,131,930 |
| Total Current Liabilities | <u>3,785,993</u> | <u>143,487</u> | <u>57,646</u> | <u>524,295</u> | <u>-</u> | <u>4,511,421</u> |
| Noncurrent Liabilities: | | | | | | |
| Compensated Absences | - | 155,262 | 108,553 | 167,981 | - | 431,796 |
| Claims Liability | 11,446,162 | - | - | - | - | 11,446,162 |
| Net Pension Liability | - | 2,962,743 | 2,906,040 | 4,592,961 | - | 10,461,744 |
| Total Noncurrent Liabilities | <u>11,446,162</u> | <u>3,118,005</u> | <u>3,014,593</u> | <u>4,897,381</u> | <u>-</u> | <u>22,476,141</u> |
| Total Liabilities | <u>15,232,155</u> | <u>3,261,492</u> | <u>3,072,239</u> | <u>5,421,676</u> | <u>-</u> | <u>26,987,562</u> |
| NET POSITION | | | | | | |
| Net Investment in Capital Assets | - | 47,791 | - | 112,397 | - | 160,188 |
| Unrestricted | (4,052,573) | (2,580,410) | (2,476,663) | (3,742,801) | 9,874,184 | (2,978,263) |
| Total Net Position | <u>\$ (4,052,573)</u> | <u>\$ (2,532,619)</u> | <u>\$ (2,476,663)</u> | <u>\$ (3,630,404)</u> | <u>\$ 9,874,184</u> | <u>\$ (2,818,075)</u> |

CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025

| | Self Insurance | Central Garage | Municipal Building Maintenance | Information Services | Retirement Funding | Total |
|--|-----------------------|-----------------------|--------------------------------------|-------------------------|-----------------------|-----------------------|
| OPERATING REVENUES | | | | | | |
| Charges for Services - Internal | \$ 7,107,990 | \$ 2,924,650 | \$ 2,246,045 | \$ 5,315,071 | \$ 14,114,580 | \$ 31,708,336 |
| Charges for Services - External | - | 67,544 | - | - | - | 67,544 |
| Total Operating Revenues | <u>7,107,990</u> | <u>2,992,194</u> | <u>2,246,045</u> | <u>5,315,071</u> | <u>14,114,580</u> | <u>31,775,880</u> |
| OPERATING EXPENSES | | | | | | |
| Salaries and Benefits | - | 1,589,307 | 1,450,544 | 1,811,049 | - | 4,850,900 |
| Materials and Supplies | 2,274 | 590,630 | 139,368 | 104,123 | - | 836,395 |
| Purchased Services | 4,407,739 | 173,706 | 333,405 | 1,927,194 | - | 6,842,044 |
| Other Expenses | 3,799,798 | 994,113 | 547,685 | 823,105 | 12,846,467 | 19,011,168 |
| Depreciation and Amortization | - | - | - | 308,812 | - | 308,812 |
| Total Operating Expenses | <u>8,209,811</u> | <u>3,347,756</u> | <u>2,471,002</u> | <u>4,974,283</u> | <u>12,846,467</u> | <u>31,849,319</u> |
| OPERATING INCOME (LOSS) | (1,101,821) | (355,562) | (224,957) | 340,788 | 1,268,113 | (73,439) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Investment Earnings | 369,783 | - | - | - | 129,242 | 499,025 |
| Interest expense | - | - | - | (3,439) | - | (3,439) |
| Miscellaneous Revenue | 65,524 | - | - | - | - | 65,524 |
| Miscellaneous Expense | - | - | - | - | - | - |
| Total Nonoperating Revenues (Expenses) | <u>435,307</u> | <u>-</u> | <u>-</u> | <u>(3,439)</u> | <u>129,242</u> | <u>561,110</u> |
| INCOME (LOSS) BEFORE TRANSFERS | (666,514) | (355,562) | (224,957) | 337,349 | 1,397,355 | 487,671 |
| Transfers Out | <u>(616,250)</u> | <u>(24,498)</u> | <u>(40,926)</u> | <u>-</u> | <u>-</u> | <u>(681,674)</u> |
| CHANGE IN NET POSITION | (1,282,764) | (380,060) | (265,883) | 337,349 | 1,397,355 | (194,003) |
| Net Position - Beginning, As Originally Stated | (2,769,809) | (2,123,644) | (2,181,666) | (3,896,488) | 8,476,829 | (2,494,778) |
| Change in Accounting Principle | - | (28,915) | (29,114) | (71,265) | - | (129,294) |
| Net Position - Beginning, As Restated | <u>(2,769,809)</u> | <u>(2,152,559)</u> | <u>(2,210,780)</u> | <u>(3,967,753)</u> | <u>8,476,829</u> | <u>(2,624,072)</u> |
| NET POSITION (DEFICIT) - END OF YEAR | <u>\$ (4,052,573)</u> | <u>\$ (2,532,619)</u> | <u>\$ (2,476,663)</u> | <u>\$ (3,630,404)</u> | <u>\$ 9,874,184</u> | <u>\$ (2,818,075)</u> |

**CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2025**

| | Self Insurance | Central Garage | Municipal Building Maintenance | Information Services | Retirement Funding | Total |
|--|----------------------|-------------------|--------------------------------------|-------------------------|-----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from Services Provided | \$ 7,173,514 | \$ 2,986,256 | \$ 2,246,045 | \$ 5,315,071 | \$ 14,114,580 | \$ 31,835,466 |
| Payments to Suppliers and Claimants | (7,053,034) | (1,754,426) | (1,063,622) | (3,035,822) | (12,846,467) | (25,753,371) |
| Payments to Employees | - | (1,198,602) | (1,169,188) | (1,866,671) | - | (4,234,461) |
| Net Cash Provided (Used) by Operating Activities | <u>120,480</u> | <u>33,228</u> | <u>13,235</u> | <u>412,578</u> | <u>1,268,113</u> | <u>1,847,634</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Interfund Borrowings | 1,255,832 | - | - | - | - | 1,255,832 |
| Transfers Out | (616,250) | (24,498) | (40,926) | - | - | (681,674) |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>639,582</u> | <u>(24,498)</u> | <u>(40,926)</u> | <u>-</u> | <u>-</u> | <u>574,158</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Acquisition and Construction of Capital Assets | - | - | - | (25,514) | - | (25,514) |
| Cash paid on interest related to Capital Debt | - | - | - | (3,439) | - | (3,439) |
| Cash paid on Lease Liability Principal | - | - | - | (47,111) | - | (47,111) |
| Cash paid on SBITA Liability Principal | - | - | - | (154,640) | - | (154,640) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>(230,704)</u> | <u>-</u> | <u>(230,704)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest Received | 369,783 | - | - | - | 129,242 | 499,025 |
| Net Cash Provided (Used) by Investing Activities | <u>369,783</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>129,242</u> | <u>499,025</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 1,129,845 | 8,730 | (27,691) | 181,874 | 1,397,355 | 2,690,113 |
| Cash and Cash Equivalents - Beginning of Year | <u>9,770,403</u> | <u>92,228</u> | <u>144,876</u> | <u>(39,746)</u> | <u>8,476,829</u> | <u>18,444,590</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 10,900,248</u> | <u>\$ 100,958</u> | <u>\$ 117,185</u> | <u>\$ 142,128</u> | <u>\$ 9,874,184</u> | <u>\$ 21,134,703</u> |
| RECONCILIATION TO STATEMENT OF NET POSITION | | | | | | |
| Cash and Investments | \$ 10,630,248 | \$ 100,958 | \$ 117,185 | \$ 142,128 | \$ 9,874,184 | \$ 20,864,703 |
| Restricted Cash and Investments | <u>270,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>270,000</u> |
| CASH AND INVESTMENTS - END OF YEAR | <u>\$ 10,900,248</u> | <u>\$ 100,958</u> | <u>\$ 117,185</u> | <u>\$ 142,128</u> | <u>\$ 9,874,184</u> | <u>\$ 21,134,703</u> |

**CITY OF CHICO, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED JUNE 30, 2025**

| | 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) | \$ 29,817 | \$ (377,608) | \$ (1,018,692) | \$ (2,679,907) | (87,629) | \$ (4,134,019) | \$ (73,439) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | | | |
| Depreciation and Amortization | 4,103,828 | 91,566 | 3,406 | 1,583,615 | - | 5,782,415 | 308,812 |
| Decrease (Increase) in: | | | | | | | |
| Accounts Receivable | (1,107,454) | (51) | (608,247) | (289,287) | - | (2,005,039) | - |
| Intergovernmental Receivable | (10,399) | 152 | - | (40,844) | (234,672) | (285,763) | 59,586 |
| Prepays | (254) | - | - | - | - | (254) | - |
| Inventory and Other Assets | - | - | - | - | - | - | (663,123) |
| Deferred Outflow Pension | 822,555 | 82,641 | 666,381 | 121,332 | - | 1,692,909 | 710,016 |
| Increase (Decrease) in: | | | | | | | |
| Accounts Payable | 1,506,202 | (17,044) | (215,658) | 1,282,257 | 143,744 | 2,699,501 | 499,423 |
| Due to Other Governments | - | - | - | - | - | - | - |
| Accrued Liabilities | 10,895 | 342 | 22,671 | 3,726 | - | 37,634 | 33,858 |
| Claims Liability | - | - | - | - | - | - | 1,099,676 |
| Compensated Absences | 41,478 | 7,867 | 2,653 | 8,069 | - | 60,067 | 30,357 |
| Unearned Revenue | - | - | 174,297 | - | - | 174,297 | - |
| Net Pension Liability | (1,005,409) | (87,174) | (403,394) | (277,762) | - | (1,773,739) | (132,137) |
| Deferred Inflow Pension | (24,243) | (2,520) | (22,138) | (2,790) | - | (51,691) | (25,395) |
| Total Adjustments | <u>4,337,199</u> | <u>75,779</u> | <u>(380,029)</u> | <u>2,388,316</u> | <u>(90,928)</u> | <u>6,330,337</u> | <u>1,921,073</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 4,367,016</u> | <u>\$ (301,829)</u> | <u>\$ (1,398,721)</u> | <u>\$ (291,591)</u> | <u>(178,557)</u> | <u>\$ 2,196,318</u> | <u>\$ 1,847,634</u> |
| NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES | | | | | | | |
| Issuance of Leases | \$ - | \$ - | \$ - | \$ - | - | - | \$ 222,549 |

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> | 112 – 116 |
| 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> | 117 – 121 |
| These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | |
| <i>Debt Capacity</i> | 122 – 125 |
| 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> | 126 – 128 |
| 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> | 129 – 130 |
| 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)**

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 313,120 | \$ 314,106 | \$ 311,573 | \$ 312,439 | \$ 323,203 | \$ 323,631 | \$ 337,304 | \$ 356,741 | \$ 384,123 | \$ 437,848 |
| Restricted | 87,015 | 91,661 | 94,268 | 98,771 | 111,599 | 116,538 | 145,717 | 148,586 | 155,702 | 178,865 |
| Unrestricted | (82,202) | (77,226) | (77,247) | (70,952) | (60,059) | (51,643) | (51,220) | (46,860) | (11,577) | (13,538) |
| Total Governmental Activities Net Position | \$ 317,933 | \$ 328,540 | \$ 328,595 | \$ 340,258 | \$ 374,742 | \$ 388,525 | \$ 431,801 | \$ 458,467 | \$ 528,248 | \$ 603,175 |
| Business-Type Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 85,451 | \$ 90,874 | \$ 94,581 | \$ 95,524 | \$ 105,603 | \$ 114,579 | \$ 120,254 | \$ 123,537 | \$ 122,554 | \$ 127,149 |
| Restricted | 10,641 | 12,519 | 14,427 | 15,311 | 17,283 | - | - | - | - | - |
| Unrestricted | 1,786 | 3 | 4 | 2,807 | 5,951 | 32,964 | 31,257 | 28,402 | 28,112 | 25,559 |
| Total Business-Type Activities Net Position | \$ 97,878 | \$ 103,396 | \$ 109,012 | \$ 113,642 | \$ 128,836 | \$ 147,542 | \$ 151,511 | \$ 151,939 | \$ 150,666 | \$ 152,708 |
| Primary Government: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 398,571 | \$ 404,980 | \$ 406,155 | \$ 407,963 | \$ 428,806 | \$ 438,209 | \$ 457,558 | \$ 480,278 | \$ 506,677 | \$ 564,997 |
| Restricted | 97,656 | 104,180 | 108,695 | 114,082 | 128,881 | 116,538 | 145,717 | 148,586 | 155,702 | 178,865 |
| Unrestricted | (80,417) | (77,223) | (77,243) | (68,145) | (54,108) | (18,679) | (19,963) | (18,458) | 16,535 | 12,021 |
| Total Primary Government Net Position | \$ 415,811 | \$ 431,936 | \$ 437,607 | \$ 453,899 | \$ 503,579 | \$ 536,068 | \$ 583,313 | \$ 610,406 | \$ 678,914 | \$ 755,883 |

**CITY OF CHICO, CALIFORNIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|---|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 3,972 | \$ 4,577 | \$ 5,059 | \$ 5,160 | \$ 7,182 | \$ 18,655 | \$ 10,465 | \$ 12,264 | \$ 15,860 | \$ 14,200 |
| Public safety | 39,324 | 41,972 | 41,214 | 42,712 | 45,845 | 34,361 | 37,539 | 49,672 | 61,935 | 67,333 |
| Public works | 18,530 | 18,589 | 19,763 | 20,062 | 18,097 | 17,823 | 17,401 | 21,528 | 27,009 | 27,567 |
| Parks and recreation | 3,388 | 3,537 | 3,567 | 3,849 | 3,901 | 3,728 | 3,604 | 2,884 | 3,436 | 3,969 |
| Arts and culture | - | - | - | - | 28 | - | 35 | 54 | 44 | 36 |
| Community development | 2,588 | 3,360 | 2,432 | 2,207 | 2,679 | 8,362 | 6,003 | 8,984 | 5,721 | 6,085 |
| Community agencies | 99 | 100 | 50 | 2 | 10 | 4 | - | - | - | - |
| Health and Human Services | - | - | - | - | - | - | 303 | 3,316 | 3,663 | 3,573 |
| Interest on long-term debt | 85 | 80 | 82 | 140 | 46 | 81 | 65 | 166 | 133 | 118 |
| Total governmental activities expenses | <u>67,986</u> | <u>72,215</u> | <u>72,167</u> | <u>74,131</u> | <u>77,788</u> | <u>83,013</u> | <u>75,413</u> | <u>98,868</u> | <u>117,801</u> | <u>122,881</u> |
| Business-type activities: | | | | | | | | | | |
| Sewer | 10,986 | 11,451 | 12,092 | 11,867 | 13,340 | 11,636 | 13,255 | 14,488 | 16,312 | 16,767 |
| Parking | 839 | 849 | 1,027 | 1,333 | 1,093 | 948 | 1,543 | 1,438 | 847 | 1,245 |
| Private development | 3,001 | 3,488 | 3,686 | 4,099 | 4,648 | 4,365 | 4,297 | 4,201 | 6,649 | 5,954 |
| Airport | 1,927 | 104,180 | 2,167 | 2,593 | 2,044 | 2,043 | 1,911 | 2,151 | 2,422 | 3,778 |
| City Recreation | - | - | - | - | - | - | 443 | 424 | 374 | 322 |
| Total business-type activities expenses | <u>16,753</u> | <u>119,968</u> | <u>18,972</u> | <u>19,892</u> | <u>21,125</u> | <u>18,992</u> | <u>21,450</u> | <u>22,702</u> | <u>26,604</u> | <u>28,068</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 188 | 247 | 318 | 1,226 | 7,721 | 772 | 2,698 | 1,386 | 29,839 | 3,108 |
| Public safety | 1,118 | 1,176 | 1,395 | 1,592 | 5,215 | 1,212 | 61 | 116 | 58 | 68 |
| Public works | 9,462 | 8,715 | 8,288 | 5,894 | 1,389 | 11,449 | 2,334 | 2,695 | 3,956 | 4,901 |
| Community development | 94 | 215 | 237 | 56 | 67 | 65 | 8,777 | 3,618 | 4,228 | 7,971 |
| Parks and recreation | 282 | 4,487 | 1,338 | 16 | 10 | 4 | 48 | 23 | 28 | 30 |
| Operating grants and contributions | 10,752 | 9,976 | 8,229 | 5,537 | 9,677 | 9,061 | 14,615 | 16,679 | 30,050 | 43,282 |
| Capital grants and contributions | 2,075 | 929 | 3,808 | 6,714 | 5,790 | 8,424 | 23,877 | 21,468 | 14,865 | 31,866 |
| Total governmental activities program revenues | <u>23,971</u> | <u>25,745</u> | <u>23,612</u> | <u>21,034</u> | <u>29,869</u> | <u>30,986</u> | <u>52,409</u> | <u>45,985</u> | <u>83,025</u> | <u>91,226</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Sewer | 14,333 | 14,737 | 13,802 | 14,788 | 15,433 | 18,055 | 15,042 | 14,626 | 15,770 | 16,720 |
| Private development | 3,166 | 3,906 | 1,876 | 2,210 | 5,061 | 5,099 | 5,841 | 5,167 | 5,549 | 4,935 |
| Other activities | 1,633 | 1,745 | 3,923 | 4,191 | 2,110 | 992 | 1,966 | 1,959 | 2,107 | 2,200 |
| Operating grants and contributions | 270 | 3,252 | 2,649 | 2,266 | 8,817 | - | 175 | 57 | 15 | 1,663 |
| Capital grants and contributions | 812 | 1,942 | 292 | 77 | 2,588 | 11,223 | 3,129 | 1,123 | 510 | 2,972 |
| Total business-type activities program revenues | <u>20,214</u> | <u>25,582</u> | <u>22,543</u> | <u>23,532</u> | <u>34,010</u> | <u>35,369</u> | <u>26,152</u> | <u>22,932</u> | <u>23,950</u> | <u>28,490</u> |
| Total primary government program revenues | <u>44,185</u> | <u>51,327</u> | <u>46,155</u> | <u>44,567</u> | <u>63,878</u> | <u>66,355</u> | <u>78,561</u> | <u>68,917</u> | <u>106,974</u> | <u>119,716</u> |
| Net (expenses)/revenue | | | | | | | | | | |
| Governmental activities | (44,015) | (46,470) | (48,555) | (53,097) | (47,920) | (52,027) | (23,004) | (52,883) | (34,777) | (31,655) |
| Business-type activities | 3,461 | (94,385) | 3,571 | 3,641 | 12,885 | 16,377 | 4,702 | 230 | (2,654) | 422 |
| Total primary government net expense | <u>\$ (40,554)</u> | <u>\$ (140,855)</u> | <u>\$ (44,984)</u> | <u>\$ (49,456)</u> | <u>\$ (35,035)</u> | <u>\$ (35,650)</u> | <u>\$ (18,302)</u> | <u>\$ (52,653)</u> | <u>\$ (37,431)</u> | <u>\$ (31,234)</u> |

CITY OF CHICO, CALIFORNIA
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|-------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 14,564 | \$ 15,169 | \$ 15,410 | \$ 16,750 | \$ 18,616 | \$ 19,896 | \$ 21,002 | \$ 22,982 | \$ 24,549 | \$ 25,394 |
| Sales and use tax | 17,320 | 21,134 | 21,832 | 25,173 | 24,435 | 28,177 | 31,484 | 35,805 | 53,256 | 53,034 |
| Sales tax in-lieu | 2,589 | - | - | - | - | - | - | - | - | - |
| Utility users tax | 6,552 | 6,895 | 7,052 | 7,200 | 7,317 | 8,119 | 8,801 | 10,272 | 10,406 | 11,681 |
| Other taxes | 4,836 | 5,200 | 6,332 | 7,890 | 7,507 | 7,777 | 9,293 | 8,808 | 10,447 | 10,576 |
| Unrestricted grants and contributions | 5,854 | 0 | 1,776 | 5,627 | 14,110 | 2,073 | - | - | - | - |
| Unrestricted investment earnings | 250 | 109 | 266 | 1,162 | 1,568 | 929 | (3,871) | 832 | 5,147 | 6,998 |
| Miscellaneous | 83 | 182 | 588 | 1,180 | 714 | 782 | 510 | 931 | 706 | 765 |
| Loss on disposition of capital assets | - | - | - | - | - | - | - | - | - | (28) |
| Special item | - | - | - | - | 8,012 | - | - | - | - | - |
| Transfers | (601) | (370) | (428) | (195) | 125 | (1,942) | (939) | (81) | 46 | (174) |
| Total governmental activities | <u>51,447</u> | <u>48,319</u> | <u>52,827</u> | <u>64,786</u> | <u>82,405</u> | <u>65,810</u> | <u>66,281</u> | <u>79,548</u> | <u>104,558</u> | <u>108,246</u> |
| Business-type activities: | | | | | | | | | | |
| Unrestricted investment earnings | 70 | 149 | 322 | 793 | 812 | 361 | (1,688) | 99 | 1,410 | 1,607 |
| Miscellaneous | - | - | - | - | 1,623 | 41,771 | 16 | 16 | 19 | 34 |
| Transfers | 601 | 370 | 428 | 195 | (125) | 1,942 | 939 | 81 | (46) | 174 |
| Total business-type activities | <u>671</u> | <u>519</u> | <u>750</u> | <u>988</u> | <u>2,310</u> | <u>44,074</u> | <u>(733)</u> | <u>196</u> | <u>1,383</u> | <u>1,815</u> |
| Total primary government | <u>\$ 52,118</u> | <u>\$ 48,838</u> | <u>\$ 53,577</u> | <u>\$ 65,775</u> | <u>\$ 84,715</u> | <u>\$ 109,883</u> | <u>\$ 65,547</u> | <u>\$ 79,744</u> | <u>\$ 105,941</u> | <u>\$ 110,061</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ 7,432 | \$ 10,607 | \$ 2,103 | \$ 11,663 | \$ 34,485 | \$ 13,783 | \$ 43,276 | \$ 26,665 | \$ 69,781 | \$ 76,590 |
| Business-type activities | 4,133 | 8,409 | 4,321 | 4,629 | 15,194 | 18,706 | 3,969 | 426 | (1,271) | 2,237 |
| | <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> | <u>\$ 27,092</u> | <u>\$ 68,510</u> | <u>\$ 78,827</u> |

**CITY OF CHICO, CALIFORNIA
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)**

Fiscal Year Ending June 30

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|--------------------------------|------------------|------------------|-------------------|---------------------|----------------------|-------------------|----------------------|----------------------|-------------------|-------------------|
| General Fund: | | | | | | | | | | |
| Nonspendable | \$ 243 | \$ 224 | \$ 235 | \$ 64 | \$ 67 | \$ 175 | \$ 52 | \$ 50 | \$ 53 | \$ 40 |
| Restricted | - | - | - | 1,831 | 2,229 | 2,250 | 2,661 | 5,529 | 7,379 | 8,662 |
| Committed | 1,025 | 2,461 | 3,650 | 5,017 | 12,205 | 12,329 | 13,780 | 13,945 | 14,449 | 15,430 |
| Assigned | 678 | 3,837 | 4,576 | 5,602 | 11,236 | 9,488 | 26,455 | 21,228 | 58,390 | 61,808 |
| Unassigned | 4,643 | 2,454 | 3,835 | 7,770 | 4,161 | 15,191 | 4,550 | 10,845 | 10,429 | 4,877 |
| Total General Fund | <u>\$ 6,589</u> | <u>\$ 8,976</u> | <u>\$ 12,296</u> | <u>\$ 20,284</u> | <u>\$ 29,898</u> | <u>\$ 39,433</u> | <u>\$ 47,498</u> | <u>\$ 51,597</u> | <u>\$ 90,700</u> | <u>\$ 90,817</u> |
| All other Governmental funds: | | | | | | | | | | |
| Nonspendable | \$ 55 | \$ 41 | \$ - | \$ 5 | \$ 152 | \$ - | \$ - | \$ - | \$ - | \$ 10 |
| Restricted | 87,431 | 92,390 | 94,714 | 99,757 ¹ | 109,407 ¹ | 114,419 | 118,998 ¹ | 118,219 ¹ | 131,541 | 151,429 |
| Committed | - | - | 3,650 | - | - | - | - | - | - | - |
| Assigned | 4,429 | 4,926 | 9,233 | 4,232 | 4,305 | 5,951 | 5,844 | 9,287 | 8,863 | 9,113 |
| Unassigned | (3,527) | (6,560) | (1,416) | (2,594) | (1,519) | (834) | (12,017) | (6,637) | (11,764) | (5,124) |
| Total other Governmental Funds | <u>\$ 88,388</u> | <u>\$ 90,797</u> | <u>\$ 106,180</u> | <u>\$ 101,399</u> | <u>\$ 112,345</u> | <u>\$ 119,536</u> | <u>\$ 112,824</u> | <u>\$ 120,869</u> | <u>\$ 128,640</u> | <u>\$ 155,428</u> |

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

CITY OF CHICO, CALIFORNIA
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(AMOUNTS EXPRESSED IN THOUSANDS)

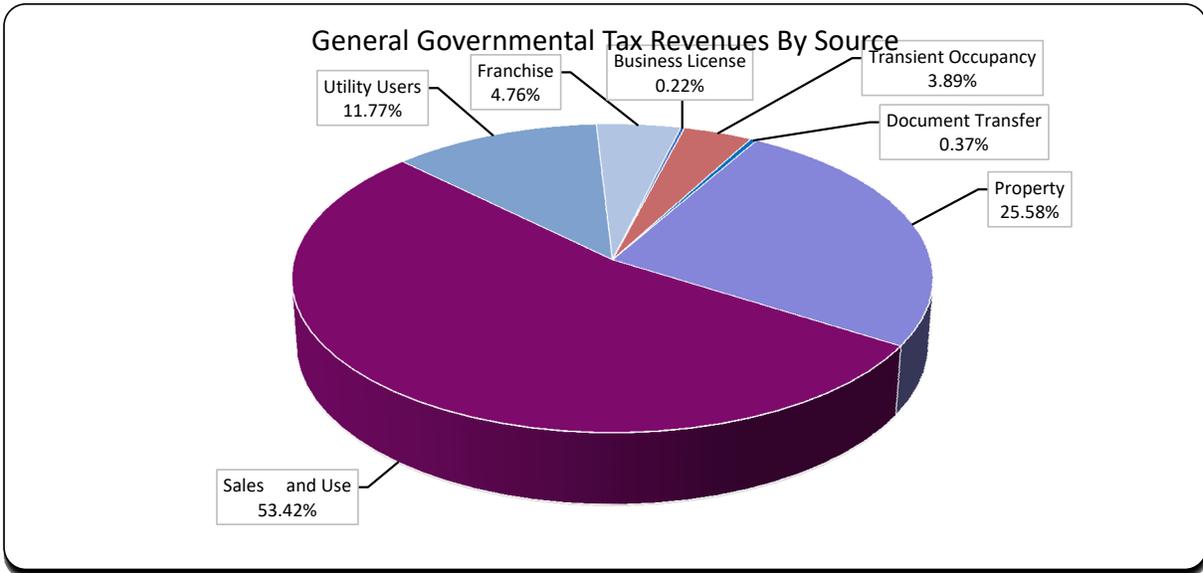
| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|-----------------|------------------|------------------|------------------|
| Revenues | | | | | | | | | | |
| Property taxes | \$ 14,564 | \$ 15,169 | \$ 15,410 | \$ 16,750 | \$ 18,616 | \$ 19,896 | \$ 21,002 | \$ 22,982 | \$ 24,549 | \$ 25,394 |
| Sales and use taxes | 19,908 | 21,134 | 21,832 | 25,174 | 24,435 | 28,177 | 31,484 | 35,805 | 53,256 | 53,034 |
| Other taxes | 11,389 | 12,095 | 13,383 | 15,089 | 14,824 | 15,896 | 18,094 | 19,080 | 20,853 | 22,256 |
| Licenses and permits | 108 | 91 | 147 | 139 | 91 | 91 | 79 | 64 | 101 | 104 |
| Intergovernmental | 12,817 | 10,137 | 11,261 | 15,450 | 14,472 | 18,023 | 26,241 | 36,961 | 37,212 | 75,231 |
| Charges for services | 6,875 | 9,083 | 8,811 | 6,118 | 13,119 | 11,758 | 11,691 | 6,780 | 8,881 | 13,480 |
| Fines, forfeitures, and penalties | 777 | 840 | 806 | 904 | 731 | 492 | 814 | 749 | 28,873 | 2,231 |
| Use of money and property | 728 | 814 | 989 | 1,834 | 2,161 | 1,682 | (3,377) | 1,058 | 5,041 | 6,761 |
| Miscellaneous | 216 | 524 | 348 | 1,180 | 714 | 782 | 497 | 931 | 706 | 765 |
| Total revenues | <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> | <u>124,410</u> | <u>179,473</u> | <u>199,257</u> |
| Expenditures | | | | | | | | | | |
| General government | 3,692 | 4,265 | 4,615 | 4,456 | 5,636 | 5,764 | 6,242 | 6,805 | 13,170 | 11,336 |
| Public safety | 37,820 | 37,896 | 37,554 | 39,528 | 40,552 | 42,189 | 45,951 | 49,196 | 56,569 | 63,426 |
| Public works | 9,219 | 9,639 | 9,982 | 10,041 | 8,026 | 8,300 | 10,003 | 12,532 | 14,763 | 16,496 |
| Parks and recreation | 3,074 | 3,153 | 3,022 | 3,312 | 3,275 | 3,344 | 3,772 | 2,387 | 2,607 | 3,673 |
| Arts and culture | | | | 27 | 28 | - | 35 | 31 | 44 | 38 |
| Community development | 2,657 | 3,189 | 2,393 | 2,131 | 2,501 | 8,344 | 6,383 | 8,998 | 5,381 | 5,981 |
| Community agencies | 99 | 100 | 50 | 2 | 10 | 4 | - | - | - | - |
| Health and Human Services | - | - | - | - | - | - | 303 | 3,338 | 3,627 | 3,547 |
| Capital outlay | 7,427 | 6,793 | 7,153 | 7,897 | 8,537 | 10,153 | 35,903 | 28,082 | 35,380 | 67,056 |
| Principal retirement | 279 | 384 | 381 | 392 | 512 | 528 | 444 | 860 | 1,196 | 1,229 |
| Interest and fiscal charges | 85 | 80 | 82 | 90 | 96 | 81 | 65 | 148 | 125 | 114 |
| Total expenditures | <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> | <u>112,377</u> | <u>132,862</u> | <u>172,895</u> |
| Excess of revenues over (under) expenditures | 3,030 | 4,389 | 7,754 | 14,763 | 19,989 | 18,090 | (2,575) | 12,033 | 46,611 | 26,362 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 5,620 | 4,692 | 4,624 | 6,596 | 5,909 | 7,561 | 7,787 | 32,058 | 41,365 | 16,457 |
| Transfers out | (5,651) | (4,754) | (5,737) | (6,962) | (5,338) | (8,925) | (8,306) | (32,084) | (41,261) | (15,949) |
| Issuance of long-term debt | 3,132 | 473 | - | 870 | - | - | 4,447 | 136 | 159 | 35 |
| Total other financing sources (uses) | <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> | <u>110</u> | <u>263</u> | <u>542</u> |
| Net change in fund balance | <u>\$ 6,131</u> | <u>\$ 4,799</u> | <u>\$ 6,641</u> | <u>\$ 15,267</u> | <u>\$ 20,560</u> | <u>\$ 16,726</u> | <u>\$ 1,353</u> | <u>\$ 12,143</u> | <u>\$ 46,874</u> | <u>\$ 26,904</u> |
| Debt service as a percentage of noncapital expenditures | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% | 1% |

**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 | |
| 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 |
| 2023 | 22,982 | 35,805 | 10,272 | 4,402 | 311 | 3,848 | 360 | 77,980 |
| 2024 | 24,549 | 53,256 | 10,406 | 4,569 | 329 | 3,843 | 335 | 97,288 |
| 2025 | 25,394 | 53,034 | 11,681 | 4,722 | 215 | 3,866 | 363 | 99,275 |

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)

| Fiscal Year | Secured Roll | Utility Roll | Unsecured Roll | Gross Assessed Value | Less Exemptions | Net Assessed Value | Total Direct Tax Rate % |
|--------------------|---------------------|---------------------|-----------------------|-----------------------------|------------------------|---------------------------|--------------------------------|
| 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 |
| 2023 | 11,938,237 | 590 | 696,635 | 12,635,462 | 902,864 | 11,732,598 | 1.0000 |
| 2024 | 13,359,608 | 590 | 766,384 | 14,126,582 | 1,065,574 | 13,061,009 | 1.0000 |
| 2025 | 14,126,861 | 590 | 1,004,687 | 15,132,138 | 1,220,612 | 13,911,526 | 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) | | |
| 2016 | 1.00 | 0.00 | 1.00 | 0.03 | 0.02 | 1.05 | |
| 2017 | 1.00 | 0.00 | 1.00 | 0.08 | 0.05 | 1.13 | |
| 2018 | 1.00 | 0.00 | 1.00 | 0.09 | 0.04 | 1.13 | |
| 2019 | 1.00 | 0.00 | 1.00 | 0.06 | 0.04 | 1.10 | |
| 2020 | 1.00 | 0.00 | 1.00 | 0.09 | 0.04 | 1.13 | |
| 2021 | 1.00 | 0.00 | 1.00 | 0.08 | 0.04 | 1.13 | |
| 2022 | 1.00 | 0.00 | 1.00 | 0.08 | 0.03 | 1.12 | |
| 2023 | 1.00 | 0.00 | 1.00 | 0.08 | 0.04 | 1.12 | |
| 2024 | 1.00 | 0.00 | 1.00 | 0.07 | 0.03 | 1.10 | |
| 2025 | 1.00 | 0.00 | 1.00 | 0.11 | 0.04 | 1.15 | |

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
CURRENT YEAR AND NINE YEARS AGO
(AMOUNTS EXPRESSED IN THOUSANDS)**

| Taxpayer | 2025 | | | 2016 | | |
|---|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Valuation | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Valuation |
| Merle A Webb and Sons LP | \$ 100,178 | 1 | 0.81% | | | |
| MP Core Chico LLC | 62,497 | 2 | 0.51% | | | |
| AMCAL Chico LLC | 56,190 | 3 | 0.46% | | | |
| Fae Holdings 490733R LLC | 53,236 | 4 | 0.43% | | | |
| The MP Blocks LLC | 48,141 | 5 | 0.39% | | | |
| Chico Crossroads LP | 45,549 | 6 | 0.37% | \$ 36,813 | 2 | 0.50% |
| North Chico LLC | 44,340 | 7 | 0.36% | | | |
| ADS III Creekside LLC | 39,198 | 8 | 0.32% | | | |
| EGP Chico LLC | 35,468 | 9 | 0.29% | | | |
| Chico Senior Living LP | 34,247 | 10 | 0.28% | | | |
| Chico Mall Investors LLC | | | | 50,011 | 1 | 0.68 |
| Carwood Skypark LLC Et Al. | | | | 25,108 | 3 | 0.34 |
| Sierra Nevada Brewing Company | | | | 21,819 | 4 | 0.30 |
| Evergreen Orchard LLC | | | | 19,991 | 5 | 0.27 |
| Costco Wholesale Corporation | | | | 18,704 | 6 | 0.26 |
| Gregory L and Joan R Webb | | | | 15,261 | 7 | 0.21 |
| WalMart Real Estate Business Trust | | | | 14,961 | 8 | 0.20 |
| 1661 Forest Avenue Investors | | | | 14,629 | 9 | 0.20 |
| IM Chico 1 LP | | | | 13,876 | 10 | 0.19 |
| Largest Secured Property Valuation | 519,045 | | | 217,297 | | |
| Other Secured Taxpayers | 11,829,219 | | | 6,663,026 | | |
| Total Secured Property Valuation - Net of Exemptions | \$ 12,348,265 | | 100.00% | \$ 6,880,323 | | 100.00% |

Source: Butte County Auditor/Controller's Office.
HdL's " 2022/23 Top Ten Property Taxpayers"
2014 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 Collected (1) | Delinquent Tax Collections | Total Tax Collections | Percent of Total Collections to Tax Levy |
|--------------------|-----------------------|--------------------------------|--------------------------------------|-----------------------------------|------------------------------|---|
| 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 |
| 2023 | \$ 22,982 | \$ 22,982 | 100 | - | 22,982 | 100 |
| 2024 | \$ 24,549 | \$ 24,549 | 100 | - | 24,549 | 100 |
| 2025 | \$ 25,394 | \$ 25,394 | 100 | - | 25,394 | 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 | <u>Governmental Activities</u> | | | | | <u>Business-Type Activities</u> | | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|--------------------------------|--------------|----------------------|---------------|---------------|---------------------------------|--------------|--------------------------|-------------------------------|------------|
| | <u>Revenue Bonds</u> | <u>Loans</u> | <u>Notes Payable</u> | <u>Leases</u> | <u>SBITAs</u> | <u>Revenue Bonds</u> | <u>Loans</u> | | | |
| 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 | 111 | - | 16,240 | - | 22,352 | 0.20 | 217 |
| 2023 | - | - | 5,141 | 58 | 1,068 | 14,545 | - | 20,813 | 0.18 | 194 |
| 2024 | - | - | 4,258 | 5 | 688 | 14,513 | - | 19,464 | 0.17 | 178 |
| 2025 | - | - | 3,352 | 180 | 246 | 10,895 | - | 14,673 | 0.12 | 129 |

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
YEAR ENDED JUNE 30, 2025
(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 | \$ 288,845 | 77.06% | \$ 222,596 |
| Butte-Glenn Community College District | <u>208,938</u> | 45.93% | <u>95,974</u> |
| Subtotal, overlapping debt | | | 318,570 |
| City of Chico direct debt | | | <u>-</u> |
| Total direct and overlapping debt | | | <u>\$ 318,570</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 | | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Total Assessed Valuation (less other exemptions) | \$ 7,769,186 | \$ 8,124,547 | \$ 8,598,694 | \$ 9,113,324 | \$ 9,891,594 | \$ 10,552,979 | \$ 11,032,612 | \$ 11,732,598 | \$ 13,061,009 | \$ 13,911,526 |
| Debt Limit - 15 Percent of Assessed Valuation (1) | \$ 1,165,378 | \$ 1,218,682 | \$ 1,289,804 | \$ 1,366,999 | \$ 1,483,739 | \$ 1,582,947 | \$ 1,654,892 | \$ 1,759,890 | \$ 1,959,151 | \$ 2,086,729 |
| Amount of Debt Applicable to Debt Limit | - | - | - | - | - | - | - | - | - | - |
| Legal Debt Margin | \$ 1,165,378 | \$ 1,218,682 | \$ 1,289,804 | \$ 1,366,999 | \$ 1,483,739 | \$ 1,582,947 | \$ 1,654,892 | \$ 1,759,890 | \$ 1,959,151 | \$ 2,086,729 |
| 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) | | | | |
|-------------|----------------------|--------------------|--|--------------------|------------|
| | Gross Revenue | Operating Expenses | Net Revenue Available for Debt Service | Total Debt Service | % Coverage |
| 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 |
| 2023 | \$ 14,625,504 | \$ 9,277,938 | \$ 5,347,566 | \$ 2,464,625 | 2.17 |
| 2024 | \$ 15,769,979 | \$ 11,094,973 | \$ 4,675,006 | \$ 2,462,750 | 1.90 |
| 2025 | \$ 16,719,953 | \$ 12,586,308 | \$ 4,133,645 | \$ 2,461,500 | 1.68 |

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 CALENDAR YEARS
 (UNAUDITED)**

| Fiscal Year | City of Chico | | Chico Metropolitan Statistical Area | | | |
|-------------|-----------------------------|---|-------------------------------------|--|--|--|
| | City of Chico Population | City of Chico Unemploy- ment Rate | Butte County Population | Butte County Personal Income (thousands of dollars) | Butte County Per Capita Personal Income | Butte County Unemploy- ment Rate |
| | (1) | (3) | (1) | (2) | (2) | (3) |
| 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 |
| 2023 | 107,394 | 4.4 | 205,592 | 11,396,345 | 55,432 | 5.2 |
| 2024 | 109,589 | 4.9 | 205,928 | 11,777,188 | 57,191 | 5.6 |
| 2025 | 113,847 | 6.5 | 207,525 | 11,777,188 | 56,751 | 6.5 |

**2023 is most current data available for Butte County.

- (1) Source: State of California, Department of Finance, Demographic Research
- (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**

| Employer | 2025¹ | | | 2016 | | |
|-------------------------------------|-------------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Enloe Medical Center | 4,000 | 1 | 4.94% | 3,082 | 1 | 6.82% |
| California State University, Chico | 1,908 | 2 | 2.36% | 1,952 | 2 | |
| Chico Unified School District | 1,354 | 3 | 1.67% | 1,537 | 3 | 3.40% |
| Sierra Nevada Brewery | 530 | 4 | 0.65% | 517 | 4 | 1.14% |
| Build.com ¹ | 500 | 5 | 0.62% | 365 | 6 | |
| ARC of Butte County | 500 | 6 | 0.62% | | | 0.00% |
| City of Chico | 479 | 7 | 0.59% | 355 | 7 | 0.79% |
| Lilu's Fashion Lounge | 369 | 8 | 0.46% | | | |
| Costco | 350 | 9 | 0.43% | 328 | 8 | 0.73% |
| A-C Electric Company | 350 | 10 | 0.43% | | | |
| United Health Care | | | | 508 | 5 | 1.12% |
| Walmart | | | | 297 | 9 | 0.66% |
| Milestone Technologies ¹ | | | | 245 | 10 | 0.54% |
| Total | 10,340 | | 12.76% | 9,186 | | 20.32% |

¹ No current data available for this statistic, therefore 2025 statistics are carried forward from 2024 except for City of Chico, which represents the actual 2024 amount.

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 | | | | | | | | | |
|-----------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| General government | 31 | 30 | 30 | 31 | 31 | 37 | 39 | 42 | 43 | 43 |
| Public safety | | | | | | | | | | |
| Police | 143 ¹ | 143 ¹ | 148 ¹ | 153 ¹ | 154 ¹ | 157 ¹ | 160 ¹ | 181 ¹ | 183 ¹ | 192 |
| Fire | 74 | 59 | 59 | 59 | 60 | 62 | 65 | 73 | 68 | 68 |
| Public works | 72 | 73 | 73 | 76 | 81 | 87 | 90 | 102 | 111 | 112 |
| Parks and recreation | 13 | 14 | 14 | 13 | 14 | 18 | 18 | 19 | 24 | 24 |
| Community development | 22 | 22 | 22 | 24 | 27 | 30 | 32 | 33 | 35 | 34 |
| 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 | 2 | 0 | 0 | 2 | 2 | 2 | 2 | 2 | 2 |
| Shelter Support | | | | | | | 3 | 3 | 3 | 4 |
| Total | 355 | 343 | 346 | 356 | 369 | 393 | 409 | 455 | 469 | 479 |

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

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

Source: City of Chico, Annual Budgets.

**CITY OF CHICO, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function | Fiscal Year | | | | | | | | | |
|--|------------------|---------|---------|---------|------------------|---------|---------|---------|---------|---------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
| Police | | | | | | | | | | |
| Calls for service* | 131,077 | 135,013 | 126,669 | 128,699 | 129,340 | 112,423 | 120,020 | 116,785 | 116,785 | 116,785 |
| Arrests* | 4,696 | 6,243 | 7,120 | 9,386 | 9,280 | 5,671 | 6,086 | 5,019 | 5,019 | 5,019 |
| Fire | | | | | | | | | | |
| Service calls answered* | 969 | 929 | 1,026 | 1,037 | 1,134 | 1,312 | 1,601 | 1,599 | 1,746 | 1,720 |
| Medical emergencies* | 9,696 | 9,537 | 8,751 | 8,428 | 5,365 | 4,868 | 6,590 | 7,532 | 7,795 | 8,923 |
| Public works | | | | | | | | | | |
| Street resurfacing (tons of asphalt) | 1,196 | 1,401 | 550 | 323 | 575 | 627 | 458 | 1,050 | 1,568 | 4,839 |
| Community development | | | | | | | | | | |
| Annexation activity (net acreage)* | 16,280 | 16,288 | 16,376 | 16,385 | 16,798 | 17,003 | 17,003 | 17,049 | 17,131 | 17,492 |
| Code violation notices issued | 441 | 175 | 214 | 120 | 462 ² | 123 | 793 | 826 | 722 | 683 |
| Sewer | | | | | | | | | | |
| Maximum daily treatment capacity (million gallons) | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 8.4 | 8.4 |
| Parking | | | | | | | | | | |
| Parking meter repairs | 573 ³ | 624 | 819 | 620 | 846 | 830 | 765 | 2,158 | 2,119 | 1,684 |
| Private development | | | | | | | | | | |
| Residential building permits* | 317 | 306 | 401 | 348 | 311 ⁴ | 335 | 290 | 301 | 183 | 146 |
| Commercial building permits* | 81 | 88 | 118 | 125 | 33 ⁴ | 31 | 31 | 31 | 15 | 22 |
| Airport | | | | | | | | | | |
| Passengers per year (loading/unloading) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

Source: City of Chico departments

- 1 - Represents passengers through December 2, 2014. Commercial air service terminated in its entirety as of this date.
- 2 - Represents actual letter notices generated and sent. This amount does not reflect the verbal notices to gain compliance.
- 3 - Number of meter repairs is significantly lower due to transition to smart meters. It is anticipated to return to normal levels in future years.
- 4 - New Permit system - data tracked by calendar year.

* These statistics are only available on a calendar year basis for the first calendar year of each fiscal year. Based on the most recent 2024/25 data.

**CITY OF CHICO, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function | Fiscal Year | | | | | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| Police | | | | | | | | | | |
| Police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol cars | 25 | 25 | 25 | 28 | 33 | 33 | 36 | 32 | 32 | 54 |
| Fire | | | | | | | | | | |
| Fire stations | 6 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Fire hydrants* | 3,896 | 4,030 | 4,042 | 4,148 | 4,136 | 4,200 | 4,283 | 4,282 | 4,178 | 4,577 |
| Public works | | | | | | | | | | |
| Street (miles)** | 293.8 | 300 | 300.8 | 303.7 | 312.2 | 318.4 | 318.7 | 320.2 | 321.9 | 324.5 |
| Traffic signals | 102 | 102 | 103 | 103 | 103 | 104 | 104 | 105 | 105 | 108 |
| Parks and recreation | | | | | | | | | | |
| Park acreage*** | 3,836 | 3,836 | 3,836 | 3,744 | 3,744 | 3,744 | 3,741 | 3,741 | 3,741 | 3,741 |
| Sanitary sewer (miles) | 217.3 | 219.32 | 220.33 | 221.97 | 226.64 | 227.30 | 227.67 | 229.17 | 229.47 | 330.25 |
| Storm sewer (miles) | 226.67 | 228.4 | 229.33 | 230.94 | 235.55 | 236.27 | 236.67 | 237.65 | 238.02 | 238.98 |
| Parking lots | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Parking structures | 1 | 1 | 1 | 1 | 1 | 2 | 3 | 3 | 3 | 3 |
| Airport | | | | | | | | | | |
| Runway lengths 13L/31R (feet) | 6,724 | 6,724 | 6,724 | 6,724 | 6,724 | 6,724 | 6,724 | 6,724 | 6,724 | 6,724 |
| Runway lengths 13R/31L (feet) | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |

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

Source: Various City of Chico departments

*Data available for calendar year only.

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

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



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