

State of California

City of Visalia



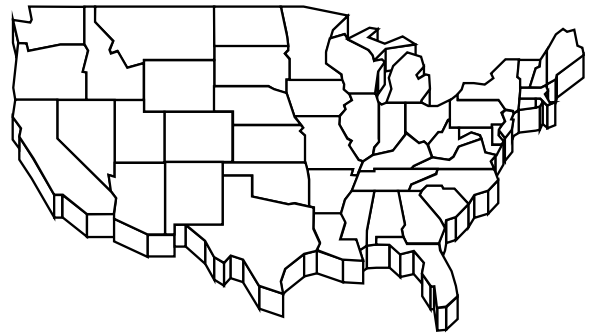
Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023

CITY OF VISALIA
STATE OF CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2023



Prepared by the Finance Department

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Introductory Section

Introductory Section





December 15, 2023

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, 2022 through June 30, 2023. 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.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement. This ACFR has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America as promulgated by the Government Accounting Standards Board (GASB).

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 2022-2023 are fairly stated in accordance with accounting principles generally accepted in the United States of America (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, the Required Supplementary Information and 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, performed by M. Green and Company LLP, is 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 143,031 as of May 2023, making it the 41st largest city in California (*Department of Finance, State of California*). Visalia was recently named one of Kiplinger’s “11 Great Places to Live in California” due to availability of affordable homes, agriculture, and a vibrant entertainment scene.

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, 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

Fiscal year 2022-23 saw growth in all major revenue categories for Visalia, except for one, although at lower levels than what we have experienced over the last couple of years. Consumers continued to spend their disposable income on goods and services they wanted despite continued high inflation, however spending is down, and credit card debt is rising possibly affecting future revenue growth. At June 2023, the California consumer price index stood at 3.1% and employment in the country remained strong as the national unemployment rate was at 3.6%, below the natural unemployment rate of 4% that the Federal Open Market Committee wants to see. However, the California unemployment rate has steadily increased over the last fiscal year as it has risen to 4.6% from the June 2022 rate of 3.9% indicating a possible slowdown in the economy.

Fiscal year 2022-23 ended the year with an overall increase of \$3.7 million in the total economic-sensitive revenue category for the General Fund as shown in [Table 1 – Economic Sensitive Revenues](#). Majority of this increase is from Property Tax which had a \$2.0 million increase over the prior year.

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

Description			Increase Over Prior	
	FY 21/22	FY 22/23	Year	% Increase
Sales Tax	\$ 47,052,657	\$ 47,866,077	\$ 813,420	2%
Property Tax	29,725,873	31,768,558	2,042,685	7%
Transient Occupancy Tax	4,589,178	4,533,774	(55,404)	-1%
Franchise Fees	3,155,645	3,706,843	551,198	17%
Business License	3,045,708	3,440,074	394,366	13%
Total	\$ 87,569,061	\$ 91,315,326	\$ 3,746,265	4%

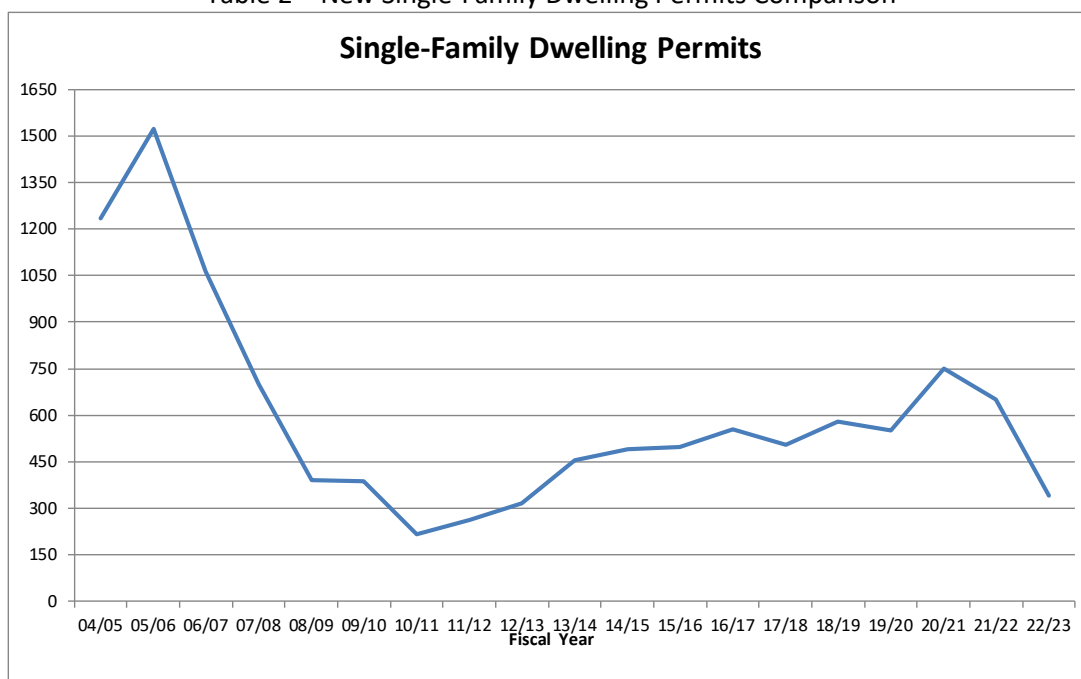
Sales Tax grew at a much slower pace than we have seen over the past two years, ending fiscal year 2022-23 with a total sales tax growth of 2%. Contributing to the growth was a continued high inflation rate. Although we saw the California consumer price index come down to 3.1% as of June 2023, the average rate for the fiscal year stood at an estimated 5.52%. The main areas of the growth in Sales Tax for Visalia

were in General Retail (department stores, apparel stores) which grew \$.5 million and Food Products (restaurants, food markets, liquor stores) which grew \$.3 million. Property Tax continued its growth trend increasing 7% as existing house sales, new development, and property values increased in Visalia. Travel to the area saw a slight downturn in fiscal year 2022-23 as Transient Occupancy Tax (TOT) revenue had a decrease of 1% as compared to last year possibly due to less disposable income available to consumers. Franchise Fee revenue increased 17% in fiscal year 2022-23 due to increases in gas and electric revenue as the City continued to have new development as well as the utility companies increased fees to their customers. Business License revenue increased 13% when compared to last year as new businesses have been added and the continued growth in sales as indicated by our growth in sales tax.

Visalia has 13,126 licensed businesses operating in the City, a net increase of 173 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 decreased 0.5% (based on number of all permits issued) in fiscal year 2022-23. The total valuation for all permits issued was \$456 million, a 25% decrease from the prior year as the City added 1.9 million square feet of new commercial property and 3.1 million square feet of space overall. Issued single-family dwelling permits for fiscal year 2022-23, had a decrease of 48% when compared to the prior year as shown in [Table 2 – New Single-Family Dwelling Permits Comparison](#). The construction value for 340 new single-family dwelling permits came in at \$99 million, which was down 43% from the prior year valuation level.

Table 2 – New Single-Family Dwelling Permits Comparison



Overall, 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 have new additions industrially, commercially, and in other developments throughout the community in fiscal year 2022-23.

Industrial Park

Caprock Partners was issued a permit in June 2023 for another 1.13 million square foot building, Central Point III. Central Point III will also consist of 3 additional industrial facilities. No tenants have been formally announced.

Visalia Ceramic Tile will be expanding, adding 18,335 square feet of new warehouse space at the corner of Grove Avenue and Patriot Street.

Sorma USA will be adding 19,460 square feet of new facility space at their existing property to house new equipment to control their supply chain for their packaging materials.

Serpa Packaging Solutions is expanding, adding additional room for more office space at their existing manufacturing facility at 7020 West Sunnyview Avenue. The additional space will accommodate more research and development, engineering, sales, and administration support. Serpa Packaging Solutions builds automated packaging systems for companies worldwide.

Edeniq, a biotechnology company, will be adding a second facility on Nevada Street. Edeniq develops processes for producing and measuring cellulosic ethanol from corn kernel fiber through its patented Intellulose technology.

The Ace Hardware Distribution Center formally opened this year. The 1,100,000 square foot building distributes to over 300 Ace Hardware stores across the Western United States.

Business Research Park

The Business Research Park is in northwest Visalia adjacent to the Industrial Park and continues to see growth as well.

Carmax plans to build in the Visalia Auto Plaza located northwest of Highway 198 and Plaza Drive.

The Fahrney Auto Group is bringing its used car sales concept, My Car Park, to the area.

The Hilton Garden Inn Visalia is now open at 8715 West Hillsdale Avenue. This hotel consists of 112 rooms.

Mooney Boulevard

Sequoia Mall is currently undergoing complete refurbishment. Sprouts, Nordstrom Rack, and Barnes & Noble are all part of the first phase of the redevelopment and will all open by December 2023.

Oaks Marketplace shopping center is a new development at the southeast corner of Visalia Parkway and Mooney Boulevard. The main anchor is an Aldi grocery store which is currently under construction.

The new development at the southwest corner of Visalia Parkway and Mooney Boulevard had Dutch Bros. and Panda Express join Texas Roadhouse as open for business. Additionally, Les Schwab Tires is currently under construction.

Downtown

The Mix development located at 213-217 West Main Street continues to progress. The Mix is a two-story mixed-use redevelopment that will feature local favorites such as Quesadilla Gorilla, Scoops Ice Cream, and Bombshell Beans.

Microbreweries continue to come to downtown. Long Shot Brewery is moving to East Main Street, Salty Walrus is looking at a location on Valley Oaks Drive, and Simply Brewing continues to work on their new location on East Main Street.

Mulligans Indoor Golf Club will be locating in the former Enchanted Playhouse Building on Main Street. The indoor golf simulator entertainment center will also feature a restaurant and bar.

Apricot Lane Boutique is being proposed for the former Midtown Sports location at 117 East Main Street. Apricot Lane is a boutique where the styles and inventory are hand picked by the local ownership. This would be the only location between Stanislaus County and the Los Angeles area.

The City's first fully inclusive park is progressing along. The park will be a space specially designed to promote play among children of differing abilities, ages, and communities. The park will be located near the new Civic Center area and local children's museum, Imagine U.

North Visalia

Tractor Supply Company has opened its new facility at Orchard Walk West located at Dinuba Boulevard and Riggin Avenue. Tractor Supply Company supplies products for home improvement, agriculture, lawn and garden maintenance, livestock, equine and pet care.

Burger King has opened a new restaurant at 2012 West Riggin Avenue.

ONGOING CAPITAL PROJECTS

The City's Capital Improvement Program has a number of significant projects currently underway that will continue into fiscal year 2024 and beyond.

Caldwell Improvements - Akers to Shady Street

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

Caldwell Improvements – Santa Fe to Lovers Lane

- The \$18.9 million project is widening widen Caldwell Avenue between Santa Fe and Lovers Lane converting it from an undivided two-lane road to a four-lane divided road with a median.

Downtown Street Light Project

- The \$9.1 million project is replacing 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 is constructing a new Fire Station (Station 56) north of the current temporary station located at Lovers Lane and Walnut Avenue. The current station utilized is leased from CAL FIRE through an agreement that will not be renewed by CAL FIRE.

Eastside Park-Basin G

- This \$6.5 million project is constructing a new eastside regional park basin that will include a groundwater recharge basin and a pedestrian trail.

FINANCIAL CONDITION

Fiscal year 2022-23 had continued growth in the main General Fund revenue categories of Sales Tax, Property Tax, and Other Taxes, which consists of Franchise Fee and Business License revenue. Contributing to the growth in revenues was the increase in inflation over the last year. The inflation rate in California was at 3.1% on June 30, 2023 and was high for most of the fiscal year averaging 5.52%. With careful management, the City was able to continue to provide 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 \$15.85 million. Contributing to the surplus was not only the growth in the main General Fund revenue categories, but also in uses of money and property (interest income) which was up \$1.7 million as compared to last year as not only were interest rates up this fiscal year but there was a significant negative adjustment to the fair market value on investments held by the City last fiscal year which had decreased interest income. Additionally, fees and fines (vehicle, parking, and local ordinance violations) were up by \$0.1 million. However, the City did have a decrease in charges for services (engineering fees) of \$1.4 million as development activity was down for the year and miscellaneous revenue by \$0.8 million. Offsetting the large revenue growth this fiscal year, total expenditures were up \$6.6 million compared to last year mainly due to increases in employee compensation of 8%. These increases also affect pension obligations. Additionally, we had increases in most all other costs due to inflation and in capital outlay of \$2.3 million as general fund projects, such as the East Regional Park Basin and Lower Kaweah/Mill Creek project, continued.

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

	General Fund FY 22/23	Emergency Reserve FY 22/23	Total FY 22/23
Revenues	\$ 100.24	\$ 0.18	\$ 100.42
Expenditures	78.60	-	78.60
Over/(Under) Expenditures	\$ 21.64	\$ 0.18	\$ 21.82
Other Financing Sources (Uses)	\$ (5.79)	\$ -	\$ (5.79)
Net Change in Fund Balance	\$ 15.85	\$ 0.18	\$ 16.03
Surplus before Transfers to Emergency Reserve, Vehicle Replacement Fund and Civic Center Fund	\$ 15.85	\$ 0.18	\$ 16.03
Transfer surplus to Emergency Reserve Fund*	\$ (1.44)	\$ 1.44	\$ -
Transfer surplus to Vehicle Replacement Fund**	(4.50)	-	(4.50)
Transfer surplus to Civic Center Fund*	(9.91)	-	(9.91)
Total	\$ -	\$ 1.62	\$ 1.62

*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.

**Note - Per the November 6, 2023 Council Meeting, Council approved a cash transfer of \$4.50 million to fund the Vehicle Replacement Fund.

This is the tenth consecutive year that the General Fund has ended the year with a surplus. However, we must remember 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), and the economy for a possible downturn (recession) as consumers will have less disposable income due to continued high inflation rates and rising credit card debt. In addition, we should continue to seek new opportunities to increase tax base revenues to help maintain fiscal sustainability.

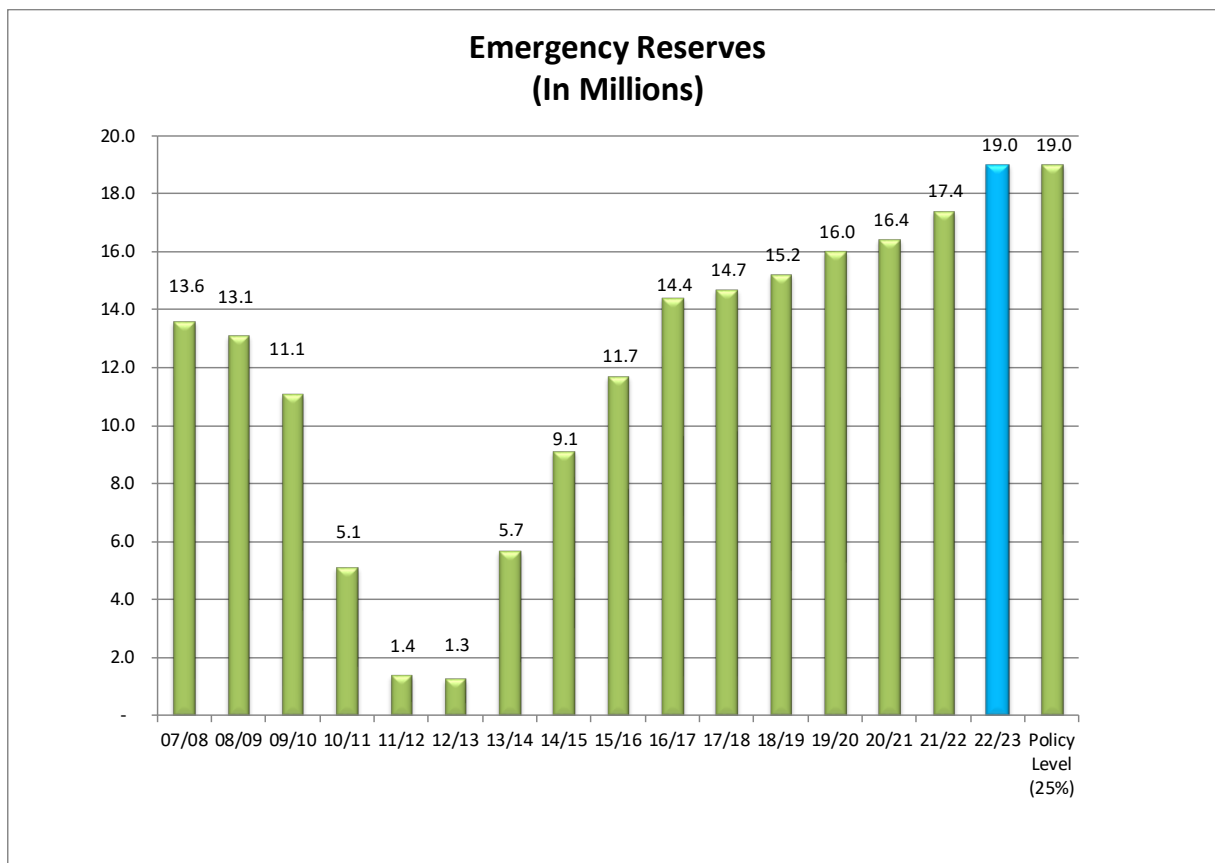
In June 2022, the City Council adopted a balanced biennial budget for fiscal years 2022-2023 and 2023-2024. The biennial budget focused on the following goals:

- 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 project a surplus for the General Fund. As per Councils direction, any surplus will be first transferred to the Emergency Reserve to maintain a balance of 25% of General Fund operating

expenditures. Any remaining surplus will be transferred to the Civic Center Fund. 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 2022-23. For this fiscal year, a transfer from the General Fund’s surplus of \$1,436,583 was needed to continue to meet Council’s 25% Emergency Reserve Policy. This is the seventh year in a row that this policy has been met.

MEASURE N

Fiscal year 2022-23 was the sixth 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 \$19.5 million; \$0.2 million more than budgeted for the year. As of June 30, 2023, Measure N had enabled the City to fund 25 police officers, 2 community service officers, 1 media and communications manager, 1 assistant communications operator, 2 police technicians, 3 police records specialists, 1 Battalion Chief, 1 Fire Captain, 1 EMS coordinator, 6 paramedics, 1 urban forest employee, 2 park maintenance employees, 1

Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

recreation coordinator, and 8 recreation hourly employees. Major purchases and projects funded in this fiscal year include the purchase of 2 Dodge Chargers, \$1.5 million in road rehabilitation, \$0.4 million in building improvements, and is currently constructing Station 56 and the Downtown Street Light project.

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, 2022. 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,



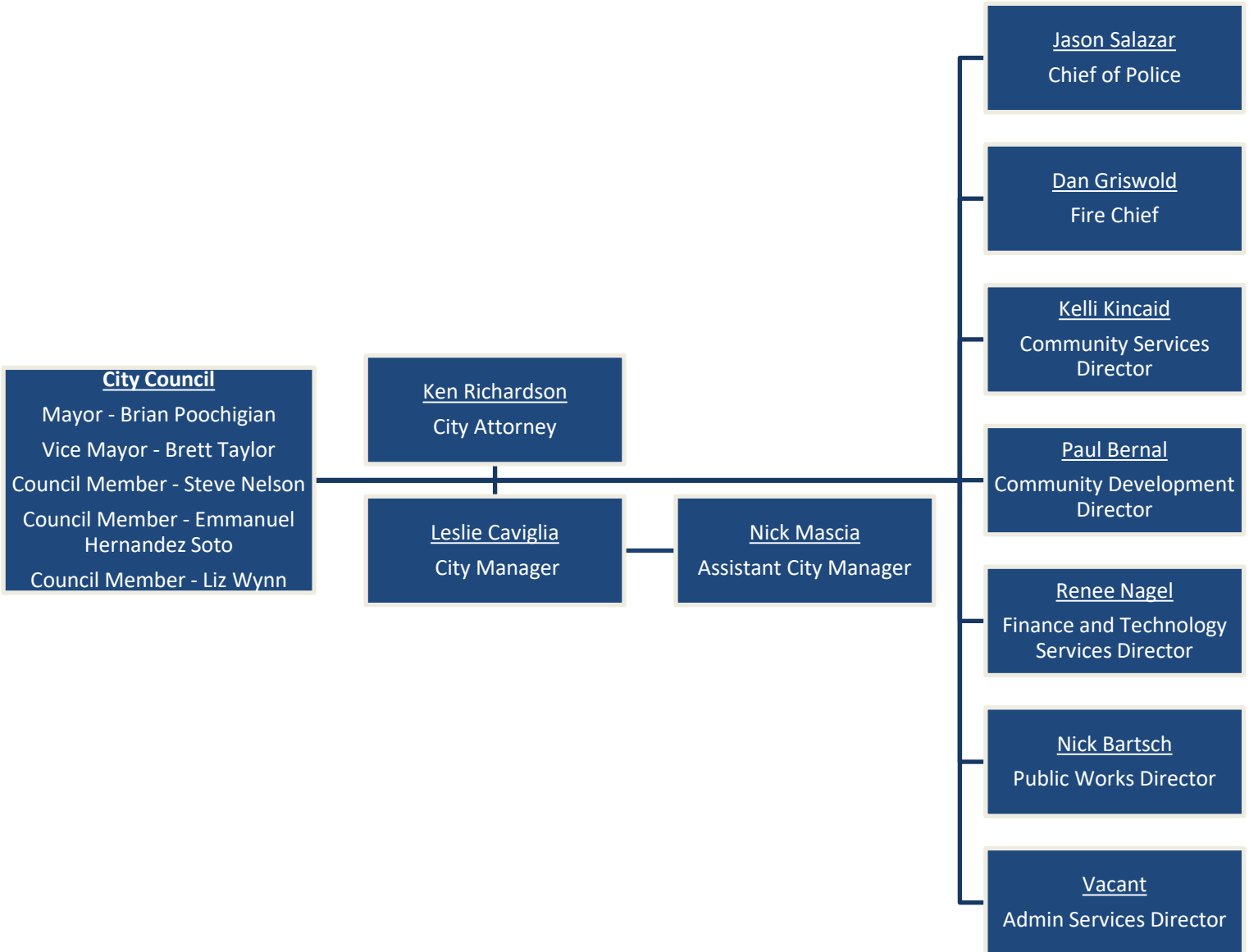
Leslie B. Caviglia
City Manager



Renee Nagel
Finance Director

Organizational Chart

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023



As of June 30, 2023



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
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Presented to

**City of Visalia
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Merrill

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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Visalia, California (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States ("*Government Auditing Standards*"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change In Accounting Principle

As discussed in Note 1 to the basic financial statements, the City adopted new accounting guidance, Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITA)*. Our opinion is not modified with respect to this matter.

To the Honorable Mayor and the Members of the City Council
of the City of Visalia
Visalia, California
Page 2

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison schedules – General Fund and Major Special Revenue Funds, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions be presented to supplement the basic financial statements as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, the statistical, and compliance sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and the Members of the City Council
of the City of Visalia
Visalia, California
Page 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The PwC Group, LLP

Santa Ana, California
December 15, 2023

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

CITY OF VISALIA MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) FISCAL YEAR ENDING JUNE 30, 2023

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, Non-major Proprietary, 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, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the four 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 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, and animal control.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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, American Rescue Plan Fund, Transportation Fund, and Civic Center Fund (detail on pages 34-41). 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, and Facility Improvements Fund (detail on pages 128-159). 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. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs. Capital assets and other long-lived assets along with long-term liabilities are not presented in the Governmental Fund Financial Statements.

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, 2023

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, and Animal Control 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

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

Underground Utilities District, the Atwood Water Main Assessment District, the Laura Water Main 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 143,031 an increase of 0.7% this past fiscal year. The California Department of Finance restated the prior year figure from 142,091 to 142,066. The California Consumer Price Index for All Urban Consumers was at 3.1% as of June 30, 2023. The major factors driving the City’s governmental financial results this fiscal year are the following:

- Increased sales tax revenues of \$2.5 million, up 3% from last year which includes growth in general sales tax of \$0.8 million (2%) in the General Fund, with decreases in Measure N sales tax of \$0.2 million (1.2%) and Measure T sales tax of \$0.1 million (1.2%). Measure R sales tax revenues had an increase of \$2.0 million (36%) as a portion of revenues received in Measure R are based on project reimbursement.
- Increased property taxes of \$2.0 million, up 7% from last year.
- Increases in government wide interest earnings of \$16.3 million (157%) mainly due to last year having a significant decrease in the fair market value of the investments held at June 30, 2022 as the City had unrealized investment losses in accordance with GASB 31. This adjustment affected interest earnings.

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 22-23	FY 21-22*	Increase (Decrease)	
			\$	%
Assets	\$ 1,366.1	\$ 1,300.7	\$ 65.4	5%
Deferred Outflows of Resources	57.7	20.6	37.1	180%
Liabilities	320.9	254.5	66.4	26%
Deferred Inflows of Resources	13.5	51.8	(38.3)	-74%
Net Position	1,089.4	1,015.0	74.4	7%
Revenues	277.8	256.5	21.3	8%
Expenses	203.5	175.2	28.3	16%

* As restated due to the implementation of GASB 96.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

- The City's Total Assets increased by \$65.4 million (5%) during the current fiscal year mainly due to increases in cash and investments of \$40.6 million, accounts receivable of \$2.5 million, interest receivable of \$1.0 million, taxes receivable of \$2.0 million, notes and loans receivable of \$0.6 million, due from other governmental units of \$5.2 million, and capital assets of \$13.6 million. The overall increase in capital assets includes additions, deletions, depreciation, and amortization comprised of increases of \$3.6 million in infrastructure, \$0.1 million in land, \$20.1 million in construction in progress and as well as decreases of \$2.5 million in buildings, \$2.9 million in vehicles and equipment, \$0.1 million in lease and subscription-based information technology assets, and \$4.7 million in improvements.
- The City's Deferred Outflows of Resources increased by \$37.1 million (180%) mainly due to annual adjustments by CalPERS for GASB 68 recording of deferred pensions.
- The City's Liabilities increased by \$66.4 million (26%) during the current fiscal year. This was mainly due to increases in net pension liability of \$74.8 million, advances from grantors and third parties of \$1.3 million, and liability for self-insurance claims of \$0.2 million in combination with decreases in scheduled debt service payments of \$5.5 million, customer deposits of \$1.2 million, unearned revenue of \$1.4 million, and liability for payables of \$1.9 million.
- The City's Deferred Inflows of Resources decreased by \$38.3 million (74%) due to a decrease in pension related activity of \$37.8 million for the annual adjustments by CalPERS for GASB 68 and a decrease in lease related activity of \$0.5 million.
- The City's Total Net Position (assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources) was \$1.1 billion as of June 30, 2023.
- The City's Total Revenues, including program and general revenues, were \$277.8 million for fiscal year 2022-23, an increase of \$21.3 million (8%) from last year, while total City expenses were \$203.5 million, an increase of \$28.3 million (16%) from last year. The revenue increase is due to a combination of increases in tax revenue of \$7.0 million, investment earnings of \$16.3 million, grants and contributions of \$4.0 million in combination with decreases in charges for services of \$5.5 million, and miscellaneous revenue of \$0.5 million. The change in investment earnings was mainly due to last fiscal year having a significant decrease in the fair market value of the investments held at June 30, 2022 as the City had unrealized investment losses in accordance with GASB 31. Per GASB 31, the City must annually adjust their investment holdings to fair market value as of June 30th. The offset from the adjustment was to investment earnings. This was an unrealized loss, and the adjustment will be recovered at the maturity of those investments held at that time.
- Revenues can be divided between Program Revenues related to work activities and General or Tax Revenues. For the fiscal year 2022-23, Program Revenues were \$138.1 million (revenues derived from specific activities) and General Revenues (e.g., taxes and investment earnings) were \$139.7 million. These same revenues can be classified as either Governmental activity revenues or Business-type activity revenues. For the fiscal year 2022-23, Governmental activity revenues and Business-type activity revenues were \$181.2 million (65%) and \$96.6 million (35%), respectively.
- Expenses for Governmental activities and for Business-type activities were \$119.5 million (a 24% increase from last year) and \$84.0 million (a 7% increase from last year), respectively.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

Analysis of Governmental Net Position

The City's governmental assets are shown in [Table 2, Governmental Net Position](#). These assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$647.6 million. The largest portion of the net position, \$367.4 million (57%), is Net Investment in Capital Assets (net of debt to acquire those assets). The remaining portions of the City's net position are: \$182.8 million (28%) represents resources that are subject to restrictions and the remaining \$97.4 million (15%) being unrestricted.

Table 2
Governmental Net Position
(in millions)

	FY 22-23	FY 21-22*	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 326.0	\$ 299.8	\$ 26.2	9%
Current and Other Assets	83.0	73.5	9.5	13%
Adv. To Other Funds & Internal Balances	2.8	2.6	0.2	8%
Capital Assets, Net of Accum. Deprec./Amortization	376.3	355.1	21.2	6%
Total Assets	788.1	731.0	57.1	8%
Deferred Outflows of Resources				
Pensions	46.7	16.8	29.9	178%
Total Deferred Outflows of Resources	46.7	16.8	29.9	178%
Liabilities				
Other Liabilities	45.5	48.2	(2.7)	-6%
Long-Term Obligations	135.3	77.1	58.2	75%
Total Liabilities	180.8	125.3	55.5	44%
Deferred Inflows of Resources				
Pensions	4.5	34.7	(30.2)	-87%
Leases	1.9	2.0	(0.1)	-5%
Total Deferred Inflows of Resources	6.4	36.7	(30.3)	-83%
Net Position				
Net Investment in Capital Assets	367.4	344.5	22.9	7%
Restricted	182.8	159.7	23.1	14%
Unrestricted	97.4	81.6	15.8	19%
Total Net Position	\$ 647.6	\$ 585.8	\$ 61.8	11%

* As restated due to the implementation of GASB 96.

- *Cash and Investments* of \$326.0 million increased \$26.2 million from last year mainly due to an increase in tax and grant revenues, and revenues exceeding expenses for the year.
- *Capital Assets, Net of Accumulated Depreciation/Amortization* totaling \$376.3 million are categorized in [Table 8, Capital Assets, Net of Accumulated Depreciation & Amortization](#).
- *Deferred Outflows of Resources* of \$46.7 million increased \$29.9 million due to the annual adjustments by CalPERS for GASB 68 recording of deferred pensions.
- *Long-Term Obligations* totaling \$135.3 million is comprised of Net Pension Liability, Certificates of Participation, government loans, lease liabilities, subscription-based information technology agreements (SBITA), and compensated absences. There were \$0.9 million in long term debt payments made by the City during the year, \$0.1 million in lease payments, and \$0.7 million in SBITA payments. Compensated Absences increased slightly by \$56 thousand. The Net pension liability increased by \$74.8 million. See the accompanying *Notes to Basic Financial Statements, Note 7 – Long-Term Debt* and *Note 10 – Employee Benefits* for further detail.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

- *Deferred Inflows of Resources* of \$6.4 million had a decrease of \$30.3 million as compared to the prior year. Decreases were mainly due to the annual adjustments by CalPERS for GASB 68 recording of pensions of \$30.2 million and a decrease in leases of \$0.1 million as lease revenue was recognized.
- *Net Position–Net Investment in Capital Assets* of \$367.4 million represents the City’s capital assets less accumulated depreciation and amortization and any debt used to finance its construction or purchase.
- *Restricted Net Position* of \$182.8 million is primarily found in Capital Projects funds which have been restricted for related capital projects.
- *Unrestricted Net Position* of \$97.4 million is the remaining part of the assets. Of this amount, \$55.4 million is the General Fund’s net position. Of the General Fund’s portion, all but \$3.1 million is either nonspendable (\$3.5 million), committed (\$20.8 million) or assigned (\$28.0 million). Additional information on the General Fund’s Fund Balance can be found in the Statistical Section (pages 192-193).

Analysis of Changes in Governmental Net Position

Governmental activities are summarized on [Table 3, Changes in Governmental Net Position](#), showing that during fiscal year 2022-23 the City’s net position increased by \$61.8 million.

Table 3
Changes in Governmental Net Position
(in millions)

	FY 22-23	FY 21-22*	Increase (Decrease)	
			\$	%
REVENUES				
Program Revenues:				
Charges for Services	\$ 29.1	\$ 33.7	\$ (4.6)	-14%
Operating Grants & Contributions	7.7	6.3	1.4	22%
Capital Grants & Contributions	14.9	10.6	4.3	41%
General Revenues:				
Taxes				
Sales	86.0	82.1	3.9	5%
Property	31.8	29.8	2.0	7%
Other	12.0	10.7	1.3	12%
Investment Earnings	3.7	(5.3)	9.0	170%
Miscellaneous	1.0	1.2	(0.2)	-17%
Total Revenues	<u>186.2</u>	<u>169.1</u>	<u>17.1</u>	10%
EXPENSES				
General Government	7.0	2.0	5.0	250%
Community Development	3.4	(3.9)	7.3	187%
Housing & Community Grants	2.9	2.2	0.7	32%
Police	49.1	41.1	8.0	19%
Fire	22.7	20.3	2.4	12%
Public Works	19.9	19.7	0.2	1%
Community Services	14.1	14.8	(0.7)	-5%
Interest on Long-Term Debt	0.4	0.4	-	0%
Total Expenses	<u>119.5</u>	<u>96.6</u>	<u>22.9</u>	24%
Increase (Decrease) in Net Position Before Transfers	66.7	72.5	(5.8)	-8%
Transfers	(4.9)	(3.8)	1.1	29%
Total Transfers	<u>(4.9)</u>	<u>(3.8)</u>	<u>1.1</u>	29%
Increase (Decrease) in Net Position	61.8	68.7	(6.9)	-10%
Net Position at Beg. of Year	<u>585.8</u>	<u>517.1</u>	<u>68.7</u>	13%
Net Position at End of Year	<u>\$ 647.6</u>	<u>\$ 585.8</u>	<u>\$ 61.8</u>	11%

* As restated due to prior period adjustments.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

Total governmental revenues of \$186.2 million, increased by \$17.1 million (10%) and total governmental expenses of \$119.5 million, increased by \$22.9 million (24%) when compared to last year. The most significant revenue changes were increases in sales taxes of \$3.9 million (5%), property tax of \$2.0 million (7%), operating grants & contributions of \$1.4 million (22%), capital grants & contributions of \$4.3 million (41%), other revenue (comprised of transient occupancy, franchise, and business licenses taxes) of \$1.3 million, and investment earnings of \$9.0 million with decreases occurring in charges for services of \$4.6 million (14%). Expenditures had increases seen in General Government of \$5.0 million (250%), Community Development of \$7.3 million (187%), Housing & Community Grants of \$0.7 million (32%), Police of \$8.0 million (19%), Fire of \$2.4 million (12%), Public Works of \$0.2 million (1%), with a decrease seen in Community Services of \$0.7 million (5%).

PROGRAM REVENUES

- **Charges for Services** - These charges decreased \$4.6 million or 14% as compared to the prior year. This was mainly due to decreased impact fee revenue for residential, industrial, and commercial fees as well as decreases in fees charged for development related services as development activity was down for the fiscal year.
- **Grants (Operating & Capital) & Contributions** - The combined income from operating and capital grants and contributions increased this year, up from last year by \$5.7 million, for a total of \$22.6 million.

GENERAL REVENUES

- **Sales Tax** - Sales tax increased \$3.9 million from last year with increases in the general fund of \$0.8 million, Measure R of \$3.4 million offset with decreases in Measure N of \$0.2 million, and Measure T of \$0.1 million. A portion of Measure R sales tax revenues received are based on project reimbursement. 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 \$86.0 million.
- **Property Taxes** - Property tax revenues increased \$2.0 million (7%) over last year currently totaling \$31.8 million.
- **Investment Earnings** - Investment earnings increased \$9.0 million over last year mostly due to last year having a significant negative fair market value adjustment to investments held at June 30, 2022 in accordance with GASB 31 in addition to higher earnings rates as compared to the prior year.

EXPENSES

- **General Government** - There were \$7.0 million in expenses, an increase of \$5.0 million (250%) as compared to last year which was mainly due to decreases in the annual GASB 68 pension adjustments of \$3.7 million last fiscal year. In addition, main increases were seen in salaries and benefits of \$0.3 million due to wage increases and services provided of \$0.8 million.
- **Community Development** - There were \$3.4 million in expenses, an increase of \$7.3 million (187%) as compared to last year mainly due to significant decreases to the annual GASB 68 pension adjustment of \$7.5 million last fiscal year as the City made a correction to the way it allocated the GASB 68 pension adjustments. In addition, there were decreases in services provided of \$0.1 million and a combination of other expenses of \$0.1 million this fiscal year.
- **Housing & Community Grants** – There were \$2.9 million in expenses, an increase of \$0.7 million (32%) compared to last year which was mainly due to increases in program activity.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

- **Police** - There were \$49.1 million in expenses, an increase of \$8.0 million (19%) as compared to last year which was mainly due to a significant decrease in the annual GASB 68 pension adjustment of \$6.1 million last fiscal year as strong investment returns helped reduce the net pension liability. In addition, this fiscal year included increases in salaries and benefits of \$2.3 million due to wage increases and an increase in a combination of other expenses of \$0.9 million offset with a decrease in allocated expenses from internal service funds of \$1.5 million.
- **Fire** - There were \$22.7 million in expenses, an increase of \$2.4 million (12%) as compared to last year which was mainly due to a significant decrease in the annual GASB 68 pension adjustment of \$1.0 million last fiscal year as strong investment returns helped reduce the net pension liability. In addition, this fiscal year included increases in salaries and benefits of \$0.9 million due to wage increases, capital related activity of \$0.3 million, as well as an increase in a combination of other expenses of \$0.1 million.
- **Public Works** - There were \$19.9 million in expenses, an increase of \$0.2 million (1%) as compared to last year which was mainly due to due to a significant decrease in the annual GASB 68 pension adjustment of \$1.5 million last fiscal year. In addition, this fiscal year included increases in salaries and benefits of \$0.5 million due to wage increases, depreciation expense of \$0.3 million, and an increase in a combination of other expenses of \$ 0.1 million offset by a decrease capital related activity and projects of \$2.1 million.
- **Community Services** - There was \$14.1 million in expenses, a decrease of \$0.7 million (5%) as compared to last year which was mainly due to a significant increase in the annual GASB 68 pension adjustments of \$2.3 million last year. This fiscal year, increases were seen in salaries and benefits of \$0.5 million due to wage increases, operating expenses for Landscape and Lighting Districts of \$1.2 million, capital related activity and projects of \$0.4 million, and an increase in a combination of other expenses of \$0.9 million.
- **Interest on Long-Term Debt** - There was \$0.4 million in interest expense for fiscal year 2022-23. 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 each maturity, more of the annual debt payment goes towards principal and less goes toward interest.

Analysis of Business-Type Net Position

The City's business-type net position, shown in [Table 4, Business-Type Net Position](#), exceeded liabilities by \$441.8 million. The largest portion of the net position, Net Investment in Capital Assets, is \$272.7 million (62%). Resources that are subject to restrictions total \$16.8 million (4%). The remaining balance of \$152.3 million (34%) represents unrestricted net position.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

Table 4
Business-Type Net Position
(in millions)

	FY 22-23	FY 21-22*	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 188.8	\$ 174.4	\$ 14.4	8%
Current and Other Assets	27.8	26.2	1.6	6%
Internal Balances	(2.8)	(2.6)	(0.2)	8%
Capital Assets	364.1	371.7	(7.6)	-2%
Total Assets	<u>577.9</u>	<u>569.7</u>	<u>8.2</u>	1%
Deferred Outflows of Resources				
Deferred Pensions	11.0	3.8	7.2	189%
Total Deferred Outflows of Resources	<u>11.0</u>	<u>3.8</u>	<u>7.2</u>	189%
Liabilities				
Other Liabilities	11.3	11.6	(0.3)	-3%
Long-Term Debt Outstanding	128.7	117.6	11.1	9%
Total Liabilities	<u>140.0</u>	<u>129.2</u>	<u>10.8</u>	8%
Deferred Inflows of Resources				
Deferred Pensions	1.5	9.0	(7.5)	-83%
Deferred Leases	5.6	6.1	(0.5)	-8%
Total Deferred Inflows of Resources	<u>7.1</u>	<u>15.1</u>	<u>(8.0)</u>	-53%
Net Position				
Net Investment in Capital Assets	272.7	276.5	(3.8)	-1%
Restricted	16.8	11.0	5.8	53%
Unrestricted	152.3	141.7	10.6	7%
Total Net Position	<u>\$ 441.8</u>	<u>\$ 429.2</u>	<u>\$ 12.6</u>	3%

* As restated due to the implementation of GASB 96.

- **Cash and Investments** increased \$14.4 million (8%), as these funds are accumulating cash for capital projects and scheduled debt payments. Increases included funds in Water Reclamation Facility of \$8.1 million, Solid Waste of \$3.1 million, Transit of \$1.3 million, Building Safety of \$1.2 million, Airport of \$0.5 million and Convention Center of \$0.3 million with a decrease in and Storm Sewer Maintenance of \$0.1 million.
- **Current and Other Assets** totaled \$27.8 million for the fiscal year, an increase of \$1.6 million (6%). Due from other governmental units had an overall increase of \$3.4 million offset by decreases in accounts receivable of \$1.3 million, lease receivables of \$0.4 million and loan receivables of \$0.1 million.
- **Capital Assets** totaled \$364.1 million for the fiscal year, a decrease of \$7.6 million (2%) compared to the prior year. Construction in progress had an increase of \$1.4 million. Machinery, Equipment and Vehicles had additions and retirements which mainly consisted of additions of five new refuse trucks, eight roll-off boxes and one Chevy truck in Solid Waste of \$1.6 million, offset by retirements of eight refuse trucks in Solid Waste of \$1.9 million. Infrastructure increased by \$1.4 million which includes Storm Sewer lines and Sanitary Sewer lines. Accumulated depreciation and amortization increased by \$10.1 million as assets were depreciated for the year. See [Table 8, Capital Assets, Net of Accumulated Depreciation](#) below for additional detail.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

- **Deferred Outflows of Resources** totaled \$11.0 million for the fiscal year, an increase of \$7.2 million (189%). The increase is due to the GASB 68 annual adjustment.
- **Long-Term Debt** totaling \$128.7 million is composed of Net Pension Liability, Certificates of Participation, Leases, Clean Water State Revolving Fund Loan, and Compensated Absences. Regularly scheduled payments of \$3.9 million and adjustments to the Net Pension Liability of \$15.0 million resulted in a net increase in long-term debt of \$11.1 million. See the accompanying *Notes to Basic Financial Statements, Note 7- Long-Term Debt, and Note 10 Employee Benefits* for further detail.
- **Deferred Inflows of Resources** totaled \$7.1 million for the fiscal year, a decrease of \$8.0 million (53%). The decreases include Deferred Pensions of \$7.5 million due to the GASB 68 annual adjustment and Deferred Leases of \$0.5 million due to lease activity.
- **Net Position – Net Investment in Capital Assets** totaling \$272.7 million represents capital assets less accumulated depreciation and net of any debt used to finance its construction or purchase. This is a \$3.8 million decrease as compared to last year.
- **Restricted Net Position** of \$16.8 million is primarily found in Capital Projects funds which have been restricted for related capital projects and debt service reserves.
- **Unrestricted Net Position** of \$152.3 million experienced an increase of \$10.6 million. Unrestricted Net Position is normally the part of net position that can be used 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 \$12.6 million during fiscal year 2022-23. Total Business-type revenues of \$91.7 million increased by \$4.3 million (5%) when compared to last year. Total Business-type expenses totaled \$84.0 million, an increase of \$5.7 million (7%) as compared to last year.

Management Discussion and Analysis

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

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

	FY 22-23	FY 21-22	Increase (Decrease)	
			\$	%
REVENUES				
Program Revenues:				
Charges for Services	\$ 67.1	\$ 68.0	\$ (0.9)	-1%
Operating Grants & Contributions	16.4	14.0	2.4	17%
Capital Grants & Contributions	3.0	7.1	(4.1)	-58%
Investment Earnings	2.2	(5.0)	7.2	-144%
Miscellaneous	3.0	3.3	(0.3)	-9%
Total Revenues	91.7	87.4	4.3	5%
EXPENSES				
Water Reclamation Facility	25.9	25.4	0.5	2%
Storm Sewer Maintenance	2.5	2.7	(0.2)	-7%
Solid Waste	20.9	21.7	(0.8)	-4%
Transit	21.5	19.8	1.7	9%
Convention Center	4.7	1.2	3.5	292%
Airport	2.8	2.5	0.3	12%
Building Safety	3.7	3.1	0.6	19%
Animal Control	2.0	1.9	0.1	5%
Total Expenses	84.0	78.3	5.7	7%
Increase in Net Position Before Transfers	7.7	9.0	(1.3)	-14%
Transfers	4.9	3.8	1.1	29%
Increase in Net Position	12.6	12.8	(0.2)	-2%
Net Position at Beg. Year	429.2	416.4	12.8	3%
Net Position at End of Year	\$ 441.8	\$ 429.2	\$ 12.6	3%

Revenues

- Charges for Services** – These revenues were down collectively by \$0.9 million. Decreases are due to the timing of the year end true up which will also affect next years revenues. Revenues were down for Water Reclamation facility of \$0.9 million (residential and commercial users) and in Solid Waste of \$0.1 million (C&D, commercial, single and multifamily fees). Decreases were also seen in Building Safety of \$0.7 million (overall decrease in construction permits), Animal Control of \$0.1 million (fines related to animal ordinance violations). Revenues were offset by increases including Convention Center of \$0.2 million (conference room rental, and food, bar, and concession sales), and Transit of \$0.7 million (V-line ticket sales and Sequoia Shuttle National Parks reimbursement).
- Operating and Capital Grants and Contributions** – The combined revenue from operating and capital grants & contributions decreased this year by \$1.7 million due to decreases in Airport of \$1.7 million, and Transit of \$0.7 million, offset by increases in Storm Sewer Maintenance of \$0.2 million, Solid Waste of \$0.3 million and Water Reclamation Facility of \$0.2 million. These funds received less grants, contributions, and assets from impact fee funds.

Expenses

- **Water Reclamation Facility** – There were \$25.9 million in expenses, an increase of \$0.5 million (2%) due to increases in maintenance and operations consisting of utility expenses of \$0.2 million, chemical expenses of \$0.4 million, landfill/dump charges of \$0.2 million, equipment supply and maintenance repair of \$0.1 million, contracted professional services of \$0.2 million for farming services, and farming related expenses of \$0.1 million. Increases also included salaries and benefits of \$0.3 million due to wage and benefit increases and \$0.4 due to annual pension adjustments. Offsetting the increases were decreases in capital related activity of \$1.3 million, and interest payment on debt of \$0.1 million.
- **Storm Sewer Maintenance** – There were \$2.5 million in expenses, a decrease of \$0.2 million (7%) mainly due to decreases in capital related activity of \$0.1 million, and salaries and benefits of \$0.1 million due to wage increases combined with annual pension adjustments.
- **Solid Waste** – There were \$20.9 million in expenses, a decrease of \$0.8 million (4%) mainly due to decreases seen in capital related activity of \$0.8 million and salaries and benefits of \$0.2 million due to wage and benefit increases offset by the annual pension adjustments. Increases were seen in compost and recycling expenses of \$0.2 million.
- **Transit** – There were \$21.5 million in expenses, an increase of \$1.7 million (9%) mainly due to increases in scheduled bus contracted services \$1.0 million, CNG fuel of \$0.5 million, allocated expenses and services provided of \$0.2 million, utility expenses of \$0.1 million, equipment repairs of \$0.1 million, salaries and benefits of \$0.3 million due to wage and benefit increases combined with the annual pension adjustments and a decrease in depreciation of \$0.3 million and capital related activity of \$0.2 million.
- **Convention Center** – There were \$4.7 million in expenses, an increase of \$3.5 million (292%) mainly due to annual pension adjustments of \$2.5 million being more than the previous year. Increases were seen in salaries and benefits of \$0.5 million and contract employees of \$0.2 million due to increased staffing levels, and maintenance and operations of \$0.4 million due to the increase in events as compared to the prior year, offset by decreases in depreciation and interest expense of \$0.1 million.
- **Airport** – There were \$2.8 million in expenses, an increase of \$0.3 million (12%) mainly due an increase in salaries and benefits of \$0.2 million due to wage and benefit increases combined with annual pension adjustments and depreciation expense of \$0.1 million due to the first year of depreciation expense for the new hangers.
- **Building Safety** – There were \$3.7 million in expenses, an increase of \$0.6 million (19%) mainly due to an increase to salaries and benefits of \$0.7 million due to wage and benefit increases combined with annual pension adjustments and decreases in maintenance and operations expenses of \$0.1 million consisting of computer software support of \$0.1 million, professional & specialized services for consulting of \$0.1 million offset by services provided of \$0.1 million.
- **Animal Control** – There were \$2.0 million in expenses, an increase of \$0.1 million (5%) mainly due to a decrease in salaries and benefits of \$0.2 million due to the annual pension adjustments offset by increases in maintenance and operations expenses of \$0.3 million consisting of allocated expenses and services provided of \$116K, capital related activity of \$23K, bad debt expense of \$41K, utility expenses of \$38K, and food, equipment and veterinary expenses of \$54K.

Management Discussion and Analysis

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

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 22-23	FY 21-22	Increase (Decrease)	
			\$	%
Assets				
Cash and Investments	\$ 275.7	\$ 257.3	\$ 18.4	7%
Other Assets	78.0	70.7	7.3	10%
Intergovernmental Balances	6.2	2.1	4.1	195%
Total Assets	<u>359.9</u>	<u>330.1</u>	<u>29.8</u>	9%
Liabilities				
Advances From Other Funds	3.4	1.4	2.0	143%
Other Liabilities	<u>37.0</u>	<u>39.7</u>	<u>(2.7)</u>	-7%
Total Liabilities	<u>40.4</u>	<u>41.1</u>	<u>(0.7)</u>	-2%
Deferred Inflows of Resources				
Unavailable Revenue	14.1	9.5	4.6	48%
Leases	<u>1.9</u>	<u>2.0</u>	<u>(0.1)</u>	-5%
Total Deferred Inflows of Resources	<u>16.0</u>	<u>11.5</u>	<u>4.5</u>	39%
Fund Balances				
Nonspendable	3.5	1.6	1.9	119%
Restricted	189.4	163.3	26.1	16%
Committed	78.5	78.7	(0.2)	0%
Assigned	29.7	28.2	1.5	5%
Unassigned	<u>2.4</u>	<u>5.7</u>	<u>(3.3)</u>	-58%
Total Fund Balances	<u>\$ 303.5</u>	<u>\$ 277.5</u>	<u>\$ 26.0</u>	9%

Assets – The composition of assets changed by \$29.8 million (9%) during the year with increases in cash, other assets, and intergovernmental balances. Cash and investments increased \$18.4 million (7%) mainly due to revenues exceeding expenditures and other sources & (uses) by \$26.0 million. Other assets increased \$7.3 million (10%) as increases were seen in accounts receivable of \$3.7 million (the majority is Transportation Impact Fee receivables of \$2.1), loans receivable of \$0.7 million, taxes receivable of \$2.0 million, interest receivable of \$1.0 million, offset by a decrease in leases receivable of \$0.1 million. Intergovernmental balances increased \$4.1 million (195%) as a result of a increases in advances to other funds of \$2.1 million, due from other funds of \$0.2 million, and due from other governmental agencies of \$1.8 million.

Liabilities – Liabilities have decreased \$0.7 million (2%) due to an increase in advances from other funds of \$2.0 million (143%) and a decrease in other liabilities of \$2.7 million (7%), consisting of decreases in unearned revenue of \$2.8 million as revenue has been recognized, accounts payable of \$0.1 million offset by an increase due to other funds \$0.2 million.

Deferred Inflows of Resources – Deferred Inflows of Resources increased \$4.5 million (39%) mainly due to increases in impact fees receivable of \$3.7 million, grants receivable of \$1.4 million and decreases in asset forfeiture receivable of \$0.5 million and lease receivables of \$0.1 million.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

Fund Balances - By June 30, 2023, the City’s Governmental Funds had a total fund balance of \$303.5 million, an increase of \$26.0 million (9%) 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 22-23	FY 21-22	Increase (Decrease)	
			\$	%
Revenues	\$ 177.8	\$ 163.2	\$ 14.6	9%
Expenditures	140.7	113.5	27.2	24%
Excess (Deficiency) of Revenues Over (Under) Expenditures	37.1	49.7	(12.6)	-25%
Other Sources & (Uses)	(11.1)	(7.4)	(3.7)	50%
Net Change	\$ 26.0	\$ 42.3	\$ (16.3)	-39%

Revenues increased \$14.6 million from the prior year. Sales tax increased \$2.5 million which includes growth in general sales tax of \$0.8 million (2%), and Measure R sales tax of \$2.0 million (36%) as funding for projects in those funds were received on a reimbursement basis and decreases in Measure N sales tax of \$0.2 million (1%) and Measure T sales tax of \$0.1 million (1%). Property tax revenue saw an increase of \$2.0 million (7%) as well as subventions and grants of \$6.2 million as more funding was obtained for projects. Other increases in revenues included other taxes of \$0.9 million which include transient occupancy tax and franchise fees, miscellaneous of \$0.8 million, and uses of money and property of \$9.0 million as the prior year had a significant fair market value adjustment to investments held at June 30, 2022 in accordance with GASB 31. Decreases were seen in fees and fines of \$4.2 million as impact fee revenue was down, charges for current services of \$1.1 million and miscellaneous of \$0.6 million.

Expenditures increased by \$27.2 million mainly due to increases in capital-related projects compared to the prior year of \$17.9 million. Other increases in expenses were seen in Police of \$2.8 million, Fire of \$1.6 million, Community Services of \$0.8 million, Public Works of \$0.8 million, Housing & Community Grants of \$1.7 million, General Government of \$0.9 million and debt service principal payments of \$0.7 million due to GASB 96 implementation.

Other Financing Sources & Uses in the governmental funds had an increase of \$3.7 million mainly due to transfers out exceeding transfers in for the current year.

ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

General Fund - The General Fund saw a change in fund balance with an increase of \$1.6 million. The General Fund had an overall increase in revenues of \$3.6 million (4%) as compared to last year. The increases included sales tax of \$0.8 million (2%), property taxes of \$2.0 million (7%), other taxes of \$0.9 million (8%), subventions and grants of \$0.2 million (11%), License and Permits \$0.1 million (92%), fees and fines of \$0.1 million (12%), uses of money and property of \$1.7 million (255%). Decreases occurred in charges for current services of \$1.4 million (29%) and miscellaneous of \$0.8 million.

Management Discussion and Analysis

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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 Council authorized a transfer of \$4.5 million from the surplus to the vehicle replacement fund, the remaining surplus was transferred out from the General Fund to the Civic Center Fund totaling \$9.9 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 \$1.0 million compared to the prior year. The increase includes interest earnings of \$1.2 million offset by a decrease in sales tax of \$0.2 million. The Measure N's fund balance decreased \$0.7 million to \$36.6 million as a result of expenditures exceeding revenues for the year due to capital projects being completed (\$12.1 million).

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 \$16.3 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. The Housing & Community Grant's fund balance increased \$1.4 million to \$17.4 million as a result of revenues exceeded expenditures for the year.

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. Housing Successor Agency's fund balance decreased by \$0.1 million to \$10.5 million as a result of expenditures exceeding revenues for the year.

American Rescue Plan - The American Rescue Plan Fund is used to account for the tracking of American Rescue Plan Act funds received as a result of the COVID pandemic. The funds' assets include \$24.9 million in unearned revenue. The American Rescue Plan's fund balance is \$0.8 million.

Transportation - The Transportation Fund is used to account for the financing and construction of new streets, roads, and various new transportation infrastructure and facilities. Funding is provided by Transportation Impact Fees. The Transportation's fund balance increased \$5.0 million to \$24.5 million as a result of revenues exceeding capital projects for the year.

Civic Center – The Civic Center fund is used to account for the construction of the Civic Center and related capital improvement projects. Revenue is collected from land sales, one-time monies as incentive revenues and General Fund surplus or other transfers authorized by the City Council. The Civic Center's fund balance increased \$9.5 million due to transfers from the General Fund of \$9.9 million and interest earnings of \$0.5 million offset by capital expenses of \$0.9 million.

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 \$41.5 million in revenue and have a combined fund balance at year-end of \$101.8 million.

ANALYSIS OF MAJOR PROPRIETARY FUNDS

Business-Type Funds

By June 30, 2023, the City's Proprietary Funds combined net position totaled \$444.6 million, an increase of \$12.6 million from the prior fiscal year, which was a combination of increases and decreases in various funds.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

Enterprise operating revenues, including charges for services and grants and contributions, were \$83.5 million this year, an increase of \$1.5 million from last year. Grants and contributions had a decrease of \$1.7 million mainly due to receiving less grant revenue in Airport due to project completion. The decrease in charges for services of \$0.9 million are due to the timing of the year end true up which will also affect next years revenues. Revenues were down for Water Reclamation facility of \$0.9 million (residential and commercial users) and in Solid Waste of \$0.1 million (C&D, commercial, single and multifamily fees). Decreases were also seen in Building Safety of \$0.7 million (overall decrease in construction permits), Animal Control of \$0.1 million (fines related to animal ordinance violations). Revenues were offset by increases including Convention Center of \$0.2 million (room rentals, and food, bar and concession sales) and Transit of \$0.7 million (V-line ticket sales and Sequoia Shuttle National Parks reimbursement).

Operating expenses were \$81.1 million this year, an increase of \$6.6 million from last year mainly due to increases in salaries and benefits of \$4.7 million due to wage and benefit increases, annual pension adjustments, and maintenance and operations of \$1.9 million.

Water Reclamation Facility - Operating revenues decreased \$0.9 million due to the timing of the year end true up which will also affect next years revenues and a decrease in development impact fees collected. Revenues were down in trunk line capacity fees of \$0.3 million, front footage fees of \$0.1 million, treatment connection fee of \$0.1 million, residential fees of \$0.6 million, and commercial fees of \$0.2 million. Revenues were offset by increases in industrial fees of \$0.2 million and services provided of \$0.2 million. Operating expenses increased by \$0.3 million consisting of increases in salaries and benefits of \$0.7 million due to wage and benefit increases, annual pension adjustments, utility expenses of \$0.2 million, chemical expenses of \$0.4 million, landfill/dump charges of \$0.2 million, equipment supply and maintenance repair of \$0.1 million, contracted professional services of \$0.2 million including expenses for grade V chief plant operator services, and farming related expenses of \$0.1 million, offset by a decrease in capital related activity of \$1.6 million when compared to the prior year.

Storm Sewer Maintenance - Operating revenues had a slight decrease of \$22K due to the timing of the year end true up which will also affect next year's revenues. Operating expenses decreased by \$0.2 million including decreases in capital related activity of \$0.1 million and salaries and benefits of \$0.1 million due to wage increases and the annual pension adjustments.

Solid Waste - Operating revenues decreased \$0.1 million mainly due to the timing of the year end true up which will also affect next year's revenues. Revenues were down in single family fee revenue of \$0.3 million, and C&D permits of \$0.1 million with increases in multifamily fee revenue of \$0.1 million, commercial recycling fee revenue of \$0.1 million and commercial fee revenue of \$0.1 million. Operating expenses decreased by \$0.1 million mainly due to an increase in depreciation expenses of \$0.1 million, with an overall decrease in salaries and benefits of \$0.2 million due to wage and benefit increases offset by the annual pension adjustments.

Transit – Operating revenues increased \$3.0 million from last year. Increases were seen in Sequoia Shuttle National Park reimbursement of \$0.6 million, and V-line ticket sales of \$0.1 million. In addition, operating grant revenue increased \$2.3 million due to the increase in transit assistance grant funding which fluctuates from year to year. Operating expenses increased by \$1.9 million due to increases in maintenance and operations consisting of \$1.0 million for scheduled increases for bus contracted services, CNG fuel of \$0.5 million, allocated expenses and services provided of \$0.2 million, contracted equipment repairs of \$0.1 million and utility expenses of \$0.1 million. Increases were also seen in salaries and benefits of \$0.3 due to wage and benefit increases and annual pension adjustments, all offset by a decrease in depreciation expense of \$0.3 million.

ANALYSIS OF NON MAJOR PROPRIETARY FUNDS

Convention Center - Operating revenues increased by \$0.2 million. Increases were mainly seen in conference room rental of \$0.1 million, and food, bar, and concession sales of \$0.1 million. Operating expenses increased by \$3.6 million mainly due to the annual pension adjustments of \$2.5 million being more than the previous year. Increases also included salaries and benefits of \$0.5 million and contract employees of \$0.2 million due to wage and benefit increases and increased staffing levels, and maintenance and operations of \$0.4 million due to the increase in events as compared to the prior year.

Airport - Operating revenues decreased \$31K slightly as a result of a slight decrease in aviation fuel sales. Operating expenses increased by \$0.2 million mainly due to salaries and benefits of \$0.1 million due to wage and benefit increases and the annual pension adjustments and depreciation expense of \$0.1 million due to the first year of depreciation expense for the new hangers.

Building Safety – Operating revenues decreased by \$0.7 million due to an overall decrease in construction permits compared to prior years activity. Operating expenses increased by \$0.7 million including increases in salaries and benefits of \$0.7 million due to wage and benefit increases and the annual pension adjustments and decreases in maintenance and operations expenses of \$0.1 million consisting of computer software support of \$0.1 million, and professional & specialized services for consulting of \$0.1 million offset by services provided of \$0.1 million.

Animal Control – Operating revenues decreased by \$75K mainly due to a decrease in fines related to animal ordinance violations. Operating expenses increased by \$0.1 million mainly due to a decrease in salaries and benefits of \$0.2 million due to the annual pension adjustments with an increase in maintenance and operations expenses of \$0.3 million consisting of allocated expenses and services provided of \$116K, capital related activity of \$23K, bad debt expense of \$41K, utility expenses of \$38K, and food, equipment, and veterinary expenses of \$54K.

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 expenditures increased by \$2.8 million to a final budgeted amount of \$81.8 million, mainly due to an increase of \$2.6 million in Capital Outlay (Projects).

General Fund - Final Budget and Actual Comparison

Total revenues were \$7.4 million higher than the final budgeted amount, as detailed below.

- Sales Tax – was \$3.4 million more than budgeted as the economy had growth, inflation had increased and averaged 3.1% for the year making goods and services more expensive, and new business opened within the City.
- Property Tax – was \$2.2 million more than budgeted as valuation increased more than anticipated due to increased development and increases in real estate prices.
- Transient Occupancy Tax – was \$0.6 million more than budgeted as the budget was conservative.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

- Business License – was \$0.3 million more than budgeted as business license activity was higher than anticipated for the year.
- Subventions and Grants – was \$0.1 million less than budgeted mostly due to the City not drawing down awarded grant funding million for capital improvement programs as the project is still in progress and will draw down the grant upon completion of the project.
- Total Fees and Fines – was \$0.3 million more than budgeted as local ordinance violations and vehicle code and parking violations were more than projected.
- Interest Earned – was \$0.1 million more than budgeted as interest earnings were more than anticipated.
- Engineering and Subdivision Services – was \$0.1 million less than budgeted as these specialized services for development were lower than anticipated for the year.
- Recreation Programs – was \$0.8 million less than budgeted. After school programs of \$0.6 million are no longer provided by the City to VUSD. VUSD receives money from the state to provide these services. There was a combined decrease of \$0.2 million in program activity for adult sports, aquatics, and special events.

Total expenditures were \$3.2 million less than budget. This difference had contributing factors such as vacancies, lower capital outlay offset by wage and salary increases, and one-time wage lump sum payment/bonus to employees.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its Governmental and Business-Type activities as of June 30, 2023 totaled \$740.4 million (net of accumulated depreciation and amortization), as shown in Table 8, Capital Assets, Net of Accumulated Depreciation & Amortization. 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*.

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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

	FY 22-23	FY 21-22*	Increase (Decrease)	
			\$	%
Governmental Activities				
Land	\$ 41.6	\$ 41.4	\$ 0.2	0%
Buildings	44.0	45.3	(1.3)	-3%
Improvements	59.7	59.7	-	0%
Equipment	20.0	20.3	(0.3)	-1%
Infrastructure	163.1	159.0	4.1	3%
Construction in Progress	45.7	27.1	18.6	69%
Right-to-use assets - lease assets	0.7	0.7	-	0%
Right-to-use assets - SBITA	1.5	1.6	(0.1)	-6%
Total	\$ 376.3	\$ 355.1	\$ 21.2	6%
Business-Type Activities				
Land	\$ 26.1	\$ 26.2	\$ (0.1)	0%
Buildings	35.0	36.2	(1.2)	-3%
Improvements	155.2	159.9	(4.7)	-3%
Equipment	25.6	28.2	(2.6)	-9%
Infrastructure	116.4	116.9	(0.5)	0%
Construction in Progress	5.8	4.3	1.5	35%
Right-to-use assets - SBITA	0.03	0.1	(0.03)	-50%
Total	\$ 364.1	\$ 371.8	\$ (7.6)	-2%
Total City-Wide	\$ 740.4	\$ 726.9	\$ 13.6	2%

* As restated due to the implementation of GASB 96.

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

Governmental

- Caldwell Improvements Akers to Shady & Santa Fe to Lovers Lane in progress
- Santa Fe at Tulare Ave round about completed
- Walnut Ave Rehabilitation completed
- Shirk Widening project in progress
- Riggin Widening project in progress
- Downtown Street lighting & pavement rehabilitation in progress
- Purchased 88 Axon In-Car cameras
- Replaced roof at Fire Station 55
- Installed 3 new Arbors at Blain Park
- Purchased 11 new Cardiac Monitors
- Purchased 2 Electronic Traffic Sign Boards
- Purchased 2 new K-9 officers
- Completed repair of Fleet Shop foundation settlement
- Deployed 100+ new monitors throughout City offices

Business-type

- Purchased and added storm drain infrastructure
- Purchased 5 Solid Waste collection vehicles
- Purchased 8 new Roll-Off boxes

Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

Debt Administration

The City’s total long-term debt decreased by \$5.5 million (5%) during the fiscal year, as shown in [Table 9, Outstanding Debt](#). This was due to the City’s regularly scheduled debt service payments, lease payments, SBITA 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 22-23	FY 21-22*	Increase (Decrease)	
			\$	%
Governmental Activities				
Certificates of Participation	\$ 7.5	\$ 8.5	\$ (1.0)	-12%
Lease Liabilities	0.7	0.7	-	0%
SBITA Liabilities	0.7	1.4	(0.7)	-50%
Compensated Absences	6.1	6.0	0.1	2%
Total	<u>15.0</u>	<u>16.6</u>	<u>(1.6)</u>	-10%
Business-Type Activities				
Certificates of Participation	4.5	5.4	(0.9)	-17%
Lease	2.6	3.0	(0.4)	-13%
Notes - Direct Borrowings	84.2	86.8	(2.6)	-3%
SBITA Liabilities	0.1	0.1	-	0%
Compensated Absences	1.2	1.2	-	0%
Total	<u>\$ 92.6</u>	<u>\$ 96.5</u>	<u>\$ (3.9)</u>	-4%
Total City-Wide	<u>\$ 107.6</u>	<u>\$ 113.1</u>	<u>\$ (5.5)</u>	-5%

* As restated due to the implementation of GASB 96.

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, 2023

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 and deferred inflows of resources from total assets and deferred outflows of resources.

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 Statement of Activities 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*.

CITY OF VISALIA
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments (Note 3)	\$ 325,156,856	\$ 183,183,215	\$ 508,340,071
Restricted Cash and Investments (Note 3)	857,545	5,631,326	6,488,871
Accounts Receivable	14,619,535	6,261,954	20,881,489
Leases Receivable (Note 15)	1,977,455	5,708,077	7,685,532
Interest Receivable	2,555,190	-	2,555,190
Taxes Receivable	21,005,569	302,318	21,307,887
Notes and Loans Receivable (Note 5)	37,604,624	94,201	37,698,825
Supplies	1,344,598	75,515	1,420,113
Inventory	221,595	40,819	262,414
Internal Balances (Note 4D)	2,767,744	(2,767,744)	-
Due from Other Governmental Units	2,544,423	15,331,141	17,875,564
Prepays and Deposits	1,053,206	25,311	1,078,517
Capital Assets, Net of Accumulated Depreciation (Note 6):			
Capital Assets Not Being Depreciated or Amortized	87,284,569	31,888,704	119,173,273
Capital Assets Being Depreciated or Amortized	289,063,383	332,217,759	621,281,142
Total Assets	788,056,292	577,992,596	1,366,048,888
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related (Note 10)	46,725,542	11,022,455	57,747,997
Total Deferred Outflows of Resources	46,725,542	11,022,455	57,747,997
LIABILITIES			
Accounts, Interest, and Contracts Payable	9,207,205	5,364,316	14,571,521
Advances from Grantors and Third Parties	-	4,108,355	4,108,355
Customer Deposits	779,266	278,179	1,057,445
Unearned Revenue	27,154,609	1,555,217	28,709,826
Accrued Personnel Costs	56,643	-	56,643
Long-Term Liabilities (Note 7):			
Due Within One Year	2,391,560	4,264,441	6,656,001
Due in More Than One Year	12,629,514	88,346,308	100,975,822
Liability for Self-Insurance Claims (Note 11):			
Due Within One Year	2,107,818	-	2,107,818
Due in More Than One Year	6,185,114	-	6,185,114
Net Pension Liability Due in More Than One Year (Note 10)	120,297,795	36,131,285	156,429,080
Total Liabilities	180,809,524	140,048,101	320,857,625
DEFERRED INFLOWS OF RESOURCES			
Pension Related (Note 10)	4,493,375	1,491,910	5,985,285
Lease Related (Note 15)	1,914,744	5,636,371	7,551,115
Total Deferred Inflows of Resources	6,408,119	7,128,281	13,536,400
NET POSITION			
Net Investment in Capital Assets	367,404,078	272,711,502	640,115,580
Restricted for:			
Capital Projects	124,979,888	12,399,897	137,379,785
Debt Service	11,242	4,365,229	4,376,471
Waterways/Groundwater Projects	8,921,379	-	8,921,379
Landscape & Lighting Districts	14,674,142	-	14,674,142
Public Safety	14,592,865	-	14,592,865
Roadway Projects	17,994,392	-	17,994,392
Golf Course Maintenance Projects & Miscellaneous	1,656,036	-	1,656,036
Total Restricted Net Position	182,829,944	16,765,126	199,595,070
Unrestricted	97,330,169	152,362,041	249,692,210
Total Net Position	\$ 647,564,191	\$ 441,838,669	\$ 1,089,402,860

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

**CITY OF VISALIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities							
General Government	\$ 7,009,361	\$ 1,153,698	\$ 1,088,067	\$ 4,336,690	\$ (430,906)	\$ -	\$ (430,906)
Community Development	3,387,613	782,273	48,979	58,535	(2,497,826)	-	(2,497,826)
Housing & Community Grants	2,936,094	39,077	5,638,348	-	2,741,331	-	2,741,331
Public Safety							
Police	49,058,936	2,982,517	937,858	768,312	(44,370,249)	-	(44,370,249)
Fire	22,699,361	1,960,250	14,649	221,159	(20,503,303)	-	(20,503,303)
Public Works	19,948,447	12,357,300	-	9,447,881	1,856,734	-	1,856,734
Community Services	14,074,322	9,814,580	-	40,964	(4,218,778)	-	(4,218,778)
Interest on Long-Term Debt	370,213	-	-	-	(370,213)	-	(370,213)
Total Governmental Activities	119,484,347	29,089,695	7,727,901	14,873,541	(67,793,210)	-	(67,793,210)
Business-Type Activities							
Convention Center	4,675,026	1,769,800	-	-	-	(2,905,226)	(2,905,226)
Airport	2,754,706	2,282,280	-	174,470	-	(297,956)	(297,956)
Water Reclamation Facility	25,918,858	28,712,225	-	609,997	-	3,403,364	3,403,364
Storm Sewer Maintenance	2,520,596	1,301,063	-	1,818,012	-	598,479	598,479
Solid Waste	20,938,221	21,504,756	190,914	250,228	-	1,007,677	1,007,677
Transit	21,495,497	5,837,736	16,198,898	111,951	-	653,088	653,088
Animal Control	1,970,220	564,312	4,750	-	-	(1,401,158)	(1,401,158)
Building Safety	3,741,523	5,133,425	-	-	-	1,391,902	1,391,902
Total Business-Type Activities	84,014,647	67,105,597	16,394,562	2,964,658	-	2,450,170	2,450,170
Total	\$ 203,498,994	\$ 96,195,292	\$ 24,122,463	\$ 17,838,199	\$ (67,793,210)	\$ 2,450,170	\$ (65,343,040)
General Revenues							
Taxes:							
					85,969,736	-	85,969,736
					31,726,902	-	31,726,902
					4,533,774	-	4,533,774
					3,706,843	-	3,706,843
					3,751,812	-	3,751,812
					3,710,742	2,184,621	5,895,363
					1,023,009	3,067,965	4,090,974
Transfers							
					(4,894,358)	4,894,358	-
Total General Revenues and Transfers							
					129,528,460	10,146,944	139,675,404
Change in Net Position							
					61,735,250	12,597,114	74,332,364
Net Position - Beginning of Year, As Restated (Note 13)							
					585,828,941	429,241,555	1,015,070,496
Net Position - End of Year							
					<u>\$ 647,564,191</u>	<u>\$ 441,838,669</u>	<u>\$ 1,089,402,860</u>

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 2022-23. 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 – SPECIAL REVENUE FUND

Measure N is used to account for increased public safety services including police and fire, repair and maintenance for streets and roads, and maintenance of parks and trails. Measure N provides the City with a reliable, ongoing local source of funding which is locally controlled with citizen oversight. Financing is provided by the ½ cent sales tax ballot measure (N) approved by voters during the November 8, 2016 election.

HOUSING & COMMUNITY GRANTS – SPECIAL REVENUE 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 – SPECIAL REVENUE 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 – SPECIAL REVENUE FUND

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

TRANSPORTATION – CAPITAL PROJECT 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.

CIVIC CENTER – CAPITAL PROJECT FUND

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.

**CITY OF VISALIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Major Funds			
	General Fund	Measure N - Special Revenue Fund	Housing & Community Grants - Special Revenue Fund	Housing Successor Agency - Special Revenue Fund
ASSETS				
Cash and Investments (Note 3)	\$ 29,727,048	\$ 33,412,310	\$ 907,507	\$ 2,325,281
Restricted Cash and Investments (Note 3)				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	2,031,546	34,950	-	-
Leases Receivable (Note 15)	545,533	-	-	-
Interest Receivable	2,555,190	-	-	-
Taxes Receivable	11,428,090	3,254,297	29,318	-
Notes and Loans Receivable (Note 5)	11,968,706	-	16,334,775	8,143,244
Supplies	12,443	-	-	-
Inventory (Note 1K)	136,564	-	-	-
Due from Other Funds (Note 4C)	212,700	-	-	-
Advances to Other Funds (Note 4B)	3,408,693	-	-	-
Due from Other Governmental Units	247,825	-	712,097	-
Prepays and Deposits	18,193	-	-	-
Total Assets	\$ 62,292,531	\$ 36,701,557	\$ 17,983,697	\$ 10,468,525
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 1,764,298	\$ 115,964	\$ 346,467	\$ 50
Due to Other Funds (Note 4C)	-	-	210,781	-
Advances from Other Funds (Note 4B)	-	-	-	-
Customer Deposits	422,565	-	-	-
Unearned Revenue	1,619,084	-	-	-
Accrued Personnel Costs	38,917	-	-	-
Total Liabilities	3,844,864	115,964	557,248	50
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Tax	1,054,932	-	-	-
Unavailable Revenue - Business Tax	925,965	-	-	-
Unavailable Revenue - Impact Fees	3,140	-	-	-
Unavailable Revenue - Misc	528,762	-	-	-
Unavailable Revenue - Grants	-	-	-	-
Leases (Note 15)	521,453	-	-	-
Total Deferred Inflows of Resources	3,034,252	-	-	-
FUND BALANCES (Note 9)				
Nonspendable	3,497,641	-	-	-
Restricted	-	36,585,593	17,426,449	10,468,475
Committed	20,804,987	-	-	-
Assigned	27,967,899	-	-	-
Unassigned (Deficit)	3,142,888	-	-	-
Total Fund Balances	55,413,415	36,585,593	17,426,449	10,468,475
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 62,292,531	\$ 36,701,557	\$ 17,983,697	\$ 10,468,525

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

**CITY OF VISALIA
BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2023**

	Major Funds			Non-Major Funds	
	American Rescue Plan - Special Revenue Fund	Transportation - Capital Project Fund	Civic Center - Capital Project Fund	All Other Governmental Funds	Total
ASSETS					
Cash and Investments (Note 3)	\$ 25,665,124	\$ 27,025,779	\$ 56,662,209	\$ 99,561,243	\$ 275,286,501
Restricted Cash and Investments (Note 3)					
Cash Held by Trustee	-	-	-	11,242	11,242
Cash Held by City	-	-	-	375,591	375,591
Accounts Receivable	-	8,372,601	-	4,148,604	14,587,701
Leases Receivable (Note 15)	-	-	-	1,431,922	1,977,455
Interest Receivable	-	-	-	-	2,555,190
Taxes Receivable	-	-	-	6,293,864	21,005,569
Notes and Loans Receivable (Note 5)	-	592,606	127,272	438,021	37,604,624
Supplies	-	-	-	-	12,443
Inventory (Note 1K)	-	-	-	85,031	221,595
Due from Other Funds (Note 4C)	-	-	-	-	212,700
Advances to Other Funds (Note 4B)	-	-	-	-	3,408,693
Due from Other Governmental Units	-	-	-	1,584,501	2,544,423
Prepays and Deposits	-	-	-	-	18,193
Total Assets	\$ 25,665,124	\$ 35,990,986	\$ 56,789,481	\$ 113,930,019	\$ 359,821,920
LIABILITIES					
Accounts, Interest and Contracts Payable	\$ -	\$ 5,058,296	\$ 321,671	\$ 1,167,715	\$ 8,774,461
Due to Other Funds (Note 4C)	-	-	-	1,919	212,700
Advances from Other Funds (Note 4B)	-	-	-	3,408,693	3,408,693
Customer Deposits	-	-	-	356,701	779,266
Unearned Revenue	24,912,277	-	-	623,248	27,154,609
Accrued Personnel Costs	-	-	-	-	38,917
Total Liabilities	24,912,277	5,058,296	321,671	5,558,276	40,368,646
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Tax	-	-	-	-	1,054,932
Unavailable Revenue - Business Tax	-	-	-	-	925,965
Unavailable Revenue - Impact Fees	-	6,393,492	-	3,826,789	10,223,421
Unavailable Revenue - Misc	-	-	-	-	528,762
Unavailable Revenue - Grants	-	-	-	1,352,843	1,352,843
Leases (Note 15)	-	-	-	1,393,291	1,914,744
Total Deferred Inflows of Resources	-	6,393,492	-	6,572,923	16,000,667
FUND BALANCES (Note 9)					
Nonspendable	-	-	-	-	3,497,641
Restricted	752,847	24,539,198	-	99,629,052	189,401,614
Committed	-	-	56,467,810	1,252,408	78,525,205
Assigned	-	-	-	1,654,399	29,622,298
Unassigned (Deficit)	-	-	-	(737,039)	2,405,849
Total Fund Balances	752,847	24,539,198	56,467,810	101,798,820	303,452,607
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 25,665,124	\$ 35,990,986	\$ 56,789,481	\$ 113,930,019	\$ 359,821,920

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



**CITY OF VISALIA
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total Fund Balances - Governmental Funds \$ 303,452,607

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, accumulated depreciation and accumulated amortization.

Capital Assets at Cost	\$523,893,240	
Accumulated Depreciation	(164,934,435)	
Right-To-Use Assets - Lease Assets at Cost	910,893	
Right-To-Use Assets - Subscription-Based Information Technology Arrangements	1,375,007	
Accumulated Amortization	<u>(574,151)</u>	360,670,554

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.

51,158,124

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	(7,533,279)	
Lease Liabilities	(678,803)	
Subscription-Based Information Technology Arrangements	<u>(731,792)</u>	(8,943,874)

DEFERRED INFLOWS / (OUTFLOWS) OF RESOURCES

Deferred Inflows of Resources: In governmental funds, future payments for receivables on delinquent property taxes, business taxes and deferred impact fees are treated as deferred inflows of resources. In government-wide statements, future payments of delinquent property taxes, business taxes and deferred impact fees are recorded as an offset to receivables.

14,085,923

Net pension liability and the related deferred outflows of resources and deferred inflows of resources are not due and payable in the current period or not available for current expenditures and are not reported in the governmental fund financial statements:

Pension related deferred outflows of resources - net of \$2,157,393 allocated to the internal service funds	44,568,148	
Aggregate net pension liabilities - net of \$7,071,872 allocated to the internal service funds	(113,225,924)	
Pension related deferred inflows of resources - net of \$292,008 allocated to the internal service funds	<u>(4,201,367)</u>	<u>(72,859,143)</u>

Total Net Position - Governmental Activities

\$ 647,564,191

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, 2023

	Major Funds			
	General Fund	Measure N - Special Revenue Fund	Housing & Community Grants - Special Revenue Fund	Housing Successor Agency - Special Revenue Fund
REVENUES				
Sales Taxes	\$ 47,866,077	\$ 19,487,895	\$ -	\$ -
Property Taxes	31,768,558	-	-	-
Other Taxes	11,680,691	-	-	-
Subventions and Grants	1,767,426	16,092	5,716,466	-
License and Permits	89,404	-	-	-
Fees and Fines	1,196,529	-	15,959	-
Uses of Money and Property	1,047,507	382,638	41,999	(3,416)
Charges for Current Services	3,457,337	8,857	5,000	-
Miscellaneous	1,544,107	51,247	10,603	728
Total Revenues	100,417,636	19,946,729	5,790,027	(2,688)
EXPENDITURES				
Current:				
General Government	4,132,396	271,392	-	114,030
Community Development	3,030,538	-	91,502	-
Housing & Community Grants	-	-	2,636,632	-
Public Safety:				
Fire	17,475,323	1,559,712	-	-
Police	37,193,386	5,913,995	-	-
Public Works	4,841,109	-	-	-
Community Services	7,179,557	830,058	-	-
Capital Outlay	3,946,113	12,054,479	1,882,971	-
Debt Service (Note 7):				
Principal	760,872	-	-	-
Interest and Fiscal Charges	35,218	-	-	-
Total Expenditures	78,594,512	20,629,636	4,611,105	114,030
Excess (Deficiency) of				
Revenues over (Under) Expenditures	21,823,124	(682,907)	1,178,922	(116,718)
Other Financing Sources (Uses)				
Sale of Land	-	-	172,669	-
Proceeds From Sale of Capital Assets	975	-	-	-
Issuance of Debt - Leases Acquired	73,497	-	-	-
Transfers In (Note 4A)	-	-	30,359	-
Transfers Out (Note 4A)	(20,276,501)	-	-	-
Total Other Financing Sources (Uses)	(20,202,029)	-	203,028	-
Net Change in Fund Balances	1,621,095	(682,907)	1,381,950	(116,718)
Fund Balances - Beginning of Year	53,792,320	37,268,500	16,044,499	10,585,193
Fund Balances - End of Year	<u>\$ 55,413,415</u>	<u>\$ 36,585,593</u>	<u>\$ 17,426,449</u>	<u>\$ 10,468,475</u>

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 (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Major Funds			Non-Major Funds	Total
	American Rescue Plan - Special Revenue Fund	Transportation - Capital Project Fund	Civic Center - Capital Project Fund	All Other Governmental Funds	
REVENUES					
Sales Taxes	\$ -	\$ -	\$ -	\$ 17,262,921	\$ 84,616,893
Property Taxes	-	-	-	-	31,768,558
Other Taxes	-	-	-	90,119	11,770,810
Subventions and Grants	3,572,859	-	-	9,785,987	20,858,830
License and Permits	-	-	-	7,725	97,129
Fees and Fines	-	5,168,798	-	6,724,597	13,105,883
Uses of Money and Property	686,106	265,166	513,411	1,122,838	4,056,249
Charges for Current Services	-	-	-	5,970,377	9,441,571
Miscellaneous	60	14	59	544,759	2,151,577
Total Revenues	4,259,025	5,433,978	513,470	41,509,323	177,867,500
EXPENDITURES					
Current:					
General Government	-	-	13,458	14,248	4,545,524
Community Development	-	-	-	9,043	3,131,083
Housing & Community Grants	-	-	-	-	2,636,632
Public Safety:					
Fire	-	-	-	3,100,469	22,135,504
Police	-	-	-	4,473,132	47,580,513
Public Works	-	43,355	-	1,838,835	6,723,299
Community Services	-	-	-	4,635,014	12,644,629
Capital Outlay	3,572,859	347,650	955,179	16,533,653	39,292,904
Debt Service (Note 7):					
Principal	-	-	-	968,029	1,728,901
Interest and Fiscal Charges	-	-	-	310,834	346,052
Total Expenditures	3,572,859	391,005	968,637	31,883,257	140,765,041
Excess (Deficiency) of Revenues over (Under) Expenditures	686,166	5,042,973	(455,167)	9,626,066	37,102,459
Other Financing Sources (Uses)					
Sale of Land	-	-	-	-	172,669
Proceeds From Sale of Capital Assets	-	-	-	-	975
Issuance of Debt - Leases Acquired	-	-	-	-	73,497
Transfers In (Note 4A)	-	-	9,918,553	1,798,489	11,747,401
Transfers Out (Note 4A)	-	-	-	(2,820,258)	(23,096,759)
Total Other Financing Sources (Uses)	-	-	9,918,553	(1,021,769)	(11,102,217)
Net Change in Fund Balances	686,166	5,042,973	9,463,386	8,604,297	26,000,242
Fund Balances - Beginning of Year	66,681	19,496,225	47,004,424	93,194,523	277,452,365
Fund Balances - End of Year	\$ 752,847	\$ 24,539,198	\$ 56,467,810	\$ 101,798,820	\$ 303,452,607

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, 2023

Total Net Changes in Fund Balances - Governmental Funds \$ 26,000,242

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 and amortization expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for Capital Outlay	\$ 30,908,978	
Net Retirements of Capital Assets	(285,703)	
Depreciation and Amortization Expenses	<u>(10,845,038)</u>	19,778,237

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 Payments of Long-Term Debt	968,029	
Principal Payments of Lease Liabilities	117,657	
Principal Payments of Subscription-Based Information Technology Arrangements	<u>643,215</u>	1,728,901

In governmental funds, repayments for delinquent property taxes, business taxes, and deferred impact fees are recognized as revenue. In government-wide statements, repayments of delinquent property taxes, business taxes, and deferred impact fees are recorded as reduction of receivables. Change in unavailable revenue relating to delinquent property taxes, business taxes, and deferred impact fees: 4,582,977

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: 9,637,103

Pension Related Expenses 7,790

Total Change in Net Position - Governmental Activities \$ 61,735,250

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



MAJOR PROPRIETARY FUNDS

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

The funds described below were determined to be Major Funds by the City in fiscal year 2022-23. Individual non-major funds are presented in the Supplementary Information section.

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.

Non-Major Proprietary Funds Include the following: (detail found on pages 164-166)

Convention Center
Airport
Building Safety
Animal Control

CITY OF VISALIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit
ASSETS				
Current Assets				
Cash and Investments (Note 3)	\$ 94,825,811	\$ 715,809	\$ 34,906,686	\$ 37,111,194
Accounts Receivable	3,622,865	116,824	1,711,542	180,428
Leases Receivable (Note 15)	-	-	-	48,389
Taxes Receivable	118,413	63,963	119,942	-
Current Portion of Note and Loans Receivable (Note 5)	38,688	-	-	-
Supplies	-	-	-	-
Inventory (Note 1K)	20,053	20,766	-	-
Due from Other Governmental Units	-	-	16,000	15,315,141
Prepaid Expenses	-	-	-	-
Total Current Assets	<u>98,625,830</u>	<u>917,362</u>	<u>36,754,170</u>	<u>52,655,152</u>
Non-Current Assets				
Restricted Cash and Investments (Note 3)				
Cash Held by Trustee	-	-	-	-
Cash Held by City	4,365,228	-	-	-
Leases Receivable	-	-	-	93,730
Non-current Portion of Note and Loans Receivable (Note 5)	55,513	-	-	-
Capital Assets (Note 6)				
Land	6,948,344	9,437,692	1,567,372	4,361,902
Construction in Progress	2,655,728	3,082,239	-	5,790
Buildings	2,937,862	-	197,130	19,589,783
Improvements Other Than Buildings	206,806,075	2,546,130	981,520	2,602,376
Machinery, Equipment and Vehicles	9,791,534	1,136,411	20,892,736	39,710,848
Infrastructure	93,108,483	61,721,228	-	-
Right-to-use subscription asset (SBITA)	-	-	-	-
Accumulated Depreciation and Amortization	<u>(89,685,509)</u>	<u>(16,375,240)</u>	<u>(11,322,589)</u>	<u>(35,621,198)</u>
Total Non-Current Assets	<u>236,983,258</u>	<u>61,548,460</u>	<u>12,316,169</u>	<u>30,743,231</u>
Total Assets	<u>335,609,088</u>	<u>62,465,822</u>	<u>49,070,339</u>	<u>83,398,383</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related (Note 10)	2,690,282	383,175	3,882,754	732,772
Total Deferred Outflows of Resources	<u>2,690,282</u>	<u>383,175</u>	<u>3,882,754</u>	<u>732,772</u>
LIABILITIES				
Current Liabilities				
Accounts, Interest and Contracts Payable	2,175,692	17,458	684,310	1,708,564
Advances from Grantors and Third Parties	-	-	183,590	3,924,765
Accrued Personnel Costs	-	-	-	-
Customer Deposits	160,904	-	-	-
Current Portion of Long-Term Liabilities (Note 7):				
Compensated Absences	96,949	-	25,618	-
Certificates of Participation and Loans	2,596,351	-	-	-
Liability for SBITA Lease (Note 7)	-	-	-	-
Liability for Self-insured Claims (Note 11)	-	-	-	-
Total Current Liabilities	<u>5,029,896</u>	<u>17,458</u>	<u>893,518</u>	<u>5,633,329</u>
Non-Current Liabilities				
Unearned Revenue	1,508,784	20,766	-	-
Non-current Portion of Long-term Liabilities (Note 7):				
Compensated Absences	196,347	27,534	483,132	61,156
Certificates of Participation and Loans	81,635,890	-	-	-
Liability for Self-insured Claims (Note 11)	-	-	-	-
Net Pension Liability (Note 10)	8,818,666	1,256,035	12,727,555	2,402,003
Total Non-Current Liabilities	<u>92,159,687</u>	<u>1,304,335</u>	<u>13,210,687</u>	<u>2,463,159</u>
Total Liabilities	<u>97,189,583</u>	<u>1,321,793</u>	<u>14,104,205</u>	<u>8,096,488</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related (Note 10)	364,135	51,863	525,538	99,182
Lease Related (Note 15)	-	-	-	139,663
Total Deferred Inflows of Resources	<u>364,135</u>	<u>51,863</u>	<u>525,538</u>	<u>238,845</u>
NET POSITION				
Net Investment in Capital Assets	148,330,276	61,548,460	12,316,169	30,649,501
Restricted for:				
Debt Service	4,365,228	-	-	-
Capital Projects	2,399,543	35,895	3,850,294	4,676,865
Unrestricted (Deficit)	<u>85,650,605</u>	<u>(109,014)</u>	<u>22,156,887</u>	<u>40,469,456</u>
Total Net Position	<u>\$ 240,745,652</u>	<u>\$ 61,475,341</u>	<u>\$ 38,323,350</u>	<u>\$ 75,795,822</u>

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

CITY OF VISALIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (Continued)
JUNE 30, 2023

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Funds</u>		Governmental
	Non-Major Funds	Total	Activities Internal Service Funds
ASSETS	Total	Total	Total
Current Assets			
Cash and Investments (Note 3)	\$ 15,623,715	\$ 183,183,215	\$ 49,870,355
Accounts Receivable	630,295	6,261,954	31,835
Leases Receivable (Note 15)	394,684	443,073	-
Taxes Receivable	-	302,318	-
Current Portion of Note and Loans Receivable (Note 5)	-	38,688	-
Supplies	75,515	75,515	1,332,155
Inventory (Note 1K)	-	40,819	-
Due from Other Governmental Units	-	15,331,141	-
Prepaid Expenses	25,311	25,311	1,035,013
Total Current Assets	<u>16,749,520</u>	<u>205,702,034</u>	<u>52,269,358</u>
Non-Current Assets			
Restricted Cash and Investments (Note 3)			
Cash Held by Trustee	1	1	470,712
Cash Held by City	1,266,097	5,631,325	-
Leases Receivable	5,171,274	5,265,004	-
Non-current Portion of Note and Loans Receivable (Note 5)	-	55,513	-
Capital Assets (Note 6)			
Land	3,829,637	26,144,947	-
Construction in Progress	-	5,743,757	1,700,796
Buildings	35,648,426	58,373,201	654,910
Improvements Other Than Buildings	18,946,873	231,882,974	218,785
Machinery, Equipment and Vehicles	3,319,449	74,850,978	37,645,118
Infrastructure	-	154,829,711	-
Right-to-use subscription asset (SBITA)	64,915	64,915	803,761
Accumulated Depreciation and Amortization	(34,779,484)	(187,784,020)	(25,345,972)
Total Non-Current Assets	<u>33,467,188</u>	<u>375,058,306</u>	<u>16,148,110</u>
Total Assets	<u>50,216,708</u>	<u>580,760,340</u>	<u>68,417,468</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related (Note 10)	3,333,472	11,022,455	2,157,393
Total Deferred Outflows of Resources	<u>3,333,472</u>	<u>11,022,455</u>	<u>2,157,393</u>
LIABILITIES			
Current Liabilities			
Accounts, Interest and Contracts Payable	778,292	5,364,316	432,743
Advances from Grantors and Third Parties	-	4,108,355	-
Accrued Personnel Costs	-	-	17,726
Customer Deposits	117,275	278,179	-
Current Portion of Long-Term Liabilities (Note 7):			
Compensated Absences	57,678	180,245	1,206,299
Certificates of Participation and Loans	1,422,930	4,019,281	-
Liability for SBITA Lease (Note 7)	64,915	64,915	-
Liability for Self-insured Claims (Note 11)	-	-	2,107,818
Total Current Liabilities	<u>2,441,090</u>	<u>14,015,291</u>	<u>3,764,586</u>
Non-Current Liabilities			
Unearned Revenue	25,667	1,555,217	-
Non-current Portion of Long-term Liabilities (Note 7):			
Compensated Absences	267,374	1,035,543	4,870,901
Certificates of Participation and Loans	5,674,875	87,310,765	-
Liability for Self-insured Claims (Note 11)	-	-	6,185,114
Net Pension Liability (Note 10)	10,927,026	36,131,285	7,071,872
Total Non-Current Liabilities	<u>16,894,942</u>	<u>126,032,810</u>	<u>18,127,887</u>
Total Liabilities	<u>19,336,032</u>	<u>140,048,101</u>	<u>21,892,473</u>
DEFERRED INFLOWS OF RESOURCES			
Pension Related (Note 10)	451,192	1,491,910	292,008
Lease Related (Note 15)	5,496,708	5,636,371	-
Total Deferred Inflows of Resources	<u>5,947,900</u>	<u>7,128,281</u>	<u>292,008</u>
NET POSITION			
Net Investment in Capital Assets	19,867,096	272,711,502	14,873,637
Restricted for:			
Debt Service	1	4,365,229	-
Capital Projects	1,437,300	12,399,897	1,512,700
Unrestricted (Deficit)	6,961,851	155,129,785	32,004,043
Total Net Position	<u>\$ 28,266,248</u>	<u>444,606,413</u>	<u>\$ 48,390,380</u>
Adjustments to Reflect the Consolidation of Internal Service			
Fund Activities Related to Enterprise Funds		(2,767,744)	
Net Position of Business-Type Activities		<u>\$ 441,838,669</u>	

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

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit
OPERATING REVENUES				
Charges for Services	\$ 28,712,225	\$ 1,301,063	\$ 21,504,756	\$ 5,837,736
Operating Grants and Contributions	-	-	190,914	16,198,898
Total Operating Revenues	<u>28,712,225</u>	<u>1,301,063</u>	<u>21,695,670</u>	<u>22,036,634</u>
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	4,143,285	632,716	6,580,430	1,115,165
Maintenance and Operations	13,854,832	1,022,037	12,686,430	17,690,190
Insurance Premiums and Loss Provisions	-	-	-	-
Depreciation and Amortization	5,585,399	830,627	1,589,098	2,645,218
Total Operating Expenses	<u>23,583,516</u>	<u>2,485,380</u>	<u>20,855,958</u>	<u>21,450,573</u>
Operating Income (Loss)	<u>5,128,709</u>	<u>(1,184,317)</u>	<u>839,712</u>	<u>586,061</u>
NONOPERATING REVENUES (EXPENSES)				
Interest Income	1,059,662	8,549	416,567	438,160
Interest Expense	(1,777,948)	-	-	-
Other Income	1,369,777	68,742	526,526	794,139
Other Expenses	(533,980)	(31,014)	(7,824)	(34,719)
Total Nonoperating Revenues (Expenses)	<u>117,511</u>	<u>46,277</u>	<u>935,269</u>	<u>1,197,580</u>
Income (Loss) Before Contributions and Transfers	<u>5,246,220</u>	<u>(1,138,040)</u>	<u>1,774,981</u>	<u>1,783,641</u>
Capital Grants and Contributions	609,997	1,818,012	250,228	111,951
Transfers In (Note 4A)	-	300,000	-	-
Net Contributions and Transfers	<u>609,997</u>	<u>2,118,012</u>	<u>250,228</u>	<u>111,951</u>
Change in Net Position	<u>5,856,217</u>	<u>979,972</u>	<u>2,025,209</u>	<u>1,895,592</u>
Net Position - Beginning	234,889,435	60,495,369	36,298,141	73,900,230
Prior Period Adjustment (Note 13)	-	-	-	-
Net Position - Beginning, as restated	<u>234,889,435</u>	<u>60,495,369</u>	<u>36,298,141</u>	<u>73,900,230</u>
Net Position - Ended	<u>\$ 240,745,652</u>	<u>\$ 61,475,341</u>	<u>\$ 38,323,350</u>	<u>\$ 75,795,822</u>

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

CITY OF VISALIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds		Governmental Activities
	Non-Major Funds		Internal Service Funds
	Total	Total	Total
OPERATING REVENUES			
Charges for Services	\$ 9,749,817	\$ 67,105,597	\$ 31,010,349
Operating Grants and Contributions	4,750	16,394,562	-
	9,754,567	83,500,159	31,010,349
OPERATING EXPENSES			
Salaries, Wages and Employee Benefits	6,332,693	18,804,289	3,058,246
Maintenance and Operations	4,980,317	50,233,806	6,805,727
Insurance Premiums and Loss Provisions	-	-	19,443,211
Depreciation and Amortization	1,366,605	12,016,947	2,303,480
	12,679,615	81,055,042	31,610,664
Total Operating Expenses	12,679,615	81,055,042	31,610,664
Operating Income (Loss)	(2,925,048)	2,445,117	(600,315)
NONOPERATING REVENUES (EXPENSES)			
Interest Income	261,683	2,184,621	396,444
Interest Expense	(312,035)	(2,089,983)	(24,161)
Other Income	308,781	3,067,965	1,524,058
Other Expenses	(118,009)	(725,546)	(611)
	140,420	2,437,057	1,895,730
Total Nonoperating Revenues (Expenses)	140,420	2,437,057	1,895,730
Income (Loss) Before Contributions and Transfers	(2,784,628)	4,882,174	1,295,415
Capital Grants and Contributions	174,470	2,964,658	1,742,612
Transfers In (Note 4A)	4,594,358	4,894,358	6,455,000
	4,768,828	7,859,016	8,197,612
Net Contributions and Transfers	4,768,828	7,859,016	8,197,612
Change in Net Position	1,984,200	12,741,190	9,493,027
Net Position - Beginning	26,282,048	431,865,223	38,635,828
Prior Period Adjustment (Note 13)	-	-	261,525
Net Position - Beginning, as restated	26,282,048	431,865,223	38,897,353
Net Position - Ended	\$ 28,266,248	444,606,413	\$ 48,390,380
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds		(144,076)	
Change in Net Position of Business-Type Activities		\$ 12,597,114	

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, 2023**

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers or Other Funds	\$ 29,281,000	\$ 1,345,560	\$ 22,378,785	\$ 22,112,827
Cash Payments to Employees for Services	(4,304,996)	(674,614)	(6,727,538)	(1,125,070)
Cash Payments to Suppliers for Services	(14,108,057)	(1,063,779)	(12,533,218)	(18,436,976)
Cash Received from (Payments to) Other Governments	(13,060)	-	175,418	(3,630,868)
Net Cash Provided (Used) by Operating Activities	<u>10,854,887</u>	<u>(392,833)</u>	<u>3,293,447</u>	<u>(1,080,087)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Grant Income	-	-	183,590	-
Advance (to) from Other Funds	40,079	-	-	-
Other Income	1,369,777	68,742	526,526	794,139
Other Payments	(533,980)	(31,014)	(7,824)	(34,719)
Transfers In	-	300,000	-	-
Net Cash Provided by Noncapital Financing Activities	<u>875,876</u>	<u>337,728</u>	<u>702,292</u>	<u>759,420</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	(1,008,953)	(1,818,012)	(1,553,593)	(4,525)
Capital Grants Received	-	-	250,228	1,180,356
Contributions	609,997	1,818,012	-	-
Interest Expense	-	-	-	-
Long-Term Debt Payments - Principal	(2,542,949)	-	-	-
Long-Term Debt Payments - Interest	(1,777,948)	-	-	-
Net Cash Provided by Capital and Related Financing Activities	<u>(4,719,853)</u>	<u>-</u>	<u>(1,303,365)</u>	<u>1,175,831</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Earnings	1,059,662	8,549	416,567	438,160
Net Cash Provided by Investing Activities	<u>1,059,662</u>	<u>8,549</u>	<u>416,567</u>	<u>438,160</u>
Net Increase (Decrease) in Cash and Investments	8,070,572	(46,556)	3,108,941	1,293,324
Cash and Investments - Beginning of Year	91,120,467	762,365	31,797,745	35,817,870
Cash and Investments - End of Year	<u>\$ 99,191,039</u>	<u>\$ 715,809</u>	<u>\$ 34,906,686</u>	<u>\$ 37,111,194</u>
Consisting of:				
Unrestricted	\$ 94,825,811	\$ 715,809	\$ 34,906,686	\$ 37,111,194
Restricted	4,365,228	-	-	-
Total Cash and Investments	<u>\$ 99,191,039</u>	<u>\$ 715,809</u>	<u>\$ 34,906,686</u>	<u>\$ 37,111,194</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 5,128,709	\$ (1,184,317)	\$ 839,712	\$ 586,061
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	5,585,400	830,627	1,589,098	2,645,217
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	568,771	44,497	675,868	76,193
Taxes Receivable	(13,060)	-	7,247	-
Supplies	-	-	-	-
Due from Other Governments	-	-	175,418	(3,630,868)
Prepaid Expenses	-	-	-	-
Accounts Payable and Contract Payable	(646,355)	(41,742)	153,212	(746,785)
Deferred Outflows Pensions	(1,918,804)	(726,339)	(7,107,257)	(533,269)
Deferred Inflows Pensions & Leases	(1,729,601)	(243,281)	(2,510,638)	(482,523)
Net Pension Liability	3,474,598	923,594	9,466,892	1,009,924
Unearned Revenue	1,488,731	-	-	-
Accrued Personnel Costs	-	-	-	-
Compensated Absences	12,100	4,128	3,895	(4,037)
Other Liability	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	-
Customer Deposits	(1,095,602)	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,854,887</u>	<u>\$ (392,833)</u>	<u>\$ 3,293,447</u>	<u>\$ (1,080,087)</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, 2023

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds		Governmental Activities
	Non-Major Funds Total	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers or Other Funds	\$ 10,111,354	\$ 85,229,526	\$ 31,046,067
Cash Payments to Employees for Services	(6,173,301)	(19,005,519)	(25,000,348)
Cash Payments to Suppliers for Services	(5,489,781)	(51,631,811)	(4,567,284)
Cash Received from (Payments to) Other Governments	26,619	(3,441,891)	-
Net Cash Provided (Used) by Operating Activities	<u>(1,525,109)</u>	<u>11,150,305</u>	<u>1,478,435</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grant Income	-	183,590	-
Advance (to) from Other Funds	-	40,079	-
Other Income	308,781	3,067,965	1,524,058
Other Payments	(118,009)	(725,546)	(611)
Transfers In	4,594,358	4,894,358	6,455,000
Net Cash Provided by Noncapital Financing Activities	<u>4,785,130</u>	<u>7,460,446</u>	<u>7,978,447</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(23,909)	(4,408,992)	(3,189,449)
Capital Grants Received	174,470	1,605,054	-
Contributions	-	2,428,009	1,224,151
Interest Expense	-	-	(24,161)
Long-Term Debt Payments - Principal	(1,343,020)	(3,885,969)	-
Long-Term Debt Payments - Interest	(346,849)	(2,124,797)	-
Net Cash Provided by Capital and Related Financing Activities	<u>(1,539,308)</u>	<u>(6,386,695)</u>	<u>(1,989,459)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earnings	261,683	2,184,621	396,444
Net Cash Provided by Investing Activities	<u>261,683</u>	<u>2,184,621</u>	<u>396,444</u>
Net Increase (Decrease) in Cash and Investments	1,982,396	14,408,677	7,863,867
Cash and Investments - Beginning of Year	14,907,417	174,405,864	42,477,200
Cash and Investments - End of Year	<u>\$ 16,889,813</u>	<u>\$ 188,814,541</u>	<u>\$ 50,341,067</u>
Consisting of:			
Unrestricted	\$ 15,623,715	\$ 183,183,215	\$ 49,870,355
Restricted	1,266,098	5,631,326	470,712
Total Cash and Investments	<u>\$ 16,889,813</u>	<u>\$ 188,814,541</u>	<u>\$ 50,341,067</u>
Reconciliation of Operating Income (Loss) to Cash Flow s from Operating Activities:			
Operating Income (Loss)	\$ (2,925,048)	\$ 2,445,117	\$ (600,315)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flow s from Operating Activities:			
Depreciation and Amortization	1,366,604	12,016,946	2,303,480
Net Change in Assets and Liabilities:			
Accounts and Interest Receivable	356,787	1,722,116	(20,518)
Taxes Receivable	-	(5,813)	-
Supplies	(3,957)	(3,957)	(125,572)
Due from Other Governments	26,619	(3,428,831)	-
Prepaid Expenses	(10,601)	(10,601)	(126,189)
Accounts Payable and Contract Payable	(505,661)	(1,787,331)	17,256
Deferred Outflow s Pensions	(4,053,041)	(14,338,710)	(1,362,109)
Deferred Inflow s Pensions & Leases	(2,371,708)	(7,337,751)	(1,597,885)
Net Pension Liability	6,592,230	21,467,238	2,647,874
Unearned Revenue	2,512	1,491,243	-
Accrued Personnel Costs	-	-	15,451
Compensated Absences	(8,089)	7,997	56,236
Other Liability	64,915	64,915	-
Liability for Self-Insurance Claims	-	-	270,726
Customer Deposits	(56,671)	(1,152,273)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,525,109)</u>	<u>\$ 11,150,305</u>	<u>\$ 1,478,435</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 (Village West)

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 (Orchard Walk)

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

Atwood Water Main Assessment District (Atwood)

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 (Laura)

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, 2023

	Custodial Funds	Successor Agency Private Purpose Trust Fund
ASSETS		
Cash and Investments (Note 3)	\$ 559,344	\$ 258,591
Restricted Cash and Investments (Note 3)	-	508,950
Accounts Receivable	236,827	-
District Assesment Receivable	41,672	-
Notes and Loan Receivable (Note 5)	-	105,246
Land Held For Resale	-	2,824,503
	<u>837,843</u>	<u>3,697,290</u>
LIABILITIES		
Accounts, Interest, and Contracts Payable	144,762	35,099
Deposits	41,124	-
Due to City	114,220	-
Long - Term Liabilities (Note 7):		
Due Within One Year	-	354,443
Due in More Than One Year	-	13,324,082
Total Long - Term Liabilities	<u>-</u>	<u>13,678,525</u>
Total Liabilities	<u>300,106</u>	<u>13,713,624</u>
NET POSITION		
Restricted for:		
Held in Trust	-	(10,016,334)
Individuals, Organizations, and Other Governments	<u>537,737</u>	<u>-</u>
Total Net Position	<u>\$ 537,737</u>	<u>\$ (10,016,334)</u>

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Custodial Funds	Successor Agency Private Purpose Trust Fund
	<u> </u>	<u> </u>
Additions		
Redevelopment Property Taxes Trust Funds	\$ -	\$ 1,253,140
Use of Money and Property	6,918	39,654
Revenue from District Assessments	1,218,616	-
Miscellaneous Revenue	<u>290,090</u>	<u>1,815</u>
Total Additions	<u>1,515,624</u>	<u>1,294,609</u>
Deductions		
Obligation Requirements		
Interest on Bonds and Notes Payable	<u>18,920</u>	<u>338,399</u>
Total Obligation Requirements	<u>18,920</u>	<u>338,399</u>
Administrative Expenses	<u>9,071</u>	<u>70,450</u>
Total Administrative Expenses	<u>9,071</u>	<u>70,450</u>
Distribution of District Assessment	1,419,886	-
Principal on Bonds and Notes Payable	<u>59,484</u>	<u>-</u>
Total Distribution of District Assessment	<u>1,479,370</u>	<u>-</u>
Total Deductions	<u>1,507,361</u>	<u>408,849</u>
Change in Net Position	8,263	885,760
Net Position - Beginning of Year	<u>529,474</u>	<u>(10,902,094)</u>
Net Position (Deficit) - End of Year	<u>\$ 537,737</u>	<u>\$ (10,016,334)</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, 2023

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Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Visalia, California (“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 accounting principles generally accepted in the United States of America (U.S. GAAP) 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 U.S. GAAP, 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** (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 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** (VWAD) 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 VWAD is not a component unit of the City.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

The **Orchard Walk Underground Utilities District (OWUUD)** was established to collect assessments on real property in the district to repay bonds for underground utilities. The OWUUD is not a component unit of the City.

The **Atwood Water Main Assessment District (AWMAD)** was established to collect assessments on real property in the district to repay bonds for Cal Water main extensions. The AWMAD is not a component unit of the City.

The **Laura Water Main Assessment District (LWMAD)** was established to collect assessments on real property in the district to repay bonds for Cal Water main extensions. The LWMAD is not a component unit of the City.

The **Visalia Tourism & Marketing District (VTMD)** was established to collect assessments on room nights in the district to pay for promotion of travel and tourism specific to Visalia. The VTMD is not a component unit of the City.

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. The Successor Agency is subject to the financial accountability of the Successor Agency Board that is comprised of the City Council of the City of Visalia and accordingly, is a component unit of the City although it is a separate legal entity

B. Basis of Presentation

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 regard 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, 2023

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 - Special Revenue Fund Measure N is used to account for increased public safety services including police and fire, repair and maintenance for streets and roads, and maintenance of parks and trails. Measure N provides the City with a reliable, ongoing local source of funding which is locally controlled with citizen oversight. Financing is provided by the ½ cent sales tax ballot measure (N) approved by voters during the November 8, 2016 election.

Housing & Community Grant - Special Revenue 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

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Major Funds (Continued)

Development Block Grants (CDBG), the Home Investment Partnership Program (HOME), Neighborhood Stabilization Program (NSP) and fines charged for substandard housing and abandoned vehicle abatement. Also, within the CDBG, HOME and NSP programs, when money that was previously loaned out is paid back; it again becomes available for use in the rehabilitation and development programs.

Housing Successor Agency - Special Revenue 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 - Special Revenue Fund established to track and account for American Rescue Plan Act federal grant funding. Monies can only be used according to the plan guidelines.

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

Civic Center - Capital Project Fund is used 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.

The City reported the following major enterprise funds in the accompanying financial statements.

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.

The City also reports the following fund types:

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

Fiduciary Funds 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. Custodial funds use the economic resources measurement focus. 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 #5, 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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 use the economic resources 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 sixty 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 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, permits, and charges for services are not susceptible to accrual because they are not measurable until received in cash.

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

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

E. Property Tax

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

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

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables

Billed but unpaid services provided to individuals or non-governmental entities are recorded as “receivables.” Services provided to other governmental entities are recorded as “due from other governmental units.” Grant revenues and receivables are recorded when earned on grants that have been approved and funded by the grantor.

G. Unearned Revenue

Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical Transactions recorded as unearned revenues are prepaid charges for services and grants received but not yet earned.

H. 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.

I. Land Held for Redevelopment

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

J. 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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Capital Assets (Continued)

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

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.

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.

K. Inventory

Inventory is comprised of nuts available for sale that the City has harvested and processed from City owned farmlands. 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, 2023 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, 2023, 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.

L. Prepaid Items and Supplies

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items and supplies in both the government-wide and fund financial statements by using the purchase method. A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute “available spendable resources,” even though they are a component of current assets.

M. 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, long term receivables, advances, and supplies.
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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Fund Balance (Continued)

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.
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.

N. 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/amortization, 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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fair Value Measurements

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

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

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

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

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

P. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for all 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. The City has existing resources as of June 30, 2023 to liquidate the encumbrances. Encumbrances outstanding as of June 30, 2023 were as listed below:

	Amount
General Fund	\$ 2,661,009
Measure N	7,149,394
Housing & Community Grants	3,572,701
American Rescue Plan	947,134
Transportation	1,317,896
Non-Major Governmental Funds	19,506,232
Water Reclamation Facility	855,862
Storm Sewer Maintenance	35,895
Solid Waste	3,850,294
Transit	4,676,865
Convention Center	21,546
Airport	149,414
Animal Control	243
Vehicle Replacement	943,684
Information Services	98,304
	<u>\$ 45,786,473</u>

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Leases

Lessee

The City recognizes lease liabilities and the right-to-use lease assets in the government-wide financial statements. The City currently has lease obligations for buildings and land with land improvements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities. Lease assets are amortized using the straight-line method over the lease term as there are currently no purchase options associated with any of the leases.

In calculating the lease liability and lease asset, the City uses key estimates and judgements for (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the incremental borrowing rate provided by the State of California as the discount rate.
- The lease term includes the noncancellable period of the lease as well as any options to extend the lease if the City feels that it will be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments.
- The City monitors situations that would require a remeasurement of a lease and will remeasure a lease asset and liability if the situation is expected to significantly affect the amount of the lease liability.
- Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term obligations on the statement of net position.

Lessor

The City is a lessor for leases of buildings, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received.

The deferred inflows of resources are initially measured as the initial amount of the lease receivable. The deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

In calculating the lease receivable and deferred inflows of resources, the City uses key estimates and judgements for (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the incremental borrowing rate provided by the State of California as the discount rate.
- The lease term includes the noncancellable period of the lease as well as any options to extend the lease if the City feels that it will be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.
- The City monitors situations that would require a remeasurement of a lease and will remeasure the lease receivable and deferred inflows of resources if the situation is expected to significantly affect the amount of the lease receivable.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Subscription-Based Information Technology Arrangements (SBITA)

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) for fiscal year 2022-23 which affects the government-wide financial statements and proprietary fund financial statements. The City recognizes subscription liabilities with a subscription term greater than one year.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

Costs associated with a SBITA, other than the subscription payments are accounted for as follows:

- **Preliminary Project Stage:** Outlays are expensed as incurred.
- **Initial Implementation Stage:** Outlays are capitalized as an addition to the subscription asset.
- **Operation and Additional Implementation Stage:** Outlays are expensed as incurred unless they meet specific capitalization criteria.

Subscription assets are amortized using the straight-line method over the subscription term.

In calculating the subscription asset and liability, the City uses key estimates and judgments related to SBITA for (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the incremental borrowing rate provided by the State of California as the discount rate. For this fiscal year the rates were as follows: 2.40% for a subscription term of 0-60 months; 2.85% for a subscription term of 61-120 months; and 3.22% for a subscription term of 121 months or more.
- The subscription term includes the noncancellable period of the SBITA as well as any options to extend the subscription if the City feels that it will be exercised. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.
- The City monitors situations that would require a remeasurement of the subscription and will remeasure the subscription asset and liability if the situation is expected to significantly affect the amount of the subscription liability.
- Subscription assets are reported as right to use along with other capital assets and subscription liabilities are reported with long-term obligations on the statement of net position.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Implementation of Accounting Pronouncements

The following GASB Statements have been implemented in the current 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 implemented this statement for the June 30, 2023 year end.

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 fiscal year 2022-23. There was no effect on the financial statements as a result of implementing this statement. As there were no arrangements of this type applicable to the City.

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

GASB Statement No. 99, *Omnibus 2022*

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 years 2022-23 and 2023-24. There was no effect on the financial statements as a result of implementing this statement.

T. Future GASB Pronouncements

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

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

The primary objective of these Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The provisions of this statement are effective for fiscal year 2023-24. The City has elected not to implement GASB Statement No. 100 early and has not determined its effects on the City's financial statements.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

T. Future GASB Pronouncements (Continued)

GASB Statement No. 101, *Compensated Absences*

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions of this statement are effective for fiscal year 2024-25. The City has elected not to implement GASB Statement No. 101 early and has not determined its effects on the City's financial statements.

U. New Funds

During fiscal year 2022-23, the City created the Vehicle Miles Traveled Fund to account for fees collected to mitigate Vehicle Miles Traveled. This fund is a capital project non-major governmental fund.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budgetary Information

Biennial 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 U.S. GAAP applicable to the City's financial statements.

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.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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.

Major Funds:		
Housing & Community Grants	\$	1,125,846
Housing Successor Agency	\$	80,030
American Rescue Plan	\$	577,228
Civic Center	\$	13,458
Non-Major Funds:		
Special Revenue Funds:		
Groundwater Recharge	\$	258,036
Kaweah Lake and Storm Water Maintenance	\$	2,243
Special Service Districts	\$	812,550
Grant & Loan Funds	\$	21,138
Measure T - Fire	\$	84,691
Golf Course	\$	4,294
Oak Tree Preservation	\$	9,378
Conservation	\$	70
Capital Projects Funds:		
Recreational Facilities	\$	3,840
Facility Improvements	\$	219
Regional Parks	\$	162
Animal Control Reserve	\$	71

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, 2023, are classified in the Statement of Net Position as follows:

Government-Wide Statement of Net Position:		
Cash and Investments	\$	508,340,071
Restricted Cash and Investments		6,488,871
Fiduciary Funds Statement of Net Position:		
Cash and Investments		817,935
Restricted Cash and Investments		508,950
Total Cash and Investments	\$	<u>516,155,827</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2023, consist of the following:

Cash on hand	\$ 15,850
Deposits with financial institutions	15,684,486
Investments	<u>500,455,491</u>
Total Cash and Investments	<u>\$ 516,155,827</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, 2023

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 06/30/2023</u>	<u>Weighted Average Maturity (in Days)</u>	<u>% of Investments</u>
Federal Agency Securities	\$ 170,610,040	196.91	34.09%
U.S. Treasuries	41,420,500	61.52	8.28%
Local Agency Investment Fund	38,227,980	N/A	7.64%
California Asset Management Program	28,176,426	N/A	5.63%
Corporate Medium-Term Notes	95,966,437	160.70	19.18%
Municipal Bonds	125,279,937	194.97	25.03%
Local Agency Bonds	253,977	0.91	0.05%
Held by Bond Trustee:			
Money Market Funds	520,194	0.02	0.10%
Total	<u>\$ 500,455,491</u>		

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

As of June 30, 2023, and during the 2022-2023 fiscal year, the City of Visalia did not hold or purchase investments that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above), such as interest only treasury strips or mortgage-backed securities.

E. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City of Visalia’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type. The column marked “not rated” identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

Investment Type		Minimum Legal Rating	Moody's Rating	Standard & Poors Rating	% of Portfolio
Federal Agency Securities	\$ 170,610,040	N/A	Aaa	AA+	34.09%
U.S. Treasuries	41,420,500	N/A	Aaa	Not Rated	8.28%
Corporate Medium-Term Notes	4,337,717	A	Aaa	AA+	0.87%
Corporate Medium-Term Notes	2,940,120	A	Aa2	AA	0.59%
Corporate Medium-Term Notes	15,144,200	A	A1	AA	3.03%
Corporate Medium-Term Notes	2,718,390	A	Aa3	AA-	0.54%
Corporate Medium-Term Notes	12,395,070	A	A1	A+	2.48%
Corporate Medium-Term Notes	4,943,360	A	A2	A+	0.99%
Corporate Medium-Term Notes	9,627,100	A	A1	A	1.92%
Corporate Medium-Term Notes	20,333,226	A	A2	A	4.06%
Corporate Medium-Term Notes	5,352,260	A	A3	A	1.07%
Corporate Medium-Term Notes	12,266,199	A	A1	A-	2.45%
Corporate Medium-Term Notes	3,533,520	A	A2	A-	0.71%
Corporate Medium-Term Notes	2,375,275	A	A3	A-	0.47%
Local Agency Investment Fund	38,227,980	N/A	Not Rated	Not Rated	7.64%
California Asset Management Program	28,176,426	N/A	Not Rated	Not Rated	5.63%
Municipal Bonds	3,365,820	A	Aaa	AAA	0.67%
Municipal Bonds	10,403,035	A	Aa1	AAA	2.08%
Municipal Bonds	6,290,330	A	Not Rated	AAA	1.26%
Municipal Bonds	8,431,865	A	Aaa	AA+	1.68%
Municipal Bonds	3,056,197	A	Aa1	AA+	0.61%
Municipal Bonds	780,664	A	Not Rated	AA+	0.16%
Municipal Bonds	4,658,538	A	Aa1	AA	0.93%
Municipal Bonds	6,775,571	A	Aa2	AA	1.35%
Municipal Bonds	7,883,656	A	Aa3	AA	1.58%
Municipal Bonds	4,210,490	A	Not Rated	AA	0.84%
Municipal Bonds	45,966,686	A	Aa2	AA-	9.18%
Municipal Bonds	7,958,822	A	Aa3	AA-	1.59%
Municipal Bonds	2,423,876	A	Not Rated	AA-	0.48%
Municipal Bonds	3,447,150	A	Aa1	Not Rated	0.69%
Municipal Bonds	2,194,813	A	Aa2	Not Rated	0.44%
Municipal Bonds	3,073,319	A	Aa3	Not Rated	0.61%
Municipal Bonds	4,359,105	A	A1	Not Rated	0.87%
Local Agency Bonds	253,977	N/A	Not Rated	Not Rated	0.05%
Held by Bond Trustee:					
Money Market Funds	520,194	A	Aaa-mf	AAAm	0.10%
Total	\$ 500,455,491				100.00%

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Concentration of Credit Risk

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

Issuer	Investment Type	Reported
Federal Home Loan Bank	Federal Agency Securities	\$ 78,890,418
Federal Farm Credit Bank	Federal Agency Securities	41,515,406
Federal National Mortgage Association	Federal Agency Securities	23,803,338
Federal Home Loan Mortgage Corporation	Federal Agency Securities	26,400,878
U.S. Treasuries	U.S. Treasuries	41,420,500
State of California Bonds	Municipal Bonds	36,086,116
Total		<u>\$ 248,116,656</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 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, 2023, 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.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 3 – CASH AND INVESTMENTS (Continued)

H. Investment in State Investment Pool (Continued)

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, 2023, these investments matured in an average of 260 days. These valuations and financial statements are posted to the State Treasurer’s Office website at www.treasurer.ca.gov

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, 2023:

<i>Investments by Fair Value Level</i>	Level 1	Level 2	Uncategorized	Total
Federal Agency Securities	\$ -	\$ 170,610,040	\$ -	\$ 170,610,040
U.S. Treasuries	41,420,500	-	-	41,420,500
Corporate Medium-Term Notes	-	95,966,437	-	95,966,437
Municipal Bonds	-	125,279,937	-	125,279,937
Held by Bond Trustee:				
Money market funds	-	520,194	-	520,194
Subtotal	<u>\$ 41,420,500</u>	<u>\$ 392,376,608</u>		433,797,108
<i>Investments Measured at Amortized Cost</i>				
Local Agency Bonds			253,977	253,977
Local Agency Investment Fund			38,227,980	38,227,980
California Asset Management Program			<u>28,176,426</u>	<u>28,176,426</u>
Subtotal			<u>\$ 66,658,383</u>	
Total Investments				<u>\$ 500,455,491</u>

U.S. Treasuries totaling \$41.4 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 \$170.6 million, corporate medium-term notes totaling \$95.9 million, municipal bonds totaling \$125.3 million, and money market funds held by the bond Trustee totaling \$.5 million, classified in Level 2 of the fair value hierarchy, are valued using a matrix pricing technique. Matrix pricing is the process of estimating the fair value price of a bond based on the quoted prices of more frequently traded comparable bonds. The Local Agency Investment Fund, California Asset Management Program, and Local Agency Bonds are reported at amortized cost.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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, 2023, were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
Governmental Funds:		
Housing & Community Grants	General Fund	\$ 30,359 (B)
Civic Center	General Fund	9,918,553 (A)
Debt Service Funds:		
VPFA 2014 Refunding COP	General Fund	127,560 (C)
2015 COP	General Fund	590,606 (C)
2015 COP	Public Safety Impact Fee - Capital Projects	414,151 (C)
2015 COP	Measure T Police - Special Revenue	151,107 (C)
Capital Projects Funds:		
Baseball	General Fund	315,065 (B)
Baseball	General Fund	200,000 (A)
GOVERNMENTAL Funds Sub-Total		11,747,401
Enterprise Funds:		
Animal Control	General Fund	1,295,814 (B)
Animal Control	General Fund	567,328 (C)
Convention Center	General Fund	300,000 (A)
Convention Center	General Fund	1,339,672 (B)
Convention Center	General Fund	1,091,544 (C)
Storm Sewer Maintenance	Kaweah Lake and Local Storm Water Maintenance - Special Revenue	300,000 (B)
ENTERPRISE Funds Sub-Total		4,894,358
Internal Service Funds:		
Vehicle Replacement	General Fund	4,500,000 (A)
Vehicle Replacement	Measure T Police - Special Revenue	475,000 (A)
Vehicle Replacement	Measure T Fire - Special Revenue	1,480,000 (A)
INTERNAL SERVICE Funds Sub-Total		6,455,000
TOTAL TRANSFERS		\$ 23,096,759

(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, 2023

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Long-Term Interfund Advances

At June 30, 2023, the funds below had advance balances which were not expected to be repaid within the next year.

	Advances From <u>Other Funds</u>	Advances To <u>Other Funds</u>
General Fund	\$ -	\$ 3,408,693
Special Revenue Funds:		
Special Service Districts (Landscape & Lighting) (a)	1,042,029	-
Measure R - Regional (b)	<u>2,366,664</u>	<u>-</u>
Total Advances	<u>\$ 3,408,693</u>	<u>\$ 3,408,693</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. Due to/from Other Funds

As of June 30, 2023, the General Fund provided \$1,919 to the Government Facilities Impact Fee Fund and \$210,781 to the Housing & Community Grants Fund which are 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, 2023

NOTE 5 – NOTES AND LOANS RECEIVABLE

A. Current Year Transactions and Balances

	Issue Date	Maturity	Balance at June 30, 2022	Additions	Repayments	Balance at June 30, 2023
GOVERNMENTAL ACTIVITIES						
<u>General Fund</u>						
Visalia Successor Agency	-	-	\$ 12,077,170	\$ 259,155	\$ 425,931	\$ 11,910,394
Déjà Vu LP B153025	Jan 2018	June 2023	7,922	-	7,922	-
Déjà Vu LP B153018	Jan 2018	June 2023	46,407	-	46,407	-
Déjà Vu LP B153023	Jan 2018	June 2023	20,011	-	20,011	-
101 NW 5th (SHE)	Nov 2018	Nov 2063	29,867	-	711	29,156
105 NW 5th (SHE)	Nov 2018	Nov 2063	29,867	-	711	29,156
Subtotal General Fund			<u>12,211,244</u>	<u>259,155</u>	<u>501,693</u>	<u>11,968,706</u>
<u>Housing & Community Grants</u>						
1001 N Jacob (TCHA)	May 1996	May 2024	5,000	-	2,400	2,600
Fairview Village (KMC)	Dec 1994	Dec 2034	120,000	-	-	120,000
Navigation Center	July 2022	June 2042	-	760,669	-	760,669
Robinwood	April 2007	April 2036	606,655	-	43,333	563,322
1627 S Garden Public Facility	Aug 2019	Aug 2039	360,000	-	20,000	340,000
1627 S Garden Public Facility	Aug 2019	Aug 2039	238,500	-	13,250	225,250
101 N Strawberry	June 2015	Dec 2045	429,150	-	-	429,150
SHE 517-519 N Encina	May 2018	May 2048	436,656	-	-	436,656
Visalia Senior Housing III	Jan 2007	Jan 2062	2,720,193	-	-	2,720,193
Court & Paradise Apts	Nov 2010	Nov 2066	500,000	-	-	500,000
Highland Gardens	Sep 2015	Dec 2070	1,980,000	-	-	1,980,000
101 NW 5th (SHE)	Aug 2019	When Sold	206,679	-	-	206,679
105 NW 5th (SHE)	Aug 2019	When Sold	223,629	-	-	223,629
113 NW 5th (SHE)	Aug 2019	When Sold	222,952	-	-	222,952
111 NW 5th (SHE)	Aug 2019	When Sold	203,119	-	-	203,119
1105 N Court (SHE)	Aug 2019	When Sold	217,419	-	-	217,419
Lofts Project	Feb 2022	Dec 2057	1,148,735	567,788	-	1,716,523
Sequoia Village Project	April 2022	Mar 2057	1,069,101	430,899	27,273	1,472,727
Habitat for Humanity Assigned	Various	Various	151,014	112,996	501	263,509
NSP	Various	Various	552,246	-	23,107	529,139
CDBG	Various	Various	775,282	-	19,073	756,209
Cal Home	Various	Various	561,332	-	-	561,332
HOME	Various	Various	1,731,577	246,641	94,520	1,883,698
Subtotal Housing & Community Grants			<u>14,459,239</u>	<u>2,118,993</u>	<u>243,457</u>	<u>16,334,775</u>
<u>Housing Successor Agency</u>						
Visalia Successor Agency	-	-	300,819	-	300,819	-
Town Meadows (1)	April 2001	April 2056	114,000	-	114,000	-
Kaweah Management (1)	June 1996	Nov 2025	250,000	-	-	250,000
Encina Triplex	Aug 2008	Aug 2048	266,665	-	6,814	259,851
Kimball Court (1)	Aug 1999	Aug 2054	605,438	-	105,543	499,895
Downtown Senior Housing (1)	April 2002	April 2057	900,000	-	-	900,000
Tulare County Housing Authority (1)	Aug 2003	Aug 2058	32,727	-	2,500	30,227
Mill Creek Parkway \$1.5M (KMC)	Mar 2006	Mar 2061	1,089,482	-	27,935	1,061,547
Mill Creek Parkway \$3.0M (KMC)	Oct 2015	Oct 2070	2,672,728	-	54,546	2,618,182
Kaweah Management - East (1)	Sep 2009	June 2065	472,708	-	-	472,708
Court & Paradise Apts	Nov 2010	Nov 2066	500,000	-	-	500,000
617 & 619 Santa Fe (KMC)	July 2017	July 2072	150,000	-	-	150,000
517-519 N Encina (SHE)	May 2018	May 2074	100,000	-	-	100,000
111 NW 5th (SHE)	Nov 2018	Nov 2063	29,867	-	711	29,156
113 NW 5th (SHE)	Nov 2018	Nov 2063	29,867	-	711	29,156
1105 N Court (SHE)	Nov 2018	Nov 2063	29,867	-	711	29,156
1029 W Goshen	Jan 2011	Jan 2066	130,141	-	2,954	127,187
Lofts Project	Feb 2022	Dec 2057	329,320	-	-	329,320
East Visalia Redevelopment	Various	Various	32,461	-	-	32,461
Habitat for Humanity Assigned	Various	Various	667,276	-	7,566	659,710
Housing Fund	Various	Various	70,622	-	5,934	64,688
Subtotal Housing Successor Funds			<u>8,773,988</u>	<u>-</u>	<u>630,744</u>	<u>8,143,244</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, 2023

NOTE 5 – NOTES AND LOANS RECEIVABLE (Continued)

A. Current Year Transactions and Balances (Continued)

	Issue Date	Maturity	Balance at June 30, 2022	Additions	Repayments	Balance at June 30, 2023
Transportation Fund						
Central Ca Conf Assoc (B090414)	Nov 2018	June 2024	10,019	-	5,009	5,010
Dillon Ent (B170632)	Dec 2018	June 2024	100,000	-	50,000	50,000
TRD Plaza LLC (B182646)	May 2019	June 2025	20,024	-	20,024	-
El Centro Corner (B183341)	May 2019	June 2025	142,898	-	47,633	95,265
NW Visalia Senior (B173132)	Oct 2019	June 2025	150,768	-	50,256	100,512
J Beast LP (B193168)	July 2020	June 2026	112,746	-	28,186	84,560
J Beast LP (B193169)	July 2020	June 2026	63,863	-	15,966	47,897
Vaccinated LP (B201416)	June 2021	June 2027	172,763	-	34,553	138,210
Vaccinated LP (B201417)	June 2021	June 2027	88,940	-	17,788	71,152
Subtotal Transportation Fund			<u>862,021</u>	<u>-</u>	<u>269,415</u>	<u>592,606</u>
Civic Center Fund						
Imagine U Museum	Dec 2016	Dec 2046	130,532	-	3,260	127,272
Subtotal Civic Center Fund			<u>130,532</u>	<u>-</u>	<u>3,260</u>	<u>127,272</u>
Parking District Fund						
Comfort Suites	Oct 2002	Oct 2032	117,122	5	10,191	106,936
Subtotal Parking District Fund			<u>117,122</u>	<u>5</u>	<u>10,191</u>	<u>106,936</u>
Waterways Fund						
Imagine U Museum	Dec 2016	Dec 2046	159,540	-	3,986	155,554
Subtotal Waterways Fund			<u>159,540</u>	<u>-</u>	<u>3,986</u>	<u>155,554</u>
Govt Facilities Impact Fee Fund						
Central Ca Conf Assoc (B090414)	Nov 2018	June 2024	299	-	149	150
TRD Plaza LLC (B182646)	May 2019	June 2025	2,936	-	2,936	-
El Centro Corner (B183341)	May 2019	June 2025	759	-	253	506
J Beast LP (B193168)	July 2020	June 2026	59,995	-	14,999	44,996
J Beast LP (B193169)	July 2020	June 2026	29,472	-	7,368	22,104
Vaccinated LP (B201416)	June 2021	June 2027	10,404	-	2,081	8,323
Vaccinated LP (B201417)	June 2021	June 2027	44,208	-	8,841	35,367
Subtotal Govt Facilities Impact Fee Fund			<u>148,073</u>	<u>-</u>	<u>36,627</u>	<u>111,446</u>
Public Safety Impact Fee Fund						
TRD Plaza LLC (B182646)	May 2019	June 2025	5,533	-	5,533	-
El Centro Corner (B183341)	May 2019	June 2025	9,512	-	3,171	6,341
J Beast LP (B193168)	July 2020	June 2026	37,262	-	9,315	27,947
Vaccinated LP (B201417)	June 2021	June 2027	32,003	-	6,401	25,602
Subtotal Public Safety Impact Fee Fund			<u>84,310</u>	<u>-</u>	<u>24,420</u>	<u>59,890</u>
Storm Sewer Construction Fund						
TRD Plaza LLC (B182646)	May 2019	June 2025	581	-	581	-
El Centro Corner (B183341)	May 2019	June 2025	621	-	207	414
J Beast LP (B193168)	July 2020	June 2026	2,631	-	658	1,973
Vaccinated LP (B201417)	June 2021	June 2027	2,260	-	452	1,808
Subtotal Storm Sewer Construction Fund			<u>6,093</u>	<u>-</u>	<u>1,898</u>	<u>4,195</u>
Total Governmental Activities			<u>36,952,162</u>	<u>2,378,153</u>	<u>1,725,691</u>	<u>37,604,624</u>
BUSINESS - TYPE						
Water Reclamation Facility Fund						
Central Ca Conf Assoc (B090414)	Nov 2018	June 2024	3,892	-	1,946	1,946
TRD Plaza LLC (B182646)	May 2019	June 2025	1,391	-	1,391	-
El Centro Corner (B183341)	May 2019	June 2025	8,413	-	2,804	5,609
NW Visalia Senior (B173132)	Oct 2019	June 2025	37,656	-	12,552	25,104
120 W Main St (B150085)	May 2015	June 2025	14,798	-	4,933	9,865
J Beast LP (B193168)	July 2020	June 2026	53,199	-	13,300	39,899
J Beast LP (B193169)	July 2020	June 2026	3,341	-	835	2,506
Vaccinated LP (B201416)	June 2021	June 2027	6,570	-	1,314	5,256
Vaccinated LP (B201417)	June 2021	June 2027	5,020	-	1,004	4,016
Subtotal Water Reclamation Facility Fund			<u>134,280</u>	<u>-</u>	<u>40,079</u>	<u>94,201</u>
Total Governmental Activities and Business-Type			<u>\$ 37,086,442</u>	<u>\$ 2,378,153</u>	<u>\$ 1,765,770</u>	<u>\$ 37,698,825</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 5 – NOTES AND LOANS RECEIVABLE (Continued)

A. Current Year Transactions and Balances (Continued)

FIDUCIARY	Balance at June 30, 2022	Additions	Repayments	Balance at June 30, 2023
<u>Successor Agency</u>				
Willow Street Parking Structure	125,951	-	20,705	105,246
Subtotal Successor Agency	\$ 125,951	\$ -	\$ 20,705	\$ 105,246
Total Notes and Loans Receivable	\$ 37,212,393	\$ 2,378,153	\$ 1,786,475	\$ 37,804,071

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, 2023, these notes receivable totaled \$37,804,071 in the following funds: \$11,968,706 in the General Fund, \$16,334,775 in Housing & Community Grants, \$8,143,244 in the Housing Successor Agency Fund, \$592,606 in the Transportation Fund, \$127,272 in the Civic Center Fund, \$106,936 in the Parking District Fund, \$155,554 in the Waterways Fund, \$111,446 in the Government Facilities Impact Fee Fund, \$59,890 in the Public Safety Impact Fee Fund, \$4,195 in the Storm Sewer Construction Fund, \$94,201 in the Water Reclamation Facility Fund, and \$105,246 in the Fiduciary Successor Agency.

NOTE 6 – CAPITAL ASSETS

A. Capital Assets Additions and Retirements

GOVERNMENTAL ACTIVITIES:	Balance July 1, 2022 as restated	Additions	Retirements	Transfers	Balance June 30, 2023
<u>Capital assets not being depreciated</u>					
Land	\$ 41,404,861	\$ 385,612	\$ (160,137)	\$ -	\$ 41,630,336
Construction in progress	27,109,066	24,948,394	(116,150)	(7,987,873)	43,953,437
	68,513,927	25,334,006	(276,287)	(7,987,873)	85,583,773
<u>Capital assets being depreciated</u>					
Buildings	62,476,948	-	(51,749)	-	62,425,199
Improvements other than buildings	90,668,620	514,720	-	1,921,710	93,105,050
Machinery, equipment and vehicles	14,710,438	1,137,690	(101,903)	54,682	15,800,907
Infrastructure - streets, traffic signals & signs	258,165,941	3,891,686	(1,126,084)	6,046,768	266,978,311
	426,021,947	5,544,096	(1,279,736)	8,023,160	438,309,467
<u>Accumulated depreciation</u>					
Buildings	(17,246,441)	(1,278,329)	51,748	-	(18,473,022)
Improvements other than buildings	(31,039,858)	(2,375,345)	-	-	(33,415,203)
Machinery, equipment and vehicles	(8,403,613)	(857,841)	92,488	(4,411)	(9,173,377)
Infrastructure - streets, traffic signals & signs	(99,119,528)	(5,879,389)	1,126,084	-	(103,872,833)
	(155,809,440)	(10,390,904)	1,270,320	(4,411)	(164,934,435)
<u>Intangible assets being amortized</u>					
Right-to-use assets - lease assets - Land and land improvements	646,059	21,529	-	-	667,588
Right-to-use assets - lease assets - Buildings	191,337	51,968	-	-	243,305
Right-to-use assets - SBITA	1,375,007	-	-	-	1,375,007
	2,212,403	73,497	-	-	2,285,900
<u>Accumulated amortization</u>					
Right-to-use assets - lease assets - Land and land improvements	(25,842)	(26,740)	-	-	(52,582)
Right-to-use assets - lease assets - Buildings	(94,175)	(94,318)	-	-	(188,493)
Right-to-use assets - SBITA	-	(333,076)	-	-	(333,076)
	(120,017)	(454,134)	-	-	(574,151)
Governmental Capital Asset Activity, Net	\$ 340,818,820	\$ 20,106,561	\$ (285,703)	\$ 30,876	\$ 360,670,554

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 6 – CAPITAL ASSETS (Continued)

A. Capital Assets Additions and Retirements (Continued)

	Balance July 1, 2022 as restated	Additions	Retirements	Transfers	Balance June 30, 2023
INTERNAL SERVICE FUND ACTIVITIES:					
Capital assets not being depreciated					
Construction in progress	\$ 1,512	\$ 1,699,284	\$ -	\$ -	\$ 1,700,796
	<u>1,512</u>	<u>1,699,284</u>	<u>-</u>	<u>-</u>	<u>1,700,796</u>
Capital assets being depreciated					
Buildings	654,910	-	-	-	654,910
Improvements other than buildings	218,785	-	-	-	218,785
Machinery, equipment and vehicles	36,659,717	1,490,165	(469,477)	(35,287)	37,645,118
	<u>37,533,412</u>	<u>1,490,165</u>	<u>(469,477)</u>	<u>(35,287)</u>	<u>38,518,813</u>
Accumulated depreciation					
Buildings	(589,910)	-	-	-	(589,910)
Improvements other than buildings	(176,591)	(7,159)	-	-	(183,750)
Machinery, equipment and vehicles	(22,687,870)	(2,031,178)	431,243	4,411	(24,283,394)
	<u>(23,454,371)</u>	<u>(2,038,337)</u>	<u>431,243</u>	<u>4,411</u>	<u>(25,057,054)</u>
Intangible assets being amortized					
Right-to-use assets - SBITA	285,300	518,461	-	-	803,761
	<u>285,300</u>	<u>518,461</u>	<u>-</u>	<u>-</u>	<u>803,761</u>
Accumulated amortization					
Right-to-use assets - SBITA	(23,775)	(265,143)	-	-	(288,918)
	<u>(23,775)</u>	<u>(265,143)</u>	<u>-</u>	<u>-</u>	<u>(288,918)</u>
Internal Service Fund Capital Asset Activity, Net	<u>\$ 14,342,078</u>	<u>\$ 1,404,430</u>	<u>\$ (38,234)</u>	<u>\$ (30,876)</u>	<u>\$ 15,677,398</u>
Total Governmental Capital assets not being depreciated or amortized					\$ 87,284,569
Total Governmental Capital assets being depreciated or amortized					\$ 289,063,383
BUSINESS-TYPE ACTIVITIES:					
Capital assets not being depreciated					
Land	\$ 26,148,966	\$ -	\$ (4,019)	\$ -	\$ 26,144,947
Construction in progress	4,328,694	1,415,063	-	-	5,743,757
	<u>30,477,660</u>	<u>1,415,063</u>	<u>(4,019)</u>	<u>-</u>	<u>31,888,704</u>
Capital assets being depreciated					
Buildings	58,373,201	-	-	-	58,373,201
Improvements other than buildings	231,882,974	-	-	-	231,882,974
Machinery, equipment and vehicles	75,224,199	1,581,280	(1,954,501)	-	74,850,978
Infrastructure - sewer and storm drainage	153,417,062	1,412,649	-	-	154,829,711
	<u>518,897,436</u>	<u>2,993,929</u>	<u>(1,954,501)</u>	<u>-</u>	<u>519,936,864</u>
Accumulated depreciation					
Buildings	(22,136,832)	(1,210,152)	-	-	(23,346,984)
Improvements other than buildings	(71,977,471)	(4,750,867)	-	-	(76,728,338)
Machinery, equipment and vehicles	(47,020,623)	(4,094,321)	1,852,079	-	(49,262,865)
Infrastructure - sewer and storm drainage	(36,484,226)	(1,929,149)	-	-	(38,413,375)
	<u>(177,619,152)</u>	<u>(11,984,489)</u>	<u>1,852,079</u>	<u>-</u>	<u>(187,751,562)</u>
Intangible assets being amortized					
Right-to-use assets - SBITA	64,915	-	-	-	64,915
	<u>64,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,915</u>
Accumulated amortization					
Right-to-use assets - SBITA	-	(32,458)	-	-	(32,458)
	<u>-</u>	<u>(32,458)</u>	<u>-</u>	<u>-</u>	<u>(32,458)</u>
Business-type Capital Asset Activity, Net	<u>\$ 371,820,859</u>	<u>\$ (7,607,955)</u>	<u>\$ (106,441)</u>	<u>\$ -</u>	<u>\$ 364,106,463</u>
Total Business-Type Capital assets not being depreciated or amortized					\$ 31,888,704
Total Business-Type Capital assets being depreciated or amortized					\$ 332,217,759

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 6 – CAPITAL ASSETS (Continued)

B. Depreciation and Amortization Expense

Depreciation and amortization 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	\$	6,218,115
Housing & Community Grants		6,190
Public Works		1,498,257
Public Safety:		
Police		952,779
Fire		523,187
Community Services		1,646,510
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets		2,303,480
Total Governmental Activities	\$	<u>13,148,518</u>

Business-Type Activities

Water Reclamation Facility	\$	5,585,399
Storm Sewer Maintenance		830,627
Solid Waste		1,589,098
Transit		2,645,218
Convention Center		724,048
Airport		416,938
Building Safety		53,636
Animal Control		171,983
Total Business-Type Activities	\$	<u>12,016,947</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 7 – LONG-TERM LIABILITIES

A. Current Year Transactions and Balances

	Original Issue Amount	Balance at June 30, 2022 as Restated	Additions	Retirements	Balance at June 30, 2023	Due Within One Year
<u>Governmental Activity Debt</u>						
Certificates of Participation:						
2015 COP	\$ 13,121,230	\$ 8,040,508	\$ -	\$ (860,829)	\$ 7,179,679	\$ 901,123
2014 VPFA - Refunding (1)	1,180,800	460,800	-	(107,200)	353,600	112,000
	<u>14,302,030</u>	<u>8,501,308</u>	<u>-</u>	<u>(968,029)</u>	<u>7,533,279</u>	<u>1,013,123</u>
Lease Liabilities (2)	837,396	722,963	73,497	(117,657)	678,803	78,857
SBITA Liabilities (3)	1,375,007	1,375,007	-	(643,215)	731,792	93,281
Internal Service Funds						
Compensated Absences	-	6,020,964	950,921	(894,685)	6,077,200	1,206,299
Total Governmental Activities	\$ 16,514,433	\$ 16,620,242	\$ 1,024,418	\$ (2,623,586)	\$ 15,021,074	\$ 2,391,560
<u>Business-Type Activity Debt</u>						
Certificates of Participation:						
2015 COP	\$ 4,788,770	\$ 2,934,492	\$ -	\$ (314,171)	\$ 2,620,321	\$ 328,877
2014 VPFA - Refunding (1)	6,199,200	2,419,200	-	(562,800)	1,856,400	588,000
Bond Premium	971,504	70,809	-	(34,814)	35,995	23,787
	<u>11,959,474</u>	<u>5,424,501</u>	<u>-</u>	<u>(911,785)</u>	<u>4,512,716</u>	<u>940,664</u>
Notes - Direct Borrowings:						
2014 Clean Water State Revolving Fund Loan	96,434,597	86,775,190	-	(2,542,949)	84,232,241	2,596,351
Lease - Direct Borrowings:						
2012 Animal Control	6,600,000	3,051,138	-	(466,049)	2,585,089	482,266
SBITA Liabilities (3)	64,915	64,915	-	-	64,915	64,915
Compensated Absences	-	1,207,791	146,649	(138,652)	1,215,788	180,245
Total Business-Type Activities	\$ 115,058,986	\$ 96,523,535	\$ 146,649	\$ (4,059,435)	\$ 92,610,749	\$ 4,264,441
<u>Fiduciary Funds</u>						
Redevelopment Agency Tax Allocation Bonds:						
2003 East Visalia District	\$ 5,185,000	\$ 1,090,000	\$ -	\$ (200,000)	\$ 890,000	\$ 210,000
Notes - Direct Borrowings:						
2004 RDA - Mooney District	2,707,250	1,016,476	-	(138,346)	878,130	144,443
Advances:						
General Fund	-	12,077,170	259,156	(425,931)	11,910,395	-
Housing Successor Agency	-	300,819	-	(300,819)	-	-
	<u>-</u>	<u>12,377,989</u>	<u>259,156</u>	<u>(726,750)</u>	<u>11,910,395</u>	<u>-</u>
Total Private Purpose Trust Funds	\$ 7,892,250	\$ 14,484,465	\$ 259,156	\$ (1,065,096)	\$ 13,678,525	\$ 354,443

(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.

(2) The City has entered into leases for building space and land with land improvements. The terms of the agreements range from 2 to 25 years. The calculated interest rates range from .20% to 1.50%.

(3) The City has entered into agreements for subscription-based information technology. The terms of the agreements range from 2 to 5 years. The calculated interest rate is 2.40%.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 7 – LONG-TERM LIABILITIES (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 \$70,809 remains to be amortized. The City also chose to unencumber the Convention Center, which was the lease 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, 2023.

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, 2023.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 7 – LONG-TERM LIABILITIES (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 began 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, 2023.

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, 2023

NOTE 7 – LONG-TERM LIABILITIES (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. WestAmerica Bank may determine the loan to be breached and the City to be in default if the City (1) fails to pay the money payment when due, (2) discontinues, or (3) otherwise breaches this agreement, and the breach is not cured as specified therein. Following a breach, WestAmerica Bank shall have the right to declare the entire unpaid balance of the loan obligation due and payable.

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 (CSWRCB) 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.

The CSWRCB may determine the loan to be breached and the City to be in default if the City (1) fails to pay the money payment when due, (2) discontinues, or (3) otherwise breaches this agreement, and the breach is not cured as specified therein. Following a breach, CSWRCB shall have the right to declare the entire unpaid balance of the loan obligation due and payable.

H. Subscription Based Information Technology Arrangements

The City has entered subscription-based information technology arrangements (SBITA) for various administrative and operational purposes. These subscriptions include services related to cloud-based software applications, data storage, and management services. The remaining subscription periods vary with terms ranging from 1 to 4 years. The discount rate used was 2.40%.

As of June 30, 2023, the capitalized right to use assets related to SBITA for governmental activities was \$2,178,768 and \$64,915 for business-type activities. As of June 30, 2023, the total subscription liability was \$731,792 for governmental activities and \$64,915 for business-type activities.

For the year ended June 30, 2023, the City recognized \$25,196 of interest expense related to these arrangements.

Principal and interest payments to maturity are detailed in Note 7I, Debt Service Requirements.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 7 – LONG-TERM LIABILITIES (Continued)

I. Debt Service Requirements

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

For the Year Ending June 30,	Public Offering		Governmental Activities Lease Liabilities		SBITA Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 1,013,123	\$ 268,870	\$ 78,857	\$ 9,492	\$ 93,281	\$ 6,349
2025	1,066,343	216,884	23,211	9,061	290,789	16,731
2026	1,120,364	162,216	23,561	8,711	258,333	6,717
2027	1,036,658	118,657	23,917	8,355	89,389	2,253
2028	1,065,963	87,118	24,278	7,994	-	-
2029-2033	2,230,828	72,351	127,004	34,356	-	-
2034-2038	-	-	136,889	24,471	-	-
2039-2043	-	-	147,433	13,927	-	-
2044-2048	-	-	93,653	3,163	-	-
	<u>\$ 7,533,279</u>	<u>\$ 926,096</u>	<u>\$ 678,803</u>	<u>\$ 119,530</u>	<u>\$ 731,792</u>	<u>\$ 32,050</u>

For the Year Ending June 30,	Direct Borrowings		Business-Type Activities Public Offering			SBITA Liabilities	
	Principal	Interest	Principal	Interest	Bond Premium	Principal	Interest
2024	\$ 3,078,617	\$ 1,853,939	\$ 916,877	\$ 170,817	\$ 23,787	\$ 64,915	\$ 1,575
2025	3,149,922	1,782,634	963,657	123,804	12,208	-	-
2026	3,222,956	1,709,600	1,014,636	74,346	-	-	-
2027	3,297,763	1,634,792	378,342	43,306	-	-	-
2028	3,374,389	1,558,166	389,038	31,795	-	-	-
2029-2033	15,021,079	6,805,060	814,171	26,405	-	-	-
2034-2038	16,665,941	5,160,198	-	-	-	-	-
2039-2043	18,490,921	3,335,218	-	-	-	-	-
2044-2048	20,515,742	1,310,397	-	-	-	-	-
	<u>\$ 86,817,330</u>	<u>\$ 25,150,004</u>	<u>\$ 4,476,721</u>	<u>\$ 470,473</u>	<u>\$ 35,995</u>	<u>\$ 64,915</u>	<u>\$ 1,575</u>

For the Year Ending June 30,	Private Purpose Trust Fund			
	Direct Borrowings		Public Offering	
	Principal	Interest	Principal	Interest
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	164,391	16,726	235,000	10,281
2028	171,636	9,480	-	-
2029-2033	89,490	1,927	-	-
	<u>\$ 878,130</u>	<u>\$ 118,868</u>	<u>\$ 890,000</u>	<u>\$ 99,094</u>

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 8 – DEBT WITHOUT CITY COMMITMENT

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, 2023, \$135,000 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, 2023, \$72,812 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, 2023, \$46,165 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, 2023

NOTE 9 – FUND BALANCE AND NET POSITION 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, 2023 is as follows:

City of Visalia
Governmental Fund Balances
June 30, 2023
(in thousands)

	General Fund	Measure N	Housing & Community Grants	Housing Successor Agency	American Rescue Plan	Transportation	Civic Center	All Other Governmental Funds	Total Governmental Funds
Nonspendable									
Prepays/Deposits	\$ 18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18
Supplies	13	-	-	-	-	-	-	-	13
Long Term Receivable	58	-	-	-	-	-	-	-	58
Advance - Measure R - Trailways	2,367	-	-	-	-	-	-	-	2,367
Advance - Special Service Districts	1,042	-	-	-	-	-	-	-	1,042
Total Nonspendable Fund Balance	3,498	-	-	-	-	-	-	-	3,498
Restricted									
Total Restricted Fund Balance	-	36,586	17,426	10,469	753	24,539	-	99,629	189,402
Committed									
Golf Course	-	-	-	-	-	-	-	496	496
Conservation	-	-	-	-	-	-	-	244	244
Police Unclaimed Funds	-	-	-	-	-	-	-	132	132
Softball	-	-	-	-	-	-	-	5	5
Baseball	-	-	-	-	-	-	-	376	376
Civic Center	-	-	-	-	-	-	56,468	-	56,468
Emergency Reserve	19,023	-	-	-	-	-	-	-	19,023
Miscellaneous Capital Projects	1,782	-	-	-	-	-	-	-	1,782
Total Committed Fund Balance	20,805	-	-	-	-	-	56,468	1,253	78,526
Assigned									
Facility Improvements	-	-	-	-	-	-	-	769	769
Regional Parks	-	-	-	-	-	-	-	566	566
Vehicle Miles Traveled	-	-	-	-	-	-	-	26	26
Animal Control Reserve	-	-	-	-	-	-	-	247	247
Baseball	-	-	-	-	-	-	-	46	46
Advance - Atwood District (Custodial Fund)	76	-	-	-	-	-	-	-	76
Advance - Laura District (Custodial Fund)	38	-	-	-	-	-	-	-	38
Due from - Community Development	211	-	-	-	-	-	-	-	211
Due from - Public Facility Impact Fee (Library)	2	-	-	-	-	-	-	-	2
CIP Budgeted Not Started	4,731	-	-	-	-	-	-	-	4,731
Cal PERS Unfunded Liability FY 23/24	11,000	-	-	-	-	-	-	-	11,000
Successor Agency Loans	11,910	-	-	-	-	-	-	-	11,910
Total Assigned Fund Balance	27,968	-	-	-	-	-	-	1,654	29,622
Unassigned									
Total Unassigned Fund Balance (Deficit)	3,142	-	-	-	-	-	-	(737)	2,405
Total Fund Balances	\$ 55,413	\$ 36,586	\$ 17,426	\$ 10,469	\$ 753	\$ 24,539	\$ 56,468	\$ 101,799	\$ 303,453

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 9 – FUND BALANCE AND NET POSITION CLASSIFICATIONS (Continued)

B. Fund Balances

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

	<u>FY 18/19</u>	<u>FY 19/20</u>	<u>FY 20/21</u>	<u>FY 21/22</u>	<u>FY 22/23</u>
Nonspendable Fund Balance:					
Prepaid Expenditures	\$ 180	\$ 26	\$ 22	\$ 27	\$ 18
Supplies	13	19	19	14	13
Long-Term Receivable	932	633	527	134	58
Advance - Public Safety Impact Fee (Fire)	641	304	-	-	-
Advance - Public Facility Impact Fee (Library)	126	98	60	26	-
Advance - Measure R - Regional	967	1,284	-	-	-
Advance - Measure R - Trailways	1,292	844	522	392	2,367
Advance - Special Service Districts	899	931	963	971	1,042
Advance - CHFA	1	-	-	-	-
Advance - Transportation Grants	-	300	-	-	-
Advance - Airport	44	944	1,367	-	-
Nonspendable Fund Balance Total	5,095	5,383	3,480	1,564	3,498
Committed Fund Balance:					
Emergency Reserve	15,182	15,953	16,407	17,402	19,023
Miscellaneous Capital Projects	162	286	202	156	1,782
Committed Fund Balance Total	15,344	16,239	16,609	17,558	20,805
Assigned Fund Balance:					
Custodial Fund Advance - Atwood District	77	75	76	75	76
Custodial Fund Advance - Laura District	37	36	36	38	38
Due from - Community Development	-	2	5	-	211
Due from - Public Facility Impact Fee (Library)	-	-	-	-	2
Due from - Golf Course	-	6	-	-	-
CIP Budgeted not started	2,551	3,219	3,961	3,522	4,731
Cal PERS Unfunded Liability Payment	6,863	10,166	11,120	12,227	11,000
Successor Agency	11,717	12,069	12,431	12,077	11,910
Assigned Fund Balance Total	21,245	25,573	27,629	27,939	27,968
Unassigned Fund Balance:					
Unassigned	9,753	5,497	5,428	6,731	3,142
Unassigned Fund Balance Total	9,753	5,497	5,428	6,731	3,142
Total Fund Balance	\$ 51,437	\$ 52,692	\$ 53,146	\$ 53,792	\$ 55,413

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 9 – FUND BALANCE AND NET POSITION CLASSIFICATIONS (Continued)

C. Fund Balance and Net Position Deficits

The following funds had deficit fund balances or net position at June 30, 2023. Future revenues, future charges or interfund transfers are expected to offset these deficits:

Special Revenue Funds:		
Measure R Regional	\$	724,165
Debt Service Funds:		
VPFA 2014 Refunding Certificates of Participation	\$	1,449
2015 Certificates of Participation	\$	11,425
Fiduciary Funds:		
Successor Agency	\$	10,016,334
Internal Services:		
Fleet Services	\$	570,907
Compensated Absences	\$	111,189

D. Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2023:

	Governmental Activities	Business-Type Activities	Total
Capital Assets, net of			
accumulated depreciation and amortization	\$ 376,347,952	\$ 364,106,463	\$ 740,454,415
Less: outstanding principal on capital related debt	(7,533,279)	(91,330,046)	(98,863,325)
Less: outstanding leases liability	(678,803)	-	(678,803)
Less: outstanding SBITA lease liability	(731,792)	(64,915)	(796,707)
Net Investment in Capital Assets	<u>\$ 367,404,078</u>	<u>\$ 272,711,502</u>	<u>\$ 640,115,580</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

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, 2023, are summarized as follows:

	<u>Miscellaneous</u>			
	<u>Prior to May 9, 2008</u>	<u>May 10, 2008 through May 20, 2011</u>	<u>May 21, 2011 through December 31, 2012</u>	<u>January 1, 2013 through current</u>
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%	7.25%
Required employer contribution rates	10.470%	10.470%	10.470%	10.470%
Unfunded Liability Contribution % of Payroll (illustrative only)	20.695%	20.695%	20.695%	20.695%
	<u>Safety</u>			
	<u>Prior to February 26, 2011</u>	<u>February 27, 2011 through December 31, 2012</u>	<u>January 1, 2013 through current</u>	
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%	13.50%	
Required employer contribution rates	20.280%	20.280%	20.280%	
Unfunded Liability Contribution % of Payroll (illustrative only)	24.985%	24.985%	24.985%	

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 10 – EMPLOYEE BENEFITS (Continued)

A. General Information about the Pension Plans (Continued)

Employees Covered – For valuation date, as of June 30, 2021, 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	490	250
Inactive employees entitled to but not yet receiving benefits	343	128
Active employees	<u>380</u>	<u>222</u>
Total	<u><u>1,213</u></u>	<u><u>600</u></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 is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

B. Net Pension Liability

The City’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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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, 2021 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, 2023

NOTE 10 – EMPLOYEE BENEFITS (Continued)

B. Net Pension Liability (Continued)

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	2.750%	2.750%
Projected Salary Increase	.40% - 8.5% (1)	.97% - 17.0% (1)
Investment Rate of Return	7.00% (2)	7.00% (2)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% 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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of a November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can found on the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Change of Assumptions – Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 10 – EMPLOYEE BENEFITS (Continued)

B. Net Pension Liability (Continued)

<u>Asset Class ¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return ^{1,2}</u>
Global Equity - Cap-Weighted	30.0%	4.54%
Global Equity - Non-Cap-Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage Backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

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

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

Discount Rate – The discount rate used to measure the total pension liability was 6.90% 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.

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

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

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 10 – EMPLOYEE BENEFITS (Continued)

C. Changes in the Net Pension Liability

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

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	<u>\$260,301,200</u>	<u>\$212,210,603</u>	<u>\$48,090,597</u>
Changes in the year:			
Service cost	4,868,837	-	4,868,837
Interest on the total pension liability	17,957,207	-	17,957,207
Differences between actual and expected experience	(4,315,154)	-	(4,315,154)
Changes in assumptions	8,329,382	-	8,329,382
Contribution - employer	-	8,224,129	(8,224,129)
Contribution - employee	-	1,923,874	(1,923,874)
Net investment income	-	(16,135,131)	16,135,131
Administrative expenses	-	(132,195)	132,195
Benefit payments, including refunds of employee contributions	(13,000,942)	(13,000,942)	-
Net changes	<u>13,839,330</u>	<u>(19,120,265)</u>	<u>32,959,595</u>
Balance at June 30, 2022	<u>\$274,140,530</u>	<u>\$193,090,338</u>	<u>\$81,050,192</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021	<u>\$273,323,113</u>	<u>\$239,810,017</u>	<u>\$33,513,096</u>
Changes in the year:			
Service cost	7,271,834	-	7,271,834
Interest on the total pension liability	19,359,561	-	19,359,561
Differences between actual and expected experience	(2,751,520)	-	(2,751,520)
Changes in assumptions	12,387,796	-	12,387,796
Contribution - employer	-	10,480,584	(10,480,584)
Contribution - employee	-	2,430,715	(2,430,715)
Net investment income	-	(18,360,033)	18,360,033
Administrative expenses	-	(149,387)	149,387
Benefit payments, including refunds of employee contributions	(12,043,905)	(12,043,905)	-
Net changes	<u>24,223,766</u>	<u>(17,642,026)</u>	<u>41,865,792</u>
Balance at June 30, 2022	<u>\$297,546,879</u>	<u>\$222,167,991</u>	<u>\$75,378,888</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 10 – EMPLOYEE BENEFITS (Continued)

C. Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City 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:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$118,043,779	\$119,907,870	\$237,951,649
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$81,050,192	\$75,378,888	\$156,429,080
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$50,568,653	\$39,331,590	\$89,900,243

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, 2023, the City of Visalia recognized pension expense of \$20,188,815 (\$8,762,828 related to the Miscellaneous Plan and \$11,425,987 related to the Safety Plan). At June 30, 2023, the City of Visalia reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$9,081,064	\$ -
Differences between expected and actual experience	-	(3,346,675)
Changes in assumptions	5,949,559	-
Net differences between projected and actual earnings on plan investments	9,695,101	-
Total	<u>\$24,725,724</u>	<u>(\$3,346,675)</u>

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 10 – EMPLOYEE BENEFITS (Continued)

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

Safety Plan:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$11,217,004	\$ -
Differences between expected and actual experience	672,525	(2,638,610)
Changes in assumptions	9,859,674	-
Net differences between projected and actual earnings on plan investments	11,273,070	-
Total	<u>\$33,022,273</u>	<u>(\$2,638,610)</u>
Grand Total	<u>\$57,747,997</u>	<u>(\$5,985,285)</u>

\$20,298,068 (\$9,081,064 related to the Miscellaneous Plan and \$11,217,004 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 ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Miscellaneous Plan:</u>		<u>Safety Plan:</u>	
Measurement Periods Ending	Annual Amortization	Measurement Periods Ending	Annual Amortization
June 30		June 30	
2023	\$2,425,020	2023	\$4,024,138
2024	2,499,215	2024	3,491,217
2025	1,240,225	2025	2,898,163
2026	6,133,525	2026	8,753,141
Total	<u>\$12,297,985</u>	Total	<u>\$19,166,659</u>

Expected Average Remaining Service Lifetime (EARSL) – Miscellaneous Plan – The EARSL for the plan for the measurement period ending June 30, 2022 is 3.5 years, which was obtained by dividing the total service years of 4,268 (the sum of remaining service lifetimes of the active employees) by 1,213 (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, 2022 is 4.9 years, which was obtained by dividing the total service years of 2,931 (the sum of remaining service lifetimes of the active employees) by 600 (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.

Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 10 – EMPLOYEE BENEFITS (Continued)

E. Liquidating Net Pension Liability

The net pension liability, and related components for the miscellaneous plan are allocated to the governmental activities and business-type activities based on the distribution of current year contributions to the plan. At June 30, 2023, it is distributed 55% to governmental activities and 45% to business-type activities. The net pension liability, and related components for the safety plan are distributed 100% to the governmental activities.

F. Payable to the Pension Plan

At June 30, 2023, the City did not report a payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2023 as there were none outstanding.

G. 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 Mission Square, 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.

H. 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.

I. 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, 2023, 46 retirees are participating in the City's health plan at full cost. Of these retirees 16 have dependent coverage. The full cost is up to \$1,225 per month for retiree and is up to an additional \$1,225 for their spouse. Family coverage is also available for an additional \$613 per month for a total family PPO premium up to \$3,063 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 \$994 per month for the retiree and an additional \$994 for spouse. Family coverage is available for a total of \$2,484 per month.

J. 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

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 10 – EMPLOYEE BENEFITS (Continued)

J. Defined Contribution for Retiree Health Care (Continued)

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.

Three retirees qualified for the 2023 reduced rate, all are enrolled as retirees only. The retiree cost is up to \$722 per month with the City subsidizing up to \$1,028 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 2022-2023, the City's Retiree Health Care Contribution was approximately \$118,084.

NOTE 11 – RISK MANAGEMENT

A. Coverage

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

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

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

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

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 \$55,000,000 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.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 11 – RISK MANAGEMENT (Continued)

A. Coverage (Continued)

During the fiscal year ended June 30, 2023, the City contributed \$1,762,677 to ACCEL for current year coverage. ACCEL audited financial statements are available from Alliant Insurance Services at 560 Mission Street, Sixth Floor, San Francisco, California 94105.

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
2020-21	\$ 7,219,438	\$ 4,297,344	\$ (2,687,882)	\$ 8,828,900	\$ 1,614,142
2021-22	8,828,900	2,776,089	(3,582,783)	8,022,206	859,236
2022-23	8,022,206	1,445,135	(1,174,409)	8,292,932	2,107,818

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.

At June 30, 2023, the City had made commitments of approximately \$37.5 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 Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Award (Uniform Guidance) 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.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

	<u>Government-wide Financial Statements</u>
	<u>Governmental Activities</u>
Net position at July 1, 2022 as previously reported	\$ 585,567,416
Adjustment due to GASB 96 Implementation	261,525
Net position at July 1, 2022, as restated	<u>\$ 585,828,941</u>
	<u>Internal Service Funds</u>
	<u>Information Services</u>
Net position at July 1, 2022 as previously reported	\$ 7,640,880
Adjustment due to GASB 96 Implementation	261,525
Net position at July 1, 2022, as restated	<u>\$ 7,902,405</u>

NOTE 14 – 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>Purpose</u>	<u>Amount for the Year Ended June 30, 2023</u>
Downtown Visalians	City Council Member	Business tax surcharge (passthrough)	\$ 198,950
Downtown Visalians	City Council Member	Security, cleaning services and misc.	60,356
Total			<u>259,306</u>
Downtown Visalia Property Owners Association	City Council Member	Property Based Improvement District (passthrough)	550,000
Downtown Visalia Property Owners Association	City Council Member	Parking fund revenue match	(39,193)
Total			<u>510,807</u>
Total Related Party Transactions			<u>\$ 770,113</u>

NOTE 15 – LEASES RECEIVABLE

Some governmental and proprietary funds of the City lease property to others.

In the case of the governmental funds, such property includes buildings and land. The remaining terms of these arrangements range from 2 to 29 years with the calculated interest rates used ranging from .20% to 2.40% depending on the length of the lease. For the year ended June 30, 2023, the City's governmental funds recognized \$166,254 in lease revenue and \$30,749 in lease interest revenue.

For proprietary funds, leased property includes buildings, office space, and land. The remaining terms of these arrangements range from 1 to 35 years with the calculated interest rates used ranging from .20% to 1.50% depending on the length of the lease. For the year ended June 30, 2023, the City's proprietary funds recognized \$467,209 in lease revenue and \$86,769 in lease interest revenue.

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 15 – LEASES RECEIVABLE (Continued)

A. Current Year Transactions and Balances

A summary of the changes in lease receivables for the fiscal year ended June 30, 2023 is as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023	Due Within One Year	Due in More Than One Year
<u>Governmental Lease Receivable Activities</u>						
General Fund	\$ 532,649	\$ 70,169	\$ (57,285)	\$ 545,533	\$ 87,389	\$ 458,144
Golf Course	1,365,261	-	(75,874)	1,289,387	71,147	1,218,240
Parking District	143,972	-	(1,437)	142,535	5,119	137,416
Total Governmental Activities	<u>\$ 2,041,882</u>	<u>\$ 70,169</u>	<u>\$ (134,596)</u>	<u>\$ 1,977,455</u>	<u>\$ 163,655</u>	<u>\$ 1,813,800</u>
<u>Business-Type Lease Receivable Activities</u>						
Transit	\$ 178,708	\$ 10,376	\$ (46,965)	\$ 142,119	\$ 48,389	\$ 93,730
Airport	5,949,243	37,001	(420,286)	5,565,958	394,684	5,171,274
Total Business-Type Activities	<u>\$ 6,127,951</u>	<u>\$ 47,377</u>	<u>\$ (467,251)</u>	<u>\$ 5,708,077</u>	<u>\$ 443,073</u>	<u>\$ 5,265,004</u>

B. Scheduled Lease Receivables Due

Lease receivables are due in the upcoming years is as follows:

For the Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 163,655	\$ 30,368	\$ 194,023	\$ 443,073	\$ 77,231	\$ 520,304
2025	130,729	26,128	156,857	433,733	72,547	506,280
2026	132,572	24,285	156,857	404,753	68,014	472,767
2027	128,952	22,421	151,373	313,653	63,659	377,312
2028	122,374	20,612	142,986	195,263	60,363	255,626
2029-2033	662,840	74,916	737,756	972,603	257,944	1,230,547
2034-2038	558,645	24,877	583,522	981,055	185,169	1,166,224
2039-2043	24,993	5,541	30,534	866,963	112,537	979,500
2044-2048	27,195	3,339	30,534	559,485	59,830	619,315
2049-2053	25,500	962	26,462	254,098	31,061	285,159
2054-2058	-	-	-	271,992	11,284	283,276
2059-2063	-	-	-	11,406	32	11,438
	<u>\$ 1,977,455</u>	<u>\$ 233,449</u>	<u>\$ 2,210,904</u>	<u>\$ 5,708,077</u>	<u>\$ 999,671</u>	<u>\$ 6,707,748</u>

C. Deferred Inflows of Resources – Leases

Lease revenue to be recognized in the upcoming years is as follows:

Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2023

NOTE 15 – LEASES RECEIVABLE (Continued)

C. Deferred Inflows of Resources – Leases (Continued)

For the Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Deferred Inflows of Resources to be Reognized		Deferred Inflows of Resources to be Reognized	
2024	\$	166,254	\$	456,479
2025		147,379		451,114
2026		147,379		442,188
2027		142,068		345,029
2028		133,953		213,233
2029-2033		645,517		1,024,473
2034-2038		465,564		963,219
2039-2043		23,243		801,622
2044-2048		23,243		494,710
2049-2053		20,144		218,494
2054-2058		-		217,051
2059-2063		-		8,759
	\$	<u>1,914,744</u>	\$	<u>5,636,371</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**
(Unaudited)



City of Visalia
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2023

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.
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 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, 2023, 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, 2023

REVENUES	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Taxes				
Sales	\$ 44,473,700	\$ 44,473,700	\$ 47,866,077	\$ 3,392,377
Property	29,553,000	29,553,000	31,768,558	2,215,558
Transient Occupancy	3,898,500	3,898,500	4,533,774	635,274
Franchise	2,879,800	2,879,800	3,706,843	827,043
Business License	3,149,400	3,149,400	3,440,074	290,674
Total Taxes	<u>83,954,400</u>	<u>83,954,400</u>	<u>91,315,326</u>	<u>7,360,926</u>
Subventions and Grants				
Police and Other	498,000	1,783,955	1,621,780	(162,175)
Motor Vehicle License In-Lieu	105,800	105,800	145,646	39,846
Total Subventions and Grants	<u>603,800</u>	<u>1,889,755</u>	<u>1,767,426</u>	<u>(122,329)</u>
License and Permits				
Other License and Permits	60,000	60,000	89,404	29,404
Total License and Permits	<u>60,000</u>	<u>60,000</u>	<u>89,404</u>	<u>29,404</u>
Fees and Fines				
Vehicle Code and Parking Violations	456,800	456,800	514,838	58,038
Local Ordinance Violations	434,200	434,200	681,691	247,491
Total Fees and Fines	<u>891,000</u>	<u>891,000</u>	<u>1,196,529</u>	<u>305,529</u>
Use of Money and Property				
Interest Earned	631,900	631,900	706,646	74,746
Rents and Concessions	326,300	326,300	340,861	14,561
Total Use of Money and Property	<u>958,200</u>	<u>958,200</u>	<u>1,047,507</u>	<u>89,307</u>
Charges for Services				
Engineering and Subdivision Fees	1,137,000	1,137,000	992,317	(144,683)
Zoning Fees	252,700	252,700	311,641	58,941
Special Public Safety Services	1,301,900	1,301,900	1,511,480	209,580
Recreation Programs	1,443,800	1,443,800	641,899	(801,901)
Total Charges for Services	<u>4,135,400</u>	<u>4,135,400</u>	<u>3,457,337</u>	<u>(678,063)</u>
Other Revenue	1,096,000	1,096,000	1,544,107	448,107
Total Revenues	<u>91,698,800</u>	<u>92,984,755</u>	<u>100,417,636</u>	<u>7,432,881</u>

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

EXPENDITURES	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Current:				
General Government	\$ 4,218,000	\$ 4,249,308	\$ 4,132,396	\$ 116,912
Community Development	2,966,600	2,966,600	3,030,538	(63,938)
Public Safety:				
Fire	16,030,800	16,028,096	17,475,323	(1,447,227)
Police	38,850,700	39,236,855	37,193,386	2,043,469
Public Works	5,497,000	5,482,438	4,841,109	641,329
Community Services	9,830,100	9,583,149	7,179,557	2,403,592
Capital Outlay	1,662,000	4,258,877	3,946,113	312,764
Debt Service (Note 7)				
Principal	32,600	32,600	760,872	(728,272)
Interest and Fiscal Charges	500	500	35,218	(34,718)
Total Expenditures	79,088,300	81,838,423	78,594,512	3,243,911
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	12,610,500	11,146,332	21,823,124	10,676,792
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	-	-	975	975
Issuance of Debt - Leases Acquired	-	-	73,497	73,497
Transfers Out	(5,253,400)	(5,253,400)	(20,276,501)	(15,023,101)
Total Other Financing Sources (Uses)	(5,253,400)	(5,253,400)	(20,202,029)	(14,948,629)
Net Change in Fund Balance	\$ 7,357,100	\$ 5,892,932	1,621,095	\$ (4,271,837)
Fund Balance Beginning of Year			53,792,320	
Fund Balance - End of Year			\$ 55,413,415	

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - MEASURE N FUND
FOR THE YEAR ENDED JUNE 30, 2023

REVENUES	<u>Budgeted Amounts</u>		Actual	Variance With Final Budget
	<u>Original Budget</u>	<u>Final Budget</u>		
Taxes				
Sales	\$ 19,283,800	\$ 19,283,800	\$ 19,487,895	\$ 204,095
Total Taxes	<u>19,283,800</u>	<u>19,283,800</u>	<u>19,487,895</u>	<u>204,095</u>
Subventions and Grants				
Police and Other	-	-	16,092	16,092
Total Subventions and Grants	<u>-</u>	<u>-</u>	<u>16,092</u>	<u>16,092</u>
Use of Money and Property				
Interest Earned	228,000	228,000	382,638	154,638
Total Use of Money and Property	<u>228,000</u>	<u>228,000</u>	<u>382,638</u>	<u>154,638</u>
Charges for Current Services	-	-	8,857	8,857
Other Revenue	-	-	51,247	51,247
Total Revenues	<u>19,511,800</u>	<u>19,511,800</u>	<u>19,946,729</u>	<u>434,929</u>
EXPENDITURES				
Current:				
General Government	1,945,200	1,945,200	271,392	1,673,808
Public Safety:				
Fire	1,642,400	1,642,400	1,559,712	82,688
Police	5,588,100	5,588,100	5,913,995	(325,895)
Community Services	861,200	858,335	830,058	28,277
Capital Outlay	3,774,400	12,434,973	12,054,479	380,494
Total Expenditures	<u>13,811,300</u>	<u>22,469,008</u>	<u>20,629,636</u>	<u>1,839,372</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>5,700,500</u>	<u>(2,957,208)</u>	<u>(682,907)</u>	<u>2,274,301</u>
Net Change in Fund Balance	<u>\$ 5,700,500</u>	<u>\$ (2,957,208)</u>	<u>(682,907)</u>	<u>\$ 2,274,301</u>
Fund Balance Beginning of Year			<u>37,268,500</u>	
Fund Balance - End of Year			<u>\$ 36,585,593</u>	

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING & COMMUNITY GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Revenues				
Subventions and Grants	\$ 6,315,900	\$ 7,783,844	\$ 5,716,466	\$ (2,067,378)
Fees and Fines	5,000	5,000	15,959	10,959
Uses of Money and Property	64,850	64,850	41,999	(22,851)
Charges for Current Services	-	-	5,000	5,000
Miscellaneous	5,500	5,500	10,603	5,103
Total Revenues	<u>6,391,250</u>	<u>7,859,194</u>	<u>5,790,027</u>	<u>(2,069,167)</u>
Expenditures				
Current:				
Community Development	82,800	82,800	91,502	(8,702)
Housing & Community Grants	1,037,400	1,508,021	2,636,632	(1,128,611)
Capital Outlay	5,267,600	1,894,438	1,882,971	11,467
Total Expenditures	<u>6,387,800</u>	<u>3,485,259</u>	<u>4,611,105</u>	<u>(1,125,846)</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>3,450</u>	<u>4,373,935</u>	<u>1,178,922</u>	<u>(3,195,013)</u>
Other Financing Sources				
Sale of Land	-	-	172,669	172,669
Transfers In	-	-	30,359	30,359
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>203,028</u>	<u>30,359</u>
Net Changes in Fund Balance	<u>\$ 3,450</u>	<u>\$ 4,373,935</u>	<u>1,381,950</u>	<u>\$ (3,164,654)</u>
Fund Balance - Beginning of Year			<u>16,044,499</u>	
Fund Balance - End of Year			<u>\$ 17,426,449</u>	

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - HOUSING SUCCESSOR AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues				
Subventions and Grants	\$ 309,900	\$ 309,900	\$ -	\$ (309,900)
Uses of Money and Property	8,000	8,000	(3,416)	(11,416)
Miscellaneous		-	728	728
Total Revenues	<u>317,900</u>	<u>317,900</u>	<u>(2,688)</u>	<u>(320,588)</u>
Expenditures				
Current:				
General Government	34,000	34,000	114,030	(80,030)
Capital Outlay	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,134,000</u>	<u>34,000</u>	<u>114,030</u>	<u>(80,030)</u>
Excess (Deficiency) of				
Revenue Over (Under) Expenditures	<u>(816,100)</u>	<u>283,900</u>	<u>(116,718)</u>	<u>(400,618)</u>
Net Changes in Fund Balance	<u><u>\$(816,100)</u></u>	<u><u>\$283,900</u></u>	<u>(116,718)</u>	<u><u>\$ (400,618)</u></u>
Fund Balance - Beginning of Year			<u>10,585,193</u>	
Fund Balance - End of Year			<u><u>\$ 10,468,475</u></u>	

CITY OF VISALIA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Subventions and Grants	\$ -	\$ 3,572,859	\$ 3,572,859
Uses of Money and Property	-	686,106	686,106
Miscellaneous	-	60	60
	-	4,259,025	4,259,025
Expenditures			
Current:			
Capital Outlay	2,995,631	3,572,859	(577,228)
Total Expenditures	2,995,631	3,572,859	(577,228)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(2,995,631)	686,166	3,681,797
Net Changes in Fund Balance	\$ (2,995,631)	686,166	\$ 3,681,797
Fund Balance - Beginning of Year		66,681	
Fund Balance - End of Year		\$ 752,847	

Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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

Miscellaneous Plan

Measurement Period	2021-22 ¹	2020-21 ¹	2019-20 ¹	2018-19 ¹
TOTAL PENSION LIABILITY				
Service Cost	\$ 4,868,837	\$ 4,395,969	\$ 4,403,664	\$ 4,255,037
Interest	17,957,207	17,627,181	16,958,814	16,380,941
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	(4,315,154)	(88,959)	(1,366,753)	2,525,650
Changes of Assumptions	8,329,382	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(13,000,942)	(12,115,961)	(11,727,761)	(10,795,043)
Net Change in Total Pension Liability	13,839,330	9,818,230	8,267,964	12,366,585
Total Pension Liability - Beginning	260,301,200	250,482,970	242,215,006	229,848,421
Total Pension Liability - Ending (a)	\$ 274,140,530	\$ 260,301,200	\$ 250,482,970	\$ 242,215,006
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 8,224,129	\$ 7,688,208	\$ 7,072,583	\$ 6,219,874
Contributions - Employee	1,923,874	1,897,359	1,918,767	1,845,020
Net Investment Income	(16,135,131)	39,751,521	8,526,757	10,604,879
Benefit Payments, Including Refunds of Employee Contributions	(13,000,942)	(12,115,961)	(11,727,761)	(10,795,043)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(132,195)	(174,979)	(239,113)	(115,502)
Other Miscellaneous Income/(Expense) ²	-	-	-	376
Net Change in Fiduciary Net Position	(19,120,265)	37,046,148	5,551,233	7,759,604
Plan Fiduciary Net Position - Beginning³	212,210,603	175,164,455	169,613,222	161,853,618
Plan Fiduciary Net Position - Ending (b)	\$ 193,090,338	\$ 212,210,603	\$ 175,164,455	\$ 169,613,222
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 81,050,192	\$ 48,090,597	\$ 75,318,515	\$ 72,601,784
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.43%	81.53%	69.93%	70.03%
Covered Payroll⁴	\$ 25,571,621	\$ 25,483,876	\$ 25,250,366	\$ 23,916,793
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	316.95%	188.71%	298.29%	303.56%

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 2.80 percent payroll growth assumption for fiscal year ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the 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: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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

Miscellaneous Plan

Measurement Period	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹	2013-14 ¹
TOTAL PENSION LIABILITY					
Service Cost	\$ 4,192,969	\$ 4,245,437	\$ 3,786,783	\$ 3,692,092	\$ 3,797,356
Interest	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	(286,874)	(2,890,524)	431,303	(307,086)	-
Changes of Assumptions	(1,586,819)	12,685,479	-	(3,447,570)	-
Benefit Payments, Including Refunds of Employee Contributions	(10,116,949)	(9,515,763)	(8,700,574)	(8,186,347)	(7,668,885)
Net Change in Total Pension Liability	7,737,506	19,521,684	10,088,834	5,590,555	9,303,746
Total Pension Liability - Beginning	222,110,915	202,589,231	192,500,397	186,909,842	177,606,096
Total Pension Liability - Ending (a)	\$ 229,848,421	\$ 222,110,915	\$ 202,589,231	\$ 192,500,397	\$ 186,909,842
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 5,482,359	\$ 5,129,632	\$ 4,678,278	\$ 4,077,411	\$ 3,947,176
Contributions - Employee	1,850,278	1,781,007	1,733,983	1,747,629	1,809,951
Net Investment Income	12,914,267	15,518,122	742,388	3,174,848	21,053,194
Benefit Payments, Including Refunds of Employee Contributions	(10,116,949)	(9,515,763)	(8,700,574)	(8,186,347)	(7,668,885)
Net Plan to Plan Resource Movement	(376)	-	-	-	-
Administrative Expense	(237,501)	(206,266)	(86,138)	(159,136)	-
Other Miscellaneous Income/(Expense) ²	(451,018)	-	-	-	-
Net Change in Fiduciary Net Position	9,441,060	12,706,732	(1,632,063)	654,405	19,141,436
Plan Fiduciary Net Position - Beginning³	152,412,558	139,705,826	141,337,889	140,683,484	121,542,048
Plan Fiduciary Net Position - Ending (b)	\$ 161,853,618	\$ 152,412,558	\$ 139,705,826	\$ 141,337,889	\$ 140,683,484
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 67,994,803	\$ 69,698,357	\$ 62,883,405	\$ 51,162,508	\$ 46,226,358
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.42%	68.62%	68.96%	73.42%	75.27%
Covered Payroll⁴	\$ 23,303,337	\$ 22,840,895	\$ 22,218,995	\$ 21,309,546	\$ 20,653,520
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	291.78%	305.15%	283.02%	240.09%	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 2.80 percent payroll growth assumption for fiscal year ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the 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: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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

Safety Plan

Measurement Period	2021-22 ¹	2020-21 ¹	2019-20 ¹	2018-19 ¹
TOTAL PENSION LIABILITY				
Service Cost	\$ 7,271,834	\$ 6,473,248	\$ 6,324,588	\$ 6,222,413
Interest	19,359,561	18,396,919	17,437,680	16,600,696
Changes of Benefit Terms	-	-	-	-
Difference Between Expected and Actual Experience	(2,751,520)	403,302	(1,240,319)	3,326,073
Changes of Assumptions	12,387,796	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(12,043,905)	(11,219,989)	(10,427,951)	(9,427,686)
Net Change in Total Pension Liability	24,223,766	14,053,480	12,093,998	16,721,496
Total Pension Liability - Beginning	273,323,113	259,269,633	247,175,635	230,454,139
Total Pension Liability - Ending (a)	\$ 297,546,879	\$ 273,323,113	\$ 259,269,633	\$ 247,175,635
PLAN FIDUCIARY NET POSITION				
Contributions - Employer	\$ 10,480,584	\$ 10,044,602	\$ 8,928,558	\$ 8,085,201
Contributions - Employee	2,430,715	2,349,763	2,142,637	2,172,900
Net Investment Income	(18,360,033)	44,537,546	9,341,900	11,443,404
Benefit Payments, Including Refunds of Employee Contributions	(12,043,905)	(11,219,989)	(10,427,951)	(9,427,686)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative Expense	(149,387)	(194,086)	(260,195)	(123,040)
Other Miscellaneous Income/(Expense) ²	-	-	-	400
Net Change in Fiduciary Net Position	(17,642,026)	45,517,836	9,724,949	12,151,179
Plan Fiduciary Net Position - Beginning³	239,810,017	194,292,181	184,567,232	172,416,053
Plan Fiduciary Net Position - Ending (b)	\$ 222,167,991	\$ 239,810,017	\$ 194,292,181	\$ 184,567,232
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 75,378,888	\$ 33,513,096	\$ 64,977,452	\$ 62,608,403
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.67%	87.74%	74.94%	74.67%
Covered Payroll⁴	\$ 22,374,873	\$ 21,898,673	\$ 21,060,898	\$ 20,360,634
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	336.89%	153.04%	308.52%	307.50%

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 2.80 percent payroll growth assumption for fiscal year ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule:

Changes of Benefit Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the 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: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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

Safety Plan

Measurement Period	2017-18 ¹	2016-17 ¹	2015-16 ¹	2014-15 ¹	2013-14 ¹
TOTAL PENSION LIABILITY					
Service Cost	\$ 5,995,204	\$ 5,853,759	\$ 5,349,411	\$ 5,222,479	\$ 5,100,652
Interest	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	(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	(8,593,404)	(8,040,046)	(7,578,069)	(7,169,237)	(6,653,993)
Net Change in Total Pension Liability	11,028,049	20,903,583	12,766,184	7,439,562	10,941,550
Total Pension Liability - Beginning	219,426,090	198,522,507	185,756,323	178,316,761	167,375,211
Total Pension Liability - Ending (a)	\$ 230,454,139	\$ 219,426,090	\$ 198,522,507	\$ 185,756,323	\$ 178,316,761
PLAN FIDUCIARY NET POSITION					
Contributions - Employer	\$ 7,221,051	\$ 6,623,640	\$ 6,259,154	\$ 5,610,391	\$ 5,703,922
Contributions - Employee	1,924,202	1,846,297	1,750,054	1,805,168	1,618,205
Net Investment Income	13,555,587	15,911,405	717,302	3,141,564	20,530,453
Benefit Payments, Including Refunds of Employee Contributions	(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	(247,809)	(210,978)	(86,447)	(159,587)	-
Other Miscellaneous Income/(Expense) ²	(470,593)	-	-	-	-
Net Change in Fiduciary Net Position	13,388,634	16,130,318	1,052,032	3,228,299	21,198,587
Plan Fiduciary Net Position - Beginning³	159,027,419	142,897,101	141,845,069	138,616,770	117,418,183
Plan Fiduciary Net Position - Ending (b)	\$ 172,416,053	\$ 159,027,419	\$ 142,897,101	\$ 141,845,069	\$ 138,616,770
PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)	\$ 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	74.82%	72.47%	71.98%	76.36%	77.74%
Covered Payroll⁴	\$ 19,541,081	\$ 18,777,695	\$ 19,201,043	\$ 18,560,232	\$ 17,363,328
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	297.01%	321.65%	289.70%	236.59%	228.64%

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Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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

Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2022-23	\$ 9,081,064	\$ (9,081,064)	\$ -	\$ 29,149,782	31.15%
2021-22	8,224,129	(8,224,129)	-	25,571,621	32.16%
2020-21	7,688,208	(7,688,208)	-	25,483,876	30.17%
2019-20	7,072,583	(7,072,583)	-	25,250,366	28.01%
2018-19	6,219,874	(6,219,874)	-	23,916,793	26.01%
2017-18	5,482,359	(5,482,359)	-	23,303,337	23.53%
2016-17	5,129,632	(5,129,632)	-	22,840,895	22.46%
2015-16	4,678,278	(4,678,278)	-	22,218,995	21.06%
2014-15	4,077,411	(4,077,411)	-	21,309,546	19.13%
2013-14	3,947,176	(3,947,176)	-	20,653,520	19.11%

Safety Plan

Fiscal Year	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2022-23	\$ 11,217,004	\$ (11,217,004)	\$ -	\$ 24,791,423	45.25%
2021-22	10,480,454	(10,480,454)	-	22,374,873	46.84%
2020-21	10,044,602	(10,044,602)	-	21,898,673	45.87%
2019-20	8,928,558	(8,928,558)	-	21,060,898	42.39%
2018-19	8,085,201	(8,085,201)	-	20,360,634	39.71%
2017-18	7,221,051	(7,221,051)	-	19,541,081	36.95%
2016-17	6,623,640	(6,623,640)	-	18,777,695	35.27%
2015-16	6,259,154	(6,259,154)	-	19,201,043	32.60%
2014-15	5,610,391	(5,610,391)	-	18,560,232	30.23%
2013-14	5,703,922	(5,703,922)	-	17,363,328	32.85%

¹ Fiscal year ended June 30, 2023 covered payroll is based on PERSable income during fiscal year 2022-23. Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal year ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method.
Amortization Method/Period	For details, see June 30, 2019 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service.
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	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.

Other information:

For changes to previous years' information, refer to past GASB 68 reports.

SUPPLEMENTARY INFORMATION



CITY OF VISALIA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION - CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Revenues				
Fees and Fines	\$ 6,263,100	\$ 6,263,100	\$ 5,168,798	\$ (1,094,302)
Uses of Money and Property	100,000	100,000	265,166	165,166
Miscellaneous	-	-	14	14
Total Revenues	6,363,100	6,363,100	5,433,978	(929,122)
Expenditures				
Current:				
Public Works	35,300	35,300	43,355	(8,055)
Capital Outlay	6,979,200	1,833,775	347,650	1,486,125
Total Expenditures	7,014,500	1,869,075	391,005	1,478,070
Excess (Deficiency) of Revenue Over (Under) Expenditures	(651,400)	4,494,025	5,042,973	548,948
Net Changes in Fund Balance	<u>\$ (651,400)</u>	<u>\$ 4,494,025</u>	5,042,973	<u>\$ 548,948</u>
Fund Balance - Beginning of Year			<u>19,496,225</u>	
Fund Balance - End of Year			<u>\$ 24,539,198</u>	

CITY OF VISALIA
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - CIVIC CENTER - CAPITAL PROJECT FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Uses of Money and Property	\$ -	\$ 513,411	\$ 513,411
Miscellaneous	-	59	59
Total Revenues	-	513,470	513,470
Expenditures			
Current:			
General Government	-	13,458	(13,458)
Capital Outlay	955,179	955,179	-
Total Expenditures	955,179	968,637	(13,458)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(955,179)	(455,167)	500,012
Other Financing Sources			
Transfers In	-	9,918,553	9,918,553
Total Other Financing Sources	-	9,918,553	9,918,553
Net Changes in Fund Balance	\$ (955,179)	9,463,386	\$ 10,418,565
Fund Balance - Beginning of Year		47,004,424	
Fund Balance - End of Year		\$ 56,467,810	

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 money 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 money must be returned to the previous owner, or the funds are forfeited to the City which may use the seized funds for the recovery of narcotics law enforcement costs associated with 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

Established 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.

Non-Major Governmental Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

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.

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 (Certified Access Specialist)

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 money that is found or seized and no longer required as evidence and remains unclaimed after three years. If the money remains unclaimed the money becomes the property of the City. This fund should not be confused with Narcotics Forfeiture Funds.

DEBT SERVICE FUNDS

VPFA 2014 REFUNDING CERTIFICATES OF PARTICIPATION

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

2015 CERTIFICATES OF PARTICIPATION

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

CAPITAL PROJECTS FUNDS

SOFTBALL FACILITY DEVELOPMENT

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

HIGHWAY USERS

Established to account for the construction and improvement of streets and roads. Financing is provided by grant funds received from state 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 for new developments.

Non-Major Governmental Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2023

PUBLIC SAFETY IMPACT FEE

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

GOVERNMENT FACILITIES IMPACT FEE

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

PARKING DISTRICT

Established to account for acquisition and development of downtown parking facilities. Funding is provided by a specific fee charged for 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.

REGIONAL PARKS

Established to account for the construction of regional parks.

VEHICLE MILES TRAVELED IMPACT FEE

Established to account for the financing and development of active transportation projects that are multi-modal and reduce vehicle miles traveled. Projects can include trails, bike lanes, sidewalks, and transit. Funding is provided by a fee charged to projects whose Vehicles Miles Traveled (VMT) falls below the City's established VMT threshold, and required to mitigate impacts.

ANIMAL CONTROL RESERVE

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

BASEBALL

Established to account for the maintenance and improvements to the baseball facility.

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance	Special Service Districts
ASSETS				
Cash and Investments	\$ 4,075,187	\$ 3,727,749	\$ 689,207	\$ 15,244,095
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	160,552	93,005	34,072	-
Lease Receivable	-	-	-	-
Taxes Receivable	-	189,621	-	128,369
Notes and Loans Receivable	155,554	-	-	-
Inventory	-	85,031	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	\$ 4,391,293	\$ 4,095,406	\$ 723,279	\$ 15,372,464
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 21,428	\$ 50,280	\$ -	\$ 346,251
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	1,042,029
Customer Deposits	-	-	-	-
Unearned Revenue	-	85,031	-	-
Total Liabilities	21,428	135,311	-	1,388,280
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	130,920	940	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	130,920	940	-	-
FUND BALANCES				
Restricted	4,238,945	3,959,155	723,279	13,984,184
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	4,238,945	3,959,155	723,279	13,984,184
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,391,293	\$ 4,095,406	\$ 723,279	\$ 15,372,464

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police
ASSETS				
Cash and Investments	\$ 689,958	\$ 115,122	\$ 748,247	\$ 7,046,705
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	9,614	1,238	-	7,642
Lease Receivable	-	-	-	-
Taxes Receivable	-	-	-	965,757
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	\$ 699,572	\$ 116,360	\$ 748,247	\$ 8,020,104
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ -	\$ 9,932	\$ 8	\$ -
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	273,103	-
Unearned Revenue	-	-	425,515	-
Total Liabilities	-	9,932	698,626	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	9,614	-	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	9,614	-	-	-
FUND BALANCES				
Restricted	689,958	106,428	49,621	8,020,104
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	689,958	106,428	49,621	8,020,104
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 699,572	\$ 116,360	\$ 748,247	\$ 8,020,104

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants
ASSETS				
Cash and Investments	\$ 5,789,066	\$ 13,744,785	\$ -	\$ 4,412,425
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	2,295	-	-	-
Lease Receivable	-	-	-	-
Taxes Receivable	643,838	323,759	3,155,095	275,000
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	110,776
	\$ 6,435,199	\$ 14,068,544	\$ 3,155,095	\$ 4,798,201
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 18,487	\$ 54,538	\$ 159,753	\$ 93,650
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	2,366,664	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
	18,487	54,538	2,526,417	93,650
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	-	1,352,843	-
Unavailable Revenue - Impact Fees	-	-	-	-
Leases	-	-	-	-
	-	-	1,352,843	-
FUND BALANCES				
Restricted	6,416,712	14,014,006	-	4,704,551
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	(724,165)	-
	6,416,712	14,014,006	(724,165)	4,704,551
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,435,199	\$ 14,068,544	\$ 3,155,095	\$ 4,798,201

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Golf Course	CASP Program	Oak Tree Preservation	Conservation
ASSETS				
Cash and Investments	\$ 456,559	\$ 513,429	\$ 274,229	\$ 243,694
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	7,500	-	-	-
Lease Receivable	1,289,387	-	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
	-	-	-	-
Total Assets	\$ 1,753,446	\$ 513,429	\$ 274,229	\$ 243,694
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 73	\$ 3,419	\$ -	\$ -
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
	-	-	-	-
Total Liabilities	73	3,419	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	-	-	-	-
Leases	1,256,930	-	-	-
	-	-	-	-
Total Deferred Inflows of Resources	1,256,930	-	-	-
FUND BALANCES				
Restricted	-	510,010	274,229	-
Committed	496,443	-	-	243,694
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
	-	-	-	-
Total Fund Balances (Deficit)	496,443	510,010	274,229	243,694
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,753,446	\$ 513,429	\$ 274,229	\$ 243,694

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2023

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS
	Police Unclaimed Funds	VPFA 2014 Refunding Certificates of Participation	2015 Certificates of Participation	Softball Facility Development
ASSETS				
Cash and Investments	\$ 244,362	\$ -	\$ -	\$ 5,020
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	11,242	-
Cash Held by City	-	-	-	-
Accounts Receivable	-	-	-	-
Lease Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	<u>\$ 244,362</u>	<u>\$ -</u>	<u>\$ 11,242</u>	<u>\$ 5,020</u>
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ -	\$ 1,449	\$ 22,667	\$ -
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	112,702	-	-	-
Total Liabilities	<u>112,702</u>	<u>1,449</u>	<u>22,667</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	-	-	-	-
Leases	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	-	-	-	-
Committed	131,660	-	-	5,020
Assigned	-	-	-	-
Unassigned (Deficit)	-	(1,449)	(11,425)	-
Total Fund Balances (Deficit)	<u>131,660</u>	<u>(1,449)</u>	<u>(11,425)</u>	<u>5,020</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 244,362</u>	<u>\$ -</u>	<u>\$ 11,242</u>	<u>\$ 5,020</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2023

	CAPITAL PROJECT FUNDS			
	Highway Users	Recreational Facilities	Storm Sewer Construction	Public Safety Impact Fee
ASSETS				
Cash and Investments	\$ 10,595,348	\$ 10,551,815	\$ 4,505,912	\$ 1,236,095
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	-	1,842,593	144,847	822,916
Lease Receivable	-	-	-	-
Taxes Receivable	595,290	-	17,135	-
Notes and Loans Receivable	-	-	4,195	59,890
Inventory	-	-	-	-
Due from Other Governmental Units	1,473,725	-	-	-
Total Assets	<u>\$ 12,664,363</u>	<u>\$ 12,394,408</u>	<u>\$ 4,672,089</u>	<u>\$ 2,118,901</u>
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ 307,673	\$ 24,030	\$ 2,413	\$ 19
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>307,673</u>	<u>24,030</u>	<u>2,413</u>	<u>19</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	-	1,842,593	95,804	822,916
Leases	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>1,842,593</u>	<u>95,804</u>	<u>822,916</u>
FUND BALANCES				
Restricted	12,356,690	10,527,785	4,573,872	1,295,966
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	<u>12,356,690</u>	<u>10,527,785</u>	<u>4,573,872</u>	<u>1,295,966</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,664,363</u>	<u>\$ 12,394,408</u>	<u>\$ 4,672,089</u>	<u>\$ 2,118,901</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2023

	CAPITAL PROJECT FUNDS			
	Government Facilities Impact Fee	Parking District	Facility Improvements	Regional Parks
ASSETS				
Cash and Investments	\$ 9,096,409	\$ 3,947,081	\$ 769,169	\$ 566,365
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	924,002	1,073	-	-
Lease Receivable	-	142,535	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	111,446	106,936	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
Total Assets	\$ 10,131,857	\$ 4,197,625	\$ 769,169	\$ 566,365
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ -	\$ 45	\$ -	\$ -
Due to Other Funds	1,919	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	83,598	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	1,919	83,643	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	924,002	-	-	-
Leases	-	136,361	-	-
Total Deferred Inflows of Resources	924,002	136,361	-	-
FUND BALANCES				
Restricted	9,205,936	3,977,621	-	-
Committed	-	-	-	-
Assigned	-	-	769,169	566,365
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	9,205,936	3,977,621	769,169	566,365
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,131,857	\$ 4,197,625	\$ 769,169	\$ 566,365

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (Continued)
JUNE 30, 2023

	<u>CAPITAL PROJECT FUNDS</u>			
	Vehicle Miles Traveled Impact Fee	Animal Control Reserve	Baseball	Total Non-major Governmental Funds
ASSETS				
Cash and Investments	\$ 26,144	\$ 247,066	\$ -	\$ 99,561,243
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	11,242
Cash Held by City	-	-	375,591	375,591
Accounts Receivable	-	-	97,255	4,148,604
Lease Receivable	-	-	-	1,431,922
Taxes Receivable	-	-	-	6,293,864
Notes and Loans Receivable	-	-	-	438,021
Inventory	-	-	-	85,031
Due from Other Governmental Units	-	-	-	1,584,501
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,584,501</u>
Total Assets	<u>\$ 26,144</u>	<u>\$ 247,066</u>	<u>\$ 472,846</u>	<u>\$ 113,930,019</u>
LIABILITIES				
Accounts, Interest and Contracts Payable	\$ -	\$ -	\$ 51,600	\$ 1,167,715
Due to Other Funds	-	-	-	1,919
Advance from Other Funds	-	-	-	3,408,693
Customer Deposits	-	-	-	356,701
Unearned Revenue	-	-	-	623,248
	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,248</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>51,600</u>	<u>5,558,276</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Grants	-	-	-	1,352,843
Unavailable Revenue - Impact Fees	-	-	-	3,826,789
Leases	-	-	-	1,393,291
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,393,291</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,572,923</u>
FUND BALANCES				
Restricted	-	-	-	99,629,052
Committed	-	-	375,591	1,252,408
Assigned	26,144	247,066	45,655	1,654,399
Unassigned (Deficit)	-	-	-	(737,039)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(737,039)</u>
Total Fund Balances (Deficit)	<u>26,144</u>	<u>247,066</u>	<u>421,246</u>	<u>101,798,820</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,144</u>	<u>\$ 247,066</u>	<u>\$ 472,846</u>	<u>\$ 113,930,019</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water	Special Service Districts
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	-	-
License and Permits	-	-	-	-
Fees and Fines	448,809	1,146,442	353,112	-
Uses of Money and Property	49,560	43,875	8,824	163,118
Charges for Current Services	308,370	-	-	5,609,042
Miscellaneous	-	-	-	7,063
Total Revenues	806,739	1,190,317	361,936	5,779,223
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	348,448	556,136	21,243	-
Community Services	-	-	-	4,225,250
Capital Outlay	277,033	661,581	-	70,032
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	625,481	1,217,717	21,243	4,295,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	181,258	(27,400)	340,693	1,483,941
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	(300,000)	-
Total Other Financing Sources (Uses)	-	-	(300,000)	-
Net Changes in Fund Balances	181,258	(27,400)	40,693	1,483,941
Fund Balances - Beginning of Year (Deficits)	4,057,687	3,986,555	682,586	12,500,243
Fund Balances (Deficits) - End of Year	\$ 4,238,945	\$ 3,959,155	\$ 723,279	\$ 13,984,184

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ 5,861,495
Other Taxes	-	-	-	-
Subventions and Grants	-	358,702	-	13,240
License and Permits	-	-	-	-
Fees and Fines	-	-	-	-
Uses of Money and Property	7,603	1,836	-	73,870
Charges for Current Services	-	-	-	-
Miscellaneous	-	1,355	95,446	52,267
Total Revenues	<u>7,603</u>	<u>361,893</u>	<u>95,446</u>	<u>6,000,872</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	312,258	10,375	4,149,336
Public Works	1,488	-	-	-
Community Services	-	-	-	-
Capital Outlay	23,463	104,413	44,922	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>24,951</u>	<u>416,671</u>	<u>55,297</u>	<u>4,149,336</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>(17,348)</u>	<u>(54,778)</u>	<u>40,149</u>	<u>1,851,536</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(626,107)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(626,107)</u>
Net Changes in Fund Balances	(17,348)	(54,778)	40,149	1,225,429
Fund Balances - Beginning of Year (Deficits)	<u>707,306</u>	<u>161,206</u>	<u>9,472</u>	<u>6,794,675</u>
Fund Balances (Deficits) - End of Year	<u>\$ 689,958</u>	<u>\$ 106,428</u>	<u>\$ 49,621</u>	<u>\$ 8,020,104</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants
REVENUES				
Sales Taxes	\$ 3,907,664	\$ 4,171,564	\$ 3,322,198	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	-	753,563
License and Permits	-	-	-	-
Fees and Fines	-	-	-	-
Uses of Money and Property	73,576	125,638	528	43,996
Charges for Current Services	49,055	-	-	-
Miscellaneous	76,479	-	44	200,339
Total Revenues	<u>4,106,774</u>	<u>4,297,202</u>	<u>3,322,770</u>	<u>997,898</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Safety:				
Fire	3,098,274	-	-	-
Police	-	-	-	-
Public Works	-	37,010	28,870	1,166
Community Services	-	-	-	-
Capital Outlay	6,517	546,928	3,967,619	103,580
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>3,104,791</u>	<u>583,938</u>	<u>3,996,489</u>	<u>104,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,001,983</u>	<u>3,713,264</u>	<u>(673,719)</u>	<u>893,152</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(1,480,000)	-	-	-
Total Other Financing Sources (Uses)	<u>(1,480,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	(478,017)	3,713,264	(673,719)	893,152
Fund Balances - Beginning of Year (Deficits)	<u>6,894,729</u>	<u>10,300,742</u>	<u>(50,446)</u>	<u>3,811,399</u>
Fund Balances (Deficits) - End of Year	<u>\$ 6,416,712</u>	<u>\$ 14,014,006</u>	<u>\$ (724,165)</u>	<u>\$ 4,704,551</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS			
	Golf Course	CASP Program	Oak Tree Preservation	Conservation
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	90,119	-	-
Subventions and Grants	-	-	-	-
License and Permits	-	-	-	-
Fees and Fines	271,341	-	7,320	-
Uses of Money and Property	25,635	4,974	2,954	2,626
Charges for Current Services	-	-	-	-
Miscellaneous	-	15	-	-
Total Revenues	<u>296,976</u>	<u>95,108</u>	<u>10,274</u>	<u>2,626</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	2,415	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	-	-	-	-
Community Services	64,694	-	9,378	70
Capital Outlay	29,875	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>94,569</u>	<u>2,415</u>	<u>9,378</u>	<u>70</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>202,407</u>	<u>92,693</u>	<u>896</u>	<u>2,556</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	202,407	92,693	896	2,556
Fund Balances - Beginning of Year (Deficits)	<u>294,036</u>	<u>417,317</u>	<u>273,333</u>	<u>241,138</u>
Fund Balances (Deficits) - End of Year	<u>\$ 496,443</u>	<u>\$ 510,010</u>	<u>\$ 274,229</u>	<u>\$ 243,694</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	SPECIAL REVENUE FUNDS		DEBT SERVICE FUNDS		CAPITAL PROJECTS FUNDS
	Police Unclaimed Funds	VPFA 2014	2015	Softball Facility Development	
		Refunding Certificates of	Certificates of Participation		
REVENUES					
Sales Taxes	\$ -	\$ -	\$ -	\$ -	-
Other Taxes	-	-	-	-	-
Subventions and Grants	-	-	-	-	-
License and Permits	-	-	-	-	-
Fees and Fines	-	-	-	-	-
Uses of Money and Property	2,952	-	2,575	-	12
Charges for Current Services	-	-	-	-	3,910
Miscellaneous	21,778	-	-	-	-
Total Revenues	24,730	-	2,575	-	3,922
EXPENDITURES					
Current:					
General Government	-	-	1,320	-	-
Community Development	-	-	-	-	-
Public Safety:					
Fire	-	-	-	-	-
Police	81	-	-	-	-
Public Works	-	-	-	-	-
Community Services	-	-	-	-	1
Capital Outlay	17,087	-	-	-	-
Debt Service:					
Principal	-	107,200	860,829	-	-
Interest and Fiscal Charges	-	19,921	290,913	-	-
Total Expenditures	17,168	127,121	1,153,062	-	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,562	(127,121)	(1,150,487)	-	3,921
OTHER FINANCING SOURCES (USES)					
Transfers In	-	127,560	1,155,864	-	-
Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	127,560	1,155,864	-	-
Net Changes in Fund Balances	7,562	439	5,377	-	3,921
Fund Balances - Beginning of Year (Deficits)	124,098	(1,888)	(16,802)	-	1,099
Fund Balances (Deficits) - End of Year	\$ 131,660	\$ (1,449)	\$ (11,425)	\$ -	\$ 5,020

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	CAPITAL PROJECTS FUNDS			
	Highway Users	Recreational Facilities	Storm Sewer Construction	Public Safety Impact Fee
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	8,621,289	-	-	-
License and Permits	-	-	-	-
Fees and Fines	-	2,044,246	1,213,067	767,631
Uses of Money and Property	148,733	108,825	51,891	10,750
Charges for Current Services	-	-	-	-
Miscellaneous	90	1,500	-	-
Total Revenues	<u>8,770,112</u>	<u>2,154,571</u>	<u>1,264,958</u>	<u>778,381</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Public Safety:				
Fire	-	-	-	2,195
Police	-	-	-	1,082
Public Works	810,306	-	31,869	-
Community Services	-	25,240	-	-
Capital Outlay	8,941,342	486,080	1,142,178	3,228
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>9,751,648</u>	<u>511,320</u>	<u>1,174,047</u>	<u>6,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(981,536)</u>	<u>1,643,251</u>	<u>90,911</u>	<u>771,876</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(414,151)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(414,151)</u>
Net Changes in Fund Balances	(981,536)	1,643,251	90,911	357,725
Fund Balances - Beginning of Year (Deficits)	<u>13,338,226</u>	<u>8,884,534</u>	<u>4,482,961</u>	<u>938,241</u>
Fund Balances (Deficits) - End of Year	<u>\$ 12,356,690</u>	<u>\$ 10,527,785</u>	<u>\$ 4,573,872</u>	<u>\$ 1,295,966</u>

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	CAPITAL PROJECTS FUNDS			
	Government Facilities Impact Fee	Parking District	Facility Improvements	Regional Parks
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	39,193	-	-
License and Permits	-	7,725	-	-
Fees and Fines	446,485	-	-	-
Uses of Money and Property	95,526	51,707	8,289	6,104
Charges for Current Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	542,011	98,625	8,289	6,104
EXPENDITURES				
Current:				
General Government	12,476	-	219	162
Community Development	-	6,628	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	2,299	-	-	-
Community Services	-	-	-	-
Capital Outlay	-	-	-	18
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	14,775	6,628	219	180
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	527,236	91,997	8,070	5,924
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balances	527,236	91,997	8,070	5,924
Fund Balances - Beginning of Year (Deficits)	8,678,700	3,885,624	761,099	560,441
Fund Balances (Deficits) - End of Year	\$ 9,205,936	\$ 3,977,621	\$ 769,169	\$ 566,365

CITY OF VISALIA
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	CAPITAL PROJECTS FUNDS			Total Non-major Governmental
	Vehicle Miles Traveled Impact Fee	Animal Control Reserve	Baseball	
REVENUES				
Sales Taxes	\$ -	\$ -	\$ -	\$ 17,262,921
Other Taxes	-	-	-	90,119
Subventions and Grants	-	-	-	9,785,987
License and Permits	-	-	-	7,725
Fees and Fines	26,144	-	-	6,724,597
Uses of Money and Property	-	2,663	4,198	1,122,838
Charges for Current Services	-	-	-	5,970,377
Miscellaneous	-	-	88,383	544,759
Total Revenues	26,144	2,663	92,581	41,509,323
EXPENDITURES				
Current:				
General Government	-	71	-	14,248
Community Development	-	-	-	9,043
Public Safety:				
Fire	-	-	-	3,100,469
Police	-	-	-	4,473,132
Public Works	-	-	-	1,838,835
Community Services	-	-	310,381	4,635,014
Capital Outlay	-	-	107,757	16,533,653
Debt Service:				
Principal	-	-	-	968,029
Interest and Fiscal Charges	-	-	-	310,834
Total Expenditures	-	71	418,138	31,883,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,144	2,592	(325,557)	9,626,066
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	515,065	1,798,489
Transfers Out	-	-	-	(2,820,258)
Total Other Financing Sources (Uses)	-	-	515,065	(1,021,769)
Net Changes in Fund Balances	26,144	2,592	189,508	8,604,297
Fund Balances - Beginning of Year (Deficits)	-	244,474	231,738	93,194,523
Fund Balances (Deficits) - End of Year	\$ 26,144	\$ 247,066	\$ 421,246	\$ 101,798,820

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, 2023

	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	464,200	448,809	(15,391)	1,219,500	1,146,442	(73,058)
Uses of Money and Property	26,700	49,560	22,860	3,000	43,875	40,875
Charges for Current Services	314,700	308,370	(6,330)	-	-	-
Miscellaneous	3,700	-	(3,700)	-	-	-
Total Revenues	<u>809,300</u>	<u>806,739</u>	<u>(2,561)</u>	<u>1,222,500</u>	<u>1,190,317</u>	<u>(32,183)</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	142,800	348,448	(205,648)	298,100	556,136	(258,036)
Community Services	-	-	-	-	-	-
Capital Outlay	653,861	277,033	376,828	661,581	661,581	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>796,661</u>	<u>625,481</u>	<u>171,180</u>	<u>959,681</u>	<u>1,217,717</u>	<u>(258,036)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,639</u>	<u>181,258</u>	<u>168,619</u>	<u>262,819</u>	<u>(27,400)</u>	<u>(290,219)</u>
OTHER FINANCING SOURCES (USES)						
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 Balances	<u>\$ 12,639</u>	<u>181,258</u>	<u>\$ 168,619</u>	<u>\$ 262,819</u>	<u>(27,400)</u>	<u>\$ (290,219)</u>
Fund Balances - Beginning of Year (Deficits)		<u>4,057,687</u>			<u>3,986,555</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 4,238,945</u>			<u>\$ 3,959,155</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, 2023

	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	334,200	353,112	18,912	-	-	-
Uses of Money and Property	3,000	8,824	5,824	165,000	163,118	(1,882)
Charges for Current Services	-	-	-	5,304,900	5,609,042	304,142
Miscellaneous	-	-	-	-	7,063	7,063
Total Revenues	337,200	361,936	24,736	5,469,900	5,779,223	309,323
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	19,000	21,243	(2,243)	-	-	-
Community Services	-	-	-	3,392,700	4,225,250	(832,550)
Capital Outlay	-	-	-	90,032	70,032	20,000
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	19,000	21,243	(2,243)	3,482,732	4,295,282	(812,550)
Excess (Deficiency) of Revenues Over (Under) Expenditures	318,200	340,693	22,493	1,987,168	1,483,941	(503,227)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	(300,000)	(300,000)	-	-	-	-
Total Other Financing Sources (Uses)	(300,000)	(300,000)	-	-	-	-
Net Changes in Fund Balances	\$ 18,200	40,693	\$ 22,493	\$ 1,987,168	1,483,941	\$ (503,227)
Fund Balances - Beginning of Year (Deficits)		682,586			12,500,243	
Fund Balances - End of Year (Deficits)		\$ 723,279			\$ 13,984,184	

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, 2023

	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	-	-	-	512,297	358,702	(153,595)
License and Permits	-	-	-	-	-	-
Fees and Fines	7,100	-	(7,100)	-	-	-
Uses of Money and Property	5,000	7,603	2,603	-	1,836	1,836
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,355	1,355
Total Revenues	12,100	7,603	(4,497)	512,297	361,893	(150,404)
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	290,000	312,258	(22,258)
Public Works	1,500	1,488	12	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	23,462	23,463	(1)	105,533	104,413	1,120
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	24,962	24,951	11	395,533	416,671	(21,138)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,862)	(17,348)	(4,486)	116,764	(54,778)	(171,542)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ (12,862)	(17,348)	\$ (4,486)	\$ 116,764	(54,778)	\$ (171,542)
Fund Balances - Beginning of Year (Deficits)		707,306			161,206	
Fund Balances - End of Year (Deficits)		\$ 689,958			\$ 106,428	

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, 2023

	Narcotics Forfeiture			Measure T - Police		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ 5,811,600	\$ 5,861,495	\$ 49,895
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	6,000	13,240	7,240
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	-	-	20,000	73,870	53,870
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	71,000	95,446	24,446	33,700	52,267	18,567
Total Revenues	71,000	95,446	24,446	5,871,300	6,000,872	129,572
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	41,000	10,375	30,625	4,348,800	4,149,336	199,464
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	56,670	44,922	11,748	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	97,670	55,297	42,373	4,348,800	4,149,336	199,464
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,670)	40,149	66,819	1,522,500	1,851,536	329,036
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(151,500)	(626,107)	(474,607)
Total Other Financing Sources (Uses)	-	-	-	(151,500)	(626,107)	(474,607)
Net Changes in Fund Balances	\$ (26,670)	40,149	\$ 66,819	\$ 1,371,000	1,225,429	\$ (145,571)
Fund Balances - Beginning of Year (Deficits)		9,472			6,794,675	
Fund Balances - End of Year (Deficits)		\$ 49,621			\$ 8,020,104	

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, 2023

	Measure T - Fire			Measure R - Local		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ 3,874,400	\$ 3,907,664	\$ 33,264	\$ 3,468,600	\$ 4,171,564	\$ 702,964
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	65,000	73,576	8,576	30,000	125,638	95,638
Charges for Current Services	25,000	49,055	24,055	-	-	-
Miscellaneous	5,200	76,479	71,279	-	-	-
Total Revenues	3,969,600	4,106,774	137,174	3,498,600	4,297,202	798,602
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	3,013,500	3,098,274	(84,774)	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	34,700	37,010	(2,310)
Community Services	-	-	-	-	-	-
Capital Outlay	6,600	6,517	83	1,208,083	546,928	661,155
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	3,020,100	3,104,791	(84,691)	1,242,783	583,938	658,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	949,500	1,001,983	52,483	2,255,817	3,713,264	1,457,447
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(1,480,000)	(1,480,000)	-	-	-
Total Other Financing Sources (Uses)	-	(1,480,000)	(1,480,000)	-	-	-
Net Changes in Fund Balances	\$ 949,500	(478,017)	\$ (1,427,517)	\$ 2,255,817	3,713,264	\$ 1,457,447
Fund Balances - Beginning of Year (Deficits)		6,894,729			10,300,742	
Fund Balances - End of Year (Deficits)		\$ 6,416,712			\$ 14,014,006	

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, 2023

	Measure R - Regional			Transportation Grants		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ 491,500	\$ 3,322,198	\$ 2,830,698	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	275,000	753,563	478,563
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	528	528	-	43,996	43,996
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	44	44	-	200,339	200,339
Total Revenues	491,500	3,322,770	2,831,270	275,000	997,898	722,898
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	28,870	(28,870)	200	1,166	(966)
Community Services	-	-	-	-	-	-
Capital Outlay	4,643,115	3,967,619	675,496	529,247	103,580	425,667
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	4,643,115	3,996,489	646,626	529,447	104,746	424,701
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,151,615)	(673,719)	3,477,896	(254,447)	893,152	1,147,599
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ (4,151,615)	(673,719)	\$ 3,477,896	\$ (254,447)	893,152	\$ 1,147,599
Fund Balances - Beginning of Year (Deficits)		(50,446)			3,811,399	
Fund Balances - End of Year (Deficits)		\$ (724,165)			\$ 4,704,551	

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, 2023

	Golf Course			CASP Program		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	84,000	90,119	6,119
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	150,000	271,341	121,341	-	-	-
Uses of Money and Property	900	25,635	24,735	3,600	4,974	1,374
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	100	15	(85)
Total Revenues	150,900	296,976	146,076	87,700	95,108	7,408
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	22,300	2,415	19,885
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	60,400	64,694	(4,294)	-	-	-
Capital Outlay	29,875	29,875	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	90,275	94,569	(4,294)	22,300	2,415	19,885
Excess (Deficiency) of Revenues Over (Under) Expenditures	60,625	202,407	141,782	65,400	92,693	27,293
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ 60,625	202,407	\$ 141,782	\$ 65,400	92,693	\$ 27,293
Fund Balances - Beginning of Year (Deficits)		294,036			417,317	
Fund Balances - End of Year (Deficits)		<u>\$ 496,443</u>			<u>\$ 510,010</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, 2023

	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	-	7,320	7,320	-	-	-
Uses of Money and Property	-	2,954	2,954	-	2,626	2,626
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	10,274	10,274	-	2,626	2,626
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	9,378	(9,378)	-	70	(70)
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	9,378	(9,378)	-	70	(70)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	896	896	-	2,556	2,556
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ -	896	\$ 896	\$ -	2,556	\$ 2,556
Fund Balances - Beginning of Year (Deficits)		273,333			241,138	
Fund Balances - End of Year (Deficits)		\$ 274,229			\$ 243,694	

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, 2023

	Police Unclaimed Funds			Refunding Certificates of		
	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	-	2,952	2,952	-	-	-
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	10,000	21,778	11,778	-	-	-
Total Revenues	10,000	24,730	14,730	-	-	-
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	81	(81)	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	27,372	17,087	10,285	-	-	-
Debt Service:						
Principal Repayment	-	-	-	104,200	107,200	(3,000)
Interest and Fiscal Charges	-	-	-	25,088	19,921	5,167
Total Expenditures	27,372	17,168	10,204	129,288	127,121	2,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,372)	7,562	24,934	(129,288)	(127,121)	2,167
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	127,500	127,560	60
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	127,500	127,560	60
Net Changes in Fund Balances	\$ (17,372)	7,562	\$ 24,934	\$ (1,788)	439	\$ 2,227
Fund Balances - Beginning of Year (Deficits)		124,098			(1,888)	
Fund Balances - End of Year (Deficits)		<u>\$ 131,660</u>			<u>\$ (1,449)</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, 2023

	2015 Certificates of Participation			Softball Facility Development		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	2,575	2,575	-	12	12
Charges for Current Services	-	-	-	-	3,910	3,910
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	2,575	2,575	-	3,922	3,922
EXPENDITURES						
Current:						
General Government	-	1,320	(1,320)	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	1	(1)
Capital Outlay	-	-	-	100	-	100
Debt Service:						
Principal Repayment	824,198	860,829	(36,631)	-	-	-
Interest and Fiscal Charges	331,556	290,913	40,643	-	-	-
Total Expenditures	1,155,754	1,153,062	2,692	100	1	99
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,155,754)</u>	<u>(1,150,487)</u>	<u>5,267</u>	<u>(100)</u>	<u>3,921</u>	<u>4,021</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	1,156,400	1,155,864	(536)	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	1,156,400	1,155,864	(536)	-	-	-
Net Changes in Fund Balances	\$ 646	5,377	\$ 4,731	\$ (100)	3,921	\$ 4,021
Fund Balances - Beginning of Year (Deficits)		<u>(16,802)</u>			<u>1,099</u>	
Fund Balances - End of Year (Deficits)		<u>\$ (11,425)</u>			<u>\$ 5,020</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, 2023

	Highway Users			Recreational Facilities		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	7,162,500	8,621,289	1,458,789	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	1,960,000	2,044,246	84,246
Uses of Money and Property	50,000	148,733	98,733	20,000	108,825	88,825
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	90	90	-	1,500	1,500
Total Revenues	7,212,500	8,770,112	1,557,612	1,980,000	2,154,571	174,571
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	634,000	810,306	(176,306)	-	-	-
Community Services	-	-	-	21,400	25,240	(3,840)
Capital Outlay	10,726,738	8,941,342	1,785,396	486,080	486,080	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	11,360,738	9,751,648	1,609,090	507,480	511,320	(3,840)
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,148,238)</u>	<u>(981,536)</u>	<u>3,166,702</u>	<u>1,472,520</u>	<u>1,643,251</u>	<u>170,731</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	<u>\$ (4,148,238)</u>	<u>(981,536)</u>	<u>\$ 3,166,702</u>	<u>\$ 1,472,520</u>	<u>1,643,251</u>	<u>\$ 170,731</u>
Fund Balances - Beginning of Year (Deficits)		<u>13,338,226</u>			<u>8,884,534</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 12,356,690</u>			<u>\$ 10,527,785</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, 2023

	Storm Sewer Construction			Public Safety Impact Fee		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	1,219,700	1,213,067	(6,633)	900,900	767,631	(133,269)
Uses of Money and Property	10,000	51,891	41,891	1,000	10,750	9,750
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	1,229,700	1,264,958	35,258	901,900	778,381	(123,519)
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	4,300	2,195	2,105
Police	-	-	-	900	1,082	(182)
Public Works	28,900	31,869	(2,969)	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	1,276,181	1,142,178	134,003	33,236	3,228	30,008
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	1,305,081	1,174,047	131,034	38,436	6,505	31,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,381)	90,911	166,292	863,464	771,876	(91,588)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(419,900)	(414,151)	5,749
Total Other Financing Sources (Uses)	-	-	-	(419,900)	(414,151)	5,749
Net Changes in Fund Balances	\$ (75,381)	90,911	\$ 166,292	\$ 443,564	357,725	\$ (85,839)
Fund Balances - Beginning of Year (Deficits)		4,482,961			938,241	
Fund Balances - End of Year (Deficits)		<u>\$ 4,573,872</u>			<u>\$ 1,295,966</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, 2023

	Government Facilities Impact Fee			Parking District		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	35,400	39,193	3,793
License and Permits	-	-	-	20,700	7,725	(12,975)
Fees and Fines	763,600	446,485	(317,115)	-	-	-
Uses of Money and Property	52,000	95,526	43,526	54,700	51,707	(2,993)
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	815,600	542,011	(273,589)	110,800	98,625	(12,175)
EXPENDITURES						
Current:						
General Government	15,000	12,476	2,524	-	-	-
Community Development	-	-	-	8,000	6,628	1,372
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	2,300	2,299	1	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	281,038	-	281,038
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	17,300	14,775	2,525	289,038	6,628	282,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	798,300	527,236	(271,064)	(178,238)	91,997	270,235
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ 798,300	527,236	\$ (271,064)	\$ (178,238)	91,997	\$ 270,235
Fund Balances - Beginning of Year (Deficits)		8,678,700			3,885,624	
Fund Balances - End of Year (Deficits)		<u>\$ 9,205,936</u>			<u>\$ 3,977,621</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, 2023

	Facility Improvements			Regional Parks		
	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	-	8,289	8,289	-	6,104	6,104
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	8,289	8,289	-	6,104	6,104
EXPENDITURES						
Current:						
General Government	-	219	(219)	-	162	(162)
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	18	18	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	219	(219)	18	180	(162)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	8,070	8,070	(18)	5,924	5,942
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ -	8,070	\$ 8,070	\$ (18)	5,924	\$ 5,942
Fund Balances - Beginning of Year (Deficits)		<u>761,099</u>			<u>560,441</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 769,169</u>			<u>\$ 566,365</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, 2023

	Vehicle Miles Traveled Impact Fee			Animal Control Reserve		
	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	-	26,144	26,144	-	-	-
Uses of Money and Property	-	-	-	-	2,663	2,663
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	26,144	26,144	-	2,663	2,663
EXPENDITURES						
Current:						
General Government	-	-	-	-	71	(71)
Community Development	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Community Services	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal Repayment	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	-	-	-	71	(71)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	26,144	26,144	-	2,592	2,592
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ -	26,144	\$ 26,144	\$ -	2,592	\$ 2,592
Fund Balances - Beginning of Year (Deficits)		-			244,474	
Fund Balances - End of Year (Deficits)		<u>\$ 26,144</u>			<u>\$ 247,066</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, 2023

	Baseball			Total		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
REVENUES						
Sales Taxes	\$ -	\$ -	\$ -	\$ 13,646,100	\$ 17,262,921	\$ 3,616,821
Other Taxes	-	-	-	84,000	90,119	6,119
Subventions and Grants	-	-	-	7,991,197	9,785,987	1,794,790
License and Permits	-	-	-	20,700	7,725	(12,975)
Fees and Fines	-	-	-	7,019,200	6,724,597	(294,603)
Uses of Money and Property	-	4,198	4,198	509,900	1,122,838	612,938
Charges for Current Services	-	-	-	5,644,600	5,970,377	325,777
Miscellaneous	20,000	88,383	68,383	143,700	544,759	401,059
Total Revenues	20,000	92,581	72,581	35,059,397	41,509,323	6,449,926
EXPENDITURES						
Current:						
General Government	-	-	-	15,000	14,248	752
Community Development	-	-	-	30,300	9,043	21,257
Public Safety:						
Fire	-	-	-	3,017,800	3,100,469	(82,669)
Police	-	-	-	4,680,700	4,473,132	207,568
Public Works	-	-	-	1,161,500	1,838,835	(677,335)
Community Services	247,800	310,381	(62,581)	3,722,300	4,635,014	(912,714)
Capital Outlay	202,672	107,757	94,915	21,041,494	16,533,653	4,507,841
Debt Service:						
Principal Repayment	-	-	-	928,398	968,029	(39,631)
Interest and Fiscal Charges	-	-	-	356,644	310,834	45,810
Total Expenditures	450,472	418,138	32,334	34,954,136	31,883,257	3,070,879
Excess (Deficiency) of Revenues Over (Under) Expenditures	(430,472)	(325,557)	104,915	\$ 105,261	\$ 9,626,066	\$ 9,520,805
OTHER FINANCING SOURCES (USES)						
Transfers In	300,000	515,065	215,065	1,583,900	1,798,489	214,589
Transfers Out	-	-	-	(871,400)	(2,820,258)	(1,948,858)
Total Other Financing Sources (Uses)	300,000	515,065	215,065	712,500	(1,021,769)	(1,734,269)
Net Changes in Fund Balances	<u>\$ (130,472)</u>	189,508	<u>\$ 319,980</u>	<u>\$ 817,761</u>	8,604,297	<u>\$ 7,786,536</u>
Fund Balances - Beginning of Year (Deficits)		<u>231,738</u>			<u>93,194,523</u>	
Fund Balances - End of Year (Deficits)		<u>\$ 421,246</u>			<u>\$ 101,798,820</u>	



NON-MAJOR PROPRIETARY FUNDS



NON-MAJOR PROPRIETARY FUNDS

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.

CITY OF VISALIA
NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds				Total
	Non-Major Funds				
	Convention Center	Airport	Building Safety	Animal Control	
ASSETS					
Current Assets					
Cash and Investments	\$ 4,100	\$ 1,261,487	\$ 14,357,928	\$ 200	\$ 15,623,715
Accounts Receivable	208,010	74,571	5,072	342,642	630,295
Leases Receivable	-	394,684	-	-	394,684
Supplies	-	75,515	-	-	75,515
Prepaid Expenses	-	25,311	-	-	25,311
Total Current Assets	<u>212,110</u>	<u>1,831,568</u>	<u>14,363,000</u>	<u>342,842</u>	<u>16,749,520</u>
Non-Current Assets					
Restricted Cash and Investments					
Cash Held by Trustee	1	-	-	-	1
Cash Held by City	798,627	-	-	467,470	1,266,097
Leases Receivable	-	5,171,274	-	-	5,171,274
Capital Assets					
Land	829,047	3,000,590	-	-	3,829,637
Buildings	22,428,375	6,469,160	-	6,750,891	35,648,426
Improvements Other Than Buildings	5,435,369	13,511,504	-	-	18,946,873
Machinery, Equipment and Vehicles	1,963,299	1,093,596	228,804	33,750	3,319,449
Subscription-Based Information Technology (SBITA)	-	-	64,915	-	64,915
Accumulated Depreciation and Amortization	(20,259,167)	(13,022,915)	(131,664)	(1,365,738)	(34,779,484)
Total Non-Current Assets	<u>11,195,551</u>	<u>16,223,209</u>	<u>162,055</u>	<u>5,886,373</u>	<u>33,467,188</u>
Total Assets	<u>11,407,661</u>	<u>18,054,777</u>	<u>14,525,055</u>	<u>6,229,215</u>	<u>50,216,708</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related	858,922	364,531	1,560,341	549,678	3,333,472
Total Deferred Outflows of Resources	<u>858,922</u>	<u>364,531</u>	<u>1,560,341</u>	<u>549,678</u>	<u>3,333,472</u>
LIABILITIES					
Current Liabilities					
Accounts, Interest and Contracts Payable	243,857	171,685	324,184	38,566	778,292
Customer Deposits	57,275	-	60,000	-	117,275
Current Portion of Long-Term Liabilities:					
Compensated Absences	32,913	-	16,292	8,473	57,678
Certificates of Participation and Loans	940,664	-	-	482,266	1,422,930
Liability for SBITA Lease	-	-	64,915	-	64,915
Total Current Liabilities	<u>1,274,709</u>	<u>171,685</u>	<u>465,391</u>	<u>529,305</u>	<u>2,441,090</u>
Non-Current Liabilities					
Unearned Revenue	-	-	18,167	7,500	25,667
Non-current Portion of Long-term Liabilities:					
Compensated Absences	69,287	39,085	127,179	31,823	267,374
Certificates of Participation and Loans	3,572,052	-	-	2,102,823	5,674,875
Net Pension Liability	2,815,522	1,194,923	5,114,754	1,801,827	10,927,026
Total Non-Current Liabilities	<u>6,456,861</u>	<u>1,234,008</u>	<u>5,260,100</u>	<u>3,943,973</u>	<u>16,894,942</u>
Total Liabilities	<u>7,731,570</u>	<u>1,405,693</u>	<u>5,725,491</u>	<u>4,473,278</u>	<u>19,336,032</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Related	116,257	49,340	211,195	74,400	451,192
Lease Related	-	5,496,708	-	-	5,496,708
Total Deferred Inflows of Resources	<u>116,257</u>	<u>5,546,048</u>	<u>211,195</u>	<u>74,400</u>	<u>5,947,900</u>
NET POSITION					
Net Investment in Capital Assets	5,884,207	11,051,935	97,140	2,833,814	19,867,096
Restricted for:					
Debt Service	1	-	-	-	1
Capital Projects	820,173	149,414	-	467,713	1,437,300
Unrestricted (Deficit)	(2,285,625)	266,218	10,051,570	(1,070,312)	6,961,851
Total Net Position	<u>\$ 4,418,756</u>	<u>\$ 11,467,567</u>	<u>\$ 10,148,710</u>	<u>\$ 2,231,215</u>	<u>\$ 28,266,248</u>

CITY OF VISALIA
NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds				
	Convention Center	Airport	Building Safety	Animal Control	Total
OPERATING REVENUES					
Charges for Services	\$ 1,769,800	\$ 2,282,280	\$ 5,133,425	\$ 564,312	\$ 9,749,817
Operating Grants and Contributions	-	-	-	4,750	4,750
Total Operating Revenues	<u>1,769,800</u>	<u>2,282,280</u>	<u>5,133,425</u>	<u>569,062</u>	<u>9,754,567</u>
OPERATING EXPENSES					
Salaries, Wages and Employee Benefits	2,445,093	651,265	2,430,998	805,337	6,332,693
Maintenance and Operations	1,276,314	1,574,703	1,246,684	882,616	4,980,317
Depreciation and Amortization	724,048	416,938	53,636	171,983	1,366,605
Total Operating Expenses	<u>4,445,455</u>	<u>2,642,906</u>	<u>3,731,318</u>	<u>1,859,936</u>	<u>12,679,615</u>
Operating Income (Loss)	<u>(2,675,655)</u>	<u>(360,626)</u>	<u>1,402,107</u>	<u>(1,290,874)</u>	<u>(2,925,048)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	5,382	97,813	153,447	5,041	261,683
Interest Expense	(210,756)	-	-	(101,279)	(312,035)
Other Income	29,158	250,167	28,484	972	308,781
Other Expenses	(10,411)	(107,598)	-	-	(118,009)
Total Nonoperating Revenues (Expenses)	<u>(186,627)</u>	<u>240,382</u>	<u>181,931</u>	<u>(95,266)</u>	<u>140,420</u>
Income (Loss) Before Contributions and Transfers	<u>(2,862,282)</u>	<u>(120,244)</u>	<u>1,584,038</u>	<u>(1,386,140)</u>	<u>(2,784,628)</u>
Capital Grants and Contributions	-	174,470	-	-	174,470
Transfers In	2,731,216	-	-	1,863,142	4,594,358
Net Contributions and Transfers	<u>2,731,216</u>	<u>174,470</u>	<u>-</u>	<u>1,863,142</u>	<u>4,768,828</u>
Change in Net Position	<u>(131,066)</u>	<u>54,226</u>	<u>1,584,038</u>	<u>477,002</u>	<u>1,984,200</u>
Net Position - Beginning	<u>4,549,822</u>	<u>11,413,341</u>	<u>8,564,672</u>	<u>1,754,213</u>	<u>26,282,048</u>
Net Position - Ended	<u>\$ 4,418,756</u>	<u>\$ 11,467,567</u>	<u>\$ 10,148,710</u>	<u>\$ 2,231,215</u>	<u>\$ 28,266,248</u>

CITY OF VISALIA
NON-MAJOR PROPRIETARY FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds				
	Convention Center	Airport	Building Safety	Animal Control	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers or Other Funds	\$ 1,738,217	\$ 2,656,839	\$ 5,129,413	\$ 586,885	\$ 10,111,354
Cash Payments to Employees for Services	(1,836,716)	(999,725)	(2,313,303)	(1,023,557)	(6,173,301)
Cash Payments to Suppliers for Services	(1,244,622)	(1,633,658)	(1,751,251)	(860,250)	(5,489,781)
Cash Received from (Payments to) Other Governments	-	26,619	-	-	26,619
Net Cash Provided (Used) by Operating Activities	<u>(1,343,121)</u>	<u>50,075</u>	<u>1,064,859</u>	<u>(1,296,922)</u>	<u>(1,525,109)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Other Income	29,158	250,167	28,484	972	308,781
Other Payments	(10,411)	(107,598)	-	-	(118,009)
Transfers In	2,731,216	-	-	1,863,142	4,594,358
Net Cash Provided by Noncapital Financing Activities	<u>2,749,963</u>	<u>142,569</u>	<u>28,484</u>	<u>1,864,114</u>	<u>4,785,130</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	-	-	(23,909)	-	(23,909)
Capital Grants Received	-	174,470	-	-	174,470
Long-Term Debt Payments - Principal	(876,971)	-	-	(466,049)	(1,343,020)
Long-Term Debt Payments - Interest	(245,570)	-	-	(101,279)	(346,849)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,122,541)</u>	<u>174,470</u>	<u>(23,909)</u>	<u>(567,328)</u>	<u>(1,539,308)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings	5,382	97,813	153,447	5,041	261,683
Net Cash Provided by Investing Activities	<u>5,382</u>	<u>97,813</u>	<u>153,447</u>	<u>5,041</u>	<u>261,683</u>
Net Increase in Cash and Investments	289,683	464,927	1,222,881	4,905	1,982,396
Cash and Investments - Beginning of Year	513,045	796,560	13,135,047	462,765	14,907,417
Cash and Investments - End of Year	<u>\$ 802,728</u>	<u>\$ 1,261,487</u>	<u>\$ 14,357,928</u>	<u>\$ 467,670</u>	<u>\$ 16,889,813</u>
Consisting of:					
Unrestricted	\$ 4,100	\$ 1,261,487	\$ 14,357,928	\$ 200	\$ 15,623,715
Restricted	798,628	-	-	467,470	1,266,098
Total Cash and Investments	<u>\$ 802,728</u>	<u>\$ 1,261,487</u>	<u>\$ 14,357,928</u>	<u>\$ 467,670</u>	<u>\$ 16,889,813</u>
Reconciliation of Operating Income (Loss) to Cash Flow s from Operating Activities:					
Operating Income (Loss)	\$ (2,675,655)	\$ (360,626)	\$ 1,402,107	\$ (1,290,874)	\$ (2,925,048)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flow s from Operating Activities:					
Depreciation and Amortization	724,048	416,938	53,636	171,982	1,366,604
Net Change in Assets and Liabilities:					
Accounts and Interest Receivable	(31,583)	374,559	(4,012)	17,823	356,787
Supplies	-	(3,957)	-	-	(3,957)
Due from Other Governments	-	26,619	-	-	26,619
Prepaid Expenses	-	(10,601)	-	-	(10,601)
Accounts Payable and Contract Payable	5,787	(44,397)	(482,398)	15,347	(505,661)
Deferred Outflow s Pensions	(645,104)	(245,048)	(2,710,790)	(452,099)	(4,053,041)
Deferred Inflow s Pensions & Leases	(391,855)	(616,663)	(1,035,067)	(328,123)	(2,371,708)
Net Pension Liability	1,626,097	530,263	3,866,508	569,362	6,592,230
Unearned Revenue	-	-	(4,988)	7,500	2,512
Compensated Absences	19,239	(17,012)	(2,956)	(7,360)	(8,089)
Other Liability	-	-	64,915	-	64,915
Customer Deposits	25,905	-	(82,096)	(480)	(56,671)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,343,121)</u>	<u>\$ 50,075</u>	<u>\$ 1,064,859</u>	<u>\$ (1,296,922)</u>	<u>\$ (1,525,109)</u>

INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

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

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

However, internal service funds are still presented in total 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, 2023

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
ASSETS				
Current Assets				
Cash and Investments	\$ 389,370	\$ 15,119,561	\$ 6,225,543	\$ 17,220,623
Accounts and Interest Receivables	1,930	15,575	-	-
Supplies	1,332,155	-	-	-
Prepaid Expenses	-	-	-	-
Total Current Assets	<u>1,723,455</u>	<u>15,135,136</u>	<u>6,225,543</u>	<u>17,220,623</u>
Non-Current Assets				
Restricted Cash and Investments				
Cash Held by Trustee	-	-	-	410,012
Capital Assets				
Building	654,910	-	-	-
Improvements Other Than Buildings	211,545	-	7,240	-
Machinery, Equipment and Vehicles	443,004	23,007,355	14,194,759	-
Construction in Progress	1,512	1,546,740	152,544	-
Right-to-use subscription asset (SBITA)	-	-	803,761	-
Accumulated Depreciation and Amortization	(1,151,838)	(14,514,078)	(9,680,056)	-
Total Non-Current Assets	<u>159,133</u>	<u>10,040,017</u>	<u>5,478,248</u>	<u>410,012</u>
Total Assets	<u>1,882,588</u>	<u>25,175,153</u>	<u>11,703,791</u>	<u>17,630,635</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	872,076	-	904,566	380,751
Total Deferred Outflows of Resources	<u>872,076</u>	<u>-</u>	<u>904,566</u>	<u>380,751</u>
LIABILITIES				
Current Liabilities				
Accounts, Interest, and Contracts Payable	348,894	-	25,325	5,250
Accrued Personnel Costs	-	-	-	-
Current Portion of Long-Term Liabilities:				
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	2,013,918
Total Current Liabilities	<u>348,894</u>	<u>-</u>	<u>25,325</u>	<u>2,019,168</u>
Non-Current Liabilities				
Non-current Portion of Long-term Liabilities:				
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	6,185,114
Net Pension Liability	2,858,640	-	2,965,140	1,248,092
Total Non-Current Liabilities	<u>2,858,640</u>	<u>-</u>	<u>2,965,140</u>	<u>7,433,206</u>
Total Liabilities	<u>3,207,534</u>	<u>-</u>	<u>2,990,465</u>	<u>9,452,374</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related	118,037	-	122,435	51,536
Total Deferred Inflows of Resources	<u>118,037</u>	<u>-</u>	<u>122,435</u>	<u>51,536</u>
NET POSITION				
Net Investment in Capital Assets	159,133	10,040,017	4,674,487	-
Restricted	-	943,684	98,304	410,012
Unrestricted (Deficit)	(730,040)	14,191,452	4,722,666	8,097,464
Total Net Position (Deficit)	<u>\$ (570,907)</u>	<u>\$ 25,175,153</u>	<u>\$ 9,495,457</u>	<u>\$ 8,507,476</u>

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION (Continued)
JUNE 30, 2023

	Health Benefits	Compensated Absences	Building Maintenance	Totals
ASSETS				
Current Assets				
Cash and Investments	\$ 4,219,931	\$ 5,966,011	\$ 729,316	\$ 49,870,355
Accounts and Interest Receivables	14,330	-	-	31,835
Supplies	-	-	-	1,332,155
Prepaid Expenses	1,035,013	-	-	1,035,013
Total Current Assets	<u>5,269,274</u>	<u>5,966,011</u>	<u>729,316</u>	<u>52,269,358</u>
Non-Current Assets				
Restricted Cash and Investments				
Cash Held by Trustee	60,700	-	-	470,712
Capital Assets				
Building	-	-	-	654,910
Improvements Other Than Buildings	-	-	-	218,785
Machinery, Equipment and Vehicles	-	-	-	37,645,118
Construction in Progress	-	-	-	1,700,796
Right-to-use subscription asset (SBITA)	-	-	-	803,761
Accumulated Depreciation and Amortization	-	-	-	(25,345,972)
Total Non-Current Assets	<u>60,700</u>	<u>-</u>	<u>-</u>	<u>16,148,110</u>
Total Assets	<u>5,329,974</u>	<u>5,966,011</u>	<u>729,316</u>	<u>68,417,468</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	-	-	-	2,157,393
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,157,393</u>
LIABILITIES				
Current Liabilities				
Accounts, Interest, and Contracts Payable	53,274	-	-	432,743
Accrued Personnel Costs	17,726	-	-	17,726
Current Portion of Long-Term Liabilities:				
Compensated Absences	-	1,206,299	-	1,206,299
Liability for Self-Insurance Claims	93,900	-	-	2,107,818
Total Current Liabilities	<u>164,900</u>	<u>1,206,299</u>	<u>-</u>	<u>3,764,586</u>
Non-Current Liabilities				
Non-current Portion of Long-term Liabilities:				
Compensated Absences	-	4,870,901	-	4,870,901
Liability for Self-Insurance Claims	-	-	-	6,185,114
Net Pension Liability	-	-	-	7,071,872
Total Non-Current Liabilities	<u>-</u>	<u>4,870,901</u>	<u>-</u>	<u>18,127,887</u>
Total Liabilities	<u>164,900</u>	<u>6,077,200</u>	<u>-</u>	<u>21,892,473</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Related	-	-	-	292,008
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>292,008</u>
NET POSITION				
Net Investment in Capital Assets	-	-	-	14,873,637
Restricted	60,700	-	-	1,512,700
Unrestricted (Deficit)	5,104,374	(111,189)	729,316	32,004,043
Total Net Position (Deficit)	<u>\$ 5,165,074</u>	<u>\$ (111,189)</u>	<u>\$ 729,316</u>	<u>\$ 48,390,380</u>

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
OPERATING REVENUES				
Service Charges and Fees	\$ 6,416,638	\$ 2,359,469	\$ 2,640,360	\$ 5,720,319
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	1,562,942	-	965,748	529,556
Maintenance and Operations	4,836,411	26,255	1,312,463	383,150
Insurance Premiums and Loss Provisions	-	-	-	6,128,120
Depreciation and Amortization	15,308	1,351,775	936,397	-
Total Operating Expenses	6,414,661	1,378,030	3,214,608	7,040,826
Operating Income (Loss)	1,977	981,439	(574,248)	(1,320,507)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	-	75,435	46,375	158,950
Interest (Expense)	(24,161)	-	-	-
Other Income	66,850	28,855	855,641	566,707
Other (Expenses)	-	(611)	-	-
Total Nonoperating Revenues (Expenses)	42,689	103,679	902,016	725,657
Income (Loss) Before Contributions and Transfers	44,666	1,085,118	327,768	(594,850)
CONTRIBUTIONS AND TRANSFERS				
Grants and Contributions	-	477,328	1,265,284	-
Transfers In	-	6,455,000	-	-
Net Contributions and Transfers	-	6,932,328	1,265,284	-
CHANGE IN NET POSITION	44,666	8,017,446	1,593,052	(594,850)
NET POSITION (DEFICIT)				
Net Position (Deficit) - Beginning of Year	(615,573)	17,157,707	7,640,880	9,102,326
Prior Period Adjustment (Note 13)	-	-	261,525	-
Net Position - Beginning, as restated	(615,573)	17,157,707	7,902,405	9,102,326
Net Position (Deficit) - End of Year	\$ (570,907)	\$ 25,175,153	\$ 9,495,457	\$ 8,507,476

CITY OF VISALIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Health Benefits	Compensated Absences	Building Maintenance	Totals
OPERATING REVENUES				
Service Charges and Fees	\$ 13,873,563	\$ -	\$ -	\$ 31,010,349
OPERATING EXPENSES				
Salaries, Wages and Employee Benefits	-	-	-	3,058,246
Maintenance and Operations	245,554	1,686	208	6,805,727
Insurance Premiums and Loss Provisions	13,315,091	-	-	19,443,211
Depreciation and Amortization	-	-	-	2,303,480
Total Operating Expenses	13,560,645	1,686	208	31,610,664
Operating Income (Loss)	312,918	(1,686)	(208)	(600,315)
NONOPERATING REVENUES (EXPENSES)				
Interest Income	44,135	63,689	7,860	396,444
Interest (Expense)	-	-	-	(24,161)
Other Income	6,005	-	-	1,524,058
Other (Expenses)	-	-	-	(611)
Total Nonoperating Revenues (Expenses)	50,140	63,689	7,860	1,895,730
Income (Loss) Before Contributions and Transfers	363,058	62,003	7,652	1,295,415
CONTRIBUTIONS AND TRANSFERS				
Grants and Contributions	-	-	-	1,742,612
Transfers In	-	-	-	6,455,000
Net Contributions and Transfers	-	-	-	8,197,612
CHANGE IN NET POSITION	363,058	62,003	7,652	9,493,027
NET POSITION (DEFICIT)				
Net Position (Deficit) - Beginning of Year	4,802,016	(173,192)	721,664	38,635,828
Prior Period Adjustment (Note 13)	-	-	-	261,525
Net Position - Beginning, as restated	4,802,016	(173,192)	721,664	38,897,353
Net Position (Deficit) - End of Year	\$ 5,165,074	\$ (111,189)	\$ 729,316	\$ 48,390,380

CITY OF VISALIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 6,416,758	\$ 2,343,893	\$ 2,640,360	\$ 5,720,319
Cash Payments to Suppliers for Services	(3,748,632)	(31,799)	(1,306,295)	(6,238,269)
Cash Payments to Employees for Services	(2,728,133)	-	(1,273,620)	(565,531)
Net Cash Provided by (Used in) Operating Activities	(60,007)	2,312,094	60,445	(1,083,481)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other Income	66,850	28,855	855,641	566,707
Other Payments	-	(611)	-	-
Transfers In	-	6,455,000	-	-
Net Cash Provided by Noncapital Financing Activities	66,850	6,483,244	855,641	566,707
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	-	(2,285,602)	(903,847)	-
Grants and Contributions	-	477,328	746,823	-
Interest Expense	(24,161)	-	-	-
Net Cash (Used in) Capital and Related Financing Activities	(24,161)	(1,808,274)	(157,024)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Earnings	-	75,435	46,375	158,950
Net Cash Provided by Investing Activities	-	75,435	46,375	158,950
Net Increase (Decrease) in Cash and Cash Investments	(17,318)	7,062,499	805,437	(357,824)
Cash and Cash Investments at Beginning of Year	406,688	8,057,062	5,420,106	17,988,459
Cash and Cash Investments at End of Year	<u>\$ 389,370</u>	<u>\$ 15,119,561</u>	<u>\$ 6,225,543</u>	<u>\$ 17,630,635</u>
Consisting of:				
Unrestricted	\$ 389,370	\$ 15,119,561	\$ 6,225,543	\$ 17,220,623
Restricted	-	-	-	410,012
Total Cash and Investments	<u>\$ 389,370</u>	<u>\$ 15,119,561</u>	<u>\$ 6,225,543</u>	<u>\$ 17,630,635</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 1,977	\$ 981,439	\$ (574,248)	\$ (1,320,507)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	15,308	1,351,775	936,397	-
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	120	(15,576)	-	-
Supplies	(125,572)	-	-	-
Prepaid Expenses	-	-	-	-
Accounts Payable and Contract Payable	16,433	(5,544)	6,168	(825)
Deferred Outflows Pension	(573,355)	-	(545,606)	(243,148)
Deferred Inflow Pension	(591,836)	-	(730,588)	(275,461)
Accrued Personnel Costs	-	-	-	-
Compensated Absences	-	-	-	-
Pension Liability	1,196,918	-	968,322	482,634
Liability for Self-Insurance Claims	-	-	-	273,826
Net Cash Provided by (Used in) Operating Activities	<u>\$ (60,007)</u>	<u>\$ 2,312,094</u>	<u>\$ 60,445</u>	<u>\$ (1,083,481)</u>

CITY OF VISALIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2023

	Health Benefits	Compensated Absences	Building Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers	\$ 13,868,501	\$ 56,236	\$ -	\$ 31,046,067
Cash Payments to Suppliers for Services	(13,673,459)	(1,686)	(208)	(25,000,348)
Cash Payments to Employees for Services	-	-	-	(4,567,284)
Net Cash Provided by (Used in) Operating Activities	<u>195,042</u>	<u>54,550</u>	<u>(208)</u>	<u>1,478,435</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Other Income	6,005	-	-	1,524,058
Other Payments	-	-	-	(611)
Transfers In	-	-	-	6,455,000
Net Cash Provided by Noncapital Financing Activities	<u>6,005</u>	<u>-</u>	<u>-</u>	<u>7,978,447</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets	-	-	-	(3,189,449)
Grants and Contributions	-	-	-	1,224,151
Interest Expense	-	-	-	(24,161)
Net Cash (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,989,459)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	44,135	63,689	7,860	396,444
Net Cash Provided by Investing Activities	<u>44,135</u>	<u>63,689</u>	<u>7,860</u>	<u>396,444</u>
Net Increase (Decrease) in Cash and Cash Investments	245,182	118,239	7,652	7,863,867
Cash and Cash Investments at Beginning of Year	4,035,449	5,847,772	721,664	42,477,200
Cash and Cash Investments at End of Year	<u>\$ 4,280,631</u>	<u>\$ 5,966,011</u>	<u>\$ 729,316</u>	<u>\$ 50,341,067</u>
Consisting of:				
Unrestricted	\$ 4,219,931	\$ 5,966,011	\$ 729,316	\$ 49,870,355
Restricted	60,700	-	-	470,712
Total Cash and Investments	<u>\$ 4,280,631</u>	<u>\$ 5,966,011</u>	<u>\$ 729,316</u>	<u>\$ 50,341,067</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 312,918	\$ (1,686)	\$ (208)	\$ (600,315)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	-	-	-	2,303,480
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	(5,062)	-	-	(20,518)
Supplies	-	-	-	(125,572)
Prepaid Expenses	(126,189)	-	-	(126,189)
Accounts Payable and Contract Payable	1,024	-	-	17,256
Deferred Outflows Pension	-	-	-	(1,362,109)
Deferred Inflow Pension	-	-	-	(1,597,885)
Accrued Personnel Costs	15,451	-	-	15,451
Compensated Absences	-	56,236	-	56,236
Pension Liability	-	-	-	2,647,874
Liability for Self-Insurance Claims	(3,100)	-	-	270,726
Net Cash Provided by (Used in) Operating Activities	<u>\$ 195,042</u>	<u>\$ 54,550</u>	<u>\$ (208)</u>	<u>\$ 1,478,435</u>



CUSTODIAL FUNDS



CUSTODIAL FUNDS

GASB Statement No. 84 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 (Village West)

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 (Orchard Walk)

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

Atwood Water Main Assessment District (Atwood)

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 (Laura)

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, 2023

	PBID # 5	Village West	Orchard Walk	Atwood	Laura	VTMD	Total Custodial Funds
ASSETS							
Cash and Investments (Note 3)	\$ 424,475	\$ -	\$ 61,513	\$ -	\$ -	\$ 73,356	\$ 559,344
Accounts Receivable	-	-	-	100,204	64,548	72,075	236,827
District Assessments Receivable	28,564	155	12,335	618	-	-	41,672
Total Assets	453,039	155	73,848	100,822	64,548	145,431	837,843
LIABILITIES							
Accounts, Interest, and Contracts Payable	-	-	-	-	-	144,762	144,762
Deposits	-	-	-	20,000	21,124	-	41,124
Due to City	-	269	-	75,711	38,240	-	114,220
Total Liabilities	-	269	-	95,711	59,364	144,762	300,106
NET POSITION (DEFICIT)							
Restricted for:							
Individuals, Organizations, and Other Governments	\$ 453,039	\$ (114)	\$ 73,848	\$ 5,111	\$ 5,184	\$ 669	\$ 537,737

CITY OF VISALIA
COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	<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	\$ 5,538	\$ -	\$ 809	\$ -	\$ -	\$ 571	\$ 6,918
Revenue from District Assessments	418,110	-	-	-	-	800,506	1,218,616
Miscellaneous Revenue	211,685	-	58,274	12,351	7,780	-	290,090
Total Additions	<u>635,333</u>	<u>-</u>	<u>59,083</u>	<u>12,351</u>	<u>7,780</u>	<u>801,077</u>	<u>1,515,624</u>
Deductions							
Obligation Requirements							
Interest on Bonds and Notes Payable	-	-	13,274	3,487	2,159	-	18,920
Total Obligation Requirements	<u>-</u>	<u>-</u>	<u>13,274</u>	<u>3,487</u>	<u>2,159</u>	<u>-</u>	<u>18,920</u>
Administrative Expenses							
Administrative Expenses	598	-	233	110	109	8,021	9,071
Total Administrative Expenses	<u>598</u>	<u>-</u>	<u>233</u>	<u>110</u>	<u>109</u>	<u>8,021</u>	<u>9,071</u>
Distribution of District Assessment							
Distribution of District Assessment	550,000	-	-	-	-	869,886	1,419,886
Principal on Bonds and Notes Payable	-	-	45,000	8,864	5,620	-	59,484
Total Distribution of District Assessment	<u>550,000</u>	<u>-</u>	<u>45,000</u>	<u>8,864</u>	<u>5,620</u>	<u>869,886</u>	<u>1,479,370</u>
Total Deductions	<u>550,598</u>	<u>-</u>	<u>58,507</u>	<u>12,461</u>	<u>7,888</u>	<u>877,907</u>	<u>1,507,361</u>
Change in Net Position	84,735	-	576	(110)	(108)	(76,830)	8,263
Net Position - Beginning of Year	<u>368,304</u>	<u>(114)</u>	<u>73,272</u>	<u>5,221</u>	<u>5,292</u>	<u>77,499</u>	<u>529,474</u>
Net Position (Deficit) - End of Year	<u>\$ 453,039</u>	<u>\$ (114)</u>	<u>\$ 73,848</u>	<u>\$ 5,111</u>	<u>\$ 5,184</u>	<u>\$ 669</u>	<u>\$ 537,737</u>



Statistical Section

(Unaudited)



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			
	2014	2015	2016	2017
Governmental Activities:				
Net Investment in Capital Assets	\$ 271,964	\$ 284,901	\$ 288,048	\$ 312,172
Restricted	45,363	52,401	56,417	56,984
Unrestricted	60,694	(2,230)	12,676	17,877
Total Governmental Activities Net Position	\$ 378,021	\$ 335,072	\$ 357,141	\$ 387,033
Business-type Activities:				
Net Investment in Capital Assets	\$ 198,310	\$ 212,853	\$ 242,950	\$ 266,867
Restricted	121,630	71,139	45,202	16,732
Unrestricted	(27,024)	5,135	24,631	63,975
Total Business-type Activities Net Position	\$ 292,916	\$ 289,127	\$ 312,783	\$ 347,574
Primary Government:				
Net Investment in Capital Assets	\$ 470,274	\$ 497,754	\$ 530,998	\$ 579,039
Restricted	166,993	123,540	101,619	73,716
Unrestricted	33,670	2,905	37,307	81,852
Total Primary Government Net Position	\$ 670,937	\$ 624,199	\$ 669,924	\$ 734,607

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 325,420	\$ 324,799	\$ 335,920	\$ 341,796	\$ 344,300	\$ 367,404	
69,608	79,763	94,930	130,726	159,684	182,830	
22,633	35,203	38,351	45,014	81,583	97,330	
<u>\$ 417,661</u>	<u>\$ 439,765</u>	<u>\$ 469,201</u>	<u>\$ 517,536</u>	<u>\$ 585,567</u>	<u>\$ 647,564</u>	
\$ 271,696	\$ 269,444	\$ 270,985	\$ 277,874	\$ 276,505	\$ 272,712	
12,785	11,368	20,325	12,887	10,995	16,765	
89,290	93,039	104,952	126,266	141,742	152,362	
<u>\$ 373,771</u>	<u>\$ 373,851</u>	<u>\$ 396,262</u>	<u>\$ 417,027</u>	<u>\$ 429,242</u>	<u>\$ 441,839</u>	
\$ 597,116	\$ 594,243	\$ 606,905	\$ 619,670	\$ 620,805	\$ 640,116	
82,393	91,131	115,255	143,613	170,679	199,595	
111,923	128,242	143,303	171,280	223,325	249,692	
<u>\$ 791,432</u>	<u>\$ 813,616</u>	<u>\$ 865,463</u>	<u>\$ 934,563</u>	<u>\$ 1,014,809</u>	<u>\$ 1,089,403</u>	

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

	Fiscal Year			
	2014	2015	2016	2017
Expenses:				
Governmental Activities:				
General Government	\$ 4,070	\$ 4,299	\$ 4,262	\$ 3,653
Community Development	5,266	5,985	4,768	3,570
Housing & Community Grants	-	-	-	-
Public Safety				
Police	31,714	30,378	31,182	34,737
Fire	14,308	13,858	15,331	16,948
Public Works	11,906	13,596	24,526	19,270
Parks & Recreation	9,000	8,999	799	3,988
Community Services	-	-	-	-
Interest on Long-Term Debt	191	145	702	561
Total Governmental Activities Expenses	76,455	77,260	81,570	82,727
Business-type Activities:				
Convention Center	5,943	5,688	5,822	5,525
Airport	2,505	2,530	2,219	1,999
Valley Oaks Golf	2,574	2,756	2,502	2,426
Wastewater and Storm				
Sewer Maintenance	15,281	16,791	19,836	23,845
Solid Waste	18,589	17,969	16,309	17,422
Transit	13,670	14,702	14,772	14,726
Baseball	295	332	342	329
Animal Control	1,184	1,141	1,881	2,490
Building Safety	1,768	1,969	2,306	3,103
Total Business-Type Activities Expenses	61,809	63,878	65,989	71,865
Total Primary Government Expenses	138,264	141,138	147,559	154,592
Program Revenues:				
Governmental Activities:				
Charges for Services:				
General Government	265	1,952	653	717
Community Development	1,503	1,633	2,142	2,122
Housing & Community Grants	-	-	-	-
Public Safety				
Police	2,516	2,690	2,804	2,716
Fire	626	802	1,256	1,492
Public Works	8,773	9,279	10,011	10,736
Parks & Recreation	2,974	3,068	3,468	3,321
Community Services	-	-	-	-
Operating Grants and Contributions	3,184	4,581	3,660	3,118
Capital Grants and Contributions	12,152	8,556	9,625	14,635
Total Governmental Activities Program Revenues	\$ 31,993	\$ 32,561	\$ 33,619	\$ 38,857

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									
		2018	2019	2020	2021	2022	2023				
\$	5,778	\$	4,951	\$	7,404	\$	6,883	\$	2,237	\$	7,009
	2,028		6,098		2,477		2,741		(3,942)		3,388
	-		-		1,667		2,751		2,182		2,936
	38,720		39,996		44,992		44,431		41,081		49,059
	16,881		17,371		19,000		19,745		20,380		22,699
	19,579		15,155		20,424		12,224		19,717		19,949
	4,820		5,540		-		-		-		-
	-		-		12,146		11,271		14,827		14,074
	508		471		450		401		362		370
	<u>88,314</u>		<u>89,582</u>		<u>108,560</u>		<u>100,447</u>		<u>96,844</u>		<u>119,484</u>
	5,517		4,952		4,300		2,360		1,180		4,675
	2,017		2,199		2,127		3,119		2,545		2,755
	1,571		-		-		-		-		-
	18,488		21,031		25,263		25,541		28,133		28,439
	18,847		24,168		18,963		19,212		21,658		20,938
	18,360		20,408		17,837		17,263		19,791		21,496
	354		350		221		243		-		-
	1,993		1,908		2,003		1,927		1,935		1,970
	3,303		3,303		3,490		3,411		3,099		3,742
	<u>70,450</u>		<u>78,319</u>		<u>74,204</u>		<u>73,076</u>		<u>78,341</u>		<u>84,015</u>
	<u>158,764</u>		<u>167,901</u>		<u>182,764</u>		<u>173,523</u>		<u>175,185</u>		<u>203,499</u>
	794		1,247		896		1,110		1,381		1,154
	1,955		1,788		1,283		871		1,206		782
	-		-		23		22		22		39
	2,636		3,055		3,126		2,953		2,818		2,983
	1,875		1,678		1,620		1,654		2,142		1,960
	11,344		12,286		10,459		11,303		15,791		12,357
	3,509		4,140		-		-		-		-
	-		-		7,778		7,957		10,395		9,815
	2,619		2,648		5,083		6,064		6,269		7,728
	9,206		12,022		11,765		12,148		10,618		14,873
\$	<u>33,938</u>	\$	<u>38,864</u>	\$	<u>42,033</u>	\$	<u>44,082</u>	\$	<u>50,642</u>	\$	<u>51,691</u>

(Continued)

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

	Fiscal Year			
	2014	2015	2016	2017
Business-Type Activities:				
Charges for Services:				
Convention Center	\$ 4,099	\$ 3,617	\$ 3,587	\$ 3,483
Airport	1,734	1,708	1,925	1,710
Valley Oaks Golf	2,409	2,401	2,405	2,372
Wastewater and Storm				
Sewer Maintenance	22,365	26,210	26,033	26,822
Solid Waste	19,570	19,222	18,852	19,831
Transit	3,974	4,366	6,004	4,969
Baseball	8	17	18	51
Animal Control	219	309	430	487
Building Safety	2,948	3,274	3,873	3,741
Operating Grants and Contributions	6,588	9,841	4,183	14,050
Capital Grants and Contributions	4,045	2,691	17,291	21,188
	<u>67,959</u>	<u>73,656</u>	<u>84,601</u>	<u>98,704</u>
Total Business-Type Activities				
Program Revenues	<u>67,959</u>	<u>73,656</u>	<u>84,601</u>	<u>98,704</u>
Total Primary Government				
Program Revenues	<u>99,952</u>	<u>106,217</u>	<u>118,220</u>	<u>137,561</u>
Net Revenues (Expenses):				
Governmental Activities	(44,462)	(44,699)	(47,951)	(43,870)
Business-Type Activities	6,150	9,778	18,612	26,839
	<u>(38,312)</u>	<u>(34,921)</u>	<u>(29,339)</u>	<u>(17,031)</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Taxes:				
Sales Taxes	28,791	32,237	36,145	44,574
Property Taxes	27,306	27,708	26,810	22,429
Transient Occupancy Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Business License Taxes	-	-	-	-
Other Taxes	6,921	8,306	7,638	7,800
Investment Earnings	513	1,894	725	1,074
Gain from Sale of Capital Assets	-	5	7	3
Miscellaneous	1,317	1,587	2,563	1,944
Transfers and Extraordinary Items	(4,322)	(4,265)	(4,138)	(3,869)
	<u>60,526</u>	<u>67,472</u>	<u>69,750</u>	<u>73,955</u>
Business-Type Activities:				
Investment Earnings	454	440	576	690
Miscellaneous	3,349	2,622	3,439	3,478
Transfers	4,322	4,265	4,138	3,869
	<u>8,125</u>	<u>7,327</u>	<u>8,153</u>	<u>8,037</u>
Total Business-Type Activities				
Total Primary Government	<u>68,651</u>	<u>74,799</u>	<u>77,903</u>	<u>81,992</u>
Changes in Net Position:				
Governmental Activities	16,064	22,773	21,799	30,085
Business-Type Activities	14,275	17,105	26,765	34,876
	<u>\$ 30,339</u>	<u>\$ 39,878</u>	<u>\$ 48,564</u>	<u>\$ 64,961</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 3,657	\$ 2,967	\$ 1,882	\$ 505	\$ 1,547	\$ 1,770
1,817	1,701	1,616	1,775	2,313	2,282
1,337	-	-	-	-	-
27,060	28,057	27,479	27,744	30,975	30,013
20,216	19,225	19,457	20,564	21,574	21,505
5,055	5,000	5,081	3,623	5,161	5,838
68	50	4	-	-	-
441	573	580	646	636	564
3,465	3,959	4,520	4,934	5,771	5,133
16,499	12,987	15,949	15,455	14,030	16,395
12,160	5,093	7,650	12,093	7,045	2,965
91,775	79,612	84,218	87,339	89,052	86,465
125,713	118,476	126,251	131,421	139,694	138,156
(54,376)	(50,718)	(66,527)	(56,365)	(46,202)	(67,793)
21,325	1,293	10,014	14,263	10,711	2,450
(33,051)	(49,425)	(56,513)	(42,102)	(35,491)	(65,343)
54,104	58,561	60,351	70,926	82,151	85,969
23,687	25,076	26,297	27,875	29,810	31,727
-	-	-	-	-	4,533
-	-	-	-	-	3,707
-	-	-	-	-	3,752
8,341	8,663	7,987	9,275	10,714	-
1,409	4,064	4,614	1,311	(5,351)	3,711
1	-	-	-	-	-
1,504	1,704	1,387	1,056	1,196	1,023
(4,140)	(3,785)	(4,489)	(4,018)	(3,836)	(4,894)
84,906	94,283	96,147	106,425	114,684	129,528
872	4,024	4,345	674	(5,026)	2,185
3,431	2,344	2,939	1,810	3,356	3,068
4,140	3,785	4,489	4,018	3,836	4,894
8,443	10,153	11,773	6,502	2,166	10,147
93,349	104,436	107,920	112,927	116,850	139,675
30,530	43,565	29,620	50,060	68,482	61,735
29,768	11,446	21,787	20,765	12,876	12,597
\$ 60,298	\$ 55,011	\$ 51,407	\$ 70,825	\$ 81,358	\$ 74,332

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

	Fiscal Year			
	2014	2015	2016	2017
General Fund:				
Nonspendable	\$ 580	\$ 435	\$ 357	\$ 1,346
Restricted	-	-	-	1,193
Committed	16,330	17,719	28,018	19,805
Assigned	18,629	19,486	18,781	21,857
Unassigned	1,387	4,043	4,787	9,612
Total General Fund	<u>36,926</u>	<u>41,683</u>	<u>51,943</u>	<u>53,813</u>
All Other Governmental Funds:				
Nonspendable	15	-	-	47
Restricted	44,817	45,965	50,857	51,465
Committed	5,318	7,271	15,903	9,582
Assigned	1,632	1,632	1,243	1,243
Unassigned (Deficit)	<u>(6,419)</u>	<u>(2,471)</u>	<u>(11,627)</u>	<u>(5,393)</u>
Total All Other Governmental Funds	<u>45,363</u>	<u>52,397</u>	<u>56,376</u>	<u>56,944</u>
Total Governmental Fund Balance	<u>\$ 82,289</u>	<u>\$ 94,080</u>	<u>\$ 108,319</u>	<u>\$ 110,757</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 1,365	\$ 1,125	\$ 678	\$ 3,480	\$ 1,564	\$ 3,498
-	-	-	-	-	-
21,921	15,344	16,239	16,609	17,559	20,805
24,981	25,215	30,278	27,629	27,939	27,968
10,214	9,753	5,497	5,428	6,731	3,142
<u>58,481</u>	<u>51,437</u>	<u>52,692</u>	<u>53,146</u>	<u>53,793</u>	<u>55,413</u>
815	-	-	-	-	-
54,253	68,188	91,088	144,003	210,248	189,403
18,233	31,924	30,259	36,280	14,099	57,720
1,632	1,632	1,168	848	301	1,654
(6,005)	(3,925)	(4,475)	(31)	(989)	(737)
<u>68,928</u>	<u>97,819</u>	<u>118,040</u>	<u>181,100</u>	<u>223,659</u>	<u>248,040</u>
<u>\$ 127,409</u>	<u>\$ 149,256</u>	<u>\$ 170,732</u>	<u>\$ 234,246</u>	<u>\$ 277,452</u>	<u>\$ 303,453</u>

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

	Fiscal Year			
	2014	2015	2016	2017
Revenues:				
Sales Tax	\$ 28,791	\$ 32,237	\$ 36,144	\$ 44,575
Property Tax	27,306	26,711	26,880	22,370
Other Taxes	6,920	7,662	7,608	7,681
Subventions and Grants	15,336	13,137	13,286	14,160
Licenses and Permits	61	109	87	81
Fees and Fines	8,751	9,199	10,520	10,552
Use of Money and Property	907	2,334	1,133	1,522
Charges for Current Services	5,589	6,257	7,014	7,859
Miscellaneous	2,253	2,067	2,477	2,578
Total Revenues	95,914	99,713	105,149	111,378
Expenditures				
Current:				
General Government	2,477	2,896	3,102	3,335
Community Development	5,209	6,684	5,119	5,245
Community Services	7,956	8,104	3,231	3,531
Housing & Community Grants	-	-	-	-
Public Safety:				
Police	30,228	30,469	31,728	33,378
Fire	13,708	13,598	15,070	15,855
Public Works	3,239	5,563	8,958	8,874
Capital Outlay	22,429	17,378	32,435	34,136
Debt Service:				
Principal Retirement	649	2,229	1,178	1,321
Interest and Fiscal Charges	189	138	694	548
Total Expenditures	86,084	87,059	101,515	106,223
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,830	12,654	3,634	5,155
Other Financing Sources (Uses):				
Sales of Real Property	11	12	655	1,465
Proceeds from Sale of Capital	-	5	7	3
Issuance of Debt - Leases Acquired	-	-	-	-
Transfers In	970	2,482	2,070	8,373
Transfers Out	(5,300)	(7,254)	(6,304)	(12,365)
Total Other Financing Sources (Uses)	(4,319)	(3,197)	10,334	(2,524)
Extraordinary Items	-	-	-	-
Net Change in Fund Balances	\$ 5,511	\$ 9,457	\$ 13,968	\$ 2,631
Debt Service as a Percentage of Noncapital Expenditures ¹	1.2%	3.2%	2.4%	2.3%

¹ The calculation of debt service as a percentage of noncapital expenditures excludes capital outlays. 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						
2018	2019	2020	2021	2022	2023	
\$ 54,104	\$ 58,561	\$ 60,350	\$ 70,926	\$ 82,151	\$ 84,617	
23,694	25,048	26,282	27,885	29,726	31,769	
8,272	8,619	8,020	9,290	10,868	11,771	
10,355	13,505	14,829	17,865	14,689	20,859	
88	95	84	73	57	97	
10,991	12,267	13,929	14,264	17,382	13,106	
1,843	4,470	4,841	1,479	(4,977)	4,056	
8,367	8,692	8,374	8,117	10,530	9,441	
2,260	2,999	2,208	1,754	2,780	2,151	
<u>119,974</u>	<u>134,256</u>	<u>138,917</u>	<u>151,653</u>	<u>163,206</u>	<u>177,867</u>	
3,913	3,049	3,944	4,610	3,600	4,546	
5,272	6,052	2,114	2,552	3,135	3,131	
3,510	3,988	10,501	9,736	11,825	12,645	
-	-	753	2,269	947	2,637	
35,382	38,446	41,638	42,420	44,792	47,580	
16,160	17,115	17,360	18,678	20,542	22,135	
9,053	8,966	5,400	5,305	5,881	6,723	
24,248	27,031	29,900	19,298	21,389	39,293	
1,364	1,136	895	882	1,041	1,729	
507	465	437	397	362	346	
<u>99,409</u>	<u>106,248</u>	<u>112,942</u>	<u>106,147</u>	<u>113,514</u>	<u>140,765</u>	
20,565	28,008	25,975	45,506	49,692	37,102	
113	517	-	1,028	1,386	173	
1	1	16	3	47	1	
-	-	-	-	-	73	
3,272	9,509	8,482	13,700	15,959	11,748	
<u>(7,398)</u>	<u>(13,125)</u>	<u>(12,813)</u>	<u>(17,697)</u>	<u>(24,795)</u>	<u>(23,097)</u>	
<u>(4,012)</u>	<u>(3,098)</u>	<u>(4,315)</u>	<u>(2,966)</u>	<u>(7,403)</u>	<u>(11,102)</u>	
-	-	-	-	-	-	
<u>\$ 16,553</u>	<u>\$ 24,910</u>	<u>\$ 21,660</u>	<u>\$ 42,540</u>	<u>\$ 42,289</u>	<u>\$ 26,000</u>	
2.3%	2.0%	1.5%	1.5%	1.4%	1.9%	

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

	Fiscal Year			
	2014	2015	2016	2017
City Direct Rate:				
City Basic Rate	\$ 0.1152	\$ 0.1150	\$ 0.1150	\$ 0.1150
Total City Direct Rate	0.1152	0.1150	0.1150	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	0.1832	0.1832	0.1834	0.1836
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	0.0158	0.0158	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	0.2429	0.2430	0.2430	0.2426
Visalia Unified School District Bonds	0.0300	0.0300	0.0226	0.0270
Kaweah Delta Hospital Bonds	0.0282	0.0209	0.0237	0.0206
Kaweah Delta Water Assessment	0.0004	0.0005	0.0004	0.0003
Total Direct Rate ¹	\$ 1.0588	\$ 1.0517	\$ 1.0472	\$ 1.0482

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.

¹The 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						
2018	2019	2020	2021	2022	2023	
\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1540	
0.1150	0.1150	0.1150	0.1150	0.1150	0.1540	
0.3068	0.3068	0.3068	0.3068	0.3068	0.3068	
0.0537	0.0537	0.0537	0.0537	0.0537	0.0537	
0.1825	0.1825	0.1818	0.1820	0.1820	0.3722	
0.0248	0.0248	0.0248	0.0248	0.0248	0.0248	
0.0021	0.0021	0.0021	0.0021	0.0021	0.0055	
0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	
0.0157	0.0157	0.0156	0.0156	0.0156	0.0174	
0.0016	0.0016	0.0016	0.0016	0.0016	0.0020	
0.0011	0.0011	0.0011	0.0011	0.0011	0.0018	
0.0141	0.0141	0.0141	0.0141	0.0140	0.0237	
0.0096	0.0096	0.0096	0.0096	0.0096	0.0096	
0.0289	0.0289	0.0289	0.0289	0.0289	0.0289	
0.2438	0.2438	0.2447	0.2445	0.2447	-	
0.0183	0.0225	0.0225	0.0425	0.0350	0.0300	
0.0198	0.0181	0.0181	0.0169	0.0180	0.0160	
0.0004	0.0004	0.0003	0.0004	0.0004	-	
\$ 1.0386	\$ 1.0411	\$ 1.0411	\$ 1.0600	\$ 1.0537	\$ 1.0468	

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			
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%
2022	11,869,633	646,790		12,516,423	0.115%
2023	13,813,575	870,691		14,684,266	0.154%

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.

¹The 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	2023			2014		
	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.	\$ 172,832	1.18%	1	-	-	-
3315 Kelsey LLC	128,224	0.87%	2	-	-	-
Pac West Diversified LP	93,500	0.64%	3	-	-	-
United Parcel Service Inc	75,955	0.52%	4	-	-	-
J Beast LP	62,476	0.43%	5	-	-	-
BT-OH LLC	60,880	0.41%	6	-	-	-
Visalia Mall LP	59,926	0.41%	7	-	-	-
Perfection Pet Foods LLC	55,517	0.38%	8	-	-	-
7227 W Doe Ave LLC	53,905	0.37%	9	-	-	-
Amazon.com Services LLC	46,728	0.32%	10	-	-	-
California Dairies Inc.	-	-	-	\$ 201,520	2.49%	1
Imperial Bondware Corp.	-	-	-	68,078	0.84%	2
VF Outdoor	-	-	-	46,335	0.57%	3
Visalia Mall LP	-	-	-	41,914	0.52%	4
VWR International LLC	-	-	-	35,480	0.44%	5
Cottonwood Fresno Holdings LLC	-	-	-	35,000	0.43%	6
Calif Water Service Co	-	-	-	33,631	0.42%	7
J Beast LP	-	-	-	30,411	0.38%	8
Blam-Jade LP	-	-	-	30,203	0.37%	9
Bank of America NT&SA	-	-	-	27,626	0.34%	10
Total Ten Largest Tax Payers	\$ 809,943	5.52%		\$ 550,198	6.81%	
All Other Tax Payers	\$13,874,323	94.48%		\$ 7,529,057	93.19%	
Total Assessed Valuation - All Tax Payers	\$14,684,266	100.00%		\$ 8,079,255	100.00%	

The amounts shown above include assessed value data for both the City and the Successor Agency.

Source: Tulare County Auditor-Controller

CITY OF VISALIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(In Thousands)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy	
		Amount	Percent of Levy
2014	\$ 17,167	\$ 17,167	100.00%
2015	18,755	18,755	100.00%
2016	19,764	19,764	100.00%
2017	20,337	20,337	100.00%
2018	21,211	21,211	100.00%
2019	22,495	22,495	100.00%
2020	23,649	23,649	100.00%
2021	25,137	25,137	100.00%
2022	26,544	25,185	94.88%
2023	28,636	28,768	100.46%

Source: Tulare County Auditor-Controller

Note: In 2022-23, Tulare County implemented a new financial and reporting system.

**CITY OF VISALIA
HISTORICAL SALES AND USE TAX RATES**

Effective Date	End Date	Statewide Base Sales and Use Tax Rate							Combined Rate
		State Jurisdiction	Local Transportation Fund	Local City Rate	(1) City Rate Measure T	County Rate Measure R	City Rate Measure N		
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
2013-2022 CALENDAR YEARS
(Dollars in Thousands)

	2018⁽²⁾	2019⁽²⁾	2020⁽²⁾	2021⁽²⁾	2022⁽²⁾
Retail Stores					
Apparel Stores	\$ 144,806	\$ 145,638	\$ 107,987	\$ 185,096	\$ 166,673
General Merchandise Stores	406,490	405,765	387,705	471,973	504,821
Food Stores	124,058	124,210	138,239	131,034	149,412
Eating and Drinking Places	288,003	296,010	249,567	348,749	381,344
Home Furnishings and Appliances	91,966	92,407	91,551	119,453	106,914
Bldg. Material and Farm Implements	312,640	242,041	286,433	309,307	335,070
Auto Dealers and Auto Supplies	377,145	375,482	370,099	479,184	452,229
Service Stations	155,709	171,821	132,712	186,585	225,791
Other Retail Stores	215,347	214,145	218,646	346,084	516,480
Retail Stores Totals	<u>2,116,164</u>	<u>2,067,519</u>	<u>1,982,939</u>	<u>2,577,465</u>	<u>2,838,734</u>
All Other Outlets	<u>854,888</u>	<u>1,029,450</u>	<u>1,081,731</u>	<u>1,251,414</u>	<u>1,363,230</u>
Totals All Outlets	<u>\$ 2,971,052</u>	<u>\$ 3,096,969</u>	<u>\$ 3,064,670</u>	<u>\$ 3,828,879</u>	<u>\$ 4,201,964</u>
	2013⁽¹⁾	2014⁽²⁾	2015⁽²⁾	2016⁽²⁾	2017⁽²⁾
Retail Stores					
Apparel Stores	\$ 117,386	\$ 123,465	\$ 128,885	\$ 138,129	\$ 138,637
General Merchandise Stores	372,736	382,040	392,404	398,900	400,820
Food Stores	100,028	109,234	108,996	123,005	120,900
Eating and Drinking Places	212,084	227,906	247,406	263,310	277,409
Home Furnishings and Appliances	61,870	65,265	83,136	91,778	86,839
Bldg. Material and Farm Implements	177,376	180,519	203,921	213,421	222,315
Auto Dealers and Auto Supplies	308,334	320,499	370,884	411,684	401,536
Service Stations	212,292	210,790	155,270	141,307	163,999
Other Retail Stores	234,171	266,053	208,015	212,872	203,637
Retail Stores Totals	<u>1,796,276</u>	<u>1,885,770</u>	<u>1,898,917</u>	<u>1,994,406</u>	<u>2,016,092</u>
All Other Outlets	<u>648,627</u>	<u>642,282</u>	<u>742,120</u>	<u>775,194</u>	<u>794,330</u>
Totals All Outlets	<u>\$ 2,444,903</u>	<u>\$ 2,528,051</u>	<u>\$ 2,641,037</u>	<u>\$ 2,769,600</u>	<u>\$ 2,810,422</u>

Source:

(1) California Department of Finance

(2) Avenue Insights & Analytics (MuniServices)

Note: 2022 is latest available year.

CITY OF VISALIA
TOP 25 SALES TAX CONTRIBUTORS
2022 CALENDAR YEAR and NINE YEARS AGO
(in alphabetical order)

2022 CALENDAR YEAR

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

2013 CALENDAR YEAR

Best Buy Stores	Nissan of Visalia
Bluescope Buildings	Ross Stores
Butler Animal Health Supply	Save Mart Supermarkets
COSTCO Wholesale	Target Stores
Don Rose Oil Company	Tri-Animal Health Services
Giant Chevrolet Company	Union 76 Service Stations
HILTI	Valero Service Stations
Home Depot	Valley Pacific Petroleum
J C Penney Company	Visalia Honda
Lampe Chrysler Dodge Jeep Ram	Visalia Toyota
Lowe's Home Improvement	VWR International
Macy's	Wal Mart Stores
MWI Veterinary Supply	

Source: Avenue Insights & Analytics (MuniServices)

Note: 2022 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	Notes Payable	Lease Liabilities	SBITA Liabilities	
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
2022	8,501	-	723	-	9,224
2023	7,533	-	679	732	8,944

NOTES:

¹US Department of Commerce Bureau of Economic Analysis

Personal Income Data from the Bureau of Economic Analysis is only available through 2021.

Business-type Activities							
Certificates of Participation	Notes	SBITA Liabilities	Total Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita	
\$ 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%	892	
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	0.52%	816	
9,810	89,266	-	99,076	108,504	0.47%	768	
8,476	86,775	-	95,251	104,475	N/A	735	
7,098	84,232	65	91,395	100,339	N/A	702	

CITY OF VISALIA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(In Thousands, except Debt per Capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt				Total	Percent of Assessed Value ¹	Debt Per Capita
	Certificates of Participation	Lease Liabilities	SBITA Liabilities				
2014	\$ 1,384	\$ -	\$ -		\$ 1,384	0.02%	11
2015	1,304	-	-		\$ 1,304	0.02%	10
2016	13,670	-	-		\$ 13,670	0.15%	105
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%	67
2022	8,501	723	-		\$ 9,224	0.07%	65
2023	7,533	679	732		\$ 8,944	0.06%	63

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds.

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, 2023
(In Thousands)**

2022-23 City Assessed Valuation		\$ 14,684,266	
Successor Agency Incremental Valuation		<u>51,203</u>	
 Total Assessed Valuation		 <u>\$ 14,735,469</u>	
	Percentage Applicable ¹	Outstanding Debt 6/30/23	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
College of the Sequoias Tulare School Facilities Improvement District	0.549%	\$ 55,589	\$ 305
College of the Sequoias Visalia School Facilities Improvement District	68.623%	24,358	16,715
Visalia Unified School District	86.500%	84,175	72,811
Tulare Joint Union High School District	0.711%	13,227	94
Liberty School District	17.966%	331	59
Kaweah Delta Hospital District	85.307%	37,295	31,815
City of Visalia 1915 Act Bonds	100.000%	<u>254</u>	<u>254</u>
 Total Overlapping Tax and Assessment Debt		 <u>215,229</u>	 <u>122,055</u>
Direct and Overlapping General Fund Debt:			
Tulare County Certificates of Participation	33.911%	40,996	13,902
Tulare County Pension Obligation Bonds	33.911%	201,020	68,168
Tulare County Board of Education Certificates of Participation	33.911%	34,365	11,654
Visalia Unified School District Certificates of Participation	86.500%	30,570	26,443
Tulare Joint Union High School District General Fund Obligations	0.711%	211	1
Liberty School District Certificates of Participation	17.966%	2,065	371
City of Visalia General Fund Obligations	100.000%	<u>8,944</u>	<u>8,944</u>
 Total Direct and Overlapping General Fund Debt		 <u>318,171</u>	 <u>129,483</u>
Overlapping Tax Increment Debt (Successor Agency)	100.000%	<u>890</u>	<u>890</u>
 Total Direct Debt		 <u>8,944</u>	 <u>8,944</u>
 Total Overlapping Debt		 <u>525,346</u>	 <u>243,484</u>
 Combined Total Debt		 <u>\$ 534,290</u>	 <u>\$ 252,428</u>

NOTE:

¹Percentage of overlapping agency's assessed valuation located within boundaries of the City

Source: Avenu Muni Services

**CITY OF VISALIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(In Thousands)**

	Fiscal Year			
	2014	2015	2016	2017
Assessed valuation	\$ 8,079,201	\$ 8,628,953	\$ 9,110,634	\$ 9,580,740
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	2,019,800	2,157,238	2,277,659	2,395,185
Debt limit percentage	15%	15%	15%	15%
Debt limit	302,970	323,586	341,649	359,278
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 302,970</u>	<u>\$ 323,586</u>	<u>\$ 341,649</u>	<u>\$ 359,278</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						
2018	2019	2020	2021	2022	2023	
\$ 10,001,046	\$ 10,601,276	\$ 11,145,062	\$ 11,789,750	\$ 12,516,423	\$ 14,684,266	
25%	25%	25%	25%	25%	25%	
2,500,262	2,650,319	2,786,266	2,947,438	3,129,106	3,671,067	
15%	15%	15%	15%	15%	15%	
375,039	397,548	417,940	442,116	469,366	550,660	
-	-	-	-	-	-	
\$ 375,039	\$ 397,548	\$ 417,940	\$ 442,116	\$ 469,366	\$ 550,660	
0.0%	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 Cleanwater State Revolving Fund Loan					
	Operating	Less:	Net	Debt Service		Debt
	Revenue	Operating Expenses	Available Revenue	Principal	Interest	Service Coverage
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	2,340	2,025	2.98
2020	27,479	16,163	11,316	2,389	1,976	2.59
2021	27,862	15,734	12,128	2,438	1,926	2.78
2022	30,975	19,525	11,450	2,491	1,875	2.62
2023	30,013	19,653	10,360	2,543	1,822	2.37

Note:

State Revolving Fund loan has pledged enterprise revenue agreement.

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)
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	130,231	9,110,634	69,957	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	21,722,554	46,348	17.1%
2021	141,279	11,789,750	83,450	22,891,980	47,986	11.1%
2022	142,066	12,516,423	88,103	NA	NA	7.4%
2023	143,031	14,684,266	102,665	NA	NA	10.1%

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

Note:
Personal Income & Per Capita Personal Income Data from the Bureau of Economic Analysis is only available through 2021.

* For 2022, the California Department of Finance restated the prior year figure from 142,091 to 142,066.

**CITY OF VISALIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Employer	2023			2014		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Kaweah Delta Healthcare (1)	4,550	1	2.38%	2,000	3	1.12%
County of Tulare (1)	4,311	2	2.25%	4,797	1	2.69%
Visalia Unified School District (2)	2,988	3	1.56%	2,771	2	1.55%
Visalia Mall (cumulative) (1)	1,200	4	0.63%	NA		NA
VF Outdoor Inc (1)	1,012	5	0.53%	400	8	0.22%
Walmart (incl. Neighborhood Market) (1)	840	6	0.44%	NA		NA
Graphic Packaging (Intl. Paper Co.) (1)	757	7	0.40%	300	9	0.17%
College of the Sequoias (1)	705	8	0.37%	745	4	0.42%
City of Visalia (3)	676	9	0.35%	576	7	0.32%
UPS (1)	600	10	0.31%	NA		NA
Jostens	NA		NA	720	5	0.40%
CIGNA Health Care	NA		NA	700	6	0.39%
California Pretzel Co. Inc.	NA		NA	225	10	0.13%
Number of Employed (4)	191,400			178,400		

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

CITY OF VISALIA
FULL-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Administration	44	46	46	47	64	64	64	18	18	43
Administrative Services	NA	NA	NA	NA	NA	NA	NA	NA	NA	26
Community Development	61	64	65	65	79	79	77	35	35	39
Finance	16	16	20	20	27	27	27	52	52	55
Fire	81	82	82	81	81	85	85	86	86	89
General Services	NA	NA	NA	NA	NA	NA	NA	46	46	NA
Housing & Economic Development	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Housing & Community Grants	NA	NA	NA	NA	NA	NA	2	NA	NA	NA
Community Services	32	34	12	12	13	13	13	39	39	50
Police	206	208	208	208	223	230	234	237	239	247
Public Works	118	121	139	141	143	144	144	144	144	127
Transportation & General Services	18	18	27	29	NA	NA	NA	NA	NA	NA
Total	576	589	599	603	630	642	646	657	659	676

(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			
	2014	2015	2016	2017
Police:				
Calls for service - Calendar Year*	129,828	134,287	144,856	144,489
Fire:				
Calls for service - Calendar Year	12,482	12,518	14,065	14,283
Refuse/Sewer**:				
Number of Residential Accounts	36,144	37,538	37,884	38,014
Number of Commercial Accounts	3,731	3,747	3,758	4,043
Total Refuse/Sewer Accounts	39,875	41,285	41,642	42,057
Business Licenses:				
New licenses issued during the year	1,261	1,098	1,201	1,375
Total business licenses	11,784	11,920	12,145	12,098
Building Permits:				
Residential	2,019	2,478	3,152	2,793
Commercial	353	381	349	355
Miscellaneous	1,474	1,673	1,648	1,745
Total Building Permits	3,846	4,532	5,149	4,893

Source: City of Visalia

Note:

* 2022 calendar year information available.

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
153,701	158,783	160,465	158,189	158,836	159,159
15,301	15,229	16,180	15,885	16,630	17,135
38,579	41,638	39,494	39,076	40,397	42,870
3,993	3,654	3,254	3,360	3,441	3,598
42,572	45,292	42,748	42,436	43,838	46,468
1,955	1,586	1,409	1,236	1,525	1,663
12,268	12,241	12,315	12,505	12,953	13,126
2,865	3,049	2,753	3,367	4,068	4,273
381	319	319	270	343	345
1,497	1,970	1,962	2,025	2,223	1,983
4,743	5,338	5,034	5,662	6,634	6,601

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

	Fiscal Year			
	2014	2015	2016	2017
Police:				
Stations	3	3	3	3
Fire:				
Fire stations	5	5	6	6
Public Works:				
City Area in Square Miles	37	37	37	38
Streets (miles)	493	512	512	516
Traffic Signalized Intersections	118	120	120	123
Community Services:				
Developed City Park Acreage	288	281	281	269
City Owned Open Space Acreage	231	282	282	289
Public Libraries	1	1	1	1
Recreation Centers	5	5	5	5
Swimming Pools	0	0	0	0
Parks	50	52	52	54
Acres of Parks	493	290	290	286
Wastewater:				
Sanitary sewers (miles)	468	468	468	507
Storm sewers (miles)	240	240	240	276
Golf Course:				
Municipal golf courses	1	1	1	1

Source: Various City Departments

Fiscal Year					
2018	2019	2020	2021	2022	2023
3	3	3	3	3	3
6	6	6	6	6	6
38	38	38	38	38	38
516	525	528	519	519	519
123	126	127	131	131	132
269	269	269	293	293	293
289	289	289	266	266	266
1	1	1	1	1	1
5	5	5	5	5	5
0	0	0	0	0	0
54	54	54	58	58	58
286	286	286	314	314	314
508	508	508	508	508	508
277	277	277	277	277	279
1	1	1	1	1	1

**CITY OF VISALIA
INSURANCE IN FORCE
FISCAL YEAR ENDED JUNE 30, 2023**

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 \$9,000,000; Pool purchase \$45,000,000; total limits \$55,000,000	\$1,000,000 SIR		07/01/22 to 06/30/23
Commercial Property Policy	Allianz	Business Real Property, Business Personal Property limit \$347 mil; Business Income/Extra Exp \$10m	\$50,000 bldg; \$5k contents;	USC007189200	07/01/22 to 06/30/23
Pollution Liability (Underground Storage Tank)	Crum & Forester	\$1 mil liability; \$1 mil aggregate	\$5k deductible	STP420080	10/12/22 to 10/12/23
Excess Workers Compensation	Keenan & Associates/Safety National	XS work comp, loss control fees; admin fees; broker fees. \$25 million limits	\$1 mil SIR	SP4065356	07/01/22 to 06/30/23
Excess Health & Medical Coverage	PRISM Risk	Healthcare Pooling Program	None		1/1/23 to 12/31/23
SPECIAL COVERAGES					
Aviation Liability	ACE Property Casualty	25 mil each occurrence/offense in respect of Bodily Injry, Personal and Advertising Injury and Property Damage combined, subject to limitations (3 year rate guarantee)	None	AAP N10694243 003	7/14/22 to 7/14/25
Cyber Insurance	RPS Risk Placement Services	5 mil aggregate;	100,000	#4978937B	11/4/22 - 11/4/23
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	MKLM51M0053467	7/1/22 to 7/1/23
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	HUB Insurance	Liability policy available to citizens holding events in city facilities/parks			
EAP	CuraLink	6 visits per insured member per year			7/1/2022 - 6/30/23
Long Term Disability (LTD)	Sun Life	66% of pre-disability earnings up to \$5,000 monthly benefit		234707	1/1/22 to 12/31/23
Life Insurance	Sun Life	City Manager 2X Annual Salary; Department Head Group \$75,000; All Other Employees \$30,000		234707	1/1/22 to 12/31/23
Dental	Preferred Benefits/Delta Dental	\$1,000 maximum annual benefit paid per insured (retirees and their dependents are not eligible for dental)		8244	1/1/22 to 12/31/23
Vision	Vision Service Plan	Annual benefits with VSP provider		ID #00849301	1/1/22 to 12/31/24

Compliance Section





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M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

REBECCA AGREDANO, CPA
 MARLA D. BORGES, CPA
 NICOLE A. CENTOFANTI, CPA
 BRENDA A. DADDINO, CPA
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 GINILU VANDERWALL, CPA
 KRISTI WEAVER, CPA

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, 2023. 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 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 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, 2023, 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

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- (4) We updated our understanding of the City's implementation of the material accounting control procedures and determined if the following were implemented or maintained:
- establishment of a separate Measure T fund or fund group;
 - establishment within the Measure T fund(s) of an accountability structure that allows for accountability of the Measure T sales tax proceeds mandated allocations - police (60%) and fire (40%);
 - that reasonable interest allocation methodologies were applied to Measure T fund(s) regarding interest revenue for unexpended net proceeds and interest charged for other City fund advances;
 - repayment of advances to Measure T fund(s) from other funds within 24 months of the advance;
 - that General Fund support for police and fire services during the fiscal year 2022-23, 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 2021-22, unless the Council declared an economic emergency by a 4/5th vote;
 - establishment of a separate "Economic Uncertainty" fund within the Measure T fund(s) of 25% of the budgeted Measure T tax revenues.

Finding:

Measure T calls for the budgeted General Fund support for police and fire services during the fiscal year 2022-23, without regard to Measure T, to be greater than the General Fund police and fire services support during the fiscal year 2021-22, unless the council declares an economic emergency by a 4/5th vote.

General Fund support for police and fire services during the fiscal year 2022-23, without regard to Measure T, was greater than the General Fund police and fire services support during the fiscal year 2021-22; 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, 2023, were \$992,400 and \$1,467,825, respectively. The amount for the Fire and Police Measure T Economic Uncertainty Funds exceeded the required 25% by \$23,800 and \$14,925, 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 2022-23 as prepared by the City.

Finding:

Our review indicated that the plan objectives call for 23 police officers and 13 firefighters were to be hired during the fiscal year. During the current year three police officer positions were vacant and remained vacant as of June 30, 2023. Those three positions are currently being recruited. During the current fiscal year, 13 firefighters were hired as called for in the current plan. However, during the current fiscal year one position became vacant and remained vacant as of June 30, 2023 and is being recruited.

Finding:

We found that Measure T funds currently has 23 police officer vehicles and vehicle replacement expenditures being allocated to Police Measure T Funds in accordance with the number of police officers included in the plan objectives. However, as of June 30, 2023, there were only 20 police officer positions filled and the open positions are being recruited.

Finding:

We found that an employee related expenditure was under charged to Measure T Funds in error. The Measure T employee portion of an expenditure was under allocated to the Measure T Fund during the current fiscal year. Therefore, the total charges had not been charged to Measure T Funds. City staff has made a journal entry to correct the error and our review noted that Measure T Funds were charged for the amounts under reported in error for a total of \$23.

Recommendation:

We recommend that City staff ensure that employee related expenditures are appropriately charged to Measure T Funds for current Measure T officers.

Management Response:

City staff has implemented processes to ensure that employee related expenditures are charged to Measure T funds for current Measure T officers.

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 \$151,107 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 7 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 and the project was still in the design phase as of June 30, 2023.

- (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
M. GREEN AND COMPANY LLP
Certified Public Accountants

November 27, 2023
Visalia, California



CLOVIS | HANFORD | PORTERVILLE | TULARE | VISALIA

M. GREEN AND COMPANY LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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KRISTI WEAVER, CPA

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, 2023. 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, 2023, was \$1,928,380. 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, 2023, in the amount of \$1,542,700 and \$385,700, 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 2022-2023 as prepared by the City.

Findings:

Police

The Annual Measure N Plan calls for the hiring of 25 police officers and 10 police professional staff during the current fiscal year. Our review indicated that 25 police officers and nine police professional staff were hired as of June 30, 2023. Therefore, one police professional staff position was vacant as of June 30, 2023 and is currently being recruited.

Fire

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

Parks and Recreation

The Annual Measure N Plan calls for the hiring of four parks and recreation employees. 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 in 2019-2020 fiscal year, due to the pandemic, and the position filled again as of June 30, 2023.

Youth Programs

The Measure N Plan called for the implementation of a Clubhouse Networking program in a previous year which rolled-over to the current fiscal year and the Youth Programs Fund was able to fund various hourly employees working on the Clubhouse Networking program in accordance with the Plan.

Findings:

We found that the Capital Improvement Program expenditures are generally proceeding in accordance with the Annual Measure N Plan. Measure N Funds include a capital project roll-over policy consistent with all City projects and funds where projects approved and possibly started but not completed in one fiscal year may roll-over into the next fiscal year until completed.

Police

As of June 30, 2023, 23 police officer vehicles and two police professional staff vehicles had been purchased. The Measure N Plan called for the purchase of an additional police officer vehicle in the fiscal year 2021-2022 and one additional police officer vehicle in the fiscal year 2022-2023. The current shortage of vehicles that has occurred since the pandemic have continued to delay the purchase vehicles. The remaining three vehicles will be purchased in the future as vehicles become available.

Fire

The Capital Improvement Program expenditures for refurbishment of Station 51 had been delayed due to the advancement of relocating Fire Station 56 within the Annual Measure N Plan. Land previously purchased for Station 56 during the 2018-2019 fiscal year was sold in the 2021-2022 fiscal year and land for a new location was purchased during the same fiscal year. The project is currently under construction and management anticipates the project to be completed in fiscal year 2023-2024.

The Annual Measure N Plan also calls for the purchase of a squad vehicle during the current fiscal year. During the fiscal year ended June 30, 2023, equipment in the amount of \$8,282 had been purchased for the vehicle that is currently on order.

Roads

Various street maintenance projects have been completed in fiscal year 2022-2023 in accordance with the Measure N Plan. \$3,693,091 had been expended during the fiscal year ended June 30, 2023.

Parks and Recreation

No Capital Improvement Program expenditure amounts had been included in the Annual Measure N Plan or expended as of June 30, 2023.

Other

The Annual Measure N Plan calls for a Downtown Street Light System. \$6,088,454 had been expended during the fiscal year ended June 30, 2023.

Maintenance and Emerging Needs

Various building maintenance projects have been completed in accordance with the Measure N plan of which, \$445,599 had been expended during the fiscal year ended June 30, 2023.

Youth Programs

No Capital Improvement Program expenditure amounts had been included in the Annual Measure N Plan or expended as of June 30, 2023.

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

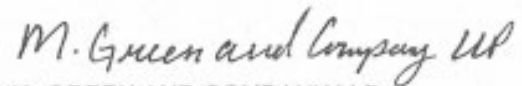
Findings: None

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

November 27, 2023
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 2022-23 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
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
2022	197,716,642	25,230,839	651,803	223,599,284	71,719,119
2023	270,931,665	38,264,899	651,803	309,848,367	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 2022-23 ASSESSED VALUATION

Property Owner	Fiscal Year 2022-23 Total Assessed Value	Percentage of Total ⁽¹⁾
1 Hotel Circle GL Holding LLC	\$ 17,068,646	5.51%
2 Donald John & Shelly Kaye Groppetti	15,244,993	4.92%
3 Willow Street Development Co LLC	10,150,108	3.28%
4 Kenneth J. Curti (TR)	8,742,478	2.82%
5 Mark Whittlesey (TR)	6,551,268	2.11%
6 Visalia Land & Investment Co LLC	6,305,330	2.03%
7 United Rentals North America Inc.	4,742,470	1.53%
8 Z5 LLC	3,280,941	1.06%
9 Larry J. Ritchie	3,091,701	1.00%
10 Cary S. Winslow	2,619,488	0.85%
	\$ 77,797,423	

⁽¹⁾ Fiscal Year 2022-23 assessed valuation: \$309,848,367

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 (ACFR):

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, 2023 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 (ACFR):

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, 2023 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.

