

State of California

# City of Visalia



## Annual Comprehensive Financial Report

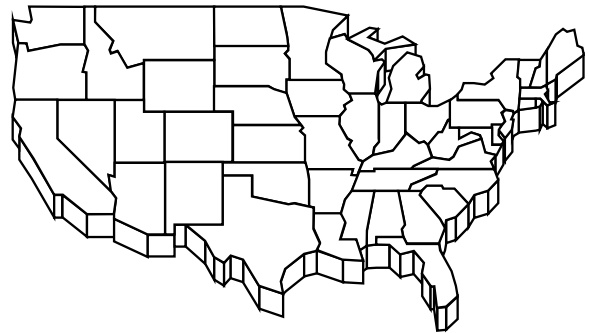
Fiscal Year Ended June 30, 2024



CITY OF VISALIA  
STATE OF CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024



**Prepared by the Finance Department**

**707 W. Acequia Ave.  
Visalia, California 93291  
(559) 713-4298**



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# Introductory Section

Introductory Section







December 11, 2024

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, 2023 through June 30, 2024. 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, 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 Brown Armstrong Accountancy Corporation, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City's financial statements for fiscal year 2023-2024 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** includes the Bond Disclosure Requirements.

## 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 40 square miles with an estimated population of 144,532 as of April 2024, making it the 40<sup>th</sup> largest city in California (*Department of Finance, State of California*). Visalia continues to be named one of Kiplinger’s “11 Best 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.

# Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## BUDGET

The City Council is required to adopt a budget by no later than the close of the prior fiscal year. The 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 first two years of the capital expenditure plan is adopted with the two year budget.

## ECONOMIC CONDITION

Fiscal year 2023-24 had growth in all major revenue categories for Visalia, except for one; Sales Tax. Although the Sales Tax decrease was very small (0.5%), Visalia has not seen a decrease in Sales Tax since fiscal year 2009-10. At June 30, 2024, the California consumer price index stood at 3.3% and employment in the state continued to show signs of slowing as the unemployment rate was at 5.2%, an increase from the June 30, 2023 rate of 4.6%. Nationally, employment remained steady as the national unemployment rate was at 4.1%, still near the natural unemployment rate of 4% that the Federal Open Market Committee wants to see.

Fiscal year 2023-24 ended the year with an overall increase of \$2.9 million in the total economic-sensitive revenue category for the General Fund as shown in [Table 1 – Economic Sensitive Revenues](#). Most of this increase is from Property Tax which had a \$2.6 million increase over the prior year.

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

Description	FY 22/23	FY 23/24	Increase Over	
			Prior Year	% Increase
Sales Tax	\$ 47,866,077	\$ 47,622,285	\$ (243,792)	-0.5%
Property Tax	31,768,558	34,380,889	2,612,331	8.2%
Transient Occupancy Tax	4,533,774	4,789,890	256,116	5.6%
Franchise Fees	3,706,843	4,017,299	310,456	8.4%
Business License	3,440,074	3,471,519	31,445	0.9%
<b>Total</b>	<b>\$ 91,315,326</b>	<b>\$ 94,281,882</b>	<b>\$ 2,966,556</b>	<b>3.2%</b>

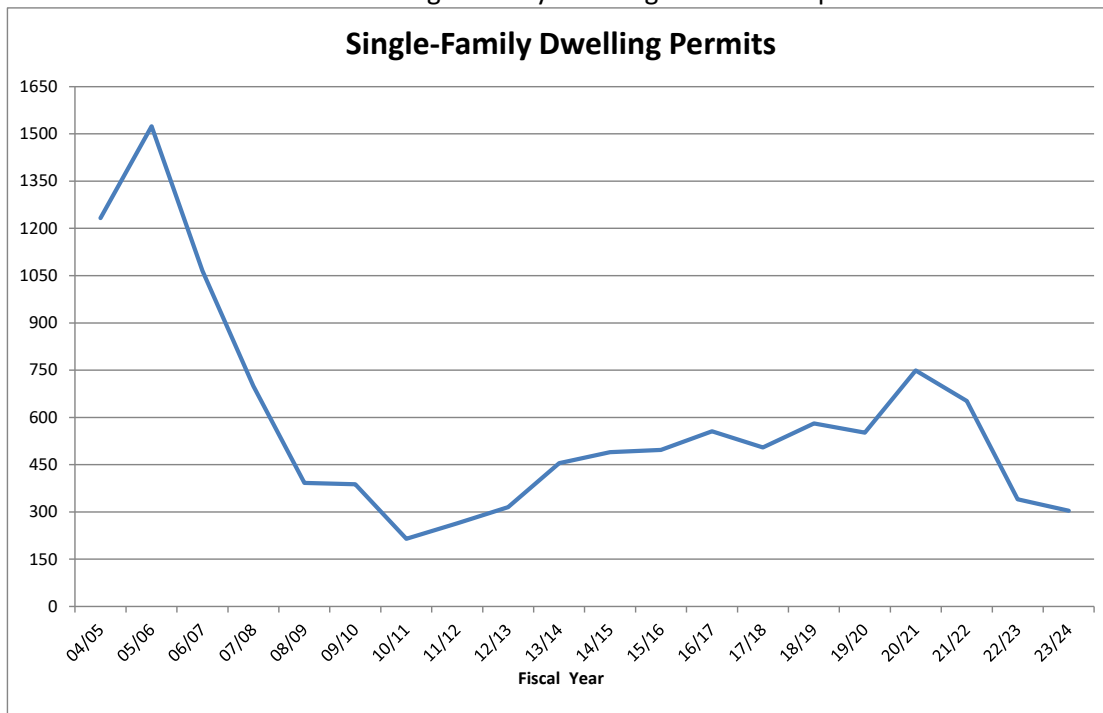
Sales Tax for the year contracted slightly ending fiscal year 2023-24 with a 0.5% decrease. After prolonged levels of inflation and high interest rates, consumer spending levels seem to be slowing on the higher priced items, such as cars and houses, as consumers may be beginning to prioritize savings or have reduced levels of disposable income. The main areas of the decline in Sales Tax for Visalia were in Construction (wholesale and retail) which decreased \$0.3 million, Transportation (auto sales, service stations) which decreased \$0.3 million, and Business to Business (heavy and light industry, chemical products, medical and veterinary supplies) which declined \$0.7 million; all partially offset by growth in General Retail, Food Products, and Miscellaneous. Property Tax continued its growth trend increasing 8.2% as growth in property values continued; new development occurred; and the housing market

remained at elevated price levels. Travel to the area rebounded from last year as we saw an increase of 5.6% in Transient Occupancy Tax (TOT) revenue. Franchise Fee revenue increased 8.4% in fiscal year 2023-24 due to increases in gas and electric revenue as the City continued to have new development as well as growth in utility company revenue due to increased fees to their customers. Business License revenue increased slightly 0.9% when compared to last year.

Visalia has 13,473 licensed businesses operating in the City, a net increase of 347 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 26.5% (based on the number of all permits issued) in fiscal year 2023-24. The total valuation for all permits issued was \$418 million, an 8% decrease from the prior year as the City added .6 million square feet of new commercial property and 1.5 million square feet of space overall. Issued single-family dwelling permits for fiscal year 2023-24 had a decrease of 11% when compared to the prior year as shown in Table 2 – New Single-Family Dwelling Permits Comparison. The construction value for 304 new single-family dwelling permits came in at \$95 million, which was down 4% 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 2023-24.

### **Industrial Park**

The Industrial Park continues to expand with new additions and ongoing projects.

Caprock Partners has finished constructing a 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.

Dynamic Controls is expanding with a 10,000 square foot building on Freedom Street between Nicholas Avenue and Legacy Avenue.

Don Pickett & Associates is constructing a new 63,000 square foot warehouse at the southwest corner of Legacy Avenue and American Street.

G3 Development has started construction of a 310,000 square foot facility at 1030 North Kelsey.

### **Business Research Park**

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

Carmax has started construction 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 as well.

Visalia Hyundai is also considering a new location in the area.

Hilton Home 2 is considering a new location in the Business Research Park across from where the new Hilton Garden Inn recently opened.

### **Mooney Boulevard**

Sequoia Mall is currently undergoing complete refurbishment, which will house Sephora, Carter's, and Sketchers. The next phase of the refurbishment will be to open up the mall and create a boulevard of shops that will lead to additional development on the west end of the center.

Aldi grocery store is now open in the Oaks Marketplace shopping center located at the southeast corner of Visalia Parkway and Mooney Boulevard. Future tenants include Farmer Boys, Fresh Fill, and a WoodSpring Suites extended stay hotel.

The Commons of Visalia Parkway, the new development at the southwest corner of Visalia Parkway and Mooney Boulevard, will be getting new tenants shortly. Sam’s Club and Chick Fil A will be starting construction soon.

Paradise Playland, an indoor playground concept, is now open at 3448 South Mooney Boulevard. The facility offers open play with paid all day access, monthly memberships, birthday party room rentals, and private play packages.

## **Downtown**

The Mix development located at 213-217 West Main Street has opened to rave reviews. The Mix is a two-story mixed-use redevelopment that features local favorites Quesadilla Gorilla, Scoops Ice Cream, and Bombshell Beans operating in an open shared space.

Mulligans Indoor Golf Club, located in the former Main Street Theater on Main Street, is now open. The indoor golf simulator entertainment center also features a restaurant and bar.

Visalia Rescue Mission has opened a coffee house. Mission Coffee operates at 112 North Court and offers flavorful cups of coffee and skillfully made specialty drinks while providing space for patrons to enjoy one another and make new friends. Proceeds help support the work of the Visalia Rescue Mission.

The US Veterans Administration has opened a new clinic in the former Buckman Mitchell building located at 500 North Santa Fe Street. The clinic provides an array of services for eligible veterans including cardiology, dermatology, diabetes care, mental health care, and more.

Across the street from the US Veterans clinic at 500 East School Avenue, Family Healthcare Network a new all-inclusive adult care facility for the elderly.

## **North Visalia**

Development at Orchard Walk West located at Dinuba Boulevard and Riggin Avenue continues to progress. Grocery Outlet is nearly complete and will be opening soon while a drive thru Chipotle and Starbucks were constructed and are now open.

A new Costco will be coming to North Visalia at the corner of North Shirk Street and Riggin Avenue. The 159,352 square foot Costco will also offer a car wash and fuel facility. Costco intends to be open by late 2025.

## **ONGOING CAPITAL PROJECTS**

The City’s Capital Improvement Program has a number of significant projects currently underway that will continue into fiscal year 2024-25 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 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.

## **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 project was completed in August 2024 (fiscal year 2024-25).

## **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. This project will be completed in fiscal year 2024-25.

## **Shirk Street Improvements**

- The \$4.9 million project will widen Shirk Street over Mill Creek and will include culvert extensions as well as the extension of an existing storm drain line.

## **FINANCIAL CONDITION**

Fiscal year 2023-24 had growth in the main General Fund revenue categories of Property Tax and Other Taxes, which consists of Transient Occupancy Tax, Franchise Fee and Business License revenue while having a slight decrease in Sales Tax revenue. Contributing to the growth in revenues was the continued inflation that the country has been experiencing over the last few years. The inflation rate in California was at 3.3% on June 30, 2024 and was elevated for most of the fiscal year averaging 3.5%. 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 \$20.19 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 the average earnings interest rate was 3.37% for the year as compared to 2.00% for the prior year. Additionally, we had an overall decrease in total expenditures of \$0.4 million when compared to the prior year. This was a combination of capital outlay expenditures being lower this year by \$0.9 million in addition to a decrease of \$0.5 million in principle payments for lease and subscription-based information technology liabilities, all offset by increases in other expenditures.

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

	<b>General Fund FY 23/24</b>	<b>Emergency Reserve FY 23/24</b>	<b>Total FY 23/24</b>
Revenues	\$ 105.19	\$ 0.93	\$ 106.12
Expenditures	78.18	-	78.18
Over/(Under) Expenditures	\$ 27.01	\$ 0.93	\$ 27.94
Other Financing Sources (Uses)	\$ (6.82)	\$ -	\$ (6.82)
Net Change in Fund Balance	\$ 20.19	\$ 0.93	\$ 21.12
Surplus before Transfers to Emergency Reserve and Civic Center Fund	\$ 20.19	\$ 0.93	\$ 21.12
Transfer surplus to Emergency Reserve Fund*	\$ (2.75)	\$ 2.75	\$ -
Transfer surplus to Civic Center Fund*	(17.44)	-	(17.44)
<b>Total</b>	<b>\$ -</b>	<b>\$ 3.68</b>	<b>\$ 3.68</b>

\*Note - April 15, 2024 Council directed staff to fund the Emergency Reserve to a balance of 30% of General Fund operating expenditures after transferring \$12 million to the Civic Center Fund. Any surplus remaining after funding those items was also to be transferred to the Civic Center Fund.

This is the eleventh consecutive year that the General Fund has ended the year with a surplus. However, the balance between revenues and expenditures in the General Fund can be volatile from year to year. The City will continue to monitor rising operating costs (i.e., pension costs, health insurance, technology), and the economy for a possible downturn (recession). Although not 100% predictable, many economists are speculating that the United States Gross Domestic Product (GDP) growth will slow in 2025 as the government curbs its spending and labor markets slow as unemployment continues to increase. As a result, we expect decreases in both industrial and consumer consumption which may affect Sales Tax revenue for the City. The City must continue to seek new opportunities to increase tax base revenues to help maintain fiscal sustainability.

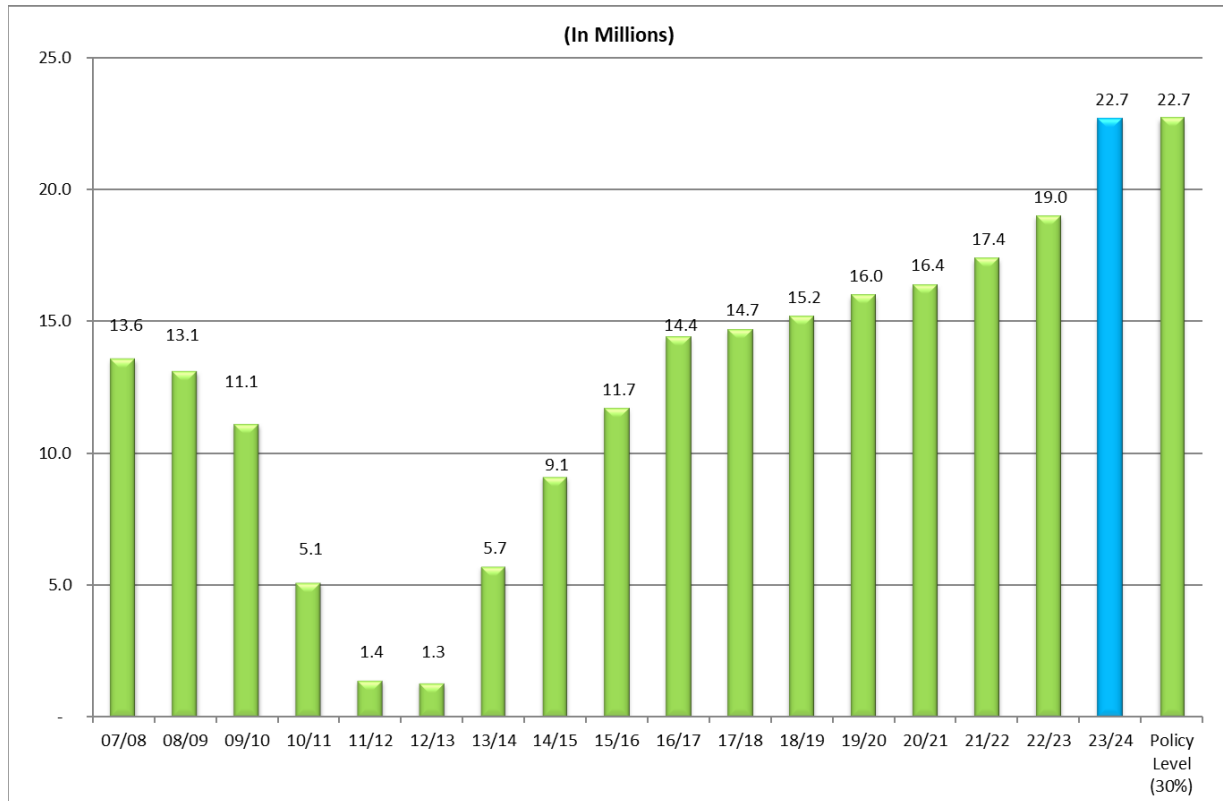
In June 2024, the City Council adopted a balanced biennial budget for fiscal years 2024-25 and 2025-26. The biennial budget focused on the following goals:

- Quality of Life;
- Fiscal Strength;
- Invest in Infrastructure and Growth;
- Organizational Excellence; and
- Economic Vitality.



Both fiscal years budgets project a surplus for the General Fund. At the April 15, 2024 Council Meeting, Council directed staff to increase the Emergency Reserve to a balance of 30% of General Fund operating expenditures, if there was enough surplus available after transferring \$12 million to the Civic Center Fund. Any surplus remaining after funding those items would also 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 30% of General Fund operating expenditures for fiscal year 2023-24. For this fiscal year, a transfer from the General Fund’s surplus of \$2,757,449 was needed to meet Council’s 30% Emergency Reserve Policy. This is the eighth year in a row that the Emergency Reserve Policy has been met.

## MEASURE N

Fiscal year 2023-24 was the seventh 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 \$18.4 million; \$1.3 million less than budgeted for the year. As of June 30, 2024, Measure N had enabled the City to fund 25 police officers, 4 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, 3 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, 2024

recreation coordinator, and 4 recreation hourly employees. Major purchases and projects funded in this fiscal year include the acquisition of 2 Chevrolet Silverados, \$4.1 million in road rehabilitation, and continues to contribute to the construction of Fire Station 56 and the Downtown Street Light project which was completed in summer of 2024.

## **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, 2023. 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 Brown Armstrong Accountancy Corporation.

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,



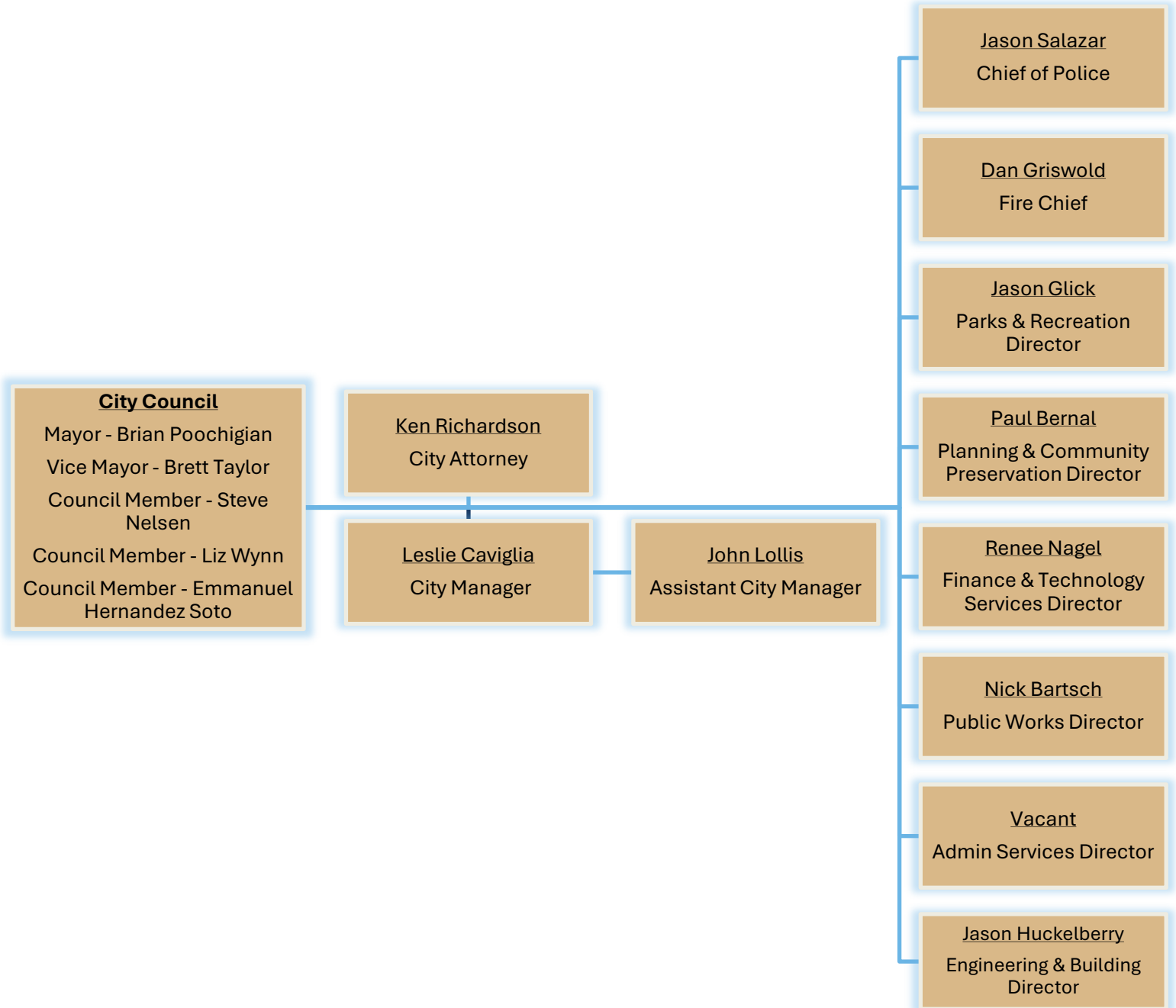
Leslie B. Caviglia  
City Manager



Renee Nagel  
Finance Director

# Organizational Chart

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024



As of June 30, 2024



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Visalia  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

# Financial Section

Financial Section



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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council  
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 (the City) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 auditing standards generally accepted in the United States of America 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; the General Fund, Measure N, and American Rescue Plan budgetary comparison information; Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan; Schedule of Changes in Net Pension Liability and Related Ratios - Safety Plan; and the Schedule of Contributions, 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

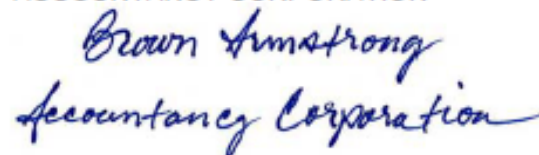
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024 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.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California  
December 11, 2024

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## CITY OF VISALIA MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A) FISCAL YEAR ENDING JUNE 30, 2024

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, 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, parks and recreation, 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, 2024

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, American Rescue Plan Fund, Transportation Fund, and Civic Center Fund (detail on pages 32-39). 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 124-158). 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, 2024

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, 2024

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 144,532 an increase of 1.1% this past fiscal year. The California Department of Finance restated the prior year figure from 143,031 to 142,968. The California Consumer Price Index for All Urban Consumers was at 3.3% as of June 30, 2024. The major factors driving the City’s governmental financial results this fiscal year are the following:

- Increased sales tax revenues of \$2.1 million, up 2.4% from last year which includes a decrease in general sales tax of \$0.2 million (.5%) in the General Fund, with decreases in Measure N sales tax of \$1.1 million (5.6%) and Measure T sales tax of \$0.5 million (5.7%). Measure R sales tax revenues had an increase of \$3.9 million (52.7%) as a portion of revenues received in Measure R are based on project reimbursement.
- Increased property taxes of \$2.6 million, up 8.2% from last year.
- Increases in interest earnings of \$19 million (322%) as the City had an average interest earnings rate of 3.37% for the year as compared to 2.00% for the prior year and also had a significant increase in the fair market value of the investments held on June 30, 2024 as the City had unrealized investment gains 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 23-24	FY 22-23	Change	
			\$	%
Assets	\$ 1,464.8	\$ 1,366.1	\$ 98.7	7%
Deferred Outflows of Resources	56.3	57.7	(1.4)	-2%
Liabilities	336.1	320.9	15.2	5%
Deferred Inflows of Resources	11.1	13.5	(2.4)	-18%
Net Position	1,173.9	1,089.4	84.5	8%
Revenues	309.7	277.8	31.9	11%
Expenses	225.3	203.5	21.8	11%

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

- The City's Total Assets increased by \$98.7 million (7%) during the current fiscal year as the City had increases in cash and investments of \$84.5 million due to increases in tax, grant, interest earnings revenue, and revenues exceeded expenses for the year; interest receivable of \$1.7 million as the City's average interest earnings rate was at 3.37% for the year; notes and loans receivable of \$6.5 million as Housing and Community Grants had new additions; supplies of \$0.2 million; and capital assets of \$23.8 million. The increases were offset by decreases in due from other governmental units of \$16.5 million, taxes receivable of \$1.4 million as accruals for funds due were less for the year as money had been received, and \$0.1 million in a combination of various other assets. The overall increase in capital assets includes additions, deletions, depreciation, and amortization comprised of increases of \$5.9 million in infrastructure, \$1.9 million in vehicles and equipment, \$0.7 million in land, \$1.2 million in lease and subscription-based information technology assets, and \$21.7 million in construction in progress as well as decreases of \$2.4 million in buildings, and \$5.2 million in improvements.
- The City's Deferred Outflows of Resources decreased by \$1.4 million (2%) due to annual adjustments by CalPERS for GASB 68 pension related activity.
- The City's Liabilities increased by \$15.2 million (5%) during the current fiscal year. This was mainly due to increases in net pension liability of \$7.8 million; advances from grantors and third parties of \$3.7 million as Transit had funds received for future use; liability for payables of \$4.0 million as payables were entered or accrued and paid next fiscal year; unearned revenue of \$2.4 million; and liability for self-insurance claims of \$0.6 million in combination with decreases in scheduled debt service payments of \$3.3 million.
- The City's Deferred Inflows of Resources decreased by \$2.4 million (18%) due to annual adjustments by CalPERS for GASB 68 pension related activity.
- The City's Total Net Position (assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources) was \$1.2 billion as of June 30, 2024.
- The City's Total Revenues, including program and general revenues, were \$309.7 million for fiscal year 2023-24, an increase of \$31.9 million (11%) from last year, while total City expenses were \$225.3 million, an increase of \$21.8 million (11%) from last year. The revenue increase is due to a combination of increases in tax revenue of \$3.1 million, investment earnings of \$19.0 million, grants and contributions of \$7.3 million, charges for services of \$2.0 million, and miscellaneous revenue of \$0.5 million.
- Revenues can be divided between Program Revenues related to work activities and General or Tax Revenues. For the fiscal year 2023-24, Program Revenues were \$147.5 million (revenues derived from specific activities) and General Revenues (e.g., taxes and investment earnings) were \$162.2 million. These same revenues can be classified as either Governmental activity revenues or Business-type activity revenues. For the fiscal year 2023-24, Governmental activity revenues and Business-type activity revenues were \$206.8 million (67%) and \$102.9 million (33%), respectively.
- Expenses for Governmental activities and for Business-type activities were \$138.7 million (a 16% increase from last year) and \$86.6 million (a 3% increase from last year), respectively.

## Analysis of Governmental Net Position

The City's net position derived from governmental activities is shown in [Table 2, Governmental Net Position](#). Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$715.7 million. The largest portion of the net position, \$391.8 million (55%), is Net Investment in Capital Assets (net of debt to



# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

acquire those assets). The remaining portions of the City’s net position are: \$254.2 million (35%) represents resources that are subject to restrictions while \$69.7 million (10%) are unrestricted.

*Table 2*  
**Governmental Net Position**  
(in millions)

	FY 23-24		FY 22-23		Change		
					\$	%	
<b>Assets</b>							
Cash and Investments	\$	378.6	\$	326.0	\$	52.6	16%
Current and Other Assets		85.7		83.0		2.7	3%
Adv. To Other Funds & Internal Balances		3.6		2.8		0.8	29%
Capital Assets, Net of Accum. Deprec./Amortization		401.8		376.3		25.5	7%
<b>Total Assets</b>		<u>869.7</u>		<u>788.1</u>		<u>81.6</u>	10%
<b>Deferred Outflows of Resources</b>							
Pensions		45.3		46.7		(1.4)	-3%
<b>Total Deferred Outflows of Resources</b>		<u>45.3</u>		<u>46.7</u>		<u>(1.4)</u>	-3%
<b>Liabilities</b>							
Other Liabilities		52.3		45.5		6.8	15%
Long-Term Obligations		141.9		135.3		6.6	5%
<b>Total Liabilities</b>		<u>194.2</u>		<u>180.8</u>		<u>13.4</u>	7%
<b>Deferred Inflows of Resources</b>							
Pensions		2.9		4.5		(1.6)	-36%
Leases		2.2		1.9		0.3	16%
<b>Total Deferred Inflows of Resources</b>		<u>5.1</u>		<u>6.4</u>		<u>(1.3)</u>	-20%
<b>Net Position</b>							
Net Investment in Capital Assets		391.8		367.4		24.4	7%
Restricted		254.2		182.8		71.4	39%
Unrestricted		69.7		97.4		(27.7)	-28%
<b>Total Net Position</b>	\$	<u>715.7</u>	\$	<u>647.6</u>	\$	<u>68.1</u>	11%

- *Cash and Investments* of \$378.6 million increased \$52.6 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 \$401.8 million are categorized in Table 8, Capital Assets, Net of Accumulated Depreciation & Amortization.
- *Deferred Outflows of Resources* of \$45.3 million decreased \$1.4 million due to annual adjustments by CalPERS for GASB 68 pension related activity.
- *Long-Term Obligations* totaling \$141.9 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 \$1.0 million in long term debt payments made by the City during the year, \$0.1 million in lease payments, and \$0.5 million in SBITA payments. Compensated Absences increased slightly by \$41 thousand. The Net pension liability increased by \$6.0 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* of \$5.1 million had a decrease of \$1.3 million as compared to the prior year. Decreases were due to annual adjustments of \$1.6 million by CalPERS for GASB 68 pension related activity offset by an increase in leases of \$0.3 million.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

- *Net Position–Net Investment in Capital Assets* of \$391.8 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 \$254.2 million is primarily found in Capital Projects funds which have been restricted for capital projects.
- *Unrestricted Net Position* of \$69.7 million is the remaining part of the assets.

## Analysis of Changes in Governmental Net Position

Governmental activities are summarized on [Table 3, Changes in Governmental Net Position](#), showing that during fiscal year 2023-24 the City’s net position increased by \$68.1 million.

*Table 3*  
**Changes in Governmental Net Position**  
(in millions)

	FY 23-24	FY 22-23	Change	
			\$	%
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 28.4	\$ 29.1	\$ (0.7)	-2%
Operating Grants & Contributions	20.3	7.7	12.6	164%
Capital Grants & Contributions	14.3	14.9	(0.6)	-4%
General Revenues:				
Taxes				
Sales	86.0	86.0	-	0%
Property	34.5	31.8	2.7	8%
Other	12.3	12.0	0.3	3%
Investment Earnings	14.7	3.7	11.0	297%
Miscellaneous	0.9	1.0	(0.1)	-10%
Total Revenues	<u>211.4</u>	<u>186.2</u>	<u>25.2</u>	14%
<b>EXPENSES</b>				
General Government	6.4	7.0	(0.6)	-9%
Community Development	13.0	3.4	9.6	282%
Housing & Community Grants	13.4	2.9	10.5	362%
Police	53.4	49.1	4.3	9%
Fire	24.4	22.7	1.7	7%
Public Works	12.9	19.9	(7.0)	-35%
Parks & Recreation	14.8	14.1	0.7	5%
Interest on Long-Term Debt	0.4	0.4	-	0%
Total Expenses	<u>138.7</u>	<u>119.5</u>	<u>19.2</u>	16%
Increase in Net Position				
Before Transfers	72.7	66.7	6.0	9%
Transfers	<u>(4.6)</u>	<u>(4.9)</u>	<u>(0.3)</u>	-6%
Total Transfers	<u>(4.6)</u>	<u>(4.9)</u>	<u>(0.3)</u>	-6%
Increase (Decrease) in Net Position	68.1	61.8	6.3	10%
Net Position at Beg. of Year	<u>647.6</u>	<u>585.8</u>	<u>61.8</u>	11%
Net Position at End of Year	<u>\$ 715.7</u>	<u>\$ 647.6</u>	<u>\$ 68.1</u>	11%



# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

Total governmental revenues of \$211.4 million, increased by \$25.2 million (14%) and total governmental expenses of \$138.7 million, increased by \$19.2 million (16%) when compared to last year. Changes in revenue were comprised of increases in property tax of \$2.7 million (8%), operating grants & contributions of \$12.6 million (164%), other revenue (comprised of transient occupancy, franchise, and business licenses taxes) of \$0.3 million, and investment earnings of \$11.0 (297%) million with decreases occurring in charges for services of \$0.7 million (2%), capital grants & contributions of \$0.6 million (4%), and miscellaneous revenue of \$0.1 million (10%). Expenditures had increases seen in Community Development of \$9.6 million (282%), Housing & Community Grants of \$10.5 million (362%), Police of \$4.3 million (9%), Fire of \$1.7 million (7%), and Parks and Recreation of \$0.7 million (5%), with decreases occurring in General Government of \$0.6 million (9%), and Public Works of \$7.0 million (35%).

## **PROGRAM REVENUES**

- **Charges for Services** - These charges decreased \$0.7 million or 2% as compared to the prior year. This was mainly due to a change in deferred impact fee revenue for the year.
- **Grants (Operating & Capital) & Contributions** - The combined income from operating and capital grants and contributions increased this year, up from last year by \$12.0 million, for a total of \$34.6 million mainly due to grants received by the Housing & Community Grants fund for projects.

## **GENERAL REVENUES**

- **Sales Tax** – For government-wide purposes, sales tax remained unchanged from the prior year.
- **Property Taxes** – For government-wide purposes, property tax revenues increased \$2.7 million (8%) over last year currently totaling \$34.5 million.
- **Investment Earnings** - Investment earnings increased \$11.0 million over last year as the interest earnings rate was up as compared to the prior year and there was a significant increase in the fair market value adjustment to investments held on June 30, 2024 as the City had unrealized investment gains in accordance with GASB 31. This adjustment affected interest earnings.

## **EXPENSES**

- **General Government** - There were \$6.4 million in expenses, a decrease of \$0.6 million (9%) as compared to last year which was mainly due to decreases in the annual GASB 68 pension adjustments. In addition, a reorganization occurred in fiscal year 2023-24 whereas the economic development division was moved to Community Development resulting in a decrease of \$0.5 million in expenses and the Water Conservation division was moved to Public Works resulting in a decrease of \$0.2 million in expenses. The decreases were offset by increases in various other operating expenses.
- **Community Development** - There were \$13.0 million in expenses, an increase of \$9.6 million (282%) as compared to last year mainly due to a significant increase to the annual GASB 68 pension adjustment. A reorganization occurred in fiscal year 2023-24 whereas the Economic Development division was moved from General Government to Community Development as well as many Engineering divisions being moved from Public Works to Community Development. The reorganization affected the GASB 68 pension adjustment by approximately \$4.2 million and also resulted in an additional increase in expenses for Community Development of \$5.1 million. Additional increases of \$0.3 million were seen in other various operating expenses.
- **Housing & Community Grants** – There were \$13.4 million in expenses, an increase of \$10.5 million (362%) when compared to last year which was due to increases in program activity.

## Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

- **Police** – There were \$53.4 million in expenses, an increase of \$4.3 million (9%) as compared to last year which was due an increase in the annual GASB 68 pension adjustment of \$2.2 million. In addition, we saw an increase of \$1.0 million in salaries and benefits and an increase in various operating expenditures including allocation of Internal Service funds, all totaling \$1.1 million.
- **Fire** – There were \$24.4 million in expenses, an increase of \$1.7 million (7%) as compared to last year which was due to an increase in the annual GASB 68 pension adjustment of \$1.2 million. In addition, there was an increase in various operating expenditures including allocation of Internal Service funds, all totaling \$0.5 million.
- **Public Works** – There were \$12.9 million in expenses, a decrease of \$7.0 million (35%) as compared to last year which was mainly due a reorganization in which many Engineering divisions were moved out of Public Works to Community Development and the Water Conservation division being moved into Public Works from General Government. The reorganization had the effect of significantly decreasing the annual GASB 68 pension adjustment by \$5.3 million for this fiscal year. In addition, the reorganization had the effect of decreasing expenses by \$2.2 million, as those divisions were no longer in Public Works. The decreases were offset by the addition of the Water Conservation division, adding \$0.2 million in expenses for the year and increases in other operational expenses of \$0.3 million.
- **Parks & Recreation** – There was \$14.8 million in expenses, an increase of \$0.7 million (5%) as compared to last year which was due to an increase in the annual GASB 68 pension adjustment of \$0.7 million. In addition, we saw an increase in salaries and benefits of \$0.5 million offset by decreases in various operating expenditures of \$0.5 million.
- **Interest on Long-Term Debt** – There was \$0.4 million in interest expense for fiscal year 2023-24. Scheduled principal payments were made on Certificates of Participation, bank notes, lease liabilities, and subscription-based information technology liabilities. 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 the principal and less goes toward interest.

# Management Discussion and Analysis

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## Analysis of Business-Type Net Position

The City’s business-type net position, shown in [Table 4, Business-Type Net Position](#), exceeded liabilities by \$458.2 million. The largest portion of the net position, Net Investment in Capital Assets, is \$275.0 million (60%). Resources that are subject to restrictions total \$11.5 million (3%). The remaining balance of \$171.7 million (37%) represents unrestricted net position.

*Table 4*  
**Business-Type Net Position**  
(in millions)

	FY 23-24	FY 22-23	Change	
			\$	%
<b>Assets</b>				
Cash and Investments	\$ 220.7	\$ 188.8	\$ 31.9	17%
Current and Other Assets	15.6	27.8	(12.2)	-44%
Internal Balances	(3.6)	(2.8)	(0.8)	29%
Capital Assets	362.4	364.1	(1.7)	-0.5%
Total Assets	<u>595.1</u>	<u>577.9</u>	<u>17.2</u>	3%
<b>Deferred Outflows of Resources</b>				
Deferred Pensions	11.0	11.0	-	0%
Total Deferred Outflows of Resources	<u>11.0</u>	<u>11.0</u>	<u>-</u>	0%
<b>Liabilities</b>				
Other Liabilities	15.3	11.3	4.0	35%
Long-Term Debt Outstanding	126.6	128.7	(2.1)	-2%
Total Liabilities	<u>141.9</u>	<u>140.0</u>	<u>1.9</u>	1%
<b>Deferred Inflows of Resources</b>				
Deferred Pensions	0.8	1.5	(0.7)	-47%
Deferred Leases	5.2	5.6	(0.4)	-7%
Total Deferred Inflows of Resources	<u>6.0</u>	<u>7.1</u>	<u>(1.1)</u>	-15%
<b>Net Position</b>				
Net Investment in Capital Assets	275.0	272.7	2.3	1%
Restricted	11.5	16.8	(5.3)	-32%
Unrestricted	171.7	152.3	19.4	13%
Total Net Position	<u>\$ 458.2</u>	<u>\$ 441.8</u>	<u>\$ 16.4</u>	4%

- **Cash and Investments** increased \$31.9 million (17%), as these funds are accumulating cash for capital projects and scheduled debt payments. Increases included funds in Water Reclamation Facility of \$11.2 million, Solid Waste of \$2.2 million, Transit of \$17.0 million, Building Safety of \$0.5 million, Airport of \$0.8 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 \$15.6 million for the fiscal year, a decrease of \$12.2 million (44%). Due from other governmental units had decrease of \$14.5 million and lease receivables of \$0.4 million, offset by increases in accounts receivable of \$2.5 million and taxes receivable of \$0.2 million.

# Management Discussion and Analysis

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- **Capital Assets** totaled \$362.4 million for the fiscal year, a decrease of \$1.7 million (0.5%) compared to the prior year. Construction in progress had an increase of \$2.4 million. Machinery, Equipment and Vehicles had additions and retirements which mainly consisted of additions of seven new refuse trucks, eight roll-off boxes, and one pick-up truck in Solid Waste, two trash pump trailers and one truck in Storm Sewer, and two electric buses in Transit of \$5.0 million, offset by retirements mainly consisting of ten buses, three trolleys and one automatic vehicle location digital recorders in Transit, six refuse trucks and one pick-up truck in Solid Waste of \$5.9 million. Infrastructure increased by \$3.2 million which includes Storm Sewer lines and Sanitary Sewer lines. Accumulated depreciation and amortization increased by \$6.4 million as assets were depreciated for the year. See Table 8, Capital Assets, Net of Accumulated Depreciation below for additional detail.
- **Deferred Outflows of Resources** had no change from the prior year and totaled \$11.0 million for the fiscal year.
- **Long-Term Debt** totaling \$126.6 million is composed of Net Pension Liability, Certificates of Participation, Leases, Clean Water State Revolving Fund Loan, Subscription-Based Information Technology Agreements, and Compensated Absences. Regularly scheduled payments of \$4.1 million and adjustments to the Net Pension Liability of \$2.0 million resulted in a net decrease in long-term debt of \$2.1 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 \$6.0 million for the fiscal year, a decrease of \$1.1 million (15%). The decreases include Deferred Pensions of \$0.7 million due to the GASB 68 annual adjustment and Deferred Leases of \$0.4 million due to lease activity.
- **Net Position – Net Investment in Capital Assets** totaling \$275.0 million represents capital assets less accumulated depreciation and net of any debt used to finance its construction or purchase. This is a \$2.3 million increase as compared to last year.
- **Restricted Net Position** of \$11.5 million is primarily found in Capital Projects funds which have been restricted for capital projects and debt service reserves.
- **Unrestricted Net Position** of \$171.7 million experienced an increase of \$19.4 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.

# Management Discussion and Analysis

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## 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 \$16.4 million during fiscal year 2023-24. Total Business-type revenues of \$98.4 million increased by \$6.7 million (7%) when compared to last year. Total Business-type expenses totaled \$86.6 million, an increase of \$2.6 million (3%) as compared to last year.

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

	FY 23-24	FY 22-23	Change	
			\$	%
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 69.8	\$ 67.1	\$ 2.7	4%
Operating Grants & Contributions	9.4	16.4	(7.0)	-43%
Capital Grants & Contributions	5.4	3.0	2.4	80%
Investment Earnings	10.1	2.2	7.9	359%
Miscellaneous	3.7	3.0	0.7	23%
Total Revenues	<u>98.4</u>	<u>91.7</u>	<u>6.7</u>	7%
<b>EXPENSES</b>				
Water Reclamation Facility	28.5	25.9	2.6	10%
Storm Sewer Maintenance	2.7	2.5	0.2	8%
Solid Waste	22.9	20.9	2.0	10%
Transit	19.8	21.5	(1.7)	-8%
Convention Center	4.1	4.7	(0.6)	-13%
Airport	2.4	2.8	(0.4)	-14%
Building Safety	3.8	3.7	0.1	3%
Animal Control	2.4	2.0	0.4	20%
Total Expenses	<u>86.6</u>	<u>84.0</u>	<u>2.6</u>	3%
Increase in Net Position Before Transfers	11.8	7.7	4.1	53%
Transfers	<u>4.6</u>	<u>4.9</u>	<u>(0.3)</u>	-6%
Increase in Net Position	16.4	12.6	3.8	30%
Net Position at Beg. Year	<u>441.8</u>	<u>429.2</u>	<u>12.6</u>	3%
Net Position at End of Year	<u>\$ 458.2</u>	<u>\$ 441.8</u>	<u>\$ 16.4</u>	4%

## Revenues

- Charges for Services** – These revenues were up collectively by \$2.7 million. Increases are due to the timing of an annual Utility Billing year end true up which also affected prior year’s revenues. Revenues were up for the Water Reclamation Facility by \$2.0 million (residential, commercial, industrial and restaurant users), and in Solid Waste by \$2.1 million (commercial, single, Recycling fees, CNG Rebate and Franchise tax). Increases were also seen in Convention Center of \$0.3 million (conference room and equipment rental, and discounted services), Storm Sewer Maintenance of \$0.1 million, Airport of \$0.1 million (fuel sales), and Animal Control of \$0.1 million (animal service contract charges for Dinuba and Farmersville). Revenues were offset by decreases in Building Safety of \$1.6 million (overall decrease in construction permits) and Transit of \$0.4 million (farebox ticket sales, and Sequoia Shuttle National Parks reimbursement).

# Management Discussion and Analysis

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- **Operating and Capital Grants and Contributions** – The combined revenue from operating and capital grants & contributions decreased this year by \$4.6 million due to decreases in Transit of \$7.1 million and Airport of \$0.2 million, offset by increases in capital contributions for Storm Sewer Maintenance of \$2.4 million, and Water Reclamation Facility of \$0.3 million.

## Expenses

- **Water Reclamation Facility** – There were \$28.5 million in expenses, an increase of \$2.6 million (10%) due to increases in salaries and benefits of \$1.4 million due to wage and benefit increases and annual pension adjustments, utility expenses of \$0.5 million, allocated expenses and services provided of \$0.3 million, and capital related activity of \$0.4 million.
- **Storm Sewer Maintenance** – There were \$2.7 million in expenses, an increase of \$0.2 million (8%) mainly due to increases in salaries and benefits of \$0.1 million due to wage and benefit increases and annual pension adjustments, and allocated expenses and services provided of \$0.1 million.
- **Solid Waste** – There were \$22.9 million in expenses, an increase of \$2.0 million (10%) mainly due to increases seen in capital related activity of \$0.8 million and salaries and benefits of \$0.4 million due to wage and benefit increases and annual pension adjustments. Increases also occurred in compost and recycling expenses of \$0.4 million, street sweeping of \$0.1 million, allocated expenses and services provided of \$0.2 million, and depreciation expense of \$0.1 million.
- **Transit** – There were \$19.8 million in expenses, a decrease of \$1.7 million (8%) mainly due to decreases in bus contracted services of \$1.0 million due to a strike by the Transit contracted bus operator workers for 6 weeks, CNG fuel of \$0.9 million, and allocated expenses and services provided of \$0.2 million, offset by increases in depreciation expense of \$0.1 million and capital related activity of \$0.3 million. Salaries and benefits were consistent with the prior year including minor fluctuations for wage and benefit increases and annual pension adjustments.
- **Convention Center** – There were \$4.1 million in expenses, a decrease of \$0.6 million (13%) mainly due to annual pension adjustments of \$0.6 million being more than the previous year. Increases were seen in salaries and benefits of \$0.1 million due to wage and benefit increases, and a decrease in maintenance and operations of \$0.1 million due to allocated expenses and services provided.
- **Airport** – There were \$2.4 million in expenses, a decrease of \$0.4 million (14%) due to an overall decrease in salaries and benefits of \$0.1 million as the result of wage and benefit increases offset by decreases in annual pension adjustments. Decreases were also seen in maintenance and operations due to capital related activity of \$0.1 million, utility, fuel and supplies of \$0.1 million and depreciation expense of \$0.1 million.
- **Building Safety** – There were \$3.8 million in expenses, a slight increase of \$0.1 million (3%) as expenses stayed fairly consistent to the prior year.
- **Animal Control** – There were \$2.4 million in expenses, an increase of \$0.4 million (20%) mainly due to an increase in salaries and benefits of \$0.6 million due to wage and benefit increases and annual pension adjustments and a decrease in maintenance and operations expenses of \$0.2 million consisting of allocated expenses and services provided of \$15K, capital related activity of \$47K, bad debt expense of \$65K, utility expenses of \$25K, equipment \$6K, and computer software support of \$6K.

# Management Discussion and Analysis

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## 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 23-24	FY 22-23	Change	
			\$	%
<b>Assets</b>				
Cash and Investments	\$ 325.7	\$ 275.7	\$ 50.0	18%
Other Assets	82.5	78.0	4.5	6%
Intergovernmental Balances	3.7	6.2	(2.5)	-40%
Total Assets	411.9	359.9	52.0	14%
<b>Liabilities</b>				
Advances From Other Funds	2.0	3.4	(1.4)	-41%
Other Liabilities	44.2	37.0	7.2	19%
Total Liabilities	46.2	40.4	5.8	14%
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	11.4	14.1	(2.7)	-19%
Leases	2.2	1.9	0.3	16%
Total Deferred Inflows of Resources	13.6	16.0	(2.4)	-15%
<b>Fund Balances</b>				
Nonspendable	2.1	3.5	(1.4)	-40%
Restricted	215.9	189.4	26.5	14%
Committed	99.4	78.5	20.9	27%
Assigned	34.9	29.7	5.2	18%
Unassigned	(0.2)	2.4	(2.6)	-108%
Total Fund Balances	\$ 352.1	\$ 303.5	\$ 48.6	16%

**Assets** – The composition of assets changed by \$52.0 million (14%) during the year with increases in cash, and other assets, and a decrease in intergovernmental balances. Cash and investments increased \$50.0 million (18%) mainly due to revenues exceeding expenditures and other sources & (uses) by \$48.6 million. Other assets increased \$4.5 million (6%) as increases were seen in loans receivable of \$6.6 million (the majority is Housing & Community Grants \$7.3 million), leases receivable of \$0.4 million, and interest receivable of \$1.7 million, offset by a decrease in accounts receivable of \$2.6 million (Transportation \$1.4 million, Public Safety Impact Fee \$0.6 million, Government Facilities Impact Fee \$0.3 million and Recreation Facilities \$0.2 million), and taxes receivable of \$1.6 million (mainly in Measure R \$1.1 million). Intergovernmental balances decreased \$2.5 million (40%) as a result of a decreases in advances to other funds of \$1.5 million, due from other governmental agencies of \$2.0 million, offset by an increase in due from other funds of \$1.0 million.

**Liabilities** – Liabilities have increased \$5.8 million (14%) due to an increase in other liabilities of \$7.2 million (19%), consisting of increases in unearned revenue of \$2.6 million as revenue has been received but not recognized, accounts payable of \$3.6 million, and due to other funds \$1.0 million, offset by a decrease in advances from other funds of \$1.4 million (41%).

**Deferred Inflows of Resources** – Deferred Inflows of Resources decreased \$2.4 million (15%) mainly due to decreases in impact fees receivable of \$1.9 million, and grants receivable of \$0.8 million, offset by an increase in lease receivables of \$0.3 million.

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**Fund Balances** - By June 30, 2024, the City’s Governmental Funds had a total fund balance of \$352.1 million, an increase of \$48.6 million (16%) 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 23-24	FY 22-23	Change	
			\$	%
Revenues	\$ 208.9	\$ 177.8	\$ 31.1	17%
Expenditures	156.1	140.7	15.4	11%
Excess of Revenues Over Expenditures	52.8	37.1	15.7	42%
Other Sources & (Uses)	(4.2)	(11.1)	(6.9)	-62%
Net Change	\$ 48.6	\$ 26.0	\$ 22.6	87%

Revenues increased \$31.1 million from the prior year. Sales tax increased \$2.1 million which includes growth in Measure R sales tax of \$3.9 million (53%) as funding for projects in those funds were received on a reimbursement basis and decreases in general sales tax of \$0.2 million (0.5%), Measure N sales tax of \$1.1 million (6%) and Measure T sales tax of \$0.5 million (6%). Property tax revenue saw an increase of \$2.6 million (8%) as well as subventions and grants of \$12.5 million as more funding was obtained for projects. Other increases in revenues included other taxes of \$0.6 million, which includes transient occupancy tax, franchise fees and business license; fees and fines of \$2.3 million as impact fee revenue was down; charges for current services of \$0.3 million; and uses of money and property of \$11.1 million as the average interest earnings rate this year was 3.37% and there also was a significant increase in the fair market value of investments held on June 30, 2024 in accordance with GASB 31. Decreases were seen in miscellaneous revenue of \$0.4 million.

Expenditures increased by \$15.4 million mainly due to increases in capital-related projects compared to the prior year of \$14.0 million. Other increases in expenses were seen in Police of \$1.1 million, and Community Development of \$3.0 million due to a City reorganization of departments. Decreases were seen in Fire of \$0.3 million, Public Works of \$1.0 million, Housing & Community Grants of \$0.8 million, General Government of \$0.5 million and debt service principal payments of \$0.1 million due to GASB 96. Other Financing Sources & Uses in the governmental funds had a decrease of \$6.9 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 \$3.7 million and an overall increase in revenues of \$5.7 million (6%) as compared to last year. The increases included property taxes of \$2.6 million (8%), other taxes of \$0.6 million (5%), subventions and grants of \$0.9 million (52%), uses of money and property (interest earnings) of \$1.7 million (165%), and charges for current services of \$0.3 million (8%). Decreases occurred in sales tax of \$0.2 million (0.5%), license and permits \$40K (44%), fees and fines of \$0.1 million (6%) and miscellaneous of \$64K (4%). If there is a General Fund surplus at year end, the surplus is first to be distributed to



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fund the Emergency Reserve to meet Council’s goal of 30% of operating expenditures and then any remaining surplus is to be transferred to the Civic Center Fund.

**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 \$0.2 million compared to the prior year. The increase includes interest earnings of \$1.3 million offset by a decrease in sales tax of \$1.1 million. The Measure N’s fund balance increased \$0.3 million to \$36.9 million as a result of revenues and other financing sources exceeding expenditures 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 \$21.9 million in unearned revenue. The American Rescue Plan’s fund balance is \$1.8 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 \$6.9 million to \$31.4 million as a result of revenues exceeding capital projects for the year. There was an increase in impact fees collected as fees were received and a higher interest earnings rate for the year, including a significant increase in the fair market value of investments. There was an increase in capital related project activity as projects are moving forward.

**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, General Fund surplus, and other transfers authorized by the City Council. The Civic Center’s fund balance increased \$17.6 million due to transfers from the General Fund of \$17.4 million and interest earnings of \$2.7 million offset by capital expenses of \$2.5 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 \$68.3 million in revenue and have a combined fund balance at year-end of \$148.7 million.

## ANALYSIS OF MAJOR PROPRIETARY FUNDS

### Business-Type Funds

By June 30, 2024, the City’s Proprietary Funds combined net position totaled \$461.8 million, an increase of \$17.2 million from the prior fiscal year, which was a combination of increases and decreases in various funds. Enterprise operating revenues, including charges for services and grants and contributions, were \$79.1 million this year, a decrease of \$4.4 million from last year. Grants and contributions had a decrease of \$7.0 million mainly due to receiving less grant revenue in Transit of \$7.3 million resulting from the timing constrains and funding availability from the state. In addition, there was a strike by the Transit contracted bus operator workers for 6 weeks which resulted in no bus services resulting in less operating assistance being requested for reimbursement. Increases in revenues were seen in Solid Waste of \$0.3 million due to receiving grant funding for CalRecycle for the purchase of commercial bin equipment for recycling green waste of \$0.2 million and a full year of Clean California grant funds for State Highway cleanup of \$0.1 million

The increase in charges for services of \$2.7 million are mainly due to the timing of an annual Utility Billing year end true up which also affected prior year’s revenues. Revenues were up for the Water Reclamation Facility by \$2.0 million (residential, commercial, industrial and restaurant users), and in Solid Waste by \$2.1 million (commercial, single, Recycling fees, CNG Rebate and Franchise tax). Increases were also seen in Convention Center of \$0.3

# Management Discussion and Analysis

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million (conference room and equipment rental, and discounted services), Storm Sewer Maintenance of \$0.1 million, Airport of \$0.1 million (fuel sales), and Animal Control of \$0.1 million (animal service contract charges for Dinuba and Farmersville). Revenues were offset by decreases in Building Safety of \$1.6 million (overall decrease in construction permits) and Transit of \$0.4 million (farebox ticket sales, and Sequoia Shuttle National Parks reimbursement).

Operating expenses were \$80.0 million this year, a decrease of \$1.1 million from last year mainly due to increases in salaries and benefits of \$1.8 million due to wage and benefit increases, annual pension adjustments, depreciation and amortization of \$0.1 million, and a decrease in maintenance and operations of \$3.0 million.

**Water Reclamation Facility** - Operating revenues increased \$2.0 million due to the timing of an annual Utility Billing year end true up which also affected prior year's revenues and a decrease in development impact fees collected. Revenues had increases in treatment connection fees of \$0.4 million, residential fees of \$0.8 million, commercial fees of \$0.2 million, industrial fees of \$0.4 million, restaurant fees of \$0.1 million and services provided of \$0.3 million, offset by a decrease in front footage fees of \$0.2 million. Operating expenses increased by \$1.0 million mainly due to increases in salaries and benefits of \$1.4 million due to wage and benefit increases and annual pension adjustments, utility expenses of \$0.5 million, and allocated expenses and services provided of \$0.3 million, offset by a decrease in capital related activity of \$1.2 million when compared to the prior year.

**Storm Sewer Maintenance** - Operating revenues increased \$0.1 million due to the timing of an annual Utility Billing year end true up which also affected prior year's revenues. Operating expenses increased by \$0.2 million including increases in salaries and benefits of \$0.1 million due to wage and benefit increases and annual pension adjustments and increases in allocated expenses and services provided of \$0.1 million.

**Solid Waste** - Operating revenues increased \$2.4 million due to the timing of an annual Utility Billing year end true up which also affected prior year's revenues. Revenues increased in commercial fee revenue of \$0.9 million, single family fee revenue of \$0.8 million, commercial recycling fee revenue of \$0.1 million, franchise tax of \$0.2 million, CNG fuel rebate of \$0.1 million and grant revenue of \$0.3 million for the CalRecycle program and State Highway cleanup program. Operating expenses increased by \$0.4 million mainly due to an increase in salaries and benefits of \$0.4 million due to wage and benefit increases and annual pension adjustments, depreciation expenses of \$0.1 million, and an overall decrease in maintenance and operations of \$0.1 million mainly due to allocated expenses and services provided.

**Transit** – Operating revenues decreased \$7.8 million from last year. The majority of the decrease was operating grant revenue of \$7.4 million due to receiving less in transit assistance grant funding which fluctuates from year to year. Decreases were also seen in Sequoia Shuttle National Park reimbursement of \$0.3 million, and farebox ticket sales of \$0.1 million. Operating expenses decreased by \$2.0 million due to decreases in maintenance and operations consisting of \$1.0 million for bus contracted services due to a strike by the Transit contracted bus operator workers for 6 weeks, CNG fuel of \$0.9 million, and allocated expenses and services provided of \$0.2 million offset by an increase in depreciation expense of \$0.1 million.

## ANALYSIS OF NON MAJOR PROPRIETARY FUNDS

**Convention Center** - Operating revenues increased by \$0.3 million. Increases were mainly seen in conference room and equipment rental of \$0.4 million offset by discounted services of \$0.1 million. Operating expenses decreased by \$0.6 million mainly due to the annual pension adjustments of \$0.6 million being less than the previous year, offset by an increase in salaries and benefits of \$0.1 million due to wage and benefit increases. A decrease was also seen in maintenance and operations of \$0.1 million due to allocated expenses and services provided being lower than previous year.

# Management Discussion and Analysis

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**Airport** - Operating revenues increased \$0.1 million due to aviation fuel sales being lower than previous year. Operating expenses decreased by \$0.4 million with decreases in salaries and benefits of \$0.1 million due to wage and benefit increases and annual pension adjustments; in maintenance and operations due to decreases in capital related activity of \$0.1 million; utilities fuel and supplies of \$0.1 million; and depreciation expense of \$0.1 million.

**Building Safety** – Operating revenues decreased by \$1.6 million due to an overall decrease in construction permits compared to prior years activity. Operating expenses decreased by \$0.1 million in salaries and benefits due to wage and benefit increases offset by annual pension adjustments.

**Animal Control** – Operating revenues increased by \$0.1 million mainly due to an increase in animal service contract changes for Dinuba and Farmersville. Operating expenses increased by \$0.4 million mainly due to an increase in salaries and benefits of \$0.6 million due to wage and benefit increases and annual pension adjustments with decreases in maintenance and operations expenses of \$0.2 million consisting of allocated expenses and services provided of \$15K, capital related activity of \$47K, bad debt expense of \$65K, utility expenses of \$25K, equipment of \$6K, and computer software support of \$6K.

## GENERAL FUND BUDGETARY HIGHLIGHTS

### General Fund - Original and Final Budget Comparison

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

Budgeted total revenues increased by \$0.7 million to a final budgeted amount of \$94.1 million, mainly due to an increase in grant funding of \$0.7 million.

Budgeted total expenditures increased by \$1.3 million to a final budgeted amount of \$82.9 million, mainly due to an increase of \$1.2 million in Capital Outlay (Projects).

### General Fund - Final Budget and Actual Comparison

Total revenues were \$12.0 million higher than the final budgeted amount, as detailed below.

- Sales Tax – was \$2.3 million more than budgeted as the budget was conservative. The economy had growth, inflation continued and averaged 3.3% for the year making goods and services more expensive, and new business opened within the City.
- Property Tax – was \$4.2 million more than budgeted as valuation increased more than anticipated due to increased development and increases in real estate prices.
- Transient Occupancy Tax – was \$0.8 million more than budgeted as there were more hotel stays and short term rentals than anticipated.
- Franchise Fees – was \$1.1 million more than budgeted as revenues were up more than anticipated.
- Business License – was \$0.3 million more than budgeted as business license activity was higher than anticipated for the year.
- Subventions and Grants – was \$1.4 million more than budgeted mostly due to the City drawing down awarded grant funding for capital improvement programs.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

- Total Fees and Fines – was \$0.2 million more than budgeted as local ordinance violations and vehicle code and parking violations were more than projected.
- Interest Earned – was \$1.7 million more than budgeted as interest earnings were more than anticipated averaging 3.37% for the year.
- Total expenditures were \$4.7 million less than budget. This difference had contributing factors such as vacancies, offset by wage and salary increases and capital outlay.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City’s capital assets for its Governmental and Business-Type activities as of June 30, 2024 totaled \$764.2 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*.

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

	FY 23-24	FY 22-23	Change	
			\$	%
<b>Governmental Activities</b>				
Land	\$ 42.3	\$ 41.6	\$ 0.7	2%
Buildings	42.8	44.0	(1.2)	-3%
Improvements	59.1	59.7	(0.6)	-1%
Equipment	21.5	20.0	1.5	8%
Infrastructure	167.7	163.1	4.6	3%
Construction in Progress	65.1	45.7	19.4	42%
Right-to-use assets - lease assets	0.6	0.7	(0.1)	-14%
Right-to-use assets - SBITA	2.7	1.5	1.2	80%
<b>Total</b>	<b>\$ 401.8</b>	<b>\$ 376.3</b>	<b>\$ 25.5</b>	<b>7%</b>
<b>Business-Type Activities</b>				
Land	\$ 26.1	\$ 26.1	\$ -	0%
Buildings	33.8	35.0	(1.2)	-3%
Improvements	150.6	155.2	(4.6)	-3%
Equipment	26.0	25.6	0.4	2%
Infrastructure	117.7	116.4	1.3	1%
Construction in Progress	8.1	5.8	2.3	40%
Right-to-use assets - SBITA	0.1	0.03	0.07	233%
<b>Total</b>	<b>\$ 362.4</b>	<b>\$ 364.1</b>	<b>\$ (1.7)</b>	<b>0%</b>
<b>Total City-Wide</b>	<b>\$ 764.2</b>	<b>\$ 740.4</b>	<b>\$ 23.8</b>	<b>3%</b>

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

### Governmental

- Purchased 11 Axon In-Car cameras for Police
- Purchased for two new dispatch positions 911 AT&T operating systems

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

- Completed the Radio Encryption project
- Purchased 11 new Patrol vehicles for Police
- Caldwell Improvement project from Akers to Shady in progress
- Caldwell Improvement project Santa Fe to Lovers Lane in progress
- Shirk Widening project in progress
- Riggin Widening project in progress
- Completed Mill Creek bridge on the Greenway Trail

## Business-type

- Purchased and added storm drain infrastructure
- Purchased 7 Solid Waste collection vehicles
- Purchased 8 new Roll-Off boxes for Solid Waste
- Purchased 2 new 35' Flyer Electric Buses
- Purchased Drive On Lift for Traffic Maintenance Center

## Debt Administration

The City's total long-term debt decreased by \$3.3 million (3%) 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 23-24	FY 22-23	Change		
			\$	%	
<b>Governmental Activities</b>					
Certificates of Participation	\$ 6.5	\$ 7.5	\$ (1.0)	-13%	
Lease Liabilities	0.6	0.7	(0.1)	-14%	
SBITA Liabilities	2.4	0.7	1.7	243%	
Compensated Absences	6.1	6.1	-	0%	
<b>Total</b>	<b>\$ 15.6</b>	<b>\$ 15.0</b>	<b>\$ 0.6</b>	<b>4%</b>	
<b>Business-Type Activities</b>					
Certificates of Participation	\$ 3.6	\$ 4.5	\$ (0.9)	-20%	
Lease	2.1	2.6	(0.5)	-19%	
Notes - Direct Borrowings	81.7	84.2	(2.5)	-3%	
SBITA Liabilities	0.04	0.1	(0.1)	-60%	
Compensated Absences	1.3	1.2	0.1	8%	
<b>Total</b>	<b>\$ 88.7</b>	<b>\$ 92.6</b>	<b>\$ (3.9)</b>	<b>-4%</b>	
<b>Total City-Wide</b>	<b>\$ 104.3</b>	<b>\$ 107.6</b>	<b>\$ (3.3)</b>	<b>-3%</b>	

## 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.



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# BASIC FINANCIAL STATEMENTS

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# Statement of Net Position and Statement of Activities

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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, 2024**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments (Note 3)	\$ 377,473,463	\$ 214,820,278	\$ 592,293,741
Restricted Cash and Investments (Note 3)	1,136,644	5,932,337	7,068,981
Accounts Receivable	12,038,379	8,808,374	20,846,753
Leases Receivable (Note 14)	2,332,394	5,310,247	7,642,641
Interest Receivable	4,293,206	-	4,293,206
Taxes Receivable	19,446,693	461,842	19,908,535
Notes and Loans Receivable (Note 5)	44,170,810	55,513	44,226,323
Supplies	1,532,312	43,095	1,575,407
Inventory	221,595	40,819	262,414
Internal Balances (Note 4D)	3,630,978	(3,630,978)	-
Due from Other Governmental Units	519,895	857,506	1,377,401
Prepays and Deposits	1,087,505	35,521	1,123,026
Capital Assets, Net of Accumulated Depreciation (Note 6):			
Capital Assets Not Being Depreciated or Amortized	107,427,418	34,253,446	141,680,864
Capital Assets Being Depreciated or Amortized	294,396,496	328,143,129	622,539,625
<b>Total Assets</b>	<b>869,707,788</b>	<b>595,131,129</b>	<b>1,464,838,917</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related (Note 10)	45,335,099	10,956,673	56,291,772
<b>Total Deferred Outflows of Resources</b>	<b>45,335,099</b>	<b>10,956,673</b>	<b>56,291,772</b>
<b>LIABILITIES</b>			
Accounts, Interest, and Contracts Payable	12,802,784	5,833,079	18,635,863
Advances from Grantors and Third Parties	-	7,812,598	7,812,598
Customer Deposits	799,738	294,758	1,094,496
Unearned Revenue	29,804,846	1,299,801	31,104,647
Accrued Personnel Costs	38,478	-	38,478
Long-Term Liabilities (Note 7):			
Due Within One Year	2,897,507	4,362,557	7,260,064
Due in More Than One Year	12,767,910	84,272,840	97,040,750
Liability for Self-Insurance Claims (Note 11):			
Due Within One Year	447,175	-	447,175
Due in More Than One Year	8,455,402	-	8,455,402
Net Pension Liability Due in More Than One Year (Note 10)	126,252,829	37,990,393	164,243,222
<b>Total Liabilities</b>	<b>194,266,669</b>	<b>141,866,026</b>	<b>336,132,695</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related (Note 10)	2,852,078	820,918	3,672,996
Lease Related (Note 14)	2,252,116	5,218,688	7,470,804
<b>Total Deferred Inflows of Resources</b>	<b>5,104,194</b>	<b>6,039,606</b>	<b>11,143,800</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	391,772,828	275,042,370	666,815,198
Restricted for:			
Capital Projects	156,241,583	7,113,674	163,355,257
Debt Service	15,175	4,365,231	4,380,406
Waterways/Groundwater Projects	8,631,630	-	8,631,630
Landscape & Lighting Districts	16,692,359	-	16,692,359
Public Safety	17,289,373	-	17,289,373
Roadway Projects	19,847,288	-	19,847,288
Housing & Community Grants and Successor Agency	33,552,906	-	33,552,906
Golf Course Maintenance Projects & Miscellaneous	1,975,901	-	1,975,901
<b>Total Restricted Net Position</b>	<b>254,246,215</b>	<b>11,478,905</b>	<b>265,725,120</b>
Unrestricted	69,652,981	171,660,895	241,313,876
<b>Total Net Position</b>	<b>\$ 715,672,024</b>	<b>\$ 458,182,170</b>	<b>\$ 1,173,854,194</b>

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

**CITY OF VISALIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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
<b>Governmental Activities</b>							
General Government	\$ 6,392,589	\$ 1,180,951	\$ 221,471	\$ 6,162,310	\$ 1,172,143	\$ -	\$ 1,172,143
Community Development	12,962,913	1,836,672	29,115	3,887	(11,093,239)	-	(11,093,239)
Housing & Community Grants	13,395,325	68,205	18,794,440	-	5,467,320	-	5,467,320
Public Safety							
Police	53,384,101	4,335,155	1,167,133	79,662	(47,802,151)	-	(47,802,151)
Fire	24,441,766	2,346,078	89,410	-	(22,006,278)	-	(22,006,278)
Public Works	12,937,395	9,220,405	-	8,024,513	4,307,523	-	4,307,523
Parks & Recreation	14,812,453	9,418,179	-	-	(5,394,274)	-	(5,394,274)
Interest on Long-Term Debt	361,916	-	-	-	(361,916)	-	(361,916)
<b>Total Governmental Activities</b>	<b>138,688,458</b>	<b>28,405,645</b>	<b>20,301,569</b>	<b>14,270,372</b>	<b>(75,710,872)</b>	<b>-</b>	<b>(75,710,872)</b>
<b>Business-Type Activities</b>							
Convention Center	4,108,218	2,079,207	-	-	-	(2,029,011)	(2,029,011)
Airport	2,359,005	2,399,923	-	-	-	40,918	40,918
Water Reclamation Facility	28,454,983	30,782,358	-	885,515	-	3,212,890	3,212,890
Storm Sewer Maintenance	2,748,814	1,381,504	-	4,215,280	-	2,847,970	2,847,970
Solid Waste	22,945,743	23,585,088	489,276	-	-	1,128,621	1,128,621
Transit	19,773,143	5,433,735	8,838,286	253,430	-	(5,247,692)	(5,247,692)
Animal Control	2,438,914	632,226	35,752	-	-	(1,770,936)	(1,770,936)
Building Safety	3,751,412	3,490,107	-	-	-	(261,305)	(261,305)
<b>Total Business-Type Activities</b>	<b>86,580,232</b>	<b>69,784,148</b>	<b>9,363,314</b>	<b>5,354,225</b>	<b>-</b>	<b>(2,078,545)</b>	<b>(2,078,545)</b>
<b>Total</b>	<b>\$ 225,268,690</b>	<b>\$ 98,189,793</b>	<b>\$ 29,664,883</b>	<b>\$ 19,624,597</b>	<b>\$ (75,710,872)</b>	<b>\$ (2,078,545)</b>	<b>\$ (77,789,417)</b>
<b>General Revenues</b>							
Taxes:							
					85,983,768	-	85,983,768
					34,476,000	-	34,476,000
					4,789,890	-	4,789,890
					4,017,299	-	4,017,299
					3,512,739	-	3,512,739
					14,735,505	10,113,834	24,849,339
					924,989	3,686,727	4,611,716
<b>Transfers</b>					(4,621,485)	4,621,485	-
<b>Total General Revenues and Transfers</b>					<b>143,818,705</b>	<b>18,422,046</b>	<b>162,240,751</b>
<b>Change in Net Position</b>					<b>68,107,833</b>	<b>16,343,501</b>	<b>84,451,334</b>
Net Position - Beginning of Year					<b>647,564,191</b>	<b>441,838,669</b>	<b>1,089,402,860</b>
Net Position - End of Year					<b>\$ 715,672,024</b>	<b>\$ 458,182,170</b>	<b>\$ 1,173,854,194</b>

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 2023-24. 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.

### **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, 2024**

	Major Funds		
	General Fund	Measure N - Special Revenue Fund	American Rescue Plan - Special Revenue Fund
<b>ASSETS</b>			
Cash and Investments (Note 3)	\$ 32,841,969	\$ 36,236,727	\$ 23,798,320
Restricted Cash and Investments (Note 3)			
Cash Held by Trustee	-	-	-
Cash Held by City	-	-	-
Accounts Receivable	2,015,118	13,136	-
Leases Receivable (Note 14)	479,183	-	-
Interest Receivable	4,293,206	-	-
Taxes Receivable	11,287,290	3,216,442	-
Notes and Loans Receivable (Note 5)	11,467,268	-	-
Supplies	19,210	-	-
Inventory (Note 1K)	136,564	-	-
Due from Other Funds (Note 4C)	1,254,698	-	-
Advances to Other Funds (Note 4B)	1,967,833	-	-
Due from Other Governmental Units	218,576	-	-
Prepays and Deposits	14,736	-	-
<b>Total Assets</b>	<b>\$ 65,995,651</b>	<b>\$ 39,466,305</b>	<b>\$ 23,798,320</b>
<b>LIABILITIES</b>			
Accounts, Interest and Contracts Payable	\$ 2,022,762	\$ 2,566,050	\$ 39,753
Due to Other Funds (Note 4C)	-	-	-
Advances from Other Funds (Note 4B)	-	-	-
Customer Deposits	392,220	-	-
Unearned Revenue	1,534,502	-	21,936,281
Accrued Personnel Costs	32,639	-	-
<b>Total Liabilities</b>	<b>3,982,123</b>	<b>2,566,050</b>	<b>21,976,034</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Tax	1,150,043	-	-
Unavailable Revenue - Business Tax	877,709	-	-
Unavailable Revenue - Impact Fees	1,640	-	-
Unavailable Revenue - Misc	423,182	-	-
Unavailable Revenue - Grants	-	-	-
Leases (Note 14)	464,944	-	-
<b>Total Deferred Inflows of Resources</b>	<b>2,917,518</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (Note 9)</b>			
Nonspendable	2,138,343	-	-
Restricted	-	36,900,255	1,822,286
Committed	23,610,324	-	-
Assigned	33,161,904	-	-
Unassigned (Deficit)	185,439	-	-
<b>Total Fund Balances</b>	<b>59,096,010</b>	<b>36,900,255</b>	<b>1,822,286</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 65,995,651</b>	<b>\$ 39,466,305</b>	<b>\$ 23,798,320</b>

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

**CITY OF VISALIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS (Continued)  
JUNE 30, 2024**

	Major Funds		Non-Major Funds	
	Transportation - Capital Project Fund	Civic Center - Capital Project Fund	All Other Governmental Funds	Total
<b>ASSETS</b>				
Cash and Investments (Note 3)	\$ 34,055,790	\$ 74,179,908	\$ 123,947,044	\$ 325,059,758
Restricted Cash and Investments (Note 3)				
Cash Held by Trustee	-	-	15,175	15,175
Cash Held by City	-	-	572,423	572,423
Accounts Receivable	6,937,699	-	3,046,489	12,012,442
Leases Receivable (Note 14)	-	-	1,853,211	2,332,394
Interest Receivable	-	-	-	4,293,206
Taxes Receivable	-	-	4,942,961	19,446,693
Notes and Loans Receivable (Note 5)	343,215	123,878	32,236,449	44,170,810
Supplies	-	-	-	19,210
Inventory (Note 1K)	-	-	85,031	221,595
Due from Other Funds (Note 4C)	-	-	-	1,254,698
Advances to Other Funds (Note 4B)	-	-	-	1,967,833
Due from Other Governmental Units	-	-	301,319	519,895
Prepays and Deposits	-	-	-	14,736
	<b>\$ 41,336,704</b>	<b>\$ 74,303,786</b>	<b>\$ 167,000,102</b>	<b>\$ 411,900,868</b>
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ 4,294,788	\$ 202,355	\$ 3,194,057	\$ 12,319,765
Due to Other Funds (Note 4C)	-	-	1,254,698	1,254,698
Advances from Other Funds (Note 4B)	-	-	1,967,833	1,967,833
Customer Deposits	-	-	407,518	799,738
Unearned Revenue	-	-	6,334,063	29,804,846
Accrued Personnel Costs	-	-	-	32,639
	<b>4,294,788</b>	<b>202,355</b>	<b>13,158,169</b>	<b>46,179,519</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Tax	-	-	-	1,150,043
Unavailable Revenue - Business Tax	-	-	-	877,709
Unavailable Revenue - Impact Fees	5,598,574	-	2,712,528	8,312,742
Unavailable Revenue - Misc	-	-	-	423,182
Unavailable Revenue - Grants	-	-	660,754	660,754
Leases (Note 14)	-	-	1,787,172	2,252,116
	<b>5,598,574</b>	<b>-</b>	<b>5,160,454</b>	<b>13,676,546</b>
<b>FUND BALANCES (Note 9)</b>				
Nonspendable	-	-	-	2,138,343
Restricted	31,443,342	-	145,695,116	215,860,999
Committed	-	74,101,431	1,683,211	99,394,966
Assigned	-	-	1,686,967	34,848,871
Unassigned (Deficit)	-	-	(383,815)	(198,376)
	<b>31,443,342</b>	<b>74,101,431</b>	<b>148,681,479</b>	<b>352,044,803</b>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<b>\$ 41,336,704</b>	<b>\$ 74,303,786</b>	<b>\$ 167,000,102</b>	<b>\$ 411,900,868</b>

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, 2024**

**Total Fund Balances - Governmental Funds** \$ 352,044,803

**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	\$555,895,304	
Accumulated Depreciation	(174,744,984)	
Right-To-Use Assets - Lease Assets at Cost	914,675	
Right-To-Use Assets - Subscription-Based Information Technology Arrangements	3,562,552	
Accumulated Amortization	<u>(1,421,826)</u>	384,205,721

**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.

55,363,556

**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	(6,520,156)	
Lease Liabilities	(616,259)	
Subscription-Based Information Technology Arrangements	<u>(2,410,999)</u>	(9,547,414)

**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.

11,424,430

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 \$2,340,732 allocated to the internal service funds	42,994,367	
Aggregate net pension liabilities - net of \$8,116,091 allocated to the internal service funds	(118,136,738)	
Pension related deferred inflows of resources - net of \$175,377 allocated to the internal service funds	<u>(2,676,701)</u>	<u>(77,819,072)</u>

**Total Net Position - Governmental Activities** \$ 715,672,024

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, 2024**

	Major Funds		(Formerly Major Funds)	
	General Fund	Measure N - Special Revenue Fund	Housing & Community Grants - Special Revenue Fund	Housing Successor Agency - Special Revenue Fund
<b>REVENUES</b>				
Sales Taxes	\$ 47,622,285	\$ 18,394,594	\$ -	\$ -
Property Taxes	34,380,889	-	-	-
Other Taxes	12,278,708	-	-	-
Subventions and Grants	2,689,132	35,611	-	-
License and Permits	49,863	-	-	-
Fees and Fines	1,121,652	-	-	-
Uses of Money and Property	2,777,577	1,672,157	-	-
Charges for Current Services	3,723,013	26,293	-	-
Miscellaneous	1,479,770	8,432	-	-
Total Revenues	106,122,889	20,137,087	-	-
<b>EXPENDITURES</b>				
Current:				
General Government	3,134,116	235,867	-	-
Community Development	6,075,477	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	17,074,549	1,628,256	-	-
Police	37,726,822	6,318,012	-	-
Public Works	3,324,718	-	-	-
Parks & Recreation	7,440,478	757,760	-	-
Capital Outlay	3,071,920	12,214,788	-	-
Debt Service (Note 7):				
Principal	308,323	279,520	-	-
Interest and Fiscal Charges	29,808	33,173	-	-
Total Expenditures	78,186,211	21,467,376	-	-
Excess (Deficiency) of Revenues over (Under) Expenditures	27,936,678	(1,330,289)	-	-
<b>Other Financing Sources (Uses)</b>				
Subscription Assets Acquired	542,594	1,644,951	-	-
Issuance of Debt - Leases Acquired	16,961	-	-	-
Transfers In (Note 4A)	198,174	-	-	-
Transfers Out (Note 4A)	(25,011,812)	-	-	-
Total Other Financing Sources (Uses)	(24,254,083)	1,644,951	-	-
Net Change in Fund Balances	3,682,595	314,662	-	-
Fund Balances - Beginning of Year, as Previously Reported	55,413,415	36,585,593	17,426,449	10,468,475
Adjustment - Changes from Major Funds to Non-Major Funds	-	-	(17,426,449)	(10,468,475)
Fund Balances - Beginning of Year, as Restated	55,413,415	36,585,593	-	-
Fund Balances - End of Year	\$ 59,096,010	\$ 36,900,255	\$ -	\$ -

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, 2024**

	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
<b>REVENUES</b>					
Sales Taxes	\$ -	\$ -	\$ -	\$ 20,658,978	\$ 86,675,857
Property Taxes	-	-	-	-	34,380,889
Other Taxes	-	-	-	89,476	12,368,184
Subventions and Grants	2,975,996	-	-	27,628,135	33,328,874
License and Permits	-	-	-	10,575	60,438
Fees and Fines	-	6,203,382	-	8,089,789	15,414,823
Uses of Money and Property	1,069,333	1,436,241	2,725,410	5,471,479	15,152,197
Charges for Current Services	-	-	-	6,054,367	9,803,673
Miscellaneous	106	-	-	253,964	1,742,272
Total Revenues	4,045,435	7,639,623	2,725,410	68,256,763	208,927,207
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	24,261	628,327	4,022,571
Community Development	-	-	-	74,305	6,149,782
Housing & Community Grants	-	-	-	1,859,186	1,859,186
Public Safety:					
Fire	-	-	-	3,143,027	21,845,832
Police	-	-	-	4,558,026	48,602,860
Public Works	-	69,974	-	2,339,967	5,734,659
Parks & Recreation	-	-	-	4,474,414	12,672,652
Capital Outlay	2,957,771	1,310,128	2,505,979	31,220,076	53,280,662
Debt Service (Note 7):					
Principal	-	-	-	1,013,123	1,600,966
Interest and Fiscal Charges	-	-	-	264,718	327,699
Total Expenditures	2,957,771	1,380,102	2,530,240	49,575,169	156,096,869
Excess (Deficiency) of Revenues over (Under) Expenditures	1,087,664	6,259,521	195,170	18,681,594	52,830,338
<b>Other Financing Sources (Uses)</b>					
Subscription Assets Acquired	-	-	-	-	2,187,545
Issuance of Debt - Leases Acquired	-	-	-	-	16,961
Transfers In (Note 4A)	-	644,623	17,438,451	1,825,384	20,106,632
Transfers Out (Note 4A)	(18,225)	-	-	(1,519,243)	(26,549,280)
Total Other Financing Sources (Uses)	(18,225)	644,623	17,438,451	306,141	(4,238,142)
Net Change in Fund Balances	1,069,439	6,904,144	17,633,621	18,987,735	48,592,196
Fund Balances - Beginning of Year, as Previously Reported	752,847	24,539,198	56,467,810	101,798,820	303,452,607
Adjustment - Changes from Major Funds to Non-Major Funds	-	-	-	27,894,924	-
Fund Balances - Beginning of Year, as Restated	752,847	24,539,198	56,467,810	129,693,744	303,452,607
Fund Balances - End of Year	\$ 1,822,286	\$ 31,443,342	\$ 74,101,431	\$ 148,681,479	\$ 352,044,803

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, 2024**

**Total Net Changes in Fund Balances - Governmental Funds** \$ 48,592,196

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	\$ 33,867,960	
Net Retirements of Capital Assets	(765,541)	
Depreciation and Amortization Expenses	<u>(11,771,758)</u>	21,330,661

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	1,013,123	
Principal Payments of Lease Liabilities	79,505	
Principal Payments of Subscription-Based Information Technology Arrangements	<u>508,338</u>	1,600,966

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: (2,661,493)

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: 4,205,435

Pension Related Expenses (4,959,932)

**Total Change in Net Position - Governmental Activities** \$ 68,107,833

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 2023-24. 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, Solid Waste Environment Enhancement Program (SWEEP), 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 162-164)**

Convention Center  
Airport  
Building Safety  
Animal Control

**CITY OF VISALIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit
<b>ASSETS</b>				
Current Assets				
Cash and Investments (Note 3)	\$ 105,987,807	\$ 560,889	\$ 37,094,453	\$ 54,146,553
Accounts Receivable	4,718,880	181,096	2,834,661	363,483
Leases Receivable (Note 14)	-	-	-	47,327
Taxes Receivable	88,308	63,963	84,753	224,818
Current Portion of Note and Loans Receivable (Note 5)	36,742	-	-	-
Supplies	-	-	-	-
Inventory (Note 1K)	20,053	20,766	-	-
Due from Other Governmental Units	-	-	-	857,506
Prepaid Expenses	-	-	-	-
Total Current Assets	<u>110,851,790</u>	<u>826,714</u>	<u>40,013,867</u>	<u>55,639,687</u>
Non-Current Assets				
Restricted Cash and Investments (Note 3)				
Cash Held by Trustee	-	-	-	-
Cash Held by City	4,365,228	-	-	-
Leases Receivable (Note 14)	-	-	-	37,657
Non-current Portion of Note and Loans Receivable (Note 5)	18,771	-	-	-
Capital Assets (Note 6)				
Land	6,948,344	9,437,692	1,567,372	4,361,902
Construction in Progress	3,138,750	4,905,735	-	62,670
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	9,852,184	1,233,446	21,850,051	37,616,970
Infrastructure	93,999,026	64,042,163	-	-
Right-to-use subscription asset (SBITA)	-	-	-	14,657
Accumulated Depreciation and Amortization	(95,250,670)	(17,184,954)	(11,476,705)	(34,262,470)
Total Non-Current Assets	<u>232,815,570</u>	<u>64,980,212</u>	<u>13,119,368</u>	<u>30,023,545</u>
Total Assets	<u>343,667,360</u>	<u>65,806,926</u>	<u>53,133,235</u>	<u>85,663,232</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related (Note 10)	2,851,436	377,181	3,773,897	699,405
Total Deferred Outflows of Resources	<u>2,851,436</u>	<u>377,181</u>	<u>3,773,897</u>	<u>699,405</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts, Interest and Contracts Payable	2,056,734	50,420	370,603	2,572,037
Advances from Grantors and Third Parties	-	-	414,503	7,398,095
Accrued Personnel Costs	-	-	-	-
Customer Deposits	233,383	-	-	-
Current Portion of Long-Term Liabilities (Note 7):				
Compensated Absences	103,196	-	17,458	-
Certificates of Participation and Loans	2,650,874	-	-	-
Liability for SBITA Lease (Note 7)	-	-	-	-
Liability for Self-insured Claims (Note 11)	-	-	-	-
Total Current Liabilities	<u>5,044,187</u>	<u>50,420</u>	<u>802,564</u>	<u>9,970,132</u>
Non-Current Liabilities				
Unearned Revenue	1,197,753	20,766	486	-
Non-current Portion of Long-term Liabilities (Note 7):				
Compensated Absences	199,886	30,665	496,767	73,195
Certificates of Participation and Loans	78,985,016	-	-	-
Liability for SBITA Lease	-	-	-	-
Liability for Self-insured Claims (Note 11)	-	-	-	-
Net Pension Liability (Note 10)	9,886,865	1,307,811	13,085,344	2,425,067
Total Non-Current Liabilities	<u>90,269,520</u>	<u>1,359,242</u>	<u>13,582,597</u>	<u>2,498,262</u>
Total Liabilities	<u>95,313,707</u>	<u>1,409,662</u>	<u>14,385,161</u>	<u>12,468,394</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related (Note 10)	213,641	28,260	282,756	52,402
Lease Related (Note 14)	-	-	-	79,896
Total Deferred Inflows of Resources	<u>213,641</u>	<u>28,260</u>	<u>282,756</u>	<u>132,298</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	146,795,681	64,980,212	13,119,368	29,985,888
Restricted for:				
Debt Service	4,365,228	-	-	-
Capital Projects	413,575	3,637	3,828,947	2,549,098
Unrestricted (Deficit)	99,416,964	(237,664)	25,290,900	41,226,959
Total Net Position	<u>\$ 250,991,448</u>	<u>\$ 64,746,185</u>	<u>\$ 42,239,215</u>	<u>\$ 73,761,945</u>

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



**CITY OF VISALIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
**JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds		
	Non-Major Funds Total	Total	Governmental Activities Internal Service Funds
<b>ASSETS</b>			
Current Assets			
Cash and Investments (Note 3)	\$ 17,030,576	\$ 214,820,278	\$ 52,413,705
Accounts Receivable	710,254	8,808,374	25,937
Leases Receivable (Note 14)	390,458	437,785	-
Taxes Receivable	-	461,842	-
Current Portion of Note and Loans Receivable (Note 5)	-	36,742	-
Supplies	43,095	43,095	1,513,102
Inventory (Note 1K)	-	40,819	-
Due from Other Governmental Units	-	857,506	-
Prepaid Expenses	35,521	35,521	1,072,769
Total Current Assets	<u>18,209,904</u>	<u>225,541,962</u>	<u>55,025,513</u>
Non-Current Assets			
Restricted Cash and Investments (Note 3)			
Cash Held by Trustee	3	3	549,046
Cash Held by City	1,567,106	5,932,334	-
Leases Receivable (Note 14)	4,834,805	4,872,462	-
Non-current Portion of Note and Loans Receivable (Note 5)	-	18,771	-
Capital Assets (Note 6)			
Land	3,829,637	26,144,947	-
Construction in Progress	1,344	8,108,499	3,470,618
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	3,336,006	73,888,657	39,598,899
Infrastructure	-	158,041,189	-
Right-to-use subscription asset (SBITA)	129,465	144,122	803,761
Accumulated Depreciation and Amortization	(36,012,215)	(194,187,014)	(27,128,780)
Total Non-Current Assets	<u>32,281,450</u>	<u>373,220,145</u>	<u>18,167,239</u>
Total Assets	<u>50,491,354</u>	<u>598,762,107</u>	<u>73,192,752</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related (Note 10)	3,254,754	10,956,673	2,340,732
Total Deferred Outflows of Resources	<u>3,254,754</u>	<u>10,956,673</u>	<u>2,340,732</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts, Interest and Contracts Payable	783,285	5,833,079	483,019
Advances from Grantors and Third Parties	-	7,812,598	-
Accrued Personnel Costs	-	-	5,839
Customer Deposits	61,375	294,758	-
Current Portion of Long-Term Liabilities (Note 7):			
Compensated Absences	99,844	220,498	1,051,883
Certificates of Participation and Loans	1,474,913	4,125,787	-
Liability for SBITA Lease (Note 7)	16,272	16,272	-
Liability for Self-insured Claims (Note 11)	-	-	447,175
Total Current Liabilities	<u>2,435,689</u>	<u>18,302,992</u>	<u>1,987,916</u>
Non-Current Liabilities			
Unearned Revenue	80,796	1,299,801	-
Non-current Portion of Long-term Liabilities (Note 7):			
Compensated Absences	260,181	1,060,694	5,066,120
Certificates of Participation and Loans	4,199,962	83,184,978	-
Liability for SBITA Lease	27,168	27,168	-
Liability for Self-insured Claims (Note 11)	-	-	8,455,402
Net Pension Liability (Note 10)	11,285,306	37,990,393	8,116,091
Total Non-Current Liabilities	<u>15,853,413</u>	<u>123,563,034</u>	<u>21,637,613</u>
Total Liabilities	<u>18,289,102</u>	<u>141,866,026</u>	<u>23,625,529</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related (Note 10)	243,859	820,918	175,377
Lease Related (Note 14)	5,138,792	5,218,688	-
Total Deferred Inflows of Resources	<u>5,382,651</u>	<u>6,039,606</u>	<u>175,377</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	20,161,221	275,042,370	16,814,432
Restricted for:			
Debt Service	3	4,365,231	-
Capital Projects	318,417	7,113,674	3,129,266
Unrestricted (Deficit)	9,594,714	175,291,873	31,788,880
Total Net Position	<u>\$ 30,074,355</u>	<u>461,813,148</u>	<u>\$ 51,732,578</u>
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			
		(3,630,978)	
Net Position of Business-Type Activities		<u>\$ 458,182,170</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, 2024**

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 30,782,358	\$ 1,381,504	\$ 23,585,088	\$ 5,433,735
Operating Grants and Contributions	-	-	489,276	8,838,286
<b>Total Operating Revenues</b>	<b>30,782,358</b>	<b>1,381,504</b>	<b>24,074,364</b>	<b>14,272,021</b>
<b>OPERATING EXPENSES</b>				
Salaries, Wages and Employee Benefits	5,531,291	712,933	7,034,961	1,106,218
Maintenance and Operations	13,415,018	1,095,380	12,582,325	15,603,840
Insurance Premiums and Loss Provisions	-	-	-	-
Depreciation and Amortization	5,565,161	848,392	1,670,547	2,758,520
<b>Total Operating Expenses</b>	<b>24,511,470</b>	<b>2,656,705</b>	<b>21,287,833</b>	<b>19,468,578</b>
<b>Operating Income (Loss)</b>	<b>6,270,888</b>	<b>(1,275,201)</b>	<b>2,786,531</b>	<b>(5,196,557)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	4,984,400	32,108	1,811,386	2,350,338
Interest Expense	(1,723,615)	-	-	-
Other Income	1,908,231	69,185	511,629	802,331
Other Expenses	(2,079,623)	(70,528)	(1,211,906)	(243,419)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>3,089,393</b>	<b>30,765</b>	<b>1,111,109</b>	<b>2,909,250</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>9,360,281</b>	<b>(1,244,436)</b>	<b>3,897,640</b>	<b>(2,287,307)</b>
Capital Grants and Contributions	885,515	4,215,280	-	253,430
Transfers In (Note 4A)	-	300,000	18,225	-
Transfers Out (Note 4A)	-	-	-	-
<b>Net Contributions and Transfers</b>	<b>885,515</b>	<b>4,515,280</b>	<b>18,225</b>	<b>253,430</b>
<b>Change in Net Position</b>	<b>10,245,796</b>	<b>3,270,844</b>	<b>3,915,865</b>	<b>(2,033,877)</b>
<b>Net Position - Beginning</b>	<b>240,745,652</b>	<b>61,475,341</b>	<b>38,323,350</b>	<b>75,795,822</b>
<b>Net Position - Ended</b>	<b>\$ 250,991,448</b>	<b>\$ 64,746,185</b>	<b>\$ 42,239,215</b>	<b>\$ 73,761,945</b>

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, 2024**

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds		Governmental
	Non-Major Funds Total	Total	Activities Internal Service Funds
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 8,601,463	\$ 69,784,148	\$ 32,523,289
Operating Grants and Contributions	35,752	9,363,314	-
Total Operating Revenues	8,637,215	79,147,462	32,523,289
<b>OPERATING EXPENSES</b>			
Salaries, Wages and Employee Benefits	6,249,394	20,634,797	4,589,786
Maintenance and Operations	4,547,850	47,244,413	7,949,657
Insurance Premiums and Loss Provisions	-	-	21,030,905
Depreciation and Amortization	1,232,732	12,075,352	2,549,748
Total Operating Expenses	12,029,976	79,954,562	36,120,096
Operating Income (Loss)	(3,392,761)	(807,100)	(3,596,807)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	935,602	10,113,834	2,233,400
Interest Expense	(252,121)	(1,975,736)	(34,220)
Other Income	395,351	3,686,727	1,721,158
Other Expenses	(181,224)	(3,786,700)	(45,563)
Total Nonoperating Revenues (Expenses)	897,608	8,038,125	3,874,775
Income (Loss) Before Contributions and Transfers	(2,495,153)	7,231,025	277,968
Capital Grants and Contributions	-	5,354,225	1,243,067
Transfers In (Note 4A)	4,322,597	4,640,822	2,000,000
Transfers Out (Note 4A)	(19,337)	(19,337)	(178,837)
Net Contributions and Transfers	4,303,260	9,975,710	3,064,230
Change in Net Position	1,808,107	17,206,735	3,342,198
Net Position - Beginning	28,266,248	444,606,413	48,390,380
Net Position - Ended	\$ 30,074,355	461,813,148	\$ 51,732,578
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds		(863,234)	
Change in Net Position of Business-Type Activities		\$ 16,343,501	

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, 2024**

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers or Other Funds	\$ 31,594,574	\$ 1,386,417	\$ 23,498,063	\$ 14,948,432
Cash Payments to Employees for Services	(4,764,954)	(675,635)	(6,805,622)	(1,144,295)
Cash Payments to Suppliers for Services	(15,852,151)	(1,946,336)	(14,028,060)	(14,796,068)
Cash Received from (Payments to) Other Governments	30,105	-	16,000	14,232,817
Cash Payments to Other Governments	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>11,007,574</u>	<u>(1,235,554)</u>	<u>2,680,381</u>	<u>13,240,886</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grant Income	-	-	230,913	-
Advance (to) from Other Funds	38,688	-	-	-
Transfers In	-	300,000	18,225	-
Transfers (Out)	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	<u>38,688</u>	<u>300,000</u>	<u>249,138</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(1,434,215)	(3,466,754)	(2,553,138)	(2,282,625)
Capital Grants Received	-	-	-	3,726,760
Contributions	885,515	4,215,280	-	-
Interest Expense	-	-	-	-
Long-Term Debt Payments - Principal	(2,596,351)	-	-	-
Long-Term Debt Payments - Interest	(1,723,615)	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,868,666)</u>	<u>748,526</u>	<u>(2,553,138)</u>	<u>1,444,135</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Earnings	4,984,400	32,108	1,811,386	2,350,338
Net Cash Provided by Investing Activities	<u>4,984,400</u>	<u>32,108</u>	<u>1,811,386</u>	<u>2,350,338</u>
Net Increase (Decrease) in Cash and Investments	11,161,996	(154,920)	2,187,767	17,035,359
Cash and Investments - Beginning of Year	99,191,039	715,809	34,906,686	37,111,194
Cash and Investments - End of Year	<u>\$ 110,353,035</u>	<u>\$ 560,889</u>	<u>\$ 37,094,453</u>	<u>\$ 54,146,553</u>
Consisting of:				
Unrestricted	\$ 105,987,807	\$ 560,889	\$ 37,094,453	\$ 54,146,553
Restricted	4,365,228	-	-	-
Total Cash and Investments	<u>\$ 110,353,035</u>	<u>\$ 560,889</u>	<u>\$ 37,094,453</u>	<u>\$ 54,146,553</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>				
Operating Income (Loss)	\$ 6,270,888	\$ (1,275,201)	\$ 2,786,531	\$ (5,196,557)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:</b>				
Depreciation and Amortization	5,565,161	848,392	1,670,547	2,758,520
Other Income	1,908,231	69,185	511,629	802,331
Other Expense	(2,079,623)	(70,528)	(1,211,906)	(243,419)
<b>Net Change in Assets and Liabilities:</b>				
Accounts and Interest Receivable	(1,096,019)	(64,272)	(1,123,119)	(125,920)
Taxes Receivable	30,105	-	35,189	-
Supplies	-	-	-	-
Due from Other Governments	-	-	16,000	14,232,817
Prepaid Expenses	-	-	-	-
Accounts Payable and Contract Payable	(118,958)	(780,428)	(234,315)	1,051,191
Deferred Outflow s Pensions	(150,494)	(23,603)	(242,782)	(106,547)
Deferred Inflow s Pensions & Leases	(161,154)	5,994	108,857	33,367
Net Pension Liability	1,068,199	51,776	357,789	23,064
Unearned Revenue	(311,031)	-	486	-
Accrued Personnel Costs	-	-	-	-
Compensated Absences	9,790	3,131	5,475	12,039
Other Liability	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	-
Customer Deposits	72,479	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 11,007,574</u>	<u>\$ (1,235,554)</u>	<u>\$ 2,680,381</u>	<u>\$ 13,240,886</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, 2024**

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds		Governmental
	Non-Major Funds		Internal
	Total	Total	Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers or Other Funds	\$ 9,293,303	80,720,789	\$ 34,291,148
Cash Payments to Employees for Services	(6,342,672)	(19,733,178)	(28,533,647)
Cash Payments to Suppliers for Services	(4,788,669)	(51,411,284)	(3,858,832)
Cash Received from (Payments to) Other Governments	-	14,278,922	-
Cash Payments to Other Governments	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>(1,838,038)</u>	<u>23,855,249</u>	<u>1,898,669</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Grant Income	-	230,913	-
Advance (to) from Other Funds	-	38,688	-
Transfers In	4,322,597	4,640,822	2,000,000
Transfers (Out)	(19,337)	(19,337)	(178,837)
Net Cash Provided by Noncapital Financing Activities	<u>4,303,260</u>	<u>4,891,086</u>	<u>1,821,163</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(17,901)	(9,754,633)	(4,540,395)
Capital Grants Received	-	3,726,760	-
Contributions	-	5,100,795	1,243,067
Interest Expense	-	-	(34,220)
Long-Term Debt Payments - Principal	(1,399,143)	(3,995,494)	-
Long-Term Debt Payments - Interest	(275,908)	(1,999,523)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,692,952)</u>	<u>(6,922,095)</u>	<u>(3,331,548)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Earnings	935,602	10,113,834	2,233,400
Net Cash Provided by Investing Activities	<u>935,602</u>	<u>10,113,834</u>	<u>2,233,400</u>
Net Increase (Decrease) in Cash and Investments	1,707,872	31,938,074	2,621,684
Cash and Investments - Beginning of Year	16,889,813	188,814,541	50,341,067
Cash and Investments - End of Year	<u>\$ 18,597,685</u>	<u>\$ 220,752,615</u>	<u>\$ 52,962,751</u>
Consisting of:			
Unrestricted	\$ 17,030,576	\$ 214,820,278	\$ 52,413,705
Restricted	1,567,109	5,932,337	549,046
Total Cash and Investments	<u>\$ 18,597,685</u>	<u>\$ 220,752,615</u>	<u>\$ 52,962,751</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>			
Operating Income (Loss)	\$ (3,392,761)	\$ (807,100)	\$ (3,596,807)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:</b>			
Depreciation and Amortization	1,232,732	12,075,352	2,549,748
Other Income	395,351	3,686,727	1,721,158
Other Expense	(181,224)	(3,786,700)	(45,563)
<b>Net Change in Assets and Liabilities:</b>			
Accounts and Interest Receivable	260,737	(2,148,593)	5,898
Taxes Receivable	-	65,294	-
Supplies	32,420	32,420	(180,947)
Due from Other Governments	-	14,248,817	-
Prepaid Expenses	(10,210)	(10,210)	(37,756)
Accounts Payable and Contract Payable	(59,559)	(142,069)	100,128
Deferred Outflows Pensions	(63,663)	(587,089)	(183,339)
Deferred Inflows Pensions & Leases	(422,868)	(435,804)	(116,631)
Net Pension Liability	358,280	1,859,108	1,044,219
Unearned Revenue	55,129	(255,416)	-
Accrued Personnel Costs	-	-	(11,887)
Compensated Absences	34,973	65,408	40,803
Other Liability	(21,475)	(21,475)	-
Liability for Self-Insurance Claims	-	-	609,645
Customer Deposits	(55,900)	16,579	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,838,038)</u>	<u>\$ 23,855,249</u>	<u>\$ 1,898,669</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, 2024**

	Custodial Funds	Successor Agency Private Purpose Trust Fund	TOTAL
<b>ASSETS</b>			
Cash and Investments (Note 3)	\$ 660,002	\$ 326,800	\$ 986,802
Restricted Cash and Investments (Note 3)	-	528,314	528,314
Accounts Receivable	243,276	-	243,276
District Assessment Receivable	28,354	-	28,354
Notes and Loan Receivable (Note 5)	-	84,786	84,786
Land Held For Resale	-	2,824,503	2,824,503
<b>Total Assets</b>	<b>931,632</b>	<b>3,764,403</b>	<b>4,696,035</b>
<b>LIABILITIES</b>			
Accounts, Interest, and Contracts Payable	80,285	28,004	108,289
Deposits	41,124	-	41,124
Due to City	107,896	-	107,896
Long - Term Liabilities (Note 7):			-
Due Within One Year	-	370,720	370,720
Due in More Than One Year	-	12,510,235	12,510,235
<b>Total Long - Term Liabilities</b>	<b>-</b>	<b>12,880,955</b>	<b>12,880,955</b>
<b>Total Liabilities</b>	<b>229,305</b>	<b>12,908,959</b>	<b>13,138,264</b>
<b>NET POSITION</b>			
<b>Restricted for:</b>			
Held in Trust	-	(9,144,556)	(9,144,556)
Individuals, Organizations, and Other Governments	702,327	-	702,327
<b>Total Net Position</b>	<b>\$ 702,327</b>	<b>\$ (9,144,556)</b>	<b>\$ (8,442,229)</b>

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

**CITY OF VISALIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Custodial Funds	Successor Agency Private Purpose Trust Fund	TOTAL
<b>Additions</b>			
Redevelopment Property Taxes Trust Funds	\$ -	\$ 1,196,897	\$ 1,196,897
Use of Money and Property	35,889	53,291	89,180
Revenue from District Assessments	1,271,603	-	1,271,603
Miscellaneous Revenue	297,459	-	297,459
Total Additions	<u>1,604,951</u>	<u>1,250,188</u>	<u>2,855,139</u>
<b>Deductions</b>			
Obligation Requirements			
Interest on Bonds and Notes Payable	14,927	306,404	321,331
Total Obligation Requirements	<u>14,927</u>	<u>306,404</u>	<u>321,331</u>
Administrative Expenses			
Total Administrative Expenses	<u>9,516</u>	<u>72,006</u>	<u>81,522</u>
Distribution of District Assessment	1,355,854	-	1,355,854
Principal on Bonds and Notes Payable	60,064	-	60,064
Total Distribution of District Assessment	<u>1,415,918</u>	<u>-</u>	<u>1,415,918</u>
Total Deductions	<u>1,440,361</u>	<u>378,410</u>	<u>1,818,771</u>
Change in Net Position	164,590	871,778	1,036,368
Net Position - Beginning of Year	<u>537,737</u>	<u>(10,016,334)</u>	<u>(9,478,597)</u>
Net Position (Deficit) - End of Year	<u>\$ 702,327</u>	<u>\$ (9,144,556)</u>	<u>\$ (8,442,229)</u>

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



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# NOTES TO THE FINANCIAL STATEMENTS

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# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

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# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## **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, 2024

## 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, 2024

## 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.

**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.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Major Funds (Continued)

**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.

### 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



# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Basis of Accounting (Continued)

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.

### 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.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 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.

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.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### J. Capital Assets (Continued)

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, 2024 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, 2024, 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.
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.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### M. Fund Balance (Continued)

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.

### 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.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### O. Fair Value Measurements (Continued)

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

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

### 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, 2024 to liquidate the encumbrances. Encumbrances outstanding as of June 30, 2024 are listed below:

	<u>Amount</u>
General Fund	\$ 2,075,374
Measure N	3,797,249
Housing & Community Grants	7,963,970
Housing Successor Agency	1,085,007
American Rescue Plan	2,011,334
Transportation	1,092,862
Civic Center Fund	2,655,333
Non-Major Governmental Funds	5,064,065
Water Reclamation Facility	413,575
Storm Sewer Maintenance	3,637
Solid Waste	3,828,947
Transit	2,549,098
Convention Center	206,417
Airport	112,000
Vehicle Replacement	2,573,788
Information Services	6,433
	<u>\$ 35,439,089</u>

### 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.

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **Q. Leases (Continued)**

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. For this fiscal year the rates were as follows: 2.63% for a subscription term of 0-60 months; 2.42% for a subscription term of 61-120 months; and 3.26% for a subscription term of 121 months or more.
- 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. For this fiscal year the rates were as follows: 2.63% for a subscription term of 0-60 months; 2.42% for a subscription term of 61-120 months; and 3.26% for a subscription term of 121 months or more.
- 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.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Q. Leases (Continued)

- 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.

### R. Subscription-Based Information Technology Arrangements (SBITA)

The City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA) in 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: 2.63% for a subscription term of 0-60 months; 2.42% for a subscription term of 61-120 months; and 3.26% 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, 2024

## 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. 100, Accounting Changes and Error Corrections

The primary objective of this 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 implemented this statement for June 30, 2024.

### T. Future GASB Pronouncements

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

#### 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.

#### GASB Statement No. 102, Certain Risk Disclosures

The objective of this Statement is to provide users of government financial statement with essential information about risk related to a government's vulnerabilities due to certain concentrations or constraints. The provisions of this statement are effective for fiscal year 2024-25. The City has elected not to implement GASB Statement No. 102 early and has not determined its effects on the City's financial statements.

#### GASB Statement No. 103, Financial Reporting Model Improvements

The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The provisions of this statement are effective for fiscal year 2025-26. The City has elected not to implement GASB Statement No. 103 early and has not determined its effects on the City's financial statements.

#### GASB Statement No. 104, Disclosure of Certain Capital Assets

The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The provisions of this statement are effective for fiscal year 2025-26. The City has elected not to implement GASB Statement No. 104 early and has not determined its effects on the City's financial statements.

### U. New Funds

During fiscal year 2023-24, the City created two new funds receiving state grant funding, the ERF Encampment Resolution Fund for the Navigation Center project and the HomeKey Fund for the Majestic project. These funds roll up in the financial statements into the Housing & Community Grants, a non-major governmental fund.



# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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.

### A. 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:		Non-Major Funds: (Continued)	
American Rescue Plan	\$ 320,715	Special Revenue Funds:	
Civic Center	\$ 24,261	Oak Tree Preservation	\$ 68,040
		Conservation	\$ 107
Non-Major Funds:		Housing & Community Grants	\$ 801,876
Special Revenue Funds:		Capital Projects Funds:	
Groundwater Recharge	\$ 300,506	Facility Improvements	\$ 337
Kaweah Lake and Storm Water Maintenance	\$ 4,688	Regional Parks	\$ 248
Special Service Districts	\$ 68,388	Vehicle Miles Traveled Impact Fee	\$ 12
Narcotics Forfeiture	\$ 6,590	Animal Control Reserve	\$ 108
Measure T - Fire	\$ 46,893	Baseball	\$ 90,435

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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, 2024, are classified in the Statement of Net Position as follows:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 592,293,741
Restricted Cash and Investments	7,068,981
Fiduciary Funds Statement of Net Position:	
Cash and Investments	986,802
Restricted Cash and Investments	<u>528,314</u>
Total Cash and Investments	<u>\$ 600,877,838</u>

Cash and investments as of June 30, 2024, consist of the following:

Cash on hand	\$ 11,850
Deposits with financial institutions	10,961,124
Investments	<u>589,904,864</u>
Total Cash and Investments	<u>\$ 600,877,838</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.

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 3 – CASH AND INVESTMENTS (Continued)

### A. Investments Authorized by the California Government Code and the City of Visalia’s Investment Policy (Continued)

<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.

### 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

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 3 – CASH AND INVESTMENTS (Continued)

### 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.

Investment Type	Balance at 06/30/2024	Weighted Average Maturity (in Days )	% of Investments
Federal Agency Securities	\$ 208,256,822	257.96	35.30%
U.S. Treasuries	44,342,845	58.67	7.52%
Local Agency Investment Fund	30,471,429	N/A	5.17%
California Asset Management Program	55,743,990	N/A	9.45%
Corporate Medium-Term Notes	85,998,348	103.97	14.58%
Municipal Bonds	164,354,024	226.02	27.86%
Local Agency Bonds	193,914	0.50	0.03%
Held by Bond Trustee:			
Money Market Funds	543,492	0.03	0.09%
Total	<u>\$ 589,904,864</u>		

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

As of June 30, 2024, and during the 2023-24 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:

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 3 – CASH AND INVESTMENTS (Continued)

### E. Disclosures Relating to Credit Risk (Continued)

Investment Type		Minimum Legal Rating	<i>Moody's Rating</i>	<i>Standard &amp; Poors Rating</i>	% of Portfolio
Federal Agency Securities	\$ 208,256,822	N/A	Aaa	AA+	35.30%
U.S. Treasuries	44,342,845	N/A	Aaa	Not Rated	7.52%
Corporate Medium-Term Notes	2,956,950	A	Aa2	AA	0.50%
Corporate Medium-Term Notes	15,311,070	A	A1	AA	2.59%
Corporate Medium-Term Notes	4,835,451	A	Aa3	AA-	0.82%
Corporate Medium-Term Notes	7,062,170	A	Aaa	A+	1.20%
Corporate Medium-Term Notes	11,709,190	A	A1	A+	1.98%
Corporate Medium-Term Notes	20,754,052	A	A1	A	3.52%
Corporate Medium-Term Notes	7,883,420	A	A2	A	1.34%
Corporate Medium-Term Notes	2,943,270	A	A3	A	0.50%
Corporate Medium-Term Notes	6,337,410	A	A1	A-	1.07%
Corporate Medium-Term Notes	3,709,240	A	A2	A-	0.63%
Corporate Medium-Term Notes	2,496,125	A	A3	A-	0.42%
Local Agency Investment Fund	30,471,429	N/A	Not Rated	Not Rated	5.17%
California Asset Management Program	55,743,990	N/A	Not Rated	Not Rated	9.45%
Municipal Bonds	951,755	A	Aaa	AAA	0.16%
Municipal Bonds	10,822,625	A	Aa1	AAA	1.83%
Municipal Bonds	2,327,238	A	Aa2	AAA	0.39%
Municipal Bonds	8,188,896	A	Not Rated	AAA	1.39%
Municipal Bonds	10,525,986	A	Aaa	AA+	1.78%
Municipal Bonds	9,212,497	A	Aa1	AA+	1.56%
Municipal Bonds	4,222,491	A	Not Rated	AA+	0.72%
Municipal Bonds	4,489,888	A	Aa1	AA	0.76%
Municipal Bonds	11,837,702	A	Aa2	AA	2.01%
Municipal Bonds	10,119,802	A	Aa3	AA	1.72%
Municipal Bonds	2,747,700	A	A1	AA	0.47%
Municipal Bonds	6,128,727	A	Not Rated	AA	1.04%
Municipal Bonds	51,374,768	A	Aa2	AA-	8.71%
Municipal Bonds	5,596,234	A	Aa3	AA-	0.95%
Municipal Bonds	6,428,240	A	Not Rated	AA-	1.09%
Municipal Bonds	2,991,943	A	Aa3	A+	0.51%
Municipal Bonds	3,482,010	A	Aa1	Not Rated	0.59%
Municipal Bonds	8,115,821	A	Aa2	Not Rated	1.38%
Municipal Bonds	4,789,701	A	A1	Not Rated	0.81%
Local Agency Bonds	193,914	N/A	Not Rated	Not Rated	0.03%
Held by Bond Trustee:					
Money Market Funds	543,492	A	Aaa-mf	AAAm	0.09%
<b>Total</b>	<b>\$ 589,904,864</b>				<b>100.00%</b>

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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	\$ 98,900,157
Federal Farm Credit Bank	Federal Agency Securities	60,473,709
Federal National Mortgage Association	Federal Agency Securities	29,540,148
U.S. Treasuries	U.S. Treasuries	44,342,845
State of California Bonds	Municipal Bonds	33,646,479
Total		<u>\$ 266,903,338</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, 2024, 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, 2024

## 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, 2024, these investments matured in an average of 217 days. These valuations and financial statements are posted to the State Treasurer’s Office website at [www.treasurer.ca.gov](http://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, 2024:

<i>Investments by Fair Value Level</i>	Level 1	Level 2	Uncategorized	Total
Federal Agency Securities	\$ -	\$ 208,256,822	\$ -	\$ 208,256,822
U.S. Treasuries	44,342,845	-	-	44,342,845
Corporate Medium-Term Notes	-	85,998,348	-	85,998,348
Municipal Bonds	-	164,354,024	-	164,354,024
Held by Bond Trustee:				
Money market funds	-	543,492	-	543,492
Subtotal	<u>\$ 44,342,845</u>	<u>\$ 459,152,686</u>		503,495,531
<i>Investments Measured at Amortized Cost</i>				
Local Agency Bonds			193,914	193,914
Local Agency Investment Fund			30,471,429	30,471,429
California Asset Management Program			55,743,990	55,743,990
Subtotal			<u>\$ 86,409,333</u>	
Total Investments				<u>\$ 589,904,864</u>

U.S. Treasuries totaling \$44.3 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 \$208.3 million, corporate medium-term notes totaling \$86.0 million, municipal bonds totaling \$164.4 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, 2024

## 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, 2024, were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
<b>Governmental Funds:</b>		
General Fund	Compensated Absences - Internal Services	\$ 178,837 (B)
General Fund	Convention Center	19,337 (A)
Housing & Community Grants	General Fund	20,174 (B)
Transportation	Transportation Grants - Special Revenue	644,623 (A)
Civic Center	General Fund	17,438,451 (A)
<b>Debt Service Funds:</b>		
VPFA 2014 Refunding COP	General Fund	126,880 (C)
2015 COP	General Fund	590,899 (C)
2015 COP	Public Safety Impact Fee - Capital Projects	414,353 (C)
2015 COP	Measure T Police - Special Revenue	151,180 (C)
<b>Capital Projects Funds:</b>		
Parking District	General Fund	20,418 (B)
Baseball	General Fund	292,393 (B)
Baseball	General Fund	200,000 (A)
<b>Special Revenue Funds:</b>		
Measure R - Regional	Recreational Facilities - Capital Projects	9,087 (A)
GOVERNMENTAL Funds Sub-Total		20,106,632
<b>Enterprise Funds:</b>		
Animal Control	General Fund	1,203,899 (B)
Animal Control	General Fund	567,328 (C)
Convention Center	General Fund	300,000 (A)
Convention Center	General Fund	1,163,195 (B)
Convention Center	General Fund	1,088,175 (C)
Solid Waste	American Rescue Plan	18,225 (B)
Storm Sewer Maintenance	Kaweah Lake and Local Storm Water Maintenance - Special Revenue	300,000 (B)
ENTERPRISE Funds Sub-Total		4,640,822
<b>Internal Service Funds:</b>		
Risk Management	General Fund	2,000,000 (B)
INTERNAL SERVICE Funds Sub-Total		2,000,000
TOTAL TRANSFERS		\$ 26,747,454

(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, 2024

## NOTE 4 – INTERFUND TRANSACTIONS (Continued)

### B. Long-Term Interfund Advances

At June 30, 2024, the funds below had advance balances which were not expected to be repaid within the next year.

	Advances From Other Funds	Advances To Other Funds
General Fund	\$ -	\$ 1,967,833
Special Revenue Funds:		
Special Service Districts (Landscape & Lighting) (a)	1,108,726	-
Measure R - Regional (b)	859,107	-
Total Advances	<u>\$ 1,967,833</u>	<u>\$ 1,967,833</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, 2024, the General Fund provided \$1,254,698 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, 2024

## NOTE 5 – NOTES AND LOANS RECEIVABLE

### A. Current Year Transactions and Balances

	<u>Issue Date</u>	<u>Maturity</u>	<u>Balance at June 30, 2023</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance at June 30, 2024</u>
<b>GOVERNMENTAL ACTIVITIES</b>						
<u>General Fund</u>						
Visalia Successor Agency	-	-	\$ 11,910,395	\$ 242,482	\$ 685,609	11,467,268
101 NW 5th (SHE)	Nov 2018	Nov 2063	29,156	-	29,156	-
105 NW 5th (SHE)	Nov 2018	Nov 2063	29,156	-	29,156	-
Subtotal General Fund			<u>11,968,707</u>	<u>242,482</u>	<u>743,921</u>	<u>11,467,268</u>
<u>Housing &amp; Community Grants</u>						
1001 N Jacob (TCHA)	May 1996	July 2024	2,600	-	2,400	200
Fairview Village (KMC)	Dec 1994	Dec 2034	120,000	-	-	120,000
Navigation Center	July 2022	June 2042	-	1,950,182	-	1,950,182
Navigation Center	July 2022	June 2042	760,669	2,423,811	-	3,184,480
Navigation Center	July 2022	June 2042	-	3,628,371	-	3,628,371
1627 S Garden Public Facility	Aug 2019	Aug 2039	340,000	-	20,000	320,000
1627 S Garden Public Facility	Aug 2019	Aug 2039	225,250	-	13,250	212,000
Robinwood	April 2007	April 2036	563,322	-	43,333	519,989
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	1,716,523	634,375	-	2,350,898
Sequoia Village Project	April 2022	Mar 2057	1,472,727	-	27,273	1,445,454
Habitat for Humanity Assigned	Various	Various	263,509	-	778	262,731
NSP	Various	Various	529,139	-	20,913	508,226
CDBG	Various	Various	756,209	-	80,337	675,872
Cal Home	Various	Various	561,332	-	-	561,332
HOME	Various	Various	1,883,698	-	67,938	1,815,760
Subtotal Housing & Community Grants			<u>16,334,775</u>	<u>8,636,739</u>	<u>1,350,020</u>	<u>23,621,494</u>
<u>Housing Successor Agency</u>						
Kaweah Management (1)	June 1996	Nov 2025	250,000	-	-	250,000
Encina Triplex	Aug 2008	Aug 2048	259,851	-	7,022	252,829
Kimball Court (1)	Aug 1999	Aug 2054	499,895	-	-	499,895
Downtown Senior Housing (1)	April 2002	April 2057	900,000	-	-	900,000
Tulare County Housing Authority (1)	Aug 2003	Aug 2058	30,227	-	864	29,363
Mill Creek Parkway \$1.5M (KMC)	Mar 2006	Mar 2061	1,061,547	-	27,935	1,033,612
Mill Creek Parkway \$3.0M (KMC)	Oct 2015	Oct 2070	2,618,182	-	54,545	2,563,637
KMC 621 N Santa Fe	Dec 2021	Dec 2071	-	100,000	-	100,000
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	29,156	-	29,156	-
113 NW 5th (SHE)	Nov 2018	Nov 2063	29,156	-	29,156	-
1105 N Court (SHE)	Nov 2018	Nov 2063	29,156	-	29,156	-
1029 W Goshen	Jan 2011	Jan 2066	127,187	-	2,954	124,233
Lofts Project	Feb 2022	Dec 2057	329,320	-	-	329,320
Navigation Center	July 2022	June 2042	-	200,000	-	200,000
East Visalia Redevelopment	Various	Various	32,461	-	-	32,461
Habitat for Humanity Assigned	Various	Various	659,710	-	11,745	647,965
Housing Fund	Various	Various	64,688	-	5,451	59,237
Subtotal Housing Successor Funds			<u>8,143,244</u>	<u>300,000</u>	<u>197,984</u>	<u>8,245,260</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, 2024

## NOTE 5 – NOTES AND LOANS RECEIVABLE (Continued)

### A. Current Year Transactions and Balances (Continued)

	<u>Issue Date</u>	<u>Maturity</u>	Balance at <u>June 30, 2023</u>	<u>Additions</u>	<u>Repayments</u>	Balance at <u>June 30, 2024</u>
<b>GOVERNMENTAL ACTIVITIES</b>						
<u>Transportation Fund</u>						
Central Ca Conf Assoc (B090414)	Nov 2018	June 2024	5,010	-	5,010	-
Dillon Ent (B170632)	Dec 2018	June 2024	50,000	-	50,000	-
El Centro Corner (B183341)	May 2019	June 2025	95,265	-	47,632	47,633
NW Visalia Senior (B173132)	Oct 2019	June 2025	100,512	-	50,256	50,256
J Beast LP (B193168)	July 2020	June 2026	84,560	-	28,187	56,373
J Beast LP (B193169)	July 2020	June 2026	47,897	-	15,966	31,931
Vaccinated LP (B201416)	June 2021	June 2027	138,210	-	34,552	103,658
Vaccinated LP (B201417)	June 2021	June 2027	71,152	-	17,788	53,364
Subtotal Transportation Fund			<u>592,606</u>	<u>-</u>	<u>249,391</u>	<u>343,215</u>
<u>Civic Center Fund</u>						
Imagine U Museum	Dec 2016	Dec 2046	127,272	-	3,394	123,878
Subtotal Civic Center Fund			<u>127,272</u>	<u>-</u>	<u>3,394</u>	<u>123,878</u>
<u>Parking District Fund</u>						
Comfort Suites	Oct 2002	Oct 2032	106,936	-	10,285	96,651
Subtotal Parking District Fund			<u>106,936</u>	<u>-</u>	<u>10,285</u>	<u>96,651</u>
<u>Waterways Fund</u>						
Imagine U Museum	Dec 2016	Dec 2046	155,554	-	4,147	151,407
Subtotal Waterways Fund			<u>155,554</u>	<u>-</u>	<u>4,147</u>	<u>151,407</u>
<u>Govt Facilities Impact Fee Fund</u>						
Central Ca Conf Assoc (B090414)	Nov 2018	June 2024	150	-	150	-
El Centro Corner (B183341)	May 2019	June 2025	506	-	253	253
J Beast LP (B193168)	July 2020	June 2026	44,996	-	14,998	29,998
J Beast LP (B193169)	July 2020	June 2026	22,104	-	7,368	14,736
Vaccinated LP (B201416)	June 2021	June 2027	8,323	-	2,081	6,242
Vaccinated LP (B201417)	June 2021	June 2027	35,367	-	8,841	26,526
Subtotal Govt Facilities Impact Fee Fund			<u>111,446</u>	<u>-</u>	<u>33,691</u>	<u>77,755</u>
<u>Public Safety Impact Fee Fund</u>						
El Centro Corner (B183341)	May 2019	June 2025	6,341	-	3,171	3,170
J Beast LP (B193168)	July 2020	June 2026	27,947	-	9,316	18,631
Vaccinated LP (B201417)	June 2021	June 2027	25,602	-	6,400	19,202
Subtotal Public Safety Impact Fee Fund			<u>59,890</u>	<u>-</u>	<u>18,887</u>	<u>41,003</u>
<u>Storm Sewer Construction Fund</u>						
El Centro Corner (B183341)	May 2019	June 2025	414	-	207	207
J Beast LP (B193168)	July 2020	June 2026	1,973	-	657	1,316
Vaccinated LP (B201417)	June 2021	June 2027	1,808	-	452	1,356
Subtotal Storm Sewer Construction Fund			<u>4,195</u>	<u>-</u>	<u>1,316</u>	<u>2,879</u>
Total Governmental Activities			<u>37,604,625</u>	<u>9,179,221</u>	<u>2,613,036</u>	<u>44,170,810</u>
<b>BUSINESS - TYPE</b>						
<u>Water Reclamation Facility Fund</u>						
Central Ca Conf Assoc (B090414)	Nov 2018	June 2024	1,946	-	1,946	-
El Centro Corner (B183341)	May 2019	June 2025	5,609	-	2,805	2,804
NW Visalia Senior (B173132)	Oct 2019	June 2025	25,104	-	12,552	12,552
120 W Main St (B150085)	May 2015	June 2025	9,865	-	4,932	4,933
J Beast LP (B193168)	July 2020	June 2026	39,899	-	13,299	26,600
J Beast LP (B193169)	July 2020	June 2026	2,506	-	836	1,670
Vaccinated LP (B201416)	June 2021	June 2027	5,256	-	1,314	3,942
Vaccinated LP (B201417)	June 2021	June 2027	4,016	-	1,004	3,012
Subtotal Water Reclamation Facility Fund			<u>94,201</u>	<u>-</u>	<u>38,688</u>	<u>55,513</u>
Total Governmental Activities and Business-Type			<u>\$ 37,698,826</u>	<u>\$ 9,179,221</u>	<u>\$ 2,651,724</u>	<u>44,226,323</u>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 5 – NOTES AND LOANS RECEIVABLE (Continued)

### A. Current Year Transactions and Balances (Continued)

	Balance at <u>June 30, 2023</u>	<u>Additions</u>	<u>Repayments</u>	Balance at <u>June 30, 2024</u>
<u>FIDUCIARY</u>				
<u>Successor Agency</u>				
Willow Street Parking Structure	105,246	-	20,460	84,786
Subtotal Successor Agency	<u>\$ 105,246</u>	<u>\$ -</u>	<u>\$ 20,460</u>	<u>84,786</u>
Total Notes and Loans Receivable	<u>\$ 37,804,072</u>	<u>\$ 9,179,221</u>	<u>\$ 2,672,184</u>	<u>44,311,109</u>

### 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, 2024, these notes receivable totaled \$44,311,109 in the following funds: \$11,467,268 in the General Fund, \$23,621,494 in Housing & Community Grants, \$8,245,260 in the Housing Successor Agency Fund, \$343,215 in the Transportation Fund, \$123,878 in the Civic Center Fund, \$96,651 in the Parking District Fund, \$151,407 in the Waterways Fund, \$77,755 in the Government Facilities Impact Fee Fund, \$41,003 in the Public Safety Impact Fee Fund, \$2,879 in the Storm Sewer Construction Fund, \$55,513 in the Water Reclamation Facility Fund, and \$84,786 in the Fiduciary Successor Agency.

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 6 – CAPITAL ASSETS

### A. Capital Assets Additions and Retirements

	Balance July 1, 2023	Additions	Retirements	Transfers	Balance June 30, 2024
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets not being depreciated					
Land	\$ 41,630,336	\$ 675,915	\$ -	\$ -	\$ 42,306,251
Construction in progress	45,654,233	31,129,939	(740,013)	(10,922,992)	65,121,167
	<u>87,284,569</u>	<u>31,805,854</u>	<u>(740,013)</u>	<u>(10,922,992)</u>	<u>107,427,418</u>
Capital assets being depreciated					
Buildings	63,080,109	-	-	-	63,080,109
Improvements other than buildings	93,323,835	173,070	-	1,614,752	95,111,657
Machinery, equipment and vehicles	53,446,025	3,769,054	(841,940)	1,074,853	57,447,992
Infrastructure - streets, traffic signals & signs	266,978,311	3,475,803	(1,100,735)	7,417,961	276,771,340
	<u>476,828,280</u>	<u>7,417,927</u>	<u>(1,942,675)</u>	<u>10,107,566</u>	<u>492,411,098</u>
Accumulated depreciation					
Buildings	(19,062,932)	(1,277,919)	-	-	(20,340,851)
Improvements other than buildings	(33,598,953)	(2,410,297)	-	-	(36,009,250)
Machinery, equipment and vehicles	(33,456,771)	(3,243,438)	779,739	-	(35,920,470)
Infrastructure - streets, traffic signals & signs	(103,872,833)	(6,274,257)	1,100,735	-	(109,046,355)
	<u>(189,991,489)</u>	<u>(13,205,911)</u>	<u>1,880,474</u>	<u>-</u>	<u>(201,316,926)</u>
Intangible assets being amortized					
Right-to-use assets - lease assets - Land and land improvements	667,588	16,961	-	-	684,549
Right-to-use assets - lease assets - Buildings	243,305	-	(13,179)	-	230,126
Right-to-use assets - SBITA	2,178,768	2,187,545	-	-	4,366,313
	<u>3,089,661</u>	<u>2,204,506</u>	<u>(13,179)</u>	<u>-</u>	<u>5,280,988</u>
Accumulated amortization					
Right-to-use assets - lease assets - Land and land improvements	(52,582)	(27,477)	-	-	(80,059)
Right-to-use assets - lease assets - Buildings	(188,493)	(54,812)	-	-	(243,305)
Right-to-use assets - SBITA	(621,994)	(1,033,306)	-	-	(1,655,300)
	<u>(863,069)</u>	<u>(1,115,595)</u>	<u>-</u>	<u>-</u>	<u>(1,978,664)</u>
Governmental Capital Asset Activity, Net	<u>\$ 376,347,952</u>	<u>\$ 27,106,781</u>	<u>\$ (815,393)</u>	<u>\$ (815,426)</u>	<u>\$ 401,823,914</u>
Total Governmental Capital assets not being depreciated or amortized					\$ 107,427,418
Total Governmental Capital assets being depreciated or amortized					\$ 294,396,496
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Capital assets not being depreciated					
Land	\$ 26,144,947	\$ -	\$ -	\$ -	\$ 26,144,947
Construction in progress	5,743,757	2,368,428	(3,686)	-	8,108,499
	<u>31,888,704</u>	<u>2,368,428</u>	<u>(3,686)</u>	<u>-</u>	<u>34,253,446</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	74,850,978	4,990,153	(5,952,474)	-	73,888,657
Infrastructure - sewer and storm drainage	154,829,711	2,396,052	-	815,426	158,041,189
	<u>519,936,864</u>	<u>7,386,205</u>	<u>(5,952,474)</u>	<u>815,426</u>	<u>522,186,021</u>
Accumulated depreciation					
Buildings	(23,346,984)	(1,210,152)	-	-	(24,557,136)
Improvements other than buildings	(76,728,338)	(4,604,843)	-	-	(81,333,181)
Machinery, equipment and vehicles	(49,262,865)	(4,267,741)	5,672,358	-	(47,858,248)
Infrastructure - sewer and storm drainage	(38,413,375)	(1,942,516)	-	-	(40,355,891)
	<u>(187,751,562)</u>	<u>(12,025,252)</u>	<u>5,672,358</u>	<u>-</u>	<u>(194,104,456)</u>
Intangible assets being amortized					
Right-to-use assets - SBITA	64,915	79,207	-	-	144,122
	<u>64,915</u>	<u>79,207</u>	<u>-</u>	<u>-</u>	<u>144,122</u>
Accumulated amortization					
Right-to-use assets - SBITA	(32,458)	(50,100)	-	-	(82,558)
	<u>(32,458)</u>	<u>(50,100)</u>	<u>-</u>	<u>-</u>	<u>(82,558)</u>
Business-type Capital Asset Activity, Net	<u>\$ 364,106,463</u>	<u>\$ (2,241,512)</u>	<u>\$ (283,802)</u>	<u>\$ 815,426</u>	<u>\$ 362,396,575</u>
Total Business-Type Capital assets not being depreciated or amortized					\$ 34,253,446
Total Business-Type Capital assets being depreciated or amortized					\$ 328,143,129

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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:

<b>Governmental Activities</b>	
General Government	\$ 6,619,813
Housing & Community Grants	788
Public Works	1,499,799
Public Safety:	
Police	1,446,050
Fire	558,797
Community Services	1,646,511
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	<u>2,549,748</u>
Total Governmental Activities	<u>\$ 14,321,506</u>
<b>Business-Type Activities</b>	
Water Reclamation Facility	\$ 5,565,161
Storm Sewer Maintenance	848,392
Solid Waste	1,670,547
Transit	2,758,520
Convention Center	725,586
Airport	277,479
Building Safety	53,636
Animal Control	<u>176,031</u>
Total Business-Type Activities	<u>\$ 12,075,352</u>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 7 – LONG-TERM LIABILITIES

### A. Current Year Transactions and Balances

	Original Issue Amount	Balance at June 30, 2023	Additions	Retirements	Balance at June 30, 2024	Due Within One Year
<b>Governmental Activity Debt</b>						
Certificates of Participation:						
2015 COP	\$ 13,121,230	\$ 7,179,679	\$ -	\$ (901,123)	\$ 6,278,556	\$ 948,743
2014 VPFA - Refunding (1)	1,180,800	353,600	-	(112,000)	241,600	117,600
	<u>14,302,030</u>	<u>7,533,279</u>	<u>-</u>	<u>(1,013,123)</u>	<u>6,520,156</u>	<u>1,066,343</u>
Lease Liabilities (2)	-	678,803	16,961	(79,505)	616,259	23,868
SBITA Liabilities (3)	-	731,792	2,187,545	(508,338)	2,410,999	755,413
Internal Service Funds						
Compensated Absences	-	6,077,200	1,281,188	(1,240,385)	6,118,003	1,051,883
Total Governmental Activities	<u>\$ 14,302,030</u>	<u>\$ 15,021,074</u>	<u>\$ 3,485,694</u>	<u>\$ (2,841,351)</u>	<u>\$ 15,665,417</u>	<u>\$ 2,897,507</u>
<b>Business-Type Activity Debt</b>						
Certificates of Participation:						
2015 COP	\$ 4,788,770	\$ 2,620,321	\$ -	\$ (328,877)	\$ 2,291,444	\$ 346,257
2014 VPFA - Refunding (1)	6,199,200	1,856,400	-	(588,000)	1,268,400	617,400
Bond Premium	971,504	35,995	-	(23,787)	12,208	12,208
	<u>11,959,474</u>	<u>4,512,716</u>	<u>-</u>	<u>(940,664)</u>	<u>3,572,052</u>	<u>975,865</u>
Notes - Direct Borrowings:						
2014 Clean Water State Revolving Fund Loan	96,434,597	84,232,241	-	(2,596,351)	81,635,890	2,650,874
Lease - Direct Borrowings:						
2012 Animal Control	6,600,000	2,585,089	-	(482,266)	2,102,823	499,048
SBITA Liabilities (3)	-	64,915	79,207	(100,682)	43,440	16,272
Compensated Absences	-	1,215,788	200,429	(135,025)	1,281,192	220,498
Total Business-Type Activities	<u>\$ 114,994,071</u>	<u>\$ 92,610,749</u>	<u>\$ 279,636</u>	<u>\$ (4,254,988)</u>	<u>\$ 88,635,397</u>	<u>\$ 4,362,557</u>
<b>Fiduciary Funds</b>						
Redevelopment Agency Tax Allocation Bonds:						
2003 East Visalia District	\$ 5,185,000	\$ 890,000	\$ -	\$ (210,000)	\$ 680,000	\$ 220,000
Notes - Direct Borrowings:						
2004 RDA - Mooney District	2,707,250	878,130	-	(144,443)	733,687	150,720
Advances:						
General Fund	-	11,910,395	242,482	(685,609)	11,467,268	-
	<u>-</u>	<u>11,910,395</u>	<u>242,482</u>	<u>(685,609)</u>	<u>11,467,268</u>	<u>-</u>
Total Private Purpose Trust Funds	<u>\$ 7,892,250</u>	<u>\$ 13,678,525</u>	<u>\$ 242,482</u>	<u>\$ (1,040,052)</u>	<u>\$ 12,880,955</u>	<u>\$ 370,720</u>

(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 2.63% for FY2023-24 and 2.40% for FY2022-23.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## **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 \$12,208 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, 2024.

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, 2024.



# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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, 2024.

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, 2024

## 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 rates that have been used are 2.63% for SBITA contracted in fiscal year 2023-24 and 2.40% for SBITA contracted in prior fiscal years.

As of June 30, 2024, the capitalized right to use assets related to SBITA for governmental activities was \$4,366,313 and \$144,122 for business-type activities. As of June 30, 2024, the total subscription liability was \$2,410,999 for governmental activities and \$43,440 for business-type activities.

For the year ended June 30, 2024, the City recognized \$53,234 of interest expense related to these arrangements for governmental activities and \$2,657 of interest expense for business-type activities.

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

### I. Lessee Leases

The City has entered into various leases for building space and land, including land improvements, with inception dates ranging from January 2019 to July 2021. These leases have terms varying from 2 to 25 years and carry interest rates between 0.20% and 1.50%.

As of June 30, 2024, the City reported total lease assets for governmental activities amounting to \$914,675. The accumulated amortization of these assets totaled \$323,364, resulting in net lease assets of \$591,311.

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 7 – LONG-TERM LIABILITIES (Continued)

### I. Lessee Leases (Continued)

For the year ended June 30, 2024, the City recognized a reduction in the lease liability amounting to \$79,505 and interest expense of \$9,748.

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

### J. Debt Service Requirements

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

For the Year Ending June 30,	Governmental Activities					
	Public Offering		Lease Liabilities		SBITA Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,066,343	\$ 216,884	\$ 23,868	\$ 9,308	\$ 755,413	\$ 55,892
2026	1,120,364	162,216	24,229	8,947	721,345	31,114
2027	1,036,658	118,657	24,595	8,581	544,685	12,894
2028	1,065,963	87,118	24,966	8,210	389,556	1,479
2029	1,098,930	53,957	25,343	7,833	-	-
2030-2034	1,131,898	18,393	132,575	33,305	-	-
2035-2039	-	-	142,894	22,986	-	-
2040-2044	-	-	153,438	12,442	-	-
2045-2049	-	-	64,351	2,001	-	-
	<u>\$ 6,520,156</u>	<u>\$ 657,225</u>	<u>\$ 616,259</u>	<u>\$ 113,613</u>	<u>\$ 2,410,999</u>	<u>\$ 101,379</u>

For the Year Ending June 30,	Business-Type Activities						
	Direct Borrowings		Public Offering			SBITA Liabilities	
	Principal	Interest	Principal	Interest	Bond Premium	Principal	Interest
2025	\$ 3,149,922	\$ 1,782,634	\$ 963,657	\$ 123,804	\$ 12,208	\$ 16,272	\$ 920
2026	3,222,956	1,709,600	1,014,636	74,346	-	16,714	478
2027	3,297,763	1,634,792	378,342	43,306	-	10,454	138
2028	3,374,389	1,558,166	389,038	31,795	-	-	-
2029	2,880,660	1,484,567	401,069	19,693	-	-	-
2030-2034	15,336,522	6,489,618	413,102	6,713	-	-	-
2035-2039	17,015,925	4,810,214	-	-	-	-	-
2040-2044	18,879,230	2,946,909	-	-	-	-	-
2045-2049	16,581,346	879,565	-	-	-	-	-
	<u>\$ 83,738,713</u>	<u>\$ 23,296,065</u>	<u>\$ 3,559,844</u>	<u>\$ 299,657</u>	<u>\$ 12,208</u>	<u>\$ 43,440</u>	<u>\$ 1,536</u>

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 7 – LONG-TERM LIABILITIES (Continued)

### J. Debt Service Requirements

For the Year Ending June 30,	Private Purpose Trust Fund			
	Direct Borrowings		Public Offering	
	Principal	Interest	Principal	Interest
2025	\$ 150,720	\$ 30,397	\$ 220,000	\$ 29,750
2026	157,450	23,665	225,000	20,125
2027	164,391	16,726	235,000	10,281
2028	171,636	9,480	-	-
2029	89,490	1,927	-	-
	<u>\$ 733,687</u>	<u>\$ 82,195</u>	<u>\$ 680,000</u>	<u>\$ 60,156</u>

## 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, 2024, \$90,000 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, 2024, \$63,594 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, 2024, \$40,320 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, 2024

## 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, 2024 is as follows:

<b>City of Visalia</b>							
<b>Governmental Fund Balances</b>							
<b>June 30, 2024</b>							
(in thousands)							
	General	American			Civic	All Other	Total
	Fund	Measure N	Rescue Plan	Transportation	Center	Governmental Funds	Governmental Funds
<b>Nonspendable</b>							
Inventory	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136
Prepays/Deposits	15	-	-	-	-	-	15
Supplies	19	-	-	-	-	-	19
Advance - Measure R - Regional	572	-	-	-	-	-	572
Advance - Measure R - Trailways	287	-	-	-	-	-	287
Advance - Special Service Districts	1,109	-	-	-	-	-	1,109
<b>Total Nonspendable Fund Balance</b>	<b>2,138</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,138</b>
<b>Restricted</b>							
<b>Total Restricted Fund Balance</b>	<b>-</b>	<b>36,900</b>	<b>1,822</b>	<b>31,444</b>	<b>-</b>	<b>145,695</b>	<b>215,861</b>
<b>Committed</b>							
Golf Course	-	-	-	-	-	748	748
Conservation	-	-	-	-	-	256	256
Police Unclaimed Funds	-	-	-	-	-	117	117
Softball	-	-	-	-	-	7	7
Baseball	-	-	-	-	-	556	556
Civic Center	-	-	-	-	74,101	-	74,101
Emergency Reserve	22,705	-	-	-	-	-	22,705
Miscellaneous Capital Projects	905	-	-	-	-	-	905
<b>Total Committed Fund Balance</b>	<b>23,610</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,101</b>	<b>1,684</b>	<b>99,395</b>
<b>Assigned</b>							
Facility Improvements	-	-	-	-	-	807	807
Regional Parks	-	-	-	-	-	594	594
Vehicle Miles Traveled	-	-	-	-	-	27	27
Animal Control Reserve	-	-	-	-	-	259	259
Advance - Atwood District (Custodial Fund)	70	-	-	-	-	-	70
Advance - Laura District (Custodial Fund)	38	-	-	-	-	-	38
CIP Budgeted Not Started	10,087	-	-	-	-	-	10,087
Cal PERS Unfunded Liability FY 24/25	11,500	-	-	-	-	-	11,500
Successor Agency Loans	11,467	-	-	-	-	-	11,467
<b>Total Assigned Fund Balance</b>	<b>33,162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,687</b>	<b>34,849</b>
<b>Unassigned</b>							
<b>Total Unassigned Fund Balance (Deficit)</b>	<b>186</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(384)</b>	<b>(198)</b>
<b>Total Fund Balances</b>	<b>\$ 59,096</b>	<b>\$ 36,900</b>	<b>\$ 1,822</b>	<b>\$ 31,444</b>	<b>\$ 74,101</b>	<b>\$ 148,682</b>	<b>\$ 352,045</b>

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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 19/20</u>	<u>FY 20/21</u>	<u>FY 21/22</u>	<u>FY 22/23</u>	<u>FY 23/24</u>
<b>Nonspendable Fund Balance:</b>					
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 136
Prepaid Expenditures	26	22	27	18	15
Supplies	19	19	14	13	19
Long-Term Receivable	633	527	134	58	-
Advance - Public Safety Impact Fee (Fire)	304	-	-	-	-
Advance - Public Facility Impact Fee (Library)	98	60	26	-	-
Advance - Measure R - Regional	1,284	-	-	-	572
Advance - Measure R - Trailways	844	522	392	2,367	287
Advance - Special Service Districts	931	963	971	1,042	1,109
Advance - Transportation Grants	300	-	-	-	-
Advance - Airport	944	1,367	-	-	-
<b>Nonspendable Fund Balance Total</b>	<b>5,383</b>	<b>3,480</b>	<b>1,564</b>	<b>3,498</b>	<b>2,138</b>
<b>Committed Fund Balance:</b>					
Emergency Reserve	15,953	16,407	17,402	19,023	22,705
Miscellaneous Capital Projects	286	202	156	1,782	905
<b>Committed Fund Balance Total</b>	<b>16,239</b>	<b>16,609</b>	<b>17,558</b>	<b>20,805</b>	<b>23,610</b>
<b>Assigned Fund Balance:</b>					
Custodial Fund Advance - Atwood District	75	76	75	76	70
Custodial Fund Advance - Laura District	36	36	38	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	3,219	3,961	3,522	4,731	10,087
Cal PERS Unfunded Liability Payment	10,166	11,120	12,227	11,000	11,500
Successor Agency	12,069	12,431	12,077	11,910	11,467
<b>Assigned Fund Balance Total</b>	<b>25,573</b>	<b>27,629</b>	<b>27,939</b>	<b>27,968</b>	<b>33,162</b>
<b>Unassigned Fund Balance:</b>					
Unassigned	5,497	5,428	6,731	3,142	186
<b>Unassigned Fund Balance Total</b>	<b>5,497</b>	<b>5,428</b>	<b>6,731</b>	<b>3,142</b>	<b>186</b>
<b>Total Fund Balance</b>	<b>\$ 52,692</b>	<b>\$ 53,146</b>	<b>\$ 53,792</b>	<b>\$ 55,413</b>	<b>\$ 59,096</b>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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, 2024. Future revenues, future charges or interfund transfers are expected to offset these deficits:

Special Revenue Funds:		
Measure R Regional	\$	379,027
Debt Service Funds:		
VPFA 2014 Refunding Certificates of Participation	\$	990
2015 Certificates of Participation	\$	3,798
Fiduciary Funds:		
Successor Agency	\$	9,144,556
Internal Services:		
Fleet Services	\$	731,158

### D. Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2024:

	Governmental Activities	Business-Type Activities	Total
Capital Assets, net of			
accumulated depreciation and amortization	\$ 401,823,914	\$ 362,396,575	\$ 764,220,489
Less: outstanding principal on capital related debt	(6,520,156)	(87,310,765)	(93,830,921)
Less: outstanding leases liability	(616,259)	-	(616,259)
Less: outstanding SBITA lease liability	(2,410,999)	(43,440)	(2,454,439)
Less: Capital Accounts Payable	(503,672)	-	(503,672)
Net Investment in Capital Assets	<u>\$ 391,772,828</u>	<u>\$ 275,042,370</u>	<u>\$ 666,815,198</u>

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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, 2024, 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	11.520%	11.520%	11.520%	11.520%
Unfunded Liability Contribution % of Payroll (illustrative only)	18.538%	18.538%	18.538%	18.538%
	<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	22.470%	22.470%	22.470%	
Unfunded Liability Contribution % of Payroll (illustrative only)	21.387%	21.387%	21.387%	



# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 10 – EMPLOYEE BENEFITS (Continued)

### A. General Information about the Pension Plans (Continued)

**Employees Covered** – For valuation date, as of June 30, 2022, 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	500	257
Inactive employees entitled to but not yet receiving benefits	370	134
Active employees	379	218
Total	<u>1,249</u>	<u>609</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, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 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, 2022 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, 2024

## NOTE 10 – EMPLOYEE BENEFITS (Continued)

### B. Net Pension Liability (Continued)

	Miscellaneous	Safety
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
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 and Review of Actuarial Assumptions. Mortality rates incorporate full 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 2021 experience study and 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, 2022 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 be 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** – There were no assumption changes with the June 30, 2022 valuation date (2023 measurement date). The accounting discount rate remained at 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, 2024

## NOTE 10 – EMPLOYEE BENEFITS (Continued)

### B. Net Pension Liability (Continued)

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return <sup>1,2</sup>
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	100%	

(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.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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)
<b>Balance at June 30, 2022</b>	\$274,140,530	\$193,090,338	\$81,050,192
<b>Changes in the year:</b>			
Service cost	5,014,272	-	5,014,272
Interest on the total pension liability	18,923,125	-	18,923,125
Differences between actual and expected experience	4,073,370	-	4,073,370
Changes in benefit terms	337,776	-	337,776
Contribution - employer	-	9,200,531	(9,200,531)
Contribution - employee	-	2,280,204	(2,280,204)
Net investment income	-	11,991,455	(11,991,455)
Administrative expenses	-	(141,990)	141,990
Benefit payments, including refunds of employee contributions	(13,621,273)	(13,621,273)	-
<b>Net changes</b>	<b>14,727,270</b>	<b>9,708,927</b>	<b>5,018,343</b>
<b>Balance at June 30, 2023</b>	<b>\$288,867,800</b>	<b>\$202,799,265</b>	<b>\$86,068,535</b>

#### Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2022</b>	\$297,546,879	\$222,167,991	\$75,378,888
<b>Changes in the year:</b>			
Service cost	7,341,173	-	7,341,173
Interest on the total pension liability	20,534,740	-	20,534,740
Differences between actual and expected experience	2,691,739	-	2,691,739
Changes in benefit terms	142,088	-	142,088
Contribution - employer	-	11,407,444	(11,407,444)
Contribution - employee	-	2,809,328	(2,809,328)
Net investment income	-	13,860,541	(13,860,541)
Administrative expenses	-	(163,372)	163,372
Benefit payments, including refunds of employee contributions	(12,892,726)	(12,892,726)	-
<b>Net changes</b>	<b>17,817,014</b>	<b>15,021,215</b>	<b>2,795,799</b>
<b>Balance at June 30, 2023</b>	<b>\$315,363,893</b>	<b>\$237,189,206</b>	<b>\$78,174,687</b>

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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	\$124,736,591	\$125,333,455	\$250,070,046
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$86,068,535	\$78,174,687	\$164,243,222
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$54,186,354	\$40,011,321	\$94,197,675

**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, 2024, the City of Visalia recognized pension expense of \$27,348,079 (\$12,649,726 related to the Miscellaneous Plan and \$14,698,353 related to the Safety Plan). At June 30, 2024, 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	\$9,216,342	\$ -
Differences between expected and actual experience	2,875,320	(1,859,819)
Changes in assumptions	3,569,736	-
Net differences between projected and actual earnings on plan investments	9,161,319	-
Total	<u>\$24,822,717</u>	<u>(\$1,859,819)</u>

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## 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	\$11,174,769	\$ -
Differences between expected and actual experience	2,298,786	(1,813,177)
Changes in assumptions	7,331,552	-
Net differences between projected and actual earnings on plan investments	10,663,948	-
Total	<u>\$31,469,055</u>	<u>(\$1,813,177)</u>
<b>Grand Total</b>	<u><u>\$56,291,772</u></u>	<u><u>(\$3,672,996)</u></u>

\$20,391,111 (\$9,216,342 related to the Miscellaneous Plan and \$11,174,769 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, 2025. 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 June 30	Annual Amortization	Measurement Periods Ending June 30	Annual Amortization
2024	\$3,946,833	2024	\$4,339,597
2025	2,687,843	2025	3,746,543
2026	6,862,313	2026	9,601,521
2027	249,567	2027	793,448
Total	<u>\$13,746,556</u>	Total	<u>\$18,481,109</u>

**Expected Average Remaining Service Lifetime (EARSL) – Miscellaneous Plan** – The EARSL for the plan for the measurement period ending June 30, 2023 is 3.4 years, which was obtained by dividing the total service years of 4,223 (the sum of remaining service lifetimes of the active employees) by 1,249 (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, 2023 is 4.9 years, which was obtained by dividing the total service years of 2,960 (the sum of remaining service lifetimes of the active employees) by 609 (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, 2024

## **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, 2024, it is distributed 56% to governmental activities and 44% to business-type activities. The net pension liability, and related components for the safety plan are distributed 100% to the governmental activities. Historically, the General Fund has been used to liquidate the net pension liability for the City.

### F. Payable to the Pension Plan

At June 30, 2024, the City did not report a payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024 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. Participants in the Deferred Compensation Plan can make contributions on a pre-tax or post-tax (Roth) basis. Pre-tax contributions are not taxed on the deferred portion of their compensation until it is distributed to them. Roth contributions are made to the plan after payroll taxes are removed from the employee's paycheck and are not taxed at the time of distribution. 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, 2024, 37 retirees are participating in the City's health plan at full cost. Of these retirees 14 have dependent coverage. The full cost of the EPO and PPO plans is up to \$1,285 per month for retiree only coverage, \$2,570 for retiree and one dependent, and \$3,212 for the retiree and two or more dependents. The retiree fully funds these premiums.

As an alternative, the City also offers retirees access to the City's high deductible health plan at a premium cost up to \$1,041 per month for retiree only coverage, \$2,082 for retiree and one dependent, and \$2,603 for retiree and two or more dependents.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## **NOTE 10 – EMPLOYEE BENEFITS** (Continued)

### 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 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.

Two retirees qualified for the 2024 reduced rate; both are enrolled as retirees only. The retiree cost is up to \$757 per month with the City subsidizing up to \$1,056 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 pay full cost in 2029 or no longer qualify for this provision.

For fiscal year 2023-2024, the City's Retiree Health Care Contribution was approximately \$112,095.

## **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, PRISMHealth 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



# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 11 – RISK MANAGEMENT (Continued)

### A. Coverage (Continued)

developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

During the fiscal year ended June 30, 2024, the City contributed \$2,472,326 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
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
2023-24	8,292,932	1,334,045	(724,400)	8,902,577	447,175

## 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, 2024, the City had made commitments of approximately \$32.9 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, 2024

## **NOTE 13 – TRANSACTIONS WITH RELATED PARTIES**

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

<b>Other Related Party Transactions</b>	<b>Related Parties</b>	<b>Purpose</b>	<b>Amount for the Year Ended June 30, 2024</b>
Downtown Visalians	City Council Member	Business tax surcharge (passthrough)	\$ 190,460
Downtown Visalians	City Council Member	Security, cleaning services and misc.	61,474
<b>Total</b>			<b>251,934</b>
Downtown Visalia Property Owners Association	City Council Member	Property Based Improvement District (passthrough)	615,000
Downtown Visalia Property Owners Association	City Council Member	Parking fund revenue match	(39,519)
<b>Total</b>			<b>575,481</b>
<b>Total Related Party Transactions</b>			<b>\$ 827,415</b>

## **NOTE 14 – 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 28 years with the calculated interest rates used ranging from .90% to 2.63% depending on the length of the lease. For the year ended June 30, 2024, the City's governmental funds recognized \$171,410 in lease revenue and \$38,568 in lease interest revenue.

For proprietary funds, leased property includes buildings, office space, and land. The remaining terms of these arrangements range from 2 to 34 years with the calculated interest rates used ranging from .20% to 2.63% depending on the length of the lease. For the year ended June 30, 2024, the City's proprietary funds recognized \$454,534 in lease revenue and \$77,296 in lease interest revenue.

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 14 – LEASES RECEIVABLE (Continued)

### A. Current Year Transactions and Balances

A summary of the changes in lease receivables for the fiscal year ended June 30, 2024 is as follows:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024	Due Within One Year	Due in More Than One Year
<b>Governmental Lease Receivable Activities</b>						
General Fund	\$ 545,533	\$ 20,955	\$ (87,305)	\$ 479,183	\$ 60,497	\$ 418,686
Golf Course	1,289,387	488,015	(62,084)	1,715,318	63,109	1,652,209
Parking District	142,535	-	(4,642)	137,893	3,609	134,284
Total Governmental Activities	\$ 1,977,455	\$ 508,970	\$ (154,031)	\$ 2,332,394	\$ 127,215	\$ 2,205,179
<b>Business-Type Lease Receivable Activities</b>						
Transit	\$ 142,119	\$ 65,439	\$ (122,574)	\$ 84,984	\$ 47,327	\$ 37,657
Airport	5,565,958	53,958	(394,653)	5,225,263	390,458	4,834,805
Total Business-Type Activities	\$ 5,708,077	\$ 119,397	\$ (517,227)	\$ 5,310,247	\$ 437,785	\$ 4,872,462

### 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
2025	\$ 127,215	\$ 35,910	\$ 163,125	\$ 437,785	\$ 74,944	\$ 512,729
2026	127,312	33,686	160,998	405,502	68,980	474,482
2027	122,330	31,834	154,164	312,660	64,336	376,996
2028	114,369	30,058	144,427	197,717	60,975	258,692
2029	116,127	28,301	144,428	194,367	58,026	252,393
2030-2034	642,920	112,697	755,617	983,323	245,771	1,229,094
2035-2039	565,146	63,650	628,796	1,007,798	171,994	1,179,792
2040-2044	468,608	16,926	485,534	796,605	101,535	898,140
2045-2049	28,252	2,282	30,534	486,306	52,680	538,986
2050-2054	20,115	241	20,356	257,936	27,223	285,159
2055-2059	-	-	-	230,248	7,429	237,677
	\$ 2,332,394	\$ 355,585	\$ 2,687,979	\$ 5,310,247	\$ 933,893	\$ 6,244,140

# Notes to the Financial Statements

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2024

## NOTE 14 – LEASES RECEIVABLE (Continued)

### C. Deferred Inflows of Resources – Leases

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

	Governmental Activities	Business-Type Activities
For the Year Ending June 30,	<u>Deferred Inflows of Resources to be Recognized</u>	<u>Deferred Inflows of Resources to be Recognized</u>
2025	\$ 154,022	\$ 450,383
2026	154,022	442,531
2027	147,413	344,155
2028	137,998	215,768
2029	137,998	211,931
2030-2034	656,897	1,019,777
2035-2039	488,588	974,351
2040-2044	336,439	731,057
2045-2049	23,243	428,130
2050-2054	15,496	218,494
2055-2059	-	182,111
	<u>\$ 2,252,116</u>	<u>\$ 5,218,688</u>

## NOTE 15 – SUBSEQUENT EVENTS

**Litigation Settlement** - On September 20, 2024, the Tulare County Superior Court issued a judgment in favor of the City in the amount of \$1,330,989. The Court is considering additional arguments regarding potential damages beyond the initial judgment amount. A hearing on additional damages is scheduled for November 22, 2024. While a favorable judgment has been rendered, the final outcome and ultimate amount of recovery cannot be determined at this time.

**Management Review** - Management has evaluated subsequent events through December 11, 2024, the date on which the financial statements were available to be issued. Other than the matter described above, there were no additional subsequent events requiring recognition or disclosure in the financial statements.

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**  
(Unaudited)

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**City of Visalia**  
Required Supplementary Information (Unaudited)  
Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2024

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**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, 2024, 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, 2024**

REVENUES	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
Taxes				
Sales	\$ 45,363,200	\$ 45,363,200	\$ 47,622,285	\$ 2,259,085
Property	30,144,100	30,144,100	34,380,889	4,236,789
Transient Occupancy	3,976,500	3,976,500	4,789,890	813,390
Franchise	2,937,400	2,937,400	4,017,299	1,079,899
Business License	3,179,600	3,179,600	3,471,519	291,919
Total Taxes	85,600,800	85,600,800	94,281,882	8,681,082
Subventions and Grants				
Police and Other	418,000	1,156,274	2,512,458	1,356,184
Motor Vehicle License In-Lieu	107,900	107,900	176,674	68,774
Total Subventions and Grants	525,900	1,264,174	2,689,132	1,424,958
License and Permits				
Other License and Permits	60,000	60,000	49,863	(10,137)
Total License and Permits	60,000	60,000	49,863	(10,137)
Fees and Fines				
Vehicle Code and Parking Violations	456,800	456,800	551,548	94,748
Local Ordinance Violations	434,200	434,200	570,104	135,904
Total Fees and Fines	891,000	891,000	1,121,652	230,652
Use of Money and Property				
Interest Earned	631,900	631,900	2,365,534	1,733,634
Rents and Concessions	342,300	342,300	412,043	69,743
Total Use of Money and Property	974,200	974,200	2,777,577	1,803,377
Charges for Services				
Engineering and Subdivision Fees	1,137,000	1,137,000	1,142,025	5,025
Zoning Fees	234,700	234,700	206,748	(27,952)
Special Public Safety Services	1,338,900	1,338,900	1,660,954	322,054
Recreation Programs	1,476,500	1,476,500	713,286	(763,214)
Total Charges for Services	4,187,100	4,187,100	3,723,013	(464,087)
Other Revenue	1,096,000	1,096,000	1,479,770	383,770
Total Revenues	93,335,000	94,073,274	106,122,889	12,049,615



**CITY OF VISALIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<b>EXPENDITURES</b>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Current:				
General Government	\$ 3,834,100	\$ 3,821,179	\$ 3,134,116	\$ 687,063
Community Development	6,302,900	6,295,900	6,075,477	220,423
Public Safety:				
Fire	16,476,500	16,471,420	17,074,549	(603,129)
Police	40,207,600	40,279,290	37,726,822	2,552,468
Public Works	3,175,700	3,213,751	3,324,718	(110,967)
Parks & Recreation	10,197,600	10,213,787	7,440,478	2,773,309
Capital Outlay	1,342,500	2,558,996	3,071,920	(512,924)
Debt Service (Note 7)				
Principal	-	-	308,323	(308,323)
Interest and Fiscal Charges	-	-	29,808	(29,808)
Total Expenditures	<u>81,536,900</u>	<u>82,854,323</u>	<u>78,186,211</u>	<u>4,668,112</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,798,100</u>	<u>11,218,951</u>	<u>27,936,678</u>	<u>16,717,727</u>
Other Financing Sources (Uses)				
Subscription Assets Acquired	-	-	542,594	542,594
Issuance of Debt - Leases Acquired	-	-	16,961	16,961
Transfers In	-	-	198,174	198,174
Transfers Out	<u>(5,588,300)</u>	<u>(5,588,300)</u>	<u>(25,011,812)</u>	<u>(19,423,512)</u>
Total Other Financing Sources (Uses)	<u>(5,588,300)</u>	<u>(5,588,300)</u>	<u>(24,254,083)</u>	<u>(18,665,783)</u>
Net Change in Fund Balance	<u>\$ 6,209,800</u>	<u>\$ 5,630,651</u>	3,682,595	<u>\$ (1,948,056)</u>
Fund Balance Beginning of Year			<u>55,413,415</u>	
Fund Balance - End of Year			<u>\$ 59,096,010</u>	

**CITY OF VISALIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - MEASURE N FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<b>REVENUES</b>				
Taxes				
Sales	\$ 19,669,500	\$ 19,669,500	\$ 18,394,594	\$ (1,274,906)
Total Taxes	<u>19,669,500</u>	<u>19,669,500</u>	<u>18,394,594</u>	<u>(1,274,906)</u>
Subventions and Grants				
Police and Other	-	-	35,611	35,611
Total Subventions and Grants	<u>-</u>	<u>-</u>	<u>35,611</u>	<u>35,611</u>
Use of Money and Property				
Interest Earned	228,000	228,000	1,672,157	1,444,157
Total Use of Money and Property	<u>228,000</u>	<u>228,000</u>	<u>1,672,157</u>	<u>1,444,157</u>
Charges for Current Services	-	-	26,293	26,293
Other Revenue	-	-	8,432	8,432
Total Revenues	<u>19,897,500</u>	<u>19,897,500</u>	<u>20,137,087</u>	<u>239,587</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,994,000	1,994,000	235,867	1,758,133
Public Safety:				
Fire	1,701,000	1,701,000	1,628,256	72,744
Police	5,933,100	5,933,100	6,318,012	(384,912)
Parks & Recreation	881,400	884,265	757,760	126,505
Capital Outlay	4,076,800	12,506,406	12,214,788	291,618
Debt Service (Note 7)				
Debt Service-Principal	-	-	279,520	(279,520)
Debt Service-Interest	-	-	33,173	(33,173)
Total Expenditures	<u>14,586,300</u>	<u>23,018,771</u>	<u>21,467,376</u>	<u>1,551,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,311,200</u>	<u>(3,121,271)</u>	<u>(1,330,289)</u>	<u>1,790,982</u>
Other Financing Sources				
Subscription Assets Acquired	-	-	1,644,951	1,644,951
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>1,644,951</u>	<u>1,644,951</u>
Net Change in Fund Balance	<u>\$ 5,311,200</u>	<u>\$ (3,121,271)</u>	314,662	<u>\$ 3,435,933</u>
Fund Balance Beginning of Year			<u>36,585,593</u>	
Fund Balance - End of Year			<u>\$ 36,900,255</u>	

**CITY OF VISALIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - AMERICAN RESCUE PLAN FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Subventions and Grants	\$ -	\$ 2,975,996	\$ 2,975,996
Uses of Money and Property	-	1,069,333	1,069,333
Miscellaneous	-	106	106
Total Revenues	-	4,045,435	4,045,435
<b>Expenditures</b>			
Current:			
Capital Outlay	2,637,056	2,957,771	(320,715)
Total Expenditures	2,637,056	2,957,771	(320,715)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(2,637,056)	1,087,664	3,724,720
Other Financing Sources (Uses)			
Transfers Out	-	(18,225)	18,225
Total Other Financing Sources	-	(18,225)	18,225
Net Changes in Fund Balance	<u>\$ (2,637,056)</u>	1,069,439	<u>\$ 3,742,945</u>
Fund Balance - Beginning of Year		<u>752,847</u>	
Fund Balance - End of Year		<u>\$ 1,822,286</u>	

# Required Supplementary Information

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

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

<u>Miscellaneous Plan</u>	<u>2022-23<sup>1</sup></u>	<u>2021-22<sup>1</sup></u>	<u>2020-21<sup>1</sup></u>	<u>2019-20<sup>1</sup></u>	<u>2018-19<sup>1</sup></u>
Measurement Period					
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 5,014,272	\$ 4,868,837	\$ 4,395,969	\$ 4,403,664	\$ 4,255,037
Interest	18,923,125	17,957,207	17,627,181	16,958,814	16,380,941
Changes of Benefit Terms	337,776	-	-	-	-
Difference Between Expected and Actual Experience	4,073,370	(4,315,154)	(88,959)	(1,366,753)	2,525,650
Changes of Assumptions	-	8,329,382	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(13,621,273)	(13,000,942)	(12,115,961)	(11,727,761)	(10,795,043)
<b>Net Change in Total Pension Liability</b>	<b>14,727,270</b>	<b>13,839,330</b>	<b>9,818,230</b>	<b>8,267,964</b>	<b>12,366,585</b>
<b>Total Pension Liability - Beginning</b>	<b>274,140,530</b>	<b>260,301,200</b>	<b>250,482,970</b>	<b>242,215,006</b>	<b>229,848,421</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 288,867,800</b>	<b>\$ 274,140,530</b>	<b>\$ 260,301,200</b>	<b>\$ 250,482,970</b>	<b>\$ 242,215,006</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 9,200,531	\$ 8,224,129	\$ 7,688,208	\$ 7,072,583	\$ 6,219,874
Contributions - Employee	2,280,204	1,923,874	1,897,359	1,918,767	1,845,020
Net Investment Income	11,991,455	(16,135,131)	39,751,521	8,526,757	10,604,879
Benefit Payments, Including Refunds of Employee Contributions	(13,621,273)	(13,000,942)	(12,115,961)	(11,727,761)	(10,795,043)
Net Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(141,990)	(132,195)	(174,979)	(239,113)	(115,502)
Other Miscellaneous Income/(Expense) <sup>2</sup>	-	-	-	-	376
<b>Net Change in Fiduciary Net Position</b>	<b>9,708,927</b>	<b>(19,120,265)</b>	<b>37,046,148</b>	<b>5,551,233</b>	<b>7,759,604</b>
<b>Plan Fiduciary Net Position - Beginning<sup>3</sup></b>	<b>193,090,338</b>	<b>212,210,603</b>	<b>175,164,455</b>	<b>169,613,222</b>	<b>161,853,618</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 202,799,265</b>	<b>\$ 193,090,338</b>	<b>\$ 212,210,603</b>	<b>\$ 175,164,455</b>	<b>\$ 169,613,222</b>
<b>PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)</b>	<b>\$ 86,068,535</b>	<b>\$ 81,050,192</b>	<b>\$ 48,090,597</b>	<b>\$ 75,318,515</b>	<b>\$ 72,601,784</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.20%</b>	<b>70.43%</b>	<b>81.53%</b>	<b>69.93%</b>	<b>70.03%</b>
<b>Covered Payroll<sup>4</sup></b>	<b>\$ 26,488,495</b>	<b>\$ 25,571,621</b>	<b>\$ 25,483,876</b>	<b>\$ 25,250,366</b>	<b>\$ 23,916,793</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>324.93%</b>	<b>316.95%</b>	<b>188.71%</b>	<b>298.29%</b>	<b>303.56%</b>

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

<sup>2</sup> 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).

<sup>3</sup> Includes any beginning of year adjustments.

<sup>4</sup> Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 and 2023; 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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

**Changes of Assumptions:** There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

# Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

**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 <sup>1</sup>	2016-17 <sup>1</sup>	2015-16 <sup>1</sup>	2014-15 <sup>1</sup>	2013-14 <sup>1</sup>
<b>TOTAL PENSION LIABILITY</b>					
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)
<b>Net Change in Total Pension Liability</b>	<b>7,737,506</b>	<b>19,521,684</b>	<b>10,088,834</b>	<b>5,590,555</b>	<b>9,303,746</b>
<b>Total Pension Liability - Beginning</b>	<b>222,110,915</b>	<b>202,589,231</b>	<b>192,500,397</b>	<b>186,909,842</b>	<b>177,606,096</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 229,848,421</b>	<b>\$ 222,110,915</b>	<b>\$ 202,589,231</b>	<b>\$ 192,500,397</b>	<b>\$ 186,909,842</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
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) <sup>2</sup>	(451,018)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>9,441,060</b>	<b>12,706,732</b>	<b>(1,632,063)</b>	<b>654,405</b>	<b>19,141,436</b>
<b>Plan Fiduciary Net Position - Beginning<sup>3</sup></b>	<b>152,412,558</b>	<b>139,705,826</b>	<b>141,337,889</b>	<b>140,683,484</b>	<b>121,542,048</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 161,853,618</b>	<b>\$ 152,412,558</b>	<b>\$ 139,705,826</b>	<b>\$ 141,337,889</b>	<b>\$ 140,683,484</b>
<b>PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)</b>	<b>\$ 67,994,803</b>	<b>\$ 69,698,357</b>	<b>\$ 62,883,405</b>	<b>\$ 51,162,508</b>	<b>\$ 46,226,358</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.42%</b>	<b>68.62%</b>	<b>68.96%</b>	<b>73.42%</b>	<b>75.27%</b>
<b>Covered Payroll<sup>4</sup></b>	<b>\$ 23,303,337</b>	<b>\$ 22,840,895</b>	<b>\$ 22,218,995</b>	<b>\$ 21,309,546</b>	<b>\$ 20,653,520</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>291.78%</b>	<b>305.15%</b>	<b>283.02%</b>	<b>240.09%</b>	<b>223.82%</b>

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

<sup>2</sup> 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).

<sup>3</sup> Includes any beginning of year adjustments.

<sup>4</sup> Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 and 2023; 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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

# Required Supplementary Information

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

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

**Safety Plan**

Measurement Period	2022-23 <sup>1</sup>	2021-22 <sup>1</sup>	2020-21 <sup>1</sup>	2019-20 <sup>1</sup>	2018-19 <sup>1</sup>
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 7,341,173	\$ 7,271,834	\$ 6,473,248	\$ 6,324,588	\$ 6,222,413
Interest	20,534,740	19,359,561	18,396,919	17,437,680	16,600,696
Changes of Benefit Terms	142,088	-	-	-	-
Difference Between Expected and Actual Experience	2,691,739	(2,751,520)	403,302	(1,240,319)	3,326,073
Changes of Assumptions	-	12,387,796	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(12,892,726)	(12,043,905)	(11,219,989)	(10,427,951)	(9,427,686)
<b>Net Change in Total Pension Liability</b>	<b>17,817,014</b>	<b>24,223,766</b>	<b>14,053,480</b>	<b>12,093,998</b>	<b>16,721,496</b>
<b>Total Pension Liability - Beginning</b>	<b>297,546,879</b>	<b>273,323,113</b>	<b>259,269,633</b>	<b>247,175,635</b>	<b>230,454,139</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 315,363,893</b>	<b>\$ 297,546,879</b>	<b>\$ 273,323,113</b>	<b>\$ 259,269,633</b>	<b>\$ 247,175,635</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 11,407,444	\$ 10,480,584	\$ 10,044,602	\$ 8,928,558	\$ 8,085,201
Contributions - Employee	2,809,328	2,430,715	2,349,763	2,142,637	2,172,900
Net Investment Income	13,860,541	(18,360,033)	44,537,546	9,341,900	11,443,404
Benefit Payments, Including Refunds of Employee Contributions	(12,892,726)	(12,043,905)	(11,219,989)	(10,427,951)	(9,427,686)
Net Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(163,372)	(149,387)	(194,086)	(260,195)	(123,040)
Other Miscellaneous Income/(Expense) <sup>2</sup>	-	-	-	-	400
<b>Net Change in Fiduciary Net Position</b>	<b>15,021,215</b>	<b>(17,642,026)</b>	<b>45,517,836</b>	<b>9,724,949</b>	<b>12,151,179</b>
<b>Plan Fiduciary Net Position - Beginning<sup>3</sup></b>	<b>222,167,991</b>	<b>239,810,017</b>	<b>194,292,181</b>	<b>184,567,232</b>	<b>172,416,053</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 237,189,206</b>	<b>\$ 222,167,991</b>	<b>\$ 239,810,017</b>	<b>\$ 194,292,181</b>	<b>\$ 184,567,232</b>
<b>PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)</b>	<b>\$ 78,174,687</b>	<b>\$ 75,378,888</b>	<b>\$ 33,513,096</b>	<b>\$ 64,977,452</b>	<b>\$ 62,608,403</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>75.21%</b>	<b>74.67%</b>	<b>87.74%</b>	<b>74.94%</b>	<b>74.67%</b>
<b>Covered Payroll<sup>4</sup></b>	<b>\$ 23,013,081</b>	<b>\$ 22,374,873</b>	<b>\$ 21,898,673</b>	<b>\$ 21,060,898</b>	<b>\$ 20,360,634</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>339.70%</b>	<b>336.89%</b>	<b>153.04%</b>	<b>308.52%</b>	<b>307.50%</b>

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<sup>3</sup> Includes any beginning of year adjustments.

<sup>4</sup> Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 and 2023; 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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

# Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

**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 <sup>1</sup>	2016-17 <sup>1</sup>	2015-16 <sup>1</sup>	2014-15 <sup>1</sup>	2013-14 <sup>1</sup>
<b>TOTAL PENSION LIABILITY</b>					
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)
<b>Net Change in Total Pension Liability</b>	<b>11,028,049</b>	<b>20,903,583</b>	<b>12,766,184</b>	<b>7,439,562</b>	<b>10,941,550</b>
<b>Total Pension Liability - Beginning</b>	<b>219,426,090</b>	<b>198,522,507</b>	<b>185,756,323</b>	<b>178,316,761</b>	<b>167,375,211</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 230,454,139</b>	<b>\$ 219,426,090</b>	<b>\$ 198,522,507</b>	<b>\$ 185,756,323</b>	<b>\$ 178,316,761</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
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) <sup>2</sup>	(470,593)	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>13,388,634</b>	<b>16,130,318</b>	<b>1,052,032</b>	<b>3,228,299</b>	<b>21,198,587</b>
<b>Plan Fiduciary Net Position - Beginning<sup>3</sup></b>	<b>159,027,419</b>	<b>142,897,101</b>	<b>141,845,069</b>	<b>138,616,770</b>	<b>117,418,183</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 172,416,053</b>	<b>\$ 159,027,419</b>	<b>\$ 142,897,101</b>	<b>\$ 141,845,069</b>	<b>\$ 138,616,770</b>
<b>PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)</b>	<b>\$ 58,038,086</b>	<b>\$ 60,398,671</b>	<b>\$ 55,625,406</b>	<b>\$ 43,911,254</b>	<b>\$ 39,699,991</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>74.82%</b>	<b>72.47%</b>	<b>71.98%</b>	<b>76.36%</b>	<b>77.74%</b>
<b>Covered Payroll<sup>4</sup></b>	<b>\$ 19,541,081</b>	<b>\$ 18,777,695</b>	<b>\$ 19,201,043</b>	<b>\$ 18,560,232</b>	<b>\$ 17,363,328</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>297.01%</b>	<b>321.65%</b>	<b>289.70%</b>	<b>236.59%</b>	<b>228.64%</b>

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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.

In 2022, SB 1168 increased the standard retiree lump sum death benefit from \$500 to \$2,000 for any death occurring on or after July 1, 2023. The impact, if any, is included in the changes of benefit terms.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 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. In addition, demographic assumptions and the price inflation 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 June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

# Required Supplementary Information

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

**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 <sup>1</sup>	Contributions as a Percentage of Covered Payroll
2023-24	\$ 9,216,342	\$ (9,216,342)	\$ -	\$ 30,711,600	30.01%
2022-23	9,200,531	(9,200,531)	-	26,488,495	34.73%
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 <sup>1</sup>	Contributions as a Percentage of Covered Payroll
2023-24	\$ 11,174,769	\$ (11,174,769)	\$ -	\$ 25,536,686	43.76%
2022-23	11,407,444	(11,407,444)	-	23,013,081	49.57%
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%

<sup>1</sup> Fiscal year ended June 30, 2024 covered payroll is based on PERSable income during fiscal year 2023-24. Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal year ended June 30, 2022 and 2023; 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 2022-23 were derived from the June 30, 2020 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method.
Amortization Method/Period	For details, see June 30, 2020 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2020 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.



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# SUPPLEMENTARY INFORMATION

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**CITY OF VISALIA**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION - CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original Budget	Final Budget		
<b>Revenues</b>				
Fees and Fines	\$ 6,388,400	\$ 6,388,400	\$ 6,203,382	\$ (185,018)
Uses of Money and Property	73,800	73,800	1,436,241	1,362,441
Total Revenues	<u>6,462,200</u>	<u>6,462,200</u>	<u>7,639,623</u>	<u>1,177,423</u>
<b>Expenditures</b>				
Current:				
Public Works	35,300	35,300	69,974	(34,674)
Capital Outlay	<u>5,239,300</u>	<u>2,415,805</u>	<u>1,310,128</u>	<u>1,105,677</u>
Total Expenditures	<u>5,274,600</u>	<u>2,451,105</u>	<u>1,380,102</u>	<u>1,071,003</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>1,187,600</u>	<u>4,011,095</u>	<u>6,259,521</u>	<u>2,248,426</u>
Other Financing Sources (Uses)				
Transfers In		-	644,623	644,623
Total Other Financing Sources		-	<u>644,623</u>	<u>644,623</u>
Net Changes in Fund Balance	<u>\$ 1,187,600</u>	<u>\$ 4,011,095</u>	6,904,144	<u>\$ 2,893,049</u>
Fund Balance - Beginning of Year			<u>24,539,198</u>	
Fund Balance - End of Year			<u>\$ 31,443,342</u>	

**CITY OF VISALIA**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - CIVIC CENTER - CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Uses of Money and Property	\$ -	\$ 2,725,410	\$ 2,725,410
Total Revenues	-	2,725,410	2,725,410
<b>Expenditures</b>			
Current:			
General Government	-	24,261	(24,261)
Capital Outlay	2,505,979	2,505,979	-
Total Expenditures	2,505,979	2,530,240	(24,261)
Excess (Deficiency) of Revenue Over (Under) Expenditures	(2,505,979)	195,170	2,701,149
Other Financing Sources			
Transfers In	-	17,438,451	17,438,451
Total Other Financing Sources	-	17,438,451	17,438,451
Net Changes in Fund Balance	<u>\$ (2,505,979)</u>	17,633,621	<u>\$ 20,139,600</u>
Fund Balance - Beginning of Year		56,467,810	
Fund Balance - End of Year		<u>\$ 74,101,431</u>	

## 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 4/5<sup>th</sup> 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 4/5<sup>th</sup> 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, 2024

## **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 Valley Oaks Golf, LLC.

## **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.

## **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), ERF Encampment Resolution, HomeKey, 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.

## **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.



# Non-Major Governmental Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2024

## **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.

## **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, 2024**

	SPECIAL REVENUE FUNDS			
	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance	Special Service Districts
<b>ASSETS</b>				
Cash and Investments	\$ 4,589,648	\$ 2,802,190	\$ 788,933	\$ 17,389,848
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	87,069	138,947	54,765	-
Lease Receivable	-	-	-	-
Taxes Receivable	-	188,902	-	122,822
Notes and Loans Receivable	151,407	-	-	-
Inventory	-	85,031	-	-
Due from Other Governmental Units	-	-	-	-
<b>Total Assets</b>	<b>\$ 4,828,124</b>	<b>\$ 3,215,070</b>	<b>\$ 843,698</b>	<b>\$ 17,512,670</b>
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ 49,892	\$ 66,728	\$ -	\$ 435,657
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	1,108,726
Customer Deposits	-	-	-	-
Unearned Revenue	-	85,031	-	-
<b>Total Liabilities</b>	<b>49,892</b>	<b>151,759</b>	<b>-</b>	<b>1,544,383</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	42,182	11,429	-	-
Leases	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>42,182</b>	<b>11,429</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	4,736,050	3,051,882	843,698	15,968,287
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>4,736,050</b>	<b>3,051,882</b>	<b>843,698</b>	<b>15,968,287</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 4,828,124</b>	<b>\$ 3,215,070</b>	<b>\$ 843,698</b>	<b>\$ 17,512,670</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2024**

	SPECIAL REVENUE FUNDS			
	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police
<b>ASSETS</b>				
Cash and Investments	\$ 724,072	\$ 88,192	\$ 747,104	\$ 8,766,590
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	6,281	212	-	1,481
Lease Receivable	-	-	-	-
Taxes Receivable	-	-	-	958,051
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	42,239
<b>Total Assets</b>	<b>\$ 730,353</b>	<b>\$ 88,404</b>	<b>\$ 747,104</b>	<b>\$ 9,768,361</b>
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ -	\$ 113	\$ 1,443	\$ 1,568
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	307,528	-
Unearned Revenue	-	-	393,518	-
<b>Total Liabilities</b>	<b>-</b>	<b>113</b>	<b>702,489</b>	<b>1,568</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	6,281	-	-	-
Leases	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>6,281</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	724,072	88,291	44,615	9,766,793
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>724,072</b>	<b>88,291</b>	<b>44,615</b>	<b>9,766,793</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 730,353</b>	<b>\$ 88,404</b>	<b>\$ 747,104</b>	<b>\$ 9,768,361</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2024**

	SPECIAL REVENUE FUNDS			
	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants
<b>ASSETS</b>				
Cash and Investments	\$ 6,760,539	\$ 15,040,172	\$ -	\$ 4,078,970
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	1,295	-	-	-
Lease Receivable	-	-	-	-
Taxes Receivable	638,701	1,029,943	1,361,439	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	97,507
<b>Total Assets</b>	<b>\$ 7,400,535</b>	<b>\$ 16,070,115</b>	<b>\$ 1,361,439</b>	<b>\$ 4,176,477</b>
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ 10,861	\$ 9,723	\$ 220,605	\$ 10,554
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	859,107	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>10,861</b>	<b>9,723</b>	<b>1,079,712</b>	<b>10,554</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	-	660,754	-
Unavailable Revenue - Impact Fees	-	-	-	-
Leases	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>660,754</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	7,389,674	16,060,392	-	4,165,923
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	(379,027)	-
<b>Total Fund Balances (Deficit)</b>	<b>7,389,674</b>	<b>16,060,392</b>	<b>(379,027)</b>	<b>4,165,923</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,400,535</b>	<b>\$ 16,070,115</b>	<b>\$ 1,361,439</b>	<b>\$ 4,176,477</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2024**

	SPECIAL REVENUE FUNDS			
	Golf Course	CASP Program	Oak Tree Preservation	Conservation
<b>ASSETS</b>				
Cash and Investments	\$ 680,386	\$ 627,368	\$ 238,443	\$ 255,545
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	7,500	-	-	-
Lease Receivable	1,715,318	-	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
	<b>\$ 2,403,204</b>	<b>\$ 627,368</b>	<b>\$ 238,443</b>	<b>\$ 255,545</b>
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ 81	\$ 3,525	\$ 6,490	\$ -
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
	<b>81</b>	<b>3,525</b>	<b>6,490</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	-	-	-	-
Leases	1,655,460	-	-	-
	<b>1,655,460</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	-	623,843	231,953	-
Committed	747,663	-	-	255,545
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
	<b>747,663</b>	<b>623,843</b>	<b>231,953</b>	<b>255,545</b>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<b>\$ 2,403,204</b>	<b>\$ 627,368</b>	<b>\$ 238,443</b>	<b>\$ 255,545</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2024**

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS
	Police Unclaimed Funds	Housing & Community Grants	Housing Successor Agency	VPFA 2014 Refunding Certificates of Participation
<b>ASSETS</b>				
Cash and Investments	\$ 261,528	\$ 8,117,749	\$ 2,275,691	\$ -
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	1
Cash Held by City	-	-	-	-
Accounts Receivable	-	-	-	-
Lease Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	-	23,621,494	8,245,260	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	161,573	-	-
<b>Total Assets</b>	<b>\$ 261,528</b>	<b>\$ 31,900,816</b>	<b>\$ 10,520,951</b>	<b>\$ 1</b>
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ 1,845	\$ 1,858,010	\$ 43,425	\$ 991
Due to Other Funds	-	1,254,698	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	142,786	5,712,728	-	-
<b>Total Liabilities</b>	<b>144,631</b>	<b>8,825,436</b>	<b>43,425</b>	<b>991</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	-	-	-	-
Leases	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Restricted	-	23,075,380	10,477,526	-
Committed	116,897	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	(990)
<b>Total Fund Balances (Deficit)</b>	<b>116,897</b>	<b>23,075,380</b>	<b>10,477,526</b>	<b>(990)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 261,528</b>	<b>\$ 31,900,816</b>	<b>\$ 10,520,951</b>	<b>\$ 1</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2024**

	DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS	
	2015 Certificates of Participation	Softball Facility Development	Highway Users	Recreational Facilities
<b>ASSETS</b>				
Cash and Investments	\$ -	\$ 6,811	\$ 12,981,931	\$ 12,263,381
Restricted Cash and Investments:				
Cash Held by Trustee	15,174	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	-	-	-	1,680,408
Lease Receivable	-	-	-	-
Taxes Receivable	-	-	630,995	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
<b>Total Assets</b>	<b>\$ 15,174</b>	<b>\$ 6,811</b>	<b>\$ 13,612,926</b>	<b>\$ 13,943,789</b>
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ 18,972	\$ -	\$ 345,593	\$ 39,261
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>18,972</b>	<b>-</b>	<b>345,593</b>	<b>39,261</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	-	-	-	1,680,408
Leases	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,680,408</b>
<b>FUND BALANCES</b>				
Restricted	-	-	13,267,333	12,224,120
Committed	-	6,811	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	(3,798)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>(3,798)</b>	<b>6,811</b>	<b>13,267,333</b>	<b>12,224,120</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 15,174</b>	<b>\$ 6,811</b>	<b>\$ 13,612,926</b>	<b>\$ 13,943,789</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2024**

	CAPITAL PROJECT FUNDS			
	Storm Sewer Construction	Public Safety Impact Fee	Government Facilities Impact Fee	Parking District
<b>ASSETS</b>				
Cash and Investments	\$ 5,746,415	\$ 2,204,222	\$ 10,583,579	\$ 4,240,770
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	144,720	249,093	652,379	2,147
Lease Receivable	-	-	-	137,893
Taxes Receivable	12,108	-	-	-
Notes and Loans Receivable	2,879	41,003	77,755	96,651
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,906,122</b>	<b>\$ 2,494,318</b>	<b>\$ 11,313,713</b>	<b>\$ 4,477,461</b>
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ 32,333	\$ 20	\$ -	\$ 47
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	99,990
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>32,333</b>	<b>20</b>	<b>-</b>	<b>100,037</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	70,756	249,093	652,379	-
Leases	-	-	-	131,712
<b>Total Deferred Inflows of Resources</b>	<b>70,756</b>	<b>249,093</b>	<b>652,379</b>	<b>131,712</b>
<b>FUND BALANCES</b>				
Restricted	5,803,033	2,245,205	10,661,334	4,245,712
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (Deficit)	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>5,803,033</b>	<b>2,245,205</b>	<b>10,661,334</b>	<b>4,245,712</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,906,122</b>	<b>\$ 2,494,318</b>	<b>\$ 11,313,713</b>	<b>\$ 4,477,461</b>



**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2024**

	CAPITAL PROJECT FUNDS			
	Facility Improvements	Regional Parks	Vehicle Miles Traveled Impact Fee	Animal Control Reserve
<b>ASSETS</b>				
Cash and Investments	\$ 806,576	\$ 593,894	\$ 27,415	\$ 259,082
Restricted Cash and Investments:				
Cash Held by Trustee	-	-	-	-
Cash Held by City	-	-	-	-
Accounts Receivable	-	-	-	-
Lease Receivable	-	-	-	-
Taxes Receivable	-	-	-	-
Notes and Loans Receivable	-	-	-	-
Inventory	-	-	-	-
Due from Other Governmental Units	-	-	-	-
	\$ 806,576	\$ 593,894	\$ 27,415	\$ 259,082
<b>LIABILITIES</b>				
Accounts, Interest and Contracts Payable	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	-
Advance from Other Funds	-	-	-	-
Customer Deposits	-	-	-	-
Unearned Revenue	-	-	-	-
	-	-	-	-
Total Liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Grants	-	-	-	-
Unavailable Revenue - Impact Fees	-	-	-	-
Leases	-	-	-	-
	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
<b>FUND BALANCES</b>				
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	806,576	593,894	27,415	259,082
Unassigned (Deficit)	-	-	-	-
	806,576	593,894	27,415	259,082
Total Fund Balances (Deficit)	806,576	593,894	27,415	259,082
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 806,576	\$ 593,894	\$ 27,415	\$ 259,082

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2024**

	CAPITAL PROJECT FUNDS	Total Non-major Governmental Funds
	Baseball	
<b>ASSETS</b>		
Cash and Investments	\$ -	\$ 123,947,044
Restricted Cash and Investments:		
Cash Held by Trustee	-	15,175
Cash Held by City	572,423	572,423
Accounts Receivable	20,192	3,046,489
Lease Receivable	-	1,853,211
Taxes Receivable	-	4,942,961
Notes and Loans Receivable	-	32,236,449
Inventory	-	85,031
Due from Other Governmental Units	-	301,319
	<u>\$ 592,615</u>	<u>\$ 167,000,102</u>
<b>LIABILITIES</b>		
Accounts, Interest and Contracts Payable	\$ 36,320	\$ 3,194,057
Due to Other Funds	-	1,254,698
Advance from Other Funds	-	1,967,833
Customer Deposits	-	407,518
Unearned Revenue	-	6,334,063
	<u>36,320</u>	<u>13,158,169</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Revenue - Grants	-	660,754
Unavailable Revenue - Impact Fees	-	2,712,528
Leases	-	1,787,172
	<u>-</u>	<u>5,160,454</u>
<b>FUND BALANCES</b>		
Restricted	-	145,695,116
Committed	556,295	1,683,211
Assigned	-	1,686,967
Unassigned (Deficit)	-	(383,815)
	<u>556,295</u>	<u>148,681,479</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 592,615</u>	<u>\$ 167,000,102</u>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	SPECIAL REVENUE FUNDS			
	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance	Special Service Districts
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	-	-
License and Permits	-	-	-	-
Fees and Fines	408,422	1,241,540	401,447	-
Uses of Money and Property	215,488	150,144	42,660	764,830
Charges for Current Services	327,681	-	-	5,666,013
Miscellaneous	-	-	-	3,316
<b>Total Revenues</b>	<b>951,591</b>	<b>1,391,684</b>	<b>444,107</b>	<b>6,434,159</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	422,171	682,906	23,688	-
Parks & Recreation	-	-	-	4,387,939
Capital Outlay	32,315	1,616,051	-	62,117
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>454,486</b>	<b>2,298,957</b>	<b>23,688</b>	<b>4,450,056</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	497,105	(907,273)	420,419	1,984,103
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	(300,000)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(300,000)</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>497,105</b>	<b>(907,273)</b>	<b>120,419</b>	<b>1,984,103</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	4,238,945	3,959,155	723,279	13,984,184
Adjustment - Changes from Major Funds to Non-Major Funds	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	4,238,945	3,959,155	723,279	13,984,184
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 4,736,050</b>	<b>\$ 3,051,882</b>	<b>\$ 843,698</b>	<b>\$ 15,968,287</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	SPECIAL REVENUE FUNDS			
	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ 5,529,066
Other Taxes	-	-	-	-
Subventions and Grants	-	411,468	-	29,079
License and Permits	-	-	-	-
Fees and Fines	1,475	-	-	-
Uses of Money and Property	33,901	6,667	-	386,495
Charges for Current Services	-	-	-	-
Miscellaneous	-	43	62,591	96,637
Total Revenues	<u>35,376</u>	<u>418,178</u>	<u>62,591</u>	<u>6,041,277</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	375,594	34,044	4,143,408
Public Works	1,262	-	-	-
Parks & Recreation	-	-	-	-
Capital Outlay	-	60,721	33,553	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,262</u>	<u>436,315</u>	<u>67,597</u>	<u>4,143,408</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,114</u>	<u>(18,137)</u>	<u>(5,006)</u>	<u>1,897,869</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	(151,180)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,180)</u>
Net Changes in Fund Balances	34,114	(18,137)	(5,006)	1,746,689
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	<u>689,958</u>	<u>106,428</u>	<u>49,621</u>	<u>8,020,104</u>
Adjustment - Changes from Major Funds to Non-Major Funds	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>689,958</u>	<u>106,428</u>	<u>49,621</u>	<u>8,020,104</u>
Fund Balances (Deficits) - End of Year	<u>\$ 724,072</u>	<u>\$ 88,291</u>	<u>\$ 44,615</u>	<u>\$ 9,766,793</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, 2024**

	SPECIAL REVENUE FUNDS			
	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants
<b>REVENUES</b>				
Sales Taxes	\$ 3,686,044	\$ 4,278,866	\$ 7,165,002	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	-	411,790
License and Permits	-	-	-	-
Fees and Fines	-	-	-	-
Uses of Money and Property	305,283	701,467	334	220,995
Charges for Current Services	54,126	-	-	-
Miscellaneous	67,002	10,005	38	-
Total Revenues	<u>4,112,455</u>	<u>4,990,338</u>	<u>7,165,374</u>	<u>632,785</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	3,138,955	-	-	-
Police	-	-	-	-
Public Works	-	40,145	97,220	1,969
Parks & Recreation	-	-	-	-
Capital Outlay	538	2,903,807	6,732,103	524,821
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>3,139,493</u>	<u>2,943,952</u>	<u>6,829,323</u>	<u>526,790</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>972,962</u>	<u>2,046,386</u>	<u>336,051</u>	<u>105,995</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	9,087	-
Transfers Out	-	-	-	(644,623)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9,087</u>	<u>(644,623)</u>
Net Changes in Fund Balances	972,962	2,046,386	345,138	(538,628)
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	<u>6,416,712</u>	<u>14,014,006</u>	<u>(724,165)</u>	<u>4,704,551</u>
Adjustment - Changes from Major Funds to Non-Major Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>6,416,712</u>	<u>14,014,006</u>	<u>(724,165)</u>	<u>4,704,551</u>
Fund Balances (Deficits) - End of Year	<u>\$ 7,389,674</u>	<u>\$ 16,060,392</u>	<u>\$ (379,027)</u>	<u>\$ 4,165,923</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, 2024**

	SPECIAL REVENUE FUNDS			
	Golf Course	CASP Program	Oak Tree Preservation	Conservation
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	89,476	-	-
Subventions and Grants	-	-	-	-
License and Permits	-	-	-	-
Fees and Fines	271,772	-	13,740	-
Uses of Money and Property	54,633	26,898	12,024	11,958
Charges for Current Services	-	-	-	-
Miscellaneous	4,093	13	-	-
Total Revenues	<u>330,498</u>	<u>116,387</u>	<u>25,764</u>	<u>11,958</u>
<b>EXPENDITURES</b>				
Current:				
General Government	63,638	-	-	-
Community Development	-	2,554	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	68,040	107
Capital Outlay	15,640	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>79,278</u>	<u>2,554</u>	<u>68,040</u>	<u>107</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>251,220</u>	<u>113,833</u>	<u>(42,276)</u>	<u>11,851</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	251,220	113,833	(42,276)	11,851
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	<u>496,443</u>	<u>510,010</u>	<u>274,229</u>	<u>243,694</u>
Adjustment - Changes from Major Funds to Non-Major Funds	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>496,443</u>	<u>510,010</u>	<u>274,229</u>	<u>243,694</u>
Fund Balances (Deficits) - End of Year	<u>\$ 747,663</u>	<u>\$ 623,843</u>	<u>\$ 231,953</u>	<u>\$ 255,545</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, 2024**

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS
	Police Unclaimed Funds	Housing & Community Grants	Housing Successor Agency	VPFA 2014 Refunding Certificates of Participation
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	18,823,556	300,000	-
License and Permits	-	-	-	-
Fees and Fines	-	44,736	-	-
Uses of Money and Property	12,461	203,680	117,627	-
Charges for Current Services	-	5,000	-	-
Miscellaneous	1,948	8,071	-	-
<b>Total Revenues</b>	<b>14,409</b>	<b>19,085,043</b>	<b>417,627</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	208,576	-
Community Development	-	71,751	-	-
Housing & Community Grants	-	1,859,186	-	-
Public Safety:				
Fire	-	-	-	-
Police	4,107	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Capital Outlay	25,065	11,525,349	200,000	-
Debt Service:				
Principal	-	-	-	112,000
Interest and Fiscal Charges	-	-	-	14,421
<b>Total Expenditures</b>	<b>29,172</b>	<b>13,456,286</b>	<b>408,576</b>	<b>126,421</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(14,763)	5,628,757	9,051	(126,421)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	20,174	-	126,880
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>20,174</b>	<b>-</b>	<b>126,880</b>
<b>Net Changes in Fund Balances</b>	<b>(14,763)</b>	<b>5,648,931</b>	<b>9,051</b>	<b>459</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	131,660	-	-	(1,449)
Adjustment - Changes from Major Funds to Non-Major Funds	-	17,426,449	10,468,475	-
Fund Balances (Deficits) - Beginning of Year, as Restated	131,660	17,426,449	10,468,475	(1,449)
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 116,897</b>	<b>\$ 23,075,380</b>	<b>\$ 10,477,526</b>	<b>\$ (990)</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	DEBT SERVICE FUNDS	CAPITAL PROJECT FUNDS	CAPITAL PROJECT FUNDS	
	2015 Certificates of Participation	Softball Facility Development	Highway Users	Recreational Facilities
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	7,612,723	-
License and Permits	-	-	-	-
Fees and Fines	-	-	-	2,348,018
Uses of Money and Property	3,932	246	572,567	537,783
Charges for Current Services	-	1,547	-	-
Miscellaneous	-	-	194	7
Total Revenues	<u>3,932</u>	<u>1,793</u>	<u>8,185,484</u>	<u>2,885,808</u>
<b>EXPENDITURES</b>				
Current:				
General Government	1,317	-	-	-
Community Development	-	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	-	-	1,032,010	-
Parks & Recreation	-	2	-	18,326
Capital Outlay	-	-	6,242,831	1,162,060
Debt Service:				
Principal	901,123	-	-	-
Interest and Fiscal Charges	250,297	-	-	-
Total Expenditures	<u>1,152,737</u>	<u>2</u>	<u>7,274,841</u>	<u>1,180,386</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>(1,148,805)</u>	<u>1,791</u>	<u>910,643</u>	<u>1,705,422</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,156,432	-	-	-
Transfers Out	-	-	-	(9,087)
Total Other Financing Sources (Uses)	<u>1,156,432</u>	<u>-</u>	<u>-</u>	<u>(9,087)</u>
Net Changes in Fund Balances	7,627	1,791	910,643	1,696,335
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	<u>(11,425)</u>	<u>5,020</u>	<u>12,356,690</u>	<u>10,527,785</u>
Adjustment - Changes from Major Funds to Non-Major Funds	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>(11,425)</u>	<u>5,020</u>	<u>12,356,690</u>	<u>10,527,785</u>
Fund Balances (Deficits) - End of Year	<u>\$ (3,798)</u>	<u>\$ 6,811</u>	<u>\$ 13,267,333</u>	<u>\$ 12,224,120</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, 2024**

CAPITAL PROJECT FUNDS

	Storm Sewer Construction	Public Safety Impact Fee	Government Facilities Impact Fee	Parking District
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	-	39,519
License and Permits	-	-	-	10,575
Fees and Fines	1,059,754	1,294,178	1,004,707	-
Uses of Money and Property	246,276	76,325	464,988	204,454
Charges for Current Services	-	-	-	-
Miscellaneous	5	-	-	-
Total Revenues	<u>1,306,035</u>	<u>1,370,503</u>	<u>1,469,695</u>	<u>254,548</u>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	11,939	6,875
Community Development	-	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	-	4,072	-	-
Police	-	873	-	-
Public Works	36,238	-	2,358	-
Parks & Recreation	-	-	-	-
Capital Outlay	40,636	1,966	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>76,874</u>	<u>6,911</u>	<u>14,297</u>	<u>6,875</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,229,161</u>	<u>1,363,592</u>	<u>1,455,398</u>	<u>247,673</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	20,418
Transfers Out	-	(414,353)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(414,353)</u>	<u>-</u>	<u>20,418</u>
Net Changes in Fund Balances	1,229,161	949,239	1,455,398	268,091
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	<u>4,573,872</u>	<u>1,295,966</u>	<u>9,205,936</u>	<u>3,977,621</u>
Adjustment - Changes from Major Funds to Non-Major Funds	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>4,573,872</u>	<u>1,295,966</u>	<u>9,205,936</u>	<u>3,977,621</u>
Fund Balances (Deficits) - End of Year	<u>\$ 5,803,033</u>	<u>\$ 2,245,205</u>	<u>\$ 10,661,334</u>	<u>\$ 4,245,712</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, 2024**

	CAPITAL PROJECT FUNDS			
	Facility Improvements	Regional Parks	Vehicle Miles Traveled Impact Fee	Animal Control Reserve
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	-	-
License and Permits	-	-	-	-
Fees and Fines	-	-	-	-
Uses of Money and Property	37,744	27,792	1,283	12,124
Charges for Current Services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total Revenues</b>	<b>37,744</b>	<b>27,792</b>	<b>1,283</b>	<b>12,124</b>
<b>EXPENDITURES</b>				
Current:				
General Government	337	248	12	108
Community Development	-	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Capital Outlay	-	15	-	-
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>337</b>	<b>263</b>	<b>12</b>	<b>108</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	37,407	27,529	1,271	12,016
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>37,407</b>	<b>27,529</b>	<b>1,271</b>	<b>12,016</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	769,169	566,365	26,144	247,066
Adjustment - Changes from Major Funds to Non-Major Funds	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	769,169	566,365	26,144	247,066
Fund Balances (Deficits) - End of Year	<b>\$ 806,576</b>	<b>\$ 593,894</b>	<b>\$ 27,415</b>	<b>\$ 259,082</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	CAPITAL PROJECT FUNDS	
	Baseball	Total Non-major Governmental Funds
<b>REVENUES</b>		
Sales Taxes	\$ -	\$ 20,658,978
Other Taxes	-	89,476
Subventions and Grants	-	27,628,135
License and Permits	-	10,575
Fees and Fines	-	8,089,789
Uses of Money and Property	18,420	5,471,479
Charges for Current Services	-	6,054,367
Miscellaneous	1	253,964
	<u>18,421</u>	<u>68,256,763</u>
<b>EXPENDITURES</b>		
Current:		
General Government	335,277	628,327
Community Development	-	74,305
Housing & Community Grants	-	1,859,186
Public Safety:		
Fire	-	3,143,027
Police	-	4,558,026
Public Works	-	2,339,967
Parks & Recreation	-	4,474,414
Capital Outlay	40,488	31,220,076
Debt Service:		
Principal	-	1,013,123
Interest and Fiscal Charges	-	264,718
	<u>375,765</u>	<u>49,575,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(357,344)</u>	<u>18,681,594</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	492,393	1,825,384
Transfers Out	-	(1,519,243)
	<u>492,393</u>	<u>306,141</u>
Net Changes in Fund Balances	135,049	18,987,735
Fund Balances (Deficits) - Beginning of Year, as Previously Reported	<u>421,246</u>	<u>101,798,820</u>
Adjustment - Changes from Major Funds to Non-Major Funds	-	27,894,924
Fund Balances (Deficits) - Beginning of Year, as Restated	<u>421,246</u>	<u>129,693,744</u>
Fund Balances (Deficits) - End of Year	<u>\$ 556,295</u>	<u>\$ 148,681,479</u>

**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, 2024**

	Waterways			Groundwater Recharge		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	473,500	408,422	(65,078)	1,243,700	1,241,540	(2,160)
Uses of Money and Property	26,700	215,488	188,788	3,000	150,144	147,144
Charges for Current Services	321,000	327,681	6,681	-	-	-
Miscellaneous	3,700	-	(3,700)	-	-	-
<b>Total Revenues</b>	<b>824,900</b>	<b>951,591</b>	<b>126,691</b>	<b>1,246,700</b>	<b>1,391,684</b>	<b>144,984</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	139,800	422,171	(282,371)	298,100	682,906	(384,806)
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	1,111,182	32,315	1,078,867	1,700,351	1,616,051	84,300
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,250,982</b>	<b>454,486</b>	<b>796,496</b>	<b>1,998,451</b>	<b>2,298,957</b>	<b>(300,506)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(426,082)</u>	<u>497,105</u>	<u>923,187</u>	<u>(751,751)</u>	<u>(907,273)</u>	<u>(155,522)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Changes in Fund Balances</b>	<b><u>\$ (426,082)</u></b>	<b><u>497,105</u></b>	<b><u>\$ 923,187</u></b>	<b><u>\$ (751,751)</u></b>	<b><u>(907,273)</u></b>	<b><u>\$ (155,522)</u></b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		<u>4,238,945</u>			<u>3,959,155</u>	
Adjustment - Changes from Major Funds to Non-Major Funds		<u>-</u>			<u>-</u>	
Fund Balances (Deficits) - Beginning of Year, as Restated		<u>4,238,945</u>			<u>3,959,155</u>	
Fund Balances (Deficits) - End of Year		<u><b>\$ 4,736,050</b></u>			<u><b>\$ 3,051,882</b></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, 2024**

	Kaweah Lake and Local Storm Water Maintenance			Special Service Districts		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	334,200	401,447	67,247	-	-	-
Uses of Money and Property	3,000	42,660	39,660	165,000	764,830	599,830
Charges for Current Services	-	-	-	5,458,200	5,666,013	207,813
Miscellaneous	-	-	-	-	3,316	3,316
<b>Total Revenues</b>	<b>337,200</b>	<b>444,107</b>	<b>106,907</b>	<b>5,623,200</b>	<b>6,434,159</b>	<b>810,959</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	19,000	23,688	(4,688)	-	-	-
Parks & Recreation	-	-	-	3,463,700	4,387,939	(924,239)
Capital Outlay	-	-	-	917,968	62,117	855,851
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>19,000</b>	<b>23,688</b>	<b>(4,688)</b>	<b>4,381,668</b>	<b>4,450,056</b>	<b>(68,388)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>318,200</b>	<b>420,419</b>	<b>102,219</b>	<b>1,241,532</b>	<b>1,984,103</b>	<b>742,571</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	(300,000)	(300,000)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 18,200</b>	<b>120,419</b>	<b>\$ 102,219</b>	<b>\$ 1,241,532</b>	<b>1,984,103</b>	<b>\$ 742,571</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		<u>723,279</u>			<u>13,984,184</u>	
Adjustment - Changes from Major Funds to Non-Major Funds		-			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		<u>723,279</u>			<u>13,984,184</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 843,698</u>			<u>\$ 15,968,287</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, 2024**

	Northeast Area			Grant & Loan Funds		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	411,469	411,468	(1)
License and Permits	-	-	-	-	-	-
Fees and Fines	7,100	1,475	(5,625)	-	-	-
Uses of Money and Property	5,000	33,901	28,901	-	6,667	6,667
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	43	43
<b>Total Revenues</b>	<b>12,100</b>	<b>35,376</b>	<b>23,276</b>	<b>411,469</b>	<b>418,178</b>	<b>6,709</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	339,000	375,594	(36,594)
Public Works	1,500	1,262	238	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	119,453	60,721	58,732
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,500</b>	<b>1,262</b>	<b>238</b>	<b>458,453</b>	<b>436,315</b>	<b>22,138</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,600	34,114	23,514	(46,984)	(18,137)	28,847
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 10,600</b>	<b>34,114</b>	<b>\$ 23,514</b>	<b>\$ (46,984)</b>	<b>(18,137)</b>	<b>\$ 28,847</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		689,958			106,428	
Adjustment - Changes from Major Funds to Non-Major Funds		-			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		689,958			106,428	
Fund Balances (Deficits) - End of Year		<u>\$ 724,072</u>			<u>\$ 88,291</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, 2024**

	Narcotics Forfeiture			Measure T - Police		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ 5,927,800	\$ 5,529,066	\$ (398,734)
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	6,000	29,079	23,079
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	-	-	20,000	386,495	366,495
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	33,000	62,591	29,591	33,700	96,637	62,937
<b>Total Revenues</b>	<b>33,000</b>	<b>62,591</b>	<b>29,591</b>	<b>5,987,500</b>	<b>6,041,277</b>	<b>53,777</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	13,000	34,044	(21,044)	4,508,700	4,143,408	365,292
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	48,007	33,553	14,454	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>61,007</b>	<b>67,597</b>	<b>(6,590)</b>	<b>4,508,700</b>	<b>4,143,408</b>	<b>365,292</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,007)</u>	<u>(5,006)</u>	<u>23,001</u>	<u>1,478,800</u>	<u>1,897,869</u>	<u>419,069</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(151,400)	(151,180)	220
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(151,400)</u>	<u>(151,180)</u>	<u>220</u>
<b>Net Changes in Fund Balances</b>	<b><u>\$ (28,007)</u></b>	<b><u>(5,006)</u></b>	<b><u>\$ 23,001</u></b>	<b><u>\$ 1,327,400</u></b>	<b><u>1,746,689</u></b>	<b><u>\$ 419,289</u></b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		<u>49,621</u>			<u>8,020,104</u>	
Adjustment - Changes from Major Funds to Non-Major Funds		<u>-</u>			<u>-</u>	
Fund Balances (Deficits) - Beginning of Year, as Restated		<u>49,621</u>			<u>8,020,104</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 44,615</u>			<u>\$ 9,766,793</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, 2024**

	Measure T - Fire			Measure R - Local		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ 3,951,900	\$ 3,686,044	\$ (265,856)	\$ 3,538,000	\$ 4,278,866	\$ 740,866
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	65,000	305,283	240,283	30,000	701,467	671,467
Charges for Current Services	25,000	54,126	29,126	-	-	-
Miscellaneous	5,200	67,002	61,802	-	10,005	10,005
<b>Total Revenues</b>	<b>4,047,100</b>	<b>4,112,455</b>	<b>65,355</b>	<b>3,568,000</b>	<b>4,990,338</b>	<b>1,422,338</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	3,092,600	3,138,955	(46,355)	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	34,700	40,145	(5,445)
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	538	(538)	4,271,737	2,903,807	1,367,930
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>3,092,600</b>	<b>3,139,493</b>	<b>(46,893)</b>	<b>4,306,437</b>	<b>2,943,952</b>	<b>1,362,485</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	954,500	972,962	18,462	(738,437)	2,046,386	2,784,823
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 954,500</b>	<b>972,962</b>	<b>\$ 18,462</b>	<b>\$ (738,437)</b>	<b>2,046,386</b>	<b>\$ 2,784,823</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		6,416,712			14,014,006	
Adjustment - Changes from Major Funds to Non-Major Funds		-			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		6,416,712			14,014,006	
Fund Balances (Deficits) - End of Year		\$ 7,389,674			\$ 16,060,392	



**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, 2024**

	Measure R - Regional			Transportation Grants		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ 2,315,000	\$ 7,165,002	\$ 4,850,002	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	1,875,000	411,790	(1,463,210)
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	334	334	-	220,995	220,995
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	38	38	-	-	-
<b>Total Revenues</b>	<b>2,315,000</b>	<b>7,165,374</b>	<b>4,850,374</b>	<b>1,875,000</b>	<b>632,785</b>	<b>(1,242,215)</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	97,220	(97,220)	200	1,969	(1,769)
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	6,835,358	6,732,103	103,255	583,486	524,821	58,665
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>6,835,358</b>	<b>6,829,323</b>	<b>6,035</b>	<b>583,686</b>	<b>526,790</b>	<b>56,896</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,520,358)</u>	<u>336,051</u>	<u>4,856,409</u>	<u>1,291,314</u>	<u>105,995</u>	<u>(1,185,319)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	9,087	9,087	-	-	-
Transfers Out	-	-	-	-	(644,623)	(644,623)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>9,087</b>	<b>9,087</b>	<b>-</b>	<b>(644,623)</b>	<b>(644,623)</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (4,520,358)</b>	<b>345,138</b>	<b>\$ 4,865,496</b>	<b>\$ 1,291,314</b>	<b>(538,628)</b>	<b>\$ (1,829,942)</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		<u>(724,165)</u>			<u>4,704,551</u>	
Adjustment - Changes from Major Funds to Non-Major Funds		<u>-</u>			<u>-</u>	
Fund Balances (Deficits) - Beginning of Year, as Restated		<u>(724,165)</u>			<u>4,704,551</u>	
Fund Balances (Deficits) - End of Year		<u>\$ (379,027)</u>			<u>\$ 4,165,923</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, 2024**

	Golf Course			CASP Program		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	84,000	89,476	5,476
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	150,000	271,772	121,772	-	-	-
Uses of Money and Property	900	54,633	53,733	3,600	26,898	23,298
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	4,093	4,093	100	13	(87)
<b>Total Revenues</b>	<b>150,900</b>	<b>330,498</b>	<b>179,598</b>	<b>87,700</b>	<b>116,387</b>	<b>28,687</b>
<b>EXPENDITURES</b>						
Current:						
General Government	60,400	63,638	(3,238)	-	-	-
Community Development	-	-	-	22,300	2,554	19,746
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	20,000	15,640	4,360	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>80,400</b>	<b>79,278</b>	<b>1,122</b>	<b>22,300</b>	<b>2,554</b>	<b>19,746</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	70,500	251,220	180,720	65,400	113,833	48,433
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 70,500</b>	<b>251,220</b>	<b>\$ 180,720</b>	<b>\$ 65,400</b>	<b>113,833</b>	<b>\$ 48,433</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		496,443			510,010	
Adjustment - Changes from Major Funds to Non-Major Funds		-			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		496,443			510,010	
Fund Balances (Deficits) - End of Year		<b>\$ 747,663</b>			<b>\$ 623,843</b>	

**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, 2024**

	Oak Tree Preservation			Conservation		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	13,740	13,740	-	-	-
Uses of Money and Property	-	12,024	12,024	-	11,958	11,958
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>25,764</b>	<b>25,764</b>	<b>-</b>	<b>11,958</b>	<b>11,958</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	68,040	(68,040)	-	107	(107)
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>68,040</b>	<b>(68,040)</b>	<b>-</b>	<b>107</b>	<b>(107)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(42,276)	(42,276)	-	11,851	11,851
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ -</b>	<b>(42,276)</b>	<b>\$ (42,276)</b>	<b>\$ -</b>	<b>11,851</b>	<b>\$ 11,851</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		274,229			243,694	
Adjustment - Changes from Major Funds to Non-Major Funds		-			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		274,229			243,694	
Fund Balances (Deficits) - End of Year		\$ 231,953			\$ 255,545	

**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, 2024**

	Police Unclaimed Funds			Housing & Community Grants		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	19,414,474	18,823,556	(590,918)
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	25,000	44,736	19,736
Uses of Money and Property	-	12,461	12,461	64,100	203,680	139,580
Charges for Current Services	-	-	-	-	5,000	5,000
Miscellaneous	10,000	1,948	(8,052)	5,500	8,071	2,571
<b>Total Revenues</b>	<b>10,000</b>	<b>14,409</b>	<b>4,409</b>	<b>19,509,074</b>	<b>19,085,043</b>	<b>(424,031)</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	85,300	71,751	13,549
Housing & Community Grants	-	-	-	1,044,111	1,859,186	(815,075)
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	4,107	(4,107)	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	35,009	25,065	9,944	11,524,999	11,525,349	(350)
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>35,009</b>	<b>29,172</b>	<b>5,837</b>	<b>12,654,410</b>	<b>13,456,286</b>	<b>(801,876)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,009)	(14,763)	10,246	6,854,664	5,628,757	459
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	20,174	20,174
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,174</b>	<b>20,174</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (25,009)</b>	<b>(14,763)</b>	<b>\$ 10,246</b>	<b>\$ 6,854,664</b>	<b>5,648,931</b>	<b>\$ 20,633</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		131,660			-	
Adjustment - Changes from Major Funds to Non-Major Funds		-			17,426,449	
Fund Balances (Deficits) - Beginning of Year, as Restated		131,660			17,426,449	
Fund Balances (Deficits) - End of Year		<u>\$ 116,897</u>			<u>\$ 23,075,380</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, 2024**

	Housing Successor Agency			VPFA 2014 Refunding Certificates of Participation		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	6,700	300,000	293,300	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	8,000	117,627	109,627	-	-	-
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<b>14,700</b>	<b>417,627</b>	<b>402,927</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>						
Current:						
General Government	259,000	208,576	50,424	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	200,000	200,000	-	-	-	-
Debt Service:						
Principal	-	-	-	112,000	112,000	-
Interest and Fiscal Charges	-	-	-	14,880	14,421	459
<b>Total Expenditures</b>	<b>459,000</b>	<b>408,576</b>	<b>50,424</b>	<b>126,880</b>	<b>126,421</b>	<b>459</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(444,300)	9,051	453,351	(126,880)	(126,421)	459
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	126,900	126,880	(20)
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,900</b>	<b>126,880</b>	<b>(20)</b>
<b>Net Changes in Fund Balances</b>	<b>\$ (444,300)</b>	<b>9,051</b>	<b>\$ 453,351</b>	<b>\$ 20</b>	<b>459</b>	<b>\$ 439</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		-			(1,449)	
Adjustment - Changes from Major Funds to Non-Major Funds		10,468,475			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		10,468,475			(1,449)	
Fund Balances (Deficits) - End of Year		<b>\$ 10,477,526</b>			<b>\$ (990)</b>	

**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, 2024**

	2015 Certificates of Participation			Softball Facility Development		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	3,932	3,932	-	246	246
Charges for Current Services	-	-	-	-	1,547	1,547
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>3,932</b>	<b>3,932</b>	<b>-</b>	<b>1,793</b>	<b>1,793</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	1,317	(1,317)	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	2	(2)
Capital Outlay	-	-	-	100	-	100
Debt Service:						
Principal	901,123	901,123	-	-	-	-
Interest and Fiscal Charges	253,990	250,297	3,693	-	-	-
<b>Total Expenditures</b>	<b>1,155,113</b>	<b>1,152,737</b>	<b>2,376</b>	<b>100</b>	<b>2</b>	<b>98</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,155,113)</u>	<u>(1,148,805)</u>	<u>6,308</u>	<u>(100)</u>	<u>1,791</u>	<u>1,891</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	1,155,800	1,156,432	632	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,155,800</b>	<b>1,156,432</b>	<b>632</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b><u>\$ 687</u></b>	<b>7,627</b>	<b><u>\$ 6,940</u></b>	<b><u>\$ (100)</u></b>	<b>1,791</b>	<b><u>\$ 1,891</u></b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		<u>(11,425)</u>			<u>5,020</u>	
Adjustment - Changes from Major Funds to Non-Major Funds		<u>-</u>			<u>-</u>	
Fund Balances (Deficits) - Beginning of Year, as Restated		<u>(11,425)</u>			<u>5,020</u>	
Fund Balances (Deficits) - End of Year		<u><u>\$ (3,798)</u></u>			<u><u>\$ 6,811</u></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, 2024**

	Highway Users			Recreational Facilities		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	7,305,800	7,612,723	306,923	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	1,999,200	2,348,018	348,818
Uses of Money and Property	50,000	572,567	522,567	20,000	537,783	517,783
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	194	194	-	7	7
<b>Total Revenues</b>	<b>7,355,800</b>	<b>8,185,484</b>	<b>829,684</b>	<b>2,019,200</b>	<b>2,885,808</b>	<b>866,608</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	1,024,202	1,032,010	(7,808)	-	-	-
Parks & Recreation	-	-	-	21,400	18,326	3,074
Capital Outlay	7,167,016	6,242,831	924,185	1,448,060	1,162,060	286,000
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>8,191,218</b>	<b>7,274,841</b>	<b>916,377</b>	<b>1,469,460</b>	<b>1,180,386</b>	<b>289,074</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(835,418)</u>	<u>910,643</u>	<u>1,746,061</u>	<u>549,740</u>	<u>1,705,422</u>	<u>1,155,682</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(9,087)	(9,087)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,087)</b>	<b>(9,087)</b>
<b>Net Changes in Fund Balances</b>	<b><u>\$ (835,418)</u></b>	<b><u>910,643</u></b>	<b><u>\$ 1,746,061</u></b>	<b><u>\$ 549,740</u></b>	<b><u>1,696,335</u></b>	<b><u>\$ 1,146,595</u></b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		<u>12,356,690</u>			<u>10,527,785</u>	
Adjustment - Changes from Major Funds to Non-Major Funds		<u>-</u>			<u>-</u>	
Fund Balances (Deficits) - Beginning of Year, as Restated		<u>12,356,690</u>			<u>10,527,785</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 13,267,333</u>			<u>\$ 12,224,120</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, 2024**

	Storm Sewer Construction			Public Safety Impact Fee		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	1,242,800	1,059,754	(183,046)	911,700	1,294,178	382,478
Uses of Money and Property	10,000	246,276	236,276	1,000	76,325	75,325
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	5	5	-	-	-
<b>Total Revenues</b>	<u>1,252,800</u>	<u>1,306,035</u>	<u>53,235</u>	<u>912,700</u>	<u>1,370,503</u>	<u>457,803</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	4,300	4,072	228
Police	-	-	-	900	873	27
Public Works	28,900	36,238	(7,338)	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	306,886	40,636	266,250	1,966	1,966	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>335,786</u>	<u>76,874</u>	<u>258,912</u>	<u>7,166</u>	<u>6,911</u>	<u>255</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>917,014</u>	<u>1,229,161</u>	<u>312,147</u>	<u>905,534</u>	<u>1,363,592</u>	<u>458,058</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(414,700)	(414,353)	347
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(414,700)</u>	<u>(414,353)</u>	<u>347</u>
<b>Net Changes in Fund Balances</b>	<u>\$ 917,014</u>	<u>1,229,161</u>	<u>\$ 312,147</u>	<u>\$ 490,834</u>	<u>949,239</u>	<u>\$ 458,405</u>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		<u>4,573,872</u>			<u>1,295,966</u>	
Adjustment - Changes from Major Funds to Non-Major Funds		<u>-</u>			<u>-</u>	
Fund Balances (Deficits) - Beginning of Year, as Restated		<u>4,573,872</u>			<u>1,295,966</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 5,803,033</u>			<u>\$ 2,245,205</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, 2024**

	Government Facilities Impact Fee			Parking District		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	35,400	39,519	4,119
License and Permits	-	-	-	20,700	10,575	(10,125)
Fees and Fines	766,300	1,004,707	238,407	-	-	-
Uses of Money and Property	52,000	464,988	412,988	69,700	204,454	134,754
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<b>818,300</b>	<b>1,469,695</b>	<b>651,395</b>	<b>125,800</b>	<b>254,548</b>	<b>128,748</b>
<b>EXPENDITURES</b>						
Current:						
General Government	15,000	11,939	3,061	8,000	6,875	1,125
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	2,300	2,358	(58)	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>17,300</b>	<b>14,297</b>	<b>3,003</b>	<b>8,000</b>	<b>6,875</b>	<b>1,125</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>801,000</b>	<b>1,455,398</b>	<b>654,398</b>	<b>117,800</b>	<b>247,673</b>	<b>129,873</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	20,418	20,418
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,418</b>	<b>20,418</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 801,000</b>	<b>1,455,398</b>	<b>\$ 654,398</b>	<b>\$ 117,800</b>	<b>268,091</b>	<b>\$ 150,291</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		9,205,936			3,977,621	
Adjustment - Changes from Major Funds to Non-Major Funds		-			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		9,205,936			3,977,621	
Fund Balances (Deficits) - End of Year		<b>\$ 10,661,334</b>			<b>\$ 4,245,712</b>	

**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, 2024**

	Facility Improvements			Regional Parks		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	37,744	37,744	-	27,792	27,792
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>37,744</b>	<b>37,744</b>	<b>-</b>	<b>27,792</b>	<b>27,792</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	337	(337)	-	248	(248)
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	15	15	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>337</b>	<b>(337)</b>	<b>15</b>	<b>263</b>	<b>(248)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	37,407	37,407	(15)	27,529	27,544
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ -</b>	<b>37,407</b>	<b>\$ 37,407</b>	<b>\$ (15)</b>	<b>27,529</b>	<b>\$ 27,544</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		769,169			566,365	
Adjustment - Changes from Major Funds to Non-Major Funds		-			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		769,169			566,365	
Fund Balances (Deficits) - End of Year		\$ 806,576			\$ 593,894	

**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, 2024**

	Vehicle Miles Traveled Impact Fee			Animal Control Reserve		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	1,283	1,283	-	12,124	12,124
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>1,283</b>	<b>1,283</b>	<b>-</b>	<b>12,124</b>	<b>12,124</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	12	(12)	-	108	(108)
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>12</b>	<b>(12)</b>	<b>-</b>	<b>108</b>	<b>(108)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,271	1,271	-	12,016	12,016
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Changes in Fund Balances</b>	<b>\$ -</b>	<b>1,271</b>	<b>\$ 1,271</b>	<b>\$ -</b>	<b>12,016</b>	<b>\$ 12,016</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		26,144			247,066	
Adjustment - Changes from Major Funds to Non-Major Funds		-			-	
Fund Balances (Deficits) - Beginning of Year, as Restated		26,144			247,066	
Fund Balances (Deficits) - End of Year		<u>\$ 27,415</u>			<u>\$ 259,082</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, 2024**

	Baseball			Total		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ 15,732,700	\$ 20,658,978	\$ 4,926,278
Other Taxes	-	-	-	84,000	89,476	5,476
Subventions and Grants	-	-	-	29,054,843	27,628,135	(1,426,708)
License and Permits	-	-	-	20,700	10,575	(10,125)
Fees and Fines	-	-	-	7,153,500	8,089,789	936,289
Uses of Money and Property	-	18,420	18,420	597,000	5,471,479	4,874,479
Charges for Current Services	-	-	-	5,804,200	6,054,367	250,167
Miscellaneous	20,000	1	(19,999)	111,200	253,964	142,764
<b>Total Revenues</b>	<b>20,000</b>	<b>18,421</b>	<b>(1,579)</b>	<b>58,558,143</b>	<b>68,256,763</b>	<b>9,698,620</b>
<b>EXPENDITURES</b>						
Current:						
General Government	254,000	335,277	(81,277)	596,400	628,327	(31,927)
Community Development	-	-	-	107,600	74,305	33,295
Housing & Community Grants	-	-	-	1,044,111	1,859,186	(815,075)
Public Safety:						
Fire	-	-	-	3,096,900	3,143,027	(46,127)
Police	-	-	-	4,861,600	4,558,026	303,574
Public Works	-	-	-	1,548,702	2,339,967	(791,265)
Parks & Recreation	-	-	-	3,485,100	4,474,414	(989,314)
Capital Outlay	31,330	40,488	(9,158)	36,322,923	31,220,076	5,102,847
Debt Service:						
Principal	-	-	-	1,013,123	1,013,123	-
Interest and Fiscal Charges	-	-	-	268,870	264,718	4,152
<b>Total Expenditures</b>	<b>285,330</b>	<b>375,765</b>	<b>(90,435)</b>	<b>52,345,329</b>	<b>49,575,169</b>	<b>2,770,160</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,330)	(357,344)	(92,014)	\$ 6,212,814	18,681,594	\$ 12,468,780
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	434,000	492,393	58,393	1,716,700	1,825,384	108,684
Transfers Out	-	-	-	(866,100)	(1,519,243)	(653,143)
<b>Total Other Financing Sources (Uses)</b>	<b>434,000</b>	<b>492,393</b>	<b>58,393</b>	<b>850,600</b>	<b>306,141</b>	<b>(544,459)</b>
<b>Net Changes in Fund Balances</b>	<b>\$ 168,670</b>	<b>135,049</b>	<b>\$ (33,621)</b>	<b>\$ 7,063,414</b>	<b>18,987,735</b>	<b>\$ 11,924,321</b>
Fund Balances (Deficits) - Beginning of Year, as Previously Reported		421,246			101,798,820	
Adjustment - Changes from Major Funds to Non-Major Funds		-			27,894,924	
Fund Balances (Deficits) - Beginning of Year, as Restated		421,246			129,693,744	
Fund Balances (Deficits) - End of Year		\$ 556,295			\$ 148,681,479	

## 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, 2024**

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds				
	Convention Center	Airport	Building Safety	Animal Control	Total
<b>ASSETS</b>					
Current Assets					
Cash and Investments	\$ 31,287	\$ 2,106,943	\$ 14,888,092	\$ 4,254	\$ 17,030,576
Accounts Receivable	259,501	80,086	-	370,667	710,254
Leases Receivable	-	390,458	-	-	390,458
Supplies	-	43,095	-	-	43,095
Prepaid Expenses	-	35,521	-	-	35,521
Total Current Assets	<u>290,788</u>	<u>2,656,103</u>	<u>14,888,092</u>	<u>374,921</u>	<u>18,209,904</u>
Non-Current Assets					
Restricted Cash and Investments					
Cash Held by Trustee	3	-	-	-	3
Cash Held by City	1,076,902	-	-	490,204	1,567,106
Leases Receivable	-	4,834,805	-	-	4,834,805
Capital Assets					
Land	829,047	3,000,590	-	-	3,829,637
Construction in Progress	-	1,344	-	-	1,344
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	1,979,856	1,093,596	228,804	33,750	3,336,006
Subscription-Based Information Technology (SBITA)	-	40,259	64,915	24,291	129,465
Accumulated Depreciation and Amortization	<u>(20,984,753)</u>	<u>(13,300,393)</u>	<u>(185,299)</u>	<u>(1,541,770)</u>	<u>(36,012,215)</u>
Total Non-Current Assets	<u>10,764,799</u>	<u>15,650,865</u>	<u>108,420</u>	<u>5,757,366</u>	<u>32,281,450</u>
Total Assets	<u>11,055,587</u>	<u>18,306,968</u>	<u>14,996,512</u>	<u>6,132,287</u>	<u>50,491,354</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related					
	828,582	329,993	1,488,345	607,834	3,254,754
Total Deferred Outflows of Resources	<u>828,582</u>	<u>329,993</u>	<u>1,488,345</u>	<u>607,834</u>	<u>3,254,754</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts, Interest and Contracts Payable	205,542	236,648	315,272	25,823	783,285
Customer Deposits	17,375	-	44,000	-	61,375
Current Portion of Long-Term Liabilities:					
Compensated Absences	40,006	-	50,376	9,462	99,844
Certificates of Participation and Loans	975,865	-	-	499,048	1,474,913
Liability for SBITA Lease	-	9,919	-	6,353	16,272
Total Current Liabilities	<u>1,238,788</u>	<u>246,567</u>	<u>409,648</u>	<u>540,686</u>	<u>2,435,689</u>
Non-Current Liabilities					
Unearned Revenue	-	-	6,196	74,600	80,796
Non-current Portion of Long-term Liabilities:					
Compensated Absences	75,542	38,774	101,461	44,404	260,181
Certificates of Participation and Loans	2,596,187	-	-	1,603,775	4,199,962
Liability for SBITA Lease	-	20,636	-	6,532	27,168
Net Pension Liability	<u>2,872,968</u>	<u>1,144,195</u>	<u>5,160,583</u>	<u>2,107,560</u>	<u>11,285,306</u>
Total Non-Current Liabilities	<u>5,544,697</u>	<u>1,203,605</u>	<u>5,268,240</u>	<u>3,836,871</u>	<u>15,853,413</u>
Total Liabilities	<u>6,783,485</u>	<u>1,450,172</u>	<u>5,677,888</u>	<u>4,377,557</u>	<u>18,289,102</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related					
	62,081	24,724	111,513	45,541	243,859
Lease Related	-	5,138,792	-	-	5,138,792
Total Deferred Inflows of Resources	<u>62,081</u>	<u>5,163,516</u>	<u>111,513</u>	<u>45,541</u>	<u>5,382,651</u>
<b>NET POSITION</b>					
Net Investment in Capital Assets	6,115,842	10,785,505	108,420	3,151,454	20,161,221
Restricted for:					
Debt Service	3	-	-	-	3
Capital Projects	206,417	112,000	-	-	318,417
Unrestricted (Deficit)	<u>(1,283,659)</u>	<u>1,125,768</u>	<u>10,587,036</u>	<u>(834,431)</u>	<u>9,594,714</u>
Total Net Position	<u>\$ 5,038,603</u>	<u>\$ 12,023,273</u>	<u>\$ 10,695,456</u>	<u>\$ 2,317,023</u>	<u>\$ 30,074,355</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, 2024**

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds				
	Convention Center	Airport	Building Safety	Animal Control	Total
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 2,079,207	\$ 2,399,923	\$ 3,490,107	\$ 632,226	\$ 8,601,463
Operating Grants and Contributions	-	-	-	35,752	35,752
Total Operating Revenues	<u>2,079,207</u>	<u>2,399,923</u>	<u>3,490,107</u>	<u>667,978</u>	<u>8,637,215</u>
<b>OPERATING EXPENSES</b>					
Salaries, Wages and Employee Benefits	1,986,463	545,319	2,359,679	1,357,933	6,249,394
Maintenance and Operations	1,145,618	1,418,309	1,243,653	740,270	4,547,850
Depreciation and Amortization	725,586	277,479	53,636	176,031	1,232,732
Total Operating Expenses	<u>3,857,667</u>	<u>2,241,107</u>	<u>3,656,968</u>	<u>2,274,234</u>	<u>12,029,976</u>
Operating Income (Loss)	<u>(1,778,460)</u>	<u>158,816</u>	<u>(166,861)</u>	<u>(1,606,256)</u>	<u>(3,392,761)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	38,610	153,106	720,924	22,962	935,602
Interest Expense	(167,059)	-	-	(85,062)	(252,121)
Other Income	24,263	336,504	25,981	8,603	395,351
Other Expenses	(29,540)	(92,720)	(33,298)	(25,666)	(181,224)
Total Nonoperating Revenues (Expenses)	<u>(133,726)</u>	<u>396,890</u>	<u>713,607</u>	<u>(79,163)</u>	<u>897,608</u>
Income (Loss) Before Contributions and Transfers	<u>(1,912,186)</u>	<u>555,706</u>	<u>546,746</u>	<u>(1,685,419)</u>	<u>(2,495,153)</u>
Transfers In	2,551,370	-	-	1,771,227	4,322,597
Transfers Out (Note 4A)	(19,337)	-	-	-	(19,337)
Net Contributions and Transfers	<u>2,532,033</u>	<u>-</u>	<u>-</u>	<u>1,771,227</u>	<u>4,303,260</u>
Change in Net Position	619,847	555,706	546,746	85,808	1,808,107
Net Position - Beginning	<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>
Net Position - Ended	<u>\$ 5,038,603</u>	<u>\$ 12,023,273</u>	<u>\$ 10,695,456</u>	<u>\$ 2,317,023</u>	<u>\$ 30,074,355</u>

**CITY OF VISALIA**  
**NON-MAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds				
	Convention Center	Airport	Building Safety	Animal Control	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash Received from Customers or Other Funds	\$ 2,051,979	\$ 3,071,608	\$ 3,521,160	\$ 648,556	\$ 9,293,303
Cash Payments to Employees for Services	(1,939,505)	(944,352)	(2,333,170)	(1,125,645)	(6,342,672)
Cash Payments to Suppliers for Services	(1,253,373)	(1,433,562)	(1,378,750)	(722,984)	(4,788,669)
Net Cash Provided (Used) by Operating Activities	<u>(1,140,899)</u>	<u>693,694</u>	<u>(190,760)</u>	<u>(1,200,073)</u>	<u>(1,838,038)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In	2,551,370	-	-	1,771,227	4,322,597
Transfers (Out)	(19,337)	-	-	-	(19,337)
Net Cash Provided by Noncapital Financing Activities	<u>2,532,033</u>	<u>-</u>	<u>-</u>	<u>1,771,227</u>	<u>4,303,260</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(16,557)	(1,344)	-	-	(17,901)
Long-Term Debt Payments - Principal	(916,877)	-	-	(482,266)	(1,399,143)
Long-Term Debt Payments - Interest	(190,846)	-	-	(85,062)	(275,908)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,124,280)</u>	<u>(1,344)</u>	<u>-</u>	<u>(567,328)</u>	<u>(1,692,952)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Earnings	38,610	153,106	720,924	22,962	935,602
Net Cash Provided by Investing Activities	<u>38,610</u>	<u>153,106</u>	<u>720,924</u>	<u>22,962</u>	<u>935,602</u>
Net Increase in Cash and Investments	305,464	845,456	530,164	26,788	1,707,872
Cash and Investments - Beginning of Year	802,728	1,261,487	14,357,928	467,670	16,889,813
Cash and Investments - End of Year	<u>\$ 1,108,192</u>	<u>\$ 2,106,943</u>	<u>\$ 14,888,092</u>	<u>\$ 494,458</u>	<u>\$ 18,597,685</u>
Consisting of:					
Unrestricted	\$ 31,287	\$ 2,106,943	\$ 14,888,092	\$ 4,254	\$ 17,030,576
Restricted	1,076,905	-	-	490,204	1,567,109
Total Cash and Investments	<u>\$ 1,108,192</u>	<u>\$ 2,106,943</u>	<u>\$ 14,888,092</u>	<u>\$ 494,458</u>	<u>\$ 18,597,685</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ (1,778,460)	\$ 158,816	\$ (166,861)	\$ (1,606,256)	\$ (3,392,761)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:					
Depreciation and Amortization	725,586	277,479	53,636	176,031	1,232,732
Other Income	24,263	336,504	25,981	8,603	395,351
Other Expense	(29,540)	(92,720)	(33,298)	(25,666)	(181,224)
Net Change in Assets and Liabilities:					
Accounts and Interest Receivable	(51,491)	335,181	5,072	(28,025)	260,737
Supplies	-	32,420	-	-	32,420
Prepaid Expenses	-	(10,210)	-	-	(10,210)
Accounts Payable and Contract Payable	(38,315)	24,702	(8,913)	(37,033)	(59,559)
Deferred Outflow s Pensions	30,340	34,538	(99,682)	(28,859)	(63,663)
Deferred Inflow s Pensions & Leases	(54,176)	(382,532)	71,996	(58,156)	(422,868)
Net Pension Liability	57,446	(50,728)	45,829	305,733	358,280
Unearned Revenue	-	-	(11,971)	67,100	55,129
Compensated Absences	13,348	(311)	8,366	13,570	34,973
Other Liability	-	30,555	(64,915)	12,885	(21,475)
Customer Deposits	(39,900)	-	(16,000)	-	(55,900)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,140,899)</u>	<u>\$ 693,694</u>	<u>\$ (190,760)</u>	<u>\$ (1,200,073)</u>	<u>\$ (1,838,038)</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, 2024**

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 24,198	\$ 14,155,459	\$ 7,350,034	\$ 18,911,498
Accounts and Interest Receivables	8,103	-	-	-
Supplies	1,513,102	-	-	-
Prepaid Expenses	-	-	-	-
Total Current Assets	<u>1,545,403</u>	<u>14,155,459</u>	<u>7,350,034</u>	<u>18,911,498</u>
Non-Current Assets				
Restricted Cash and Investments				
Cash Held by Trustee	-	-	-	488,346
Capital Assets				
Building	654,910	-	-	-
Improvements Other Than Buildings	211,545	-	7,240	-
Machinery, Equipment and Vehicles	416,139	24,089,741	15,093,019	-
Construction in Progress	1,614	3,449,890	19,114	-
Right-to-use subscription asset (SBITA)	-	-	803,761	-
Accumulated Depreciation and Amortization	(1,140,943)	(15,513,665)	(10,474,172)	-
Total Non-Current Assets	<u>143,265</u>	<u>12,025,966</u>	<u>5,448,962</u>	<u>488,346</u>
Total Assets	<u>1,688,668</u>	<u>26,181,425</u>	<u>12,798,996</u>	<u>19,399,844</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related				
	<u>828,284</u>	<u>-</u>	<u>1,145,519</u>	<u>366,929</u>
Total Deferred Outflows of Resources	<u>828,284</u>	<u>-</u>	<u>1,145,519</u>	<u>366,929</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts, Interest, and Contracts Payable	314,117	-	25,960	95,664
Accrued Personnel Costs	-	-	-	-
Current Portion of Long-Term Liabilities:				
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	353,575
Total Current Liabilities	<u>314,117</u>	<u>-</u>	<u>25,960</u>	<u>449,239</u>
Non-Current Liabilities				
Non-current Portion of Long-term Liabilities:				
Compensated Absences	-	-	-	-
Liability for Self-Insurance Claims	-	-	-	8,455,402
Net Pension Liability	2,871,935	-	3,971,891	1,272,265
Total Non-Current Liabilities	<u>2,871,935</u>	<u>-</u>	<u>3,971,891</u>	<u>9,727,667</u>
Total Liabilities	<u>3,186,052</u>	<u>-</u>	<u>3,997,851</u>	<u>10,176,906</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related				
	<u>62,058</u>	<u>-</u>	<u>85,827</u>	<u>27,492</u>
Total Deferred Inflows of Resources	<u>62,058</u>	<u>-</u>	<u>85,827</u>	<u>27,492</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	143,265	12,025,966	4,645,201	-
Restricted	-	2,573,787	6,433	488,346
Unrestricted (Deficit)	(874,423)	11,581,672	5,209,203	9,074,029
Total Net Position (Deficit)	<u>\$ (731,158)</u>	<u>\$ 26,181,425</u>	<u>\$ 9,860,837</u>	<u>\$ 9,562,375</u>

**CITY OF VISALIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Health Benefits	Compensated Absences	Building Maintenance	Totals
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 5,089,729	\$ 6,118,003	\$ 764,784	\$ 52,413,705
Accounts and Interest Receivables	17,834	-	-	25,937
Supplies	-	-	-	1,513,102
Prepaid Expenses	1,072,769	-	-	1,072,769
Total Current Assets	<u>6,180,332</u>	<u>6,118,003</u>	<u>764,784</u>	<u>55,025,513</u>
Non-Current Assets				
Restricted Cash and Investments				
Cash Held by Trustee	60,700	-	-	549,046
Capital Assets				
Building	-	-	-	654,910
Improvements Other Than Buildings	-	-	-	218,785
Machinery, Equipment and Vehicles	-	-	-	39,598,899
Construction in Progress	-	-	-	3,470,618
Right-to-use subscription asset (SBITA)	-	-	-	803,761
Accumulated Depreciation and Amortization	-	-	-	(27,128,780)
Total Non-Current Assets	<u>60,700</u>	<u>-</u>	<u>-</u>	<u>18,167,239</u>
Total Assets	<u>6,241,032</u>	<u>6,118,003</u>	<u>764,784</u>	<u>73,192,752</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related	-	-	-	2,340,732
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,340,732</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts, Interest, and Contracts Payable	47,278	-	-	483,019
Accrued Personnel Costs	5,839	-	-	5,839
Current Portion of Long-Term Liabilities:				
Compensated Absences	-	1,051,883	-	1,051,883
Liability for Self-Insurance Claims	93,600	-	-	447,175
Total Current Liabilities	<u>146,717</u>	<u>1,051,883</u>	<u>-</u>	<u>1,987,916</u>
Non-Current Liabilities				
Non-current Portion of Long-term Liabilities:				
Compensated Absences	-	5,066,120	-	5,066,120
Liability for Self-Insurance Claims	-	-	-	8,455,402
Net Pension Liability	-	-	-	8,116,091
Total Non-Current Liabilities	<u>-</u>	<u>5,066,120</u>	<u>-</u>	<u>21,637,613</u>
Total Liabilities	<u>146,717</u>	<u>6,118,003</u>	<u>-</u>	<u>23,625,529</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	-	-	-	175,377
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,377</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	16,814,432
Restricted	60,700	-	-	3,129,266
Unrestricted (Deficit)	6,033,615	-	764,784	31,788,880
Total Net Position (Deficit)	<u>\$ 6,094,315</u>	<u>\$ -</u>	<u>\$ 764,784</u>	<u>\$ 51,732,578</u>

**CITY OF VISALIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
<b>OPERATING REVENUES</b>				
Service Charges and Fees	\$ 7,527,813	\$ 1,490,727	\$ 2,787,032	\$ 5,445,771
<b>OPERATING EXPENSES</b>				
Salaries, Wages and Employee Benefits	1,597,354	-	2,430,409	562,023
Maintenance and Operations	6,043,621	31,779	942,798	656,371
Insurance Premiums and Loss Provisions	-	-	-	6,742,322
Depreciation and Amortization	14,625	1,392,768	1,142,355	-
Total Operating Expenses	7,655,600	1,424,547	4,515,562	7,960,716
Operating Income (Loss)	(127,787)	66,180	(1,728,530)	(2,514,945)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	1,762	650,211	307,240	729,322
Interest (Expense)	(34,220)	-	-	-
Other Income	12,837	32,500	833,704	840,522
Other (Expenses)	(12,843)	(18,370)	(14,350)	-
Total Nonoperating Revenues (Expenses)	(32,464)	664,341	1,126,594	1,569,844
Income (Loss) Before Contributions and Transfers	(160,251)	730,521	(601,936)	(945,101)
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Grants and Contributions	-	275,751	967,316	-
Transfers In	-	-	-	2,000,000
Transfers Out	-	-	-	-
Net Contributions and Transfers	-	275,751	967,316	2,000,000
CHANGE IN NET POSITION	(160,251)	1,006,272	365,380	1,054,899
<b>NET POSITION (DEFICIT)</b>				
Net Position (Deficit) - Beginning of Year	(570,907)	25,175,153	9,495,457	8,507,476
Net Position (Deficit) - End of Year	\$ (731,158)	\$ 26,181,425	\$ 9,860,837	\$ 9,562,375



**CITY OF VISALIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Health Benefits	Compensated Absences	Building Maintenance	Totals
<b>OPERATING REVENUES</b>				
Service Charges and Fees	\$ 15,271,946	\$ -	\$ -	\$ 32,523,289
<b>OPERATING EXPENSES</b>				
Salaries, Wages and Employee Benefits	-	-	-	4,589,786
Maintenance and Operations	272,159	2,609	320	7,949,657
Insurance Premiums and Loss Provisions	14,288,583	-	-	21,030,905
Depreciation and Amortization	-	-	-	2,549,748
Total Operating Expenses	14,560,742	2,609	320	36,120,096
Operating Income (Loss)	711,204	(2,609)	(320)	(3,596,807)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	216,442	292,635	35,788	2,233,400
Interest (Expense)	-	-	-	(34,220)
Other Income	1,595	-	-	1,721,158
Other (Expenses)	-	-	-	(45,563)
Total Nonoperating Revenues (Expenses)	218,037	292,635	35,788	3,874,775
Income (Loss) Before Contributions and Transfers	929,241	290,026	35,468	277,968
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Grants and Contributions	-	-	-	1,243,067
Transfers In	-	-	-	2,000,000
Transfers Out	-	(178,837)	-	(178,837)
Net Contributions and Transfers	-	(178,837)	-	3,064,230
CHANGE IN NET POSITION	929,241	111,189	35,468	3,342,198
<b>NET POSITION (DEFICIT)</b>				
Net Position (Deficit) - Beginning of Year	5,165,074	(111,189)	729,316	48,390,380
Net Position (Deficit) - End of Year	\$ 6,094,315	\$ -	\$ 764,784	\$ 51,732,578

**CITY OF VISALIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 7,534,477	\$ 1,538,802	\$ 3,620,736	\$ 6,286,293
Cash Payments to Suppliers for Services	(6,257,548)	(1,639)	(956,516)	(6,698,334)
Cash Payments to Employees for Services	(1,609,541)	-	(1,701,219)	(548,072)
Net Cash Provided by (Used in) Operating Activities	<u>(332,612)</u>	<u>1,537,163</u>	<u>963,001</u>	<u>(960,113)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	-	-	-	2,000,000
Transfers Out	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(102)	(3,427,227)	(1,113,066)	-
Grants and Contributions	-	275,751	967,316	-
Interest Expense	(34,220)	-	-	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(34,322)</u>	<u>(3,151,476)</u>	<u>(145,750)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Earnings	1,762	650,211	307,240	729,322
Net Cash Provided by Investing Activities	<u>1,762</u>	<u>650,211</u>	<u>307,240</u>	<u>729,322</u>
Net Increase (Decrease) in Cash and Cash Investments	(365,172)	(964,102)	1,124,491	1,769,209
Cash and Cash Investments at Beginning of Year	389,370	15,119,561	6,225,543	17,630,635
Cash and Cash Investments at End of Year	<u>\$ 24,198</u>	<u>\$ 14,155,459</u>	<u>\$ 7,350,034</u>	<u>\$ 19,399,844</u>
Consisting of:				
Unrestricted	\$ 24,198	\$ 14,155,459	\$ 7,350,034	\$ 18,911,498
Restricted	-	-	-	488,346
Total Cash and Investments	<u>\$ 24,198</u>	<u>\$ 14,155,459</u>	<u>\$ 7,350,034</u>	<u>\$ 19,399,844</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ (127,787)	\$ 66,180	\$(1,728,530)	\$ (2,514,945)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	14,625	1,392,768	1,142,355	-
Other Income	12,837	32,500	833,704	840,522
Other Expense	(12,843)	(18,370)	(14,350)	-
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	(6,173)	15,575	-	-
Supplies	(180,947)	-	-	-
Prepaid Expenses	-	-	-	-
Accounts Payable and Contract Payable	(33,432)	48,510	632	90,414
Deferred Outflows Pension	43,792	-	(240,953)	13,822
Deferred Inflow Pension	(55,979)	-	(36,608)	(24,044)
Accrued Personnel Costs	-	-	-	-
Compensated Absences	-	-	-	-
Pension Liability	13,295	-	1,006,751	24,173
Liability for Self-Insurance Claims	-	-	-	609,945
Net Cash Provided by (Used in) Operating Activities	<u>\$ (332,612)</u>	<u>\$ 1,537,163</u>	<u>\$ 963,001</u>	<u>\$ (960,113)</u>

**CITY OF VISALIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	Health Benefits	Compensated Absences	Building Maintenance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 15,270,037	\$ 40,803	\$ -	\$ 34,291,148
Cash Payments to Suppliers for Services	(14,616,681)	(2,609)	(320)	(28,533,647)
Cash Payments to Employees for Services	-	-	-	(3,858,832)
Net Cash Provided by (Used in) Operating Activities	<u>653,356</u>	<u>38,194</u>	<u>(320)</u>	<u>1,898,669</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	-	-	-	2,000,000
Transfers Out	-	(178,837)	-	(178,837)
Net Cash Provided by Noncapital Financing Activities	<u>-</u>	<u>(178,837)</u>	<u>-</u>	<u>1,821,163</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	-	-	-	(4,540,395)
Grants and Contributions	-	-	-	1,243,067
Interest Expense	-	-	-	(34,220)
Net Cash (Used in) Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,331,548)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	216,442	292,635	35,788	2,233,400
Net Cash Provided by Investing Activities	<u>216,442</u>	<u>292,635</u>	<u>35,788</u>	<u>2,233,400</u>
Net Increase (Decrease) in Cash and Cash Investments	869,798	151,992	35,468	2,621,684
Cash and Cash Investments at Beginning of Year	4,280,631	5,966,011	729,316	50,341,067
Cash and Cash Investments at End of Year	<u>\$ 5,150,429</u>	<u>\$ 6,118,003</u>	<u>\$ 764,784</u>	<u>\$ 52,962,751</u>
Consisting of:				
Unrestricted	\$ 5,089,729	\$ 6,118,003	\$ 764,784	\$ 52,413,705
Restricted	60,700	-	-	549,046
Total Cash and Investments	<u>\$ 5,150,429</u>	<u>\$ 6,118,003</u>	<u>\$ 764,784</u>	<u>\$ 52,962,751</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 711,204	\$ (2,609)	\$ (320)	\$ (3,596,807)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	-	-	-	2,549,748
Other Income	1,595	-	-	1,721,158
Other Expense	-	-	-	(45,563)
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	(3,504)	-	-	5,898
Supplies	-	-	-	(180,947)
Prepaid Expenses	(37,756)	-	-	(37,756)
Accounts Payable and Contract Payable	(5,996)	-	-	100,128
Deferred Outflows Pension	-	-	-	(183,339)
Deferred Inflow Pension	-	-	-	(116,631)
Accrued Personnel Costs	(11,887)	-	-	(11,887)
Compensated Absences	-	40,803	-	40,803
Pension Liability	-	-	-	1,044,219
Liability for Self-Insurance Claims	(300)	-	-	609,645
Net Cash Provided by (Used in) Operating Activities	<u>\$ 653,356</u>	<u>\$ 38,194</u>	<u>\$ (320)</u>	<u>\$ 1,898,669</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, 2024**

	PBID # 5	Village West	Orchard Walk	Atwood	Laura	VTMD	Total Custodial Funds
<b>ASSETS</b>							
Cash and Investments (Note 3)	\$ 505,084	\$ -	\$ 71,680	\$ -	\$ -	\$ 83,238	\$ 660,002
Accounts Receivable	-	-	-	94,478	64,548	84,250	243,276
District Assessments Receivable	22,360	155	5,839	-	-	-	28,354
<b>Total Assets</b>	<b>527,444</b>	<b>155</b>	<b>77,519</b>	<b>94,478</b>	<b>64,548</b>	<b>167,488</b>	<b>931,632</b>
<b>LIABILITIES</b>							
Accounts, Interest, and Contracts Payable	-	-	-	-	-	80,285	80,285
Deposits	-	-	-	20,000	21,124	-	41,124
Due to City	-	269	-	69,367	38,260	-	107,896
<b>Total Liabilities</b>	<b>-</b>	<b>269</b>	<b>-</b>	<b>89,367</b>	<b>59,384</b>	<b>80,285</b>	<b>229,305</b>
<b>NET POSITION (DEFICIT)</b>							
<b>Restricted for:</b>							
Individuals, Organizations, and Other Governments	<u>\$ 527,444</u>	<u>\$ (114)</u>	<u>\$ 77,519</u>	<u>\$ 5,111</u>	<u>\$ 5,164</u>	<u>\$ 87,203</u>	<u>\$ 702,327</u>



**CITY OF VISALIA**  
**COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<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>
<b>Additions</b>							
Use of Money and Property	\$ 28,813	\$ -	\$ 3,923	\$ -	\$ -	\$ 3,153	\$ 35,889
Revenue from District Assessments	439,015	-	-	-	-	832,588	1,271,603
Miscellaneous Revenue	222,270	-	55,168	12,241	7,780	-	297,459
Total Additions	<u>690,098</u>	<u>-</u>	<u>59,091</u>	<u>12,241</u>	<u>7,780</u>	<u>835,741</u>	<u>1,604,951</u>
<b>Deductions</b>							
Obligation Requirements							
Interest on Bonds and Notes Payable	-	-	10,168	2,912	1,847	-	14,927
Total Obligation Requirements	<u>-</u>	<u>-</u>	<u>10,168</u>	<u>2,912</u>	<u>1,847</u>	<u>-</u>	<u>14,927</u>
Administrative Expenses	693	-	252	110	108	8,353	9,516
Total Administrative Expenses	<u>693</u>	<u>-</u>	<u>252</u>	<u>110</u>	<u>108</u>	<u>8,353</u>	<u>9,516</u>
Distribution of District Assessment	615,000	-	-	-	-	740,854	1,355,854
Principal on Bonds and Notes Payable	-	-	45,000	9,219	5,845	-	60,064
Total Distribution of District Assessment	<u>615,000</u>	<u>-</u>	<u>45,000</u>	<u>9,219</u>	<u>5,845</u>	<u>740,854</u>	<u>1,415,918</u>
Total Deductions	<u>615,693</u>	<u>-</u>	<u>55,420</u>	<u>12,241</u>	<u>7,800</u>	<u>749,207</u>	<u>1,440,361</u>
Change in Net Position	74,405	-	3,671	-	(20)	86,534	164,590
Net Position - Beginning 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>
Net Position (Deficit) - End of Year	<u>\$ 527,444</u>	<u>\$ (114)</u>	<u>\$ 77,519</u>	<u>\$ 5,111</u>	<u>\$ 5,164</u>	<u>\$ 87,203</u>	<u>\$ 702,327</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			
	2015	2016	2017	2018
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 284,901	\$ 288,048	\$ 312,172	\$ 325,420
Restricted	52,401	56,417	56,984	69,608
Unrestricted	(2,230)	12,676	17,877	22,633
<b>Total Governmental Activities Net Position</b>	<b>\$ 335,072</b>	<b>\$ 357,141</b>	<b>\$ 387,033</b>	<b>\$ 417,661</b>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$ 212,853	\$ 242,950	\$ 266,867	\$ 271,696
Restricted	71,139	45,202	16,732	12,785
Unrestricted	5,135	24,631	63,975	89,290
<b>Total Business-type Activities Net Position</b>	<b>\$ 289,127</b>	<b>\$ 312,783</b>	<b>\$ 347,574</b>	<b>\$ 373,771</b>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$ 497,754	\$ 530,998	\$ 579,039	\$ 597,116
Restricted	123,540	101,619	73,716	82,393
Unrestricted (Deficit)	2,905	37,307	81,852	111,923
<b>Total Primary Government Net Position</b>	<b>\$ 624,199</b>	<b>\$ 669,924</b>	<b>\$ 734,607</b>	<b>\$ 791,432</b>

Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 324,799	\$ 335,920	\$ 341,796	\$ 344,300	\$ 367,404	\$ 391,773	
79,763	94,930	130,726	159,684	182,830	254,246	
35,203	38,351	45,014	81,583	97,330	69,653	
<u>\$ 439,765</u>	<u>\$ 469,201</u>	<u>\$ 517,536</u>	<u>\$ 585,567</u>	<u>\$ 647,564</u>	<u>\$ 715,672</u>	
\$ 269,444	\$ 270,985	\$ 277,874	\$ 276,505	\$ 272,712	\$ 275,042	
11,368	20,325	12,887	10,995	16,765	11,479	
93,039	104,952	126,266	141,742	152,362	171,661	
<u>\$ 373,851</u>	<u>\$ 396,262</u>	<u>\$ 417,027</u>	<u>\$ 429,242</u>	<u>\$ 441,839</u>	<u>\$ 458,182</u>	
\$ 594,243	\$ 606,905	\$ 619,670	\$ 620,805	\$ 640,116	\$ 666,815	
91,131	115,255	143,613	170,679	199,595	265,725	
128,242	143,303	171,280	223,325	249,692	241,314	
<u>\$ 813,616</u>	<u>\$ 865,463</u>	<u>\$ 934,563</u>	<u>\$ 1,014,809</u>	<u>\$ 1,089,403</u>	<u>\$ 1,173,854</u>	

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

	Fiscal Year			
	2015	2016	2017	2018
<b>Expenses:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 4,299	\$ 4,262	\$ 3,653	\$ 5,778
Community Development	5,985	4,768	3,570	2,028
Housing & Community Grants	-	-	-	-
<b>Public Safety</b>				
Police	30,378	31,182	34,737	38,720
Fire	13,858	15,331	16,948	16,881
Public Works	13,596	24,526	19,270	19,579
Parks & Recreation	8,999	799	3,988	4,820
Community Services	-	-	-	-
Interest on Long-Term Debt	145	702	561	508
<b>Total Governmental Activities Expenses</b>	<b>77,260</b>	<b>81,570</b>	<b>82,727</b>	<b>88,314</b>
<b>Business-type Activities:</b>				
Convention Center	5,688	5,822	5,525	5,517
Airport	2,530	2,219	1,999	2,017
Valley Oaks Golf	2,756	2,502	2,426	1,571
<b>Wastewater and Storm</b>				
Sewer Maintenance	16,791	19,836	23,845	18,488
Solid Waste	17,969	16,309	17,422	18,847
Transit	14,702	14,772	14,726	18,360
Baseball	332	342	329	354
Animal Control	1,141	1,881	2,490	1,993
Building Safety	1,969	2,306	3,103	3,303
<b>Total Business-Type Activities Expenses</b>	<b>63,878</b>	<b>65,989</b>	<b>71,865</b>	<b>70,450</b>
<b>Total Primary Government Expenses</b>	<b>141,138</b>	<b>147,559</b>	<b>154,592</b>	<b>158,764</b>
<b>Program Revenues:</b>				
<b>Governmental Activities:</b>				
<b>Charges for Services:</b>				
General Government	1,952	653	717	794
Community Development	1,633	2,142	2,122	1,955
Housing & Community Grants	-	-	-	-
<b>Public Safety</b>				
Police	2,690	2,804	2,716	2,636
Fire	802	1,256	1,492	1,875
Public Works	9,279	10,011	10,736	11,344
Parks & Recreation	3,068	3,468	3,321	3,509
Community Services	-	-	-	-
Operating Grants and Contributions	4,581	3,660	3,118	2,619
Capital Grants and Contributions	8,556	9,625	14,635	9,206
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 32,561</b>	<b>\$ 33,619</b>	<b>\$ 38,857</b>	<b>\$ 33,938</b>

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.

In 2024 the City renamed the Community Services Department to the Parks & Recreation Department.



Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 4,951	\$ 7,404	\$ 6,883	\$ 2,237	\$ 7,009	\$ 6,393
6,098	2,477	2,741	(3,942)	3,388	12,963
-	1,667	2,751	2,182	2,936	13,395
39,996	44,992	44,431	41,081	49,059	53,384
17,371	19,000	19,745	20,380	22,699	24,442
15,155	20,424	12,224	19,717	19,949	12,937
5,540	-	-	-	-	14,813
-	12,146	11,271	14,827	14,074	-
471	450	401	362	370	362
<u>89,582</u>	<u>108,560</u>	<u>100,447</u>	<u>96,844</u>	<u>119,484</u>	<u>138,689</u>
4,952	4,300	2,360	1,180	4,675	4,108
2,199	2,127	3,119	2,545	2,755	2,359
-	-	-	-	-	-
21,031	25,263	25,541	28,133	28,439	31,204
24,168	18,963	19,212	21,658	20,938	22,946
20,408	17,837	17,263	19,791	21,496	19,773
350	221	243	-	-	-
1,908	2,003	1,927	1,935	1,970	2,439
3,303	3,490	3,411	3,099	3,742	3,751
<u>78,319</u>	<u>74,204</u>	<u>73,076</u>	<u>78,341</u>	<u>84,015</u>	<u>86,580</u>
<u>167,901</u>	<u>182,764</u>	<u>173,523</u>	<u>175,185</u>	<u>203,499</u>	<u>225,269</u>
1,247	896	1,110	1,381	1,154	1,181
1,788	1,283	871	1,206	782	1,837
-	23	22	22	39	68
3,055	3,126	2,953	2,818	2,983	4,335
1,678	1,620	1,654	2,142	1,960	2,346
12,286	10,459	11,303	15,791	12,357	9,220
4,140	-	-	-	-	9,418
-	7,778	7,957	10,395	9,815	-
2,648	5,083	6,064	6,269	7,728	20,302
12,022	11,765	12,148	10,618	14,873	14,271
<u>\$ 38,864</u>	<u>\$ 42,033</u>	<u>\$ 44,082</u>	<u>\$ 50,642</u>	<u>\$ 51,691</u>	<u>\$ 62,978</u>

(Continued)

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

	Fiscal Year			
	2015	2016	2017	2018
Business-Type Activities:				
Charges for Services:				
Convention Center	\$ 3,617	\$ 3,587	\$ 3,483	\$ 3,657
Airport	1,708	1,925	1,710	1,817
Valley Oaks Golf	2,401	2,405	2,372	1,337
Wastewater and Storm				
Sewer Maintenance	26,210	26,033	26,822	27,060
Solid Waste	19,222	18,852	19,831	20,216
Transit	4,366	6,004	4,969	5,055
Baseball	17	18	51	68
Animal Control	309	430	487	441
Building Safety	3,274	3,873	3,741	3,465
Operating Grants and Contributions	9,841	4,183	14,050	16,499
Capital Grants and Contributions	2,691	17,291	21,188	12,160
	<u>73,656</u>	<u>84,601</u>	<u>98,704</u>	<u>91,775</u>
Total Business-Type Activities				
Program Revenues	<u>73,656</u>	<u>84,601</u>	<u>98,704</u>	<u>91,775</u>
Total Primary Government				
Program Revenues	<u>106,217</u>	<u>118,220</u>	<u>137,561</u>	<u>125,713</u>
Net Revenues (Expenses):				
Governmental Activities	(44,699)	(47,951)	(43,870)	(54,376)
Business-Type Activities	9,778	18,612	26,839	21,325
	<u>(34,921)</u>	<u>(29,339)</u>	<u>(17,031)</u>	<u>(33,051)</u>
General Revenues and Other Changes in Net Position:				
Governmental Activities:				
Taxes:				
Sales Taxes	32,237	36,145	44,574	54,104
Property Taxes	27,708	26,810	22,429	23,687
Transient Occupancy Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Business License Taxes	-	-	-	-
Other Taxes	8,306	7,638	7,800	8,341
Investment Earnings	1,894	725	1,074	1,409
Gain from Sale of Capital Assets	5	7	3	1
Miscellaneous	1,587	2,563	1,944	1,504
Transfers and Extraordinary Items	(4,265)	(4,138)	(3,869)	(4,140)
	<u>67,472</u>	<u>69,750</u>	<u>73,955</u>	<u>84,906</u>
Business-Type Activities:				
Investment Earnings	440	576	690	872
Miscellaneous	2,622	3,439	3,478	3,431
Transfers	4,265	4,138	3,869	4,140
	<u>7,327</u>	<u>8,153</u>	<u>8,037</u>	<u>8,443</u>
Total Business-Type Activities	<u>74,799</u>	<u>77,903</u>	<u>81,992</u>	<u>93,349</u>
Changes in Net Position:				
Governmental Activities	22,773	21,799	30,085	30,530
Business-Type Activities	17,105	26,765	34,876	29,768
	<u>\$ 39,878</u>	<u>\$ 48,564</u>	<u>\$ 64,961</u>	<u>\$ 60,298</u>

		Fiscal Year									
		2019	2020	2021	2022	2023	2024				
\$	2,967	\$	1,882	\$	505	\$	1,547	\$	1,770	\$	2,079
	1,701		1,616		1,775		2,313		2,282		2,400
	-		-		-		-		-		-
	28,057		27,479		27,744		30,975		30,013		32,164
	19,225		19,457		20,564		21,574		21,505		23,585
	5,000		5,081		3,623		5,161		5,838		5,434
	50		4		-		-		-		-
	573		580		646		636		564		632
	3,959		4,520		4,934		5,771		5,133		3,490
	12,987		15,949		15,455		14,030		16,395		9,364
	5,093		7,650		12,093		7,045		2,965		5,354
	<u>79,612</u>		<u>84,218</u>		<u>87,339</u>		<u>89,052</u>		<u>86,465</u>		<u>84,502</u>
	<u>118,476</u>		<u>126,251</u>		<u>131,421</u>		<u>139,694</u>		<u>138,156</u>		<u>147,480</u>
	(50,718)		(66,527)		(56,365)		(46,202)		(67,793)		(75,711)
	1,293		10,014		14,263		10,711		2,450		(2,078)
	<u>(49,425)</u>		<u>(56,513)</u>		<u>(42,102)</u>		<u>(35,491)</u>		<u>(65,343)</u>		<u>(77,789)</u>
	58,561		60,351		70,926		82,151		85,969		85,984
	25,076		26,297		27,875		29,810		31,727		34,476
	-		-		-		-		4,533		4,790
	-		-		-		-		3,707		4,017
	-		-		-		-		3,752		3,513
	8,663		7,987		9,275		10,714		-		-
	4,064		4,614		1,311		(5,351)		3,711		14,735
	-		-		-		-		-		-
	1,704		1,387		1,056		1,196		1,023		925
	(3,785)		(4,489)		(4,018)		(3,836)		(4,894)		(4,621)
	<u>94,283</u>		<u>96,147</u>		<u>106,425</u>		<u>114,684</u>		<u>129,528</u>		<u>143,819</u>
	4,024		4,345		674		(5,026)		2,185		10,114
	2,344		2,939		1,810		3,356		3,068		3,687
	3,785		4,489		4,018		3,836		4,894		4,621
	<u>10,153</u>		<u>11,773</u>		<u>6,502</u>		<u>2,166</u>		<u>10,147</u>		<u>18,422</u>
	<u>104,436</u>		<u>107,920</u>		<u>112,927</u>		<u>116,850</u>		<u>139,675</u>		<u>162,241</u>
	43,565		29,620		50,060		68,482		61,735		68,108
	11,446		21,787		20,765		12,876		12,597		16,343
\$	<u>55,011</u>	\$	<u>51,407</u>	\$	<u>70,825</u>	\$	<u>81,358</u>	\$	<u>74,332</u>	\$	<u>84,451</u>

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

	Fiscal Year			
	2015	2016	2017	2018
General Fund:				
Nonspendable	\$ 435	\$ 357	\$ 1,346	\$ 1,365
Restricted	-	-	1,193	-
Committed	17,719	28,018	19,805	21,921
Assigned	19,486	18,781	21,857	24,981
Unassigned	4,043	4,787	9,612	10,214
<b>Total General Fund</b>	<b>41,683</b>	<b>51,943</b>	<b>53,813</b>	<b>58,481</b>
All Other Governmental Funds:				
Nonspendable	-	-	47	815
Restricted	45,965	50,857	51,465	54,253
Committed	7,271	15,903	9,582	18,233
Assigned	1,632	1,243	1,243	1,632
Unassigned (Deficit)	(2,471)	(11,627)	(5,393)	(6,005)
<b>Total All Other Governmental Funds</b>	<b>52,397</b>	<b>56,376</b>	<b>56,944</b>	<b>68,928</b>
<b>Total Governmental Fund Balance</b>	<b>\$ 94,080</b>	<b>\$ 108,319</b>	<b>\$ 110,757</b>	<b>\$ 127,409</b>

Fiscal Year					
2019	2020	2021	2022	2023	2024
\$ 1,125	\$ 678	\$ 3,480	\$ 1,564	\$ 3,498	\$ 2,138
-	-	-	-	-	-
15,344	16,239	16,609	17,559	20,805	23,610
25,215	30,278	27,629	27,939	27,968	33,162
9,753	5,497	5,428	6,731	3,142	186
<u>51,437</u>	<u>52,692</u>	<u>53,146</u>	<u>53,793</u>	<u>55,413</u>	<u>59,096</u>
-	-	-	-	-	-
68,188	91,088	144,003	210,248	189,403	215,861
31,924	30,259	36,280	14,099	57,720	75,785
1,632	1,168	848	301	1,654	1,687
(3,925)	(4,475)	(31)	(989)	(737)	(384)
<u>97,819</u>	<u>118,040</u>	<u>181,100</u>	<u>223,659</u>	<u>248,040</u>	<u>292,949</u>
<u>\$ 149,256</u>	<u>\$ 170,732</u>	<u>\$ 234,246</u>	<u>\$ 277,452</u>	<u>\$ 303,453</u>	<u>\$ 352,045</u>

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

	Fiscal Year			
	2015	2016	2017	2018
<b>Revenues:</b>				
Sales Tax	\$ 32,237	\$ 36,144	\$ 44,575	\$ 54,104
Property Tax	26,711	26,880	22,370	23,694
Other Taxes	7,662	7,608	7,681	8,272
Subventions and Grants	13,137	13,286	14,160	10,355
Licenses and Permits	109	87	81	88
Fees and Fines	9,199	10,520	10,552	10,991
Use of Money and Property	2,334	1,133	1,522	1,843
Charges for Current Services	6,257	7,014	7,859	8,367
Miscellaneous	2,067	2,477	2,578	2,260
<b>Total Revenues</b>	<b>99,713</b>	<b>105,149</b>	<b>111,378</b>	<b>119,974</b>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	2,896	3,102	3,335	3,913
Community Development	6,684	5,119	5,245	5,272
Community Services	8,104	3,231	3,531	3,510
Housing & Community Grants	-	-	-	-
<b>Public Safety:</b>				
Police	30,469	31,728	33,378	35,382
Fire	13,598	15,070	15,855	16,160
Parks & Recreation	-	-	-	-
Public Works	5,563	8,958	8,874	9,053
Capital Outlay	17,378	32,435	34,136	24,248
<b>Debt Service:</b>				
Principal Retirement	2,229	1,178	1,321	1,364
Interest and Fiscal Charges	138	694	548	507
<b>Total Expenditures</b>	<b>87,059</b>	<b>101,515</b>	<b>106,223</b>	<b>99,409</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>12,654</b>	<b>3,634</b>	<b>5,155</b>	<b>20,565</b>
<b>Other Financing Sources (Uses):</b>				
Sales of Real Property	12	655	1,465	113
Proceeds from Sale of Capital	5	7	3	1
Subscription Assets Acquired	-	-	-	-
Issuance of Debt - Leases Acquired	-	-	-	-
Issuance of Debt	1,558	13,121	-	-
Bond Premium	-	785	-	-
Transfers In	2,482	2,070	8,373	3,272
Transfers Out	(7,254)	(6,304)	(12,365)	(7,398)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,197)</b>	<b>10,334</b>	<b>(2,524)</b>	<b>(4,012)</b>
<b>Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 9,457</b>	<b>\$ 13,968</b>	<b>\$ 2,631</b>	<b>\$ 16,553</b>
<b>Debt Service as a Percentage of Noncapital Expenditures <sup>1</sup></b>	<b>3.2%</b>	<b>2.4%</b>	<b>2.3%</b>	<b>2.3%</b>

<sup>1</sup> 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						
	2019	2020	2021	2022	2023	2024
\$	58,561	\$ 60,350	\$ 70,926	\$ 82,151	\$ 84,617	\$ 86,676
	25,048	26,282	27,885	29,726	31,769	34,381
	8,619	8,020	9,290	10,868	11,771	12,368
	13,505	14,829	17,865	14,689	20,859	33,329
	95	84	73	57	97	60
	12,267	13,929	14,264	17,382	13,106	15,415
	4,470	4,841	1,479	(4,977)	4,056	15,152
	8,692	8,374	8,117	10,530	9,441	9,804
	2,999	2,208	1,754	2,780	2,151	1,742
	<u>134,256</u>	<u>138,917</u>	<u>151,653</u>	<u>163,206</u>	<u>177,867</u>	<u>208,927</u>
	3,049	3,944	4,610	3,600	4,546	4,022
	6,052	2,114	2,552	3,135	3,131	6,150
	3,988	10,501	9,736	11,825	12,645	-
	-	753	2,269	947	2,637	1,859
	38,446	41,638	42,420	44,792	47,580	48,603
	17,115	17,360	18,678	20,542	22,135	21,846
	-	-	-	-	-	12,673
	8,966	5,400	5,305	5,881	6,723	5,735
	27,031	29,900	19,298	21,389	39,293	53,280
	1,136	895	882	1,041	1,729	1,601
	465	437	397	362	346	328
	<u>106,248</u>	<u>112,942</u>	<u>106,147</u>	<u>113,514</u>	<u>140,765</u>	<u>156,097</u>
	28,008	25,975	45,506	49,692	37,102	52,830
	517	-	1,028	1,386	173	-
	1	16	3	47	1	-
	-	-	-	-	-	2,187
	-	-	-	-	73	17
	-	-	-	-	-	-
	-	-	-	-	-	-
	9,509	8,482	13,700	15,959	11,748	20,107
	(13,125)	(12,813)	(17,697)	(24,795)	(23,097)	(26,549)
	<u>(3,098)</u>	<u>(4,315)</u>	<u>(2,966)</u>	<u>(7,403)</u>	<u>(11,102)</u>	<u>(4,238)</u>
	-	-	-	-	-	-
\$	<u>24,910</u>	<u>21,660</u>	<u>42,540</u>	<u>42,289</u>	<u>26,000</u>	<u>48,592</u>
	2.0%	1.5%	1.5%	1.4%	1.9%	1.6%

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

	Fiscal Year			
	2015	2016	2017	2018
City Direct Rate:				
City Basic Rate	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150
Total City Direct Rate	0.1150	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	0.1834	0.1836	0.1825
Tulare County Schools	0.0248	0.0248	0.0248	0.0248
Tulare County Flood Control District	0.0022	0.0022	0.0022	0.0021
Air Pollution Control District	0.0004	0.0004	0.0004	0.0004
Library Fund	0.0158	0.0158	0.0158	0.0157
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	0.0141
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	0.2430	0.2430	0.2426	0.2438
Visalia Unified School District Bonds	0.0300	0.0226	0.0270	0.0183
Kaweah Delta Hospital Bonds	0.0209	0.0237	0.0206	0.0198
Kaweah Delta Water Assessment	0.0005	0.0004	0.0003	0.0004
Total Direct Rate <sup>1</sup>	\$ 1.0517	\$ 1.0472	\$ 1.0482	\$ 1.0386

**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.

<sup>1</sup>The City's total direct tax rate varies by tax rate area. The rate provided comes from tax rate area 006-008 and is representative of other tax rate areas within the City.

Source: Tulare County Auditor Controller's Office



Fiscal Year						
2019	2020	2021	2022	2023	2024	
\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1540	\$ 0.1535	
0.1150	0.1150	0.1150	0.1150	0.1540	0.1535	
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	0.1818	0.1820	0.1820	0.3722	0.3722	
0.0248	0.0248	0.0248	0.0248	0.0248	0.0248	
0.0021	0.0021	0.0021	0.0021	0.0055	0.0055	
0.0004	0.0004	0.0004	0.0004	0.0004	0.0004	
0.0157	0.0156	0.0156	0.0156	0.0174	0.0174	
0.0016	0.0016	0.0016	0.0016	0.0020	0.0020	
0.0011	0.0011	0.0011	0.0011	0.0018	0.0018	
0.0141	0.0141	0.0141	0.0140	0.0237	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	0.2447	0.2445	0.2447	-	-	
0.0225	0.0225	0.0425	0.0350	0.0300	0.0400	
0.0181	0.0181	0.0169	0.0180	0.0160	0.0160	
0.0004	0.0003	0.0004	0.0004	-	-	
\$ 1.0411	\$ 1.0411	\$ 1.0600	\$ 1.0537	\$ 1.0468	\$ 1.0563	

**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 <sup>1</sup>
	Secured	Unsecured		
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%
2024	14,752,716	1,032,054	15,784,770	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, the 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.

<sup>1</sup> The City’s total direct tax rate varies by tax rate area. The rate provided comes from tax rate area 006-008 and is representative of other tax rate areas within the City.

Source: Tulare County Auditor Controller’s Office

**CITY OF VISALIA  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
(In Thousands)**

Taxpayer	2024			2015		
	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.	\$ 173,653	1.10%	1	-	-	-
3315 Kelsey LLC	130,788	0.83%	2	-	-	-
Amazon.com Services LLC	99,494	0.63%	3	-	-	-
Pac West Diversified LP	95,370	0.60%	4	-	-	-
United Parcel Service Inc	83,056	0.53%	5	-	-	-
J Beast LP	63,836	0.40%	6	-	-	-
BT-OH LLC	62,056	0.39%	7	-	-	-
Visalia Mall LP	61,307	0.39%	9	-	-	-
7227 W Doe Ave LLC	54,983	0.35%	10	-	-	-
California Dairies Inc.	-	-	-	\$ 200,005	2.32%	1
Imperial Bondware Corp.	-	-	-	61,574	0.71%	2
VF Outdoor	-	-	-	42,737	0.50%	3
Visalia Mall LP	-	-	-	42,211	0.49%	4
VWR International LLC	-	-	-	37,075	0.43%	5
J Beast LP	-	-	-	35,002	0.41%	6
Cottonwood Fresno Holdings LLC	-	-	-	35,000	0.41%	7
Calif Water Service Co	-	-	-	33,718	0.39%	8
Blam-Jade LP	-	-	-	30,684	0.36%	9
Duke Realty LTD Partnership	-	-	-	28,127	0.33%	10
<b>Total Ten Largest Tax Payers</b>	<b>\$ 824,543</b>	<b>5.22%</b>		<b>\$ 546,133</b>	<b>6.33%</b>	
<b>All Other Tax Payers</b>	<b>\$ 14,960,227</b>	<b>94.78%</b>		<b>\$ 8,082,820</b>	<b>93.67%</b>	
<b>Total Assessed Valuation - All Tax Payers</b>	<b>\$ 15,784,770</b>	<b>100.00%</b>		<b>\$ 8,628,953</b>	<b>100.00%</b>	

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
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	25,185	25,185	100.00%
2023	28,768	28,768	100.00%
2024	30,937	30,937	100.00%

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**  
**2014-2023 CALENDAR YEARS**  
(Dollars in Thousands)

	<u>2019<sup>(2)</sup></u>	<u>2020<sup>(2)</sup></u>	<u>2021<sup>(2)</sup></u>	<u>2022<sup>(2)</sup></u>	<u>2023<sup>(2)</sup></u>
Retail Stores					
Apparel Stores	\$ 145,638	\$ 107,987	\$ 185,096	\$ 166,673	\$ 181,202
General Merchandise Stores	405,765	387,705	471,973	504,821	501,146
Food Stores	124,210	138,239	131,034	149,412	138,113
Eating and Drinking Places	296,010	249,567	348,749	381,344	403,787
Home Furnishings and Appliances	92,407	91,551	119,453	106,914	93,362
Bldg. Material and Farm Implements	242,041	286,433	309,307	335,070	329,892
Auto Dealers and Auto Supplies	375,482	370,099	479,184	452,229	432,378
Service Stations	171,821	132,712	186,585	225,791	204,930
Other Retail Stores	214,145	218,646	346,084	516,480	628,872
Retail Stores Totals	<u>2,067,519</u>	<u>1,982,939</u>	<u>2,577,465</u>	<u>2,838,734</u>	<u>2,913,682</u>
All Other Outlets	<u>1,029,450</u>	<u>1,081,731</u>	<u>1,251,414</u>	<u>1,363,230</u>	<u>1,226,427</u>
Totals All Outlets	<u>\$ 3,096,969</u>	<u>\$ 3,064,670</u>	<u>\$ 3,828,879</u>	<u>\$ 4,201,964</u>	<u>\$ 4,140,109</u>
	<u>2014<sup>(2)</sup></u>	<u>2015<sup>(2)</sup></u>	<u>2016<sup>(2)</sup></u>	<u>2017<sup>(2)</sup></u>	<u>2018<sup>(2)</sup></u>
Retail Stores					
Apparel Stores	\$ 123,465	\$ 128,885	\$ 138,129	\$ 138,637	\$ 144,806
General Merchandise Stores	382,040	392,404	398,900	400,820	406,490
Food Stores	109,234	108,996	123,005	120,900	124,058
Eating and Drinking Places	227,906	247,406	263,310	277,409	288,003
Home Furnishings and Appliances	65,265	83,136	91,778	86,839	91,966
Bldg. Material and Farm Implements	180,519	203,921	213,421	222,315	312,640
Auto Dealers and Auto Supplies	320,499	370,884	411,684	401,536	377,145
Service Stations	210,790	155,270	141,307	163,999	155,709
Other Retail Stores	266,053	208,015	212,872	203,637	215,347
Retail Stores Totals	<u>1,885,770</u>	<u>1,898,917</u>	<u>1,994,406</u>	<u>2,016,092</u>	<u>2,116,164</u>
All Other Outlets	<u>642,282</u>	<u>742,120</u>	<u>775,194</u>	<u>794,330</u>	<u>854,888</u>
Totals All Outlets	<u>\$ 2,528,051</u>	<u>\$ 2,641,037</u>	<u>\$ 2,769,600</u>	<u>\$ 2,810,422</u>	<u>\$ 2,971,052</u>

Source:

(1) California Department of Finance

(2) Avenue Insights & Analytics (MuniServices)

Note: 2023 is the latest available year.

**CITY OF VISALIA**  
**TOP 25 SALES TAX CONTRIBUTORS**  
**2023 CALENDAR YEAR and NINE YEARS AGO**  
**(in alphabetical order)**

**2023 CALENDAR YEAR**

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Amazon	Lampe Chrysler Dodge Jeep Ram
Amazon Services	Lawrence Tractor Co.
ARCO AM/PM Mini Marts	Lowe's Home Centers
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 Cadillac	Visalia Toyota
HILTI	VWR International
Home Depot	Wal Mart Stores
J.C. Lansdowne	

**2014 CALENDAR YEAR**

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Animal Health International	MWI Veterinary Supply
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	Valley Pacific Petroleum
Home Depot	Visalia Honda
J C Penney Company	Visalia Toyota
Lampe Chrysler Dodge Jeep Ram	VWR International
Lowe's Home Improvement	Wal Mart Stores
Macy's	

Source: Avenue Insights & Analytics (MuniServices)

Note: 2023 is the 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		
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
2024	6,520	-	616	2,411	-	9,547

NOTES:

<sup>1</sup>US 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 <sup>1</sup>	Debt Per Capita
\$ 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
5,675	81,636	43	87,354	96,901	N/A	670

**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 Net of Resources Restricted for Debt			Total	Percent of Assessed Value <sup>1</sup>	Debt Per Capita
	Certificates of Participation	Lease Liabilities	SBITA Liabilities			
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	11,146	-	-	\$ 11,146	0.11%	81
2020	10,301	-	-	\$ 10,301	0.09%	74
2021	9,419	-	-	\$ 9,419	0.08%	67
2022	8,492	723	-	\$ 9,215	0.07%	65
2023	7,522	679	732	\$ 8,933	0.06%	62
2024	6,505	616	2,411	\$ 9,532	0.06%	66

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

<sup>1</sup>Assessed 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, 2024  
(In Thousands)**

2023-24 City Assessed Valuation	\$ 15,784,770	
Successor Agency Incremental Valuation	<u>(1,049,301)</u>	
<b>Total Assessed Valuation</b>	<b><u>\$ 14,735,469</u></b>	
	<b>Percentage Applicable <sup>1</sup></b>	<b>Outstanding Debt 6/30/24</b>
		<b>Estimated Share of Overlapping Debt</b>
<b>Overlapping Tax and Assessment Debt:</b>		
College of the Sequoias Tulare School Facilities Improvement District	0.571%	\$ 54,262
College of the Sequoias Visalia School Facilities Improvement District	68.986%	24,039
Visalia Unified School District	86.771%	82,120
Tulare Joint Union High School District	0.737%	11,290
Liberty School District	17.664%	253
Kaweah Delta Hospital District	85.600%	35,400
City of Visalia 1915 Act Bonds	100.000%	<u>194</u>
<b>Total Overlapping Tax and Assessment Debt</b>		<b><u>207,558</u></b>
<b>Direct and Overlapping General Fund Debt:</b>		
Tulare County Certificates of Participation	34.201%	37,394
Tulare County Pension Obligation Bonds	34.201%	189,585
Tulare County Board of Education Certificates of Participation	34.201%	33,080
Visalia Unified School District Certificates of Participation	86.771%	28,270
Tulare Joint Union High School District General Fund Obligations	0.737%	164
Liberty School District Certificates of Participation	17.664%	1,975
<b>City of Visalia General Fund Obligations</b>	<b>100.000%</b>	<b><u>9,547</u></b>
<b>Total Direct and Overlapping General Fund Debt</b>		<b><u>300,015</u></b>
Overlapping Tax Increment Debt (Successor Agency)	100.000%	<u>680</u>
<b>Total Direct Debt</b>		<b><u>9,547</u></b>
Total Overlapping Debt		<u>498,706</u>
<b>Combined Total Debt</b>		<b><u>\$ 508,253</u></b>

**NOTE:**

<sup>1</sup>Percentage 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			
	2015	2016	2017	2018
Assessed valuation	\$ 8,628,953	\$ 9,110,634	\$ 9,580,740	\$ 10,001,046
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	2,157,238	2,277,659	2,395,185	2,500,262
Debt limit percentage	15%	15%	15%	15%
Debt limit	323,586	341,649	359,278	375,039
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 323,586</u>	<u>\$ 341,649</u>	<u>\$ 359,278</u>	<u>\$ 375,039</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									
		2019	2020	2021	2022	2023	2024				
\$	10,601,276	\$	11,145,062	\$	11,789,750	\$	12,516,423	\$	14,684,266	\$	15,784,770
	25%		25%		25%		25%		25%		25%
	2,650,319		2,786,266		2,947,438		3,129,106		3,671,067		3,946,193
	15%		15%		15%		15%		15%		15%
	397,548		417,940		442,116		469,366		550,660		591,929
	-		-		-		-		-		-
\$	397,548	\$	417,940	\$	442,116	\$	469,366	\$	550,660	\$	591,929
	0.0%		0.0%		0.0%		0.0%		0.0%		0.0%

**CITY OF VISALIA**  
**PLEGDED REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**

Fiscal Year Ended June 30	Wastewater & Storm Sewer Maintenance Fund Cleanwater State Revolving Fund Loan					
	Operating Revenue	Less:	Net	Debt Service		Debt Service Coverage
		Operating Expenses	Available Revenue	Principal	Interest	
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
2024	32,164	20,755	11,409	2,596	1,769	2.61

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)
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	22,585,661	47,295	7.4%
2023	142,968	14,684,266	102,710	NA	NA	10.1%
2024	144,532	15,784,770	109,213	NA	NA	10.0%

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 2022.

\* For 2023, the California Department of Finance restated the prior year figure from 143,031 to 142,968.

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

Employer	2024			2015		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
County of Tulare (1)	5,060	1	2.62%	2,132	3	1.22%
Kaweah Delta Healthcare (2)	4,550	2	2.36%	4,820	1	2.76%
Visalia Unified School District (3)	2,988	3	1.55%	2,962	2	1.70%
Visalia Mall (cumulative) (2)	1,200	4	0.62%	NA		NA
VF Outdoor Inc (2)	1,012	5	0.52%	600	5	0.34%
Walmart (incl. Neighborhood Market) (2)	840	6	0.44%	NA		NA
Graphic Packaging (Intl. Paper Co.) (2)	757	7	0.39%	350	7	0.20%
College of the Sequoias (2)	705	8	0.37%	1,160	4	0.67%
City of Visalia (4)	692	9	0.36%	589	6	0.34%
UPS (2)	600	10	0.31%	NA		NA
Jostens	NA		NA	320	8	0.18%
CIGNA Health Care	NA		NA	300	9	0.17%
California Pretzel Co. Inc.	NA		NA	225	10	0.13%
Number of Employed (5)	193,000			174,426		

Source: (1) County of Tulare Budget (2023-24)  
(2) City of Visalia Economic Development Division (December 2020)  
(3) Visalia Unified School District (June 2022)  
(4) City of Visalia Budget (2023-24)  
(5) State of California Employment Development Department



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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Administration	46	46	47	64	64	64	18	18	43	30
Administrative Services	NA	NA	NA	NA	NA	NA	NA	NA	26	14
Community Development	64	65	65	79	79	77	35	35	39	NA
Engineering Services	NA	NA	NA	NA	NA	NA	NA	NA	NA	48
Finance & Technology Services	16	20	20	27	27	27	52	52	55	55
Fire	82	82	81	81	85	85	86	86	89	89
General Services	NA	NA	NA	NA	NA	NA	46	46	NA	NA
Housing & Community Grants	NA	NA	NA	NA	NA	2	NA	NA	NA	NA
Community Services	34	12	12	13	13	13	39	39	50	NA
Parks & Recreation	NA	NA	NA	NA	NA	NA	NA	NA	NA	54
Planning & Community Preservation	NA	NA	NA	NA	NA	NA	NA	NA	NA	22
Police	208	208	208	223	230	234	237	239	247	248
Public Works	121	139	141	143	144	144	144	144	127	132
Transportation & General Services	18	27	29	NA	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>589</b>	<b>599</b>	<b>603</b>	<b>630</b>	<b>642</b>	<b>646</b>	<b>657</b>	<b>659</b>	<b>676</b>	<b>692</b>

(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			
	2015	2016	2017	2018
Police:				
Calls for service - Calendar Year*	134,287	144,856	144,489	153,701
Fire:				
Calls for service - Calendar Year*	12,518	14,065	14,283	15,301
Refuse/Sewer**:				
Number of Residential Accounts	37,538	37,884	38,014	38,579
Number of Commercial Accounts	3,747	3,758	4,043	3,993
Total Refuse/Sewer Accounts	41,285	41,642	42,057	42,572
Business Licenses:				
New licenses issued during the year	1,098	1,201	1,375	1,955
Total business licenses	11,920	12,145	12,098	12,268
Building Permits:				
Residential	2,478	3,152	2,793	2,865
Commercial	381	349	355	381
Miscellaneous	1,673	1,648	1,745	1,497
Total Building Permits	4,532	5,149	4,893	4,743

Source: City of Visalia

Note:

\* 2023 calendar year information available.

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
<u>158,783</u>	<u>160,465</u>	<u>158,189</u>	<u>158,836</u>	<u>159,159</u>	<u>138,548</u>
<u>15,229</u>	<u>16,180</u>	<u>15,885</u>	<u>16,630</u>	<u>17,135</u>	<u>17,536</u>
41,638	39,494	39,076	40,397	42,870	41,586
<u>3,654</u>	<u>3,254</u>	<u>3,360</u>	<u>3,441</u>	<u>3,598</u>	<u>3,352</u>
<u>45,292</u>	<u>42,748</u>	<u>42,436</u>	<u>43,838</u>	<u>46,468</u>	<u>44,938</u>
1,586	1,409	1,236	1,525	1,663	1,724
<u>12,241</u>	<u>12,315</u>	<u>12,505</u>	<u>12,953</u>	<u>13,126</u>	<u>13,473</u>
3,049	2,753	3,367	4,068	4,273	1,582
319	319	270	343	345	243
<u>1,970</u>	<u>1,962</u>	<u>2,025</u>	<u>2,223</u>	<u>1,983</u>	<u>2,098</u>
<u>5,338</u>	<u>5,034</u>	<u>5,662</u>	<u>6,634</u>	<u>6,601</u>	<u>3,923</u>

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

	Fiscal Year			
	2015	2016	2017	2018
Police:				
Stations	3	3	3	3
Fire:				
Fire stations	5	6	6	6
Public Works:				
City Area in Square Miles	37	37	38	38
Streets (miles)	512	512	516	516
Traffic Signalized Intersections	120	120	123	123
Community Services:				
Developed City Park Acreage	281	281	269	269
City Owned Open Space Acreage	282	282	289	289
Public Libraries	1	1	1	1
Recreation Centers	5	5	5	5
Swimming Pools	0	0	0	0
Parks	52	52	54	54
Acres of Parks	290	290	286	286
Wastewater:				
Sanitary sewers (miles)	468	468	507	508
Storm sewers (miles)	240	240	276	277
Golf Course:				
Municipal golf courses	1	1	1	1

Source: Various City Departments

Fiscal Year					
2019	2020	2021	2022	2023	2024
3	3	3	3	3	3
6	6	6	6	6	6
38	38	38	38	38	40
525	528	519	519	519	525
126	127	131	131	132	132
269	269	293	293	293	293
289	289	266	266	266	266
1	1	1	1	1	1
5	5	5	5	5	5
0	0	0	0	0	0
54	54	58	58	58	58
286	286	314	314	314	314
508	508	508	508	508	510
277	277	277	277	279	280
1	1	1	1	1	1

**CITY OF VISALIA  
INSURANCE IN FORCE  
FISCAL YEAR ENDED JUNE 30, 2024**

Type	Coverage	Underwriter	Limits of Coverage	Deductibles	Policy Number	Period of Policy
Primary	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 \$50,000,000; total limits \$60,000,000	\$1,000,000 SIR		07/01/23 to 06/30/24
Primary	Commercial Property Policy	Allianz	Business Real Property, Business Personal Property limit \$347 mil; Business Income/Extra Exp \$10m	\$50,000 bldg; \$5k contents;	USC007189200	07/01/23 to 06/30/24
Primary	Pollution Liability (Underground Storage Tank)	Great American Insurance Group	\$1 mil liability; \$1 mil aggregate	\$5k deductible	STPE95970200	10/31/23 - 10/31/24
Primary	Excess Workers Compensation	Keenan & Associates/Safety National	XS work comp, loss control fees; admin fees; broker fees. \$25 million limits	\$1 mil SIR	SP4067096	07/01/23 to 06/30/24
Primary	Excess Health & Medical Coverage	PRISM Risk	Healthcare Pooling Program	None		1/1/24 to 12/31/24
Ancillary	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
Ancillary	Cyber Insurance	CFC	5 mil aggregate;	100,000	ESM0239808230	11/4/23 - 11/4/24
Ancillary	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	7/1/23 to 7/1/24
Ancillary	Crime Policy/ Bond - General	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	CCP312216901	4/27/24 to 4/27/25
Ancillary	Crime Policy/Bond - Police	Fidelity and Deposit Companies	Commercial Crime Policy; \$5,000,000	\$100,000 deductible	CCP312217101	4/27/24 to 4/27/25
Ancillary	Special Events Insurance	HUB Insurance	Liability policy available to citizens holding events in city facilities/parks			
Ancillary	EAP	CuraLink	6 visits per insured member per year			7/1/2022 - 6/30/25
	Long Term Disability (LTD)	Sun Life	66% of pre-disability earnings up to \$5,000 monthly benefit		234707	1/1/24 to 12/31/24
	Life Insurance	Sun Life	City Manager 2X Annual Salary; Department Head Group \$75,000; All Other Employees \$30,000		234707	1/1/24 to 12/31/24
	Dental	Preferred Benefits/Delta Dental	\$1,000 maximum annual benefit paid per insured (retirees and their dependents are not eligible for dental)		8244	1/1/24 to 12/31/24
	Vision	Vision Service Plan	Annual benefits with VSP provider		ID #00849301	1/1/24 to 12/31/24

# Compliance Section





## 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 2023-24 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
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
2024	282,441,614	35,076,789	651,803	318,170,206	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 2023-24 ASSESSED VALUATION**

Property Owner	Fiscal Year 2023-24 Total Assessed Value	Percentage of Total <sup>(1)</sup>
1 Hotel Circle GL Holding LLC	\$ 17,185,150	5.40%
2 Donald John & Shelly Kaye Groppetti	15,549,885	4.89%
3 Willow Street Development Co LLC	10,353,021	3.25%
4 Kenneth J. Curti (TR)	8,917,326	2.80%
5 Visalia Land & Investment Co LLC	8,901,000	2.80%
6 United Rentals North America Inc.	6,993,650	2.20%
7 CRG Development LP	6,682,292	2.10%
8 Z5 LLC	3,362,997	1.06%
9 Larry J. Ritchie	3,153,534	0.99%
10 Cary S. Winslow	2,681,975	0.84%
	\$ 83,780,830	

<sup>(1)</sup> Fiscal Year 2023-24 assessed valuation: \$318,170,206

Source: Tulare County Auditor Controller's Office

**Table 8**  
**Successor Agency of The City of Visalia**  
**East Visalia Redevelopment Project**  
**Tax Revenues**  
**(000s Omitted)**

<b>Fiscal Year</b>	<b>Total Assessed Valuation</b>	<b>Tax Increment</b>	<b>Senior Tax Sharing</b>	<b>Section 33676 Adjustment</b>	<b>County Admin Fees</b>	<b>Housing Set-Aside</b>	<b>Tax Revenues</b>
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)**

<b>Fiscal Year</b>	<b>Tax Revenues</b>	<b>Debt Service</b>	<b>Coverage</b>
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, 2024 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, 2024 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.

