

**Citrus Heights,
California**

Prepared By:

Finance,
A Division of the
Administrative Services
Department

**Annual
Comprehensive
Financial Report**



**CITRUS
HEIGHTS**
CALIFORNIA

Solid roots.
New growth.



For the Fiscal Year
Ended
June 30, 2023

CITY OF CITRUS HEIGHTS, CALIFORNIA
Annual Comprehensive Financial Report
For Fiscal Year Ended June 30, 2023

Prepared by
Finance,
A Division of the Administrative Services Department

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CITY OF CITRUS HEIGHTS
 Annual Comprehensive Financial Report
 For Fiscal Year Ended June 30, 2023

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The independent audit of the financial statements of the City was part of a broader, federally mandated “Single Audit” designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports will be available in the City’s separately issued Single Audit Reports.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Citrus Heights

The City of Citrus Heights operates under a Council-Manager form of government and provides municipal services that include public safety, public works, and community development. This report includes all funds of the City of Citrus Heights. The MD&A continues to demonstrate our commitment to providing essential quality-of-life services, maintaining public safety, improving the City’s infrastructure including streets and roads, and growing our local economy while maintaining financial stability.

The City Council establishes annual budgets for the General Fund, Proprietary Funds, and Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department directors submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the following year’s budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30th of each year following the City’s Municipal Code.

The City of Citrus Heights was incorporated on January 1, 1997, as a general law city. Citrus Heights was the first new city in Sacramento County in more than 50 years and was the largest city to incorporate in the State of California. With a population of approximately 88,000 in a 14.2 square-mile area, Citrus Heights is 98% developed, with two large commercial corridors and a well-established residential community. We attract a population of all ages and have a higher percentage of millennials and retirees than other cities our size.

The Citrus Heights City Council consists of five members, elected to four-year overlapping terms in district-based elections. Council members must be residents of the City. The positions of Mayor and Vice Mayor are chosen by the City Council through policy direction determined by the City Council. The Mayor conducts the City Council meetings and represents the City on ceremonial occasions.

The City Council serves as the policy board for the municipality. As an elected Board of Directors, the City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, and all members of advisory boards and commissions.

In Citrus Heights, the total labor force is approximately 44,600. Unemployment in Sacramento County is at approximately 4.2%, which is below the current rate of unemployment for California (4.8%). The City of Citrus Heights is home to a diverse labor force, specializing in such occupations as sales, executive and managerial services, technical support, professional specialties, and other services. As the geographic center of the Greater Sacramento area, Citrus Heights offers residents and workforce effective access to the region. Total employment in Citrus Heights increased by 2.4% over the previous year to 19,793, with average annual wages increasing by 4.3% in the region to \$67,884.

Most of Citrus Heights' commercial real estate comprises large retail and small office space. Citrus Heights has long been known as a retail mecca, but the current retail market is in a state of change. Consumers are relying less on brick-and-mortar stores now that online shopping is mainstream. Citrus Heights is home to one of the Sacramento area's first regional shopping centers, Sunrise Mall. In its prime, Sunrise Mall served as the economic engine of the City and the community's central gathering place. With the addition of other regional malls and a shift toward online shopping, Sunrise Mall has been impacted significantly — resulting in a decline of almost 50% since 2006. In 2019, City Council directed staff to embark on a specific plan process for Sunrise Mall. This plan has engaged each of the five owners of the 100-acre mall site, stakeholders, and the community, to work together on a new vision for Sunrise Mall. Through zoning, visioning, and entitling, the plan re-envisioned Sunrise Mall as a regional destination and economic engine for the community. Citrus Heights is a City that takes charge of its future. By undertaking this process, we are encouraging continued growth and prosperity for our commercial business community. The Specific Plan and Environmental Impact Report was unanimously approved by City Council in October 2021. In addition to ushering in a new era for Sunrise Mall, the City also works hard to support our small businesses. There are over 2,100 businesses in Citrus Heights, and 71% of those have less than 10 employees. Many of our small businesses are supported by three business districts: Sunrise MarketPlace, Auburn Blvd Business Association, and Antelope Crossing Business Association.

Budget Initiatives

The City of Citrus Heights has developed broad policy direction through the development of budget strategies that establish long-term policy guidance for conducting the City's financial activities. Citrus Heights has a long tradition of self-reliance and local control with excellent quality-of-life services our residents expect and deserve. The City Council has established policies to meet the following strategic objectives:

1. **Strategic Focus** – The City's financial management should be strategic, reflecting the Council's and the community's priorities for service while providing resources that realistically fund routine operations. Most importantly, we strive to maintain essential services reflective of our community's values and engage in continued fiscally responsible planning amid state mandates and takeaways.
2. **Fiscal Control and Accountability** – The City's financial activities should be fiscally sound and accountable to the City Council through the City Manager. It is our intent to maintain local control over local funds for our local needs in a fiscally prudent manner that addresses essential priorities.
3. **Clarity** – The City's financial planning and reporting should be clear and easy to understand so that all participants, the City Council, the community, and staff can productively participate in making good decisions. We intend to keep local government transparent and accountable, which includes our community's ability to engage with our financial information. The City of Citrus Heights regularly issues communications that inform and engage residents in fiscal updates.
4. **Long-Term Planning** – The City of Citrus Heights has always taken charge of its future. We became a city by intent, establishing our own police department and being fiscally responsible, and we have plans for our future. The City's financial planning should emphasize multi-year horizons to promote long-term planning of resource uses. We have always engaged in long-term and comprehensive financial planning to ensure that the City can keep its budget balanced while preserving local control and essential services such as public safety and street maintenance in Citrus Heights.
5. **Flexible and Cost-Effective Responses** – The City's financial management practices should encourage a mission-driven organization that responds quickly and straightforwardly to community demands. The City's management should flexibly respond to opportunities for better service, should proactively manage revenues, and should cost-effectively manage ongoing operating costs. We must maintain public safety, economic development, and local control to adequately address our community's essential services and quality of life.

6. **Staffing Philosophy** – The City has worked towards establishing a balance between City employees and contract staff to ensure the most efficient City operations.

Financial Policies

The City Council has developed policy parameters for the City's fiscal management. Those fiscal policies address several issues including financial activity reporting, budgeting and financial planning, appropriation control, debt management, investments, fees, purchasing, performance measures and competitive review, and reserves.

Long-Term Financial Planning

The City's financial planning promotes long-term planning of its resources that is reflective of community priorities, essential services, and quality of life. The ten-year financial forecast has served as the primary budget guidance tool since the City's incorporation in 1997. The forecast is updated annually to project future General Fund revenue and expenditures. Several factors directly affect the City's General Fund revenue. Since the City currently receives approximately 30.5% of its General Fund revenue from sales and use tax, it is especially susceptible to economic downturns and the changing retail economy. In addition, the City is approximately 98% built out which results in fewer opportunities for revenue generating growth. The City will continue to balance the General Fund by implementing a combination of cost-saving measures as well as prudent financial planning.

In 2013 the City increased its fiscally conservative general fund balance reserve from ten percent to fifteen percent to cover unanticipated revenue shortfalls or expenditure requirements. In November 2019, the general fund reserve was raised to seventeen percent. For the fiscal year ended June 30, 2023, the City's uncommitted general fund reserve once again met the increased percentage policy requirement.

Current Economic Conditions and Outlook

The City of Citrus Heights received its first property tax revenue previously retained by the County of Sacramento with the end of the revenue neutrality agreement in January 2023.

The City's economic development efforts and implementation of the City's financial policies help to promote Citrus Heights' fiscal stability. Since incorporation in 1997, at the direction of the City Council, staff has conducted a systematic review of operations, resulting in some cases in the transition from contract service to an in-house operational model; in other instances, a renegotiation of existing service contracts; and in other instances, retention of the contract operational model with a different service provider. These operational analyses and reforms are intended to promote long-term stability.

Awards and Acknowledgements

The City of Citrus Heights received an award for its submission of the FY 2021-2022 Annual Comprehensive Financial Report for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). This was the twenty-second consecutive year that the City received this award.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive 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. City staff believes that this report will again meet the program requirements to receive the award.

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Division and the auditing firm of Lance, Soll & Lunghard, LLP. I would also like to thank members of the City Council, the City Manager, and the various departments for their cooperation and support in planning and conducting the financial operations of the City during the past fiscal year.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'Susan Talwar', with a long horizontal flourish extending to the right.

Susan Talwar

Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Citrus Heights
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

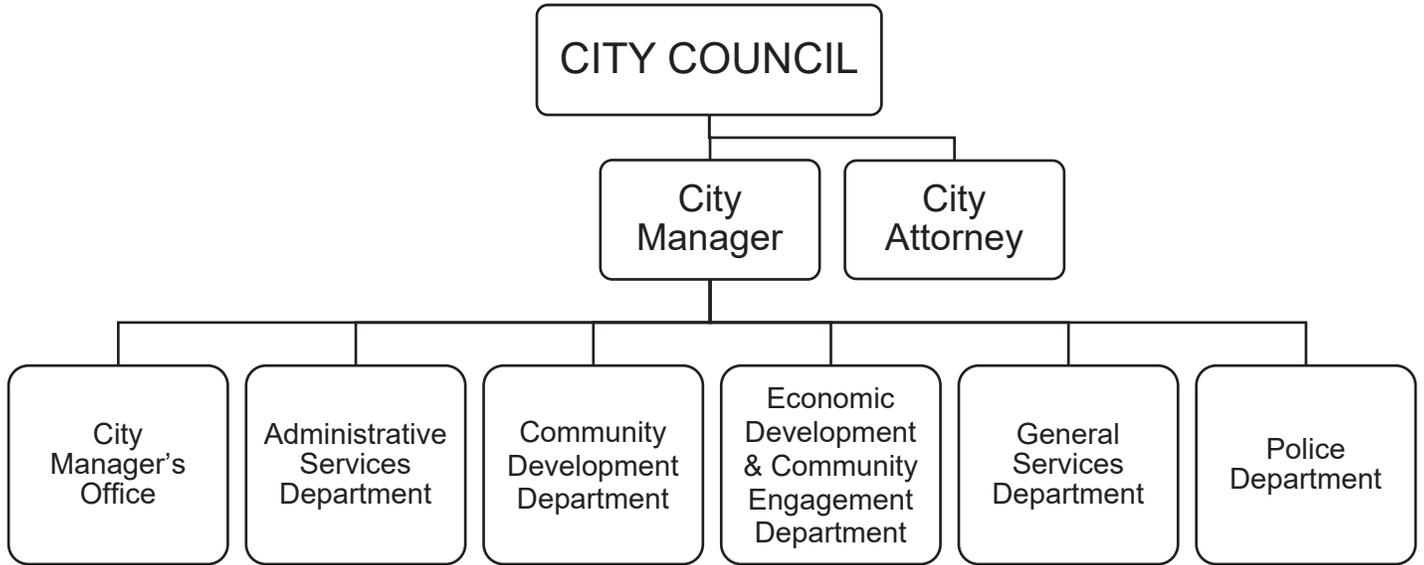
June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF CITRUS HEIGHTS, CALIFORNIA

Organizational Chart



List of 2023 Officials

Elected

Mayor	Bret Daniels
Vice Mayor	Jayna Karpinski-Costa
Council Member	MariJane Lopez-Taff
Council Member	Porsche Middleton
Council Member	Tim Schaefer

Appointed

City Manager	Ashley Feeney
Administrative Services Director	Susan Talwar
Community Development Director	Casey Kempenaar
Economic Development & Community Engagement Director	Meghan Huber
General Services Director	Regina Cave
Chief of Police	Alexander Turcotte
City Attorney	Ryan R. Jones, Jones & Mayer

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Citrus Heights, 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 Citrus Heights, California (the "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.

Emphasis of Matter

Change in Accounting Principle

As described in the notes to the financial statements, in 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule for the General Fund, and the required pension and other postemployment benefits schedules, as listed on 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 obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

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 fund financial statements and schedules (supplementary information) 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 supplementary information is 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Lance, Soll & Lughard, LLP".

Sacramento, California
December 29, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

This section provides a narrative overview and analysis of the financial activities of the City of Citrus Heights (City) for the fiscal year ended June 30, 2023. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- ◆ As of June 30, 2023, total assets and deferred outflows of the City exceeded its liabilities and deferred inflows by \$352,888,856 (net position). The portion of net position that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position) is \$18,455,843. The portion of net position that is restricted and may only be used for specific purposes is \$19,434,302. The remaining \$314,998,711 is invested in capital assets.
- ◆ As of June 30, 2023, the City's governmental funds reported combined ending fund balances of \$51,672,730. Of the combined fund balances, 51.90% (\$26.82 million) is available to meet the City's current and future needs (committed, assigned and unassigned balances).
- ◆ As of June 30, 2023, the committed amount in the General Fund of \$4,486,978 represents amounts committed for insurance, postemployment healthcare benefits and a Council commitment for economic uncertainties and anticipated future short-term structural deficits (i.e. revenue stabilization). See Note 8.
- ◆ For the fiscal year ending June 30, 2023, the City collected its first distribution of property tax, following the expiration of the revenue neutrality agreement with the County of Sacramento. This resulted in \$7.15 million in property tax revenue for the City.
- ◆ Capital assets, net of depreciation, decreased to \$316,324,034 from \$317,842,720, which includes \$265,536,557 of infrastructure per the requirements of GASB 34.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

This Annual Comprehensive Financial Report is in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis, the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements and Combining and Individual Fund Financial Statements and Schedules; and,
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements and footnotes says about the City's overall financial health.

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position.

The Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and are comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net position for the year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, Continued

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, economic development, public safety, animal control, engineering, community events, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general City revenues such as taxes and by specific program revenues such as user fees.
- ◆ **Business-type activities** – All of the City's enterprise activities are reported here. The City's only Business-type activity fund is Solid Waste. Unlike governmental services, this service is supported by charges paid by users based on the amount of the service they use.

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 of 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 essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on 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 the Governmental Fund Financial Statements 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 Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund 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 Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2023, the City's major funds include the General Fund, Solid Waste Fund, and Streets Fund.

For the fiscal year ended June 30, 2023, the City adopted annual appropriated budgets for the General Fund and Special Revenue funds.

Proprietary funds. The City maintains one Enterprise-type 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 an enterprise fund to account for Solid Waste activities. 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 Solid Waste operation.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, Continued

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 31-63 of this report. Required Supplementary Information follows the notes on page 74.

Combining and Individual Fund Financial Statements and Schedules. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements and required supplementary information. Combining and individual fund statements can be found on pages 78-99 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

In the case of the City, assets exceeded liabilities by \$354,472,616 as of June 30, 2023. Under the revenue neutrality settlement, the County retained the annual property tax for the first twenty-five years after the City's incorporation through the fiscal year ending June 30, 2022. For the fiscal year ended June 30, 2023, the City received \$7,147,126 of property taxes.

The Summary of Net Position as of June 30, 2023, and 2022, follows:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 73,519,244	\$ 63,880,974	\$ 1,978,384	\$ 1,398,425	\$ 75,497,628	\$ 65,279,399
Capital assets	315,981,825	317,492,638	342,209	350,082	316,324,034	317,842,720
Total Assets	389,501,069	381,373,612	2,320,593	1,748,507	391,821,662	383,122,119
Total Deferred Outflows	16,078,438	7,180,588	313,638	90,666	16,392,076	7,271,254
Long-term liabilities	28,479,727	8,242,124	552,395	125,558	29,032,122	8,367,682
Other liabilities	17,686,530	22,712,006	115,661	101,774	17,802,191	22,813,780
Total Liabilities	46,166,257	30,954,130	668,056	227,332	46,834,313	31,181,462
Total Deferred Inflows	6,524,394	10,525,638	47,234	130,097	6,571,628	10,655,735
Net position:						
Net investment in capital assets	314,998,711	316,887,986	342,209	350,082	315,340,920	317,238,068
Restricted	19,434,302	25,868,240	-	-	19,434,302	25,868,240
Unrestricted	18,455,843	4,318,206	1,576,732	1,131,662	20,032,575	5,449,868
Total Net Position	\$ 352,888,856	\$ 347,074,432	\$ 1,918,941	\$ 1,481,744	\$ 354,807,797	\$ 348,556,176

Restricted net position decreased by \$6,433,938 due to an increase in the use of restricted funds in a number of special revenue funds for road maintenance, general capital improvement, transit services and various development activities. Unrestricted net position can be used to finance day to day operations without constraints established by debt covenants or other legal requirements. The City had \$20,032,575 of unrestricted net position as of June 30, 2023, which is an increase of \$14,582,707. While unrestricted net position is technically unrestricted, much of the amount is committed for a specific use as described in Note 8.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The City maintains a commitment of fund balance in the General Fund, commonly called the General Fund Reserve. It is set at a maximum of \$35 million at June 30, 2023, and the balance is currently \$4.5 million. The net position of business-type activities cannot be used to make up an unrestricted net position deficit in the governmental activities. The City generally can only use these assets to finance the continuing operations of the business-type activities.

The change in net position for the fiscal years ended June 30, 2023, and 2022, follows:

	Governmental Activities		Business-Type Activities		Totals	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 11,843,479	\$ 12,516,296	\$ 1,266,201	\$ 1,092,589	\$ 13,109,680	\$ 13,608,885
Grants and contributions:						
Operating	11,327,442	10,921,489	-	-	11,327,442	10,921,489
Capital	4,959,684	5,389,435	-	-	4,959,684	5,389,435
General revenues:						
Property taxes and assessments	7,538,744	638,183	-	-	7,538,744	638,183
Sales and use taxes	14,544,553	14,412,009	-	-	14,544,553	14,412,009
Utility users tax	2,974,871	2,794,196	-	-	2,974,871	2,794,196
Other taxes	1,522,937	1,372,945	-	-	1,522,937	1,372,945
Other revenue	28,941	123,409	41,705	58,444	70,646	181,853
Shared intergovernmental - unrestricted	10,510,268	9,683,155	-	-	10,510,268	9,683,155
Investment earnings (Losses)	1,773,829	311,632	27,185	(14,530)	1,801,014	297,102
Total Revenues	67,024,748	58,162,749	1,335,091	1,136,503	68,359,839	59,299,252
Expenses:						
Governmental activities:						
General government	9,404,296	7,729,201	-	-	9,404,296	7,729,201
Public safety	25,813,011	15,877,629	-	-	25,813,011	15,877,629
Public ways and facilities	20,077,331	55,751	-	-	20,077,331	55,751
Culture and recreation	839,028	906,037	-	-	839,028	906,037
Economic development	1,123,525	17,660,038	-	-	1,123,525	17,660,038
Community enhancements	3,937,025	4,085,740	-	-	3,937,025	4,085,740
Interest on long-term debt	16,108	131,908	-	-	16,108	131,908
Business-type activities:						
Solid waste	-	-	897,894	788,023	897,894	788,023
Total Expenses	61,210,324	46,446,304	897,894	788,023	62,108,218	47,234,327
Excess of revenues over expenditures before transfers	5,814,424	11,716,445	437,197	348,480	6,251,621	12,064,925
Transfers	-	-	-	-	-	-
Change in Net Position	5,814,424	11,716,445	437,197	348,480	6,251,621	12,064,925
Restatement	-	(2,354,772)	-	-	-	(2,354,772)
Net position, beginning of year	347,074,432	337,712,759	1,481,744	1,133,264	348,556,176	338,846,023
Net Position, June 30	\$352,888,856	\$347,074,432	\$ 1,918,941	\$ 1,481,744	\$354,807,797	\$348,556,176

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$68,359,839 for the fiscal year ended June 30, 2023. Approximately 72.93% of the City's key revenues are generated from five major sources.

The following discusses variances in key revenues from the prior fiscal year:

1. **Sales Tax** - Annual receipts for the fiscal year ended June 30, 2023 increased by \$132,544 from the prior year, as the economy stabilized following the contraction and recovery caused by the COVID-19 pandemic.
2. **Shared Intergovernmental Revenues** - Annual receipts for the fiscal year ended June 30, 2023 increased by \$827,113 from the prior year. This amount represents the state motor vehicle in-lieu tax.
3. **Property Tax** - Annual receipts for the fiscal year ended June 30, 2023 increased by \$6,900,561 from the prior year. This amount includes an increase due to the City's receipt of the full property tax distribution, following the expiration of the Revenue Neutrality agreement with the County of Sacramento, and a decrease in property transfer tax due to a slowing of the housing market.
4. **Grants and Contributions - Governmental Activities Operating** - Governmental Activities operating grants and contributions were mainly from public safety street, road, and community enhancement grants that were for maintenance and operations as well as CARES Act allocations for CDBG Supplemental and DOJ for public safety. The amounts also included the CARES Act Relief funding for cities and the Coronavirus State and Local Fiscal Recovery Funds (SLFRF).
5. **Grants and Contributions - Governmental Activities Capital** - The decrease in capital revenues reflects fewer projects with active construction, leading to fewer capital project expenditures being reimbursed during the fiscal year.

Expenses

Governmental and business-type activity expenses of the City for the year totaled \$6,108,218. Governmental activity expenses totaled \$61,210,324 or 98.55% of total expenses. Business-type activities expenses totaled \$897,894 during the fiscal year. Public safety costs represented 42.17% of total governmental activities expenses and represented the largest single expense for governmental activities.

Governmental Activities

The following table shows the cost of each of the City's major programs and the net cost of the programs. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2023, and 2022, were as follows:

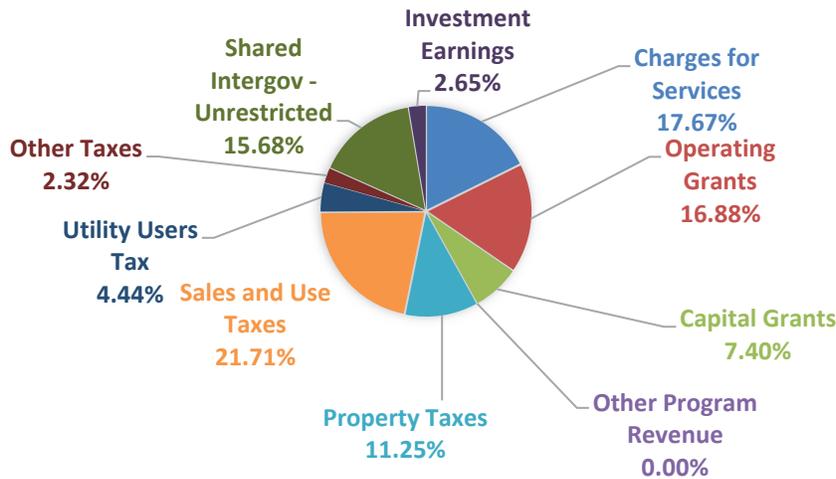
	2023		2022	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 9,404,296	\$ (4,022,592)	\$ 7,729,201	\$ (3,396,225)
Public safety	25,813,011	(22,489,204)	15,877,629	(12,450,546)
Public ways and facilities	20,077,331	(4,697,341)	17,660,038	(2,967,719)
Culture and recreation	839,028	(806,880)	906,037	(887,724)
Economic development	1,123,525	(833,669)	55,751	(55,751)
Community enhancements	3,937,025	(213,925)	4,085,740	2,270,789
Interest on long-term debt	16,108	(16,108)	131,908	(131,908)
TOTAL	\$ 61,210,324	\$ (33,079,719)	\$ 46,446,304	\$ (17,619,084)

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

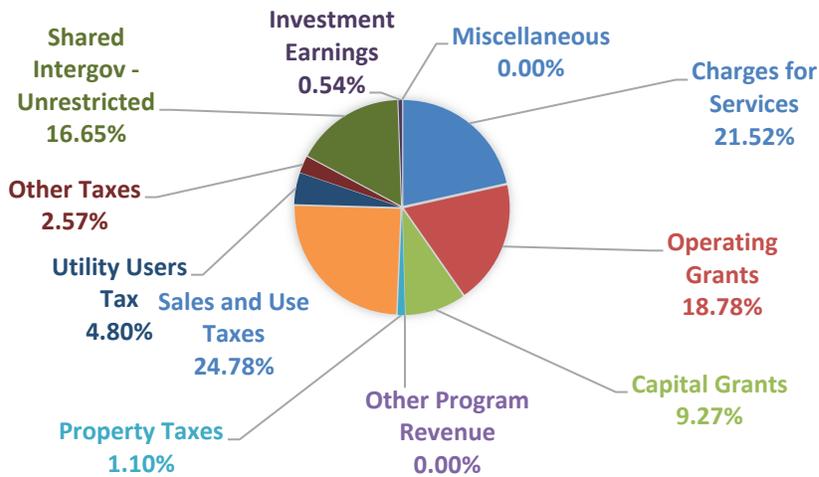
GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues by source for the fiscal years ended June 30, 2023, and 2022, are as follows:

**REVENUES BY SOURCE - GOVERNMENTAL
ACTIVITIES - 2023**



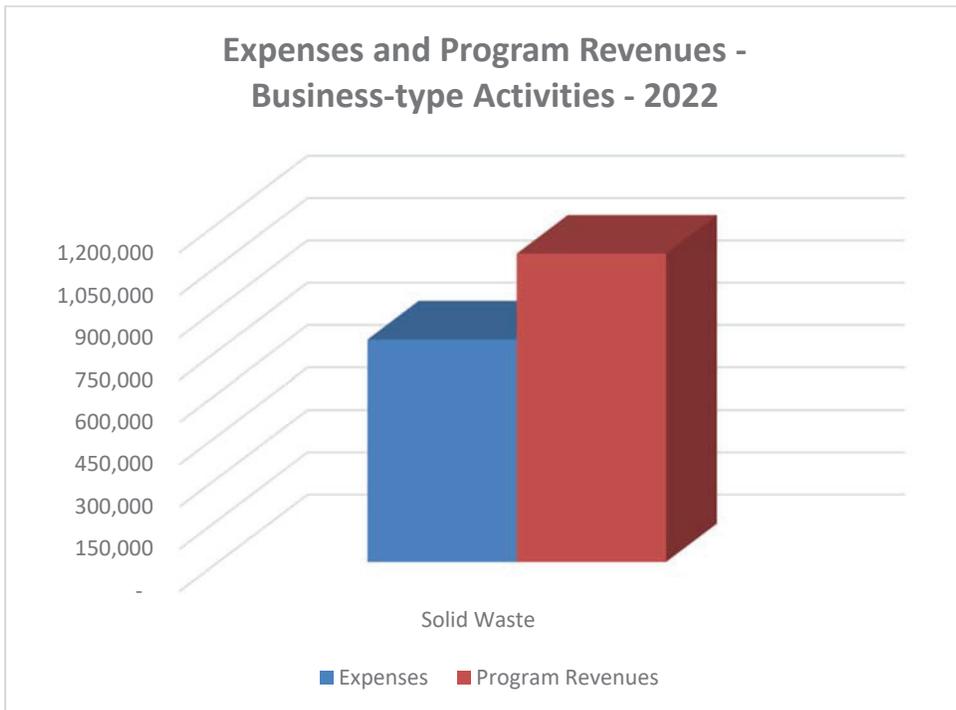
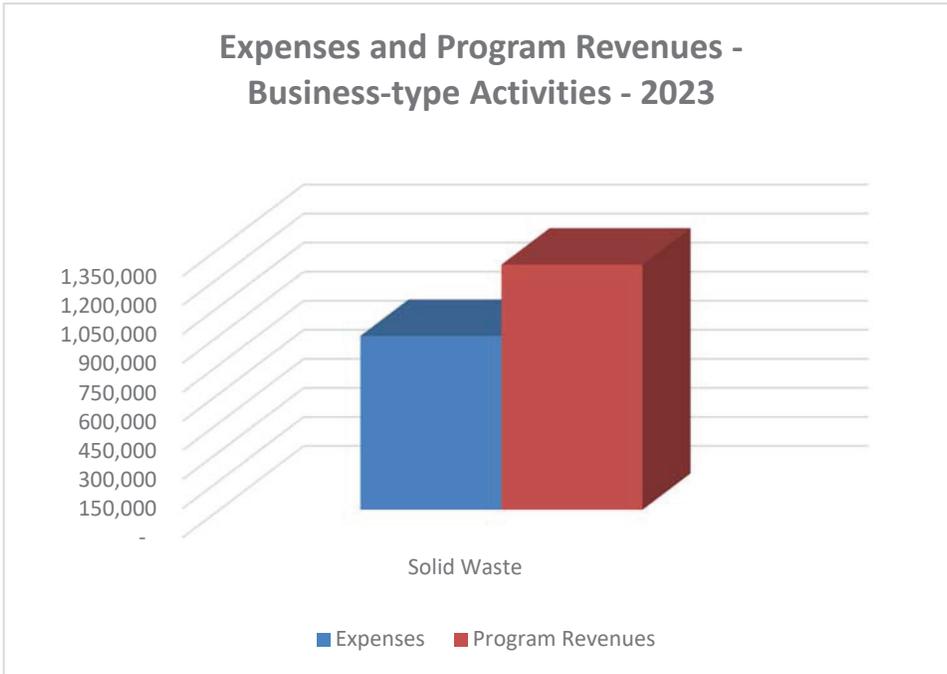
**REVENUES BY SOURCE - GOVERNMENTAL
ACTIVITIES - 2022**



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

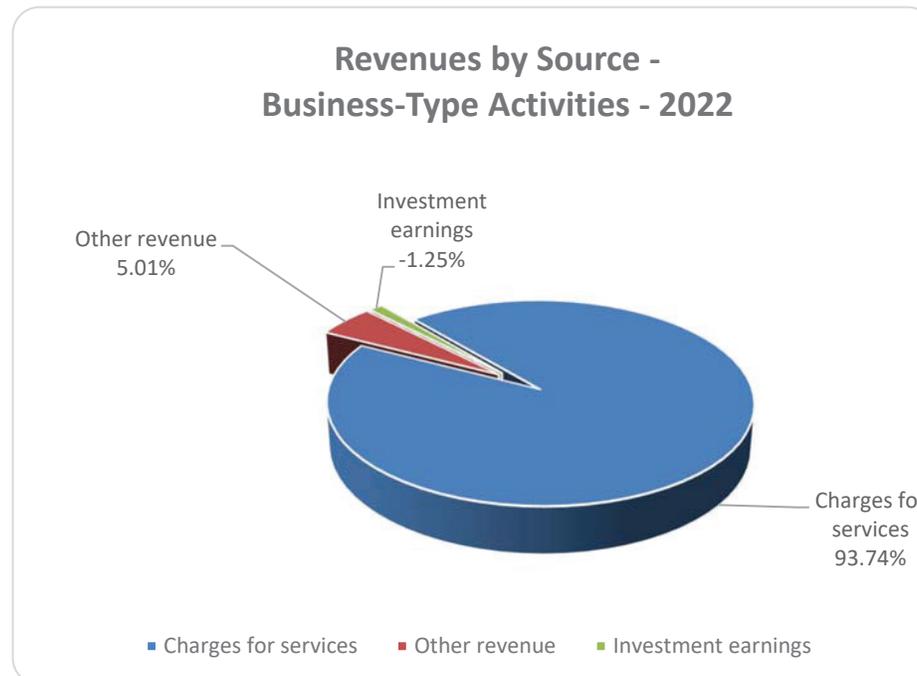
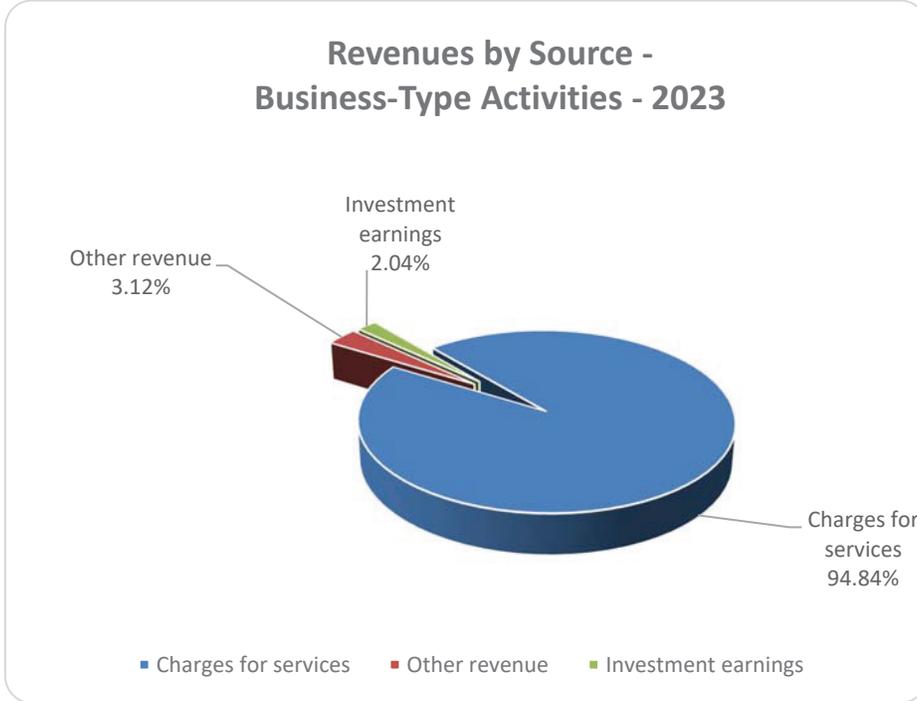
Business-type activities. The City's net position for business-type activities increased by \$437,197 for the fiscal year ended June 30, 2023. The City has one business-type activity, which is Solid Waste Operations. The expenses and program revenues for the Solid Waste Operation for the fiscal year ended June 30, 2023, and 2022, are as follows:



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The revenues by source for the solid waste business-type activity for the fiscal years ended June 30, 2023 and 2022 are as follows:



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

The City of Citrus Heights uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

Governmental funds. The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2023, the City's governmental funds reported combined fund balances of \$51,672,730.

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2023, the General Fund's fund balance totaled \$23,857,896 of which \$4,486,978 was committed for reserves and revenue stabilization. Fund balance in the General Fund increased by \$11,925,505 largely due to the City's receipt of property tax revenues that had been previously retained by the County, increased federal grant reimbursements, and decreased spending on capital debt from paying off the City's line of credit in the prior fiscal year.

The Streets Fund accounts for funds expended on various street capital improvement and paving projects. Fund balance in the Streets Fund decreased by \$4,525,458 due to increased spending on capital projects such as the Greenback Lane Complete Streets and the Electric Greenway.

Proprietary funds. The City has one business-type activity, which is Solid Waste Operations. The Proprietary fund unrestricted net position increased \$437,197 in the fiscal year ended June 30, 2023, largely due to increase in franchise fee revenue and savings in operating expenses.

General Fund Budgetary Highlights

The actual total revenues were approximately \$3,778,205 less than the final budgeted amount. Intergovernmental revenue, taxes, and fines and forfeitures ended below budget; all other revenue categories exceeded the budget estimate. The largest unfavorable variance compared to the budget was in intergovernmental revenue, (\$4,815,821). An decrease in property transfer tax revenue was due to a slowing of real estate transactions as a result of higher interest rates coupled with the increasing cost of housing in the region. An decrease in intergovernmental revenue was caused by budgeted expenditures for the City's State and Local Fiscal Recovery Funds (also known as the American Recovery Plan Act, or ARPA funds) were lower than expected for the fiscal year, as discussed in the next paragraph. As reimbursable expenditures were lower than budgeted, reimbursements for eligible revenues were also lower than expected

The actual total expenditures were approximately \$7,510,707 less than the final budgeted amount due mainly to salary savings from vacant positions, lower than anticipated participation in community programs, and delays in some capital projects.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

The City's capital assets for governmental and business-type activities as of June 30, 2023 amounted to \$316,324,034. This investment in capital assets includes land, art, construction in progress costs for road and other improvements, buildings and improvements, infrastructure, the City Hall and Utility Yard assets, and machinery and equipment.

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 15,618,742	\$ 15,450,246	\$ -	\$ -	\$ 15,618,742	\$ 15,450,246
Art	113,951	103,650	-	-	113,951	103,650
Construction and subscriptions in progress	15,744,638	10,574,939	-	-	15,744,638	10,574,939
Buildings and improvements	16,921,926	17,321,405	-	-	16,921,926	17,321,405
Infrastructure	265,194,348	272,690,078	342,209	350,082	265,536,557	273,040,160
Subscription assets	195,076	-	-	-	195,076	-
Machinery and equipment	2,193,144	1,352,320	-	-	2,193,144	1,352,320
Total	\$ 315,981,825	\$ 317,492,638	\$ 342,209	\$ 350,082	\$ 316,324,034	\$ 317,842,720

The increase in construction in progress was mainly due to the following projects:

- Electric Greenway (Arcade Cripple Creek Trail),
- Mariposa Ave Safe Routes to School Phase 4,
- Signalized Intersection Improvements,
- 2022 Residential Street Resurfacing,
- Old Auburn Complete Streets, and
- Greenback Lane Complete Streets
- Tyler Enterprise Resource Planning Software

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 44.

Long-term Debt

The City's long-term debt at June 30, 2023 totaled \$29,032,122 and included a net pension liability of \$23,211,104. In November 2021, CalPERS reduced the discount rate used to calculate pension liabilities from 7.00% to 6.90%. This resulted in an increase in the City's net pension liability. Changes in actuarial assumptions also resulted in an increase in the City's net liability related to other post-employment benefits. More detail on the City's long-term debt can be found in Note 6 and 7 on page 45-47, and Notes 11 and 12 on pages 52-62.

Economic Outlook and COVID-19

The outbreak of the coronavirus disease, COVID-19, has been declared a pandemic by the World Health Organization. The Governor declared a state of emergency in the State of California on March 4, 2020 and the Mayor for the City of Citrus Heights declared a state of emergency in the City on March 19, 2020, each of which is still in effect.

The ultimate impact of the COVID-19 pandemic and its effect on future City revenues cannot be determined at this time. No assurance can be provided that the COVID-19 pandemic will not result in city revenues that are lower than projected. The City will continue to monitor the effects of the pandemic on its revenues and expenditures.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Requests for Information

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Citrus Heights Administrative Services Department, 6360 Fountain Square Drive, Citrus Heights, California 95621, or visit the City's web page at www.citrusheights.net.

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CITY OF CITRUS HEIGHTS
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 52,872,305	\$ 1,728,823	\$ 54,601,128
Receivables:			
Accounts	1,286,693	237,299	1,523,992
Interest	337,292	11,067	348,359
Due from other governments	6,613,979	-	6,613,979
Notes and loans	5,282,273	-	5,282,273
Allowance on uncollectible notes and loans	(3,875,934)	-	(3,875,934)
Leases	3,905,666	-	3,905,666
Deposits	4,000	-	4,000
Land held for resale	6,224,697	-	6,224,697
Prepaid costs	868,273	1,195	869,468
Capital assets (not being depreciated/amortized)	31,477,331	-	31,477,331
Capital assets (net of accumulated depreciation/amortization)	284,504,494	342,209	284,846,703
Total assets	389,501,069	2,320,593	391,821,662
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	15,102,107	302,749	15,404,856
OPEB-related	976,331	10,889	987,220
Total deferred outflows of resources	16,078,438	313,638	16,392,076
LIABILITIES			
Accounts payable	3,681,338	19,463	3,700,801
Pass-through payable	310,556	-	310,556
Due to other governments	793,068	24,387	817,455
Accrued liabilities	900,207	10,100	910,307
Accrued interest	6,597	-	6,597
Deposits payable	168,984	-	168,984
Unearned revenue	11,825,780	61,711	11,887,491
Noncurrent liabilities:			
Due within one year: bonds, notes, subscriptions, claims, and compensated absences	2,347,303	-	2,347,303
Due in more than one year:			
Net pension liability	23,211,104	543,555	23,754,659
Net OPEB liability	792,621	8,840	801,461
Bonds, notes, subscriptions, claims, and compensated absences	2,128,699	-	2,128,699
Total liabilities	46,166,257	668,056	46,834,313
DEFERRED INFLOWS OF RESOURCES			
Pension-related	2,804,489	43,045	2,847,534
OPEB-related	375,632	4,189	379,821
Lease-related	3,344,273	-	3,344,273
Total deferred inflows of resources	6,524,394	47,234	6,571,628
NET POSITION			
Net investment in capital assets	314,998,711	342,209	315,340,920
Restricted:			
General government	23,418,902	-	23,418,902
Unrestricted	14,471,243	1,576,732	16,047,975
Total net position	\$ 352,888,856	\$ 1,918,941	\$ 354,807,797

CITY OF CITRUS HEIGHTS
Statement of Activities
For the Year Ended June 30, 2023

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 9,404,296	\$ 1,951,865	\$ 3,429,839	\$ -
Public safety	25,813,011	2,320,214	1,003,593	-
Economic development	1,123,525	216,596	73,260	-
Culture and recreation	839,028	31,948	200	-
Public ways and facilities	20,077,331	4,990,571	5,528,074	4,861,345
Community enhancements	3,937,025	2,332,285	1,292,476	98,339
Interest on long-term debt	16,108	-	-	-
Total governmental activities	61,210,324	11,843,479	11,327,442	4,959,684
Business-type activities:				
Solid Waste	897,894	1,266,201	-	-
Total business-type activities	897,894	1,266,201	-	-
Total primary government	\$ 62,108,218	\$ 13,109,680	\$ 11,327,442	\$ 4,959,684

General revenues:

- Property taxes
- Sales taxes
- Transient occupancy taxes
- Franchise taxes
- Utility users tax
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other

Total general revenues

Change in net position

Net position-beginning

Net position-ending

**Net (Expenses) Revenues and
Changes in Net Position**

Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (4,022,592)	\$ -	\$ (4,022,592)
(22,489,204)	-	(22,489,204)
(833,669)	-	(833,669)
(806,880)	-	(806,880)
(4,697,341)	-	(4,697,341)
(213,925)	-	(213,925)
(16,108)	-	(16,108)
(33,079,719)	-	(33,079,719)
-	368,307	368,307
-	368,307	368,307
(33,079,719)	368,307	(32,711,412)
7,538,744	-	7,538,744
14,544,553	-	14,544,553
88,356	-	88,356
1,393,361	-	1,393,361
2,974,871	-	2,974,871
41,220	-	41,220
10,510,268	-	10,510,268
1,773,829	27,185	1,801,014
28,941	41,705	70,646
38,894,143	68,890	38,963,033
5,814,424	437,197	6,251,621
347,074,432	1,481,744	348,556,176
\$ 352,888,856	\$ 1,918,941	\$ 354,807,797

CITY OF CITRUS HEIGHTS
Balance Sheet
Governmental Funds
June 30, 2023

		<u>Capital Projects Fund</u>		
	<u>General</u>	<u>Streets</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Pooled Cash and investments	\$ 31,045,534	\$ 298,496	\$ 21,528,275	\$ 52,872,305
Receivables (net of allowance for uncollectible):				
Accounts	845,257	3,232	438,204	1,286,693
Interest	241,554	-	95,738	337,292
Due from other governments	3,858,533	935,390	1,820,056	6,613,979
Notes and loans	3,373	-	5,278,900	5,282,273
Allowance on uncollectible notes and loans	-	-	(3,875,934)	(3,875,934)
Leases	3,905,666	-	-	3,905,666
Due from other funds	259,753	-	175	259,928
Deposits	4,000	-	-	4,000
Prepaid costs	862,042	-	6,231	868,273
Land held for resale	-	-	6,224,697	6,224,697
Total assets	<u>\$ 41,025,712</u>	<u>\$ 1,237,118</u>	<u>\$ 31,516,342</u>	<u>\$ 73,779,172</u>
LIABILITIES				
Accounts payable	\$ 900,717	\$ 1,760,735	\$ 1,019,886	\$ 3,681,338
Pass-through payables	-	310,556	-	310,556
Due to other governments	400,281	336,395	56,392	793,068
Accrued liabilities	840,594	-	59,613	900,207
Deposits payable	168,984	-	-	168,984
Due to other funds	-	-	259,928	259,928
Unearned revenues	11,276,536	-	549,244	11,825,780
Total liabilities	<u>13,587,112</u>	<u>2,407,686</u>	<u>1,945,063</u>	<u>17,939,861</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	236,431	3,232	582,645	822,308
Leases	3,344,273	-	-	3,344,273
Total deferred inflows of resources	<u>3,580,704</u>	<u>3,232</u>	<u>582,645</u>	<u>4,166,581</u>
FUND BALANCES (DEFICITS)				
Nonspendable	1,430,808	-	6,231	1,437,039
Restricted	-	-	23,418,902	23,418,902
Committed	4,486,978	-	-	4,486,978
Assigned	-	-	5,642,970	5,642,970
Unassigned	17,940,110	(1,173,800)	(79,469)	16,686,841
Total fund balances (deficits)	<u>23,857,896</u>	<u>(1,173,800)</u>	<u>28,988,634</u>	<u>51,672,730</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 41,025,712</u>	<u>\$ 1,237,118</u>	<u>\$ 31,516,342</u>	<u>\$ 73,779,172</u>

CITY OF CITRUS HEIGHTS
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2023

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

Total fund balances - governmental funds		\$ 51,672,730
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		315,981,825
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 15,102,107	
Deferred outflows-OPEB related	976,331	
Deferred inflows-pension related	(2,804,489)	
Deferred inflows-OPEB related	<u>(375,632)</u>	
Total deferred outflows and inflows related to postemployment benefits		12,898,317
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Miscellaneous revenues	<u>822,308</u>	
Total other long-term assets		822,308
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Notes payable	(522,606)	
Subscriptions payable	(149,952)	
Claims Payable	(2,034,281)	
Compensated absences	(1,769,163)	
Accrued interest payable on long-term debt	(6,597)	
Net pension liability	(23,211,104)	
Net OPEB liability	<u>(792,621)</u>	
Total long-term liabilities		<u>(28,486,324)</u>
Net position of governmental activities		<u><u>\$ 352,888,856</u></u>

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

	<u>Capital Projects Fund</u>		Total Nonmajor Funds	Total Governmental Funds
	General	Streets		
REVENUES				
Taxes	\$ 26,570,605	\$ -	\$ 10,500	\$ 26,581,105
Licenses and permits	2,287,144	-	162,143	2,449,287
Intergovernmental	14,438,774	2,618,648	9,265,572	26,322,994
Charges for services	1,983,864	-	5,721,047	7,704,911
Use of money and property	1,421,745	-	352,084	1,773,829
Fines and forfeitures	728,812	-	737,900	1,466,712
Contributions	28,380	-	5,622	34,002
Miscellaneous	235,799	-	173,649	409,448
Total revenues	47,695,123	2,618,648	16,428,517	66,742,288
EXPENDITURES				
Current:				
General government	8,918,180	-	14,500	8,932,680
Public safety	19,903,444	-	1,134,442	21,037,886
Economic development	623,920	-	199,980	823,900
Culture and recreation	766,086	-	11,624	777,710
Public ways and facilities	98,760	8,561	8,114,484	8,221,805
Community enhancements	3,166,024	-	752,966	3,918,990
Capital outlay	1,004,240	7,987,117	1,563,375	10,554,732
Debt service:				
Principal	96,311	-	15,947	112,258
Interest and fiscal charges	14,571	-	7,209	21,780
Total expenditures	34,591,536	7,995,678	11,814,527	54,401,741
Excess (deficiency) of revenues over (under) expenditures	13,103,587	(5,377,030)	4,613,990	12,340,547
OTHER FINANCING SOURCES (USES)				
Transfers in	-	851,572	1,635,844	2,487,416
Transfers out	(1,197,000)	-	(1,290,416)	(2,487,416)
Subscriptions financing	18,918	-	-	18,918
Proceeds from sale of capital asset	-	-	69,978	69,978
Total other financing sources (uses)	(1,178,082)	851,572	415,406	88,896
Net change in fund balances	11,925,505	(4,525,458)	5,029,396	12,429,443
Fund balances (deficit)-beginning	11,932,391	3,351,658	23,959,238	39,243,287
Fund balances (deficit)-ending	\$ 23,857,896	\$ (1,173,800)	\$ 28,988,634	\$ 51,672,730

CITY OF CITRUS HEIGHTS
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds:		\$ 12,429,443
<p>Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.</p>		
Capital outlay	\$ 10,987,038	
Depreciation/amortization expense	<u>(12,685,186)</u>	
Total adjustment		(1,698,148)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Earned but unavailable other revenues	<u>282,815</u>	
Total adjustment		282,815
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.</p>		
Gain/(loss) on disposal of capital assets	<u>(41,037)</u>	
Total adjustment		(41,037)
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Principal payments	<u>131,170</u>	
Total adjustment		131,170
<p>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.</p>		
Accrued interest on long-term debt	5,672	
Compensated absences	(33,723)	
Claims payable	210,543	
Changes in pension liabilities and related deferred outflows and inflows of resources	(5,624,734)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>152,423</u>	
Total adjustment		<u>(5,289,819)</u>
Change in net position of governmental activities		<u>\$ 5,814,424</u>

CITY OF CITRUS HEIGHTS
Statement of Net Position
Proprietary Funds
June 30, 2023

	<u>Solid Waste</u>
ASSETS	
Current assets:	
Cash and investments	\$ 1,728,823
Receivables (net of uncollectibles):	
Accounts	237,299
Accrued interest	11,067
Prepaid items	1,195
Total current assets	<u>1,978,384</u>
Noncurrent:	
Capital assets, net	342,209
Total noncurrent assets	<u>342,209</u>
Total assets	<u>2,320,593</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension-related	302,749
OPEB-related	10,889
Total deferred outflows of resources	<u>313,638</u>
LIABILITIES	
Current liabilities:	
Accounts payable	19,463
Accrued liabilities	10,100
Unearned revenues	61,711
Due to other governments	24,387
Total current liabilities	<u>115,661</u>
Noncurrent liabilities:	
Net pension liability	543,555
Net OPEB liability	8,840
Total noncurrent liabilities	<u>552,395</u>
Total liabilities	<u>668,056</u>
DEFERRED INFLOWS OF RESOURCES	
Pension-related	43,045
OPEB-related	4,189
Total deferred inflows of resources	<u>47,234</u>
NET POSITION	
Invested in capital assets	342,209
Unrestricted	1,576,732
Total net position	<u>\$ 1,918,941</u>

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

	<u>Solid Waste</u>
OPERATING REVENUES	
Charges for services	\$ 1,266,201
Miscellaneous	41,705
Total operating revenues	<u>1,307,906</u>
OPERATING EXPENSES	
Administration and general	425,636
Source of supply	81,112
Pumping	146,816
Transmission/collection	236,457
Depreciation/amortization	7,873
Total operating expenses	<u>897,894</u>
Operating income (loss)	<u>410,012</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	27,185
Total nonoperating revenues (expenses)	<u>27,185</u>
Change in net position	437,197
Net position-beginning	<u>1,481,744</u>
Net position-ending	<u>\$ 1,918,941</u>

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

	<u>Solid Waste</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,321,201
Payments to suppliers and service providers	(513,316)
Payments to employees for salaries and benefits	<u>(302,970)</u>
Net cash provided by (used for) operating activities	<u>504,915</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>18,433</u>
Net cash provided by (used for) investing activities	<u>18,433</u>
Net increase (decrease) in cash and cash equivalents	523,348
Cash and cash equivalents-beginning	<u>1,205,475</u>
Cash and cash equivalents-ending	<u>\$ 1,728,823</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	<u>\$ 410,012</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation/amortization expense	7,873
(Increase) decrease in accounts receivable	13,295
(Increase) decrease in prepaid items	(312)
Increase (decrease) in accounts payable	(48,619)
Increase (decrease) in accrued liabilities	795
Increase (decrease) in net pension liability	417,997
Increase (decrease) in net OPEB liability	9,709
Increase (decrease) in pension and related items	(295,475)
Increase (decrease) in OPEB and related items	<u>(10,360)</u>
Total adjustments	<u>94,903</u>
Net cash provided by (used for) operating activities	<u>\$ 504,915</u>

CITY OF CITRUS HEIGHTS
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 187,337
Total assets	187,337
LIABILITIES	
Accounts payable	14,290
Total liabilities	14,290
NET POSITION	
Restricted for:	
Other governments	173,047
Total net position	\$ 173,047

CITY OF CITRUS HEIGHTS
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
ADDITIONS	
Intergovernmental	\$ 39,541
Total additions	<u>39,541</u>
DEDUCTIONS	
Contractual services	193,541
Total deductions	<u>193,541</u>
Net increase (decrease) in fiduciary net position	(154,000)
Net position-beginning	<u>327,047</u>
Net position-ending	<u>\$ 173,047</u>

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CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements to its activities. The more significant of these accounting policies are described below.

Financial Reporting Entity

The City of Citrus Heights (City) was incorporated on January 1, 1997, under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services: public safety (police), highways and streets, solid waste, stormwater utility, public improvements, planning and zoning, building, animal services, transit, and general administration.

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include sales taxes, utility user tax, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance. All secured and unsecured ad valorem property taxes, with the exception of tax assessments associated with lighting and landscaping special assessments, are paid to Sacramento County (County) as part of the revenue neutrality payment obligation through June 30, 2023. The financial statements do not reflect the amounts received on behalf of the City and retained by the County.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by GAAP, these financial statements would present the government and its component units, entities for which the government is considered to be financially accountable. The City does not have any component units.

Basis of Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities display information about the nonfiduciary activities of the government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues, while business-type activities rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources classified as program revenues are reported as general revenues.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Qualitative factors are also considered in determining major programs as applicable.

The City reports the following major funds:

- **General Fund** – The General Fund is the primary operating fund of the City. It accounts for all activities except those legally or administratively required to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.
- **Streets Capital Projects Fund** – Accounts for all capital project expenditures for various street projects.
- **Solid Waste Enterprise Fund** – Accounts for all administrative costs required for all solid waste activities.

Additionally, the City reports the following fund types:

Governmental Funds

Special Revenue Funds - The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

Capital Project Funds - The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Fiduciary Funds

Custodial Funds - Custodial Funds account for assets held by the City in a fiduciary capacity. The Custodial Funds account for monies held for other governments and/or entities to which the City provides accounting and investing services, which none are held in trust. There are two custodial funds reported by the City, including a fund that collects fire development fees on behalf of the Sacramento Metropolitan Fire District and a fund that collects transportation fees on behalf of the State.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds. The accounting objectives of economic resources measurement focus are the determination of net income, financial position, and cash flows. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

timing of related cash flows. Property taxes are recorded in the year for which they are levied. Sales taxes are recognized when the underlying sales transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. All assets and liabilities (whether current or noncurrent) as well as deferred outflows and inflows of resources, associated with their activities are reported. Fund equity is classified as net position, which serves as an indicator of financial position.

In the governmental fund financial statements, the “current financial resources” measurement focus is used and the modified accrual basis of accounting. Only current financial assets and liabilities along with deferred outflows and inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statements, proprietary funds and private purpose trust funds are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund, including charges for services. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount, and available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end, with the exception of grant revenues, sales tax and Transportation Development Act (TDA) revenues. Grant revenues are considered to be available if collected within 180 days and sales tax and TDA revenues are considered to be available if collected within 90 days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash and Investments

The City’s cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including the City’s investments in LAIF, and U.S. Agency Obligations.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Market value is used as fair value for those securities for which market quotations are readily available.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, utility user taxes, intergovernmental subventions, interest earnings, expense reimbursements, and leases.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, utility user tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The City's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide Statement of Net Position. See Note 9 for details of interfund transactions, including receivables and payables at year-end.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are reported as nonspendable fund balance to indicate they do not constitute current resources available for appropriation. The consumption method is used to recognize prepaid items.

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual cost is unavailable. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The City policy has set the capitalization threshold at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems. Prior to July 1, 2003, governmental activity infrastructure assets were not capitalized; however, since then these assets have been valued at estimated historical cost.

The accounting treatment of capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Purchases of capital assets are reported as capital outlay expenditures in governmental funds and proceeds from sales of capital assets are reported as other financing sources. In the government-wide and proprietary fund statements, the cost of assets sold or retired, net of accumulated depreciation/amortization, is removed from the statement of net position in the year of sale or retirement and the resulting gain or loss on disposal is reported.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation/amortization reflected in the Statement of Net Position. Depreciation/amortization is provided over the assets' estimated useful lives using the straight-line method of depreciation/amortization.

The range of estimated useful lives by type of asset is as follows:

Building and improvements	5-50 years
Leasehold improvements	5 years
Machinery and equipment	5 years
Network equipment/ phone system	10 years
Computer equipment	5 years
Vehicles	5-15 years
Subscription assets	Lesser of life of asset or length of agreement

Deferred Outflows and Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expenditure/expense) or an inflow of resources (revenue) until the earnings process is complete. The governmental funds report unavailable revenues for grants and other revenues when the amounts meet the asset recognition criteria under GASB Statement No. 33 and were accrued as receivables, but the amounts were not received in the availability period. Deferred outflows and inflows of resources include amounts deferred related to the City's lease under GASB 87 as described in Note 5, the City's pension plan under GASB 68 as described in Note 11, and the City's OPEB plan under GASB 75 as described in Note 12.

Compensated Absences

Employees accrue annual leave, long-term medical, holiday and compensatory time off benefits. City employees have vested interests in the amount of accrued time off, with the exception of long-term medical leave, and are paid at termination. Also, annually an employee may elect to be compensated for up to 40 hours of unused annual leave. However, this is contingent upon the employee using at least 40 hours of annual leave during the previous year and, the employee having a minimum balance of 80 annual leave hours after the payment. Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured (for example, as a result of employee resignations or retirements) and are currently payable. The City had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The General Fund is typically used to liquidate compensated absences.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classification

Government-Wide Statements

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

- a. Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization 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.
- b. Restricted net position – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance and displayed in the following components:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items and inventory) and assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (e.g., Gas Tax).

Committed Fund Balance –

- Self-imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove. Council Resolution is required to be approved to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance –

- Resources constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- Governmental fund amounts in excess of nonspendable, restricted and committed in other than the General Fund are automatically reported as assigned.
- Assigned amounts for specific purposes are determined and authorized by the City Manager. Use of assigned funds exceeding the City Manager’s \$50,000 spending authority are approved as part of the budget or by Council Resolution.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance –

- Residual net resources.
- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted and committed fund balance over total fund balance (deficit).

See Note 8 for more information about the City's net position and fund balances.

Revenues, Expenditures, and Expenses

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Tax

The County of Sacramento (County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent if unpaid on August 31.

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to Sacramento County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue retained by Sacramento County under the revenue neutrality agreement. Under the Teeter Plan Code, 5% of the delinquency must remain with the County as a reserve for Teeter Plan funding.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers within individual governmental funds have been eliminated. See Note 9 for more information about the City's interfund transfers.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' 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. The General Fund, Solid Waste Fund and any non-major special revenue funds that have contributions expense are used to liquidate the net pension liability.

Other Post-Employment Benefits Plan (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 plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund, Solid Waste Fund and any non-major special revenue funds that have contributions expense are used to liquidate the net OPEB liability.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Joint Power Authorities or Jointly Governed Organizations

The City of Citrus Heights is a member of several Joint Powers Agencies (JPA) and/or jointly managed agencies, including:

<u>Agency Name</u>	<u>Purpose</u>
Sacramento Metropolitan Air Quality Management District	Monitors and enforces air quality requirements
Sacramento Regional County Sanitation District	Waste water conveyance, treatment and disposal
Sacramento Area Sewer District	Sewer service
Sacramento Transportation Authority	Administration of transportation projects
Sacramento Area Council of Governments	Regional planning (primarily transportation)

Funding, if any, for each of these agencies from the City is based on annual appropriations. The City has no continuing financial liability and does not expect any financial burden from its participation in any of these agencies. Separate financial statements of the JPA's can be obtained by contacting the individual agencies.

New GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements were effective for and/or early implemented for the fiscal year ended June 30, 2023:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. GASB Statement No. 91, Conduit Debt Obligations

The requirements of this Statement will improve financial reporting by eliminating the existing option for issuers to report conduit debt obligations as their own liabilities, thereby ending significant diversity in practice. The clarified definition will resolve stakeholders' uncertainty as to whether a given financing is, in fact, a conduit debt obligation. Requiring issuers to recognize liabilities associated with additional commitments extended by issuers and to recognize assets and deferred inflows of resources related to certain arrangements associated with conduit debt obligations also will eliminate diversity, thereby improving comparability in reporting by issuers. Revised disclosure requirements will provide financial statement users with better information regarding the commitments issuers extend and the likelihood that they will fulfill those commitments. That information will inform users of the potential impact of such commitments on the financial resources of issuers and help users assess issuers' roles in conduit debt obligations.

2. GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements

The requirements of 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. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.

3. GASB Statement No. 96, Subscription-Based Information Technology Arrangements

The requirements of 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. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.

4. GASB Statement No. 100, Accounting Changes and Error Corrections

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 2: CASH AND INVESTMENTS

At June 30, 2023, the City’s pooled cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 54,601,128
Statement of Fiduciary Net Position	
Cash and cash equivalents	<u>187,337</u>
Total cash and investments	<u>\$ 54,788,465</u>

Cash and investments are categorized as follows under GASB Statement No. 40:

Cash on hand	\$ 4,600
Deposits with financial institutions	1,568,773
Investments	<u>53,215,092</u>
Total cash and investments	<u>\$ 54,788,465</u>

Investments Authorized by the California Government Code and the City’s Investment Policy

Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

During the year ended June 30, 2023, the City’s permissible investments included the following instruments:

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity *	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer *
U.S. Treasury obligations	Yes	5 years	None	None
U.S. agency securities	Yes	5 years	None	None
Bankers acceptances	Yes	180 days	40%	5%
Commercial paper	Yes	270 days	25%	5%
Certificates of deposit (nonnegotiable)	Yes	5 years	None	None
Certificates of deposit (negotiable)	Yes	5 years	30%	None
Repurchase agreements	Yes	1 year	None	5%
Medium-term notes	Yes	5 years	30%	5%
Municipal investments	Yes	5 years	10%	5%
Money market mutual funds	Yes	N/A	20%	10%
Mortgage pass-through securities	Yes	5 years	20%	None
Local Agency Investment Fund	Yes	N/A	None	\$50 million

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

The City complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years. As of June 30, 2023, the weighted average maturity of investments was 12 months or less.

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

Type of Investment	Maturities as of Year-end			
	Total	12 months or Less	13-24 Months	25-60 Months
Local Agency Investment Fund	\$ 43,289,568	\$ 43,289,568	\$ -	\$ -
US Treasury Notes	5,562,616	1,960,528	1,909,858	1,692,230
US Gov Sponsored Agency Securities				
FFCB	821,071	-	-	821,071
FHLB	647,208	-	447,894	199,314
FHLMC	547,278	-	-	547,278
Commercial Paper	523,122	240,900	-	282,222
Medium-term Notes	1,742,427	-	291,857	1,450,570
Money Market Mutual Funds	81,802	81,802	-	-
Total	<u>\$ 53,215,092</u>	<u>\$ 45,572,798</u>	<u>\$ 2,649,609</u>	<u>\$ 4,992,685</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, and the actual rating as of year-end for each investment type.

Type of Investment	Ratings as of Year-end				
	Total	AAA	AA	A	Exempt
Local Agency Investment Fund	\$ 43,289,568	\$ -	\$ -	\$ -	\$ -
US Treasury Notes	5,562,616	-	-	-	5,562,616
US Gov Sponsored Agency Securities					
FFCB	821,071	-	-	-	821,071
FHLB	647,208	-	-	-	647,208
FHLMC	547,278	-	-	-	547,278
Commercial Paper	523,122	282,222	-	240,900	-
Medium-term Notes	1,742,427	120,379	93,961	1,528,087	-
Money Market Mutual Funds	81,802	81,802	-	-	-
Total	<u>\$ 53,215,092</u>	<u>\$ 484,403</u>	<u>\$ 93,961</u>	<u>\$ 1,768,987</u>	<u>\$ 7,578,173</u>

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2023 the City did not hold investments in any one issuer, other than U.S. Treasury securities, mutual funds, and external investment pools that represent more than 5% of the City's investment portfolio.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2023, the carrying amount of the City's deposits was \$1,568,773 and the balance in financial institutions was \$1,793,736. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$1,543,736 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and governmental agencies, but not in the name of the City.

Investment in LAIF

LAIF is stated at fair value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by the City in LAIF is \$43,289,568 and is managed by the State Treasurer. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Uncategorized – Investments in the Local Agency Investment Funds/State Investment Pools (LAIF) are not measured using the input levels above because the City's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance of LAIF is available for withdrawal on demand.

As of June 30, 2023, 100% of the City's investments were invested in LAIF with a reported balance of \$43,289,568.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 3: LOANS AND NOTES RECEIVABLE

Through the City’s various housing rehabilitation funds and first-time home buyer’s funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Accrued interest receivable on the loans totaled \$337,292 at year-end. The City also has loans receivable from employees for computer purchases in the General Fund.

Governmental activities loans and notes receivable consisted of the following for the year ended June 30, 2023:

	<u>Outstanding at June 30, 2023</u>
General Fund	\$ 3,373
Home Program Grants Fund	2,561,522
CDBG Special Revenue Fund	1,338,525
Housing Agency Fund	<u>1,378,853</u>
Total	<u>\$ 5,282,273</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2023:

General Fund – These loans are for employees to purchase computers for personal use as a benefit provided by the City, loans are provided on a two-year amortization schedule and do not bear interest. The balance of these loans at June 30, 2023, was \$3,373.

HOME Program Grants Special Revenue Fund – The City made various loans to qualifying participants within the City that are reported in this fund under the following programs:

Federal First Time Home Buyers Program (HOME) - Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes. The loan principal may be assumed by another qualifying borrower or must be returned to the City if a nonqualifying buyer purchases the related property. Interest rates ranged from 0% to 3% at year-end and the loans mature through 2044. The HOME notes receivable balance at June 30, 2023 was \$2,561,522 and an allowance was set up for the full amount.

Community Development Block Grant (CDBG) Special Revenue Fund – The City participates in a CDBG Revolving loan program. The program is federally funded and provides housing rehabilitation loans to eligible applicants. The City makes loans to resident homeowners who qualify as low income, some of which are deferred and are not repaid until the title to the property changes. Interest rates range from 0% to 3% at year-end and mature through 2048. The balance of these loans outstanding at June 30, 2023 was \$1,338,525 of which, an allowance on uncollectible loans was set up for \$1,135,559.

Housing Agency Fund – The City took over maintenance of loans receivable during the year ended June 30, 2016, for Low and Moderate-income Housing that were previously reported in the Successor Agency Housing Fund. The City provides home rehabilitation loans to eligible low and moderate-income borrowers. Interest on certain loans may be waived by the City if the loan remains outstanding for the full term; therefore, interest income is recorded when received. Interest rates ranged from 0% to 3% and loans mature through 2044. The balance of these loans outstanding at June 30, 2023 was \$1,378,853, of which, an allowance on uncollectible loans was set up for \$178,853.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 4: CAPITAL ASSETS

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

	Balance July 1, 2022	Adjustments	Additions	Deletions	Transfers	Balance June 30, 2023
Governmental activities:						
Capital assets, not being depreciated/amortized						
Land	\$ 15,450,246	\$ -	\$ 168,496	\$ -	\$ -	\$ 15,618,742
Art	103,650	-	10,301	-	-	113,951
Subscriptions-in-progress	-	-	390,574	-	-	390,574
Construction-in-progress	10,574,939	-	8,393,609	(2,405)	(3,612,079)	15,354,064
Total capital assets, not being depreciated/amortized	26,128,835	-	8,962,980	(2,405)	(3,612,079)	31,477,331
Capital assets, being depreciated/amortized						
Buildings	41,327,236	-	31,237	-	-	41,358,473
Machinery, equipment, and vehicles	9,522,724	-	1,146,238	(2,797,234)	212,032	8,083,760
Infrastructure	583,498,594	-	827,665	-	3,400,047	587,726,306
Subscription assets	-	224,372	18,918	-	-	243,290
Total capital assets, being depreciated/amortized	634,348,554	224,372	2,024,058	(2,797,234)	3,612,079	637,411,829
Less accumulated depreciation/amortization						
Buildings	(24,005,831)	-	(430,716)	-	-	(24,436,547)
Machinery, equipment, and vehicles	(8,170,404)	-	(478,814)	2,758,602	-	(5,890,616)
Infrastructure	(310,808,516)	-	(11,723,442)	-	-	(322,531,958)
Subscription assets	-	-	(48,214)	-	-	(48,214)
Total accumulated depreciation/amortization	(342,984,751)	-	(12,681,186)	2,758,602	-	(352,907,335)
Total capital assets, being depreciated/amortized, net	291,363,803	224,372	(10,657,128)	(38,632)	3,612,079	284,504,494
Total governmental activities capital assets	\$ 317,492,638	\$ 224,372	\$ (1,694,148)	\$ (41,037)	\$ -	\$ 315,981,825
Business-type activities:						
Capital assets, being depreciated						
Infrastructure	\$ 393,675	\$ -	\$ -	\$ -	\$ -	\$ 393,675
Total capital assets, being depreciated	393,675	-	-	-	-	393,675
Less accumulated depreciation						
Infrastructure	(43,593)	-	(7,873)	-	-	(51,466)
Total accumulated depreciation	(43,593)	-	(7,873)	-	-	(51,466)
Total capital assets, being depreciated, net	350,082	-	(7,873)	-	-	342,209
Total business-type activities capital assets	\$ 350,082	\$ -	\$ (7,873)	\$ -	\$ -	\$ 342,209

Depreciation/amortization expense for capital assets was charged to functions as follows:

General government	\$ 515,578
Public safety	435,042
Public ways and facilities	11,708,426
Culture and recreation	22,140
Total Governmental depreciation/amortization expense	\$ 12,681,186
Solid Waste	\$ 7,873
Total Business-Type depreciation expense	\$ 7,873

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 5: LEASE RECEIVABLE

The City is reporting a lease receivable of \$3,905,666 at June 30, 2023. For 2023, the City reported lease revenue of \$78,846 and interest revenue of \$177,763 related to lease payments received.

The principal and interest payments that are expected to maturity are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 126,494	\$ 173,242	\$ 299,736
2025	177,478	166,509	343,987
2026	231,933	157,411	389,344
2027	290,047	145,787	435,834
2028	352,018	131,469	483,487
2029-2033	2,727,696	336,406	3,064,102
Total	<u>\$ 3,905,666</u>	<u>\$ 1,110,824</u>	<u>\$ 5,016,490</u>

Dignity Health Lease - On February 14, 2017, the City entered into a fifteen-and-1/2-year lease agreement with the Dignity Health Medical Foundation for the lease of land to place a medical building for the operation of hospital outpatient services and other medical and ancillary uses for the residents of the City and surrounding areas. Based on this agreement, the City is receiving monthly payments through 2033 and will collect \$126,494 in principal and \$173,242 in interest during fiscal year 2023. There are no renewal options included in this lease agreement.

NOTE 6: LONG-TERM LIABILITIES

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

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Amount Due Within One Year
Governmental activities:					
Equipment loan	\$ 208,051	\$ -	\$ 66,099	\$ 141,952	\$ 69,299
Streetlight retrofit	396,601	-	15,947	380,654	19,387
Subscriptions payable	-	180,164	30,212	149,952	36,027
Claims payable	2,244,824	513,893	724,436	2,034,281	807,460
Compensated absences	1,735,440	1,747,460	1,713,737	1,769,163	1,415,130
Total	<u>\$ 4,584,916</u>	<u>\$ 2,441,517</u>	<u>\$ 2,550,431</u>	<u>\$ 4,476,002</u>	<u>\$ 2,347,303</u>

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

On July 20, 2020, the City executed the equipment loan in the amount of \$347,268. The funds were used to purchase audio video equipment for use in the City’s Community Center. The loan bears interest of 4.84%. Payments of principal and interest are due annually in July. The final annual payment is due July 20, 2024. The outstanding balance at June 30, 2023, is \$141,952.

The annual debt services requirements at June 30, 2023, on the equipment loan are as follows:

Year Ending June 30,	Audio Video Equipment Loan		
	Principal	Interest	Total
2024	\$ 69,299	\$ 6,870	\$ 76,169
2025	72,653	3,516	76,169
Totals	<u>\$ 141,952</u>	<u>\$ 10,386</u>	<u>\$ 152,338</u>

On December 30, 2021, the City executed the Energy Conservation Assistance Act Loan Agreement in the amount of \$396,601 to replace existing street lights with energy efficient materials and implement energy efficiency measures, including replacing the palm uprights on Sunrise Blvd in the Sunrise MarketPlace. The loan bears interest of 1%. Payments of principal and interest are due June 22 and December 22 of each year beginning December 22, 2022. The final annual payment is due December 22, 2041. The outstanding balance at June 30, 2023, is \$380,654.

The annual debt services requirements at June 30, 2023, on the Streetlight Retrofit Loan are as follows:

Year Ending June 30,	Streetlight Retrofit Loan		
	Principal	Interest	Total
2024	\$ 19,387	\$ 3,768	\$ 23,155
2025	19,592	3,564	23,156
2026	19,788	3,368	23,156
2027	19,986	3,169	23,155
2028	20,593	2,563	23,156
2029-2033	104,020	11,759	115,779
2034-2038	109,267	6,544	115,811
2039-2041	68,021	1,543	69,564
Totals	<u>\$ 380,654</u>	<u>\$ 36,278</u>	<u>\$ 416,932</u>

A. Subscription-Based Information Technology Arrangements

The City has entered into various subscription-based information technology agreements for the use of software as a service. An initial subscription liability was recorded in the amount of \$161,246 during the current fiscal year, through implementation of GASB 96. The terms of these subscriptions range from 2 to 5 years. As of June 30, 2023, the total value of the subscription liability was \$149,952. The City is required to make annual payments ranging from \$3,500 to \$14,543. The subscriptions were valued using the City’s incremental borrowing rate. Information on the subscription assets as of June 30, 2023 are as follows:

Asset Class	Value of Subscription Asset	Accumulated Amortization
Software	\$ 243,290	\$ 48,214
Subscriptions-in-progress	390,574	-
Total	<u>\$ 633,864</u>	<u>\$ 48,214</u>

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

The future principal and interest subscription payments as of June 30, 2023, were as follow:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal Payments	Interest Payments
2024	\$ 36,027	\$ 3,914
2025	43,042	3,229
2026	38,958	1,895
2027	15,507	861
2028	16,419	440
Total	<u>\$ 149,952</u>	<u>\$ 10,339</u>

NOTE 7: COMPENSATED ABSENCES

Compensated absences are liquidated by the fund that has recorded the liability. The governmental activities compensated absences will be liquidated primarily by the General Fund. The following is a summary of changes in the City's compensated absences for the fiscal year ended June 30, 2023:

	June 30, 2022	Additions	Reductions	June 30, 2023	Current Portion
Governmental Activities	<u>\$ 1,735,440</u>	<u>\$ 1,747,460</u>	<u>\$ 1,713,737</u>	<u>\$ 1,769,163</u>	<u>\$ 1,415,130</u>
Total	<u>\$ 1,735,440</u>	<u>\$ 1,747,460</u>	<u>\$ 1,713,737</u>	<u>\$ 1,769,163</u>	<u>\$ 1,415,130</u>

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 8: FUND BALANCES

Nonspendable, restricted, committed and assigned fund balance consisted of the following at June 30, 2023:

	Major Funds		Total Nonmajor Funds	Total Governmental Funds
	General	Streets		
Nonspendable				
Notes and loans receivable	\$ 3,373	\$ -	\$ -	\$ 3,373
Leases receivable	561,393	-	-	561,393
Prepaid costs	862,042	-	6,231	868,273
Deposits	4,000	-	-	4,000
Total nonspendable	1,430,808	-	6,231	1,437,039
Restricted				
Deposits for projects	-	-	22,417	22,417
Stormwater maintenance	-	-	4,085,587	4,085,587
Streets, roads and park projects	-	-	8,878,191	8,878,191
Assessment district maintenance	-	-	1,402,239	1,402,239
Police activities	-	-	2,643,508	2,643,508
Housing projects	-	-	5,664,875	5,664,875
Transit program	-	-	534,185	534,185
Tree mitigation	-	-	187,900	187,900
Total restricted fund balances	-	-	23,418,902	23,418,902
Committed				
Insurance	300,000	-	-	300,000
Petty cash	2,600	-	-	2,600
Revenue stabilization	4,184,378	-	-	4,184,378
Total committed fund balances	4,486,978	-	-	4,486,978
Assigned				
Capital improvement and equipment replacement	-	-	5,642,970	5,642,970
Total assigned fund balances	-	-	5,642,970	5,642,970
Unassigned	17,940,110	(1,173,800)	(79,469)	16,686,841
Total fund balances (deficits)	\$ 23,857,896	\$ (1,173,800)	\$ 28,988,634	\$ 51,672,730

Nonspendable

- **Loans and notes receivable** – used to segregate that portion of fund balance to indicate that long-term loans or notes receivable do not represent available, spendable resources, even though they are components of assets. Only loans and notes not deferred are reported in this category.
- **Leases receivable** – used to segregate that portion of fund balance to indicate that long-term leases receivable do not represent available, spendable resources, even though they are components of assets. Only the portion of leases receivable not deferred is reported in this category.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 8: FUND BALANCES (CONTINUED)

- **Prepaid items** – used to indicate that prepaid amounts do not represent available, spendable resources, even though they are components of assets.
- **Deposits** – used to indicate that deposits receivable do not represent available, spendable resources, even though they are components of assets.

Restricted

- **HOME Program Grants** – represents amounts restricted for housing under the HOME program.
- **CDBG Grants** – represents amounts restricted for housing purposes by the Department of Housing and Urban Development.
- **Housing Agency** – represents assets of the former redevelopment agency that are restricted for low and moderate-income housing.
- **Code Enforcement** – represents amounts restricted for the rental housing inspection program.
- **Gas Tax** – represents amounts restricted for street maintenance and construction by the State excise Gas Tax.
- **Road Maintenance and Rehabilitation** – represents amounts restricted for use by the Road Repair Accountability Act SB1.
- **Stormwater Utility Tax** – represents parcel tax revenue restricted for stormwater drainage activities.
- **Road Maintenance** – represents amounts restricted for streets and road maintenance by the Department of Transportation.
- **Transit** – represents transit revenues restricted for transit activities.
- **Transportation Development Act** – represents amounts restricted for use by the Transportation Development Act for transportation, including pedestrian and bicycle.
- **Police** – represents police revenues restricted to fund programs to combat drug abuse and divert gang activity.
- **Police Grants** – represents police grants revenues restricted for police programs and activities.
- **Property Based Improvement District** – represents special assessments on Sunrise Market Place businesses for marketing expenditures and special assessments on homeowners for lighting and landscaping and other expenses.
- **Roadway Development Fees** – represents impact fees restricted for roadway development.
- **Housing Mitigation Development Fees** – represents impact fees restricted for housing mitigation development.
- **Tree Mitigation Fees** – represents impact fees restricted for tree mitigation.
- **Park Facilities Development Fees** – represents impact fees restricted for park facilities development.
- **Transit Development Fees** – represents impact fees restricted for transit development.
- **Assessment District Funds** – represents special assessments restricted to assessment district activities.
- **Police Donations** – represents donations received restricted to police K-9 and other programs.
- **Measure A Construction** – represents funds received from the Sacramento Transportation Authority restricted for construction, upgrade and improvement of the City's roadways.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 8: FUND BALANCES (CONTINUED)

Committed

General Fund Reserve – used to represent that portion of fund balance committed for unexpected events that may impact the City’s ability to provide essential day-to-day services. The attached table lists specific amounts committed by the City Council. The revenue stabilization commitment amount may only be used if there is a revenue shortfall of 10% of budgeted revenues. This amount can only be changed by Council Resolution.

Assigned

The fund balances of the General Capital Improvements Fund and Community Capital Replacement Fund are assigned to various equipment and public improvement projects.

The City’s policy is to use restricted, committed, assigned and unassigned resources, in that order, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Deficit fund balances consisted of the following:

Fund	Deficit
Streets	\$ 1,173,800
Police Grants	60,271
Other Grants	17,253
Total deficit fund balance	\$ 1,251,324

These deficits were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues and expenditure reductions.

NOTE 9: INTERFUND TRANSACTIONS

A. Due to and due from other funds

Due From Other Funds	Due to Other Funds	Amount
General Fund	Non-Major Governmental Funds	\$ 259,753
Non-Major Governmental Funds	Non-Major Governmental Funds	175
		\$ 259,928

This balance resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. All interfund receivables are expected to be paid back within the next fiscal year.

B. Interfund Transfers

Transfer Out	Transfer In	Amount
General fund	Non-Major Governmental Funds	\$ 1,197,000
Non-Major Governmental Funds	Non-Major Governmental Funds	438,843
Non-Major Governmental Funds	Streets Capital Project Fund	851,572
	Total	\$ 2,487,415

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them and (2) subsidize operating losses. The majority of transfers were from city revenue funds to cover the costs of the City’s capital projects. Transfers into the general fund were reimbursements of unused funds.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 10: RISK MANAGEMENT

The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC), for liability and workers' compensation risk coverage. The liability program includes coverage for general liability, property, bond and employment practices. PARSAC is a statewide joint powers authority providing risk sharing services to California public entities that provide a municipal service. The City pays an annual premium to PARSAC for its risk coverage and purchases commercial insurance for claims exceeding PARSAC limits.

The City's insurance coverage for liability and workers' compensation provided through membership in PARSAC are as follows:

Amount	Coverage Provider	Payment Source
General Liability Claims		
\$0 - \$ 100,000	Self-insured retention	City funds
100,001 - 1,000,000	Public Agency Risk Sharing Authority of California	Shared risk pool
1,000,001 - 50,000,000	CSAC - Excess Insurance Authority	Shared risk pool
50,000,001 - statutory limits	Excess insurance (purchased with CSAC-EIA)	
Workers' Compensation Claims		
\$0 - \$ 100,000	Self-Insured retention	City funds
100,001 - 500,000	Public Agency Risk Sharing Authority of California	Shared risk pool
500,001 - 5,000,000	Local Agency Workers' Compensation Excess Pool	Shared risk pool
5,000,001 - 50,000,000	Commercial reinsurance (purchased with CSAC-EIA)	
50,000,001 - statutory limits	Excess insurance (purchased with CSAC-EIA)	

PARSAC is governed by a Board of Directors and member agencies are entitled to representation on the board. Upon termination of the joint powers authority agreements, all property of PARSAC would be returned to the respective parties that transferred the property to PARSAC and any surplus of funds and assets would be returned to the parties in proportion to actual balances of each entity. Complete financial information for PARSAC is available at 1525 Response Road, Sacramento, California 95815.

The City accrues a claims liability for probable losses under the self-insured retention amounts in the table above for the general liability and workers' compensation programs. While the ultimate amount of losses incurred through June 30 is dependent on future developments, the estimated claims liability is based upon information from the actuarial valuation reports. The liability is based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors, and includes an estimate for incurred but not reported claims. There are no claims that exceed insurance coverage and no significant changes or reductions in insurance coverage over the last three fiscal years. Costs relating to the litigation of claims are charged to expenditures as incurred. Claims are generally liquidated by the General Fund. At June 30, 2023 and 2022, fund balance of \$300,000 has been committed for self-insured general liability claims.

Changes in the liability and workers' compensation claims payable amounts during the year ended June 30, 2023, were as follows:

	Beginning June 30, 2022	Claims and Changes in Estimates	Claims Paid	Ending June 30, 2023	Amount Due Within One Year
General Liability	\$ 913,648	\$ -	\$ (174,154)	\$ 739,494	\$ 314,542
Workers' Compensation	1,331,176	513,893	(550,282)	1,294,787	492,918
Total Claims Payable	\$ 2,244,824	\$ 513,893	\$ (724,436)	\$ 2,034,281	\$ 807,460

NOTE 11: PENSION PLANS

A. General Information about the Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Cost-Sharing Multiple Employer Defined Benefit Pension Plan (the Plan or PERFC) administered by the California Public Employees' Retirement System (CalPERS). PERFC consists of a miscellaneous risk pool and a safety risk pool, which are comprised of the following rate plans:

- Miscellaneous Plan
- Miscellaneous Second Tier Plan
- PEPRA Miscellaneous Plan
- Safety Plan
- Safety Second Tier Plan
- PEPRA Safety Police Plan

Although one Plan exists, CalPERS provides the information separately for the Miscellaneous and Safety Risk Pools and the information is presented separately below where available. Benefit provisions under the Plan are established by

State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

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 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLANS (CONTINUED)

The rate plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	<u>Miscellaneous Rate Plan</u>	<u>Miscellaneous Second Tier Rate Plan</u>	<u>PEPRA Miscellaneous Rate Plan</u>
Hire date	Prior to August 13, 2011	August 13, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	14.194%	10.484%	7.732%
Required UAL payment	\$592,582	\$12,299	\$6,821
	<u>Safety Rate Plan</u>	<u>Safety Second Tier Rate Plan</u>	<u>PEPRA Safety Rate Plan</u>
	Prior to August 13, 2011	August 13, 2011 to December 31, 2012	On or after January 1, 2013
Benefit formula (at full retirement)	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.00% to 2.70%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	23.674%	20.585%	13.044%
Required UAL payment	\$ 482,504	\$ 28,635	\$ 17,279

All rate plans except the PEPRA plans are closed to new members that are not already CalPERS participants. All miscellaneous rate plans are combined and reported below as the Miscellaneous Risk Pool and all safety rate plans are combined and reported below as the Safety Risk Pool.

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 the risk pools 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.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLANS (CONTINUED)

For the year ended June 30, 2023, the contributions recognized as a reduction of the net pension liability for each risk pool were as follows:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
Contributions - Employer	\$ 1,582,843	\$ 1,965,298	\$ 3,548,141

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources

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

	Proportionate Share of Net Pension Liability
Miscellaneous Risk Pool	\$ 12,046,873
Safety Risk Pool	11,707,786
Total Net Pension Liability	<u>\$ 23,754,659</u>

Financial Statement Classification:

Governmental Activities	\$ 23,211,104
Business-type Activities	543,555
Total Net Pension Liability	<u>\$ 23,754,659</u>

The City's net pension liability for each risk pool is measured as the proportionate share of the net pension liability. The net pension liability of each risk pool is measured as of June 30, 2022, and the total pension liability for each risk pool 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 risk pool relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each risk pool as of June 30, 2022 and 2023 for the measurement date as of the previous year-end were as follows:

Measurement Date	Miscellaneous Risk Pool	Safety Risk Pool	Total
Proportion - June 30, 2021	0.21059%	0.062790%	0.273380%
Proportion - June 30, 2022	0.25745%	0.170380%	0.427830%
Change - Increase (Decrease)	0.04686%	0.107590%	0.154450%

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLANS (CONTINUED)

For the year ended June 30, 2023, the City recognized pension expense of \$3,908,908 for both risk pools combined. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to each risk pool and combined from the following sources:

	Miscellaneous Risk Pool		Safety Risk Pool		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,761,543	\$ -	\$ 2,147,365	\$ -	\$ 3,908,908	\$ -
Differences between actual and expected experience	241,925	162,031	484,543	127,137	726,468	289,168
Changes in assumptions	1,234,454	-	1,180,499	-	2,414,953	-
Differences between the employer's contributions and the employer's proportionate share of contributions	2,206,667	791,984	1,848,823	1,766,382	4,055,490	2,558,366
Change in employer's proportion	1,265,271	-	3,033,766	-	4,299,037	-
Total	\$ 6,709,860	\$ 954,015	\$ 8,694,996	\$ 1,893,519	\$ 15,404,856	\$ 2,847,534

Financial Statement Classification:

Governmental Activities	\$ 15,102,107	\$ 2,804,489
Business-type Activities	302,749	43,045
Total	\$ 15,404,856	\$ 2,847,534

The \$3,908,908 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 next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the risk pools will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous Risk Pool	Safety Risk Pool	Total
2023	\$ 1,146,949	\$ 1,626,084	\$ 2,773,033
2024	968,240	1,261,397	2,229,637
2025	529,439	638,825	1,168,264
2026	1,349,673	1,127,807	2,477,480
Total	\$ 3,994,302	\$ 4,654,112	\$ 8,648,414

NOTE 11: PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022, actuarial valuations for each risk pool was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table ¹	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

¹ The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website. Purchasing Power Protection Allowance (PPPA) is a benefit designed to restore the original purchasing power of CalPERS retirees to a predetermined limit.

All other actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. 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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the Public Employees Retirement Funds' asset classes (which includes the agent plan and

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 11: PENSION PLANS (CONTINUED)

two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF C fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class	Assumed Asset Allocation	Real Return ^{1, 2}
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

NOTE 11: PENSION PLANS (CONTINUED)

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 risk pool, calculated using the discount rate for each risk pool, 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:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 19,906,022	\$ 20,879,062	\$ 40,785,084
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 12,046,873	\$ 11,707,786	\$ 23,754,659
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 5,580,744	\$ 4,212,339	\$ 9,793,083

Pension Plan Fiduciary Net Position

Detailed information about each risk pool’s fiduciary net position is available in the separately issued CalPERS financial reports.

Defined Contribution Plan

On June 22, 2017, the City Council approved an Internal Revenue Code (IRC) Section 401(a) retirement plan in the form of a Governmental Money Purchase Plan & Trust (the 401(a) Plan), which is a single employer defined contribution retirement plan. Eligible employees include the City’s full-time executive management directors, who may participate at their employment date. The 401(a) Plan is administered by the ICMA Retirement Corporation and assets are invested in an IRC qualifying trust fund with VantageTrust, which holds assets for the benefit of participants.

Benefit terms, including contribution requirements, for the 401(a) Plan are established and may be amended by the City Council. For each employee in the 401(a) Plan, the City is required to contribute a match 5% of the employee’s annual salary to an individual employee account. Employees are mandated to contribute a minimum of 5% and up to 20% of their salary to the 401(a) Plan, subject to IRC contribution limits. Employees vest immediately in their own contributions and City contributions, as well as earnings on those contributions.

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The City’s defined benefit other post-employment healthcare benefit plan, the City of Citrus Heights Retiree Healthcare Plan (the Plan), is an agent multiple-employer defined benefit plan administered by CalPERS. The Plan provides access to lifetime healthcare benefits to eligible retirees and their dependents. Employees are eligible to participate in the Plan if they retire directly from the City under CalPERS at age 50 or above and with five years of CalPERS service (there is no minimum service requirement if retirement is due to a service-connected disability). The City does not provide dental, vision, life, or Medicare Part B reimbursement to retirees. The City Council has the authority under the California Government Code and City Municipal Code to establish and amend the benefit provisions of the Plan subject to collective bargaining arrangements. The City participates in the California Employers’ Retiree Benefit Trust (CERBT) Fund, which is administered by CalPERS. The CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 to administer retiree healthcare benefits and collectively invest plan assets of all trust members. The CERBT issues publicly available financial statements that can be obtained from the CalPERS website at www.calpers.ca.gov. The City’s Plan does not issue separate financial statements.

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Benefits Provided

The City provides retiree medical benefits through the California Public Employees' Medical and Hospital Care Act (PEMHCA). The City pays the PEMHCA minimum contribution for active employees. For eligible retirees, the City contributes not less than 5% of the active employee contribution, multiplied by the number of years the City has participated in PEMHCA (the City joined PEMHCA in 1998). The City's active employee contributions were \$149 and \$143 per month and retiree contributions were \$149 and \$143 per month for the years ended June 30, 2022 and 2021, respectively. In May 2014, the Actuarial Standards Board released revisions to ASOP 6 requiring that the implied subsidy for claims in excess of premiums be valued for community rated plans such as PEMHCA.

Employees Covered by Benefit Terms

At the June 30, 2021, actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	58
Active employees	<u>179</u>
Total	<u><u>258</u></u>

Contributions

The City Council has the authority to establish and amend the contribution requirements of the City and employees, subject to the City's Memorandum of Understanding with employee bargaining units. The City currently funds Plan benefits through the CERBT by contributing at least 100% of the actuarially determined contribution based on the active employee contributions described above. During the measurement period, the City contributed \$0 to the CERBT, which were recognized as reductions to the City's net OPEB liability.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions

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

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Normal, Level Percentage of Payroll
Actuarial assumptions:	
Discount rate	6.00%
Inflation	2.30%
Salary increases	2.80%, aggregate
Healthcare cost trend rates	Based on 2021 Getzen model that reflects actual premium increases through 2023, followed by 5.50% in 2023, decreasing to an ultimate rate of 4.04% in 2076 and later years

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For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2007 to 2015 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation CERBT- Strategy 1	Long-term Expected Rate of Return
Global Equity	49.0%	4.50%
Fixed Income	23.0%	1.40%
Treasury Inflation Protected Securities (TIPS)	20.0%	3.70%
Commodities	5.0%	0.50%
Real Estate Investment Trusts (REITs)	3.0%	1.10%
Total	100.0%	
Assumed Long-Term Rate of Inflation		2.30%
Expected Long-Term Net Rate of Return, Rounded		6.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00% which was a decrease from the 6.75% discount rate used in the previous valuation. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022 (6/30/2021 Measurement Date)	\$ 3,294,623	\$ 3,402,716	\$ (108,093)
Changes in the year:			
Service cost	179,883	-	179,883
Interest	231,076	-	231,076
Actual vs. expected experience	26,784	-	26,784
Assumption changes	327,698	-	327,698
Contributions - employer	-	352,003	(352,003)
Investment income	-	(495,223)	495,223
Administrative expenses	-	(893)	893
Benefit payments	(104,003)	(104,003)	-
Net changes	<u>661,438</u>	<u>(248,116)</u>	<u>909,554</u>
Balance at June 30, 2023 (6/30/2022 Measurement Date)	<u>\$ 3,956,061</u>	<u>\$ 3,154,600</u>	<u>\$ 801,461</u>

Financial Statement Classification:

Governmental Activities	\$ 792,621
Business-type Activities	8,840
	<u>\$ 801,461</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost 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 a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	Current		
	1% Decrease 5.00%	Discount Rate 6.00%	1% Increase 7.00%
Net OPEB liability	\$ 1,311,635	\$ 801,461	\$ 373,500

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost 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 one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	Current Healthcare		
	1% Decrease (4.5%/4.5% decreasing to 3%)	Cost Trend Rates (5.5%/5.5% decreasing to 4%)	1% Increase (6.5%/6.5% decreasing to 5%)
Net OPEB liability	\$ 255,281	\$ 801,461	\$ 1,481,405

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, the City recognized OPEB expense of \$212,544. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 365,618	\$ -
Changes in assumptions	294,928	(132,614)
Differences between expected and actual experience	37,279	(247,207)
Net differences between projected and actual earnings on plan investments	289,395	-
Total	\$ 987,220	\$ (379,821)

The \$365,618 reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred Inflows of Resources
2023	\$ 42,566
2024	40,407
2025	23,571
2026	134,543
2027	(12,077)
Thereafter	12,771
	\$ 241,781

NOTE 13: COMMITMENTS AND CONTINGENCIES

The City is a party to claims and lawsuits arising in the ordinary course of business. The City’s management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the City.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

In 2011, the City purchased fifteen parcels in foreclosure along Sayonara Drive and demolished the buildings. Because affordable housing was demolished, a statutory requirement exists under the State of California Health & Safety Code, Redevelopment Law, Chapter 4, Article 9, Section 33413 to replace the affordable housing. The City must replace either 35 units or 70 bedrooms of affordable housing. The replacement requirement may be satisfied within or outside of the former redevelopment project area. The City is currently pursuing alternatives for replacement of the affordable housing. Options being considered include selling the property for fair market value and selling the property with an affordable housing requirement attached to the property. The parcels are reported as land held for resale in the Housing Agency Special Revenue Fund.

CITY OF CITRUS HEIGHTS
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

NOTE 13: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Contractual Commitments – The City had the following significant unexpended contractual commitments as of June 30, 2023:

Electric Greenway	\$ 4,938,096
Old Auburn Road Complete Streets	<u>1,567,954</u>
Total significant commitments	<u><u>\$ 6,506,050</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF CITRUS HEIGHTS
General Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 24,760,600	\$ 26,647,812	\$ 26,570,605	\$ (77,207)
Licenses and permits	1,687,600	2,083,575	2,287,144	203,569
Intergovernmental	10,145,023	19,254,595	14,438,774	(4,815,821)
Charges for services	1,937,056	1,811,137	1,983,864	172,727
Use of money and property	757,559	686,609	1,421,745	735,136
Fines and forfeitures	1,007,502	780,000	728,812	(51,188)
Contributions	12,000	3,000	28,380	25,380
Miscellaneous	67,209	206,600	235,799	29,199
Total revenues	40,374,549	51,473,328	47,695,123	(3,778,205)
EXPENDITURES				
Current:				
General government	8,048,899	10,446,154	8,918,180	1,527,974
Public safety	20,115,266	23,023,361	19,903,444	3,119,917
Economic development	619,596	1,792,113	623,920	1,168,193
Culture and recreation	771,322	886,097	766,086	120,011
Community enhancements	3,142,241	3,159,659	3,166,024	(6,365)
Capital outlay	7,294	2,367,878	1,004,240	1,363,638
Debt service:				
Principal	2,076,169	76,169	96,311	(20,142)
Interest	342,830	-	14,571	(14,571)
Total expenditures	35,123,617	42,102,243	34,591,536	7,510,707
Excess (deficiency) of revenues over (under) expenditures	5,250,932	9,371,085	13,103,587	(3,732,502)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,557,000)	(1,207,000)	(1,197,000)	10,000
Total other financing sources (uses)	(1,557,000)	(1,207,000)	(1,178,082)	28,918
Net change in fund balance	\$ 3,693,932	\$ 8,164,085	11,925,505	\$ (3,703,584)
Fund balance-beginning			11,932,391	
Fund balance-ending			\$ 23,857,896	

CITY OF CITRUS HEIGHTS
Schedules of Proportionate Share of Net Pension Liability
As of June 30, for the Last Ten Fiscal Years ¹

Reporting Date ² as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll	Plan's Fiduciary Net Position as a % of the Total Pension Liability
<u>Miscellaneous Plan</u>					
2023	50.7137%	\$ 12,046,873	\$ 9,095,795	132.44%	0.0%
2022	64.4702%	3,998,659	8,285,854	48.26%	0.0%
2021	51.8877%	9,609,910	8,169,066	117.64%	0.0%
2020	53.4875%	8,572,628	8,715,322	98.36%	0.0%
2019	54.2594%	7,610,202	8,319,602	91.47%	0.0%
2018	55.3502%	7,873,259	7,889,233	99.80%	0.0%
2017	56.1579%	6,486,625	8,017,935	80.90%	0.0%
2016	57.4083%	4,962,609	8,102,528	61.25%	0.0%
2015	52.3806%	3,959,792	7,437,222	53.24%	0.0%
<u>Safety Plan</u>					
2023	49.2863%	\$ 11,707,786	\$ 8,286,907	141.28%	0.0%
2022	35.5298%	2,203,680	7,104,170	31.02%	0.0%
2021	48.1123%	8,910,669	7,542,123	118.15%	0.0%
2020	46.5125%	7,454,716	8,420,924	88.53%	0.0%
2019	45.7406%	6,415,392	7,715,475	83.15%	0.0%
2018	44.6498%	6,351,188	8,354,763	76.02%	0.0%
2017	43.8421%	5,064,060	8,247,151	61.40%	0.0%
2016	42.5917%	3,681,807	7,921,496	46.48%	0.0%
2015	47.6194%	3,599,860	7,350,834	48.97%	0.0%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Benefit Changes : None

Changes of Assumptions : None

¹ Fiscal year 2015 was the first year of GASB Statement No. 68 implementation; therefore only nine years are shown.

² The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

CITY OF CITRUS HEIGHTS
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years ' 1

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
<u>Miscellaneous Cost-Sharing, Multiple-Employer Pension Plan</u>					
2023	\$ 1,761,543	\$ 1,761,543	\$ -	\$ 9,095,795	19.4%
2022	1,582,843	1,582,843	-	8,285,854	19.1%
2021	1,524,519	1,524,519	-	8,169,066	18.7%
2020	1,419,774	1,419,774	-	8,715,322	16.3%
2019	1,259,805	1,259,805	-	8,319,602	15.1%
2018	1,127,777	1,127,777	-	7,889,233	14.3%
2017	1,109,977	1,109,977	-	8,017,935	13.8%
2016	1,052,606	1,052,606	-	8,102,528	13.0%
2015	1,237,660	1,237,660	-	7,437,222	16.6%
<u>Safety Cost-Sharing, Multiple-Employer Pension Plan</u>					
2023	\$ 2,147,365	\$ 2,147,365	\$ -	\$ 8,286,907	25.9%
2022	1,965,298	1,965,298	-	7,104,170	27.7%
2021	1,958,149	1,958,149	-	7,542,123	26.0%
2020	1,782,277	1,782,277	-	8,420,924	21.2%
2019	1,743,186	1,743,186	-	7,715,475	22.6%
2018	1,675,225	1,675,225	-	8,354,763	20.1%
2017	1,605,543	1,605,543	-	8,247,151	19.5%
2016	1,460,317	1,460,317	-	7,921,496	18.4%
2015	1,937,578	1,937,578	-	7,350,834	26.4%
<u>Agent, Multiple Employer OPEB Plan</u>					
2023	\$ 236,900	\$ 365,618	\$ (128,718)	\$ 16,197,230	2.3%
2022	255,000	352,003	(97,003)	16,163,096	2.2%
2021	248,000	68,364	179,636	19,538,878	0.3%
2020	296,000	296,000	-	19,487,524	1.5%
2019	288,000	288,000	-	19,084,505	1.5%
2018	378,000	378,000	-	18,764,996	2.0%

CITY OF CITRUS HEIGHTS
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years

	2018	2019	2020	2021	2022	2023
Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
TOTAL OPEB LIABILITY						
Service cost	\$ 205,006	\$ 211,156	\$ 217,491	\$ 217,915	\$ 245,140	\$ 179,883
Interest on total pension liability	149,338	171,850	195,735	192,196	215,907	231,076
Difference between expected and actual experience	-	-	(380,831)	-	16,101	26,784
Changes of assumptions	-	-	(43,330)	(29,367)	(101,261)	327,698
Difference between expected and actual earnings	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(20,597)	(33,358)	(37,626)	(46,180)	(68,364)	(104,003)
Net change in total OPEB liability	333,747	349,648	(48,561)	334,564	307,523	661,438
Total OPEB liability-beginning	2,017,702	2,351,449	2,701,097	2,652,536	2,987,100	3,294,623
Total OPEB liability-ending (a)	2,351,449	2,701,097	2,652,536	2,987,100	3,294,623	3,956,061
PLAN FIDUCIARY NET POSITION						
Contributions-employer	373,000	378,000	288,000	-	68,364	352,003
Net investment income	159,817	143,701	140,138	92,830	734,994	(495,223)
Benefit payments, including refunds of employee contributions	(20,597)	(33,358)	(37,626)	(46,180)	(68,364)	(104,003)
Administrative expense	(837)	(3,288)	(479)	(1,282)	(1,011)	(893)
Net change in fiduciary net position	511,383	485,055	390,033	45,368	733,983	(248,116)
Plan fiduciary net position-beginning	1,236,894	1,748,277	2,233,332	2,623,365	2,668,733	3,402,716
Plan fiduciary net position-ending (b)	1,748,277	2,233,332	2,623,365	2,668,733	3,402,716	3,154,600
Net OPEB liability/(asset) (a) - (b)	\$ 603,172	\$ 467,765	\$ 29,171	\$ 318,367	\$ (108,093)	\$ 801,461
Plan fiduciary net position as a percentage of the total OPEB liability	74.35%	82.68%	98.90%	89.34%	103.28%	79.74%
Covered-employee payroll	\$ 18,696,235	\$ 18,764,996	\$ 19,084,505	\$ 19,487,524	\$ 19,538,878	\$ 16,163,096
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	3.23%	2.49%	0.15%	1.63%	-0.55%	5.0%

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Benefit Changes: None

Changes of Assumptions: The Single Equivalent Discount Rate has been reduced from 6.75% to 6.00% based on updated expected long-term rate of return of the Trust, which caused an increase in the liability. The initial health care trend rates have been updated to reflect actual premium increase through 2022 and 2023, which caused a slight increase in the liability.

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only six years are shown.

Budgetary Accounting

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2023. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations and unexpended grant appropriations, lapse at the end of each fiscal year.

For the fiscal year ending June 30, 2023, the following funds had no adopted annual budgets:

- Property Based Improvement District
- Housing Agency
- AD 03-01 Zone 3
- Fire CFD Impact Fee
- SB1186 Access Comp
- Multimodal Impact Fee
- AD 98-02
- General Capital Improvements

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

HOME Program Grants – Accounts for HOME Program Grant funds used for low income housing activities.

CDBG Grants Special Revenue Fund – Accounts for revenues and expenditures for CDBG grants and programs.

Code Enforcement – Accounts for funds to be used on Code Enforcement for neighborhood enhancement activities.

Gas Tax – Accounts for State gas tax revenues used for street maintenance and construction.

Road Maintenance and Rehabilitation – Accounts for revenue and expenditures on deferred maintenance on local streets and road systems with State funds provided by the Road Repair and Accountability Act SB1.

Stormwater Utility Tax – Accounts for revenues and expenditures associated with the administration and coordination of stormwater drainage activities as supported by a parcel tax.

Road Maintenance – Accounts for sales tax revenue collected in accordance with a voter approved special tax to be used for repairs and maintenance of streets.

Transit – Accounts for Transportation Development Act revenues restricted for the City's transportation needs.

Transportation Development Act – Accounts for Transportation Development Act monies received for road and sidewalk improvement purposes and transit related activities.

Police – Accounts for police revenues received that are restricted to fund programs designed to combat drug abuse and divert gang activity.

Police Grants – Accounts for police grants received that are restricted to fund specific police programs, including sobriety checkpoints, methamphetamine enforcement, stolen vehicles, children exposed to domestic violence and other programs.

Supplemental Law Enforcement Services (SLES) – Accounts for revenues and expenditures associated with State funds provided as a match for the COPS Universal Hiring Grant.

Property Based Improvement District – Accounts for funds associated with the City's Property Based Improvement District.

Housing Agency – Accounts for the housing assets of the former redevelopment agency that are used for low and moderate income housing activities.

Roadway Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Housing Mitigation Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Tree Mitigation Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

SPECIAL REVENUE FUNDS (CONTINUED)

Park Facilities Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Transit Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Other Grants – Accounts for revenues and expenditures for miscellaneous state grants and programs.

Assessment Districts: Accounts for special assessments collected for the assessment districts below within the City limits for which the City is obligated to maintain. The Lighting Assessment District accounts for special assessments used for street lighting purposes. The remaining assessment districts were organized under the Landscaping and Lighting Act of 1972 to account for special assessment used for street corridor landscape, open space maintenance and sound wall maintenance expenses.

- Assessment District 98-02 Zone 3
- Assessment District Zone 1
- Assessment District Zone 2
- Assessment District Zone 3
- Assessment District Zone 4
- Assessment District 98-01
- Assessment District 98-02
- Assessment District 03-01
- Assessment District 98-02, Zone 2
- Assessment District 03-01, Zone 2
- Assessment District 03-01, Zone 3
- Lighting Assessment District

Police Donations – Accounts for donations received for K-9 and other police activities and programs.

Fire CFD Impact Fee Fund – Accounts for revenues and expenditures related to the Fire CFD impact fee.

SB1186 Access Comp Fund – Accounts for revenues and expenditures related to SB1186 access fee.

Multimodal Impact Fee Fund – Accounts for revenues and expenditures related to the multimodal impact fee.

CAPITAL PROJECT FUNDS

Streets – Accounts for all capital project expenditures for various street projects.

Measure A Construction – Accounts for Measure A revenues received from the Sacramento Transportation Authority that are restricted for expenditures associated with specific purposes, including construction, upgrade and improvements of the City's roadways.

General Capital Improvements Capital Projects Fund – Accounts for funds collected and expended for the construction or purchase of public facilities and projects.

Community Capital Replacement – Accounts for funds expended on various capital improvement and replacement projects, including vehicle replacement.

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	HOME Program Grants	CDBG Grants Special Revenue Fund	Code Enforcement	Gas Tax
ASSETS				
Cash and investments	\$ 938,143	\$ 89,310	\$ 767,476	\$ 1,630,763
Receivables (net of allowance for uncollectible):				
Accounts	-	-	325,215	296
Interest	5,787	-	5,328	8,584
Due from other governments	-	246,974	16,464	195,853
Notes and loans	2,561,522	1,338,525	-	-
Allowances on uncollectibles notes and loans	(2,561,521)	(1,135,559)	-	-
Prepaid costs	-	-	-	370
Land held for resale	-	-	-	-
Total assets	\$ 943,931	\$ 539,250	\$ 1,114,483	\$ 1,835,866
LIABILITIES				
Accounts payable	-	106,436	3,330	121,444
Due to other governments	-	1,038	5,376	7,165
Accrued liabilities	-	-	20,097	11,394
Due to other funds	-	139,500	-	-
Unearned revenues	29,552	-	-	-
Total liabilities	29,552	246,974	28,803	140,003
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	323,038	296
Total deferred inflows of resources	-	-	323,038	296
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	370
Restricted	914,379	292,276	762,642	1,695,197
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	914,379	292,276	762,642	1,695,567
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 943,931	\$ 539,250	\$ 1,114,483	\$ 1,835,866

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Road Maintenance and Rehabilitation	Stormwater Utility Tax	Road Maintenance	Transit
ASSETS				
Cash and investments	\$ 1,683,181	\$ 4,114,854	\$ 3,500,453	\$ 170,910
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	7,157	10,196	23,872	1,323
Due from other governments	343,026	289,251	211,790	40,214
Notes and loans	-	-	-	-
Allowances on uncollectibles notes and loans	-	-	-	-
Prepaid costs	-	370	3,286	-
Land held for resale	-	-	-	-
Total assets	\$ 2,033,364	\$ 4,414,671	\$ 3,739,401	\$ 212,447
LIABILITIES				
Accounts payable	-	301,969	269,731	798
Due to other governments	-	15,531	-	-
Accrued liabilities	-	11,214	10,548	4,854
Due to other funds	-	-	-	175
Unearned revenues	-	-	-	-
Total liabilities	-	328,714	280,279	5,827
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	370	3,286	-
Restricted	2,033,364	4,085,587	3,455,836	206,620
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	2,033,364	4,085,957	3,459,122	206,620
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,033,364	\$ 4,414,671	\$ 3,739,401	\$ 212,447

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Transportation Development	Police	Police Grants	Supplemental Law Enforcement Services (SLES)
	Act			
ASSETS				
Cash and investments	\$ 119,251	\$ 1,951,523	\$ -	\$ 285,025
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	771	11,071	-	1,832
Due from other governments	216,596	9,731	66,790	-
Notes and loans	-	-	-	-
Allowances on uncollectibles notes and loans	-	-	-	-
Prepaid costs	-	-	260	-
Land held for resale	-	-	-	-
Total assets	\$ 336,618	\$ 1,972,325	\$ 67,050	\$ 286,857
LIABILITIES				
Accounts payable	-	65	6,793	22,671
Due to other governments	-	-	15	-
Accrued liabilities	-	1,506	-	-
Due to other funds	-	-	120,253	-
Unearned revenues	-	101,995	-	264,186
Total liabilities	-	103,566	127,061	286,857
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	216,596	-	-	-
Total deferred inflows of resources	216,596	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	260	-
Restricted	120,022	1,868,759	-	-
Assigned	-	-	-	-
Unassigned	-	-	(60,271)	-
Total fund balances (deficits)	120,022	1,868,759	(60,011)	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 336,618	\$ 1,972,325	\$ 67,050	\$ 286,857

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Property Based Improvement District	Housing Agency	Roadway Development Fees	Housing Mitigation Development Fees
ASSETS				
Cash and investments	\$ 36,034	\$ 86,994	\$ 448,847	\$ 384,143
Receivables (net of allowance for uncollectible):				
Accounts	-	-	32,209	-
Interest	-	-	-	2,484
Due from other governments	-	-	-	-
Notes and loans	-	1,378,853	-	-
Allowances on uncollectibles notes and loans	-	(178,854)	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	2,784,600	-	-
Total assets	\$ 36,034	\$ 4,071,593	\$ 481,056	\$ 386,627
LIABILITIES				
Accounts payable	36,034	-	-	-
Due to other governments	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	36,034	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	32,209	-
Total deferred inflows of resources	-	-	32,209	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	4,071,593	448,847	386,627
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	-	4,071,593	448,847	386,627
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 36,034	\$ 4,071,593	\$ 481,056	\$ 386,627

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Tree Mitigation Fees	Park Facilities Development Fees	Transit Development Fees	Other Grants
ASSETS				
Cash and investments	\$ 189,252	\$ 261,473	\$ 207,368	\$ 100,505
Receivables (net of allowance for uncollectible):				
Accounts	-	-	6,908	-
Interest	352	1,197	-	-
Due from other governments	-	-	-	131,326
Notes and loans	-	-	-	-
Allowances on uncollectibles notes and loans	-	-	-	-
Prepaid costs	-	-	-	1,945
Land held for resale	-	-	-	-
Total assets	\$ 189,604	\$ 262,670	\$ 214,451	\$ 233,776
LIABILITIES				
Accounts payable	1,704	-	-	97,518
Due to other governments	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	153,511
Total liabilities	1,704	-	-	251,029
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	6,908	-
Total deferred inflows of resources	-	-	6,908	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	1,945
Restricted	187,900	262,670	207,543	-
Assigned	-	-	-	-
Unassigned	-	-	-	(19,198)
Total fund balances (deficits)	187,900	262,670	207,543	(17,253)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 189,604	\$ 262,670	\$ 214,451	\$ 233,776

	Special Revenue Funds			
	AD 98-02 Zone 3	Assessment District Zone 1	Assessment District Zone 2	Assessment District Zone 3
ASSETS				
Cash and investments	\$ 28,021	\$ 34,293	\$ 70,725	\$ 590
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	172	221	459	-
Due from other governments	-	-	-	-
Notes and loans	-	-	-	-
Allowances on uncollectibles notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 28,193	\$ 34,514	\$ 71,184	\$ 590
LIABILITIES				
Accounts payable	318	-	489	545
Due to other governments	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	318	-	489	545
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	27,875	34,514	70,695	45
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	27,875	34,514	70,695	45
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 28,193	\$ 34,514	\$ 71,184	\$ 590

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Assessment District Zone 4	Assessment District 98-01	Assessment District 98-02	Assessment District 03-01
ASSETS				
Cash and investments	\$ 2,068	\$ 128,172	\$ 71,267	\$ 825,243
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	-	827	460	5,293
Due from other governments	-	-	-	-
Notes and loans	-	-	-	-
Allowances on uncollectibles notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 2,068	\$ 128,999	\$ 71,727	\$ 830,536
LIABILITIES				
Accounts payable	709	426	1,749	2,597
Due to other governments	1,359	35	-	173
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	2,068	461	1,749	2,770
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	128,538	69,978	827,766
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	-	128,538	69,978	827,766
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,068	\$ 128,999	\$ 71,727	\$ 830,536

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

(CONTINUED)

	Special Revenue Funds			
	Assessment District 98-02 Zone 2	Assessment District 03-01 Zone 2	Lighting Assessment District	Police Donations
ASSETS				
Cash and investments	\$ 40,093	\$ 25,911	\$ 42,033	\$ 12,120
Receivables (net of allowance for uncollectible):				
Accounts	-	-	3,598	-
Interest	252	167	-	-
Due from other governments	-	-	-	-
Notes and loans	-	-	-	-
Allowances on uncollectibles notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 40,345	\$ 26,078	\$ 45,631	\$ 12,120
LIABILITIES				
Accounts payable	519	918	21,638	13
Due to other governments	-	71	20,395	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	519	989	42,033	13
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	3,598	-
Total deferred inflows of resources	-	-	3,598	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	39,826	25,089	-	12,107
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	39,826	25,089	-	12,107
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 40,345	\$ 26,078	\$ 45,631	\$ 12,120

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			
	Assessment District 03-01 Zone 3	Fire CFD Impact Fee Fund	SB1186 Access Comp Fund	Multimodal Impact Fee Fund
ASSETS				
Cash and investments	\$ 176,427	\$ 4,746	\$ 9,655	\$ 18,184
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	1,046	-	55	4,233
Due from other governments	-	-	-	-
Notes and loans	-	-	-	-
Allowances on uncollectibles notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	\$ 177,473	\$ 4,746	\$ 9,710	\$ 22,417
LIABILITIES				
Accounts payable	-	-	-	-
Due to other governments	-	4,746	488	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	4,746	488	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	177,473	-	9,222	22,417
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	177,473	-	9,222	22,417
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 177,473	\$ 4,746	\$ 9,710	\$ 22,417

CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	Assessment District 98-02 Fund	Measure A Construction	General Capital Improvements Capital Projects Fund	Community Capital Replacement
ASSETS				
Cash and investments	\$ 439	\$ 928,121	\$ 679,356	\$ 1,465,306
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	69,978
Interest	1	2,598	-	-
Due from other governments	-	52,041	-	-
Notes and loans	-	-	-	-
Allowances on uncollectibles notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	3,440,097	-
Total assets	\$ 440	\$ 982,760	\$ 4,119,453	\$ 1,535,284
LIABILITIES				
Accounts payable	-	9,705	-	11,767
Due to other governments	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	9,705	-	11,767
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	440	973,055	-	-
Assigned	-	-	4,119,453	1,523,517
Unassigned	-	-	-	-
Total fund balances (deficits)	440	973,055	4,119,453	1,523,517
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 440	\$ 982,760	\$ 4,119,453	\$ 1,535,284

**CITY OF CITRUS HEIGHTS
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023**

	Total Nonmajor Funds
ASSETS	
Cash and investments	\$ 21,528,275
Receivables (net of allowance for uncollectible):	
Accounts	438,204
Interest	95,738
Due from other governments	1,820,056
Notes and loans	5,278,900
Allowances on uncollectibles notes and loans	(3,875,934)
Prepaid costs	6,231
Land held for resale	6,224,697
Total assets	\$ 31,516,342
LIABILITIES	
Accounts payable	1,019,886
Due to other governments	56,392
Accrued liabilities	59,613
Due to other funds	259,928
Unearned revenues	549,244
Total liabilities	1,945,063
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	582,645
Total deferred inflows of resources	582,645
FUND BALANCES (DEFICITS)	
Nonspendable	6,231
Restricted	23,418,902
Assigned	5,642,970
Unassigned	(79,469)
Total fund balances (deficits)	28,988,634
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 31,516,342

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

	Special Revenue Funds			
	HOME Program Grants	CDBG Grants Special Revenue Fund	Code Enforcement	Gas Tax
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	8,417	965,469	-	2,233,654
Charges for services	-	12,603	687,395	-
Use of money and property	17,404	-	9,403	20,216
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	88,925	28,892	-	-
Total revenues	114,746	1,006,964	696,798	2,253,870
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	763,566	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	-	1,532,788
Community enhancements	8,523	614,165	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	8,523	614,165	763,566	1,532,788
Excess (deficiency) of revenues over (under) expenditures	106,223	392,799	(66,768)	721,082
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	59,500	110,202
Transfers out	-	(406,154)	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	(406,154)	59,500	110,202
Net change in fund balances	106,223	(13,355)	(7,268)	831,284
Fund balances (deficit)-beginning	808,156	305,631	769,910	864,283
Fund balances (deficit)-ending	\$ 914,379	\$ 292,276	\$ 762,642	\$ 1,695,567

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

(CONTINUED)

	Special Revenue Funds			
	Road Maintenance and Rehabilitation	Stormwater Utility Tax	Road Maintenance	Transit
REVENUES				
Taxes	\$ -	\$ 10,500	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	1,957,580	-	2,749,195	413
Charges for services	-	3,883,523	-	402,056
Use of money and property	20,059	75,477	73,205	3,220
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,977,639	3,969,500	2,822,400	405,689
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	2,859,799	2,483,962	285,254
Community enhancements	-	-	-	-
Capital outlay	649,733	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	649,733	2,859,799	2,483,962	285,254
Excess (deficiency) of revenues over (under) expenditures	1,327,906	1,109,701	338,438	120,435
OTHER FINANCING SOURCES (USES)				
Transfers in	116,515	54,868	-	-
Transfers out	-	-	(133,428)	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	116,515	54,868	(133,428)	-
Net change in fund balances	1,444,421	1,164,569	205,010	120,435
Fund balances (deficit)-beginning	588,943	2,921,388	3,254,112	86,185
Fund balances (deficit)-ending	\$ 2,033,364	\$ 4,085,957	\$ 3,459,122	\$ 206,620

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

	Special Revenue Funds			
	Transportation Development Act	Police	Police Grants	Supplemental Law Enforcement Services (SLES)
	Act	Police	Police Grants	(SLES)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	351,030	55,158
Charges for services	-	-	-	-
Use of money and property	2,910	34,302	-	2,765
Fines and forfeitures	-	737,900	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	2,910	772,202	351,030	57,923
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	71,842	216,575	52,914
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	-	-
Community enhancements	-	-	-	-
Capital outlay	-	10,301	162,038	5,009
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	82,143	378,613	57,923
Excess (deficiency) of revenues over (under) expenditures	2,910	690,059	(27,583)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	27,500	-	-
Transfers out	(16,195)	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	(16,195)	27,500	-	-
Net change in fund balances	(13,285)	717,559	(27,583)	-
Fund balances (deficit)-beginning	133,307	1,151,200	(32,428)	-
Fund balances (deficit)-ending	\$ 120,022	\$ 1,868,759	\$ (60,011)	\$ -

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

(CONTINUED)

	Special Revenue Funds			
	Property Based Improvement District	Housing Agency	Roadway Development Fees	Housing Mitigation Development Fees
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	2,462	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	34
Use of money and property	-	-	11,375	8,160
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	55,831	-	-
Total revenues	-	55,831	13,837	8,194
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	235
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	162,780	-
Community enhancements	-	20	-	-
Capital outlay	-	-	20,126	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	20	182,906	235
Excess (deficiency) of revenues over (under) expenditures	-	55,811	(169,069)	7,959
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	55,811	(169,069)	7,959
Fund balances (deficit)-beginning	-	4,015,782	617,916	378,668
Fund balances (deficit)-ending	\$ -	\$ 4,071,593	\$ 448,847	\$ 386,627

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

	Special Revenue Funds			
	Tree Mitigation Fees	Park Facilities Development Fees	Transit Development Fees	Other Grants
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	525	-
Intergovernmental	-	-	-	264,793
Charges for services	-	35,105	-	-
Use of money and property	4,610	4,856	3,264	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	1	-
Total revenues	4,610	39,961	3,790	264,793
EXPENDITURES				
Current:				
General government	-	-	-	1,123
Public safety	-	-	-	-
Economic development	-	-	-	199,745
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	235	-
Community enhancements	20,360	-	-	81,178
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	20,360	-	235	282,046
Excess (deficiency) of revenues over (under) expenditures	(15,750)	39,961	3,555	(17,253)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	20,000	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	20,000	-
Net change in fund balances	(15,750)	39,961	23,555	(17,253)
Fund balances (deficit)-beginning	203,650	222,709	183,988	-
Fund balances (deficit)-ending	\$ 187,900	\$ 262,670	\$ 207,543	\$ (17,253)

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

(CONTINUED)

Special Revenue Funds

	AD 98-02 Zone 3	Assessment District Zone 1	Assessment District Zone 2	Assessment District Zone 3
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	11,645	10,494	12,237	6,550
Use of money and property	412	584	1,502	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	12,057	11,078	13,739	6,550
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	4,927	5,445	13,580	14,905
Community enhancements	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	4,927	5,445	13,580	14,905
Excess (deficiency) of revenues over (under) expenditures	7,130	5,633	159	(8,355)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	8,355
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	-	8,355
Net change in fund balances	7,130	5,633	159	-
Fund balances (deficit)-beginning	20,745	28,881	70,536	45
Fund balances (deficit)-ending	\$ 27,875	\$ 34,514	\$ 70,695	\$ 45

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

	Special Revenue Funds			
	Assessment District Zone 4	Assessment District 98-01	Assessment District 98-02	Assessment District 03-01
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	4,652	10,905	22,858	91,645
Use of money and property	-	3,019	1,425	19,074
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	4,652	13,924	24,283	110,719
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	20,302	26,300	22,887	108,737
Community enhancements	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	20,302	26,300	22,887	108,737
Excess (deficiency) of revenues over (under) expenditures	(15,650)	(12,376)	1,396	1,982
OTHER FINANCING SOURCES (USES)				
Transfers in	15,650	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	15,650	-	-	-
Net change in fund balances	-	(12,376)	1,396	1,982
Fund balances (deficit)-beginning	-	140,914	68,582	825,784
Fund balances (deficit)-ending	\$ -	\$ 128,538	\$ 69,978	\$ 827,766

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

(CONTINUED)

	Special Revenue Funds			
	Assessment District 98-02 Zone 2	Assessment District 03-01 Zone 2	Lighting Assessment District	Police Donations
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	16,785	20,844	340,444	-
Use of money and property	199	543	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	5,622
Miscellaneous	-	-	-	-
Total revenues	16,984	21,387	340,444	5,622
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	3,991
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	12,232	18,975	426,736	-
Community enhancements	-	-	-	-
Capital outlay	-	-	3,806	5,510
Debt service:				
Principal	-	-	15,947	-
Interest and fiscal charges	-	-	7,209	-
Total expenditures	12,232	18,975	453,698	9,501
Excess (deficiency) of revenues over (under) expenditures	4,752	2,412	(113,254)	(3,879)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	113,254	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	113,254	-
Net change in fund balances	4,752	2,412	-	(3,879)
Fund balances (deficit)-beginning	35,074	22,677	-	15,986
Fund balances (deficit)-ending	\$ 39,826	\$ 25,089	\$ -	\$ 12,107

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

	Special Revenue Funds			
	Assessment District 03-01 Zone 3	Fire CFD Impact Fee Fund	SB1186 Access Comp Fund	Multimodal Impact Fee Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	88,832	25,554	11,227	24,894
Use of money and property	1,415	-	-	2,608
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	90,247	25,554	11,227	27,502
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	25,554	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	430	-	-	5,085
Community enhancements	-	-	2,005	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	430	25,554	2,005	5,085
Excess (deficiency) of revenues over (under) expenditures	89,817	-	9,222	22,417
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	89,817	-	9,222	22,417
Fund balances (deficit)-beginning	87,656	-	-	-
Fund balances (deficit)-ending	\$ 177,473	\$ -	\$ 9,222	\$ 22,417

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

(CONTINUED)

	Special Revenue Funds		Capital Projects Funds	
	Assessment District 98-02 Fund	Measure A Construction	General Capital Improvements Capital Projects Fund	Community Capital Replacement
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	127,208	31,948
Intergovernmental	-	679,863	-	-
Charges for services	765	-	-	-
Use of money and property	-	30,077	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	765	709,940	127,208	31,948
EXPENDITURES				
Current:				
General government	-	-	-	13,377
Public safety	-	-	-	-
Economic development	-	-	-	-
Culture and recreation	-	-	-	11,624
Public ways and facilities	325	108,800	-	-
Community enhancements	-	-	8,000	18,715
Capital outlay	-	155,306	-	551,546
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	325	264,106	8,000	595,262
Excess (deficiency) of revenues over (under) expenditures	440	445,834	119,208	(563,314)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,110,000
Transfers out	-	(734,639)	-	-
Proceeds from sale of capital asset	-	-	-	69,978
Total other financing sources (uses)	-	(734,639)	-	1,179,978
Net change in fund balances	440	(288,805)	119,208	616,664
Fund balances (deficit)-beginning	-	1,261,860	4,000,245	906,853
Fund balances (deficit)-ending	\$ 440	\$ 973,055	\$ 4,119,453	\$ 1,523,517

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

	Total Nonmajor Funds
REVENUES	
Taxes	\$ 10,500
Licenses and permits	162,143
Intergovernmental	9,265,572
Charges for services	5,721,047
Use of money and property	352,084
Fines and forfeitures	737,900
Contributions	5,622
Miscellaneous	173,649
Total revenues	16,428,517
EXPENDITURES	
Current:	
General government	14,500
Public safety	1,134,442
Economic development	199,980
Culture and recreation	11,624
Public ways and facilities	8,114,484
Community enhancements	752,966
Capital outlay	1,563,375
Debt service:	
Principal	15,947
Interest and fiscal charges	7,209
Total expenditures	11,814,527
Excess (deficiency) of revenues over (under) expenditures	4,613,990
OTHER FINANCING SOURCES (USES)	
Transfers in	1,635,844
Transfers out	(1,290,416)
Proceeds from sale of capital asset	69,978
Total other financing sources (uses)	415,406
Net change in fund balances	5,029,396
Fund balances (deficit)-beginning	23,959,238
Fund balances (deficit)-ending	\$ 28,988,634

CITY OF CITRUS HEIGHTS
HOME Program Grants
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 313,000	\$ 8,417	\$ (304,583)
Use of money and property	106	106	17,404	17,298
Miscellaneous	-	-	88,925	88,925
Total revenues	106	313,106	114,746	(198,360)
EXPENDITURES				
Current:				
Community enhancements	78,621	391,621	8,523	383,098
Total expenditures	78,621	391,621	8,523	383,098
Net change in fund balance	\$ (78,515)	\$ (78,515)	106,223	\$ 184,738
Fund balance-beginning			808,156	
Fund balance-ending			\$ 914,379	

CITY OF CITRUS HEIGHTS
CDBG Grants Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 900,000	\$ 900,000	\$ 965,469	\$ 65,469
Charges for services	-	-	12,603	12,603
Miscellaneous	-	-	28,892	28,892
Total revenues	900,000	900,000	1,006,964	106,964
EXPENDITURES				
Current:				
Community enhancements	589,855	980,266	614,165	366,101
Capital outlay	390,411	-	-	-
Total expenditures	980,266	980,266	614,165	366,101
Excess (deficiency) of revenues over (under) expenditures	(80,266)	(80,266)	392,799	473,065
OTHER FINANCING SOURCES (USES)				
Transfers out	(368,000)	(368,000)	(406,154)	(38,154)
Total other financing sources (uses)	(368,000)	(368,000)	(406,154)	(38,154)
Net change in fund balance	\$ (448,266)	\$ (448,266)	(13,355)	\$ 434,911
Fund balance-beginning			305,631	
Fund balance-ending			\$ 292,276	

CITY OF CITRUS HEIGHTS
Code Enforcement
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 729,000	\$ 729,000	\$ 687,395	\$ (41,605)
Use of money and property	1,000	1,000	9,403	8,403
Total revenues	730,000	730,000	696,798	(33,202)
EXPENDITURES				
Current:				
Public safety	829,643	829,643	763,566	66,077
Total expenditures	829,643	829,643	763,566	66,077
Excess (deficiency) of revenues over (under) expenditures	(99,643)	(99,643)	(66,768)	32,875
OTHER FINANCING SOURCES (USES)				
Transfers in	61,377	61,377	59,500	(1,877)
Total other financing sources (uses)	61,377	61,377	59,500	(1,877)
Net change in fund balance	\$ (38,266)	\$ (38,266)	(7,268)	\$ 30,998
Fund balance-beginning			769,910	
Fund balance-ending			\$ 762,642	

CITY OF CITRUS HEIGHTS
Gas Tax
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,312,574	\$ 2,312,574	\$ 2,233,654	\$ (78,920)
Use of money and property	-	-	20,216	20,216
Total revenues	2,312,574	2,312,574	2,253,870	(58,704)
EXPENDITURES				
Current:				
Public works	1,841,445	1,841,445	1,532,788	308,657
Total expenditures	1,841,445	1,841,445	1,532,788	308,657
Excess (deficiency) of revenues over (under) expenditures	471,129	471,129	721,082	249,953
OTHER FINANCING SOURCES (USES)				
Transfers in	200,000	200,000	110,202	(89,798)
Total other financing sources (uses)	200,000	200,000	110,202	(89,798)
Net change in fund balance	\$ 671,129	\$ 671,129	831,284	\$ 160,155
Fund balance-beginning			864,283	
Fund balance-ending			\$ 1,695,567	

CITY OF CITRUS HEIGHTS
Road Maintenance and Rehabilitation
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,773,444	\$ 1,773,444	\$ 1,957,580	\$ 184,136
Use of money and property	-	-	20,059	20,059
Total revenues	1,773,444	1,773,444	1,977,639	204,195
EXPENDITURES				
Current:				
Capital outlay	-	-	649,733	(649,733)
Total expenditures	-	-	649,733	(649,733)
Excess (deficiency) of revenues over (under) expenditures	1,773,444	1,773,444	1,327,906	(445,538)
OTHER FINANCING SOURCES (USES)				
Transfers in	2,100,000	2,100,000	116,515	(1,983,485)
Total other financing sources (uses)	2,100,000	2,100,000	116,515	(1,983,485)
Net change in fund balance	\$ 3,873,444	\$ 3,873,444	1,444,421	\$ (2,429,023)
Fund balance-beginning			588,943	
Fund balance-ending			\$ 2,033,364	

CITY OF CITRUS HEIGHTS
Stormwater Utility Tax
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 10,500	\$ 10,500
Charges for services	3,850,000	3,850,000	3,883,523	33,523
Use of money and property	-	-	75,477	75,477
Miscellaneous	-	-	-	-
Total revenues	3,850,000	3,850,000	3,969,500	119,500
EXPENDITURES				
Current:				
Public works	2,265,709	2,246,091	2,859,799	(613,708)
Capital outlay	1,197,500	1,197,500	-	1,197,500
Total expenditures	3,463,209	3,443,591	2,859,799	583,792
Excess (deficiency) of revenues over (under) expenditures	386,791	406,409	1,109,701	703,292
OTHER FINANCING SOURCES (USES)				
Transfers in	1,202,500	1,202,500	54,868	(1,147,632)
Total other financing sources (uses)	1,202,500	1,202,500	54,868	(1,147,632)
Net change in fund balance	\$ 1,589,291	\$ 1,608,909	1,164,569	\$ (444,340)
Fund balance-beginning			2,921,388	
Fund balance-ending			\$ 4,085,957	

CITY OF CITRUS HEIGHTS
Road Maintenance
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,361,064	\$ 2,361,064	\$ 2,749,195	\$ 388,131
Use of money and property	-	-	73,205	73,205
Total revenues	2,361,064	2,361,064	2,822,400	461,336
EXPENDITURES				
Current:				
Public works	1,208,681	1,508,968	2,483,962	(974,994)
Capital outlay	400,000	400,000	-	400,000
Debt service:				
Principal	-	-	-	-
Total expenditures	1,608,681	1,908,968	2,483,962	(574,994)
Excess (deficiency) of revenues over (under) expenditures	752,383	452,096	338,438	(113,658)
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(200,000)	(133,428)	66,572
Total other financing sources (uses)	(200,000)	(200,000)	(133,428)	66,572
Net change in fund balance	\$ 552,383	\$ 252,096	205,010	\$ (47,086)
Fund balance-beginning			3,254,112	
Fund balance-ending			\$ 3,459,122	

CITY OF CITRUS HEIGHTS
 Transit
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 287,092	\$ 287,092	\$ 413	\$ (286,679)
Charges for services	-	-	402,056	402,056
Use of money and property	-	-	3,220	3,220
Total revenues	287,092	287,092	405,689	118,597
EXPENDITURES				
Current:				
Public works	293,673	317,673	285,254	32,419
Capital outlay	10,000	10,000	-	10,000
Total expenditures	303,673	327,673	285,254	42,419
Net change in fund balance	\$ (16,581)	\$ (40,581)	120,435	\$ 161,016
Fund balance-beginning			86,185	
Fund balance-ending			\$ 206,620	

CITY OF CITRUS HEIGHTS
Transportation Development Act
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 76,385	\$ 76,385	\$ -	\$ (76,385)
Use of money and property	-	-	2,910	2,910
Total revenues	76,385	76,385	2,910	(73,475)
Excess (deficiency) of revenues over (under) expenditures	76,385	76,385	2,910	(73,475)
OTHER FINANCING SOURCES (USES)				
Transfers out	(16,195)	(16,195)	(16,195)	-
Total other financing sources (uses)	(16,195)	(16,195)	(16,195)	-
Net change in fund balance	\$ 60,190	\$ 60,190	(13,285)	\$ (73,475)
Fund balance-beginning			133,307	
Fund balance-ending			\$ 120,022	

CITY OF CITRUS HEIGHTS
Police
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 34,302	\$ 34,302
Fines and forfeitures	56,000	56,000	737,900	681,900
Total revenues	56,000	56,000	772,202	716,202
EXPENDITURES				
Current:				
Public safety	128,822	128,822	71,842	56,980
Capital outlay	-	-	10,301	(10,301)
Total expenditures	128,822	128,822	82,143	46,679
Excess (deficiency) of revenues over (under) expenditures	(72,822)	(72,822)	690,059	762,881
OTHER FINANCING SOURCES (USES)				
Transfers in	28,295	28,295	27,500	(795)
Total other financing sources (uses)	28,295	28,295	27,500	(795)
Net change in fund balance	\$ (44,527)	\$ (44,527)	717,559	\$ 762,086
Fund balance-beginning			1,151,200	
Fund balance-ending			\$ 1,868,759	

CITY OF CITRUS HEIGHTS
 Police Grants
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 243,642	\$ 256,792	\$ 351,030	\$ 94,238
Total revenues	243,642	256,792	351,030	94,238
EXPENDITURES				
Current:				
Public safety	230,912	244,062	216,575	27,487
Capital outlay	-	-	162,038	(162,038)
Total expenditures	230,912	244,062	378,613	(134,551)
Net change in fund balance	\$ 12,730	\$ 12,730	(27,583)	\$ (40,313)
Fund balance (deficit)-beginning			(32,428)	
Fund balance (deficit)-ending			\$ (60,011)	

**CITY OF CITRUS HEIGHTS
Supplemental Law Enforcement Services (SLES)
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 133,000	\$ 133,000	\$ 55,158	\$ (77,842)
Use of money and property	-	-	2,765	2,765
Total revenues	133,000	133,000	57,923	(75,077)
EXPENDITURES				
Current:				
Public safety	89,500	23,000	52,914	(29,914)
Capital outlay	-	-	5,009	(5,009)
Total expenditures	89,500	23,000	57,923	(34,923)
Net change in fund balance	\$ 43,500	\$ 110,000	-	\$ (110,000)
Fund balance-beginning			-	
Fund balance-ending			\$ -	

CITY OF CITRUS HEIGHTS
 Roadway Development Fees
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 141,670	\$ 141,670	\$ 2,462	\$ (139,208)
Use of money and property	5,150	5,150	11,375	6,225
Total revenues	146,820	146,820	13,837	(132,983)
EXPENDITURES				
Current:				
Public works	150,000	-	162,780	(162,780)
Capital outlay	-	200,000	20,126	179,874
Total expenditures	150,000	200,000	182,906	17,094
Net change in fund balance	\$ (3,180)	\$ (53,180)	(169,069)	\$ (115,889)
Fund balance-beginning			617,916	
Fund balance-ending			\$ 448,847	

CITY OF CITRUS HEIGHTS
Housing Mitigation Development Fees
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 16,974	\$ 16,974	\$ 34	\$ (16,940)
Use of money and property	-	-	8,160	8,160
Total revenues	16,974	16,974	8,194	(8,780)
EXPENDITURES				
Current:				
Economic development	53,045	53,045	235	52,810
Total expenditures	53,045	53,045	235	52,810
Net change in fund balance	\$ (36,071)	\$ (36,071)	7,959	\$ 44,030
Fund balance-beginning			378,668	
Fund balance-ending			\$ 386,627	

CITY OF CITRUS HEIGHTS
 Tree Mitigation Fees
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 37,132	\$ 37,132	\$ -	\$ (37,132)
Use of money and property	-	-	4,610	4,610
Total revenues	37,132	37,132	4,610	(32,522)
EXPENDITURES				
Current:				
Community enhancements	37,132	37,132	20,360	16,772
Total expenditures	37,132	37,132	20,360	16,772
Net change in fund balance	\$ -	\$ -	(15,750)	\$ (15,750)
Fund balance-beginning			203,650	
Fund balance-ending			\$ 187,900	

CITY OF CITRUS HEIGHTS
Park Facilities Development Fees
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 114,000	\$ 114,000	\$ 35,105	\$ (78,895)
Use of money and property	-	-	4,856	4,856
Total revenues	114,000	114,000	39,961	(74,039)
EXPENDITURES				
Current:				
Community enhancements	53,045	53,045	-	53,045
Total expenditures	53,045	53,045	-	53,045
Net change in fund balance	\$ 60,955	\$ 60,955	39,961	\$ (20,994)
Fund balance-beginning			222,709	
Fund balance-ending			\$ 262,670	

CITY OF CITRUS HEIGHTS
Transit Development Fees
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 38,024	\$ 38,024	\$ 525	\$ (37,499)
Use of money and property	546	546	3,264	2,718
Miscellaneous	-	-	1	1
Total revenues	38,570	38,570	3,790	(34,780)
EXPENDITURES				
Current:				
Public works	-	-	235	(235)
Capital outlay	25,000	25,000	-	25,000
Total expenditures	25,000	25,000	235	24,765
Excess (deficiency) of revenues over (under) expenditures	13,570	13,570	3,555	(10,015)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	20,000	20,000
Total other financing sources (uses)	-	-	20,000	20,000
Net change in fund balance	\$ 13,570	\$ 13,570	23,555	\$ 9,985
Fund balance-beginning			183,988	
Fund balance-ending			\$ 207,543	

CITY OF CITRUS HEIGHTS
 Other Grants
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 37,132	\$ 155,861	\$ 264,793	\$ 108,932
Total revenues	37,132	155,861	264,793	108,932
EXPENDITURES				
Current:				
General government	-	-	1,123	(1,123)
Economic development	-	118,729	199,745	(81,016)
Community enhancements	-	-	81,178	(81,178)
Total expenditures	-	118,729	282,046	(163,317)
Net change in fund balance	\$ 37,132	\$ 37,132	(17,253)	\$ (54,385)
Fund balance-beginning			-	
Fund balance (deficit)-ending			\$ (17,253)	

CITY OF CITRUS HEIGHTS
AD 98-02 Zone 3
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 11,300	\$ 11,300	\$ 11,645	\$ 345
Use of money and property	60	60	412	352
Total revenues	11,360	11,360	12,057	697
EXPENDITURES				
Current:				
Public works	5,900	5,900	4,927	973
Total expenditures	5,900	5,900	4,927	973
Net change in fund balance	\$ 5,460	\$ 5,460	7,130	\$ 1,670
Fund balance-beginning			20,745	
Fund balance-ending			\$ 27,875	

CITY OF CITRUS HEIGHTS
 Assessment District Zone 1
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 10,523	\$ 10,523	\$ 10,494	\$ (29)
Use of money and property	118	118	584	466
Total revenues	10,641	10,641	11,078	437
EXPENDITURES				
Current:				
Public works	16,642	16,642	5,445	11,197
Total expenditures	16,642	16,642	5,445	11,197
Net change in fund balance	\$ (6,001)	\$ (6,001)	5,633	\$ 11,634
Fund balance-beginning			28,881	
Fund balance-ending			\$ 34,514	

CITY OF CITRUS HEIGHTS
 Assessment District Zone 2
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 12,413	\$ 12,413	\$ 12,237	\$ (176)
Use of money and property	515	515	1,502	987
Total revenues	12,928	12,928	13,739	811
EXPENDITURES				
Current:				
Public works	14,415	14,415	13,580	835
Total expenditures	14,415	14,415	13,580	835
Net change in fund balance	\$ (1,487)	\$ (1,487)	159	\$ 1,646
Fund balance-beginning			70,536	
Fund balance-ending			\$ 70,695	

CITY OF CITRUS HEIGHTS
Assessment District Zone 3
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 6,550	\$ 6,550	\$ 6,550	\$ -
Total revenues	6,550	6,550	6,550	-
EXPENDITURES				
Current:				
Public works	15,569	15,569	14,905	664
Total expenditures	15,569	15,569	14,905	664
Excess (deficiency) of revenues over (under) expenditures	(9,019)	(9,019)	(8,355)	664
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	8,355	8,355
Total other financing sources (uses)	-	-	8,355	8,355
Net change in fund balance	\$ (9,019)	\$ (9,019)	-	\$ 9,019
Fund balance-beginning			45	
Fund balance-ending			\$ 45	

CITY OF CITRUS HEIGHTS
Assessment District Zone 4
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 4,718	\$ 4,718	\$ 4,652	\$ (66)
Total revenues	4,718	4,718	4,652	(66)
EXPENDITURES				
Current:				
Public works	19,589	19,589	20,302	(713)
Total expenditures	19,589	19,589	20,302	(713)
Excess (deficiency) of revenues over (under) expenditures	(14,871)	(14,871)	(15,650)	(779)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,137	6,137	15,650	9,513
Total other financing sources (uses)	6,137	6,137	15,650	9,513
Net change in fund balance	\$ (8,734)	\$ (8,734)	-	\$ 8,734
Fund balance-beginning			-	
Fund balance-ending			\$ -	

CITY OF CITRUS HEIGHTS
 Assessment District 98-01
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 10,640	\$ 10,640	\$ 10,905	\$ 265
Use of money and property	979	979	3,019	2,040
Total revenues	11,619	11,619	13,924	2,305
EXPENDITURES				
Current:				
Public works	14,097	14,097	26,300	(12,203)
Total expenditures	14,097	14,097	26,300	(12,203)
Net change in fund balance	\$ (2,478)	\$ (2,478)	(12,376)	\$ (9,898)
Fund balance-beginning			140,914	
Fund balance-ending			\$ 128,538	

CITY OF CITRUS HEIGHTS
 Assessment District 98-02
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 22,200	\$ 22,200	\$ 22,858	\$ 658
Use of money and property	541	541	1,425	884
Total revenues	22,741	22,741	24,283	1,542
EXPENDITURES				
Current:				
Public works	31,122	31,122	22,887	8,235
Total expenditures	31,122	31,122	22,887	8,235
Net change in fund balance	\$ (8,381)	\$ (8,381)	1,396	\$ 9,777
Fund balance-beginning			68,582	
Fund balance-ending			\$ 69,978	

CITY OF CITRUS HEIGHTS
Assessment District 03-01
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 88,700	\$ 88,700	\$ 91,645	\$ 2,945
Use of money and property	6,180	6,180	19,074	12,894
Total revenues	94,880	94,880	110,719	15,839
EXPENDITURES				
Current:				
Public works	112,755	112,755	108,737	4,018
Total expenditures	112,755	112,755	108,737	4,018
Net change in fund balance	\$ (17,875)	\$ (17,875)	1,982	\$ 19,857
Fund balance-beginning			825,784	
Fund balance-ending			\$ 827,766	

CITY OF CITRUS HEIGHTS
 Assessment District 98-02 Zone 2
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 16,288	\$ 16,288	\$ 16,785	\$ 497
Use of money and property	200	200	199	(1)
Total revenues	16,488	16,488	16,984	496
EXPENDITURES				
Current:				
Public works	18,045	18,045	12,232	5,813
Total expenditures	18,045	18,045	12,232	5,813
Net change in fund balance	\$ (1,557)	\$ (1,557)	4,752	\$ 6,309
Fund balance-beginning			35,074	
Fund balance-ending			\$ 39,826	

CITY OF CITRUS HEIGHTS
 Assessment District 03-01 Zone 2
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 19,343	\$ 19,343	\$ 20,844	\$ 1,501
Use of money and property	361	361	543	182
Total revenues	19,704	19,704	21,387	1,683
EXPENDITURES				
Current:				
Public works	57,973	57,973	18,975	38,998
Total expenditures	57,973	57,973	18,975	38,998
Net change in fund balance	\$ (38,269)	\$ (38,269)	2,412	\$ 40,681
Fund balance-beginning			22,677	
Fund balance-ending			\$ 25,089	

CITY OF CITRUS HEIGHTS
Lighting Assessment District
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 348,655	\$ 348,655	\$ 340,444	\$ (8,211)
Total revenues	348,655	348,655	340,444	(8,211)
EXPENDITURES				
Current:				
Public works	470,706	470,706	426,736	43,970
Capital outlay	-	-	3,806	(3,806)
Debt service:				
Principal	-	-	15,947	(15,947)
Interest	-	-	7,209	(7,209)
Total expenditures	470,706	470,706	453,698	17,008
Excess (deficiency) of revenues over (under) expenditures	(122,051)	(122,051)	(113,254)	8,797
OTHER FINANCING SOURCES (USES)				
Transfers in	85,250	85,250	113,254	28,004
Total other financing sources (uses)	85,250	85,250	113,254	28,004
Net change in fund balance	\$ (36,801)	\$ (36,801)	-	\$ 36,801
Fund balance-beginning			-	
Fund balance-ending			\$ -	

CITY OF CITRUS HEIGHTS
 Police Donations
 Schedule of Revenues, Expenditures, and Changes in
 Fund Balance - Budget and Actual
 For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Contributions	\$ -	\$ -	\$ 5,622	\$ 5,622
Total revenues	<u>-</u>	<u>-</u>	<u>5,622</u>	<u>5,622</u>
EXPENDITURES				
Current:				
Public safety	1,500	1,500	3,991	(2,491)
Capital outlay	-	-	5,510	(5,510)
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>9,501</u>	<u>(8,001)</u>
Net change in fund balance	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	<u>(3,879)</u>	<u>\$ (2,379)</u>
Fund balance-beginning			<u>15,986</u>	
Fund balance-ending			<u>\$ 12,107</u>	

CITY OF CITRUS HEIGHTS
Streets
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 7,338,391	\$ 7,338,391	\$ 2,618,648	\$ (4,719,743)
Total revenues	7,338,391	7,338,391	2,618,648	(4,719,743)
EXPENDITURES				
Current:				
Public works	225,000	225,000	8,561	216,439
Capital outlay	13,864,586	13,864,586	7,987,117	5,877,469
Total expenditures	14,089,586	14,089,586	7,995,678	6,093,908
Excess (deficiency) of revenues over (under) expenditures	(6,751,195)	(6,751,195)	(5,377,030)	(10,813,651)
OTHER FINANCING SOURCES (USES)				
Transfers in	4,251,195	4,251,195	851,572	(3,399,623)
Loan proceeds	2,500,000	2,500,000	-	(2,500,000)
Total other financing sources (uses)	6,751,195	6,751,195	851,572	(5,899,623)
Net change in fund balance	\$ -	\$ -	(4,525,458)	\$ (16,713,274)
Fund balance-beginning			3,351,658	
Fund balance-ending			\$ (1,173,800)	

CITY OF CITRUS HEIGHTS
Measure A Construction
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 679,863	\$ 679,863
Use of money and property	-	-	30,077	30,077
Miscellaneous	576,234	576,234	-	(576,234)
Total revenues	576,234	576,234	709,940	133,706
EXPENDITURES				
Current:				
Public works	500,000	500,000	108,800	391,200
Capital outlay	-	-	155,306	(155,306)
Total expenditures	500,000	500,000	264,106	235,894
Excess (deficiency) of revenues over (under) expenditures	76,234	76,234	445,834	(102,188)
OTHER FINANCING SOURCES (USES)				
Transfers out	(154,500)	(154,500)	(734,639)	580,139
Total other financing sources (uses)	(154,500)	(154,500)	(734,639)	580,139
Net change in fund balance	\$ (78,266)	\$ (78,266)	(288,805)	\$ 477,951
Fund balance-beginning			1,261,860	
Fund balance-ending			\$ 973,055	

CITY OF CITRUS HEIGHTS
Community Capital Replacement
Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
For the Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 19,096	\$ 19,096	\$ 31,948	\$ 12,852
Total revenues	19,096	19,096	31,948	12,852
EXPENDITURES				
Current:				
General government	-	-	13,377	(13,377)
Parks and recreation	137,000	137,000	11,624	125,376
Capital enhancements	25,000	25,000	18,715	6,285
Capital outlay	537,000	537,000	551,546	(14,546)
Total expenditures	699,000	699,000	595,262	103,738
Excess (deficiency) of revenues over (under) expenditures	(679,904)	(679,904)	(563,314)	(90,886)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,110,000	1,110,000	1,110,000	-
Sales of general capital assets	-	-	69,978	69,978
Total other financing sources (uses)	1,110,000	1,110,000	1,179,978	69,978
Net change in fund balance	\$ 430,096	\$ 430,096	616,664	\$ (20,908)
Fund balance-beginning			906,853	
Fund balance-ending			\$ 1,523,517	

CITY OF CITRUS HEIGHTS
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2023

	Fire Capital Facilities Fee	STA Fees	WISN ESAC	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 14,305	\$ 173,032	\$ 187,337
Total assets	-	14,305	173,032	187,337
LIABILITIES				
Accounts payable	-	14,290	-	14,290
Total liabilities	-	14,290	-	14,290
NET POSITION				
Restricted for:				
Other governments	-	15	173,032	173,047
Total net position	\$ -	\$ 15	\$ 173,032	\$ 173,047

CITY OF CITRUS HEIGHTS
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2023

	Fire Capital Facilities Fee	STA Fees	WISN ESAC	Total Custodial Funds
ADDITIONS				
Intergovernmental	\$ 5,912	\$ 20,015	\$ 13,614	\$ 39,541
Total additions	5,912	20,015	13,614	39,541
DEDUCTIONS				
Contractual services	31,577	158,950	3,014	193,541
Total deductions	31,577	158,950	3,014	193,541
Net increase (decrease) in fiduciary net position	(25,665)	(138,935)	10,600	(154,000)
Net position-beginning	25,665	138,950	162,432	327,047
Net position-ending	\$ -	\$ 15	\$ 173,032	\$ 173,047

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STATISTICAL SECTION

This part of the City of Citrus Heights' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	137-140
Revenue Capacity These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.	141-147
Debt Capacity These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	148-150
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	151-153
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	154-155

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

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City of Citrus Heights, California
 Net Position by Component
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Invested in capital assets	\$366,354,751	\$362,247,604	\$351,834,754	\$355,292,096	\$344,507,138	\$336,912,872	\$328,594,520	\$319,214,442	\$316,887,986	\$314,998,711
Restricted	15,749,227	15,682,624	15,279,052	15,935,790	16,266,052	13,375,587	19,575,754	25,779,873	25,868,240	23,418,902
Unrestricted	28,626,101	12,581,607	14,663,297	4,264,024	1,755,048	1,882,908	(6,606,540)	(7,281,556)	4,318,206	14,471,243
Total governmental activities net position	\$410,730,079	\$390,511,835	\$381,777,103	\$375,491,910	\$362,528,238	\$352,171,367	\$341,563,734	\$337,712,759	\$347,074,432	\$352,888,856
Business-type activities										
Invested in capital assets	\$ 200,000	\$ 200,000	\$ 321,123	\$ 389,449	\$ 381,575	\$ 373,702	\$ 365,829	\$ 357,956	\$ 350,082	\$ 342,209
Unrestricted	614,441	406,354	265,517	160,563	219,434	306,142	533,964	775,308	1,131,508	1,576,732
Total business-type activities net position	\$ 814,441	\$ 606,354	\$ 586,640	\$ 550,012	\$ 601,009	\$ 679,844	\$ 899,793	\$ 1,133,264	\$ 1,481,590	\$ 1,918,941
Primary government										
Invested in capital assets	\$366,554,751	\$362,447,604	\$352,155,877	\$355,681,545	\$344,888,713	\$337,286,574	\$328,960,349	\$319,572,398	\$317,238,068	\$315,340,920
Restricted	15,749,227	15,682,624	15,279,052	15,935,790	16,266,052	13,375,587	19,575,754	25,779,873	25,868,240	23,418,902
Unrestricted	29,240,542	12,987,961	14,928,814	4,424,587	1,974,482	2,189,050	(6,072,576)	(6,506,248)	5,449,714	16,047,975
Total primary government net position	\$411,544,520	\$391,118,189	\$382,363,743	\$376,041,922	\$363,129,247	\$352,851,211	\$342,463,527	\$338,846,023	\$348,556,022	\$354,807,797

Source: City Administrative Services Department

City of Citrus Heights, California
Changes in Net Position
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 4,825,401	\$ 5,401,023	\$ 4,704,899	\$ 5,463,122	\$ 6,106,557	\$ 6,909,949	\$ 7,360,783	\$ 10,210,576	\$ 7,729,201	\$ 9,404,296
Public safety	19,595,533	18,092,747	17,355,288	18,378,242	21,698,128	24,025,017	24,443,611	23,338,398	15,877,629	25,813,011
Public ways and facilities	27,499,125	30,037,037	34,185,103	24,188,701	24,395,899	21,730,069	19,019,629	18,149,133	17,660,038	20,077,331
Culture and recreation	613,235	555,342	654,183	669,948	722,254	720,442	830,572	540,427	906,037	839,028
Economic development	172,083	159,243	214,978	402,904	353,608	296,233	950,409	916,027	55,751	1,123,525
Community enhancements	4,407,068	4,319,791	4,313,943	4,710,977	4,664,278	3,953,127	3,928,848	3,877,993	4,085,740	3,937,025
Interest on long-term debt	-	-	-	-	-	70,962	151,957	144,455	131,908	16,108
Total governmental activities expenses	57,112,445	58,565,183	61,428,394	53,813,894	57,940,724	57,705,799	56,685,809	57,177,009	46,446,304	61,210,324
Business-type activities:										
Solid waste	529,464	903,522	757,028	798,694	751,291	809,466	675,849	732,927	788,023	897,894
Total business-type activities expenses	529,464	903,522	757,028	798,694	751,291	809,466	675,849	732,927	788,023	897,894
Total primary government expenses	57,641,909	59,468,705	62,185,422	54,612,588	58,692,015	58,515,265	57,361,658	57,909,936	47,234,327	62,108,218
Program revenues										
Governmental activities:										
Charges for services:										
General government	331,675	381,923	1,120,688	1,151,570	1,185,547	1,888,219	1,902,206	1,904,861	1,745,213	1,951,865
Public safety	459,073	337,199	1,547,840	1,759,927	1,488,252	1,978,407	2,133,898	2,074,980	2,173,237	2,320,214
Public ways and facilities	4,730,893	4,666,240	4,359,774	4,500,372	4,324,674	4,474,641	5,344,895	4,759,239	5,357,787	4,990,571
Culture and recreation	374,244	311,350	352,401	354,517	449,711	32,526	22,473	-	18,313	31,948
Economic development	-	100	50	-	-	-	-	-	-	216,596
Community enhancements	1,036,139	1,298,079	1,912,936	1,597,005	498,673	1,242,148	1,508,999	2,730,818	3,221,746	2,332,285
Operating grants and contributions	13,558,056	13,179,453	10,236,552	6,087,515	6,265,040	7,165,367	6,053,305	11,072,674	10,921,489	11,327,442
Capital grants and contributions	7,173,645	2,418,225	4,489,329	2,006,396	1,483,643	7,101,580	3,790,741	3,589,794	5,389,435	4,959,684
Total governmental activities program revenues	27,663,725	22,592,569	24,019,570	17,457,302	15,695,540	23,882,888	20,756,517	26,132,366	28,827,220	28,130,605
Business-type activities:										
Charges for services:										
Solid waste	657,027	710,618	732,401	761,614	798,838	839,030	829,397	904,130	1,092,589	1,266,201
Total business-type activities program revenues	657,027	710,618	732,401	761,614	798,838	839,030	829,397	904,130	1,092,589	1,266,201
Total primary government program revenues	28,320,752	23,303,187	24,751,971	18,218,916	16,494,378	24,721,918	21,585,914	27,036,496	29,919,809	29,396,806
Net (Expense)/Revenue										
Governmental activities	(29,448,720)	(35,972,614)	(37,408,824)	(36,356,592)	(42,245,184)	(33,822,911)	(35,929,292)	(31,044,643)	(17,619,084)	(33,079,719)
Business-type activities	127,563	(192,904)	(24,627)	(37,080)	47,547	29,564	153,548	171,203	304,566	368,307
Total primary government net expense	(29,321,157)	(36,165,518)	(37,433,451)	(36,393,672)	(42,197,637)	(33,793,347)	(35,775,744)	(30,873,440)	(17,314,518)	(32,711,412)

City of Citrus Heights, California
 Changes in Net Position
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position:										
Taxes:										
Property taxes	139,634	138,659	946,113	991,552	758,653	339,571	306,250	383,773	638,183	7,538,744
Sales and use tax	11,195,869	11,230,382	15,977,575	15,412,345	15,653,986	12,542,158	12,083,836	13,373,483	14,412,009	14,544,553
Utility users tax	2,739,486	2,768,562	2,810,771	2,881,617	2,932,236	2,739,888	2,650,891	2,717,945	2,794,196	2,974,871
Other taxes	1,332,334	1,416,552	1,601,229	1,616,163	1,600,300	2,225,772	2,019,859	1,412,898	1,807,986	3,325,707
Shared intergovernmental revenues	6,652,222	7,015,174	7,260,670	7,611,171	8,037,540	8,436,657	8,887,426	9,303,916	9,683,155	10,510,268
Investment earnings	455,531	246,710	527,734	1,108,551	254,162	32,181	458,727	1,650	-	-
Transfers	35,125	-	-	-	-	-	-	-	-	-
Total governmental activities	22,550,201	22,816,039	29,124,092	29,621,399	29,236,877	26,316,227	26,406,989	27,193,665	29,335,529	38,894,143
Business-type activities:										
Investment earnings	31,715	4,158	4,913	452	3,450	49,255	66,401	1,117	(14,531)	27,185
Other revenue	-	-	-	-	-	-	-	61,151	58,444	41,705
Total business-type activities	31,715	4,158	4,913	452	3,450	49,255	66,401	62,268	43,913	68,890
Total primary government	22,581,916	22,820,197	29,129,005	29,621,851	29,240,327	26,365,482	26,473,390	27,255,933	29,379,442	38,963,033
Changes in Net Position										
Governmental activities	(6,898,519)	(13,156,575)	(8,284,732)	(6,735,193)	(13,008,307)	(10,356,855)	(10,607,634)	(3,850,978)	9,361,673	5,814,424
Business-type activities	159,278	(188,746)	(19,714)	(36,628)	50,997	76,819	219,949	233,471	348,480	437,197
Total primary government	\$ (6,739,241)	\$ (13,345,321)	\$ (8,304,446)	\$ (6,771,821)	\$ (12,957,310)	\$ (10,279,036)	\$ (10,387,685)	\$ (3,617,507)	\$ 9,710,153	\$ 6,251,621

Source: City Administrative Services Department

City of Citrus Heights, California
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ 1,144,639	\$ 962,457	\$ 298,407	\$ 32,159	\$ 279,210	\$ 135,485	\$ 302,545	\$ 145,343	\$ 64,859	\$ 1,430,808
Restricted	6,443	14,148	14,613	25,394	21,143	-	-	-	-	-
Committed	27,279,124	19,395,418	18,616,257	4,559,378	4,559,378	4,561,978	4,486,978	4,486,978	4,486,978	4,486,978
Unassigned	925,202	64,943	146,734	1,101,504	314,061	1,833,065	490,603	4,258,505	7,380,554	17,940,110
Total general fund	29,355,408	20,436,966	19,076,011	5,718,435	5,173,792	6,530,528	5,280,126	8,890,826	11,932,391	23,857,896
All Other Governmental Funds:										
Nonspendable	643,352	-	-	-	2,784,600	2,285,330	1,980	2,345	8,083	6,231
Restricted	9,994,202	9,479,154	9,723,591	10,067,839	8,702,340	13,375,587	20,775,754	25,779,873	25,868,240	23,418,902
Assigned	-	1,652,198	928,925	894,318	1,374,838	945,767	1,141,407	1,172,209	1,467,001	5,642,970
Unassigned (deficit)	950,267	(570,131)	(122,707)	(132,660)	(262,719)	(181,979)	(140,450)	(415,934)	(32,428)	(1,253,269)
Total all other governmental funds	11,587,821	10,561,221	10,529,809	10,829,497	12,599,059	16,424,705	21,778,691	26,538,493	27,310,896	27,814,834
Total all governmental funds	\$ 40,943,229	\$ 30,998,187	\$ 29,605,820	\$ 16,547,932	\$ 17,772,851	\$ 22,955,233	\$ 27,068,817	\$ 35,429,319	\$ 39,243,287	\$ 51,672,730

NOTE: Information was not available from the City's pension plan to report both the pension liability and changes in pension liability under GASB Statement No. 68 prior to 2015. Consequently, the amounts reported above in 2014 and prior years are prior to restatement.

City of Citrus Heights, California
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Taxes and assessments	\$ 15,419,083	\$ 15,582,175	\$ 16,984,351	\$ 16,631,964	\$ 16,522,415	\$ 16,837,829	\$ 16,252,772	\$ 17,671,002	\$ 19,197,868	\$ 26,581,105
Licenses, permits and fees	1,162,034	1,467,405	1,524,848	1,631,147	1,462,504	1,567,925	1,949,980	3,000,422	3,540,116	2,449,287
Fines and forfeitures	947,834	1,454,939	1,084,980	1,247,094	1,147,719	1,127,317	1,154,133	1,227,526	1,265,820	1,486,712
Intergovernmental	24,645,011	19,573,316	22,748,760	19,003,009	18,839,531	21,159,815	17,640,156	23,490,200	25,327,254	26,322,994
Use of money and property	890,087	577,893	874,978	1,398,709	515,517	944,989	761,884	191,732	311,632	1,773,829
Charges for services	6,281,132	6,197,842	6,470,344	6,598,162	6,594,424	7,049,858	7,694,919	7,317,943	7,726,053	7,704,911
Contributions	25,520	27,126	1,807,470	155,409	19,726	26,872	42,369	103,390	4,416	34,002
Other revenues	52,826	6,031	216,226	1,082,642	491,114	1,580,426	1,430,106	328,076	710,956	409,448
Total revenues	49,423,527	44,886,727	51,711,957	47,748,136	45,592,950	50,295,031	46,926,319	53,330,291	58,084,115	66,742,288
Expenditures:										
General government	4,472,814	4,732,760	4,940,481	5,547,678	5,582,583	6,364,953	6,481,755	8,989,692	8,086,021	8,932,680
Public safety	18,945,346	18,954,246	19,537,621	19,631,973	20,018,189	21,352,292	21,743,031	21,077,282	20,242,145	21,037,886
Public ways and facilities	12,507,432	14,809,940	16,288,336	12,303,244	11,251,339	10,177,443	7,469,779	6,347,685	6,348,281	8,221,805
Culture and recreation	608,931	560,376	667,099	724,750	704,866	673,253	787,545	478,510	961,940	777,710
Economic development	171,271	159,924	223,753	405,901	298,781	289,440	927,770	907,684	576,313	823,900
Community enhancements	4,348,398	4,388,846	4,425,724	4,714,654	4,306,626	3,920,072	3,708,522	3,573,622	4,139,680	3,918,990
Capital outlay	12,620,848	25,084,392	7,036,250	4,144,138	2,318,319	5,103,347	4,060,450	3,737,928	10,695,156	10,554,732
Debt service:										
Lease principal ¹	-	7,638,960	-	13,749,031	-	-	-	-	-	-
Principal retirement ²	-	-	-	-	-	-	-	76,169	3,583,049	112,258
Interest and fiscal charges	-	-	-	-	-	70,962	76,664	154,731	184,839	21,780
Total expenditures	53,675,040	76,329,444	53,119,264	61,221,369	44,480,703	47,951,762	45,255,516	45,343,303	54,817,424	54,401,741
Reconciliation of Governmental Revenues										
Less Expenditures to Fund Equity:										
Revenues over (under) expenditures	(4,251,513)	(31,442,717)	(1,407,307)	(13,473,233)	1,112,247	2,343,269	1,670,803	7,986,988	3,266,691	12,340,547
Other financing sources (uses):										
Tax sharing payments	-	21,387,991	-	-	-	-	-	-	-	-
Loan issued	-	-	-	-	-	-	-	347,268	396,601	-
Draw on line of credit	-	-	-	-	-	50,001	3,470,000	-	-	-
Subscriptions	-	-	-	-	-	-	-	-	-	18,918
Proceeds from sale of capital assets	105,911	109,694	14,940	415,345	112,672	32,181	48,112	36,246	150,676	69,978
Transfers in	3,106,136	2,642,014	2,514,601	15,236,333	1,514,764	320,356	4,176,222	2,148,207	11,428,316	2,487,416
Transfers out	(3,106,136)	(2,642,014)	(2,514,601)	(15,236,333)	(1,514,764)	(320,356)	(4,176,222)	(2,148,207)	(11,428,316)	(2,487,416)
Total other financing sources (uses)	105,911	21,497,675	14,940	415,345	112,672	82,182	3,518,112	383,514	547,277	88,896
Net change in fund balances	\$ (4,145,602)	\$ (9,945,042)	\$ (1,392,367)	\$ (13,057,888)	\$ 1,224,919	\$ 2,425,451	\$ 5,188,915	\$ 8,370,502	\$ 3,813,968	\$ 12,429,443
Debt service as a percentage of noncapital expenditures	0.00%	14.91%	0.00%	24.09%	0.00%	0.17%	0.19%	0.55%	8.54%	0.31%

¹ In 2015, the City entered into a capital lease payable agreement for a new City Hall building and utility yard. In 2017, the City exercised its option to purchase the City Hall building and utility yard by making payments totaling \$13,749,031.

² In 2022, the City repaid the outstanding revolving line of credit balance. Due to the purchase, the capital lease liability was extinguished.

Source: City Administrative Services Department

City of Citrus Heights, California
 Assessed Value and Actual Value of Taxable Property
 For the Last Ten Fiscal Years
 (In thousands of dollars)

	City *										Redevelopment Agency			Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property	Total Real Secured Property	Unsecured Property	Total Assessed	Estimated Full Market	Total Direct Tax Rate	Secured	Unsecured	Less: Exceptions	Table Assessed Value	
FY 13-14	4,392,797,873	948,260,199	23,975,394	41,160,931	5,406,194,397	130,148,077	5,536,342,474	5,536,342,474	0.08	521,362,337	51,620,891	434,000	572,549,228	0.084%
FY 14-15	4,722,373,921	946,555,612	24,549,642	36,971,515	5,730,450,690	129,655,189	5,860,105,879	5,860,105,879	0.08	519,033,049	48,319,149	420,000	566,932,198	0.084%
FY 15-16	4,904,511,049	959,298,396	25,096,287	51,406,049	5,940,311,781	108,308,288	6,048,620,069	6,048,620,069	0.08	505,368,074	38,951,421	378,000	543,941,495	0.084%
FY 16-17	5,123,458,670	995,114,927	26,777,317	48,869,328	6,194,220,242	127,456,727	6,321,676,969	6,321,676,969	0.08	515,200,283	39,266,230	371,000	554,095,513	0.084%
FY 17-18	5,436,063,995	1,071,328,921	27,361,771	44,407,597	6,579,162,284	125,883,733	6,705,046,017	6,705,046,017	0.08	532,993,401	36,254,710	322,000	568,926,111	0.084%
FY 18-19	5,759,511,551	1,094,930,040	31,158,659	47,155,289	6,932,755,539	131,198,394	7,063,953,933	7,195,152,327	0.08	-	-	-	-	0.000%
FY 19-20	6,063,826,197	1,109,893,409	28,709,180	54,462,552	7,256,891,338	129,920,746	7,386,812,084	7,516,732,830	0.08	-	-	-	-	0.000%
FY 20-21	6,368,025,400	1,142,931,179	29,220,643	63,644,340	7,603,821,562	133,241,641	7,737,063,203	7,870,304,844	0.08	-	-	-	-	0.000%
FY 21-22	6,676,628,818	1,104,565,332	29,522,369	86,849,964	7,897,566,483	126,225,115	8,023,791,598	8,150,016,713	0.08	-	-	-	-	100.000%
FY 22-23	7,361,001,973	1,115,342,553	30,218,661	68,349,526	8,574,912,713	148,741,399	8,723,654,112	8,872,395,511	0.08	-	-	-	-	100.000%

Source: Sacramento County Assessor 2012/13-2022/23 Combined Tax Rolls
 Source: HDL Coren & Cone

* Due to a Revenue Neutrality law, the City has entered into a contract with the County, whereby the County will keep all of the City's property tax revenue through June

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

City of Citrus Heights, California
 Direct and Overlapping Tax Rates
 For the last ten fiscal years
 (Rate per \$100 of taxable value)

	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Grant Joint High	0.07280	0.04850	0.03060	0.06480	0.01460	0.03320	0.02940	0.02000	0.02360	0.01200
Los Rios College Gob	0.01810	0.01130	0.00910	0.01410	0.01300	0.01310	0.02320	0.02230	0.02490	0.02260
North Sacto Elementary Gob	0.02060	0.01850	0.01260	0.01680	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Rio Linda Elementary Bond	0.05570	0.05290	0.04890	0.05210	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
San Juan Unified	0.16300	0.15090	0.15470	0.15220	0.21150	0.19930	0.17930	0.18090	0.18870	0.18730
Twin Rivers Unified	0.00990	0.05520	0.03890	0.04810	0.14430	0.07340	0.10330	0.10610	0.09840	0.09280
Total Direct & Overlapping² Tax Rates	1.34010	1.33730	1.29480	1.34810	1.38340	1.31900	1.33520	1.32930	1.33560	1.31470
City's Share of 1% Levy Per Prop 13 ³	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431
Voter Approved City Debt Rate										
Redevelopment Rate ⁴										
Total Direct Rate ⁵	0.07634	0.07664	0.07735	0.07759	0.08140	0.07837	0.07908	0.07943	0.07966	0.08021

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² 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.

³ 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. The ERAF general fund tax shifts are unknown and may not be subtracted from the City's

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: Sacramento County Assessor 2013/14 - 2022/23 Tax Rate Table

Source: HDL Coren & Cone

City of Citrus Heights, California
Principal Property Tax Payers
Current Year and 9 Years Ago

Property Owner	2022-2023			2013-2014		
	Assessed Valuation	Rank	% of Total	Assessed Valuation	Rank	% of Total
KW Fund VI Autumn Ridge LLC	\$ 120,000,000	1	1.38%			
Montage Apartments Properties Owners LLC	82,548,408	2	0.95%			
Birdcage GRF2 LLC	69,320,967	3	0.79%	49,483,024	3	0.89%
29SC Arcade LP	54,000,000	4	0.62%			
Lakeview Gold	50,280,115	5	0.58%			
MG Atwood Apartments Ria LLC	49,405,390	6	0.57%			
Ethan Conrad	44,663,152	7	0.51%			
Mitchell Sippola LP	42,666,887	8	0.49%			
Gallery Park LLC Westfal LLC Et Al	34,163,301	9	0.39%			
Walmart/Sams	27,919,604	10	0.32%	24,433,638	6	0.44%
Steadfast Sunrise				84,271,231	1	1.52%
FAOF Oak Creek LLC				52,222,036	2	0.94%
J				43,544,683	4	0.79%
Grove at Sunrise				29,668,825	5	0.54%
Oakmont Properties				24,324,960	7	0.44%
Marshall Field Stores				23,620,078	8	0.43%
Costco Wholesale Copr				21,887,181	9	0.40%
Lowes HIW Inc				20,232,586	10	0.37%
	<u>\$ 574,967,824</u>		<u>6.60%</u>	<u>\$ 373,688,242</u>		<u>6.76%</u>

Information collected by: HDL Coren & Cone

Data Source: Sacramento County Assessor 2022/23 & 2013/14 Combined Tax Rolls and the SBE Non Unitary Tax Roll

City of Citrus Heights, California
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	City Direct Rate	Sacramento County	STA Measure A	State of California	Total Sales Tax Rate
2014	1.00	0.25	0.50	6.25	8.00%
2015	1.00	0.25	0.50	6.25	8.00%
2016	1.00	0.25	0.50	6.25	8.00%
2017	1.00	0.25	0.50	6.00	7.75%
2018	1.00	0.25	0.50	6.00	7.75%
2019	1.00	0.25	0.50	6.00	7.75%
2020	1.00	0.25	0.50	6.00	7.75%
2021	1.00	0.25	0.50	6.00	7.75%
2022	1.00	0.25	0.50	6.00	7.75%
2023	1.00	0.25	0.50	6.00	7.75%

Source: California State Board of Equalization

City of Citrus Heights, California
Schedule of Top 25 Sales Tax Remitters (listed in alphabetical order)
Current year and Nine Years Ago
Fiscal Year Ended June 30, 2023

2022	2013
(represents 50.93% of total sales tax)	(represents 53.85% of total sales tax)
7 Eleven	Arco AM PM
76 Market	Arco AM PM
A&A Stepping Stone Manufacturing	AT&T Mobility
Arco AM PM	Barnes & Noble
Arco AM PM	Best Buy
Best Buy	Burlington
Burlington	Chevron
Citrus Heights Shell	Costco
Contractors' Warehouse	JC Penney
Costco	Kmart
Future Honda	Kohls
JC Penny	Lowe's
Lowe's	Macy's
Macy's	Maita Honda
Maita Honda	Marshalls
Marshalls	Old Navy
McDonalds	Pastor Auto Care
Pastor Auto Care	Ross
Quik Stop	Sams Club w/Fuel
Ross	Sears
Sams Club w/Fuel	Shell
Target	Target
Texas Roadhouse	Toys R Us
Walgreens	Walgreens
Walmart Supercenter	Walmart Supercenter

* Firms Listed Alphabetically

Period: January 2022 thru December 2022

Period: January 2013 thru December 2013

Note: The lists above includes both public and private entities and therefore the dollar values have been omitted because the information is not public information and is not provided by HDL. Rankings are determined by the sales dollar volume.

Source: HDL & Associates, State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office

City of Citrus Heights, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	4,180,600	4,180,600	100%	-	4,180,600	100%
2015	4,481,889	4,481,889	100%	-	4,481,889	100%
2016	4,801,882	4,662,052	100%	-	4,662,052	100%
2017	4,960,511	4,774,258	100%	-	4,774,258	100%
2018	5,286,616	4,885,101	100%	-	4,885,101	100%
2019	5,593,319	5,593,319	100%	-	5,593,319	100%
2020	5,888,260	5,888,260	100%	-	5,888,260	100%
2021	6,203,470	6,203,470	100%	-	6,203,470	100%
2022	6,521,191	6,521,191	100%	-	6,521,191	100%
2023	7,147,126	7,147,126	100%	-	7,147,126	100%

Source: Sacramento County Auditor-Controller's Office

* Due to a Revenue Neutrality law, the City has entered into a contract with the County of Sacramento (County), whereby the County will keep all of the City's property tax revenue through June 2022. Numbers above were provided by the County.

Note: Amounts reported and collected under the Teeter Plan in which all taxes are distributed to the City in the year of the levy with the County retaining any interest or penalties on uncollected balances.

City of Citrus Heights, California
Direct and Overlapping Debt
Current Year
June 30, 2023

2022-23 Assessed Valuation \$8,724,989,082

	Total Debt 6/30/2023	% Applicable ¹	City's Share of Debt 6/30/2023
DIRECT & OVERLAPPING TAX & ASSESSMENT DEBT:			
Los Rios Community College District	448,500,000	3.511%	\$ 15,746,835
San Juan Unified School District	680,488,183	19.605	133,409,708
Twin Rivers Unified School District	87,270,000	0.214	186,758
Twin Rivers Unified School District (former Grant Joint UHSD)	290,598,737	0.168	488,206
CA Statewide Communities Development Authority Assessment District No. 19-14Ca	4,477,000	100	4,477,000
City of Citrus Heights	522,606	100	522,606
TOTAL DIRECT & OVERLAPPING TAX & ASSESSMENT DEBT			\$ 154,831,113
OVERLAPPING GENERAL FUND DEBT:			
Sacramento County General Fund Obligations	116,785,623	4.220%	\$ 4,928,353
Sacramento County Pension Obligation Bonds	539,161,779	4.220	22,752,627
Sacramento Board of Education Certificates of Participation	2,150,000	4.220	90,730
City of Citrus Heights General Fund Obligations	-	100	-
Sacramento Metropolitan Fire District General Fund Obligations	7,643,000	10.422	796,553
Sacramento Metropolitan Fire District Pension Obligations Bonds	25,455,000	10.422	2,652,920
Orangevale Recreation and Park District Certificates of Participation	863,000	0.039	337
Sunrise Recreation and Park District Certificates of Participation	4,835,000	54.952	2,656,929
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT			33,878,449
Less: Sacramento County supported obligations			525,416
TOTAL NET OVERLAPPING GENERAL FUND DEBT			\$ 33,353,033
TOTAL DIRECT DEBT			\$ 522,606
TOTAL GROSS OVERLAPPING DEBT			188,186,956
TOTAL NET OVERLAPPING DEBT			187,661,540
GROSS COMBINED TOTAL DEBT			188,709,562
NET COMBINED TOTAL DEBT			188,184,146

⁽¹⁾The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.77%
Direct Debit	0.00%
Gross Combined Total Debt	2.16%
Net Combined Total Debt	2.15%

Source: California Municipal Statistics, Inc.

City of Citrus Heights, California
 Legal Debt Margin Information
 Last Ten Fiscal Years
 (Dollars in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Value	\$ 5,536,342,474	\$ 5,860,105,879	\$ 6,048,620,069	\$ 6,321,676,969	\$ 6,705,046,017	\$ 7,063,953,933	\$ 7,386,812,084	\$ 7,737,063,203	\$ 7,897,566,483	\$ 8,574,912,713
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Value	1,384,085,619	1,465,026,470	1,512,155,017	1,580,419,242	1,676,261,504	1,765,988,483	1,846,703,021	1,934,265,801	1,974,391,621	2,143,728,178
Debt Limit Percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	207,612,843	219,753,970	226,823,253	237,062,886	251,439,226	264,898,272	277,005,453	290,139,870	296,158,743	321,559,227
Legal debt margin	\$ 207,612,843	\$ 219,753,970	\$ 226,823,253	\$ 237,062,886	\$ 251,439,226	\$ 264,898,272	\$ 277,005,453	\$ 290,139,870	\$ 296,158,743	\$ 321,559,227
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: City Administrative Services Department

Notes: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of fair value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of fair value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

The City does not have any outstanding general obligation debt subject to the limit.

City of Citrus Heights, California
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ w/ High School Degree	% of Pop 25+ w/ Bachelor's Degree
2013	84,544	\$ 2,163,481	\$ 25,590	4.9%	37.0	89.9%	19.2%
2014	84,550	2,107,324	24,924	7.7%	37.0	89.2%	18.9%
2015	86,291	2,109,711	24,448	6.3%	37.8	89.2%	18.9%
2016	87,013	2,097,135	24,101	5.6%	37.3	89.9%	18.8%
2017	87,731	2,193,100	24,997	4.5%	37.7	89.6%	19.0%
2018	88,095	2,377,290	26,985	3.7%	37.6	90.2%	20.0%
2019	87,811	2,548,891	29,027	3.5%	37.7	90.2%	20.7%
2020	87,811	2,698,425	30,729	9.0%	38.0	90.3%	20.4%
2021	86,367	2,820,690	32,659	6.6%	37.6	90.2%	21.6%
2022	* 85,837	2,961,101	34,496	3.8%	37.9	90.4%	22.4%

Notes and Data Sources:

Information collected by: HDL Coren & Cone

Population: California State Department of Finance. Unemployment Data: California Employment Development Department

2000-2009 Income, Age and Education Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries

2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

* Data for 2023 is not yet available

City of Citrus Heights, California
Ratios of Outstanding Debt by Type - Government Activities
Last Ten Calendar Years

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Debt</u>	<u>Subscription</u> <u>Liabilities</u>	<u>Percentage of</u> <u>Personal Income</u>	<u>Per Capita</u>
2014	\$ -	\$ -	-	\$ -
2015	13,749,031	-	652.44%	163
2016	13,749,031	-	651.70%	159
2017	-	-	-	-
2018	-	-	-	-
2019	50,001	-	2.10%	1
2020	3,520,001	-	138.10%	40
2021	3,791,100	-	140.49%	43
2022	604,652	-	21.44%	19
2023	522,606	149,952	22.71%	19

Source: City Administrative Services Department

City of Citrus Heights, California
Principal Employers
Current Year and Ten Years Ago

Employer	2023*			2014*		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 10 Employment
State of California	107,876	1	57.32%	72,220	1	52.59%
UC Davis/US Davis Health System	16,075	2	8.54%	9,905	4	7.21%
Sacramento County	13,252	3	7.04%	10,700	2	7.79%
Kaiser Permanente	10,934	4	5.81%	5,421	8	3.95%
U.S. Government	10,507	5	5.58%	9,906	3	7.21%
Sutter Health Sacramento Sierra Region	9,350	6	4.97%	7,352	5	5.35%
Dignity Health	7,353	7	3.91%	6,212	6	4.52%
Intel Corp	5,000	8	2.66%	6,000	7	4.37%
San Juan Unified School District	4,801	9	2.55%	4,200	10	3.06%
Los Rios Community College District	3,049	10	1.62%			
Elk Grove Unified School District				5,410	9	3.94%
Total	188,197		100.00%	137,326		100.00%

Notes:

* Information presented is for the Sacramento Region Largest Sacramento County Employers and Largest Private-Sector Employers, since separate data is not available for the City of Citrus Heights. Companies surveyed for this list have offices in Sacramento County. Not all responded to inquires.

Source: Sacramento Business Journal

City of Citrus Heights, California
 Full-time and Part-time City Employees by Function
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	22	22	25	28	28	23	31	31	27	28
Public safety	150	145	144	144	151	149	149	133	138	147
Public works	25	25	20	18	16	28	16	19	17	24
Community development	16	17	18	18	18	15	14	13	12	12
Community center	15	14	14	11	9	8	6	4	8	4
Total	228	223	221	219	222	223	216	200	202	215

Source: City Administrative Services Department

City of Citrus Heights, California
 Operating Indicators by Function
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Arrests	3,348	3,185	2,990	2730	2452	2249	1,966	2,054	1,411	1,538
Parking citations issued	539	685	520	650	908	906	581	393	681	1,122
Total police actions	3,887	3,870	3,510	3,380	3,360	3,155	2,547	2,447	2,092	2,660
Fire **	n/a									
Public works										
Street resurfacing (miles)	4	2	4	1	0	0	2	0	6	3
Parks and recreation **	n/a									
Water **	n/a									
Sewer **	n/a									
Building:										
Commercial/Industrial Construction	1	3	12	2	1	2	1	5	2	1
Residential Construction	10	43	28	9	17	26	24	140	189	43
Total building actions	11	46	40	11	18	28	25	145	191	44

** Services are provided by Special Districts, which are separate from the City. Information not available.

Source: City Administrative Services Department

City of Citrus Heights, California
 Capital Asset Statistics by Function
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire *										
Fire stations	5	5	5	4	4	4	4	4	4	4
Public works										
Streets (miles)	237	237	237	237	237	237	214	237	237	242
Streetlights	4337	4365	4407	4497	4480	4702	4714	4736	4741	4810
Parks and recreation										
Parks *	14	14	14	15	15	15	15	17	17	17
Community centers	3	3	3	3	3	3	3	3	3	3
Water *										
Water mains (miles)	225	225	225	225	225	225	225	340	340	366.66
Daily average consumption in MGD **	17.8	17.8	17.8	12	12	12	12	14.052	13.415	12.79
Sewer *										
Sanitary sewers (miles)	235	235	235	235	235	235	235	238	240	240
Number of pump stations	1	1	1	1	1	1	1	2	2	2
Building										
Commercial/Industrial Construction Value	\$ 1,202,480	\$ 1,600,000	\$ 4,387,549	\$22,135,000	\$ 7,105,826	\$ 680,000	\$ 9,950,000	\$ 875,001	\$ 591,141	\$ 340,000
Residential Construction Value	1,275,716	1,675,004	10,993,691	6,898,647	6,306,226	2,753,290	4,495,473	2,720,549	1,047,021	6,919,674

* Services are provided by Special Districts, which are separate from the City. The data provided are for those portions of the system located within the City of Citrus Heights.

** MGD = Million Gallons per Day.

Source: City Administrative Services Department

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