

State of California

City of Visalia



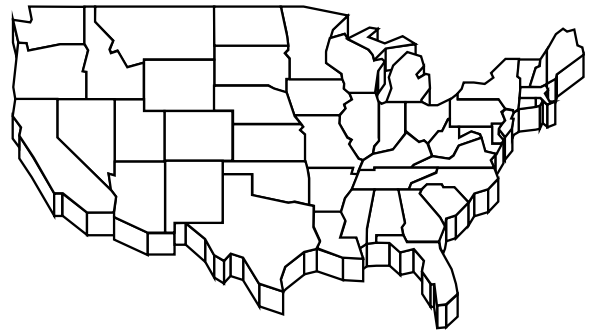
Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2021

CITY OF VISALIA
STATE OF CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2021



Prepared by the Finance Department

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Visalia, California 93291
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Introductory Section

Introductory Section





December 29, 2021

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) Annual Comprehensive Financial Report (ACFR) for the fiscal year July 1, 2020 through June 30, 2021. 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 ACFR 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 ACFR 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 merely a reflection of a financial point in our history that provides an 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 ACFR.

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 The Pun Group, LLP, 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 2020-2021 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.

The ACFR 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. Currently, the City has a land area of approximately 38 square miles with an estimated population of 139,254 as of May 2021, making it the 43rd largest city in California (*Department of Finance, State of California*).

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

Surprisingly, fiscal year 2020-21 saw significant growth in all revenue categories for Visalia despite the restrictions and impact on the economy from the continuation of the COVID-19 pandemic. We can only surmise that the record breaking stimulus packages issued by the Federal and State government combined with the gradual reopening in the early part of 2021 from the historic lockdowns, contributed to this growth. Nationally, for June 2021, Gross Domestic Product (GDP) came in at 6.7% reflecting the continued economic recovery, reopening of establishments, and continued government stimulus support. GDP refers to a country's economic growth rate. A 2-3% GDP is generally considered a healthy GDP. The national unemployment rate as of June 2021 was at 5.9%, a very good improvement compared to the 14.7% we saw in April 2020. The Federal Reserve likes to see a natural unemployment rate of 4%.

Fiscal year 2020-21 ended the year with an overall increase of \$7.6 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)

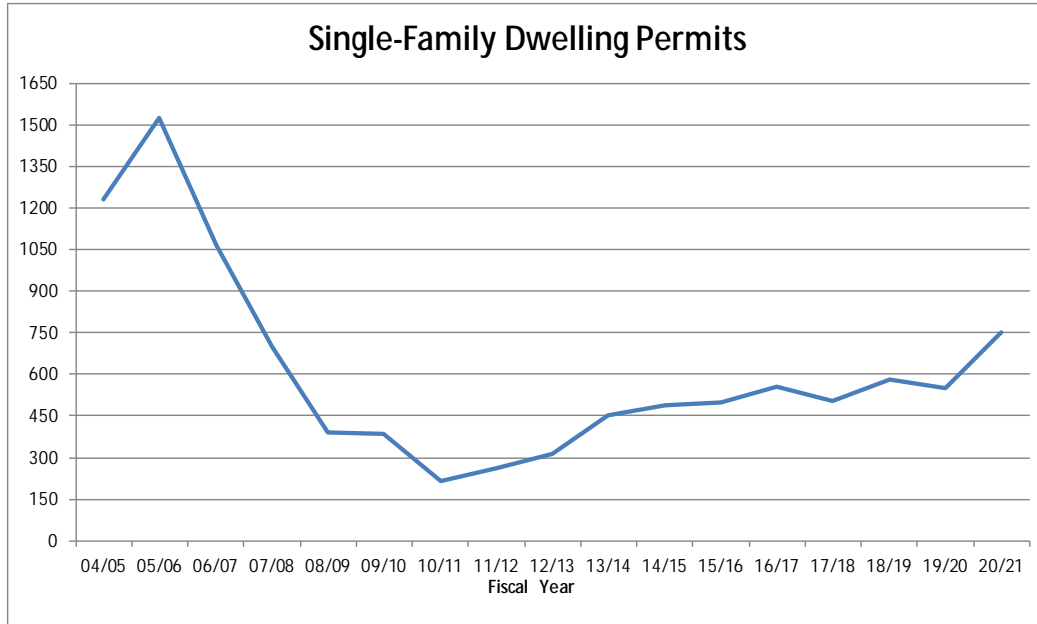
Description	FY 19/20	FY 20/21	Increase Over	
			Prior Year	% Increase
Sales Tax	\$ 34,213,847	\$ 38,986,517	\$ 4,772,670	14%
Property Tax	26,281,706	27,884,766	1,603,060	6%
Transient Occupancy Tax	2,727,385	3,323,538	596,153	22%
Franchise Fees	2,669,467	2,795,357	125,890	5%
Business License	2,538,135	3,088,633	550,498	22%
Total	\$ 68,430,540	\$ 76,078,811	\$ 7,648,271	11%

Sales Tax grew at 14% for fiscal year 2020-21, partially due to the Federal stimulus money issued which allowed consumers to continue to spend as well as the reopening of establishments. The main areas of the growth in Sales Tax for Visalia were in General Retail (department stores, apparel stores) which grew \$1.5 million; Business to Business (office equipment, industry) which grew \$1.4 million; and Transportation (auto sales, service stations) which grew \$.8 million. Property Tax maintained its growth trend increasing 6% as existing houses sales, new development, and property values increased in Visalia. The ending of the shelter in place and reopening of things in California really was evident in Transient Occupancy Tax (TOT) revenue as fiscal year 2020-21 had an increase of 22% as compared to last year. Fiscal year 2019-20 had a large decrease in revenue due to the COVID-19 travel restrictions and historic shutdowns imposed by the State of California. If fiscal year 2019-20 would have had normal growth levels, this year's growth in TOT would be an estimated 5%. Franchise Fee revenue had an increase of 5% in fiscal year 2020-21 mainly due to increases in gas and electric revenue. Business License revenue increased 22% as compared to last fiscal year as several businesses remitted current and prior year delinquencies in order to bring their accounts current in fiscal year 2020-21. Businesses had to have a current business license which meant delinquencies had to be paid in order to qualify for various COVID-19 relief programs.

Visalia has 12,505 licensed businesses operating in the City, an increase of 190 as compared to last year. 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 increased 13% (based on number of all permits issued) in fiscal year 2020-21. The total valuation for all permits issued was \$473 million, a 39% increase from the prior year as the City added 1.9 million square feet of new commercial property and 3.6 million square feet of space overall. In terms of single-family dwelling permits, fiscal year 2020-21 had an increase 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 up from the prior year by 36%. The construction value for 749 new single-family dwelling permits came in at \$197 million, which was up 40% 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 2020-21.

Industrial Park Highlights

Caprock Partners has completed a 1.3 million square foot building at Plaza Drive and Riggin Avenue adjacent to the UPS building. The facility is the largest in the Industrial Park and now houses an Amazon Warehouse Distribution Center.

Caprock Partners will soon be constructing its second Visalia facility. The 1.1 million square foot building will be located just north of the newly constructed Amazon building near Plaza Drive and Riggin Avenue.

Seefried Industrial Properties will be constructing a facility that will house an Ace Hardware Distribution Center. The facility will be over 1 million square feet and be located at the southwest corner of Plaza Drive and Ferguson Avenue.

YS Holdings Inc. LLC will be constructing a 300,000 square foot building along Riggin Avenue and the future Clancy Street east of their two other existing facilities.

A new master planned site is being proposed just east of the Amazon facility north of Riggan Avenue. The 280 acre site will feature a mix of different sized buildings, both industrial and light industrial zoned, along with several potential fast food options and a gas station.

Other projects in the Industrial Park include:

- Sorma USA has purchased the former Josten's building.
- MWI is expanding in their existing building now that co-tenant Mor Furniture has relocated.
- Refrigeration Supplies Distributor is currently constructing a 56,000 square foot expansion to their current facility.

Business Research Park

The Business Research Park is in northwest Visalia adjacent to the Industrial Park and continues to add amenities.

Kaweah Delta Healthcare will be constructing a new health clinic just south of Goshen Avenue along Plaza Drive.

Mooney Boulevard

A new retailer will be coming to Visalia. US Foods Chef Store will be moving into the former Best Buy building east of Mooney Boulevard. Chef Store serves both professional chefs and home chefs alike offering great food at wholesale prices as well as equipment and supplies.

Raising Cane's is now open at the corner of Caldwell Avenue and Mooney Boulevard near the Sequoia Mall.

LL Flooring Lumber Liquidators is moving into the former DSW space at Caldwell Avenue and Mooney Boulevard next to Staples. Lumber Liquidators offers a variety of flooring options including hardwood flooring, laminate flooring, vinyl plank flooring, and tile flooring.

Permits for a new Texas Roadhouse are currently pending. Texas Roadhouse is an American steakhouse that specializes in steaks in a Texan and Southwestern cuisine style. Texas Roadhouse plans to occupy a space in the new proposed shopping center located south of Visalia Parkway and west of Mooney Boulevard.

A United Health Center site is looking to locate in the former Cost Plus Market space located east of Mooney Boulevard near Outback Steakhouse. United Health Center facilities strive to improve the health and quality of life for the communities that they serve.

An established retail developer has recently acquired the former Cask-N-Cleaver restaurant site and plans to redevelop the site for a new restaurant user. This building is at the corner of Caldwell Avenue and Mooney Boulevard near Dicks Sporting Goods.

Downtown Developments

Historic Downtown:

Family Healthcare Network is constructing a new two-story, 23,500 square foot facility at the corner of Bridge Street and School Avenue. Family Healthcare Network provides high quality health care to all with dignity and respect regardless of a persons ability to pay.

Soccer City will soon be starting construction at the former Johnson Pipe Supply building located at Goshen Avenue and Johnson Street. The indoor soccer facility will also feature a new Visalia Microbrewery and will be a welcome new entertainment venue for downtown Visalia.

Lake Bottom Brewery and Distillery is now open at 105 East Main Street. The restaurant offers local made craft beer, cocktails, and fine food.

North Visalia

Phase 1 of the Orchard Walk West located at North Dinuba Boulevard and Riggin Avenue has partially been completed with the opening of 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.

Plans have been submitted for the remainder of the Country Club Shopping Center located at Demaree Street and Goshen Avenue next to the Walmart Neighborhood Market. The new center will feature eight new retail pads including a new anchor space.

ONGOING CAPITAL PROJECTS

The City's Capital Improvement Program has a number of significant projects currently underway that will continue into fiscal year 2022 and beyond.

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.

Downtown Street Light Project

- The \$6.8 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.

Fire Station 56 Relocation

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

Santa Fe/Tulare Avenue Roundabout

- The \$4.2 million project to construct a new roundabout at the intersection of Santa Fe Street and Tulare Avenue was recently completed in fiscal year 2022. This project enhances the traffic flow and corrects the geometric offset of 35' that existed at the intersection.

Aircraft Hangars Project

- The \$4.5 million project to construct new aircraft hangars and T-hangars was recently completed in fiscal year 2022. This project meets the airports growing demands and will increase revenues in hangar leases

FINANCIAL CONDITION

Fiscal year 2020-21 ended with strong growth in the main General Fund revenue categories of Sales Tax, Property Tax, and Other Taxes, which consists of Transient Occupancy Tax and Franchise Fee revenue. The COVID-19 pandemic continued to affect the economy across the state and nation for most of the fiscal year, however, with continued stimulus support from the Federal and State government and the gradual reopening from the historic lockdowns, consumers continued to spend the extra funds available to them and returned to a fraction of their normal life with travel, retail, and restaurant patronage. For most of the fiscal year, 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 \$13.02 million. The City received Coronavirus Relief Funds (CARES Act) of \$1.7 million which helped offset expenses and contributed to the General Fund surplus. The large surplus is also due to vacancies throughout the City, especially in Public Safety, where a large number of vacancies for fiscal year 2020-21 were actively being recruited for.

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

	General Fund FY 20/21	Emergency Reserve FY 20/21	Total FY 20/21
Revenues	\$ 84.20	\$ 0.06	\$ 84.26
Expenditures	\$ 67.26	\$ -	\$ 67.26
Over/(Under) Expenditures	\$ 16.94	\$ 0.06	\$ 17.00
Other Financing Sources (Uses)	\$ (3.92)	\$ -	\$ (3.92)
Net Change in Fund Balance	\$ 13.02	\$ 0.06	\$ 13.08
Surplus	<u>\$ 13.02</u>	<u>\$ 0.06</u>	<u>\$ 13.08</u>
Transfer surplus to Emergency Reserve Fund*	\$ (0.39)		\$ (0.39)
Transfer surplus to Civic Center Fund*	\$ (12.24)		\$ (12.24)

*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.

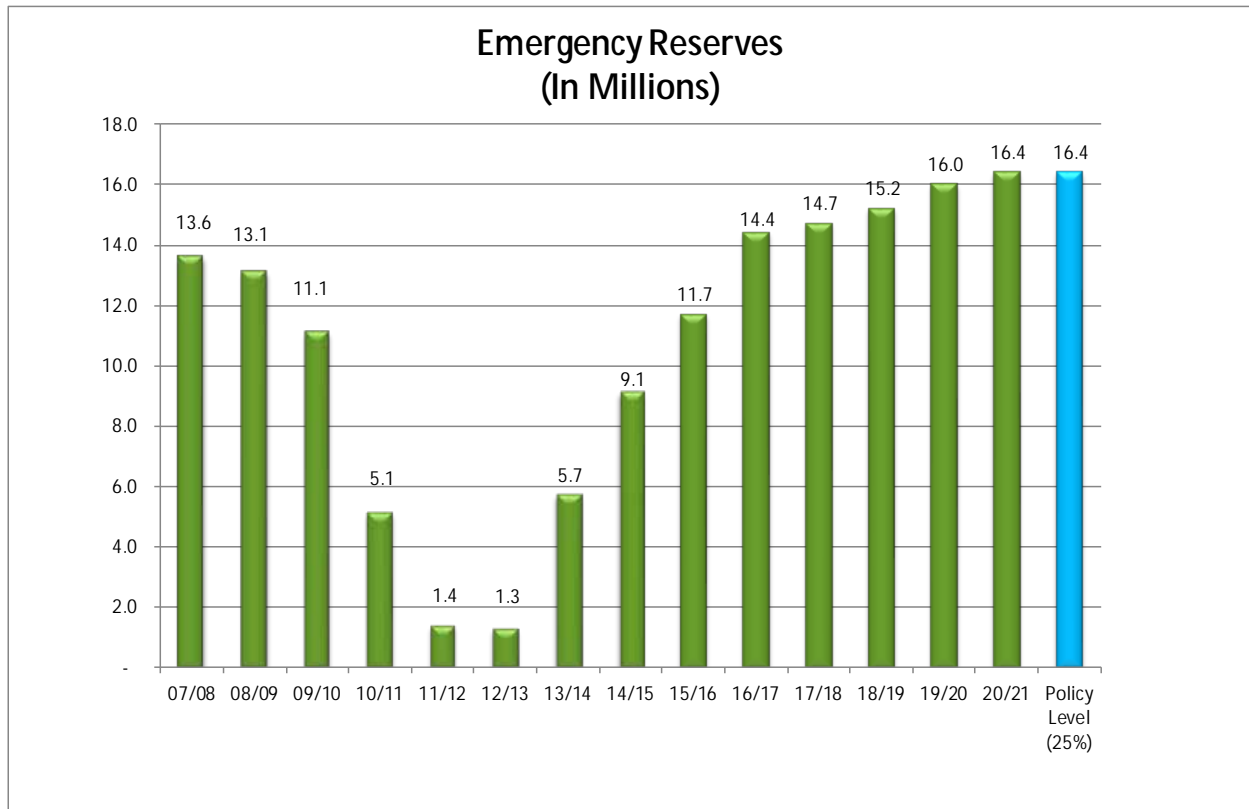
This is the eighth consecutive year that the General Fund has ended the year with a surplus. However, history has shown that the balance between revenues and expenditures in the General Fund can be volatile from year to year. The City must continue to monitor increasing operating costs (i.e. rising pension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

In June 2020, the City Council adopted a balanced biennial budget for fiscal years 2020-2021 and 2021-2022. The biennial budget focused on the following goals:

- Maintain quality of life for Citizens;
- Maintain financial stability by continuing to be conservative with revenues and expenditures;
- Continue to improve infrastructure and replace capital;
- Enhance City services by efficiently adding staff, programs, and technology; and
- Facilitate and promote economic development.

Both fiscal years budgets projected a deficit for the General Fund due to the uncertainty of the COVID-19 pandemic. However, any surplus that may occur will be transferred to the Emergency Reserve which will be 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 2020-21. For this fiscal year, interest earnings of \$61,074 plus a transfer from the General Fund’s surplus of \$392,894 was needed to continue to meet Council’s 25% Emergency Reserve Policy. This is the fifth year in a row that this policy has been met.

MEASURE N

Fiscal year 2020-21 was the fourth 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 \$16.9 million; \$5.3 million more than budgeted for the year. As of June 30, 2021, Measure N had enabled the City to fund 23 police officers, 2 community service officers, 2 police technicians, 1 police records specialist, 1 information technology analyst, 1 urban forest employee, 2 park maintenance employees, 1 recreation coordinator, 1 Battalion Chief, 1 Fire Captain, 1 EMS coordinator, and 3 paramedics. Major purchases in this fiscal year include roof replacements at the Airport, Anthony Center, and Fairview Center; the purchase of land for Fire Station 56; and 1 EMS vehicle. In addition, the City was also able to complete \$2.4 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 ACFR for the fiscal year ended June 30, 2020. To qualify for the Certificate of Achievement, the governmental entity must publish an easily readable and efficiently organized ACFR, 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 ACFR 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 ACFR 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 The Pun Group, LLP.

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,



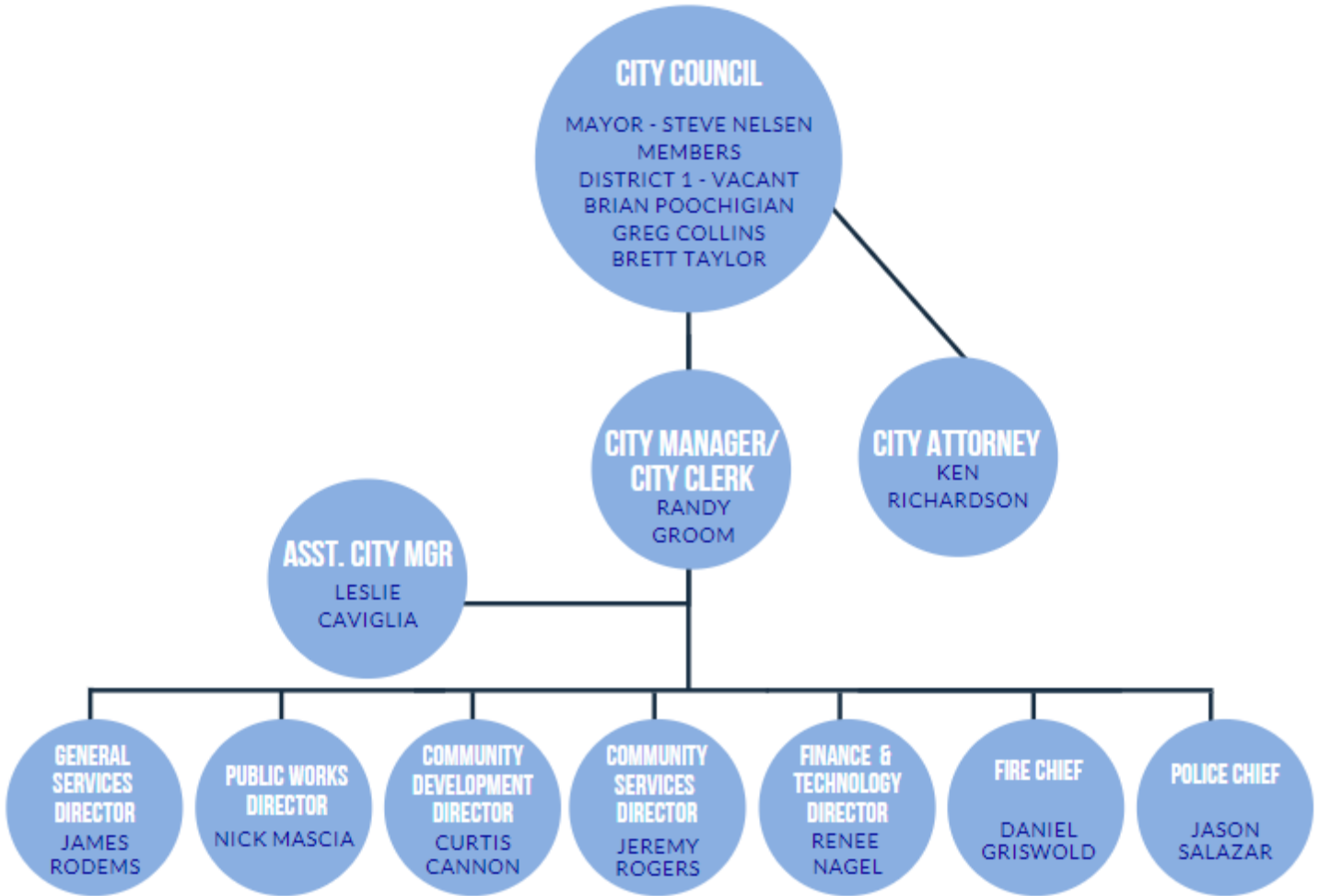
Leslie B. Caviglia
City Manager



Renee Nagel
Finance Director

Organizational Chart

City of Visalia – Comprehensive Annual Financial Report For Year Ended June 30, 2021



As of June 30, 2021



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, 2020

Christopher P. Morill

Executive Director/CEO



Financial Section

Financial Section





INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major funds, and the aggregate remaining fund information of the City of Visalia, California (the "City") as of and for the year ended June 30, 2021, and the related notes to the basic 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 entity'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 entity'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, business-type activities, each major funds, and the aggregate remaining fund information of the City, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

Implementation of GASB 84

As discussed in Note 1N to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. The adoption of the standard resulted in the custodial funds reporting beginning fiduciary net position in the amount of \$291,716. Our opinion is not modified with respect to this matter.

Prior Period Adjustments

As discussed in Note 14 to the basic financial statements, certain amounts were restated due to improper reporting of deferred inflow of resources of \$12,697,529 and \$8,276,601 in the Housing and Community Grants and Housing Successor Agency Special Revenue Funds, respectively. A restatement has been recorded to the Governmental Activities of \$1,725,691 for an overstatement of capital assets due to the improper allocation of capital improvements in the prior years. Our opinions are not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedules of Changes in the Net Pension Liabilities and Related Ratios, the Schedules of Contributions – Pensions, the Schedule of Changes in Net Other Postemployment Benefits liabilities and Related Ratios, and the Schedule of Contributions – Other Postemployment Benefits on pages 3 to 21 and 97 to 105 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, the Combining and Individual Nonmajor Fund Financial Statements, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements are the responsibility of management and were derived from and relate 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 Combining and Individual Nonmajor Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and the Statistical 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 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Santa Ana, California
December 29, 2021

**CITY OF VISALIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FISCAL YEAR ENDING JUNE 30, 2021**

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 Annual Comprehensive 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 American Rescue Plan 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 Refunding COP and 2015 COP; and Capital Projects Funds such as Government Facilities Impact Fee, Facility Improvements and the Civic Center Fund (detail on pages 114-137). 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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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 Water Reclamation Facility, Storm Sewer Maintenance, Solid Waste, and Transit which are considered to be major funds of the City and Convention Center, Airport, Building Safety, Animal Control, and Baseball which are considered to be non-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 Property and Business Improvement District #5 (for Downtown Visalians & Alliance), the Village West Improvement District, the Orchard Walk

Management Discussion and Analysis

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Underground Utilities District, the Atwood Assessment District, the Laura Assessment District, Visalia Tourism & Marketing District, and the Visalia Redevelopment Successor Agency.

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 139,254 an increase of 0.4% this past fiscal year. The California Consumer Price Index for All Urban Consumers for the same period increased by 1.67%. The major factors driving the City's financial results this fiscal year are the following:

- Increased Sales Tax Revenues of \$10.6 million, up 18% from last year which includes growth in general sales tax of \$4.8 (14%) million in the General Fund, an increase of \$3.0 (22%) million in Measure N and an increase in Measure T sales tax of \$1.5 (21%) million. Measure R sales tax revenues had an increase of \$1.3 (25%) million as funding for projects in those funds were received.
- Increased property taxes, up 6% from last year.
- Vacancies in the General Fund of \$2.3 million as compared to the budget.
- Increased in government wide Charges for Services, up 3% from last year with the majority of the increases in impact fee revenue from residential, 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 20-21	FY 19-20	Increase (Decrease)	
			\$	%
Assets	\$ 1,210.1	\$ 1,128.6	\$ 81.5	7%
Deferred Outflows of Resources	25.3	27.0	(1.7)	-6%
Liabilities	297.3	284.1	13.2	5%
Deferred Inflows of Resources	3.5	6.0	(2.5)	-42%
Net Position	934.6	865.5	69.1	8%
Revenues	244.3	234.2	10.1	4%
Expenses	173.5	182.8	(9.3)	-5%

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

- The City's Total Assets increased by \$81.5 million (7%) during the current fiscal year mainly due to increases in cash and investments of \$72.0 million, accounts receivable of \$3.3 million, and taxes receivable of \$3.1 million. Decreases in Total Assets included, notes and loans receivable of \$1.2 million, and due from other governmental units of \$4.0 million. The increase in capital asset changes of \$8.2 million include additions, deletions, and depreciation comprised of increases of \$4.9 million in vehicles and equipment, \$11.6 million in infrastructure, and \$1.0 million in construction in progress as well as decreases of \$0.4 million in land, \$2.5 million in buildings and \$6.4 million in improvements.
- The City's Deferred Outflows of Resources decreased by \$1.7 million (6%) due to annual adjustments for GASB 68 recording of deferred pensions.
- The City's Liabilities increased by \$13.2 million (5%) during the current fiscal year. This was mainly due to increases in unearned revenue of \$15.4 million of which \$14.7 million are American Rescue Plan funds received in FY 20-21, net pension liability of \$5.1 million, and self-Insurance claims of \$1.6 million in combination with decreases for scheduled debt service payments of \$4.3 million, liability for payables of \$3.0 million, and advances from Grantors and third parties of \$1.3 million.
- The City's Deferred Inflows of Resources decreased by \$2.5 million due to annual adjustments by CalPERS for GASB 68 recording of deferred pensions.
- The City's Total Net Position (assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources) were \$934.6 million as of June 30, 2021.
- The City's Total Revenues, including program and general revenues, were \$244.3 million for fiscal year 2020-21, an increase of \$10.1 million (4%) from last year, while total City expenses were \$173.5 million, a decrease of \$9.3 million (5%) from last year. The revenue increase is due to a combination of increases in tax revenue of \$13.5 million, grants and contributions of \$5.1 million, and charges for services of \$0.1 million in combination with decreases for investment earnings of \$7.0 million (mainly due to a decrease in the fair market value of the investments held at June 30, 2021), miscellaneous revenue of \$1.1 million and transfers of \$0.5 million.
- Revenues can be divided between Program Revenues related to work activities and General or Tax Revenues. For fiscal year 2020-21, Program Revenues were \$131.4 million (revenues derived from specific activities) and General Revenues (e.g., taxes and investment earnings) were \$112.9 million. These same revenues can be classified as either Governmental activity revenues or Business-type activity revenues. For fiscal year 2020-21, Governmental activity revenues and Business-type activity revenues were \$150.5 million (61.6%) and \$93.8 million (38.4%), respectively.
- Expenses for governmental activities and for business-type activities were \$100.4 million (a 7.5% decrease from last year) and \$73.1 million (a 1.5% 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 \$517.5 million. The largest portion of the net position, \$360.7 million (69.7%), is Net Investment in Capital Assets (net of debt to acquire those assets). The remaining portions of the City's net position are: \$130.7 million (25.2%) represents resources that are subject to restrictions and the remaining \$26.2 million (5.1%) being unrestricted.

Management Discussion and Analysis

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

Table 2
Governmental Net Position
(in millions)

	FY 20-21	FY 19-20	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 230.9	\$ 172.8	\$ 58.1	34%
Current and Other Assets	69.0	65.0	4.0	6%
Adv. To Other Funds & Internal Balances	3.0	2.5	0.5	20%
Capital Assets, Net of Accum. Deprec.	351.2	346.2	5.0	1%
Total Assets	<u>654.1</u>	<u>586.5</u>	<u>67.6</u>	12%
Deferred Outflows of Resources				
Deferred Pensions	20.9	22.3	(1.4)	-6%
Total Deferred Outflows of Resources	<u>20.9</u>	<u>22.3</u>	<u>(1.4)</u>	-6%
Liabilities				
Other Liabilities	31.9	15.5	16.4	106%
Long-Term Obligations	122.6	119.2	3.4	3%
Total Liabilities	<u>154.5</u>	<u>134.7</u>	<u>19.8</u>	15%
Deferred Inflows of Resources				
Deferred Pensions	3.0	4.9	(1.9)	-39%
Total Deferred Inflows of Resources	<u>3.0</u>	<u>4.9</u>	<u>(1.9)</u>	-39%
Net Position				
Net Investment in Capital Assets	360.6	335.9	24.7	7%
Restricted	130.7	94.9	35.8	38%
Unrestricted	26.2	38.4	(12.2)	-32%
Total Net Position	<u>\$ 517.5</u>	<u>\$ 469.2</u>	<u>\$ 48.3</u>	10%

- *Cash and Investments* of \$230.9 million increased \$58.1 million from last year mainly due to an increase in tax and grant revenues, receipt of American Rescue Plan funds, and revenues exceeding expenses for the year.
- *Capital Assets, Net of Accumulated Depreciation* totaling \$351.2 million are categorized in [Table 8, Capital Assets, Net of Accumulated Depreciation](#).
- *Long-Term Obligations* totaling \$122.6 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 \$3.9 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 \$360.6 million represents the City's capital assets less accumulated depreciation and any debt used to finance its construction or purchase.
- *Restricted Net Position* of \$130.7 million is primarily found in Capital Projects funds which have been restricted for related capital projects.
- *Unrestricted Net Position* of \$26.2 million is the remaining part of the assets. Of this amount, \$53.1 million is the General Fund's net position. Of the General Fund's portion, all but \$5.4 million is either nonspendable (\$3.5 million), committed (\$16.6 million) or assigned as budgeted projects (\$27.6 million). Additional information on the General Fund's Fund Balance can be found in the Statistical Section (pages 164-165)

Management Discussion and Analysis

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

Analysis of Changes in Governmental Net Position

Governmental activities are summarized on [Table 3, Changes in Governmental Net Position](#), showing that during fiscal year 2020-21 the City's net position increased by \$50.1 million.

Table 3
Changes in Governmental Net Position
(in millions)

	FY 20-21		FY 19-20		Increase (Decrease)		
					\$	%	
REVENUES							
Program Revenues:							
Charges for Services	\$	25.9	\$	25.2	\$	0.7	3%
Operating Grants & Contributions		6.1		5.1		1.0	20%
Capital Grants & Contributions		12.1		11.8		0.3	3%
General Revenues:							
Taxes							
Sales		70.9		60.3		10.6	18%
Property		27.9		26.3		1.6	6%
Other		9.3		8.0		1.3	16%
Investment Earnings		1.3		4.6		(3.3)	-72%
Miscellaneous		1.0		1.4		(0.4)	-29%
Total Revenues		<u>154.5</u>		<u>142.7</u>		<u>11.8</u>	8%
EXPENSES							
General Government		6.9		7.4		(0.5)	-7%
Community Development		2.7		2.5		0.2	8%
Housing & Community Grants		2.8		1.7		1.1	65%
Police		44.4		45.0		(0.6)	-1%
Fire		19.7		19.0		0.7	4%
Public Works		12.2		20.4		(8.2)	-40%
Community Services		11.3		12.1		(0.8)	-7%
Interest on Long-Term Debt		0.4		0.5		(0.1)	-20%
Total Expenses		<u>100.4</u>		<u>108.6</u>		<u>(8.2)</u>	-8%
Increase (Decrease) in Net Position							
Before Transfers		54.1		34.1		20.0	59%
Transfers							
Total Transfers		<u>(4.0)</u>		<u>(4.5)</u>		<u>(0.5)</u>	-11%
Increase (Decrease) in Net Position							
Net Position at Beg. of Year, as Restated		467.4		437.8		29.6	7%
Net Position at End of Year	\$	<u>517.5</u>	\$	<u>467.4</u>	\$	<u>50.1</u>	11%

Total revenues of \$154.5 million, increased by \$11.8 million (8%) and total governmental expenses of \$100.4 million, decreased by \$8.2 million (8%) when compared to last year. The most significant revenue changes were the increases in sales taxes of \$10.6 million (18%), property tax of \$1.6 million (6%), operating grants & contributions of \$1.0 million, charges for services of \$0.7 million and a decrease in investment earnings of \$3.3 million due to a decrease in the fair market value of the investments held at June 30, 2021. Expenditures had decreases seen in General Government of \$0.5 million (7%), Police of \$0.6 million (1%) (Measure N, and GASB68 pension adjustments), Public Works of \$8.2 million (40%) (capital related projects and activity) and Community Services of \$0.8 million (7%) with increases in Community Development of \$0.2 million (8%), Housing & Community Grants of \$1.1 million (65%), and Fire of \$0.7 million (4%).

PROGRAM REVENUES

Charges for Services

These charges increased \$0.7 million or 3% as compared to the prior year. The increase was mainly due to increased impact fee revenue for residential, 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 \$1.3 million, for a total of \$18.2 million.

GENERAL REVENUES

- **Sales Tax** - Sales tax increased \$10.6 million from last year with increases in the general fund of \$4.8 million, Measure N of \$3.0 million, Measure T of \$1.5 million, Measure R Regional sales tax revenues of \$0.7 million, and Measure R Local sales tax revenues of \$0.6 million 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 \$70.9 million.
- **Property Taxes** - Property tax revenues increased \$1.6 million (6%) over last year currently totaling \$27.9 million.
- **Investment Earnings** - Investment earnings decreased \$3.3 million over last year mainly due to a decrease in interest rates on allowable investments for the year and a decrease in the fair market value of the investments held at June 30, 2021.

EXPENSES

- **General Government** - There were \$6.9 million in expenses, a decrease of \$0.5 million (7%) as compared to last year which was mainly due to a decrease in the annual GASB 68 pension adjustments of \$0.5 million and increases in services provided of \$0.3 million, salaries and benefits of \$0.3 million and depreciation expense of \$0.2 million.
- **Community Development** - There were \$2.7 million in expenses, an increase of \$0.2 million (8%) as compared to last year mainly due to decreases to the annual GASB 68 pension adjustment of \$0.2 million and services provided of \$0.1 million and increases in salaries and benefits of \$0.5 million
- **Housing & Community Grants** – There were \$2.8 million in expenses, an increase of \$1.1 million (65%) compared to last year which was mainly due to increases in program activity.
- **Police** - There were \$44.4 million in expenses, a decrease of \$0.6 million (1%) as compared to last year which was mainly due to a decrease in the annual GASB 68 pension adjustment of \$0.8 million and capital expenses of \$0.2 million and increases in salaries and benefits of \$0.8 million as a result of wage increases.
- **Fire** - There were \$19.7 million in expenses, an increase of \$0.7 million (4%) as compared to last year which was mainly due to an increase in salaries and benefits of \$1.3 million as a result of wage increases and an increase in the annual GASB 68 pension adjustment of \$0.3 million.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

- **Public Works** - There were \$12.2 million in expenses, a decrease of \$8.2 million (40%) as compared to last year which was mainly due to a decrease in capital related activity and projects of \$7.5 million, the annual GASB 68 pension adjustments of \$0.6 million, services provided of \$0.4 million and depreciation of \$0.5 million with increases in salaries and benefits of \$0.5 million as a result of wage increases.
- **Community Services** - There were \$11.3 million in expenses, a decrease of \$0.8 million (7%) as compared to last year which was mainly due to decreases in the annual GASB 68 pension adjustments of \$0.4 million, services provided of \$0.1 million and salaries and benefits of \$0.3 million as a result of wage increases.
- **Interest on Long-Term Debt** - There was \$0.4 million in interest expense for fiscal year 2020-21. 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 \$417.0 million. The largest portion of the net position, Net Investment in Capital Assets, is \$277.9 million (67%). Resources that are subject to restrictions total \$12.9 million (3%). The remaining balance of \$126.2 million (30%) represents unrestricted net position.

Table 4
Business-Type Net Position
(in millions)

	FY 20-21	FY 19-20	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 163.5	\$ 149.5	\$ 14.0	9%
Current and Other Assets	18.5	21.2	(2.7)	-13%
Internal Balances	(3.0)	(2.5)	(0.5)	20%
Capital Assets	377.0	373.8	3.2	1%
Total Assets	<u>556.0</u>	<u>542.0</u>	<u>14.0</u>	3%
Deferred Outflows of Resources				
Deferred Pensions	4.4	4.7	(0.3)	-6%
Total Deferred Outflows of Resources	<u>4.4</u>	<u>4.7</u>	<u>(0.3)</u>	-6%
Liabilities				
Other Liabilities	9.8	13.8	(4.0)	-29%
Long-Term Debt Outstanding	133.0	135.7	(2.7)	-2%
Total Liabilities	<u>142.8</u>	<u>149.5</u>	<u>(6.7)</u>	-4%
Deferred Inflows of Resources				
Deferred Pensions	0.6	0.9	(0.3)	-33%
Total Deferred Inflows of Resources	<u>0.6</u>	<u>0.9</u>	<u>(0.3)</u>	-33%
Net Position				
Net Investment in Capital Assets	277.9	271.0	6.9	3%
Restricted	12.8	20.3	(7.5)	-37%
Unrestricted	126.3	105.0	21.3	20%
Total Net Position	<u>\$ 417.0</u>	<u>\$ 396.3</u>	<u>\$ 20.7</u>	5%

- **Cash and Investments** increased \$14.0 million (9%), as these funds are accumulating cash for capital projects and scheduled debt payments. Increases included funds in Water Reclamation Facility of \$7.7 million, Transit of \$7.4 million, Building Safety of \$1.7 million with decreases occurring in Solid Waste of \$2.5 million and Storm Sewer Maintenance of \$0.5 million.
- **Capital Assets** totaled \$377.0 million for the fiscal year, an increase of \$3.2 million (1%). Construction in progress had an increase of \$2.6 million as projects were capitalized and current projects are in progress. Machinery, Equipment and Vehicles increased by \$6.4 million mainly due to the additions of twenty-one new refuse trucks in Solid Waste of \$6.9 million, one backhoe, one crawler dozer and one excavator in Storm Sewer Maintenance of \$0.6 million, one camera van, one truck and equipment in Wastewater of \$0.3 million and one utility tractor, a 4 in 1 bucket and equipment in Airport for \$0.1 million. Retirements included one buss in Transit of \$0.5 million, four refuse trucks, a crane and a Ford truck in Solid Waste of \$1.0 million and one backhoe, one crawler dozer in Wastewater of \$0.2 million. Infrastructure increased by \$3.4 million which includes Storm Sewer lines and Sanitary Sewer lines. Accumulated depreciation increased by \$9.8 million as assets were depreciated for the year. See Table 8, Capital Assets, Net of Accumulated Depreciation below for additional detail.
- **Long-Term Debt** totaling \$133.0 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 \$3.7 million and adjustments to the Net Pension Liability of \$1.2 million resulted in a net decrease in long term debt of \$2.5 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 \$277.9 million represents capital assets less accumulated depreciation and net of any debt used to finance its construction or purchase. This is a \$6.9 million increase as compared to last year.
- **Restricted Net Position** of \$12.8 million is primarily found in Capital Projects funds which have been restricted for related capital projects and debt service reserves.
- **Unrestricted Net Position** of \$126.3 million experienced an increase of \$21.2 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 \$20.7 million (5%) during fiscal year 2020-21. Total Business-type revenues of \$89.8 million decreased by \$1.7 million (2%) when compared to last year. Total Business-type expenses totaled \$73.1 million, a decrease of \$1.1 million (1%) as compared to last year.

Management Discussion and Analysis

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

	<u>FY 20-21</u>	<u>FY 19-20</u>	<u>Increase (Decrease)</u>	
			<u>\$</u>	<u>%</u>
REVENUES				
Program Revenues:				
Charges for Services	\$ 59.8	\$ 60.6	\$ (0.8)	-1%
Operating Grants & Contributions	15.4	16.0	(0.6)	-4%
Capital Grants & Contributions	12.1	7.6	4.5	59%
Investment Earnings	0.7	4.4	(3.7)	-84%
Miscellaneous	1.8	2.9	(1.1)	-38%
Total Revenues	<u>89.8</u>	<u>91.5</u>	<u>(1.7)</u>	-2%
EXPENSES				
Convention Center	2.4	4.3	(1.9)	-44%
Airport	3.1	2.1	1.0	48%
Water Reclamation Facility	22.7	22.8	(0.1)	0%
Storm Sewer Maintenance	2.9	2.5	0.4	16%
Solid Waste	19.2	19.0	0.2	1%
Transit	17.3	17.8	(0.5)	-3%
Baseball	0.2	0.2	-	0%
Animal Control	1.9	2.0	(0.1)	-5%
Building Safety	3.4	3.5	(0.1)	-3%
Total Expenses	<u>73.1</u>	<u>74.2</u>	<u>(1.1)</u>	-1%
Increase in Net Position Before Transfers	16.7	17.3	(0.6)	-3%
Transfers	4.0	4.5	(0.5)	-11%
Increase in Net Position	<u>20.7</u>	<u>21.8</u>	<u>(1.1)</u>	-5%
Net Position at Beg. Year	<u>396.3</u>	<u>374.5</u>	<u>21.8</u>	6%
Net Position at End of Year	<u>\$ 417.0</u>	<u>\$ 396.3</u>	<u>\$ 20.7</u>	5%

Revenues

- **Charges for Services** – These revenues were down collectively by \$0.8 million mainly as a result of decreased revenue at the Convention Center of \$1.4 million due to the significant 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 \$3.9 million due to increases in Storm Sewer Maintenance of \$1.8 million, Water Reclamation Facility of \$0.5 million, Airport of \$0.9 million, and Solid Waste of \$1.4 million and a decrease in Transit of \$0.8 million.

Expenses

- **Convention Center** – There were \$2.4 million in expenses, a decrease of \$1.9 million (44%) mainly as a result of the shutdown due to the COVID-19 pandemic. Decreases were seen in Salaries and benefits of \$1.5 million due to annual pension adjustments and reduced staffing levels related to COVID-19 and operations and maintenance of \$0.4 million due to the reduction in events as a direct result of the

COVID-19 pandemic shutdown. The state guidelines allowed for reopening of the Convention Center June 15, 2021.

- **Airport** – There were \$3.1 million in expenses, an increase of \$1.0 million (48%) mainly due increased capital expenses of \$1.1 million and decreases to maintenance and operations expenses of \$0.1 million consisting of decreases in allocated expenses and services provided of \$0.1 million and a decrease in salaries and benefits of \$23K due to the annual pension adjustments being less than the previous year
- **Water Reclamation Facility** – There were \$22.7 million in expenses, a decrease of \$0.1 million (0.4%) due to decreases in equipment supply and maintenance repair of \$0.4 million, instrument repair/replacement of \$0.1 million and allocated expenses and services provided of \$0.1 million, with increases in utilities of \$0.1 million, and chemical expenses of \$0.2 million. Decreases occurred in salaries and benefits of \$0.2 million due to annual pension adjustments being less than the previous year and capital expenses of \$0.4 million.
- **Storm Sewer Maintenance** – There were \$2.9 million in expenses, an increase of \$0.4 million (16%) mainly due to an increase in capital expenses of \$0.4 million.
- **Solid Waste** – There were \$19.2 million in expenses, an increase of \$0.2 million (1%) mainly due to increases in capital expenses of \$0.6 million and salaries and benefits of \$0.1 million due to wage and benefit increases and annual pension adjustments offset by a decrease in allocated expenses and services provided of \$0.4 million.
- **Transit** – There were \$17.3 million in expenses, a decrease of \$0.5 million (3%) mainly due to decreases in allocated expenses and services provided of \$0.3 million, contract bus services including cancellation of Sequoia shuttle bus service of \$0.3 million resulting from a shutdown due to the COVID-19 pandemic, and a depreciation of \$0.3 million, offset by wage and benefit increases and annual pension adjustments and an increase in capital expenses of \$0.3 million.
- **Building Safety** – There were \$3.4 million in expenses, a decrease of \$0.1 million (3%) mainly due to decrease to salaries and benefits of \$0.1 million due to the annual pension adjustments.
- **Animal Control** – There were \$1.9 million in expenses, a decrease of \$0.1 million (5%) mainly due to a decrease in salaries and benefits of \$26K due to the annual pension adjustments and decreases in maintenance and operations expenses of \$30K consisting of an increase in bad debt expense of \$21K offset by a decrease in allocated expenses and services provided of \$49K.
- **Baseball** – There were \$0.2 million in expenses consistent with the prior year.

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 20-21	FY 19-20	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 195.5	\$ 142.3	\$ 53.2	37%
Other Assets	63.7	59.4	4.3	7%
Intergovernmental Balances	6.1	8.4	(2.3)	-27%
Total Assets	<u>265.3</u>	<u>210.1</u>	<u>55.2</u>	<u>26%</u>
Liabilities				
Advances From Grantors and Third Parties	-	0.6	(0.6)	-100%
Advances From Other Funds	1.5	3.8	(2.3)	-61%
Other Liabilities	22.7	7.4	15.3	207%
Total Liabilities	<u>24.2</u>	<u>11.8</u>	<u>12.4</u>	<u>105%</u>
Deferred Inflows of Resources				
Unavailable Revenue	6.9	5.7	1.2	21%
Total Deferred Inflows of Resources	<u>6.9</u>	<u>5.7</u>	<u>1.2</u>	<u>21%</u>
Fund Balances				
Nonspendable	3.5	0.7	2.8	400%
Restricted	144.0	113.0	31.0	27%
Committed	52.8	46.5	6.3	14%
Assigned	28.5	31.4	(2.9)	-9%
Unassigned	5.4	1.0	4.4	440%
Total Fund Balances	<u>\$ 234.2</u>	<u>\$ 192.6</u>	<u>\$ 41.6</u>	<u>22%</u>

Assets – The composition of assets changed by \$55.2 million (26%) during the year with increases in cash, other assets, and intergovernmental balances. Cash and investments increased \$53.2 million (37%) mainly due to revenues exceeding expenditures and other sources & (uses) by \$42.5 million. Other assets increased \$4.3 million (7%) mainly as the result of increases in accounts receivable of \$2.6 million (mainly due to an increase in Transportation Impact fee receivable of \$1.0 million) and taxes receivable of \$3.1 million. Intergovernmental balances decreased \$2.3 million (27%) as a result of a decrease in advances to other funds of \$1.8 million and a decrease in amounts due from other governmental agencies of \$0.5 million.

Liabilities – Liabilities have increased \$12.4 million (105%) mainly due to an increase in other liabilities of \$15.3 million (207%) due the unearned revenue for the American Rescue Plan fund offset by decreases in advances from other funds of \$2.2 million and accounts payable of \$0.2 million.

Deferred Inflows of Resources – Deferred Inflows of Resources increased \$1.2 million (21%) mainly due to an increase in impact fees receivable.

Fund Balance - By June 30, 2021, the City’s Governmental Funds had a total fund balance of \$234.2 million, an increase of \$41.6 million (22%) from the prior fiscal year, which was a combination of increases and decreases in various funds which are discussed later. 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 20-21	FY 19-20	Increase (Decrease)	
			\$	%
Revenues	\$ 151.6	\$ 138.9	\$ 12.7	9%
Expenditures	<u>106.1</u>	<u>112.9</u>	<u>(6.8)</u>	-6%
Excess (Deficiency) of Revenues Over (Under) Expenditures	45.5	26.0	19.5	75%
Other Sources & (Uses)	<u>(3.0)</u>	<u>(4.3)</u>	<u>1.3</u>	-30%
Net Change	<u>\$ 42.5</u>	<u>\$ 21.7</u>	<u>\$ 20.8</u>	96%

Revenues increased \$12.7 million from the prior year. Sales tax increased \$10.6 million which includes growth in general sales tax of or \$4.8 million (14%), Measure N sales tax of \$3.0 million (22%) and Measure T sales tax of \$1.5 million (21%). Measure R sales tax revenues had an increase of \$1.3 million (25%) as funding for projects in those funds were received. Property tax revenue saw an increase of \$1.6 million (6%). Other increases in revenues included subventions and grants of \$3.0 million as funds were obtained for projects; fees and fines of \$0.3 million as impact fee revenue was up; and other taxes of \$1.3 million which include transient occupancy tax, franchise fees and business licenses. Decreases were seen in uses of money and property of \$3.4 million as interest earnings were down due to lower earnings rates and a decrease in the fair market value of the investments held at June 30, 2021; charges for current services of \$0.2 million; and miscellaneous of \$0.4 million. Expenditures decreased by \$6.8 million mainly due to decreases in capital related projects compared to the prior year of \$10.6 million and Community Services of \$0.8 million, with increases in Police of \$0.8 million, Fire of \$1.3 million, Housing & Community Grants of \$1.5 million, General Government of \$0.7 million and Community Development of \$0.4 million.

Other Financing Sources & Uses in the governmental funds had a decrease of \$1.3 million compared to the prior year mainly due to the sale of land of \$1.0 million in the current year. Transfers out exceeded transfers in for the year.

ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

General Fund - The General Fund saw a change in fund balance with an increase of \$0.5 million. The General Fund saw an overall increase in revenues of \$6.9 million (9%) as compared to last year. The increases included sales tax of \$4.8 million (14%), property taxes of \$1.6 million (6%), other taxes of \$1.3 million (16%), subventions and grants of \$1.4 million (181%), and decreases in fees and fines of \$0.3 million (24%), uses of money and property of \$0.8 million (51%), charges for current services of \$0.5 million (16%) and miscellaneous revenue of \$0.5 million (26.1%).

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 \$12.2 million.

Measure N – The Measure N fund is used to account for the 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 \$2.6 million. The increase includes sales tax of \$3.0 million offset by a decrease in uses of money and property of \$0.5 million. The Measure N Fund's fund balance increased \$6.4 million to \$29.7 million as a result of revenues exceeding expenditures for the year.

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 \$12.7 million in notes and loans receivable. The notes and loans receivable are for housing assistance through the various grant programs as well as past rental rehabilitation loans. Revenues exceeded expenditures by \$0.9 million for the year resulting in an ending fund balance of \$15.3 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. Revenues exceeded expenditures by \$0.4 million resulting in an ending fund balance of \$10.7 million.

American Rescue Plan – The American Rescue Plan Fund is used to account for the tracking of these special revenue funds. Funding is provided by the American Rescue Plan Act resulting from the COVID pandemic. The funds' assets include \$14.7 million in unearned revenue. The American Rescue Plan Fund's balance is \$3K.

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 \$46.4 million in revenue and have a combined Fund Balance at year-end of \$125.4 million.

ANALYSIS OF MAJOR PROPRIETARY FUNDS

Business-Type Funds

By June 30, 2021, the City's Proprietary Funds combined net position totaled \$418.7 million, an increase of \$20.8 million from the prior fiscal year, which was a combination of increases and decreases in various funds.

Enterprise operating revenues, including charges for services and grants and contributions, were \$75.2 million this year, a decrease of \$1.3 million from last year. Grants and contributions had a decrease of \$0.5 million and are mainly due to Transit grant revenue being lower. The decrease in charges for services of \$0.8 million is mainly due to a decrease in the Convention Center of \$1.4 million as a result of the facility shutdown due to the COVID-19 pandemic. Decreases also included Transit of \$1.5 million also due to the COVID-19 pandemic as fee's for ridership were suspended, offset by increased activity in Water Reclamation facility of \$0.3 million, Airport of \$0.2 million (Fuel Sales), Solid Waste of \$1.1 million, Building Safety of \$0.4 million (Residential Construction Permits), and Animal Control fees of \$0.1 million.

Operating expenses were \$70.6 million this year, an increase of \$1.0 million from last year mainly due to Convention Center having a decrease of \$1.9 million due to reduced staffing levels related to COVID-19 as the facility was closed and Transit having a decrease of \$0.9 million mainly due to cancelled bus services also related to the COVID-19 pandemic.

Convention Center - Operating revenues decreased by \$1.4 million and operating expenses decreased by \$1.9 million mainly as a result of the facility shutdown due to the COVID-19 pandemic. Decreases were seen in Salaries and benefits of \$1.5 million due to annual pension adjustments and reduced staffing levels related to COVID-19 and operations and maintenance of \$0.4 million due to the reduction in events as a direct result of the COVID-19 pandemic shutdown. The state guidelines allowed for reopening of the Convention Center June 15, 2021.

Airport - Operating revenues increased by \$0.2 million mainly due to increases in fuel sales of \$111K, fuel flowage fees of \$12K, FOB revenues of \$24K, and hanger rentals of \$36K, offset by decreases for "into plane" fuel sales of \$34K and terminal rent of \$8K. Operating expenses decreased by \$0.1 million mainly due to decreases in allocated expenses and services provided of \$0.1 million and a decrease in salaries and benefits of \$23K due to the annual pension adjustments being less than the previous year.

Water Reclamation Facility - Operating revenues increased \$0.3 million due to a combination of increases in industrial fees of \$0.4 million, front footage fees of \$0.2 million, user charges of \$0.3 million, treatment connection fees of \$0.2 million and septage receiving fees of \$0.1 million offset by decreases in commercial fees of \$0.1 million, and residential fees of \$0.9 million which are mainly due to a change in utility bill due dates for all accounts to the 30th of the month. Operating expenses increased by \$0.7 million mainly due to decreases in maintenance and operating costs of \$0.3 million consisting of decreases in equipment supply and maintenance repair of \$0.4 million, instrument repair/replacement of \$0.1 million and allocated expenses and services provided of \$0.1 million, offset by increases in utilities of \$0.1 million, chemical expenses of \$0.2 million, and capital related activity of \$1.1 million. Salaries and benefits decreased \$0.2 million due to the annual pension adjustments being less than the previous year.

Storm Sewer Maintenance - Operating revenues had a slight increase of \$39K. Operating expenses increased by \$0.6 million due to increases in salaries and benefits of \$47K due to the wage and benefit increases and the annual pension adjustment being less than the previous year in addition to increases in depreciation of \$61K and capital related activity of \$0.5 million.

Solid Waste - Operating revenues increased \$1.2 million mainly due to increases in single family fee revenue of \$0.3 million, multifamily fee revenue of \$0.1 million, commercial recycling fee revenue of \$0.1 million and commercial fee revenue of \$0.8 million offset by a decrease in CNG fuel rebates of \$0.2 million due to the timing of receiving the fuel rebate. Operating expenses increased by \$0.8 million mainly due to a decrease in maintenance and operations costs for allocated expenses and services provided of \$0.4 million offset by an increase in salaries and benefits of \$0.1 million due to wage and benefit increases and the annual pension adjustments and capital related activity of \$1.2 million.

Transit – Operating revenues decreased \$2.2 million from last year. Charges for services decreased \$1.5 million as ridership fees were suspended due to the COVID-19 pandemic resulting in decreases in Sequoia shuttle ticket sales of \$0.6 million, farebox sales of \$0.3 million, ticket sales of \$0.5 million and CNG sales of \$0.3 million due to a timing issue of federal reimbursements offset by an increase in carbon credits of \$0.2 million. Operating grant revenue decreased \$0.8 million due to reduced funding available as the max grant funding allowable limit was reached. Operating expenses decreased by \$0.4 million mainly due to a decrease in maintenance and operations for allocated expenses and services provided of \$0.3 million, contract bus services including cancellation of Sequoia shuttle bus service of \$0.3 million, depreciation of \$0.3 million, salaries and benefits decreased \$47K due to the annual pension adjustments being less than the previous year offset by capital related activity of \$0.5 million.

Building Safety – Operating revenues increased by \$0.4 million mainly due to an increase in single family dwellings permits compared to prior years activity. Operating expenses increased by \$0.1 million including decreases in salaries and benefits of \$0.1 million due to the annual pension adjustments being less than the previous year, and maintenance and operations costs of \$0.1 million mainly due to decreases in credit card usage fees of \$25K and allocated expenses and services provided of \$70K offset by an increase in capital related activity of \$0.1 million.

Animal Control – Operating revenues increased by \$0.1 million as a result of increased activity in services for Dinuba of \$55K due to the timing of the revenue collected in the prior year, adding new services for Tulare of \$29K, administration and other fines of \$47K, offset by lower kennel fees of \$15K, facility shelter fees of \$22K, and license fees of \$10K. Operating expenses decreased by \$46K due to a decrease in salaries and benefits of \$26K due to the annual pension adjustments being less than the previous year, and maintenance and operations expenses of \$20K mainly consisting of an increase in bad debt expense of \$21K and capital related activity of \$10K, offset by a decrease in allocated expenses and services provided of \$49K.

Baseball – There are no operating revenues for the Baseball fund due to the current contract with Fast Pitch Entertainment, LLC, the organization that runs the Rawhide Baseball team. Operating expenses had an increase of \$0.1 million mainly due to the 1st year of the depreciation for the video scoreboard.

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 budget reviews.

Budgeted total revenues increased by \$0.4 million, to a final budgeted amount of \$71.9 million, mainly due to additional federal, state and county grant funding secured by the City.

Budgeted total expenditures increased by \$1.1 million to a final budgeted amount of \$68.6 million, mainly due to an increase of \$1.3 million in Capital Outlay (Projects).

General Fund - Final Budget and Actual Comparison

Total revenues were \$12.4 million higher than the final budgeted amount, as detailed below. The fiscal year 2020-21 budget was adopted during the initial stages of the COVID-19 pandemic. These were very uncertain times as historic shutdowns were occurring making economic forecasting very difficult. Because of this, staff budgeted with worst case scenarios in mind. To counter the COVID-19 pandemic, the federal government issued several distributions of stimulus money which helped to prevent an economic downturn.

- Sales Tax – was \$8.3 million more than budgeted as the economy had growth aided heavily by several distributions of Federal stimulus money put into consumers' pockets due to the COVID-19 pandemic.
- Property Tax – was \$1.9 million more than budgeted as valuation increased more than anticipated.
- Transient Occupancy Tax – was \$1.1 million more than budgeted as the budget was conservative due to the COVID-19 pandemic and the effects it initially had on the travel and hospitality industry.
- Business License – was \$0.6 million more than budgeted as business license activity was higher than anticipated for the year.
- Subventions and Grants – was \$1.2 million more than budgeted due to the City receiving grant funding of \$1.4 million for COVID-19.
- Local Ordinance Violations, Vehicle Code and Parking Violations – was \$0.1 million less than budgeted as violations were less than projected.
- Interest Earned – was \$0.1 million more than budgeted due to higher interest earnings rates than projected.
- Engineering and Subdivision Services – was \$0.5 million more than budgeted as these specialized services were higher than anticipated for the year as building growth continued in the City.

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- Recreation Programs – was \$1.3 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.

Total expenditures were \$1.4 million less than budget. This difference was due to \$0.1 million in higher capital outlay and \$2.3 million in vacancies offset by higher salaries and benefits for the year as compared to the budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its Governmental and Business-Type activities as of June 30, 2021 totaled \$728.2 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 20-21	FY 19-20	Increase (Decrease)	
			\$	%
Governmental Activities				
Land	\$ 41.6	\$ 42.0	\$ (0.4)	-1%
Buildings	46.6	47.9	(1.3)	-3%
Improvements	61.5	63.7	(2.2)	-3%
Equipment	18.9	18.5	0.4	2%
Infrastructure	161.2	151.1	10.1	7%
Construction in Progress	21.4	23.0	(1.6)	-7%
Total	\$ 351.2	\$ 346.2	\$ 5.0	1%
Business-Type Activities				
Land	\$ 26.1	\$ 26.1	\$ -	0%
Buildings	33.1	34.3	(1.2)	-3%
Improvements	164.1	168.3	(4.2)	-2%
Equipment	27.3	22.8	4.5	20%
Infrastructure	117.8	116.3	1.5	1%
Construction in Progress	8.6	6.0	2.6	43%
Total	\$ 377.0	\$ 373.8	\$ 3.2	1%
Total City-Wide	\$ 728.2	\$ 720.0	\$ 8.2	1%

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

Governmental

- Signal at Demaree and Goshen project completed
- Santa Fe and Tulare Ave roundabout project in progress
- Modoc Trail - Giddings to Demaree completed
- Caldwell improvements Akers to Shady and Santa Fe to Lovers Lane in progress
- Downtown street light project in progress

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- Shirk widening project in progress
- Riggin widening project in progress
- East Side Regional Park & Basin in progress
- Purchase of HazMat truck
- Purchase of a van for Police Department Community Outreach
- Purchase of spray truck and equipment for Parks

Business-type

- New Aircraft Hangar construction project in progress
- Addition of storm drain infrastructure
- Airport roof replacement project completed
- Purchase of van equipped with CCTV technology for Wastewater Collections
- Purchase of 14 residential side-load Solid Waste trucks
- Purchase of 4 commercial front-load Solid Waste trucks
- Purchase of 2 commercial roll-off Solid Waste trucks
- Purchase of John Deere Crawler Dozer for Storm Sewer Maintenance
- Purchase of John Deere Excavator for Storm Sewer Maintenance

Debt Administration

The City's total long-term debt decreased by \$4.3 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 20-21	FY 19-20	Increase (Decrease)	
			\$	%
Governmental Activities				
Certificates of Participation	\$ 9.4	\$ 10.3	\$ (0.9)	-9%
Compensated Absences	5.8	5.5	0.3	5%
Total	<u>15.2</u>	<u>15.8</u>	<u>(0.6)</u>	-4%
Business-Type Activities				
Certificates of Participation	6.3	7.2	(0.9)	-13%
Lease	3.5	3.9	(0.4)	-10%
Notes - Direct Borrowings	89.3	91.7	(2.4)	-3%
Compensated Absences	1.1	1.1	-	0%
Total	<u>\$ 100.2</u>	<u>\$ 103.9</u>	<u>\$ (3.7)</u>	-4%
Total City-Wide	<u>\$ 115.4</u>	<u>\$ 119.7</u>	<u>\$ (4.3)</u>	-4%

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 – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments (Note 3)	\$ 230,846,532	\$ 158,843,577	\$ 389,690,109
Restricted Cash and Investments (Note 3)	8,670	4,615,230	4,623,900
Accounts Receivable	5,679,739	6,084,327	11,764,066
Interest Receivable	1,290,429	-	1,290,429
Taxes Receivable	20,187,016	299,201	20,486,217
Notes and Loans Receivable (Note 5)	36,214,327	159,496	36,373,823
Supplies	1,158,039	43,317	1,201,356
Inventory (Note 1I)	221,595	40,819	262,414
Internal Balances (Note 4D)	2,998,623	(2,998,623)	-
Due from Other Governmental Units	3,204,251	11,914,510	15,118,761
Land Held for Redevelopment (Note 1G)	34,359	-	34,359
Prepays and Deposits	1,024,997	13,416	1,038,413
Capital Assets, Net of Accumulated Depreciation (Note 6):			
Capital Assets Not Being Depreciated	63,025,167	34,685,217	97,710,384
Capital Assets Being Depreciated	288,198,984	342,264,415	630,463,399
Total Assets	654,092,728	555,964,902	1,210,057,630
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related (Note 10)	20,919,896	4,429,555	25,349,451
Total Deferred Outflows of Resources	20,919,896	4,429,555	25,349,451
LIABILITIES			
Accounts, Interest, and Contracts Payable	6,649,442	6,213,690	12,863,132
Advances from Grantors and Third Parties	-	2,506,020	2,506,020
Customer Deposits	770,300	722,086	1,492,386
Unearned Revenue	15,640,187	228,984	15,869,171
Accrued Personnel Costs	40,981	-	40,981
Long-Term Obligations (Note 7):			
Due Within One Year	2,157,879	3,958,047	6,115,926
Due in More Than One Year	13,088,635	96,190,157	109,278,792
Liability for Self-Insurance Claims (Note 11):			
Due Within One Year	1,614,142	-	1,614,142
Due in More Than One Year	7,214,758	-	7,214,758
Net Pension Liability Due in More Than One Year (Note 10)	107,322,788	32,973,179	140,295,967
Total Liabilities	154,499,112	142,792,163	297,291,275
DEFERRED INFLOWS OF RESOURCES			
Pension Related (Note 10)	2,977,966	575,259	3,553,225
Total Deferred Inflows of Resources	2,977,966	575,259	3,553,225
NET POSITION			
Net Investment in Capital Assets	360,652,057	277,874,011	638,526,068
Restricted for:			
Capital Projects	108,234,926	8,521,718	116,756,644
Debt Service	8,670	4,365,230	4,373,900
Waterways/Groundwater Projects	1,897,196	-	1,897,196
Landscape & Lighting Districts	2,619,212	-	2,619,212
Public Safety	9,621,240	-	9,621,240
Roadway Projects	7,641,329	-	7,641,329
Golf Course Maintenance Projects & Misc	703,262	-	703,262
Total Restricted Net Position	130,725,835	12,886,948	143,612,783
Unrestricted	26,157,654	126,266,076	152,423,730
Total Net Position	\$ 517,535,546	\$ 417,027,035	\$ 934,562,581

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

**CITY OF VISALIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

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	\$ 6,883,122	\$ 1,109,576	\$ 2,036,330	\$ 400,348	\$ (3,336,868)	\$ -	\$ (3,336,868)	
Community Development	2,740,856	870,864	25,708	7,871	(1,836,413)	-	(1,836,413)	
Housing & Community Grants	2,750,870	21,877	3,192,164	35,287	498,458	-	498,458	
Public Safety								
Police	44,431,235	2,953,225	808,845	34,127	(40,635,038)	-	(40,635,038)	
Fire	19,744,870	1,654,159	20	50,468	(18,040,223)	-	(18,040,223)	
Public Works	12,224,546	11,303,312	-	11,616,319	10,695,085	-	10,695,085	
Community Services	11,271,179	7,956,824	701	3,544	(3,310,110)	-	(3,310,110)	
Interest on Long-Term Debt	400,497	-	-	-	(400,497)	-	(400,497)	
Total Governmental Activities	100,447,175	25,869,837	6,063,768	12,147,964	(56,365,606)	-	(56,365,606)	
Business-Type Activities								
Convention Center	2,360,006	504,756	15,024	-	-	(1,840,226)	(1,840,226)	
Airport	3,118,827	1,775,224	9,120	2,182,755	-	848,272	848,272	
Water Reclamation Facility	22,680,911	26,428,859	112,741	1,403,790	-	5,264,479	5,264,479	
Storm Sewer Maintenance	2,859,886	1,314,967	5,374	3,224,892	-	1,685,347	1,685,347	
Solid Waste	19,211,851	20,564,277	100,575	1,979,070	-	3,432,071	3,432,071	
Transit	17,263,714	3,622,684	15,130,689	3,302,344	-	4,792,003	4,792,003	
Baseball	243,018	-	-	-	-	(243,018)	(243,018)	
Animal Control	1,927,271	646,574	55,659	-	-	(1,225,038)	(1,225,038)	
Building Safety	3,410,955	4,934,104	25,863	-	-	1,549,012	1,549,012	
Total Business-Type Activities	73,076,439	59,791,445	15,455,045	12,092,851	-	14,262,902	14,262,902	
Total	\$ 173,523,614	\$ 85,661,282	\$ 21,518,813	\$ 24,240,815	(56,365,606)	14,262,902	(42,102,704)	
General Revenues								
Taxes:								
					70,926,201	-	70,926,201	
					27,875,307	-	27,875,307	
					3,323,538	-	3,323,538	
					2,795,357	-	2,795,357	
					3,156,139	-	3,156,139	
					1,311,040	673,450	1,984,490	
					1,056,470	1,810,395	2,866,865	
					(4,018,407)	4,018,407	-	
					106,425,645	6,502,252	112,927,897	
Change in Net Position								
					50,060,039	20,765,154	70,825,193	
					Net Position - Beginning of Year, As Restated (Note 14)	467,475,507	396,261,881	863,737,388
					Net Position - End of Year	\$ 517,535,546	\$417,027,035	\$934,562,581

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 2020-21. 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), Permanent Local Housing Allocation 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.

AMERICAN RESCUE PLAN ACT FUND

Established to track and account for American Rescue Plan Act federal grant funding. Monies can only be used according to the plan guidelines.

**CITY OF VISALIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Major Funds		
	General	Measure N -	Housing &
	Fund	Special Revenue	Grants - Special
	Fund	Fund	Revenue Fund
ASSETS			
Cash and Investments (Note 3)	\$ 28,365,293	\$ 26,377,418	\$ 1,780,257
Restricted Cash and Investments (Note 3)	-	-	-
Accounts Receivable	1,469,163	-	103
Interest Receivable	1,290,429	-	-
Taxes Receivable	11,132,478	3,348,921	6,119
Notes and Loans Receivable (Note 5)	12,957,333	-	12,697,529
Supplies	19,272	-	-
Inventory (Note 1I)	136,564	-	-
Due from Other Funds (Note 4C)	4,980	-	-
Advances to Other Funds (Note 4B)	2,912,062	-	-
Due from Other Governmental Units	147,585	-	1,024,818
Land Held for Redevelopment (Note 1G)	-	-	-
Prepays and Deposits	21,701	-	-
	<u>\$ 58,456,860</u>	<u>\$ 29,726,339</u>	<u>\$ 15,508,826</u>
LIABILITIES			
Accounts, Interest & Contracts Payable	\$ 1,417,252	\$ 52,725	\$ 208,838
Due to Other Funds (Note 4C)	-	-	4,980
Advances from Other Funds (Note 4B)	-	-	-
Customer Deposits	392,480	-	-
Unearned Revenue	762,450	-	-
Accrued Personnel Costs (Note 10 G)	8,123	-	-
	<u>2,580,305</u>	<u>52,725</u>	<u>213,818</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Tax	1,012,214	-	-
Unavailable Revenue - Business Tax	858,267	-	-
Unavailable Revenue - Impact Fees	318,488	-	-
Unavailable Revenue - Misc	480,733	-	-
Unavailable Revenue - Notes	61,156	-	-
Unavailable Revenue - Asset Forfeiture	-	-	-
	<u>2,730,858</u>	<u>-</u>	<u>-</u>
FUND BALANCES (Note 9)			
Nonspendable	3,479,720	-	-
Restricted	-	28,467,942	15,167,025
Committed	16,609,498	1,205,672	127,983
Assigned	27,628,688	-	-
Unassigned	5,427,791	-	-
	<u>53,145,697</u>	<u>29,673,614</u>	<u>15,295,008</u>
Total Fund Balances	<u>53,145,697</u>	<u>29,673,614</u>	<u>15,295,008</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 58,456,860</u>	<u>\$ 29,726,339</u>	<u>\$ 15,508,826</u>

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

	Major Funds		Non-Major Funds	
	Housing Successor Agency - Special Revenue Fund	American Rescue Plan - Special Revenue Fund	All Other Governmental Funds	Total
ASSETS				
Cash and Investments (Note 3)	\$ 1,134,903	\$ 14,684,994	\$ 123,209,813	\$ 195,552,678
Restricted Cash and Investments (Note 3)	-	-	8,670	8,670
Accounts Receivable	413,831	-	3,787,313	5,670,410
Interest Receivable	-	-	-	1,290,429
Taxes Receivable	-	-	5,699,498	20,187,016
Notes and Loans Receivable (Note 5)	9,125,168	-	1,434,297	36,214,327
Supplies	-	-	-	19,272
Inventory (Note 1I)	-	-	85,031	221,595
Due from Other Funds (Note 4C)	-	-	-	4,980
Advances to Other Funds (Note 4B)	-	-	-	2,912,062
Due from Other Governmental Units	-	-	2,031,848	3,204,251
Land Held for Redevelopment (Note 1G)	34,359	-	-	34,359
Prepays and Deposits	-	-	-	21,701
Total Assets	<u>\$ 10,708,261</u>	<u>\$ 14,684,994</u>	<u>\$ 136,256,470</u>	<u>\$ 265,341,750</u>
LIABILITIES				
Accounts, Interest & Contracts Payable	\$ 5,781	\$ -	\$ 4,567,437	\$ 6,252,033
Due to Other Funds (Note 4C)	-	-	-	4,980
Advances from Other Funds (Note 4B)	-	-	1,544,778	1,544,778
Customer Deposits	-	-	377,820	770,300
Unearned Revenue	-	14,682,227	195,510	15,640,187
Accrued Personnel Costs (Note 10 G)	-	-	-	8,123
Total Liabilities	<u>5,781</u>	<u>14,682,227</u>	<u>6,685,545</u>	<u>24,220,401</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	-	-	-	1,012,214
Unavailable Revenue - Business Tax	-	-	-	858,267
Unavailable Revenue - Impact Fees	-	-	2,388,954	2,707,442
Unavailable Revenue - Misc	-	-	-	480,733
Unavailable Revenue - Notes	-	-	1,306,885	1,368,041
Unavailable Revenue - Asset Forfeiture	-	-	448,828	448,828
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>4,144,667</u>	<u>6,875,525</u>
FUND BALANCES (Note 9)				
Nonspendable	-	-	-	3,479,720
Restricted	9,853,914	2,767	90,510,849	144,002,497
Committed	-	-	34,946,498	52,889,651
Assigned	848,566	-	-	28,477,254
Unassigned	-	-	(31,089)	5,396,702
Total Fund Balances	<u>10,702,480</u>	<u>2,767</u>	<u>125,426,258</u>	<u>234,245,824</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,708,261</u>	<u>\$ 14,684,994</u>	<u>\$ 136,256,470</u>	<u>\$ 265,341,750</u>

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, 2021**

Total Fund Balances - Governmental Funds \$234,245,824

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	\$484,041,495	
Accumulated Depreciation	<u>(145,557,748)</u>	338,483,747

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.

36,739,214

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		(9,427,906)
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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.

6,875,525

GASB 68 Pension Items		<u>(89,380,858)</u>
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Total Net Position - Governmental Activities		<u><u>\$517,535,546</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, 2021

	Major Funds		
	General Fund	Measure N - Special Revenue Fund	Housing & Community Grants - Special Revenue Fund
REVENUES			
Sales Taxes	\$ 38,986,517	\$ 16,880,055	\$ -
Property Taxes	27,884,766	-	-
Other Taxes	9,207,528	-	-
Subventions and Grants	2,206,694	29,556	3,217,871
License and Permits	52,650	-	-
Fees and Fines	1,004,615	-	13,426
Uses of Money and Property	802,238	93,272	70,549
Charges for Current Services	2,774,284	58,369	5,000
Miscellaneous	1,343,028	50,952	5,720
Total Revenues	<u>84,262,320</u>	<u>17,112,204</u>	<u>3,312,566</u>
EXPENDITURES			
Current:			
General Government	4,224,686	219,236	-
Community Development	2,459,045	-	75,606
Housing & Community Grants	-	-	2,268,707
Public Safety:			
Fire	14,939,536	978,595	-
Police	34,129,014	4,293,747	-
Public Works	3,861,360	-	-
Community Services	6,018,543	461,573	-
Capital Outlay	1,624,975	4,806,242	36,615
Debt Service (Note 7):			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Total Expenditures	<u>67,257,159</u>	<u>10,759,393</u>	<u>2,380,928</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>17,005,161</u>	<u>6,352,811</u>	<u>931,638</u>
Other Financing Sources (Uses)			
Sale of Land	-	-	-
Proceeds From Sale of Capital Assets	3,450	-	-
Transfers In (Note 4A)	148,524	-	23,966
Transfers Out (Note 4A)	(16,703,167)	-	-
Total Other Financing Sources (Uses)	<u>(16,551,193)</u>	<u>-</u>	<u>23,966</u>
Net Change in Fund Balances	<u>453,968</u>	<u>6,352,811</u>	<u>955,604</u>
Fund Balances - Beginning of Year	52,691,729	23,320,803	1,641,875
Prior Period Adjustment (Note 14)	-	-	12,697,529
Fund Balances - Beginning of Year, as Restated	<u>52,691,729</u>	<u>23,320,803</u>	<u>14,339,404</u>
Fund Balances - End of Year	<u>\$ 53,145,697</u>	<u>\$ 29,673,614</u>	<u>\$ 15,295,008</u>

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

	Major Funds		Non-Major Funds	Total
	Housing	American	All Other	
	Successor Agency - Special Revenue Fund	Rescue Plan - Special Revenue Fund	Governmental Funds	
REVENUES				
Sales Taxes	\$ -	\$ -	\$ 15,059,629	\$ 70,926,201
Property Taxes	-	-	-	27,884,766
Other Taxes	-	-	82,252	9,289,780
Subventions and Grants	424,130	-	11,987,031	17,865,282
License and Permits	-	-	20,382	73,032
Fees and Fines	-	-	13,246,361	14,264,402
Uses of Money and Property	110,504	2,767	399,722	1,479,052
Charges for Current Services	-	-	5,278,788	8,116,441
Miscellaneous	195	-	354,388	1,754,283
Total Revenues	534,829	2,767	46,428,553	151,653,239
EXPENDITURES				
Current:				
General Government	141,469	-	24,611	4,610,002
Community Development	-	-	17,499	2,552,150
Housing & Community Grants	-	-	-	2,268,707
Public Safety:				
Fire	-	-	2,759,398	18,677,529
Police	-	-	3,997,494	42,420,255
Public Works	-	-	1,443,604	5,304,964
Community Services	-	-	3,256,145	9,736,261
Capital Outlay	-	-	12,829,740	19,297,572
Debt Service (Note 7):				
Principal	-	-	882,304	882,304
Interest and Fiscal Charges	-	-	397,328	397,328
Total Expenditures	141,469	-	25,608,123	106,147,072
Excess (Deficiency) of Revenues over (Under) Expenditures	393,360	2,767	20,820,430	45,506,167
Other Financing Sources (Uses)				
Sale of Land	-	-	1,027,945	1,027,945
Proceeds From Sale of Capital Assets	-	-	-	3,450
Transfers In (Note 4A)	-	-	13,527,438	13,699,928
Transfers Out (Note 4A)	-	-	(994,189)	(17,697,356)
Total Other Financing Sources (Uses)	-	-	13,561,194	(2,966,033)
Net Change in Fund Balances	393,360	2,767	34,381,624	42,540,134
Fund Balances - Beginning of Year	2,032,519	-	91,044,634	170,731,560
Prior Period Adjustment (Note 14)	8,276,601	-	-	20,974,130
Fund Balances - Beginning of Year, as Restated	10,309,120	-	91,044,634	191,705,690
Fund Balances - End of Year	\$ 10,702,480	\$ 2,767	\$ 125,426,258	\$ 234,245,824

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, 2021

Total Net Changes in Fund Balances - Governmental Funds \$ 42,540,134

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	\$ 18,801,118	
Net Retirements of Capital Assets	(894,469)	
Depreciation Expense	<u>(9,618,595)</u>	8,288,054

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	882,304
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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:

225,944

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:

1,523,066

Pension Related Expenses	<u>(3,399,463)</u>
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Total Change in Net Position - Governmental Activities **\$ 50,060,039**

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



MAJOR AND NON-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 2020-21.

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.

The City has identified the funds below as non-major proprietary funds in fiscal year 2020-21.

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.

BUILDING SAFETY

Established to account for the operations of the City's reviewing and checking of building plans from developers, contractors and/or property owners, 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, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds				Non-Major Fund
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	Convention Center
ASSETS					
Current Assets					
Cash and Investments (Note 3)	\$ 82,717,682	\$ 869,748	\$ 28,274,501	\$ 35,141,450	\$ 457
Accounts Receivable	3,023,026	154,939	2,201,612	294,588	54,729
Taxes Receivable	110,011	63,963	125,227	-	-
Note and Loans Receivable (Note 5)	159,496	-	-	-	-
Supplies	-	-	-	-	-
Inventory (Note 11)	20,053	20,766	-	-	-
Due from Other Governmental Units	-	-	1,638,243	10,276,267	-
Prepaid Expenses	-	-	-	-	-
Total Current Assets	<u>86,030,268</u>	<u>1,109,416</u>	<u>32,239,583</u>	<u>45,712,305</u>	<u>55,186</u>
Non-Current Assets					
Restricted Cash and Investments (Note 3)	4,365,228	-	-	-	250,002
Capital Assets (Note 6)					
Land	6,952,363	9,437,692	1,567,372	4,361,902	829,047
Construction in Progress	1,554,176	1,198,298	1,168,101	350,952	52,661
Buildings	2,937,862	-	197,130	19,589,783	22,428,375
Improvements Other Than Buildings	206,212,352	2,546,130	981,520	2,602,376	5,435,369
Machinery, Equipment and Vehicles	9,547,544	1,136,411	25,554,082	35,653,901	1,844,596
Infrastructure	92,140,717	60,219,746	-	-	-
Accumulated Depreciation	<u>(78,656,570)</u>	<u>(14,720,404)</u>	<u>(15,610,250)</u>	<u>(30,040,029)</u>	<u>(18,779,688)</u>
Total Non-Current Assets	<u>245,053,672</u>	<u>59,817,873</u>	<u>13,857,955</u>	<u>32,518,885</u>	<u>12,060,362</u>
Total Assets	<u>331,083,940</u>	<u>60,927,289</u>	<u>46,097,538</u>	<u>78,231,190</u>	<u>12,115,548</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related (Note 10)	1,093,111	137,983	1,355,290	308,589	573,090
Total Deferred Outflows of Resources	<u>1,093,111</u>	<u>137,983</u>	<u>1,355,290</u>	<u>308,589</u>	<u>573,090</u>
LIABILITIES					
Current Liabilities					
Accounts, Interest and Contracts Payable	2,429,188	49,518	572,510	1,720,193	187,512
Advances from Grantors and Third Parties	-	-	-	2,506,020	-
Accrued Personnel Costs	-	-	-	-	-
Customer Deposits	578,088	-	-	-	5,650
Current Portion of Long-Term Obligations (Note 7):					
Compensated Absences	84,173	-	42,817	-	23,533
Certificates of Participation and Loans	2,490,645	-	-	-	838,402
Liability for Self-insured Claims (Note 11)	-	-	-	-	-
Total Current Liabilities	<u>5,582,094</u>	<u>49,518</u>	<u>615,327</u>	<u>4,226,213</u>	<u>1,055,097</u>
Non-Current Liabilities					
Advance from Other Funds (Note 4B)	-	-	-	-	-
Unearned Revenue	179,549	20,766	-	-	-
Non-current Portion of Long-term Obligations (Note 7):					
Compensated Absences	181,503	20,946	406,525	46,393	35,863
Certificates of Participation and Loans	86,775,191	-	-	-	5,469,869
Liability for Self-insured Claims (Note 11)	-	-	-	-	-
Net Pension Liability (Note 10)	8,232,349	1,033,762	10,269,551	2,245,631	3,898,633
Total Non-Current Liabilities	<u>95,368,592</u>	<u>1,075,474</u>	<u>10,676,076</u>	<u>2,292,024</u>	<u>9,404,365</u>
Total Liabilities	<u>100,950,686</u>	<u>1,124,992</u>	<u>11,291,403</u>	<u>6,518,237</u>	<u>10,459,462</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Related (Note 10)	135,906	16,562	160,800	42,541	103,787
Total Deferred Inflows of Resources	<u>135,906</u>	<u>16,562</u>	<u>160,800</u>	<u>42,541</u>	<u>103,787</u>
NET POSITION (Note 9)					
Net Investment in Capital Assets	151,422,608	59,817,873	13,857,955	32,518,885	5,502,089
Restricted for:					
Debt Service	4,365,228	-	-	-	2
Capital Projects	822,805	90,107	3,373,217	3,815,525	250,000
Unrestricted	<u>74,479,818</u>	<u>15,738</u>	<u>18,769,453</u>	<u>35,644,591</u>	<u>(3,626,702)</u>
Total Net Position	<u>\$ 231,090,459</u>	<u>\$ 59,923,718</u>	<u>\$ 36,000,625</u>	<u>\$ 71,979,001</u>	<u>\$ 2,125,389</u>

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

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Non-Major Funds					
	Airport	Building Safety	Animal Control	Baseball	Total	
ASSETS						
Current Assets						
Cash and Investments (Note 3)	\$ 350	\$ 11,363,392	\$ 475,997	\$ -	\$ 158,843,577	\$ 35,293,854
Accounts Receivable	54,302	368	300,763	-	6,084,327	9,329
Taxes Receivable	-	-	-	-	299,201	-
Note and Loans Receivable (Note 5)	-	-	-	-	159,496	-
Supplies	43,317	-	-	-	43,317	1,138,767
Inventory (Note 11)	-	-	-	-	40,819	-
Due from Other Governmental Units	-	-	-	-	11,914,510	-
Prepaid Expenses	13,416	-	-	-	13,416	1,003,296
Total Current Assets	111,385	11,363,760	776,760	-	177,398,663	37,445,246
Non-Current Assets						
Restricted Cash and Investments (Note 3)	-	-	-	-	4,615,230	-
Capital Assets (Note 6)						
Land	3,000,590	-	-	-	26,148,966	-
Construction in Progress	4,212,063	-	-	-	8,536,251	-
Buildings	2,163,061	-	6,750,891	-	54,067,102	654,910
Improvements Other Than Buildings	13,511,504	-	-	151,472	231,440,723	218,785
Machinery, Equipment and Vehicles	1,093,596	296,067	33,750	613,053	75,773,000	34,181,939
Infrastructure	-	-	-	-	152,360,463	-
Accumulated Depreciation	(12,266,660)	(128,879)	(1,021,774)	(152,619)	(171,376,873)	(22,315,230)
Total Non-Current Assets	11,714,154	167,188	5,762,867	611,906	381,564,862	12,740,404
Total Assets	11,825,539	11,530,948	6,539,627	611,906	558,963,525	50,185,650
DEFERRED OUTFLOWS OF RESOURCES						
Pension Related (Note 10)	127,714	602,921	230,857	-	4,429,555	-
Total Deferred Outflows of Resources	127,714	602,921	230,857	-	4,429,555	-
LIABILITIES						
Current Liabilities						
Accounts, Interest and Contracts Payable	167,840	1,007,612	38,312	41,005	6,213,690	397,409
Advances from Grantors and Third Parties	-	-	-	-	2,506,020	-
Accrued Personnel Costs	-	-	-	-	-	32,858
Customer Deposits	-	137,868	480	-	722,086	-
Current Portion of Long-Term Obligations (Note 7):						
Compensated Absences	18,642	440	9,018	-	178,623	1,231,281
Certificates of Participation and Loans	-	-	450,377	-	3,779,424	-
Liability for Self-insured Claims (Note 11)	-	-	-	-	-	1,614,142
Total Current Liabilities	186,482	1,145,920	498,187	41,005	13,399,843	3,275,690
Non-Current Liabilities						
Advance from Other Funds (Note 4B)	1,367,284	-	-	-	1,367,284	-
Unearned Revenue	-	28,669	-	-	228,984	-
Non-current Portion of Long-term Obligations (Note 7):						
Compensated Absences	30,402	136,801	35,527	-	893,960	4,587,327
Certificates of Participation and Loans	-	-	3,051,137	-	95,296,197	-
Liability for Self-insured Claims (Note 11)	-	-	-	-	-	7,214,758
Net Pension Liability (Note 10)	950,457	4,568,950	1,773,846	-	32,973,179	-
Total Non-Current Liabilities	2,348,143	4,734,420	4,860,510	-	130,759,604	11,802,085
Total Liabilities	2,534,625	5,880,340	5,358,697	41,005	144,159,447	15,077,775
DEFERRED INFLOWS OF RESOURCES						
Pension Related (Note 10)	16,387	72,976	26,300	-	575,259	-
Total Deferred Inflows of Resources	16,387	72,976	26,300	-	575,259	-
NET POSITION (Note 9)						
Net Investment in Capital Assets	11,714,154	167,188	2,261,353	611,906	277,874,011	12,740,404
Restricted for:						
Debt Service	-	-	-	-	4,365,230	-
Capital Projects	170,064	-	-	-	8,521,718	1,089,279
Unrestricted	(2,481,977)	6,013,365	(875,866)	(41,005)	127,897,415	21,278,192
Total Net Position	\$ 9,402,241	\$ 6,180,553	\$ 1,385,487	\$ 570,901	418,658,374	\$ 35,107,875
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds						
					(1,631,339)	
Net Position of Business-Type Activities					\$ 417,027,035	

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, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds				Non-Major Fund
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	Convention Center
OPERATING REVENUES					
Charges for Services	\$ 26,428,859	\$ 1,314,967	\$ 20,564,277	\$ 3,622,684	\$ 504,756
Operating Grants and Contributions	112,741	5,374	100,575	15,130,689	15,024
Total Operating Revenues	<u>26,541,600</u>	<u>1,320,341</u>	<u>20,664,852</u>	<u>18,753,373</u>	<u>519,780</u>
OPERATING EXPENSES					
Salaries, Wages and Employee Benefits	4,325,270	641,778	6,356,588	991,232	680,739
Maintenance and Operations	11,022,665	1,405,629	11,733,025	13,527,305	642,954
Insurance Premiums and Loss Provisions	-	-	-	-	-
Depreciation and Amortization	5,484,508	811,401	933,376	2,720,394	748,728
Total Operating Expenses	<u>20,832,443</u>	<u>2,858,808</u>	<u>19,022,989</u>	<u>17,238,931</u>	<u>2,072,421</u>
Operating Income (Loss)	<u>5,709,157</u>	<u>(1,538,467)</u>	<u>1,641,863</u>	<u>1,514,442</u>	<u>(1,552,641)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	344,850	3,755	139,310	142,875	8
Interest Expense	(1,883,284)	-	-	-	(285,608)
Other Income	904,143	62,636	486,717	12,379	109,537
Other Expenses	-	-	(165,317)	(22,267)	-
Total Nonoperating Revenues (Expenses)	<u>(634,291)</u>	<u>66,391</u>	<u>460,710</u>	<u>132,987</u>	<u>(176,063)</u>
Income (Loss) Before Contributions and Transfers	<u>5,074,866</u>	<u>(1,472,076)</u>	<u>2,102,573</u>	<u>1,647,429</u>	<u>(1,728,704)</u>
Capital Grants and Contributions	1,403,790	3,224,892	1,979,070	3,302,344	-
Transfers In (Note 4A)	-	300,000	-	-	2,030,537
Transfers Out (Note 4A)	-	-	-	-	-
Net Contributions and Transfers	<u>1,403,790</u>	<u>3,524,892</u>	<u>1,979,070</u>	<u>3,302,344</u>	<u>2,030,537</u>
Change in Net Position	<u>6,478,656</u>	<u>2,052,816</u>	<u>4,081,643</u>	<u>4,949,773</u>	<u>301,833</u>
Net Position - Beginning	<u>224,611,803</u>	<u>57,870,902</u>	<u>31,918,982</u>	<u>67,029,228</u>	<u>1,823,556</u>
Net Position - Ending	<u>\$ 231,090,459</u>	<u>\$ 59,923,718</u>	<u>\$ 36,000,625</u>	<u>\$ 71,979,001</u>	<u>\$ 2,125,389</u>

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

Business-Type Activities - Enterprise Funds						
Non-Major Funds						
	Airport	Building Safety	Animal Control	Baseball	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES						
Charges for Services	\$ 1,775,224	\$ 4,934,104	\$ 646,574	\$ -	\$ 59,791,445	\$ 29,165,164
Operating Grants and Contributions	9,120	25,863	55,659	-	15,455,045	-
Total Operating Revenues	1,784,344	4,959,967	702,233	-	75,246,490	29,165,164
OPERATING EXPENSES						
Salaries, Wages and Employee Benefits	497,232	2,300,569	1,055,511	-	16,848,919	3,135,623
Maintenance and Operations	2,265,641	1,091,874	565,166	153,503	42,407,762	5,994,641
Insurance Premiums and Loss Provisions	-	-	-	-	-	18,162,990
Depreciation and Amortization	324,488	16,562	171,982	89,515	11,300,954	2,179,513
Total Operating Expenses	3,087,361	3,409,005	1,792,659	243,018	70,557,635	29,472,767
Operating Income (Loss)	(1,303,017)	1,550,962	(1,090,426)	(243,018)	4,688,855	(307,603)
NONOPERATING REVENUES (EXPENSES)						
Interest Income	1	40,740	1,905	6	673,450	120,857
Interest Expense	(40,355)	-	(132,096)	-	(2,341,343)	(3,169)
Other Income	285,756	3,614	455	-	1,865,237	1,368,896
Other Expenses	(283)	(223)	-	-	(188,090)	(25,598)
Total Nonoperating Revenues (Expenses)	245,119	44,131	(129,736)	6	9,254	1,460,986
Income (Loss) Before Contributions and Transfers	(1,057,898)	1,595,093	(1,220,162)	(243,012)	4,698,109	1,153,383
Capital Grants and Contributions	2,182,755	-	-	-	12,092,851	346,449
Transfers In (Note 4A)	-	-	1,426,899	260,971	4,018,407	-
Transfers Out (Note 4A)	-	-	-	-	-	(20,979)
Net Contributions and Transfers	2,182,755	-	1,426,899	260,971	16,111,258	325,470
Change in Net Position	1,124,857	1,595,093	206,737	17,959	20,809,367	1,478,853
Net Position - Beginning	8,277,384	4,585,460	1,178,750	552,942		33,629,022
Net Position - Ending	\$ 9,402,241	\$ 6,180,553	\$ 1,385,487	\$ 570,901		\$ 35,107,875
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds					(44,213)	
Change in Net Position of Business-Type Activities					\$ 20,765,154	

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, 2021

	Business-Type Activities - Enterprise Funds				
	Major Funds				Non-Major Fund
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	Convention Center
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers or Other Funds	\$ 26,744,821	\$ 1,297,386	\$ 20,022,481	\$ 8,640,802	\$ 505,104
Cash Payments to Employees for Services	(4,021,247)	(598,240)	(5,968,495)	(922,369)	(798,998)
Cash Payments to Suppliers for Services	(9,960,440)	(882,058)	(10,590,604)	(15,524,917)	(500,592)
Cash Received from (Payments to) Other Governments	20,062	-	(577,644)	13,752,674	-
Other Income	861,060	62,636	486,717	12,379	109,537
Other Payments	(1,096,142)	(521,821)	(1,185,128)	(498,150)	(14,711)
Net Cash Provided (Used) by Operating Activities	<u>12,548,114</u>	<u>(642,097)</u>	<u>2,187,327</u>	<u>5,460,419</u>	<u>(699,660)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advance (to) from Other Funds	(48,003)	-	(34,023)	(1,262,605)	-
Transfers In	-	300,000	-	-	2,094,867
Transfers (Out)	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(48,003)</u>	<u>300,000</u>	<u>(34,023)</u>	<u>(1,262,605)</u>	<u>2,094,867</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Payments	(2,265,875)	(3,400,152)	(6,802,503)	(208,977)	(11,293)
Capital Grants Received	-	-	-	3,302,344	-
Contributions	1,403,790	3,224,892	1,979,070	-	-
Long-Term Debt Payments - Principal	(2,439,417)	-	-	-	(802,696)
Long-Term Debt Payments - Interest	(1,883,284)	-	-	-	(341,058)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,184,786)</u>	<u>(175,260)</u>	<u>(4,823,433)</u>	<u>3,093,367</u>	<u>(1,155,047)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	344,850	3,755	139,310	142,875	8
Net Cash Provided by Investing Activities	<u>344,850</u>	<u>3,755</u>	<u>139,310</u>	<u>142,875</u>	<u>8</u>
Net Increase (Decrease) in Cash and Investments	7,660,175	(513,602)	(2,530,819)	7,434,056	240,168
Cash and Investments - Beginning of Year	<u>79,422,735</u>	<u>1,383,350</u>	<u>30,805,320</u>	<u>27,707,394</u>	<u>10,291</u>
Cash and Investments - End of Year	<u>\$ 87,082,910</u>	<u>\$ 869,748</u>	<u>\$ 28,274,501</u>	<u>\$ 35,141,450</u>	<u>\$ 250,459</u>
Consisting of:					
Unrestricted	\$ 82,717,682	\$ 869,748	\$ 28,274,501	\$ 35,141,450	\$ 457
Restricted	4,365,228	-	-	-	250,002
Total Cash and Investments	<u>\$ 87,082,910</u>	<u>\$ 869,748</u>	<u>\$ 28,274,501</u>	<u>\$ 35,141,450</u>	<u>\$ 250,459</u>

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

	Business-Type Activities - Enterprise Funds				
	Major Funds				Non-Major Fund
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	Convention Center
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 6,848,382	\$ (1,016,646)	\$ 2,661,674	\$ 1,990,325	\$ (1,602,260)
Other Income	861,060	62,636	486,717	12,379	109,537
Other Payments	(1,096,142)	(521,821)	(1,185,128)	(498,150)	(14,711)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Depreciation and Amortization	5,484,508	811,401	933,376	2,720,394	748,728
Net Change in Assets and Liabilities:					
Accounts and Interest Receivable	203,221	(22,955)	(663,634)	(58,401)	(14,676)
Taxes Receivable	20,062	-	21,263	(10,054,170)	-
Supplies	-	-	-	-	-
Due from Other Governments	-	-	(577,644)	13,752,674	-
Prepaid Expenses	-	-	-	-	-
Accounts and Contracts Payable	(113,452)	1,750	122,610	(2,473,495)	127,652
Deferred Outflows Pensions	(96,000)	(13,001)	(128,189)	(22,907)	10,222
Deferred Inflows Pensions	68,726	9,307	91,770	16,399	(14,278)
Unearned Revenue	48,003	-	-	-	-
Accrued Personnel Costs	-	-	-	-	-
Compensated Absences	22,187	5,370	11,756	1,612	(95,849)
Other Liability	309,110	41,862	412,756	73,759	45,975
Liability for Self-Insurance Claims	-	-	-	-	-
Customer Deposits	(11,551)	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 12,548,114</u>	<u>\$ (642,097)</u>	<u>\$ 2,187,327</u>	<u>\$ 5,460,419</u>	<u>\$ (699,660)</u>

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, 2021

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Non-Major Funds					
	Airport	Building Safety	Animal Control	Baseball	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers or Other Funds	\$ 1,765,871	\$ 4,966,330	\$ 687,331	\$ 4,443	\$ 64,634,569	\$ 29,501,074
Cash Payments to Employees for Services	(462,335)	(2,135,884)	(989,749)	-	(15,897,317)	(3,135,623)
Cash Payments to Suppliers for Services	(1,283,552)	(1,055,231)	(541,747)	(262,338)	(40,601,479)	(22,573,667)
Cash Received from (Payments to) Other Governments	191,396	-	-	-	13,386,488	-
Other Income	275,506	2,105	455	-	1,810,395	1,368,896
Other Payments	(1,344,755)	(82,285)	(10,519)	(7,826)	(4,761,337)	(124,412)
Net Cash Provided (Used) by Operating Activities	(857,869)	1,695,035	(854,229)	(265,721)	18,571,319	5,036,268
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Advance (to) from Other Funds	423,126	-	-	-	(921,505)	-
Transfers In	-	-	1,426,899	260,971	4,082,737	-
Transfers (Out)	(40,355)	-	-	-	(40,355)	(20,979)
Net Cash Provided (Used) by Noncapital Financing Activities	382,771	-	1,426,899	260,971	3,120,877	(20,979)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital Payments	(1,707,658)	(50,092)	-	(10,518)	(14,457,068)	(674,175)
Capital Grants Received	2,182,755	-	-	-	5,485,099	-
Contributions	-	-	-	-	6,607,752	346,449
Long-Term Debt Payments - Principal	-	-	(435,232)	-	(3,677,345)	-
Long-Term Debt Payments - Interest	-	-	(132,096)	-	(2,356,438)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	475,097	(50,092)	(567,328)	(10,518)	(8,398,000)	(327,726)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	1	40,740	1,905	6	673,450	117,688
Net Cash Provided by Investing Activities	1	40,740	1,905	6	673,450	117,688
Net Increase (Decrease) in Cash and Investments	-	1,685,683	7,247	(15,262)	13,967,646	4,805,251
Cash and Investments - Beginning of Year	350	9,677,709	468,750	15,262	149,491,161	30,488,603
Cash and Investments - End of Year	<u>\$ 350</u>	<u>\$ 11,363,392</u>	<u>\$ 475,997</u>	<u>\$ -</u>	<u>\$163,458,807</u>	<u>\$ 35,293,854</u>
Consisting of:						
Unrestricted	\$ 350	\$ 11,363,392	\$ 475,997	\$ -	\$158,843,577	\$ 35,293,854
Restricted	-	-	-	-	4,615,230	-
Total Cash and Investments	<u>\$ 350</u>	<u>\$ 11,363,392</u>	<u>\$ 475,997</u>	<u>\$ -</u>	<u>\$163,458,807</u>	<u>\$ 35,293,854</u>

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

	Business-Type Activities - Enterprise Funds					Governmental Internal Service Funds
	Non-Major Funds					
	Airport	Building Safety	Animal Control	Baseball	Total	
Reconciliation of Operating Income (Loss) to						
Cash Flows from Operating Activities:						
Operating Income (Loss)	\$ 51,705	\$ 1,634,533	\$ (1,079,907)	\$ (235,192)	\$ 9,252,614	\$ (179,726)
Other Income	275,506	2,105	455	-	1,810,395	1,368,896
Other Payments	(1,344,755)	(82,285)	(10,519)	(7,826)	(4,761,337)	(124,412)
Adjustments to Reconcile Operating Income (Loss) to Net						
Cash Flows from Operating Activities:						
Depreciation and Amortization	324,488	16,562	171,982	89,515	11,300,954	2,179,513
Net Change in Assets and Liabilities:						
Accounts and Interest Receivable	(18,473)	6,363	(14,902)	4,443	(579,014)	(2,690)
Taxes Receivable	-	-	-	-	(10,012,845)	-
Supplies	(757)	-	-	-	(757)	(208,378)
Due from Other Governments	191,396	-	-	-	13,366,426	-
Prepaid Expenses	1,778	-	-	-	1,778	(42,410)
Accounts and Contracts Payable	(373,654)	(37,866)	12,700	(116,661)	(2,850,416)	71,720
Deferred Outflows Pensions	7,687	(55,100)	(22,860)	-	(320,148)	-
Deferred Inflows Pensions	(10,738)	39,446	16,365	-	216,997	-
Unearned Revenue	-	3,070	-	-	51,073	-
Accrued Personnel Costs	-	-	-	-	-	25,693
Compensated Absences	3,372	2,923	(1,350)	-	(49,979)	338,600
Other Liability	34,576	177,416	73,607	-	1,169,061	-
Liability for Self-Insurance Claims	-	-	-	-	-	1,609,462
Customer Deposits	-	(12,132)	200	-	(23,483)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (857,869)</u>	<u>\$ 1,695,035</u>	<u>\$ (854,229)</u>	<u>\$ (265,721)</u>	<u>\$ 18,571,319</u>	<u>\$ 5,036,268</u>

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

FIDUCIARY FUNDS

Custodial 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 Custodial Funds:

Property and Business Improvement District #5 (PBID)

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 (VTMD)

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
FIDUCIARY FUNDS
JUNE 30, 2021

	Custodial Funds	Successor Agency Private Purpose Trust Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and Investments (Note 3)	\$ 354,989	\$ 283,647
Restricted Cash and Investments (Note 3)	-	489,072
Accounts Receivable	172,568	-
District Assessment Receivable	116,734	-
Notes and Loan Receivable (Note 5)	-	146,543
Land Held For Resale	-	2,824,503
	<u> </u>	<u> </u>
Total Assets	644,291	3,743,765
LIABILITIES		
Accounts, Interest, and Contracts Payable	145,238	48,238
Deposits	43,124	-
Due to City	111,704	-
Long - Term Obligations (Note 7):		
Due Within One Year	-	322,506
Due in More Than One Year	-	15,385,689
	<u> </u>	<u> </u>
Total Liabilities	300,066	15,756,433
NET POSITION		
Restricted for:		
Held in Trust	-	(12,012,668)
Individuals, Organizations, and Other Governments	344,225	-
	<u> </u>	<u> </u>
Total Net Position	<u>\$ 344,225</u>	<u>\$ (12,012,668)</u>

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

CITY OF VISALIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Custodial Funds	Successor Agency Private Purpose Trust Fund
	<u> </u>	<u> </u>
Additions		
Property Taxes	\$ -	\$ 706,697
Use of Money and Property	2,185	25,806
Revenue from District Assessments	987,279	-
Miscellaneous Revenue	284,834	1,815
Total Additions	<u>1,274,298</u>	<u>734,318</u>
Deductions		
Obligation Requirements		
Interest on Bonds and Notes Payable	27,630	469,048
Total Obligation Requirements	<u>27,630</u>	<u>469,048</u>
Administrative Expenses	10,919	45,660
Total Administrative Expenses	<u>10,919</u>	<u>45,660</u>
Distribution of District Assessment	1,183,240	-
Total Distribution of District Assessment	<u>1,183,240</u>	<u>-</u>
Total Deductions	<u>1,221,789</u>	<u>514,708</u>
Change in Net Position	52,509	219,610
Net Position - Beginning of Year, as Restated (Note 14)	<u>291,716</u>	<u>(12,232,278)</u>
Net Position - End of Year	<u>\$ 344,225</u>	<u>\$ (12,012,668)</u>

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

NOTES TO THE FINANCIAL STATEMENTS



Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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 – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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.

American Rescue Plan Act Fund

Established to track and account for American Rescue Plan Act federal grant funding. Monies can only be used according to the plan guidelines.

The City reported its enterprise funds as major and non-major funds in the accompanying financial statements.

Major funds include:

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.

Non-major funds include:

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.

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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

Fiduciary Funds Custodial 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 excluded from the Government-wide financial statements but are presented in separate Fiduciary Fund financial statements. Custodial 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 Custodial 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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Property Tax (Continued)

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 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, in general, are those purchased or acquired with an original cost of \$5,000 or more. Infrastructure, Land, and technology equipment are included regardless of cost. 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	20 - 40 years
Infrastructure	40 – 100 years
Machinery, equipment, and vehicles	2 - 25 years

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2021 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, 2021, 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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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. Net Position

In governmental-wide and proprietary fund financial statements, net positions are categorized as follows:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets and retention payable.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first, then unrestricted net position as they are needed.

L. 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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Fair Value Measurements (Continued)

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.

M. 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, 2021 were as listed below:

	<u>Amount</u>
General Fund	\$ 16,609,498
Measure N	1,205,672
Housing & Community Grants	127,983
Non-Major Governmental Funds	<u>34,946,498</u>
	<u>\$ 52,889,651</u>

N. Implementation of Accounting Pronouncements

The following GASB Statements has been implemented in the current 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 City has implemented this statement for the June 30, 2021 year end.

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. There was no effect on the financial statements as a result of implementing this statement.

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. There was no effect on the financial statements as a result of implementing this statement.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Implementation of Accounting Pronouncements (Continued)

GASB Statement No. 98, *The Annual Comprehensive Financial Report*

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Those provision are effective for fiscal years ending after December 15, 2021. The City has elected early implementation. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2021.

O. Future GASB Pronouncements

The following GASB Statements will be implemented in future 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.

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. 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. 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 effective for

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Future GASB Pronouncements (Continued)

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.

P. New Funds

During fiscal year 2020-21, the City created the American Rescue Fund to account for federal funds received due to the passage of the American Rescue Plan Act. This fund is a major governmental fund.

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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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:

Northeast Area	\$	84,794
Grant & Loan Funds		19,428
Golf Course		5,696
Oak Tree Preservation		13,301
Conservation		58

Capital Projects Funds:

Public Safety Impact Fee	\$	1,897
Parking District		14,801
Facility Improvements		184
Civic Center		4,702
Sports Complex		136
Animal Control Reserve		59

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, 2021, are classified in the Statement of Net Position as follows:

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 3 - CASH AND INVESTMENTS (Continued)

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 389,690,109
Restricted Cash and Investments	4,623,900
Fiduciary Funds Statement of Net Position:	
Cash and Investments	638,636
Restricted Cash and Investments	<u>489,072</u>
Total Cash and Investments	<u><u>\$ 395,441,717</u></u>

Cash and investments as of June 30, 2021, consist of the following:

Cash on hand	\$ 11,982
Deposits with financial institutions	20,399,941
Investments	<u>375,029,794</u>
Total Cash and Investments	<u><u>\$ 395,441,717</u></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
Managed Investment Pools (CAMP)	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75M	None

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

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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 06/30/2021</u>	<u>Weighted Average Maturity (in Days)</u>	<u>% of Investments</u>
Federal Agency Securities	\$ 139,885,276	220.22	37.30%
U.S. Treasuries	26,441,664	40.71	7.05%
Local Agency Investment Fund	87,331,151	-	23.29%
California Asset Management Program	15,002,304	-	4.00%
Corporate Medium-Term Notes	62,654,613	138.84	16.71%
Municipal Bonds	42,839,418	67.98	11.42%
Local Agency Bonds	377,623	2.40	0.10%
Held by Bond Trustee:			
Money Market Funds	497,745	0.48	0.13%
Total	<u>\$ 375,029,794</u>		

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 3 - CASH AND INVESTMENTS (Continued)

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

As of June 30, 2021, and during the 2020-2021 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:

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Moody's Rating</u>	<u>Standard & Poors Rating</u>	<u>% of Portfolio</u>
Federal Agency Securities	\$ 139,885,276	N/A	Aaa	AA+	37.30%
U.S. Treasuries	26,441,664	N/A	Aaa	Not Rated	7.05%
Corporate Medium-Term Notes	1,036,930	A	Aa2	AA	0.28%
Corporate Medium-Term Notes	3,000,767	A	A1	AA	0.80%
Corporate Medium-Term Notes	9,250,190	A	A1	AA-	2.47%
Corporate Medium-Term Notes	7,276,849	A	A1	A+	1.94%
Corporate Medium-Term Notes	3,003,600	A	A2	A+	0.80%
Corporate Medium-Term Notes	8,532,090	A	A1	A	2.28%
Corporate Medium-Term Notes	11,743,023	A	A2	A	3.13%
Corporate Medium-Term Notes	2,051,940	A	A1	A-	0.55%
Corporate Medium-Term Notes	9,199,222	A	A2	A-	2.45%
Corporate Medium-Term Notes	2,494,612	A	A3	A-	0.67%
Corporate Medium-Term Notes	5,065,390	A	A2	BBB+	1.35%
Local Agency Investment Fund	87,331,151	N/A	Not Rated	Not Rated	23.29%
California Asset Management Program	15,002,304	N/A	Not Rated	Not Rated	4.00%
Municipal Bonds	3,490,493	A	Aaa	AAA	0.93%
Municipal Bonds	2,894,268	A	Not Rated	AA+	0.77%
Municipal Bonds	3,496,418	A	Aa1	AA	0.93%
Municipal Bonds	27,956,875	A	Aa2	AA-	7.45%
Municipal Bonds	5,001,364	A	Not Rated	SP-1	1.33%
Local Agency Bonds	377,623	N/A	Not Rated	Not Rated	0.10%
Held by Bond Trustee:					
Money Market Funds	497,745	A	Aaa-mf	AAAm	0.13%
Total	<u>\$ 375,029,794</u>				<u>100.00%</u>

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:

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 3 - CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk (Continued)

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported</u>
Federal Home Loan Bank	Federal Agency Securities	\$ 53,991,966
Federal Farm Credit Bank	Federal Agency Securities	27,405,758
Federal National Mortgage Association	Federal Agency Securities	32,529,220
Federal Home Loan Mortgage Corporation	Federal Agency Securities	25,958,332
U.S. Treasuries	U.S. Treasuries	26,441,664
State of California Bonds	Municipal Bonds	34,988,205
Total		<u>\$ 201,315,145</u>

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 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, 2021, 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, 2021, these investments matured in an average of 291 days. These valuations and financial statements are posted to the State Treasurer's Office website at www.treasurer.ca.gov

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 3 - CASH AND INVESTMENTS (Continued)

I. Investment in California Asset Management Program

The City of Visalia is a voluntary participant in the California Asset Management Program (CAMP), which is a permitted investment under California Government Code 53601(p). CAMP is directed by a Board of Trustees, which is made up of experienced local government finance directors and treasurers.

J. 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, 2021:

<u>Investments by Fair Value Level</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Federal Agency Securities	\$ -	\$ 139,885,276	\$ 139,885,276
U.S. Treasuries	26,441,664	-	26,441,664
Corporate Medium-Term Notes	-	62,654,613	62,654,613
Municipal Bonds	-	42,839,418	42,839,418
Held by Bond Trustee:			
Money market funds	-	497,745	497,745
Subtotal	<u>\$ 26,441,664</u>	<u>\$ 245,877,052</u>	272,318,716
 <i>Investments Measured at Amortized Cost</i>			
Local Agency Bonds			377,623
Local Agency Investment Fund			87,331,151
California Asset Management Program			<u>15,002,304</u>
Total Investments			<u>\$ 375,029,794</u>

U.S. Treasuries totaling \$26.4 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 \$139.9 million, corporate medium-term notes totaling \$62.7 million and municipal bonds totaling \$42.8 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 and California Asset Management Program are classified as exempt in the fair value hierarchy. 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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2021, 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	\$ 20,979 (B)
General Fund	Grant & Loan Funds - Special Revenue	127,545 (B)
Housing & Community Grants	General Fund	23,966 (B)
Debt Service Funds:		
VPFA 2014 Refunding COP	General Fund	127,504 (C)
2015 COP	General Fund	592,059 (C)
2015 COP	Public Safety Impact Fee - Capital Projects	415,167 (C)
2015 COP	Measure T Police - Special Revenue	151,477 (C)
Capital Projects Funds:		
Civic Center	General Fund	<u>12,241,231 (A)</u>
GOVERNMENTAL Funds Sub-Total		<u>13,699,928</u>
Enterprise Funds:		
Baseball	General Fund	260,971 (B)
Animal Control	General Fund	859,571 (B)
Animal Control	General Fund	567,328 (C)
Convention Center	General Fund	250,000 (A)
Convention Center	General Fund	688,257 (B)
Convention Center	General Fund	1,092,280 (C)
Storm Sewer Maintenance	Kaweah Lake and Local Storm Water Maintenance - Special Revenue	<u>300,000 (B)</u>
ENTERPRISE Funds Sub-Total		<u>4,018,407</u>
TOTAL TRANSFERS		<u>\$ 17,718,335</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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. Long-Term Interfund Advances

At June 30, 2021, 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	\$ -	\$ 2,912,062
Special Revenue Funds:		
Special Service Districts (Landscape & Lighting) (a)	963,198	-
Measure R - Regional (b)	521,921	-
Capital Projects Funds:		
Government Facilities Impact Fee (Library) (c)	59,659	-
Enterprise Funds:		
Airport (d)	1,367,284	-
Total Advances	<u>\$ 2,912,062</u>	<u>\$ 2,912,062</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, 2021, the General Fund provided \$4,980 to the Housing & Community Grants Fund which is 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 – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 5 - NOTES AND LOANS RECEIVABLE

A. Current Year Transactions and Balances

	Ref #	Issue Date	Maturity	Balance at June 30, 2020	Additions	Repayments	Balance at June 30, 2021
GOVERNMENTAL ACTIVITIES							
General Fund							
Visalia Successor Agency	-	-	-	\$ 12,068,590	\$ 362,058	\$ -	\$ 12,430,648
Visalia Investment Associates	13010-J13044	April 2004	June 2034	333,103	-	16,254	316,849
Frank Golden	13010-J13081	May 2015	June 2021	5,328	-	5,328	-
Poonam Verma	13010-B50956	Dec 2015	June 2021	7,262	-	7,262	-
Déjà Vu LP B153025	13010-J13084	Jan 2018	June 2023	23,768	-	7,923	15,845
Déjà Vu LP B153018	13010-J13085	Jan 2018	June 2023	139,220	-	46,406	92,814
Déjà Vu LP B153023	13010-J13086	Jan 2018	June 2023	60,031	-	20,010	40,021
101 NW 5th (SHE)	13010-R93009	Nov 2018	Nov 2063	32,000	-	1,422	30,578
105 NW 5th (SHE)	13010-R93010	Nov 2018	Nov 2063	32,000	-	1,422	30,578
Subtotal General Fund				<u>12,701,302</u>	<u>362,058</u>	<u>106,027</u>	<u>12,957,333</u>
Housing & Community Grants							
1001 N Jacob (TCHA)	13010-R94101	May 1996	May 2024	9,800	-	2,400	7,400
Fairview Village (KMC)	13010-R94707	Dec 1994	Dec 2034	120,000	-	-	120,000
Robinwood	13010-J13503	April 2007	April 2036	693,320	-	43,332	649,988
1627 S Garden Public Facility	13010-J13505	Aug 2019	Aug 2039	400,000	-	20,000	380,000
1627 S Garden Public Facility	13010-J13505	Aug 2019	Aug 2039	225,000	40,000	13,250	251,750
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
101 NW 5th (SHE)	13010-R93009	Aug 2019	When Sold	206,679	-	-	206,679
105 NW 5th (SHE)	13010-R93010	Aug 2019	When Sold	223,629	-	-	223,629
113 NW 5th (SHE)	13010-R93011	Aug 2019	When Sold	222,952	-	-	222,952
111 NW 5th (SHE)	13010-R93012	Aug 2019	When Sold	203,119	-	-	203,119
1105 N Court (SHE)	13010-R93008	Aug 2019	When Sold	217,419	-	-	217,419
Habitat for Humanity Assigned	13411	Various	Various	191,141	-	15,660	175,481
NSP	13418	Various	Various	606,664	-	31,179	575,485
CDBG	13411	Various	Various	893,408	-	75,312	818,096
Cal Home	13412	Various	Various	561,332	-	-	561,332
HOME	13412	Various	Various	2,326,292	-	308,092	2,018,200
Subtotal Housing & Community Grants				<u>13,166,754</u>	<u>40,000</u>	<u>509,225</u>	<u>12,697,529</u>
Housing Successor Agency							
Visalia Successor Agency	-	-	-	1,168,076	-	319,510	848,566
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	279,697	-	6,418	273,279
Kimball Court (1)	13010-J13020	Aug 1999	Aug 2054	929,262	-	323,824	605,438
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	34,545	-	909	33,636
Mill Creek Parkway \$1.5M (KMC)	13010-R09029	Mar 2006	Mar 2061	1,145,354	-	27,936	1,117,418
Mill Creek Parkway \$3.0M (KMC)	13010-R09027	Oct 2015	Oct 2070	2,781,818	-	54,545	2,727,273
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	-	1,422	30,578
113 NW 5th (SHE)	13010-R93012	Nov 2018	Nov 2063	32,000	-	1,422	30,578
1105 N Court (SHE)	13010-R93008	Nov 2018	Nov 2063	32,000	-	1,422	30,578
1029 W Goshen	13418-R89000	Jan 2011	Jan 2066	136,048	-	2,953	133,095
East Visalia Redevelopment	13413	Various	Various	32,461	-	-	32,461
Habitat for Humanity Assigned	13417	Various	Various	728,951	-	52,701	676,250
Housing Fund	13418	Various	Various	103,745	-	4,435	99,310
Subtotal Housing Successor Funds				<u>9,922,665</u>	<u>-</u>	<u>797,497</u>	<u>9,125,168</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 5 - NOTES AND LOANS RECEIVABLE (Continued)

	Ref #	Issue Date	Maturity	Balance at June 30, 2020	Additions	Repayments	Balance at June 30, 2021
Transportation Fund							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	20,112	-	5,047	15,065
Dillon Ent (B170632)	13010-J13089	Dec 2018	June 2024	200,000	-	50,000	150,000
COGO Prop (B180570)	13010-J13090	Aug 2018	June 2024	14,014	-	3,504	10,510
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	33,374	-	6,675	26,699
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	238,163	-	47,633	190,530
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	-	50,256	201,024
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	-	140,932	-	140,932
J Beast LP (B193169)	13010-J93169	July 2020	June 2026	-	79,829	-	79,829
Subtotal Transportation Fund				<u>1,146,259</u>	<u>220,761</u>	<u>552,431</u>	<u>814,589</u>
Parking District Fund							
Barrell House Brewing	13010-J13083	April 2017	June 2023	12,891	-	6,357	6,534
Comfort Suites	13010-J13038	Oct 2002	Oct 2032	137,524	-	10,115	127,409
Subtotal Parking District Fund				<u>150,415</u>	<u>-</u>	<u>16,472</u>	<u>133,943</u>
Waterways Fund							
Imagine U Museum	13010-J13082	Dec 2016	Dec 2046	167,048	-	3,679	163,369
Subtotal Waterways Fund				<u>167,048</u>	<u>-</u>	<u>3,679</u>	<u>163,369</u>
Govt Facilities Impact Fee Fund							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	583	-	142	441
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	4,893	-	979	3,914
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	1,265	-	253	1,012
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	-	74,994	-	74,994
J Beast LP (B193169)	13010-J93169	July 2020	June 2026	-	36,840	-	36,840
Subtotal Govt Facilities Impact Fee Fund				<u>6,741</u>	<u>111,834</u>	<u>1,374</u>	<u>117,201</u>
Public Safety Impact Fee Fund							
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	9,222	-	1,845	7,377
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	15,853	-	3,170	12,683
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	-	46,578	-	46,578
Subtotal Public Safety Impact Fee Fund				<u>25,075</u>	<u>46,578</u>	<u>5,015</u>	<u>66,638</u>
Storm Sewer Construction Fund							
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	967	-	193	774
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	1,037	-	208	829
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	-	3,289	-	3,289
Subtotal Storm Sewer Construction Fund				<u>2,004</u>	<u>3,289</u>	<u>401</u>	<u>4,892</u>
Civic Center Fund							
Imagine U Museum	13010-J13082	Dec 2016	Dec 2046	136,675	-	3,010	133,665
Subtotal Civic Center Fund				<u>136,675</u>	<u>-</u>	<u>3,010</u>	<u>133,665</u>
Subtotal Governmental Activities				<u>37,424,938</u>	<u>784,520</u>	<u>1,995,131</u>	<u>36,214,327</u>
BUSINESS - TYPE							
Water Reclamation Facility Fund							
Central Ca Conf Assoc (B090414)	13010-J13088	Nov 2018	June 2024	7,730	-	1,919	5,811
TRD Plaza LLC (B182646)	13010-J13091	May 2019	June 2025	2,319	-	464	1,855
El Centro Corner (B183341)	13010-J13092	May 2019	June 2025	14,021	-	2,804	11,217
NW Visalia Senior (B173132)	13010-J13094	Oct 2019	June 2025	62,760	-	12,552	50,208
120 W Main St (B150085)	13010-J13095	May 2015	June 2025	24,663	-	4,933	19,730
J Beast LP (B193168)	13010-J93168	July 2020	June 2026	-	66,499	-	66,499
J Beast LP (B193169)	13010-J93169	July 2020	June 2026	-	4,176	-	4,176
Subtotal Water Reclamation Facility Fund				<u>111,493</u>	<u>70,675</u>	<u>22,672</u>	<u>159,496</u>
FIDUCIARY							
Successor Agency							
Willow Street Parking Structure	13010-J13015	-	-	167,023	-	20,480	146,543
Subtotal Successor Agency				<u>167,023</u>	<u>-</u>	<u>20,480</u>	<u>146,543</u>
Total				<u>\$ 37,703,454</u>	<u>\$ 855,195</u>	<u>\$ 2,038,283</u>	<u>\$ 36,520,366</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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2021, these notes receivable totaled \$36,520,366 in the following funds: \$12,957,333 in the General Fund, \$12,697,529 in Housing & Community Grants, \$9,125,168 in the Housing Successor Agency Fund, \$814,589 in the Transportation Fund, \$133,943 in the Parking District Fund, \$163,369 in the Waterways Fund, \$117,201 in the Government Facilities Impact Fee Fund, \$66,638 in the Public Safety Impact Fee Fund, \$4,892 in the Storm Sewer Construction Fund, \$133,665 in the Civic Center Fund, \$159,496 in the Water Reclamation Facility Fund, and \$146,543 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 \$818,096 at June 30, 2021.

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 \$2,018,200 at June 30, 2021.

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 \$8,276,602 at June 30, 2021.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 6 - CAPITAL ASSETS

A. Capital Assets Additions and Retirements

	Balance July 1, 2020 Restated	Additions	Retirements	Transfers	Balance June 30, 2021
GOVERNMENTAL ACTIVITIES:					
Capital assets not being depreciated					
Land	\$ 42,021,038	\$ 481,320	\$ (926,202)	\$ -	\$ 41,576,156
Construction in progress	22,990,186	8,688,597	(345,078)	(9,884,694)	21,449,011
	<u>65,011,224</u>	<u>9,169,917</u>	<u>(1,271,280)</u>	<u>(9,884,694)</u>	<u>63,025,167</u>
Capital assets being depreciated					
Buildings	62,476,948	-	-	-	62,476,948
Improvements other than buildings	88,282,384	362,609	-	1,432,721	90,077,714
Machinery, equipment and vehicles	11,541,552	1,211,198	(48,635)	1,237,533	13,941,648
Infrastructure - streets, traffic signals & signs	239,609,591	8,057,394	(362,747)	7,215,780	254,520,018
	<u>401,910,475</u>	<u>9,631,201</u>	<u>(411,382)</u>	<u>9,886,034</u>	<u>421,016,328</u>
Accumulated depreciation					
Buildings	(14,667,945)	(1,289,248)	-	-	(15,957,193)
Improvements other than buildings	(26,377,329)	(2,275,718)	-	-	(28,653,047)
Machinery, equipment and vehicles	(7,175,852)	(503,626)	45,387	-	(7,634,091)
Infrastructure - streets, traffic signals & signs	(88,504,880)	(5,550,003)	741,466	-	(93,313,417)
	<u>(136,726,006)</u>	<u>(9,618,595)</u>	<u>786,853</u>	<u>-</u>	<u>(145,557,748)</u>
Governmental Capital Asset Activity, Net	<u>\$ 330,195,693</u>	<u>\$ 9,182,523</u>	<u>\$ (895,809)</u>	<u>\$ 1,340</u>	<u>\$ 338,483,747</u>
INTERNAL SERVICE FUND ACTIVITIES:					
Capital assets not being depreciated					
Land	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</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	34,460,921	674,175	(955,845)	2,688	34,181,939
	<u>35,334,616</u>	<u>674,175</u>	<u>(955,845)</u>	<u>2,688</u>	<u>35,055,634</u>
Accumulated depreciation					
Buildings	(589,910)	-	-	-	(589,910)
Improvements other than buildings	(162,273)	(7,159)	-	-	(169,432)
Machinery, equipment and vehicles	(20,273,348)	(2,172,354)	889,814	-	(21,555,888)
	<u>(21,025,531)</u>	<u>(2,179,513)</u>	<u>889,814</u>	<u>-</u>	<u>(22,315,230)</u>
Internal Service Fund Capital Asset Activity, Net	<u>\$ 14,309,085</u>	<u>\$ (1,505,338)</u>	<u>\$ (66,031)</u>	<u>\$ 2,688</u>	<u>\$ 12,740,404</u>
BUSINESS-TYPE ACTIVITIES:					
Capital assets not being depreciated					
Land	\$ 26,148,966	\$ -	\$ -	\$ -	\$ 26,148,966
Construction in progress	5,948,553	3,097,592	(263,535)	(246,359)	8,536,251
	<u>32,097,519</u>	<u>3,097,592</u>	<u>(263,535)</u>	<u>(246,359)</u>	<u>34,685,217</u>
Capital assets being depreciated					
Buildings	54,067,102	-	-	-	54,067,102
Improvements other than buildings	230,953,578	270,555	-	216,590	231,440,723
Machinery, equipment and vehicles	69,346,061	8,157,379	(1,756,181)	25,741	75,773,000
Infrastructure - sewer and storm drainage	148,938,189	3,422,274	-	-	152,360,463
	<u>503,304,930</u>	<u>11,850,208</u>	<u>(1,756,181)</u>	<u>242,331</u>	<u>513,641,288</u>
Accumulated depreciation					
Buildings	(19,787,002)	(1,178,941)	-	-	(20,965,943)
Improvements other than buildings	(62,641,105)	(4,694,537)	-	-	(67,335,642)
Machinery, equipment and vehicles	(46,501,805)	(3,541,609)	1,533,009	-	(48,510,405)
Infrastructure - sewer and storm drainage	(32,679,016)	(1,885,867)	-	-	(34,564,883)
	<u>(161,608,928)</u>	<u>(11,300,954)</u>	<u>1,533,009</u>	<u>-</u>	<u>(171,376,873)</u>
Business-type Capital Asset Activity, Net	<u>\$ 373,793,521</u>	<u>\$ 3,646,846</u>	<u>\$ (486,707)</u>	<u>\$ (4,028)</u>	<u>\$ 376,949,632</u>

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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	\$	5,332,732
Housing & Community Grants		5,165
Public Works		1,907,624
Public Safety:		
Police		442,823
Fire		407,403
Community Services		1,522,848
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>2,179,513</u>
Total Governmental Activities	\$	<u>11,798,108</u>

Business-Type Activities

Convention Center	\$	748,728
Airport		324,488
Water Reclamation Facility		5,484,508
Storm Sewer Maintenance		811,401
Solid Waste		933,376
Transit		2,720,394
Building Safety		16,562
Animal Control		171,982
Baseball		<u>89,515</u>
Total Business-Type Activities	\$	<u>11,300,954</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 7 - LONG-TERM OBLIGATIONS

A. Current Year Transactions and Balances

	Original Issue Amount	Balance at June 30, 2020	Additions	Retirements	Balance at June 30, 2021	Due Within One Year
<u>Governmental Activity Debt</u>						
Certificates of Participation:						
2015 COP	\$ 13,121,230	\$ 9,648,610	\$ -	\$ (783,904)	\$ 8,864,706	\$ 824,198
2014 VPFA - Refunding (1)	1,180,800	661,600	-	(98,400)	563,200	102,400
Internal Service Funds						
Compensated Absences	-	5,480,008	736,317	(397,717)	5,818,608	1,231,281
Total Governmental Activity	\$ 14,302,030	\$ 15,790,218	\$ 736,317	\$ (1,280,021)	\$ 15,246,514	\$ 2,157,879
<u>Business-Type Activity Debt</u>						
Certificates of Participation:						
2015 COP	\$ 4,788,770	\$ 3,521,390	\$ -	\$ (286,096)	\$ 3,235,294	\$ 300,802
2014 VPFA - Refunding (1)	6,199,200	3,473,400	-	(516,600)	2,956,800	537,600
Bond Premium	971,504	171,627	-	(55,450)	116,177	-
Notes - Direct Borrowings:						
2014 Clean Water State Revolving Fund Loan	96,434,597	91,705,253	-	(2,439,417)	89,265,836	2,490,645
Lease - Direct Borrowings:						
2012 Animal Control	6,600,000	3,936,746	-	(435,232)	3,501,514	450,377
Compensated Absences	-	1,122,562	223,259	(273,238)	1,072,583	178,623
Total Business-Type Activity	\$ 114,994,071	\$ 103,930,978	\$ 223,259	\$ (4,006,033)	\$ 100,148,204	\$ 3,958,047
<u>Private Purpose Trust Funds</u>						
Redevelopment Agency Tax Allocation Bonds:						
2003 East Visalia District	\$ 5,185,000	\$ 1,465,000	\$ -	\$ (185,000)	\$ 1,280,000	\$ 190,000
Notes - Direct Borrowings:						
2004 RDA - Mooney District	2,707,250	1,275,745	-	(126,764)	1,148,981	132,506
Advances:						
General Fund	-	12,068,591	362,057	-	12,430,648	-
Housing Successor Agency	-	1,168,076	-	(319,510)	848,566	-
Total Private Purpose Trust Funds	\$ 7,892,250	\$ 15,977,412	\$ 362,057	\$ (631,274)	\$ 15,708,195	\$ 322,506

(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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

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 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 refunding resulted in a bond premium of \$971,504 for the business-type activities, of which \$116,177 remains to be amortized. 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, 2021.

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, 2021.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

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.

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, 2021.

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 Mooney Tax Allocation Revenue Bond with a Stockmen's bank loan in the amount of \$2,707,250. 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.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

F. Note – WestAmerica Bank Loan – RDA Mooney District (Continued)

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.

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. 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				Bond Premium
	Principal	Interest	Direct Borrowings		Principal	Interest	
			Principal	Interest			
2022	\$ 926,598	\$ 356,644	\$ 2,941,022	\$ 1,991,533	\$ 838,402	\$ 252,718	\$ 45,368
2023	968,029	314,095	3,008,998	1,923,557	876,971	214,093	70,809
2024	1,013,123	268,870	3,078,617	1,853,939	916,877	170,817	-
2025	1,066,343	216,884	3,149,922	1,782,634	963,657	123,804	-
2026	1,120,364	162,216	3,222,956	1,709,600	1,014,636	74,346	-
2027-2031	4,333,449	278,126	15,496,886	7,463,908	1,581,551	101,506	-
2032-2036	-	-	15,987,418	5,838,720	-	-	-
2037-2041	-	-	17,738,098	4,088,041	-	-	-
2042-2046	-	-	19,680,484	2,145,656	-	-	-
2047-2048	-	-	8,462,949	267,506	-	-	-
	<u>\$ 9,427,906</u>	<u>\$ 1,596,835</u>	<u>\$ 92,767,350</u>	<u>\$ 29,065,094</u>	<u>\$ 6,192,094</u>	<u>\$ 937,284</u>	<u>\$ 116,177</u>

For the Year Ending June 30,	Private Purpose Trust Fund			
	Direct Borrowings		Principal	Interest
	Principal	Interest		
2022	\$ 132,506	\$ 48,610	\$ 190,000	\$ 55,025
2023	138,346	42,770	200,000	47,187
2024	144,443	36,673	210,000	38,938
2025	150,719	30,397	220,000	29,750
2026	157,451	23,665	225,000	20,125
2027-2031	425,516	28,133	235,000	10,281
2032-2036	-	-	-	-
2037-2041	-	-	-	-
2042-2046	-	-	-	-
2047-2048	-	-	-	-
	<u>\$ 1,148,981</u>	<u>\$ 210,248</u>	<u>\$ 1,280,000</u>	<u>\$ 201,306</u>

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2021, \$5,234 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 Undergrounding 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, 2021, \$225,000 of principal balance, which is repayable out of assessments on property in the Assessment District, remained outstanding.

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, 2021, \$90,199 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, 2021, \$57,189 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.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 9 - FUND BALANCE CLASSIFICATIONS

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. 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, 2021 is as follows:

**City of Visalia
Governmental Fund Balances
June 30, 2021
(in thousands)**

	General Fund	Measure N	Housing & Community Grants	Housing Successor Agency	American Rescue Plan	All Other Governmental Funds	Total Governmental Funds
Nonspendable							
Prepays/Deposits	\$ 22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22
Supplies	19	-	-	-	-	-	19
Long Term Receivable	527	-	-	-	-	-	527
Advance - Public Facility Impact Fee	60	-	-	-	-	-	60
Advance - Measure R - Trailways	522	-	-	-	-	-	522
Advance - Special Service Districts	963	-	-	-	-	-	963
Advance - Airport	1,367	-	-	-	-	-	1,367
Total Nonspendable Fund Balance	3,480	-	-	-	-	-	3,480
Restricted							
Purpose of Fund	-	28,468	15,167	9,854	3	90,511	144,003
Total Restricted Fund Balance	-	28,468	15,167	9,854	3	90,511	144,003
Committed							
Civic Center Facilities	-	-	-	-	-	32,738	32,738
Sports Park	-	-	-	-	-	578	578
Animal Control	-	-	-	-	-	252	252
Conservation	-	-	-	-	-	249	249
Police Unclaimed	-	-	-	-	-	67	67
Facility Improvement Fund	-	-	-	-	-	784	784
Emergency Reserve	16,407	-	-	-	-	-	16,407
Miscellaneous Capital Projects	202	1,206	128	-	-	278	1,814
Total Committed Fund Balance	16,609	1,206	128	-	-	34,946	52,889
Assigned							
Advance - Atwood District (Custodial Fund)	76	-	-	-	-	-	76
Advance - Laura District (Custodial Fund)	36	-	-	-	-	-	36
Due from - Community Development	5	-	-	-	-	-	5
CIP Budgeted Not Started	3,961	-	-	-	-	-	3,961
Cal PERS Unfunded Liability Payment FY 21/22	11,120	-	-	-	-	-	11,120
Successor Agency Loans	12,431	-	-	848	-	-	13,279
Total Assigned Fund Balance	27,629	-	-	848	-	-	28,477
Unassigned							
Total Unassigned Fund Balance	5,428	-	-	-	-	(31)	5,397
Total Fund Balances	\$ 53,146	\$ 29,674	\$ 15,295	\$ 10,702	\$ 3	\$ 125,426	\$ 234,246

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 9 – FUND BALANCE CLASSIFICATIONS (Continued)

A. Fund Balances (Continued)

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

	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Nonspendable Fund Balance:					
Inventory	\$ 175	\$ -	\$ -	\$ -	\$ -
Prepaid Expenditures	68	47	180	26	22
Supplies	18	8	13	19	19
Long-Term Receivable	1,085	1,310	932	633	527
Advance - Public Safety Impact Fee	1,312	977	641	304	-
Advance - Public Facility Impact Fee	182	158	126	98	60
Advance - Softball Development	3	1	-	-	-
Advance - Measure R - Regional	-	-	967	1,284	-
Advance - Measure R - Trailways	236	1,106	1,292	844	522
Advance - Storm Sewer Construction	463	-	-	-	-
Advance - Special Service Districts	879	893	899	931	963
Advance - CHFA	21	5	1	-	-
Advance - Transportation Grants	-	-	-	300	-
Advance - Valley Oaks Golf	2,629	2,798	-	-	-
Advance - Airport	455	278	44	944	1,367
Nonspendable Fund Balance Total	7,526	7,581	5,095	5,383	3,480
Restricted Fund Balance - Debt Service	1,193	-	-	-	-
Committed Fund Balance:					
* Civic Center Facilities	4,984	5,144	-	-	-
* Sports Park	609	583	-	-	-
* Animal Control	234	236	-	-	-
* Conservation	218	232	-	-	-
* Police Unclaimed	149	156	-	-	-
* Facility Improvement Fund	658	733	-	-	-
Emergency Reserve	12,896	14,695	15,182	15,953	16,407
Miscellaneous Capital Projects	57	142	162	286	202
Committed Fund Balance Total	19,805	21,921	15,344	16,239	16,609
Assigned Fund Balance:					
Custodial Fund Advance - Atwood District	75	75	77	75	76
Custodial Fund Advance - Laura District	34	36	37	36	36
Due from - Community Development	12	73	-	2	5
Due from - Golf Course	-	-	-	6	-
Due from - Risk	1,164	-	-	-	-
Due from - Measure N	571	-	-	-	-
CIP Budgeted not started	2,101	1,971	2,551	3,219	3,961
Cal PERS Unfunded Liability Payment FY 21/22	-	5,234	6,863	10,166	11,120
Successor Agency	11,720	11,376	11,717	12,069	12,431
Assigned Fund Balance Total	15,677	18,765	21,245	25,573	27,629
Unassigned Fund Balance:					
Unassigned	9,612	10,214	9,753	5,497	5,428
Unassigned Fund Balance Total	9,612	10,214	9,753	5,497	5,428
Total Fund Balance	\$ 53,813	\$ 58,481	\$ 51,437	\$ 52,692	\$ 53,146

* 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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 9 - FUND BALANCE CLASSIFICATIONS (Continued)

C. Fund Balance and Net Position Deficits

The following funds had deficit fund balances or net position at June 30, 2021. Future revenues or interfund transfers are expected to offset these deficits:

Debt Service Funds:		
VPFA 2014 Refunding COP	\$	2,224
2015 COP		20,195
Fiduciary Funds:		
Successor Agency	\$	12,012,668

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2021, are summarized as follows:

	Miscellaneous			
	Prior to May 9, 2008	May 10, 2008 through May 20, 2011	May 21, 2011 through December 31, 2012	January 1, 2013 through current
Hire date				
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	10.913%	10.913%	10.913%	10.913%
Unfunded Liability Contribution				
% of Payroll (illustrative only)	19.980%	19.980%	19.980%	19.980%

	Safety		
	Prior to February 26, 2011	February 27, 2011 through December 31, 2012	January 1, 2013 through current
Hire date			
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	22.085%	22.085%	22.085%
Unfunded Liability Contribution			
% of Payroll (illustrative only)	23.628%	23.628%	23.628%

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 10 - EMPLOYEE BENEFITS (Continued)

A. General Information about the Pension Plans (Continued)

Employees Covered – For valuation date, as of June 30, 2019, 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	457	231
Inactive employees entitled to but not yet receiving benefits	302	119
Active employees	394	216
Total	<u>1,153</u>	<u>566</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, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2019 actuarial valuations were determined using the following actuarial assumptions:

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 10 - EMPLOYEE BENEFITS (Continued)

B. Net Pension Liability (Continued)

	Miscellaneous	Safety
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Payroll Growth	2.875%	2.875%
Projected Salary Increase	.40% - 8.5% (1)	.97% - 17.0% (1)
Investment Rate of Return	7.25% (2)	7.25% (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.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 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 be 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

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 10 - EMPLOYEE BENEFITS (Continued)

B. Net Pension Liability (Continued)

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.

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, 2019	\$242,215,006	\$169,613,222	\$72,601,784
Changes in the year:			
Service cost	4,403,664	-	4,403,664
Interest on the total pension liability	16,958,814	-	16,958,814
Differences between actual and expected experience	(1,366,753)	-	(1,366,753)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Plan to plan resource movement	-	-	-
Contribution - employer	-	7,072,583	(7,072,583)
Contribution - employee (paid by employer)	-	1,918,767	(1,918,767)
Net investment income	-	8,526,757	(8,526,757)
Administrative expenses	-	(239,113)	239,113
Other Miscellaneous Income/(Expense)	-	-	-
Benefit payments, including refunds of employee contributions	(11,727,761)	(11,727,761)	-
Net changes	8,267,964	5,551,233	2,716,731
Balance at June 30, 2020	\$250,482,970	\$175,164,455	\$75,318,515

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2019	\$247,175,635	\$184,567,232	\$62,608,403
Changes in the year:			
Service cost	6,324,588	-	6,324,588
Interest on the total pension liability	17,437,680	-	17,437,680
Differences between actual and expected experience	(1,240,319)	-	(1,240,319)
Changes in assumptions	-	-	-
Changes in benefit terms	-	-	-
Plan to plan resource movement	-	-	-
Contribution - employer	-	8,928,558	(8,928,558)
Contribution - employee (paid by employer)	-	2,142,637	(2,142,637)
Net investment income	-	9,341,900	(9,341,900)
Administrative expenses	-	(260,195)	260,195
Other Miscellaneous Income/(Expense)	-	-	-
Benefit payments, including refunds of employee contributions	(10,427,951)	(10,427,951)	-
Net changes	<u>12,093,998</u>	<u>9,724,949</u>	<u>2,369,049</u>
Balance at June 30, 2020	<u>\$259,269,633</u>	<u>\$194,292,181</u>	<u>\$64,977,452</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	\$108,477,687	\$102,968,552	\$211,446,239
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$75,318,515	\$64,977,452	\$140,295,967
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$47,892,855	\$34,049,132	\$81,941,987

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2021, the City of Visalia recognized pension expense of \$22,198,657. At June 30, 2021, 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	\$7,688,286	\$ -
Differences between expected and actual experience	1,122,512	(1,034,912)
Changes in assumptions	-	(264,470)
Net differences between projected and actual earnings on plan investments	1,294,054	-
Total	<u>\$10,104,852</u>	<u>(\$1,299,382)</u>

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$10,044,848	\$ -
Differences between expected and actual experience	1,879,955	(1,794,322)
Changes in assumptions	1,730,358	(459,521)
Net differences between projected and actual earnings on plan investments	1,589,438	-
Total	<u>\$15,244,599</u>	<u>(\$2,253,843)</u>

Grand Total	<u>\$25,349,451</u>	<u>(\$3,553,225)</u>
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\$17,733,134 (\$7,688,286 related to the Miscellaneous Plan and \$10,044,848 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, 2022. 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 – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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 June 30	Annual Amortization	Year Ended June 30	Annual Amortization
2021	(\$689,708)	2021	\$517,660
2022	473,400	2022	725,683
2023	637,497	2023	1,117,743
2024	695,995	2024	584,822
Total	<u>\$1,117,184</u>	Total	<u>\$2,945,908</u>

Expected Average Remaining Service Lifetime (EARSL) – Miscellaneous Plan – The EARSL for the plan for the measurement period ending June 30, 2020 is 3.6 years, which was obtained by dividing the total service years of 4,140 (the sum of remaining service lifetimes of the active employees) by 1,153 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

Expected Average Remaining Service Lifetime (EARSL) – Safety Plan – The EARSL for the plan for the measurement period ending June 30, 2020 is 4.7 years, which was obtained by dividing the total service years of 2,652 (the sum of remaining service lifetimes of the active employees) by 566 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

E. Payable to the Pension Plan

At June 30, 2021, the City of Visalia did not report a payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021 as there were none outstanding.

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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 10 - EMPLOYEE BENEFITS (Continued)

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, 2021, 51 retirees are participating in the City's health plan at full cost. Of these retirees 21 have dependent coverage. The full cost is up to \$1,211 per month for retiree and is up to an additional \$1,211 for their spouse. Family coverage is also available for an additional \$605 per month for a total family PPO premium up to \$3,027 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 \$983 per month for the retiree and an additional \$983 for spouse. Family coverage is available for a total of \$2,459 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.

Five retirees qualified for the 2021 reduced rate, all are enrolled as retirees only. The retiree cost is up to \$847 per month with the City subsidizing up to \$856 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 2020-2021, the City's Retiree Health Care Contribution was approximately \$63,504.

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

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

NOTE 11 – RISK MANAGEMENT (Continued)

A. Coverage (Continued)

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.

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
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
2020-21	7,219,438	4,297,344	(2,687,882)	8,828,900	1,614,142

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2021

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, 2021, the City had entered into \$1,202,061 in agreements for projects that had not been started and would only be paid for from future impact fees.

At June 30, 2021, the City had made commitments of approximately \$16.5 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 29, 2021, which is the date the basic financial statements were available to be issued are there are no notable events to report.

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

Governmental Funds:

Housing & Community Grants

Beginning Balance as Previously Reported	\$ 1,641,875
Adjustment due to error when unavailable revenue was booked	<u>12,697,529</u>
Beginning Balance as Restated	<u>\$ 14,339,404</u>

Housing Successor Agency

Beginning Balance as Previously Reported	\$ 2,032,519
Adjustment due to error when unavailable revenue was recorded	<u>8,276,601</u>
Beginning Balance as Restated	<u>\$ 10,309,120</u>

Governmental Activities Net Position

Beginning Balance as Previously Reported	\$ 469,201,198
Adjustment due to booking of an asset in 18/19 in error	<u>(1,725,691)</u>
Beginning Balance as Restated	<u>\$ 467,475,507</u>

Fiduciary Fund:

Custodial Funds Net Position

Beginning Balance as Previously Reported	\$ -
Implementation of GASB 84	<u>291,716</u>
Beginning Balance, as Restated	<u>\$ 291,716</u>

NOTE 15 – TRANSACTIONS WITH RELATED PARTIES

The related party transactions of the City are summarized as follows:

<u>Other Related Party Transactions</u>	<u>Related Parties</u>	<u>Amount for the Year Ended June 30, 2021</u>
Downtown Visalians	City Council Member	\$ 702,116

REQUIRED
SUPPLEMENTARY
INFORMATION



City of Visalia
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2021

Budget and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The biennial budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This "appropriated budget" covers substantially all City expenditures. There were no significant non-budgeted financial activities. Actual expenditures may not exceed budgeted appropriations at the fund level. The City Manager is authorized to make transfers of budget appropriations between classifications and activities within a fund.
3. Formal budgetary integration is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations, which are encumbered at year end, are added to the following year's budgeted appropriations. However, encumbrances at year end are reported as committed fund balance.
4. Budgets are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. No budgetary comparison is presented for the American Rescue Plan fund, since no budgets were adopted for this fund, as this fund did not exist at the time the budget was adopted. No budgetary comparisons are presented for Proprietary Funds as the City is not legally required to adopt a budget for these types of funds.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2021, based on calculations by City Management, proceeds of taxes did not exceed related appropriations. Further, Section 5 of Article XIII B allows the City to designate a portion of fund balance for general contingencies, to be used in future years without limitation.

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

REVENUES	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Taxes				
Sales	\$ 30,688,600	\$ 30,688,600	\$ 38,986,517	\$ 8,297,917
Property	25,990,300	25,990,300	27,884,766	1,894,466
Transient Occupancy	2,244,000	2,244,000	3,323,538	1,079,538
Franchise	2,626,000	2,626,000	2,795,357	169,357
Business License	2,482,000	2,482,000	3,088,633	606,633
Total Taxes	<u>64,030,900</u>	<u>64,030,900</u>	<u>76,078,811</u>	<u>12,047,911</u>
Subventions and Grants				
Police and Other	473,700	913,282	2,105,004	1,191,722
Motor Vehicle License In-Lieu	65,000	65,000	101,690	36,690
Total Subventions and Grants	<u>538,700</u>	<u>978,282</u>	<u>2,206,694</u>	<u>1,228,412</u>
License and Permits				
Other License and Permits	76,100	76,100	52,650	(23,450)
Total License and Permits	<u>76,100</u>	<u>76,100</u>	<u>52,650</u>	<u>(23,450)</u>
Fees and Fines				
Vehicle Code and Parking Violations	713,800	713,800	389,983	(323,817)
Local Ordinance Violations	441,200	441,200	614,632	173,432
Total Fees and Fines	<u>1,155,000</u>	<u>1,155,000</u>	<u>1,004,615</u>	<u>(150,385)</u>
Use of Money and Property				
Interest Earned	539,000	539,000	646,840	107,840
Rents and Concessions	250,200	250,200	155,398	(94,802)
Total Use of Money and Property	<u>789,200</u>	<u>789,200</u>	<u>802,238</u>	<u>13,038</u>
Charges for Services				
Engineering and Subdivision Fees	697,300	697,300	1,159,020	461,720
Zoning Fees	191,700	191,700	220,703	29,003
Special Public Safety Services	1,201,300	1,201,300	1,254,866	53,566
Recreation Programs	1,422,000	1,422,000	139,695	(1,282,305)
Total Charges for Services	<u>3,512,300</u>	<u>3,512,300</u>	<u>2,774,284</u>	<u>(738,016)</u>
Other Revenue	1,358,200	1,358,200	1,343,028	(15,172)
Total Revenues	<u>71,460,400</u>	<u>71,899,982</u>	<u>84,262,320</u>	<u>12,362,338</u>

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

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

EXPENDITURES	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Current:				
General Government	\$ 4,201,900	\$ 4,141,900	\$ 4,224,686	\$ (82,786)
Community Development	2,101,700	2,095,200	2,459,045	(363,845)
Public Safety:				
Fire	14,365,400	14,406,452	14,939,536	(533,084)
Police	33,985,900	33,958,335	34,129,014	(170,679)
Public Works	4,146,400	4,146,702	3,861,360	285,342
Community Services	8,433,000	8,332,598	6,018,543	2,314,055
Capital Outlay	234,900	1,504,874	1,624,975	(120,101)
Debt Service (Note 7)				
Principal	32,600	32,600	-	32,600
Interest and Fiscal Charges	500	500	-	500
Total Expenditures	<u>67,502,300</u>	<u>68,619,161</u>	<u>67,257,159</u>	<u>1,362,002</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>3,958,100</u>	<u>3,280,821</u>	<u>17,005,161</u>	<u>13,724,340</u>
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	-	-	3,450	3,450
Transfers In	-	-	148,524	148,524
Transfers Out	-	-	(16,703,167)	(16,703,167)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(16,551,193)</u>	<u>(16,551,193)</u>
Net Change in Fund Balance	<u>\$ 3,958,100</u>	<u>\$ 3,280,821</u>	<u>453,968</u>	<u>\$ (2,826,853)</u>
Fund Balance Beginning of Year			<u>52,691,729</u>	
Fund Balance - End of Year			<u>\$ 53,145,697</u>	

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

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MEASURE N
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
REVENUES				
Taxes				
Sales	\$ 11,588,800	\$ 11,588,800	\$ 16,880,055	\$ 5,291,255
Total Taxes	<u>11,588,800</u>	<u>11,588,800</u>	<u>16,880,055</u>	<u>5,291,255</u>
Subventions and Grants				
Police and Other	-	-	29,556	29,556
Total Subventions and Grants	<u>-</u>	<u>-</u>	<u>29,556</u>	<u>29,556</u>
Use of Money and Property				
Interest Earned	119,200	119,200	93,272	(25,928)
Total Use of Money and Property	<u>119,200</u>	<u>119,200</u>	<u>93,272</u>	<u>(25,928)</u>
Other Revenue	-	-	109,321	109,321
Total Revenues	<u>11,708,000</u>	<u>11,708,000</u>	<u>17,112,204</u>	<u>5,404,204</u>
EXPENDITURES				
Current:				
General Government	268,700	268,700	219,236	49,464
Public Safety:				
Fire	1,006,100	1,006,100	978,595	27,505
Police	4,100,700	4,100,700	4,293,747	(193,047)
Community Services	774,800	759,448	461,573	297,875
Capital Outlay	5,358,700	5,464,643	4,806,242	658,401
Total Expenditures	<u>11,509,000</u>	<u>11,599,591</u>	<u>10,759,393</u>	<u>840,198</u>
Net Change in Fund Balance	<u>\$ 199,000</u>	<u>\$ 108,409</u>	6,352,811	<u>\$ 6,244,402</u>
Fund Balance Beginning of Year			<u>23,320,803</u>	
Fund Balance - End of Year			<u>\$ 29,673,614</u>	

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

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING & COMMUNITY GRANTS
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance With Final Budget
Revenues			
Subventions and Grants	\$ 4,250,132	\$ 3,217,871	\$ (1,032,261)
Fees and Fines	25,100	13,426	(11,674)
Uses of Money and Property	53,600	70,549	16,949
Charges for Current Services	-	5,000	5,000
Miscellaneous	5,500	5,720	220
Total Revenues	4,334,332	3,312,566	(1,021,766)
Expenditures			
Current:			
Community Development	71,900	75,606	(3,706)
Housing & Community Grants	3,415,283	2,268,707	1,146,576
Capital Outlay	47,668	36,615	11,053
Total Expenditures	3,534,851	2,380,928	1,153,923
Excess (Deficiency) of Revenue Over (Under) Expenditures	799,481	931,638	132,157
Other Financing Sources			
Transfers In	-	23,966	23,966
Total Other Financing Sources	-	23,966	23,966
Net Changes in Fund Balance	\$ 799,481	955,604	\$ 156,123
Fund Balance - Beginning of Year, as Restated (Note 14)		14,339,404	
Fund Balance - End of Year		\$ 15,295,008	

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

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING SUCCESSOR AGENCY
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance With Final Budget
Revenues			
Subventions and Grants	\$ -	\$ 424,130	\$ 424,130
Uses of Money and Property	8,000	110,504	102,504
Miscellaneous	-	195	195
Total Revenues	<u>8,000</u>	<u>534,829</u>	<u>526,829</u>
Expenditures			
Current:			
General Government	195,997	141,469	54,528
Total Expenditures	<u>195,997</u>	<u>141,469</u>	<u>54,528</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(187,997)</u>	<u>393,360</u>	<u>581,357</u>
Net Changes in Fund Balance	<u>\$ (187,997)</u>	<u>393,360</u>	<u>\$ 581,357</u>
Fund Balance - Beginning of Year, as Restated (Note 14)		<u>10,309,120</u>	
Fund Balance - End of Year		<u>\$ 10,702,480</u>	

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

Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED:

Miscellaneous Plan

Measurement Period	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹	2013-14 ¹
TOTAL PENSION LIABILITY							
Service Cost	\$ 4,403,664	\$ 4,255,037	\$ 4,192,969	\$ 4,245,437	\$ 3,786,783	\$ 3,692,092	\$ 3,797,356
Interest	16,958,814	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	(1,366,753)	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	(11,727,761)	(10,795,043)	(10,116,949)	(9,515,763)	(8,700,574)	(8,186,347)	(7,668,885)
Net Change in Total Pension Liability	8,267,964	12,366,585	7,737,506	19,521,684	10,088,834	5,590,555	9,303,746
Total Pension Liability - Beginning	242,215,006	229,848,421	222,110,915	202,589,231	192,500,397	186,909,842	177,606,096
Total Pension Liability - Ending (a)	\$ 250,482,970	\$ 242,215,006	\$ 229,848,421	\$ 222,110,915	\$ 202,589,231	\$ 192,500,397	\$ 186,909,842
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 7,072,583	\$ 6,219,874	\$ 5,482,359	\$ 5,129,632	\$ 4,678,278	\$ 4,077,411	\$ 3,947,176
Contributions - Employee	1,918,767	1,845,020	1,850,278	1,781,007	1,733,983	1,747,629	1,809,951
Net Investment Income	8,526,757	10,604,879	12,914,267	15,518,122	742,388	3,174,848	21,053,194
Benefit Payments, Including Refunds of Employee Contributions	(11,727,761)	(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	(239,113)	(115,502)	(237,501)	(206,266)	(86,138)	(159,136)	-
Other Miscellaneous Income/(Expense) ²	-	376	(451,018)	-	-	-	-
Net Change in Fiduciary Net Position	5,551,233	7,759,604	9,441,060	12,706,732	(1,632,063)	654,405	19,141,436
Plan Fiduciary Net Position - Beginning³	169,613,222	161,853,618	152,412,558	139,705,826	141,337,889	140,683,484	121,542,048
Plan Fiduciary Net Position - Ending (b)	\$ 175,164,455	\$ 169,613,222	\$ 161,853,618	\$ 152,412,558	\$ 139,705,826	\$ 141,337,889	\$ 140,683,484
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 75,318,515	\$ 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	69.93%	70.03%	70.42%	68.62%	68.96%	73.42%	75.27%
Covered Payroll⁴	\$ 25,424,314	\$ 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	296.25%	299.05%	289.94%	305.23%	283.91%	234.33%	223.82%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years information will be displayed as it becomes available

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).

³ Includes any beginning of year adjustments.

⁴ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. 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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED:

Safety Plan

Measurement Period	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹	2013-14 ¹
TOTAL PENSION LIABILITY							
Service Cost	\$ 6,324,588	\$ 6,222,413	\$ 5,995,204	\$ 5,853,759	\$ 5,349,411	\$ 5,222,479	\$ 5,100,652
Interest	17,437,680	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	(1,240,319)	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	(10,427,951)	(9,427,686)	(8,593,404)	(8,040,046)	(7,578,069)	(7,169,237)	(6,653,993)
Net Change in Total Pension Liability	12,093,998	16,721,496	11,028,049	20,903,583	12,766,184	7,439,562	10,941,550
Total Pension Liability - Beginning	247,175,635	230,454,139	219,426,090	198,522,507	185,756,323	178,316,761	167,375,211
Total Pension Liability - Ending (a)	\$ 259,269,633	\$ 247,175,635	\$ 230,454,139	\$ 219,426,090	\$ 198,522,507	\$ 185,756,323	\$ 178,316,761
PLAN FIDUCIARY NET POSITION							
Contributions - Employer	\$ 8,928,558	\$ 8,085,201	\$ 7,221,051	\$ 6,623,640	\$ 6,259,154	\$ 5,610,391	\$ 5,703,922
Contributions - Employee	2,142,637	2,172,900	1,924,202	1,846,297	1,750,054	1,805,168	1,618,205
Net Investment Income	9,341,900	11,443,404	13,555,587	15,911,405	717,302	3,141,564	20,530,453
Benefit Payments, Including Refunds of Employee Contributions	(10,427,951)	(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	(260,195)	(123,040)	(247,809)	(210,978)	(86,447)	(159,587)	-
Other Miscellaneous Income/(Expense) ²	-	400	(470,593)	-	-	-	-
Net Change in Fiduciary Net Position	9,724,949	12,151,179	13,388,634	16,130,318	1,052,032	3,228,299	21,198,587
Plan Fiduciary Net Position - Beginning ³	184,567,232	172,416,053	159,027,419	142,897,101	141,845,069	138,616,770	117,418,183
Plan Fiduciary Net Position - Ending (b)	\$ 194,292,181	\$ 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)	\$ 64,977,452	\$ 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	74.94%	74.67%	74.82%	72.47%	71.98%	76.36%	77.74%
Covered Payroll, ⁴	\$ 21,283,546	\$ 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	305.29%	298.65%	287.65%	318.17%	298.45%	232.80%	228.64%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years information will be displayed as it becomes available.

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).

³ Includes any beginning of year adjustments.

⁴ Includes one year's payroll growth using 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-20; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Benefit Changes: The figures above include any liability impact that may have resulted from voluntary benefit changes that occurred after the June 30, 2019 valuation. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the June 30, 2019 valuation date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: None in 2019 or 2020. 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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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

Miscellaneous Plan

Fiscal Year	2020-21 ¹	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹
Actuarially Determined Contribution	\$ 7,688,286	\$ 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>(7,688,286)</u>	<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>	<u>\$ -</u>
Covered Payroll	\$ 24,893,975	\$ 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	30.88%	27.82%	25.62%	24.21%	22.41%	21.05%	19.91%

Safety Plan

Fiscal Year	2020-21 ¹	2019-20 ¹	2018-19 ¹	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹
Actuarially Determined Contribution	\$ 10,044,848	\$ 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>(10,044,848)</u>	<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>	<u>\$ -</u>
Covered Payroll	\$ 21,973,912	\$ 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	45.71%	41.95%	38.58%	37.07%	34.81%	33.57%	32.39%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years information will be displayed as it becomes available.



SUPPLEMENTARY INFORMATION



NON- MAJOR GOVERNMENTAL FUNDS



SPECIAL REVENUE FUNDS

WATERWAYS

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

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

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 –Annual Comprehensive Financial Report For Year Ended June 30, 2021

GOLF COURSE

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

TRANSPORTATION FUND

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

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 sale 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.

Non-Major Governmental Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2021

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.

PARKING DISTRICT FUND

Established 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, 2021

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	\$ 3,323,933	\$ 2,953,254	\$ 636,332	\$ 12,086,633	\$ 666,621	\$ 119,639	\$ 729,627	\$ 4,057,256
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Accounts Receivable	39,013	103,731	41,432	6,953	11,999	-	-	-
Taxes Receivable	-	189,434	-	168,770	-	4,083	2,675	996,250
Notes and Loans Receivable	163,369	-	-	-	-	-	-	-
Inventory	-	85,031	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	-	-	-	-
Total Assets	\$ 3,526,315	\$ 3,331,450	\$ 677,764	\$ 12,262,356	\$ 678,620	\$ 123,722	\$ 732,302	\$ 5,053,506
LIABILITIES								
Accounts, Interest and Contracts Payable	\$ 34,191	\$ 16,766	\$ -	\$ 481,812	\$ -	\$ 608	\$ -	\$ 1,308
Advance from Other Funds	-	-	-	963,198	-	-	-	-
Customer Deposits	-	-	-	-	-	-	274,048	-
Unearned Revenue	-	85,031	-	-	-	-	-	-
Total Liabilities	34,191	101,797	-	1,445,010	-	608	274,048	1,308
DEFERRED INFLOWS OF RESOURCES								
Asset Forfeiture	-	-	-	-	-	-	448,828	-
Impact Fees	-	-	-	-	11,999	-	-	-
Notes	163,368	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	163,368	-	-	-	11,999	-	448,828	-
FUND BALANCES								
Restricted	3,328,756	3,229,653	677,764	10,817,346	666,621	123,114	9,426	5,052,198
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	3,328,756	3,229,653	677,764	10,817,346	666,621	123,114	9,426	5,052,198
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,526,315	\$ 3,331,450	\$ 677,764	\$ 12,262,356	\$ 678,620	\$ 123,722	\$ 732,302	\$ 5,053,506

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2021

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	\$ 5,242,815	\$ 6,883,405	\$ 5,374	\$ 1,463,922	\$ 80,531	\$ 356,379	\$ 278,256	\$ 248,535
Restricted Cash and Investments	-	-	-	-	-	-	-	-
Accounts Receivable	1,440	-	-	-	450	-	-	-
Taxes Receivable	664,167	631,046	1,317,781	1,458,911	-	-	-	-
Notes and Loans Receivable	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Due from Other Governmental Units	-	-	-	2,031,848	-	-	-	-
Total Assets	\$ 5,908,422	\$ 7,514,451	\$ 1,323,155	\$ 4,954,681	\$ 80,981	\$ 356,379	\$ 278,256	\$ 248,535
LIABILITIES								
Accounts, Interest and Contracts Payable	\$ 18,652	\$ 477,752	\$ 76,379	\$ 324,736	\$ 80	\$ 3,365	\$ -	\$ -
Advance from Other Funds	-	-	521,921	-	-	-	-	-
Customer Deposits	-	-	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-
Total Liabilities	18,652	477,752	598,300	324,736	80	3,365	-	-
DEFERRED INFLOWS OF RESOURCES								
Asset Forfeiture	-	-	-	-	-	-	-	-
Impact Fees	-	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
FUND BALANCES								
Restricted	5,889,770	7,036,699	724,855	4,629,945	80,901	353,014	-	-
Committed	-	-	-	-	-	-	278,256	248,535
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances (Deficit)	5,889,770	7,036,699	724,855	4,629,945	80,901	353,014	278,256	248,535
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,908,422	\$ 7,514,451	\$ 1,323,155	\$ 4,954,681	\$ 80,981	\$ 356,379	\$ 278,256	\$ 248,535

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2021

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS			CAPITAL PROJECT FUNDS			
	Police Unclaimed Funds	VPFA 2014 Refunding Certificates of Participation	2015 Certificates of Participation	Transportation	Softball Facility Development	Highway Users	Recreational Facilities	Storm Sewer Construction	
ASSETS									
Cash and Investments	\$ 225,631	\$ -	\$ -	\$ 17,242,972	\$ 1,134	\$ 10,371,881	\$ 6,584,099	\$ 3,276,732	
Restricted Cash and Investments	-	-	8,670	-	-	-	-	-	
Accounts Receivable	-	-	-	2,612,933	-	-	408,352	83,728	
Taxes Receivable	-	-	-	-	-	250,558	-	15,823	
Notes and Loans Receivable	-	-	-	814,589	-	-	-	4,892	
Inventory	-	-	-	-	-	-	-	-	
Due from Other Governmental Units	-	-	-	-	-	-	-	-	
Total Assets	\$ 225,631	\$ -	\$ 8,670	\$ 20,670,494	\$ 1,134	\$ 10,622,439	\$ 6,992,451	\$ 3,381,175	
LIABILITIES									
Accounts, Interest and Contracts Payable	\$ 582	\$ 2,224	\$ 28,865	\$ 2,838,413	\$ -	\$ 247,751	\$ 13,865	\$ -	
Advance from Other Funds	-	-	-	-	-	-	-	-	
Customer Deposits	47,417	-	-	-	-	-	-	-	
Unearned Revenue	110,479	-	-	-	-	-	-	-	
Total Liabilities	158,478	2,224	28,865	2,838,413	-	247,751	13,865	-	
DEFERRED INFLOWS OF RESOURCES									
Asset Forfeiture	-	-	-	-	-	-	-	-	
Impact Fees	-	-	-	1,470,816	-	-	408,352	23,240	
Notes	-	-	-	814,589	-	-	-	4,892	
Total Deferred Inflows of Resources	-	-	-	2,285,405	-	-	408,352	28,132	
FUND BALANCES									
Restricted	-	-	8,670	15,546,676	1,134	10,374,688	6,570,234	3,353,043	
Committed	67,153	-	-	-	-	-	-	-	
Unassigned	-	(2,224)	(28,865)	-	-	-	-	-	
Total Fund Balances (Deficit)	67,153	(2,224)	(20,195)	15,546,676	1,134	10,374,688	6,570,234	3,353,043	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 225,631	\$ -	\$ 8,670	\$ 20,670,494	\$ 1,134	\$ 10,622,439	\$ 6,992,451	\$ 3,381,175	

**CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2021**

CAPITAL PROJECT FUNDS								
	Public Safety Impact Fee	Government Facilities Impact Fee	Parking District	Facility Improvements	Civic Center	Sports Complex	Animal Control Reserve	Total Non-major Governmental Funds
ASSETS								
Cash and Investments	\$ 287,141	\$ 7,855,034	\$ 3,880,123	\$ 784,449	\$ 32,738,468	\$ 577,663	\$ 251,974	\$ 123,209,813
Restricted Cash and Investments	-	-	-	-	-	-	-	8,670
Accounts Receivable	290,555	183,990	2,737	-	-	-	-	3,787,313
Taxes Receivable	-	-	-	-	-	-	-	5,699,498
Notes and Loans Receivable	66,638	117,201	133,943	-	133,665	-	-	1,434,297
Inventory	-	-	-	-	-	-	-	85,031
Due from Other Governmental Units	-	-	-	-	-	-	-	2,031,848
Total Assets	\$ 644,334	\$ 8,156,225	\$ 4,016,803	\$ 784,449	\$ 32,872,133	\$ 577,663	\$ 251,974	\$ 136,256,470
LIABILITIES								
Accounts, Interest and Contracts Payable	\$ 19	\$ -	\$ 69	\$ -	\$ -	\$ -	\$ -	\$ 4,567,437
Advance from Other Funds	-	59,659	-	-	-	-	-	1,544,778
Customer Deposits	-	-	56,355	-	-	-	-	377,820
Unearned Revenue	-	-	-	-	-	-	-	195,510
Total Liabilities	19	59,659	56,424	-	-	-	-	6,685,545
DEFERRED INFLOWS OF RESOURCES								
Asset Forfeiture	-	-	-	-	-	-	-	448,828
Impact Fees	290,555	183,992	-	-	-	-	-	2,388,954
Notes	66,637	117,201	6,533	-	133,665	-	-	1,306,885
Total Deferred Inflows of Resources	357,192	301,193	6,533	-	133,665	-	-	4,144,667
FUND BALANCES								
Restricted	287,123	7,795,373	3,953,846	-	-	-	-	90,510,849
Committed	-	-	-	784,449	32,738,468	577,663	251,974	34,946,498
Unassigned	-	-	-	-	-	-	-	(31,089)
Total Fund Balances (Deficit)	287,123	7,795,373	3,953,846	784,449	32,738,468	577,663	251,974	125,426,258
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 644,334	\$ 8,156,225	\$ 4,016,803	\$ 784,449	\$ 32,872,133	\$ 577,663	\$ 251,974	\$ 136,256,470

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2021

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,062,419
Other Taxes	-	-	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	329,437	-	18,496
License and Permits	-	-	-	-	-	-	-	-
Fees and Fines	452,917	1,189,999	334,219	-	7,107	-	-	-
Uses of Money and Property	19,574	10,754	3,097	15,957	2,870	584	-	13,759
Charges for Current Services	307,007	-	-	4,933,991	-	-	-	-
Miscellaneous	3,688	-	-	19,622	-	-	88,932	127,981
Total Revenues	783,186	1,200,753	337,316	4,969,570	9,977	330,021	88,932	5,222,655
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Public Safety:								
Fire	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	280,715	19,910	3,696,282
Public Works	381,217	288,296	18,677	-	1,522	-	-	-
Community Services	-	-	-	3,159,083	-	-	-	-
Capital Outlay	39,916	222,138	-	-	84,672	36,853	69,022	-
Debt Service:								
Principal Repayment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	421,133	510,434	18,677	3,159,083	86,194	317,568	88,932	3,696,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	362,053	690,319	318,639	1,810,487	(76,217)	12,453	-	1,526,373
OTHER FINANCING SOURCES (USES)								
Sale of Land	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	(300,000)	-	-	(127,545)	-	(151,477)
Total Other Financing Sources (Uses)	-	-	(300,000)	-	-	(127,545)	-	(151,477)
Net Changes in Fund Balance	362,053	690,319	18,639	1,810,487	(76,217)	(115,092)	-	1,374,896
Fund Balance - Beginning of Year (Deficits)	2,966,703	2,539,334	659,125	9,006,859	742,838	238,206	9,426	3,677,302
Fund Balance (Deficits) - End of Year	\$ 3,328,756	\$ 3,229,653	\$ 677,764	\$ 10,817,346	\$ 666,621	\$ 123,114	\$ 9,426	\$ 5,052,198

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

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	\$ 3,374,946	\$ 3,400,598	\$ 3,221,666	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	82,252	-	-
Subventions and Grants	20	-	-	5,961,845	-	-	-	-
License and Permits	-	-	-	-	-	-	-	-
Fees and Fines	-	-	-	-	132,165	-	17,626	-
Uses of Money and Property	19,971	25,244	123	5,407	227	1,224	1,102	1,006
Charges for Current Services	37,790	-	-	-	-	-	-	-
Miscellaneous	8,732	188	35,762	49,161	-	72	-	-
Total Revenues	3,441,459	3,426,030	3,257,551	6,016,413	132,392	83,548	18,728	1,006
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	6,028	-	-
Public Safety:								
Fire	2,755,334	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-
Public Works	-	30,719	34,092	247	-	-	-	-
Community Services	-	-	-	-	55,190	-	13,301	58
Capital Outlay	-	1,877,579	2,055,250	3,960,567	13,223	-	-	-
Debt Service:								
Principal Repayment	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Total Expenditures	2,755,334	1,908,298	2,089,342	3,960,814	68,413	6,028	13,301	58
Excess (Deficiency) of Revenues Over (Under) Expenditures	686,125	1,517,732	1,168,209	2,055,599	63,979	77,520	5,427	948
OTHER FINANCING SOURCES (USES)								
Sale of Land	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
Net Changes in Fund Balance	686,125	1,517,732	1,168,209	2,055,599	63,979	77,520	5,427	948
Fund Balance - Beginning of Year (Deficits)	5,203,645	5,518,967	(443,354)	2,574,346	16,922	275,494	272,829	247,587
Fund Balance (Deficits) - End of Year	\$ 5,889,770	\$ 7,036,699	\$ 724,855	\$ 4,629,945	\$ 80,901	\$ 353,014	\$ 278,256	\$ 248,535

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS				
	Police Unclaimed Funds	VPFA 2014 Refunding Certificates of Participation	2015 Certificates of Participation	Transportation	Softball Facility Development	Highway Users	Recreational Facilities	Storm Sewer Construction
REVENUES								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	5,643,371	-	-
License and Permits	-	-	-	-	-	-	-	-
Fees and Fines	-	-	-	6,082,044	-	-	2,182,136	1,195,323
Uses of Money and Property	955	-	5	60,762	4	36,990	21,928	12,055
Charges for Current Services	-	-	-	-	-	-	-	-
Miscellaneous	11,263	-	-	5,767	-	210	-	-
Total Revenues	12,218	-	5	6,148,573	4	5,680,571	2,204,064	1,207,378
EXPENDITURES								
Current:								
General Government	-	-	3,040	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-
Public Safety:								
Fire	-	-	-	-	-	-	-	-
Police	54	-	-	-	-	-	-	-
Public Works	-	-	-	26,762	-	630,493	-	29,757
Community Services	-	-	-	-	2	-	28,511	-
Capital Outlay	60,188	-	-	1,282,520	-	2,799,890	182,945	115,353
Debt Service:								
Principal Repayment	-	98,400	783,904	-	-	-	-	-
Interest and Fiscal Charges	-	28,782	368,546	-	-	-	-	-
Total Expenditures	60,242	127,182	1,155,490	1,309,282	2	3,430,383	211,456	145,110
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,024)	(127,182)	(1,155,485)	4,839,291	2	2,250,188	1,992,608	1,062,268
OTHER FINANCING SOURCES (USES)								
Sale of Land	-	-	-	-	-	-	-	-
Transfers In	-	127,504	1,158,703	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	127,504	1,158,703	-	-	-	-	-
Net Changes in Fund Balance	(48,024)	322	3,218	4,839,291	2	2,250,188	1,992,608	1,062,268
Fund Balance - Beginning of Year (Deficits)	115,177	(2,546)	(23,413)	10,707,385	1,132	8,124,500	4,577,626	2,290,775
Fund Balance (Deficits) - End of Year	\$ 67,153	\$ (2,224)	\$ (20,195)	\$ 15,546,676	\$ 1,134	\$ 10,374,688	\$ 6,570,234	\$ 3,353,043

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	CAPITAL PROJECTS FUNDS							Total Non-major Governmental Funds
	Public Safety Impact Fee	Government Facilities Impact Fee	Parking District	Facility Improvements	Civic Center	Sports Complex	Animal Control Reserve	
REVENUES								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,059,629
Other Taxes	-	-	-	-	-	-	-	82,252
Subventions and Grants	-	-	33,862	-	-	-	-	11,987,031
License and Permits	-	-	20,382	-	-	-	-	20,382
Fees and Fines	887,761	765,064	-	-	-	-	-	13,246,361
Uses of Money and Property	562	30,269	22,204	3,176	86,553	2,340	1,020	399,722
Charges for Current Services	-	-	-	-	-	-	-	5,278,788
Miscellaneous	-	-	-	-	3,010	-	-	354,388
Total Revenues	888,323	795,333	76,448	3,176	89,563	2,340	1,020	46,428,553
EXPENDITURES								
Current:								
General Government	-	16,490	-	184	4,702	136	59	24,611
Community Development	-	-	11,471	-	-	-	-	17,499
Public Safety:								
Fire	4,064	-	-	-	-	-	-	2,759,398
Police	533	-	-	-	-	-	-	3,997,494
Public Works	-	1,822	-	-	-	-	-	1,443,604
Community Services	-	-	-	-	-	-	-	3,256,145
Capital Outlay	2,189	-	3,330	-	19,718	4,387	-	12,829,740
Debt Service:								
Principal Repayment	-	-	-	-	-	-	-	882,304
Interest and Fiscal Charges	-	-	-	-	-	-	-	397,328
Total Expenditures	6,786	18,312	14,801	184	24,420	4,523	59	25,608,123
Excess (Deficiency) of Revenues Over (Under) Expenditures	881,537	777,021	61,647	2,992	65,143	(2,183)	961	20,820,430
OTHER FINANCING SOURCES (USES)								
Sale of Land	-	-	-	-	1,027,945	-	-	1,027,945
Transfers In	-	-	-	-	12,241,231	-	-	13,527,438
Transfers Out	(415,167)	-	-	-	-	-	-	(994,189)
Total Other Financing Sources (Uses)	(415,167)	-	-	-	13,269,176	-	-	13,561,194
Net Changes in Fund Balance	466,370	777,021	61,647	2,992	13,334,319	(2,183)	961	34,381,624
Fund Balance - Beginning of Year (Deficits)	(179,247)	7,018,352	3,892,199	781,457	19,404,149	579,846	251,013	91,044,634
Fund Balance (Deficits) - End of Year	\$ 287,123	\$ 7,795,373	\$ 3,953,846	\$ 784,449	\$ 32,738,468	\$ 577,663	\$ 251,974	\$ 125,426,258

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, 2021

	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	506,000	452,917	(53,083)	1,073,300	1,189,999	116,699
Uses of Money and Property	5,300	19,574	14,274	1,600	10,754	9,154
Charges for Current Services	309,200	307,007	(2,193)	-	-	-
Miscellaneous	-	3,688	3,688	-	-	-
Total Revenues	820,500	783,186	(37,314)	1,074,900	1,200,753	125,853
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	381,217	(381,217)	297,300	288,296	9,004
Community Services	554,282	-	554,282	-	-	-
Capital Outlay	1,107,855	39,916	1,067,939	829,644	222,138	607,506
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	1,662,137	421,133	1,241,004	1,126,944	510,434	616,510
Excess (Deficiency) of Revenues Over (Under) Expenditures	(841,637)	362,053	1,203,690	(52,044)	690,319	742,363
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ (841,637)	362,053	\$ 1,203,690	\$ (52,044)	690,319	\$ 742,363
Fund Balances - Beginning of Year (Deficits)		<u>2,966,703</u>			<u>2,539,334</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 3,328,756</u>			<u>\$ 3,229,653</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, 2021

	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	290,000	334,219	44,219	-	-	-
Uses of Money and Property	3,000	3,097	97	3,000	15,957	12,957
Charges for Current Services	-	-	-	4,840,400	4,933,991	93,591
Miscellaneous	-	-	-	-	19,622	19,622
Total Revenues	<u>293,000</u>	<u>337,316</u>	<u>44,316</u>	<u>4,843,400</u>	<u>4,969,570</u>	<u>126,170</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	21,200	18,677	2,523	-	-	-
Community Services	-	-	-	3,264,800	3,159,083	105,717
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>21,200</u>	<u>18,677</u>	<u>2,523</u>	<u>3,264,800</u>	<u>3,159,083</u>	<u>105,717</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>271,800</u>	<u>318,639</u>	<u>46,839</u>	<u>1,578,600</u>	<u>1,810,487</u>	<u>231,887</u>
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
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>\$ 271,800</u>	<u>18,639</u>	<u>\$ (253,161)</u>	<u>\$ 1,578,600</u>	<u>1,810,487</u>	<u>\$ 231,887</u>
Fund Balances - Beginning of Year (Deficits)		<u>659,125</u>			<u>9,006,859</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 677,764</u>			<u>\$ 10,817,346</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, 2021

	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	-	-	-	329,437	329,437	-
License and Permits	-	-	-	-	-	-
Fees and Fines	82,500	7,107	(75,393)	-	-	-
Uses of Money and Property	3,700	2,870	(830)	-	584	584
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	86,200	9,977	(76,223)	329,437	330,021	584
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	298,139	280,715	17,424
Public Works	1,400	1,522	(122)	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	84,672	(84,672)	-	36,853	(36,853)
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	1,400	86,194	(84,794)	298,139	317,568	(19,429)
Excess (Deficiency) of Revenues Over (Under) Expenditures	84,800	(76,217)	(161,017)	31,298	12,453	(18,845)
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(127,545)	(127,545)
Total Other Financing Sources (Uses)	-	-	-	-	(127,545)	(127,545)
Net Changes in Fund Balance	\$ 84,800	(76,217)	\$ (161,017)	\$ 31,298	(115,092)	\$ (146,390)
Fund Balances - Beginning of Year (Deficits)		742,838			238,206	
Fund Balances - End of Year (Deficits)		\$ 666,621			\$ 123,114	

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, 2021

	Narcotics Forfeiture			Measure T - Police		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ 3,448,100	\$ 5,062,419	\$ 1,614,319
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	6,000	18,496	12,496
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	-	-	26,000	13,759	(12,241)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	105,000	88,932	(16,068)	33,700	127,981	94,281
Total Revenues	105,000	88,932	(16,068)	3,513,800	5,222,655	1,708,855
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	155,000	19,910	135,090	3,966,700	3,696,282	270,418
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	69,022	(69,022)	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	155,000	88,932	66,068	3,966,700	3,696,282	270,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	-	50,000	(452,900)	1,526,373	1,979,273
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(151,477)	151,477
Total Other Financing Sources (Uses)	-	-	-	-	(151,477)	151,477
Net Changes in Fund Balance	\$ (50,000)	-	\$ 50,000	\$ (452,900)	1,374,896	\$ 2,130,750
Fund Balances - Beginning of Year (Deficits)		9,426			3,677,302	
Fund Balances - End of Year (Deficits)		\$ 9,426			\$ 5,052,198	

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, 2021

	Measure T - Fire			Measure R - Local		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ 2,298,800	\$ 3,374,946	\$ 1,076,146	\$ 2,677,500	\$ 3,400,598	\$ 723,098
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	20	20	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	82,000	19,971	(62,029)	12,600	25,244	12,644
Charges for Current Services	25,000	37,790	12,790	-	-	-
Miscellaneous	73,800	8,732	(65,068)	-	188	188
Total Revenues	2,479,600	3,441,459	961,859	2,690,100	3,426,030	735,930
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	2,941,600	2,755,334	186,266	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	30,719	(30,719)
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	2,002,176	1,877,579	124,597
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	2,941,600	2,755,334	186,266	2,002,176	1,908,298	93,878
Excess (Deficiency) of Revenues Over (Under) Expenditures	(462,000)	686,125	1,148,125	687,924	1,517,732	829,808
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ (462,000)	686,125	\$ 1,148,125	\$ 687,924	1,517,732	\$ 829,808
Fund Balances - Beginning of Year (Deficits)		5,203,645			5,518,967	
Fund Balances - End of Year (Deficits)		\$ 5,889,770			\$ 7,036,699	

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, 2021

	Measure R - Regional			Transportation Grants		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ 710,700	\$ 3,221,666	\$ 2,510,966	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	1,200,000	5,961,845	4,761,845
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	123	123	-	5,407	5,407
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	35,762	35,762	-	49,161	49,161
Total Revenues	710,700	3,257,551	2,546,851	1,200,000	6,016,413	4,816,413
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	34,092	(34,092)	-	247	(247)
Community Services	-	-	-	-	-	-
Capital Outlay	6,372,561	2,055,250	4,317,311	4,458,439	3,960,567	497,872
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	6,372,561	2,089,342	4,283,219	4,458,439	3,960,814	497,625
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,661,861)	1,168,209	6,830,070	(3,258,439)	2,055,599	5,314,038
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ (5,661,861)	1,168,209	\$ 6,830,070	\$ (3,258,439)	2,055,599	\$ 5,314,038
Fund Balances - Beginning of Year (Deficits)		(443,354)			2,574,346	
Fund Balances - End of Year (Deficits)		\$ 724,855			\$ 4,629,945	

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, 2021

	Golf Course			CASP Program		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	83,000	82,252	(748)
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	91,000	132,165	41,165	-	-	-
Uses of Money and Property	-	227	227	4,100	1,224	(2,876)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	200	72	(128)
Total Revenues	<u>91,000</u>	<u>132,392</u>	<u>41,392</u>	<u>87,300</u>	<u>83,548</u>	<u>(3,752)</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	21,300	6,028	15,272
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	51,200	55,190	(3,990)	-	-	-
Capital Outlay	11,517	13,223	(1,706)	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>62,717</u>	<u>68,413</u>	<u>(5,696)</u>	<u>21,300</u>	<u>6,028</u>	<u>15,272</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,283</u>	<u>63,979</u>	<u>35,696</u>	<u>66,000</u>	<u>77,520</u>	<u>11,520</u>
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>\$ 28,283</u>	<u>63,979</u>	<u>\$ 35,696</u>	<u>\$ 66,000</u>	<u>77,520</u>	<u>\$ 11,520</u>
Fund Balances - Beginning of Year (Deficits)		<u>16,922</u>			<u>275,494</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 80,901</u>			<u>\$ 353,014</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, 2021

	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	-	17,626	17,626	-	-	-
Uses of Money and Property	-	1,102	1,102	-	1,006	1,006
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	18,728	18,728	-	1,006	1,006
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	13,301	(13,301)	-	58	(58)
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	13,301	(13,301)	-	58	(58)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	5,427	5,427	-	948	948
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ -	5,427	\$ 5,427	\$ -	948	\$ 948
Fund Balances - Beginning of Year (Deficits)		<u>272,829</u>			<u>247,587</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 278,256</u>			<u>\$ 248,535</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, 2021

	Police Unclaimed Funds			VPFA 2014 Refunding Certificates of Participation		
	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	-	955	955	-	-	-
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	85,500	11,263	(74,237)	-	-	-
Total Revenues	85,500	12,218	(73,282)	-	-	-
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	54	(54)	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	71,877	60,188	11,689	-	-	-
Debt Service:						
Principal Repayment	-	-	-	98,400	98,400	-
Interest and Fiscal Charges	-	-	-	29,100	28,782	318
Total Expenditures	71,877	60,242	11,635	127,500	127,182	318
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,623	(48,024)	(61,647)	(127,500)	(127,182)	318
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	127,500	127,504	4
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	127,500	127,504	4
Net Changes in Fund Balance	\$ 13,623	(48,024)	\$ (61,647)	\$ -	322	\$ 322
Fund Balances - Beginning of Year (Deficits)		115,177			(2,546)	
Fund Balances - End of Year (Deficits)		<u>\$ 67,153</u>			<u>\$ (2,224)</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, 2021

	2015 Certificates of Participation			Transportation		
	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	-	-	-	4,009,100	6,082,044	2,072,944
Uses of Money and Property	-	5	5	46,300	60,762	14,462
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	5,767	5,767
Total Revenues	-	5	5	4,055,400	6,148,573	2,093,173
EXPENDITURES						
Current:						
General Government	-	3,040	(3,040)	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	275,600	26,762	248,838
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	1,486,175	1,282,520	203,655
Debt Service:						
Principal Repayment	783,904	783,904	-	-	-	-
Interest and Fiscal Charges	371,759	368,546	3,213	-	-	-
Total Expenditures	1,155,663	1,155,490	173	1,761,775	1,309,282	452,493
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,155,663)	(1,155,485)	178	2,293,625	4,839,291	2,545,666
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	1,156,300	1,158,703	2,403	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,156,300	1,158,703	2,403	-	-	-
Net Changes in Fund Balance	\$ 637	3,218	\$ 2,581	\$ 2,293,625	4,839,291	\$ 2,545,666
Fund Balances - Beginning of Year (Deficits)		(23,413)			10,707,385	
Fund Balances - End of Year (Deficits)		<u>\$ (20,195)</u>			<u>\$ 15,546,676</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, 2021

	Softball Facility Development			Highway Users		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	7,455,900	5,643,371	(1,812,529)
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	4	4	31,900	36,990	5,090
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	210	210
Total Revenues	-	4	4	7,487,800	5,680,571	(1,807,229)
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	630,493	(630,493)
Community Services	-	2	(2)	-	-	-
Capital Outlay	100	-	100	8,473,948	2,799,890	5,674,058
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	100	2	98	8,473,948	3,430,383	5,043,565
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100)	2	102	(986,148)	2,250,188	3,236,336
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ (100)	2	\$ 102	\$ (986,148)	2,250,188	\$ 3,236,336
Fund Balances - Beginning of Year (Deficits)		<u>1,132</u>			<u>8,124,500</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 1,134</u>			<u>\$ 10,374,688</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, 2021

	Recreational Facilities			Storm Sewer Construction		
	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	2,250,600	2,182,136	(68,464)	934,300	1,195,323	261,023
Uses of Money and Property	17,200	21,928	4,728	-	12,055	12,055
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	2,267,800	2,204,064	(63,736)	934,300	1,207,378	273,078
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	29,757	(29,757)
Community Services	-	28,511	(28,511)	-	-	-
Capital Outlay	538,419	182,945	355,474	271,613	115,353	156,260
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	538,419	211,456	326,963	271,613	145,110	126,503
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,729,381	1,992,608	263,227	662,687	1,062,268	399,581
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ 1,729,381	1,992,608	\$ 263,227	\$ 662,687	1,062,268	\$ 399,581
Fund Balances - Beginning of Year (Deficits)		4,577,626			2,290,775	
Fund Balances - End of Year (Deficits)		\$ 6,570,234			\$ 3,353,043	

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, 2021

	Public Safety Impact Fee			Government Facilities 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	643,500	887,761	244,261	407,700	765,064	357,364
Uses of Money and Property	-	562	562	3,600	30,269	26,669
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	643,500	888,323	244,823	411,300	795,333	384,033
EXPENDITURES						
Current:						
General Government	-	-	-	-	16,490	(16,490)
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	4,064	(4,064)	-	-	-
Police	-	533	(533)	-	-	-
Public Works	-	-	-	-	1,822	(1,822)
Community Services	-	-	-	-	-	-
Capital Outlay	4,889	2,189	2,700	19,900	-	19,900
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	4,889	6,786	(1,897)	19,900	18,312	1,588
Excess (Deficiency) of Revenues Over (Under) Expenditures	638,611	881,537	242,926	391,400	777,021	385,621
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	(415,167)	(415,167)	-	-	-
Total Other Financing Sources (Uses)	-	(415,167)	(415,167)	-	-	-
Net Changes in Fund Balance	\$ 638,611	466,370	\$ (172,241)	\$ 391,400	777,021	\$ 385,621
Fund Balances - Beginning of Year (Deficits)		(179,247)			7,018,352	
Fund Balances - End of Year (Deficits)		\$ 287,123			\$ 7,795,373	

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, 2021

	Parking District			Facility Improvements		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	34,100	33,862	(238)	-	-	-
License and Permits	20,300	20,382	82	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	46,300	22,204	(24,096)	-	3,176	3,176
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	100,700	76,448	(24,252)	-	3,176	3,176
EXPENDITURES						
Current:						
General Government	-	-	-	-	184	(184)
Community Development	-	11,471	(11,471)	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	3,330	(3,330)	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	14,801	(14,801)	-	184	(184)
Excess (Deficiency) of Revenues Over (Under) Expenditures	100,700	61,647	(39,053)	-	2,992	2,992
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balance	\$ 100,700	61,647	\$ (39,053)	\$ -	2,992	\$ 2,992
Fund Balances - Beginning of Year (Deficits)		3,892,199			781,457	
Fund Balances - End of Year (Deficits)		<u>\$ 3,953,846</u>			<u>\$ 784,449</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, 2021

	Civic Center			Sports Complex		
	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	-	86,553	86,553	-	2,340	2,340
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	3,010	3,010	-	-	-
Total Revenues	-	89,563	89,563	-	2,340	2,340
EXPENDITURES						
Current:						
General Government	-	4,702	(4,702)	-	136	(136)
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	19,718	19,718	-	4,387	4,387	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	19,718	24,420	(4,702)	4,387	4,523	(136)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,718)</u>	<u>65,143</u>	<u>84,861</u>	<u>(4,387)</u>	<u>(2,183)</u>	<u>2,204</u>
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	1,027,945	1,027,945	-	-	-
Transfers In	-	12,241,231	12,241,231	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	13,269,176	13,269,176	-	-	-
Net Changes in Fund Balance	<u>\$ (19,718)</u>	<u>13,334,319</u>	<u>\$ 13,354,037</u>	<u>\$ (4,387)</u>	<u>(2,183)</u>	<u>\$ 2,204</u>
Fund Balances - Beginning of Year (Deficits)		<u>19,404,149</u>			<u>579,846</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 32,738,468</u>			<u>\$ 577,663</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, 2021

	Animal Control Reserve			Total		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ 9,135,100	\$ 15,059,629	\$ 5,924,529
Other Taxes	-	-	-	83,000	82,252	(748)
Subventions and Grants	-	-	-	9,025,437	11,987,031	2,961,594
License and Permits	-	-	-	20,300	20,382	82
Fees and Fines	-	-	-	10,288,000	13,246,361	2,958,361
Uses of Money and Property	-	1,020	1,020	286,600	399,722	113,122
Charges for Current Services	-	-	-	5,174,600	5,278,788	104,188
Miscellaneous	-	-	-	298,200	354,388	56,188
Total Revenues	-	1,020	1,020	34,311,237	46,428,553	12,117,316
EXPENDITURES						
Current:						
General Government	-	59	(59)	-	24,611	(24,611)
Community Development	-	-	-	21,300	17,499	3,801
Public Safety:						
Fire	-	-	-	2,941,600	2,759,398	182,202
Police	-	-	-	4,419,839	3,997,494	422,345
Public Works	-	-	-	595,500	1,443,604	(848,104)
Community Services	-	-	-	3,870,282	3,256,145	614,137
Capital Outlay	-	-	-	25,673,218	12,829,740	12,843,478
Debt Service:						
Principal Repayment	-	-	-	882,304	882,304	-
Interest and Fiscal Charges	-	-	-	400,859	397,328	3,531
Total Expenditures	-	59	(59)	38,804,902	25,608,123	13,196,779
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	961	961	\$ (4,493,665)	\$ 20,820,430	\$ 25,314,095
OTHER FINANCING SOURCES (USES)						
Sale of Land	-	-	-	-	1,027,945	1,027,945
Transfers In	-	-	-	1,283,800	13,527,438	12,243,638
Transfers Out	-	-	-	-	(994,189)	(994,189)
Total Other Financing Sources (Uses)	-	-	-	1,283,800	13,561,194	12,277,394
Net Changes in Fund Balance	\$ -	961	\$ 961	\$ (3,209,865)	34,381,624	\$ 37,591,489
Fund Balances - Beginning of Year (Deficits)		251,013			91,044,634	
Fund Balances - End of Year (Deficits)	\$	251,974			\$ 125,426,258	



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, 2021

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
ASSETS				
Current Assets				
Cash and Investments	\$ 35,577	\$ 7,912,009	\$ 4,199,876	\$ 12,847,931
Accounts and Interest Receivables	2,006		-	-
Supplies	1,138,767	-	-	-
Prepaid Expenses	-	-	-	-
Capital Assets:				
Building	654,910	-	-	-
Improvements Other Than Buildings	211,545	-	7,240	-
Machinery, Equipment and Vehicles	443,004	21,551,901	12,187,034	-
Accumulated Depreciation	(1,119,682)	(12,863,151)	(8,332,397)	-
Total Assets	1,366,127	16,600,759	8,061,753	12,847,931
LIABILITIES				
Current Liabilities				
Accounts, Interest, and Contracts Payable	289,258	-	11,990	51,913
Accrued Personnel Costs	-	-	-	-
Current Portion of Long-Term Obligations (Note 7):				
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	1,515,142
Total Current Liabilities	289,258	-	11,990	1,567,055
Non-Current Liabilities				
Non-current Portion of Long-term Obligations (Note 7):				
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	7,214,758
Total Non-Current Liabilities	-	-	-	7,214,758
Total Liabilities	289,258	-	11,990	8,781,813
NET POSITIONS				
Net Investments in Capital Assets	189,777	8,688,750	3,861,877	-
Restricted	-	990,517	98,762	-
Unrestricted	887,092	6,921,492	4,089,124	4,066,118
Total Net Positions	\$ 1,076,869	\$ 16,600,759	\$ 8,049,763	\$ 4,066,118

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (Continued)
JUNE 30, 2021

	Health Benefits	Compensated Absences	Building Maintenance	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 3,736,050	\$ 5,818,608	\$ 743,803	\$ 35,293,854
Accounts and Interest Receivables	7,323	-	-	9,329
Supplies	-	-	-	1,138,767
Prepaid Expenses	1,003,296	-	-	1,003,296
Capital Assets:				
Building	-	-	-	654,910
Improvements Other Than Buildings	-	-	-	218,785
Machinery, Equipment and Vehicles	-	-	-	34,181,939
Accumulated Depreciation	-	-	-	(22,315,230)
Total Assets	4,746,669	5,818,608	743,803	50,185,650
LIABILITIES				
Current Liabilities				
Accounts, Interest, and Contracts Payable	44,248	-	-	397,409
Accrued Personnel Costs	32,858	-	-	32,858
Current Portion of Long-Term Obligations (Note 7):				
Compensated Absences	-	1,231,281	-	1,231,281
Liability for Self-Insurance Claims	99,000	-	-	1,614,142
Total Current Liabilities	176,106	1,231,281	-	3,275,690
Non-Current Liabilities				
Non-current Portion of Long-term Obligations (Note 7):				
Compensated Absences	-	4,587,327	-	4,587,327
Liability for Self-Insurance Claims	-	-	-	7,214,758
Total Non-Current Liabilities	-	4,587,327	-	11,802,085
Total Liabilities	176,106	5,818,608	-	15,077,775
NET POSITIONS				
Net Investments in Capital Assets	-	-	-	12,740,404
Restricted	-	-	-	1,089,279
Unrestricted	4,570,563	-	743,803	21,278,192
Total Net Positions	\$ 4,570,563	\$ -	\$ 743,803	\$ 35,107,875

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
OPERATING REVENUES				
Service Charges and Fees	\$ 5,667,730	\$ 1,360,882	\$ 2,889,733	\$ 5,163,253
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	1,436,058	-	1,262,284	437,281
Maintenance and Operations	4,303,687	58,934	818,553	562,251
Insurance Premiums and Loss Provisions	-	-	-	4,798,137
Depreciation	16,849	1,360,882	801,782	-
Total Operating Expenses	5,756,594	1,419,816	2,882,619	5,797,669
Operating Income (Loss)	(88,864)	(58,934)	7,114	(634,416)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	229	27,366	12,448	42,114
Interest (Expense)	(3,169)	-	-	-
Other Income	43,187	-	844,287	475,609
Other (Expenses)	-	(24,294)	(1,304)	-
Total Nonoperating Revenues (Expenses)	40,247	3,072	855,431	517,723
Income (Loss) Before Contributions and Transfers	(48,617)	(55,862)	862,545	(116,693)
CONTRIBUTIONS AND TRANSFERS				
Grants and Contributions	-	185,177	161,272	-
Transfers Out	-	-	-	-
Net Contributions and Transfers	-	185,177	161,272	-
CHANGE IN NET POSITION	(48,617)	129,315	1,023,817	(116,693)
NET POSITION				
Net Position - Beginning of Year	1,125,486	16,471,444	7,025,946	4,182,811
Net Position - End of Year	\$ 1,076,869	\$ 16,600,759	\$ 8,049,763	\$ 4,066,118

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	Health Benefits	Compensated Absences	Building Maintenance	Totals
OPERATING REVENUES				
Service Charges and Fees	\$ 14,083,566	\$ -	\$ -	\$ 29,165,164
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	-	-	-	3,135,623
Maintenance and Operations	249,750	1,291	175	5,994,641
Insurance Premiums and Loss Provisions	13,364,853	-	-	18,162,990
Depreciation	-	-	-	2,179,513
Total Operating Expenses	13,614,603	1,291	175	29,472,767
Operating Income (Loss)	468,963	(1,291)	(175)	(307,603)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	13,419	22,270	3,011	120,857
Interest (Expense)	-	-	-	(3,169)
Other Income	5,813	-	-	1,368,896
Other (Expenses)	-	-	-	(25,598)
Total Nonoperating Revenues (Expenses)	19,232	22,270	3,011	1,460,986
Income (Loss) Before Contributions and Transfers	488,195	20,979	2,836	1,153,383
CONTRIBUTIONS AND TRANSFERS				
Grants and Contributions	-	-	-	346,449
Transfers Out	-	(20,979)	-	(20,979)
Net Contributions and Transfers	-	(20,979)	-	325,470
CHANGE IN NET POSITION	488,195	-	2,836	1,478,853
NET POSITION				
Net Position - Beginning of Year	4,082,368	-	740,967	33,629,022
Net Position - End of Year	\$ 4,570,563	\$ -	\$ 743,803	\$ 35,107,875

CITY OF VISALIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers or Other Funds	\$ 5,668,237	\$ 1,360,882	\$ 2,889,733	\$ 5,163,253
Cash Payments to Suppliers for Services	(4,393,085)	(35,581)	(813,205)	(3,714,309)
Cash Payments to Employees for Services	(1,436,058)	-	(1,262,284)	(437,281)
Other Income	43,187	-	844,287	475,609
Other Payments	(35,489)	(19,888)	(68,675)	(360)
Net Cash Provided (Used) by Operating Activities	<u>(153,208)</u>	<u>1,305,413</u>	<u>1,589,856</u>	<u>1,486,912</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out	-	-	-	-
Net Cash (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Payments	-	(414,965)	(259,210)	-
Contributions	-	185,177	161,272	-
Net Cash (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(229,788)</u>	<u>(97,938)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	(2,940)	27,366	12,448	42,114
Cash Flows from Investing Activities	<u>(2,940)</u>	<u>27,366</u>	<u>12,448</u>	<u>42,114</u>
Net Increase (Decrease) in Cash and Cash Investments	(156,148)	1,102,991	1,504,366	1,529,026
Cash and Cash Investments at Beginning of Year	191,725	6,809,018	2,695,510	11,318,905
Cash and Cash Investments at End of Year	<u>\$ 35,577</u>	<u>\$ 7,912,009</u>	<u>\$ 4,199,876</u>	<u>\$ 12,847,931</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ (53,375)	\$ (35,581)	\$ 75,789	\$ (634,056)
Other Income	43,187	-	844,287	475,609
Other Expenses	(35,489)	(19,888)	(68,675)	(360)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	16,849	1,360,882	801,782	-
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	507	-	-	-
Supplies	(208,378)	-	-	-
Prepaid Expenses	-	-	-	-
Accounts Payable	83,491	-	(63,327)	49,257
Accrued Personnel Costs	-	-	-	-
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	1,596,462
Net Cash Provided (Used) by Operating Activities	<u>\$ (153,208)</u>	<u>\$ 1,305,413</u>	<u>\$ 1,589,856</u>	<u>\$ 1,486,912</u>

CITY OF VISALIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	Health Benefits	Compensated Absences	Building Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers or Other Funds	\$ 14,080,369	\$ 338,600	\$ -	\$ 29,501,074
Cash Payments to Suppliers for Services	(13,616,021)	(1,291)	(175)	(22,573,667)
Cash Payments to Employees for Services	-	-	-	(3,135,623)
Other Income	5,813	-	-	1,368,896
Other Payments	-	-	-	(124,412)
Net Cash Provided (Used) by Operating Activities	470,161	337,309	(175)	5,036,268
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers Out	-	(20,979)	-	(20,979)
Net Cash (Used) by Noncapital Financing Activities	-	(20,979)	-	(20,979)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Payments	-	-	-	(674,175)
Contributions	-	-	-	346,449
Net Cash (Used) by Capital and Related Financing Activities	-	-	-	(327,726)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	13,419	22,270	3,011	117,688
Cash Flows from Investing Activities	13,419	22,270	3,011	117,688
Net Increase (Decrease) in Cash and Cash Investments	483,580	338,600	2,836	4,805,251
Cash and Cash Investments at Beginning of Year	3,252,470	5,480,008	740,967	30,488,603
Cash and Cash Investments at End of Year	<u>\$ 3,736,050</u>	<u>\$ 5,818,608</u>	<u>\$ 743,803</u>	<u>\$ 35,293,854</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 468,963	\$ (1,291)	\$ (175)	\$ (179,726)
Other Income	5,813	-	-	1,368,896
Other Expenses	-	-	-	(124,412)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	-	-	-	2,179,513
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	(3,197)	-	-	(2,690)
Supplies	-	-	-	(208,378)
Prepaid Expenses	(42,410)	-	-	(42,410)
Accounts Payable	2,299	-	-	71,720
Accrued Personnel Costs	25,693	-	-	25,693
Compensated Absences	-	338,600	-	338,600
Liability for Self-Insurance Claims	13,000	-	-	1,609,462
Net Cash Provided (Used) by Operating Activities	<u>\$ 470,161</u>	<u>\$ 337,309</u>	<u>\$ (175)</u>	<u>\$ 5,036,268</u>



CUSTODIAL FUNDS



CUSTODIAL FUNDS

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

Custodial funds account for resources held by the City in custodial capacity for individuals, other governmental units and non-public organizations.

Property and Business Improvement District #5 (PBID)

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

Laura Water Main Assessment District

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

Visalia Tourism & Marketing District (VTMD)

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
COMBINING STATEMENTS OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	PBID # 5	Village West	Orchard Walk	Atwood	Laura	VTMD	Total Custodial Funds
ASSETS							
Cash and Investments (Note 3)	\$ 228,126	\$ -	\$ 72,229	\$ -	\$ -	\$ 54,634	\$ 354,989
Accounts Receivable	3,475	-	-	100,204	64,549	4,340	172,568
District Assessment Receivable	15,280	310	1,271	606	-	99,267	116,734
Total Assets	<u>246,881</u>	<u>310</u>	<u>73,500</u>	<u>100,810</u>	<u>64,549</u>	<u>158,241</u>	<u>644,291</u>
LIABILITIES							
Accounts, Interest, and Contracts Payable	-	-	-	21	21	145,196	145,238
Deposits	-	-	-	20,000	23,124	-	43,124
Due to City	-	241	-	75,459	36,004	-	111,704
Total Liabilities	<u>-</u>	<u>241</u>	<u>-</u>	<u>95,480</u>	<u>59,149</u>	<u>145,196</u>	<u>300,066</u>
NET POSITION							
Restricted for:							
Individuals, Organizations, and Other Governments	<u>\$ 246,881</u>	<u>\$ 69</u>	<u>\$ 73,500</u>	<u>\$ 5,330</u>	<u>\$ 5,400</u>	<u>\$ 13,045</u>	<u>344,225</u>

CITY OF VISALIA
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>PBID # 5</u>	<u>Village West</u>	<u>Orchard Walk</u>	<u>Atwood</u>	<u>Laura</u>	<u>VTMD</u>	<u>Total Custodial Funds</u>
Additions							
Use of Money and Property	\$ 1,722	\$ 8	\$ 378	\$ -	\$ -	\$ 77	\$ 2,185
Revenue from District Assessments	362,319	-	-	-	-	624,960	987,279
Miscellaneous Revenue	176,684	5,231	64,470	22,481	15,968	-	284,834
Total Additions	<u>540,725</u>	<u>5,239</u>	<u>64,848</u>	<u>22,481</u>	<u>15,968</u>	<u>625,037</u>	<u>1,274,298</u>
Deductions							
Obligation Requirements							
Interest on Bonds and Notes Payable	-	606	19,470	4,446	3,108	-	27,630
Total Obligation Requirements	<u>-</u>	<u>606</u>	<u>19,470</u>	<u>4,446</u>	<u>3,108</u>	<u>-</u>	<u>27,630</u>
Administrative Expenses							
Administrative Expenses	3,976	234	234	131	131	6,213	10,919
Total Administrative Expenses	<u>3,976</u>	<u>234</u>	<u>234</u>	<u>131</u>	<u>131</u>	<u>6,213</u>	<u>10,919</u>
Distribution of District Assessment							
Distribution of District Assessment	460,000	4,592	45,000	18,035	12,860	642,753	1,183,240
Total Distribution of District Assessment	<u>460,000</u>	<u>4,592</u>	<u>45,000</u>	<u>18,035</u>	<u>12,860</u>	<u>642,753</u>	<u>1,183,240</u>
Total Deductions	<u>463,976</u>	<u>5,432</u>	<u>64,704</u>	<u>22,612</u>	<u>16,099</u>	<u>648,966</u>	<u>1,221,789</u>
Change in Net Position	76,749	(193)	144	(131)	(131)	(23,929)	52,509
Net Position - Beginning of Year	170,132	262	73,356	5,461	5,531	36,974	291,716
Net Position - End of Year	<u>\$ 246,881</u>	<u>\$ 69</u>	<u>\$ 73,500</u>	<u>\$ 5,330</u>	<u>\$ 5,400</u>	<u>\$ 13,045</u>	<u>\$ 344,225</u>



Statistical Section



Statistical Section

This part of the City of Visalia's Annual Comprehensive 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 Annual Comprehensive 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			
	2012	2013	2014	2015
Governmental Activities:				
Net Investment in Capital Assets	\$ 244,070	\$ 259,744	\$ 271,964	\$ 284,901
Restricted	34,283	39,249	45,363	52,401
Unrestricted	55,851	61,930	60,694	(2,230)
Total Governmental Activities Net Position	<u>\$ 334,204</u>	<u>\$ 360,923</u>	<u>\$ 378,021</u>	<u>\$ 335,072</u>
Business-type Activities:				
Net Investment in Capital Assets	\$ 206,947	\$ 203,346	\$ 198,310	\$ 212,853
Restricted	4,993	4,890	121,630	71,139
Unrestricted	49,791	70,743	(27,024)	5,135
Total Business-type Activities Net Position	<u>\$ 261,731</u>	<u>\$ 278,979</u>	<u>\$ 292,916</u>	<u>\$ 289,127</u>
Primary Government:				
Net Investment in Capital Assets	\$ 451,017	\$ 463,090	\$ 470,274	\$ 497,754
Restricted	39,276	44,139	166,993	123,540
Unrestricted	105,642	132,673	33,670	2,905
Total Primary Government Net Position	<u>\$ 595,935</u>	<u>\$ 639,902</u>	<u>\$ 670,937</u>	<u>\$ 624,199</u>

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 288,048	\$ 312,172	\$ 325,420	\$ 324,799	\$ 335,920	\$ 360,652	
56,417	56,984	69,608	79,763	94,930	130,726	
12,676	17,877	22,633	35,203	38,351	26,158	
<u>\$ 357,141</u>	<u>\$ 387,033</u>	<u>\$ 417,661</u>	<u>\$ 439,765</u>	<u>\$ 469,201</u>	<u>\$ 517,536</u>	
\$ 242,950	\$ 266,867	\$ 271,696	\$ 269,444	\$ 270,985	\$ 277,874	
45,202	16,732	12,785	11,368	20,325	12,887	
24,631	63,975	89,290	93,039	104,952	126,266	
<u>\$ 312,783</u>	<u>\$ 347,574</u>	<u>\$ 373,771</u>	<u>\$ 373,851</u>	<u>\$ 396,262</u>	<u>\$ 417,027</u>	
\$ 530,998	\$ 579,039	\$ 597,116	\$ 594,243	\$ 606,905	\$ 638,526	
101,619	73,716	82,393	91,131	115,255	143,613	
37,307	81,852	111,923	128,242	143,303	152,424	
<u>\$ 669,924</u>	<u>\$ 734,607</u>	<u>\$ 791,432</u>	<u>\$ 813,616</u>	<u>\$ 865,463</u>	<u>\$ 934,563</u>	

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

	Fiscal Year			
	2012	2013	2014	2015
Expenses:				
Governmental Activities:				
General Government	\$ 7,188	\$ 1,396	\$ 4,070	\$ 4,299
Community Development	6,154	6,133	5,266	5,985
Housing & Economic Development	822	608	-	-
Housing & Community Grants	-	-	-	-
Public Safety				
Police	29,475	30,407	31,714	30,378
Fire	12,508	13,548	14,308	13,858
Public Works	18,886	15,519	11,906	13,596
Parks & Recreation	6,866	6,455	9,000	8,999
Community Services	-	-	-	-
Interest on Long-Term Debt	736	304	191	145
Total Governmental Activities Expenses	82,635	74,370	76,455	77,260
Business-type Activities:				
Convention Center	5,353	5,404	5,943	5,688
Airport	2,342	2,389	2,505	2,530
Valley Oaks Golf	2,403	2,350	2,574	2,756
Wastewater and Storm				
Sewer Maintenance	12,492	13,004	15,281	16,791
Solid Waste	15,059	15,348	18,589	17,969
Transit	10,979	11,929	13,670	14,702
Baseball	244	285	295	332
Animal Control	-	1,103	1,184	1,141
Building Safety	1,562	1,570	1,768	1,969
Total Business-Type Activities Expenses	50,434	53,382	61,809	63,878
Total Primary Government Expenses	133,069	127,752	138,264	141,138
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	183	152	265	1,952
Community Development	873	778	1,503	1,633
Housing & Economic Development	270	199	-	-
Housing & Community Grants	-	-	-	-
Public Safety				
Police	2,808	2,135	2,516	2,690
Fire	657	667	626	802
Public Works	7,641	7,643	8,773	9,279
Parks & Recreation	1,550	1,875	2,974	3,068
Community Services	-	-	-	-
Operating Grants and Contributions	3,222	3,983	3,184	4,581
Capital Grants and Contributions	10,038	22,621	12,152	8,556
Total Governmental Activities Program Revenues	\$ 27,242	\$ 40,053	\$ 31,993	\$ 32,561

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									
		2016	2017	2018	2019	2020	2021				
\$	4,262	\$	3,653	\$	5,778	\$	4,951	\$	7,404	\$	6,883
	4,768		3,570		2,028		6,098		2,477		2,741
	-		-		-		-		-		-
	-		-		-		-		1,667		2,751
	31,182		34,737		38,720		39,996		44,992		44,431
	15,331		16,948		16,881		17,371		19,000		19,745
	24,526		19,270		19,579		15,155		20,424		12,224
	799		3,988		4,820		5,540		-		-
	-		-		-		-		12,146		11,271
	702		561		508		471		450		401
	<u>81,570</u>		<u>82,727</u>		<u>88,314</u>		<u>89,582</u>		<u>108,560</u>		<u>100,447</u>
	5,822		5,525		5,517		4,952		4,300		2,360
	2,219		1,999		2,017		2,199		2,127		3,119
	2,502		2,426		1,571		-		-		-
	19,836		23,845		18,488		21,031		25,263		25,541
	16,309		17,422		18,847		24,168		18,963		19,212
	14,772		14,726		18,360		20,408		17,837		17,263
	342		329		354		350		221		243
	1,881		2,490		1,993		1,908		2,003		1,927
	2,306		3,103		3,303		3,303		3,490		3,411
	<u>65,989</u>		<u>71,865</u>		<u>70,450</u>		<u>78,319</u>		<u>74,204</u>		<u>73,076</u>
	<u>147,559</u>		<u>154,592</u>		<u>158,764</u>		<u>167,901</u>		<u>182,764</u>		<u>173,523</u>
	653		717		794		1,247		896		1,110
	2,142		2,122		1,955		1,788		1,283		871
	-		-		-		-		-		-
	-		-		-		-		23		22
	2,804		2,716		2,636		3,055		3,126		2,953
	1,256		1,492		1,875		1,678		1,620		1,654
	10,011		10,736		11,344		12,286		10,459		11,303
	3,468		3,321		3,509		4,140		-		-
	-		-		-		-		7,778		7,957
	3,660		3,118		2,619		2,648		5,083		6,064
	9,625		14,635		9,206		12,022		11,765		12,148
	<u>\$ 33,619</u>		<u>\$ 38,857</u>		<u>\$ 33,938</u>		<u>\$ 38,864</u>		<u>\$ 42,033</u>		<u>\$ 44,082</u>

(Continued)

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

	Fiscal Year			
	2012	2013	2014	2015
Business-Type Activities:				
Charges for Services:				
Convention Center	\$ 3,339	\$ 3,446	\$ 4,099	\$ 3,617
Airport	1,611	1,647	1,734	1,708
Valley Oaks Golf	2,323	2,389	2,409	2,401
Wastewater and Storm				
Sewer Maintenance	19,150	21,465	22,365	26,210
Solid Waste	17,931	17,945	19,570	19,222
Transit	2,964	4,051	3,974	4,366
Baseball	119	102	8	17
Animal Control	-	104	219	309
Building Safety	1,429	2,102	2,948	3,274
Operating Grants and Contributions	7,189	6,433	6,588	9,841
Capital Grants and Contributions	16,296	5,370	4,045	2,691
	<u>72,351</u>	<u>65,054</u>	<u>67,959</u>	<u>73,656</u>
Total Business-Type Activities				
Program Revenues	<u>72,351</u>	<u>65,054</u>	<u>67,959</u>	<u>73,656</u>
Total Primary Government				
Program Revenues	<u>99,593</u>	<u>105,107</u>	<u>99,952</u>	<u>106,217</u>
Net Revenues (Expenses):				
Governmental Activities	(55,393)	(34,317)	(44,462)	(44,699)
Business-Type Activities	<u>21,917</u>	<u>11,672</u>	<u>6,150</u>	<u>9,778</u>
Total Net Revenues (Expenses)	<u>(33,476)</u>	<u>(22,645)</u>	<u>(38,312)</u>	<u>(34,921)</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Taxes:				
Sales Taxes	25,488	30,342	28,791	32,237
Property Taxes	17,649	23,886	27,306	27,708
Incremental Property Taxes	7,929	-	-	-
Other Taxes	6,133	6,276	6,921	8,306
Investment Earnings	1,390	993	513	1,894
Gain from Sale of Capital Assets	-	-	-	5
Miscellaneous	679	2,892	1,317	1,587
Transfers and Extraordinary Items	4,138	(3,355)	(4,322)	(4,265)
Total Governmental Activities	<u>63,406</u>	<u>61,034</u>	<u>60,526</u>	<u>67,472</u>
Business-Type Activities:				
Investment Earnings	439	457	454	440
Miscellaneous	2,663	1,764	3,349	2,622
Transfers	2,598	3,355	4,322	4,265
Total Business-Type Activities	<u>5,700</u>	<u>5,576</u>	<u>8,125</u>	<u>7,327</u>
Total Primary Government	<u>69,106</u>	<u>66,610</u>	<u>68,651</u>	<u>74,799</u>
Changes in Net Position:				
Governmental Activities	8,013	26,717	16,064	22,773
Business-Type Activities	<u>27,617</u>	<u>17,248</u>	<u>14,275</u>	<u>17,105</u>
Total Primary Government	<u>\$ 35,630</u>	<u>\$ 43,965</u>	<u>\$ 30,339</u>	<u>\$ 39,878</u>

		Fiscal Year					
		2016	2017	2018	2019	2020	2021
\$	3,587	\$ 3,483	\$ 3,657	\$ 2,967	\$ 1,882	\$ 505	
	1,925	1,710	1,817	1,701	1,616	1,775	
	2,405	2,372	1,337	-	-	-	
	26,033	26,822	27,060	28,057	27,479	27,744	
	18,852	19,831	20,216	19,225	19,457	20,564	
	6,004	4,969	5,055	5,000	5,081	3,623	
	18	51	68	50	4	-	
	430	487	441	573	580	646	
	3,873	3,741	3,465	3,959	4,520	4,934	
	4,183	14,050	16,499	12,987	15,949	15,455	
	17,291	21,188	12,160	5,093	7,650	12,093	
	84,601	98,704	91,775	79,612	84,218	87,339	
	118,220	137,561	125,713	118,476	126,251	131,421	
	(47,951)	(43,870)	(54,376)	(50,718)	(66,527)	(56,365)	
	18,612	26,839	21,325	1,293	10,014	14,263	
	(29,339)	(17,031)	(33,051)	(49,425)	(56,513)	(42,102)	
	36,145	44,574	54,104	58,561	60,351	70,926	
	26,810	22,429	23,687	25,076	26,297	27,875	
	-	-	-	-	-	-	
	7,638	7,800	8,341	8,663	7,987	9,275	
	725	1,074	1,409	4,064	4,614	1,311	
	7	3	1	-	-	-	
	2,563	1,944	1,504	1,704	1,387	1,056	
	(4,138)	(3,869)	(4,140)	(3,785)	(4,489)	(4,018)	
	69,750	73,955	84,906	94,283	96,147	106,425	
	576	690	872	4,024	4,345	674	
	3,439	3,478	3,431	2,344	2,939	1,810	
	4,138	3,869	4,140	3,785	4,489	4,018	
	8,153	8,037	8,443	10,153	11,773	6,502	
	77,903	81,992	93,349	104,436	107,920	112,927	
	21,799	30,085	30,530	43,565	29,620	50,060	
	26,765	34,876	29,768	11,446	21,787	20,765	
\$	48,564	\$ 64,961	\$ 60,298	\$ 55,011	\$ 51,407	\$ 70,825	

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

	Fiscal Year			
	2012	2013	2014	2015
General Fund:				
Nonspendable	\$ 1,519	\$ 1,168	\$ 580	\$ 435
Restricted	-	-	-	-
Committed	14,930	12,186	16,330	17,719
Assigned	10,776	21,665	18,629	19,486
Unassigned	1,363	1,305	1,387	4,043
Total General Fund	<u>28,588</u>	<u>36,324</u>	<u>36,926</u>	<u>41,683</u>
All Other Governmental Funds:				
Nonspendable	41	7	15	-
Restricted	55,905	44,392	44,817	45,965
Committed	347	-	5,318	7,271
Assigned	1,960	1,632	1,632	1,632
Unassigned	<u>(23,970)</u>	<u>(6,782)</u>	<u>(6,419)</u>	<u>(2,471)</u>
Total All Other Governmental Funds	<u>34,283</u>	<u>39,249</u>	<u>45,363</u>	<u>52,397</u>
Total Governmental Fund Balance	<u>\$ 62,871</u>	<u>\$ 75,573</u>	<u>\$ 82,289</u>	<u>\$ 94,080</u>

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 357	\$ 1,346	\$ 1,365	\$ 1,125	\$ 678	\$ 3,480
-	1,193	-	-	-	-
28,018	19,805	21,921	15,344	16,239	16,609
18,781	21,857	24,981	25,215	30,278	27,629
4,787	9,612	10,214	9,753	5,497	5,428
51,943	53,813	58,481	51,437	52,692	53,146
-	47	815	-	-	-
50,857	51,465	54,253	68,188	91,088	144,003
15,903	9,582	18,233	31,924	30,259	36,280
1,243	1,243	1,632	1,632	1,168	848
(11,627)	(5,393)	(6,005)	(3,925)	(4,475)	(31)
56,376	56,944	68,928	97,819	118,040	181,100
<u>\$ 108,319</u>	<u>\$ 110,757</u>	<u>\$ 127,409</u>	<u>\$ 149,256</u>	<u>\$ 170,732</u>	<u>\$ 234,246</u>

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

	Fiscal Year			
	2012	2013	2014	2015
Revenues:				
Sales Tax	\$ 25,488	\$ 30,342	\$ 28,791	\$ 32,237
Property Tax	25,578	23,886	27,306	26,711
Other Taxes	6,134	6,276	6,920	7,662
Subventions and Grants	13,260	26,604	15,336	13,137
Licenses and Permits	93	109	61	109
Fees and Fines	6,007	6,433	8,751	9,199
Use of Money and Property	1,389	1,087	907	2,334
Charges for Current Services	5,584	5,042	5,589	6,257
Miscellaneous	1,875	4,256	2,253	2,067
Total Revenues	85,408	104,035	95,914	99,713
Expenditures				
Current:				
General Government	5,099	270	2,477	2,896
Community Development	4,586	5,384	5,209	6,684
Housing & Economic Development	822	598	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Police	29,138	29,412	13,708	13,598
Fire	12,123	13,130	30,228	30,469
Public Works	8,174	7,875	3,239	5,563
Community Services	5,630	5,777	7,956	8,104
Capital Outlay	25,218	24,708	22,429	17,378
Debt Service:				
Principal Retirement	938	615	649	2,229
Interest and Fiscal Charges	723	294	189	138
Total Expenditures	92,451	88,063	86,084	87,059
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,044)	15,972	9,830	12,654
Other Financing Sources (Uses):				
Issuance of Long-Term Debt	-	-	-	-
Proceeds from Long-Term Debt	-	-	-	-
Redemption of Long-Term Debt	-	-	-	-
Sales of Real Property	33	96	11	12
Proceeds from Sale of Capital	-	-	-	5
Issuance of Debt	-	-	-	1,558
Bond Premium	-	-	-	-
Transfers In	5,867	1,424	970	2,482
Transfers Out	(8,464)	(4,760)	(5,300)	(7,254)
Total Other Financing Sources (Uses)	(2,564)	(3,240)	(4,319)	(3,197)
Extraordinary Items	(7,296)	-	-	-
Net Change in Fund Balances	\$ (16,904)	\$ 12,732	\$ 5,511	\$ 9,457

Debt Service as a Percentage of

Noncapital Expenditures ¹	2.2%	1.3%	1.2%	3.2%
--------------------------------------	------	------	------	------

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 separated the Housing & Community Grants from Community Development.

In 2020 the City renamed the Parks & Recreation department to Community Services Department.

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 36,144	\$ 44,575	\$ 54,104	\$ 58,561	\$ 60,350	\$ 70,926	
26,880	22,370	23,694	25,048	26,282	27,885	
7,608	7,681	8,272	8,619	8,020	9,290	
13,286	14,160	10,355	13,505	14,829	17,865	
87	81	88	95	84	73	
10,520	10,552	10,991	12,267	13,929	14,264	
1,133	1,522	1,843	4,470	4,841	1,479	
7,014	7,859	8,367	8,692	8,374	8,117	
2,477	2,578	2,260	2,999	2,208	1,754	
<u>105,149</u>	<u>111,378</u>	<u>119,974</u>	<u>134,256</u>	<u>138,917</u>	<u>151,653</u>	
3,102	3,335	3,913	3,049	3,944	4,610	
5,119	5,245	5,272	6,052	2,114	2,552	
-	-	-	-	-	-	
-	-	-	-	753	2,269	
15,070	15,855	16,160	17,115	17,360	18,678	
31,728	33,378	35,382	38,446	41,638	42,420	
8,958	8,874	9,053	8,966	5,400	5,305	
3,231	3,531	3,510	3,988	10,501	9,736	
32,435	34,136	24,248	27,031	29,900	19,298	
1,178	1,321	1,364	1,136	895	882	
694	548	507	465	437	397	
<u>101,515</u>	<u>106,223</u>	<u>99,409</u>	<u>106,248</u>	<u>112,942</u>	<u>106,147</u>	
3,634	5,155	20,565	28,008	25,975	45,506	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
655	1,465	113	517	-	1,028	
7	3	1	1	16	3	
13,121	-	-	-	-	-	
785	-	-	-	-	-	
2,070	8,373	3,272	9,509	8,482	13,700	
(6,304)	(12,365)	(7,398)	(13,125)	(12,813)	(17,697)	
<u>10,334</u>	<u>(2,524)</u>	<u>(4,012)</u>	<u>(3,098)</u>	<u>(4,315)</u>	<u>(2,966)</u>	
-	-	-	-	-	-	
<u>\$ 13,968</u>	<u>\$ 2,631</u>	<u>\$ 16,553</u>	<u>\$ 24,910</u>	<u>\$ 21,660</u>	<u>\$ 42,540</u>	
2.4%	2.3%	2.3%	2.0%	1.5%	1.5%	

CITY OF VISALIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)

	Fiscal Year			
	2012	2013	2014	2015
City Direct Rate:				
City Basic Rate	\$ 0.1154	\$ 0.1152	\$ 0.1152	\$ 0.1150
Total City Direct Rate	0.1154	0.1152	0.1152	0.1150
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	0.1840	0.1832	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	0.0158
Memorial District	0.0016	0.0016	0.0016	0.0016
Cemetery District	0.0011	0.0011	0.0011	0.0011
Delta Vector Control District	0.0142	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	0.2420	0.2429	0.2430
Visalia Unified School District Bonds	0.0300	0.0300	0.0300	0.0300
Kaweah Delta Hospital Bonds	0.0272	0.0253	0.0282	0.0209
Kaweah Delta Water Assessment	0.0005	0.0001	0.0004	0.0005
Land and Improvements	-	-	-	-
Total Direct Rate ¹	\$ 1.0578	\$ 1.0554	\$ 1.0588	\$ 1.0517

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						
2016	2017	2018	2019	2020	2021	
\$ 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
0.1834	0.1836	0.1825	0.1825	0.1818	0.1820	0.1820
0.0248	0.0248	0.0248	0.0248	0.0248	0.0248	0.0248
0.0022	0.0022	0.0021	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	0.0157	0.0157	0.0156	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	0.0141	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	0.2426	0.2438	0.2438	0.2447	0.2445	0.2445
0.0226	0.0270	0.0183	0.0225	0.0225	0.0425	0.0425
0.0237	0.0206	0.0198	0.0181	0.0181	0.0169	0.0169
0.0004	0.0003	0.0004	0.0004	0.0003	0.0004	0.0004
-	-	-	-	-	-	-
\$ 1.0472	\$ 1.0482	\$ 1.0386	\$ 1.0411	\$ 1.0411	\$ 1.0600	\$ 1.0600

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			
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%
2021	11,213,027	576,723		11,789,750	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	2021			2012		
	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.	\$ 169,037	1.43%	1	\$ 203,463	2.57%	1
Perfection Pet Foods LLC	56,902	0.48%	2	-	0.00%	
Caldwell Mooney Partners	55,455	0.47%	3	-	0.00%	
Graphic Packing INT	48,844	0.41%	4	-	0.00%	
California Water Service	47,114	0.40%	5	32,449	0.41%	5
Visalia Mall LP	46,961	0.40%	6	40,284	0.51%	3
Cottonwood Fresno Holdings LLC	40,000	0.34%	7	37,000	0.47%	4
Target Corporation	39,923	0.34%	8	-	0.00%	
VWR International LLC	37,910	0.32%	9	-	0.00%	
G4 Enterprises	34,812	0.30%	10	-	-	
Imperial Bondware Corp.	-	-	-	68,951	0.87%	2
US Industrial Reit II	-	-	-	26,144	0.33%	10
Crunch Time LP	-	-	-	28,053	0.35%	7
Blam-Jade A Gen PTNSHP	-	-	-	29,851	0.38%	6
Bank of America NT&SA	-	-	-	27,029	0.34%	8
VF Outdoor	-	-	-	26,538	0.34%	9
Total Ten Largest Tax Payers	<u>\$ 576,958</u>	<u>4.89%</u>		<u>\$ 519,762</u>	<u>6.57%</u>	
All Other Tax Payers	<u>\$11,212,792</u>	<u>95.11%</u>		<u>\$ 7,386,654</u>	<u>93.43%</u>	
Total Assessed Valuation - All Tax Payers	<u><u>\$11,789,750</u></u>	<u><u>100.00%</u></u>		<u><u>\$ 7,906,416</u></u>	<u><u>100.00%</u></u>	

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
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%
2021	25,185	25,185	100.00%	-	25,185	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
2016-2020 CALENDAR YEARS
(Dollars in Thousands)

	2016	2017	2018	2019	2020
Retail Stores					
Apparel Stores	\$ 138,129	\$ 138,637	\$ 144,806	\$ 145,638	\$ 107,987
General Merchandise Stores	398,900	400,820	406,490	405,765	387,705
Food Stores	123,005	120,900	124,058	124,210	138,239
Eating and Drinking Places	263,310	277,409	288,003	296,010	249,567
Home Furnishings and Appliances	91,778	86,839	91,966	92,407	91,551
Bldg. Material and Farm Implemen	213,421	222,315	312,640	242,041	286,433
Auto Dealers and Auto Supplies	411,684	401,536	377,145	375,482	370,099
Service Stations	141,307	163,999	155,709	171,821	132,712
Other Retail Stores	212,872	203,637	215,347	214,145	218,646
Retail Stores Totals	1,994,406	2,016,092	2,116,164	2,067,519	1,982,939
All Other Outlets	775,194	794,330	854,888	1,029,450	1,081,731
Totals All Outlets	\$ 2,769,600	\$ 2,810,422	\$ 2,971,052	\$ 3,096,969	\$ 3,064,670

Source: Avenue Insights & Analytics (MuniServices)

Note: 2020 is latest available year.

CITY OF VISALIA
TOP 25 SALES TAX CONTRIBUTORS
2020 CALENDAR YEAR
(in alphabetical order)

ARCO AM/PM Mini Marts	McDonald's Restaurants
Best Buy Stores	MWI Veterinary Supply
Bluescope Buildings	Nissan of Visalia
Butler Animal Health Supply	Ross Stores
Chevron Service Stations	Save Mart Supermarkets
COSTCO Wholesale	Target Stores
Giant Chevrolet Company	Tri-Animal Health Services
HILTI	Visalia Buick GMC
Home Depot	Visalia Ford
J.C. Lansdowne	Visalia Toyota
Lampe Chrysler Dodge Jeep Ram	VWR International
Lawrence Tractor Co	Wal Mart Stores
Lowe's Home Improvement	

Source: Avenue Insights & Analytics (MuniServices)

Note: 2020 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	
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
2021	9,428	-	-	9,428

NOTES:

¹US Department of Commerce Bureau of Economic Analysis

Personal Income Data from the Bureau of Economic Analysis is only available through 2019.

Business-type Activities						
Certificates of Participation	Notes	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita	
\$ 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%	852	
11,103	91,705	102,808	113,118	N/A	816	
9,810	89,266	99,076	108,504	N/A	779	

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		
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
2021	9,428	9,428	0.08%	68

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, 2021
(In Thousands)

2020-21 City Assessed Valuation		\$ 11,789,750	
Successor Agency Incremental Valuation		<u>1,022,009</u>	
 Total Assessed Valuation		 <u>\$ 12,811,759</u>	
	Percentage Applicable ¹	Outstanding Debt 6/30/21	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
College of the Sequoias Tulare School Facilities Improvement District	0.475%	\$ 64,167	\$ 305
College of the Sequoias Visalia School Facilities Improvement District	67.952%	25,024	17,004
Visalia Unified School District	86.411%	86,710	74,927
Tulare Joint Union High School District	0.615%	17,190	106
Liberty School District	18.030%	476	86
Kaweah Delta Hospital District	85.185%	40,600	34,585
City of Visalia 1915 Act Bonds	100.000%	<u>387</u>	<u>387</u>
 Total Overlapping Tax and Assessment Debt		 <u>234,554</u>	 <u>127,400</u>
Direct and Overlapping General Fund Debt:			
Tulare County Certificates of Participation	33.222%	30	10
Tulare County Pension Obligation Bonds	33.222%	223	74
Tulare County Board of Education Certificates of Participation	33.222%	37	12
College of The Sequoias Certificates of Participation	35.876%	4,545	1,631
Visalia Unified School District Certificates of Participation	86.411%	71,305	61,616
Liberty School District Certificates of Participation	18.030%	2,240	404
City of Visalia General Fund Obligations	100.000%	<u>9,848</u>	<u>9,848</u>
 Total Direct and Overlapping General Fund Debt		 <u>88,228</u>	 <u>73,595</u>
Overlapping Tax Increment Debt (Successor Agency)	100.000%	<u>1,280</u>	<u>1,280</u>
 Total Direct Debt		 <u>9,848</u>	 <u>9,848</u>
 Total Overlapping Debt		 <u>313,991</u>	 <u>192,427</u>
 Combined Total Debt		 <u>\$ 323,839</u>	 <u>\$ 202,275</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			
	2012	2013	2014	2015
Assessed valuation	\$ 7,906,416	\$ 7,700,933	\$ 8,079,201	\$ 8,628,953
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	1,976,604	1,925,233	2,019,800	2,157,238
Debt limit percentage	15%	15%	15%	15%
Debt limit	296,491	288,785	302,970	323,586
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 296,491</u>	<u>\$ 288,785</u>	<u>\$ 302,970</u>	<u>\$ 323,586</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									
		2016	2017	2018	2019	2020	2021				
\$	9,110,634	\$	9,580,740	\$	10,001,046	\$	10,601,276	\$	11,145,062	\$	11,789,750
	25%		25%		25%		25%		25%		25%
	2,277,659		2,395,185		2,500,262		2,650,319		2,786,266		2,947,438
	15%		15%		15%		15%		15%		15%
	341,649		359,278		375,039		397,548		417,940		442,116
	-		-		-		-		-		-
\$	<u>341,649</u>	\$	<u>359,278</u>	\$	<u>375,039</u>	\$	<u>397,548</u>	\$	<u>417,940</u>	\$	<u>442,116</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		
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	-	-	-
2021	27,862	15,734	12,128	-	-	-

(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)
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%
2021	139,254	11,789,750	84,664	NA	NA	11.1%

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	2021			2019		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
County of Tulare (1)	4,311	2	2.40%	5,033	1	2.68%
Kaweah Delta Healthcare (1)	4,550	1	2.53%	2,132	3	1.14%
Visalia Unified School District (2)	2,796	3	1.56%	2,943	2	1.57%
Visalia Mall (cumulative) (1)	1,200	4	0.67%			
VF Outdoor Inc (1)	1,012	5	0.56%	600	7	0.32%
Walmart (incl. Neighborhood Market) (1)	840	6	0.47%	400	8	0.21%
Graphic Packaging (Intl. Paper Co.) (1)	757	7	0.42%	350	9	0.19%
College of the Sequoias (1)	705	8	0.39%	1,160	4	0.62%
City of Visalia (3)	657	9	0.37%	642	6	0.34%
UPS (1)	600	10	0.33%			
CIGNA Health Care (1)				700	5	0.37%
Jostens (1)				320	10	0.17%
Number of Employed (4)	179,800			187,800		

Source: (1) City of Visalia Economic Development Division (December 2020)
(2) Visalia Unified School District
(3) City of Visalia Budget
(4) 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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration	41	46	44	46	46	47	64	64	64	18
Administrative Services	32	31	NA	NA	NA	NA	NA	NA	NA	NA
Community Development	49	55	61	64	65	65	79	79	77	35
Finance	NA	NA	16	16	20	20	27	27	27	52
Fire	70	81	81	82	82	81	81	85	85	86
General Services	NA	NA	NA	NA	NA	NA	NA	NA	NA	46
Housing & Economic Development	11	NA	NA	NA	NA	NA	NA	NA	NA	NA
Housing & Community Grants	NA	NA	NA	NA	NA	NA	NA	NA	2	NA
Community Services	34	32	32	34	12	12	13	13	13	39
Police	198	198	206	208	208	208	223	230	234	237
Public Works	115	115	118	121	139	141	143	144	144	144
Transportation & General Services	NA	NA	18	18	27	29	NA	NA	NA	NA
Total	550	558	576	589	599	603	630	642	646	657

(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			
	2012	2013	2014	2015
Police:				
Calls for service - Calendar Year*	<u>130,980</u>	<u>126,767</u>	<u>129,828</u>	<u>134,287</u>
Fire:				
Calls for service - Calendar Year	<u>11,241</u>	<u>12,140</u>	<u>12,482</u>	<u>12,518</u>
Refuse/Sewer**:				
Number of Residential Accounts	35,541	35,797	36,144	37,538
Number of Commercial Accounts	<u>2,944</u>	<u>3,020</u>	<u>3,731</u>	<u>3,747</u>
Total Refuse/Sewer Accounts	<u>38,485</u>	<u>38,817</u>	<u>39,875</u>	<u>41,285</u>
Business Licenses:				
New licenses issued during the year	2,160	1,194	1,261	1,098
Total business licenses	<u>11,450</u>	<u>11,533</u>	<u>11,784</u>	<u>11,920</u>
Building Permits:				
Residential	1,507	1,602	2,019	2,478
Commercial	375	367	353	381
Miscellaneous	<u>1,187</u>	<u>1,242</u>	<u>1,474</u>	<u>1,673</u>
Total Building Permits	<u>3,069</u>	<u>3,211</u>	<u>3,846</u>	<u>4,532</u>

Source: City of Visalia

Note:

* 2020 calendar year information available.

** Refuse/Sewer variance for 2019 and 2020 is due to new system tracking of customers.

Fiscal Year					
2016	2017	2018	2019	2020	2021
144,856	144,489	153,701	158,783	160,465	158,189
14,065	14,283	15,301	15,229	16,180	15,885
37,884	38,014	38,579	41,638	39,494	39,076
3,758	4,043	3,993	3,654	3,254	3,360
41,642	42,057	42,572	45,292	42,748	42,436
1,201	1,375	1,955	1,586	1,409	1,236
12,145	12,098	12,268	12,241	12,315	12,505
3,152	2,793	2,865	3,049	2,753	3,367
349	355	381	319	319	270
1,648	1,745	1,497	1,970	1,962	2,025
5,149	4,893	4,743	5,338	5,034	5,662

**CITY OF VISALIA
CAPITAL ASSET STATISTICS
BY FUNCTION
LAST TEN FISCAL YEARS**

**CITY OF VISALIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years**

	Fiscal Year			
	2012	2013	2014	2015
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)	492	493	493	512
Traffic Signalized Intersections	115	118	118	120
Community Services				
Developed City Park Acreage	291	291	288	281
City Owned Open Space Acreage	180	205	231	282
Public Libraries	1	1	1	1
Recreation Centers	3	5	5	5
Swimming Pools	4	0	0	0
Parks	42	50	50	52
Acres of Parks	NA	493	493	290
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					
2016	2017	2018	2019	2020	2021
3	3	3	3	3	3
6	6	6	6	6	6
37	38	38	38	38	38
512	516	516	525	528	519
120	123	123	126	127	131
281	269	269	269	269	293
282	289	289	289	289	266
1	1	1	1	1	1
5	5	5	5	5	5
0	0	0	0	0	0
52	54	54	54	54	58
290	286	286	286	286	314
468	507	508	508	508	508
240	276	277	277	277	277
1	1	1	1	1	1

**CITY OF VISALIA
INSURANCE IN FORCE
FISCAL YEAR ENDED JUNE 30, 2021**

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		07/01/20 to 06/30/21
Commercial Property Policy	Fireman's Fund Insurance Company	Business Real Property, Business Personal Property limit \$347 mil; Business Income/Extra Exp \$10m	\$50,000 bldg; \$5k contents;	USC007189200	07/01/20 to 06/30/21
Pollution Liability (Underground Storage Tank)	Crum & Forester	\$1 mil liability; \$1 mil aggregate	\$5k deductible	STP410572	10/12/20 to 10/12/22
Excess Workers Compensation	Keenan & Associates/Security National	XS work comp, loss control fees; admin fees; broker fees. \$25 million limits	\$1 mil SIR	SP4063598	07/01/20 to 06/30/21
Excess Health & Medical Coverage	CSAC EIA/PRISM Risk	Healthcare Pooling Program	None		1/1/20 to 12/31/21
SPECIAL COVERAGES					
Aviation Liability	ACE Property Casualty/CHUBB	Bodily Injury, Personal and Advertising Injury and Property Damage combined, subject to limitations	None	AAP N10694243 001	7/14/20 to 7/14/21
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	7/1/20 to 7/1/21
Crime Policy/ Bond - General	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	CCP004781615	4/27/21 to 4/27/24
Crime Policy/Bond - Police	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	CCP612789117	4/27/21 to 4/27/24
Special Events Insurance	Diversified Risk	Liability policy available to citizens holding events in city facilities/parks			
EAP	CuraLink	6 visits per insured member per year			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 12/31/21
Life Insurance	Sun Life	City Manager 2X Annual Salary; Department Head Group \$75,000; All Other Employees \$30,000		234707	1/1/21 to 12/31/21
Dental	Preferred Benefits/Delta Dental	\$1,000 maximum annual benefit paid per insured (retirees and their dependents are not eligible for dental)		8244	1/1/21 to 12/31/21
Vision	Vision Service Plan	Annual benefits with VSP provider		ID #00849301	1/1/19 to 12/31/21

Compliance Section





HANFORD | LINDSAY | TULARE | VISALIA

M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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City Council
 City of Visalia and Citizens Advisory Committee
 707 W. Acequia
 Visalia, CA 93291-6100

We have performed the procedures enumerated below with respect to the administration, financial management and accounting of the City of Visalia's (City) Visalia Public Safety Sales Tax (Measure T) funds for the fiscal year ended June 30, 2021. The City's management is responsible for the City's administration, financial management and accounting for Measure T.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose, solely to assist the City and the independent Citizens Advisory Committee (CAC) in regards to Measure T. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs to all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings 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, 2021, 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

(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 a separate Measure T fund or fund group;
- b. 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%);
- c. 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;
- d. Repayment of advances to Measure T fund(s) from other funds within 24 months of the advance;
- e. That General Fund support for police and fire services during the fiscal year 2020-21, 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 2019-20, unless the Council declared an economic emergency by a 4/5th vote;
- f. 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 2020-21, without regard to Measure T, to be greater than the General Fund police and fire services support during the fiscal year 2019-20, unless the council declares an economic emergency by a 4/5th vote.

General Fund support for police and fire services during the fiscal year 2020-21, without regard to Measure T, was greater than the General Fund police and fire services support during the fiscal year 2019-20; 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, 2021, were \$896,389 and \$1,022,544, respectively. The amount for the Fire and Police Measure T Economic Uncertainty Funds exceeded the required 25% by \$121,889 and \$160,519, 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 2020-21 as prepared by the City.

Finding:

Our review indicated that the plan objectives call for 23 police officers and 13 firemen were to be hired during the fiscal year. During the current fiscal year 20 police officers were hired and there were three vacancies. At the end of fiscal year one additional position became vacant and remained vacant as of June 30, 2021. Therefore, as of June 30, 2021, four police officer positions were vacant and are being recruited. During the current fiscal year 13 firemen were hired as called for in the current plan.

Finding:

We found that 2 vehicles were approved for purchase for police officers in March of 2021. However, the purchase has been delayed since the number of police officers hired has been below the 23 planned police officers. Police Measure T funds currently have 21 police officer vehicles and vehicle replacement expenditures are being allocated to Police Measure T Funds for those 21 police officer vehicles.

We also found that allocated expenditures for vehicle replacements were charged to Fire Measure T Funds in error. The item being depreciated was not a Fire Measure T vehicle. Therefore, the charges should have not been charged to Fire Measure T Funds. City staff has made a journal entry to correct the error and our review noted the Fire Measure T Funds were reimbursed in the current fiscal year for the amounts expensed in error for a total of \$438.

Recommendation:

We recommend that City staff ensure that allocated expenditures for vehicle replacements are only charged to Fire Measure T Funds for current Fire Measure T vehicles.

Management Response:

City staff has implemented processes to ensure that only allocated expenditures for vehicle replacements are charged to Fire Measure T funds for current Fire Measure T vehicles.

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 the total debt payment at a reduced amount, which makes Measure T's portion of the COP proceeds and debt service payments 9.577540%. Police Measure T Funds paid \$151,477 of debt service payments in the current fiscal year in accordance with approved plan and is budgeted to pay for their reduced percentage of the project through an additional 9 years of debt service payments ending in fiscal year 2029-30.

The plan also calls for contributions towards the construction of a Public Safety Office Building to improve police and fire operations. In August of 2019, the design phase was approved to begin. However, due to COVID-19 interviews with consultants were delayed and an architectural engineer wasn't selected until May of 2021.

(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

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

December 13, 2021
Visalia, California



HANFORD | LINDSAY | TULARE | VISALIA

M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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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 with respect to the administration, financial management and accounting of the City of Visalia's (City) Visalia Essential City Services Sales Tax (Measure N) funds for the fiscal year ended June 30, 2021. The City's management is responsible for the City's administration, financial management and accounting for Measure N.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose, solely to assist the City and the independent Measure N Sales Tax Oversight Board in regards to Measure N. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs to fall users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings 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 including accountability measures 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

- (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 separate "Maintenance and Emerging Needs" funds within the Measure N fund(s) of (1) 8% of the budgeted Measure N sales tax proceeds for the coming plan year and (2) 2% of the budgeted Measure N sales tax proceeds which 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, 2021, was \$1,158,880. 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, 2021, with the amount of \$927,100 and \$231,800, 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 2020-2021 as prepared by the City.

Findings:

Police

The Annual Measure N Plan calls for the hiring of 23 police officers and seven police professional staff during the current fiscal year. Our review indicated that 23 police officers and six police professional staff were hired in accordance with plan objectives. One of the 23 police officers hired resigned prior to June 30, 2021. Therefore one police officer position and one police professional staff position remained open as of June 30, 2021.

Fire

The Annual Measure N Plan calls for the hiring of six firemen (a Battalion Chief, Administrative Captain, EMS Coordinator and three Paramedics) during the current fiscal year. Our review indicated that six firemen were hired in accordance with plan objectives.

Parks and Recreation

The Annual Measure N Plan calls for the hiring of two parks and recreation maintenance employees, an urban forest employee and a recreation coordinator. Our review indicated that two parks and recreation maintenance employees and an urban forest employee were hired in accordance with the Annual Measure N Plan. Our review indicated that the recreation coordinator was transferred to another fund last fiscal year, due to the pandemic, and the position remained open as of June 30, 2021.

Maintenance and Emerging Needs (Including Youth)

The Measure N Plan for Youth implemented a Clubhouse Networking program in fiscal year 2018-2019 and was shut down in fiscal year 2019-2020 due to COVID -19 restrictions. These restrictions continued through fiscal year 2020-2021 causing the Clubhouse to remain closed. Measure N funded staffing for this program and due to the pandemic, no salaries were charged to the Measure N Fund in the current fiscal year. However, unemployment wages were charged to the Measure N Fund in the current year.

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

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 2022-2023.

The Annual Measure N Plan also calls for the purchase of a squad vehicle and a supervisor vehicle during the previous fiscal year. A squad vehicle was purchased as of June 30, 2020, in accordance with the Measure N Plan. However, there were some remaining project costs that were incurred during the current fiscal year. Our review indicated that the supervisor vehicle had been purchased as of June 30, 2021.

Police

As of June 30, 2021, 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 fiscal year 2019-2020 and an additional two police officer vehicles in the current fiscal year 2020-2021. We noted that the purchase of five police officer vehicles had been approved during the current fiscal year and then later delayed due to the pandemic. Additional delays continue due to the current shortage of vehicles. There is currently a purchase order for three vehicles, issued in March 2021, which the City is awaiting to receive. The remaining two vehicles will be purchased in the future as vehicles become available. The department has also determined the purchase of a vehicle for the one police professional staff member hired is not needed at this time 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 2020-2021 in accordance with the Measure N Plan. \$3,425,597 had been expended during the fiscal year ended June 30, 2021.

Parks and Recreation

No Capital Improvement Program expenditure amounts had been included in the Annual Measure N Plan or expended as of June 30, 2021.

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 2022-2023.

Maintenance and Emerging Needs

Various building maintenance projects have been completed in accordance with the Measure N Plan of which, \$647,042 had been expended during the fiscal year ended June 30, 2021.

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, 2021.

(7) We conducted an exit interview with City staff representatives.

Findings: None

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement 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 engagement, 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.

We are required to be independent of the City's management and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 LLP
Certified Public Accountants

December 13, 2021
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 2020-21 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
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
2021	194,743,023	19,553,714	602,306	214,899,043	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 2020-21 ASSESSED VALUATION

Property Owner	Fiscal Year 2020-21 Total Assessed Value	Percentage of Total ⁽¹⁾
1 Hotel Circle GL Holding LLC	\$ 16,944,075	7.88%
2 Willow Street Development Co LLC	11,095,018	5.16%
3 Donald John & Shelly Kaye Groppetti	10,516,798	4.89%
4 Kenneth J. Curti (TR)	8,933,564	4.16%
5 Mark Whittlesey (TR)	6,356,953	2.96%
6 Legacy Investments LLC	2,491,240	1.16%
7 Pile Partners #1 LLC	2,229,836	1.04%
8 Dinesh & Diane L Sharma (TRS)	2,156,870	1.00%
9 Pete Vander Poel III	2,130,000	0.99%
10 Family Healthcare Network	2,100,000	0.98%
	\$ 64,954,354	

⁽¹⁾ Fiscal Year 2020-21 assessed valuation: \$214,899,043

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 Annual Comprehensive 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, 2021 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 Annual Comprehensive 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, 2021 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.

