

CITY OF RED BLUFF,
STATE OF CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

*For the Fiscal Year Ended
June 30, 2023*

*Prepared by:
Red Bluff Finance Department*

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City of Red Bluff, California

Annual Comprehensive Financial Report

**For the Year Ended
June 30, 2023**

Prepared by:

Red Bluff Finance Department

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CITY OF RED BLUFF
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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INTRODUCTORY SECTION

- **Letter of Transmittal**
- **Government Finance Officers Association
Certificate of Achievement**
- **List of Officials**
- **Organizational Chart**

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CITY OF RED BLUFF

555 Washington Street Red Bluff, California 96080 (530) 527-2605 Fax (530) 529-6878 www.cityofredbluff.org

December 11, 2023

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Red Bluff,

The City of Red Bluff (City) submits to you its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2023. The Finance 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. 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. To the best of our knowledge and belief, the enclosed data are 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 City requires an annual audit to be conducted by an independent auditor hired by the City Council. The audit report is to be prepared in accordance with auditing standards generally accepted in the United States of America and accounting principles generally accepted in the United States of America (GAAP) and submitted to the City Council as close to the calendar year end as possible. Smith & Newell CPAs, a firm of licensed certified public accountants, has audited the attached financial statements. Based on the results of the audit, the City's financial statements for the fiscal year ended June 30, 2023, received an unqualified opinion in the independent auditor's report (which is presented as the first component of the financial section of this report).

Profile of Red Bluff

The City of Red Bluff was incorporated on March 31, 1876.

Red Bluff is the largest city in and the county seat of Tehama County, California. The population was 14,710 at the 2020 census, up from 14,076 at the 2010 census.

The City is governed by the California Constitution and Statutes and operates under a Council-Manager form of government. The City Council consists of five members, elected to staggered four-year terms. An election held each November in even numbered years selects either two or three Council Members. The Council selects a Mayor and Mayor Pro Term from among its members to serve a one-year term. The Mayor presides over the Council meetings, which are held on the first and third Tuesday of each month. The City Council appoints a City Manager to implement its policies and directives 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; water and wastewater services; park and recreational activities; municipal airport and general administrative services.

The budget serves as the foundation for financial planning and control for the City. Budgetary control is maintained at the Department level to ensure compliance with legal provisions of the annual appropriated budget as approved and modified by the City Council.

Red Bluff's Economic Condition

Local Economy

The City's main local revenues did not change much from last year in the aggregate. Motel taxes was the largest decrease of 14.8% but this was offset by a 9.7% increase in Property Taxes and a 7.1% increase in Franchise Taxes. Overall, governmental activities general revenues increased 4.5% over the prior year.

On November 4, 2014, the City's residents voted in a quarter cent sales tax increase to help improve public safety, parks, recreation, and other general fund services. The additional increase in quarter cent sales tax has allowed the City to purchase much needed capital assets and equipment, as well as providing for several new employees in the police, fire, and parks departments. Sales tax revenue is approximately 51% of all governmental activities general revenues.

On November 6, 2018, the City's residents voted to extend the quarter cent sales tax for 10 additional years, creating a new sunset date of March 31, 2031. This will significantly improve the City's ability to staff and fund the City's Police, Fire, and Parks and Recreation Departments.

The budget committee is monitoring over \$2.5 million in street improvement projects, and almost \$6 million in capital projects, beginning in FY 17/18 and completed in FY 22/23. The City is currently looking into the next round of major capital projects to address the city-wide infrastructure condition. The City is working on surveying the condition of the roads, equipment, water & wastewater infrastructure, and facilities. Once completed, the city will be developing a funding plan for the capital projects identified and aligning it with the capital plan for the city to work out the timing of these projects.

Long-term Financial Planning

In the coming years, one of the main challenges to the City is the ever-increasing PERS required retirement contributions. To combat these increasing expenses, on July 15, 2021 the City issued \$18,540,000 of Pension Obligation Bonds. The financing of this bond paid \$18,170,470 of the unfunded liabilities of the police, fire, and other city employees retirement plans. The funding of the PERS Unfunded Liability from the bonds replaces annual Unfunded Liability payments based on market conditions with fixed rate bond payments with interest ranging from 0.47% to 3.226% over an 18-year repayment schedule for the amount funded by the bond. The effects of this funding of the PERS Unfunded Liability have been absorbed in the current year's pension liability.

The City's policy is to fund and maintain a reserve for contingencies of 10%, a reserve for economic uncertainties of 5%, and then to fund reserves to accommodate needed capital. The General Fund has sufficient revenues to meet its desired operating or emergency reserve levels, as outlined in the City's Reserve Policies, and to fund some of the reserves for needed capital. The budget committee will start to work early, developing a plan that will incorporate measures necessary to address the City's aging infrastructure, and ensure the goals of the reserves are met.

Relevant Financial Policies

The financial reserve policy is designed to preserve the fiscal integrity of the City's resources. When the City spends more money than is received in revenue, the fiscal integrity of the City is compromised. The City's budget committee will be reviewing current and future budgets and spending to ensure the reserve policy is upheld.

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 Red Bluff for its comprehensive annual financial report for the fiscal year ended June 30, 2022. This was the eighth consecutive year that the government 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 generally accepted accounting principles and applicable legal requirements.

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

This Annual Comprehensive Financial Report is the result of the cooperative effort of many people. We wish to convey our appreciation to the members of the Finance Department who contributed to and assisted with its 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 committing to conduct the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Paul Young, Finance Director



Tom Westbrook, City Manager

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Red Bluff
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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CITY OF RED BLUFF
List of Officials
For the Year Ended June 30, 2023

City Council

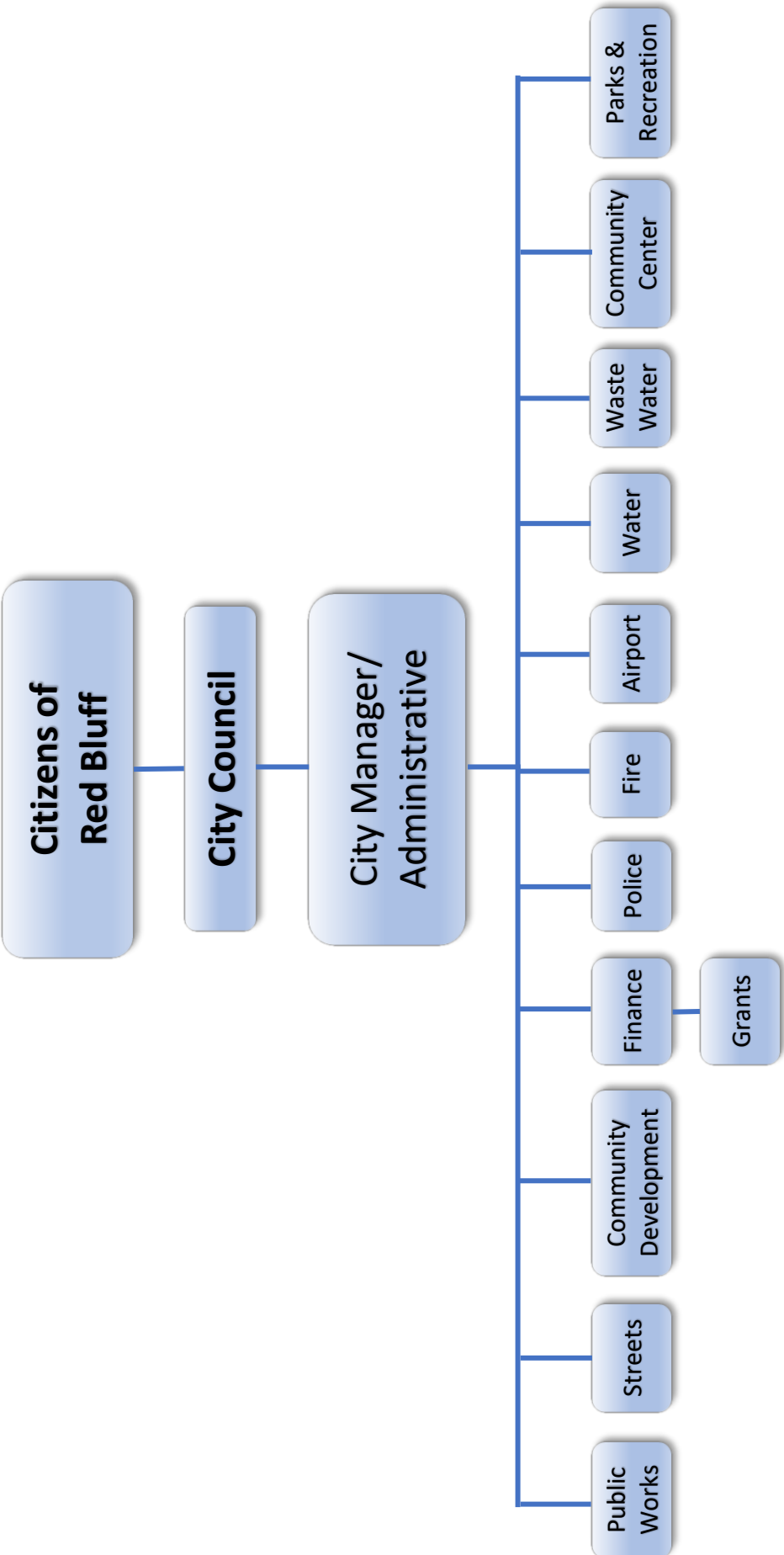
Kris Deiters	Mayor
Clay Parker	Mayor Pro Term
Patrick Hurton	Council Member
Cody Strock	Council Member
J.R. Gonzalez	Council Member

City Officers

Tom Westbrook	City Manager
Sophia Meyer	City Attorney
Donna Gordy	City Treasurer
Paul Young	Finance Director
R. Scott Miller	Director of Public Works
Beth Lindauer	Community Development Director
Kyle Sanders	Chief of Police
Michael Bachmeyer	Fire Chief
Cassidy DeRego	City Clerk

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City of Red Bluff
ORGANIZATIONAL CHART
June 30, 2023



Council Committees: Budget Committee and Audit Committee

Boards & Commissions: Board of Appeals, Planning Commission, Airport Commission, Parks & Recreation Advisory Commission

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FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Combining and Individual Nonmajor Fund Financial Statements and Schedules**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Red Bluff
Red Bluff, 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, each major fund, and the aggregate remaining fund information of the City of Red Bluff, California (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City'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, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City 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.

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'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.

To the Honorable Mayor and Members of the City Council
City of Red Bluff
Red Bluff, California

Auditor's 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 auditor's 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 generally accepted auditing standards 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgement 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'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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.

To the Honorable Mayor and Members of the City Council
City of Red Bluff
Red Bluff, California

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, City Pension Plan information, City OPEB Plan information, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtain 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's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

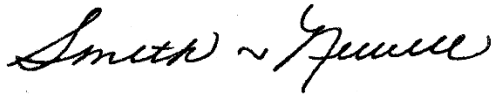
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover 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.

To the Honorable Mayor and Members of the City Council
City of Red Bluff
Red Bluff, California

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 11, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Smith & Newell", written in a cursive style.

Smith & Newell CPAs
Yuba City, California
December 11, 2023

Management's Discussion and Analysis
(Unaudited)

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**CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

As management of the City of Red Bluff (City), we offer readers of the City's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023, titled "Management's Discussion and Analysis" or MD&A.

FINANCIAL HIGHLIGHTS

The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$54,451,694 (net position). Of this amount, \$1,651,582 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies. The City's total net position has decreased by \$4,728,918, but does not include a prior period adjustment. Most of this decrease is due to a cessation of COVID grant revenues, and increased expenses due to inflation and pension expenses.

As of the close of the current fiscal year, the City's governmental activities reported combined total net position of \$30,884,947. Of this amount (\$7,303,612) is unrestricted and available for use within the City's designation and policies. This deficit is the result of the GASB 68 & GASB 75 requirements to include all the City's estimated net pension liability and estimated net OPEB liability, respectfully, in the government-wide financial statements.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$1,707,647 or 11.6% of the total General Fund expenditures. The assigned fund balance of \$8,191,619 is comprised of the following: 1) assigned for City buildings - \$3,645,000; 2) assigned for contingencies - \$1,466,821 or 10% of the total General Fund expenditures; 3) assigned for quarter cent sales tax one-time expenses - \$750,000; 4) assigned for uncertainties - \$733,411 or 5% of the total General Fund expenditures; 5) assigned for fire apparatus and vehicles - \$400,000; 6) assigned for vehicles - \$325,000; 7) assigned for ADA projects - \$325,000; 8) assigned for parks equipment and improvements - \$321,387; and 9) assigned for technology - \$225,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains combining and individual fund financial statements, which provide detail of nonmajor governmental funds, a GAO section, which provides information on the City's internal controls over financial reporting, and a statistical section, which provides trend information on the City and its operations.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector businesses.

The Statement of Net Position presents information on all the City's assets and liabilities, with the difference between the two reported as net position. The Statement of Activities presents information showing how the government's 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 timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as for earned but not yet used leave (compensated absences, vacation, and accrued time off), and for pension expense that is expected to be incurred, based on current conditions and actuarial estimations.

**CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, public safety, and recreation. The business-type activities of the City include water, waste water, airport, community development and community center.

Fund Financial Statements

A fund is a grouping of related accounts that is 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 the funds of the City can be divided into two categories - governmental funds and proprietary funds.

Governmental Funds

Governmental funds are used to account for 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 current sources and uses of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 effect of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 28 governmental funds. 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, Traffic Control Capital Improvement Fund, and Grant/Program Income Fund, all of which are major funds. The General Fund consists of three different budgeted funds: General, Public Safety, and Parks and Recreation. Data from the other 27 funds are detailed in the Combining and Individual Nonmajor Fund Financial Statements.

Proprietary Funds

The City maintains one type of proprietary fund. 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 water, waste water, community development, airport, and community center.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Waste Water Funds since both are major funds of the City. Data from the other three enterprise funds are detailed in the Combining and Individual Nonmajor Fund Financial Statements.

**CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNMENTAL-WIDE FINANCIAL ANALYSIS

As stated above, the City's assets exceeded liabilities by \$54,451,694 as of June 30, 2023.

The largest portion of the City's net position (77.1%) reflects its net investment in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, right-to-use assets, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently, these assets are not available for future spending. 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.

An additional portion of \$10,790,755 of the City's net position (19.8%) represents resources that are subject to external restriction on how they are used. The remaining balance of unrestricted net position, \$1,651,582, is used to meet the government's ongoing obligation to citizens and creditors.

The following table provides a summary of the City's Net Position for the years ended June 30, 2023 and 2022.

CITY OF RED BLUFF'S NET POSITION

June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
ASSETS						
Current and other assets	\$ 22,736,762	\$ 25,695,431	\$ 13,394,558	\$ 15,003,478	\$ 36,131,320	\$ 40,698,909
Capital assets	28,931,085	28,069,804	14,750,766	14,906,150	43,681,851	42,975,954
TOTAL ASSETS	51,667,847	53,765,235	28,145,324	29,909,628	79,813,171	83,674,863
Deferred outflows from						
OPEB, pensions	14,373,992	20,441,831	2,452,019	5,180,860	16,826,011	25,622,691
LIABILITIES						
Total OPEB liability	2,592,313	2,556,716	700,429	468,481	3,292,742	3,025,197
Net pension liability	5,179,466	9,886,691	805,841	2,346,739	5,985,307	12,233,430
Long-term liabilities	18,013,943	17,547,897	2,899,420	2,729,364	20,913,363	20,277,261
Other liabilities	650,863	2,229,717	470,288	684,233	1,121,151	2,913,950
TOTAL LIABILITIES	26,436,585	32,221,021	4,875,978	6,228,817	31,312,563	38,449,838
Deferred inflows from						
leases, OPEB, pensions	8,720,307	8,565,671	2,154,618	2,923,481	10,874,925	11,489,152
NET POSITION						
Net investment in capital assets	27,397,804	26,509,399	14,611,553	14,906,150	42,009,357	41,415,549
Restricted	10,790,755	11,830,203	-	-	10,790,755	11,830,203
Unrestricted	(7,303,612)	(4,919,228)	8,955,194	11,032,040	1,651,582	6,112,812
TOTAL NET POSITION	\$ 30,884,947	\$ 33,420,374	\$ 23,566,747	\$ 25,938,190	\$ 54,451,694	\$ 59,358,564

CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023

Analysis of the City's Operations

The following table provides a summary of the City's operations for the years ended June 30, 2023 and 2022.

CITY OF RED BLUFF'S STATEMENT OF ACTIVITIES

Years Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for services	\$ 784,830	\$ 767,369	\$ 5,739,701	\$ 5,968,967	\$ 6,524,531	\$ 6,736,336
Operating grants and contributions	1,967,425	5,856,859	180,323	106,657	2,147,748	5,963,516
Capital grants and contributions	-	260,789	285,332	446,445	285,332	707,234
General Revenues:						
Sales taxes	6,684,721	6,663,813	-	-	6,684,721	6,663,813
Property taxes	2,136,937	1,938,756	128,147	126,561	2,265,084	2,065,317
Motel taxes	1,354,696	1,589,670	-	-	1,354,696	1,589,670
Franchise taxes	500,103	466,893	-	-	500,103	466,893
Other taxes	432,809	321,757	-	-	432,809	321,757
Motor vehicle license fees	1,628,996	1,510,581	-	-	1,628,996	1,510,581
Investment earnings	(548,893)	(202,490)	234,822	51,344	(314,071)	(151,146)
Miscellaneous	44,332	159,226	20,920	-	65,252	159,226
Gain on sale of assets	10,900	-	-	15	10,900	15
Total Revenues	14,996,856	19,333,223	6,589,245	6,699,989	21,586,101	26,033,212
Expenses						
General Government:						
City administration	111,288	26,856	-	-	111,288	26,856
Finance	683,975	692,253	-	-	683,975	692,253
Community promotion and economic development	196,283	141,630	-	-	196,283	141,630
Human resources	308,566	208,481	-	-	308,566	208,481
Engineering and administration	285,288	284,007	-	-	285,288	284,007
Government buildings	751,366	764,324	-	-	751,366	764,324
General government	664,453	329,316	-	-	664,453	329,316
Public Safety:						
Fire	3,809,553	3,377,252	-	-	3,809,553	3,377,252
Police	7,779,604	8,130,569	-	-	7,779,604	8,130,569
Parks and recreation	938,632	723,152	-	-	938,632	723,152
Transportation and streets	2,329,410	1,070,254	-	-	2,329,410	1,070,254
Grants and Program Income	42,795	92,572	-	-	42,795	92,572
Interest on long-term debt	402,633	397,954	-	-	402,633	397,954
Community development	-	-	490,763	409,768	490,763	409,768
Waste water	-	-	4,219,460	3,611,569	4,219,460	3,611,569
Water	-	-	2,532,174	1,863,502	2,532,174	1,863,502
Airport	-	-	303,103	284,522	303,103	284,522
Community center	-	-	465,673	332,024	465,673	332,024
Total Expenses	18,303,846	16,238,619	8,011,173	6,501,385	26,315,019	22,740,004
Excess (deficiency) before transfers	(3,306,990)	3,094,604	(1,421,928)	198,604	(4,728,918)	3,293,208
Transfers	949,515	791,728	(949,515)	(791,728)	-	-
Change in Net Position						
(Expense) revenue - net	(2,357,475)	3,886,332	(2,371,443)	(593,124)	(4,728,918)	3,293,208
Prior Period Adjustment	(177,952)				(177,952)	
Net Position - Beg. of Year	33,420,374	29,534,043	25,938,190	26,531,314	59,358,564	56,065,357
Net Position - End of Year	\$30,884,947	\$33,420,375	\$23,566,747	\$25,938,190	\$54,451,694	\$59,358,565

**CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The governmental activities' net position decreased \$2,535,427. The following are significant changes from the prior year:

- 1) Operating grants and contributions decreased by \$3,889,434 mainly due to the end of Coronavirus Relief Funding, and reduced Fire Department Reimbursement.
- 2) Functional expenses increased \$1,662,594 mainly due to pension-related expenses increasing \$1,086,930 over the prior year and increasing prices.
- 3) Investment earnings decreased \$346,413 due to increased interest rates causing fair market value adjustments of investments.
- 4) Motel taxes decreased \$234,974 as less people traveled.
- 5) A prior period adjustment of \$177,952 for unavailable revenue of the final payment for a grant reimbursement is due to a homeless encampment preventing final inspection of construction.

The business activities' net position decreased \$2,371,443. The following are significant changes from the prior year:

- 1) Water expenses increased by \$668,672 due to an increase in Pension, OPEB, and utilities.
- 2) Waste water expenses increased by \$607,891 due to an increase in Pension, WWTP Operations Contract costs, OPEB, utilities, personnel expenses, and insurance.
- 3) Operating transfers out increased by \$157,787 due to the update of the cost allocation plan.

Overall, the primary government net position has decreased \$4,906,870 from the prior year. From the significant changes stated above, it can be noted that pension costs can fluctuate significantly from year to year based on current events, employee turnover, economy, inflation rates, actuarial adjustments, etc.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The following table provides a summary of the City's change in fund balance for the year ended June 30, 2023.

	General	Grants/ Program	Traffic Control Capital Improvement	Nonmajor Governmental	Total Governmental
	Fund	Income Fund	Fund	Funds	Funds
Revenues	\$ 12,893,240	\$ 7,486	\$ (10,973)	\$ 1,823,533	\$ 14,713,286
Expenditures	14,666,431	46,494	1,447,531	2,201,217	18,361,673
Other financing sources (uses) - net	1,099,928	-	-	43,042	1,142,970
Change in Fund Balances	(673,263)	(39,008)	(1,458,504)	(334,642)	(2,505,417)
Fund Balance - July 1, 2022	10,683,118	3,918,581	2,246,145	6,044,379	22,892,223
Fund Balance - June 30, 2023	\$ 10,009,855	\$ 3,879,573	\$ 787,641	\$ 5,709,737	\$ 20,386,806

**CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The main reason for the decrease of \$673,263 in the general fund balance is due to a fair market value adjustment relating to certificates of deposits, government securities, and investment pools. This adjustment was due to the market value being less than what the City paid for them because of the changes in the rates for interest at the end of the fiscal year.

Grants/Program Income Fund saw a reduction of \$39,008 mainly due to less repayments from loan program participants.

Traffic Control Capital Improvement Fund balance decreased \$1,458,504 mainly to Capital Improvements, S. Main Street, and S. Jackson Street.

Nonmajor governmental funds' balance decrease of \$334,642 was mainly due to RSTP funds spent on streets projects.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. 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. Also, assigned fund balance has been set aside for the City's contingency reserve, economic uncertainty reserve, and capital asset reserve, as stated in the City's reserve policy. The general fund decreased the assigned fund balance by \$2,057,832 over the prior year. The City is still at its goal of 10% of annual expenditures assigned for the contingency reserve, 5% of annual expenditures assigned for the economic uncertainty reserve, and working towards the assigned fund balance for the capital asset reserves. The current assigned fund balance of \$8,191,619 is detailed as follows: \$1,466,821 assigned for the contingency reserve; \$733,411 assigned for the economic uncertainty reserve; \$3,645,000 assigned for building reserve; an additional \$750,000 assigned for quarter cent sales tax expenses in the economic uncertainty reserve; \$400,000 assigned for Fire Department apparatus & vehicles reserve; \$325,000 assigned for vehicle reserve; \$325,000 assigned for ADA reserve; \$321,387 assigned for parks reserve; and \$225,000 assigned for technology reserve.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$20,386,806. Approximately 47.40% of this total amount constitutes unassigned and assigned fund balance. The remainder of the fund balance is restricted or committed to indicate that it is not available for general operational spending because it is required or committed to be used for certain expenditures.

Proprietary Funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The unrestricted net position of the respective major proprietary funds are \$1,484,748 for the Waste Water Fund, \$7,036,411 for the Water Fund, (\$374,881) for the Community Center, and \$280,228 for the Community Development. All other Enterprise Funds had an unrestricted net position of \$528,688.

General Fund Budgetary Highlights

In the General Fund, the City budgeted for a reduction in the fund balance of \$2,229,708, which was a result of authorized budgeted expenditures exceeding appropriations. The General Funds' actual net change in fund balance ending up being a reduction of \$673,263. The improved change in the fund balance of the General Fund was primarily due to expenditures being lower than appropriations by \$1,114,185.

**CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

The City revised the original appropriations approved by the City Council. These changes resulted in an increase in the General Fund revenues and expenditures from the original budget by \$40,160 and \$532,243, respectively. The increases were due to new grants and donations, which increased revenue and expenditures by the same amount, and increases in Machinery & Equipment, Land, Improvements, Recruitment Costs, Vehicle, Salary, and several legal fees.

General Fund expenditures overall were \$1,274,791 under budget. This was mainly due to Fire and Police being under budget by \$405,612 and \$803,305, respectively. The reduction of spending compared to the budget for Fire and Police were due to vacancies in staff and workers compensation rates being lower than expected.

The City's total budgeted revenue at final budget was \$13,053,846. Actual revenue for the General Fund ended up being \$12,893,240, a \$160,606 reduction from the budgeted total. The reduction was largely due to the net effects of use of money and property being \$749,310 less than the budget total and taxes and assessments being \$636,459 more than the budget total. Use of money and property came in lower than budgeted mainly due to a fair market value adjustment relating to certificates of deposits, government securities, and investment pools. All the revenue types in taxes and assessments ending up coming in better than budgeted with increases over budget, including motel taxes of \$254,696, property tax of \$154,592, other taxes of \$133,567, franchise fees of \$80,103, and sales tax of \$13,501.

Notes to the Financial Statements

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

CAPITAL ASSETS

The City of Red Bluff's investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$43,681,851 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, equipment, improvements, infrastructure, vehicles, Subscription-based information technology arrangements and lease assets. Additional information can be found in the Notes to the Financial Statements, Note 4, Capital Assets.

The City implemented GASB 96, Subscription-Based Information Technology Arrangements, resulting in lease assets (net of amortization) of \$276,282 for the most recent fiscal year.

The major capital asset events during the current fiscal year include the following additions:

Streets: \$2,562,156 for resurfacing S. Main Street resurfacing, and \$48,817 for sink hole repairs to Walnut Street.

Water: \$351,368 for repair and replacement of underground delivery infrastructure, and \$230,761 for repair and replacement of wells.

Sewer: \$241,587 for repair and replacement at the sewer plant, \$145,351 for repair and replacement of underground infrastructure, and \$105,115 for excavating.

Police: \$136,653 for the addition of four vehicles (including 2 patrol cars).

Fire: \$54,025 for radios.

General Fund: \$75,892 for 550 Pine Street land and \$70,180 for the City Hall Surveillance System.

**CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

**CAPITAL ASSETS AT YEAR-END
NET OF ACCUMULATED DEPRECIATION**

Years Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 381,097	\$ 305,205	\$ 910,368	\$ 910,368	\$ 1,291,465	\$ 1,215,573
Construction in progress	716,326	2,261,388	506,024	33,213	1,222,350	2,294,601
Buildings	582,228	607,691	292,477	311,008	874,705	918,699
Improvements	4,024,448	4,431,634	5,821,017	6,100,461	9,845,465	10,532,095
Equipment	457,457	501,390	980,875	1,291,285	1,438,332	1,792,675
Vehicles	2,085,321	2,176,060	312,519	354,924	2,397,840	2,530,984
Lease assets	12,979	23,707	7,761	6,056	20,740	29,763
Subscription-based IT arrangements	152,125	-	124,157	-	276,282	-
Infrastructure	20,519,104	17,762,729	5,795,568	5,898,835	26,314,672	23,661,564
Total	\$ 28,931,085	\$ 28,069,804	\$ 14,750,766	\$ 14,906,150	\$ 43,681,851	\$ 42,975,954

DEBT ADMINISTRATION

The City of Red Bluff's long-term liabilities, pension liabilities, and OPEB liabilities for its governmental and business-type activities, as of June 30, 2023, amounts to \$30,191,412.

At the end of the current fiscal year, the City had a total leave, OPEB, and pension liabilities of \$10,597,839. The effects of the Pension Obligation Bonds financing \$18,170,470 of the unfunded liabilities of the police, fire, and other city employee's retirement plans has been recognized in this year's Pension Liability calculation. The current year's pension liability was also affected by CalPERS decreasing the discount rate from 7.15% to 6.90%.

At the end of the current fiscal year, the City had other debt with predetermined payment schedules of \$19,593,573.

Additional information can be found in the Notes to the Financial Statements: Note 8, Long-Term Liabilities; Note 11, Pension Plan; and Note 12, Other Postemployment Benefits (OPEB).

OUTSTANDING DEBT AT YEAR END

Years Ended June 30	Governmental Activities		Business-Type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Leave/OPEB/Pension	\$ 8,968,318	\$ 13,519,731	\$ 1,629,521	\$ 2,919,208	\$ 10,597,839	\$ 16,438,939
Other Debt	16,817,404	17,280,623	2,776,169	2,728,029	19,593,573	20,008,652
Total	\$ 25,785,722	\$ 30,800,354	\$ 4,405,690	\$ 5,647,237	\$ 30,191,412	\$ 36,447,591

ECONOMIC FACTORS INFLUENCING NEXT YEAR'S BUDGETS

City Management and the Budget Committee recommended and the City Council considered, these key factors in adopting the 2023-24 budgets:

1. The impact of the slowdown in economic activity.
2. The State budget actions and its impact on City finances.
3. City responsibility to meet the obligation of its collective bargaining agreements and those impacts on employee salary, health and pension costs.

**CITY OF RED BLUFF
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023**

4. Aging of the City's fleets, equipment and infrastructure.
5. Major increases in CalPERS retirement system.
6. Effect of the increased liability reported for accrued leave, OPEB, and Pension expense.
7. Forecasted expenditures exceeding revenues in the coming years.
8. The unfilled positions in the police department and its effects on budgeted expenses in future years.

REQUEST FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance, Attn: Finance Director, at 555 Washington Street, Red Bluff, California 96080, call (530) 527-2605.

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Basic Financial Statements

- **Government-Wide Financial Statements**

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CITY OF RED BLUFF
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Cash and investments	\$ 15,015,306	\$ 11,766,852	\$ 26,782,158
Cash with fiscal agent	479	-	479
Receivables:			
Accounts, net	17,791	857,728	875,519
Interest	1,750,702	42,480	1,793,182
Taxes	337,083	-	337,083
Intergovernmental	2,081,497	392,141	2,473,638
Lease	-	390,660	390,660
Prepaid costs	112,375	27,130	139,505
Internal balances	82,433	(82,433)	-
Loans receivable	3,339,096	-	3,339,096
Capital assets:			
Non-depreciable	1,097,423	1,416,392	2,513,815
Depreciable, net	27,833,662	13,334,374	41,168,036
Total capital assets	<u>28,931,085</u>	<u>14,750,766</u>	<u>43,681,851</u>
Total Assets	<u>51,667,847</u>	<u>28,145,324</u>	<u>79,813,171</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension adjustments	14,119,583	2,383,280	16,502,863
Deferred OPEB adjustments	254,409	68,739	323,148
Total Deferred Outflows of Resources	<u>14,373,992</u>	<u>2,452,019</u>	<u>16,826,011</u>
LIABILITIES			
Accounts payable	119,885	219,429	339,314
Salaries and benefits payable	210,820	39,695	250,515
Deposits payable	2,200	158,861	161,061
Interest payable	185,800	29,089	214,889
Unearned revenues	39,156	8,800	47,956
Accrued other liabilities	93,002	14,414	107,416
Long-term liabilities:			
Due within one year	1,118,411	245,597	1,364,008
Due in more than one year	16,895,532	2,653,823	19,549,355
Net pension liability	5,179,466	805,841	5,985,307
Net OPEB liability	2,592,313	700,429	3,292,742
Total Liabilities	<u>26,436,585</u>	<u>4,875,978</u>	<u>31,312,563</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred lease receivable	-	368,294	368,294
Deferred pension adjustments	7,573,328	1,476,416	9,049,744
Deferred OPEB adjustments	1,146,979	309,908	1,456,887
Total Deferred Inflows of Resources	<u>8,720,307</u>	<u>2,154,618</u>	<u>10,874,925</u>

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

Continued (Page 1 of 2)

CITY OF RED BLUFF
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Totals
NET POSITION			
Net investment in capital assets	27,397,804	14,611,553	42,009,357
Restricted for:			
General government	234,700	-	234,700
Public safety	1,296,197	-	1,296,197
Transportation and streets	1,312,293	-	1,312,293
Parks and recreation	27,437	-	27,437
Grants and program income	4,057,525	-	4,057,525
Capital improvements	3,862,603	-	3,862,603
Unrestricted	(7,303,612)	8,955,194	1,651,582
Total Net Position	\$ 30,884,947	\$ 23,566,747	\$ 54,451,694

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

Continued (Page 2 of 2)

CITY OF RED BLUFF
Statement of Activities
For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government:				
City administration	\$ 111,288	\$ -	\$ -	\$ -
Finance	683,975	-	-	-
Community promotion and economic development	196,283	-	11,013	-
Human resources	308,566	-	-	-
Engineering and administration	285,288	12,984	-	-
General buildings	751,366	-	-	-
General government	664,453	447,119	-	-
Public safety:				
Fire	3,809,553	43,743	87,651	-
Police	7,779,604	224,732	282,515	-
Parks and recreation	938,632	56,252	-	-
Transportation and streets	2,329,410	-	1,408,294	-
Grants and program income	42,795	-	177,952	-
Interest on long-term debt	402,633	-	-	-
Total Governmental Activities	18,303,846	784,830	1,967,425	-
Business-type activities:				
Waste water	4,219,460	2,930,758	-	-
Water	2,532,174	2,226,993	-	260,738
Community center	465,673	86,164	170,268	-
Community development	490,763	377,895	55	-
Airport	303,103	117,891	10,000	24,594
Total Business-Type Activities	8,011,173	5,739,701	180,323	285,332
Total	\$ 26,315,019	\$ 6,524,531	\$ 2,147,748	\$ 285,332

General revenues:

Taxes:

Property taxes
Sales and use taxes
Transient occupancy taxes
Franchise taxes
Other taxes
Unrestricted grants and contributions
Interest and investment earnings
Miscellaneous
Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Beginning, Restated

Net Position - Ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (111,288)	\$ -	\$ (111,288)
(683,975)	-	(683,975)
(185,270)	-	(185,270)
(308,566)	-	(308,566)
(272,304)	-	(272,304)
(751,366)	-	(751,366)
(217,334)	-	(217,334)
(3,678,159)	-	(3,678,159)
(7,272,357)	-	(7,272,357)
(882,380)	-	(882,380)
(921,116)	-	(921,116)
135,157	-	135,157
(402,633)	-	(402,633)
(15,551,591)	-	(15,551,591)
-	(1,288,702)	(1,288,702)
-	(44,443)	(44,443)
-	(209,241)	(209,241)
-	(112,813)	(112,813)
-	(150,618)	(150,618)
-	(1,805,817)	(1,805,817)
(15,551,591)	(1,805,817)	(17,357,408)
2,136,937	128,147	2,265,084
6,684,721	-	6,684,721
1,354,696	-	1,354,696
500,103	-	500,103
432,809	-	432,809
1,628,996	-	1,628,996
(548,893)	234,822	(314,071)
44,332	20,920	65,252
10,900	-	10,900
949,515	(949,515)	-
13,194,116	(565,626)	12,628,490
(2,357,475)	(2,371,443)	(4,728,918)
33,420,374	25,938,190	59,358,564
(177,952)	-	(177,952)
33,242,422	25,938,190	59,180,612
<u>\$ 30,884,947</u>	<u>\$ 23,566,747</u>	<u>\$ 54,451,694</u>

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Basic Financial Statements

- **Fund Financial Statements**

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CITY OF RED BLUFF
Balance Sheet
Governmental Funds
June 30, 2023

	General	Grants/ Program Income	Traffic Control Capital Improvement	Other Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 7,811,053	\$ 540,215	\$ 785,057	\$ 5,878,981	\$15,015,306
Cash with fiscal agent	479	-	-	-	479
Receivables:					
Accounts	7,414	-	-	10,377	17,791
Interest	20,143	1,708,371	2,584	19,604	1,750,702
Taxes	337,083	-	-	-	337,083
Intergovernmental	1,793,846	-	-	287,651	2,081,497
Prepaid costs	110,589	-	-	1,786	112,375
Due from other funds	340,342	-	-	-	340,342
Loans receivable	-	3,339,096	-	-	3,339,096
Total Assets	\$10,420,949	\$ 5,587,682	\$ 787,641	\$ 6,198,399	\$22,994,671
LIABILITIES					
Accounts payable	\$ 107,279	\$ 1,500	-	\$ 11,106	\$ 119,885
Salaries and benefits payable	207,928	-	-	2,892	210,820
Deposits payable	2,200	-	-	-	2,200
Due to other funds	-	-	-	257,909	257,909
Interest payable	-	-	-	332	332
Unearned revenues	29,156	-	-	10,000	39,156
Accrued other liabilities	64,531	-	-	28,471	93,002
Total Liabilities	411,094	1,500	-	310,710	723,304
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	177,952	177,952
Deferred housing loan interest	-	1,706,609	-	-	1,706,609
Total Deferred Inflows of Resources	-	1,706,609	-	177,952	1,884,561
FUND BALANCES					
Nonspendable	110,589	-	-	1,786	112,375
Restricted	-	3,879,573	787,641	5,196,248	9,863,462
Committed	-	-	-	747,555	747,555
Assigned	8,191,619	-	-	-	8,191,619
Unassigned	1,707,647	-	-	(235,852)	1,471,795
Total Fund Balances	10,009,855	3,879,573	787,641	5,709,737	20,386,806
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$10,420,949	\$ 5,587,682	\$ 787,641	\$ 6,198,399	\$22,994,671

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

CITY OF RED BLUFF
Reconciliation of the Governmental Funds Balance
Sheet to the Government-Wide Statement of
Net Position - Governmental Activities
June 30, 2023

Total Fund Balance - Total Governmental Funds	\$ 20,386,806
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	28,765,981
Right to use capital assets and subscription-based information technology arrangements used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	165,104
Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenues and deferred housing loan interest in the governmental funds.	1,884,561
Interest payable on long-term debt does not require the use of current financial resources and therefore is not accrued as a liability in the governmental funds balance sheet.	(185,468)
Deferred outflows of resources related to pension and OPEB are not reported in the governmental funds.	14,373,992
Deferred inflows of resources related to pension and OPEB are not reported in the governmental funds.	(8,720,307)
Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.	
Pension obligation bonds	(15,284,123)
Capital leases	(1,376,898)
Right-to-use equipment liability	(13,075)
Subscription-based information technology arrangements	(143,308)
Compensated absences	(1,196,539)
Net pension liability	(5,179,466)
Net OPEB liability	(2,592,313)
Net Position of Governmental Activities	<u><u>\$ 30,884,947</u></u>

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

CITY OF RED BLUFF
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Grants/ Program Income	Traffic Control Capital Improvement	Other Governmental Funds	Totals
REVENUES					
Taxes and assessments	\$ 10,855,024	\$ -	\$ -	\$ 254,242	\$ 11,109,266
Licenses and permits	481,543	-	-	-	481,543
Fines, forfeitures and penalties	20,275	-	-	88,039	108,314
Use of money and property	(746,310)	7,486	14,112	81,101	(643,611)
Intergovernmental	1,999,163	-	-	1,419,306	3,418,469
Charges for services	194,973	-	-	-	194,973
Other revenues	88,572	-	(25,085)	(19,155)	44,332
Total Revenues	12,893,240	7,486	(10,973)	1,823,533	14,713,286
EXPENDITURES					
Current:					
General government	2,780,753	-	-	-	2,780,753
Public safety					
Fire	3,078,108	-	-	-	3,078,108
Police	6,582,194	-	-	5,760	6,587,954
Parks and recreation	517,417	-	-	-	517,417
Transportation and streets	-	-	-	856,277	856,277
Grants and program income	-	37,795	-	5,000	42,795
Debt service:					
Principal	549,307	-	-	14,567	563,874
Interest and other charges	565,202	-	-	19,061	584,263
Capital outlay	593,450	8,699	1,447,531	1,300,552	3,350,232
Total Expenditures	14,666,431	46,494	1,447,531	2,201,217	18,361,673
Excess of Revenues Over (Under) Expenditures	(1,773,191)	(39,008)	(1,458,504)	(377,684)	(3,648,387)
Debt proceeds	182,555	-	-	-	182,555
Proceeds from the sale of capital assets	10,900	-	-	-	10,900
Transfers in	953,909	-	-	194,027	1,147,936
Transfers out	(47,436)	-	-	(150,985)	(198,421)
Total Other Financing Sources (Uses)	1,099,928	-	-	43,042	1,142,970
Net Change in Fund Balances	(673,263)	(39,008)	(1,458,504)	(334,642)	(2,505,417)
Fund Balances - Beginning	10,683,118	3,918,581	2,246,145	6,222,331	23,070,175
Prior period adjustment	-	-	-	(177,952)	(177,952)
Fund Balances - Beginning, Restated	10,683,118	3,918,581	2,246,145	6,044,379	22,892,223
Fund Balances - Ending	\$ 10,009,855	\$ 3,879,573	\$ 787,641	\$ 5,709,737	\$ 20,386,806

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

CITY OF RED BLUFF
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (2,505,417)

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

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

Expenditures for capital outlay	3,167,677
Capital outlay related to subscription based information technology arrangements	182,555
Less current year depreciation/amortization	(2,488,951)
Various adjustments	40,204

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal retirements	553,164
Right-to-use capital asset liability retirements	10,710
Proceeds related to subscription based information technology arrangements	(182,555)
Amortization of bond issue costs	(6,588)

Some revenues reported in the Statement of Activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

Change in unavailable revenues	177,952
Change in deferred housing loan interest	94,718

Certain changes in deferred outflows and deferred inflows of resources reported in the Statement of Activities relate to long-term liabilities and are not reported in the governmental funds.

Change in deferred outflows of resources related to pension	(6,015,278)
Change in deferred inflows of resources related to pension	(306,738)
Change in deferred outflows of resources related to OPEB	(52,562)
Change in deferred inflows of resources related to OPEB	152,102

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Change in compensated absences payable	(31,727)
Change in net pension liability	4,707,225
Change in net OPEB liability	(35,596)
Change in accrued interest on long-term debt	181,630

Change in Net Position of Governmental Activities \$ (2,357,475)

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

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CITY OF RED BLUFF
Statement of Net Position
Proprietary Funds
June 30, 2023

Business-Type Activities - Enterprise Funds				
	Waste Water	Water	Community Center	Community Development
ASSETS				
Current Assets:				
Cash and investments	\$ 2,535,784	\$ 7,988,400	\$ -	\$ 746,771
Receivables:				
Accounts, net	453,250	391,016	1,165	-
Interest	9,905	27,662	-	2,982
Intergovernmental	-	221,873	140,268	-
Lease	-	390,660	-	-
Prepaid costs	12,349	7,482	4,165	3,134
Total Current Assets	3,011,288	9,027,093	145,598	752,887
Noncurrent Assets:				
Capital assets:				
Non-depreciable	696,549	331,914	-	-
Depreciable, net	4,472,585	6,994,475	16,908	124,252
Total Noncurrent Assets	5,169,134	7,326,389	16,908	124,252
Total Assets	8,180,422	16,353,482	162,506	877,139
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension adjustments	933,186	874,543	349,089	226,462
Deferred OPEB adjustments	26,787	24,094	9,354	8,504
Total Deferred Outflows of Resources	959,973	898,637	358,443	234,966

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

Other Enterprise Funds		Totals
\$	495,897	\$ 11,766,852
	12,297	857,728
	1,931	42,480
	30,000	392,141
	-	390,660
	-	27,130
	<u>540,125</u>	<u>13,476,991</u>
	387,929	1,416,392
	<u>1,726,154</u>	<u>13,334,374</u>
	<u>2,114,083</u>	<u>14,750,766</u>
	<u>2,654,208</u>	<u>28,227,757</u>
	-	2,383,280
	-	68,739
	-	<u>2,452,019</u>

CITY OF RED BLUFF
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Waste Water	Water	Community Center	Community Development
LIABILITIES				
Current Liabilities:				
Accounts payable	63,777	67,337	6,022	79,656
Salaries and benefits payable	15,463	14,751	4,521	4,960
Deposits payable	-	152,218	4,575	2,068
Due to other funds	-	-	82,433	-
Interest payable	11,257	11,257	3,761	2,814
Unearned revenue	-	-	-	-
Accrued other liabilities	-	-	14,414	-
Compensated absences payable	13,471	7,267	6,930	3,145
Right to use equipment liability	-	-	1,270	-
Subscription-based information based technology agreement	-	-	-	96,202
Bonds payable	46,925	46,925	11,731	11,731
Total Current Liabilities	150,893	299,755	135,657	200,576
Noncurrent Liabilities:				
Compensated absences payable	40,414	21,800	20,790	9,434
Right to use equipment liability	-	-	3,581	-
Subscription-based information based technology agreement	-	-	-	38,160
Bonds payable	1,007,858	1,007,858	251,964	251,964
Net pension liability	315,531	295,703	118,035	76,572
Net OPEB liability	272,951	245,511	95,316	86,651
Total Noncurrent Liabilities	1,636,754	1,570,872	489,686	462,781
Total Liabilities	1,787,647	1,870,627	625,343	663,357
DEFERRED INFLOWS OF RESOURCES				
Deferred lease revenue	-	368,294	-	-
Deferred pension adjustments	578,098	541,770	216,257	140,291
Deferred OPEB adjustments	120,768	108,628	42,173	38,339
Total Deferred Inflows of Resources	698,866	1,018,692	258,430	178,630
NET POSITION				
Net investment in capital assets	5,169,134	7,326,389	12,057	(10,110)
Unrestricted	1,484,748	7,036,411	(374,881)	280,228
Total Net Position	\$ 6,653,882	\$ 14,362,800	\$ (362,824)	\$ 270,118

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

Other Enterprise Funds	Totals
2,637	219,429
-	39,695
-	158,861
-	82,433
-	29,089
8,800	8,800
-	14,414
-	30,813
-	1,270
-	96,202
-	117,312
11,437	798,318
-	92,438
-	3,581
-	38,160
-	2,519,644
-	805,841
-	700,429
-	4,160,093
11,437	4,958,411
-	368,294
-	1,476,416
-	309,908
-	2,154,618
2,114,083	14,611,553
528,688	8,955,194
\$ 2,642,771	\$ 23,566,747

CITY OF RED BLUFF
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Waste Water	Water	Community Center	Community Development
OPERATING REVENUES				
Charges for services	\$ 2,930,758	\$ 2,226,993	\$ -	\$ -
Permits and fees	-	-	-	377,895
Rental revenue	-	-	86,164	-
Other revenues	-	-	4,992	339
Total Operating Revenues	2,930,758	2,226,993	91,156	378,234
OPERATING EXPENSES				
Cost of power and transportation	435,676	529,306	73,325	-
Maintenance, operations and administration	2,993,985	1,464,652	385,126	379,520
Depreciation	737,844	513,221	3,701	102,259
Total Operating Expenses	4,167,505	2,507,179	462,152	481,779
Operating Income (Loss)	(1,236,747)	(280,186)	(370,996)	(103,545)
NON-OPERATING REVENUES (EXPENSES)				
Property taxes	-	-	-	-
Intergovernmental	-	-	170,268	55
Interest income	74,344	139,087	-	13,692
Interest expense	(51,955)	(24,995)	(3,521)	(8,984)
Total Non-Operating Revenues (Expenses)	22,389	114,092	166,747	4,763
Income (Loss) Before Contributions and Transfers	(1,214,358)	(166,094)	(204,249)	(98,782)
Capital contributions	-	260,738	-	-
Transfers in	-	-	208,849	-
Transfers out	(480,907)	(415,348)	-	(166,051)
Change in Net Position	(1,695,265)	(320,704)	4,600	(264,833)
Total Net Position - Beginning	8,349,147	14,683,504	(367,424)	534,951
Total Net Position - Ending	\$ 6,653,882	\$ 14,362,800	\$ (362,824)	\$ 270,118

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

Other Enterprise Funds	Totals
\$ -	\$ 5,157,751
-	377,895
117,891	204,055
15,589	20,920
133,480	5,760,621
39,882	1,078,189
30,347	5,253,630
232,874	1,589,899
303,103	7,921,718
(169,623)	(2,161,097)
128,147	128,147
10,000	180,323
7,699	234,822
-	(89,455)
145,846	453,837
(23,777)	(1,707,260)
24,594	285,332
-	208,849
(96,058)	(1,158,364)
(95,241)	(2,371,443)
2,738,012	25,938,190
<u>\$ 2,642,771</u>	<u>\$ 23,566,747</u>

CITY OF RED BLUFF
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Waste Water	Water	Community Center	Community Development
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,007,546	\$ 2,279,080	\$ 105,819	\$ 377,682
Payments to suppliers	(2,373,454)	(938,755)	(138,220)	(34,047)
Payments to employees	(900,690)	(793,588)	(271,955)	(195,140)
Net Cash Provided by Operating Activities	(266,598)	546,737	(304,356)	148,495
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Property taxes received	-	-	-	-
Intergovernmental revenue received	-	-	133,813	55
Interfund loans received	-	-	82,433	-
Interfund loans repaid	-	-	(100,774)	-
Transfers in	-	-	208,848	-
Transfers out	(480,907)	(415,348)	-	(166,051)
Net Cash Provided (Used) by Non-Capital Financing Activities	(480,907)	(415,348)	324,320	(165,996)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(492,053)	(701,782)	-	-
Lease payments received	-	(10,593)	-	-
Intergovernmental revenue received	-	38,865	-	-
Principal paid on debt	(28,680)	(28,680)	(9,545)	(91,903)
Interest paid on debt	(67,373)	(37,420)	(6,688)	(12,090)
Net Cash Provided (Used) by Capital and Related Financing Activities	(588,106)	(739,610)	(16,233)	(103,993)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	70,050	116,884	947	11,326
Net Cash Provided by Investing Activities	70,050	116,884	947	11,326
Net Increase (Decrease) in Cash and Cash Equivalents	(1,265,561)	(491,337)	4,678	(110,168)
Balances - Beginning	3,801,345	8,479,737	(4,678)	856,939
Balances - Ending	\$ 2,535,784	\$ 7,988,400	\$ -	\$ 746,771

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

Other Enterprise Funds		Totals
\$	122,095	\$ 5,892,222
	(70,070)	(3,554,546)
	-	(2,161,373)
	<u>52,025</u>	<u>176,303</u>
	128,147	128,147
	-	133,868
	-	82,433
	-	(100,774)
	-	208,848
	<u>(96,058)</u>	<u>(1,158,364)</u>
	<u>32,089</u>	<u>(705,842)</u>
	(21,586)	(1,215,421)
	-	(10,593)
	62,671	101,536
	-	(158,808)
	<u>-</u>	<u>(123,571)</u>
	<u>41,085</u>	<u>(1,406,857)</u>
	<u>6,041</u>	<u>205,248</u>
	<u>6,041</u>	<u>205,248</u>
	131,240	(1,731,148)
	<u>364,657</u>	<u>13,498,000</u>
\$	<u>495,897</u>	\$ <u>11,766,852</u>

CITY OF RED BLUFF
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds			
	Waste Water	Water	Community Center	Community Development
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,236,747)	\$ (280,186)	\$ (370,996)	\$ (103,545)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	737,844	513,221	3,701	102,259
Decrease (increase) in:				
Accounts receivable	76,788	52,780	15,713	-
Prepaid costs	4,520	811	(449)	(1,582)
Pension adjustment - deferred outflows	1,071,774	1,201,572	166,336	293,715
OPEB adjustment - deferred outflows	(3,553)	(1,787)	1,831	(1,047)
Increase (decrease) in:				
Accounts payable	(140,642)	(1,885)	1,649	72,686
Salaries and benefits payable	4,882	4,390	1,385	2,946
Deposits payable	-	(693)	(1,050)	(552)
Unearned revenues	-	-	-	-
Accrued other liabilities	(20,260)	(2)	3,904	(161)
Compensated absences	1,530	1,864	3,207	516
Net pension liability	(604,034)	(656,497)	(118,362)	(162,005)
Net OPEB liability	135,483	66,995	3,817	25,653
Pension adjustment - deferred inflows	(292,932)	(360,172)	(7,663)	(85,693)
OPEB adjustment - deferred inflows	(1,251)	6,326	(7,379)	5,305
Net Cash Provided by Operating Activities	\$ (266,598)	\$ 546,737	\$ (304,356)	\$ 148,495
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Amortization of discount	\$ 455	\$ 455	\$ 114	\$ 114

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

Other Enterprise Funds	Totals
\$ (169,623)	\$ (2,161,097)
232,874	1,589,899
(11,185)	134,096
-	3,300
-	2,733,397
-	(4,556)
159	(68,033)
-	13,603
-	(2,295)
(200)	(200)
-	(16,519)
-	7,117
-	(1,540,898)
-	231,948
-	(746,460)
-	3,001
<u>\$ 52,025</u>	<u>\$ 176,303</u>

\$ -	\$ 1,138
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Basic Financial Statements

- **Notes to Basic Financial Statements**

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CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City operates under a Council/Manager form of government and provides the following services: public safety, highways and streets, parks and recreation, public improvements, planning and zoning, general administrative services, waste water, water, and airport services.

Component Units

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that there are no component units of the City.

Joint Agencies

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for member cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator at, 2180 Harvard Street, Suite 460 Sacramento, CA 95815. The City is not financially accountable for this organization and therefore it is not a component unit under Statement Nos. 14, 39 and 61 of the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-Wide Financial Statements

The Statement of Net Position and Statement of Activities display information on all of the nonfiduciary activities of the City. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements

The fund financial statements provide information about the City's funds. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories; each is displayed in a separate column. All remaining governmental and proprietary funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The General fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General fund includes such activities as general government, public safety, parks and recreation, transportation and streets and grant and program income services.
- The Grants/Program Income fund is a special revenue fund used to account for the HOME and CDBG Grant programs. Funding comes primarily from grant revenues.
- The Traffic Control Capital Improvement fund is a capital projects fund used to account for the impact fees restricted for the improvement of the traffic network of the City. Funding comes primarily from impact fees collected.

The City reports the following major proprietary funds:

- The Waste Water fund is an enterprise fund used to account for activity related to maintenance of the sewer system, providing customers with sewer and billing for services provided by the City.
- The Water fund is an enterprise fund used to account for activity related to maintenance of the water treatment, transmission and distribution system, providing customers with water and billing for services provided by the City.
- The Community Center fund is an enterprise fund used to account for revenues and expenses related to the operation and maintenance of the community center facilities of the City.
- The Community Development fund is an enterprise fund used to account for the revenues and expenses related to the operation and maintenance of the building and planning facilities of the City.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within ninety days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Non-Current Governmental Assets/Liabilities

Non-current governmental assets and liabilities, such as capital assets and long-term liabilities, are reported in the governmental activities column in the government-wide Statement of Net Position.

E. Cash and Cash Equivalents

For purposes of the accompanying Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased including cash with fiscal agent, and their equity in the City's investment pool, to be cash and cash equivalents.

F. Investments

The City pools cash and investments of all funds except cash with fiscal agent. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments (Continued)

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short-term investments are reported at amortized cost, investments in the State of California Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's balance at the end of each quarter in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

G. Receivables

Receivables for governmental activities consist mainly of accounts, interest, taxes, and intergovernmental revenues. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

Receivables for business-type activities consist mainly of user fees, intergovernmental revenues and lease revenue. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. At June 30, 2023, the allowance for doubtful accounts was \$98,436.

H. Other Assets

Inventory

Governmental and proprietary fund inventories are recorded as expenditures/expenses at the time inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Prepaid Items

Payments made for services that will benefit periods beyond June 30, 2023, are recorded as prepaid costs in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Loans Receivable

A total of \$3,339,096 was recorded as loans receivable at June 30, 2023. These represent low interest rates and related accrued interest to individuals for housing rehabilitation and to businesses for construction and business loans. The City considers all loans receivable to be collectible.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets

Capital assets, including public domain (infrastructure such as roads, bridges, sidewalks, waste water, water, and similar items) are defined by the City as assets with a cost greater than \$5,000 and an estimated useful life of more than two years. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is unavailable. Contributed capital assets are recorded at their acquisition value at the date of donation.

Capital assets used in operations are depreciated or amortized using the straight-line method over the assets' estimated useful lives in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable Asset</u>	<u>Estimated Lives</u>
Building	30 to 50 years
Improvements	10 to 30 years
Equipment	5 to 15 years
Vehicles	5 to 15 years
Infrastructure	15 to 50 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

K. Property Tax

Tehama County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Property taxes are levied on a fiscal year (July 1 - June 30). The secured property tax assessments are due on November 1 and February 1 and become delinquent after December 10 and April 10, respectively. The unsecured property tax assessments are due on August 1 and become delinquent after August 31. Property taxes become a lien on the property effective January 1 of the preceding year.

The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

L. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements, or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Interfund Transactions (Continued)

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide Statement of Activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

M. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

N. Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, sick leave, and compensatory time off, which will be paid to employees upon separation from City service. The compensated absences liability is typically liquidated by the General fund for all nonproprietary fund compensated absences. In the government-wide and proprietary fund financial statements, the accrued compensated absences is reported as an expense and related liability. In the governmental fund financial statements, the expenditures and liabilities related to those obligations are recognized only when they mature. In accordance with accounting principles generally accepted in the United States of America, no liability is recorded for nonvesting accumulated rights to reserve sick pay benefits.

O. 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) plan (Plan) 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.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	June 30, 2021 to June 30, 2022

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	June 30, 2022 to June 30, 2023

Q. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. The items relate to the outflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has five types of items which qualify for reporting in this category. Two items, unavailable revenue and deferred housing loan interest, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for receivables and housing loan interest that have not been received within the modified accrual period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The third item relates to deferred inflows from a lease receivable. The fourth and fifth items relate to the inflows from changes in the net pension liability and net OPEB liability and are reportable on the Statement of Net Position.

R. Estimates

The preparation of basic 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.

S. Implementation of Governmental Accounting Standards Board (GASB) Statements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented, if applicable, in the current financial statements.

Statement No. 91, Conduit Debt Obligations. This statement improves the comparability of financial reporting for issuers by eliminating the option to recognize a liability for a conduit debt obligation.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Implementation of Governmental Accounting Standards Board (GASB) Statements (Continued)

Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. This statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.

Statement No. 96, Subscription-Based Information Technology Arrangements. This statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The definition and uniform guidance will result in greater consistency in practice.

Statement No. 99, Omnibus 2022. This statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

T. Future Accounting Pronouncements

The following GASB Statements will be implemented, if applicable, in future financial statements:

Statement No. 99 “Omnibus 2022” The requirements of this statement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. (FY 23/24)

Statement No. 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” The requirements of this statement are effective for fiscal years beginning after June 15, 2023. (FY23/24)

Statement No. 101 “Compensated Absences” The requirements of this statement are effective for fiscal years beginning after December 15, 2023. (FY 24/25)

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Restatement of Net Position/Fund Balance

Adjustments resulting from errors or a change to comply with provisions of the accounting standards are treated as adjustments to prior periods. Accordingly, the City reports these changes as restatements of beginning net position/fund balance. During the current year the City reported a prior period adjustment to correct a prior year understatement of unavailable revenue.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Restatement of Net Position/Fund Balance (Continued)

The impact of the restatement on the net position of the government-wide financial statements as previously reported is presented below:

	Governmental Activities
Net Position, June 30, 2022 as previously reported	\$ 33,420,374
Adjustment associated with:	
Correction of prior year understatement of unavailable revenue	(177,952)
Total Adjustments	(177,952)
Net Position, July 1, 2022 as restated	<u>\$ 33,242,422</u>

The impact of the restatement on the fund balance of the fund financial statements as previously reported is presented below:

	Other Governmental Funds
Fund Balance, June 30, 2022 as previously reported	\$ 6,222,331
Adjustment associated with:	
Correction of prior year understatement of unavailable revenue	(177,952)
Total Adjustments	(177,952)
Fund Balance, July 1, 2022 as restated	<u>\$ 6,044,379</u>

B. Deficit Fund Balance/Net Position

The following nonmajor special revenue funds had deficit fund balances:

- The Proposition 30 fund had a fund balance deficit of \$3,982, which is expected to be eliminated in future years through grant revenues.
- The Special Gas Tax fund had a fund balance deficit of \$15,659, which is expected to be eliminated in future years through Highway User Tax allocations.
- The Other Grants fund had a fund balance deficit of \$188,345, which is expected to be eliminated in future years through recognition of grant revenues.

The following nonmajor capital projects fund had a deficit fund balance:

- The Fire Protection Capital Improvement fund had a fund balance deficit of \$27,866, which is expected to be eliminated in future years through impact of revenues.

The following major enterprise fund had a deficit net position:

- The Community Center fund had a net position deficit of \$362,824, which is expected to be eliminated in future years through increased rental income.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS

A. Financial Statement Presentation

As of June 30, 2023, the City's cash and investments are reported in the financial statements as follows:

Governmental activities	\$ 15,015,785
Business-type activities	<u>11,766,852</u>
Total Cash and Investments	<u>\$ 26,782,637</u>

As of June 30, 2023, the City's cash and investments consisted of the following:

Cash:	
Cash on hand	\$ 1,350
Deposits (less outstanding checks)	3,988,084
Deposits with fiscal agents	<u>479</u>
Total Cash	<u>3,989,913</u>
Investments:	
In City's pool	<u>22,792,724</u>
Total Investments	<u>22,792,724</u>
Total Cash and Investments	<u>\$ 26,782,637</u>

B. Cash

At year-end, the carrying amount of the City's cash deposits (including amounts in checking accounts, savings accounts, and deposits with fiscal agents) was \$3,988,563 and the bank balance was \$4,166,518. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. In addition, the City had cash on hand of \$1,350.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits of more than the \$250,000 insured amount are collateralized.

C. Investments

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval. The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

Under the provisions of the City's investment policy the City may invest or deposit in the following:

- Local Agency Investment Fund (LAIF)
- United States Treasury Obligation
- United States Agency Obligations
- Registered California State Warrants/Treasury Notes and Bonds
- Bankers' Acceptance
- Repurchase Agreements
- Certificates of Deposit or Time Deposits
- Passbook Savings Account Demand Deposits
- Commercial Paper

Fair Value of Investments - The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

The City's position in external investment pools is in itself regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the City's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

At June 30, 2023, the City had the following recurring fair value measurements:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by Fair Value Level				
U.S. Government Securities	\$ 3,685,965	\$ 3,685,965	\$ -	\$ -
U.S. Treasury Notes	1,122,588	1,122,588	-	-
Certificates of Deposit	<u>7,934,681</u>	<u>7,934,681</u>	<u>-</u>	<u>-</u>
Total Investments Measured at Fair Value	12,743,234	<u>\$ 12,743,234</u>	<u>\$ -</u>	<u>\$ -</u>
Investments in External Investment Pools				
LAIF	<u>10,049,490</u>			
Total Investments	<u>\$22,792,724</u>			

Interest Rate Risk - Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit the exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of the purchase cannot occur without prior approval of the City Council.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

C. Investments (Continued)

As of June 30, 2023, the City had the following investments, all of which had a maturity of 5 years or less:

Investment Type	Interest Rates	Maturities		Fair Value	Weighted Average Maturity (Years)
		0-1 year	1-5 years		
U.S. Government Securities	Variable	\$ 3,685,965	\$ -	\$ 3,685,965	3.01
U.S. Treasury Notes	Variable	1,122,588	-	1,122,588	3.04
Certificates of Deposit	Variable	968,965	6,965,716	7,934,681	2.84
LAIF	Variable	<u>10,049,490</u>	<u>-</u>	<u>10,049,490</u>	<u>-</u>
Total Investments		<u>\$15,827,008</u>	<u>\$6,965,716</u>	<u>\$22,792,724</u>	<u>0.13</u>

Credit Risk - 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. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required (where applicable) by the California Government Code or the City's investment policy, and the actual rating as of year-end for each investment type.

Investment Type	Minimum Legal Rating	Standard & Poor's Rating	Moody's Rating	% of Portfolio
Federal Home Loan Bank	N/A	Unrated	Unrated	3.89%
Federal Home Loan Mortgage	N/A	Unrated	Unrated	12.29%
U.S. Treasury Notes	N/A	Unrated	Unrated	4.93%
Certificates of Deposit	N/A	Unrated	Unrated	34.81%
LAIF	N/A	Unrated	Unrated	<u>44.08%</u>
Total				<u>100.00%</u>

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all of its managed investments shall be held in the name of the City in safekeeping by a third-party bank trust department.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds, and external investment pools) at June 30, 2023 that represent 5 percent or more of total City investments are as follows:

Investment Type	Amount Invested	Percentage of Investment
Federal Home Loan Mortgage	\$ 2,800,358	12.29%

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 3: CASH AND INVESTMENTS (CONTINUED)

D. Investment in External Investment Pools

The City of Red Bluff maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. At June 30, 2023, the City's investment in LAIF valued at amortized cost was \$10,049,490 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$178.4 billion. Of that amount, 97.22 percent is invested in non-derivative financial products and 2.78 percent in structured notes and asset-backed securities.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2023
Governmental Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 305,206	\$ 75,891	\$ -	\$ -	\$ 381,097
Construction in progress	2,261,387	248,751	-	(1,793,812)	716,326
Total Capital Assets, Not Being Depreciated	2,566,593	324,642	-	(1,793,812)	1,097,423
Capital Assets, Being Depreciated:					
Buildings	2,573,188	-	-	3,583	2,576,771
Improvements	7,639,586	94,347	-	-	7,733,933
Equipment	2,008,835	97,840	-	-	2,106,675
Vehicles	5,138,774	247,854	(18,314)	-	5,368,314
Right-to-use leased equipment	33,389	-	-	-	33,389
Subscription-based information technology arrangements	-	182,555	-	-	182,555
Infrastructure	53,705,762	2,402,994	-	1,790,229	57,898,985
Total Capital Assets, Being Depreciated	71,099,534	3,025,590	(18,314)	1,793,812	75,900,622
Less Accumulated Depreciation For:					
Buildings	(1,965,497)	(29,046)	-	-	(1,994,543)
Improvements	(3,207,952)	(501,533)	-	-	(3,709,485)
Equipment	(1,497,666)	(151,552)	-	-	(1,649,218)
Vehicles	(2,962,715)	(338,592)	18,314	-	(3,282,993)
Right-to-use leased equipment	(9,682)	(10,728)	-	-	(20,410)
Subscription-based information technology arrangements	-	(30,430)	-	-	(30,430)
Infrastructure	(35,952,811)	(1,427,070)	-	-	(37,379,881)
Total Capital Assets, Being Depreciated	(45,596,323)	(2,488,951)	18,314	-	(48,066,960)
Total Capital Assets, Being Depreciated, Net	25,503,211	536,639	-	1,793,812	27,833,662
Governmental Activities Capital Assets, Net	\$ 28,069,804	\$ 861,281	\$ -	\$ -	\$ 28,931,085

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2022	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2023
Business-Type Activities					
Capital Assets, Not Being Depreciated:					
Land	\$ 910,368	\$ -	\$ -	\$ -	\$ 910,368
Construction in progress	33,212	483,916	-	(11,104)	506,024
Total Capital Assets, Not Being Depreciated	943,580	483,916	-	(11,104)	1,416,392
Capital Assets, Being Depreciated:					
Buildings	1,714,736	-	-	-	1,714,736
Improvements	18,735,536	288,954	-	7,147	19,031,637
Equipment	3,256,040	111,516	-	-	3,367,556
Vehicles	1,284,379	88,991	-	-	1,373,370
Right-to-use leased equipment	6,489	-	-	-	9,489
Subscription-based information technology arrangements	-	219,095	-	-	219,095
Infrastructure	15,253,152	242,044	-	3,957	15,499,153
Total Capital Assets, Being Depreciated	40,250,332	950,600	-	11,104	41,212,036
Less Accumulated Depreciation For:					
Buildings	(1,403,727)	(18,531)	-	(1)	(1,422,259)
Improvements	(12,635,078)	(575,542)	-	-	(13,210,620)
Equipment	(1,964,755)	(421,926)	-	-	(2,386,681)
Vehicles	(929,455)	(131,396)	-	-	(1,060,851)
Right-to-use leased equipment	(432)	(1,296)	-	-	(1,728)
Subscription-based information technology arrangements	-	(94,938)	-	-	(94,938)
Infrastructure	(9,354,315)	(346,270)	-	-	(9,700,585)
Total Capital Assets, Being Depreciated	(26,287,762)	(1,589,899)	-	(1)	(27,877,662)
Total Capital Assets, Being Depreciated, Net	13,962,570	(639,299)	-	11,103	13,334,374
Business-Type Activities Capital Assets, Net	\$ 14,906,150	(\$ 155,383)	\$ -	(\$ 1)	\$ 14,750,766

Depreciation/Amortization

Depreciation/amortization expense was charged to governmental activities as follows:

General government	\$ 110,200
Public safety:	
Fire	236,903
Police	247,030
Parks and recreation	397,423
Transportation and streets	1,497,395
Total Depreciation/Amortization Expense – Governmental Activities	\$ 2,488,951

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged to business-type activities as follows:

Waste Water	\$ 737,844
Water	513,221
Community Center	3,701
Community Development	102,259
Airport	<u>232,874</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 1,589,899</u>

Construction in Progress

Construction in progress for governmental and business-type activities relates primarily to work performed on street, waste water, and water projects.

NOTE 5: LESSOR LEASE RECEIVABLE

The City is the lessor under one telecommunications lease agreement, which meets the lease criteria defined by GASB Statement No. 87, Leases. The lease expires on January 7, 2038, has an interest rate of 2.95%, and has monthly payments for the current year of \$2,106, increasing 3.00% annually. As of June 30, 2023, the City's receivable for lease payments was \$390,660. The City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$368,294.

Future annual lease receivables as of June 30, 2023, are as follows:

Year Ended June 30	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 16,053	\$ 11,161	\$ 27,214
2025	17,353	10,677	28,030
2026	18,716	10,155	28,871
2027	20,149	9,588	29,737
2028	21,646	8,983	30,629
2029-2033	133,304	34,191	167,495
2034-2038	<u>163,439</u>	<u>11,487</u>	<u>174,926</u>
Total	<u>\$ 390,660</u>	<u>\$ 96,242</u>	<u>\$ 486,902</u>

The City entered into certain lease agreements that do not qualify for GASB Statement No. 87, accounting and reporting treatment. These leases were regulated leases and therefore, outside the scope of the standard. These lease agreements have not been recognized and measured as part of the City's lease receivable, and the receipts related to these agreements are recognized as revenue as appropriate under the standard GAAP revenue recognition rules.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 5: LESSOR LEASE RECEIVABLE (CONTINUED)

The City is lessor for the following regulated leases at the Red Bluff Municipal Airport:

- Airport Hanger Lease: The City has approximately 50 noncommercial hanger leases at the Red Bluff Municipal Airport. These hanger leases are subject to exclusive use by the counterparties under the agreements. The hanger leases cover various ranges, with the latest expiring on December 21, 2042. The lessees are required to make annual fixed principal and interest payments, ranging from \$476 to \$2,868 based on the square footage leased and rate at inception on lease. Lease payments increase by 3.00% each year. The City recognized rent revenue of \$56,962 for the year ended June 30, 2023.

The future minimum lease payments for the next five years of regulated leases are as follows:

<u>Year Ended June 30</u>	<u>Business-Type Activities</u>
2024	\$ 42,075
2025	32,162
2026	22,615
2027	22,221
2028	21,462
2029-2033	113,222
2034-2038	96,916
2039-2043	<u>29,584</u>
Total Future Lease Receivables	<u>\$ 380,257</u>

NOTE 6: INTERFUND TRANSACTIONS

Due From/To Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2023:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 340,342	\$ -
Nonmajor governmental funds	-	257,909
Community Center	<u>-</u>	<u>82,433</u>
Total	<u>\$ 340,342</u>	<u>\$ 340,342</u>

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 6: INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, lease payments or debt service, and re-allocations of special revenues. The following are the interfund transfer balances as of June 30, 2023:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 953,909	\$ 47,436
Nonmajor governmental funds	194,027	150,985
Waste Water	-	480,907
Water	-	415,348
Community Center	208,849	-
Community Development	-	166,051
Nonmajor enterprise funds	-	96,058
Total	<u>\$ 1,356,785</u>	<u>\$ 1,356,785</u>

NOTE 7: UNEARNED REVENUES

At June 30, 2023, components of unearned and unavailable revenues were as follows:

	<u>Unearned</u>	<u>Unavailable</u>	<u>Totals</u>
General Fund			
TIDE funds received in advance	\$ 29,156	\$ -	\$ 29,156
Nonmajor Governmental Funds			
State recycling revenue received in advance	10,000	-	10,000
Grants receivable	-	177,952	177,952
Nonmajor Enterprise Funds			
Hanger Lease prepayment	<u>8,800</u>	<u>-</u>	<u>8,800</u>
Total	<u>\$ 47,956</u>	<u>\$ 177,952</u>	<u>\$ 225,908</u>

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 8: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

Type of Indebtedness	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amounts Due Within One Year
Governmental Activities					
Pension obligation bonds	\$ 15,811,971	\$ -	(\$ 422,164)	\$15,389,807	\$ 686,550
Unamortized discount	(112,272)	-	6,588	(105,684)	(6,588)
Pension obligation bonds, net	15,699,699	-	(415,576)	15,284,123	679,962
Right-to-use equipment liability	23,785	-	(10,710)	13,075	10,421
Capital leases	1,468,651	-	(91,753)	1,376,898	94,730
Subscription-based information technology arrangements	-	182,555	(39,247)	143,308	34,163
Compensated absences	1,164,811	78,800	(47,072)	1,196,539	299,135
Total Governmental Activities	<u>\$ 18,356,946</u>	<u>\$ 261,355</u>	<u>(\$ 604,358)</u>	<u>\$18,013,943</u>	<u>\$ 1,118,411</u>
Business-Type Activities					
Pension obligation bonds	\$ 2,728,029	\$ -	(\$ 72,841)	\$ 2,655,188	\$ 118,450
Unamortized discount	(19,370)	-	1,138	(18,232)	(1,138)
Pension obligation bonds, net	2,708,659	-	(71,703)	2,636,956	117,312
Right-to-use equipment liability	6,086	-	(1,235)	4,851	1,270
Subscription-based information technology arrangements	-	219,095	(84,733)	134,362	96,202
Compensated absences	117,273	80,163	(74,185)	123,251	30,813
Total Business-Type Activities	<u>\$ 2,832,018</u>	<u>\$ 299,258</u>	<u>(\$ 231,856)</u>	<u>\$ 2,899,420</u>	<u>\$ 245,597</u>

Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred, which is primarily the General fund.

Individual issues of debt payable outstanding at June 30, 2023, are as follows:

Governmental Activities

Pension Obligation Bonds:

2021 Taxable Pension Obligation Bonds issued July 15, 2021 to finance the rolled forward pension liability as of June 30, 2020 as projected by CalPERS. Principal payments, ranging from \$310,000 to \$1,460,000, are due annually on July 15, and mature July 15, 2039. Interest payments at 0.470% to 2.776% are due semi-annually.

	<u>\$ 15,389,807</u>
Total Pension Obligation Bonds	<u>15,389,807</u>
Total Governmental Activities	<u>\$ 15,389,807</u>

Business-Type Activities

Pension Obligation Bonds:

2021 Taxable Pension Obligation Bonds issued July 15, 2021 to finance the rolled forward pension liability as of June 30, 2020 as projected by CalPERS. Principal payments, ranging from \$310,000 to \$1,460,000, are due annually on July 15, and mature July 15, 2039. Interest payments at 0.470% to 2.776% are due semi-annually.

	<u>\$ 2,655,188</u>
Total Pension Obligation Bonds	<u>2,655,188</u>
Total Governmental Activities	<u>\$ 2,655,188</u>

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 8: LONG-TERM LIABILITIES (CONTINUED)

Following is a schedule of debt payment requirements to maturity for long-term debt, excluding compensated absences that have indefinite maturities.

Governmental Activities

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Totals
2024	\$ 686,550	\$ 353,821	\$ 1,040,371
2025	780,364	348,141	1,128,505
2026	831,536	339,576	1,171,112
2027	886,971	328,162	1,215,133
2028	946,671	313,640	1,260,311
2029-2033	5,675,764	1,233,962	6,909,726
2034-2038	4,980,686	435,208	5,415,894
2039-2040	601,265	18,227	619,492
Total	<u>\$ 15,389,807</u>	<u>\$ 3,370,737</u>	<u>\$ 18,760,544</u>

Business-Type Activities

Year Ended June 30	Pension Obligation Bonds		
	Principal	Interest	Totals
2024	\$ 118,450	\$ 61,045	\$ 179,495
2025	134,635	60,064	194,699
2026	143,464	58,587	202,051
2027	153,028	56,618	209,646
2028	163,328	54,112	217,440
2029-2033	979,235	212,895	1,192,130
2034-2038	859,314	75,086	934,400
2039-2040	103,734	3,145	106,879
Total	<u>\$ 2,655,188</u>	<u>\$ 581,552</u>	<u>\$ 3,236,740</u>

NOTE 9: LEASES

Right-to-Use Equipment Liability

The City is the lessee under three equipment lease agreements, which meet the lease criteria as defined by GASB Statement No. 87, Leases.

The lease agreement for the City Hall copier expires on November 1, 2024. As of June 30, 2023, the City's lease liability was \$8,956. The City is required to make monthly principal and interest payments of \$529. The lease has an interest rate of 0.75%. The value of the right-to-use asset and accumulated amortization as of June 30, 2023 were \$20,389 and \$11,506, respectively.

The lease agreement for the Police Department copier expires on May 1, 2024. As of June 30, 2023, the City's lease liability was \$4,119. The City is required to make monthly principal and interest payments of \$375. The lease has an interest rate of 0.68%. The value of the right-to-use asset and accumulated amortization as of June 30, 2023 were \$13,000 and \$8,904, respectively.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 9: LEASES (CONTINUED)

Right-to-Use Equipment Liability (Continued)

The lease agreement for the Community Center copier expires on February 1, 2027. As of June 30, 2023, the City's lease liability was \$4,851. The City is required to make monthly principal and interest payments of \$116. The lease has an interest rate of 2.87%. The value of the right-to-use asset and accumulated amortization as of June 30, 2023 were \$6,489 and \$1,728, respectively.

The future principal and lease payments as of June 30, 2023 are as follows:

Year Ended June 30	Governmental Activities		
	Principal	Interest	Total
2024	\$ 10,421	\$ 59	\$ 10,480
2025	2,654	5	2,659
Total	<u>\$ 13,075</u>	<u>\$ 64</u>	<u>\$ 13,139</u>

Year Ended June 30	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 1,270	\$ 120	\$ 1,390
2025	1,306	84	1,390
2026	1,343	47	1,390
2027	932	10	942
Total	<u>\$ 4,851</u>	<u>\$ 261</u>	<u>\$ 5,112</u>

Capital Leases

In September 2017, the City entered into a financing lease for the purchase of a fire truck and related equipment with a cost of \$656,123 and accumulated depreciation of \$218,874 as of June 30, 2023. The lease was payable in one down payment of \$200,000 and 15 annual installments of \$40,396, including interest at 3.0%. The down payment was paid in September 2017 and the installment repayment began in September 2018. Principal and interest paid in the current year were \$40,396. Total remaining payments under the lease are \$403,956, including interest in the amount of \$72,694. The present value of the remaining payments is \$331,262.

In January 2021, the City entered into a financing lease for the purchase of a ladder fire truck and related equipment with a cost of \$1,173,519 and accumulated depreciation of \$195,587 as of June 30, 2023. The lease was payable in 15 annual installments of \$98,465, including interest at 3.0%. The installment repayment began in January 2022. Principal and interest paid in the current year were \$98,465. Total remaining payments under the lease are \$1,280,405, including interest in the amount of \$234,409. The present value of the remaining payments is \$1,045,636.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 9: LEASES (CONTINUED)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>
2024	\$ 138,860
2025	138,860
2026	138,860
2027	138,860
2028	138,860
2029-2033	694,305
2034-2036	<u>295,398</u>
Total Requirements	1,684,003
Less interest	(<u>307,105</u>)
Present Value of Remaining Payments	<u>\$ 1,376,898</u>

Subscription-Based Information Technology Arrangements

The City has three Subscription-Based Information Technology Arrangements (SBITA), which meet the criteria as defined by GASB Statement No. 96, Subscription-Based Information Technology Arrangements.

The SBITA for the Police Department Lens Lock expires on August 1, 2027. As of June 30, 2023, the City's subscription liability was \$143,308. The City is required to make annual principal and interest payments of \$39,851. The lease has an interest rate of 4.05%. The value of the right-to-use asset and accumulated amortization as of June 30, 2023 were \$182,555 and \$30,430, respectively.

The SBITA for the Community Development Geographical Information System expires on June 30, 2024. As of June 30, 2023, the City's subscription liability was \$13,122. The City is required to make annual principal and interest payments of \$12,469, increasing by 5.00% each year and starting in the next fiscal year. The lease has an interest rate of 3.96%. The value of the right-to-use asset and accumulated amortization as of June 30, 2023 were \$193,780 and \$82,780, respectively.

The SBITA for the Community Development Etrackit expires on October 20, 2026. As of June 30, 2023, the City's subscription liability was \$121,240. The City is required to make annual principal and interest payments of \$12,469, increasing 5.00% each year and starting in the next fiscal year. The lease has an interest rate of 3.96%. The value of the right-to-use asset and accumulated amortization as of June 30, 2023 were \$193,780 and \$82,280, respectively.

The future principal and lease payments as of June 30, 2023 are as follows:

<u>Year Ended June 30</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 34,163	\$ 5,688	\$ 39,851
2025	35,519	4,332	39,851
2026	36,935	2,916	39,851
2027	<u>36,691</u>	<u>3,160</u>	<u>39,851</u>
Total	<u>\$ 143,308</u>	<u>\$ 16,096</u>	<u>\$ 159,404</u>

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 9: LEASES (CONTINUED)

Subscription-Based Information Technology Arrangements (Continued)

Year Ended June 30	Business-Type Activities		
	Principal	Interest	Total
2024	\$ 96,202	\$ 2,290	\$ 98,492
2025	11,581	1,511	13,092
2026	12,694	1,053	13,747
2027	13,885	550	14,435
Total	<u>\$ 134,362</u>	<u>\$ 5,404</u>	<u>\$ 139,766</u>

NOTE 10: NET POSITION

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net investment in capital assets** - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- **Restricted net position** - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - all other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

Net Position Restricted by Enabling Legislation

The government-wide Statement of Net Position reports \$10,790,755 of restricted net position, of which \$4,417,193 is restricted by enabling legislation.

Net Position Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted net position are available, it is considered that restricted resources are used first, followed by the unrestricted resources.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds can be made up of the following:

- **Nonspendable fund balance** - amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: inventories and prepaid amounts.
- **Restricted fund balance** - amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- **Committed fund balance** - amounts that can only be used for the specific purposes determined by formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance commit fund balance. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned fund balance** - amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- **Unassigned fund balance** - the residual classification for the City’s General fund that includes all amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: FUND BALANCES (CONTINUED)

The fund balances for all major and nonmajor governmental funds as of June 30, 2023, were distributed as follows:

	General Fund	Grants/Program Income	Traffic Control Capital Improvement	Other Governmental Funds	Totals
Nonspendable:					
Prepaid Costs	\$ 110,589	\$ -	\$ -	\$ 1,786	\$ 112,375
Subtotal	110,589	-	-	1,786	112,375
Restricted:					
Loans Receivable	-	3,339,096	-	-	3,339,096
Grants	-	540,477	-	-	540,477
Traffic Control					
Impact Fees	-	-	787,641	-	787,641
Traffic Safety	-	-	-	88,159	88,159
PEG Fees	-	-	-	227,718	227,718
Public Safety	-	-	-	167,896	167,896
Local Transportation	-	-	-	206,313	206,313
ISTEA/RSTP Revenue	-	-	-	726,169	726,169
SB 1186 Revenue	-	-	-	40,397	40,397
Road Maintenance & Rehab Act	-	-	-	110,043	110,043
Flood Protection Impact Fees	-	-	-	231,835	231,835
Police Protection Impact Fees	-	-	-	20,111	20,111
City Admin & Equipment Impact Fees	-	-	-	6,982	6,982
Meadow Brook Streets Waste Water Facility Impact Fees	-	-	-	45,300	45,300
Waste Water Collection Impact Fees	-	-	-	1,108,098	1,108,098
Waste Water Collection Impact Fees	-	-	-	988,120	988,120
Water Capital Impact Fees	-	-	-	1,100,110	1,100,110
Airport Impact Fees	-	-	-	101,560	101,560
Park Capital Improvement Fees	-	-	-	27,437	27,437
Subtotal	-	3,879,573	787,641	5,196,248	9,863,462
Committed:					
Asset Forfeiture	-	-	-	555	555
Transportation	-	-	-	166,767	166,767
Transportation – City Design Fees	-	-	-	15,518	15,518
Waste Water Treatment Capital Improvements	-	-	-	564,715	564,715
Subtotal	-	-	-	747,555	747,555
Assigned:					
Building Reserve	3,645,000	-	-	-	3,645,000
Contingency Reserve	1,466,821	-	-	-	1,466,821
Quarter Cent Sales	750,000	-	-	-	750,000
Economic Uncertainty Reserve	733,411	-	-	-	733,411

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: FUND BALANCES (CONTINUED)

	General Fund	Grants/Program Income	Traffic Control Capital Improvement	Other Governmental Funds	Totals
Assigned (Continued):					
Fire Apparatus & Vehicle Reserve	400,000	-	-	-	400,000
Vehicle Reserve	325,000	-	-	-	325,000
ADA Reserve	325,000	-	-	-	325,000
Parks Reserve	321,387	-	-	-	321,387
Technology Reserve	225,000	-	-	-	225,000
Subtotal	8,191,619	-	-	-	8,191,619
Unassigned	1,707,647	-	-	(235,852)	1,471,795
Total Fund Balance	<u>\$ 10,009,855</u>	<u>\$ 3,879,573</u>	<u>\$ 787,641</u>	<u>\$ 5,709,737</u>	<u>\$ 20,386,806</u>

Fund Balance Flow Assumption

When a government funds outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance), a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted fund balance are available, it is considered that restricted fund balance is depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policy

The City Council adopted the City of Red Bluff fund balance policy in January 2013. The policy establishes procedures for reporting fund balance classifications. The policy also provides for a measure of financial protection for the City against unforeseen circumstances and to comply with GASB Statement No. 54.

NOTE 11: PENSION PLAN

A. General Information about the Pension Plan

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

Effective January 1, 2013, the City added retirement tiers for both the Miscellaneous and Safety Rate Tiers for new employees as required under the Public Employee Pension Reform Act (PEPRA). New employees hired on or after January 1, 2013 will be subject to new, lower pension formulas, caps on pensionable income levels and new definitions of pensionable income. In addition, new employees will be required to contribute half of the total normal cost of the pension benefit unless impaired by an existing Memorandum of Understanding. The cumulative effect of these PEPRA changes will ultimately reduce the City's retirement costs.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Summary of Rate Tiers and Eligible Participants

Open for New Enrollment	
Miscellaneous PEPPRA	Miscellaneous members hired on or after January 1, 2013
Safety PEPPRA	Safety members hired on or after January 1, 2013
Closed to New Enrollment	
Miscellaneous	Miscellaneous members hired before January 1, 2013
Safety Police	Safety police members hired before January 1, 2013
Safety Fire	Safety fire members hired before January 1, 2013

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. Retirement benefits are paid monthly for life. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Each Rate Tier's specific provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Benefit Formula</u>	<u>Retirement Age</u>	<u>Monthly Benefits as a % of Eligible Compensation</u>
Miscellaneous	2.0% @ 55	50-63	1.426% to 2.418%
Miscellaneous PEPPRA	2.0% @ 62	52-67	1.000% to 2.500%
Safety Police First Tier	3.0% @ 50	50	3.000%
Safety Police Second Tier	3.0% @ 55	50-55	2.400% to 3.000%
Safety Police PEPPRA	2.7% @ 57	50-57	2.000% to 2.700%
Safety Fire	2.0% @ 50	50-55	2.000% to 2.700%
Safety Fire PEPPRA	2.7% @ 57	50-57	2.000% to 2.700%

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Contributions

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

	<u>Employer Contribution Rates</u>	<u>Employee Contribution Rates</u>	<u>Employer Paid Member Contribution Rates</u>
Miscellaneous	10.87%	7.00%	0.00%
Miscellaneous PEPRA	7.47%	6.75%	0.00%
Safety Police First Tier	23.75%	9.00%	0.00%
Safety Police Second Tier	21.84%	9.00%	0.00%
Safety Police PEPRA	12.78%	13.00%	0.00%
Safety Fire	19.27%	9.00%	0.00%
Safety Fire PEPRA	12.78%	13.00%	0.00%

For the year ended June 30, 2023, the contributions recognized as part of pension expense were as follows:

	<u>Contributions-Employer</u>	<u>Contributions-Employee (Paid by Employer)</u>
Miscellaneous	\$ 8,404,144	\$ -
Safety	12,124,584	-

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023 was as follows:

	<u>Proportion June 30, 2022</u>	<u>Proportion June 30, 2023</u>	<u>Change- Increase (Decrease)</u>
Miscellaneous	.25875%	.05237%	(.20638%)
Safety	.20859%	.05144%	(.15714%)

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 2,450,448
Safety	<u>3,534,859</u>
Total Net Pension Liability	<u>\$ 5,985,307</u>

For the year ended June 30, 2023, the City recognized a pension expense of \$3,110,505. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 1,049,676	\$ -
Change of assumptions	607,519	-
Difference between expected and actual experience	195,503	(71,344)
Difference between projected and actual earnings on pension plan investments	1,007,061	-
Differences between City contributions and proportionate share of contributions	11,844,513	(405,718)
Amortization due to differences in proportions	<u>1,798,591</u>	<u>(8,572,682)</u>
Total	<u>\$ 16,502,863</u>	<u>(\$ 9,049,744)</u>

\$1,049,676 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2024	\$ 2,487,539
2025	2,234,126
2026	1,066,728
2027	615,050
Thereafter	<u>-</u>
Total	<u>\$ 6,403,443</u>

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Investment Rate of Return	6.90%
Inflation	2.30%
Salary Increases	Varies by entry-age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds
Post-Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80 percent of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the CalPERS 2021 experience study that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for PERFC was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-Term Expected Rate of Return

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long-term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pension (Continued)

Long-Term Expected Rate of Return (Continued)

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (1, 2)</u>
Global Equity – Cap-Weighted	30.0%	4.54%
Global Equity – Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	(5.0%)	(0.59%)
Total	<u>100.0%</u>	

(1) An expected price inflation of 2.30% used for this period

(2) Figures are based on the 2021 Asset Liability Management Study

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for each rate tier as of the measurement date, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease 5.90%</u>	<u>Discount Rate 6.90%</u>	<u>1% Increase 7.90%</u>
Miscellaneous	\$ 6,788,213	\$ 2,450,448	(\$ 1,118,457)
Safety	9,764,844	3,534,859	(1,556,746)

Pension Plan Fiduciary Net Position

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

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. General Information about the OPEB Plan

Plan Description

The City's defined benefit OPEB plan (the Plan) provides OPEB for all permanent full-time general and public safety employees of the City. The Plan is a single-employer defined benefit plan administered by the California Public Employees' Retirement System (CalPERS). The City Council reserves the authority to review and amend the funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The City provides the following OPEB: lifetime retiree medical coverage.

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA) and through Teamsters. Access to this coverage, through the City in retirement, requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, for a miscellaneous PEPR employee) with 5 years of State or public agency service or (b) an approved disability retirement.

The employee must begin his or her retirement benefit within 120 days of terminating employment with the City to be eligible to continue medical coverage through the agency and be entitled to the benefits described below. In other words, it is the timing of initiating retirement (pension) benefits and not timing of enrollment in the medical program which determines whether or not a City retiree qualifies for lifetime medical coverage and any benefits defined in the PEMHCA resolution. If an eligible employee is not already enrolled in the medical plan, he or she may enroll within 60 days of retirement, during any future open enrollment period or with a qualifying life event. Once eligible, coverage may be continued at the retiree's option for his or her lifetime. A surviving spouse and other eligible dependents may also continue coverage.

As a PEMHCA employer, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. The City's current PEMHCA resolutions define the City's contribution toward the medical plan premiums for active employees and retirees to be \$160 per month. PEMHCA requires that monthly contributions from the City not be less than the required Minimum Employer Contribution (MEC). The MEC was \$149 per month in 2022 and increased to \$151 per month in 2023. If the \$160 per month benefit is not increased, the MEC will soon exceed the \$160 benefit.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. General Information about the OPEB Plan (Continued)

Benefits Provided (Continued)

The 2023 CalPERS monthly medical plan rates in the Region 1 rate group and Teamsters premium rate are shown in the table below. The CalPERS administration fee is assumed to be expensed each year and has not been projected as an OPEB liability.

Region 1 2023 Health Plan Rates						
	Actives and Pre-Med Retirees			Medicare Eligible Retirees		
Plan	Ee Only	Ee & 1	Ee & 2+	Ee Only	Ee & 1	Ee & 2+
PERS Platinum PPO	1,200.12	2,400.24	3,120.31	420.02	840.04	1,560.11
PERS Gold PPO	825.61	1,651.22	2,146.59	392.71	785.42	1,280.79
PORAC Region 1	825.00	1,875.00	2,300.00	465.00	1,030.00	1,455.00

Region 1 2023 Health Plan Rates				
Plan	Ee Only	Ee + Spouse	Ee + Child(ren)	Ee + Family
Pre Medicare Retirees: Select Plus	722.00	1206.00	1108.00	1546.00
Post Medicare Retirees: Standard Plan	286.00	572.22	n/a	n/a

Employees Covered by Benefit Terms

At June 30, 2022, the valuation date, the following plan members were covered by the benefit terms:

Inactive plan members currently receiving benefits payments	15
Inactive plan members entitled to but not receiving benefits	63
Active plan members	<u>106</u>
Total	<u><u>184</u></u>

B. Net OPEB Liability

The City's net OPEB liability of \$3,292,742, was measured as of June 30, 2023, and was determined by the actuarial valuation as of June 30, 2022.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

B. Net OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The net OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal cost, level percent of pay
General Inflation	2.50% per year
Salary Increases	3.00% per year. Since benefits do not depend on salary, this is used to allocate the cost of benefits between service years to determine the amortization payment component of the Actuarially Determined Contributions.
Discount rate	4.13%
Healthcare cost trend rates	5.6% in 2023, fluctuates to 3.9% in 2076 and later
Mortality Improvement	CalPERS 2017 Experience Study; projected with MacLeod Watts Scale 2022

Demographic actuarial assumptions used in the June 30, 2022 valuation were based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019.

C. Changes in the Net OPEB Liability

	<u>Net OPEB Liability</u>
Balance at June 30, 2022	\$ 3,025,197
Changes for the year:	
Service cost	243,651
Interest cost	131,897
Change in assumptions	(20,061)
Benefit payments	(87,942)
Net Changes	<u>267,545</u>
Balance at June 30, 2023	<u>\$ 3,292,742</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB 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 discount rate:

	<u>1% Decrease 3.13%</u>	<u>Current Rate 4.13%</u>	<u>1% Increase 5.13%</u>
Net OPEB liability	\$ 3,851,288	\$ 3,292,742	\$ 2,843,573

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

C. Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	Current Trend <u>-1%</u>	<u>Current Trend</u>	Current Trend <u>+1%</u>
Net OPEB Liability	\$ 2,756,690	\$ 3,292,742	\$ 3,989,364

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the City recognized OPEB expense of \$254,389. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 305,535	(\$ 1,310,503)
Differences between expected and actual experience	<u>17,613</u>	(<u>146,384</u>)
Total	<u>\$ 323,148</u>	(<u>\$ 1,456,887</u>)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	
2024	(\$ 121,159)
2025	(121,159)
2026	(121,159)
2027	(121,159)
2028	(125,883)
Thereafter	(<u>523,220</u>)
	(<u>\$ 1,133,739</u>)

NOTE 13: 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.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires 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 at the date of the financial statements and the amount of the loss can be reasonably estimated.

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 13: RISK MANAGEMENT (CONTINUED)

There are no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverages for each of the past three fiscal years.

The City is a member of Northern California Cities Self Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured \$25,000 retention for liability and the self-insured \$100,000 retention for workers compensation. The NCCSIF is composed of 22 member cities and is governed by a board of directors appointed by the member cities. The governing board has authority over budgeting and financing. The City pays an annual premium to NCCSIF for its insurance coverage.

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Code. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member from each city. The City of Red Bluff council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The participants as of June 30, 2023 were as follows:

- | | |
|-------------|---------------|
| • Anderson | • Lincoln |
| • Auburn | • Marysville |
| • Colusa | • Nevada City |
| • Corning | • Oroville |
| • Dixon | • Paradise |
| • Elk Grove | • Placerville |
| • Folsom | • Red Bluff |
| • Galt | • Rio Vista |
| • Gridley | • Rocklin |
| • Ione | • Willows |
| • Jackson | • Yuba City |

CITY OF RED BLUFF
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 14: LANDFILL JOINT POWERS AGENCIES

The City is a member of the Tehama County Sanitary Landfill Agency (the Landfill Agency), which was formed in May 1989 by an agreement between the County of Tehama, the City of Corning, the City of Tehama, and the City of Red Bluff. The Landfill Agency is responsible for closure and postclosure of the landfill. The Landfill Agency has previously collected assessments from property in the County and is currently holding those funds in order to have funds available to finance the work necessary for closure and postclosure monitoring.

In 1997, the City, along with the County of Tehama, formed the Tehama County/Red Bluff Landfill Management Agency (the Management Agency). The Management Agency was formed to govern the operation and management of the landfill. The City and the County of Tehama each have a 50% ownership interest in the landfill.

In 2015, the two Agencies combined to form the Tehama County Solid Waste Management Agency. Complete financial statements for the Agency may be obtained from the Agency.

NOTE 15: OTHER INFORMATION

A. Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

B. Commitments and Contingencies

At June 30, 2023, the City had construction commitments outstanding of approximately \$675,809.

C. Asset Retirement Obligation

The City has incurred certain asset retirement obligations related to the operation of its waste water utility system. The estimated liability of the legally required closure costs for the waste water utility system cannot be reasonably estimated as of June 30, 2023, since the specific legally required costs of retirement have not been identified. The City anticipates identifying those specific legally required costs and obtaining an estimate of those costs in the subsequent fiscal year.

D. Subsequent Events

Management has evaluated events subsequent to June 30, 2023 through December 11, 2023, the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

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**Required Supplementary Information
(Unaudited)**

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CITY OF RED BLUFF
Required Supplementary Information
City Pension Plan
Schedule of Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023
Last 10 Years*

Measurement Date	2013/2014	2014/2015	2015/2016	2016/2017
Miscellaneous Plan				
Proportion of the net pension liability	0.05814%	0.14010%	0.15638%	0.16576%
Proportionate share of the net pension liability	\$ 3,617,616	\$ 3,842,872	\$ 5,432,492	\$ 6,534,135
Covered payroll	2,291,278	2,502,239	2,600,676	2,800,443
Proportionate share of the net pension liability as a percentage of covered payroll	157.89%	153.58%	208.89%	233.33%
Plan fiduciary net position as a percentage of the total pension liability	84.35%	78.40%	78.26%	76.06%
Safety Plan				
Proportion of the net pension liability	0.08912%	0.15580%	0.16059%	0.16033%
Proportionate share of the net pension liability	\$ 5,545,207	\$ 6,417,679	\$ 8,317,270	\$ 9,580,019
Covered payroll	2,220,989	2,332,037	2,492,878	2,721,214
Proportionate share of the net pension liability as a percentage of covered payroll	249.67%	275.20%	333.64%	352.05%
Plan fiduciary net position as a percentage of the total pension liability	81.42%	78.40%	73.41%	72.42%

* The City implemented GASB 68 for the fiscal year June 30, 2015, therefore only nine years are shown.

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
0.17497%	0.18098%	0.18709%	0.25875%	0.05237%
\$ 6,594,232 2,844,755	\$ 7,247,204 2,952,187	\$ 7,891,679 2,982,829	\$ 4,913,150 3,203,426	\$ 2,450,448 3,625,487
231.80%	245.49%	264.57%	153.37%	67.59%
76.47%	75.15%	73.70%	83.85%	92.30%
0.16559%	0.16875%	0.17351%	0.20859%	0.05144%
\$ 9,715,776 2,917,933	\$ 10,534,358 3,072,572	\$ 11,559,747 2,951,059	\$ 7,320,280 2,966,613	\$ 3,534,859 3,444,559
332.97%	342.85%	391.72%	246.76%	102.62%
73.14%	72.85%	70.74%	82.15%	92.16%

CITY OF RED BLUFF
Required Supplementary Information
City Pension Plan
Schedule of Contributions
For the Year Ended June 30, 2023
Last 10 Years*

Fiscal Year	2014/2015	2015/2016	2016/2017	2017/2018
Miscellaneous Plan				
Contractually required contribution (actuarially determined)	\$ 201,470	\$ 235,886	\$ 201,977	\$ 495,908
Contributions in relation to the actuarially determined contributions	<u>(201,470)</u>	<u>(235,886)</u>	<u>(201,977)</u>	<u>(495,908)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,502,239	\$ 2,600,676	\$ 2,800,443	\$ 2,844,755
Contributions as a percentage of covered payroll	8.05%	9.07%	7.21%	17.43%
Miscellaneous Plan				
Contractually required contribution (actuarially determined)	\$ 538,795	\$ 638,660	\$ 368,918	\$ 888,434
Contributions in relation to the actuarially determined contributions	<u>(538,795)</u>	<u>(638,660)</u>	<u>(368,918)</u>	<u>(888,434)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,332,037	\$ 2,492,878	\$ 2,721,214	\$ 2,917,933
Contributions as a percentage of covered payroll	23.10%	25.62%	13.56%	30.45%

* The City implemented GASB 68 for the fiscal year June 30, 2015, therefore only nine years are shown.

<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 585,672	\$ 685,961	\$ 883,044	\$ 917,788	\$ 384,965
<u>(585,672)</u>	<u>(685,961)</u>	<u>(883,044)</u>	<u>(8,404,144)</u>	<u>(384,965)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,486,356)</u>	<u>\$ -</u>
\$ 2,952,187	\$ 2,982,829	\$ 3,203,426	\$ 3,625,487	\$ 3,931,862
19.84%	23.00%	27.57%	231.81%	9.79%
\$ 1,016,599	\$ 1,142,914	\$ 1,382,924	\$ 1,440,470	\$ 664,711
<u>(1,016,599)</u>	<u>(1,142,914)</u>	<u>(1,382,924)</u>	<u>(12,124,584)</u>	<u>(664,711)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(10,684,114)</u>	<u>\$ -</u>
\$ 3,072,572	\$ 2,951,059	\$ 2,966,613	\$ 3,444,559	\$ 3,888,581
33.09%	38.73%	46.62%	351.99%	17.09%

CITY OF RED BLUFF
Required Supplementary Information
City Pension Plan
Notes to City Pension Plan
For the Year Ended June 30, 2023

NOTE 1: SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Summary of Changes of Benefits or Assumptions

Benefit Changes: None

Changes of Assumptions: None

NOTE 2: SCHEDULE OF CONTRIBUTIONS

Methods and assumptions used to determine the contribution rates were as follows:

Valuation Date	June 30, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method	Level Percentage of Payroll (Pre-2019 basis), Level Dollar
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Discount rate	7.00%
Payroll Growth	2.75%
Inflation	2.50%
Salary increases	Varies based on entry age and service
Investment rate of return	7.00%

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CITY OF RED BLUFF
Required Supplementary Information
City OPEB Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023
Last 10 Year Fiscal Years*

Measurement Date	2016/2017	2017/2018	2018/2019	2019/2020
Total OPEB Liability				
Service cost	\$ 305,729	\$ 333,506	\$ 356,387	\$ 305,399
Interest	91,100	99,010	107,590	92,672
Differences between expected and actual experience	-	-	(233,644)	-
Changes of assumptions	113,416	83,063	(475,701)	295,638
Benefit payments	(51,619)	(64,029)	(81,833)	(70,191)
Net Change in Total OPEB Liability	458,626	451,550	(327,201)	623,518
Total OPEB Liability - Beginning	2,630,619	3,089,245	3,540,795	3,213,594
Total OPEB Liability - Ending (a)	<u>\$ 3,089,245</u>	<u>\$ 3,540,795</u>	<u>\$ 3,213,594</u>	<u>\$ 3,837,112</u>
Plan Fiduciary Net Position - Beginning	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability (Asset) - Ending (a) - (b)	<u>\$ 3,089,245</u>	<u>\$ 3,540,795</u>	<u>\$ 3,213,594</u>	<u>\$ 3,837,112</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 5,762,688	\$ 6,074,806	\$ 6,014,550	\$ 7,126,509
Net OPEB liability as a percentage of covered employee payroll	53.61%	58.29%	53.43%	53.84%

* The City implemented GASB 75 for the fiscal year June 30, 2018, therefore only six years are shown.

<u>2020/2021</u>	<u>2021/2022</u>
\$ 354,194	\$ 243,651
90,485	131,897
21,199	-
(1,196,572)	(20,061)
<u>(81,221)</u>	<u>(87,942)</u>
(811,915)	267,545
<u>3,837,112</u>	<u>3,025,197</u>
<u>\$ 3,025,197</u>	<u>\$ 3,292,742</u>
-	-
<u>\$ -</u>	<u>\$ -</u>
<u>\$ 3,025,197</u>	<u>\$ 3,292,742</u>
0.00%	0.00%
\$ 7,070,045	\$ 8,519,063
42.79%	38.65%

CITY OF RED BLUFF
Required Supplementary Information
City OPEB Plan
Note to City OPEB Plan
For the Year Ended June 30, 2023

NOTE 1: SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Summary of Changes of Benefits or Assumptions

Discount Rate:	The discount rate was changed from 4.09 percent as of June 30, 2022, to 4.13 percent as of June 30, 2023 based on the published change in return for the applicable municipal bond index.
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CITY OF RED BLUFF
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 10,218,565	\$ 10,218,565	\$ 10,855,024	\$ 636,459
Licenses and permits	426,229	426,229	481,543	55,314
Fines, forfeitures and penalties	21,200	21,200	20,275	(925)
Use of money and property	3,000	3,000	(746,310)	(749,310)
Intergovernmental	2,084,992	2,122,152	1,999,163	(122,989)
Charges for services	114,100	114,100	194,973	80,873
Other revenues	145,600	148,600	88,572	(60,028)
Total Revenues	13,013,686	13,053,846	12,893,240	(160,606)
EXPENDITURES				
Current:				
General government	2,707,861	2,845,239	2,780,753	64,486
Public safety				
Fire	3,459,720	3,483,720	3,078,108	405,612
Police	7,348,339	7,385,499	6,582,194	803,305
Parks and recreation	539,868	539,868	517,417	22,451
Debt service:				
Principal	1,014,191	1,014,191	549,307	464,884
Interest	-	-	565,202	(565,202)
Capital outlay	339,000	672,705	593,450	79,255
Total Expenditures	15,408,979	15,941,222	14,666,431	1,274,791
Excess of Revenues Over (Under) Expenditures	(2,395,293)	(2,887,376)	(1,773,191)	1,114,185
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	-	182,555	182,555
Proceeds from the sale of capital assets	-	-	10,900	10,900
Transfers in	12,594,007	12,594,007	953,909	(11,640,098)
Transfers out	(11,936,339)	(11,936,339)	(47,436)	11,888,903
Total Other Financing Sources (Uses)	657,668	657,668	1,099,928	442,260
Net Change in Fund Balances	(1,737,625)	(2,229,708)	(673,263)	1,556,445
Fund Balances - Beginning	10,683,118	10,683,118	10,683,118	-
Fund Balances - Ending	\$ 8,945,493	\$ 8,453,410	\$ 10,009,855	\$ 1,556,445

CITY OF RED BLUFF
Required Supplementary Information
Budgetary Comparison Schedule
Grants/Program Income - Major Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 500	\$ 500	\$ 7,486	\$ 6,986
Total Revenues	<u>500</u>	<u>500</u>	<u>7,486</u>	<u>6,986</u>
EXPENDITURES				
Current:				
Grants and program income	22,500	43,500	37,795	5,705
Capital outlay	-	6,818	8,699	(1,881)
Total Expenditures	<u>22,500</u>	<u>50,318</u>	<u>46,494</u>	<u>3,824</u>
Net Change in Fund Balances	<u>(22,000)</u>	<u>(49,818)</u>	<u>(39,008)</u>	<u>10,810</u>
Fund Balances - Beginning	<u>3,918,581</u>	<u>3,918,581</u>	<u>3,918,581</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 3,896,581</u></u>	<u><u>\$ 3,868,763</u></u>	<u><u>\$ 3,879,573</u></u>	<u><u>\$ 10,810</u></u>

CITY OF RED BLUFF
Required Supplementary Information
Note to Budgetary Comparison Schedules
For the Year Ended June 30, 2023

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year. The City presents a comparison of annual budget to actual results for the General fund and major special revenue fund. The amounts reported on the budgetary basis are generally on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) The City Manager submits to the City Council a recommended draft budget for the fiscal year commencing the following July 1. The budget includes recommended expenditures and the means of financing them.
- (2) The City Council reviews the recommended budget at regularly scheduled meetings, which are open to the public. The Council also conducts a public hearing on the recommended budget to obtain comments from interested persons.
- (3) Prior to July 1, the budget is adopted through the passage of a resolution.
- (4) From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein, as recommended expenditures become appropriations to the various City departments. The City Council may amend the budget by motion during the fiscal year.

The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

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**Combining and Individual Nonmajor Fund
Financial Statements and Schedules**

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Nonmajor Governmental Funds

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CITY OF RED BLUFF
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Totals
ASSETS			
Cash and investments	\$ 1,682,395	\$ 4,196,586	\$ 5,878,981
Receivables:			
Accounts	10,377	-	10,377
Interest	6,092	13,512	19,604
Intergovernmental	287,651	-	287,651
Prepaid costs	1,786	-	1,786
Total Assets	<u><u>\$ 1,988,301</u></u>	<u><u>\$ 4,210,098</u></u>	<u><u>\$ 6,198,399</u></u>
LIABILITIES			
Accounts payable	\$ 10,794	\$ 312	\$ 11,106
Salaries and benefits payable	2,892	-	2,892
Due to other funds	230,134	27,775	257,909
Interest payable	241	91	332
Unearned revenue	10,000	-	10,000
Accrued other liabilities	28,471	-	28,471
Total Liabilities	<u>282,532</u>	<u>28,178</u>	<u>310,710</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	177,952	-	177,952
Total Deferred Inflows of Resources	<u>177,952</u>	<u>-</u>	<u>177,952</u>
FUND BALANCES			
Nonspendable	1,786	-	1,786
Restricted	1,566,695	3,629,553	5,196,248
Committed	167,322	580,233	747,555
Unassigned	(207,986)	(27,866)	(235,852)
Total Fund Balances	<u>1,527,817</u>	<u>4,181,920</u>	<u>5,709,737</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,988,301</u></u>	<u><u>\$ 4,210,098</u></u>	<u><u>\$ 6,198,399</u></u>

CITY OF RED BLUFF
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Totals
REVENUES			
Taxes and assessments	\$ 254,242	\$ -	\$ 254,242
Fines, forfeitures and penalties	88,039	-	88,039
Use of money and property	19,886	61,215	81,101
Intergovernmental revenue	1,419,306	-	1,419,306
Other revenues	53	(19,208)	(19,155)
Total Revenues	1,781,526	42,007	1,823,533
EXPENDITURES			
Current:			
Public safety			
Police	5,760	-	5,760
Transportation and streets	856,277	-	856,277
Grants and program income	5,000	-	5,000
Debt service:			
Principal	14,567	-	14,567
Interest and other charges	18,648	413	19,061
Capital outlay	1,300,552	-	1,300,552
Total Expenditures	2,200,804	413	2,201,217
Excess of Revenues Over (Under) Expenditures	(419,278)	41,594	(377,684)
OTHER FINANCING SOURCES (USES)			
Transfers In	194,027	-	194,027
Transfers out	(150,985)	-	(150,985)
Total Other Financing Sources (Uses)	43,042	-	43,042
Net Change in Fund Balances	(376,236)	41,594	(334,642)
Fund Balances - Beginning	2,082,005	4,140,326	6,222,331
Prior period adjustment	(177,952)	-	(177,952)
Fund Balances - Beginning, Restated	1,904,053	4,140,326	6,044,379
Fund Balances - Ending	\$ 1,527,817	\$ 4,181,920	\$ 5,709,737

Nonmajor Governmental Funds

- **Special Revenue Funds**

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CITY OF RED BLUFF

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- **Traffic Safety**
This fund accounts for revenues and expenditures restricted for traffic safety improvement by police.
- **Charter – PEG Fees**
This fund accounts for revenues and expenditures restricted for promoting public, education, and governmental television programming.
- **Public Safety**
This fund accounts for the revenues and expenditures restricted for public safety by police and fire.
- **Proposition 30**
This fund accounts for revenues and expenditures restricted for public safety use by police.
- **Asset Forfeiture**
This fund accounts for the seizure of funds by police officers.
- **Local Transportation (LTF)**
This fund accounts for LTF revenues and expenditures restricted for the use in maintenance, repairs, and improvements of the street system of the City.
- **Special Gas Tax**
This fund accounts for gas tax revenues and expenditures restricted for use in maintenance, repairs, and improvements of the street system of the City.
- **Intermodal Surface Transportation Efficiency Act (ISTEA)/Regional Surface Transportation Program (RSTP) Revenue**
This fund accounts for ISTEA and RSTP revenues and expenditures restricted for use in maintenance, repairs, and improvements of the street system of the City.
- **Other Grants**
This special revenue fund accounts for revenues and expenditures restricted for grant use by the State and Federal Governments.
- **SB 1186**
This fund accounts for revenues and expenditures restricted for use as stated in California Senate Bill 1186, for the purpose of increasing disability access and compliance with construction-related accessibility requirements for commercial businesses.
- **Road Maintenance and Rehabilitation Act (RMRA)**
This fund accounts for revenues and expenditures restricted for use as stated in California Senate Bill 1, the Road Repair and Accountability Act of 2017, for the purpose of improving local and state roadway systems.
- **Transportation**
This fund accounts for the operations and maintenance of the City's streets with taxes and grant revenue restricted for transportation.

CITY OF RED BLUFF
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Traffic Safety	Charter - PEG Fees	Public Safety	Proposition 30	Asset Forfeiture
ASSETS					
Cash and investments	\$ 85,740	\$ 226,977	\$ 149,572	\$ -	\$ 28,931
Receivables:					
Accounts	-	-	-	-	-
Interest	442	741	1,444	-	95
Intergovernmental	1,977	-	16,880	-	-
Prepaid costs	-	-	-	-	-
Total Assets	<u>\$ 88,159</u>	<u>\$ 227,718</u>	<u>\$ 167,896</u>	<u>\$ -</u>	<u>\$ 29,026</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 703	\$ -
Salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	3,268	-
Interest payable	-	-	-	11	-
Unearned revenue	-	-	-	-	-
Accrued other liabilities	-	-	-	-	28,471
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,982</u>	<u>28,471</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Nonspendable	-	-	-	-	-
Restricted	88,159	227,718	167,896	-	-
Committed	-	-	-	-	555
Unassigned	-	-	-	(3,982)	-
Total Fund Balances (Deficit)	<u>88,159</u>	<u>227,718</u>	<u>167,896</u>	<u>(3,982)</u>	<u>555</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 88,159</u>	<u>\$ 227,718</u>	<u>\$ 167,896</u>	<u>\$ -</u>	<u>\$ 29,026</u>

Local Transportation	Special Gas Tax	ISTEA/RSTP Revenue	Other Grants	SB 1186	RMRA	Transportation	Totals
\$ 212,555	\$ -	\$ 723,796	\$ -	\$ 40,412	\$ 51,904	\$ 162,508	\$ 1,682,395
-	-	-	-	-	-	10,377	10,377
694	-	2,373	-	132	171	-	6,092
-	32,874	-	177,952	-	57,968	-	287,651
-	-	-	-	-	-	1,786	1,786
<u>\$ 213,249</u>	<u>\$ 32,874</u>	<u>\$ 726,169</u>	<u>\$ 177,952</u>	<u>\$ 40,544</u>	<u>\$ 110,043</u>	<u>\$ 174,671</u>	<u>\$ 1,988,301</u>
\$ 6,936	\$ -	\$ -	\$ -	\$ 147	\$ -	\$ 3,008	\$ 10,794
-	12	-	-	-	-	2,880	2,892
-	48,521	-	178,345	-	-	-	230,134
-	-	-	-	-	-	230	241
-	-	-	10,000	-	-	-	10,000
-	-	-	-	-	-	-	28,471
<u>6,936</u>	<u>48,533</u>	<u>-</u>	<u>188,345</u>	<u>147</u>	<u>-</u>	<u>6,118</u>	<u>282,532</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>177,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,952</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>177,952</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,952</u>
-	-	-	-	-	-	1,786	1,786
206,313	-	726,169	-	40,397	110,043	-	1,566,695
-	-	-	-	-	-	166,767	167,322
-	(15,659)	-	(188,345)	-	-	-	(207,986)
<u>206,313</u>	<u>(15,659)</u>	<u>726,169</u>	<u>(188,345)</u>	<u>40,397</u>	<u>110,043</u>	<u>168,553</u>	<u>1,527,817</u>
<u>\$ 213,249</u>	<u>\$ 32,874</u>	<u>\$ 726,169</u>	<u>\$ 177,952</u>	<u>\$ 40,544</u>	<u>\$ 110,043</u>	<u>\$ 174,671</u>	<u>\$ 1,988,301</u>

CITY OF RED BLUFF
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2023

	Traffic Safety	Charter - PEG Fees	Public Safety	Proposition 30	Asset Forfeiture
REVENUES					
Taxes and assessments	\$ -	\$ -	\$ 140,383	\$ -	\$ -
Fines, forfeitures and penalties	88,039	-	-	-	-
Use of money and property	1,785	3,341	5,787	(15)	436
Intergovernmental revenue	-	-	-	-	-
Other revenues	-	-	-	-	-
Total Revenues	89,824	3,341	146,170	(15)	436
EXPENDITURES					
Current:					
Public safety					
Police	-	-	-	5,760	-
Transportation and streets	-	-	-	-	-
Grants and program income	-	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	-	-	-	5,760	-
Excess of Revenues Over (Under) Expenditures	89,824	3,341	146,170	(5,775)	436
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(23,985)	-	(127,000)	-	-
Total Other Financing Sources (Uses)	(23,985)	-	(127,000)	-	-
Change in Net Position	65,839	3,341	19,170	(5,775)	436
Fund Balances - Beginning (Deficit)	22,320	224,377	148,726	1,793	119
Prior period adjustment	-	-	-	-	-
Fund Balances - Beginning, Restated	22,320	224,377	148,726	1,793	119
Fund Balances (Deficit) - Ending	\$ 88,159	\$ 227,718	\$ 167,896	\$ (3,982)	\$ 555

Local Transportation	Special Gas Tax	ISTEA/RSTP Revenue	Other Grants	SB 1186	RMRA	Transportation	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,859	\$ 254,242
-	-	-	-	-	-	-	88,039
2,882	97	5,348	(446)	556	(521)	636	19,886
260,308	376,647	440,526	5,000	6,013	330,812	-	1,419,306
-	-	-	53	-	-	-	53
<u>263,190</u>	<u>376,744</u>	<u>445,874</u>	<u>4,607</u>	<u>6,569</u>	<u>330,291</u>	<u>114,495</u>	<u>1,781,526</u>
-	-	-	-	-	-	-	5,760
228,351	389,799	-	-	-	-	238,127	856,277
-	-	-	5,000	-	-	-	5,000
-	-	-	-	-	-	14,567	14,567
-	-	-	-	-	-	18,648	18,648
-	50,000	794,484	-	-	352,096	103,972	1,300,552
<u>228,351</u>	<u>439,799</u>	<u>794,484</u>	<u>5,000</u>	<u>-</u>	<u>352,096</u>	<u>375,314</u>	<u>2,200,804</u>
<u>34,839</u>	<u>(63,055)</u>	<u>(348,610)</u>	<u>(393)</u>	<u>6,569</u>	<u>(21,805)</u>	<u>(260,819)</u>	<u>(419,278)</u>
-	-	-	-	-	-	194,027	194,027
-	-	-	-	-	-	-	(150,985)
-	-	-	-	-	-	194,027	43,042
<u>34,839</u>	<u>(63,055)</u>	<u>(348,610)</u>	<u>(393)</u>	<u>6,569</u>	<u>(21,805)</u>	<u>(66,792)</u>	<u>(376,236)</u>
171,474	47,396	1,074,779	(10,000)	33,828	131,848	235,345	2,082,005
-	-	-	(177,952)	-	-	-	(177,952)
<u>171,474</u>	<u>47,396</u>	<u>1,074,779</u>	<u>(187,952)</u>	<u>33,828</u>	<u>131,848</u>	<u>235,345</u>	<u>1,904,053</u>
<u>\$ 206,313</u>	<u>\$ (15,659)</u>	<u>\$ 726,169</u>	<u>\$ (188,345)</u>	<u>\$ 40,397</u>	<u>\$ 110,043</u>	<u>\$ 168,553</u>	<u>\$ 1,527,817</u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
Traffic Safety - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Fines, forfeitures and penalties	\$ 26,230	\$ 26,230	\$ 88,039	\$ 61,809
Use of money and property	35	35	1,785	1,750
Total Revenues	<u>26,265</u>	<u>26,265</u>	<u>89,824</u>	<u>63,559</u>
EXPENDITURES				
Capital outlay	-	86,182	-	86,182
Total Expenditures	<u>-</u>	<u>86,182</u>	<u>-</u>	<u>86,182</u>
Excess of Revenues Over (Under) Expenditures	<u>26,265</u>	<u>(59,917)</u>	<u>89,824</u>	<u>149,741</u>
OTHER FINANACING SOURCES (USES)				
Transfers out	(26,265)	(26,265)	(23,985)	2,280
Total Other Financing Sources (Uses)	<u>(26,265)</u>	<u>(26,265)</u>	<u>(23,985)</u>	<u>2,280</u>
Change in Net Position	-	(86,182)	65,839	152,021
Fund Balances - Beginning	<u>22,320</u>	<u>22,320</u>	<u>22,320</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 22,320</u></u>	<u><u>\$ (63,862)</u></u>	<u><u>\$ 88,159</u></u>	<u><u>\$ 152,021</u></u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
Charter - PEG Fees - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 3,341	\$ 3,341
Other revenues	1,500	1,500	-	(1,500)
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>3,341</u>	<u>1,841</u>
EXPENDITURES				
Capital outlay	<u>226,727</u>	<u>226,727</u>	<u>-</u>	<u>226,727</u>
Total Expenditures	<u>226,727</u>	<u>226,727</u>	<u>-</u>	<u>226,727</u>
Net Change in Fund Balances	(225,227)	(225,227)	3,341	228,568
Fund Balances - Beginning	<u>224,377</u>	<u>224,377</u>	<u>224,377</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (850)</u>	<u>\$ (850)</u>	<u>\$ 227,718</u>	<u>\$ 228,568</u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
Public Safety - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 126,700	\$ 126,700	\$ 140,383	\$ 13,683
Use of money and property	300	300	5,787	5,487
Total Revenues	<u>127,000</u>	<u>127,000</u>	<u>146,170</u>	<u>19,170</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>127,000</u>	<u>127,000</u>	<u>146,170</u>	<u>19,170</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(127,000)	(127,000)	(127,000)	-
Total Other Financing Sources (Uses)	<u>(127,000)</u>	<u>(127,000)</u>	<u>(127,000)</u>	<u>-</u>
Net Change in Fund Balances	-	-	19,170	19,170
Fund Balances - Beginning	<u>148,726</u>	<u>148,726</u>	<u>148,726</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 148,726</u></u>	<u><u>\$ 148,726</u></u>	<u><u>\$ 167,896</u></u>	<u><u>\$ 19,170</u></u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
Proposition 30 - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Use of money and property	\$ 10	\$ 10	\$ (15)	\$ (25)
Total Revenues	<u>10</u>	<u>10</u>	<u>(15)</u>	<u>(25)</u>
EXPENDITURES				
Current:				
Public Safety				
Police	3,164	5,164	5,760	(596)
Total Expenditures	<u>3,164</u>	<u>5,164</u>	<u>5,760</u>	<u>(596)</u>
Net Change in Fund Balances	<u>(3,154)</u>	<u>(5,154)</u>	<u>(5,775)</u>	<u>(621)</u>
Fund Balances - Beginning	<u>1,793</u>	<u>1,793</u>	<u>1,793</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ (1,361)</u></u>	<u><u>\$ (3,361)</u></u>	<u><u>\$ (3,982)</u></u>	<u><u>\$ (621)</u></u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
Local Transportation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 200	\$ 200	\$ 2,882	\$ 2,682
Intergovernmental revenue	215,000	215,000	260,308	45,308
Total Revenues	<u>215,200</u>	<u>215,200</u>	<u>263,190</u>	<u>47,990</u>
EXPENDITURES				
Current:				
Transportation and streets	348,020	348,020	228,351	119,669
Total Expenditures	<u>348,020</u>	<u>348,020</u>	<u>228,351</u>	<u>119,669</u>
Net Change in Fund Balances	(132,820)	(132,820)	34,839	167,659
Fund Balances - Beginning	<u>171,474</u>	<u>171,474</u>	<u>171,474</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 38,654</u></u>	<u><u>\$ 38,654</u></u>	<u><u>\$ 206,313</u></u>	<u><u>\$ 167,659</u></u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
Special Gas Tax - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 97	\$ 97
Intergovernmental revenue	419,525	419,525	376,647	(42,878)
Total Revenues	<u>419,525</u>	<u>419,525</u>	<u>376,744</u>	<u>(42,781)</u>
EXPENDITURES				
Current:				
Transportation and streets	394,620	394,620	389,799	4,821
Capital outlay	50,000	50,000	50,000	-
Total Expenditures	<u>444,620</u>	<u>444,620</u>	<u>439,799</u>	<u>4,821</u>
Net Change in Fund Balances	<u>(25,095)</u>	<u>(25,095)</u>	<u>(63,055)</u>	<u>(37,960)</u>
Fund Balances - Beginning	<u>47,396</u>	<u>47,396</u>	<u>47,396</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 22,301</u>	<u>\$ 22,301</u>	<u>\$ (15,659)</u>	<u>\$ (37,960)</u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
ISTEA/RSTP Revenue - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 3,000	\$ 3,000	\$ 5,348	\$ 2,348
Intergovernmental revenue	274,000	274,000	440,526	166,526
Total Revenues	<u>277,000</u>	<u>277,000</u>	<u>445,874</u>	<u>168,874</u>
EXPENDITURES				
Capital outlay	277,000	968,500	794,484	174,016
Total Expenditures	<u>277,000</u>	<u>968,500</u>	<u>794,484</u>	<u>174,016</u>
Net Change in Fund Balances	-	(691,500)	(348,610)	342,890
Fund Balances - Beginning	<u>1,074,779</u>	<u>1,074,779</u>	<u>1,074,779</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,074,779</u>	<u>\$ 383,279</u>	<u>\$ 726,169</u>	<u>\$ 342,890</u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
Other Grants - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ -	\$ -	\$ (446)	\$ (446)
Intergovernmental revenue	5,000	5,000	5,000	-
Other revenue	-	-	53	53
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>4,607</u>	<u>(393)</u>
EXPENDITURES				
Current:				
Grants and program income	5,000	5,000	5,000	-
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>(393)</u>	<u>(393)</u>
Fund Balances - Beginning	(10,000)	(10,000)	(10,000)	-
Prior period adjustment	(177,952)	(177,952)	(177,952)	-
Fund Balances - Beginning, Restated	<u>(187,952)</u>	<u>(187,952)</u>	<u>(187,952)</u>	<u>-</u>
Fund Balances - Ending	<u>\$ (187,952)</u>	<u>\$ (187,952)</u>	<u>\$ (188,345)</u>	<u>\$ (393)</u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
SB 1186 - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 100	\$ 100	\$ 556	\$ 456
Intergovernmental revenues	5,000	5,000	6,013	1,013
Total Revenues	<u>5,100</u>	<u>5,100</u>	<u>6,569</u>	<u>1,469</u>
EXPENDITURES				
Current:				
Transportation and streets	10,000	10,000	-	10,000
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balances	<u>(4,900)</u>	<u>(4,900)</u>	<u>6,569</u>	<u>11,469</u>
Fund Balances - Beginning	<u>33,828</u>	<u>33,828</u>	<u>33,828</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 28,928</u></u>	<u><u>\$ 28,928</u></u>	<u><u>\$ 40,397</u></u>	<u><u>\$ 11,469</u></u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
RMRA - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Use of money and property	\$ 500	\$ 500	\$ (521)	\$ (1,021)
Intergovernmental revenue	325,325	325,325	330,812	5,487
Total Revenues	<u>325,825</u>	<u>325,825</u>	<u>330,291</u>	<u>4,466</u>
EXPENDITURES				
Capital outlay	326,000	352,100	352,096	4
Total Expenditures	<u>326,000</u>	<u>352,100</u>	<u>352,096</u>	<u>4</u>
Net Change in Fund Balances	(175)	(26,275)	(21,805)	4,470
Fund Balances - Beginning	<u>131,848</u>	<u>131,848</u>	<u>131,848</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 131,673</u></u>	<u><u>\$ 105,573</u></u>	<u><u>\$ 110,043</u></u>	<u><u>\$ 4,470</u></u>

CITY OF RED BLUFF
Budgetary Comparison Schedule
Transportation - Nonmajor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes and assessments	\$ 90,000	\$ 90,000	\$ 113,859	\$ 23,859
Use of money and property	200	200	636	436
Total Revenues	<u>90,200</u>	<u>90,200</u>	<u>114,495</u>	<u>24,295</u>
EXPENDITURES				
Current:				
Transportation and streets	304,645	304,645	238,127	66,518
Debt service				
Principal	33,056	33,056	14,567	18,489
Interest and other charges	-	-	18,648	(18,648)
Capital outlay	70,000	128,817	103,972	24,845
Total Expenditures	<u>407,701</u>	<u>466,518</u>	<u>375,314</u>	<u>91,204</u>
Excess of Revenues Over (Under) Expenditures	<u>(317,501)</u>	<u>(376,318)</u>	<u>(260,819)</u>	<u>115,499</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	194,027	194,027	194,027	-
Total Other Financing Sources (Uses)	<u>194,027</u>	<u>194,027</u>	<u>194,027</u>	<u>-</u>
Net Change in Fund Balances	<u>(123,474)</u>	<u>(182,291)</u>	<u>(66,792)</u>	<u>115,499</u>
Fund Balances - Beginning	<u>235,345</u>	<u>235,345</u>	<u>235,345</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 111,871</u>	<u>\$ 53,054</u>	<u>\$ 168,553</u>	<u>\$ 115,499</u>

Nonmajor Governmental Funds

- **Capital Projects Funds**

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CITY OF RED BLUFF
Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- **Transportation City Design**
This fund accounts for revenue and expenditures for City design/development of streets.
- **Waste Water Treatment Plant Capital Reserve**
This fund accounts for revenues and expenditures for capital improvements of the waste water treatment plant.
- **Flood Protection Capital Improvement**
This fund accounts for impact fees restricted for improvements of the flood protection system of the City.
- **Fire Protection Capital Improvement**
This fund accounts for impact fees restricted for improvements of the fire protection facilities and equipment of the City.
- **Police Protection Capital Improvement**
This fund accounts for impact fees restricted for improvements of the police protection facilities and equipment of the City.
- **City Administration and Equipment Capital Improvement**
This fund accounts for impact fees restricted for improvements of the general municipal facilities of the City.
- **Meadowbrook Street Capital Projects**
This fund accounts for revenues and expenditures restricted for repairs and maintenance of Meadowbrook Street.
- **Waste Water Treatment Plant Capital Improvement**
This fund accounts for impact fees restricted for improvements of the waste water treatment plant.
- **Waste Water Collection System Capital Improvement**
This fund accounts for impact fees restricted for improvements of the waste water collection system.
- **Water Capital Improvement**
This fund accounts for impact fees restricted for improvements of the water system of the City.
- **Airport Capital Improvement**
This fund accounts for impact fees restricted for improvements of the airport of the City.
- **Parks and Recreation Facilities Capital Improvement**
This fund accounts for impact fees restricted for improvements of the parks and recreation facilities of the City.

CITY OF RED BLUFF
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2023

	Transportation City Design	Waste Water Treatment Plant Capital Reserve	Flood Protection Capital Improvement	Fire Protection Capital Improvement	Police Protection Capital Improvement
ASSETS					
Cash and investments	\$ 15,467	\$ 562,877	\$ 231,080	\$ -	\$ 20,046
Receivables:					
Interest	51	1,838	755	-	65
Total Assets	<u>\$ 15,518</u>	<u>\$ 564,715</u>	<u>\$ 231,835</u>	<u>\$ -</u>	<u>\$ 20,111</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	27,775	-
Interest payable	-	-	-	91	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,866</u>	<u>-</u>
FUND BALANCES (DEFICIT)					
Restricted	-	-	231,835	-	20,111
Committed	15,518	564,715	-	-	-
Unassigned	-	-	-	(27,866)	-
Total Fund Balances (Deficit)	<u>15,518</u>	<u>564,715</u>	<u>231,835</u>	<u>(27,866)</u>	<u>20,111</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 15,518</u>	<u>\$ 564,715</u>	<u>\$ 231,835</u>	<u>\$ -</u>	<u>\$ 20,111</u>

City Admin and Equipment Capital Improvement	Meadowbrook Street Capital Projects	Waste Water Treatment Plant Capital Improvement	Waste Water Collection System Capital Improvement	Water Capital Improvement	Airport Capital Improvement	Parks and Recreation Facilities Capital Improvement	Totals
\$ 6,959	\$ 45,153	\$ 1,104,492	\$ 984,904	\$ 1,097,031	\$ 101,229	\$ 27,348	\$ 4,196,586
23	147	3,606	3,216	3,391	331	89	13,512
<u>\$ 6,982</u>	<u>\$ 45,300</u>	<u>\$ 1,108,098</u>	<u>\$ 988,120</u>	<u>\$ 1,100,422</u>	<u>\$ 101,560</u>	<u>\$ 27,437</u>	<u>\$ 4,210,098</u>
\$ -	\$ -	\$ -	\$ -	\$ 312	\$ -	\$ -	\$ 312
-	-	-	-	-	-	-	27,775
-	-	-	-	-	-	-	91
-	-	-	-	312	-	-	28,178
6,982	45,300	1,108,098	988,120	1,100,110	101,560	27,437	3,629,553
-	-	-	-	-	-	-	580,233
-	-	-	-	-	-	-	(27,866)
<u>6,982</u>	<u>45,300</u>	<u>1,108,098</u>	<u>988,120</u>	<u>1,100,110</u>	<u>101,560</u>	<u>27,437</u>	<u>4,181,920</u>
<u>\$ 6,982</u>	<u>\$ 45,300</u>	<u>\$ 1,108,098</u>	<u>\$ 988,120</u>	<u>\$ 1,100,422</u>	<u>\$ 101,560</u>	<u>\$ 27,437</u>	<u>\$ 4,210,098</u>

CITY OF RED BLUFF
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2023

	Transportation City Design	Waste Water Treatment Plant Capital Reserve	Flood Protection Capital Improvement	Fire Protection Capital Improvement	Police Protection Capital Improvement
REVENUES					
Use of money and property	\$ 229	\$ 8,286	\$ 3,410	\$ -	\$ 292
Other revenues	-	-	(6,670)	(269)	176
Total Revenues	<u>229</u>	<u>8,286</u>	<u>(3,260)</u>	<u>(269)</u>	<u>468</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Debt service:					
Interest and other charges	-	-	-	413	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>413</u>	<u>-</u>
Change in Net Position	229	8,286	(3,260)	(682)	468
Fund Balances - Beginning (Deficit)	<u>15,289</u>	<u>556,429</u>	<u>235,095</u>	<u>(27,184)</u>	<u>19,643</u>
Fund Balances - Ending (Deficit)	<u><u>\$ 15,518</u></u>	<u><u>\$ 564,715</u></u>	<u><u>\$ 231,835</u></u>	<u><u>\$ (27,866)</u></u>	<u><u>\$ 20,111</u></u>

City Admin and Equipment Capital Improvement	Meadowbrook Street Capital Projects	Waste Water Treatment Plant Capital Improvement	Waste Water Collection System Capital Improvement	Water Capital Improvement	Airport Capital Improvement	Parks and Recreation Facilities Capital Improvement	Totals
\$ 99 (326)	\$ 664 -	\$ 16,261 (2,083)	\$ 14,502 (2,249)	\$ 15,563 4,613	\$ 1,510 (13,217)	\$ 399 817	\$ 61,215 (19,208)
(227)	664	14,178	12,253	20,176	(11,707)	1,216	42,007
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	413
-	-	-	-	-	-	-	413
(227)	664	14,178	12,253	20,176	(11,707)	1,216	41,594
7,209	44,636	1,093,920	975,867	1,079,934	113,267	26,221	4,140,326
<u>\$ 6,982</u>	<u>\$ 45,300</u>	<u>\$ 1,108,098</u>	<u>\$ 988,120</u>	<u>\$ 1,100,110</u>	<u>\$ 101,560</u>	<u>\$ 27,437</u>	<u>\$ 4,181,920</u>

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Nonmajor Proprietary Fund

- **Enterprise Fund**

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CITY OF RED BLUFF
Nonmajor Proprietary Funds

Nonmajor proprietary funds are used to account for revenues and expenses that are related to various municipal services offered by the City.

- **Airport**

This fund accounts for the revenues and expenses related to the operation and maintenance of the airport facilities of the City.

CITY OF RED BLUFF
Combining Statement of Net Position
Nonmajor Enterprise Fund
June 30, 2023

	<u>Airport</u>	<u>Totals</u>
ASSETS		
Current Assets:		
Cash and investments	\$ 495,897	\$ 495,897
Receivables:		
Accounts, net	12,297	12,297
Interest	1,931	1,931
Intergovernmental	<u>30,000</u>	<u>30,000</u>
Total Current Assets	<u>540,125</u>	<u>540,125</u>
Noncurrent Assets:		
Capital assets:		
Non-depreciable	387,929	387,929
Depreciable, net	<u>1,726,154</u>	<u>1,726,154</u>
Total Noncurrent Assets	<u>2,114,083</u>	<u>2,114,083</u>
Total Assets	<u>2,654,208</u>	<u>2,654,208</u>
LIABILITIES		
Current Liabilities:		
Accounts payable	2,637	2,637
Unearned revenue	<u>8,800</u>	<u>8,800</u>
Total Current Liabilities	<u>11,437</u>	<u>11,437</u>
Total Liabilities	<u>11,437</u>	<u>11,437</u>
NET POSITION		
Net investment in capital assets	2,114,083	2,114,083
Unrestricted	<u>528,688</u>	<u>528,688</u>
Total Net Position	<u><u>\$ 2,642,771</u></u>	<u><u>\$ 2,642,771</u></u>

CITY OF RED BLUFF
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Fund
For the Year Ended June 30, 2023

	<u>Airport</u>	<u>Totals</u>
OPERATING REVENUES		
Rental revenue	\$ 117,891	\$ 117,891
Other revenues	15,589	15,589
	<u>133,480</u>	<u>133,480</u>
Total Operating Revenues		
	<u>133,480</u>	<u>133,480</u>
OPERATING EXPENSES		
Cost of power and transportation	39,882	39,882
Maintenance, operations and administration	30,347	30,347
Depreciation	232,874	232,874
	<u>303,103</u>	<u>303,103</u>
Total Operating Expenses		
	<u>303,103</u>	<u>303,103</u>
Operating Income (Loss)	<u>(169,623)</u>	<u>(169,623)</u>
NON-OPERATING REVENUES (EXPENSES)		
Property taxes	128,147	128,147
Intergovernmental revenue	10,000	10,000
Interest income	7,699	7,699
	<u>145,846</u>	<u>145,846</u>
Total Non-Operating Revenues (Expenses)		
	<u>145,846</u>	<u>145,846</u>
Income (Loss) Before Contributions and Transfers	<u>(23,777)</u>	<u>(23,777)</u>
Capital contributions	24,594	24,594
Transfers out	(96,058)	(96,058)
	<u>(71,464)</u>	<u>(71,464)</u>
Change in Net Position	<u>(95,241)</u>	<u>(95,241)</u>
Total Net Position - Beginning	<u>2,738,012</u>	<u>2,738,012</u>
Total Net Position - Ending	<u><u>\$ 2,642,771</u></u>	<u><u>\$ 2,642,771</u></u>

CITY OF RED BLUFF
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2023

	<u>Airport</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 122,095	\$ 122,095
Payments to suppliers	(70,070)	(70,070)
Net Cash Provided by Operating Activities	<u>52,025</u>	<u>52,025</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Property taxes received	128,147	128,147
Transfers out	(96,058)	(96,058)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>32,089</u>	<u>32,089</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(21,586)	(21,586)
Intergovernmental revenue received	62,671	62,671
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>41,085</u>	<u>41,085</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	6,041	6,041
Net Cash Provided by Investing Activities	<u>6,041</u>	<u>6,041</u>
Net Increase (Decrease) in Cash and Cash Equivalents	131,240	131,240
Balances - Beginning	<u>364,657</u>	<u>364,657</u>
Balances - Ending	<u><u>\$ 495,897</u></u>	<u><u>\$ 495,897</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (169,623)	\$ (169,623)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	232,874	232,874
Decrease (increase) in:		
Accounts receivable	(11,185)	(11,185)
Increase (decrease) in:		
Accounts payable	159	159
Unearned revenues	(200)	(200)
Net Cash Provided by Operating Activities	<u><u>\$ 52,025</u></u>	<u><u>\$ 52,025</u></u>

STATISTICAL SECTION

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CITY OF RED BLUFF

Statistical Section

This portion of the City's financial statements 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.

- **Financial Trends**
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.
- **Revenue Capacity**
These schedules contain information to help the reader assess the government's most significant local revenue sources, the sales tax.
- **Debt Capacity**
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.
- **Demographic and Economic Information**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.
- **Operating Information**
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.

Source: Unless otherwise stated, the information in this section is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF RED BLUFF
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Governmental Activities				
Net investment in capital assets	\$ 29,608,502	\$ 28,525,737	\$ 27,884,748	\$ 26,806,257
Restricted	9,840,230	10,910,942	10,465,626	10,620,467
Unrestricted	<u>(8,236,458)</u>	<u>(8,144,522)</u>	<u>(7,270,399)</u>	<u>(6,672,378)</u>
Total Governmental Activities Net Position	<u>\$ 31,212,274</u>	<u>\$ 31,292,157</u>	<u>\$ 31,079,975</u>	<u>\$ 30,754,346</u>
Business-Type Activities				
Net investment in capital assets	\$ 14,665,508	\$ 14,556,258	\$ 14,424,080	\$ 14,803,046
Unrestricted	<u>8,402,921</u>	<u>9,695,587</u>	<u>10,819,817</u>	<u>11,865,877</u>
Total Business-Type Activities Net Position	<u>\$ 23,068,429</u>	<u>\$ 24,251,845</u>	<u>\$ 25,243,897</u>	<u>\$ 26,668,923</u>
Primary Government				
Net investment in capital assets	\$ 44,274,010	\$ 43,081,995	\$ 42,308,828	\$ 41,609,303
Restricted	9,840,230	10,910,942	10,465,626	10,620,467
Unrestricted	<u>166,463</u>	<u>1,551,065</u>	<u>3,549,418</u>	<u>5,193,499</u>
Total Primary Government Net Position	<u>\$ 54,280,703</u>	<u>\$ 55,544,002</u>	<u>\$ 56,323,872</u>	<u>\$ 57,423,269</u>

Source:

City of Red Bluff Financial Records

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
\$ 26,567,947	\$ 25,886,592	\$ 24,550,658	\$ 25,677,364	\$ 26,509,399	\$ 27,397,804
10,701,432	10,955,263	11,991,022	12,507,118	11,830,203	10,790,755
(8,494,036)	(8,424,483)	(9,702,096)	(8,650,439)	(4,919,228)	(7,303,612)
<u>\$ 28,775,343</u>	<u>\$ 28,417,372</u>	<u>\$ 26,839,584</u>	<u>\$ 29,534,043</u>	<u>\$ 33,420,374</u>	<u>\$ 30,884,947</u>
\$ 15,150,132	\$ 14,838,636	\$ 15,483,091	\$ 15,533,368	\$ 14,906,150	\$ 14,611,553
11,569,826	12,230,702	11,457,185	10,997,946	11,032,040	8,955,194
<u>\$ 26,719,958</u>	<u>\$ 27,069,338</u>	<u>\$ 26,940,276</u>	<u>\$ 26,531,314</u>	<u>\$ 25,938,190</u>	<u>\$ 23,566,747</u>
\$ 41,718,079	\$ 40,725,228	\$ 40,033,749	\$ 41,210,732	\$ 41,415,549	\$ 42,009,357
10,701,432	10,955,263	11,991,022	12,507,118	11,830,203	10,790,755
3,075,790	3,806,219	1,755,089	2,347,507	6,112,812	1,651,582
<u>\$ 55,495,301</u>	<u>\$ 55,486,710</u>	<u>\$ 53,779,860</u>	<u>\$ 56,065,357</u>	<u>\$ 59,358,564</u>	<u>\$ 54,451,694</u>

CITY OF RED BLUFF
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Expenses				
Governmental Activities:				
General government:				
City administration	\$ 356,920	\$ 393,618	\$ 472,291	\$ 533,939
Finance	407,240	455,859	457,445	465,684
Community promotion and economic development	102,792	99,330	97,611	93,420
Human resources	114,370	139,099	125,048	128,960
Engineering and administration	121,491	92,074	105,265	176,189
General buildings	147,159	148,608	186,650	358,403
General government	171,826	297,374	53,313	114,071
Public safety:				
Fire	1,779,441	1,948,383	2,092,629	3,008,573
Police	4,430,643	4,847,057	4,993,565	4,727,324
Parks and recreation	429,042	221,909	287,670	564,815
Transportation and streets	2,197,832	2,386,819	2,437,016	1,772,811
Grants and program income	185,102	305,553	251,425	990,726
Interest on long-term debt	-	-	-	-
Total Governmental Activities Expenses	<u>10,443,858</u>	<u>11,335,683</u>	<u>11,559,928</u>	<u>12,934,915</u>
Business-Type Activities:				
Waste water	1,807,789	2,148,694	2,261,824	2,397,433
Water	1,310,922	1,354,882	1,429,373	1,630,846
Community center	259,764	295,266	293,399	310,670
Community development	332,345	280,094	313,412	201,601
Airport	204,006	181,269	174,170	2,952,281
Total Business-Type Activities Expenses	<u>3,914,826</u>	<u>4,260,205</u>	<u>4,472,178</u>	<u>7,492,831</u>
Total Primary Government Expenses	<u>\$ 14,358,684</u>	<u>\$ 15,595,888</u>	<u>\$ 16,032,106</u>	<u>\$ 20,427,746</u>

Source:

City of Red Bluff Financial Records

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 766,534	\$ 375,257	\$ 678,447	\$ 668,538	\$ 26,856	\$ 111,288
507,501	536,268	531,270	604,592	710,341	683,975
91,609	65,224	153,048	83,021	141,630	196,283
187,749	193,442	194,912	212,255	208,481	308,566
173,262	181,824	185,095	270,381	284,007	285,288
404,680	519,926	436,497	472,467	856,896	751,366
212,508	244,478	340,872	258,779	359,463	664,453
2,337,619	2,982,813	3,132,503	3,123,518	3,484,369	3,809,553
6,234,793	6,375,624	6,729,993	7,059,387	8,355,082	7,779,604
538,507	627,982	549,841	524,349	729,181	938,632
2,294,797	2,107,137	2,303,414	2,227,078	1,082,314	2,329,410
149,233	-	-	-	-	42,795
-	-	-	-	-	402,633
<u>13,898,792</u>	<u>14,209,975</u>	<u>15,235,892</u>	<u>15,504,365</u>	<u>16,238,620</u>	<u>18,303,846</u>
2,409,070	2,585,023	2,716,976	3,169,608	3,587,887	4,219,460
1,807,750	1,712,325	2,105,350	1,891,006	1,839,820	2,532,174
252,542	358,204	352,283	389,565	325,683	465,673
314,442	360,923	397,452	409,166	403,848	490,763
236,729	250,246	242,743	254,744	284,522	303,103
<u>5,020,533</u>	<u>5,266,721</u>	<u>5,814,804</u>	<u>6,114,089</u>	<u>6,441,760</u>	<u>8,011,173</u>
<u>\$ 18,919,325</u>	<u>\$ 19,476,696</u>	<u>\$ 21,050,696</u>	<u>\$ 21,618,454</u>	<u>\$ 22,680,380</u>	<u>\$ 26,315,019</u>

CITY OF RED BLUFF
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Program Revenues				
Governmental Activities:				
Charges for services:				
General government:				
Engineering and administration	\$ -	\$ -	\$ -	\$ -
General government	380,997	390,026	400,832	423,257
Public safety:				
Fire	6,528	41,494	7,858	11,423
Police	91,386	81,411	77,959	89,356
Parks and recreation	62,068	54,493	86,132	85,626
Grants and program income	8,507	4,895	110,263	-
Operating grants and contributions	749,627	902,343	870,914	2,073,783
Capital grants and contributions	32,149	191,479	162,907	32,143
	<u>1,331,262</u>	<u>1,666,141</u>	<u>1,716,865</u>	<u>2,715,588</u>
Business-Type Activities:				
Charges for services:				
Waste water	2,917,443	2,915,534	2,909,695	3,152,427
Water	2,315,557	2,137,292	2,003,215	2,212,746
Community center	104,768	124,712	124,139	127,425
Community development	471,603	536,699	519,261	458,409
Airport	128,133	130,101	121,416	113,790
Operating grants and contributions	77,175	83,318	76,457	90,030
Capital grants and contributions	10,128	36,348	31,330	462,227
	<u>6,024,807</u>	<u>5,964,004</u>	<u>5,785,513</u>	<u>6,617,054</u>
Total Primary Government Program Revenues	<u>\$ 7,356,069</u>	<u>\$ 7,630,145</u>	<u>\$ 7,502,378</u>	<u>\$ 9,332,642</u>
Net (Expense)/Revenue*				
Governmental Activities	\$ (9,112,596)	\$ (9,669,542)	\$ (9,843,063)	\$ (10,219,327)
Business-Type Activities	2,109,981	1,703,799	1,313,335	(875,777)
Total Primary Government Net Expense	<u>\$ (7,002,615)</u>	<u>\$ (7,965,743)</u>	<u>\$ (8,529,728)</u>	<u>\$ (11,095,104)</u>

Note:

* Net expense is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program supports itself with its own fees and grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses are net expenses, indicating that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program.

Source:

City of Red Bluff Financial Records

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,984
476,866	451,138	451,933	456,957	560,953	447,119
29,063	15,102	63,093	74,611	66,572	43,743
92,027	84,829	74,938	98,674	78,909	224,732
80,958	69,342	44,057	22,471	60,935	56,252
-	-	-	-	-	-
1,513,461	1,437,725	1,514,594	2,111,419	5,513,376	1,967,425
449,658	64,970	156,453	2,264,802	260,789	-
2,642,033	2,123,106	2,305,068	5,028,934	6,541,534	2,752,255
2,919,265	2,935,002	2,936,304	2,903,137	2,935,273	2,930,758
2,221,532	2,227,451	2,319,314	2,373,217	2,268,181	2,226,993
132,348	120,158	83,144	79,819	131,834	86,164
399,395	428,062	506,037	545,131	500,759	377,895
134,988	124,068	137,494	141,835	132,920	117,891
97,710	45,050	98,893	30,000	106,657	180,323
111,640	37,928	12,500	90,216	446,445	285,332
6,016,878	5,917,719	6,093,686	6,163,355	6,522,069	6,205,356
<u>\$ 8,658,911</u>	<u>\$ 8,040,825</u>	<u>\$ 8,398,754</u>	<u>\$ 11,192,289</u>	<u>\$ 13,063,603</u>	<u>\$ 8,957,611</u>
\$(11,256,759)	\$(12,086,869)	\$(12,930,824)	\$(10,475,431)	\$ (9,697,086)	\$(15,551,591)
996,345	650,998	278,882	49,266	80,309	(1,805,817)
<u>\$(10,260,414)</u>	<u>\$(11,435,871)</u>	<u>\$(12,651,942)</u>	<u>\$(10,426,165)</u>	<u>\$ (9,616,777)</u>	<u>\$(17,357,408)</u>

CITY OF RED BLUFF
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Property taxes	\$ 1,330,013	\$ 1,396,361	\$ 1,409,976	\$ 1,538,737
Sales and use taxes	2,972,009	3,386,116	4,471,064	4,352,561
Transient occupancy taxes	720,122	835,533	928,374	939,306
Special gas taxes	478,119	364,333	314,726	275,095
Franchise taxes	306,342	324,229	346,867	359,147
Other taxes	219,093	221,998	220,719	235,859
Unrestricted grants and contributions	979,512	992,407	1,057,086	1,138,014
Impact fees	8,551	1,454,334	204,968	264,947
Interest and investment earnings	130,680	145,522	170,436	177,092
Miscellaneous	-	-	-	-
Gain/(loss) on sale of asset	1,200	30,560	184	-
Transfers	541,691	598,032	506,481	612,940
Total Governmental Activities	<u>7,687,332</u>	<u>9,749,425</u>	<u>9,630,881</u>	<u>9,893,698</u>
Business-Type Activities:				
Property taxes	67,617	-	59,973	71,582
Interest and investment earnings	62,019	77,649	125,225	135,161
Miscellaneous	-	-	-	-
Gain/(loss) on sale of asset	-	-	-	-
Transfers	(541,691)	(598,032)	(506,481)	(612,940)
Total Business-Type Activities	<u>(412,055)</u>	<u>(520,383)</u>	<u>(321,283)</u>	<u>(406,197)</u>
Total Primary Government	<u>\$ 7,275,277</u>	<u>\$ 9,229,042</u>	<u>\$ 9,309,598</u>	<u>\$ 9,487,501</u>
Change in Net Position				
Governmental Activities	\$ (1,425,264)	\$ 79,883	\$ (212,182)	\$ (325,629)
Business-Type Activities	1,697,926	1,183,416	992,052	(1,281,974)
Total Primary Government	<u>\$ 272,662</u>	<u>\$ 1,263,299</u>	<u>\$ 779,870</u>	<u>\$ (1,607,603)</u>

Source:

City of Red Bluff Financial Records

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 1,492,031	\$ 1,661,525	\$ 1,723,402	\$ 1,851,491	\$ 1,938,756	\$ 2,136,937
4,444,998	5,399,869	5,266,540	6,398,956	6,663,813	6,684,721
977,215	1,473,204	964,054	1,174,303	1,589,670	1,354,696
289,366	277,846	315,199	316,965	343,483	-
378,888	399,784	415,714	434,059	466,893	500,103
252,212	215,329	245,959	258,156	321,757	432,809
1,199,422	1,298,324	1,365,543	1,433,904	1,510,581	1,628,996
112,997	53,692	57,325	96,638	159,226	-
201,797	218,846	196,474	197,016	(202,490)	(548,893)
-	-	-	-	-	44,332
-	5,000	35,808	323,080	-	10,900
828,038	725,479	767,018	685,322	791,728	949,515
<u>10,176,964</u>	<u>11,728,898</u>	<u>11,353,036</u>	<u>13,169,890</u>	<u>13,583,417</u>	<u>13,194,116</u>
105,298	105,576	97,047	87,989	126,561	128,147
172,188	318,285	262,027	139,105	(8,281)	234,822
-	-	-	-	-	20,920
-	-	-	-	15	-
(828,038)	(725,479)	(767,018)	(685,322)	(791,728)	(949,515)
<u>(550,552)</u>	<u>(301,618)</u>	<u>(407,944)</u>	<u>(458,228)</u>	<u>(673,433)</u>	<u>(565,626)</u>
<u>\$ 9,626,412</u>	<u>\$ 11,427,280</u>	<u>\$ 10,945,092</u>	<u>\$ 12,711,662</u>	<u>\$ 12,909,984</u>	<u>\$ 12,628,490</u>
\$ (1,079,795)	\$ (357,971)	\$ (1,577,788)	\$ 2,694,459	\$ 3,886,331	\$ (2,357,475)
445,793	349,380	(129,062)	(408,962)	(593,124)	(2,371,443)
<u>\$ (634,002)</u>	<u>\$ (8,591)</u>	<u>\$ (1,706,850)</u>	<u>\$ 2,285,497</u>	<u>\$ 3,293,207</u>	<u>\$ (4,728,918)</u>

CITY OF RED BLUFF
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
General Fund				
Nonspendable	\$ 539	\$ -	\$ -	\$ 1,524
Assigned	850,000	1,400,000	2,498,000	2,953,000
Unassigned	<u>42,950</u>	<u>32,922</u>	<u>22,128</u>	<u>40,070</u>
Total General Fund	<u>\$ 893,489</u>	<u>\$ 1,432,922</u>	<u>\$ 2,520,128</u>	<u>\$ 2,994,594</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	9,561,683	10,799,948	10,301,972	10,394,940
Committed	1,321,899	1,057,287	1,038,783	1,023,968
Assigned	90,890	132,782	191,745	263,071
Unassigned	<u>(70,650)</u>	<u>(55,343)</u>	<u>(47,901)</u>	<u>(40,290)</u>
Total All Other Governmental Funds	<u>\$ 10,903,822</u>	<u>\$ 11,934,674</u>	<u>\$ 11,484,599</u>	<u>\$ 11,641,689</u>
Total Governmental Funds				
Nonspendable	\$ 539	\$ -	\$ -	\$ 1,524
Restricted	9,561,683	10,799,948	10,301,972	10,394,940
Committed	1,321,899	1,057,287	1,038,783	1,023,968
Assigned	940,890	1,532,782	2,689,745	3,216,071
Unassigned	<u>(27,700)</u>	<u>(22,421)</u>	<u>(25,773)</u>	<u>(220)</u>
Total Governmental Funds	<u>\$ 11,797,311</u>	<u>\$ 13,367,596</u>	<u>\$ 14,004,727</u>	<u>\$ 14,636,283</u>

Source:

City of Red Bluff Financial Records

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 200,000	\$ 916	\$ 49,072	\$ -	\$ 65,696	\$ 110,589
2,600,000	3,600,000	4,000,000	6,030,000	10,249,451	8,191,619
68,972	112,775	376,370	816,893	367,971	1,707,647
<u>\$ 2,868,972</u>	<u>\$ 3,713,691</u>	<u>\$ 4,425,442</u>	<u>\$ 6,846,893</u>	<u>\$ 10,683,118</u>	<u>\$ 10,009,855</u>
\$ -	\$ -	\$ 902	\$ -	\$ 1,662	\$ 1,786
10,712,625	10,794,612	11,434,606	11,891,199	11,207,135	9,863,462
904,409	904,409	805,850	730,594	486,485	747,555
352,935	501,951	638,947	707,460	728,959	-
(36,934)	(35,663)	(34,006)	(31,738)	(37,184)	(235,852)
<u>\$ 11,933,035</u>	<u>\$ 12,165,309</u>	<u>\$ 12,846,299</u>	<u>\$ 13,297,515</u>	<u>\$ 12,387,057</u>	<u>\$ 10,376,951</u>
\$ 200,000	\$ 916	\$ 49,974	\$ -	\$ 67,358	\$ 112,375
10,712,625	10,794,612	11,434,606	11,891,199	11,207,135	9,863,462
904,409	904,409	805,850	730,594	486,485	747,555
2,952,935	4,101,951	4,638,947	6,737,460	10,978,410	8,191,619
32,038	77,112	342,364	785,155	330,787	1,471,795
<u>\$ 14,802,007</u>	<u>\$ 15,879,000</u>	<u>\$ 17,271,741</u>	<u>\$ 20,144,408</u>	<u>\$ 23,070,175</u>	<u>\$ 20,386,806</u>

CITY OF RED BLUFF
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Revenues				
Taxes and assessments	\$ 5,524,471	\$ 6,146,751	\$ 7,358,342	\$ 7,406,050
Licenses and permits	361,808	390,072	402,631	418,791
Fines, forfeitures, and penalties	59,028	48,277	44,306	46,281
Use of money and property	35,111	43,235	62,133	76,543
Intergovernmental	2,172,264	2,334,436	2,383,984	3,420,253
Charges for services	87,478	100,901	107,719	119,180
Other revenues	154,424	1,651,574	438,972	408,699
	<u>8,394,584</u>	<u>10,715,246</u>	<u>10,798,087</u>	<u>11,895,797</u>
Expenditures				
Current:				
General government	1,261,014	1,325,612	1,461,645	1,759,720
Public safety				
Fire	1,670,002	1,804,086	2,073,642	2,358,334
Police	4,000,627	4,203,081	4,295,756	4,756,752
Parks and recreation	325,701	330,534	395,027	370,533
Transportation and streets	851,368	928,607	1,051,201	757,283
Grants and program income	176,802	133,166	87,916	990,726
Debt service:				
Debt issuance cost	-	-	-	-
Principal	248,000	307,904	334,157	254,920
Interest and other charges	71,681	69,473	55,425	42,638
Capital outlay	345,076	640,530	912,668	586,275
	<u>8,950,271</u>	<u>9,742,993</u>	<u>10,667,437</u>	<u>11,877,181</u>
Excess of Revenues Over (Under) Expenditures	<u>(555,687)</u>	<u>972,253</u>	<u>130,650</u>	<u>18,616</u>
Other Financing Sources (Uses)				
Debt proceeds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	1,640,816	961,858	889,879	954,292
Transfers out	(1,099,125)	(363,826)	(383,398)	(341,352)
	<u>541,691</u>	<u>598,032</u>	<u>506,481</u>	<u>612,940</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances (Deficits)	<u>\$ (13,996)</u>	<u>\$ 1,570,285</u>	<u>\$ 637,131</u>	<u>\$ 631,556</u>
 Debt Service as a Percentage of Noncapital Expenditures	 3.71%	 4.15%	 3.99%	 2.64%

Source:
City of Red Bluff Financial Records

<u>2017/2018</u>	<u>2018/2019</u>	<u>2019/2020</u>	<u>2020/2021</u>	<u>2021/2022</u>	<u>2022/2023</u>
\$ 7,535,383	\$ 9,149,711	\$ 8,615,669	\$ 10,116,965	\$ 10,980,889	\$ 11,109,266
407,951	425,605	434,283	464,349	476,523	481,543
52,455	47,169	37,354	49,698	41,637	108,314
93,769	159,358	152,726	110,981	(255,672)	(643,611)
3,333,040	2,850,153	3,225,917	5,992,987	7,341,356	3,418,469
154,689	107,427	88,039	86,506	122,613	194,973
305,664	299,893	293,350	607,970	586,273	44,332
11,882,951	13,039,316	12,847,338	17,429,456	19,293,619	14,713,286
1,856,718	1,894,970	2,052,955	2,215,279	4,840,552	2,780,753
2,552,505	2,634,641	2,724,962	2,917,661	5,894,678	3,078,108
5,054,444	5,483,543	5,422,835	5,956,489	16,718,646	6,587,954
439,388	436,547	379,921	388,781	760,520	517,417
739,865	713,345	769,872	766,435	1,254,118	856,277
149,255	9,412	89,804	22,190	106,921	42,795
-	-	-	-	180,913	-
275,000	306,154	328,029	24,938	98,474	563,874
32,507	48,336	27,099	28,300	50,261	584,263
1,445,583	1,616,977	426,138	4,095,557	2,981,267	3,350,232
12,545,265	13,143,925	12,221,615	16,415,630	32,886,350	18,361,673
(662,314)	(104,609)	625,723	1,013,826	(13,592,731)	(3,648,387)
-	456,123	-	1,173,519	15,726,770	182,555
-	-	-	-	-	10,900
1,157,226	1,069,528	1,044,187	1,126,937	965,259	1,147,936
(329,188)	(344,049)	(277,169)	(441,615)	(173,531)	(198,421)
828,038	1,181,602	767,018	1,858,841	16,518,498	1,142,970
-	-	-	-	-	(177,952)
<u>\$ 165,724</u>	<u>\$ 1,076,993</u>	<u>\$ 1,392,741</u>	<u>\$ 2,872,667</u>	<u>\$ 2,925,767</u>	<u>\$ (2,683,369)</u>
2.77%	3.08%	3.01%	0.43%	0.50%	7.65%

CITY OF RED BLUFF
General Fund Balance Compared to Annual Appropriations
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Fund Balance</u>	<u>Annual Appropriations</u>	<u>Balance as % of Appropriations</u>
2013/2014	\$ 893,489	\$ 7,970,359	11.2%
2014/2015	1,432,922	8,168,133	17.5%
2015/2016	2,520,128	8,219,603	30.7%
2016/2017	2,994,594	8,381,776	35.7%
2017/2018	2,868,972	8,164,134	35.1%
2018/2019	3,713,691	6,761,039	54.9%
2019/2020	4,425,442	7,048,937	62.8%
2020/2021	6,846,893	7,010,931	97.7%
2021/2022	10,683,118	14,507,979	73.6%
2022/2023	10,009,855	15,941,222	62.8%

Source:
City of Red Bluff Financial Records

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CITY OF RED BLUFF
General Fund Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines, Forfeitures, and Penalties	Use of Money and Property	Intergovern- mental	Charges for Services	Other Revenues
2013/2014	\$ 5,364,067	\$ 361,808	\$ 23,851	\$ 870	\$ 1,308,564	\$ 87,478	\$ 122,554
2014/2015	5,985,702	390,072	18,160	1,027	1,354,833	100,901	152,223
2015/2016	7,201,586	402,631	21,658	1,356	1,471,726	107,719	102,020
2016/2017	7,241,674	418,791	25,055	2,292	1,833,173	119,180	123,515
2017/2018	7,354,179	407,951	23,149	2,897	2,009,670	154,689	181,327
2018/2019	8,969,077	425,605	20,179	4,948	1,792,656	107,427	208,365
2019/2020	8,427,488	434,283	14,614	11,871	1,851,418	88,039	177,567
2020/2021	9,910,169	464,349	15,611	26,785	2,319,585	86,506	511,332
2021/2022	10,729,791	476,523	19,317	(285,073)	5,727,213	122,613	398,676
2022/2023	10,855,024	481,543	20,275	(746,310)	1,999,163	194,973	88,572

Note:

The schedule above includes only those revenues recorded in the General fund.

Source:

City of Red Bluff Financial Records

Total

\$ 7,269,192

8,002,918

9,308,696

9,763,680

10,133,862

11,528,257

11,005,280

13,334,337

17,189,060

12,893,240

CITY OF RED BLUFF
General Fund Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	General Property Tax	Sales and Use Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes		
					Property Transfer Tax	Downtown Business Improvement	Cannabis Public Benefit
2013/2014	\$ 1,330,013	\$ 2,972,009	\$ 720,122	\$ 306,342	\$ 17,110	\$ 18,471	\$ -
2014/2015	1,396,361	3,386,116	835,533	324,229	22,951	20,512	-
2015/2016	1,409,976	4,471,064	928,374	346,867	26,692	18,613	-
2016/2017	1,538,737	7,352,561	939,306	359,147	32,142	19,781	-
2017/2018	1,492,031	4,444,998	977,215	378,888	42,683	18,364	-
2018/2019	1,661,525	5,399,869	1,473,204	399,784	35,070	(375)	-
2019/2020	1,723,402	5,266,540	964,054	415,714	40,270	17,508	-
2020/2021	1,851,491	6,398,956	1,174,303	434,059	51,360	-	-
2021/2022	1,938,756	6,663,813	1,589,670	466,893	70,659	-	-
2022/2023	2,136,937	6,684,721	1,354,696	500,103	32,256	15,717	130,594

Notes:

The schedule above includes only those revenues recorded in the General fund. Sales tax is the City's largest own-source revenue. Sales tax rates for the City are the Bradley Burns Local 1% tax rate and the Add-On 1/4% tax rate.

Source:

City of Red Bluff Financial Records

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CITY OF RED BLUFF
Governmental Funds Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety - Fire	Public Safety - Police	Parks and Recreation	Transportation and Streets	Grants and Program Income	Debt Service
2013/2014	\$ 1,261,014	\$ 1,670,002	\$ 4,000,627	\$ 325,701	\$ 860,727	\$ 185,102	\$ 364,518
2014/2015	1,325,612	1,804,086	4,203,081	330,534	928,607	133,166	377,377
2015/2016	1,366,888	2,073,642	4,295,756	395,027	1,048,406	87,916	389,582
2016/2017	1,759,720	2,358,334	4,756,752	370,533	757,283	990,726	297,558
2017/2018	1,856,718	2,552,505	5,054,444	439,388	739,865	149,255	307,507
2018/2019	1,894,970	2,634,641	5,483,543	436,547	713,345	9,412	354,490
2019/2020	2,052,955	2,724,962	5,422,835	379,921	769,872	89,804	355,128
2020/2021	2,215,279	2,917,661	5,956,489	388,781	766,435	22,190	53,238
2021/2022	4,840,552	5,894,678	16,718,646	760,520	1,254,118	106,921	329,649
2022/2023	2,780,753	3,078,108	6,587,954	517,417	856,277	42,795	1,148,137

Note:

The schedule above includes only those expenditures recorded in the General fund, Special Revenue and Capital Projects funds

Source:

City of Red Bluff Financial Records

Capital Outlay	Total
\$ 471,421	\$ 9,139,112
640,530	9,742,993
1,031,130	10,688,347
586,275	11,877,181
1,445,583	12,545,265
1,616,977	13,143,925
426,138	12,221,615
4,095,557	16,415,630
2,981,267	32,886,351
3,350,232	18,361,673

CITY OF RED BLUFF
Property Tax Rates (Direct and Overlapping Governments)
Last Ten Fiscal Years

Fiscal Year	City of Red Bluff Rates			Overlapping Rates			Total Direct and Overlapping Rates****
	Basic Countywide Levy*	City's Share of Basic Levy**	Total Direct Tax Rate***	Red Bluff High	Red Bluff Elementary	Shasta Community College	
2014	1.0000%	0.16831%	0.17536%	0.0000%	0.0000%	0.0088%	1.0088%
2015	1.0000%	0.16831%	0.17521%	0.0000%	0.0000%	0.0107%	1.0107%
2016	1.0000%	0.17096%	0.17764%	0.0000%	0.0000%	0.0051%	1.0051%
2017	1.0000%	0.17038%	0.17378%	0.0000%	0.0000%	0.0057%	1.0057%
2018	1.0000%	0.16766%	0.17102%	0.0294%	0.0000%	0.0185%	1.0185%
2019	1.0000%	0.16767%	0.17315%	0.0164%	0.0000%	0.0072%	1.0072%
2020	1.0000%	0.16767%	0.17284%	0.0313%	0.0332%	0.0200%	1.0532%
2021	1.0000%	0.16767%	0.17245%	0.0210%	0.0220%	0.0139%	1.0569%
2022	1.0000%	0.16767%	0.17220%	0.0118%	0.0010%	0.0141%	1.0269%
2023	1.0000%	0.16767%	0.17184%	0.0121%	0.0245%	0.0095%	1.0461%

Notes:

* On June 6, 1978, California voters approved an amendment to Article XIII A of the State 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.

** City's share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.

*** Because basic and debt rates vary by tax rate area, individual rates cannot be summed. The total direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenues from aircraft.

**** Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.

Source:

Tehama County Auditor/Controller's Office

CITY OF RED BLUFF
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Secured Roll Assessed Value	Unsecured Roll Assessed Value	Nonunitary Assessed Value	Net Assessed Value	% Change
2013/2014	\$ 696,620,089	\$ 58,382,220	\$ 1,564,942	\$ 756,567,251	2.38%
2014/2015	704,067,230	59,432,383	1,318,125	764,817,738	1.09%
2015/2016	740,926,728	62,194,249	1,318,125	804,439,102	5.18%
2016/2017	784,434,144	63,465,839	1,318,125	849,218,108	5.57%
2017/2018	818,336,781	74,043,382	1,311,830	893,691,993	5.24%
2018/2019	876,379,445	76,326,939	1,331,830	954,038,214	6.75%
2019/2020	922,396,635	76,622,129	1,311,830	1,000,330,594	4.85%
2020/2021	964,385,495	84,341,449	2,011,830	1,050,738,774	5.04%
2021/2022	1,008,949,003	92,400,781	2,264,748	1,103,614,532	5.03%
2022/2023	1,086,386,008	103,437,101	2,214,748	1,192,037,857	8.01%
				Average % Change	4.91%

Source:

Tehama County Assessor's Annual Combined Tax Rolls

CITY OF RED BLUFF
Principal Secured Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2022/2023			2013/2014		
	Taxable Assessed Value	Rank	Percent of Total Assessed Value	Taxable Assessed Value	Rank	Percent of Total Assessed Value
Helibro, LLC	\$ 33,896,650	1	3.05%	\$ 8,952,005	3	1.18%
Walmart Stores, Inc.	27,250,978	2	2.45%	10,735,951	1	1.42%
Kumar Hotels, Inc.	23,152,288	3	2.08%	-	n/a	0.00%
PJ Helicopters, Inc.	12,802,255	4	1.15%	8,505,535	5	1.12%
Belle Mill Property Owners LLC	11,330,000	5	1.02%	7,800,000	6	1.03%
Home Depot USA, Inc.	9,225,459	6	0.83%	8,866,553	4	1.17%
Kampgrounds of America, Inc.	8,959,640	7	0.81%	-	n/a	0.00%
Cabernet Apartments ETAL	8,899,518	8	0.80%	-	n/a	0.00%
Raley's, Inc.	8,496,619	9	0.76%	6,959,667	8	0.92%
Greenville Rancheria	7,291,702	10	0.66%	-	n/a	0.00%
Kumar Pawan	-	n/a	0.00%	10,414,003	2	1.38%
Marchall Bell Mill LLC ETAL	-	n/a	0.00%	7,800,000	6	1.03%
Red Bluff Hotel LLC	-	n/a	0.00%	7,136,606	7	0.94%
Tehama Medical Arts LLC	-	n/a	0.00%	6,102,460	9	0.81%
Assisted Living Facilities	-	n/a	0.00%	5,877,011	10	0.78%
Top Ten Secured Valuation	151,305,109		13.61%	89,149,791		11.78%
Other Taxpayers	960,391,932		86.39%	667,417,460		88.22%
Total Property Valuations - Net of Exemptions	<u>\$ 1,111,697,041</u>		<u>100.00%</u>	<u>\$ 756,567,251</u>		<u>100.00%</u>

Source:

Tehama County Assessor 2022/23 and 2013/14 Combined Tax Rolls and the SBE Non Unitary Tax Roll

CITY OF RED BLUFF
Basic Property Value Table Summarized By Use
As of June 30, 2023

Category	Parcels	Assessed Value		Net Taxable Value	
Residential	4035	\$ 753,820,783	56.6%	\$ 695,381,288	58.3%
Commercial	519	318,746,879	23.9%	304,288,532	25.5%
Industrial	82	51,833,982	3.9%	51,833,982	4.3%
Dry Farm	4	215,263	0.0%	215,263	0.0%
Government Owned	1	324,219	0.0%	324,219	0.0%
Institutional	45	71,494,436	5.4%	7,417,342	0.6%
Miscellaneous	18	532,937	0.0%	371,335	0.0%
Recreational	12	9,063,539	0.7%	8,720,411	0.7%
Vacant	260	12,773,612	1.0%	12,469,595	1.0%
Exempt	278	-	0.0%	-	0.0%
SBE Nonunitary	[10]	2,214,748	0.2%	2,214,748	0.2%
Cross Reference	[178]	5,409,193	0.4%	5,364,041	0.4%
Unsecured	[1,038]	106,547,947	8.0%	103,437,101	8.7%
Totals	5,254	1,332,977,538	100.0%	1,192,037,857	100.0%

Source:

Tehama County Assessor 2022/23 Combined Tax Rolls

Single Family Residential Full Value Sales (01/01/2018 - 06/30/2023)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2019	225	\$ 204,854	\$ 195,000	Not Available
2020	200	\$ 222,538	\$ 220,000	12.82%
2021	246	\$ 258,066	\$ 255,000	15.91%
2022	180	\$ 268,583	\$ 265,500	4.12%
2023	75	\$ 255,913	\$ 269,000	1.32%

*Multiparcel transfers, quit claim deeds, trust transfers, timeshares, and partial sales are excluded from this analysis.

Source:

Tehama County Recorder

CITY OF RED BLUFF
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collection	Total Tax Collections	Percent of Total Collections to Tax Levy
2014	\$ 1,397,630	\$ 1,397,630	100.00%	-	\$ 1,397,630	100.00%
2015	1,396,361	1,396,361	100.00%	-	1,396,361	100.00%
2016	1,469,949	1,469,949	100.00%	-	1,469,949	100.00%
2017	1,610,319	1,610,319	100.00%	-	1,610,319	100.00%
2018	1,597,329	1,597,329	100.00%	-	1,597,329	100.00%
2019	1,767,101	1,767,101	100.00%	-	1,767,101	100.00%
2020	1,820,449	1,820,449	100.00%	-	1,820,449	100.00%
2021	1,939,480	1,939,480	100.00%	-	1,939,480	100.00%
2022	2,065,317	2,065,317	100.00%	-	2,065,317	100.00%
2023	2,265,084	2,265,084	100.00%	-	2,265,084	100.00%

Note:

The City participates in the County "Teeter Plan" method of property tax.

Source:

Tehama County Auditor/Controller's Office

CITY OF RED BLUFF
Taxable Property Values (Roll Summary)
As of June 30, 2023

	Secured	Nonunitary Utilities	Unsecured
Parcel	4,976	10	1,038
TRAs	22	1	13
Values			
Land	\$ 281,389,839	\$ 1,464,748	\$ 1,351,220
Improvements	885,774,856	-	7,402,633
Personal property	41,483,943	750,000	35,479,198
Fixtures	15,566,205	-	17,508,264
Aircraft*	-	-	44,806,532
Total Values	1,224,214,843	2,214,748	61,741,315
Exemptions			
Real estate	109,139,874	-	-
Personal property	19,153,944	-	1,189,057
Fixtures	9,535,017	-	1,161,080
Aircraft*	-	-	760,709
Homeowners**	12,878,500	-	-
Total Exemptions	137,828,835	-	2,350,137
Total Net Values	\$ 1,086,386,008	\$ 2,214,748	\$ 59,391,178
	Combined Values	Total	
	Total Values	\$ 1,288,170,906	
	Total Exemptions	\$ 140,178,972	
	Net Total Values	\$ 1,147,991,934	
	Net Aircraft Values	\$ 44,045,823	

Notes:

* Totals do not include aircraft values or aircraft exemptions.

** Homeowner exemptions are not included in total exemptions.

Source:

Tehama County Assessor 2022/2023 Combine Tax Rolls

CITY OF RED BLUFF
Assessed Value of Taxable Property
Last Ten Fiscal Years

Category	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Residential	\$ 414,200,942	\$ 425,652,465	\$ 461,044,374	\$ 470,843,087	\$ 491,740,930
Commercial	209,413,795	199,323,043	218,216,076	250,687,235	259,917,895
Industrial	25,409,557	24,710,396	30,414,376	32,424,487	35,161,316
Dry Farm	337,974	342,107	187,701	190,562	194,371
Government Owned	616,718	504,192	686,282	690,647	715,409
Institutional	1,512,791	1,533,029	4,809,444	4,856,231	5,541,659
Irrigated	180,880	181,701	-	-	-
Miscellaneous	10,199,439	17,216,109	657,456	642,246	602,427
Recreational	5,231,513	5,310,943	8,392,086	8,509,162	8,489,874
Vacant	24,342,469	24,258,735	11,553,503	10,896,341	11,243,604
SBE nonunitary	1,564,942	1,318,125	1,318,125	1,318,125	1,311,830
Cross reference	5,174,011	5,034,510	4,965,430	4,694,146	4,729,296
Unsecured	58,382,220	59,432,383	62,194,249	63,465,839	74,043,382
Totals	\$ 756,567,251	\$ 764,817,738	\$ 804,439,102	\$ 849,218,108	\$ 893,691,993
Total Direct Rate	0.17536%	0.17527%	0.17764%	0.17835%	0.17102%

Notes:

Exempt values are not included in total.

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

Source:

Tehama County Assessor 2013/14 - 2022/23 Combined Tax Rolls

2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
\$ 534,569,842	\$ 571,316,411	\$ 599,828,697	\$ 640,329,626	\$ 695,381,288
272,375,182	278,319,493	288,085,799	289,943,959	304,288,532
37,798,045	41,378,095	42,914,929	44,655,635	51,833,982
200,774	204,789	208,883	211,044	215,263
672,327	687,159	314,603	317,862	324,219
5,294,368	5,221,575	7,265,836	7,326,797	7,417,342
-	-	-	-	-
735,334	557,378	470,562	374,858	371,335
7,963,570	8,459,821	8,618,516	8,693,581	8,720,411
11,984,110	11,492,517	11,575,127	11,950,540	12,469,595
1,311,830	1,311,830	2,011,830	2,264,748	2,214,748
4,785,893	4,759,397	5,102,543	5,145,101	5,364,041
76,326,939	76,622,129	84,341,449	92,400,781	103,437,101
\$ 954,018,214	\$ 1,000,330,594	\$ 1,050,738,774	\$ 1,103,614,532	\$ 1,192,037,857
0.17315%	0.17284%	0.17245%	0.17220%	0.17184%

CITY OF RED BLUFF
Special Assessment Billings and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collected</u>
2013/2014	\$ 22,671	\$ 18,471
2014/2015	22,287	20,512
2015/2016	21,450	18,613
2016/2017	21,475	19,781
2017/2018	22,239	18,364
2018/2019	-	-
2019/2020	21,735	17,508
2020/2021	-	-
2021/2022	-	-
2022/2023	19,725	15,717

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CITY OF RED BLUFF
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities		
	General Obligation Bonds	Loans	Capital Leases	Total	General Obligation Bonds	Loans	Total
2013/2014	\$ -	\$ 1,640,000	\$ 120,080	\$ 1,760,080	\$ -	\$ 805,924	\$ 805,924
2014/2015	-	1,378,000	72,710	1,450,710	-	677,532	677,532
2015/2016	-	1,095,000	21,920	1,116,920	-	546,825	546,825
2016/2017	-	850,000	12,000	862,000	-	413,760	413,760
2017/2018	-	587,000	-	587,000	-	293,815	293,815
2018/2019	-	304,000	432,969	736,969	-	148,377	148,377
2019/2020	-	-	408,940	408,940	-	-	-
2020/2021	-	-	1,557,522	1,557,522	-	-	-
2021/2022	15,699,699	-	1,468,651	17,168,350	2,708,659	-	2,708,659
2022/2023	15,284,123	-	1,376,898	16,661,021	2,636,956	-	2,636,956

Notes:

Personal income and per capital bases on the calendar year information ending during that fiscal year.

Source:

U.S. Census Bureau
City of Red Bluff Financial Report

Total Primary Government	Percentage of Personal Income	Population	Debt Per Capita
\$ 2,566,004	1.06%	14,131	\$ 182
2,128,242	0.90%	14,238	149
1,663,745	0.72%	14,048	118
1,275,760	0.54%	14,070	91
880,815	0.38%	13,858	64
885,346	0.35%	14,250	62
408,940	0.16%	14,245	29
1,557,522	0.64%	14,272	109
19,877,009	4.21%	14,605	1,361
19,297,977	4.14%	14,439	1,337

CITY OF RED BLUFF
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Debt	Less: Amount Available in Debt Service Fund	Total	% of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita	City Population	Total Assessed Valuation
2013/2014	\$ -	\$ -	\$ -	0.00%	-	14,131	\$ 756,567,251
2014/2015	-	-	-	0.00%	-	14,238	764,817,738
2015/2016	-	-	-	0.00%	-	14,048	804,439,102
2016/2017	-	-	-	0.00%	-	14,070	849,218,108
2017/2018	-	-	-	0.00%	-	13,858	893,691,993
2018/2019	-	-	-	0.00%	-	14,250	954,038,214
2019/2020	-	-	-	0.00%	-	14,245	1,000,330,594
2020/2021	-	-	-	0.00%	-	14,272	1,050,738,774
2021/2022	15,699,699	-	15,699,699	1.42%	1,075	14,605	1,103,614,532
2022/2023	15,284,123	-	15,284,123	1.28%	1,059	14,439	1,192,037,857

Source:

City of Red Bluff Financial Records
U.S. Census Bureau

CITY OF RED BLUFF
Ratio of Annual Debt Service for Bonded Debt to Total General Expenditures
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Bonded Debt</u>	<u>Total Debt Service</u>	<u>Total General Expenditures*</u>	<u>Ratio of Debt Service to General Expenditures</u>
2013/2014	\$ -	\$ -	\$ 7,861,749	0.00%
2014/2015	-	-	8,081,108	0.00%
2015/2016	-	-	8,762,896	0.00%
2016/2017	-	-	9,929,356	0.00%
2017/2018	-	-	11,104,010	0.00%
2018/2019	-	-	11,835,903	0.00%
2019/2020	-	-	10,988,518	0.00%
2020/2021	-	-	12,922,752	0.00%
2021/2022	18,408,358	-	29,262,758	0.00%
2022/2023	17,921,079	1,114,509	14,666,431	7.60%

Note:

* Total Governmental fund expenditures including debt service and capital outlay.

Source:

City of Red Bluff Financial Records

CITY OF RED BLUFF
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

<u>Jurisdiction</u>	<u>Net Direct Debt Outstanding</u>	<u>Percentage Applicable to City*</u>	<u>City Share of Debt</u>
Total Overlapping Jurisdiction:			
Red Bluff Elementary	\$ 31,692,250	66.02%	\$ 20,923,885
Tehama County	17,337,472	22.82%	3,956,961
Red Bluff High	46,256,457	32.14%	14,867,639
Shasta Community College	108,205,000	5.72%	6,191,319
Subtotal, Overlapping Debt	203,491,179		45,939,805
City of Red Bluff Direct Debt	16,923,088	100.00%	16,923,088
Total Direct and Overlapping Debt	<u>\$ 220,414,267</u>		<u>\$ 62,862,893</u>

Note:

Amounts exclude any new debt issuances and retirements after the Financial Reports used and assumed debt is paid per schedules provided.

Source:

Latest Financial Reports available for Tehama County, Shasta-Tehama-Trinity Joint Community College District, Red Bluff Joint Union High School District, and Red Bluff Union Elementary District.

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CITY OF RED BLUFF
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Total Assessed Valuation	<u>\$ 756,567,251</u>	<u>\$ 764,817,738</u>	<u>\$ 804,439,102</u>	<u>\$ 849,218,108</u>
Debt Limit				
15% of Total Assessed Value*	\$ 113,485,088	\$ 114,722,661	\$ 120,665,865	\$ 127,382,716
Debt Applicable to Debt Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 113,485,088</u>	<u>\$ 114,722,661</u>	<u>\$ 120,665,865</u>	<u>\$ 127,382,716</u>
Total Net Debt Applicable to the Limit as a Percentage of the Limit	0.00%	0.00%	0.00%	0.00%

Note:

* Section 43605 of the California Government Code provides that: "A city shall not incur an indebtedness for public improvement which exceeds in the aggregate 15% 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.

Source:

City of Red Bluff Financial Records

2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
<u>\$ 893,691,993</u>	<u>\$ 954,018,214</u>	<u>\$1,000,330,594</u>	<u>\$1,050,738,774</u>	<u>\$1,103,614,532</u>	<u>\$1,192,037,857</u>
\$ 134,053,799	\$ 143,102,732	\$ 150,049,589	\$ 157,610,816	\$ 165,542,180	\$ 178,805,679
-	-	-	-	18,540,000	17,921,083
<u>\$ 134,053,799</u>	<u>\$ 143,102,732</u>	<u>\$ 150,049,589</u>	<u>\$ 157,610,816</u>	<u>\$ 147,002,180</u>	<u>\$ 160,884,596</u>
0.00%	0.00%	0.00%	0.00%	11.20%	10.02%

CITY OF RED BLUFF
Pledged Revenue Coverage
Last Ten Calendar Years

Fiscal Year	Pension Obligation Bond				
	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Total Debt Service	Coverage
2013-2014	\$ -	\$ -	\$ -	\$ -	-
2014-2015	-	-	-	-	-
2015-2016	-	-	-	-	-
2016-2017	-	-	-	-	-
2017-2018	-	-	-	-	-
2018-2019	-	-	-	-	-
2019-2020	-	-	-	-	-
2020-2021	-	-	-	-	-
2021-2022	34,573,883	29,414,472	5,159,411	-	-
2022-2023	19,303,960	20,155,611	(851,651)	1,114,509	(0.76)
Fiscal Year	State Revolving Loan Fund and Revenue Bonds				
	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Total Debt Service	Coverage
2013-2014	\$ 2,917,443	\$ 1,790,688	\$ 1,126,755	\$ 142,923	7.88
2014-2015	2,915,534	2,135,496	780,038	142,923	5.46
2015-2016	2,909,695	2,251,500	658,195	142,923	4.61
2016-2017	3,152,427	2,389,832	762,595	142,923	5.34
2017-2018	2,919,265	2,403,646	515,619	142,923	3.61
2018-2019	2,935,002	2,563,099	371,903	142,923	2.60
2019-2020	2,936,304	2,706,819	229,485	140,392	1.63
2020-2021	2,903,137	3,165,089	(261,952)	-	-
2021-2022	-	-	-	-	-
2022-2023	-	-	-	-	-

Source:

City of Red Bluff Financial Reports

CalPERS Refunding Loan

Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Total Debt Service	Coverage
\$ 7,950,884	\$ 7,796,554	\$ 154,330	\$ 319,214	0.48
8,732,372	8,192,939	539,433	323,405	1.67
10,004,548	8,917,342	1,087,206	333,993	3.26
10,523,945	10,049,479	474,466	285,306	1.66
11,097,061	11,222,683	(125,622)	293,596	(0.43)
12,403,758	12,015,162	388,596	303,143	1.28
11,855,440	11,143,689	711,751	304,000	2.34
14,234,102	12,986,170	1,247,932	-	-
-	-	-	-	-
-	-	-	-	-

CITY OF RED BLUFF
General Information
As of June 30, 2023

Miscellaneous Information		Public Safety Services	
Year of Incorporation	1876	Fire Protection	
Population	14,416	Number of Stations	1
Area in Acres	4,490	Number of Firefighters	16
Form of Government	Council/Manager	Number of Volunteers	15
Employees		Police Protection	
Full-time	125	Number of Volunteers	8
Part-time	33	Number of Stations	1
Miles of Streets	133	Number of Police Officers	30
Number of Street Lights	822	Number of Records Clerks	3
		Dispatchers/CSOs	13
Recreational Services		Water and Sewer Facilities	
Community Center	1	Water System	
Parks	10	Number of Connections	4,642
Parks Acreage	90	Length of Water Lines in Miles	68
Baseball Fields	4	Wastewater System	
Tennis Courts	3	Number of Connections	4,642
Swimming Pool Facilities	1	Length of Sewer Lines in Miles	60
Skate Park	1		
Basketball Courts	3		

CITY OF RED BLUFF
Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2022/2023			Fiscal Year 2013/2014		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
County of Tehama	765	1	13.9%	808	1	13.1%
St. Elizabeth Hospital	610	2	11.1%	538	2	8.7%
Wal-Mart	340	3	6.2%	249	4	4.0%
Tehama County Department of Education	288	4	5.2%	263	6	4.3%
Red Bluff Elementary School District	275	5	5.0%	250	3	4.1%
Red Bluff High School District	215	6	3.9%	186	5	3.0%
City of Red Bluff	158	7	2.9%	145	9	2.4%
Home Depot	140	8	2.5%	152	7	2.5%
PJ Helicopters	210	9	3.8%	-	-	-
Raley's	80	10	1.5%	76	10	1.2%
California Division of Forestry	-	-	-	148	9	2.4%
Total Estimated Employees in the City of Red Bluff	5,500			6,170		

Source:

City Business License records, California Community Development Department and Employers.

CITY OF RED BLUFF
Economic Information
Last Ten Calendar Years

Calendar Year	Population	Unemployment Rate	Personal Income		Median Age	% of Pop. 25+ with High School Degree	% of Pop. 25+ with Bachelor's Degree
			Total (in thousands)	Per Capita			
2014	14,131	11.9%	\$ 241,697	17,104	33.2	80.7%	9.2%
2015	14,238	10.2%	\$ 237,262	16,664	34.1	80.9%	9.4%
2016	14,048	8.4%	\$ 232,209	16,529	35.2	84.7%	12.8%
2017	14,070	7.5%	\$ 236,191	16,786	37.9	85.3%	13.1%
2018	13,858	6.4%	\$ 233,660	16,860	36.7	86.3%	12.2%
2019	14,250	6.1%	\$ 251,877	17,675	36.5	87.9%	13.0%
2020	14,245	6.2%	\$ 255,466	17,933	35.4	88.1%	12.1%
2021	14,272	11.3%	\$ 241,966	16,953	32.6	87.4%	10.4%
2022	14,605	5.1%	\$ 471,590	32,289	33.9	88.2%	12.2%
2023	14,439	7.2%	\$ 495,897	34,344	33.9	86.9%	12.4%

Source:

Population: California Department of Finance

Unemployment Data: California Employment Development Department

Income, Age and Education: U.S. Census Bureau and most recent American Community Survey

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CITY OF RED BLUFF
Operating and Capital Indicators
Last Ten Calendar Years

Fiscal Year	Street Miles	Traffic Signals	Park Acreage	Water Wells	Sanitary Sewer Miles	Sewer Maximum Daily Treatment Capacity*
2013-2014	133	7	90	14	60	2.5
2014-2015	133	7	90	14	60	2.5
2015-2016	133	7	90	14	60	2.5
2016-2017	133	7	90	14	60	2.5
2017-2018	133	7	90	14	60	2.5
2018-2019	133	7	90	14	60	2.5
2019-2020	133	7	90	14	60	2.5
2020-2021	133	7	90	14	60	2.5
2021-2022	133	7	90	14	66	2.5
2022-2023	133	7	90	14	66	2.5

Notes:

* Reported in million gallons.

** Statistics only available in calendar year, provided 2022 calendar year for 2022/2023 fiscal year statistics.

Source:

City of Red Bluff records

Airport Runway Lengths 15L/33R (feet)	Street Resurfacing (tons of asphalt)	Police Calls for Service**	Police Arrests**	Fire Dept Service Calls	Fire Dept Medical Emergency Calls	Number of Fire Hydrants
5,431	264	32,773	1,838	954	2,473	635
5,431	23	34,451	1,703	1,001	2,747	635
5,431	1,413	34,862	1,801	964	2,872	635
5,431	105	36,418	1,574	989	2,887	635
5,431	140	36,412	1,763	993	2,899	635
5,431	1,750	35,781	1,844	1,155	3,037	635
5,431	443	35,983	1,534	1,346	3,038	635
5,431	57	32,411	1,213	1,280	2,627	635
5,431	470	39,051	1,291	1,524	3,012	635
5,431	10,163	39,180	1,266	1,580	2,941	635

CITY OF RED BLUFF
Authorized Full-time and Part-time Positions by Department
Last Ten Fiscal Years

	<u>2022/2023</u>	<u>2021/2022</u>	<u>2020/2021</u>	<u>2019/2020</u>
General Government	17.00	17.00	17.00	14.00
Community Development	3.00	3.00	2.00	2.00
Fire	31.00	31.00	31.00	36.00
Police	53.00	53.00	46.00	41.00
Public Works	16.00	16.00	13.00	10.00
Sewer	7.00	7.00	7.00	6.00
Water	6.00	6.00	6.00	6.00
Parks & Recreation	20.00	20.00	11.00	8.00
Total Full-Time Equivalent Employees	<u>153.00</u>	<u>153.00</u>	<u>133.00</u>	<u>123.00</u>

Source:

City of Red Bluff Personnel Department

2018/2019	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
15.00	16.00	16.00	17.00	10.00	10.00
2.00	2.00	2.00	2.00	2.00	3.00
32.00	38.00	33.00	38.00	31.00	26.00
42.00	42.00	40.00	41.00	36.00	36.00
9.00	10.00	9.00	12.00	10.00	11.00
6.00	4.00	6.00	6.00	6.00	5.00
6.00	6.00	6.00	5.00	6.00	5.00
14.00	16.00	25.00	35.00	49.00	49.00
126.00	134.00	137.00	156.00	150.00	145.00

CITY OF RED BLUFF
Water and Sewer Rates
Last Ten Fiscal Years

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Consumption Rate Avg. Rate Per 100 Cu. Ft.	Monthly Base Rate	Rate per 100 Cu. Ft. of Water Consumed
2013/2014	15.04	0.63	34.00	2.69
2014/2015	15.04	0.63	34.00	2.69
2015/2016	15.04	0.63	34.00	2.69
2016/2017	15.04	0.63	34.00	2.69
2017/2018	15.04	0.63	34.00	2.69
2018/2019	15.04	0.63	34.00	2.69
2019/2020	15.04	0.63	34.00	2.69
2020/2021	15.04	0.63	34.00	2.69
2021/2022	15.04	0.79	34.00	2.69
2022/2023	15.04	0.79	34.00	2.69

Notes:

Water rates are based on a 3/4" meter, which is a standard household meter size.

Water consumption rates vary with amount of water usage.

Sewer rates for a standard household are only the base rate.

Sewer rates for commercial properties are base rate plus water consumed.

Sewer consumption rate is basic rate for all commercial except bakeries and restaurants.

Source:

City of Red Bluff Schedule of Fees, current and prior

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CITY OF RED BLUFF
Top 25 Sales Tax Producers
Current Year and Nine Years Ago

For Fiscal Year 2022/2023

A Wireless	Electronics/Appliance Stores
Adobe Minimart	Service Stations
Antelope Liquors & Gas	Service Stations
Arco	Service Stations
Arco AM PM	Service Stations
Dollar General	Variety Stores
Flyers	Service Stations
Food Maxx	Grocery Stores
Growney Motors	New Motor Vehicle Dealers
Harbor Freight Tools	Building Materials
Home Depot	Building Materials
Les Schwab Tire Center	Automotive Supply Stores
Marshalls	Family Apparel
More for Less Gas	Service Stations
One Stop Gas & Food	Service Stations
Park Planet	Specialty Stores
Raley's	Grocery Stores
Red Bluff Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Red Bluff Gas	Service Stations
Red Bluff Shell	Service Stations
Ross	Family Apparel
Taco Bell	Quick-Service Restaurants
Tractor Supply	Garden/Agricultural Supplies
Valero	Service Stations
Walmart Supercenter	Discount Dept Stores

Percent of Fiscal Year Total Paid for by Top 25 Accounts = 66.12%
 Period: July 2022 through June 2023

Source:

State Board of Equalization
 California Department of Taxes and Fees Administration
 State Controller's Office
 The HdL Companies

For Fiscal Year 2013/2014

Adobe Minimart	Service Stations
Antelope Valero	Service Stations
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Circle 7 Days	Service Stations
CVS Pharmacy	Drug Stores
Food Maxx	Grocery Stores
Growney Motors Buick/GMC	New Motor Vehicle Dealers
Home Depot	Building Materials
Les Schwab Tire Center	Automotive Supply Stores
Liquor & Food	Convenience Stores/Liquor
Main Street Chevron	Service Stations
McDonalds	Quick-Service Restaurants
More for Less Gas	Service Stations
One Stop Gas & Food	Service Stations
Pneumatic Conveying & Manufacturing	Heavy Industrial
Raley's	Grocery Stores
Red Bluff Chrysler Dodge Jeep Ram	New Motor Vehicle Dealers
Red Bluff Shell	Service Stations
Staples	Supplies/Furniture
Taco Bell	Quick-Service Restaurants
Tractor Supply	Garden/Agricultural Supplies
USA Gas	Service Stations
Valero	Service Stations
Walmart Supercenter	Discount Dept Stores

Percent of Fiscal Year Total Paid for by Top 25 Accounts = 69.12%
 Period: July 2013 through June 2014

CITY OF RED BLUFF
Taxable Sales By Category
Last Ten Fiscal Years (in Thousands of Dollars)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Apparel Stores	\$ 1,360	\$ 1,479	\$ 2,179	\$ 2,041
Food Stores	13,372	13,186	13,418	11,586
Eating and Drinking Places	30,947	32,244	34,565	36,755
Building Materials	38,438	38,460	42,350	45,586
Auto Dealers and Supplies	42,474	53,647	68,654	72,253
Service Stations	83,661	77,644	65,310	59,137
Other Retail Stores	70,567	74,447	74,602	78,974
All Other Outlets	17,894	17,072	24,706	23,165
Total	<u>\$ 298,713</u>	<u>\$ 308,179</u>	<u>\$ 325,784</u>	<u>\$ 329,497</u>

Note:

Due to confidentiality issues, the names of the ten largest revenue payers is not available.

The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Source:

State Board of Equalization

California Department of Taxes and Fees Administration

State Controller's Office

The HdL Companies

2017	2018	2019	2020	2021	2022
\$ 2,170	\$ 2,407	\$ 9,960	\$ 12,204	\$ 17,271	\$ 14,552
10,567	10,322	10,930	13,054	13,100	13,817
37,897	39,152	42,424	38,774	49,852	51,046
47,843	48,543	58,721	68,660	76,841	70,808
73,877	69,296	67,416	74,259	76,978	61,898
67,216	76,686	83,179	69,027	93,994	102,352
79,501	80,442	84,164	92,829	102,626	104,585
16,777	15,020	55,316	30,551	155,086	128,985
<u>\$ 335,848</u>	<u>\$ 341,868</u>	<u>\$ 412,110</u>	<u>\$ 399,358</u>	<u>\$ 585,748</u>	<u>\$ 548,043</u>

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OTHER REPORT AND SCHEDULES

- **Other Report**
- **Schedule of Findings and Recommendations**
- **Schedule of Prior Year Findings and Recommendations**
- **Management's Corrective Action Plan**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and City Council
City of Red Bluff
Red Bluff, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Red Bluff, California (City) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 11, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control described in the accompanying schedule of findings and recommendations that we consider to be a significant deficiency.

To the Honorable Mayor and City Council
City of Red Bluff
Red Bluff, California

Report on Compliance and Other Matters

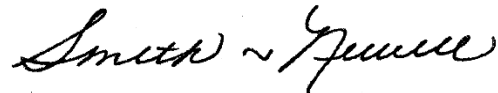
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

City of Red Bluff's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the finding identified in our audit and described in the accompanying schedule of findings and recommendations. The City's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Smith & Newell CPAs
Yuba City, California
December 11, 2023

CITY OF RED BLUFF
Schedule of Findings and Recommendations
For the Year Ended June 30, 2023

2023-001 Prior Period Adjustment (Significant Deficiency)

Criteria

Generally Accepted Accounting Principles require that significant corrections to the prior year financial statements be reported as a prior period adjustment.

Condition

The City reported approximately \$177,952 in revenue that should have been reported as unavailable revenue on the balance sheet.

Cause

The City had not recorded unavailable revenues in prior years.

Effect

Revenue was overstated approximately \$177,952.

Questioned Cost

No questioned costs were identified as a result of our procedures.

Context

The unavailable revenue was discovered when reviewing the current year revenue accruals.

Repeat Finding

Not a repeat finding.

Recommendation

We recommend that the amounts accrued as due from other governments and accounts receivable be reviewed to make sure they are received within the accrual period.

Views of Responsible Officials and Planned Corrective Action

Refer to separate Management's Corrective Action Plan for views of responsible officials and management's responses.

CITY OF RED BLUFF
Schedule of Prior Year Findings and Recommendations
For the Year Ended June 30, 2023

Audit Reference	Status of Prior Year Recommendation
2022-001	Significant Deficiency Recommendation We recommend that management take steps to ensure that all adjustments necessary to prepare financial statements in conforming with generally accepted accounting principles be identified and posted prior to the start of the audit. Status Implemented

CITY OF RED BLUFF
Management's Corrective Action Plan
For the Year Ended June 30, 2023

Finding 2023-001 Prior Period Adjustment (Significant Deficiency)

We recommend that the amounts accrued as due from other governments and accounts receivable be reviewed to make sure they are received within the accrual period.

Management's Response: The City concurs with the finding.

Responsible Individual: Paul Young, Finance Director

Corrective Action Plan: We will add unavailable revenue to list of reoccurring journals to review before closing the books.

Anticipated Completion Date: December 8, 2023

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