

State of California

City of Visalia



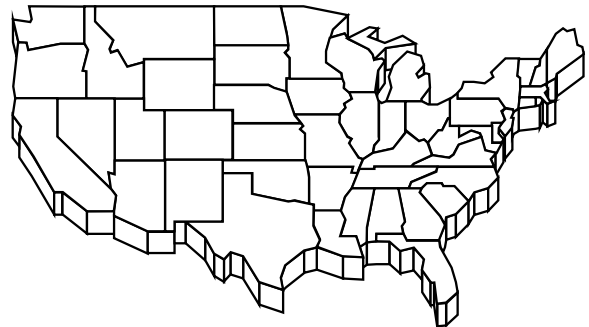
Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020

CITY OF VISALIA
STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2020



Prepared by the Finance Department

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Visalia, California 93291
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Introductory Section

Introductory Section





December 18, 2020

To the Honorable Mayor, City Council, and Citizens of the City of Visalia:

We are pleased to submit the City of Visalia's (the City) Comprehensive Annual Financial Report (CAFR) for the fiscal year July 1, 2019 through June 30, 2020. The City Charter (Article VI - Section 17) requires that a licensed certified public accountant conduct an annual audit at the end of each fiscal year and issue a complete set of financial statements to be submitted to City Council. The CAFR is also intended to provide relevant financial information to the residents of Visalia, taxpayers, creditors, investors, and other interested parties. Like many financial reports, the CAFR is a "snapshot in time". It reflects the financial condition of the organization at a specific point in time. The complex financial operations of a city are extremely dynamic and constantly undergoing change. This is not a document requiring decision-making or adjustment, it is a reflect of a financial point in our history that provides open and transparent review of our operations.

This letter of transmittal provides a non-technical summary of City finances, services, and achievements, and economic prospects. We ask that readers who wish a more detailed discussion of the City's financial results refer to Management's Discussion & Analysis ("MD&A") contained in the Financial Section of the CAFR.

The City Finance Department is responsible for establishing and maintaining internal controls designated to ensure that the assets of the city are protected from loss, theft or misuse, and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Internal controls are designated to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgements by management. All internal control evaluations occur within the stated framework. City management believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City contracted with Maze & Associates Accounting Corporation, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for fiscal year 2019-2020 are fairly stated in conformity with generally accepted accounting principles (GAAP). This is the most favorable conclusion and is commonly known as an "unmodified" or "clean" opinion. The independent auditor's report is included in front of the Financial Section of this report.

This CAFR is organized into four sections:

- The **Introductory Section** provides this transmittal letter which includes information about the governmental structure, economic activities of the community, and notable financial activities.
- The **Financial Section** includes the financial statements, notes, and supplemental information. It has management's discussion and analysis (MD&A) which immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the Basic Financial Statements including notes and the Required Supplementary Information.
- The **Statistical Section** includes tables containing historical financial data, debt statistics, and miscellaneous social and economic data of potential interest to readers of financial documents. The data also includes ten-year revenue and expenditure data.
- The **Compliance Section** which includes the Measure T Agreed Upon Procedures Audit, the Measure N Agreed Upon Procedures Audit, and Bond Disclosure Requirements. The citizens of the City of Visalia, in 2004, passed a sales tax ballot measure for public safety operations and in 2016, passed a sales tax ballot measure for essential City services. An annual compliance audit was required as part of the measures and is included in this document.

CITY PROFILE

Basic Information

Visalia is located in the central San Joaquin Valley in California, approximately 185 miles north of Los Angeles and 220 miles south of San Francisco. Visalia is the county seat and principal trading center for Tulare County, which is currently one of the most productive agricultural counties in the United States. The City currently has a land area of approximately 38 square miles with a population of 138,649 as of May 2020, making it the 44th largest city in California and placing Visalia among the 205 largest cities in America.

The City was founded in 1852, incorporated in 1874, and became a charter city in 1923. The charter was amended in 1974 and the City operates under a Council-Manager form of government. The City Council is comprised of five members who are elected to alternating four-year terms staggered every two years. Beginning in November 2016, the Council elections moved from at-large elections to district-based elections. The Council selects two of its members to serve as Mayor and Vice Mayor for a two-year term. City Council is responsible for making policy, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the ordinances and policies of the City Council, overseeing operations, and appointing, with Council approval, the City's department heads.

Types of Services

The City provides a full range of municipal services including those required by statute or charter. These services include Police, Fire, Planning, Building Safety, Successor Agencies to Redevelopment, Housing

and Economic Development, Wastewater Treatment and Collection, Storm Water Collection, Ground Water Recharge, Solid Waste, Streets, Parks, Traffic Safety, Transit, Airport, Recreation, Convention Center, Senior Center, Baseball Park, and General Administrative Services.

BUDGET

The City Council is required to adopt a budget by no later than the close of the prior fiscal year. This budget is prepared on a two-year basis and serves as the foundation for the City's fiscal planning and financial control. The budget is organized by departments (e.g., Community Development), by funds (e.g., Transportation), and by divisions (e.g., Planning). The City Manager may transfer appropriations within a fund, provided that the total appropriation is not increased.

The City's Capital Budget is considered as part of the City's Five-Year Capital Improvement Plan. The capital expenditures approved are the two years adopted in the budget.

ECONOMIC CONDITION

The majority of fiscal year 2019-20 saw significant growth in all revenue categories. This growth was drastically affected by COVID-19 which created both a global public health and economic crisis. COVID-19 continues to impact our community and our daily lives as businesses continue to have operating restrictions placed upon them and schools are only partially opened. The pandemic brought about historic lockdowns and social distancing measures as well as the forced closures of non-essential businesses which dramatically affected all aspects of consumer spending. After 11 years of economic growth, the longest economic expansion on record, COVID-19 crippled the economy with record unemployment (14.7% in April 2020) leading to record breaking stimulus packages issued by the Federal government to help ease the economic downturn.

Even with the devastating effects that COVID-19 had on the economy, fiscal year 2019-20 ended the year with an overall increase of \$1.6 million in the total economic-sensitive revenue category for the General Fund as shown in Table 1 – Economic Sensitive Revenues.

Table 1 - Economic Sensitive Revenues
(as shown in the Financial Statements)

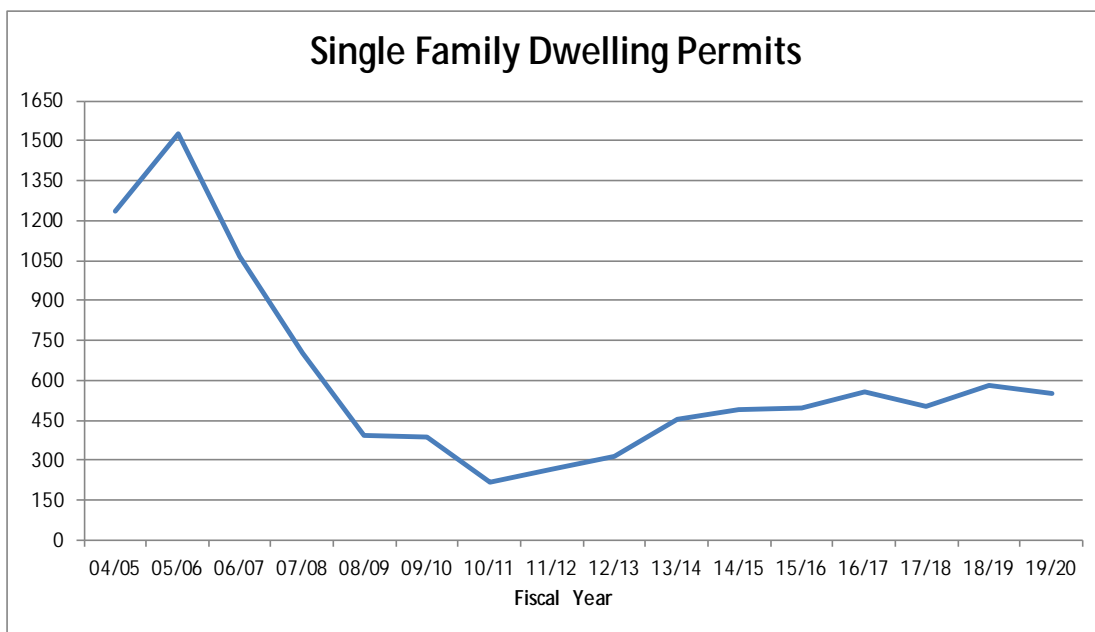
Description	FY 18/19	FY 19/20	Increase Over	
			Prior Year	% Increase
Sales Tax	\$ 33,201,587	\$ 34,213,847	\$ 1,012,260	3%
Property Tax	25,048,585	26,281,706	1,233,121	5%
Transient Occupancy Tax	3,081,723	2,727,385	(354,338)	-11.5%
Franchise Fees	2,700,206	2,669,467	(30,739)	-1%
Business License	2,756,917	2,538,135	(218,782)	-8%
Total	\$ 66,789,018	\$ 68,430,540	\$ 1,641,522	2%

Sales Tax grew at 3% for fiscal year 2019-20, partially due to the Federal stimulus money issued which allowed consumers to continue to spend. Property Tax maintained its growth trend increasing 5% as existing houses sales, new development, and property values increased in Visalia. This large growth was offset by decreases in Transient Occupancy Tax which decreased 11.5% for the year as COVID-19 had a detrimental effect on the travel and hospitality industry, enhanced by the lockdowns and travel restrictions imposed by the State of California. Franchise Fee revenue had a slight decrease of 1% in fiscal year 2019-20 mainly due to a coding error correction for Solid Waste franchise haulers. Business License revenue decreased 8%, as last year’s revenue was overstated because it included some revenue from fiscal year 2017-18 in error due to a software upgrade that occurred that year.

Visalia has 12,315 licensed businesses operating in the City. These businesses include private manufacturing, technology research, retail and service businesses, educational services, healthcare and social assistance, consulting, arts and entertainment, hospitality services, along with non-profit institutions.

Construction activity in the City decreased 6% (based on number of all permits issued) in fiscal year 2019-20. However, the total valuation for all permits issued was \$340 million, a 29% increase from the prior year as the City added 1.6 million square feet of new commercial property and 2.7 million square feet of space overall. In terms of single family dwelling permits, fiscal year 2019-20 had a slight decrease in construction activity compared to the prior year as can be seen in [Table 2 – New Single Family Dwelling Permits Comparison](#). The new single family dwelling permits issued were down from the prior year by 5%. The construction value for 552 new single family dwelling permits came in at \$140 million, which was down 4% from the prior year valuation level.

Table 2 – New Single Family Dwelling Permits Comparison



Overall, this construction activity drives the revenue collection in several categories and is an indicator of future activity for several other categories, such as property taxes, impact fees, and storm and sanitary sewer system fees.

DEVELOPMENT

The City of Visalia continued to see steady growth industrially, commercially, and in other developments throughout the community in fiscal year 2019-20.

Industrial Park Highlights

United Parcel Service (UPS) has constructed a new 425,000 square foot building located at Plaza Drive and Riggin Avenue. This will be UPS's main Central Valley Ground hub and will add 250-300 new jobs to the current 300 UPS employee workforce.

Diversified Development Group (DDG) has nearly completed construction of a 364,000 square foot building located at the southeast corner of Plaza Drive and Riggin Avenue. In addition, DDG is constructing two new 300,000 square foot warehouses along Riggin Avenue east of the new Millipore Sigma building.

Caprock Partners has started a 1.3 million square foot building at Plaza Drive and Riggin Avenue adjacent to the UPS building. When complete, the facility will be the largest in the Industrial Park. They have also initiated plans for more than 2 million additional square feet on adjacent property.

A new 87,000 square foot industrial space is being constructed south of existing facilities at 7427 W. Sunnyview Avenue.

Edeniq has relocated to 6910 W. Pershing Avenue where they will continue their analytical chemistry services for the corn ethanol industry throughout the United States.

Compac Sorting Equipment is expanding into a new facility at 728 N. American Street. Compac provides integrated post-harvest solutions and services to the fresh produce industry globally.

Valley Oak SPCA will be constructing a 5,000 square foot building that will house a boarding and grooming center for the adoption of animals. The facility will be located on Nevada Court just south of Goshen Avenue.

Sorma USA, an Italian manufacturer of food packaging equipment, will be constructing a new 81,000 square foot facility on Sunnyview Avenue near the future Kelsey Street road. Once constructed, Sorma will be moving its US headquarters from its existing Visalia location on Ferguson Avenue into the new facility.

Other projects in the Industrial Park include:

- A new 5,050 square foot building at 817 Gateway.
- A new 10,000 square foot building off of Elko Street.
- A new 10,000 square foot space for a screen printing business that will be located near the northwest corner of Placer Avenue and Plaza Drive.
- Three new buildings south of American Inc. where total square footage will be approximately 15,000 square feet.

Business Research Park

The Business Research Park is located in northwest Visalia adjacent to the Industrial Park. After many years of minimal development activity, the area has seen substantial new development and growth is continuing at a significant pace.

The Crowley Park master plan continues to proceed through the entitlement process. The 35-acre plan is located north of Crowley Avenue and west of Kelsey Street and consists of nearly 423,000 square feet of new office space, sit down restaurants, fast food restaurants, a hotel, medical spaces, as well as open park space.

The Residence Inn has completed construction just south of the new Brandman University campus along Plaza Drive and is now open to the public. In addition, two new hotels are expected to begin construction in the area as well. South of the Residence Inn an eighty-two room Home2 Suites is planned and across Plaza Drive, a 113 room Hilton Garden Inn has started construction.

Fresno Pacific University will soon be improving their lot just north of their campus with 132 new parking stalls. The additional parking will be a welcome addition to the area.

Cowboy Burgers and BBQ will be locating adjacent to the new AM/PM gas station at the southwest corner of Plaza Drive and Crowley Avenue.

Mooney Boulevard

The Visalia Mall has a number of new brands coming or recently added including Hibbett Sports, Crescent Jewelers, Box Lunch, California Fish Grill, and Urbane Café.

Further south on Mooney Boulevard, Phase 1 of a Sequoia Mall remodel has made it through site plan review. The first phase calls for the demolishing of the existing theater and constructing a building for a new theater as well as a new adjacent building and 2 new buildings that will be located between the main shopping mall and new theater location. The placement of these new buildings will create an outdoor pedestrian thoroughfare.

A master plan for the southeast corner of Visalia Parkway and Mooney Boulevard has been submitted. This is the future site of Visalia's first Aldi's, a discount supermarket chain. The plans call for approximately 212,000 square feet of new retail space consisting of various sized buildings.

The new Packwood Creek development in The Grove at Packwood South features Bob's Discount Furniture, La-Z-Boy, and a Valvoline Instant Oil Change. A Good Guys Tire and Auto Repair store is proposing a location near the Bob's Discount Furniture.

Other new businesses along the Mooney Boulevard include Yoshinoya, Aloha Express, Luv 2 Play, Dutch Bros. Coffee, and Dunkin Donuts. In addition, Boot Barn is planning to open up a new store in Visalia at the recently vacated Pier 1 space and Crab & Tails, a Cajun restaurant, is being proposed in the former Payday Loan building located in front of Howie and Son's Pizza Parlor.

Downtown Developments

Historic Downtown:

The old Tulare County courthouse redevelopment project, the Darling Hotel, is finally complete. The 32 room boutique hotel features several meeting rooms, a rooftop restaurant and lounge, and a ground level courtyard with an enclosed pool and canopy along Court Street, all while preserving the buildings 1930's era art deco architectural style.

Wimpy's, an old-fashioned burger joint, has opened at 101 South Court Street next to the Cellar Door.

The Café at Cellar Door is now serving coffee, food and drink opening the venue for all day dining.

How We Roll Ice Cream is now open next to SP's at 104 South Church Street. How We Roll provides customized ice cream with many varieties and options to choose from, made to order in front of the customer.

Maximo's Taqueria will be opening up soon in the old Baskin Robbins space at 423 W. Main Street.

Doc's Grill has relocated to their new building at the corner of Willis Street and Main Street and is now open. Doc's serves up burgers, sandwiches, and Mexican food.

Pita Kabob, serving up fresh and healthy Mediterranean food, is expanding into the space next door to their existing location at 227 North Court Street.

CleVR Escape, a virtual reality arcade and escape room concept will be opening soon at 205 West Main Street.

East Downtown:

Sierra Bicycle Werks moved to 917 East Main earlier this year.

Long Shot Brewery, a Nano Brewery and Taproom, is being proposed at 706 East Main Street.

The space at 605 East Main Street still has several concepts proposed for the location including a new gym space, a new brewery and tasting room for Simply Brewing Co., and K on Main, a music shop with a specialty in Korean Pop Music.

Chicken Shack, a popular local chicken restaurant chain, is proposing their first Visalia location at 601 East Main Street.

North Visalia

A new 6,500 square foot building is being proposed near the southeast corner of Dinuba Boulevard and Riggin Avenue. The project will include a dental use and quick service food. A new oil changing facility to be located just south of the current AM/PM gas station and convenience store is also being proposed.

A development is planned on Akers Street across from Ridgeview Middle School. The Reserve at Ritchie Ranch is a multifamily project and will house 482 units.

Adjacent to Ridgeview Middle School, north of Riggin Avenue and West of Akers, a 500-acre mixed use master planned community called Carlton Acres is being proposed.

Cypress Bakery, a local Mexican bakery, is expanding at their 2126 North Dinuba Boulevard location.

Phase 1 of the Orchard Walk West located at North Dinuba Boulevard and Riggin Avenue has finally started. Phase 1 of the project will include Visalia's second In-N-Out Burger location. Phase 2 of the project has been submitted and looks to have 34,000 square feet of new retail space, a gas station and convenience store, and an additional drive thru restaurant.

The corner of Mooney Boulevard and Riggin Avenue continues to attract new commercial interests with a new Burger King locating near the new Starbucks's on the northeast corner and a new Pro PT physical therapy clinic being proposed on the northwest corner. A Tulare County Federal Credit Union is also being proposed near the northeast corner.

Other Openings/Developments

Two new medical offices are now under construction along Noble Avenue near Akers Street.

A new 7,000 square foot credit union/office space is nearing completion at 5222 W. Cypress Avenue.

A new retail space and fast food restaurants are being proposed for a portion of the parking lot area off of Akers Street at the Tulare County Sheriff's location. One tenant includes the City's second Dutch Bros. Coffee.

A new 7,300 square foot retail space is planned to be constructed at 738 South Lovers Lane which is south of the AM/PM gas station and convenience store.

A new restaurant is being proposed for 821 South Bridge Street near Tulare Avenue as well as a new convenience store at 707 South Bridge Street.

The former Kmart building at 3247 W. Noble Avenue has been converted into office space for use by the Tulare County Probation and Mental Health Services Departments. The offices now bring considerable daytime traffic to the Visalia Marketplace shopping center in which this building is located.

New retail space is being proposed at 3835 West Caldwell Avenue north of the Winco Shopping Center near Demaree Street. Approximately 4,000 square feet will be available.

A planned mixed use commercial development is being proposed for the northeast corner of Avenue 264 and Mooney Boulevard. The project would include a mini-mart, fast food, self-storage, retail space, veterinary clinic, pet grooming and board, a diner, and a drive-through car wash.

A mixed use creative space is being proposed at 400 North Johnson Street which would include a design studio, documentary film production studio, a commercial kitchen, an open creative space, a "farm stand" retail space, office space, and restaurant.

A proposal has been submitted to remodel an existing metal building at 421 North Johnson Street into an indoor soccer facility and brewery and tap house.

ONGOING CAPITAL PROJECTS

The City's Capital Improvement Program has a number of significant projects currently underway that will continue into fiscal year 2021 and beyond.

Aircraft Hangars Project

- The \$4.1 million project will construct new aircraft hangars and T-hangars to meet growing demand and will increase revenues in hangar leases for the Airport.

Downtown Street Light Project

- The \$4.5 million project will replace the downtown street light system to meet current standards as the existing street light system was installed in the 1930's and is significantly deteriorated.

Santa Fe/Tulare Avenue Roundabout

- The \$4.2 million project will create a new roundabout at the intersection of Santa Fe Street and Tulare Avenue which will enhance the traffic flow and correct the geometric offset of 35' that currently exists at the intersection.

Caldwell Improvements - Akers to Shady Street

- The \$9 million project will widen Caldwell Avenue between Akers Street and Shady Street creating new transit pullouts and enhancing traffic flow.

Akers Widening

- The \$8.3 million project has widened Akers and now provides operational improvements at the intersection of Highway 198 and Akers to reduce traffic congestion.

Fire Station 56 Relocation

- This project will construct a new Fire Station 56 east in the area generally north of the current temporary station located at Lovers Lane and Walnut Avenue - leased from CAL FIRE through an agreement that will expire December 2023 and will not be renewed by CAL FIRE.

FINANCIAL CONDITION

Even though the General Fund had growth in Sales Tax and Property Tax, the General Fund total revenues only increased by \$0.2 million from the prior year. Several revenue categories were down such as Public Safety Services, Recreation Programs, and Grants. To off-set the loss of revenues, staffing levels were reduced where needed and staff continued to monitor expenses. With careful management, the City was able to continue to provide limited service enhancements, infrastructure improvements, and increases in employee compensation. As shown in Table 3 – General Fund Statement of Revenues & Expenditures, the General Fund ended the year with a change in fund balance and surplus of \$6.8 million. This large surplus is also due to vacancies throughout the City. Public Safety had a large number of vacancies in fiscal year 2019-20 which are actively being recruited.

Table 3 – General Fund Statement of Revenues & Expenditures
(in millions)

	General Fund FY 19/20	Emergency Reserve FY 19/20	Total FY 19/20
Revenues	\$ 76.8	\$ 0.5	\$ 77.3
Expenditures	64.8	-	64.8
Over/(Under) Expenditures	\$ 12.0	\$ 0.5	\$ 12.5
Other Financing Sources (Uses)	\$ (5.2)	\$ -	\$ (5.2)
Net Change in Fund Balance	\$ 6.8	\$ 0.5	\$ 7.3
Surplus	<u>\$ 6.8</u>	<u>\$ 0.5</u>	<u>\$ 7.3</u>
Transfer surplus to Emergency Reserve Fund*	\$ (0.3)		\$ (0.3)
Transfer remaining surplus to Civic Center Reserve Fund*	\$ (6.5)		\$ (6.5)

*Note - Per the March 19, 2018 Emergency Reserve Policy, all surpluses will be deposited into the General Fund Emergency Reserve until it reaches 25% of operating expenditures. Any remaining surplus is to be transferred into the Civic Center Fund.

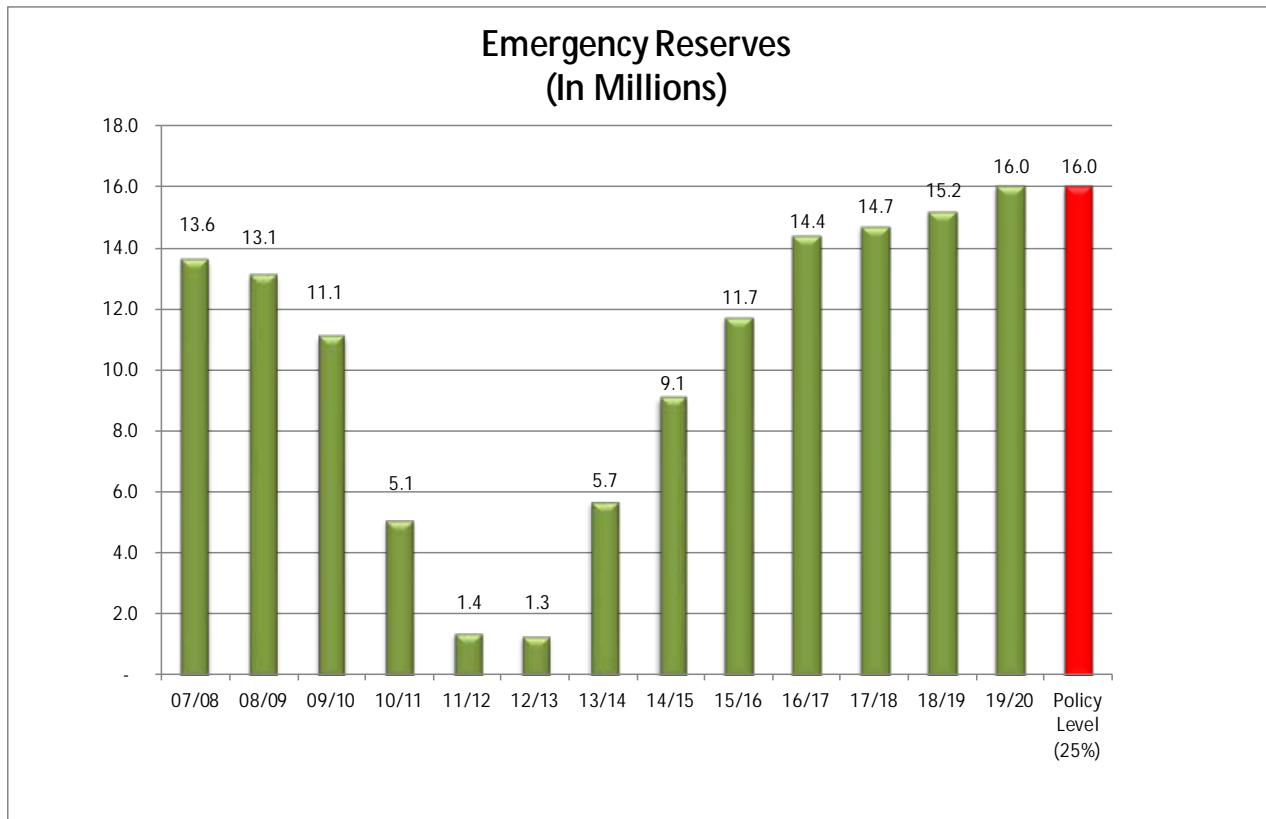
This is the seventh consecutive year that the General Fund has ended the year with a surplus. However, the balance between revenues and expenditures in the General Fund can be volatile from year to year. The City must continue to monitor increasing operating costs (i.e. rising pension costs, health, technology), the economy for a possible downturn (recession) due to COVID-19, and continue to seek new opportunities to increase tax base revenues to maintain fiscal sustainability.

In June 2018, the City Council adopted a balanced biennial budget for fiscal years 2018-2019 and 2019-2020. The biennial budget focused on the following goals:

- 1) Gradually rebuild the organization by restoring resources;
- 2) Increase funding levels for Capital Improvement Projects;
- 3) Increase resources directed at maintaining City facilities; and
- 4) Replenish and maintain Emergency Reserves pursuant to Council-established goals.

Both fiscal years budgets transfer a small surplus to the Emergency Reserve. The transfers are consistent with the City Council's goal of maintaining the Emergency Reserve balance at 25% of General Fund operating expenditures. Table 4 - General Fund Emergency Reserves shows the usage of the reserves during the great recession and the efforts to replenish and maintain the reserves.

Table 4 – General Fund Emergency Reserves



The City has met City Council's goal of funding the Emergency Reserves with a balance of 25% of General Fund operating expenditures for fiscal year 2019-20. For this fiscal year, interest earnings of \$482,866 plus a transfer from the General Fund's surplus of \$288,124 was needed to continue to meet Council's 25% Emergency Reserve Policy. This is the fourth year in a row that this policy has been met.

MEASURE N

Fiscal year 2019-20 was the third full year of operation of Measure N, the City of Visalia's half-cent Essential City Services Measure which provides additional funding for public safety, maintenance for streets, parks, trail ways, and City facilities. Sales Tax proceeds received for the year totaled \$13.9 million; \$.7 million more than budgeted for the year. As of June 30, 2020, Measure N had enabled the City to fund 21 police officers, 2 community service officer, 2 police technicians, 2 police records specialist, 1 urban forest employee, 2 park maintenance employees, 1 recreation coordinator (which is currently vacant due to COVID-19), 1 Battalion Chief, 1 Fire Captain, 1 EMS Coordinator, and 3 Paramedics. Vehicles and major equipment purchased in this fiscal year include 5 fully equipped police units, 2 parks trucks, and 1 EMS vehicle. In addition, the City was also able to complete \$3.1 million in road rehabilitation due to Measure N funding.

BOND RATING

The City's current general obligation credit ratings are A+ from Standard & Poor's ("S&P"). The ratings continue to reflect the diversity of the local economy anchored by a strong business presence, sound financial management and prudent budgetary practices.

AWARDS

The Government Finance Officers Association ("GFOA") awarded its Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2019. To qualify for the Certificate of Achievement, the governmental entity must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. Such report must satisfy accounting principles generally accepted in the United States of America, as well as all applicable legal requirements.

The Certificate of Achievement is valid for only one year. The City believes this CAFR continues to conform to the Certificate of Achievement Program requirements and will be submitting it to GFOA for consideration of the annual award.

ACKNOWLEDGMENTS

The preparation of this CAFR represents a team effort by the entire staff of the Finance Department. Sincere appreciation goes to Finance Manager Jason Montgomery and Financial Analyst Kari Williams. They demonstrated personal determination and dedicated many long days of focused attention to produce this document. The City also recognizes the contributions and positive working relationship with Maze & Associates.

Finally, we wish to express our sincere appreciation to the Mayor and City Council for providing policy direction and a firm foundation of support for the pursuit of excellence in all realms of professional endeavors, especially their role in guiding the City to a secure financial condition that assures resources are available to provide core services to the community.

Respectfully submitted,



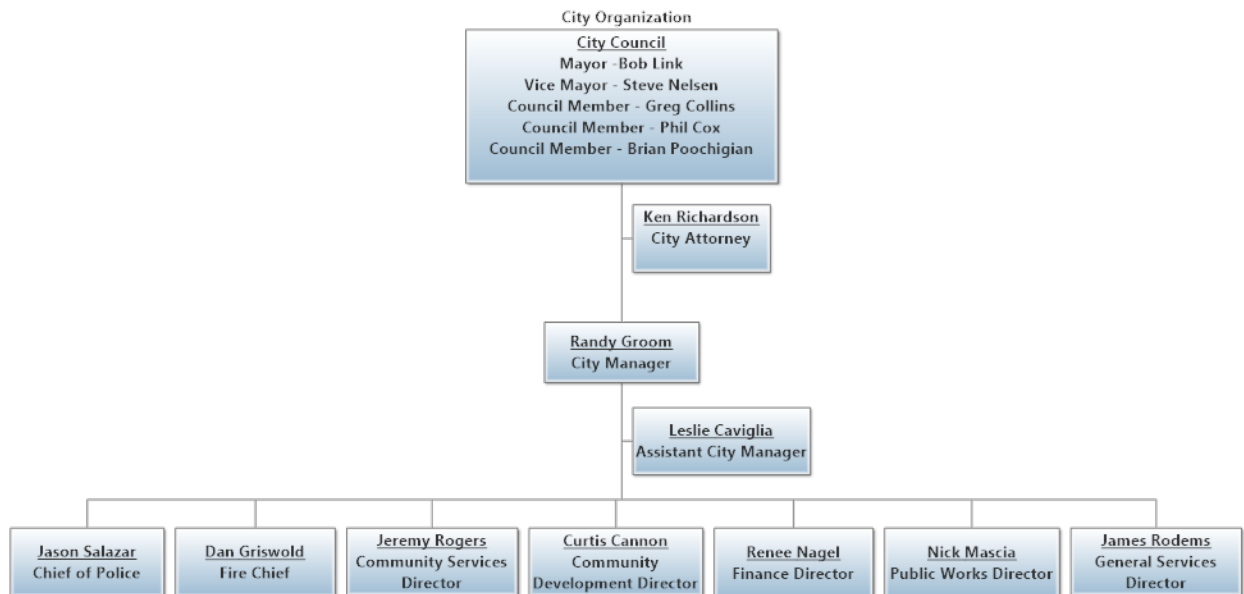
Randy Groom
City Manager



Renee Nagel
Finance Director

Organizational Chart

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020



As of June 30, 2020



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Visalia
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



Financial Section

Financial Section





INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Visalia, California

Report on the Financial Statements

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 Visalia, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons listed in the Table of Contents as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods 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.

Other Information

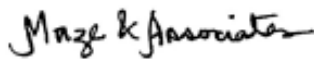
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Pleasant Hill, California
December 18, 2020

**CITY OF VISALIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDING JUNE 30, 2020**

The Governmental Accounting Standards Board (GASB) Statement No. 34 Government-wide statements present a combined picture of the City of Visalia (the City) on a full accrual basis of accounting, where all debt and assets are included in the presentation. Conversely, the Fund level statements present a picture that is based on a modified accrual basis of accounting, where long-term assets and debt are excluded. Thus, Government-wide and Fund level presentations produce different results based on the type of accounting basis used. Please read this document in conjunction with the accompanying Transmittal Letter and the Basic Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's Basic Financial Statements which have three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This Comprehensive Annual Financial Report also contains Supplemental Information which includes combining statements for Non-major Governmental, Internal Service and Fiduciary Funds, Measure T Agreed Upon Procedures Audit, Measure N Agreed Upon Procedures Audit, Bond Disclosure Requirements, as well as a Statistical Section.

Government-wide Financial Statements

The Government-wide Financial Statements are designed to provide a broad overview of all of the City's finances taken as a whole, using a long-term view, in a manner similar to private-sector businesses.

The **Statement of Net Position** presents financial information on all the City's assets, including capital assets and liabilities, and long-term debt, with the difference between the two reported as net position. The full accrual basis of accounting is used, thus the flow of all economic resources are measured.

The **Statement of Activities** presents financial information reporting how the City's net position changed during the fiscal year by listing the revenues and expenses of each of the City's major activities. The full accrual basis of accounting is also used, thereby all changes to net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period.

All of the City's activities are grouped into either Governmental Activities (those functions that are principally supported by taxes or by specific governmental program revenues such as developer fees) or into Business-type Activities (whose services are supported by charges paid by direct users of the service such as Solid Waste collection). All of the amounts in both of the Statement of Net Position and the Statement of Activities are segregated into Governmental Activities and Business-type Activities to provide a summary of these City activities. The City's **Governmental Activities** include general government, community development, police, fire, public works, housing & community grants and community services. The City's **Business-type Activities** include the convention center, airport, water reclamation facility, storm sewer maintenance, solid waste, transit, building safety, animal control, and baseball.

The City's Government-wide Financial Statements include not only the City itself (referred to as the primary government) but also the Visalia Public Finance Authority, which is financially accountable to the City and is blended into these financial statements.

Fund Financial Statements

The fund financial statements are designed to report information about related accounts that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the City's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

The Fund Financial Statements provide detailed information about each of the City's most significant funds called Major Funds which include the General Fund, Measure N Fund, Housing & Community Grants Fund, Housing Successor Agency Fund and the Transportation Fund (detail on page 27). Major funds account for the major financial activities of the City and are presented individually, while the activities of the Non-major funds are presented in summary as Other Governmental Funds. Non-major funds include Special Revenue Funds such as Measure T, Measure R and Transportation Grants; Debt Service Funds such as VPFA 2014 COP and 2015 COP; and Capital Projects Funds such as Government Facilities Impact Fee, Facility Improvements and the Civic Center Fund (detail on pages 113-115). Subordinate schedules of the Non-major funds present detailed financial information for the City's smaller funds.

Governmental Funds: Governmental funds are prepared on the modified accrual basis of accounting, which means they measure only current financial resources and uses. This basis focuses on (1) how cash and other financial assets can be readily converted to available resources and (2) the balances left at year-end that are available for spending. Capital assets and other long-lived assets along with long-term liabilities are not presented in the Governmental Fund Financial Statements. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with the similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing 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 City follows Governmental Accounting Standards Board (GASB) Statement No. 54. In the Fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned. Each of these components of fund balance is classified based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

1. Nonspendable Fund Balance – amounts that are inherently nonspendable such as long-term receivables.
2. Restricted Fund Balance – amounts that have externally enforceable limitations on use that are either imposed by law or constrained by grantors, contributors, or laws and regulations of other governments.
3. Committed Fund Balance – amounts that can only be used for specific purposes determined by resolution of the City's highest level of decision-making authority, the City Council. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through a resolution. The resolution must occur prior to the end of the reporting period; however, the amount can be determined subsequently.

Management Discussion and Analysis

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

4. Assigned Fund Balance - amounts that are constrained by the City's *intent* to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The intent can be expressed by the City Council itself or by an official to which the governing body has delegated the authority.
5. Unassigned Fund Balance - the residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories. This amount is reported only in the General Fund except in cases of negative fund balance. Negative fund balances in other governmental funds are reported as Unassigned Fund Balance.

The City Council establishes, modifies or rescinds fund balance commitments by passage of an ordinance or resolution. This is done through the adoption of the budget and subsequent budget amendments that occur throughout the year. Assignments may be established and modified by the City Council, City Manager, or Finance Director.

The accounting policies of the City consider restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

This Fund Balance policy was established by the City Council on June 20, 2011.

Proprietary Funds: Proprietary funds are generally used to account for services for which the City charges customers – either citizens (e.g., Enterprise funds) or departments of the City (e.g., Internal Service funds). Proprietary funds provide the same type of information as shown in the government-wide financial statements only in more detail. Proprietary funds are prepared on the full accrual basis of accounting and include all of their assets and liabilities, current and long-term.

- **Enterprise Funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the Convention Center, Airport, Water Reclamation Facility, Storm Sewer Maintenance, Solid Waste, Transit, Baseball, Animal Control, and Building Safety all of which are considered to be Major Funds of the City.
- **Internal Service Funds** are used to report activities that provide certain supplies and services only to City programs and activities. The internal service funds are combined into a single, aggregated total presented in the Fund Level proprietary fund financial statements. Subordinate Internal Service fund schedules that provide individual fund financial data in the form of combining statements are also contained in this report. Internal service's revenues are eliminated in the City-wide financial statements and any related profits or losses are returned to the activities which created them. Because these services predominantly benefit governmental rather than business-type functions, the residual net position of these funds has been included within governmental activities in the government-wide financial statements. The City uses internal service funds to account for Fleet Services, Vehicle Replacement, Information Services, Risk Management, Health Benefits, Compensated Absences and Building Maintenance.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The City's fiduciary activities are reported in the Statement of Fiduciary Net Position included in the Basic Financial Statements. For the City of Visalia, seven fiduciary funds are maintained: the Los Rios Assessment District, the Property and Business Improvement District #4 and #5 (for Downtown Visalians & Alliance), the Village West Improvement District, the Orchard Walk Underground Utilities District, the Atwood Assessment District, the Laura Assessment District, Visalia Tourism & Marketing District, and the Visalia Redevelopment Successor Agency.

Management Discussion and Analysis

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

Notes to the Financial Statements

The notes to the financial statements provide additional financial information that is essential for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

FINANCIAL HIGHLIGHTS

Visalia's population increased to 138,649 an increase of 0.3% this past fiscal year. The California Consumer Price Index for All Urban Consumers for the same period increased by 2.98%. The major factors driving the City's financial results this fiscal year are the following:

- Increased Sales Tax Revenues of \$1.8 million, up 3% from last year which includes growth in general sales tax of 3% or \$1.0 million in the General Fund, an increase of \$0.4 million in Measure N and an increase in Measure T sales tax of \$0.3 million. Measure R sales tax revenues had an increase of \$0.1 million as funding for projects in those funds were received.
- Increased property taxes, up 5% from last year.
- Vacancies in the General Fund of \$2.3 million compared to the budget.
- Increased in government wide Charges for Services, up 4% from last year with the majority of the increases in impact fee revenue from industrial and commercial fees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (FINANCIAL ACTIVITIES OF THE CITY AS A WHOLE)

Government-wide Statements

Table 1, Government-wide City Totals, summarizes the Government-wide financial activity for this past year.

Table 1
Government-wide City Totals
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
Assets	\$ 1,128.6	\$ 1,068.9	\$ 59.7	6%
Deferred Outflows of Resources	27.0	28.3	(1.3)	-5%
Liabilities	284.1	275.7	8.4	3%
Deferred Inflows of Resources	6.0	7.9	(1.9)	-24%
Net Position	865.5	813.6	51.9	6%
Revenues	234.2	222.9	11.3	5%
Expenses	182.8	167.9	14.9	9%

- The City's Total Assets increased by \$59.7 million (6%) during the current fiscal year mainly due to increases in cash and investments of \$51.2 million, interest receivable of \$0.1 million, notes and loans receivable of \$1.8 million, supplies of \$0.1 million and due from other governmental units of \$9.4 million. Decreases in Total Assets included accounts receivable of \$3.8 million, taxes receivable of \$6.7 million and prepaids and deposits of \$0.1 million. The increase in capital asset changes of \$8.1 million include additions, deletions, and depreciation comprised of increases of \$0.5 million in land, \$0.2 million in

Management Discussion and Analysis

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

vehicles and equipment, \$7.5 million in improvements, \$6.0 million in infrastructure, as well as decreases of \$3.6 million in construction in progress and \$2.5 million in buildings.

- The City's Deferred Outflows of Resources decreased by \$1.3 million (5%) due to annual adjustments for GASB 68 recording of deferred pensions.
- The City's Liabilities increased by \$8.4 million (3%) during the current fiscal year. This was mainly due to increases in the Net Pension Liability of \$9.2 million, payables of \$4.1 million, and liability for self-Insurance claims of \$0.6 million in combination with decreases for scheduled debt service payments of \$4.5 million, advances from Grantors and third parties of \$0.9 million and customer deposits of \$0.3 million.
- The City's Deferred Inflows of Resources decreased by \$1.9 million due to annual adjustments by CalPERS for GASB 68 recording of deferred pensions. The decrease is mainly due to CalPERS investment earnings of 8.6% coming in greater than projected.
- The City's Total Net Position (assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources) were \$865.5 million as of June 30, 2020.
- The City's Total Revenues, including program and general revenues, were \$234.2 million for fiscal year 2019-20, an increase of \$11.3 million (5%) from last year, while total City expenses were \$182.8 million, an increase of \$14.9 million (9%) from last year. The revenue increase is due to a combination of increases in tax revenue of \$2.3 million, grants and contributions of \$7.7 million, investment earnings of \$0.9 million, miscellaneous revenue of \$0.3 million, and charges for services of \$0.1 million.
- Revenues can be divided between Program Revenues related to work activities and General or Tax Revenues. For fiscal year 2019-20, Program Revenues were \$126.3 million (revenues derived from specific activities) and General Revenues (e.g., taxes and investment earnings) were \$107.9 million. These same revenues can be classified as either Governmental activity revenues or Business-type activity revenues. For fiscal year 2019-20, Governmental activity revenues and Business-type activity revenues were \$138.2 million (59.1%) and \$96.0 million (40.9%), respectively.
- Expenses for governmental activities and for business-type activities were \$108.6 million (a 21.2% increase from last year) and \$74.2 million (a 5.3% decrease from last year), respectively.

Analysis of Governmental Net Position

The City's governmental assets are shown in [Table 2, Governmental Net Position](#). These assets exceeded its liabilities by \$469.2 million. The largest portion of the net position, \$335.9 million (71.6%), is Net Investment in Capital Assets (net of debt to acquire those assets). The remaining portions of the City's net position are: \$94.9 million (20.2%) represents resources that are subject to restrictions and the remaining \$38.4 million (8.2%) being unrestricted.

Management Discussion and Analysis

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

Table 2
Governmental Net Position
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 172.8	\$ 147.5	\$ 25.3	17%
Current and Other Assets	65.0	64.3	0.7	1%
Adv. To Other Funds & Internal Balances	2.5	1.4	1.1	79%
Capital Assets, Net of Accum. Deprec.	346.2	336.0	10.2	3%
Total Assets	586.5	549.2	37.3	7%
Deferred Outflows of Resources				
Deferred Pensions	22.3	23.0	(0.7)	-3%
Total Deferred Outflows of Resources	22.3	23.0	(0.7)	-3%
Liabilities				
Other Liabilities	15.5	13.5	2.0	15%
Long-Term Obligations	119.2	112.4	6.8	6%
Total Liabilities	134.7	125.9	8.8	7%
Deferred Inflows of Resources				
Deferred Pensions	4.9	6.5	(1.6)	-25%
Total Deferred Inflows of Resources	4.9	6.5	(1.6)	-25%
Net Position				
Net Investment in Capital Assets	335.9	324.8	11.1	3%
Restricted	94.9	79.8	15.1	19%
Unrestricted	38.4	35.2	3.2	9%
Total Net Position	\$ 469.2	\$ 439.8	\$ 29.4	7%

- *Cash and Investments* of \$172.8 million increased \$25.3 million from last year mainly due to an increase in tax revenues and revenues exceeding expenses for the year.
- *Capital Assets, Net of Accumulated Depreciation* totaling \$346.2 million are categorized in [Table 8, Capital Assets, Net of Accumulated Depreciation](#).
- *Long-Term Obligations* totaling \$119.2 million is comprised of Net Pension Liability, Certificates of Participation, government loans, and compensated absences. There were \$0.9 million in long term debt payments made by the City during the year. Net pension liability adjustments increased by \$7.2 million. See the accompanying *Notes to Basic Financial Statements, Note 7 – Long-Term Debt* and *Note 10 – Employee Benefits* for further detail.
- *Net Position–Net Investment in Capital Assets* of \$335.9 million represents the City's capital assets less accumulated depreciation and any debt used to finance its construction or purchase.
- *Restricted Net Position* of \$94.9 million is primarily found in Capital Projects funds which have been restricted for related capital projects.
- *Unrestricted Net Position* of \$38.4 million is the remaining part of the assets. Of this amount, \$52.7 million is the General Fund's net position. Of the General Fund's portion, all but \$5.5 million is either nonspendable (\$0.7 million), committed (\$16.2 million) or assigned as advances and budgeted projects (\$30.3 million). Additional information on the General Fund's Fund Balance can be found in the Statistical Section (pg.164-165)

Analysis of Changes in Governmental Net Position

Governmental activities are summarized on [Table 3, Changes in Governmental Net Position](#), showing that during fiscal year 2019-20 the City's net position increased by \$29.6 million.

Management Discussion and Analysis

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

Table 3
Changes in Governmental Net Position
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
REVENUES				
Program Revenues:				
Charges for Services	\$ 25.2	\$ 24.2	\$ 1.0	4%
Operating Grants & Contributions	5.1	2.6	2.5	96%
Capital Grants & Contributions	11.8	12.0	(0.2)	-2%
General Revenues:				
Taxes				
Sales	60.3	58.5	1.8	3%
Property	26.3	25.1	1.2	5%
Other	8.0	8.7	(0.7)	-8%
Investment Earnings	4.6	4.1	0.5	12%
Miscellaneous	1.4	1.7	(0.3)	-18%
Total Revenues	<u>142.7</u>	<u>136.9</u>	<u>5.8</u>	4%
EXPENSES				
General Government	7.4	4.9	2.5	51%
Community Development	2.5	6.1	(3.6)	-59%
Housing & Community Grants	1.7	-	1.7	100%
Police	45.0	40.0	5.0	13%
Fire	19.0	17.4	1.6	9%
Public Works	20.4	15.1	5.3	35%
Community Services	12.1	5.5	6.6	120%
Interest on Long-Term Debt	0.5	0.5	-	0%
Total Expenses	<u>108.6</u>	<u>89.5</u>	<u>19.1</u>	21%
Increase (Decrease) in Net Position Before Transfers	34.1	47.4	(13.3)	-28%
Transfers:				
Total Transfers	<u>(4.5)</u>	<u>(3.8)</u>	<u>0.7</u>	18%
Increase (Decrease) in Net Position	29.6	43.6	(14.0)	-32%
Net Position at Beg. of Year, as Restated	<u>439.6</u>	<u>396.2</u>	<u>43.4</u>	11%
Net Position at End of Year	<u>\$ 469.2</u>	<u>\$ 439.8</u>	<u>\$ 29.4</u>	7%

Total revenues of \$142.7 million, increased by \$5.8 million (4%) and total governmental expenses of \$108.6 million, increased by \$19.1 million (21%) when compared to last year. The most significant revenue changes were the increases in sales taxes of \$1.8 million, property tax of \$1.2 million, operating grants & contributions of \$2.5 million, charges for services of \$1.0 million and investment earnings of \$0.5 million. Expenditures had divisional changes in departments due to a City reorganization. Increases were seen in General Government of \$2.4 million, Housing & Community Grants of \$1.5 million, Police of \$4.9 million (Measure N, and GASB68 pension adjustments), Fire of \$1.5 million, Public Works of \$3.4 million and Community Services of \$9.0 million with a decrease in Community Development of \$3.6 million.

PROGRAM REVENUES

Charges for Services

These charges increased \$1.0 million or 4% as compared to the prior year. The increase was mainly due to increased impact fee revenue for industrial and commercial fees.

Grants (Operating & Capital) & Contributions

The combined income from operating and capital grants and contributions increased this year, up from last year by \$2.3 million, for a total of \$16.9 million.

GENERAL REVENUES

- **Sales Tax** - Sales tax increased \$1.8 million from last year. Sales tax saw an increase in the general fund of \$1.0 million, Measure N of \$0.4 million, Measure T of \$0.3 million, Measure R Regional sales tax

Management Discussion and Analysis

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

revenues of \$0.1 million, and Measure R Local sales tax revenues of \$54K as funding for projects in those funds were received. Measure N, Measure T, and Measure R are voter approved sales tax overrides whereas Measure N helps fund essential City services, Measure T public safety, and Measure R regional, local transit, bike and pedestrian projects. The current year overall sales tax total is \$60.3 million.

- **Property Taxes** - Property tax revenues increased \$1.2 million (5%) over last year currently totaling \$26.3 million.
- **Investment Earnings** - Investment earnings increased \$0.5 million over last year mainly due to an increase in interest rates on allowable investments as compared to the prior year.

EXPENSES

- **General Government** - There were \$7.4 million in expenses, an increase of \$2.5 million (51%) as compared to last year which was mainly due to services provided of \$0.8 million, the annual GASB 68 pension adjustments of \$0.5 million, capital of \$0.2 million and an increase in depreciation expense of \$0.1 million. Business Tax and Economic Development divisions were moved to General Government from Community Development as a result of the reorganization.
- **Community Development** - There were \$2.5 million in expenses, a decrease of \$3.6 million (59%) as compared to last year mainly due to a City reorganization where Economic Development, Business Tax, Engineering, Oak Tree Preservation, Neighborhood Stabilization, and CDBG & HOME programs were moved out of Community Development. There were decreases to services provided of \$2.0 million and salaries and benefits of \$1.9 million due to the reorganization of staff in departments.
- **Housing & Community Grants** – A new category of expenses this year due to City reorganization which includes Neighborhood Stabilization and CDBG & HOME programs. There were \$1.7 million in expenses.
- **Police** - There were \$45.0 million in expenses, an increase of \$5.0 million (13%) as compared to last year which was mainly due to increases in salaries and benefits of \$3.2 million as a result of ongoing implementation of Measure N as well as wage increases and an increase in the annual GASB 68 pension adjustment of \$0.8 million.
- **Fire** - There were \$19.0 million in expenses, an increase of \$1.6 million (9%) as compared to last year which was mainly due to an increase in salaries and benefits of \$0.2 million as a result of wage increases and an increase in the annual GASB 68 pension adjustment of \$0.8 million.
- **Public Works** - There were \$20.4 million in expenses, an increase of \$5.3 million (35%) as compared to last year which was mainly due to due to City reorganization where Engineering and Natural Resource Conservation was added to Public Works. In addition Parks, Building Maintenance, Community Services Director & Admin, and Bike Path departments were moved out of Public Works to Community Services. There were increases in capital related projects of \$7.4 million and the annual GASB 68 pension adjustments of \$1.1 million offset by a decrease in salaries and benefits of \$3.6 million due to the reorganization of staff in departments.
- **Community Services** - There were \$12.1 million in expenses, an increase in \$6.6 million (120%) as compared to last year which was mainly due to due to City reorganization where additions to Community Services included Parks, Building Maintenance, Oak Tree Preservation, Community Services

Management Discussion and Analysis

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

Director & Admin, and Bike Path departments. There were increases in the annual GASB 68 pension adjustments of \$0.1 million, services provided of \$2.6 million, salaries and benefits of \$6.5 million due to the reorganization of staff in departments.

- **Interest on Long-Term Debt** - There was \$0.5 million in interest expense for fiscal year 2019-20. Scheduled principal payments were made on Certificates of Participation and bank notes. The 2014 COP has a maturity date of 2025 and the 2015 COP has a maturity date of 2029. As the City approaches the maturity, the annual debt payment goes towards interest less and more towards the principal.

Analysis of Business-Type Net Position

The City's business-type net position, shown in [Table 4, Business-Type Net Position](#), exceeded liabilities by \$396.3 million. The largest portion of the net position, Net Investment in Capital Assets, is \$271.0 million (68.4%). Resources that are subject to restrictions total \$20.3 million (5.1%). The remaining balance of \$105.0 million (26.5%) represents unrestricted net position.

Table 4
Business-Type Net Position
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 149.5	\$ 123.6	\$ 25.9	21%
Current and Other Assets	21.2	21.6	(0.4)	-2%
Internal Balances	(2.5)	(1.4)	(1.1)	79%
Capital Assets	373.8	375.9	(2.1)	-1%
Total Assets	<u>542.0</u>	<u>519.7</u>	<u>22.3</u>	<u>4%</u>
Deferred Outflows of Resources				
Deferred Pensions	4.7	5.3	(0.6)	-11%
Total Deferred Outflows of Resources	<u>4.7</u>	<u>5.3</u>	<u>(0.6)</u>	<u>-11%</u>
Liabilities				
Other Liabilities	13.8	12.6	1.2	10%
Long-Term Debt Outstanding	135.5	137.1	(1.6)	-1%
Total Liabilities	<u>149.3</u>	<u>149.7</u>	<u>(0.4)</u>	<u>-0.3%</u>
Deferred Inflows of Resources				
Deferred Pensions	0.9	1.2	(0.3)	-25%
Unamortized Gain on Refunding of Debt	0.2	0.2	-	0%
Total Deferred Inflows of Resources	<u>1.1</u>	<u>1.4</u>	<u>(0.3)</u>	<u>-21%</u>
Net Position				
Net Investment in Capital Assets	271.0	269.5	1.5	1%
Restricted	20.3	11.4	8.9	78%
Unrestricted	105.0	93.0	12.0	13%
Total Net Position	<u>\$ 396.3</u>	<u>\$ 373.9</u>	<u>\$ 22.4</u>	<u>6%</u>

- **Cash and Investments** increased \$25.9 million (21%), as these funds are accumulating cash for capital projects and scheduled debt payments. Increases included funds in Water Reclamation Facility of \$10.3 million, Transit of \$10.7 million, Solid Waste of \$2.7 million, Building Safety of \$2.1 million, and Storm Sewer Maintenance of \$0.2 million with a decrease occurring in Baseball of \$0.1 million.
- **Capital Assets** totaled \$373.8 million for the fiscal year, a decrease of \$2.1 million (1%). Construction in progress had an increase of \$2.3 million as projects were capitalized and current projects are in progress. Machinery, Equipment and Vehicles increased by \$2.3 million mainly due to the additions of two new busses in Transit of \$1.3 million, four new refuse trucks in Solid Waste of \$1.4 million, a new video scoreboard for Baseball of \$0.6 million and a bus washing station for Transit of \$0.2 million. Retirements included seven busses in Transit of \$1.2 million and a fire truck for the Airport of \$0.3 million. Infrastructure increased by \$1.8 million which includes Storm Sewer lines and Sanitary Sewer lines. Accumulated depreciation increased by \$10.0 million as assets were depreciated for the year. See [Table 8, Capital Assets, Net of Accumulated Depreciation](#) below for additional detail.

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- **Long-Term Debt** totaling \$135.5 million is composed of Net Pension Liability, Certificates of Participation, Capital Lease, Clean Water State Revolving Fund Loan, and Compensated absences. Regularly scheduled payments of \$3.6 million and adjustments to the Net Pension Liability of \$2.0 million resulted in a net decrease in long term debt of \$1.6 million. See the accompanying *Notes to Basic Financial Statements, Note 7- Long-Term Debt, and Note 10 Employee Benefits* for further detail.
- **Net Position – Net Investment in Capital Assets** totaling \$271.0 million represents capital assets less accumulated depreciation and net of any debt used to finance its construction or purchase. This is a \$1.5 million decrease as compared to last year.
- **Restricted Net Position** of \$20.3 million is primarily found in Capital Projects funds which have been restricted for related capital projects and debt service reserves.
- **Unrestricted Net Position** of \$105.0 million experienced an increase of \$12.0 million. Unrestricted Net Position is normally the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements.

Analysis of Changes in Business-Type Net Position

Table 5, Changes in Business-Type Net Position shows the results of the City's businesses for the last two fiscal years. The City's Business-type activities increased the City's net position by \$21.8 million (6%) during fiscal year 2019-20. Total Business-type revenues of \$91.5 million increased by \$5.5 million (6%) when compared to last year. Total Business-type expenses totaled \$74.2 million, a decrease of \$4.1 million (5%) as compared to last year.

Table 5
Changes in Business-Type Net Position
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
REVENUES				
Program Revenues:				
Charges for Services	\$ 60.6	\$ 61.5	\$ (0.9)	-1%
Operating Grants & Contributions	16.0	13.0	3.0	23%
Capital Grants & Contributions	7.6	5.1	2.5	49%
Investment Earnings	4.4	4.0	0.4	10%
Miscellaneous	2.9	2.4	0.5	21%
Total Revenues	<u>91.5</u>	<u>86.0</u>	<u>5.5</u>	6%
EXPENSES				
Convention Center	4.3	5.0	(0.7)	-14%
Airport	2.1	2.2	(0.1)	-5%
Water Reclamation Facility	22.8	18.4	4.4	24%
Storm Sewer	2.5	2.6	(0.1)	-4%
Solid Waste	19.0	24.1	(5.1)	-21%
Transit	17.8	20.4	(2.6)	-13%
Baseball	0.2	0.4	(0.2)	-50%
Animal Control	2.0	1.9	0.1	5%
Building Safety	3.5	3.3	0.2	6%
Total Expenses	<u>74.2</u>	<u>78.3</u>	<u>(4.1)</u>	-5%
Increase in Net Position Before Transfers	17.3	7.7	9.6	125%
Transfers	4.5	3.8	0.7	18%
Increase in Net Position	<u>21.8</u>	<u>11.5</u>	<u>10.3</u>	90%
Net Position at Beg. of Year, as restated	<u>374.5</u>	<u>362.4</u>	<u>12.1</u>	3%
Net Position at End of Year	<u>\$ 396.3</u>	<u>\$ 373.9</u>	<u>\$ 22.4</u>	6%

Revenues

- **Charges for Services** – These revenues were down collectively by \$0.9 million mainly as a result of decreased revenue at the Convention Center of \$1.1 million due to the decreased event activity throughout the year and the effects of the COVID-19 pandemic restrictions issued by the State of California.
- **Operating and Capital Grants and Contributions** – The combined revenue from operating and capital grants & contributions increased this year \$5.5 million due to increases in grants and contributions for Transit of \$2.3 million, Storm Sewer Maintenance of \$1.2 million, Water Reclamation Facility of \$0.7 million, Airport of \$0.9 million, and Solid Waste of \$0.5 million.

Expenses

- **Convention Center** – There were \$4.3 million in expenses, a decrease of \$0.7 million (14%) due to decreases in maintenance and operations expenses of \$0.5 million as compared to the prior year as a result of fewer Valdivia events being held and salaries and benefits of \$0.1 million because of annual pension adjustments, reduced staffing levels related to COVID-19 and vacancies.
- **Airport** – There were \$2.1 million in expenses, a decrease of \$0.1 million (5%) mainly due decreases in maintenance and operations expenses of \$0.2 million consisting of decreases in allocated expenses and services provided of \$32K, bad debt expense of \$31K, aviation fuel \$57K and rents and leases of \$27K offset by higher capital expenses of \$0.1 million.
- **Water Reclamation Facility** – There were \$22.8 million in expenses, an increase of \$4.4 million (24%) mainly due to higher depreciation expense of \$3.0 million due to the first year of depreciation for the Water Reclamation Facility upgrade, solar project and orchard tree replacement project. Also there were increases in maintenance and operating costs of \$0.6 million consisting of equipment supply and maintenance repair of \$302K, utilities of \$122K, mail services of \$57K and security services of \$57K; increases in salaries and benefits of \$0.5 million due to wage and benefit increases and annual pension adjustments; and higher capital expenses of \$0.3 million.
- **Storm Sewer Maintenance** – There were \$2.5 million in expenses, a decrease of \$0.1 million (4%) mainly due to a decrease in capital expenses of \$0.2 million.
- **Solid Waste** – There were \$19.0 million in expenses, a decrease of \$5.1 million (21%) mainly due to decreases in capital expenses of \$6.2 million offset by increases in salaries and benefits of \$1.0 million due to wage and benefit increases and annual pension adjustments.
- **Transit** – There were \$17.8 million in expenses, a decrease of \$2.6 million (13%) mainly due to a pass-through grant to the City of Tulare of \$2.7 million in the prior year.
- **Building Safety** – There were \$3.5 million in expenses, an increase of \$0.2 million (6%) mainly due to increases to salaries and benefits of \$0.2 million due to wage and benefit increases and annual pension adjustments.
- **Animal Control** – There were \$2.0 million in expenses, an increase of \$0.1 million (5%) mainly due to an increase in salaries and benefits of \$0.2 million due to wage and benefit increases and annual pension adjustments and decreases in maintenance and operations expenses of \$0.1 million consisting of bad debt expense of \$52K and allocated expenses and services provided of \$39K.

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- **Baseball** – There were \$0.2 million in expenses, a decrease of \$0.2 million (50%) mainly due to a new contract with First Pitch Entertainment, LLC and changes in the terms of the contract compared to the previous year and the closing out of the prior years' season contract obligations. During the year Baseball had capital expenditures of \$0.6 million for the new video scoreboard which was capitalized and booked as an asset.

FUND FINANCIAL ANALYSIS

Governmental Funds are reported on a modified accrual basis of accounting in the fund statements, essentially eliminating the effects of capital assets and related debt. Table 6, Balance Sheet – Governmental Funds shows the last two fiscal years' results.

Table 6
Balance Sheet - Governmental Funds
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 142.3	\$ 119.7	\$ 22.6	19%
Other Assets	59.4	58.5	0.9	2%
Intergovernmental Balances	8.4	8.0	0.4	5%
Total Assets	210.1	186.2	23.9	13%
Liabilities				
Advances From Grantors and Third Parties	0.6	0.4	0.2	50%
Advances From Other Funds	3.8	3.9	(0.1)	-3%
Other Liabilities	7.4	6.2	1.2	19%
Total Liabilities	11.8	10.5	1.3	12%
Deferred Inflows of Resources				
Unavailable Revenue	27.6	26.4	1.2	5%
Total Deferred Inflows of Resources	27.6	26.4	1.2	5%
Fund Balances				
Nonspendable	0.7	1.1	(0.4)	-36%
Restricted	91.1	68.2	22.9	34%
Committed	46.5	47.3	(0.8)	-2%
Assigned	31.4	26.9	4.5	17%
Unassigned	1.0	5.8	(4.8)	-83%
Total Fund Balances	\$ 170.7	\$ 149.3	\$ 21.4	14%

Assets – The composition of assets changed by \$23.9 million during the year with increases in cash, other assets, and intergovernmental balances. Cash and investments increased \$22.6 million mainly due to revenues exceeding expenditures and other sources & (uses) of \$21.7 million. Other assets increased \$0.9 million mainly as the result of taxes receivable increasing by \$1.0 million. Intergovernmental balances increased \$0.4 million as a result of an increase in due from other funds of \$0.8 million and a decrease in amounts due from other governmental agencies of \$0.3 million.

Liabilities – Liabilities have increased \$1.3 million mainly due to an increase in other liabilities of \$1.2 million which has increases in accounts payable of \$1.6 million offset by a decrease in accrued personnel costs of \$0.4 million. There were also increases in advances from grantors and third parties of \$0.2 million offset by a decrease in advances from other funds of \$0.1 million.

Deferred Inflows of Resources – Deferred Inflows of Resources increased \$1.2 million mainly due to an increase in notes and loans receivable.

Fund Balance - By June 30, 2020, the City's Governmental Funds had a total fund balance of \$170.7 million, an increase of \$21.4 million from the prior fiscal year, which was a combination of increases and decreases in various funds which are discussed later.

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Table 7, Statement of Revenues & Expenditures – Governmental Funds shows the results of the last two fiscal years’ activities.

Table 7
Statement of Revenues & Expenditures - Governmental Funds
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
Revenues	\$ 138.9	\$ 134.3	\$ 4.6	3%
Expenditures	<u>112.9</u>	<u>106.3</u>	<u>6.6</u>	6%
Excess (Deficiency) of Revenues Over (Under) Expenditures	26.0	28.0	(2.0)	-7%
Other Sources & (Uses)	<u>(4.3)</u>	<u>(3.1)</u>	<u>(1.2)</u>	39%
Net Change	<u>\$ 21.7</u>	<u>\$ 24.9</u>	<u>\$ (3.2)</u>	-13%

Revenues increased \$4.6 million from the prior year. Sales tax increased \$1.8 million which includes growth in general sales tax of or \$1.0 million (3%), Measure N sales tax of \$0.4 (3%) million and Measure T sales tax of \$0.3 million (4%). Measure R sales tax revenues had an increase of \$0.1 million as funding for projects in those funds were received. Property tax revenue saw an increase of \$1.2 million (5%). Other increases in revenues included subventions and grants of \$1.3 million as funds were obtained for projects, fees and fines of \$1.7 million as impact fee revenue was up, and uses of money and property of \$0.4 million as interest earnings were up due to higher earnings rates. Decreases were seen in charges for current services of \$0.3 million, other taxes of \$0.6 million, and miscellaneous of \$0.8 million. Expenditures increased by \$6.6 million mainly due to increases in capital related projects of \$2.9 million, Police of \$3.2 million mainly due to additional officers in Measure N, Fire of \$0.2 million and a decrease in debt service principal payments of \$0.2 million.

Other Financing Uses in the governmental funds had an increase of \$1.2 million, as transfers out exceeded transfers in mainly due to increased transfers for Baseball for capital of \$0.3 million, the Convention Center for operations of \$0.5 million and sale of land in the prior year of \$0.5 million.

ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

General Fund - The General Fund saw a change in fund balance with an increase of \$0.8 million. The General Fund saw an overall increase in revenues of \$0.3 million as compared to last year. The increases included sales tax of \$1.0 million, property taxes of \$1.2 million, fees and fines of \$0.1 million, and decreases in other taxes of \$0.6 million, subventions and grants of \$0.6 million, uses of money and property of \$0.1 million, and charges for current services of \$0.8 million.

If there is a General Fund surplus at year end the surplus is first to be distributed to fund the Emergency Reserve to meet Council’s goal of 25% of operating expenditures and then any remaining surplus is to be transferred to the Civic Center Fund. This fiscal year, the largest transfer out from the General Fund is to the Civic Center Fund totaling \$6.6 million.

Measure N – The Measure N fund is used to account for the increased half-cent sales tax override approved by the citizens of Visalia in November 2016 which funds increased City essential services of Police, Fire, Streets and Parks. Measure N saw an overall increase in revenues of \$0.4 million. The increase included sales tax of \$0.4 million and uses of money and property of \$0.2 million offset by a decrease in subventions and grants of \$0.2 million. The Measure N Fund’s fund balance increased \$5.2 million to \$23.3 million as a result of revenues exceeding expenditures for the year.

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Housing & Community Grants - This fund accounts for the Community Development Block Grants (CDBG), Home Investment Partnership Program (HOME) and Neighborhood Stabilization Program (NSP) Grant funds. Also included are the Substandard Housing and Vehicle Abatement funds. The fund's assets include \$13.2 million in notes and loans receivable. All loans are fully offset by deferred inflows of resources as the loans are not expected to be repaid within the next year. The notes and loans receivable are for housing assistance through the various grant programs as well as past rental rehabilitation loans. Expenditures exceeded revenues by \$0.1 million for the year. The net change in fund balance decreased \$0.1 million from last fiscal year to \$1.6 million.

Housing Successor Agency - The Housing Successor Agency Fund is used to retain the housing assets and functions previously performed by the dissolved Redevelopment Agency of the City of Visalia. Expenditures exceeded revenues by \$3K. The net change in fund balance decreased \$3K from last fiscal year to \$2.2 million.

Transportation – The Transportation Fund is used to account for the financing and construction of new streets, roads, and various new transportation infrastructure and facilities. Funding is provided by Transportation Impact Fees. The Transportation Fund's Fund balance increased \$4.0 million to \$10.7 million as a result of revenues exceeding capital projects for the year.

All Other Governmental Funds - These funds (referred to as Non-Major Funds) are not presented separately in the Basic Financial Statements, but are individually presented in Supplementary Information. Combined they received \$38.7 million in revenue and have a combined Fund Balance at year-end of \$80.3 million.

ANALYSIS OF MAJOR PROPRIETARY FUNDS

Business-Type Funds

By June 30, 2020, the City's Proprietary Funds combined net position totaled \$397.8 million, an increase of \$22.7 million from the prior fiscal year, which was a combination of increases and decreases in various funds and prior period adjustments of \$0.6 million.

Enterprise operating revenues including charges for services and grants and contributions were \$76.6 million this year, an increase of \$2.1 million from last year. Grants and contributions had an increase of \$3.0 million and are mainly due to Transit grant revenue being up due to the CARES Act grant funding of \$5.3 million. The decrease in charges for services of \$0.9 million is mainly due to a decrease in the Convention Center of \$1.1 million as a result of the shutdown due to the COVID-19 pandemic. Decreases also included, Airport of \$0.1 million (Fuel Sales), Storm Sewer Maintenance of \$0.1 million, and Water Reclamation Facility of \$0.5 million (Services Provided, Front Footage, Commercial and School) offset by increased activity in Transit of \$0.1 million, Solid Waste of \$0.2 million, Building Safety of \$0.6 million (Construction Permits), and Animal Control fees of \$7K.

Operating expenses were \$69.5 million this year, an increase of \$1.7 million from last year mainly due to Water Reclamation Facility of \$3.0 million (first year of depreciation for the Water Reclamation Facility upgrade, solar project and orchard replacement) off set by Transit of \$2.7 million (pass-through grant to the City of Tulare in the prior year).

Convention Center - Operating revenues decreased by \$1.1 million as a result of the shutdown due to the COVID-19 pandemic. Decreases include ticket sales and fewer Valdivia events of \$0.3 million, conference room rentals of \$0.3 million, equipment rental of \$0.2 million, bar sales of \$0.2 million offset by fewer discounted services of \$0.1 million. Operating expenses decreased by \$0.6 million mainly due to decreased expenses for Valdivia events of \$0.4 million due to fewer events being held, and salaries and benefits of \$0.1 million due to annual pension adjustments, reduced staffing levels related to COVID-19, and vacancies.

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Airport - Operating revenues decreased by \$0.1 million mainly due to decreases in fuel sales of \$73K and “into plane” fuel sales of \$44K as a result of the shutdown due to the COVID-19 pandemic and travel restrictions, and fuel flowage fees of \$3K, offset by increases in electric fees of \$12K, FOB revenues of \$28K, and hanger rentals of \$6K. Operating expenses decreased by \$0.2 million due to decreases in allocated expenses and services provided of \$32K, bad debt expense of \$31K, aviation fuel \$57K and rents and leases of \$27K and a decrease in salaries and benefits of \$21K due to annual pension adjustments.

Water Reclamation Facility - Operating revenues decreased \$0.5 million due to decreases in services provided of \$0.7 million due to utility billing no longer being outsourced with Fathom. This is the first full year of the City providing in house operations and staff is auditing accounts on a continuous basis for account clean up. Also, there were decreases in trunkline fees of \$0.1 million, front footage fees of \$0.2 million, commercial fees of \$0.2 million, and schools of \$0.1 million offset by increases in industrial fees of \$0.7 million, residential fees of \$0.1 million and user charges of \$0.1 million. Operating expenses increased by \$4.0 million mainly due to an increase in depreciation expense of \$3.0 million due to the first year of depreciation for the Water Reclamation Facility upgrade, solar project and orchard tree replacement project. Also contributing were increases in maintenance and operating costs of \$0.6 million consisting of equipment supply and maintenance repair of \$302K, utilities of \$122K, mail services of \$57K and security services of \$57K; and increases in salaries and benefits of \$0.5 million due to wage and benefit increases and annual pension adjustments.

Storm Sewer Maintenance - Operating revenues decreased \$0.1 million mainly due to changes in the new system for the billing cycle date and the annual true up between Solid Waste, Wastewater, and Storm Sewer billings for the year was less than the previous year. Operating expenses increased by \$44K due to maintenance and operations cost increases of \$55K including an increase in tree maintenance of \$87K offset by a decrease in utility expenses of \$26K and a decrease in salaries and benefits of \$33K due to the annual pension adjustment being less than the previous year.

Solid Waste - Operating revenues increased \$0.2 million mainly due to increases in single family fee revenue of \$0.5 million and CNG fuel rebates of \$0.4 million offset by decreases in commercial fee revenue of \$0.6 million resulting from reduced services by 13% as a result of the shutdown due to the COVID-19 pandemic, and multifamily fee revenue of \$0.2 million. Operating expenses increased by \$0.8 million due to increases in salaries and benefits of \$1.0 million due to wage and benefit increases and annual pension adjustments offset by a decrease in maintenance and operations costs of \$0.2 million due to a reduction in allocated expenses and services provided of \$0.2 million.

Transit – Operating revenues increased \$3.2 million from last year mainly due to receiving \$5.3 million in CARES Act operating grant revenue, however normal operating grant revenue of \$1.3 million was less compared to the prior year. Charges for services had an increase of \$0.1 million including an increase in CNG sales of \$1.1 million due to a rate and fee adjustment to the price per gasoline gallon equivalent (GGE) and a significant increase of 52% in public usage. Decreases included Seki ticket sales of \$0.5 million and sequoia shuttle reimbursement of \$15K as a result of the shutdown due to the COVID-19 pandemic, farebox sales of \$0.2 million, ticket sales of \$0.1 million, and carbon credits of \$0.2 million due to the timing of when the credits are received. Operating expenses decreased by \$2.5 million mainly due to a pass-through grant to the City of Tulare of \$2.7 million that occurred in the prior year.

Building Safety – Operating revenues increased by \$0.6 million mainly due to an increase in multi-family dwellings and new commercial permits compared to prior years activity. Operating expenses increased by \$0.4 million including salaries and benefits of \$0.2 million due to wage and benefit increases and annual pension adjustments and maintenance and operations costs of \$0.2 million mainly due to allocated expenses and services provided of \$162K.

Animal Control – Operating revenues had a collective increase of \$7K as a result of increased activity in license fees of \$12K, admin fines of \$18K, penalty late fees of \$5K, kennel fees of \$6K, facility shelter fees of \$20K offset by lower animal sheltering services for Dinuba of \$52K due to the timing of the revenue collected in the prior year. Operating expenses increased by \$0.1 million due to an increase in salaries and benefits of \$0.2 million due to wage and benefit increases and annual pension adjustments and decreases in maintenance and operations expenses of \$0.1 million consisting of bad debt expense of \$52K and allocated expenses and services provided of \$39K.

Baseball – Operating revenues were \$4K and operating expenses had a decrease of \$0.2 million. Differences in revenue and expenses as compared to the prior year are the result of a new contract being established with Fast Pitch Entertainment, LLC the organization that runs the Rawhide Baseball team. During the year Baseball had capital expenditures of \$0.6 million for the new video scoreboard which was capitalized and booked as an asset.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund - Original and Final Budget Comparison

The City's final General Fund budget differs from the original budget due to carry-forward appropriations for capital projects and supplemental appropriations approved throughout the year at Council meetings and during the Mid-Year and Mid-Cycle budget reviews.

Budgeted total revenues increased by \$2.5 million, to a final budgeted amount of \$74.4 million, mainly due to additional federal, state and county grant funding secured by the City.

Budgeted total expenditures increased by \$0.6 million to a final budgeted amount of \$67.2 million, mainly due to an increase of \$0.6 million in Capital Outlay (Projects).

General Fund - Final Budget and Actual Comparison

Total revenues were \$3.0 million higher than the final budgeted amount, as detailed below:

Sales Tax – was \$1.9 million more than budgeted as the economy continues to have growth partially aided by Federal stimulus money put into consumers' pockets due to the COVID-19 pandemic.

Property Tax – was \$2.3 million more than budgeted as valuation increased more than anticipated.

Transient Occupancy Tax – was \$0.2 million less than budgeted as COVID-19 had a detrimental effect on the travel and hospitality industry enhanced by the lockdowns and travel restrictions imposed by the State of California.

Business License – was \$67K more than budgeted as business license activity was higher than anticipated for the year.

Subventions and Grants – was \$2.3 million less than budgeted due to the City not yet receiving the funding from prop 1B for the East side park basin project as the funds are reimbursed when the project is completed.

Local Ordinance Violations, Vehicle Code and Parking Violations – was \$38K more than budgeted as violations were more than projected.

Interest Earned – was \$1.2 million more than budgeted due to higher interest earnings rates.

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Engineering and Subdivision Services – was \$0.4 million more than budgeted as these specialized services were higher than anticipated for the year.

Recreation Programs – was \$0.6 million less than budgeted as these programs were highly impacted by the shutdown due to the COVID-19 pandemic and were not being offered due to the restrictions imposed by the State of California.

Other Revenue – was \$0.4 million more than budgeted mainly due to \$0.2 million in temporary disability funds received and \$0.2 million in miscellaneous other items.

Total expenditures were \$2.4 million less than budget. This difference was due to \$0.1 million in lower capital outlay and \$ 2.3 million in vacancies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its Governmental and Business-Type activities as of June 30, 2020 totaled \$720.0 million (net of accumulated depreciation), as shown in Table 8, Capital Assets, Net of Accumulated Depreciation. For Government-wide Financial Statements, capital asset purchases for governmental activities are capitalized and depreciated. In contrast, in the Fund Financial Statements capital asset purchases for governmental activities are recorded as expenditures. Additional information about the City's capital assets can be found in the *Notes to Financial Statements, Note 6 – Capital Assets*.

Table 8
Capital Assets, Net of Accumulated Depreciation
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
Governmental Activities				
Land	\$ 42.0	\$ 41.5	\$ 0.5	1%
Buildings	47.9	49.2	(1.3)	-3%
Improvements	63.7	53.0	10.7	20%
Equipment	18.5	18.3	0.2	1%
Infrastructure	151.1	145.1	6.0	4%
Construction in Progress	23.0	28.9	(5.9)	-20%
Total	\$ 346.2	\$ 336.0	\$ 10.2	3%
Business-Type Activities				
Land	\$ 26.1	\$ 26.1	\$ -	0%
Buildings	34.3	35.5	(1.2)	-3%
Improvements	168.3	171.5	(3.2)	-2%
Equipment	22.8	22.8	-	0%
Infrastructure	116.3	116.3	-	0%
Construction in Progress	6.0	3.7	2.3	62%
Total	\$ 373.8	\$ 375.9	\$ (2.1)	-1%
Total City-Wide	\$ 720.0	\$ 711.9	\$ 8.1	1%

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

Governmental

- Completed Riverway Sports park project.
- Signal at Demaree and Goshen in progress.
- Completed road rehabilitation projects.
- Caldwell improvements Akers to Shady street in progress.

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- Downtown street light project in design.
- Santa Fe/Tulare roundabout project in progress.
- Shirk widening project in progress.
- Riggan widening project in progress.
- East Side Regional Park & Basins in progress.
- Purchase of a fire engine.
- Purchase of a paramedic squad vehicle.
- Purchase of thirty one police vehicles.
- Purchase of eight parks vehicles.

Business-type

- Completed the General Aviation Apron Reconstruction project.
- Water Reclamation Facility Catalytic Reduction System in progress.
- Under construction is the Aircraft hangar project
- Addition of storm drain infrastructure.
- Purchase of a video scoreboard for Baseball.
- Purchase of two 40 foot CNG busses.
- Purchase of four residential side load Solid Waste trucks.
- Purchase of a truck for the Water Reclamation Facility.

Debt Administration

The City's total long-term debt decreased by \$4.0 million (4%) during the fiscal year, as shown in [Table 9, Outstanding Debt](#). This was due to the City's regularly scheduled debt service payments and adjustments to Compensated Absences. See the accompanying *Notes to Basic Financial Statements, Note 7 – Long-Term Debt* for further detail. The following summarizes the City's outstanding debt.

Table 9
Outstanding Debt
(in millions)

	FY 19-20	FY 18-19	Increase (Decrease)	
			\$	%
Governmental Activities				
Certificates of Participation	\$ 10.3	\$ 11.1	\$ (0.8)	-7%
Notes - Direct Borrowings	-	0.1	(0.1)	-100%
Compensated Absences	5.5	5.0	0.5	10%
Total	<u>15.8</u>	<u>16.2</u>	<u>(0.4)</u>	-2%
Business-Type Activities				
Certificates of Participation	7.2	8.0	(0.8)	-10%
Lease	3.9	4.4	(0.5)	-11%
Notes - Direct Borrowings	91.7	94.1	(2.4)	-3%
Compensated Absences	1.1	1.0	0.1	10%
Total	<u>\$ 103.9</u>	<u>\$ 107.5</u>	<u>\$ (3.6)</u>	-3%
Total City-Wide	<u>\$ 119.7</u>	<u>\$ 123.7</u>	<u>\$ (4.0)</u>	-3%

REQUEST FOR FINANCIAL INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors, with a general overview of the City's finances, and to demonstrate the City's accountability for the money it receives and expends. If you have questions about this report, or need any additional financial information, contact the City of Visalia's Finance Department at 707 W. Acequia Ave., Visalia, CA 93291.

BASIC FINANCIAL STATEMENTS



Statement of Net Position and Statement of Activities

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities are required by Governmental Accounting Standards Board (GASB) Statement No. 34. Their purpose is to summarize the entire City's financial activities and financial position. They are prepared on the same basis of accounting as is used by most businesses, which means they include all the City's assets and all its liabilities, deferred inflows and outflows of resources, as well as all its revenues and expenses. This is known as the full accrual basis of accounting - the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and deferred inflows of resources and the City's total liabilities, including all the City's capital assets and all its long-term debt. The Statement of Net Position presents information similar to the old balance sheet format, but presents it in a way that focuses the reader on the composition of the City's net position, by subtracting total liabilities from total assets.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column, and the financial position of all the City's Business-type Activities in a single column; these columns are followed by a total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service these Funds, their activities are consolidated with Governmental Activities, after eliminating interfund transactions and balances. The City's Business-type Activities include all its Enterprise Fund activities.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis of accounting, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the modified accrual basis of accounting used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The format of the Statement of Activities differs considerably from those used in the past. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues - revenues which are generated directly by these programs - are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these statements include the financial activities of the City and the Visalia Public Finance Authority, which is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of this entity.

These financial statements, along with the fund financial statements and footnotes, are called *Basic Financial Statements*; the term General Purpose Financial Statements is no longer used.

CITY OF VISALIA
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments (Note 3)	\$ 172,552,688	\$ 145,125,933	\$ 317,678,621
Restricted Cash and Investments (Note 3)	244,984	4,365,228	4,610,212
Accounts Receivable	3,099,177	5,337,183	8,436,360
Interest Receivable	1,371,844	-	1,371,844
Taxes Receivable	17,053,302	340,526	17,393,828
Notes and Loans Receivable (Note 5)	37,424,938	111,493	37,536,431
Supplies	949,864	42,560	992,424
Inventory (Note 1I)	221,595	40,819	262,414
Internal Balances (Note 4D)	2,531,284	(2,531,284)	-
Due from Other Governmental Units	3,727,848	15,394,895	19,122,743
Land Held for Redevelopment (Note 1G)	141,583	-	141,583
Prepays and Deposits	986,546	15,194	1,001,740
Capital Assets, Net of Accumulated Depreciation (Note 6):			
Capital Assets Not Being Depreciated	65,011,224	32,097,519	97,108,743
Capital Assets Being Depreciated	281,219,245	341,696,002	622,915,247
Total Assets	586,536,122	542,036,068	1,128,572,190
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related (Note 10)	22,313,702	4,689,477	27,003,179
Total Deferred Outflows of Resources	22,313,702	4,689,477	27,003,179
LIABILITIES			
Accounts, Interest, and Contracts Payable	6,801,826	9,064,108	15,865,934
Advances from Grantors and Third Parties	587,365	3,802,648	4,390,013
Customer Deposits	604,837	745,569	1,350,406
Unearned Revenue	310,351	177,911	488,262
Accrued Personnel Costs	39,494	-	39,494
Long-Term Obligations (Note 7):			
Due Within One Year	1,878,293	3,854,454	5,732,747
Due in More Than One Year	13,911,925	99,904,897	113,816,822
Liability for Self-Insurance Claims (Note 11):			
Due Within One Year	841,499	-	841,499
Due in More Than One Year	6,377,939	-	6,377,939
Net Pension Liability Due in More Than One Year (Note 10)	103,406,069	31,804,118	135,210,187
Total Liabilities	134,759,598	149,353,705	284,113,303
DEFERRED INFLOWS OF RESOURCES			
Pension Related (Note 10)	4,889,028	938,332	5,827,360
Unamortized Gain on Refunding of Debt (Note 7)	-	171,627	171,627
Total Deferred Inflows of Resources	4,889,028	1,109,959	5,998,987
NET POSITION (Note 9)			
Net Investment in Capital Assets	335,920,259	270,985,106	606,905,365
Restricted for:			
Capital Projects	61,299,581	15,959,997	77,259,578
Debt Service	8,665	4,365,228	4,373,893
Waterways/Groundwater Projects	6,165,162	-	6,165,162
Landscape & Lighting Districts	9,749,697	-	9,749,697
Public Safety	9,128,579	-	9,128,579
Roadway Projects	7,649,959	-	7,649,959
Golf Course Maintenance Projects & Misc	928,009	-	928,009
Total Restricted Net Position	94,929,652	20,325,225	115,254,877
Unrestricted	38,351,287	104,951,550	143,302,837
Total Net Position	\$ 469,201,198	\$ 396,261,881	\$ 865,463,079

The accompanying notes are an integral part of these financial statements.

**CITY OF VISALIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities							
General Government	\$ 7,403,705	\$ 896,029	\$ 148,900	\$ 35,150	\$ (6,323,626)	\$ -	\$ (6,323,626)
Community Development	2,476,835	1,282,610	30,202	2,615	(1,161,408)	-	(1,161,408)
Housing & Community Grants	1,667,392	23,446	4,012,320	-	2,368,374	-	2,368,374
Public Safety							
Police	44,992,302	3,125,785	891,295	542,707	(40,432,515)	-	(40,432,515)
Fire	19,000,054	1,619,851	-	104,362	(17,275,841)	-	(17,275,841)
Public Works	20,423,526	10,459,340	-	11,080,055	1,115,869	-	1,115,869
Community Services	12,146,482	7,778,155	784	-	(4,367,543)	-	(4,367,543)
Interest on Long-Term Debt	449,698	-	-	-	(449,698)	-	(449,698)
Total Governmental Activities	108,559,994	25,185,216	5,083,501	11,764,889	(66,526,388)	-	(66,526,388)
Business-Type Activities							
Convention Center	4,300,525	1,882,265	-	-	-	(2,418,260)	(2,418,260)
Airport	2,126,608	1,616,084	-	1,281,991	-	771,467	771,467
Water Reclamation Facility	22,822,016	26,197,566	-	999,714	-	4,375,264	4,375,264
Storm Sewer Maintenance	2,440,533	1,281,068	-	1,406,587	-	247,122	247,122
Solid Waste	18,962,848	19,456,454	44,965	648,001	-	1,186,572	1,186,572
Transit	17,837,506	5,081,302	15,902,446	3,313,669	-	6,459,911	6,459,911
Baseball	220,769	4,443	-	-	-	(216,326)	(216,326)
Animal Control	2,002,637	579,995	1,345	-	-	(1,421,297)	(1,421,297)
Building Safety	3,490,344	4,519,673	-	-	-	1,029,329	1,029,329
Total Business-Type Activities	74,203,786	60,618,850	15,948,756	7,649,962	-	10,013,782	10,013,782
Total	\$ 182,763,780	\$ 85,804,066	\$ 21,032,257	\$ 19,414,851	(66,526,388)	10,013,782	(56,512,606)
General Revenues							
Taxes:							
					60,350,584	-	60,350,584
					26,297,039	-	26,297,039
					2,727,385	-	2,727,385
					2,669,467	-	2,669,467
					2,590,633	-	2,590,633
					4,613,810	4,345,037	8,958,847
					1,387,173	2,938,829	4,326,002
Transfers							
					(4,489,074)	4,489,074	-
Total General Revenues and Transfers							
					96,147,017	11,772,940	107,919,957
Change in Net Position							
					29,620,629	21,786,722	51,407,351
Net Position - Beginning of Year, As Restated (Note 14)							
					439,580,569	374,475,159	814,055,728
Net Position - End of Year							
					\$ 469,201,198	\$396,261,881	\$865,463,079

The accompanying notes are an integral part of these financial statements.



FUND FINANCIAL STATEMENTS

GASB Statement No. 34 revised the format of the Fund Financial Statements so that only individual major funds are presented, while non-major funds are combined in a single column. Major funds are defined generally as having significant activities or balances in the current year. No distinction is made between fund types.

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2019-20. Individual non-major funds are presented in the Supplementary Information section.

GENERAL FUND

The General Fund is used to account for all the general revenues of the City not specifically levied or collected for other City funds and their related expenditures. The General Fund accounts for all financial resources of the City which are not accounted for in another fund. The General Fund includes the Emergency Reserve Fund.

MEASURE N

Measure N is used to account for increased Police, Fire, Streets, and Parks essential services. Financing is provided by the ½ cent sales tax ballot measure (N) approved by voters during the November 8, 2016 election.

HOUSING & COMMUNITY GRANTS FUND

The Housing & Community Grants Fund is used to account for the affordable housing and public service needs of the City's low and moderate income households. Financing is provided by Community Development Block Grants (CDBG), the Home Investment Partnership Program (HOME), Neighborhood Stabilization Program (NSP) and fines charged for substandard housing and abandoned vehicle abatement. Also, within the CDBG, HOME and NSP programs, when money that was previously loaned out is paid back, it again becomes available for use in the rehabilitation and development programs.

HOUSING SUCCESSOR AGENCY FUND

The Housing Successor Agency Fund is used to retain the housing assets and functions previously performed by the dissolved Redevelopment Agency of the City of Visalia.

TRANSPORTATION FUND

The Transportation Fund is used to account for the financing and construction of streets, roads, and various transportation infrastructure and facilities. Funding is provided by Transportation Impact Fees.

**CITY OF VISALIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General Fund	Measure N	Housing & Community Grants
ASSETS			
Cash and Investments (Note 3)	\$ 28,353,633	\$ 20,861,888	\$ 1,420,183
Restricted Cash and Investments (Note 3)	-	-	-
Accounts Receivable	648,413	-	103
Interest Receivable	1,371,844	-	-
Taxes Receivable	9,544,817	2,729,303	-
Notes and Loans Receivable (Note 5)	12,701,302	-	13,166,754
Supplies	19,475	-	-
Inventory (Note 1I)	136,564	-	-
Due from Other Funds (Note 4C)	7,211	-	-
Advances to Other Funds (Note 4B)	4,707,165	-	-
Due from Other Governmental Units	217,301	-	288,164
Land Held for Redevelopment (Note 1G)	-	-	-
Prepays and Deposits	25,660	-	-
Total Assets	\$ 57,733,385	\$ 23,591,191	\$ 14,875,204
LIABILITIES			
Accounts, Interest & Contracts Payable	\$ 1,121,589	\$ 270,388	\$ 64,873
Due to Other Funds (Note 4C)	-	-	1,702
Advances from Grantors and Third Parties	587,365	-	-
Advances from Other Funds (Note 4B)	-	-	-
Customer Deposits	394,152	-	-
Unearned Revenue	151,328	-	-
Accrued Personnel Costs (Note 10 G)	32,329	-	-
Total Liabilities	2,286,763	270,388	66,575
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax	1,021,673	-	-
Unavailable Revenue - Business Tax	873,013	-	-
Unavailable Revenue - Impact Fees	334,743	-	-
Unavailable Revenue - Misc	461,464	-	-
Unavailable Revenue - Notes	64,000	-	13,166,754
Unavailable Revenue - Asset Forfeiture	-	-	-
Total Deferred Inflows of Resources	2,754,893	-	13,166,754
FUND BALANCES (Note 9)			
Nonspendable	677,847	-	-
Restricted	-	21,942,743	1,416,594
Committed	16,238,777	1,378,060	225,281
Assigned	30,278,390	-	-
Unassigned	5,496,715	-	-
Total Fund Balances	52,691,729	23,320,803	1,641,875
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 57,733,385	\$ 23,591,191	\$ 14,875,204

The accompanying notes are an integral part of these financial statements.

	Housing Successor Agency	Transportation	All Other Governmental Funds	Total
ASSETS				
Cash and Investments (Note 3)	\$ 727,494	\$ 12,556,272	\$ 78,380,934	\$ 142,300,404
Restricted Cash and Investments (Note 3)	-	-	8,665	8,665
Accounts Receivable	-	1,706,083	737,939	3,092,538
Interest Receivable	-	-	-	1,371,844
Taxes Receivable	-	-	4,779,182	17,053,302
Notes and Loans Receivable (Note 5)	9,922,665	1,146,259	487,958	37,424,938
Supplies	-	-	-	19,475
Inventory (Note 1)	-	-	85,031	221,595
Due from Other Funds (Note 4C)	-	-	-	7,211
Advances to Other Funds (Note 4B)	-	-	-	4,707,165
Due from Other Governmental Units	-	-	3,222,383	3,727,848
Land Held for Redevelopment (Note 1G)	141,583	-	-	141,583
Prepays and Deposits	-	-	-	25,660
Total Assets	\$ 10,791,742	\$ 15,408,614	\$ 87,702,092	\$ 210,102,228
LIABILITIES				
Accounts, Interest & Contracts Payable	\$ 4,633	\$ 2,957,358	\$ 2,023,016	\$ 6,441,857
Due to Other Funds (Note 4C)	-	-	5,509	7,211
Advances from Grantors and Third Parties	-	-	-	587,365
Advances from Other Funds (Note 4B)	-	-	3,763,007	3,763,007
Customer Deposits	-	-	210,685	604,837
Unearned Revenue	-	-	159,023	310,351
Accrued Personnel Costs (Note 10 G)	-	-	-	32,329
Total Liabilities	4,633	2,957,358	6,161,240	11,746,957
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	-	-	-	1,021,673
Unavailable Revenue - Business Tax	-	-	-	873,013
Unavailable Revenue - Impact Fees	-	597,612	360,974	1,293,329
Unavailable Revenue - Misc	-	-	-	461,464
Unavailable Revenue - Notes	8,754,590	1,146,259	350,433	23,482,036
Unavailable Revenue - Asset Forfeiture	-	-	492,196	492,196
Total Deferred Inflows of Resources	8,754,590	1,743,871	1,203,603	27,623,711
FUND BALANCES (Note 9)				
Nonspendable	-	-	-	677,847
Restricted	864,443	10,360,076	56,503,437	91,087,293
Committed	-	347,309	28,308,612	46,498,039
Assigned	1,168,076	-	-	31,446,466
Unassigned	-	-	(4,474,800)	1,021,915
Total Fund Balances	2,032,519	10,707,385	80,337,249	170,731,560
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,791,742	\$ 15,408,614	\$ 87,702,092	\$ 210,102,228

The accompanying notes are an integral part of these financial statements.



**CITY OF VISALIA
RECONCILIATION OF GOVERNMENTAL FUNDS - FUND BALANCE
WITH GOVERNMENTAL NET POSITION
JUNE 30, 2020**

Total Fund Balances - Governmental Funds \$170,731,560

CAPITAL ASSET TRANSACTIONS:

Capital Assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital Assets at Historical Cost	\$468,647,390	
Accumulated Depreciation	<u>(136,726,006)</u>	331,921,384

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet services, compensated absences, and information services, to individual governmental and proprietary funds. The net current assets and current liabilities of the internal service funds are included in governmental activities in the statement of net position.

35,216,148

LONG-TERM LIABILITIES

Long-term Liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Certificates of Participation		(10,310,210)
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DEFERRED INFLOWS / (OUTFLOWS) OF RESOURCES

Deferred Inflows of Resources: In governmental funds, future payments for notes receivable are treated as deferred inflows of resources. In government-wide statements, future payments of notes receivable are recorded as an offset of notes receivable.

27,623,711

GASB 68 Pension Items		<u>(85,981,395)</u>
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Total Net Position - Governmental Activities		<u><u>\$469,201,198</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Measure N	Housing & Community Grants
REVENUES			
Sales Taxes	\$ 34,213,847	\$ 13,871,794	\$ -
Property Taxes	26,281,706	-	-
Other Taxes	7,934,987	-	-
Subventions and Grants	784,300	3,549	2,575,658
License and Permits	66,789	-	-
Fees and Fines	1,325,235	-	18,109
Uses of Money and Property	1,625,307	578,346	111,740
Charges for Current Services	3,293,699	-	-
Miscellaneous	1,811,748	16,995	15,957
Total Revenues	<u>77,337,618</u>	<u>14,470,684</u>	<u>2,721,464</u>
EXPENDITURES			
Current:			
General Government	3,702,197	197,397	-
Community Development	2,011,389	-	78,983
Housing & Community Grants	-	-	753,015
Public Safety:			
Fire	14,037,852	617,778	-
Police	33,477,477	3,561,799	-
Public Works	3,760,820	-	-
Community Services	6,827,605	538,752	-
Capital Outlay	921,071	4,327,669	2,027,498
Debt Service (Note 7):			
Principal	53,514	-	-
Interest and Fiscal Charges	403	-	-
Total Expenditures	<u>64,792,328</u>	<u>9,243,395</u>	<u>2,859,496</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>12,545,290</u>	<u>5,227,289</u>	<u>(138,032)</u>
Other Financing Sources (Uses)			
Proceeds From Sale of Capital Assets	16,443	-	-
Transfers In (Note 4A)	158,041	-	19,336
Transfers Out (Note 4A)	<u>(11,948,784)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(11,774,300)</u>	<u>-</u>	<u>19,336</u>
Net Change in Fund Balances	<u>770,990</u>	<u>5,227,289</u>	<u>(118,696)</u>
Fund Balances - Beginning of Year	51,436,944	18,093,514	1,760,571
Prior Period Adjustment (Note 14)	<u>483,795</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year, as Restated	<u>51,920,739</u>	<u>18,093,514</u>	<u>1,760,571</u>
Fund Balances - End of Year	<u>\$ 52,691,729</u>	<u>\$ 23,320,803</u>	<u>\$ 1,641,875</u>

The accompanying notes are an integral part of these financial statements.

	Housing Successor Agency	Transportation	All Other Governmental Funds	Total
REVENUES				
Sales Taxes	\$ -	\$ -	\$ 12,264,943	\$ 60,350,584
Property Taxes	-	-	-	26,281,706
Other Taxes	-	-	84,772	8,019,759
Subventions and Grants	6,229	-	11,458,992	14,828,728
License and Permits	-	-	17,736	84,525
Fees and Fines	-	5,328,611	7,257,082	13,929,037
Uses of Money and Property	37,035	302,327	2,185,764	4,840,519
Charges for Current Services	-	-	5,080,099	8,373,798
Miscellaneous	7	-	363,430	2,208,137
Total Revenues	<u>43,271</u>	<u>5,630,938</u>	<u>38,712,818</u>	<u>138,916,793</u>
EXPENDITURES				
Current:				
General Government	15,760	-	28,937	3,944,291
Community Development	-	-	23,539	2,113,911
Housing & Community Grants	-	-	-	753,015
Public Safety:				
Fire	-	-	2,704,166	17,359,796
Police	-	-	4,598,423	41,637,699
Public Works	-	23,835	1,615,067	5,399,722
Community Services	-	-	3,135,030	10,501,387
Capital Outlay	30,479	1,582,011	21,011,550	29,900,278
Debt Service (Note 7):				
Principal	-	-	841,673	895,187
Interest and Fiscal Charges	-	-	436,502	436,905
Total Expenditures	<u>46,239</u>	<u>1,605,846</u>	<u>34,394,887</u>	<u>112,942,191</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(2,968)</u>	<u>4,025,092</u>	<u>4,317,931</u>	<u>25,974,602</u>
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	-	-	-	16,443
Transfers In (Note 4A)	-	-	8,304,709	8,482,086
Transfers Out (Note 4A)	-	-	(864,335)	(12,813,119)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>7,440,374</u>	<u>(4,314,590)</u>
Net Change in Fund Balances	<u>(2,968)</u>	<u>4,025,092</u>	<u>11,758,305</u>	<u>21,660,012</u>
Fund Balances - Beginning of Year	2,211,487	6,682,293	69,070,831	149,255,640
Prior Period Adjustment (Note 14)	<u>(176,000)</u>	<u>-</u>	<u>(491,887)</u>	<u>(184,092)</u>
Fund Balances - Beginning of Year, as Restated	<u>2,035,487</u>	<u>6,682,293</u>	<u>68,578,944</u>	<u>149,071,548</u>
Fund Balances - End of Year	<u>\$ 2,032,519</u>	<u>\$ 10,707,385</u>	<u>\$ 80,337,249</u>	<u>\$ 170,731,560</u>

The accompanying notes are an integral part of these financial statements.



CITY OF VISALIA
RECONCILIATION OF THE NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
WITH THE CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Total Net Changes in Fund Balances - Governmental Funds \$ 21,660,012

CAPITAL OUTLAY: In governmental funds, the cost of capital assets are reported as expenditures. In the statement of activities, costs of those assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for Capital Outlay	\$ 20,985,039	
Net Retirements of Capital assets	\$ (1,436,297)	
Depreciation Expense	<u>(8,878,293)</u>	10,670,449

DEBT SERVICE: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reduction of liabilities. Expenditures for repayment of the principal portion of the long-term debt were:

Principal Payment of Long-Term Debt		895,187
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In governmental funds, principal repayments for notes and loans receivable are recognized as revenue. In government-wide statements, principal repayments of notes and loans receivable are recorded as reduction of notes receivable.

Change in unavailable revenue relating to notes and loans receivable		1,192,912
----------------------------------------------------------------------	--	-----------

In 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

		3,123
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Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet services, compensated absences, and information services, to individual governmental and proprietary funds. The portion of the net revenue (expense) of these internal allocations to governmental activities was:

		1,457,243
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Pension Related Expenses		<u>(6,258,297)</u>
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Total Change in Net Position - Governmental Activities		<u><u>\$ 29,620,629</u></u>
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The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

REVENUES	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Taxes				
Sales	\$ 32,305,100	\$ 32,305,100	\$ 34,213,847	\$ 1,908,747
Property	24,001,400	24,001,400	26,281,706	2,280,306
Transient Occupancy	2,946,000	2,946,000	2,727,385	(218,615)
Franchise	2,645,000	2,645,000	2,669,467	24,467
Business License	2,470,900	2,470,900	2,538,135	67,235
Total Taxes	<u>64,368,400</u>	<u>64,368,400</u>	<u>68,430,540</u>	<u>4,062,140</u>
Subventions and Grants				
Police and Other	480,800	3,012,139	674,916	(2,337,223)
Motor Vehicle License In-Lieu	50,000	50,000	109,384	59,384
Total Subventions and Grants	<u>530,800</u>	<u>3,062,139</u>	<u>784,300</u>	<u>(2,277,839)</u>
License and Permits				
Other License and Permits	65,200	65,200	66,789	1,589
Total License and Permits	<u>65,200</u>	<u>65,200</u>	<u>66,789</u>	<u>1,589</u>
Fees and Fines				
Vehicle Code and Parking Violations	805,800	805,800	679,218	(126,582)
Local Ordinance Violations	481,800	481,800	646,017	164,217
Total Fees and Fines	<u>1,287,600</u>	<u>1,287,600</u>	<u>1,325,235</u>	<u>37,635</u>
Use of Money and Property				
Interest Earned	203,800	203,800	1,410,614	1,206,814
Rents and Concessions	405,500	405,500	214,693	(190,807)
Total Use of Money and Property	<u>609,300</u>	<u>609,300</u>	<u>1,625,307</u>	<u>1,016,007</u>
Charges for Services				
Engineering and Subdivision Fees	913,600	913,600	1,310,393	396,793
Zoning Fees	185,800	185,800	234,667	48,867
Special Public Safety Services	890,200	890,200	834,949	(55,251)
Recreation Programs	1,544,200	1,544,200	913,690	(630,510)
Total Charges for Services	<u>3,533,800</u>	<u>3,533,800</u>	<u>3,293,699</u>	<u>(240,101)</u>
Other Revenue	1,427,300	1,427,300	1,811,748	384,448
Total Revenues	<u>71,822,400</u>	<u>74,353,739</u>	<u>77,337,618</u>	<u>2,983,879</u>

The accompanying notes are an integral part of these financial statements.

EXPENDITURES	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Current:				
General Government	\$ 4,050,400	\$ 4,073,674	\$ 3,702,197	\$ 371,477
Community Development	2,894,600	2,894,600	2,011,389	883,211
Public Safety:				
Fire	14,170,800	14,166,913	14,037,852	129,061
Police	33,585,100	33,495,993	33,477,477	18,516
Public Works	4,358,700	4,342,412	3,760,820	581,592
Community Services	7,093,100	7,094,852	6,827,605	267,247
Capital Outlay	457,500	1,019,264	921,071	98,193
Debt Service (Note 7)				
Principal	59,000	59,000	53,514	5,486
Interest and Fiscal Charges	1,800	1,800	403	1,397
Total Expenditures	<u>66,671,000</u>	<u>67,148,508</u>	<u>64,792,328</u>	<u>2,356,180</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>5,151,400</u>	<u>7,205,231</u>	<u>12,545,290</u>	<u>5,340,059</u>
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	-	-	16,443	16,443
Transfers In	-	-	158,041	158,041
Transfers Out	-	-	(11,948,784)	(11,948,784)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(11,774,300)</u>	<u>(11,774,300)</u>
Net Change in Fund Balance	<u>\$ 5,151,400</u>	<u>\$ 7,205,231</u>	<u>770,990</u>	<u>\$ (6,434,241)</u>
Fund Balance Beginning of Year			51,436,944	
Prior Period Adjustment (Note 14)			<u>483,795</u>	
Fund Balance - Beginning of Year, as Restated			<u>51,920,739</u>	
Fund Balance - End of Year			<u>\$ 52,691,729</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
MEASURE N - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
REVENUES				
Taxes				
Sales	\$ 13,170,100	\$ 13,170,100	\$ 13,871,794	\$ 701,694
Total Taxes	13,170,100	13,170,100	13,871,794	701,694
Subventions and Grants				
Police and Other	-	-	3,549	3,549
Total Subventions and Grants	-	-	3,549	3,549
Use of Money and Property				
Interest Earned	16,700	16,700	578,346	561,646
Total Use of Money and Property	16,700	16,700	578,346	561,646
Other Revenue	100	100	16,995	16,895
Total Revenues	13,186,900	13,186,900	14,470,684	1,283,784
EXPENDITURES				
Current:				
General Government	173,300	173,300	197,397	(24,097)
Public Safety:				
Fire	687,700	687,700	617,778	69,922
Police	3,534,700	3,534,700	3,561,799	(27,099)
Community Services	708,200	708,200	538,752	169,448
Capital Outlay	7,358,300	5,247,074	4,327,669	919,405
Total Expenditures	12,462,200	10,350,974	9,243,395	1,107,579
Excess (Deficiency) of Revenues Over (Under) Expenditures	724,700	2,835,926	5,227,289	2,391,363
Net Change in Fund Balance	<u>\$ 724,700</u>	<u>\$ 2,835,926</u>	5,227,289	<u>\$ 2,391,363</u>
Fund Balance Beginning of Year			18,093,514	
Fund Balance - End of Year			<u>\$ 23,320,803</u>	

The accompanying notes are an integral part of these financial statements.

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to private business enterprises. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The City has identified the funds below as major proprietary funds in fiscal year 2019-20.

CONVENTION CENTER

Established to account for operations of the Convention Center. Revenues are provided by fees charged for the Convention Center and by operating transfers from the General Fund.

AIRPORT

Established to account for the operations of the Visalia Municipal Airport. Revenue is provided by the fees charged to the airport users for the aviation fuel, hangar rentals, and leases of land and buildings, as well as from federal grants for capital assets and projects.

WATER RECLAMATION FACILITY

Established to account for the collection and treatment of wastewater. Revenue is provided by user charges and impact fees as well as limited grant funding. Formerly known as Wastewater Fund.

STORM SEWER MAINTENANCE

Established to account for the operations of the City's storm and sewer drain activity. Revenue is provided by user charges and impact fees as well as limited grant funding.

SOLID WASTE

Established to account for the operations of collecting and disposing of solid waste and street sweeping activities. Revenues are provided by user charges and limited grant funding.

TRANSIT

Established to account for the operations of the City's transit activities. Revenue is provided by state transportation funds, federal grants, and passenger fares.

BUILDING SAFETY

Established to account for the operations of the City's plan checking, permitting, and inspection of buildings. Revenue is provided by permit fees.

ANIMAL CONTROL

Established to account for the operations of the City's animal control services. Revenue is provided by users through fees for licensing, adoptions, vaccinations and shelter related fees.

BASEBALL

Established to account for the operations of a professional baseball team that operates in the City.

CITY OF VISALIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

Business-Type Activities - Enterprise Funds

	Convention Center	Airport	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste
ASSETS					
Current Assets					
Cash and Investments (Note 3)	\$ 10,291	\$ 350	\$ 75,057,507	\$ 1,383,350	\$ 30,805,320
Accounts Receivable	40,053	35,829	3,226,247	131,984	1,537,978
Taxes Receivable	-	-	130,073	63,963	146,490
Note and Loans Receivable (Note 5)	-	-	111,493	-	-
Supplies	-	42,560	-	-	-
Inventory (Note 11)	-	-	20,053	20,766	-
Due from Other Governmental Units	-	191,396	-	-	1,060,599
Prepaid Expenses	-	15,194	-	-	-
Total Current Assets	<u>50,344</u>	<u>285,329</u>	<u>78,545,373</u>	<u>1,600,063</u>	<u>33,550,387</u>
Non-Current Assets					
Restricted Cash and Investments (Note 3)	-	-	4,365,228	-	-
Capital Assets (Note 6)					
Land	829,047	3,000,590	6,952,363	9,437,692	1,567,372
Construction in Progress	41,368	2,776,813	969,940	741,149	1,165,320
Buildings	22,428,375	2,163,061	2,937,862	-	197,130
Improvements Other Than Buildings	5,435,369	13,336,321	205,990,526	2,455,994	981,520
Machinery, Equipment and Vehicles	1,844,596	1,067,039	9,379,152	564,808	19,614,711
Infrastructure	-	-	90,999,706	57,938,483	-
Accumulated Depreciation	(18,030,960)	(12,012,840)	(73,322,470)	(13,909,004)	(15,537,225)
Total Non-Current Assets	<u>12,547,795</u>	<u>10,330,984</u>	<u>248,272,307</u>	<u>57,229,122</u>	<u>7,988,828</u>
Total Assets	<u>12,598,139</u>	<u>10,616,313</u>	<u>326,817,680</u>	<u>58,829,185</u>	<u>41,539,215</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related (Note 10)	583,312	135,401	1,161,837	147,290	1,447,060
Total Deferred Outflows of Resources	<u>583,312</u>	<u>135,401</u>	<u>1,161,837</u>	<u>147,290</u>	<u>1,447,060</u>
LIABILITIES					
Current Liabilities					
Accounts, Interest and Contracts Payable	59,860	541,494	2,542,642	47,768	449,900
Advances from Grantors and Third Parties	-	-	-	-	34,023
Accrued Personnel Costs (Note 10)	-	-	-	-	-
Customer Deposits	5,650	-	589,639	-	-
Current Portion of Long-Term Obligations (Note 7):					
Compensated Absences	36,927	19,620	71,583	-	39,207
Certificates of Participation and Loans	802,696	-	2,439,417	-	-
Liability for Self-insured Claims (Note 11)	-	-	-	-	-
Total Current Liabilities	<u>905,133</u>	<u>561,114</u>	<u>5,643,281</u>	<u>47,768</u>	<u>523,130</u>
Non-Current Liabilities					
Advance from Other Funds (Note 4B)	-	944,158	-	-	-
Unearned Revenue	-	-	131,546	20,766	-
Non-current Portion of Long-term Obligations (Note 7):					
Compensated Absences	118,318	26,052	171,906	15,576	398,379
Certificates of Participation and Loans	6,192,094	-	89,265,836	-	-
Liability for Self-insured Claims (Note 11)	-	-	-	-	-
Net Pension Liability (Note 10)	3,852,658	915,881	7,923,239	991,900	9,856,795
Total Non-Current Liabilities	<u>10,163,070</u>	<u>1,886,091</u>	<u>97,492,527</u>	<u>1,028,242</u>	<u>10,255,174</u>
Total Liabilities	<u>11,068,203</u>	<u>2,447,205</u>	<u>103,135,808</u>	<u>1,076,010</u>	<u>10,778,304</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Related (Note 10)	118,065	27,125	231,906	29,563	288,989
Unamortized Gain on Refunding of Debt	171,627	-	-	-	-
Total Deferred Inflows of Resources	<u>289,692</u>	<u>27,125</u>	<u>231,906</u>	<u>29,563</u>	<u>288,989</u>
NET POSITION (Note 9)					
Net Investment in Capital Assets	5,553,005	10,330,984	152,201,826	57,229,122	7,988,829
Restricted for:					
Debt Service	-	-	4,365,228	-	-
Capital Projects	10,776	1,772,131	1,772,543	622,353	8,710,595
Unrestricted	(3,740,225)	(3,825,731)	66,272,206	19,427	15,219,558
Total Net Position	<u>\$ 1,823,556</u>	<u>\$ 8,277,384</u>	<u>\$ 224,611,803</u>	<u>\$ 57,870,902</u>	<u>\$ 31,918,982</u>

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds					Governmental
	Transit	Building Safety	Animal Control	Baseball	Total	Activities Internal Service Funds
ASSETS						
Current Assets						
Cash and Investments (Note 3)	\$ 27,707,394	\$ 9,677,709	\$ 468,750	\$ 15,262	\$ 145,125,933	\$ 30,252,284
Accounts Receivable	68,058	6,731	285,860	4,443	5,337,183	6,639
Taxes Receivable	-	-	-	-	340,526	-
Note and Loans Receivable (Note 5)	-	-	-	-	111,493	-
Supplies	-	-	-	-	42,560	930,389
Inventory (Note 11)	-	-	-	-	40,819	-
Due from Other Governmental Units	14,142,900	-	-	-	15,394,895	-
Prepaid Expenses	-	-	-	-	15,194	960,886
Total Current Assets	<u>41,918,352</u>	<u>9,684,440</u>	<u>754,610</u>	<u>19,705</u>	<u>166,408,603</u>	<u>32,150,198</u>
Non-Current Assets						
Restricted Cash and Investments (Note 3)	-	-	-	-	4,365,228	236,319
Capital Assets (Note 6)						
Land	4,361,902	-	-	-	26,148,966	-
Construction in Progress	253,963	-	-	-	5,948,553	-
Buildings	19,589,783	-	6,750,891	-	54,067,102	654,910
Improvements Other Than Buildings	2,602,376	-	-	151,472	230,953,578	218,785
Machinery, Equipment and Vehicles	35,964,986	274,484	33,750	602,535	69,346,061	34,460,921
Infrastructure	-	-	-	-	148,938,189	-
Accumulated Depreciation	(27,742,708)	(140,826)	(849,791)	(63,104)	(161,608,928)	(21,025,531)
Total Non-Current Assets	<u>35,030,302</u>	<u>133,658</u>	<u>5,934,850</u>	<u>690,903</u>	<u>378,158,749</u>	<u>14,545,404</u>
Total Assets	<u>76,948,654</u>	<u>9,818,098</u>	<u>6,689,460</u>	<u>710,608</u>	<u>544,567,352</u>	<u>46,695,602</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension Related (Note 10)	<u>324,988</u>	<u>642,367</u>	<u>247,222</u>	<u>-</u>	<u>4,689,477</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>324,988</u>	<u>642,367</u>	<u>247,222</u>	<u>-</u>	<u>4,689,477</u>	<u>-</u>
LIABILITIES						
Current Liabilities						
Accounts, Interest and Contracts Payable	4,193,688	1,045,478	25,612	157,666	9,064,108	359,969
Advances from Grantors and Third Parties	3,768,625	-	-	-	3,802,648	-
Accrued Personnel Costs (Note 10)	-	-	-	-	-	7,165
Customer Deposits	-	150,000	280	-	745,569	-
Current Portion of Long-Term Obligations (Note 7):						
Compensated Absences	-	6,915	2,857	-	177,109	995,989
Certificates of Participation and Loans	-	-	435,232	-	3,677,345	-
Liability for Self-insured Claims (Note 11)	-	-	-	-	-	841,499
Total Current Liabilities	<u>7,962,313</u>	<u>1,202,393</u>	<u>463,981</u>	<u>157,666</u>	<u>17,466,779</u>	<u>2,204,622</u>
Non-Current Liabilities						
Advance from Other Funds (Note 4B)	-	-	-	-	944,158	-
Unearned Revenue	-	25,599	-	-	177,911	-
Non-current Portion of Long-term Obligations (Note 7):						
Compensated Absences	44,781	127,403	43,038	-	945,453	4,484,019
Certificates of Participation and Loans	-	-	3,501,514	-	98,959,444	-
Liability for Self-insured Claims (Note 11)	-	-	-	-	-	6,377,939
Net Pension Liability (Note 10)	<u>2,171,872</u>	<u>4,391,534</u>	<u>1,700,239</u>	<u>-</u>	<u>31,804,118</u>	<u>-</u>
Total Non-Current Liabilities	<u>2,216,653</u>	<u>4,544,536</u>	<u>5,244,791</u>	<u>-</u>	<u>132,831,084</u>	<u>10,861,958</u>
Total Liabilities	<u>10,178,966</u>	<u>5,746,929</u>	<u>5,708,772</u>	<u>157,666</u>	<u>150,297,863</u>	<u>13,066,580</u>
DEFERRED INFLOWS OF RESOURCES						
Pension Related (Note 10)	<u>65,448</u>	<u>128,076</u>	<u>49,160</u>	<u>-</u>	<u>938,332</u>	<u>-</u>
Unamortized Gain on Refunding of Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,627</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>65,448</u>	<u>128,076</u>	<u>49,160</u>	<u>-</u>	<u>1,109,959</u>	<u>-</u>
NET POSITION (Note 9)						
Net Investment in Capital Assets	35,030,302	133,658	1,998,104	690,903	271,156,733	14,309,085
Restricted for:						
Debt Service	-	-	-	-	4,365,228	-
Capital Projects	3,071,599	-	-	-	15,959,997	371,025
Unrestricted	<u>28,927,327</u>	<u>4,451,802</u>	<u>(819,354)</u>	<u>(137,961)</u>	<u>106,367,049</u>	<u>18,948,912</u>
Total Net Position	<u>\$ 67,029,228</u>	<u>\$ 4,585,460</u>	<u>\$ 1,178,750</u>	<u>\$ 552,942</u>	<u>397,849,007</u>	<u>\$ 33,629,022</u>
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						
					<u>(1,587,126)</u>	
Net Position of Business-Type Activities					<u>\$ 396,261,881</u>	

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				
	Convention Center	Airport	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste
OPERATING REVENUES					
Charges for Services	\$ 1,882,265	\$ 1,616,084	\$ 26,197,566	\$ 1,281,068	\$ 19,456,454
Grants and Contributions	-	-	-	-	44,965
Total Operating Revenues	<u>1,882,265</u>	<u>1,616,084</u>	<u>26,197,566</u>	<u>1,281,068</u>	<u>19,501,419</u>
OPERATING EXPENSES					
Salaries, Wages and Employee Benefits	2,140,773	520,423	4,521,704	594,606	6,207,938
Maintenance and Operations	1,061,947	1,016,581	10,138,772	907,720	11,170,090
Insurance Premiums and Loss Provisions	-	-	-	-	-
Depreciation and Amortization	748,728	277,485	5,470,387	749,958	892,945
Total Operating Expenses	<u>3,951,448</u>	<u>1,814,489</u>	<u>20,130,863</u>	<u>2,252,284</u>	<u>18,270,973</u>
Operating Income (Loss)	<u>(2,069,183)</u>	<u>(198,405)</u>	<u>6,066,703</u>	<u>(971,216)</u>	<u>1,230,446</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	528	3	2,297,698	37,165	994,632
Interest Expense	(315,959)	(19,650)	(1,934,333)	-	-
Other Income	113,111	205,836	1,217,801	107,541	465,242
Other Expenses	(18,746)	(281,177)	(717,811)	(183,116)	(553,291)
Total Nonoperating Revenues (Expenses)	<u>(221,066)</u>	<u>(94,988)</u>	<u>863,355</u>	<u>(38,410)</u>	<u>906,583</u>
Income (Loss) Before Contributions and Transfers	<u>(2,290,249)</u>	<u>(293,393)</u>	<u>6,930,058</u>	<u>(1,009,626)</u>	<u>2,137,029</u>
Grants and Contributions	-	1,281,991	999,714	1,406,587	648,001
Transfers In (Note 4A)	2,200,090	-	-	300,000	-
Transfers Out (Note 4A)	-	-	-	-	-
Net Contributions and Transfers	<u>2,200,090</u>	<u>1,281,991</u>	<u>999,714</u>	<u>1,706,587</u>	<u>648,001</u>
Change in Net Position	<u>(90,159)</u>	<u>988,598</u>	<u>7,929,772</u>	<u>696,961</u>	<u>2,785,030</u>
Net Position - Beginning	2,118,748	7,258,968	215,782,031	57,173,941	29,102,201
Prior Period Adjustment (Note 14)	<u>(205,033)</u>	<u>29,818</u>	<u>900,000</u>	<u>-</u>	<u>31,751</u>
Net Position - Beginning, as restated	<u>1,913,715</u>	<u>7,288,786</u>	<u>216,682,031</u>	<u>57,173,941</u>	<u>29,133,952</u>
Net Position - Ending	<u>\$ 1,823,556</u>	<u>\$ 8,277,384</u>	<u>\$ 224,611,803</u>	<u>\$ 57,870,902</u>	<u>\$ 31,918,982</u>

The accompanying notes are an integral part of these financial statements.

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Transit	Building Safety	Animal Control	Baseball	Total	
OPERATING REVENUES						
Charges for Services	\$ 5,081,302	\$ 4,519,673	\$ 579,995	\$ 4,443	\$ 60,618,850	\$ 29,206,439
Grants and Contributions	15,902,446	-	1,345	-	15,948,756	-
Total Operating Revenues	20,983,748	4,519,673	581,340	4,443	76,567,606	29,206,439
OPERATING EXPENSES						
Salaries, Wages and Employee Benefits	1,038,028	2,386,477	1,082,388	-	18,492,337	2,944,590
Maintenance and Operations	13,521,228	1,077,852	584,307	127,514	39,606,011	6,595,002
Insurance Premiums and Loss Provisions	-	-	-	-	-	18,384,987
Depreciation and Amortization	3,077,510	8,038	171,982	13,320	11,410,353	2,308,418
Total Operating Expenses	17,636,766	3,472,367	1,838,677	140,834	69,508,701	30,232,997
Operating Income (Loss)	3,346,982	1,047,306	(1,257,337)	(136,391)	7,058,905	(1,026,558)
NONOPERATING REVENUES (EXPENSES)						
Interest Income	718,296	268,984	20,063	7,668	4,345,037	813,922
Interest Expense	-	-	(146,732)	-	(2,416,674)	(12,793)
Other Income	825,930	2,758	610	-	2,938,829	1,279,552
Other Expenses	(166,864)	(3,605)	(803)	(79,935)	(2,005,348)	(304,699)
Total Nonoperating Revenues (Expenses)	1,377,362	268,137	(126,862)	(72,267)	2,861,844	1,775,982
Income (Loss) Before Contributions and Transfers	4,724,344	1,315,443	(1,384,199)	(208,658)	9,920,749	749,424
Grants and Contributions	3,313,669	-	-	-	7,649,962	592,797
Transfers In (Note 4A)	-	-	1,440,109	548,875	4,489,074	-
Transfers Out (Note 4A)	-	-	-	-	-	(158,041)
Net Contributions and Transfers	3,313,669	-	1,440,109	548,875	12,139,036	434,756
Change in Net Position	8,038,013	1,315,443	55,910	340,217	22,059,785	1,184,180
Net Position - Beginning	59,124,279	3,270,017	1,122,840	212,725	375,165,750	32,444,842
Prior Period Adjustment (Note 14)	(133,064)	-	-	-	623,472	-
Net Position - Beginning, as restated	58,991,215	3,270,017	1,122,840	212,725	375,789,222	32,444,842
Net Position - Ending	\$ 67,029,228	\$ 4,585,460	\$ 1,178,750	\$ 552,942	397,849,007	\$ 33,629,022
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds					(273,063)	
Change in Net Position of Business-Type Activities					\$ 21,786,722	

The accompanying notes are an integral part of these financial statements.

**CITY OF VISALIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	Business-Type Activities - Enterprise Funds				
	Convention Center	Airport	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers or Other Funds	\$ 1,988,890	\$ 1,674,723	\$ 26,498,021	\$ 1,346,532	\$ 20,883,476
Cash Payments to Employees for Services	(1,898,948)	(448,272)	(3,895,675)	(520,208)	(5,424,507)
Cash Payments to Suppliers for Services	(1,005,250)	(736,248)	(10,762,577)	(930,851)	(11,911,065)
Cash Received from (Payments to) Other Governments	-	(191,396)	11,787	-	(1,060,599)
Other Income	113,111	235,654	2,117,801	107,541	496,993
Other Payments	(223,779)	(281,177)	(717,811)	(183,116)	(553,291)
Net Cash Provided (Used) by Operating Activities	(1,025,976)	253,284	13,251,546	(180,102)	2,431,007
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advance (to) from Other Funds	-	899,534	(101,844)	-	34,023
Transfers In	2,200,090	-	-	300,000	-
Transfers (Out)	-	(19,650)	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	2,200,090	879,884	(101,844)	300,000	34,023
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Payments	(41,370)	(2,408,630)	(1,791,402)	(1,381,103)	(1,411,556)
Capital Grants Received	-	1,281,991	-	-	-
Contributions	-	-	999,714	1,406,587	648,001
Long-Term Debt Payments - Principal	(777,783)	(6,532)	(2,389,243)	-	(518)
Long-Term Debt Payments - Interest	(383,943)	-	(1,934,333)	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,203,096)	(1,133,171)	(5,115,264)	25,484	(764,073)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	528	3	2,297,698	37,165	994,632
Net Cash Provided by Investing Activities	528	3	2,297,698	37,165	994,632
Net Increase (Decrease) in Cash and Investments	(28,454)	-	10,332,136	182,547	2,695,589
Cash and Investments - Beginning of Year	38,745	350	69,090,599	1,200,803	28,109,731
Cash and Investments - End of Year	<u>\$ 10,291</u>	<u>\$ 350</u>	<u>\$ 79,422,735</u>	<u>\$ 1,383,350</u>	<u>\$ 30,805,320</u>
Consisting of:					
Unrestricted	\$ 10,291	\$ 350	\$ 75,057,507	\$ 1,383,350	\$ 30,805,320
Restricted	-	-	4,365,228	-	-
Total Cash and Investments	<u>\$ 10,291</u>	<u>\$ 350</u>	<u>\$ 79,422,735</u>	<u>\$ 1,383,350</u>	<u>\$ 30,805,320</u>

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds

	<u>Convention Center</u>	<u>Airport</u>	<u>Water Reclamation Facility</u>	<u>Storm Sewer Maintenance</u>	<u>Solid Waste</u>
Reconciliation of Operating Income (Loss) to					
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ (2,069,183)	\$ (198,405)	\$ 6,066,703	\$ (971,216)	\$ 1,230,446
Other Income	113,111	235,654	2,117,801	107,541	496,993
Other Payments	(223,779)	(281,177)	(717,811)	(183,116)	(553,291)
Adjustments to Reconcile Operating Income (Loss) to Net					
Cash Flows from Operating Activities:					
Depreciation and Amortization	748,728	277,485	5,470,387	749,958	892,945
Net Change in Assets and Liabilities:					
Accounts and Interest Receivable	106,625	58,639	300,455	65,464	1,415,149
Taxes Receivable	-	-	11,787	-	(33,092)
Supplies	-	22,065	-	-	-
Due from Other Governments	-	(191,396)	-	-	(1,060,599)
Prepaid Expenses	-	6,547	-	-	-
Accounts and Contracts Payable	56,397	251,721	(506,938)	(23,131)	(740,975)
Deferred Outflow s Pensions	62,140	16,807	(50,412)	(5,929)	(62,363)
Deferred Inflow s Pensions	(20,702)	(5,599)	151,316	17,797	187,189
Unearned Revenue	-	-	111,493	-	-
Advances from Other Funds	-	-	-	-	-
Accrued Personnel Costs	-	-	-	-	-
Compensated Absences	(12,073)	3,480	7,766	1,681	18,594
Other Liability	212,460	57,463	517,359	60,849	640,011
Liability for Self-Insurance Claims	-	-	-	-	-
Customer Deposits	300	-	(228,360)	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,025,976)</u>	<u>\$ 253,284</u>	<u>\$ 13,251,546</u>	<u>\$ (180,102)</u>	<u>\$ 2,431,007</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds				Total	Governmental
	Transit	Building Safety	Animal Control	Baseball		Activities Internal Service
	Funds					
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers or Other Funds	\$ 28,631,079	\$ 4,513,066	\$ 622,066	\$ -	\$ 86,157,853	\$ 29,720,123
Cash Payments to Employees for Services	(884,588)	(2,009,622)	(928,251)	-	(16,010,071)	(2,944,590)
Cash Payments to Suppliers for Services	(10,911,551)	(544,871)	(579,665)	(59,016)	(37,441,094)	(24,448,303)
Cash Received from (Payments to) Other Governments	(9,168,616)	-	-	-	(10,408,824)	-
Other Income	825,930	2,758	610	-	3,900,398	1,279,552
Other Payments	(299,928)	(3,605)	(803)	-	(2,263,510)	(304,699)
Net Cash Provided (Used) by Operating Activities	<u>8,192,326</u>	<u>1,957,726</u>	<u>(886,043)</u>	<u>(59,016)</u>	<u>23,934,752</u>	<u>3,302,083</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advance (to) from Other Funds	-	-	-	-	831,713	-
Transfers In	-	-	1,440,109	548,875	4,489,074	-
Transfers (Out)	-	-	-	-	(19,650)	(158,041)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>1,440,109</u>	<u>548,875</u>	<u>5,301,137</u>	<u>(158,041)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Payments	(1,529,144)	(101,184)	-	(602,535)	(9,266,924)	(1,826,062)
Capital Grants Received	3,313,669	-	-	-	4,595,660	-
Contributions	-	-	-	-	3,054,302	592,797
Long-Term Debt Payments - Principal	(17,227)	(971)	(420,596)	(3,331)	(3,616,201)	(971)
Long-Term Debt Payments - Interest	-	-	(146,732)	-	(2,465,008)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>1,767,298</u>	<u>(102,155)</u>	<u>(567,328)</u>	<u>(605,866)</u>	<u>(7,698,171)</u>	<u>(1,234,236)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	718,296	268,984	20,063	7,668	4,345,037	801,129
Net Cash Provided by Investing Activities	<u>718,296</u>	<u>268,984</u>	<u>20,063</u>	<u>7,668</u>	<u>4,345,037</u>	<u>801,129</u>
Net Increase (Decrease) in Cash and Investments	10,677,920	2,124,555	6,801	(108,339)	25,882,755	2,710,935
Cash and Investments - Beginning of Year	<u>17,029,474</u>	<u>7,553,154</u>	<u>461,949</u>	<u>123,601</u>	<u>123,608,406</u>	<u>27,777,668</u>
Cash and Investments - End of Year	<u>\$ 27,707,394</u>	<u>\$ 9,677,709</u>	<u>\$ 468,750</u>	<u>\$ 15,262</u>	<u>\$149,491,161</u>	<u>\$ 30,488,603</u>
Consisting of:						
Unrestricted	\$ 27,707,394	\$ 9,677,709	\$ 468,750	\$ 15,262	\$145,125,933	\$ 30,252,284
Restricted	-	-	-	-	4,365,228	236,319
Total Cash and Investments	<u>\$ 27,707,394</u>	<u>\$ 9,677,709</u>	<u>\$ 468,750</u>	<u>\$ 15,262</u>	<u>\$149,491,161</u>	<u>\$ 30,488,603</u>

The accompanying notes are an integral part of these financial statements.

Business-Type Activities - Enterprise Funds						Governmental Activities Internal Service Funds
	Transit	Building Safety	Animal Control	Baseball	Total	
Reconciliation of Operating Income (Loss) to						
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ 3,346,982	\$ 1,047,306	\$ (1,257,337)	\$ (136,391)	\$ 7,058,905	\$ (1,026,558)
Other Income	825,930	2,758	610	-	3,900,398	1,279,552
Other Payments	(299,928)	(3,605)	(803)	(79,935)	(2,343,445)	(304,699)
Adjustments to Reconcile Operating Income (Loss) to Net						
Cash Flows from Operating Activities:						
Depreciation and Amortization	3,077,510	8,038	171,982	13,320	11,410,353	2,308,418
Net Change in Assets and Liabilities:						
Accounts and Interest Receivable	152,250	(6,607)	40,726	(4,443)	2,128,258	2,723
Taxes Receivable	7,495,081	-	-	-	7,473,776	-
Supplies	-	-	-	-	22,065	(101,786)
Due from Other Governments	(8,050,153)	-	-	-	(9,302,148)	-
Prepaid Expenses	-	-	-	-	6,547	(32,097)
Accounts and Contracts Payable	2,609,677	566,030	4,412	148,433	2,365,626	51,522
Deferred Outflows Pensions	(12,468)	(28,272)	(11,252)	-	(91,749)	-
Deferred Inflows Pensions	37,424	84,860	33,775	-	486,060	-
Unearned Revenue	-	9,451	-	-	120,944	-
Advances from Other Funds	(1,118,463)	-	-	-	(1,118,463)	-
Accrued Personnel Costs	-	-	-	-	-	29
Compensated Absences	530	30,124	16,135	-	66,237	510,961
Other Liability	127,954	290,143	115,479	-	2,021,718	-
Liability for Self-Insurance Claims	-	-	-	-	-	614,018
Customer Deposits	-	(42,500)	230	-	(270,330)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 8,192,326</u>	<u>\$ 1,957,726</u>	<u>\$ (886,043)</u>	<u>\$ (59,016)</u>	<u>\$ 23,934,752</u>	<u>\$ 3,302,083</u>

The accompanying notes are an integral part of these financial statements.

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

The Fiduciary Funds include the following Agency Funds:

Property and Business Improvement District #4

The City collects the district's assessments on real property in the district to improve the district. The effective dates for the district are January 1, 2011 through December 31, 2019.

Property and Business Improvement District #5

The City collects the district's assessments on real property in the district to improve the district. The effective dates for the district are January 1, 2020 through December 31, 2029.

Village West Improvement District

The City collects the district's assessments on real property in the district to repay bonds for the repair of a private street.

Orchard Walk Underground Utilities District

The City collects the district's assessments on real property in the district to pay for underground utilities.

Atwood Water Main Assessment District

The City collects the district's assessments on real property in the district to repay bonds for connection to the Cal Water main extension.

Laura Water Main Assessment District

The City collects the district's assessments on real property in the district to repay bonds for connection to the Cal Water main extension.

Visalia Tourism & Marketing District

The City collects the district's assessments on room nights in the district to pay for promotion of travel and tourism specific to Visalia.

The Fiduciary Funds also include the following Private Purpose Trust Fund:

Successor Agency

The Successor Agency is responsible for the wind down of the affairs of the dissolved Redevelopment Agency of the City of Visalia (RDA). It is responsible for fulfilling the obligations of the former RDA and is also responsible for revenue collection, maintaining bond reserves, and disposing of excess property. The Successor Agency is overseen by an oversight board which is comprised primarily of representatives of other affected taxing agencies and the City.

CITY OF VISALIA
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2020

	Agency Funds	Private Purpose Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and Investments (Note 3)	\$ 285,360	\$ 338,839
Restricted Cash and Investments (Note 3)	-	487,755
Accounts Receivable	208,193	-
Taxes Receivable	12,776	-
Notes and Loan Receivable (Note 5)	-	167,023
Land Held For Resale	-	2,824,504
	<u> </u>	<u> </u>
Total Assets	<u>\$ 506,329</u>	<u>3,818,121</u>
LIABILITIES		
Accounts, Interest, and Contracts Payable	-	72,987
Funds Held as Agent for Others	506,329	-
Long - Term Obligations (Note 7):		
Due Within One Year	-	311,764
Due in More Than One Year	-	15,665,648
	<u> </u>	<u> </u>
Total Liabilities	<u>\$ 506,329</u>	<u>16,050,399</u>
NET POSITION		
Net Position Held in Trust		<u>\$ (12,232,278)</u>

The accompanying notes are an integral part of these financial statements.

CITY OF VISALIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Successor Agency
Additions	
Property Taxes	\$ 431,697
Use of Money and Property	31,169
Miscellaneous Revenue	1,815
Total Additions	464,681
Deductions	
Obligation Requirements	
Interest on Bonds and Notes Payable	471,462
Total Obligation Requirements	471,462
Administrative Expenses	
Direct Management Expenses	25,806
Total Administrative Expenses	25,806
Total Deductions	497,268
Change in Net Position	(32,587)
Net Position - Beginning of Year	(12,199,691)
Net Position - End of Year	\$ (12,232,278)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS



Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Visalia (“the City”) was founded in 1852 and incorporated in 1874. It became a charter city in 1923. The City operates under the Council-Manager form of government and provides the following services: public safety (police and fire), highways and streets, wastewater, solid waste, transit, street sweeping, airport facilities, culture-recreation, public improvements, planning and zoning, general administration services, and redevelopment.

The financial statements and accounting policies of the City conform with generally accepted accounting principles in the United States of America applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below.

A. Reporting Entity

As required by generally accepted accounting principles in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City’s operations and so data from these units are combined with data of the primary government. Each component unit has a June 30 year-end. The blended component unit included in the City’s financial statements is identified below with a brief explanation of the reason for its inclusion.

The **Visalia Public Finance Authority** (VPFA) was established pursuant to a joint exercise of powers dated February 1991, by and between the City and the Visalia Community Redevelopment Agency. The VPFA has the power to issue bonds to pay the cost of any public capital improvements. The VPFA is controlled by the City and has the same governing body as the City, which also performs accounting and administrative functions for the VPFA. The financial activities of the VPFA are included in the 2014 Refunding Certificates of Participation Debt Service Fund and the Convention Center Enterprise Fund.

Financial statements or financial information for the above component unit may be obtained from the City of Visalia at 707 West Acequia, Visalia, California 93291.

The financial statements exclude the following:

On June 2, 2003, the **Visalia Civic Facilities Authority** (VCFA) joint powers agreement was established by the City and the Visalia Unified School District (VUSD). The VCFA has the authority to issue bonds, incur indebtedness, and enter into agreements to acquire real property. The VCFA is administered by the Board of Directors, which consists of four members, two from the City Council and two from the VUSD. The VCFA is not a component unit of the City.

The **Downtown Improvement District** was incorporated under the Nonprofit Public Benefit Corporation Law of the State of California for the purpose of making improvements in the City’s downtown area. The City collects the district’s assessment revenue on behalf of the district. The district has the sole discretion on how revenues are to be spent. A twenty-one member Board, comprised of mainly downtown land and business owners, governs the district. A Council member is a sitting member of the Board. The district is accounted for in the Property and Business Improvement District Agency Funds. The district is not a component unit of the City.

The **Village West Assessment District** was established to collect the district’s assessments on real property in the district to repay bonds for the repair of a private street.

The **Orchard Walk Underground Utilities District** was established to collect assessments on real property in the district to repay bonds for underground utilities.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The **Atwood Assessment District** was established to collect assessments on real property in the district to repay bonds for Cal Water main extensions.

The **Laura Assessment District** was established to collect assessments on real property in the district to repay bonds for Cal Water main extensions.

The **Visalia Tourism & Marketing District** was established to collect assessments on room nights in the district to pay for promotion of travel and tourism specific to Visalia.

The **Visalia Redevelopment Successor Agency** (Successor Agency) accounts for assets transferred from the former redevelopment agency (RDA) which was dissolved as of January 31, 2012. The sole purpose of this fund is to retire debt of the former RDA.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with generally accepted accounting principles in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard-setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

The accompanying financial statements are presented on the basis set forth in Governmental Accounting Standards Board Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; No. 36, *Recipient Reporting for Certain Non-exchange Revenues, an Amendment of GASB Statement No. 33*; No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments; Omnibus*; and No. 38, *Certain Financial Statement Note Disclosures*.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its component unit). These statements include the financial activities of the overall City government, except for fiduciary activities. Certain eliminations have been made as prescribed by GASB statement No. 34 to minimize the double counting of internal activities in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following inter-fund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients for goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and the blended component unit. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

C. Major Funds

GASB Statement No. 34 defines major funds and requires that the City's major governmental and business-type funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund is used to account for all the general revenues of the City not specifically levied or collected for other City funds and their related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in another fund. The General Fund includes the Emergency Reserve Fund.

Measure N is used to account for increased Police, Fire, Streets, and Parks essential services. Financing is provided by the ½ cent sales tax ballot measure (N) approved by voters during the November 8, 2016 election.

Housing & Community Grant Fund is used to account for the affordable housing and public service needs of the City's low and moderate income households. Financing is provided by Community Development Block Grants (CDBG), the Home Investment Partnership Program (HOME), Neighborhood Stabilization Program (NSP) and fines charged for substandard housing and abandoned vehicle abatement. Also, within the CDBG, HOME and NSP programs, when money that was previously loaned out is paid back; it again becomes available for use in the rehabilitation and development programs.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

Housing Successor Agency Fund accounts for assets transferred from the former low/mod redevelopment housing assets of the former Redevelopment Agency which was dissolved as of January 31, 2012. The use of these assets is for affordable housing as governed by redevelopment law before the dissolution. Revenue earned in this fund is derived from the receipt of payment on notes and loans receivable outstanding in the fund.

Transportation Fund is used to account for the financing and construction of streets, roads, and various transportation infrastructure and facilities. Funding is provided by Transportation Impact Fees.

The City reported all its enterprise funds as major funds in the accompanying financial statements.

Convention Center Fund is used to account for the operations of the Convention Center, revenues provided by fees charged for the Convention Center and by operating transfers from the General Fund.

Airport Fund is used to account for the operations of the Visalia Municipal Airport. Revenue is provided by the fees charged to the airport users for aviation fuel, hangar rentals and leases of land and buildings as well as from federal grants for capital assets and projects.

Water Reclamation Facility Fund is used to account for the collection, treatment and disposal of wastewater. Revenue is provided by user charges and impact fees as well as limited grant funding. Formerly known as the Wastewater Fund.

Storm Sewer Maintenance Fund is used to account for the operations of the City's storm and sewer drain activity. Revenue is provided by user charges and impact fees as well as limited grant funding.

Solid Waste Fund is used to account for the operations of collecting and disposing of solid waste and street sweeping activities. Revenues are provided by user charges and limited grant funding.

Transit Fund is used to account for the operations of the City's transit activities. Revenue is provided by state transportation funds, federal grants, and passenger fares.

Building Safety Fund is used to account for the operations of the City's plan checking, permitting, and inspection of buildings. Revenue is provided by permit fees.

Animal Control Fund is used to account for the operations of the City's animal control services. Revenue is provided by users for animal licensing, vaccinations, adoptions and shelter related fees.

Baseball Fund is used to account for the operating and capital transfers from the General Fund for the baseball stadium located at Recreation Park, which is operated under contract by First Pitch Entertainment, LLC.

The City also reports the following fund types:

Internal Service Funds The funds account for fleet services, vehicle replacement, information services, risk management, health benefits, compensated absences, and building maintenance; all of which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds Agency and Private Purpose Trust Funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

excluded from the Government-wide financial statements, but are presented in separate Fiduciary Fund financial statements. Agency Funds maintained by the City are the Property and Business Improvement District Funds, Village West Improvement District, Orchard Walk Underground Utilities District, Atwood Water Main Assessment District, Laura Water Main Assessment District, and the Visalia Tourism & Marketing District. A Private Purpose Trust Fund maintained by the City is the Redevelopment Successor Agency.

D. Basis of Accounting

The government-wide and proprietary financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. The Agency funds have no measurement focus and are also reported using the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources measurement focus* and the *modified accrual basis* of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are federal and state grants and subventions, property taxes, sales taxes, franchise taxes, transient occupancy taxes, certain charges for services and interest revenue. Fines, licenses and permits, and charges for services are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and contributions. On the accrual basis of accounting, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary. Certain indirect costs are included in program expenses reported for individual functions, activities, and interest.

E. Property Tax

Tulare County (the County) assesses properties and it bills, collects, and distributes property taxes to the City. The County remits the taxes periodically throughout the year, as they are paid, with the largest amounts in December and April of each year. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. Collection of delinquent accounts is the responsibility of the

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property Tax (Continued)

County. Delinquent property taxes are remitted by the County, to the City, periodically throughout the year as they are paid.

The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed provided they become available as defined above.

F. Compensated Absences

Compensated absences comprise unused vacation leave, vested sick pay and certain compensated time off, which are accrued as earned. An employee retiring with 10 years or more of continuous service with the City will be compensated for unused sick leave at 30% of its value on their retirement date. An employee resigning from the City in good standing with 20 years or more of continuous service with the City will be compensated for unused sick leave at 30% of its value on their resignation date. The City’s liability for compensated absences is recorded in Proprietary Funds and Internal Service Funds as appropriate. The liability for compensated absences is determined annually. Compensated absences are liquidated by the fund that has recorded the liability. The governmental activities compensated absences are liquidated by the Compensated Absences Internal Service Fund.

G. Land Held for Redevelopment

Land held for redevelopment is stated at the lower of historical cost or net realizable value, if estimable.

H. Capital Assets

Capital assets are those purchased or acquired with an original cost of \$5,000 or more. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

With the implementation of GASB Statement No. 34 during the 2002-03 fiscal year, the City has recorded all its public domain (infrastructure) capital assets, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year’s pro rata share of the cost of capital assets. Depreciation is calculated using the straight-line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the standard useful lives listed below to capital assets. Several asset categories have ranges for the useful lives to cover a wide range of assets that are listed in each asset class. The useful life will be consistent for each individual type of asset.

Buildings, storage buildings and restrooms	10 - 50 years
Improvements other than buildings including infrastructure	20 - 100 years
Machinery, equipment and vehicles	2 - 25 years

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets (Continued)

The City of Visalia Capital Asset Capitalization Policy, which contains more detail concerning the standard useful lives of individual asset types within the categories listed above, may be obtained from the City of Visalia at 707 West Acequia, Visalia, California 93291.

Major outlays for capital assets and improvement are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Some capital assets may be acquired using federal and state grant funds, or they may be contributed by developers or other governments. GASB Statement No. 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

I. Inventory

Inventory is comprised of nuts available for sale that the City has harvested and processed from City owned farm lands. This inventory is currently in storage. The method of valuation of the inventory was to take the number of pounds in storage as of June 30, 2020 and to multiply it by the average pool inventory value per pound, using level 2 inputs from Atlas World Food & Agriculture. As of June 30, 2020, nut inventory consisted of 21,272 pounds of walnuts valued at \$76,500 and 65,238 pounds of pecans valued at \$185,914, for a total value of \$262,414. The Governmental funds account for \$221,595 of the total value with \$136,564 in the General Fund and \$85,031 in the Groundwater Recharge Special Revenue fund. The Proprietary funds account for \$40,819 of the total value with \$20,053 in the Water Reclamation Facility fund and \$20,766 in the Storm Sewer Maintenance Fund.

J. Fund Balance

In the Fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned. Each of these components of fund balance is classified based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

1. Nonspendable Fund Balance – amounts that are inherently nonspendable such as prepaids, inventory, supplies and the like.
2. Restricted Fund Balance – amounts that have externally enforceable limitations on use that are either imposed by law or constrained by grantors, contributors, or laws and regulations of other governments.
3. Committed Fund Balance – amounts that can only be used for specific purposes determined by resolution of the City's highest level of decision-making authority, the City Council. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use through a resolution. The resolution must occur prior to the end of the reporting period; however, the amount can be determined subsequently.
4. Assigned Fund Balance - amounts that are constrained by the City's *intent* to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The intent can be expressed by the City Council itself or by an official to which the governing body has delegated the authority.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Fund Balance (Continued)

5. Unassigned Fund Balance - the residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories. This amount is reported only in the General Fund except in cases of negative fund balance. Negative fund balances in other governmental funds are reported as Unassigned Fund Balance.

The City Council establishes, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. Assignments may be established and modified by the City Council, City Manager, or Finance Director.

The accounting policies of the City consider restricted fund balance to have been spent first when expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts. This Fund Balance policy was established by the City Council June 20, 2011.

K. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs (other than quoted prices included within Level 1) that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

L. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically re-appropriated for the following year. Unencumbered and unexpended appropriation lapse at year end except for capital which is rolled to the next fiscal year until project completion. Encumbrances outstanding as of June 30, 2020 were as listed below:

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Encumbrances (Continued)

	<u>Amount</u>
General Fund	\$ 16,238,777
Measure N	1,378,060
Housing & Community Grants	225,281
Transportation	347,309
Non-Major Governmental Funds	<u>28,308,612</u>
	<u>\$ 46,498,039</u>

M. Implementation of Accounting Pronouncements

The following GASB Statements has been implemented in the current financial statements:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.*

The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation*

The majority of this Statement is effective in fiscal year 2021-22 but paragraphs 4 (Absence of a Governing Board in Determining Financial Accountability) and 5 (Applicability of the Financial Burden Criterion in Paragraph 7 of Statement 84) are effective immediately. There was no effect on the financial statements as a result of implementing this statement.

N. Future GASB Pronouncements

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

GASB Statement No. 84, *Fiduciary Activities.*

The objective of the Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The provisions of this statement are effective for fiscal year 2020-21. The City has elected not to implement GASB Statement No. 84 early and has not determined its effects on the City's financial statements.

GASB Statement No. 87, *Leases.*

The objective of the Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The provisions of this statement are effective for fiscal year 2021-22. The City has elected not to implement GASB Statement No. 87 early and has not determined its effects on the City's financial statements.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Future GASB Pronouncements (Continued)

GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period

The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The provisions of this statement are effective for fiscal year 2021-22. The City has elected not to implement GASB Statement No. 89 early and has not determined its effects on the City's financial statements.

GASB Statement No. 90, Majority Equity Interests.

The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The provisions of this statement are effective for fiscal year 2020-21. The City has elected not to implement GASB Statement No. 90 early and has not determined its effects on the City's financial statements.

GASB Statement No. 91, Conduit Debt Obligations

The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this statement are effective for fiscal year 2022-23. The City has elected not to implement GASB Statement No. 91 early and has not determined its effects on the City's financial statements.

GASB Statement No. 92, Omnibus 2020

The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics. The provisions of this statement are effective for fiscal year 2021-22. The City has elected not to implement GASB Statement No. 92 early and has not determined its effects on the City's financial statements.

GASB Statement No. 93, Replacement of Interbank Offered Rates (IBOR)

The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The provisions of this statement are effective for fiscal year 2020-21. The City has elected not to implement GASB Statement No. 93 early and has not determined its effects on the City's financial statements.

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

The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The provisions of this statement are

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Future GASB Pronouncements (Continued)

GASB Statement No. 94 (Continued)

effective for fiscal year 2022-23. The City has elected not to implement GASB Statement No. 94 early and has not determined its effects on the City's financial statements.

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

This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The provisions of this statement are effective for fiscal year 2022-23. The City has elected not to implement GASB Statement No. 96 early and has not determined its effects on the City's financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation*

The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The provisions of this statement are effective for fiscal year 2021-22; paragraphs 4 and 5 were effective in fiscal year 2019-20. The City has elected not to implement GASB Statement No. 97 early (other than paragraphs 4 and 5) and has not determined its effects on the City's financial statements.

O. New and Closed Funds

During fiscal year 2019-20, the City closed the Los Rios Assessment District Agency Fund and created the Property and Business Improvement District #5 Agency Fund. Both funds are Fiduciary funds.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Information

Annual budgets are legally required to be adopted by the City Council for all funds to provide for operations, debt service, and capital expenditures of the City. Special Revenue Fund revenues are budgeted by entitlements, subventions, and grants; expenditures and transfers are budgeted based upon available fund resources, which include amounts for encumbrances from prior periods. The City adopts an operating budget for the General Fund; all Special Revenue Funds; all Debt Service Funds and all Capital Projects Funds.

Budgetary controls are set by the City Council within State guidelines. The budgetary basis of accounting is consistent with accounting principles generally accepted in the United States of America applicable to the City's financial statements.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

A. Budgetary Information (Continued)

The City Council adopts an operating budget at the beginning of the City's fiscal year. The resolution approving the budget authorizes the City Manager to transfer appropriations within fund budgets including salary, capital accounts, and staffing levels provided that total appropriations are not increased. The legally adopted budget requires expenditures not to exceed total appropriations in each fund. Therefore, budget control is at the fund level, and resides with the Department Head responsible for that fund. The City Council is required to intervene to increase or decrease the adopted budget. Also, City Council approval is required to spend reserves from any fund.

The City adopts a two-year budget. The operating and capital expenditures have two mid-year reviews in each March and one mid-cycle review in June. The City Council is authorized to make appropriation adjustments to the budget during the year as deemed necessary.

B. Excess of Expenditures

The expenditures of the funds below exceeded their appropriated expenditures as follows. However, sufficient additional resources were available to fund these expenditures.

Non-Major Funds:

Special Revenue Funds:

Kaweah Lake and Local Stormwater Maintenance	\$	4,503
Grant & Loan Funds		43,456
Golf Course		55,587
Oak Tree Preservation		2,782

Capital Projects Funds:

Storm Sewer Construction	\$	33,716
Parking District		16,118
Facility Improvements		239
Sports Complex		182
Animal Control Reserve		77

NOTE 3 - CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except Cash with Fiscal Agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time. Investments are carried at fair value.

The City's cash and cash equivalents for statement of cash flows purposes are considered to be cash on hand, demand deposits, restricted cash, and investments held in a cash management investment pool.

Cash and investments as of June 30, 2020, are classified in the Statement of Net Position as follows:

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 317,678,621
Restricted Cash and Investments	4,610,212
Fiduciary Funds Statement of Net Position:	
Cash and Investments	624,199
Restricted Cash and Investments	<u>487,755</u>
Total Cash and Investments	<u>\$ 323,400,787</u>

Cash and investments as of June 30, 2020, consist of the following:

Cash on hand	\$ 12,090
Deposits with financial institutions	4,284,728
Investments	<u>319,103,970</u>
Total Cash and Investments	<u>\$ 323,400,787</u>

A. Investments Authorized by the California Government Code and the City of Visalia's Investment Policy

The table below identifies the **investment types** that are authorized for the City of Visalia by the California Government Code (or the City of Visalia's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City of Visalia's investment policy, where more restrictive) that addresses **interest rate risk**, **credit risk**, and **concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements with the City of Visalia, rather than the general provisions of the California Government Code or the City of Visalia's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio *</u>	<u>Maximum Investment In One Issuer</u>	<u>Credit Risk</u>
Local Agency Bonds	5 years	None	None	None
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Banker's Acceptances	180 days	40%	30%	None
Commercial Paper	270 days	25%	10%	AAA/Aaa
Negotiable Certificates of Deposit	5 years	30%	None	None
Repurchase Agreements	1 year	20%	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None	None
Medium-Term Notes	5 years	30%	None	A
Mutual Funds	5 years	20%	10%	AAA/Aaa
Money Market Mutual Funds	N/A	20%	10%	AAA/Aaa
Mortgage Pass-Through Securities	5 years	20%	None	None
County Pooled Investment Funds	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$65M	None

* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

B. Investments Authorized by Debt Agreements

Investment of debt proceeds held by the bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City of Visalia's investment policy. The table below identifies the **investment types** that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	20%	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Investment Contracts	30 years	None	None

C. Disclosures Relating to 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 the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City of Visalia manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City of Visalia monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City of Visalia has no specific limitations with respect to this metric.

<u>Investment Type</u>	<u>Balance at 06/30/2020</u>	<u>Weighted Average Maturity (in Days)</u>	<u>% of Investments</u>
Federal Agency Securities	\$ 142,264,324	245.58	44.58%
U.S. Treasuries	12,047,040	3.20	3.78%
Local Agency Investment Fund	74,528,974	-	23.36%
Corporate Medium-Term Notes	49,795,562	112.69	15.60%
Municipal Bonds	39,513,539	89.47	12.38%
Local Agency Bonds	458,110	3.94	0.14%
Held by Bond Trustee:			
Money Market Funds	496,421	0.57	0.16%
Total	\$ 319,103,970		

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

As of June 30, 2020, and during the 2019-2020 fiscal year, the City of Visalia did not hold or purchase investments that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above), such as interest only treasury strips or mortgage backed securities.

E. Disclosures Relating to 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 of Visalia's investment policy, or debt agreements, and the actual rating as of year-end for each investment type. The column marked "not rated" identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

Investment Type		Minimum Legal Rating	Rating as of Year-End								Not Rated		
			Moody's Rating			Standard & Poors Rating							
			Aaa	AAAm	AA+	AA	AA-	A+	A	A-			
Federal Agency Securities	\$ 142,264,324	N/A	\$ -	\$ -	\$ 142,264,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Treasuries	12,047,040	N/A	12,047,040	-	-	-	-	-	-	-	-	-	-
Corporate Medium-Term Notes	49,795,562	A	-	-	-	1,059,807	9,474,692	6,421,371	9,031,780	23,807,912	-	-	-
Local Agency Investment Fund	74,528,974	N/A	-	-	-	-	-	-	-	-	-	-	74,528,974
Municipal Bonds	39,513,539	A	-	-	5,166,923	5,497,470	28,849,146	-	-	-	-	-	-
Local Agency Bonds	458,110	N/A	-	-	-	-	-	-	-	-	-	-	458,110
Held by Bond Trustee: Money Market Funds	496,421	A	-	496,421	-	-	-	-	-	-	-	-	-
Total	\$ 319,103,970		\$ 12,047,040	\$ 496,421	\$ 147,431,247	\$ 6,557,277	\$ 38,323,838	\$ 6,421,371	\$ 9,031,780	\$ 23,807,912	\$ 74,987,084		

F. Concentration of Credit Risk

The investment policy of the City of Visalia contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than external investment pools and debt explicitly guaranteed by the U.S. government) that represents 5% or more of the total City of Visalia investments are as follows:

Issuer	Investment Type	Reported
Federal Home Loan Bank	Federal Agency Securities	\$ 53,646,876
Federal Farm Credit Bank	Federal Agency Securities	27,649,819
Federal National Mortgage Association	Federal Agency Securities	36,833,648
Federal Home Loan Mortgage Corporation	Federal Agency Securities	24,133,981
State of California Bonds	Municipal Bonds	28,849,146
Total		\$ 171,113,470

G. 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 of Visalia's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

G. Custodial Credit Risk (Continued)

provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair 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 City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the City of Visalia's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2020, none of the City of Visalia investments were held by the broker-dealer (counterparty) that was used by the City of Visalia to buy the securities.

H. Investment in State Investment Pool

The City of Visalia is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City of Visalia's investment in this pool is reported in the accompanying financial statements at amounts based upon the City of Visalia'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.

The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio. In addition, the State Treasurer's Office performs a monthly fair market valuation of all securities held against carrying cost. At June 30, 2020, these investments matured in an average of 191 days. These valuations and financial statements are posted to the State Treasurer's Office website at www.treasurer.ca.gov

I. Fair Value Measurements

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 fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2020:

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 3 - CASH AND INVESTMENTS (Continued)

I. Fair Value Measurements (Continued)

<i>Investments by Fair Value Level</i>	Level 1	Level 2	Total
Federal Agency Securities	\$ -	\$ 142,264,324	\$ 142,264,324
U.S. Treasuries	12,047,040	-	12,047,040
Corporate Medium-Term Notes	-	49,795,562	49,795,562
Municipal Bonds	-	39,513,539	39,513,539
Held by Bond Trustee:			
Money market funds	496,421	-	496,421
Subtotal	<u>\$ 12,543,461</u>	<u>\$ 231,573,425</u>	244,116,886
<i>Investments Exempt From Fair Value Hierarchy</i>			
Local Agency Investment Fund			74,528,974
<i>Investments Measured at Amortized Cost</i>			
Local Agency Bonds			<u>458,110</u>
Total Investments			<u>\$ 319,103,970</u>

U.S. Treasuries totaling \$12.0 million, classified in Level 1 of the fair value hierarchy, are valued at quoted prices in active markets for identical assets. Federal agency securities totaling \$142.3 million, corporate medium-term notes totaling \$49.8 million and municipal bonds totaling \$39.5 million, classified in Level 2 of the fair value hierarchy, are valued using a matrix pricing technique. Matrix pricing is the process of estimating the fair value price of a bond based on the quoted prices of more frequently traded comparable bonds. The Local Agency Investment Fund are valued using the fair value factor provided by the Treasurer of the State of California, which is calculated as the fair value divided by the amortized cost of the investment pool. Local Agency Bonds and Money Market Funds held by the bond Trustee are reported at amortized cost.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 4 - INTERFUND TRANSACTIONS

A. Transfers Among Funds

With City Council approval, resources may be transferred from one City fund to another. Transfers are used in cases when a fund subsidizes another fund as in the case of the General Fund subsidizing the Convention Center, Animal Control, and Baseball Funds. Transfers are also used between Funds to fund capital projects and debt service payments. Transfers between funds during the fiscal year ended June 30, 2020, were as follows:

<u>Fund Receiving Transfer</u>	<u>Fund Making Transfer</u>	<u>Amount Transferred</u>
Governmental Funds:		
General Fund	Compensated Absences - Internal Services	\$ 158,041 (B)
Housing & Community Grants	General Fund	19,336 (B)
Debt Service Funds:		
VPFA 2014 Refunding COP	General Fund	127,612 (C)
2015 COP	General Fund	589,353 (C)
2015 COP	Public Safety Impact Fee - Capital Projects	413,475 (C)
2015 COP	Measure T Police - Special Revenue	150,860 (C)
Capital Projects Funds:		
Civic Center	General Fund	6,571,721 (A)
Special Revenue Funds:		
Grant & Loan Funds	General Fund	301,688 (B)
Measure T - Fire	General Fund	<u>150,000 (B)</u>
GOVERNMENTAL Funds Sub-Total		<u>8,482,086</u>
Enterprise Funds:		
Baseball	General Fund	148,875 (B)
Baseball	General Fund	400,000 (A)
Animal Control	General Fund	872,781 (B)
Animal Control	General Fund	567,328 (C)
Convention Center	General Fund	1,110,110 (B)
Convention Center	General Fund	1,089,980 (C)
Storm Sewer Maintenance	Kaweah Lake and Local Storm Water Maintenance - Special Revenue	<u>300,000 (B)</u>
ENTERPRISE Funds Sub-Total		<u>4,489,074</u>
TOTAL TRANSFERS		<u>\$ 12,971,160</u>

(A) To fund capital expenses

(B) To fund operating expenses

(C) To fund debt service payments

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. Long-Term Interfund Advances

At June 30, 2020, the funds below had advance balances which were not expected to be repaid within the next year.

	Advances From Other Funds	Advances To Other Funds
General Fund	\$ -	\$ 4,707,165
Special Revenue Funds:		
Special Service Districts (a)(Landscape & Lighting)	931,310	-
Measure R - Regional (b)	2,128,312	-
Transportation Grant (c)	300,426	-
Capital Projects Funds:		
Public Safety Impact Fee (c)	304,362	-
Government Facilities Impact Fee (Library)(c)	98,597	-
Enterprise Funds:		
Airport (d)	944,158	-
Total Advances	<u>\$ 4,707,165</u>	<u>\$ 4,707,165</u>

The repayment plans for each of the above advances are as follows:

- (a) To be repaid through higher assessment fees.
- (b) To be repaid from future Measure R Sales Tax.
- (c) To be repaid from future impact fees.
- (d) To be repaid from future Airport grant reimbursements.

C. Due to/from Other Funds

As of June 30, 2020, the General Fund provided \$1,702 to the Housing & Community Grants Fund and \$5,509 to the Golf Course Special Revenue Fund which were expected to be repaid within the next year.

D. Internal Balances

Internal balances are presented in the Government-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 5 - NOTES AND LOANS RECEIVABLE

A. Current Year Transactions and Balances

	<u>Ref #</u>	<u>Issue Date</u>	<u>Maturity</u>	<u>Balance at June 30, 2019</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance at June 30, 2020</u>
GOVERNMENTAL ACTIVITIES							
General Fund							
Visalia Successor Agency	-	-	-	\$ 11,717,078	\$ 351,512	\$ -	\$ 12,068,590
Visalia Investment Associates	13010-J13044	April 2004	June 2034	348,490	-	15,387	333,103
Mor Furniture	13010-J13080	Feb 2015	June 2020	47,877	-	47,877	-
Frank Golden	13010-J13081	May 2015	June 2021	10,655	-	5,327	5,328
Poonam Verma	13010-B50956	Dec 2015	June 2021	14,525	-	7,263	7,262
California Gold Properties	13010-B53548	June 2016	June 2022	182,412	-	182,412	-
Deja Vu LP B153025	13010-J13084	Jan 2018	June 2023	31,690	-	7,922	23,768
Deja Vu LP B153018	13010-J13085	Jan 2018	June 2023	185,627	-	46,407	139,220
Deja Vu LP B153023	13010-J13086	Jan 2018	June 2023	80,042	-	20,011	60,031
Visalia Tourism Marketing District	13010-J13087	Feb 2018	Feb 2021	30,000	-	30,000	-
101 NW 5th (SHE)	13010-R93009	Nov 2018	Nov 2063	32,000	-	-	32,000
105 NW 5th (SHE)	13010-R93010	Nov 2018	Nov 2063	32,000	-	-	32,000
Subtotal General Fund				<u>12,712,396</u>	<u>351,512</u>	<u>362,606</u>	<u>12,701,302</u>
Housing & Community Grants							
1001 N Jacob (TCHA)	13010-R94101	May 1996	May 2024	12,200	-	2,400	9,800
Fairview Village (KMC)	13010-R94707	Dec 1994	Dec 2034	120,000	-	-	120,000
1627 S Garden Public Facility	13010-J13505	Aug 2019	Aug 2039	-	400,000	-	400,000
1627 S Garden Public Facility	13010-J13505	Aug 2019	Aug 2039	-	225,000	-	225,000
Robinwood	13010-J13503	April 2007	April 2036	736,653	-	43,333	693,320
101 N Strawberry	13010-R93003	June 2015	Dec 2045	429,150	-	-	429,150
SHE 517-519 N Encina	13010-R93007	May 2018	May 2048	436,656	-	-	436,656
Visalia Senior Housing III	13010-J13057	Jan 2007	Jan 2062	2,720,193	-	-	2,720,193
Court & Paradise Apts	13010-J13504	Nov 2010	Nov 2066	500,000	-	-	500,000
Highland Gardens	13010-R92000	Sep 2015	Dec 2070	1,980,000	-	-	1,980,000
SHE 1105 N Court	13010-R93008	Aug 2019	When Sold	-	217,419	-	217,419
SHE 101 NW 5th	13010-R93009	Aug 2019	When Sold	-	206,679	-	206,679
SHE 105 NW 5th	13010-R93010	Aug 2019	When Sold	-	223,629	-	223,629
SHE 113 NW 5th	13010-R93011	Aug 2019	When Sold	-	222,952	-	222,952
SHE 111 NW 5th	13010-R93012	Aug 2019	When Sold	-	203,119	-	203,119
Habitat for Humanity Assigned	13411	Various	Various	192,517	-	1,376	191,141
NSP	13418	Various	Various	633,710	-	27,046	606,664
CDBG	13411	Various	Various	1,032,490	-	139,082	893,408
Cal Home	13412	Various	Various	331,719	229,613	-	561,332
HOME	13412	Various	Various	2,614,601	-	288,309	2,326,292
Subtotal Housing & Community Grants				<u>11,739,889</u>	<u>1,928,411</u>	<u>501,546</u>	<u>13,166,754</u>
Housing Successor Agency							
Visalia Successor Agency	-	-	-	1,632,273	-	464,197	1,168,076
Town Meadows (1)	13010-J13030	April 2001	April 2025	114,000	-	-	114,000
Kaweah Management (1)	13010-J13019	June 1996	Nov 2025	250,000	-	-	250,000
Encina Triplex	13010-J13066	Aug 2008	Aug 2048	285,925	-	6,228	279,697
Kimball Court (1)	13010-J13020	Aug 1999	Aug 2054	929,262	-	-	929,262
Downtown Senior Housing (1)	13010-J13035	April 2002	April 2057	900,000	-	-	900,000
Tulare County Housing Authority (1)	13010-J13040	Aug 2003	Aug 2058	35,454	-	909	34,545
Mill Creek Parkway \$3.0M (KMC)	13010-R09027	Oct 2015	Oct 2070	2,836,364	-	54,546	2,781,818
Mill Creek Parkway \$1.5M (KMC)	13010-R09029	Mar 2006	Mar 2061	1,173,289	-	27,935	1,145,354
Kaweah Management - East (1)	13010-J13067	Sep 2009	June 2065	472,708	-	-	472,708
Court & Paradise Apts	13010-J13504	Nov 2010	Nov 2066	500,000	-	-	500,000
617 & 619 Santa Fe (KMC)	13010-R09028	July 2017	July 2072	150,000	-	-	150,000
517-519 N Encina (SHE)	13010-R93007	May 2018	May 2074	100,000	-	-	100,000
111 NW 5th (SHE)	13010-R93011	Nov 2018	Nov 2063	32,000	-	-	32,000
113 NW 5th (SHE)	13010-R93012	Nov 2018	Nov 2063	32,000	-	-	32,000
1105 N Court (SHE)	13010-R93008	Nov 2018	Nov 2063	32,000	-	-	32,000
East Visalia Redevelopment	13413	Various	Various	32,461	-	-	32,461
Habitat for Humanity Assigned	13417	Various	Various	737,591	-	8,640	728,951
Housing Fund	13418	Various	Various	111,897	-	8,152	103,745
1029 W Goshen	13418-R89000			139,002	-	2,954	136,048
Subtotal Housing Successor Funds				<u>10,496,226</u>	<u>-</u>	<u>573,561</u>	<u>9,922,665</u>

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 5 - NOTES AND LOANS RECEIVABLE (Continued)

	Ref #	Issue Date	Maturity	Balance at June 30, 2019	Additions	Repayments	Balance at June 30, 2020
GOVERNMENTAL ACTIVITIES							
<u>Transportation Fund</u>							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	25,159	-	5,047	20,112
Dillon Ent (B170632)	13010-J13089	Dec 2018	June 2024	250,000	-	50,000	200,000
COGO Prop (B180570)	13010-J13090	Aug 2018	June 2024	17,517	-	3,503	14,014
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	-	33,374	-	33,374
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	-	238,163	-	238,163
McAuliff Center (B163300)	13010-J13093	Jan 2019	June 2025	-	389,316	-	389,316
NW Visalia Senior (B173132)	13010-J13094	Oct 2019	June 2025	-	251,280	-	251,280
Subtotal Transportation Fund				<u>292,676</u>	<u>912,133</u>	<u>58,550</u>	<u>1,146,259</u>
<u>Parking District Fund</u>							
Barrell House Brewing	13010-J13083	April 2017	June 2023	19,077	-	6,186	12,891
Comfort Suites	13010-J13038	Oct 2002	Oct 2032	147,469	-	9,945	137,524
Subtotal Parking District Fund				<u>166,546</u>	<u>-</u>	<u>16,131</u>	<u>150,415</u>
<u>Grant & Loan Fund</u>							
Central Valley Christian Housing	13010-J13034	June 2002	April 2026	40,000	-	40,000	-
Subtotal Grant & Loan Funds				<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
<u>Waterways Fund</u>							
Imagine U Museum	13010-J13082	Dec 2016	Dec 2046	170,583	-	3,535	167,048
Subtotal Waterways Fund				<u>170,583</u>	<u>-</u>	<u>3,535</u>	<u>167,048</u>
<u>Govt Facilities Impact Fee Fund</u>							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	725	-	142	583
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	-	4,893	-	4,893
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	-	1,265	-	1,265
Subtotal Govt Facilities Impact Fee Fund				<u>725</u>	<u>6,158</u>	<u>142</u>	<u>6,741</u>
<u>Public Safety Impact Fee Fund</u>							
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	-	9,222	-	9,222
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	-	15,853	-	15,853
Subtotal Public Safety Impact Fee Fund				<u>-</u>	<u>25,075</u>	<u>-</u>	<u>25,075</u>
<u>Storm Sewer Construction Fund</u>							
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	-	967	-	967
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	-	1,037	-	1,037
Subtotal Storm Sewer Construction Fund				<u>-</u>	<u>2,004</u>	<u>-</u>	<u>2,004</u>
<u>Civic Center Fund</u>							
Imagine U Museum	13010-J13082	Dec 2016	Dec 2046	139,568	-	2,893	136,675
Subtotal Civic Center Fund				<u>139,568</u>	<u>-</u>	<u>2,893</u>	<u>136,675</u>
Subtotal Governmental Activities				<u>35,758,609</u>	<u>3,198,214</u>	<u>1,558,964</u>	<u>37,424,938</u>
BUSINESS - TYPE							
<u>Water Reclamation Facility Fund</u>							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	9,649	-	1,919	7,730
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	-	2,319	-	2,319
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	-	14,021	-	14,021
NW Visalia Senior (B173132)	13010-J13094	Oct 2019	June 2025	-	62,760	-	62,760
120 W Main St (B150085)	13010-J13095	May 2015	June 2025	-	24,663	-	24,663
Subtotal Water Reclamation Facility Fund				<u>9,649</u>	<u>103,763</u>	<u>1,919</u>	<u>111,493</u>
FIDUCIARY							
<u>Successor Agency</u>							
Willow Street Parking Structure	13010-J13015	-	-	187,390	-	20,367	167,023
Subtotal Successor Agency				<u>187,390</u>	<u>-</u>	<u>20,367</u>	<u>167,023</u>
Total				<u>\$ 35,955,648</u>	<u>\$ 3,301,977</u>	<u>\$ 1,581,250</u>	<u>\$ 37,703,454</u>

Note: (1) Repayment is based on residual cash flow from operations. To the extent there is excess revenues, the developer is required to repay all accrued interest and principal annually.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 5 - NOTES AND LOANS RECEIVABLE (Continued)

B. Notes Receivable

The City loans monies for various purposes in the course of its operations. The General Fund holds notes receivable for deferred impact fees and land sales. The Parking District holds notes relating to payment of downtown parking in-lieu fees. Various housing funds hold notes related to housing development. The Housing Successor Agency loans are mainly for developers who develop housing projects for low income persons which meet affordability requirements. At June 30, 2020, these notes receivable totaled \$37,703,454 in the following funds: \$12,701,302 in the General Fund, \$13,166,754 in Housing & Community Grants, \$9,922,665 in the Housing Successor Agency Fund, \$1,146,259 in the Transportation Fund, \$150,415 in the Parking District Fund, \$167,048 in the Waterways Fund, \$6,741 in the Government Facilities Impact Fee Fund, \$25,075 in the Public Safety Impact Fee Fund, \$2,004 in the Storm Sewer Construction Fund, \$136,675 in the Civic Center Fund, \$111,493 in the Water Reclamation Facility Fund, and \$167,023 in the Fiduciary Successor Agency.

C. Loans Receivable

The City uses several sources of funds to provide financial assistance, mainly in the form of loans to low and moderate income residents. The three funding sources are:

The *Community Development Block Grant* (CDBG) has provided low-interest loans to rehabilitate or purchase affordable housing, as well as to rehabilitate rental properties that house low income residents. The outstanding balance of these loans was \$893,408 at June 30, 2020.

The *Home Investment Partnerships Grant* (HOME) has provided low-interest loans to rehabilitate or purchase affordable housing, as well as to rehabilitate rental properties that house low income residents. The outstanding balance of these loans was \$2,326,292 at June 30, 2020.

The *Housing Successor Agency* holds loans made by the former Redevelopment Agency which provided low-interest loans to rehabilitate or purchase affordable housing as well as to rehabilitate rental properties that house low income residents. The outstanding balance of these loans was \$8,754,589 at June 30, 2020.

Since the City does not expect to collect these notes and loans in the near term, they have been offset by entries to deferred inflows of resources (unavailable revenue) in the fund financial statements.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 6 - CAPITAL ASSETS

A. Capital Assets Additions and Retirements

	Balance June 30, 2019	Additions	Retirements	Transfers	Adjustments	Balance June 30, 2020
GOVERNMENTAL ACTIVITIES:						
Capital assets not being depreciated						
Land	\$ 41,499,738	\$ 521,300	\$ -	\$ -	\$ -	\$ 42,021,038
Construction in progress	28,128,132	8,150,895	(1,429,874)	(11,858,967)	-	22,990,186
	<u>69,627,870</u>	<u>8,672,195</u>	<u>(1,429,874)</u>	<u>(11,858,967)</u>	<u>-</u>	<u>65,011,224</u>
Capital assets being depreciated						
Buildings	62,476,948	-	-	-	-	62,476,948
Improvements other than buildings	77,357,467	6,635,742	-	6,014,866	-	90,008,075
Machinery, equipment and vehicles	11,285,521	301,926	(55,882)	9,987	-	11,541,552
Infrastructure - streets, traffic signals & signs	228,937,851	5,375,176	(537,550)	5,834,114	-	239,609,591
	<u>380,057,787</u>	<u>12,312,844</u>	<u>(593,432)</u>	<u>11,858,967</u>	<u>-</u>	<u>403,636,166</u>
Accumulated depreciation						
Buildings	(13,378,697)	(1,289,248)	-	-	-	(14,667,945)
Improvements other than buildings	(24,465,157)	(1,912,172)	-	-	-	(26,377,329)
Machinery, equipment and vehicles	(6,801,347)	(423,964)	49,459	-	-	(7,175,852)
Infrastructure - streets, traffic signals & signs	(83,789,521)	(5,252,909)	537,550	-	-	(88,504,880)
	<u>(128,434,722)</u>	<u>(8,878,293)</u>	<u>587,009</u>	<u>-</u>	<u>-</u>	<u>(136,726,006)</u>
Governmental Capital Asset Activity, Net	<u>\$ 321,250,935</u>	<u>\$ 12,106,746</u>	<u>\$ (1,436,297)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,921,384</u>
INTERNAL SERVICE FUND ACTIVITIES:						
Capital assets not being depreciated						
Land	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	784,597	-	-	(784,597)	-	-
	<u>784,597</u>	<u>-</u>	<u>-</u>	<u>(784,597)</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated						
Buildings	654,910	-	-	-	-	654,910
Improvements other than buildings	218,785	-	-	-	-	218,785
Machinery, equipment and vehicles	32,781,388	2,002,683	(1,107,747)	784,597	-	34,460,921
	<u>33,655,083</u>	<u>2,002,683</u>	<u>(1,107,747)</u>	<u>784,597</u>	<u>-</u>	<u>35,334,616</u>
Accumulated depreciation						
Buildings	(589,910)	-	-	-	-	(589,910)
Improvements other than buildings	(155,114)	(7,159)	-	-	-	(162,273)
Machinery, equipment and vehicles	(18,937,494)	(2,301,259)	965,405	-	-	(20,273,348)
	<u>(19,682,518)</u>	<u>(2,308,418)</u>	<u>965,405</u>	<u>-</u>	<u>-</u>	<u>(21,025,531)</u>
Internal Service Fund Capital Asset Activity, Net	<u>\$ 14,757,162</u>	<u>\$ (305,735)</u>	<u>\$ (142,342)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,309,085</u>
BUSINESS-TYPE ACTIVITIES:						
Capital assets not being depreciated						
Land	\$ 26,148,966	\$ -	\$ -	\$ -	\$ -	\$ 26,148,966
Construction in progress	3,695,149	3,961,261	(71,103)	(1,636,754)	-	5,948,553
	<u>29,844,115</u>	<u>3,961,261</u>	<u>(71,103)</u>	<u>(1,636,754)</u>	<u>-</u>	<u>32,097,519</u>
Capital assets being depreciated						
Buildings	54,067,102	-	-	-	-	54,067,102
Improvements other than buildings	229,509,638	21,925	-	1,422,015	-	230,953,578
Machinery, equipment and vehicles	67,032,062	3,647,367	(1,548,107)	214,739	-	69,346,061
Infrastructure - sewer and storm drainage	147,137,615	1,800,574	-	-	-	148,938,189
	<u>497,746,417</u>	<u>5,469,866</u>	<u>(1,548,107)</u>	<u>1,636,754</u>	<u>-</u>	<u>503,304,930</u>
Accumulated depreciation						
Buildings	(18,603,689)	(1,183,313)	-	-	-	(19,787,002)
Improvements other than buildings	(57,986,957)	(4,638,652)	-	-	(7,748)	(62,633,357)
Machinery, equipment and vehicles	(44,252,578)	(3,719,731)	1,455,008	-	7,748	(46,509,553)
Infrastructure - sewer and storm drainage	(30,810,359)	(1,868,657)	-	-	-	(32,679,016)
	<u>(151,653,583)</u>	<u>(11,410,353)</u>	<u>1,455,008</u>	<u>-</u>	<u>-</u>	<u>(161,608,928)</u>
Business-type Capital Asset Activity, Net	<u>\$ 375,936,949</u>	<u>\$ (1,979,226)</u>	<u>\$ (164,202)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,793,521</u>

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 6 - CAPITAL ASSETS (Continued)

B. Capital Assets Additions and Retirements

Depreciation expense is charged to functions and programs based on their usage of the related assets. The accounts allocated to each function or programs are as follows:

Governmental Activities

General Government	\$	1,901,399
Housing & Community Grants		16,203
Public Works		5,202,890
Public Safety:		
Police		211,771
Fire		383,786
Community Services		1,162,244
Capital Assets Held by the City's <u>Internal Service Funds</u> are Charged to the Various Functions Based on their Usage of the Assets		<u>2,308,418</u>
Total Governmental Activities	\$	<u>11,186,711</u>

Business-Type Activities

Convention Center	\$	748,728
Airport		277,485
Water Reclamation Facility		5,470,387
Storm Sewer Maintenance		749,958
Solid Waste		892,945
Transit		3,077,510
Building Safety		8,038
Animal Control		171,982
Baseball		<u>13,320</u>
Total Business-Type Activities	\$	<u>11,410,353</u>

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 7 - LONG-TERM OBLIGATIONS

A. Current Year Transactions and Balances

	Original Issue Amount	Balance at June 30, 2019	Additions	Retirements	Balance at June 30, 2020	Due Within One Year
Governmental Activity Debt						
Certificates of Participation:						
2015 COP	\$ 13,121,230	\$ 10,395,883	\$ -	\$ (747,273)	\$ 9,648,610	\$ 783,904
2014 VPFA - Refunding (1)	1,180,800	756,000	-	(94,400)	661,600	98,400
Bond Premium	303,736	3,123	-	(3,123)	-	-
Notes - Direct Borrowings:						
Energy Conservation Assistance Act Loan	244,863	53,514	-	(53,514)	-	-
Internal Service Funds						
Notes - Direct Borrowings:						
Energy Conservation Assistance Act Loan	4,718	971	-	(971)	-	-
Compensated Absences	-	4,969,047	931,289	(420,328)	5,480,008	995,989
Total Governmental Activity	\$ 14,855,347	\$ 16,178,538	\$ 931,289	\$ (1,319,609)	\$ 15,790,218	\$ 1,878,293
Business-Type Activity Debt						
Certificates of Participation:						
2015 COP	\$ 4,788,770	\$ 3,794,117	\$ -	\$ (272,727)	\$ 3,521,390	\$ 286,096
2014 VPFA - Refunding (1)	6,199,200	3,969,000	-	(495,600)	3,473,400	516,600
Bond Premium	971,504	239,612	-	(67,985)	171,627	55,450
Notes - Direct Borrowings:						
2014 Clean Water State Revolving Fund Loan	96,434,597	94,094,496	-	(2,389,243)	91,705,253	2,439,417
Energy Conservation Assistance Act Loan	199,791	38,035	-	(38,035)	-	-
Lease - Direct Borrowings:						
2012 Animal Control	6,600,000	4,357,342	-	(420,596)	3,936,746	435,232
Compensated Absences	-	1,056,325	184,084	(117,847)	1,122,562	177,109
Total Business-Type Activity	\$ 115,193,862	\$ 107,548,927	\$ 184,084	\$ (3,802,033)	\$ 103,930,978	\$ 3,909,904
Private Purpose Trust Funds						
Redevelopment Agency Tax Allocation Bonds:						
2003 East Visalia District	\$ 5,185,000	\$ 1,645,000	\$ -	\$ (180,000)	\$ 1,465,000	\$ 185,000
Notes - Direct Borrowings:						
2004 RDA - Mooney District	2,707,250	1,397,285	-	(121,540)	1,275,745	126,764
Advances:						
General Fund	-	11,717,078	351,513	-	12,068,591	-
Housing Successor Agency	-	1,632,273	-	(464,197)	1,168,076	-
Total Private Purpose Trust Funds	\$ 7,892,250	\$ 16,391,636	\$ 351,513	\$ (765,737)	\$ 15,977,412	\$ 311,764

(1) The 2014 VPFA issues were for refunding of the 2005 VPFA Issues, and corresponding debt's proportionate allocation remains at 84% to Business-Type Activities (Convention Center - Enterprise Fund) and 16% to Governmental Activities.

B. Certificates of Participation

On July 2, 2014, the City issued \$7,380,000 of 2014 Refunding Certificates of Participation (the Certificates VPFA) to (a) refund all of the City's outstanding 2005 Refunding Certificates of Participation (the "Prior Certificates"), (b) to purchase a municipal bond debt service reserve insurance policy for deposit into a debt service reserve fund established for the Certificates, and (c) to pay the costs related to the execution and delivery of the Certificates, including, but not limited to, the cost of municipal bond insurance. Of this issue, 84% is allocable to the Convention Center and 16% is considered general long-term debt. The term of the refunding is 11 years with an all in total interest cost of 3.02%. Principal payments are due annually on June 1 and interest is due semiannually on June 1 and December 1, commencing December 1, 2014, with the

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

B. Certificates of Participation (Continued)

final payment due in the year 2025. The refunding was structured to lower the annual certificate payments and was achieved by taking advantage of historically low interest rates and extend out the final maturity date by 4 years. The City also chose to unencumber the Convention Center, which was the leased asset for the Prior Certificates, and encumber a new asset, which is the City's Riverway Sports Park, with the 2014 Certificates. The lowering of the annual payments and unencumbering of the Convention Center were done to help with a larger future financing issued by the City in September of 2015.

The bonds are limited obligations of the Visalia Public Finance Authority and are payable by the City solely from Lease Payments to be made by the City under the Lease and certain other moneys held under the Trust Agreement. The city has covenanted to budget and appropriate Lease Payments in each fiscal year in consideration of the use and occupancy of the Property from any source of legally available funds, and to take such action as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations thereof. Should the City default under the facilities sublease, the trustee, as the assignee of the Authority, may elect either to terminate the Lease and seek to collect damages from the City or to maintain the Lease in effect and seek to collect the Lease Payments as they become due. Base Rental payments may not be accelerated upon a default under the facilities sublease. No such events of default occurred during the fiscal year ending June 30, 2020.

On September 10, 2015 the City issued \$17,910,000 of 2015 Certificates of Participation to (a) construct and equip the Visalia Emergency Communications Center (the VECC), (b) to replace the City's Computer Aided Dispatch and Records Management System (the CAD/RMS), (c) to make certain improvements to the Visalia Convention Center, (d) to purchase a municipal bond debt service reserve insurance policy for deposit into a debt service reserve fund established for the Certificates, and (e) to pay the costs related to the execution and delivery of the Certificates. Of this issue, 27% is allocable to the Convention Center, 10% is allocable to the Measure T Fund, 26% is allocable to Police Impact Fees, and 37% is considered general long-term debt. The term of the certificates is 14 years with an all in total interest cost of 3.14%. Principal and interest payments are payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2015, with the final payment due in the year 2029.

The bonds are limited obligations of the Public Property Financing Corporation of California and are payable by the City solely from Lease Payments to be made by the City under the Lease and certain other moneys held under the Trust Agreement. The City has covenanted to budget and appropriate Lease Payments in each fiscal year in consideration of the use and occupancy of the Property from any source of legally available funds, and to take such action as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations thereof. Should the City default under the facilities sublease, the Trustee, as the assignee of the Corporation, may elect either to terminate the Lease and seek to collect personal damages from the City or to maintain the Lease in effect to seek to collect the Lease Payments as they become due. Base Rental payments may not be accelerated upon a default under the facilities sublease. No such events of default occurred during the fiscal year ending June 30, 2020.

C. Lease – Animal Control

On December 1, 2012, the City entered into a lease agreement with Municipal Finance Corporation for \$6,600,000 for the acquisition and construction of an animal control facility and shelter. The lease agreement pledges two police substations and the animal control center site for the construction of the animal shelter. The fifteen year lease financing arrangement begins March 2013 at an interest rate of 3.45%. Principal and interest payments are due each September and March with the first payment beginning September 2013 and the final payment due in March 2028.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

D. Compensated Absences

The City accounts for compensated absences (unpaid, vacation, sick leave and compensatory time) in accordance with GASB standards. In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's intention to liquidate any unpaid compensated absences at June 30 from future resources, rather than current available financial resources. Accordingly, the unpaid liability for governmental funds is recorded in the Statement of Net Position. In business-type activities and enterprise funds, the unpaid liability is accrued when the liability occurs.

E. Redevelopment Agency Tax Allocation Bonds

On June 18, 2003, the Community Redevelopment Agency (RDA) issued \$5,185,000 of 2003 Tax Allocation Refunding Bonds (2003 Bonds) to retire outstanding variable rate 1990 Tax Allocation Bonds and to pay for issuance costs

Tax increment revenue is pledged for the repayment of the 2003 Bonds. Interest ranges from 2.0% to 4.1% and is due semiannually each July 1 and January 1. Commencing 2004, principal is payable each July 1 through 2026.

The bonds are special obligations of the Agency payable solely from the Tax Revenues. The Successor Agency has covenanted in the Indenture to manage its fiscal affairs in a manner which ensures that it will have sufficient Tax Revenues available under the Plan Limitations in the amounts and at the times required to enable the Agency to pay the principal of and interest and premium (if any) on the Bond when due. Should the Successor Agency default, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. If termination occurs prior to the final maturity of the Bonds; the Issuer shall give notice of such termination in the same manner as for a Listed Event. No such events of default occurred during the fiscal year ending June 30, 2020.

This debt was transferred to the Redevelopment Successor Agency (Private Purpose Trust Fund) on February 1, 2012, as a result of the dissolution of the Visalia Community Redevelopment Agency.

F. Note – WestAmerica Bank Loan – RDA Mooney District

On September 7, 2004, the City approved the refinancing of the remaining balance of the 1993 Central and Mooney Tax Allocation Revenue Bonds with a Stockmen's bank loan in the amount of \$4,550,000. The bank loan is a variable rate loan, fixed every five years with a floor of 4.30% and a ceiling of 6.00%. The term of the loan is set at 24 years to match the sunset of the Mooney Redevelopment Area in 2028.

This loan is secured by the tax revenues received by the RDA for the project area.

Although the note originated with Stockmen's Bank in 2004, as of June 30, 2012, the note is held by WestAmerica Bank.

This debt was transferred to the Redevelopment Successor Agency (Private Purpose Trust Fund) on February 1, 2012, as a result of the dissolution of the Visalia Community Redevelopment Agency.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

G. Note – Clean Water State Revolving Fund – Wastewater Conservation Plant Upgrade Project

On March 27, 2014, the City entered into an installment sale agreement with the California State Water Resources Control Board for up to \$132,490,000 for a major upgrade to the City's Water Conservation Plant to provide tertiary level treatment to the water being processed. The project is complete and the City's loan balance is set at \$96,434,597, which includes \$3,854,165 of capitalized interest. The term of the loan is 30 years at an interest rate of 2.1%. Principal and interest payments will be repaid in annual installments commencing on September 13, 2018 and shall be fully amortized by September 13, 2047.

H. Note – California Energy Conservation Assistance Act Loan

On May 31, 2013, the City entered into a loan agreement with the California Energy Resources Conservation and Development Commission for the acquisition and installation of various energy savings equipment. The City did not request nor receive funds for this agreement until fiscal year 2014-15. The loan amount totaled \$449,372. The interest rate on the loan is fixed at 1% with the term of the loan being 5 years. Principal and interest payments are due in December and June of each year with the first payment beginning December 2015. This note was paid in full in June of 2020.

I. Debt Service Requirements

Annual debt service requirements to maturity are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities		Business-Type Activities				Private Purpose Trust Fund				
	Principal	Interest	Direct Borrowings		Principal	Interest	Bond Premium	Direct Borrowings		Principal	Interest
			Principal	Interest				Principal	Interest		
2021	\$ 882,304	\$ 400,863	\$ 2,874,649	\$ 2,057,907	\$ 802,696	\$ 288,474	\$ 55,450	\$ 126,764	\$ 54,353	\$ 185,000	\$ 62,425
2022	926,598	356,644	2,941,022	1,991,533	838,402	252,718	45,368	132,506	48,610	190,000	55,025
2023	968,029	314,095	3,008,998	1,923,557	876,971	214,093	70,809	138,346	42,770	200,000	47,187
2024	1,013,123	268,870	3,078,617	1,853,939	916,877	170,817	-	144,443	36,673	210,000	38,938
2025	1,066,343	216,884	3,149,922	1,782,634	963,657	123,804	-	150,719	30,397	220,000	29,750
2026-2030	5,453,813	440,342	15,716,923	7,811,199	2,596,187	175,852	-	582,967	51,798	460,000	30,406
2031-2035	-	-	15,658,588	6,167,551	-	-	-	-	-	-	-
2036-2040	-	-	17,373,260	4,452,879	-	-	-	-	-	-	-
2041-2045	-	-	19,275,694	2,550,445	-	-	-	-	-	-	-
2046-2048	-	-	12,564,326	531,357	-	-	-	-	-	-	-
	<u>\$ 10,310,210</u>	<u>\$ 1,997,698</u>	<u>\$ 95,641,999</u>	<u>\$ 31,123,001</u>	<u>\$ 6,994,790</u>	<u>\$ 1,225,758</u>	<u>\$ 171,627</u>	<u>\$ 1,275,745</u>	<u>\$ 264,601</u>	<u>\$ 1,465,000</u>	<u>\$ 263,731</u>

NOTE 8 - DEBT WITHOUT CITY COMMITMENT

The City issued a \$72,020 bond designated as the, "Limited Obligation Improvement Bonds, Village West Improvement Project, Series 2007" for the unpaid assessments levied upon the Village West Improvement Project special assessment district. The City then purchased the bonds for the City's cash portfolio. The bonds yield 6% and mature on September 2, 2022, and were for the construction of street improvements in the Village West Subdivision. As of June 30, 2020, \$9,826 of principal balance, which is repayable out of assessments on property in the Assessment District, remained outstanding.

The City issued a \$675,000 bond designated as the "City of Visalia Orchard Walk East and West Underground Utilities Assessment District, Series 2011". The City then purchased the bonds for the City's cash portfolio. The bonds yield 6.75% and mature on September 2, 2026 and were for the construction of underground electrical utilities at the Orchard Walk East and West commercial shopping center. As of June 30, 2020, \$270,000 of principal balance, which is repayable out of assessments on property in the Assessment District, remained outstanding.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 8 - DEBT WITHOUT CITY COMMITMENT (Continued)

The City issued a \$148,367 bond designated as the "City of Visalia Atwood Street Water Assessment District No. 2014-01, Series 2015-2". The City then purchased the bonds for the City's cash portfolio. The bonds yield 4.00% and mature on September 2, 2030 and were for the construction of improvements for the extension of a California Water main into Atwood Street to provide services to each property as the properties had wells that were beginning to fail. As of June 30, 2020, \$108,234 of principal balance, which is repayable out of assessments on property in the Assessment District, remained outstanding.

The City issued a \$106,530 bond designated as the "City of Visalia Laura Street Water Assessment District No. 2014-01, Series 2015-2". The City then purchased the bonds for the City's cash portfolio. The bonds yield 4.00% and mature on September 2, 2030 and were for the construction of improvements for the extension of a California Water main into Laura Street to provide services to each property as the properties had wells that were beginning to fail. As of June 30, 2020, \$70,050 of principal balance, which is repayable out of assessments on property in the Assessment District, remained outstanding.

Although the City assisted in the issuance of the above debts, it is not obligated in any way to repay this debt and has not reflected the debt in its financial statements.

NOTE 9 - NET POSITION AND FUND BALANCES

GASB Statement No. 34 incorporates the concept of Net Position, which is measured on the full accrual basis of accounting, to the concept of Fund Balance, as amended by GASB Statement No. 54, which is measured on the modified accrual basis of accounting.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net Position is divided into three captions under GASB Statement No. 34. These captions apply only to Net Position, which is determined only at the Government-Wide level, and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of Net Position which is not restricted to use.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2020 is as follows:

**City of Visalia
Governmental Fund Balances
June 30, 2020
(in thousands)**

	General Fund	Measure N	Housing & Community Grants	Housing Successor Agency	Transportation	All Other Governmental Funds	Total Governmental Funds
Nonspendable							
Prepays/Deposits	\$ 26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26
Supplies	19	-	-	-	-	-	19
Long Term Receivable	633	-	-	-	-	-	633
Land Held for Redevelopment	-	-	-	-	-	-	-
Total Nonspendable Fund Balance	678	-	-	-	-	-	678
Restricted							
Purpose of Fund	-	21,943	1,417	865	10,360	56,503	91,088
Total Restricted Fund Balance	-	21,943	1,417	865	10,360	56,503	91,088
Committed							
Civic Center Facilities	-	-	-	-	-	19,404	19,404
Sports Park	-	-	-	-	-	580	580
Animal Control	-	-	-	-	-	251	251
Conservation	-	-	-	-	-	248	248
Police Unclaimed	-	-	-	-	-	115	115
Facility Improvement Fund	-	-	-	-	-	782	782
Emergency Reserve	15,953	-	-	-	-	-	15,953
Miscellaneous Capital Projects	286	1,378	225	-	347	6,929	9,165
Total Committed Fund Balance	16,239	1,378	225	-	347	28,309	46,498
Assigned							
Advance - Public Safety Impact Fee	304	-	-	-	-	-	304
Advance - Public Facility Impact Fee	98	-	-	-	-	-	98
Advance - Measure R - Regional	1,284	-	-	-	-	-	1,284
Advance - Measure R - Trailways	844	-	-	-	-	-	844
Advance - Special Service Districts	931	-	-	-	-	-	931
Advance - Transportation Grants	300	-	-	-	-	-	300
Advance - Airport	944	-	-	-	-	-	944
Advance - Atwood District	75	-	-	-	-	-	75
Advance - Laura District	36	-	-	-	-	-	36
Due from - Community Development	2	-	-	-	-	-	2
Due from - Golf Course	6	-	-	-	-	-	6
CIP Budgeted Not Started	3,219	-	-	-	-	-	3,219
Cal PERS Unfunded Liability Payment FY 20/21	10,166	-	-	-	-	-	10,166
Successor Agency Loans	12,069	-	-	1,168	-	-	13,237
Total Assigned Fund Balance	30,278	-	-	1,168	-	-	31,446
Unassigned							
Total Unassigned Fund Balance	5,497	-	-	-	-	(4,475)	1,022
Total Fund Balances	\$ 52,692	\$ 23,321	\$ 1,642	\$ 2,033	\$ 10,707	\$ 80,337	\$ 170,732

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 9 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

CITY OF VISALIA
SCHEDULE OF FUND BALANCE - GENERAL FUND
(In Thousands)

	<u>FY 15/16</u>	<u>FY 16/17</u>	<u>FY 17/18</u>	<u>FY 18/19</u>	<u>FY 19/20</u>
Nonspendable Fund Balance:					
Inventory	\$ 254	\$ 175	\$ -	\$ -	\$ -
Prepaid Expenditures	98	68	47	180	26
Supplies	5	18	8	13	19
Long-Term Receivable	-	1,085	1,310	932	633
Nonspendable Fund Balance Total	357	1,346	1,365	1,125	678
Restricted Fund Balance - Debt Service	-	1,193	-	-	-
Committed Fund Balance:					
* Civic Center Facilities	14,365	4,984	5,144	-	-
* Sports Park	837	609	583	-	-
Recreation Park Stadium	9	-	-	-	-
* Animal Control	230	234	236	-	-
* Conservation	195	218	232	-	-
* Police Unclaimed	-	149	156	-	-
Historic Preservation	28	-	-	-	-
* Facility Improvement Fund	-	658	733	-	-
Emergency Reserve	11,663	12,896	14,695	15,182	15,953
Miscellaneous Capital Projects	691	57	142	162	286
Committed Fund Balance Total	28,018	19,805	21,921	15,344	16,239
Assigned Fund Balance:					
Advance - Public Safety Impact Fee	1,483	1,312	977	641	304
Advance - Public Facility Impact Fee	212	182	158	126	98
Advance - Softball Development	6	3	1	-	-
Advance - Measure R - Regional	-	-	-	967	1,284
Advance - Measure R - Trailways	-	236	1,106	1,292	844
Advance - Waterways	1,040	-	-	-	-
Advance - Storm Sewer Construction	-	463	-	-	-
Advance - Special Service Districts	858	879	893	899	931
Advance - CHFA	21	21	5	1	-
Advance - Transportation Grants	-	-	-	-	300
Advance - Valley Oaks Golf	2,752	2,629	2,798	-	-
Advance - Airport	479	455	278	44	944
Advance - Atwood District	76	75	75	77	75
Advance - Laura District	20	34	36	37	36
Due from - Community Development	107	12	73	-	2
Due from - Golf Course	-	-	-	-	6
Due from - Risk	-	1,164	-	-	-
Due from - Measure N	-	571	-	-	-
Miscellaneous Capital Projects	349	-	-	-	-
CIP Budgeted not started	-	2,101	1,971	2,551	3,219
Cal PERS Unfunded Liability Payment FY 20/21	-	-	5,234	6,863	10,166
Successor Agency	11,378	11,720	11,376	11,717	12,069
Assigned Fund Balance Total	18,781	21,857	24,981	25,215	30,278
Unassigned Fund Balance:					
Unassigned	4,787	9,612	10,214	9,753	5,497
Unassigned Fund Balance Total	4,787	9,612	10,214	9,753	5,497
Total Fund Balance	\$ 51,943	\$ 53,813	\$ 58,481	\$ 51,437	\$ 52,692

* These funds were previously reported in the General Fund are now being reported in the Non Major Statements.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

C. Fund Balance and Net Position Deficits

The following funds had deficit fund balances or net position at June 30, 2020. Future revenues or interfund transfers are expected to offset these deficits:

Special Revenue Funds:		
Measure R Regional	\$	443,354
Debt Service Funds:		
VPFA 2014 Refunding COP	\$	2,546
2015 COP		23,413
Capital Projects Funds:		
Public Safety Impact Fee	\$	179,247
Private Purpose Trust Fund:		
Successor Agency	\$	12,232,278

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 10 - EMPLOYEE BENEFITS

A. General Information about the Pension Plans

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

Benefits Provided – CalPERS provides 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 or more years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous			
Hire date	Prior to May 9, 2008	May 10, 2008 through May 20, 2011	May 21, 2011 through December 31, 2012	January 1, 2013 through current
Benefit formula	3% @ 60	2.5% @ 55	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50	52
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	2.0% to 2.5%	1.09% to 2.42%	1.0% to 2.5%
Required employee contribution rates	8%	8%	7%	6.75%
Required employer contribution rates	10.273%	10.273%	10.273%	10.273%
Unfunded Liability Contribution % of Payroll (illustrative only)	17.553%	17.553%	17.553%	17.553%

	Safety		
Hire date	Prior to February 26, 2011	February 27, 2011 through December 31, 2012	January 1, 2013 through current
Benefit formula	3% @ 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	50	50
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	9%	12.25%
Required employer contribution rates	21.056%	21.056%	21.056%
Unfunded Liability Contribution % of Payroll (illustrative only)	20.895%	20.895%	20.895%

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 10 - EMPLOYEE BENEFITS (Continued)

A. General Information about the Pension Plans (Continued)

Employees Covered – At June 30, 2020, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Inactive employees or beneficiaries currently receiving benefits	435	222
Inactive employees entitled to but not yet receiving benefits	292	111
Active employees	<u>378</u>	<u>213</u>
Total	<u>1,105</u>	<u>546</u>

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 both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City of Visalia is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City of Visalia's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	.40% - 8.5% (1)	.97% - 17.0% (1)
Investment Rate of Return	7.375% (2)	7.375% (2)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	
Mortality (3)	Derived using CalPERS Membership Data for all Funds	

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses, including inflation

(3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 10 - EMPLOYEE BENEFITS (Continued)

B. Net Pension Liability (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. 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.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. 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 returns of all the funds' asset classes, 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 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 Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 10 - EMPLOYEE BENEFITS (Continued)

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan are as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	<u>\$229,848,421</u>	<u>\$161,853,618</u>	<u>\$67,994,803</u>
Changes in the year:			
Service cost	4,255,037	-	4,255,037
Interest on the total pension liability	16,380,941	-	16,380,941
Differences between actual and expected experience	2,525,650	-	2,525,650
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Plan to plan resource movement	-	-	-
Contribution - employer	-	6,219,874	(6,219,874)
Contribution - employee (paid by employer)	-	1,845,020	(1,845,020)
Net investment income	-	10,604,879	(10,604,879)
Administrative expenses	-	(115,502)	115,502
Other Miscellaneous Income/(Expense)	-	376	(376)
Benefit payments, including refunds of employee contributions	(10,795,043)	(10,795,043)	-
Net changes	<u>12,366,585</u>	<u>7,759,604</u>	<u>4,606,981</u>
Balance at June 30, 2019	<u>\$242,215,006</u>	<u>\$169,613,222</u>	<u>\$72,601,784</u>

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 10 - EMPLOYEE BENEFITS (Continued)

C. Changes in the Net Pension Liability (Continued)

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2018	<u>\$230,454,139</u>	<u>\$172,416,053</u>	<u>\$58,038,086</u>
Changes in the year:			
Service cost	6,222,413	-	6,222,413
Interest on the total pension liability	16,600,696	-	16,600,696
Differences between actual and expected experience	3,326,073	-	3,326,073
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Plan to plan resource movement	-	-	-
Contribution - employer	-	8,085,201	(8,085,201)
Contribution - employee (paid by employer)	-	2,172,900	(2,172,900)
Net investment income	-	11,443,404	(11,443,404)
Administrative expenses	-	(123,040)	123,040
Other Miscellaneous Income/(Expense)	-	400	(400)
Benefit payments, including refunds of employee contributions	(9,427,686)	(9,427,686)	-
Net changes	<u>16,721,496</u>	<u>12,151,179</u>	<u>4,570,317</u>
Balance at June 30, 2019	<u><u>\$247,175,635</u></u>	<u><u>\$184,567,232</u></u>	<u><u>\$62,608,403</u></u>

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

	Miscellaneous	Safety	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$105,019,409	\$99,072,698	\$204,092,107
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$72,601,784	\$62,608,403	\$135,210,187
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$45,824,081	\$32,933,643	\$78,757,724

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 10 - EMPLOYEE BENEFITS (Continued)

C. Changes in the Net Pension Liability (Continued)

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

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the City of Visalia recognized pension expense of \$24,676,010. At June 30, 2020, the City of Visalia reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$7,072,582	\$ -
Differences between expected and actual experience	1,824,081	(540,432)
Changes in assumptions	1,812,210	(705,253)
Net differences between projected and actual earnings on plan investments	-	(897,427)
Total	<u>\$10,708,873</u>	<u>(\$2,143,112)</u>

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$8,928,610	\$ -
Differences between expected and actual experience	2,751,409	(2,000,980)
Changes in assumptions	4,614,287	(815,543)
Net differences between projected and actual earnings on plan investments	-	(867,725)
Total	<u>\$16,294,306</u>	<u>(\$3,684,248)</u>

Grand Total	<u>\$27,003,179</u>	<u>(\$5,827,360)</u>
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\$16,001,192 (\$7,072,582 related to the Miscellaneous Plan and \$8,928,610 related to the Safety Plan) reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 10 - EMPLOYEE BENEFITS (Continued)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

<u>Miscellaneous Plan:</u>		<u>Safety Plan:</u>	
Year Ended	Annual	Year Ended	Annual
June 30	Amortization	June 30	Amortization
2021	\$2,172,873	2021	\$2,837,309
2022	(1,006,048)	2022	12,011
2023	157,060	2023	220,034
2024	169,294	2024	612,094
Total	<u>\$1,493,179</u>	Total	<u>\$3,681,448</u>

E. Payable to the Pension Plan

At June 30, 2020, the City of Visalia reported a payable of \$0.00 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

F. Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until it is distributed to them; distributions may be made only at termination, retirement, death, or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

The City has a contract with International City Managers' Association (ICMA), Empower, and CalPERS to manage and invest the assets of the plan; all pool the assets of the plan with those of other participants and do not make separate investments for employees.

G. Accrued Personnel Costs

Accrued personnel costs are costs that are related to payroll withholdings such as PERS contributions, supplemental life insurance, medical and dependent care flexible spending accounts, and union dues just to name a few.

H. Postemployment Health Care Benefits

City Policy permits retirees access to the City's health plan but at a cost determined each year by the City. The specific language of Policy 301 is "Retirees and their dependents are eligible for medical and vision benefits at a cost determined each year by the City."

As of June 30, 2020, 60 retirees are participating in the City's health plan at full cost. Of these retirees 23 have dependent coverage. The full cost is up to \$1,145 per month for retiree and up to an additional \$1,145 for their

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 10 - EMPLOYEE BENEFITS (Continued)

H. Postemployment Health Care Benefits (Continued)

spouse. Family coverage is also available for an additional \$573 per month for a total family PPO premium up to \$2,864 per month fully funded by the retiree.

As an alternative, the City also offers retirees access to the City's high deductible health plan at a premium cost up to \$930 per month for the retiree and an additional \$930 for spouse. Family coverage is available for a total of \$2,325 per month.

I. Defined Contribution for Retiree Health Care

In 2011, the City adopted Resolution 2011-17 establishing the phase out of City subsidy to retiree health care cost by 2019. The guidelines included an additional 10 years to phase out the City's subsidy for qualifying retirees so that all retirees pay full cost by 2029. A qualified retiree is defined as having a household income less than the Federal Social Security Earnings Limit and either a CalPERS Disability Retirement or 15 years of service with Visalia and eligible for Medicare.

Eight retirees qualified for the 2020 reduced rate, all are enrolled as retirees only. The retiree cost is up to \$744 per month with the City subsidizing up to \$405 per month. Qualified retirees must re-certify every year to qualify for the subsidy. A portion of the City's subsidy will transition to the retiree each year until the qualified retirees are paying full cost in 2029 or they no longer qualify for this provision.

For fiscal year 2019-2020, the City's Retiree Health Care Contribution was approximately \$156,000.

NOTE 11 – RISK MANAGEMENT

A. Coverage

The City self-insures workers' compensation claims. The City retains or self-insures the first \$1,000,000 of claims and purchases insurance above the \$1,000,000 self-retention to \$25,000,000. The program is administered by a third party.

The City has public employee dishonesty insurance with a \$100,000 deductible and coverage up to \$5,000,000 per loss. The City's property and machinery insurance has various deductibles and various coverages based on the kind of machinery. During the past four years there have been no significant reductions in any of the City's insurance coverage and no settlement amounts have exceeded insurance coverage.

The City currently provides three medical plan options for employees and retirees: a Preferred Provider Plan (PPO), an Exclusive Provider (EPO) and a High Deductible Plan (HD). The City provides medical benefits through an insurance pool, Excess Insurance Authority – Health (EIA – Health) which in turn participates in a larger pool, Self-Insured Schools of California (SISC). The insurance pool is responsible for maintaining a reserve for incurred but not reported claims. The City retains an equity share in the assets and liabilities of both pools.

The City provides dental and vision coverage to employees through programs which are administered by a third party service agent. The City is self-insured for the dental and vision coverage. The City's dental and vision liability is calculated based upon the historical lag between when a claim is incurred and the time it takes to be paid. Historically, 2 months of claims remain in the system at any given time. The City calculated the estimated incurred but not reported (IBNR) claims by averaging the yearly claims and multiplying by 2.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 11 – RISK MANAGEMENT (Continued)

A. Coverage (Continued)

The City is a member of the Authority for California Cities Excess Liability (ACCEL), a joint powers authority, which provides general liability coverage up to \$50,000,000 ultimate net loss per occurrence. The City retains the risk for the first \$1,000,000 in losses for each occurrence under this policy.

ACCEL was established for the purpose of creating a risk management pool for California municipalities. ACCEL is governed by a Board of Directors consisting of representatives of its member cities. The board controls the operations of ACCEL, including selection of management and approval of the annual budget.

The City's deposits with ACCEL are calculated based on the ratio of the City's payroll to the total payrolls of all entities, the losses of all members and the City's experience rate. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

During the fiscal year ended June 30, 2020, the City contributed \$553,962 to ACCEL for current year coverage. ACCEL audited financial statements are available from Alliant Insurance Services at 100 Pine Street, Eleventh Floor, San Francisco, California 94111.

B. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments in the Risk Management Internal Service Fund. Claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

The City's liability for uninsured claims is limited to general liability claims, as discussed above, and was estimated by management based on the fact that claims must be filed with the City within 6 months of the claim's occurrence. Incurred but not reported (IBNR) claims are estimated by taking the previous 5 year's average claim experience for a year and multiplying by .5 (6 month/12 months).

Changes in the balances of claim liabilities during the past three years are as follows:

	Beginning of Year Liability	Current Year Claims & Changes in Estimates	Claim Payments	End of Year Liability	Due Within One Year
2017-18	\$ 5,790,540	\$ 2,820,284	\$ (2,713,146)	\$ 5,897,678	\$ 535,421
2018-19	5,897,578	2,979,449	(2,271,707)	6,605,420	718,628
2019-20	6,605,420	3,168,120	(2,554,102)	7,219,438	841,499

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 12 - CONTINGENT LIABILITIES AND COMMITMENTS

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

The City enters into various agreements to reimburse developers for street construction necessary for the City's circulation element. These improvements are paid for from transportation impact fees. As of June 30, 2020, the City had entered into \$1,558,558 in agreements for projects that had not been started and would only be paid for from future impact fees.

At June 30, 2020, the City had made commitments of approximately \$21.5 million for outstanding construction projects and open purchase orders.

The City participates in Federal and State grant programs. These programs are subject to audit by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act of 1984 and applicable State requirements. No material cost disallowances were proposed as a result of these audits; however, these programs are still subject to further examination by the grantors, and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

NOTE 13 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 18, 2020, which is the date the basic financial statements were available to be issued, noting the following events.

A. City Council Elections

At the Special Regular Session on Aug 24, 2020 Resolution 2020-47 was approved that sets forth the facts for the appointment in lieu of election appointing Brett Taylor to fill Council Member Bob Link's seat taking effect December 7, 2020.

B. CARES Act – Coronavirus Relief Fund (CFR)

Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act on March 27th 2020. The CARES Act provides for payment to State, Local and Tribal governments to help navigate the impact and prevent the spread of COVID-19. The City of Visalia received \$1.7 million in CARES Act Funds in fiscal year 2020-21.

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

The following Beginning Balance of Net Position/Fund Balance had been restated:

Governmental Funds:

General Fund

Beginning Balance as Previously Reported	\$ 51,436,944
Adjustment due to error in calculation for transfer to the Civic Center Fund.	487,114
Adjustment due to correction to interest on advance.	(3,319)
Beginning Balance as Restated	<u>\$ 51,920,739</u>

Housing Successor Agency

Beginning Balance as Previously Reported	\$ 2,211,487
Adjustment due to correction to a prior year reclassification.	(176,000)
Beginning Balance as Restated	<u>\$ 2,035,487</u>

Civic Center

Beginning Balance as Previously Reported	\$ 12,929,358
Adjustment due to error in calculation for transfer to the Civic Center Fund.	(487,114)
Beginning Balance as Restated	<u>\$ 12,442,244</u>

Measure R Local

Beginning Balance as Previously Reported	\$ 4,247,699
Adjustment due to a credit for project expenditures to closeout the funding agreement.	(4,773)
Beginning Balance as Restated	<u>\$ 4,242,926</u>

Governmental Activities Net Position

Beginning Balance as Previously Reported	\$ 439,764,661
Adjustment due to error in calculation for transfer to the Civic Center Fund.	487,114
Adjustment due to correction to interest on advance.	(3,319)
Adjustment due to correction to a prior year reclassification.	(176,000)
Adjustment due to error in calculation for transfer to the Civic Center Fund.	(487,114)
Adjustment due to a credit for project expenditures to closeout the funding agreement.	(4,773)
Beginning Balance as Restated	<u>\$ 439,580,569</u>

Proprietary Funds:

Convention Center

Beginning Balance as Previously Reported	\$ 2,118,748
Adjustment due to correction to prior year accounts receivable.	(123,010)
Adjustment due to correction to prior year accounts receivable.	(82,023)
Beginning Balance as Restated	<u>\$ 1,913,715</u>

Airport

Beginning Balance as Previously Reported	\$ 7,258,968
Adjustment due to correction to prior year payable accounts.	29,818
Beginning Balance as Restated	<u>\$ 7,288,786</u>

Notes to the Financial Statements

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

NOTE 14 – PRIOR PERIOD ADJUSTMENTS (Continued)

Water Reclamation Facility

Beginning Balance as Previously Reported	\$ 215,782,031
Adjustment due to correction to prior year payable accounts.	900,000
Beginning Balance as Restated	<u>\$ 216,682,031</u>

Solid Waste

Beginning Balance as Previously Reported	\$ 29,102,201
Adjustment due to a prior year payable should have been expensed.	(101,313)
Adjustment due to reclassing payment from a prior year.	133,064
Beginning Balance as Restated	<u>\$ 29,133,952</u>

Transit

Beginning Balance as Previously Reported	\$ 59,124,279
Adjustment due to reclassing payment from a prior year.	(133,064)
Beginning Balance as Restated	<u>\$ 58,991,215</u>

Business-Type Activities Net Position

Beginning Balance as Previously Reported	\$ 373,851,687
Adjustment due to correction to prior year accounts receivable.	(123,010)
Adjustment due to correction to prior year accounts receivable.	(82,023)
Adjustment due to correction to prior year payable accounts.	29,818
Adjustment due to correction to prior year payable accounts.	900,000
Adjustment due to a prior year payable should have been expensed.	(101,313)
Adjustment due to reclassing payment from a prior year.	133,064
Adjustment due to reclassing payment from a prior year.	(133,064)
Beginning Balance as Restated	<u>\$ 374,475,159</u>

REQUIRED
SUPPLEMENTARY
INFORMATION



Required Supplementary Information

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED:

Miscellaneous Plan	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹	2013-14 ¹
Measurement Period						
TOTAL PENSION LIABILITY						
Service Cost	\$ 4,255,037	\$ 4,192,969	\$ 4,245,437	\$ 3,786,783	\$ 3,692,092	\$ 3,797,356
Interest	16,380,941	15,535,179	14,997,055	14,571,322	13,839,466	13,175,275
Changes of Benefit Terms	-	-	-	-	-	-
Difference Between Expected and Actual Experience	2,525,650	(286,874)	(2,890,524)	431,303	(307,086)	-
Changes of Assumptions	-	(1,586,819)	12,685,479	-	(3,447,570)	-
Benefit Payments, Including Refunds of Employee Contributions	(10,795,043)	(10,116,949)	(9,515,763)	(8,700,574)	(8,186,347)	(7,668,885)
Net Change in Total Pension Liability	12,366,585	7,737,506	19,521,684	10,088,834	5,590,555	9,303,746
Total Pension Liability - Beginning	<u>229,848,421</u>	<u>222,110,915</u>	<u>202,589,231</u>	<u>192,500,397</u>	<u>186,909,842</u>	<u>177,606,096</u>
Total Pension Liability - Ending (a)	<u>\$ 242,215,006</u>	<u>\$ 229,848,421</u>	<u>\$ 222,110,915</u>	<u>\$ 202,589,231</u>	<u>\$ 192,500,397</u>	<u>\$ 186,909,842</u>
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 6,219,874	\$ 5,482,359	\$ 5,129,632	\$ 4,678,278	\$ 4,077,411	\$ 3,947,176
Contributions - Employee	1,845,020	1,850,278	1,781,007	1,733,983	1,747,629	1,809,951
Net Investment Income	10,604,879	12,914,267	15,518,122	742,388	3,174,848	21,053,194
Benefit Payments, Including Refunds of Employee Contributions	(10,795,043)	(10,116,949)	(9,515,763)	(8,700,574)	(8,186,347)	(7,668,885)
Net Plan to Plan Resource Movement	-	(376)	-	-	-	-
Administrative Expense	(115,502)	(237,501)	(206,266)	(86,138)	(159,136)	-
Other Miscellaneous Income/(Expense) ²	376	(451,018)	-	-	-	-
Net Change in Fiduciary Net Position	7,759,604	9,441,060	12,706,732	(1,632,063)	654,405	19,141,436
Plan Fiduciary Net Position - Beginning	<u>161,853,618</u>	<u>152,412,558</u>	<u>139,705,826</u>	<u>141,337,889</u>	<u>140,683,484</u>	<u>121,542,048</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 169,613,222</u>	<u>\$ 161,853,618</u>	<u>\$ 152,412,558</u>	<u>\$ 139,705,826</u>	<u>\$ 141,337,889</u>	<u>\$ 140,683,484</u>
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 72,601,784	\$ 67,994,803	\$ 69,698,357	\$ 62,883,405	\$ 51,162,508	\$ 46,226,358
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.03%	70.42%	68.62%	68.96%	73.42%	75.27%
Covered Payroll	\$ 24,277,215	\$ 23,451,102	\$ 22,834,962	\$ 22,149,078	\$ 21,833,945	\$ 20,653,520
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	299.05%	289.94%	305.23%	283.91%	234.33%	223.82%

¹ Fiscal year 2015 was the 1st year of implementation of GASB 68, therefore only six years are available for presentation.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Required Supplementary Information

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED:

Safety Plan

Measurement Period	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹	2013-14 ¹
TOTAL PENSION LIABILITY						
Service Cost	\$ 6,222,413	\$ 5,995,204	\$ 5,853,759	\$ 5,349,411	\$ 5,222,479	\$ 5,100,652
Interest	16,600,696	15,464,636	14,715,002	14,186,919	13,269,691	12,494,891
Changes of Benefit Terms	-	-	-	-	-	-
Difference Between Expected and Actual Experience	3,326,073	(517,263)	(4,891,206)	807,923	(373,500)	-
Changes of Assumptions	-	(1,321,124)	13,266,074	-	(3,509,871)	-
Benefit Payments, Including Refunds of Employee Contributions	(9,427,686)	(8,593,404)	(8,040,046)	(7,578,069)	(7,169,237)	(6,653,993)
Net Change in Total Pension Liability	16,721,496	11,028,049	20,903,583	12,766,184	7,439,562	10,941,550
Total Pension Liability - Beginning	230,454,139	219,426,090	198,522,507	185,756,323	178,316,761	167,375,211
Total Pension Liability - Ending (a)	\$ 247,175,635	\$ 230,454,139	\$ 219,426,090	\$ 198,522,507	\$ 185,756,323	\$ 178,316,761
PLAN FIDUCIARY NET POSITION						
Contributions - Employer	\$ 8,085,201	\$ 7,221,051	\$ 6,623,640	\$ 6,259,154	\$ 5,610,391	\$ 5,703,922
Contributions - Employee	2,172,900	1,924,202	1,846,297	1,750,054	1,805,168	1,618,205
Net Investment Income	11,443,404	13,555,587	15,911,405	717,302	3,141,564	20,530,453
Benefit Payments, Including Refunds of Employee Contributions	(9,427,686)	(8,593,404)	(8,040,046)	(7,578,069)	(7,169,237)	(6,653,993)
Net Plan to Plan Resource Movement	-	(400)	-	(9,962)	-	-
Administrative Expense	(123,040)	(247,809)	(210,978)	(86,447)	(159,587)	-
Other Miscellaneous Income/(Expense) ²	400	(470,593)	-	-	-	-
Net Change in Fiduciary Net Position	12,151,179	13,388,634	16,130,318	1,052,032	3,228,299	21,198,587
Plan Fiduciary Net Position - Beginning	172,416,053	159,027,419	142,897,101	141,845,069	138,616,770	117,418,183
Plan Fiduciary Net Position - Ending (b)	\$ 184,567,232	\$ 172,416,053	\$ 159,027,419	\$ 142,897,101	\$ 141,845,069	\$ 138,616,770
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 62,608,403	\$ 58,038,086	\$ 60,398,671	\$ 55,625,406	\$ 43,911,254	\$ 39,699,991
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.67%	74.82%	72.47%	71.98%	76.36%	77.74%
Covered Payroll	\$ 20,964,043	\$ 20,176,300	\$ 18,983,326	\$ 18,638,048	\$ 18,862,345	\$ 17,363,328
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	298.65%	287.65%	318.17%	298.45%	232.80%	228.64%

¹ Fiscal year 2015 was the 1st year of implementation of GASB 68, therefore only six years are available for presentation.

² During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

Required Supplementary Information

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED:

Miscellaneous Plan

Fiscal Year	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15
Actuarially Determined Contribution	\$ 7,072,582	\$ 6,220,510	\$ 5,677,316	\$ 5,117,894	\$ 4,662,880	\$ 4,346,353
Contributions in Relation to the Actuarially Determined Contribution	<u>(7,072,582)</u>	<u>(6,220,510)</u>	<u>(5,677,316)</u>	<u>(5,117,894)</u>	<u>(4,662,880)</u>	<u>(4,346,353)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 25,424,314	\$ 24,277,215	\$ 23,451,102	\$ 22,834,962	\$ 22,149,078	\$ 21,833,945
Contributions as a Percentage of Covered Payroll	27.82%	25.62%	24.21%	22.41%	21.05%	19.91%

Safety Plan

Fiscal Year	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15
Actuarially Determined Contribution	\$ 8,928,610	\$ 8,086,945	\$ 7,478,672	\$ 6,608,845	\$ 6,256,147	\$ 6,108,700
Contributions in Relation to the Actuarially Determined Contribution	<u>(8,928,610)</u>	<u>(8,086,945)</u>	<u>(7,478,672)</u>	<u>(6,608,845)</u>	<u>(6,256,147)</u>	<u>(6,108,700)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 21,283,546	\$ 20,964,043	\$ 20,176,300	\$ 18,983,326	\$ 18,638,048	\$ 18,862,345
Contributions as a Percentage of Covered Payroll	41.95%	38.58%	37.07%	34.81%	33.57%	32.39%

¹ Fiscal year 2015 was the 1st year of implementation of GASB 68, therefore only six years are available for presentation.



SUPPLEMENTARY INFORMATION



GOVERNMENTAL FUNDS – OTHER THAN
THE GENERAL FUND AND MAJOR SPECIAL
REVENUE FUNDS



**CITY OF VISALIA
MAJOR GOVERNMENTAL FUNDS,
OTHER THAN GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

HOUSING & COMMUNITY GRANTS (CAPITAL PROJECTS FUND)

Established to account for the affordable housing and public service needs of the City's low and moderate income households. Financing is provided by Community Development Block Grants (CDBG), the Home Investment Partnership Program (HOME), Neighborhood Stabilization Program (NSP) and fines charged for substandard housing and abandoned vehicle abatement. Also, within the CDBG, HOME and NSP programs, when money that was previously loaned out is paid back, it again becomes available for use in the rehabilitation and development programs. Formerly the Community Development Fund.

HOUSING SUCCESSOR AGENCY (CAPITAL PROJECTS FUND)

Established to account for assets transferred from the former low/moderate redevelopment housing assets of the former Redevelopment Agency which was dissolved as of January 31, 2012. The use of these assets is for affordable housing as governed by redevelopment law before the dissolution.

TRANSPORTATION (CAPITAL PROJECTS FUND)

The Transportation fund is used to account for the financing and construction of streets, roads, and various transportation infrastructure and facilities. Funding is provided by Transportation Impact Fees.

CITY OF VISALIA
HOUSING & COMMUNITY GRANTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues			
Subventions and Grants	\$ 6,295,989	\$ 2,575,658	\$ (3,720,331)
Fees and Fines	-	18,109	18,109
Uses of Money and Property	55,200	111,740	56,540
Miscellaneous	-	15,957	15,957
	<u>6,351,189</u>	<u>2,721,464</u>	<u>(3,629,725)</u>
Total Revenues			
Expenditures			
Current:			
Community Development	-	78,983	(78,983)
Housing & Community Grants	4,105,350	753,015	3,352,335
Capital Outlay	2,123,986	2,027,498	96,488
	<u>6,229,336</u>	<u>2,859,496</u>	<u>3,369,840</u>
Total Expenditures			
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>121,853</u>	<u>(138,032)</u>	<u>(259,885)</u>
Other Financing Sources (Uses)			
Transfers In	-	19,336	19,336
	<u>-</u>	<u>19,336</u>	<u>19,336</u>
Total Other Financing Sources (Uses)			
Net Changes in Fund Balance	<u>\$ 121,853</u>	<u>(118,696)</u>	<u>\$ (240,549)</u>
Fund Balance - Beginning of Year		<u>1,760,571</u>	
Fund Balance - End of Year		<u>\$ 1,641,875</u>	

HOUSING SUCCESSOR AGENCY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Final Budget	Actual	Variance With Final Budget
Revenues			
Subventions and Grants	\$ 16,700	\$ 6,229	\$ (10,471)
Uses of Money and Property	8,000	37,035	29,035
Miscellaneous	-	7	7
	<u>24,700</u>	<u>43,271</u>	<u>18,571</u>
Total Revenues	<u>24,700</u>	<u>43,271</u>	<u>18,571</u>
Expenditures			
Current:			
General Government	180,100	15,760	164,340
Capital Outlay	30,479	30,479	-
	<u>210,579</u>	<u>46,239</u>	<u>164,340</u>
Total Expenditures	<u>210,579</u>	<u>46,239</u>	<u>164,340</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(185,879)</u>	<u>(2,968)</u>	<u>182,911</u>
Net Changes in Fund Balance	<u>\$ (185,879)</u>	<u>(2,968)</u>	<u>\$ 182,911</u>
Fund Balance - Beginning of Year		2,211,487	
Prior Period Adjustment		<u>(176,000)</u>	
Fund Balances - Beginning of Year, as Restated		<u>2,035,487</u>	
Fund Balance - End of Year		<u>\$ 2,032,519</u>	

**CITY OF VISALIA
TRANSPORTATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020**

	Final Budget	Actual	Variance With Final Budget
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Fees and Fines	\$ 4,030,700	\$ 5,328,611	\$ 1,297,911
Uses of Money and Property	21,600	302,327	280,727
Miscellaneous	2,800	-	(2,800)
	<u>4,055,100</u>	<u>5,630,938</u>	<u>1,575,838</u>
Expenditures			
Current:			
Public Works	157,400	23,835	133,565
Capital Outlay	3,634,331	1,582,011	2,052,320
	<u>3,791,731</u>	<u>1,605,846</u>	<u>2,185,885</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>263,369</u>	<u>4,025,092</u>	<u>3,761,723</u>
Net Changes in Fund Balance	<u>\$ 263,369</u>	<u>4,025,092</u>	<u>\$ 3,761,723</u>
Fund Balance - Beginning of Year		<u>6,682,293</u>	
Fund Balance - End of Year		<u>\$ 10,707,385</u>	

NON- MAJOR GOVERNMENTAL FUNDS



SPECIAL REVENUE FUNDS

WATERWAYS

This fund was established to account for the acquisition and landscaping of development buffers along designated waterways. This is funded by monthly rates and development impact fees.

GROUNDWATER RECHARGE

This fund was established to account for the costs of recharging the City's underground water system. The funding is provided by monthly rates and development fees.

KAWEAH LAKE AND LOCAL STORMWATER MAINTENANCE

This fund was established to account for the costs of adding to the water holding capacity of Lake Kaweah (a source of the City's water) and was expanded to include the maintenance of local storm channels by a successful ballot election that concluded on March 18, 2013. The funding is provided by monthly rates and development fees.

SPECIAL SERVICE DISTRICTS

Established to account for the maintenance of landscape districts throughout the City. Revenue is collected from fees charged to property owners in the districts.

NORTHEAST AREA

Funded by fees collected on Northeast properties at the time of building permit issuance; monies can only be used for improvements specified in the Northeast Area Master Plan.

GRANT & LOAN FUNDS

Established to account for various funds receiving federal funding. Also established to account for the loans given to the City for low and moderate income housing assistance by the California Housing Finance Agency. Federal funding received provides for such activities as community policing, bicycle and foot patrol in business districts in the City of Visalia.

NARCOTICS FORFEITURE

Established to account for revenues received from narcotics seizures of cash and property as authorized by the Health and Safety Code. Monies deposited in this fund are invested until a court determines whether the City must forfeit the money or the City may recover narcotics law enforcement costs from the seized funds.

MEASURE T – POLICE

Established to account for increased Police operational and capital expenditures. Financing is provided by 60% of the ¼ cent sales tax ballot measure (T) approved by voters during the March 2, 2004, primary election. No sales tax funds can replace General Fund dollars budgeted for normal operations at the previous years' service level unless the City Council declares an economic emergency by a 4/5th vote.

MEASURE T – FIRE

Established to account for increased Fire operational and capital expenditures. Financing is provided by 40% of the ¼ cent sales tax ballot measure (T) approved by voters during the March 2, 2004, primary election. No sales tax funds can replace General Fund dollars budgeted for normal operations at the previous years' service level unless the City Council declares an economic emergency by a 4/5th vote.

MEASURE R – LOCAL

Established to account for the costs of specific local transportation projects and for its funding from a ¼ cent sales tax ballot measure (R) approved by the voters.

MEASURE R – REGIONAL

The Measure R Regional Fund is used to account for the costs of specific transportation projects and for its funding from a ¼ cent sales tax ballot measure (R) approved by the voters for regional, transit, bike and pedestrian projects.

TRANSPORTATION GRANTS

Established to account for the financing and construction of streets, roads, and various transportation infrastructure and facilities. Funding is provided by ¼ cent of the 7 ¼ cent retail sales tax collected statewide and by Proposition 1B funds for streets and transit.

Non-Major Governmental Funds

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

GOLF COURSE

This fund was established to account for the major repairs to buildings and equipment (ie heating/cooling equipment) located at the Golf Course. Revenue is collected through the lease of the Golf Course to Course Co.

CASP PROGRAM

Established to account for the additional \$1 assessed to all business licenses as required by the State of California Senate Bill (SB) 1186. SB 1186 adds new rules and protections for business owners related to access compliance requirements set forth under the ADA, the California Building Code, and SB 1608.

OAK TREE PRESERVATION

Established to account for the activity of oak tree preservation and maintenance throughout the City. Revenue is collected from fees charged to property owners for removal of Oak Trees.

CONSERVATION

Established for energy conservation projects throughout the City. Revenue is collected from grants, reimbursements and incentives.

POLICE UNCLAIMED FUNDS

Established to track and account for police unclaimed funds. Revenue is collected from seized money and asset forfeiture.

DEBT SERVICE FUNDS

VPFA 2014 REFUNDING CERTIFICATES OF PARTICIPATION

Established to account for the payment of the VPFA 2014 Refunding Certificates of Participation.

2015 CERTIFICATES OF PARTICIPATION

Established to account for the payment of the 2015 Certificates of Participation.

CAPITAL PROJECTS FUNDS

SOFTBALL FACILITY DEVELOPMENT

Established to account for the financing and improvement and/or development of a community softball facility. Financing is provided from fees charged to existing softball facility users specifically for future development or improvement.

HIGHWAY USERS

Established to account for the construction and improvement of streets and roads. Financing is provided by grant funds received from state sales taxes on gasoline.

RECREATIONAL FACILITIES

Established to account for the acquisition and development of park and open space. Financing is provided by fees paid by developers in lieu of providing parks and open space.

STORM SEWER CONSTRUCTION

Established to account for the acquisition and installation of storm drain systems. Financing is provided by a specific storm sewer fee charged to new developments.

PUBLIC SAFETY IMPACT FEE

Established to defray the costs of public safety facilities needed as a result of new development projects. Funding is provided by fees charged to new developments.

GOVERNMENT FACILITIES IMPACT FEE

Established to defray the cost of public facilities (i.e., Civic Center, Corporation Yard, and Library) needed as a result of new development projects. Funding is provided by fees charged to new developments.

Non-Major Governmental Funds

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2020

PARKING DISTRICT FUND

The Parking District Fund is used to account for acquisition and development of downtown parking facilities. Funding is provided by a specific fee charged on new development and expanded uses within the central business district. Therefore, it is not governed by a formal budget and its financial presentation reflects changes in assets and liabilities as well as the flow of resources.

FACILITY IMPROVEMENTS

Established to account for the maintenance and improvements to City facilities.

CIVIC CENTER

Established to account for the construction of the Civic Center and related capital improvement projects. Revenue is collected from land sales, one time monies such as incentive revenues and General Fund surplus or other transfers authorized by City Council.

SPORTS COMPLEX

Established to account for the construction of the sports complex.

ANIMAL CONTROL RESERVE

Established to account for the construction of the Animal Control Facility.

**CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2020**

SPECIAL REVENUE FUNDS

	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance	Special Service Districts	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police
ASSETS								
Cash and Investments	\$ 3,047,804	\$ 2,319,477	\$ 626,062	\$ 10,382,452	\$ 742,838	\$ 111,635	\$ 608,537	\$ 2,786,733
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Accounts Receivable	32,171	94,688	33,063	-	9,614	127,757	-	-
Taxes Receivable	-	189,901	-	96,222	-	6,379	-	827,758
Notes and Loans Receivable	167,048	-	-	-	-	-	-	-
Inventory	-	85,031	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	-	-	-	67,000
Total Assets	\$ 3,247,023	\$ 2,689,097	\$ 659,125	\$ 10,478,674	\$ 752,452	\$ 245,771	\$ 608,537	\$ 3,681,491
LIABILITIES								
Accounts, Interest and Contracts Payable	\$ 113,272	\$ 64,732	\$ -	\$ 540,505	\$ -	\$ 7,565	\$ -	\$ 4,189
Due to Other Funds	-	-	-	-	-	-	-	-
Advance from Other Funds	-	-	-	931,310	-	-	-	-
Customer Deposits	-	-	-	-	-	-	106,915	-
Unearned Revenue	-	85,031	-	-	-	-	-	-
Total Liabilities	113,272	149,763	-	1,471,815	-	7,565	106,915	4,189
DEFERRED INFLOWS OF RESOURCES								
Asset Forfeiture	-	-	-	-	-	-	492,196	-
Impact Fees	-	-	-	-	9,614	-	-	-
Notes	167,048	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	167,048	-	-	-	9,614	-	492,196	-
FUND BALANCES								
Restricted	2,957,118	2,318,246	659,125	9,645,355	742,838	233,359	9,426	3,677,302
Committed	9,585	221,088	-	88,952	-	4,847	-	-
Unassigned	-	-	-	(727,448)	-	-	-	-
Total Fund Balances (Deficit)	2,966,703	2,539,334	659,125	9,006,859	742,838	238,206	9,426	3,677,302
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,247,023	\$ 2,689,097	\$ 659,125	\$ 10,478,674	\$ 752,452	\$ 245,771	\$ 608,537	\$ 3,681,491

**CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2020**

SPECIAL REVENUE FUNDS

	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants	Golf Course	CASP Program	Oak Tree Preservation	Conservation
ASSETS								
Cash and Investments	\$ 4,660,636	\$ 5,127,373	\$ -	\$ 784,651	\$ -	\$ 278,831	\$ 272,829	\$ 247,587
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Accounts Receivable	504	-	-	15,922	22,500	-	-	-
Taxes Receivable	551,839	405,336	2,311,751	241,050	-	-	-	-
Notes and Loans Receivable	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	2,165,635	-	-	-	-
Total Assets	\$ 5,212,979	\$ 5,532,709	\$ 2,311,751	\$ 3,207,258	\$ 22,500	\$ 278,831	\$ 272,829	\$ 247,587
LIABILITIES								
Accounts, Interest and Contracts Payable	\$ 9,334	\$ 13,742	\$ 626,793	\$ 332,486	\$ 69	\$ 3,337	\$ -	\$ -
Due to Other Funds	-	-	-	-	5,509	-	-	-
Advance from Other Funds	-	-	2,128,312	300,426	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	9,334	13,742	2,755,105	632,912	5,578	3,337	-	-
DEFERRED INFLOWS OF RESOURCES								
Asset Forfeiture	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Restricted	5,203,645	4,991,796	-	692,901	3,699	275,494	-	-
Committed	-	527,171	2,856,953	1,881,445	13,223	-	272,829	247,587
Unassigned	-	-	(3,300,307)	-	-	-	-	-
Total Fund Balances (Deficit)	5,203,645	5,518,967	(443,354)	2,574,346	16,922	275,494	272,829	247,587
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,212,979	\$ 5,532,709	\$ 2,311,751	\$ 3,207,258	\$ 22,500	\$ 278,831	\$ 272,829	\$ 247,587

**CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2020**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS				
	Police Unclaimed Funds	VPFA 2014 Refunding Certificates of Participation	2015 Certificates of Participation	Softball Facility Development	Highway Users	Recreational Facilities	Storm Sewer Construction	Public Safety Impact Fee
ASSETS								
Cash and Investments	\$ 253,517	\$ -	\$ -	\$ 1,132	\$ 7,195,541	\$ 4,631,383	\$ 2,224,220	\$ 134,548
Restricted Cash and Investments	-	-	8,665	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	119,083	64,070	157,645
Taxes Receivable	-	-	-	-	129,851	-	19,095	-
Notes and Loans Receivable	-	-	-	-	-	-	2,004	25,075
Inventory	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	989,748	-	-	-
Total Assets	\$ 253,517	\$ -	\$ 8,665	\$ 1,132	\$ 8,315,140	\$ 4,750,466	\$ 2,309,389	\$ 317,268
LIABILITIES								
Accounts, Interest and Contracts Payable	\$ 16,931	\$ 2,546	\$ 32,078	\$ -	\$ 190,640	\$ 53,757	\$ 1,530	\$ 9,434
Due to Other Funds	-	-	-	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-	-	-	304,362
Customer Deposits	47,417	-	-	-	-	-	-	-
Unearned Revenue	73,992	-	-	-	-	-	-	-
Total Liabilities	138,340	2,546	32,078	-	190,640	53,757	1,530	313,796
DEFERRED INFLOWS OF RESOURCES								
Asset Forfeiture	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	119,083	15,080	157,645
Notes	-	-	-	-	-	-	2,004	25,074
Total Deferred Inflows of Resources	-	-	-	-	-	119,083	17,084	182,719
FUND BALANCES								
Restricted	-	-	8,665	1,132	7,491,871	4,387,593	2,060,147	134,548
Committed	115,177	-	-	-	632,629	190,033	230,628	-
Unassigned	-	(2,546)	(32,078)	-	-	-	-	(313,795)
Total Fund Balances (Deficit)	115,177	(2,546)	(23,413)	1,132	8,124,500	4,577,626	2,290,775	(179,247)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 253,517	\$ -	\$ 8,665	\$ 1,132	\$ 8,315,140	\$ 4,750,466	\$ 2,309,389	\$ 317,268

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2020

CAPITAL PROJECT FUNDS

	Government Facilities Impact Fee	Parking District	Facility Improvements	Civic Center	Sports Complex	Animal Control Reserve	Total Non-major Governmental Funds
ASSETS							
Cash and Investments	\$ 7,116,948	\$ 3,809,735	\$ 781,457	\$ 19,404,149	\$ 579,846	\$ 251,013	\$ 78,380,934
Restricted Cash and Investments	-	-	-	-	-	-	8,665
Accounts Receivable	59,553	1,369	-	-	-	-	737,939
Taxes Receivable	-	-	-	-	-	-	4,779,182
Notes and Loans Receivable	6,741	150,415	-	136,675	-	-	487,958
Inventory	-	-	-	-	-	-	85,031
Due from Other Governmental Units	-	-	-	-	-	-	3,222,383
Total Assets	\$ 7,183,242	\$ 3,961,519	\$ 781,457	\$ 19,540,824	\$ 579,846	\$ 251,013	\$ 87,702,092
LIABILITIES							
Accounts, Interest and Contracts Payable	\$ -	\$ 76	\$ -	\$ -	\$ -	\$ -	\$ 2,023,016
Due to Other Funds	-	-	-	-	-	-	5,509
Advance from Other Funds	98,597	-	-	-	-	-	3,763,007
Customer Deposits	-	56,353	-	-	-	-	210,685
Unearned Revenue	-	-	-	-	-	-	159,023
Total Liabilities	98,597	56,429	-	-	-	-	6,161,240
DEFERRED INFLOWS OF RESOURCES							
Asset Forfeiture	-	-	-	-	-	-	492,196
Impact Fees	59,552	-	-	-	-	-	360,974
Notes	6,741	12,891	-	136,675	-	-	350,433
Total Deferred Inflows of Resources	66,293	12,891	-	136,675	-	-	1,203,603
FUND BALANCES							
Restricted	7,116,978	3,892,199	-	-	-	-	56,503,437
Committed	-	-	781,457	19,404,149	579,846	251,013	28,308,612
Unassigned	(98,626)	-	-	-	-	-	(4,474,800)
Total Fund Balances (Deficit)	7,018,352	3,892,199	781,457	19,404,149	579,846	251,013	80,337,249
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,183,242	\$ 3,961,519	\$ 781,457	\$ 19,540,824	\$ 579,846	\$ 251,013	\$ 87,702,092

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS							
	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance	Special Service Districts	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police
REVENUES								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,181,933
Other Taxes	-	-	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	368,579	-	74,715
License and Permits	-	-	-	-	-	-	-	-
Fees and Fines	663,193	1,248,940	303,271	6,700	9,643	-	-	-
Uses of Money and Property	95,783	64,112	23,609	291,032	23,102	3,148	-	86,087
Charges for Current Services	289,471	-	-	4,469,098	-	305,148	-	-
Miscellaneous	3,566	80,701	-	4,375	6	25,363	9,157	100,444
Total Revenues	1,052,013	1,393,753	326,880	4,771,205	32,751	702,238	9,157	4,443,179
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Public Works	393,318	338,828	19,203	-	1,907	-	-	-
Fire	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	910,851	9,048	3,675,971
Community Services	-	-	-	3,035,061	-	-	-	-
Capital Outlay	207,331	392,243	-	89,199	-	67,163	-	-
Debt Service:								
Principal Repayment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	600,649	731,071	19,203	3,124,260	1,907	978,014	9,048	3,675,971
Excess (Deficiency) of Revenues Over (Under) Expenditures	451,364	662,682	307,677	1,646,945	30,844	(275,776)	109	767,208
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	301,688	-	-
Transfers Out	-	-	(300,000)	-	-	-	-	(150,860)
Total Other Financing Sources (Uses)	-	-	(300,000)	-	-	301,688	-	(150,860)
Net Changes in Fund Balance	451,364	662,682	7,677	1,646,945	30,844	25,912	109	616,348
Fund Balance - Beginning of Year (Deficits)	2,515,339	1,876,652	651,448	7,359,914	711,994	212,294	9,317	3,060,954
Prior Period Adjustment	-	-	-	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	2,515,339	1,876,652	651,448	7,359,914	711,994	212,294	9,317	3,060,954
Fund Balance (Deficits) - End of Year	\$ 2,966,703	\$ 2,539,334	\$ 659,125	\$ 9,006,859	\$ 742,838	\$ 238,206	\$ 9,426	\$ 3,677,302

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

SPECIAL REVENUE FUNDS

	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants	Golf Course	CASP Program	Oak Tree Preservation	Conservation
REVENUES								
Sales Taxes	\$ 2,787,956	\$ 2,786,017	\$ 2,509,037	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	84,772	-	-
Subventions and Grants	-	-	-	4,127,542	-	-	-	-
License and Permits	-	-	-	-	-	-	-	-
Fees and Fines	-	-	-	-	90,000	-	12,205	-
Uses of Money and Property	141,634	153,263	1,638	36,811	760	7,094	8,322	7,880
Charges for Current Services	16,382	-	-	-	-	-	-	-
Miscellaneous	76,851	17	2,044	15,923	-	107	-	-
Total Revenues	3,022,823	2,939,297	2,512,719	4,180,276	90,760	91,973	20,527	7,880
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	7,421	-	-
Public Works	-	26,885	39,973	361	-	-	-	-
Fire	2,687,458	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Community Services	-	-	-	-	55,587	-	4,882	77
Capital Outlay	126	1,636,371	3,077,487	3,979,718	20,126	-	-	-
Debt Service:								
Principal Repayment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	2,687,584	1,663,256	3,117,460	3,980,079	75,713	7,421	4,882	77
Excess (Deficiency) of Revenues Over (Under) Expenditures	335,239	1,276,041	(604,741)	200,197	15,047	84,552	15,645	7,803
OTHER FINANCING SOURCES (USES)								
Transfers In	150,000	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	150,000	-	-	-	-	-	-	-
Net Changes in Fund Balance	485,239	1,276,041	(604,741)	200,197	15,047	84,552	15,645	7,803
Fund Balance - Beginning of Year (Deficits)	4,718,406	4,247,699	161,387	2,374,149	1,875	190,942	257,184	239,784
Prior Period Adjustment	-	(4,773)	-	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	4,718,406	4,242,926	161,387	2,374,149	1,875	190,942	257,184	239,784
Fund Balance (Deficits) - End of Year	\$ 5,203,645	\$ 5,518,967	\$ (443,354)	\$ 2,574,346	\$ 16,922	\$ 275,494	\$ 272,829	\$ 247,587

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS				
	Police Unclaimed Funds	VPFA 2014 Refunding Certificates of Participation	2015 Certificates of Participation	Softball Facility Development	Highway Users	Recreational Facilities	Storm Sewer Construction	Public Safety Impact Fee
REVENUES								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	6,854,870	-	-	-
License and Permits	-	-	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	1,966,581	1,431,210	816,510
Uses of Money and Property	8,857	12	805	35	204,105	164,595	57,752	5,321
Charges for Current Services	-	-	-	-	-	-	-	-
Miscellaneous	31,744	-	-	-	28	-	-	-
Total Revenues	40,601	12	805	35	7,059,003	2,131,176	1,488,962	821,831
EXPENDITURES								
Current:								
General Government	-	320	1,209	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	773,990	-	17,990	-
Fire	-	-	-	-	-	-	-	16,708
Police	1,781	-	-	-	-	-	-	772
Community Services	-	-	-	-	-	39,423	-	-
Capital Outlay	102,759	-	-	-	3,748,756	6,778,529	689,394	151,872
Debt Service:								
Principal Repayment	-	94,400	747,273	-	-	-	-	-
Interest and Fiscal Charges	-	32,650	403,852	-	-	-	-	-
Total Expenditures	104,540	127,370	1,152,334	-	4,522,746	6,817,952	707,384	169,352
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,939)	(127,358)	(1,151,529)	35	2,536,257	(4,686,776)	781,578	652,479
OTHER FINANCING SOURCES (USES)								
Transfers In	-	127,612	1,153,688	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	(413,475)
Total Other Financing Sources (Uses)	-	127,612	1,153,688	-	-	-	-	(413,475)
Net Changes in Fund Balance	(63,939)	254	2,159	35	2,536,257	(4,686,776)	781,578	239,004
Fund Balance - Beginning of Year (Deficits)	179,116	(2,800)	(25,572)	1,097	5,588,243	9,264,402	1,509,197	(418,251)
Prior Period Adjustment	-	-	-	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	179,116	(2,800)	(25,572)	1,097	5,588,243	9,264,402	1,509,197	(418,251)
Fund Balance (Deficits) - End of Year	\$ 115,177	\$ (2,546)	\$ (23,413)	\$ 1,132	\$ 8,124,500	\$ 4,577,626	\$ 2,290,775	\$ (179,247)

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	CAPITAL PROJECTS FUNDS						Total Non-major Governmental Funds
	Government Facilities Impact Fee	Parking District	Facility Improvements	Civic Center	Sports Complex	Animal Control Reserve	
REVENUES							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,264,943
Other Taxes	-	-	-	-	-	-	84,772
Subventions and Grants	-	33,286	-	-	-	-	11,458,992
License and Permits	-	17,736	-	-	-	-	17,736
Fees and Fines	708,829	-	-	-	-	-	7,257,082
Uses of Money and Property	207,129	124,356	24,327	417,859	18,523	7,813	2,185,764
Charges for Current Services	-	-	-	-	-	-	5,080,099
Miscellaneous	-	-	-	13,104	-	-	363,430
Total Revenues	915,958	175,378	24,327	430,963	18,523	7,813	38,712,818
EXPENDITURES							
Current:							
General Government	22,845	-	239	4,065	182	77	28,937
Community Development	-	16,118	-	-	-	-	23,539
Public Works	2,612	-	-	-	-	-	1,615,067
Fire	-	-	-	-	-	-	2,704,166
Police	-	-	-	-	-	-	4,598,423
Community Services	-	-	-	-	-	-	3,135,030
Capital Outlay	229	-	-	36,714	33,533	-	21,011,550
Debt Service:							
Principal Repayment	-	-	-	-	-	-	841,673
Interest and Fiscal Charges	-	-	-	-	-	-	436,502
Total Expenditures	25,686	16,118	239	40,779	33,715	77	34,394,887
Excess (Deficiency) of Revenues Over (Under) Expenditures	890,272	159,260	24,088	390,184	(15,192)	7,736	4,317,931
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	6,571,721	-	-	8,304,709
Transfers Out	-	-	-	-	-	-	(864,335)
Total Other Financing Sources (Uses)	-	-	-	6,571,721	-	-	7,440,374
Net Changes in Fund Balance	890,272	159,260	24,088	6,961,905	(15,192)	7,736	11,758,305
Fund Balance - Beginning of Year (Deficits)	6,128,080	3,732,939	757,369	12,929,358	595,038	243,277	69,070,831
Prior Period Adjustment	-	-	-	(487,114)	-	-	(491,887)
Fund Balances (Deficits) - Beginning of Year, as Restated	6,128,080	3,732,939	757,369	12,442,244	595,038	243,277	68,578,944
Fund Balance (Deficits) - End of Year	\$ 7,018,352	\$ 3,892,199	\$ 781,457	\$ 19,404,149	\$ 579,846	\$ 251,013	\$ 80,337,249

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2020

	Waterways			Groundwater Recharge		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	374,200	663,193	288,993	979,500	1,248,940	269,440
Uses of Money and Property	11,600	95,783	84,183	2,600	64,112	61,512
Charges for Current Services	270,600	289,471	18,871	-	-	-
Miscellaneous	-	3,566	3,566	-	80,701	80,701
Total Revenues	656,400	1,052,013	395,613	982,100	1,393,753	411,653
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	393,318	(393,318)	-	338,828	(338,828)
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	299,464	-	299,464	-	-	-
Capital Outlay	305,298	207,331	97,967	1,502,843	392,243	1,110,600
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	604,762	600,649	4,113	1,502,843	731,071	771,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	51,638	451,364	399,726	(520,743)	662,682	1,183,425
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ 51,638	451,364	\$ 399,726	\$ (520,743)	662,682	\$ 1,183,425
Fund Balances - Beginning of Year (Deficits)		2,515,339			1,876,652	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		2,515,339			1,876,652	
Fund Balances - End of Year (Deficits)		<u>\$ 2,966,703</u>			<u>\$ 2,539,334</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Kaweah Lake and Local Storm Water Maintenance			Special Service Districts		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	206,400	303,271	96,871	-	6,700	6,700
Uses of Money and Property	3,000	23,609	20,609	34,500	291,032	256,532
Charges for Current Services	-	-	-	3,877,890	4,469,098	591,208
Miscellaneous	-	-	-	1,100	4,375	3,275
Total Revenues	209,400	326,880	117,480	3,913,490	4,771,205	857,715
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	19,203	(19,203)	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	-	-	-	3,532,289	3,035,061	497,228
Capital Outlay	14,700	-	14,700	-	89,199	(89,199)
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	14,700	19,203	(4,503)	3,532,289	3,124,260	408,029
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>194,700</u>	<u>307,677</u>	<u>112,977</u>	<u>381,201</u>	<u>1,646,945</u>	<u>1,265,744</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(300,000)	(300,000)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ 194,700</u>	<u>7,677</u>	<u>\$ (187,023)</u>	<u>\$ 381,201</u>	<u>1,646,945</u>	<u>\$ 1,265,744</u>
Fund Balances - Beginning of Year (Deficits)		651,448			7,359,914	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		<u>651,448</u>			<u>7,359,914</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 659,125</u>			<u>\$ 9,006,859</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Northeast Area			Grant & Loan Funds		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	325,308	368,579	43,271
License and Permits	-	-	-	-	-	-
Fees and Fines	56,900	9,643	(47,257)	-	-	-
Uses of Money and Property	4,000	23,102	19,102	300	3,148	2,848
Charges for Current Services	-	-	-	305,100	305,148	48
Miscellaneous	-	6	6	-	25,363	25,363
Total Revenues	60,900	32,751	(28,149)	630,708	702,238	71,530
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	1,907	(1,907)	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	934,558	910,851	23,707
Community Services	-	-	-	-	-	-
Capital Outlay	150,956	-	150,956	-	67,163	(67,163)
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	150,956	1,907	149,049	934,558	978,014	(43,456)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(90,056)</u>	<u>30,844</u>	<u>120,900</u>	<u>(303,850)</u>	<u>(275,776)</u>	<u>28,074</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	301,688	301,688
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	301,688	301,688
Net Changes in Fund Balance	<u>\$ (90,056)</u>	<u>30,844</u>	<u>\$ 120,900</u>	<u>\$ (303,850)</u>	<u>25,912</u>	<u>\$ 329,762</u>
Fund Balances - Beginning of Year (Deficits)		711,994			212,294	
Prior Period Adjustment		<u>-</u>			<u>-</u>	
Fund Balances - Beginning of Year, as Restated		<u>711,994</u>			<u>212,294</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 742,838</u>			<u>\$ 238,206</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Narcotics Forfeiture			Measure T - Police		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ 3,951,000	\$ 4,181,933	\$ 230,933
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	15,000	74,715	59,715
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	-	-	7,300	86,087	78,787
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	108,000	9,157	(98,843)	14,900	100,444	85,544
Total Revenues	108,000	9,157	(98,843)	3,988,200	4,443,179	454,979
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	108,000	9,048	98,952	3,877,400	3,675,971	201,429
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	108,000	9,048	98,952	3,877,400	3,675,971	201,429
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	109	109	110,800	767,208	656,408
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(150,860)	150,860
Total Other Financing Sources (Uses)	-	-	-	-	(150,860)	150,860
Net Changes in Fund Balance	\$ -	109	\$ 109	\$ 110,800	616,348	\$ 807,268
Fund Balances - Beginning of Year (Deficits)		9,317			3,060,954	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		9,317			3,060,954	
Fund Balances - End of Year (Deficits)		<u>\$ 9,426</u>			<u>\$ 3,677,302</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Measure T - Fire			Measure R - Local		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ 2,634,000	\$ 2,787,956	\$ 153,956	\$ 2,754,600	\$ 2,786,017	\$ 31,417
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	35,000	141,634	106,634	32,600	153,263	120,663
Charges for Current Services	50,000	16,382	(33,618)	-	-	-
Miscellaneous	100	76,851	76,751	-	17	17
Total Revenues	2,719,100	3,022,823	303,723	2,787,200	2,939,297	152,097
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	-	-	-	26,885	(26,885)
Fire	3,320,000	2,687,458	632,542	-	-	-
Police	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	126	(126)	2,411,728	1,636,371	775,357
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	3,320,000	2,687,584	632,416	2,411,728	1,663,256	748,472
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600,900)	335,239	936,139	375,472	1,276,041	900,569
OTHER FINANCING SOURCES (USES)						
Transfers In	-	150,000	150,000	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	150,000	150,000	-	-	-
Net Changes in Fund Balance	\$ (600,900)	485,239	\$ 1,086,139	\$ 375,472	1,276,041	\$ 900,569
Fund Balances - Beginning of Year (Deficits)		4,718,406			4,247,699	
Prior Period Adjustment		-			(4,773)	
Fund Balances - Beginning of Year, as Restated		4,718,406			4,242,926	
Fund Balances - End of Year (Deficits)		<u>\$ 5,203,645</u>			<u>\$ 5,518,967</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Measure R - Regional			Transportation Grants		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ 2,782,900	\$ 2,509,037	\$ (273,863)	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	5,524,800	4,127,542	(1,397,258)
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	1,638	1,638	-	36,811	36,811
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	2,044	2,044	-	15,923	15,923
Total Revenues	2,782,900	2,512,719	(270,181)	5,524,800	4,180,276	(1,344,524)
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	39,973	(39,973)	-	361	(361)
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	3,333,077	3,077,487	255,590	5,357,866	3,979,718	1,378,148
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	3,333,077	3,117,460	215,617	5,357,866	3,980,079	1,377,787
Excess (Deficiency) of Revenues Over (Under) Expenditures	(550,177)	(604,741)	(54,564)	166,934	200,197	33,263
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ (550,177)	(604,741)	\$ (54,564)	\$ 166,934	200,197	\$ 33,263
Fund Balances - Beginning of Year (Deficits)		161,387			2,374,149	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		161,387			2,374,149	
Fund Balances - End of Year (Deficits)		<u>\$ (443,354)</u>			<u>\$ 2,574,346</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Golf Course			CASP Program		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	90,000	84,772	(5,228)
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	90,000	90,000	-	-	-
Uses of Money and Property	-	760	760	500	7,094	6,594
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	107	107
Total Revenues	-	90,760	90,760	90,500	91,973	1,473
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	30,400	7,421	22,979
Public Works	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	-	55,587	(55,587)	-	-	-
Capital Outlay	20,126	20,126	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	20,126	75,713	(55,587)	30,400	7,421	22,979
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,126)	15,047	35,173	60,100	84,552	24,452
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ (20,126)	15,047	\$ 35,173	\$ 60,100	84,552	\$ 24,452
Fund Balances - Beginning of Year (Deficits)		1,875			190,942	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		1,875			190,942	
Fund Balances - End of Year (Deficits)		<u>\$ 16,922</u>			<u>\$ 275,494</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Oak Tree Preservation			Conservation		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	1,500	12,205	10,705	-	-	-
Uses of Money and Property	1,400	8,322	6,922	1,489	7,880	6,391
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	2,900	20,527	17,627	1,489	7,880	6,391
EXPENDITURES						
Current:						
General Government	2,100	-	2,100	-	-	-
Community Development	-	-	-	100	-	100
Public Works	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	-	4,882	(4,882)	-	77	(77)
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	2,100	4,882	(2,782)	100	77	23
Excess (Deficiency) of Revenues Over (Under) Expenditures	800	15,645	14,845	1,389	7,803	6,414
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ 800	15,645	\$ 14,845	\$ 1,389	7,803	\$ 6,414
Fund Balances - Beginning of Year (Deficits)		257,184			239,784	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		257,184			239,784	
Fund Balances - End of Year (Deficits)		<u>\$ 272,829</u>			<u>\$ 247,587</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Police Unclaimed Funds			VPFA 2014 Refunding Certificates of Participation		Variance With Final Budget
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	8,857	8,857	-	12	12
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	50,000	31,744	(18,256)	-	-	-
Total Revenues	50,000	40,601	(9,399)	-	12	12
EXPENDITURES						
Current:						
General Government	-	-	-	-	320	(320)
Community Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	1,781	(1,781)	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	170,666	102,759	67,907	-	-	-
Debt Service:						
Principal Repayment	-	-	-	94,400	94,400	-
Interest and Fiscal Charges	-	-	-	33,100	32,650	450
Total Expenditures	170,666	104,540	66,126	127,500	127,370	130
Excess (Deficiency) of Revenues Over (Under) Expenditures	(120,666)	(63,939)	56,727	(127,500)	(127,358)	142
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	127,612	127,612
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	127,612	127,612
Net Changes in Fund Balance	\$ (120,666)	(63,939)	\$ 56,727	\$ (127,500)	254	\$ 127,754
Fund Balances - Beginning of Year (Deficits)		179,116			(2,800)	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		179,116			(2,800)	
Fund Balances - End of Year (Deficits)		<u>\$ 115,177</u>			<u>\$ (2,546)</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	2015 Certificates of Participation			Softball Facility Development		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	805	805	-	35	35
Charges for Current Services	-	-	-	2,500	-	(2,500)
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	805	805	2,500	35	(2,465)
EXPENDITURES						
Current:						
General Government	-	1,209	(1,209)	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	100	-	100
Debt Service:						
Principal Repayment	747,300	747,273	27	-	-	-
Interest and Fiscal Charges	406,300	403,852	2,448	-	-	-
Total Expenditures	1,153,600	1,152,334	1,266	100	-	100
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,153,600)</u>	<u>(1,151,529)</u>	<u>2,071</u>	<u>2,400</u>	<u>35</u>	<u>(2,365)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	1,153,688	1,153,688	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	1,153,688	1,153,688	-	-	-
Net Changes in Fund Balance	\$ (1,153,600)	2,159	\$ 1,155,759	\$ 2,400	35	\$ (2,365)
Fund Balances - Beginning of Year (Deficits)		(25,572)			1,097	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		<u>(25,572)</u>			<u>1,097</u>	
Fund Balances - End of Year (Deficits)		<u>\$ (23,413)</u>			<u>\$ 1,132</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Highway Users			Recreational Facilities		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	7,187,600	6,854,870	(332,730)	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	1,525,500	1,966,581	441,081
Uses of Money and Property	5,100	204,105	199,005	70,900	164,595	93,695
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	10,800	28	(10,772)	-	-	-
Total Revenues	7,203,500	7,059,003	(144,497)	1,596,400	2,131,176	534,776
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	773,990	(773,990)	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	-	-	-	-	39,423	(39,423)
Capital Outlay	6,418,934	3,748,756	2,670,178	6,817,953	6,778,529	39,424
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	6,418,934	4,522,746	1,896,188	6,817,953	6,817,952	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	784,566	2,536,257	1,751,691	(5,221,553)	(4,686,776)	534,777
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ 784,566	2,536,257	\$ 1,751,691	\$ (5,221,553)	(4,686,776)	\$ 534,777
Fund Balances - Beginning of Year (Deficits)		5,588,243			9,264,402	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		5,588,243			9,264,402	
Fund Balances - End of Year (Deficits)		<u>\$ 8,124,500</u>			<u>\$ 4,577,626</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Storm Sewer Construction			Public Safety Impact Fee		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	958,900	1,431,210	472,310	637,500	816,510	179,010
Uses of Money and Property	-	57,752	57,752	2,900	5,321	2,421
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	958,900	1,488,962	530,062	640,400	821,831	181,431
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Works	-	17,990	(17,990)	-	-	-
Fire	-	-	-	-	16,708	(16,708)
Police	-	-	-	-	772	(772)
Community Services	-	-	-	-	-	-
Capital Outlay	673,668	689,394	(15,726)	179,672	151,872	27,800
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	673,668	707,384	(33,716)	179,672	169,352	10,320
Excess (Deficiency) of Revenues Over (Under) Expenditures	285,232	781,578	496,346	460,728	652,479	191,751
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(413,475)	(413,475)
Total Other Financing Sources (Uses)	-	-	-	-	(413,475)	(413,475)
Net Changes in Fund Balance	\$ 285,232	781,578	\$ 496,346	\$ 460,728	239,004	\$ (221,724)
Fund Balances - Beginning of Year (Deficits)		1,509,197			(418,251)	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		1,509,197			(418,251)	
Fund Balances - End of Year (Deficits)		<u>\$ 2,290,775</u>			<u>\$ (179,247)</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Government Facilities Impact Fee			Parking District		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	33,286	33,286
License and Permits	-	-	-	8,500	17,736	9,236
Fees and Fines	84,900	708,829	623,929	-	-	-
Uses of Money and Property	-	207,129	207,129	33,900	124,356	90,456
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	84,900	915,958	831,058	42,400	175,378	132,978
EXPENDITURES						
Current:						
General Government	-	22,845	(22,845)	-	-	-
Community Development	-	-	-	-	16,118	(16,118)
Public Works	-	2,612	(2,612)	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	97,334	229	97,105	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	97,334	25,686	71,648	-	16,118	(16,118)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,434)	890,272	902,706	42,400	159,260	116,860
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ (12,434)	890,272	\$ 902,706	\$ 42,400	159,260	\$ 116,860
Fund Balances - Beginning of Year (Deficits)		6,128,080			3,732,939	
Prior Period Adjustment		-			-	
Fund Balances - Beginning of Year, as Restated		6,128,080			3,732,939	
Fund Balances - End of Year (Deficits)		<u>\$ 7,018,352</u>			<u>\$ 3,892,199</u>	

CITY OF VISALIA
NON -MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Facility Improvements			Civic Center		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	24,327	24,327	-	417,859	417,859
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	13,104	13,104
Total Revenues	-	24,327	24,327	-	430,963	430,963
EXPENDITURES						
Current:						
General Government	-	239	(239)	-	4,065	(4,065)
Community Development	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	44,780	36,714	8,066
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	239	(239)	44,780	40,779	4,001
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	24,088	24,088	(44,780)	390,184	434,964
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	6,571,721	6,571,721
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	6,571,721	6,571,721
Net Changes in Fund Balance	\$ -	24,088	\$ 24,088	\$ (44,780)	6,961,905	\$ 7,006,685
Fund Balances - Beginning of Year (Deficits)		757,369			12,929,358	
Prior Period Adjustment		-			(487,114)	
Fund Balances - Beginning of Year, as Restated		757,369			12,442,244	
Fund Balances - End of Year (Deficits)		<u>\$ 781,457</u>			<u>\$ 19,404,149</u>	

CITY OF VISALIA
NON - MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

	Sports Complex			Animal Control Reserve			Total		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES									
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,122,500	\$ 12,264,943	\$ 142,443
Other Taxes	-	-	-	-	-	-	90,000	84,772	(5,228)
Subventions and Grants	-	-	-	-	-	-	13,052,708	11,458,992	(1,593,716)
License and Permits	-	-	-	-	-	-	8,500	17,736	9,236
Fees and Fines	-	-	-	-	-	-	4,825,300	7,257,082	2,431,782
Uses of Money and Property	-	18,523	18,523	-	7,813	7,813	247,089	2,185,764	1,938,675
Charges for Current Services	-	-	-	-	-	-	4,506,090	5,080,099	574,009
Miscellaneous	-	-	-	-	-	-	184,900	363,430	178,530
Total Revenues	-	18,523	18,523	-	7,813	7,813	35,037,087	38,712,818	3,675,731
EXPENDITURES									
Current:									
General Government	-	182	(182)	-	77	(77)	2,100	28,937	(26,837)
Community Development	-	-	-	-	-	-	30,500	23,539	6,961
Public Works	-	-	-	-	-	-	-	1,615,067	(1,615,067)
Fire	-	-	-	-	-	-	3,320,000	2,704,166	615,834
Police	-	-	-	-	-	-	4,919,958	4,598,423	321,535
Community Services	-	-	-	-	-	-	3,831,753	3,135,030	696,723
Capital Outlay	33,533	33,533	-	-	-	-	27,533,234	21,011,550	6,521,684
Debt Service:									
Principal Repayment	-	-	-	-	-	-	841,700	841,673	27
Interest and Fiscal Charges	-	-	-	-	-	-	439,400	436,502	2,898
Total Expenditures	33,533	33,715	(182)	-	77	(77)	40,918,645	34,394,887	6,523,758
Excess (Deficiency) of Revenues Over (Under) Expenditures	(33,533)	(15,192)	18,341	-	7,736	7,736	\$ (5,881,558)	\$ 4,317,931	\$ 10,199,489
OTHER FINANCING SOURCES (USES)									
Transfers In	-	-	-	-	-	-	-	8,304,709	8,304,709
Transfers Out	-	-	-	-	-	-	-	(864,335)	(864,335)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	7,440,374	7,440,374
Net Changes in Fund Balance	\$ (33,533)	(15,192)	\$ 18,341	\$ -	7,736	\$ 7,736	\$ (5,881,558)	11,758,305	\$ 17,639,863
Fund Balances - Beginning of Year (Deficits)		595,038			243,277			69,070,831	
Prior Period Adjustment		-			-			(491,887)	
Fund Balances - Beginning of Year, as Restated		<u>595,038</u>			<u>243,277</u>			<u>68,578,944</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 579,846</u>			<u>\$ 251,013</u>			<u>\$ 80,337,249</u>	

INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

The concept of major funds introduced by GASB Statement No. 34 does not extend to internal service funds because they do not do business with outside parties. GASB Statement No. 34 requires that for the Statement of Activities, the net revenue or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, which includes the funds listed below.

FLEET SERVICES

Established to account for the maintenance and fueling of vehicles and related equipment in use by the City.

VEHICLE REPLACEMENT

Established to account for the acquisition of City vehicles. Replacement vehicles are purchased through this fund. New vehicles added to this fleet (not replacing an existing one) are considered Contributed Capital to the Vehicle Replacement fund.

INFORMATION SERVICES

Established to account for the acquisition, maintenance and upgrade of the City's computer operations.

RISK MANAGEMENT

Established to account for the self-insured and purchased insurance for the City's various types of insurance including liability, workers' compensation, unemployment, property, and employee bonds.

HEALTH BENEFITS

Established to account for the self-insured and purchased insurance for the City's various types of employee health insurance.

COMPENSATED ABSENCES

Established to account for the long-term portion of the compensated absences liability in the governmental funds.

BUILDING MAINTENANCE

Established to account for the repairs and maintenance for the City's owned/occupied buildings.

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
ASSETS				
Current Assets				
Cash and Investments	\$ 191,725	\$ 6,809,018	\$ 2,695,510	\$ 11,154,496
Restricted Cash and Investments	-	-	-	164,409
Accounts and Interest Receivables	2,513	-	-	-
Supplies	930,389	-	-	-
Prepaid Expenses	-	-	-	-
Capital Assets:				
Building	654,910	-	-	-
Improvements Other Than Buildings	211,545	-	7,240	-
Machinery, Equipment and Vehicles	443,003	21,799,082	12,218,836	-
Accumulated Depreciation	(1,102,832)	(12,102,376)	(7,820,323)	-
Total Assets	1,331,253	16,505,724	7,101,263	11,318,905
LIABILITIES				
Accounts, Interest, and Contracts Payable	205,767	34,280	75,317	2,656
Compensated Absences	-	-	-	-
Accrued Personnel Costs	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	7,133,438
Total Liabilities	205,767	34,280	75,317	7,136,094
NET POSITIONS				
Net Investments in Capital Assets	206,626	9,696,706	4,405,753	-
Restricted	-	275,188	95,837	-
Unrestricted	918,860	6,499,550	2,524,356	4,182,811
Total Net Positions	\$ 1,125,486	\$ 16,471,444	\$ 7,025,946	\$ 4,182,811

	Health Benefits	Compensated Absences	Building Maintenance	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 3,180,560	\$ 5,480,008	\$ 740,967	\$ 30,252,284
Restricted Cash and Investments	71,910	-	-	236,319
Accounts and Interest Receivables	4,126	-	-	6,639
Supplies	-	-	-	930,389
Prepaid Expenses	960,886	-	-	960,886
Capital Assets:				
Building	-	-	-	654,910
Improvements Other Than Buildings	-	-	-	218,785
Machinery, Equipment and Vehicles	-	-	-	34,460,921
Accumulated Depreciation	-	-	-	(21,025,531)
Total Assets	4,217,482	5,480,008	740,967	46,695,602
LIABILITIES				
Accounts, Interest, and Contracts Payable	41,949	-	-	359,969
Compensated Absences	-	5,480,008	-	5,480,008
Accrued Personnel Costs	7,165	-	-	7,165
Liability for Self-Insurance Claims	86,000	-	-	7,219,438
Total Liabilities	135,114	5,480,008	-	13,066,580
NET POSITIONS				
Net Investments in Capital Assets	-	-	-	14,309,085
Restricted	-	-	-	371,025
Unrestricted	4,082,368	-	740,967	18,948,912
Total Net Positions	\$ 4,082,368	\$ -	\$ 740,967	\$ 33,629,022

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
OPERATING REVENUES				
Service Charges and Fees	\$ 6,280,877	\$ 1,329,570	\$ 2,752,308	\$ 5,111,993
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	1,335,230	-	1,190,145	419,215
Maintenance and Operations	4,941,342	47,429	850,678	500,876
Insurance Premiums and Loss Provisions	-	-	-	5,438,877
Depreciation	17,126	1,329,450	961,842	-
Total Operating Expenses	6,293,698	1,376,879	3,002,665	6,358,968
Operating Income (Loss)	(12,821)	(47,309)	(250,357)	(1,246,975)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,175	192,393	51,710	301,292
Interest (Expense)	(12,793)	-	-	-
Other Income	45,179	3,082	771,299	454,708
Other (Expenses)	(8,723)	(34,440)	(181,074)	(80,462)
Total Nonoperating Revenues (Expenses)	24,838	161,035	641,935	675,538
Income (Loss) Before Contributions and Transfers	12,017	113,726	391,578	(571,437)
CONTRIBUTIONS AND TRANSFERS				
Grants and Contributions	-	436,740	156,057	-
Transfers Out	-	-	-	-
Net Contributions and Transfers	-	436,740	156,057	-
Change in Net Position	12,017	550,466	547,635	(571,437)
Net Position - Beginning of Year	1,113,469	15,920,978	6,478,311	4,754,248
Net Position - End of Year	\$ 1,125,486	\$ 16,471,444	\$ 7,025,946	\$ 4,182,811

	Health Benefits	Compensated Absences	Building Maintenance	Totals
OPERATING REVENUES				
Service Charges and Fees	\$ 13,731,691	\$ -	\$ -	\$ 29,206,439
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	-	-	-	2,944,590
Maintenance and Operations	252,885	1,565	227	6,595,002
Insurance Premiums and Loss Provisions	12,946,110	-	-	18,384,987
Depreciation	-	-	-	2,308,418
Total Operating Expenses	13,198,995	1,565	227	30,232,997
Operating Income (Loss)	532,696	(1,565)	(227)	(1,026,558)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	84,679	159,606	23,067	813,922
Interest (Expense)	-	-	-	(12,793)
Other Income	5,284	-	-	1,279,552
Other (Expenses)	-	-	-	(304,699)
Total Nonoperating Revenues (Expenses)	89,963	159,606	23,067	1,775,982
Income (Loss) Before Contributions and Transfers	622,659	158,041	22,840	749,424
CONTRIBUTIONS AND TRANSFERS				
Grants and Contributions	-	-	-	592,797
Transfers Out	-	(158,041)	-	(158,041)
Net Contributions and Transfers	-	(158,041)	-	434,756
Change in Net Position	622,659	-	22,840	1,184,180
Net Position - Beginning of Year	3,459,709	-	718,127	32,444,842
Net Position - End of Year	\$ 4,082,368	\$ -	\$ 740,967	\$ 33,629,022

CITY OF VISALIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers or Other Funds	\$ 6,285,907	\$ 1,329,570	\$ 2,752,308	\$ 5,111,993
Cash Payments to Suppliers for Services	(5,010,489)	(47,429)	(813,036)	(5,308,093)
Cash Payments to Employees for Services	(1,335,230)	-	(1,190,145)	(419,215)
Other Income	45,179	3,082	771,299	454,708
Other Payments	(8,723)	(34,440)	(181,074)	(80,462)
Net Cash Provided (Used) by Operating Activities	(23,356)	1,250,783	1,339,352	(241,069)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Payments	(5,862)	(1,703,636)	(116,564)	-
Contributions	-	436,740	156,057	-
Long-Term Debt Payments - Principal	-	-	(971)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,862)	(1,266,896)	38,522	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	(11,618)	192,393	51,710	301,292
Cash Flows from Investing Activities	(11,618)	192,393	51,710	301,292
Net Increase (Decrease) in Cash and Cash Investments	(40,836)	176,280	1,429,584	60,223
Cash and Cash Investments at Beginning of Year	232,561	6,632,738	1,265,926	11,258,682
Cash and Cash Investments at End of Year	<u>\$ 191,725</u>	<u>\$ 6,809,018</u>	<u>\$ 2,695,510</u>	<u>\$ 11,318,905</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (12,821)	\$ (47,309)	\$ (250,357)	\$ (1,246,975)
Other Income	45,179	3,082	771,299	454,708
Other Expenses	(8,723)	(34,440)	(181,074)	(80,462)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	17,126	1,329,450	961,842	-
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	5,030	-	-	-
Supplies	(101,786)	-	-	-
Prepaid Expenses	-	-	-	-
Accounts Payable	32,639	-	37,642	(358)
Accrued Personnel Costs	-	-	-	-
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	632,018
Cash Flows from Operating Activities	<u>\$ (23,356)</u>	<u>\$ 1,250,783</u>	<u>\$ 1,339,352</u>	<u>\$ (241,069)</u>

	Health Benefits	Compensated Absences	Building Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers or Other Funds	\$ 13,729,384	\$ 510,961	\$ -	\$ 29,720,123
Cash Payments to Suppliers for Services	(13,267,464)	(1,565)	(227)	(24,448,303)
Cash Payments to Employees for Services	-	-	-	(2,944,590)
Other Income	5,284	-	-	1,279,552
Other Payments	-	-	-	(304,699)
Net Cash Provided (Used) by Operating Activities	<u>467,204</u>	<u>509,396</u>	<u>(227)</u>	<u>3,302,083</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out	-	(158,041)	-	(158,041)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>(158,041)</u>	<u>-</u>	<u>(158,041)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Payments	-	-	-	(1,826,062)
Contributions	-	-	-	592,797
Long-Term Debt Payments - Principal	-	-	-	(971)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,234,236)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	<u>84,679</u>	<u>159,606</u>	<u>23,067</u>	<u>801,129</u>
Cash Flows from Investing Activities	<u>84,679</u>	<u>159,606</u>	<u>23,067</u>	<u>801,129</u>
Net Increase (Decrease) in Cash and Cash Investments	551,883	510,961	22,840	2,710,935
Cash and Cash Investments at Beginning of Year	<u>2,700,587</u>	<u>4,969,047</u>	<u>718,127</u>	<u>27,777,668</u>
Cash and Cash Investments at End of Year	<u>\$ 3,252,470</u>	<u>\$ 5,480,008</u>	<u>\$ 740,967</u>	<u>\$ 30,488,603</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 532,696	\$ (1,565)	\$ (227)	\$ (1,026,558)
Other Income	5,284	-	-	1,279,552
Other Expenses	-	-	-	(304,699)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	-	-	2,308,418
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	(2,307)	-	-	2,723
Supplies	-	-	-	(101,786)
Prepaid Expenses	(32,097)	-	-	(32,097)
Accounts Payable	(18,401)	-	-	51,522
Accrued Personnel Costs	29	-	-	29
Compensated Absences	-	510,961	-	510,961
Liability for Self-Insurance Claims	(18,000)	-	-	614,018
Cash Flows from Operating Activities	<u>\$ 467,204</u>	<u>\$ 509,396</u>	<u>\$ (227)</u>	<u>\$ 3,302,083</u>



AGENCY FUNDS



AGENCY FUNDS

GASB Statement No. 34 requires that Agency Funds be presented separately from the government-wide and Fund financial statements.

Agency funds account for assets held by the governmental unit in the capacity of an agent for individuals, other governmental units and non-public organizations.

Property and Business Improvement District #4

The City collects the district assessments on real property in the districts to improve the districts. The effective dates for the district are January 1, 2011 through December 31, 2019.

Property and Business Improvement District #5

The City collects the district assessments on real property in the districts to improve the districts. The effective dates for the district are January 1, 2020 through December 31, 2029.

Village West Improvement District

The City collects the district assessments on real property in the district to repay bonds for the repair of a private street.

Orchard Walk Underground Utilities District

The City collects the district assessments on real property in the district to pay for underground utilities.

Atwood Water Main Assessment District

The City collects the district assessment on real property in the district to repay bonds issued for connection to the Cal Water main extension.

Laura Water Main Assessment District

The City collects the district assessment on real property in the district to repay bonds issued for connection to the Cal Water main extension.

Visalia Tourism & Marketing District

The City collects the district assessments on room nights in the district to pay for promotion of travel and tourism specific to Visalia.

CITY OF VISALIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Property and Business Improvement District #4				
Assets				
Cash and Investments	\$ 113,127	\$ 206,463	\$ 319,590	\$ -
Accounts Receivable	22,169	70,163	92,332	-
Total Assets	\$ 135,296	\$ 276,626	\$ 411,922	\$ -
Liabilities				
Due to Others	\$ 135,296	\$ 276,626	\$ 411,922	\$ -
Total Liabilities	\$ 135,296	\$ 276,626	\$ 411,922	\$ -
Property and Business Improvement District #5				
Assets				
Cash and Investments	\$ -	\$ 387,356	\$ 230,000	\$ 157,356
Accounts Receivable	-	322,833	310,057	12,776
Total Assets	\$ -	\$ 710,189	\$ 540,057	\$ 170,132
Liabilities				
Due to Others	\$ -	\$ 710,189	\$ 540,057	\$ 170,132
Total Liabilities	\$ -	\$ 710,189	\$ 540,057	\$ 170,132
Village West Improvement District				
Assets				
Cash and Investments	\$ 316	\$ 5,431	\$ 5,485	\$ 262
Accounts Receivable	86	5,593	5,679	-
Total Assets	\$ 402	\$ 11,024	\$ 11,164	\$ 262
Liabilities				
Due to Others	\$ 402	\$ 11,024	\$ 11,164	\$ 262
Total Liabilities	\$ 402	\$ 11,024	\$ 11,164	\$ 262
Orchard Walk Underground Utilities District				
Assets				
Cash and Investments	\$ 70,902	\$ 70,200	\$ 67,746	\$ 73,356
Accounts Receivable	-	67,566	67,566	-
Total Assets	\$ 70,902	\$ 137,766	\$ 135,312	\$ 73,356
Liabilities				
Due to Others	\$ 70,902	\$ 137,766	\$ 135,312	\$ 73,356
Total Liabilities	\$ 70,902	\$ 137,766	\$ 135,312	\$ 73,356

CITY OF VISALIA
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Atwood Water Main Assessment District				
Assets				
Cash and Investments	\$ -	\$ 25,665	\$ 25,665	\$ -
Accounts Receivable	100,204	13,344	13,344	100,204
Total Assets	\$ 100,204	\$ 39,009	\$ 39,009	\$ 100,204
Liabilities				
Due to Others	\$ 100,204	\$ 39,009	\$ 39,009	\$ 100,204
Total Liabilities	\$ 100,204	\$ 39,009	\$ 39,009	\$ 100,204
Laura Water Main Assessment District				
Assets				
Cash and Investments	\$ -	\$ 19,088	\$ 19,088	\$ -
Accounts Receivable	64,548	9,649	9,649	64,548
Total Assets	\$ 64,548	\$ 28,737	\$ 28,737	\$ 64,548
Liabilities				
Due to Others	\$ 64,548	\$ 28,737	\$ 28,737	\$ 64,548
Total Liabilities	\$ 64,548	\$ 28,737	\$ 28,737	\$ 64,548
Visalia Tourism Marketing District				
Assets				
Cash and Investments	\$ 58,153	\$ 537,916	\$ 541,684	\$ 54,385
Accounts Receivable	58,899	43,441	58,899	43,441
Total Assets	\$ 117,052	\$ 581,357	\$ 600,583	\$ 97,826
Liabilities				
Due to Others	\$ 117,052	\$ 581,357	\$ 600,583	\$ 97,826
Total Liabilities	\$ 117,052	\$ 581,357	\$ 600,583	\$ 97,826
Total Agency Funds				
Assets				
Cash and Investments	\$ 242,499	\$ 1,252,119	\$ 1,209,258	\$ 285,360
Accounts Receivable	245,906	532,589	557,526	220,969
Total Assets	\$ 488,405	\$ 1,784,708	\$ 1,766,784	\$ 506,329
Liabilities				
Due to Others	\$ 488,405	\$ 1,784,708	\$ 1,766,784	\$ 506,329
Total Liabilities	\$ 488,405	\$ 1,784,708	\$ 1,766,784	\$ 506,329



Statistical Section



Statistical Section

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

Financial Trends

These schedules contain trend information to help the reader understand how the City of Visalia’s financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the City of Visalia’s significant revenue sources, property tax and sales tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City of Visalia’s current levels of outstanding debt and the City of Visalia’s ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City of Visalia’s financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City of Visalia’s financial report relates to the services the City of Visalia provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

CITY OF VISALIA
NET POSITION BY COMPONENT
ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities:				
Net Investment in Capital Assets	\$ 216,751	\$ 244,070	\$ 259,744	\$ 271,964
Restricted	46,343	34,283	39,249	45,363
Unrestricted	61,970	55,851	61,930	60,694
Total Governmental Activities Net Position	<u>\$ 325,064</u>	<u>\$ 334,204</u>	<u>\$ 360,923</u>	<u>\$ 378,021</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 195,198	\$ 206,947	\$ 203,346	\$ 198,310
Restricted	4,992	4,993	4,890	121,630
Unrestricted	33,935	49,791	70,743	(27,024)
Total Business-type Activities Net Position	<u>\$ 234,125</u>	<u>\$ 261,731</u>	<u>\$ 278,979</u>	<u>\$ 292,916</u>
Primary Government:				
Net Investment in Capital Assets	\$ 411,949	\$ 451,017	\$ 463,090	\$ 470,274
Restricted	51,334	39,276	44,139	166,993
Unrestricted	95,906	105,642	132,673	33,670
Total Primary Government Net Position	<u>\$ 559,189</u>	<u>\$ 595,935</u>	<u>\$ 639,902</u>	<u>\$ 670,937</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 284,901	\$ 288,048	\$ 312,172	\$ 325,420	\$ 324,799	\$ 335,920
52,401	56,417	56,984	69,608	79,763	94,930
(2,230)	12,676	17,877	22,633	35,203	38,351
<u>\$ 335,072</u>	<u>\$ 357,141</u>	<u>\$ 387,033</u>	<u>\$ 417,661</u>	<u>\$ 439,765</u>	<u>\$ 469,201</u>
\$ 212,853	\$ 242,950	\$ 266,867	\$ 271,696	\$ 269,444	\$ 270,985
71,139	45,202	16,732	12,785	11,368	20,325
5,135	24,631	63,975	89,290	93,039	104,952
<u>\$ 289,127</u>	<u>\$ 312,783</u>	<u>\$ 347,574</u>	<u>\$ 373,771</u>	<u>\$ 373,851</u>	<u>\$ 396,262</u>
\$ 497,754	\$ 530,998	\$ 579,039	\$ 597,116	\$ 594,243	\$ 606,905
123,540	101,619	73,716	82,393	91,131	115,255
2,905	37,307	81,852	111,923	128,242	143,303
<u>\$ 624,199</u>	<u>\$ 669,924</u>	<u>\$ 734,607</u>	<u>\$ 791,432</u>	<u>\$ 813,616</u>	<u>\$ 865,463</u>

CITY OF VISALIA
 CHANGES IN NET POSITION
 ACCRUAL BASIS OF ACCOUNTING
 LAST TEN FISCAL YEARS
 (In Thousands)

	Fiscal Year			
	2011	2012	2013	2014
Expenses:				
Governmental Activities:				
General Government	\$ 9,349	\$ 7,188	\$ 1,396	\$ 4,070
Community Development	5,905	6,154	6,133	5,266
Housing & Economic Development	827	822	608	-
Housing & Community Grants	-	-	-	-
Public Safety				
Police	29,705	29,475	30,407	31,714
Fire	12,581	12,508	13,548	14,308
Public Works	22,405	18,886	15,519	11,906
Parks & Recreation	7,101	6,866	6,455	9,000
Community Services	-	-	-	-
Interest on Long-Term Debt	1,314	736	304	191
Total Governmental Activities Expenses	<u>89,187</u>	<u>82,635</u>	<u>74,370</u>	<u>76,455</u>
Business-type Activities:				
Convention Center	5,342	5,353	5,404	5,943
Airport	2,529	2,342	2,389	2,505
Valley Oaks Golf	2,319	2,403	2,350	2,574
Wastewater and Storm				
Sewer Maintenance	13,157	12,492	13,004	15,281
Solid Waste	14,880	15,059	15,348	18,589
Transit	10,880	10,979	11,929	13,670
Baseball	294	244	285	295
Animal Control	-	-	1,103	1,184
Building Safety	1,669	1,562	1,570	1,768
Total Business-Type Activities Expenses	<u>51,070</u>	<u>50,434</u>	<u>53,382</u>	<u>61,809</u>
Total Primary Government Expenses	<u>140,257</u>	<u>133,069</u>	<u>127,752</u>	<u>138,264</u>
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	140	183	152	265
Community Development	1,796	873	778	1,503
Housing & Economic Development	156	270	199	-
Housing & Community Grants	-	-	-	-
Public Safety				
Police	2,492	2,808	2,135	2,516
Fire	538	657	667	626
Public Works	7,063	7,641	7,643	8,773
Parks & Recreation	1,716	1,550	1,875	2,974
Community Services	-	-	-	-
Operating Grants and Contributions	5,774	3,222	3,983	3,184
Capital Grants and Contributions	11,269	10,038	22,621	12,152
Total Governmental Activities Program Revenues	<u>\$ 30,944</u>	<u>\$ 27,242</u>	<u>\$ 40,053</u>	<u>\$ 31,993</u>

In 2007 the City created the Housing & Economic Development Department and in 2014 it was absorbed in Community Development.
 In 2020 the City separated the Housing & Community Grants from Community Development.
 In 2020 the City renamed the Parks & Recreation department to Community Services Department.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 4,299	\$ 4,262	\$ 3,653	\$ 5,778	\$ 4,951	\$ 7,404
5,985	4,768	3,570	2,028	6,098	2,477
-	-	-	-	-	-
-	-	-	-	-	1,667
30,378	31,182	34,737	38,720	39,996	44,992
13,858	15,331	16,948	16,881	17,371	19,000
13,596	24,526	19,270	19,579	15,155	20,424
8,999	799	3,988	4,820	5,540	-
-	-	-	-	-	12,146
145	702	561	508	471	450
<u>77,260</u>	<u>81,570</u>	<u>82,727</u>	<u>88,314</u>	<u>89,582</u>	<u>108,560</u>
5,688	5,822	5,525	5,517	4,952	4,300
2,530	2,219	1,999	2,017	2,199	2,127
2,756	2,502	2,426	1,571	-	-
16,791	19,836	23,845	18,488	21,031	25,263
17,969	16,309	17,422	18,847	24,168	18,963
14,702	14,772	14,726	18,360	20,408	17,837
332	342	329	354	350	221
1,141	1,881	2,490	1,993	1,908	2,003
1,969	2,306	3,103	3,303	3,303	3,490
<u>63,878</u>	<u>65,989</u>	<u>71,865</u>	<u>70,450</u>	<u>78,319</u>	<u>74,204</u>
<u>141,138</u>	<u>147,559</u>	<u>154,592</u>	<u>158,764</u>	<u>167,901</u>	<u>182,764</u>
1,952	653	717	794	1,247	896
1,633	2,142	2,122	1,955	1,788	1,283
-	-	-	-	-	-
-	-	-	-	-	23
2,690	2,804	2,716	2,636	3,055	3,126
802	1,256	1,492	1,875	1,678	1,620
9,279	10,011	10,736	11,344	12,286	10,459
3,068	3,468	3,321	3,509	4,140	-
-	-	-	-	-	7,778
4,581	3,660	3,118	2,619	2,648	5,083
8,556	9,625	14,635	9,206	12,022	11,765
<u>\$ 32,561</u>	<u>\$ 33,619</u>	<u>\$ 38,857</u>	<u>\$ 33,938</u>	<u>\$ 38,864</u>	<u>\$ 42,033</u>

(Continued)

CITY OF VISALIA
 CHANGES IN NET POSITION
 ACCRUAL BASIS OF ACCOUNTING
 LAST TEN FISCAL YEARS
 (In Thousands)

	Fiscal Year			
	2011	2012	2013	2014
Business-Type Activities:				
Charges for Services:				
Convention Center	\$ 3,507	\$ 3,339	\$ 3,446	\$ 4,099
Airport	1,439	1,611	1,647	1,734
Valley Oaks Golf	2,311	2,323	2,389	2,409
Wastewater and Storm				
Sewer Maintenance	17,365	19,150	21,465	22,365
Solid Waste	16,660	17,931	17,945	19,570
Transit	3,262	2,964	4,051	3,974
Baseball	117	119	102	8
Animal Control	-	-	104	219
Building Safety	1,523	1,429	2,102	2,948
Operating Grants and Contributions	4,803	7,189	6,433	6,588
Capital Grants and Contributions	5,860	16,296	5,370	4,045
	<u>56,847</u>	<u>72,351</u>	<u>65,054</u>	<u>67,959</u>
Total Business-Type Activities				
Program Revenues	<u>56,847</u>	<u>72,351</u>	<u>65,054</u>	<u>67,959</u>
Total Primary Government				
Program Revenues	<u>87,791</u>	<u>99,593</u>	<u>105,107</u>	<u>99,952</u>
Net Revenues (Expenses):				
Governmental Activities	(58,243)	(55,393)	(34,317)	(44,462)
Business-Type Activities	<u>5,777</u>	<u>21,917</u>	<u>11,672</u>	<u>6,150</u>
Total Net Revenues (Expenses)	<u>(52,466)</u>	<u>(33,476)</u>	<u>(22,645)</u>	<u>(38,312)</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Taxes:				
Sales Taxes	24,457	25,488	30,342	28,791
Property Taxes	22,730	17,649	23,886	27,306
Incremental Property Taxes	7,919	7,929	-	-
Other Taxes	5,692	6,133	6,276	6,921
Investment Earnings	1,597	1,390	993	513
Gain from Sale of Capital Assets	-	-	-	-
Miscellaneous	676	679	2,892	1,317
Transfers and Extraordinary Items	(3,070)	4,138	(3,355)	(4,322)
Total Governmental Activities	<u>60,001</u>	<u>63,406</u>	<u>61,034</u>	<u>60,526</u>
Business-Type Activities:				
Investment Earnings	470	439	457	454
Miscellaneous	5,139	2,663	1,764	3,349
Transfers	3,070	2,598	3,355	4,322
Total Business-Type Activities	<u>8,679</u>	<u>5,700</u>	<u>5,576</u>	<u>8,125</u>
Total Primary Government	<u>68,680</u>	<u>69,106</u>	<u>66,610</u>	<u>68,651</u>
Changes in Net Position:				
Governmental Activities	1,758	8,013	26,717	16,064
Business-Type Activities	<u>14,456</u>	<u>27,617</u>	<u>17,248</u>	<u>14,275</u>
Total Primary Government	<u>\$ 16,214</u>	<u>\$ 35,630</u>	<u>\$ 43,965</u>	<u>\$ 30,339</u>

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	3,617	\$	3,587	\$	3,483	\$	3,657	\$	2,967	\$	1,882
	1,708		1,925		1,710		1,817		1,701		1,616
	2,401		2,405		2,372		1,337		-		-
	26,210		26,033		26,822		27,060		28,057		27,479
	19,222		18,852		19,831		20,216		19,225		19,457
	4,366		6,004		4,969		5,055		5,000		5,081
	17		18		51		68		50		4
	309		430		487		441		573		580
	3,274		3,873		3,741		3,465		3,959		4,520
	9,841		4,183		14,050		16,499		12,987		15,949
	2,691		17,291		21,188		12,160		5,093		7,650
	73,656		84,601		98,704		91,775		79,612		84,218
	106,217		118,220		137,561		125,713		118,476		126,251
	(44,699)		(47,951)		(43,870)		(54,376)		(50,718)		(66,527)
	9,778		18,612		26,839		21,325		1,293		10,014
	(34,921)		(29,339)		(17,031)		(33,051)		(49,425)		(56,513)
	32,237		36,145		44,574		54,104		58,561		60,351
	27,708		26,810		22,429		23,687		25,076		26,297
	-		-		-		-		-		-
	8,306		7,638		7,800		8,341		8,663		7,987
	1,894		725		1,074		1,409		4,064		4,614
	5		7		3		1		-		-
	1,587		2,563		1,944		1,504		1,704		1,387
	(4,265)		(4,138)		(3,869)		(4,140)		(3,785)		(4,489)
	67,472		69,750		73,955		84,906		94,283		96,147
	440		576		690		872		4,024		4,345
	2,622		3,439		3,478		3,431		2,344		2,939
	4,265		4,138		3,869		4,140		3,785		4,489
	7,327		8,153		8,037		8,443		10,153		11,773
	74,799		77,903		81,992		93,349		104,436		107,920
	22,773		21,799		30,085		30,530		43,565		29,620
	17,105		26,765		34,876		29,768		11,446		21,787
\$	39,878	\$	48,564	\$	64,961	\$	60,298	\$	55,011	\$	51,407

CITY OF VISALIA
 FUND BALANCES OF GOVERNMENTAL FUNDS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING
 LAST TEN FISCAL YEARS
 (In Thousands)

	Fiscal Year			
	2011	2012	2013	2014
General Fund:				
Nonspendable	\$ 1,916	\$ 1,519	\$ 1,168	\$ 580
Restricted	-	-	-	-
Committed	16,264	14,930	12,186	16,330
Assigned	10,341	10,776	21,665	18,629
Unassigned	5,108	1,363	1,305	1,387
Total General Fund	<u>33,629</u>	<u>28,588</u>	<u>36,324</u>	<u>36,926</u>
All Other Governmental Funds:				
Nonspendable	44	41	7	15
Restricted	49,260	55,905	44,392	44,817
Committed	5,717	347	-	5,318
Assigned	-	1,960	1,632	1,632
Unassigned	<u>(8,679)</u>	<u>(23,970)</u>	<u>(6,782)</u>	<u>(6,419)</u>
Total All Other Governmental Funds	<u>46,342</u>	<u>34,283</u>	<u>39,249</u>	<u>45,363</u>
Total Governmental Fund Balance	<u>\$ 79,971</u>	<u>\$ 62,871</u>	<u>\$ 75,573</u>	<u>\$ 82,289</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 435	\$ 357	\$ 1,346	\$ 1,365	\$ 1,125	\$ 678
-	-	1,193	-	-	-
17,719	28,018	19,805	21,921	15,344	16,239
19,486	18,781	21,857	24,981	25,215	30,278
4,043	4,787	9,612	10,214	9,753	5,497
41,683	51,943	53,813	58,481	51,437	52,692
-	-	47	815	-	-
45,965	50,857	51,465	54,253	68,188	91,088
7,271	15,903	9,582	18,233	31,924	30,259
1,632	1,243	1,243	1,632	1,632	1,168
(2,471)	(11,627)	(5,393)	(6,005)	(3,925)	(4,475)
52,397	56,376	56,944	68,928	97,819	118,040
<u>\$ 94,080</u>	<u>\$ 108,319</u>	<u>\$ 110,757</u>	<u>\$ 127,409</u>	<u>\$ 149,256</u>	<u>\$ 170,732</u>

CITY OF VISALIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year			
	2011	2012	2013	2014
Revenues:				
Sales Tax	\$ 24,457	\$ 25,488	\$ 30,342	\$ 28,791
Property Tax	30,649	25,578	23,886	27,306
Other Taxes	5,692	6,134	6,276	6,920
Subventions and Grants	17,043	13,260	26,604	15,336
Licenses and Permits	73	93	109	61
Fees and Fines	6,446	6,007	6,433	8,751
Use of Money and Property	1,597	1,389	1,087	907
Charges for Current Services	4,982	5,584	5,042	5,589
Miscellaneous	2,382	1,875	4,256	2,253
Total Revenues	93,321	85,408	104,035	95,914
Expenditures				
Current:				
General Government	3,736	5,099	270	2,477
Community Development	8,428	4,586	5,384	5,209
Housing & Economic Development	820	822	598	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Police	28,919	29,138	29,412	13,708
Fire	12,157	12,123	13,130	30,228
Public Works	6,774	8,174	7,875	3,239
Community Services	5,196	5,630	5,777	7,956
Capital Outlay	30,033	25,218	24,708	22,429
Debt Service:				
Principal Retirement	1,504	938	615	649
Interest and Fiscal Charges	1,304	723	294	189
Total Expenditures	98,871	92,451	88,063	86,084
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,550)	(7,044)	15,972	9,830
Other Financing Sources (Uses):				
Sales of Real Property	37	33	96	11
Proceeds from Sale of Capital	-	-	-	-
Issuance of Debt	-	-	-	-
Bond Premium	-	-	-	-
Transfers In	1,515	5,867	1,424	970
Transfers Out	(4,535)	(8,464)	(4,760)	(5,300)
Total Other Financing Sources (Uses)	(2,983)	(2,564)	(3,240)	(4,319)
Extraordinary Items	-	(7,296)	-	-
Net Change in Fund Balances	\$ (8,533)	\$ (16,904)	\$ 12,732	\$ 5,511
Debt Service as a Percentage of				
Noncapital Expenditures ¹	3.3%	2.2%	1.3%	1.2%

¹ The calculation of debt service as a percentage of noncapital expenditures excludes capital outlays.

In 2007 the City created the Housing & Economic Development Department and in 2014 it was absorbed in Community Development.

In 2020 the City seperated the Housing & Community Grants from Community Development.

In 2020 the City renamed the Parks & Recreation department to Community Services Department.

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 32,237	\$ 36,144	\$ 44,575	\$ 54,104	\$ 58,561	\$ 60,350	
26,711	26,880	22,370	23,694	25,048	26,282	
7,662	7,608	7,681	8,272	8,619	8,020	
13,137	13,286	14,160	10,355	13,505	14,829	
109	87	81	88	95	84	
9,199	10,520	10,552	10,991	12,267	13,929	
2,334	1,133	1,522	1,843	4,470	4,841	
6,257	7,014	7,859	8,367	8,692	8,374	
2,067	2,477	2,578	2,260	2,999	2,208	
<u>99,713</u>	<u>105,149</u>	<u>111,378</u>	<u>119,974</u>	<u>134,256</u>	<u>138,917</u>	
2,896	3,102	3,335	3,913	3,049	3,944	
6,684	5,119	5,245	5,272	6,052	2,114	
-	-	-	-	-	-	
-	-	-	-	-	753	
13,598	15,070	15,855	16,160	17,115	17,360	
30,469	31,728	33,378	35,382	38,446	41,638	
5,563	8,958	8,874	9,053	8,966	5,400	
8,104	3,231	3,531	3,510	3,988	10,501	
17,378	32,435	34,136	24,248	27,031	29,900	
2,229	1,178	1,321	1,364	1,136	895	
138	694	548	507	465	437	
<u>87,059</u>	<u>101,515</u>	<u>106,223</u>	<u>99,409</u>	<u>106,248</u>	<u>112,942</u>	
<u>12,654</u>	<u>3,634</u>	<u>5,155</u>	<u>20,565</u>	<u>28,008</u>	<u>25,975</u>	
12	655	1,465	113	517	-	
5	7	3	1	1	16	
1,558	13,121	-	-	-	-	
-	785	-	-	-	-	
2,482	2,070	8,373	3,272	9,509	8,482	
<u>(7,254)</u>	<u>(6,304)</u>	<u>(12,365)</u>	<u>(7,398)</u>	<u>(13,125)</u>	<u>(12,813)</u>	
<u>(3,197)</u>	<u>10,334</u>	<u>(2,524)</u>	<u>(4,012)</u>	<u>(3,098)</u>	<u>(4,315)</u>	
-	-	-	-	-	-	
<u>\$ 9,457</u>	<u>\$ 13,968</u>	<u>\$ 2,631</u>	<u>\$ 16,553</u>	<u>\$ 24,910</u>	<u>\$ 21,660</u>	
3.2%	2.4%	2.3%	2.3%	2.0%	1.4%	

**CITY OF VISALIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

	Fiscal Year			
	2011	2012	2013	2014
City Direct Rate:				
City Basic Rate	\$ 0.1154	\$ 0.1154	\$ 0.1152	\$ 0.1152
Total City Direct Rate	0.1154	0.1154	0.1152	0.1152
Overlapping Rates:				
Visalia Unified School District	0.3068	0.3068	0.3068	0.3068
College of The Sequoias	0.0537	0.0537	0.0537	0.0537
County of Tulare	0.1846	0.1846	0.1840	0.1832
Tulare County Schools	0.0248	0.0248	0.0248	0.0248
Tulare County Flood Control District	0.0022	0.0022	0.0022	0.0022
Air Pollution Control District	0.0004	0.0004	0.0004	0.0004
Library Fund	0.0156	0.0156	0.0156	0.0156
Memorial District	0.0016	0.0016	0.0016	0.0016
Cemetery District	0.0011	0.0011	0.0011	0.0011
Delta Vector Control District	0.0143	0.0142	0.0142	0.0142
Kaweah Delta Hospital	0.0096	0.0096	0.0096	0.0096
Kaweah Delta Water District	0.0289	0.0289	0.0289	0.0289
Education Revenue Augmentation	0.2412	0.2412	0.2420	0.2429
Visalia Unified School District Bonds	0.0300	0.0300	0.0300	0.0300
Kaweah Delta Hospital Bonds	0.0292	0.0272	0.0253	0.0282
Kaweah Delta Water Assessment	0.0005	0.0005	0.0001	0.0004
Land and Improvements	0.0005	-	-	-
Total Direct Rate ¹	\$ 1.0604	\$ 1.0578	\$ 1.0554	\$ 1.0588

NOTE:

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 of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

¹ The City's total direct tax rate varies by tax rate area. The rate provided comes from tax rate area 006-008 and is representative of other tax rate areas within the City.

Source: Tulare County Auditor Controller's Office

Fiscal Year						
2015	2016	2017	2018	2019	2020	
\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150
0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150
0.3068	0.3068	0.3068	0.3068	0.3068	0.3068	0.3068
0.0537	0.0537	0.0537	0.0537	0.0537	0.0537	0.0537
0.1832	0.1834	0.1836	0.1825	0.1825	0.1818	0.1818
0.0248	0.0248	0.0248	0.0248	0.0248	0.0248	0.0248
0.0022	0.0022	0.0022	0.0021	0.0021	0.0021	0.0021
0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	0.0004
0.0158	0.0158	0.0158	0.0157	0.0157	0.0156	0.0156
0.0016	0.0016	0.0016	0.0016	0.0016	0.0016	0.0016
0.0011	0.0011	0.0011	0.0011	0.0011	0.0011	0.0011
0.0142	0.0142	0.0142	0.0141	0.0141	0.0141	0.0141
0.0096	0.0096	0.0096	0.0096	0.0096	0.0096	0.0096
0.0289	0.0289	0.0289	0.0289	0.0289	0.0289	0.0289
0.2430	0.2430	0.2426	0.2438	0.2438	0.2447	0.2447
0.0300	0.0226	0.0270	0.0183	0.0225	0.0225	0.0225
0.0209	0.0237	0.0206	0.0198	0.0181	0.0181	0.0181
0.0005	0.0004	0.0003	0.0004	0.0004	0.0003	0.0003
-	-	-	-	-	-	-
\$ 1.0517	\$ 1.0472	\$ 1.0482	\$ 1.0386	\$ 1.0411	\$ 1.0411	\$ 1.0411

CITY OF VISALIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30	City		Taxable Assessed Value	Total Direct Tax Rate ¹
	Secured	Unsecured		
2011	\$ 7,613,423	\$ 382,545	\$ 7,995,968	0.115%
2012	7,516,654	389,762	7,906,416	0.115%
2013	7,291,841	409,092	7,700,933	0.115%
2014	7,669,621	409,634	8,079,255	0.115%
2015	8,186,023	442,930	8,628,953	0.115%
2016	8,672,154	438,480	9,110,634	0.115%
2017	9,144,989	435,751	9,580,740	0.115%
2018	9,502,122	498,924	10,001,046	0.115%
2019	10,066,721	534,555	10,601,276	0.115%
2020	10,592,327	552,734	11,145,061	0.115%

NOTE:

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 of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

¹ The City's total direct tax rate varies by tax rate area. The rate provided comes from tax rate area 006-008 and is representative of other tax rate areas within the City.

Source: Tulare County Auditor Controller's Office

**CITY OF VISALIA
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(In Thousands)**

Taxpayer	2020			2011		
	Taxable Assessed Value	Percent Of Total City Taxable Assessed Value	Rank	Taxable Assessed Value	Percent Of Total City Taxable Assessed Value	Rank
California Dairies Inc.	\$ 162,513	1.46%	1	\$ 141,657	1.79%	1
Perfection Pet Foods LLC	57,285	0.51%	2	-	-	
Caldwell Mooney Partners	53,486	0.48%	3	-	-	
Graphic Packing INT	53,022	0.48%	4	-	-	
California Water Service	50,349	0.45%	5	26,164	-	8
Visalia Mall LP	45,148	0.41%	6	39,946	-	4
Target Corporation	39,588	0.36%	7	-	-	
VWR International LLC	37,634	0.34%	8	26,748	-	7
Cottonwood Fresno Holdings LLC	36,500	0.33%	9	61,275	0.78%	3
J Beast LP	34,727	0.31%	10	-	-	
Imperial Bondware Corp.	-	-	-	63,211	0.80%	2
US Industrial Reit II	-	-	-	25,957	0.33%	9
Crunch Time LP	-	-	-	27,497	0.35%	6
Blam-Jade A Gen PTNSHP	-	-	-	29,967	0.38%	5
Costco Wholesale Corporation	-	-	-	24,231	0.31%	10
Total Ten Largest Tax Payers	\$ 570,252	5.12%		\$ 466,653	4.73%	
All Other Tax Payers	\$10,574,809	94.88%		\$ 7,439,763	95.27%	
Total Assessed Valuation - All Tax Payers	\$11,145,061	100.00%		\$ 7,906,416	100.00%	

The amounts shown above include assessed value data for both the City and the Successor Agency.

Source: Tulare County Auditor-Controller

CITY OF VISALIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2011	\$ 19,970	\$ 19,970	100.00%	-	\$ 19,970	100.00%
2012	19,198	19,198	100.00%	-	19,198	100.00%
2013	16,106	16,106	100.00%	-	16,106	100.00%
2014	17,167	17,167	100.00%	-	17,167	100.00%
2015	18,755	18,755	100.00%	-	18,755	100.00%
2016	19,764	19,764	100.00%	-	19,764	100.00%
2017	20,337	20,337	100.00%	-	20,337	100.00%
2018	21,335	21,335	100.00%	-	21,335	100.00%
2019	22,634	22,634	100.00%	-	22,634	100.00%
2020	23,711	23,711	100.00%	-	23,711	100.00%

NOTE:

The amounts presented include secured City property taxes and Successor Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Source: Tulare County Auditor Controller's Office

**CITY OF VISALIA
HISTORICAL SALES AND USE TAX RATES**

Effective Date	End Date	Statewide Base Sales and Use Tax Rate			(1) City Rate Measure T	County Rate Measure R	City Rate Measure N	Combined Rate
		State Jurisdiction	Local Transportation Fund	Local City Rate				
08/01/1933	06/30/1935 (2)	2.50%						2.50%
07/01/1935	06/30/1943	3.00%						3.00%
07/01/1943	06/30/1949	2.50%						2.50%
07/01/1949	12/31/1961	3.00%		1.00%				4.00%
01/01/1962	07/31/1967	3.00%		1.00%				4.00%
08/01/1967	06/30/1972	4.00%	0.25%	1.00%				5.25%
07/01/1972	06/30/1973	3.75%	0.25%	1.00%				5.00%
07/01/1973	09/30/1973	4.75%	0.25%	1.00%				6.00%
10/01/1973	03/31/1974	3.75%	0.25%	1.00%				5.00%
04/01/1974	11/30/1989	4.75%	0.25%	1.00%				6.00%
12/01/1989	12/31/1990	5.00%	0.25%	1.00%				6.25%
01/01/1991	07/14/1991	4.75%	0.25%	1.00%				6.00%
07/15/1991	12/31/2000	6.00%	0.25%	1.00%				7.25%
01/01/2001	12/31/2001	5.75%	0.25%	1.00%				7.00%
01/01/2002	06/30/2004	6.00%	0.25%	1.00%				7.25%
07/01/2004	03/31/2007	6.25%	0.25%	0.75% (3)	0.25% (4)			7.50%
04/01/2007	03/31/2009	6.25%	0.25%	0.75%	0.25%	0.50% (5)		8.00%
04/01/2009	06/30/2011	7.25%	0.25%	0.75%	0.25%	0.50%		9.00%
07/01/2011	12/31/2012	6.25%	0.25%	0.75%	0.25%	0.50%		8.00%
01/01/2013	12/31/2016	6.50%	0.25%	0.75%	0.25%	0.50%		8.25%
01/01/2017	03/31/2017	6.00%	0.25%	1.00%	0.25%	0.50%		8.00%
04/01/2017	Current	6.00%	0.25%	1.00%	0.25%	0.50%	0.50% (6)	8.50%

NOTES:

- (1) The Bradley-Burns Uniform Local Sales and Use Tax Law was enacted in 1955. The law authorizes cities and counties to impose a sales and use tax. Effective January 1, 1962, all cities and counties have adopted ordinances for the State Board of Equalization to collect the local tax.
- (2) Sales Tax only. The use tax was enacted effective July 1, 1935.
- (3) In March 2004, a State ballot measure was passed issuing deficit reduction bonds for State purposes. Funding was provided effective July 1, 2004, by repealing 25% of the local 1% sales tax and then adopting a new 1/4 cent sales tax dedicated to the repayment of the deficit reduction bonds. Cities and counties would then be "made whole" by the State from increased property tax allocations via reduced contributions to ERAF. This "triple flip" is theoretically revenue-neutral, and as such, the effective rate for revenue purposes remains at 1%.
- (4) In March 2004, the voters of the City of Visalia passed a sales tax override (Measure T) to increase public safety in the community increasing the City rate by 1/4% ,effective July 1, 2004. The measure requires the City Manager to annually recertify the Measure T plan to the City Council. Additionally, the plan must be reaffirmed every 8 years by a 4 out of 5 City Council approval.
- (5) In November 2006, voters in the County of Tulare approved a countywide sales tax measure (Measure R) giving the County a 1/2% rate increase which became effective April 1, 2007. The sales tax measure has a sunset period of 30 years. The revenue is earmarked for transportation projects with allocations as follows: 50% for regional projects, 35% goes to cities for their street programs, 14% for transportation enhancement programs, and 1% for administration.
- (6) In November 2016, voters of the City of Visalia passed a 1/2 (half-cent) sales tax override (Measure N), effective April 1, 2017. The proceeds of this tax will provide the City with a reliable, ongoing, local source of funding for public safety, repairs and maintenance for streets, and maintenance of parks and trails.

Source:

- (1)(2)(3) State Board of Equalization, State of California
(4)(5)(6) City of Visalia

CITY OF VISALIA
TAXABLE SALES TRANSACTIONS BY TYPE
2015-2019 CALENDAR YEARS
(Dollars in Thousands)

	2015	2016	2017	2018	2019
Retail Stores					
Apparel Stores	\$ 128,885	\$ 138,129	\$ 138,637	\$ 144,806	\$ 145,638
General Merchandise Stores	392,404	398,900	400,820	406,490	405,765
Food Stores	108,996	123,005	120,900	124,058	124,210
Eating and Drinking Places	247,406	263,310	277,409	288,003	296,010
Home Furnishings and Appliances	83,136	91,778	86,839	91,966	92,407
Bldg. Material and Farm Implemen	203,921	213,421	222,315	312,640	242,041
Auto Dealers and Auto Supplies	370,884	411,684	401,536	377,145	375,482
Service Stations	155,270	141,307	163,999	155,709	171,821
Other Retail Stores	208,015	212,872	203,637	215,347	214,145
Retail Stores Totals	1,898,917	1,994,406	2,016,092	2,116,164	2,067,519
All Other Outlets	742,120	775,194	794,330	854,888	1,029,450
Totals All Outlets	\$ 2,641,037	\$ 2,769,600	\$ 2,810,422	\$ 2,971,052	\$ 3,096,969

Source: MuniServices

Note: 2019 is latest available year.

**CITY OF VISALIA
TOP 25 SALES TAX CONTRIBUTORS
2019 CALENDAR YEAR
(in alphabetical order)**

ARCO AM/PM Mini Marts	McDonald's Restaurants
Best Buy Stores	MWI Veterinary Supply
Butler Animal Health Supply	Nissan of Visalia
COSTCO Wholesale	Ross Stores
Giant Chevrolet Company	Save Mart Supermarkets
HILTI	Target Stores
Home Depot	Tri-Animal Health Services
J C Penney Company	Visalia Ford
J.C. Lansdowne	Visalia Honda
Lampe Chrysler Dodge Jeep Ram	Visalia Toyota
Lawrence Tractor Co	VWR International
Lowe's Home Improvement	Wal Mart Stores
Macy's Department Store	

Source: MuniServices

Note: 2019 is latest available year.

CITY OF VISALIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(In Thousands, except Debt per Capita)

Fiscal Year Ended June 30	Governmental Activities			Total Governmental Activities
	Certificates of Participation	Tax Allocation Bonds	Notes Payable	
2011	\$ 2,393	\$ 4,030	\$ 14,194	\$ 20,617
2012	2,175	-	2,972	5,147
2013	2,323	-	2,584	4,907
2014	2,022	-	2,173	4,195
2015	1,306	-	1,987	3,293
2016	13,678	-	1,479	15,157
2017	12,835	-	937	13,772
2018	11,994	-	372	12,366
2019	11,155	-	54	11,209
2020	10,310	-	-	10,310

NOTES:

¹US Department of Commerce Bureau of Economic Analysis

2020 Personal Income Data is not currently available by the Bureau of Economic Analysis.

Business-type Activities			Total	Total	Percentage	Debt
Certificates of	Notes	Business-type	Primary	of Personal	Per	
Participation		Activities	Government	Income ¹	Capita	
\$ 13,292	\$ 173	\$ 13,465	\$ 34,082	0.24%	271	
11,998	-	11,998	17,145	0.12%	135	
17,270	-	17,270	22,177	0.15%	173	
15,557	14,999	30,556	34,751	0.21%	268	
12,442	56,979	69,421	72,714	0.43%	566	
16,053	84,995	101,048	116,205	0.66%	887	
14,834	92,703	107,537	121,309	0.66%	911	
13,602	96,516	110,118	122,484	0.66%	899	
12,360	94,133	106,493	117,702	0.59%	864	
11,103	91,705	102,808	113,118	0.00%	816	

CITY OF VISALIA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(In Thousands, except Debt per Capita)

Fiscal Year Ended June 30	<u>Outstanding General Bonded Debt</u>		Percent of Assessed Value ¹	Debt Per Capita
	Certificates of Participation	Total		
2011	\$ 987	\$ 987	0.01%	8
2012	1,550	1,550	0.02%	12
2013	1,698	1,698	0.02%	13
2014	1,384	1,384	0.02%	11
2015	1,304	1,304	0.02%	10
2016	13,670	13,670	0.15%	104
2017	12,827	12,827	0.13%	96
2018	11,985	11,985	0.12%	88
2019	11,155	11,155	0.11%	81
2020	10,310	10,310	0.09%	74

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

CITY OF VISALIA
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2020
(In Thousands)

2019-20 City Assessed Valuation	\$	11,145,062	
Successor Agency Incremental Valuation		<u>377,112</u>	
Total Assessed Valuation	\$	<u>11,522,174</u>	
			Estimated Share of Overlapping Debt
	Percentage Applicable ¹	Outstanding Debt 6/30/20	
Overlapping Tax and Assessment Debt:			
College of the Sequoias Tulare School Facilities Improvement District	0.587%	\$ 31,269	\$ 184
College of the Sequoias Visalia School Facilities Improvement District	67.653%	25,459	17,224
Visalia Unified School District	86.319%	53,135	45,866
Tulare Joint Union High School District	0.761%	19,199	146
Liberty School District	23.520%	543	128
Kaweah Delta Hospital District	85.108%	42,030	35,771
City of Visalia 1915 Act Bonds	100.000%	<u>458</u>	<u>458</u>
Total Overlapping Tax and Assessment Debt		<u>172,093</u>	<u>99,776</u>
Direct and Overlapping General Fund Debt:			
Tulare County Certificates of Participation	32.992%	31,105	10,262
Tulare County Pension Obligation Bonds	32.992%	232,875	76,830
Tulare County Board of Education Certificates of Participation	32.992%	37,965	12,525
College of The Sequoias Certificates of Participation	35.704%	4,785	1,708
Visalia Unified School District Certificates of Participation	86.319%	73,190	63,178
Liberty School District Certificates of Participation	23.520%	2,325	547
City of Visalia General Fund Obligations	100.000%	<u>10,310</u>	<u>10,310</u>
Total Direct and Overlapping General Fund Debt		<u>392,555</u>	<u>175,360</u>
Overlapping Tax Increment Debt (Successor Agency)	100.000%	<u>1,465</u>	<u>1,465</u>
Total Direct Debt		10,310	10,310
Total Overlapping Debt		<u>322,928</u>	<u>266,291</u>
Combined Total Debt		<u>\$ 333,238</u>	<u>\$ 276,601</u>

Notes:

¹Percentage of overlapping agency's assessed valuation located within boundaries of the City

Source: California Municipal Statistics, Inc.

**CITY OF VISALIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

	Fiscal Year			
	2011	2012	2013	2014
Assessed valuation	\$ 7,995,968	\$ 7,906,416	\$ 7,700,933	\$ 8,079,201
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,998,992	1,976,604	1,925,233	2,019,800
Debt limit percentage	15%	15%	15%	15%
Debt limit	299,849	296,491	288,785	302,970
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 299,849</u>	<u>\$ 296,491</u>	<u>\$ 288,785</u>	<u>\$ 302,970</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data 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.

Source: City Finance Department
Tulare County Tax Assessor's Office

		Fiscal Year									
		2015	2016	2017	2018	2019	2020				
\$	8,628,953	\$	9,110,634	\$	9,580,740	\$	10,001,046	\$	10,601,276	\$	11,145,062
	25%		25%		25%		25%		25%		25%
	2,157,238		2,277,659		2,395,185		2,500,262		2,650,319		2,786,266
	15%		15%		15%		15%		15%		15%
	323,586		341,649		359,278		375,039		397,548		417,940
	-		-		-		-		-		-
\$	<u>323,586</u>	\$	<u>341,649</u>	\$	<u>359,278</u>	\$	<u>375,039</u>	\$	<u>397,548</u>	\$	<u>417,940</u>
	0.0%		0.0%		0.0%		0.0%		0.0%		0.0%

CITY OF VISALIA
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30	Wastewater & Storm Sewer Maintenance Fund					
	Wastewater Revenue Bonds					
	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Debt Service Coverage
			Principal	Interest		
2011	\$ 17,365	\$ 10,172	\$ 7,193	\$ 5,840	(1) \$ 74	1.22
2012	19,150	9,387	9,763	-	-	-
2013	21,465	10,163	11,302	-	-	-
2014	22,365	9,180	13,185	-	-	-
2015	25,031	11,184	13,847	-	-	-
2016	25,504	11,778	13,726	-	-	-
2017	26,822	12,863	13,959	-	-	-
2018	27,060	13,561	13,499	-	-	-
2019	28,057	15,062	12,995	-	-	-
2020	27,479	16,163	11,316	-	-	-

(1) 2002 Wastewater System Revenue Bonds were fully called in December 2010.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements
Operating expenses do not include interest or depreciation expenses.

**CITY OF VISALIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Calendar Year	Population (1)	Assessed Value (in thousands) (2)	Per Capita Assessed Value	Personal Income (in thousands) (3)	Per Capita Personal Income (3)	Unemployment Rate (4)
2011	125,770	\$ 7,995,968	\$ 63,576	\$ 14,432,008	\$ 32,261	17.1%
2012	127,061	7,906,416	62,225	14,531,771	32,237	16.5%
2013	128,443	7,700,933	59,956	15,283,723	33,690	14.5%
2014	129,481	8,079,201	62,397	16,941,984	37,117	13.2%
2015	128,447	8,628,953	67,179	17,105,786	37,300	11.0%
2016	130,977	9,110,634	69,559	17,578,692	38,145	10.3%
2017	133,151	9,580,740	71,954	18,466,575	39,756	9.9%
2018	136,246	10,001,046	73,404	18,679,327	40,206	9.6%
2019	138,207	10,601,276	76,706	19,973,932	42,845	9.1%
2020	138,649	11,145,062	80,383	NA	NA	17.1%

Sources: (1) State Department of Finance
(2) Tulare County Auditor-Controller
(3) US Department of Commerce Bureau of Economic Analysis*
(4) US Department of Labor Bureau of Labor Statistics/State of California Employment Development Department*

* Rate for Tulare County as of June 30

Note:
Personal Income & Per Capita Personal Income Data from the Bureau of Economic Analysis is only available through 2019.

**CITY OF VISALIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TWO YEARS AGO**

Employer	2020			2018		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
County of Tulare (1)	5,105	1	2.61%	5,004	1	2.62%
Kaweah Delta Healthcare (4)	4,550	2	2.33%	2,132	3	1.12%
Visalia Unified School District (2)	2,913	3	1.49%	2,762	2	1.45%
Visalia Mall (cumulative) (4)	1,200	4	0.61%			
VF Outdoor Inc (4)	1,012	5	0.52%	600	7	0.31%
Walmart (incl. Neighborhood Market) (4)	840	6	0.43%	400	8	0.21%
Graphic Packaging (Intl. Paper Co.) (4)	757	7	0.39%	350	9	0.18%
College of the Sequoias (4)	705	8	0.36%	1,160	4	0.61%
City of Visalia (3)	646	9	0.33%	605	6	0.32%
UPS (4)	600	10	0.31%			
CIGNA Health Care (4)				700	5	0.37%
Jostens (4)				320	10	0.17%
Number of Employed (5)	195,300			190,900		

Source: (1) Tulare County Budget
(2) Visalia Unified School District
(3) City of Visalia Budget
(4) 2020: Data Axle (fka Infogroup) and City of Visalia; 2018: City of Visalia Website
(5) State of California Employment Development Department

The City of Visalia has elected to compare the current year of data with the data from two years ago for this schedule.

**CITY OF VISALIA
FULL-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Administration	41	41	46	44	46	46	47	64	64	64
Administrative Services	32	32	31	NA	NA	NA	NA	NA	NA	NA
Community Development	49	49	55	61	64	65	65	79	79	77
Finance	NA	NA	NA	16	16	20	20	27	27	27
Fire	70	70	81	81	82	82	81	81	85	85
Housing & Economic Development	11	11	NA	NA	NA	NA	NA	NA	NA	NA
Housing & Community Grants	NA	NA	NA	NA	NA	NA	NA	NA	NA	2
Community Services	34	34	32	32	34	12	12	13	13	13
Police	198	198	198	206	208	208	208	223	230	234
Public Works	115	115	115	118	121	139	141	143	144	144
Transportation & General Services	NA	NA	NA	18	18	27	29	NA	NA	NA
Total	550	550	558	576	589	599	603	630	642	646

(NA) - Function was not active in this year and was combined with another function.

Source: City Budget

CITY OF VISALIA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	Fiscal Year			
	2011	2012	2013	2014
Police:				
Calls for service - Calendar Year	<u>123,883</u>	<u>130,980</u>	<u>126,767</u>	<u>129,828</u>
Fire:				
Calls for service - Calendar Year	<u>10,606</u>	<u>11,241</u>	<u>12,140</u>	<u>12,482</u>
Refuse/Sewer*:				
Number of Residential Accounts	34,944	35,541	35,797	36,144
Number of Commercial Accounts	<u>2,895</u>	<u>2,944</u>	<u>3,020</u>	<u>3,731</u>
Total Refuse/Sewer Accounts	<u>37,839</u>	<u>38,485</u>	<u>38,817</u>	<u>39,875</u>
Business Licenses:				
New licenses issued during the year	1,532	2,160	1,194	1,261
Total business licenses	<u>11,065</u>	<u>11,450</u>	<u>11,533</u>	<u>11,784</u>
Building Permits:				
Residential	1,241	1,507	1,602	2,019
Commercial	331	375	367	353
Miscellaneous	<u>1,271</u>	<u>1,187</u>	<u>1,242</u>	<u>1,474</u>
Total Building Permits	<u>2,843</u>	<u>3,069</u>	<u>3,211</u>	<u>3,846</u>

Source: City of Visalia

Note:

* Refuse/Sewer variance for 2019 and 2020 is due to new system tracking of customers.

Fiscal Year					
2015	2016	2017	2018	2019	2020
134,287	144,856	144,489	153,701	136,374	135,682
12,518	14,065	14,283	15,301	15,229	16,180
37,538	37,884	38,014	38,579	41,638	39,494
3,747	3,758	4,043	3,993	3,654	3,254
41,285	41,642	42,057	42,572	45,292	42,748
1,098	1,201	1,375	1,955	1,586	1,409
11,920	12,145	12,098	12,268	12,241	12,315
2,478	3,152	2,793	2,865	3,049	2,753
381	349	355	381	319	319
1,673	1,648	1,745	1,497	1,970	1,962
4,532	5,149	4,893	4,743	5,338	5,034

**CITY OF VISALIA
CAPITAL ASSET STATISTICS
BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2011	2012	2013	2014
Police:				
Stations	3	3	3	3
Fire:				
Fire stations	5	5	5	5
Public Works:				
City Area in Square Miles	37	37	37	37
Streets (miles)	524	492	493	493
Traffic Signalized Intersections	115	115	118	118
Community Services				
Developed City Park Acreage	270	291	291	288
City Owned Open Space Acreage	180	180	205	231
Public Libraries	1	1	1	1
Recreation Centers	3	3	5	5
Swimming Pools	4	4	0	0
Parks	42	42	50	50
Acres of Parks	NA	NA	493	493
Wastewater:				
Sanitary sewers (miles)	468	468	468	468
Storm sewers (miles)	240	240	240	240
Golf Course:				
Municipal golf courses	1	1	1	1

Source: Various City Departments

Fiscal Year					
2015	2016	2017	2018	2019	2020
3	3	3	3	3	3
5	6	6	6	6	6
37	37	38	38	38	38
512	512	516	516	525	528
120	120	123	123	126	127
281	281	269	269	269	269
282	282	289	289	289	289
1	1	1	1	1	1
5	5	5	5	5	5
0	0	0	0	0	0
52	52	54	54	54	54
290	290	286	286	286	286
468	468	507	508	508	508
240	240	276	277	277	277
1	1	1	1	1	1

**CITY OF VISALIA
INSURANCE IN FORCE
FISCAL YEAR ENDED JUNE 30, 2020**

Coverage	Underwriter	Limits of Coverage	Deductibles	Policy Number	Period of Policy
PRIMARY POLICIES					
General liability over \$1,000,000 per occurrence (covers bodily injury, personal injury, property damage and errors/omissions, auto liability, or any combination thereof) ACCEL coverage effective 6/1/86	Authority for California Cities Excess Liability (ACCEL)	SIR \$1,000,000; ACCEL pooled layer \$4,000,000; Pool purchase \$45,000,000; total limits \$35,000,000	\$1,000,000 SIR		07/01/19 to 06/30/20
Commercial Property Policy	Fireman's Fund Insurance Company	Bldg limits \$338 mil, deduct \$50k; Bus Pers Prop \$29 mil, Deduct \$5k; Extra Exp \$10m	\$50,000 bldg; \$5k contents;	USC007189190	07/01/19 to 06/30/20
Pollution Liability (Underground Storage Tank)	Crum & Forester	\$1 mil liability; \$1 mil aggregate	\$5k deductible	STP-114401	10/12/18 to 10/12/20
Excess Workers Compensation	Reberian & Associates/Safety National	XS work comp, loss control fees; admin fees; broker fees. \$25 million limits	\$1 mil SIR	SP4055376	07/01/19 to 06/30/20
Excess Health & Medical Coverage	CSAC EIA	Potential pool assessments when total pool claims exceed excess ins.	None		1/1/19 to 12/31/19
SPECIAL COVERAGES					
Aviation Liability	Allianz Global	A) Single limit bodily injury and property damage liability combined \$25Mil; B) Hangarkeepers Liability \$25 mil; limits included in A; C) No errors & omissions; Endorsements - Personal Inj \$5 mil; Premises med \$1k person/\$10k occurrent; Non owned physical damage legal liab \$50k	None	A2GA000732819AM	7/14/19 to 7/14/20
Contractors Equipment/Mobile Equipment/Fine Arts/Valuable Papers & Records	Markel American Insurance Company	Contractors equip/mobile equip \$9,133,263 all covered property, including rented and leased; limit \$500 ee tool/\$5k per occurrence; Fine arts/Valuable papers & records \$500k blanket all locations; Commercial Fine Arts Floater, \$85k limit,	\$500 deductible	MKLM41M0050755	7/1/19 to 7/1/20
Crime Policy/ Bond - General	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	Policy Number Pending	4/27/18 to 4/27/21
Crime Policy/Bond - Police	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	Policy Number Pending	4/27/18 to 4/27/21
Special Events Insurance	Diversified Risk	Liability policy available to citizens holding events in city facilities/parks			
EAP	CuraLink				7/1/2019 - 6/30/22
Long Term Disability (LTD)	Sun Life	66% of pre-disability earnings up to \$5,000 monthly benefit		234707	1/1/20 to 12/31/20
Life Insurance	Sun Life	City Manager 2X Annual Salary; Department Head Group \$75,000; All Other Employees \$30,000		234707	1/1/20 to 12/31/20
Dental	Preferred Benefits/Delta Dental	\$1,000 maximum annual benefit paid per insured (retirees and their dependents are not eligible for dental)		8244	1/1/20 to 12/31/20
Vision	Vision Service Plan	Annual benefits with VSP provider		ID #00849301	1/1/19 to 12/31/21

Compliance Section





M. Green and Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

REBECCA AGRELAND, C.P.A.
 MARLA D. BORGES, C.P.A.
 NICOLE A. CENTOFANTI, C.P.A.
 ELAINE D. HOPPER, C.P.A., C.F.E.
 KATHLEEN M. LANPE, C.P.A.
 R. IAN PARKER, C.P.A.
 MARY L. QUILLIN, C.P.A.
 GIUSEPPE SCALIA, C.P.A.
 NATALIE H. SIEGEL, C.P.A.
 ROSALIND WONG, C.P.A.
 LARRY W. AYERS, C.P.A.
 JAMES G. DMYER, C.P.A.
 KEVIN M. GREEN, C.P.A.
 GREG GROEN, C.P.A.
 WM. KENT JENSEN, C.P.A.
 LYNN M. LANPE, C.P.A.
 ALAN S. MOORE, C.P.A.
 KENNETH B. NUNES, C.P.A.
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 JASMAN S. KHOSA, C.P.A.
 TRACY L. MCINTYRE, C.P.A.
 KRISTAL PARREIRA, C.P.A., M.S.A.
 GINILU VANDERWALL, C.P.A.
 KRISTI WEAVER, C.P.A.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

City Council
 City of Visalia and Citizens Advisory Committee
 707 W. Acequia
 Visalia, CA 93291-6100

We have performed the procedures enumerated below, which were agreed to by the City of Visalia (City), solely to assist the City and the independent Citizens Advisory Committee (CAC), with respect to the administration, financial management and accounting of the City's Measure T funds for the fiscal year ended June 30, 2020. The City's management is responsible for the City's administration, financial management and accounting for Measure T. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures applied and findings, as pertinent, are as follows:

- (1) We obtained and reviewed the City's Measure T commitments as expressed in the Measure T ballot measure from the March 2, 2004 election, the Enabling Ordinance adopted by the City Council, the Board of Equalization Agreements for implementation and administration of additional sales tax, the City Council approved Program Guidelines and expenditure plans for the current fiscal year and the Annual Recertification Plan for June 30, 2020, as approved by the City Council.

Findings: None

- (2) We updated our documentation of the following Measure T compliance provisions, as interpreted by the City Council adopted enabling ordinance, program guidelines and interim progress report reported to City staff:
 - a. Administrative procedures
 - b. Accounting control (including budgetary) procedures

Findings: None

- (3) We updated our understanding of the City's implementation of the material administrative compliance procedures.

Findings: None

Hanford
 Lindsay
 Tulare
 Visalia

- (4) We updated our understanding of the City's implementation of the material accounting control procedures and determined if the following were implemented or maintained:
- Establishment of a separate Measure T fund or fund group;
 - Establishment within the Measure T fund(s) of an accountability structure that allows for accountability of the Measure T sales tax proceeds mandated allocations - police (60%) and fire (40%);
 - That reasonable interest allocation methodologies were applied to Measure T fund(s) regarding interest revenue for unexpended net proceeds and interest charged for other City fund advances;
 - That General Fund support for police and fire services during the fiscal year 2019-20, without regard to Measure T funds based upon budgeted expenditure levels, was not less than General Fund police and fire services support during the fiscal year 2018-19, unless the Council declared an economic emergency by a 4/5^{ths} vote;
 - Establishment of a separate "Economic Uncertainty" fund within the Measure T fund(s) of 25% of the budgeted Measure T tax revenues.

Finding:

Measure T calls for the budgeted General Fund support for police and fire services during the fiscal year 2019-20, without regard to Measure T, to be greater than the General Fund police and fire services support during the fiscal year 2018-19, unless the council declares an economic emergency by a 4/5^{ths} vote.

General Fund support for police and fire services during the fiscal year 2019-20, without regard to Measure T, was greater than the General Fund police and fire services support during the fiscal year 2018-19; therefore, the City has met the maintenance of effort calculations.

Finding:

The Measure calls for the establishment and funding of an Economic Uncertainty Fund in the amount of 25% of the annually budgeted revenues. The Fire and Police Measure T Economic Uncertainty Fund balances as of June 30, 2020, were \$693,734 and \$1,018,676 respectively. The amount for the Fire and Police Measure T Economic Uncertainty Funds exceeded the required 25% by \$35,234 and \$30,926, respectively.

- (5) We traced all Measure T monies remitted by the California Department of Tax and Fee Administration to determine whether they were properly deposited into the appropriate Measure T fund.

Findings: None

- (6) We performed procedures to verify the summaries of Measure T receipts, disbursements and unexpended funds pertaining to the fiscal year 2019-20 as prepared by the City.

Finding:

Our review indicated that 22 police officers and 12 firemen were hired in accordance with plan objectives. However as of June 30, 2020, one police officer position was vacant by attrition. Due to reduced sales tax revenue compared to original Plan projections and the Measure T sales tax revenue recovery at a slow rate, the number of police officers hired was reduced from the original 28 planned. During the reduction four officers were transferred to the General Fund and will be transferred back once sales tax revenues improve. The remaining two positions were left vacant by attrition and will be filled when sales tax receipts increase sufficiently to fund these positions. The number of firemen hired was reduced from the original 18 planned to 12 until sales tax revenues improve. During the current fiscal year 1 officer was transferred to the General Fund and 3 were transferred to Measure N Fund.

Finding:

We found that the Capital Improvement Program expenditures are generally proceeding in accordance with the Measure T Plan. The City finished construction of the Visalia Emergency Communication Center during the 2017-18 fiscal year. The expenditures made towards the project were not charged to Fire and Police Measure T Funds, as the project was a multi-funded project which was being funded with prior year Certificates of Participation (COP) proceeds. Therefore, expenditures related to the construction of the Visalia Emergency Communication Center, were recorded in another fund where all project expenditures were accounted for. COP in the amount of \$17,910,000 were issued in the 2015-16 fiscal year to fund the project. The Measure T Plan was recertified approving the Police Measure T Fund to pay 14% of the total debt payment in the amount of \$151,000. However, Measure T's portion of the COP proceeds and debt service payments is 9.577540%. Police Measure T Funds paid \$150,860 of debt service payments in the current fiscal year in accordance with approved plan and is budgeted to pay for their percentage of the project through an additional 11 years of debt service payments ending in fiscal year 2029-30.

Recommendation:

We recommend that Measure T's correct percentage portion of the COP proceeds and debt service payments be reflected in the next annual recertification of the Plan.

Management Response:

City staff has made the changes and it was reflected in the 2020-21 annual recertification of the plan.

- (7) We determined if the Measure T allocations were made in accordance with the following required funding priorities:
- a. Funding of the current year's budgeted expenditures;
 - b. Funding of the "Economic Uncertainty" Fund including annual revision;
 - c. Funding expenditures budgeted for subsequent plan years.

Findings: None

- (8) We conducted an exit interview with City staff representatives.

Findings: None

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on administration, financial management and accounting. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City Council, City management and the CAC and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,



M. GREEN AND COMPANY LLP
Certified Public Accountants

November 17, 2020
Visalia, California



M. Green and Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

REBECCA AGREDAÑO, C.P.A.
MARLA D. BORGES, C.P.A.
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

City Council
City of Visalia and Measure N Sales Tax Oversight Board
707 W. Acequia
Visalia, CA 93291-6100

We have performed the procedures enumerated below, which were agreed to by the City of Visalia (City), solely to assist the City and the independent Measure N Sales Tax Oversight Board, with respect to the administration, financial management and accounting of the City's Measure N funds for the fiscal year ended June 30, 2020. The City's management is responsible for the City's administration, financial management and accounting for Measure N. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures applied and findings, as pertinent, are as follows:

- (1) We obtained and reviewed the City's Measure N commitments as expressed in the Measure N ballot measure from the November 8, 2016 election, the Enabling Ordinance adopted by the City Council, the Board of Equalization Agreements for implementation and administration of additional sales tax, and the City Council approved initial expenditure plan, annual expenditure plan and any amendments, as applicable for the current fiscal year.

Findings: None

- (2) We identified and documented the following Measure N compliance provisions, as interpreted by the City Council adopted enabling ordinance and interim progress report reported to City staff.
 - a. Administrative procedures
 - b. Accounting control (including budgetary) procedures

Findings: None

- (3) We updated our understanding of the City's implementation of the material administrative compliance procedures.

Findings: None

*Hanford
Lindsay
Tulare
Visalia*

- (4) We updated our understanding of the City's implementation of the material accounting control procedures and determined if the following were implemented or maintained:
- a. Establishment of an initial spending plan specifying the uses of the proceeds of the sales or use tax for the period between implementation of the sales and use tax and the end of the subsequent fiscal year; and,
 - b. Establishment of an annual expenditure plan, as part of adoption of an annual City General Fund budget, specifying the uses of the proceeds of the sales or use tax for the coming fiscal year prior to the expiration of the initial expenditure plan; and,
 - c. That any amendments to the initial expenditure plan and subsequent annual expenditure plan were made by resolution adopted by a majority of the Council following:
 - i. Submission for comment and recommendation to the Measure N Sales Tax Oversight Committee and
 - ii. Public hearing during at least two regularly scheduled and appropriately noticed meetings of the City Council; and,
 - d. That the initial expenditure plan, any subsequent annual expenditure plan and any amended expenditure plans were made publicly accessible at all times; and,
 - e. Establishment of a separate "Economic Uncertainty" fund within the Measure N fund(s) of 10% of the budgeted Measure N sales tax proceeds for the coming plan year; and,
 - f. Establishment of a separate "Maintenance and Emerging Needs" fund within the Measure N fund(s) of 10% of the budgeted Measure N sales tax proceeds for the coming plan year of which 2% of the budgeted Measure N sales tax proceeds shall be used for youth programs; and,
 - g. That none of the Measure N sales tax proceeds were used to pay annual debt service requirements.

Finding:

The Measure calls for the establishment and funding of an Economic Uncertainty Fund in the amount of 10% of the annually budgeted revenues. The Measure N Economic Uncertainty Fund balance as of June 30, 2020, was \$1,317,010. The amount for the Measure N Economic Uncertainty Fund met the required 10%.

The Measure also calls for the establishment and funding of a Maintenance and Emerging Needs Fund in the amount of 10% of the annually budgeted revenues of which 2% of the budgeted revenues shall be used for youth programs. The Maintenance and Emerging Needs Fund and The Maintenance and Emerging Needs Fund - Youth Fund were both funded during the fiscal year June 30, 2020, with the amount of \$1,053,608 and \$263,402, respectively which met the required percentages.

- (5) We traced all Measure N monies remitted by the California Department of Tax and Fee Administration to determine whether they were properly deposited into the appropriate Measure N fund.

Findings: None

- (6) We performed procedures to verify the summaries of Measure N receipts, disbursements and unexpended funds pertaining to the fiscal year 2019-2020 as prepared by the City.

Findings:

Police

The Annual Measure N Plan calls for the hiring of 21 police officers and six police professional staff during the current fiscal year. Our review indicated that 21 police officers and six police professional staff were hired in accordance with plan objectives. One of the six police professional staff hired and one of the 21 police officers hired resigned prior to June 30, 2020. Therefore one police officer positions and one police professional staff position remained open as of June 30, 2020.

Fire

We noted that an approved phased squad vehicle based emergency medical response program, with three paramedics and one EMS Coordinator were to be hired during the current fiscal year with the revised Annual Measure N Plan. Our review indicated that one paramedic and an EMS Coordinator were hired in accordance with plan objectives. Therefore, two paramedic positions remained open as of June 30, 2020. Our review also indicated that a Battalion Chief and Administrative Captain were transferred to Measure N from Measure T in accordance with the revised Annual Measure N Plan.

Parks and Recreation

Our review also indicated that two parks and recreation maintenance employees, an urban forest employee and a recreation coordinator were hired in accordance with the Annual Measure N Plan. Our review indicated that the recreation coordinator was transferred to another fund prior to June 30, 2020, due to the pandemic, and the position remained open as of June 30, 2020.

Maintenance and Emerging Needs (Including Youth)

The Measure N Plan called for the implementation of a Clubhouse Networking program in a previous year which rolled-over to the current fiscal year and the Maintenance and Emerging Needs Fund - Youth Fund was able to fund various hourly employees working on the Clubhouse Networking program in accordance with the Plan.

Findings:

We found that the Capital Improvement Program expenditures are generally proceeding in accordance with the Annual Measure N Plan. Measure N Funds include a capital project roll-over policy consistent with all City projects and funds where projects approved and possibly started but not completed in one fiscal year may roll-over into the next fiscal year until completed.

Fire

A ladder truck had been purchased as of June 30, 2017 in accordance with the Measure N plan. However, there were some remaining project costs that were incurred during the current fiscal year. An air truck has been purchased as of June 30, 2018 in accordance with the Measure N plan. However, there were some remaining project costs that were incurred during the current fiscal year.

The Capital Improvement Program expenditures for refurbishment of Station 51 has been delayed due to the advancement of relocating Fire Station 56 within the Annual Measure N Plan. Land was purchased during the 2018-2019 fiscal year and the project is in the design phase. Management anticipates the project to be completed in fiscal year 2021-2022 or 2022-2023.

The Annual Measure N Plan also calls for the purchase of a squad vehicle and a supervisor vehicle during the current fiscal year. Our review indicated that a squad vehicle was purchased and the supervisor vehicle had been ordered as of June 30, 2020.

Police

As of June 30, 2020, 18 police officer vehicles and two police professional staff vehicles had been purchased. The Measure N Plan called for the purchase of three additional police officer vehicles and one police professional staff member during the current fiscal year. We noted that the purchase for three of the police officer vehicles had been delayed due to the pandemic and are in the process of being ordered during the 2020-2021 fiscal year. The department determined the purchase of a vehicle for the professional staff member hired during the current fiscal year was not need as the position filled did not require the use of a vehicle. The professional staff member positions filled each fiscal year vary based on the needs of the department as allowed in the Measure N Plan.

Roads

Various street maintenance projects have been completed in fiscal year 2019-2020 in accordance with the Measure N Plan. \$3,146,086 had been expended during the fiscal year ended June 30, 2020.

Parks and Recreation

As of June 30, 2020, three vehicles had been purchased in accordance with the Measure N plan.

Other

The Annual Measure N Plan calls for a Downtown Street Light System. This project is still in the design phase. Management anticipates the project to be completed in fiscal year 2021-2022 or 2022-2023.

Maintenance and Emerging Needs

Various building maintenance projects have been completed in fiscal year 2018-2019 in accordance with the Measure N plan. \$234,543 had been expended during the fiscal year ended June 30, 2020.

Maintenance and Emerging Needs – Youth

No Capital Improvement Program expenditure amounts had been included in the Annual Measure N Plan or expended as of June 30, 2020.

(7) We conducted an exit interview with City staff representatives.

Findings: None

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on administration, financial management and accounting. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the City Council, City management and the Measure N Sales Tax Oversight Board and is not intended to be and should not be used by anyone other than those specified parties. However, this report is a matter of public record and its distribution is not limited.

Very truly yours,

M. Green and Company LP
M. GREEN AND COMPANY LLP
Certified Public Accountants

November 17, 2020
Visalia, California

CITY OF VISALIA BOND DISCLOSURE REQUIREMENTS

The City of Visalia (the City) periodically issues tax-exempt debt. Frequently the bond covenants require that the City of Visalia disclose additional information about its operations for the benefit of the bond holder. This disclosure statement provides for those disclosure requirements.

This disclosure statement addresses required disclosures for the following debt issues:

Redevelopment Agency Tax Allocation Bonds

On June 18, 2003, the Visalia Community Redevelopment Agency issued \$5,185,000 of 2003 Tax Allocation Refunding Bonds (2003 Bonds) to retire outstanding variable rate 1990 Tax Allocation Bonds and to pay for issuance costs. Due to the variable nature of the refunded debt, the City could not determine the economic gain on the transaction.

Tax increment revenue is pledged for the repayment of the 2003 Bonds. Interest ranges from 2.0% to 4.1% and is due semiannually each July 1 and January 1. Commencing in 2004, principal is payable each July 1 through 2026.

This debt was transferred to the Successor Agency of The City of Visalia on February 1, 2012, as a result of the dissolution of the Visalia Community Redevelopment Agency.

Certificates of Participation

On July 2, 2014, the City issued \$7,380,000 of 2014 Refunding Certificates of Participation (the Certificates) to (a) refund all of the City's outstanding 2005 Refunding Certificates of Participation (the Prior Certificates), (b) to purchase a municipal bond debt service reserve insurance policy for deposit into a debt reserve service reserve fund established for the Certificates, and (c) to pay the costs related to the execution and delivery of the Certificates. Of this issue, 84% is allocable to the Convention Center and 16% is considered general long-term debt. Interest represented by the Certificates is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2014, with the final payment due in the year 2025. The 2014 Certificates advance refunded the outstanding 2005 Refunding Certificates of Participation. The 2005 Certificates were fully called on July 11, 2014.

Certificates of Participation

On September 10, 2015, the City issued \$17,910,000 of 2015 Certificates of Participation to (a) construct and equip the Visalia Emergency Communications Center (the VECC), (b) to replace the City's Computer Aided Dispatch and Records Management System (the CAD/RMS), (c) to make certain improvements to the Visalia Convention Center, (d) to purchase a municipal bond debt service reserve insurance policy for deposit into a debt service reserve fund established for the Certificates, and (e) to pay the costs related to the execution and delivery of the Certificates. Of this issue, 27% is allocable to the Convention Center and 73% is considered general long-term debt. Interest represented by the Certificates is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2015, with the final payment due in the year 2029.

DISCLOSURES

Redevelopment Agency Tax Allocation Bonds

Successor Agency of The City of Visalia (former Visalia Community Redevelopment Agency of The City of Visalia)

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 17, 2012, the City Council elected to become the Successor Agency for the former Visalia Community Redevelopment Agency (RDA) with the Bill as part of City resolution number 12-01.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011), all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The Successor Agency of The City of Visalia took over the affairs of the former RDA of the City of Visalia at that time and is responsible for the wind down of the affairs of the dissolved RDA. It is responsible for fulfilling the obligations of the former RDA and is also responsible for revenue collection, maintaining bond reserves, and disposing of excess property. When the RDA was dissolved, the four project areas of the RDA were combined into one entity. Therefore, some historical information as required by the continuing disclosure is no longer available or applicable.

For FY 2019-20 and future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the former redevelopment agency have been paid in full and all assets have been liquidated.

The only outstanding bonded debt of the former Visalia Community Redevelopment Agency is the 2003 Tax Allocation Refunding Bonds (2003 Bonds). The 2003 Bonds have been accepted by the California Department of Finance as enforceable obligations. As a result, the County of Tulare will provide former tax increment revenues to the Successor Agency of the City of Visalia for payment of the 2003 Bonds.

The 2003 Tax Allocation Refunding Bonds (East Visalia Redevelopment Project) required continuing disclosures which are now meaningless due to the dissolution of redevelopment agencies. Continuing disclosure covenants ask for the following five tables:

- Historical Assessed Valuation (Table 3)
- Historical Levy and Receipts (Table 4)
- Top Ten Taxpayers (Table 6)
- Projected Tax Revenues (Table 8)
- Projected Debt Service Coverage (Table 9)
- Rating Changes

These tables are presented here as required.

**TABLE 3
SUCCESSOR AGENCY OF THE CITY OF VISALIA
EAST SUCCESSOR AGENCY PROJECT AREA
HISTORICAL AND CURRENT ASSESSED VALUATION
LAST FIVE FISCAL YEARS**

Fiscal Year Ended June 30	Locally- Assessed Secured Value	Unsecured Value	State-Assessed Value	Total Assessed Value	Incremental Assessed Value
2016	154,685,059	17,744,471	521,796	172,951,326	71,719,119
2017	159,202,054	31,905,255	521,796	191,629,105	71,719,119
2018	166,077,971	19,965,433	602,306	186,645,710	71,719,119
2019	172,658,326	23,034,881	602,306	196,295,513	71,719,119
2020	182,187,754	21,343,824	602,306	204,133,884	71,719,119

Source: County of Tulare and City of Visalia Finance Department

Table 4
Successor Agency of The City of Visalia
East Visalia Redevelopment Project
Historical Levy and Receipts

Fiscal Year	Levy	Total Receipts of Tax Increment Revenue	Percentage of Levy Received
2008-09	\$ 1,170	\$ 1,389	118.72%
2009-10	1,244	1,336	107.40%
2010-11	1,212	1,339	110.48%
2011-12*	1,177	665	56.50%

* Partial Year due to the dissolution of The Visalia Community Redevelopment Agency on February 1, 2012

The 2003 Bonds have been accepted by the California Department of Finance as enforceable obligations. As a result, the County of Tulare will provide former tax increment revenues to the Successor Agency of the City of Visalia for payment of the 2003 Bonds.

Source: County of Tulare and City of Visalia Finance Department

Table 6
SUCCESSOR AGENCY OF THE CITY OF VISALIA
EAST VISALIA REDEVELOPMENT PROJECT AREA
TOP TEN TAXPAYERS
BASED UPON 2019-20 ASSESSED VALUATION

Property Owner	Fiscal Year 2019-20 Total Assessed Value	Percentage of Total ⁽¹⁾
1 Hotel Circle GL Holding LLC	\$ 17,320,762	8.49%
2 Donald John & Shelly Kaye Groppetti	11,311,053	5.54%
3 Willow Street Development Co LLC	10,912,896	5.35%
4 Kenneth J. Curti (TR)	8,758,397	4.29%
5 Mark Whittlesey (TR)	6,232,307	3.05%
6 Pile Partners #1 LLC	2,186,114	1.07%
7 Dinesh & Diane L Sharma (TRS)	2,145,913	1.05%
8 Troy Korsgaden	1,965,000	0.96%
9 Larry J & Mary E Ritchie (TRS)	1,927,392	0.94%
10 George Zarounian Auto Inc	1,915,907	0.94%
	\$ 64,675,741	

⁽¹⁾ Fiscal Year 2019-20 assessed valuation: \$204,133,884

Source: Tulare County Auditor Controller's Office

Table 8
Successor Agency of The City of Visalia
East Visalia Redevelopment Project
Tax Revenues
(000s Omitted)

Fiscal Year	Total Assessed Valuation	Tax Increment	Senior Tax Sharing	Section 33676 Adjustment	County Admin Fees	Housing Set-Aside	Tax Revenues
2008-09	\$ 160,739	\$ 1,389	\$ 550	\$ 9	\$ 64	\$ 278	\$ 488
2009-10	171,728	1,336	585	9	41	267	434
2010-11	169,542	1,339	594	9	39	268	429
2011-12*	167,310	665	12	9	22	133	489

* Partial Year due to the dissolution of The Visalia Community Redevelopment Agency on February 1, 2012

Source: County of Tulare and City of Visalia Finance Department

With the dissolution of redevelopment agencies, successor agencies will only receive property tax revenues sufficient to pay debt service. As a result, the County of Tulare will provide the City's successor agency tax increment equal to the debt service for that year. In other words, debt service coverage will be 1.0 and projected receipts will be equal to debt service.

Table 9
Successor Agency of The City of Visalia
East Visalia Redevelopment Project
Projected Debt Service Coverage
(000's Omitted)

Fiscal Year	Tax Revenues	Debt Service	Coverage
2008-09	\$ 488	\$ 220	222%
2009-10	434	225	193%
2010-11	429	230	187%
2011-12*	489	240	204%
2012-13**	245	245	100%
2013-14**	255	255	100%
2014-15**	260	260	100%
2016-2020**	1,065	1,065	100%
2021-2025**	1,005	1,005	100%
2025-2027**	460	460	100%

* Partial Year due to the dissolution of The Visalia Community Redevelopment Agency on February 1, 2012

**The 2003 Bonds have been accepted by the California Department of Finance as enforceable obligations. As a result, the County of Tulare will provide former tax increment revenues to the Successor Agency of the City of Visalia for payment of the 2003 Bonds.

Source: City of Visalia Finance Department

Rating Changes for 2003 Tax Allocation Refunding Bonds (East Visalia Redevelopment Project)

- On August 10, 2010, Standard & Poor's upgraded the 2003 Bonds from BBB to A-, the last rating analysis that the City has received.

Certificates of Participation – 2014 Refunding Certificates of Participation

The 2014 Refunding Certificates of Participation required the following continuing disclosures that are not already included as part of the City's Comprehensive Annual Financial Report (CAFR):

Balance of the Reserve Fund as of January 1
Rating Changes

The reserve fund for the 2014 Refunding Certificates of Participation consists of an Assured Guaranty Municipal Bond Insurance Policy. The market value of the bond insurance in place at January 1, 2020 was \$797,250.00.

Rating Changes for 2014 Refunding Certificates of Participation

- On June 12, 2014, Standard & Poor's issued a rating for the 2014 Refunding Certificates of Participation of A+. On January 6, 2021, Standard & Poor's reaffirmed the A+ rating. This is the latest rating analysis that the City has received for this issue.

Certificates of Participation – 2015 Certificates of Participation

The 2015 Certificates of Participation required the following continuing disclosures that are not already included as part of the City's Comprehensive Annual Financial Report (CAFR):

Balance of the Reserve Fund as of January 1
Rating Changes

The reserve fund for the 2015 Certificates of Participation consists of an Assured Guaranty Municipal Bond Insurance Policy. The market value of the bond insurance in place at January 1, 2020 was \$1,578,737.50.

Rating Changes for 2015 Certificates of Participation

- On August 21, 2015, Standard & Poor's issued a rating for the 2015 Certificates of Participation of A+. On January 6, 2021, Standard & Poor's reaffirmed the A+ rating. This is the latest rating analysis that the City has received for this issue.