

**State of California**

**City of Visalia**



**Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2025**



CITY OF VISALIA  
STATE OF CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025



**Prepared by the Finance Department**

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



# Table of Contents

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

### TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION:</b>	
Letter of Transmittal.....	i
Organizational Chart.....	xii
GFOA Certificate of Achievement.....	xiii
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	4
<b>Basic Financial Statements:</b>	
<b>Government-wide Financial Statements:</b>	
Statement of Net Position .....	30
Statement of Activities .....	31
<b>Fund Financial Statements:</b>	
<b>Governmental Funds:</b>	
Balance Sheet .....	34
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position .....	37
Statement of Revenues, Expenditures, and Changes in Fund Balance.....	38
Reconciliation of the Net Changes in Fund Balances – Governmental Funds with the Change in Net Position of Governmental Activities.....	41
<b>Proprietary Funds:</b>	
Statement of Net Position .....	44
Statement of Revenues, Expenses, and Changes in Fund Net Position.....	46
Statement of Cash Flows .....	48
<b>Fiduciary Funds:</b>	
Statement of Fiduciary Net Position .....	51
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	52
<b>Notes to Basic Financial Statements .....</b>	<b>53</b>
<b>Required Supplementary Information:</b>	
Notes to the Budgetary Comparison Schedule .....	107
Budgetary Comparison Schedule:	
General Fund.....	108
Measure N.....	110
American Rescue Plan .....	111
Schedule of Changes in Net Pension Liability and Related Ratios - Miscellaneous Plan .....	112
Schedule of Changes in Net Pension Liability and Related Ratios - Safety Plan .....	114
Schedule of Contributions .....	116
<b>Supplementary Information:</b>	
Budgetary Comparison Schedule:	
Transportation .....	119
Civic Center .....	120

# Table of Contents

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

<b>FINANCIAL SECTION:</b> (Continued) .....	<u>Page</u>
<b><i>Non-major Governmental Funds:</i></b>	
Combining Balance Sheets.....	126
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	135
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual.....	144
<b><i>Non-Major Proprietary Funds:</i></b>	
Combining Statement of Net Position .....	164
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	165
Combining Statement of Cash Flows .....	166
<b><i>Internal Service Funds:</i></b>	
Combining Statement of Net Position .....	170
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position.....	172
Combining Statement of Cash Flows .....	174
<b><i>Custodial Funds:</i></b>	
Combining Statements of Fiduciary Net Position – Custodial Funds .....	180
Combining Statements of Changes in Fiduciary Net Position – Custodial Funds .....	181
<b>STATISTICAL SECTION:</b>	
Net Position by Component – Last Ten Fiscal Years .....	186
Changes in Net Position – Last Ten Fiscal Years.....	188
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	192
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years .....	194
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	196
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	198
Principal Property Tax Payers – Current Year and Nine Years Ago .....	199
Property Tax Levies and Collections – Last Ten Fiscal Years .....	200
Historical Sales and Use Tax Rates.....	201
Taxable Sales Transactions By Type – Last ten Calendar Years .....	202
Top 25 Sales Tax Contributors – 2024 Calendar Year and Nine Years Ago .....	203
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	204
Ratio of General Bonded Debt Outstanding – Last Ten Fiscal Years.....	206
Direct and Overlapping Debt .....	207
Legal Debt Margin Information – Last Ten Fiscal Years .....	208
Pledged Revenue Coverage – Last Ten Fiscal Years.....	210
Demographic and Economic Statistics – Last Ten Fiscal Years .....	211
Principal Employers – Current Year and Nine Years Ago .....	212
Full-Time City Employees by Function – Last Ten Fiscal Years.....	213
Operating Indicators by Function – Last Ten Fiscal Years .....	214
Capital Asset Statistics by Function – Last Ten Fiscal Years .....	216
Insurance in Force.....	218
<b>COMPLIANCE SECTION:</b>	
Bond Disclosure Requirements .....	221

# Introductory Section

Introductory Section



December 15, 2025

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, 2024 through June 30, 2025. 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 2024-2025 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.

# Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

- 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 146,978 as of April 2025, making it the 40<sup>th</sup> largest city in California (*Department of Finance, State of California*).

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

### Types of Services

The City provides a full range of municipal services including those required by statute or charter. These services include Police, Fire, Planning, Building Safety, Successor Agencies to Redevelopment, Housing and Economic Development, Wastewater Treatment and Collection, Storm Water Collection, Ground Water Recharge, Solid Waste, Streets, Parks, Traffic Safety, Transit, Airport, Recreation, Convention Center, Senior Center, and General Administrative Services.

## BUDGET

The City Council is required to adopt a budget by no later than the close of the prior fiscal year. 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., Parks and Recreation), by funds (e.g.,

# Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

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 2024-25 had growth in Visalia's General Fund major revenue categories of Sales Tax, Property Tax, and Transient Occupancy Tax. At June 30, 2025, the California consumer price index stood at 3.0% and employment in the state continued to show signs of slowing as the unemployment rate had climbed to 5.4%, an increase from the June 30, 2024 rate of 5.2%. Nationally, employment remained steady as the national unemployment rate was at 4.1%, nearly at the natural unemployment rate of 4% that the Federal Open Market Committee wants to see.

Fiscal year 2024-25 ended the year with an overall increase of \$3.0 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 \$2.7 million increase over the prior year.

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

Description	Increase Over Prior			
	FY 23/24	FY 24/25	Year	% Increase
Sales Tax	\$ 47,622,285	\$ 48,662,242	\$ 1,039,957	2.2%
Property Tax	34,380,889	37,080,901	2,700,012	7.9%
Transient Occupancy Tax	4,789,890	5,001,865	211,975	4.4%
Franchise Fees	4,017,299	3,232,921	(784,378)	-19.5%
Business License	3,471,519	3,340,082	(131,437)	-3.8%
<b>Total</b>	<b>\$ 94,281,882</b>	<b>\$ 97,318,011</b>	<b>\$ 3,036,129</b>	<b>3.2%</b>

Sales Tax for the year rebounded from last year's contraction, ending fiscal year 2024-25 with a 2.2% increase. The addition of new businesses throughout the City and within our growing Industrial Park help contribute to the growth. The main areas of the increase in Sales Tax for Visalia were General Retail (department stores, apparel stores, furniture/appliance stores) which grew 2.30%, Food Products (restaurants, food markets, liquor stores) which grew 3.75%, and Transportation (new and used auto sales, service stations) which had a slight increase of .5%. Property Tax continued its trend increasing 7.9% as growth in property values remained strong; new development occurred; and the housing market continued to offer premium price levels. Travel stays to the area continued to grow for the year as we saw an increase of 4.4% in Transient Occupancy Tax (TOT) revenue. Contributing to this growth was the implementation of new TOT online payment software as well as increased collection efforts in the short-term rental sector. Franchise Fee revenue saw a significant decrease of 19.5% when compared to the prior fiscal year mainly due to natural gas franchise fee payments. According to the Southern California Gas Company, the decrease was the result of a decrease in usage and price procurement when compared

# Letter of Transmittal

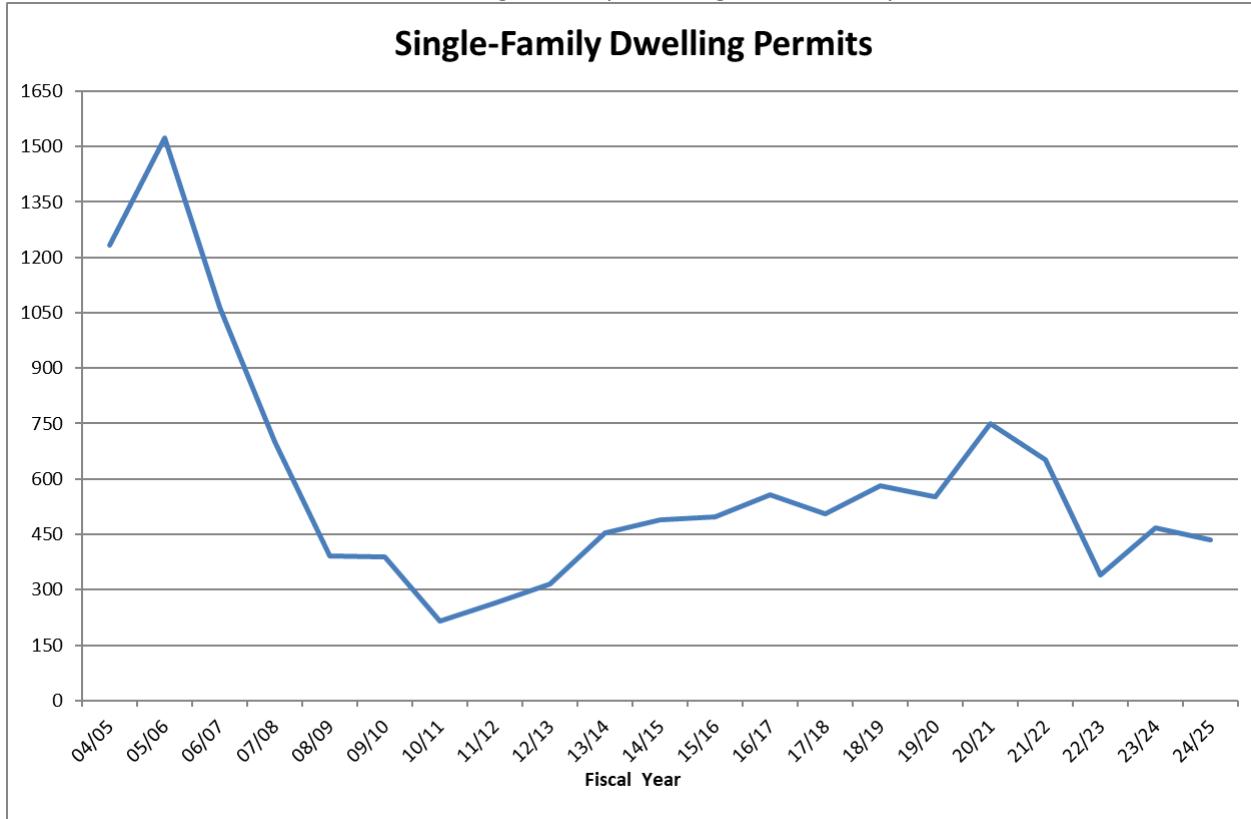
City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

to the unprecedented levels seen in 2023. Decreases were seen across most jurisdictions. Business License revenue decreased 3.8% when compared to last year as the implementation of a new online business license billing and receipt system resulted in adjustments that occurred due to the transition of systems.

Visalia has 13,990 licensed businesses operating in the City, a net increase of 517 as compared to last year. These businesses include private manufacturing, technology research, retail and service businesses, educational services, healthcare and social assistance, consulting, arts and entertainment, hospitality services, along with non-profit institutions.

Construction activity in the City increased 5.4% (based on the number of all permits issued) in fiscal year 2024-25. The total valuation for all permits issued was \$410 million, a 15% decrease from the prior year as the City added .7 million square feet of new commercial property and 1.6 million square feet of space overall. Issued single-family dwelling permits for fiscal year 2024-25 had a decrease of 7% when compared to the prior year as shown in [Table 2 – New Single-Family Dwelling Permits Comparison](#). The construction value for 434 new single-family dwelling permits came in at \$150 million, which was down 4% from the prior year valuation level.

Table 2 – New Single-Family Dwelling Permits Comparison



# Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

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 2024-25, several of which are named within each category as described here.

### **Industrial Park**

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

Seefried Industrial Properties has completed an EIR process for a 280-acre development north of Riggan Avenue between Kelsey Street and Shirk.

College of the Sequoias has purchased an existing facility at 1233 North Century to expand training offerings provided by their Training Resource Center. The increased space will allow the Training Center to bring in more specialized equipment for skills training to help provide the City with a skilled workforce for a growing industrial job market.

A proposed new multi-phased development will be located at Nicholas Avenue and Freedom Street. The first phase will consist of a 35,000 square foot warehouse building with four warehouse lease spaces. The second phase will consist of a 8,750 square foot warehouse building with phase 3 finishing out the development with a 9,000 square foot warehouse.

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

Some new tenants that have come to the area over the past year include Cameron Ashley Building Products, Midwest Veterinary Supply, White Cap Supply, and Living Spaces.

### **Business Research Park**

The Business Research Park located in northwest Visalia adjacent to the Industrial Park had some activity over the last year as well.

Carmax has completed construction in the Visalia Auto Plaza located northwest of Highway 198 and Plaza Drive and is now open.

The Fahrney Auto Group begun construction of its used car sales concept, My Car Park, in the area.

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

## Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

### **Mooney Boulevard**

Sequoia Mall is currently undergoing complete refurbishment. The next phases will include a conversion of the former Bed Bath and Beyond building into smaller suites. This follows completion of a new Sephora, Osh Kosh, Carter's, and Sketchers which are all located near Hobby Lobby.

Local favorite Orange Works is looking to open a new Mooney Boulevard restaurant in the former Crown Dry Cleaners located between Tulare Avenue and Walnut Avenue. The restaurant will also feature a drive-thru.

### **Downtown**

Tazzah, Coffee & Tea will open in the original Tulare Co. Farm Bureau historic building located at 112 East Oak Avenue.

Owners of Sushi Kuu are going to be opening a new restaurant, Ramen Kuu, at 117 West Main Street in the former Metropolis Body Spa building.

Moving forward this year is the Bridging Horizons Play Park project, Visalia's first fully inclusive playground and park. The project is located just east of Imagine U Children's Museum.

### **North Visalia**

Development at Orchard Walk West located at Dinuba Boulevard and Riggan Avenue continues to progress. A new phase has been completed and includes Burlington Coat Factory, Ulta Beauty, and Five Below which are all now open.

Raising Cane's is now open in the Orchard Walk West center.

Construction of a new Costco at the corner of North Shirk Street and Riggan Avenue has begun. The 159,352 square foot Costco will also offer a car wash and fuel facility. Costco intends to be open early 2026.

### **Additional Visalia Developments**

A second Vallarta Supermarket is currently under construction near Lovers Lane and Noble Avenue. The 53,000 square foot space will anchor additional spaces including a 26,000 square foot space and several other retail and food spaces.

Construction of a new Towneplace Suites by Marriott is nearing completion. It is located near the Holiday Inn Express in the Adventure Park area.

A new 2,800 square foot drive-thru restaurant is being proposed at the southeast corner of Stonebrook Street and Caldwell Avenue across from The Human Bean.

# Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

## ONGOING CAPITAL PROJECTS

The City's Capital Improvement Program has a number of significant projects currently underway that will continue into fiscal year 2025-26 and beyond.

### Caldwell Improvements – Santa Fe to Lovers Lane

- The \$22.9 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.

### Shirk Street Improvements

- The \$5.1 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.

### Civic Center Phase II

- The \$92 million project will design and construct phase two of the Civic Center to be located next to the Visalia Emergency Communication Center. The facility will consist of a Public Safety Administration building, an Evidence Storage building, and a new City Council Chambers.

### Riggin Improvements

- The \$11.4 million project will widen Riggin Avenue from Kelsey Street to Shirk Street converting it from an undivided two-lane road to a four-lane road with median. This will improve traffic mobility for the industrial park and surrounding businesses.

### Riggin Improvements

- The \$7.6 million project will widen Riggin Avenue from Mooney Boulevard to Conyer Street and will include curb and gutter, medians, street lights, and will also construct a frontage road to protect Riggin Avenue properties that face Riggin Avenue.

### City Inclusive Park

- The \$7.9 million project will construct Visalia's first inclusive park and playground. The park and playground are intended to become a multi-generational space for community socialization and imaginative fun in which all individuals of all abilities can enjoy.

## FINANCIAL CONDITION

The General Fund is the City's single largest fund which funds the majority of the City's essential services. Fiscal year 2024-25 had growth in the main General Fund revenue categories of Sales Tax, Property Tax and Transient Occupancy Tax. Contributing to the growth in revenues was the continued inflation that the country has been experiencing over the last few years. At June 30, 2025, the inflation rate in California was at 3.0% and nationally at 2.67%. 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 nearly no change in fund balance and therefore no surplus. This was mainly due to the

# Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

implementation of Governmental Accounting Standards Board Statement No. 101 (GASB 101), which is a required accounting change that updates and standardizes the recognition and measurement guidelines for compensated absences (employee earned vacation and sick time). The implementation of GASB 101 resulted in a transfer out (other financing use) of \$3.88 million to the Compensated Absences Fund for the additional sick time in the General Fund that was required to be recognized as an additional liability. Without this required accounting change, the General Fund would have had a surplus of \$3.78 million.

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

	General	Emergency	Capital	Total
	Fund FY 24/25	Reserve FY 24/25	Project Funds FY 24/25	
Revenues	\$ 110.90	\$ 1.32	\$ -	\$ 112.22
Expenditures	91.12	0.01	4.61	95.74
Over/(Under) Expenditures	\$ 19.78	\$ 1.31	\$ (4.61)	\$ 16.48
Other Financing Sources (Uses)	\$ (19.88)	\$ -	\$ 30.91	\$ 11.03
Change in Fund Balance before Transfers	\$ (0.10)	\$ 1.31	\$ 26.30	\$ 27.51
Surplus before Transfers to Emergency Reserve and Civic Center Fund	\$ (0.10)	\$ 1.31	\$ 26.30	\$ 27.51
Transfer surplus to Emergency Reserve Fund*	\$ -	\$ -	\$ -	\$ -
Transfer surplus to Civic Center Fund*	\$ -	\$ -	\$ -	\$ -
Total Net Change in Fund Balance	\$ (0.10)	\$ 1.31	\$ 26.30	\$ 27.51

\*Note - April 15, 2024 Council directed staff on the Emergency Reserve Policy: all surpluses will be deposited into the General Fund Emergency Reserve to maintain 30% of operating expenditures. Any remaining surplus is to be transferred into the Civic Center Fund.

Although there was no surplus this year due to the implementation of GASB 101, there was growth in a few of the main General Fund revenue categories as discussed earlier. In addition, the General Fund saw growth in charges for services which was up \$2.6 million as engineering and subdivision fees were up \$2 million and charges for fire strike team services were up \$0.5 million. Furthermore, uses of money and property (interest income) was up \$0.3 million as the average earnings interest rate was 3.82% for the year as compared to 3.37% for the prior year. However, expenditures in the General Fund grew \$17.6 million over the previous fiscal year. Increases of \$9.4 million occurred in salaries and benefits as contracted wage increases occurred, longevity pay was implemented, pension costs grew, health benefit costs increased, and vacancies were filled. Capital expenditures vary from year to year but grew \$5.6 million this fiscal year as projects progressed. Finally, operating expenditures had increases of \$2.6 million as costs continue to rise. As we can see, 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). Economists are speculating that the national economic outlook for 2026 is one with slowing Gross

## Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

Domestic Product (GDP) growth with inflation cooling as the Federal Open Market Committee (FOMC) continues to make cuts to the federal funds rate. However, outlook predictions can easily be affected by trade tensions, uncertainty with tariffs, and federal policies. These issues affect us locally as they have ramifications 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:

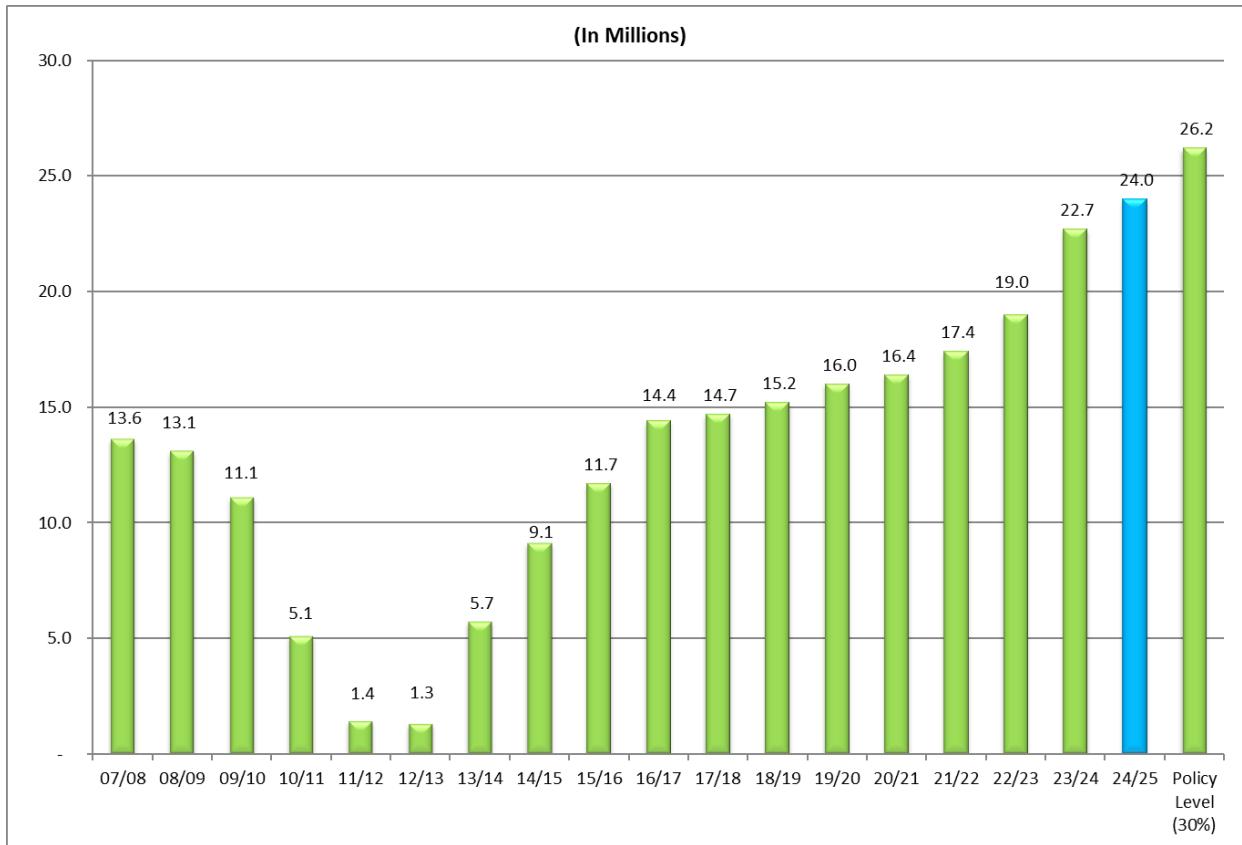
- Quality of Life;
- Fiscal Strength;
- Invest in Infrastructure and Growth;
- Organizational Excellence; and
- Economic Vitality.

Both fiscal years budgets projected 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. Any surplus remaining after transferring funds to the Emergency Reserve would 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.

# Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

Table 4 – General Fund Emergency Reserves



Due to the implementation of GASB 101, the City was not able to meet City Council's goal of funding the Emergency Reserve Fund with a balance of 30% of General Fund operating expenditures. However, the Emergency Reserve is currently funded with a balance of 27.5% of General Fund operating expenditures for fiscal year 2024-25. Without the implementation of GASB 101, a transfer of \$2.2 million would have been able to be made to the Emergency Reserve to fully fund the reserve thus meeting City Council's goal.

## 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, 2024. 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.

# Letter of Transmittal

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

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 as they dedicated many long days of focused attention to producing 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,



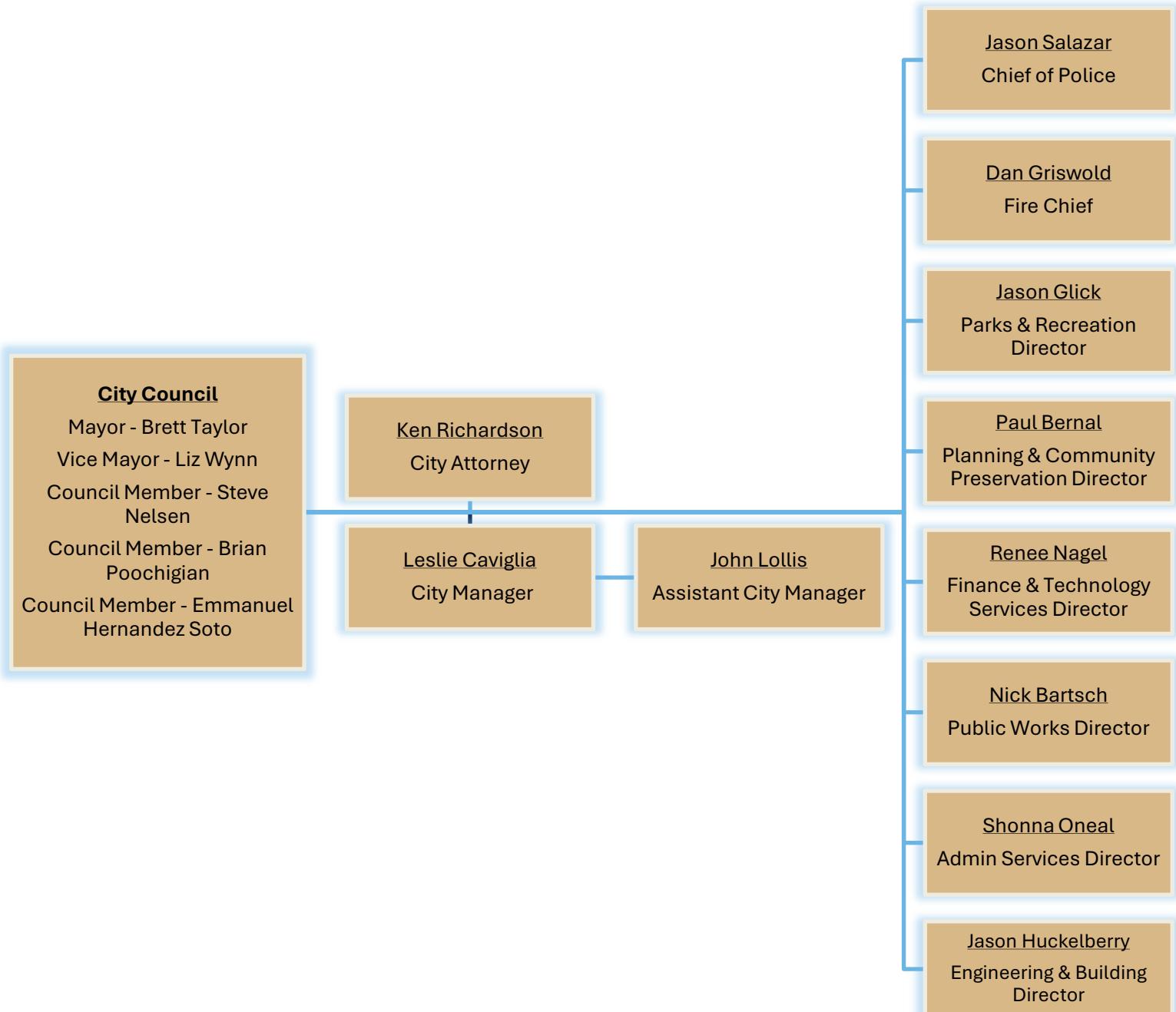
Leslie B. Caviglia  
City Manager



Renee Nagel  
Finance Director

# Organizational Chart

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025



As of June 30, 2025

# GFOA Certificate of Achievement

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025



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, 2024

*Christopher P. Monell*

Executive Director/CEO



# Financial Section

Financial Section



## 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, 2025, 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, 2025, 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.

---

#### BAKERSFIELD

4200 Truxtun Avenue, Suite 300  
Bakersfield, CA 93309  
661-324-4971

#### FRESNO

10 River Park Place East, Suite 208  
Fresno, CA 93720  
559-476-3592

#### STOCKTON

2423 West March Lane, Suite 202  
Stockton, CA 95207  
209-451-4833

### ***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 and related budgetary comparison schedules 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 15, 2025 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

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 15, 2025

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## CITY OF VISALIA MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) FISCAL YEAR ENDING JUNE 30, 2025

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 development. 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.

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.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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 34-41). Major funds account for the major financial activities of the City and are presented individually, while the activities of the Non-major funds are presented in summary as Other Governmental Funds. Non-major funds include Special Revenue Funds such as Measure T, Measure R and Transportation Grants; Debt Service Funds such as VPFA 2014 Refunding COP and 2015 COP; and Capital Projects Funds such as Government Facilities Impact Fee, and Facility Improvements Fund (detail on pages 126-160). 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.
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.

# Management Discussion and Analysis

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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 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.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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 146,978 an increase of 1.7% this past fiscal year. The California Consumer Price Index for All Urban Consumers was at 3.0% as of June 30, 2025. The major factors driving the City's government wide financial results this fiscal year are the following:

- Decreased sales tax revenues of \$0.9 million, down 1% from last year mainly due to a decrease in Measure R sales tax revenues of \$2.4 million (21.1%) as a portion of revenues received in Measure R are based on project reimbursement. Increases were seen in General Fund sales tax of \$1.0 million (2.2%), Measure N sales tax of \$0.3 million (1.8%) and Measure T sales tax of \$0.2 million (1.7%).
- Increased property taxes of \$2.8 million, up 8.0% from last year.
- Increases in investment earnings of \$7.3 million, up 29% from last year including \$2.6 million in interest earnings as the City had an average interest earnings rate of 3.82% for the year as compared to 3.37% for the prior year, and an increase of \$4.7 million in the fair market value of the investments held on June 30, 2025 as the City had unrealized investment gains in accordance with GASB 31.

## **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)

	<b>FY 24-25</b>	<b>FY 23-24*</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
Assets	\$ 1,564.6	\$ 1,464.8	\$ 99.8	7%
Deferred Outflows of Resources	46.6	56.3	(9.7)	-17%
Liabilities	329.4	341.7	(12.3)	-4%
Deferred Inflows of Resources	9.4	11.1	(1.7)	-15%
Net Position	1,272.4	1,168.3	104.1	9%
Revenues	364.0	309.7	54.3	18%
Expenses	259.9	225.3	34.6	15%

\* As restated due to the implementation of GASB 101.

- The City's Total Assets increased by \$99.8 million (7%) during the current fiscal year as the City had increases in cash and investments of \$45.7 million due to increases in tax, grant, and interest earnings revenue, in addition to revenues exceeding expenses for the year; interest receivable of \$0.4 million as

# Management Discussion and Analysis

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

the City's average interest earnings rate was at 3.82% for the year; accounts receivable of \$2.5 million, notes and loans receivable of \$2.9 million as Housing and Community Grants had new additions and repayments were received; due from other governmental units of \$4.4 million; taxes receivable of \$12.4 million as accruals for funds due were more for the year; and capital assets of \$32.9 million. The increases were offset by decreases in prepaids and deposits of \$1.0 million and supplies and inventory of \$0.4 million. The overall increase in capital assets includes additions, deletions, depreciation, and amortization comprised of increases of \$7.4 million in land, \$6.6 million in buildings, \$5.7 million in vehicles and equipment, \$32.3 million in infrastructure, and \$1.7 million in lease and subscription-based information technology assets, as well as decreases of \$15.4 million in construction in progress, and \$5.4 million in improvements.

- The City's Deferred Outflows of Resources decreased by \$9.7 million (17%) due to annual adjustments for GASB 68 pension related activity based on information provided by CalPERS.
- The City's Liabilities decreased by \$12.3 million (4%) during the current fiscal year. This was mainly due to decreases in unearned revenue of \$22.1 million as revenue was recognized and ARPA grant funding was closed out; net pension liability of \$2.5 million, and long term debt obligations of \$2.7 million including scheduled debt service payments and compensated absences. Increases included advances from grantors and third parties of \$1.2 million due to Transit receiving funds for future use; liability for payables of \$10.6 million as payables were entered or accrued and paid next fiscal year, and liability for self-insurance claims of \$3.2 million.
- The City's Deferred Inflows of Resources decreased by \$1.7 million (15%) due to annual adjustments for GASB 68 pension related activity based on information provided by CalPERS.
- The City's Total Net Position (assets and deferred outflows of resources exceeding its liabilities and deferred inflows of resources) was \$1.3 billion as of June 30, 2025.
- The City's Total Revenues, including program and general revenues, were \$364.0 million for fiscal year 2024-25, an increase of \$54.3 million (18%) from last year, while total City expenses were \$259.9 million, an increase of \$34.6 million (15%) from last year. The revenue increase is due to a combination of increases in tax revenue of \$1.4 million, investment earnings of \$7.3 million, grants and contributions of \$31.4 million, charges for services of \$14.7 million, offset by a decrease in 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 2024-25, Program Revenues were \$193.6 million (revenues derived from specific activities) and General Revenues (e.g., taxes and investment earnings) were \$170.4 million. These same revenues can be classified as either Governmental activity revenues or Business-type activity revenues. For the fiscal year 2024-25, Governmental activity revenues were \$242.1 million (67%) and Business-type activity revenues were \$121.9 million (33%).
- Expenses for Governmental activities were \$154.6 million (an 11% increase from last year) and Business-type activities were \$105.3 million (a 22% increase from last year).

### 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 \$798.4 million. The largest portion of the net position includes \$422.6 million (53%) in Net Investment in Capital Assets (net of debt to acquire those assets), \$282.1 million (35%) in restricted used for resources that are subject to restrictions, and \$93.7 million (12%) in unrestricted.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

Table 2  
Governmental Net Position  
(in millions)

	FY 24-25	FY 23-24*	Change	
			\$	%
<b>Assets</b>				
Cash and Investments	\$ 415.9	\$ 378.6	\$ 37.3	10%
Current and Other Assets	94.8	85.7	9.1	11%
Adv. To Other Funds & Internal Balances	5.2	3.6	1.6	44%
Capital Assets, Net of Accum. Deprec./Amortization	432.3	401.8	30.5	8%
<b>Total Assets</b>	<b>948.2</b>	<b>869.7</b>	<b>78.5</b>	<b>9%</b>
<b>Deferred Outflows of Resources</b>				
Pensions	37.9	45.3	(7.4)	-16%
<b>Total Deferred Outflows of Resources</b>	<b>37.9</b>	<b>45.3</b>	<b>(7.4)</b>	<b>-16%</b>
<b>Liabilities</b>				
Other Liabilities	39.7	52.3	(12.6)	-24%
Long-Term Obligations	143.8	146.6	(2.8)	-2%
<b>Total Liabilities</b>	<b>183.5</b>	<b>198.9</b>	<b>(15.4)</b>	<b>-8%</b>
<b>Deferred Inflows of Resources</b>				
Pensions	1.4	2.9	(1.5)	-52%
Leases	2.8	2.2	0.6	27%
<b>Total Deferred Inflows of Resources</b>	<b>4.2</b>	<b>5.1</b>	<b>(0.9)</b>	<b>-18%</b>
<b>Net Position</b>				
Net Investment in Capital Assets	422.6	391.8	30.8	8%
Restricted	282.1	254.2	27.9	11%
Unrestricted	93.7	65.0	28.7	44%
<b>Total Net Position</b>	<b>\$ 798.4</b>	<b>\$ 711.0</b>	<b>\$ 87.4</b>	<b>12%</b>

\* As restated due to the implementation of GASB 101.

- *Cash and Investments* of \$415.9 million increased \$37.3 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 \$432.3 million are categorized in Table 8, Capital Assets, Net of Accumulated Depreciation & Amortization.
- *Deferred Outflows of Resources* of \$37.9 million, decreased \$7.4 million due to annual adjustments for GASB 68 pension related activity calculated by using information provided by CalPERS.
- *Long-Term Obligations* totaling \$143.8 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 \$1.1 million in long term debt payments made by the City during the year, \$24 thousand in lease payments, and \$1.1 million in SBITA payments. Compensated Absences increased by \$0.5 million. The Net pension liability decreased by \$2.2 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 \$4.2 million had a decrease of \$0.9 million as compared to the prior year. Decreases were due to annual adjustments of \$1.5 million for GASB 68 pension related activity calculated by using information provided by CalPERS, offset by an increase in leases of \$0.6 million.
- *Net Position–Net Investment in Capital Assets* of \$422.6 million represents the City's capital assets less accumulated depreciation and amortization and any debt used to finance its construction or purchase.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

- *Restricted Net Position* of \$282.1 million represents resources that are subject to external restrictions on how they may be used. The largest portion, \$173.3 million (61%), is restricted for capital projects, primarily funded by impact fees and grants. Other significant restrictions include \$37.5 million for housing and community development programs and successor agency activities; \$21.9 million for roadway projects funded by Measure R; \$19.1 million for landscape and lighting districts; \$19.1 million for public safety activities funded by Measure N and Measure T; and \$8.8 million for waterways and groundwater recharge projects.
- *Unrestricted Net Position* of \$93.7 million is the remaining part of the balance.

## Analysis of Changes in Governmental Net Position

Governmental activities are summarized on Table 3, Changes in Governmental Net Position, showing that during fiscal year 2024-25 the City's net position increased by \$87.4 million.

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

	FY 24-25	FY 23-24*	Change	
			\$	%
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 39.5	\$ 28.4	\$ 11.1	39%
Operating Grants & Contributions	30.8	20.3	10.5	52%
Capital Grants & Contributions	22.4	14.3	8.1	57%
General Revenues:				
Taxes				
Sales	85.2	86.0	(0.8)	-1%
Property	37.3	34.5	2.8	8%
Other	11.8	12.3	(0.5)	-4%
Investment Earnings	19.1	14.7	4.4	30%
Miscellaneous	1.1	0.9	0.2	22%
	<b>Total Revenues</b>	<b>247.2</b>	<b>211.4</b>	<b>35.8</b>
				17%
<b>EXPENSES</b>				
General Government	7.3	6.9	0.4	6%
Community Development	8.4	13.4	(5.0)	-37%
Housing & Community Grants	11.9	13.4	(1.5)	-11%
Police	62.2	56.0	6.2	11%
Fire	26.1	25.2	0.9	4%
Public Works	20.4	13.1	7.3	56%
Parks & Recreation	18.0	15.0	3.0	20%
Interest on Long-Term Debt	0.3	0.4	(0.1)	-25%
	<b>Total Expenses</b>	<b>154.6</b>	<b>143.4</b>	<b>11.2</b>
				8%
Increase in Net Position				
Before Transfers	92.6	68.0	24.6	36%
Transfers	(5.2)	(4.6)	0.6	13%
	<b>Total Transfers</b>	<b>(5.2)</b>	<b>(4.6)</b>	<b>0.6</b>
				13%
Increase in Net Position				
Net Position at Beg. of Year, as previously reported	715.7	647.6	68.1	11%
Restatement for change in accounting principle	(4.7)	-	(4.7)	-%
Net Position at Beg. of Year, as restated	711.0	647.6	63.4	10%
Net Position at End of Year, as restated	<b>\$ 798.4</b>	<b>\$ 711.0</b>	<b>\$ 87.4</b>	<b>12%</b>

\* As restated due to the implementation of GASB 101.

# Management Discussion and Analysis

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

Total governmental revenues of \$247.2 million, increased by \$35.8 million (17%) and total governmental expenses of \$154.6 million, increased by \$11.2 million (8%) when compared to last year. Changes in revenue were comprised of increases in charges for services of \$11.1 million (39%), operating grants & contributions of \$10.5 million (52%), capital grants & contributions of \$8.1 million (57%), property tax of \$2.8 million (8%), investment earnings of \$4.4 million (30%), and miscellaneous revenue of \$0.2 million (22%) with decreases occurring in sales tax of \$0.8 (1%), other revenue (comprised of transient occupancy, franchise, and business licenses taxes) of \$0.5 million (4%). Expenditures had increases seen in Police of \$6.2 million (11%), Fire of \$0.9 million (4%), General Government of \$0.4 million (6%), Public Works of \$7.3 million (56%) and Parks and Recreation of \$3.0 million (20%), with decreases occurring in Community Development of \$5.0 million (37%), Housing & Community Grants of \$1.5 million (11%), and interest on long-term debt of \$0.1 million (25%).

### **PROGRAM REVENUES**

- **Charges for Services** - These charges increased \$11.1 million or 39% as compared to the prior year. This was mainly due to increases in impact fees of \$2.6 million and the recognition of deferred impact fees of \$4.7 million. Increases were also seen in engineering and subdivision fees of \$2.0 million, special public safety services of \$0.5 million, local ordinance violations of \$0.2 million, special service district fees of \$0.4 million and allocation of Internal Service funds of \$0.4 million.
- **Grants (Operating & Capital) & Contributions** - The combined income from operating and capital grants and contributions increased this year, up from last year by \$18.6 million, for a total of \$53.2 million as a result of ARPA grant funding of \$19.0 million being finalized and closed out.

### **GENERAL REVENUES**

- **Sales Tax** – For government-wide purposes, sales tax decreased \$0.8 million (1%) from the prior year mainly due to a decrease in deferred Measure R revenue for the year resulting from a change in accounting method.
- **Property Taxes** – For government-wide purposes, property tax revenues increased \$2.8 million (8%) over last year currently totaling \$37.3 million.
- **Investment Earnings** - Investment earnings increased \$4.4 million over last year including \$1.8 million in interest earnings as the interest earnings rate was up as compared to the prior year and an increase of \$2.6 million in the fair market value adjustment to investments held on June 30, 2025 as the City had unrealized investment gains in accordance with GASB 31.

### **EXPENSES**

- **General Government** - There were \$7.3 million in expenses, an increase of \$0.4 million (6%) as compared to last year which was mainly due to increases in the annual GASB 68 pension adjustments of \$0.4 million and an increase in various other operating expenditures including allocation of Internal Service funds, all together totaling \$0.3 million offset by a decrease in salaries and benefits of \$0.3 million.
- **Community Development** - There were \$8.4 million in expenses, a decrease of \$5.0 million (37%) as compared to last year mainly due to a significant decrease of \$5.8 million to the annual GASB 68 pension adjustment. Increases included salaries and benefits of \$0.6 million due to wage and benefit increases and \$0.2 million in various other operating expenses including allocation of Internal Service funds.
- **Housing & Community Grants** – There were \$11.9 million in expenses, a decrease of \$1.5 million (11%) when compared to last year due to decreases in program activity.

# Management Discussion and Analysis

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

- **Police** – There were \$62.2 million in expenses, an increase of \$6.2 million (11%) as compared to last year which was comprised of increases in salaries and benefits of \$3.5 million due to wage and benefit increases, various other operating expenses including allocation of Internal Service funds, all totaling \$3.2 million and a decrease in the annual GASB 68 pension adjustment of \$0.5 million.
- **Fire** – There were \$26.1 million in expenses, an increase of \$0.9 million (4%) as compared to last year which was comprised of increases in salaries and benefits of \$1.5 million due to wage and benefit increases, various other operating expenses including allocation of Internal Service funds, all totaling \$0.1 million and a decrease in the annual GASB 68 pension adjustment of \$0.7 million.
- **Public Works** – There were \$20.4 million in expenses, an increase of \$7.3 million (56%) as compared to last year which was mainly due to a significant increase of \$5.4 million in the annual GASB 68 pension adjustment. Increases also included salaries and benefits of \$0.7 million due to of wage and benefit increases and various other operating expenses including allocation of Internal Service funds, all together totaling \$1.2 million.
- **Parks & Recreation** – There was \$18.0 million in expenses, an increase of \$3.0 million (20%) as compared to last year which was comprised of increases in salaries and benefits of \$1.4 million due to wage and benefit increases, various other operating expenses including allocation of Internal Service funds, all together totaling \$1.5 million, and the annual GASB 68 pension adjustment of \$0.1 million
- **Interest on Long-Term Debt** – There was \$0.3 million in interest expense for fiscal year 2024-25. 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 December 2025 and the 2015 COP has a maturity date of December 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

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## Analysis of Business-Type Net Position

The City's business-type net position, shown in [Table 4, Business-Type Net Position](#), exceeded liabilities by \$474.0 million. The largest portion of the net position, Net Investment in Capital Assets, is \$279.5 million (59%). Resources that are subject to restrictions total \$18.9 million (4%). The remaining balance of \$175.6 million (37%) represents unrestricted net position.

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

	FY 24-25	FY 23-24*	Change	
			\$	%
<b>Assets</b>				
Cash and Investments	\$ 229.1	\$ 220.7	\$ 8.4	4%
Current and Other Assets	27.6	15.6	12.0	77%
Internal Balances	(5.2)	(3.6)	(1.6)	44%
Capital Assets	364.8	362.4	2.4	1%
<b>Total Assets</b>	<b>616.3</b>	<b>595.1</b>	<b>21.2</b>	<b>4%</b>
<b>Deferred Outflows of Resources</b>				
Deferred Pensions	8.8	11.0	(2.2)	-20%
<b>Total Deferred Outflows of Resources</b>	<b>8.8</b>	<b>11.0</b>	<b>(2.2)</b>	<b>-20%</b>
<b>Liabilities</b>				
Other Liabilities	20.8	15.3	5.5	36%
Long-Term Debt Outstanding	125.1	127.5	(2.4)	-2%
<b>Total Liabilities</b>	<b>145.9</b>	<b>142.8</b>	<b>3.1</b>	<b>2%</b>
<b>Deferred Inflows of Resources</b>				
Deferred Pensions	0.3	0.8	(0.5)	-63%
Deferred Leases	4.9	5.2	(0.3)	-6%
<b>Total Deferred Inflows of Resources</b>	<b>5.2</b>	<b>6.0</b>	<b>(0.8)</b>	<b>-13%</b>
<b>Net Position</b>				
Net Investment in Capital Assets	279.5	275.0	4.5	2%
Restricted	18.9	11.5	7.4	64%
Unrestricted	175.6	170.8	4.8	3%
<b>Total Net Position</b>	<b>\$ 474.0</b>	<b>\$ 457.3</b>	<b>\$ 16.7</b>	<b>4%</b>

\* As restated due to the implementation of GASB 101.

- **Cash and Investments** increased \$8.4 million (4%), as these funds are accumulating cash for capital projects and scheduled debt payments. Increases included funds in Water Reclamation Facility of \$11.4 million, Solid Waste of \$1.3 million, Building Safety of \$1.9 million, Airport of \$0.5 million and Convention Center of \$0.3 million with a decrease in Transit of \$6.7 million and Storm Sewer Maintenance of \$0.3 million.
- **Current and Other Assets** totaled \$27.6 million for the fiscal year, an increase of \$12.0 million (77%). Due from other governmental units had an increase of \$1.5 million and taxes receivable had an increase of \$10.7 million (Transit) offset by a decrease in leases receivable of \$0.2 million.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

- **Capital Assets** totaled \$364.8 million for the fiscal year, an increase of \$2.4 million (1%) when compared to the prior year. Construction in progress had an increase of \$3.6 million. Machinery, Equipment and Vehicles had additions of \$6.9 million which consisted of additions of eight collection vehicles, eight roll-off boxes, and one compact loader in Solid Waste, four dump trailers and one 30-*yd* refuse bin for SWEEP division, two electric buses in Transit, and seven vans for Micro Transit program. Retirements of \$0.1 million consisted of one F450 pick-up truck in Transit, one F350 pick-up truck and one crown-vic car in Solid Waste, and one John Deere Gator in Water Reclamation. Infrastructure increased by \$2.2 million, which includes Storm Sewer lines and Sanitary Sewer lines. Accumulated depreciation and amortization increased by \$12.3 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** totaled \$8.8 million for the fiscal year, a decrease of \$2.2 million (20%). The decrease is due to the GASB 68 annual adjustment for pension related activity using information provided by CalPERS.
- **Long-Term Debt** totaling \$125.1 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, adjustments to the Net Pension Liability of \$0.3 million and an increase in SBITA Liabilities of \$2.0 resulted in a net decrease in long-term debt of \$2.4 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 \$5.2 million for the fiscal year, a decrease of \$0.8 million (13%). The decreases include Deferred Pensions of \$0.5 million due to the GASB 68 annual adjustment and Deferred Leases of \$0.3 million due to lease activity.
- **Net Position – Net Investment in Capital Assets** totaling \$279.5 million represents capital assets less accumulated depreciation and net of any debt used to finance its construction or purchase. This is a \$4.5 million increase as compared to last year.
- **Restricted Net Position** of \$18.9 million is primarily found in Capital Projects funds which have been restricted for capital projects and debt service reserves.
- **Unrestricted Net Position** of \$175.6 million experienced an increase of \$4.8 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

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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 \$16.7 million during fiscal year 2024-25. Total Business-type revenues of \$116.7 million increased by \$18.3 million (19%) when compared to last year. Total Business-type expenses totaled \$105.3 million, an increase of \$17.8 million (20%) as compared to last year.

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

	FY 24-25	FY 23-24*	Change	
			\$	%
<b>REVENUES</b>				
Program Revenues:				
Charges for Services	\$ 73.3	\$ 69.8	\$ 3.5	5%
Operating Grants & Contributions	16.8	9.4	7.4	79%
Capital Grants & Contributions	10.6	5.4	5.2	96%
Investment Earnings	13.1	10.1	3.0	30%
Miscellaneous	2.9	3.7	(0.8)	-22%
Total Revenues	<u>116.7</u>	<u>98.4</u>	<u>18.3</u>	<u>19%</u>
<b>EXPENSES</b>				
Water Reclamation Facility	35.2	28.8	6.4	22%
Storm Sewer Maintenance	2.9	2.7	0.2	7%
Solid Waste	26.4	23.4	3.0	13%
Transit	27.8	19.8	8.0	40%
Convention Center	4.6	4.1	0.5	12%
Airport	2.5	2.4	0.1	4%
Building Safety	3.4	3.9	(0.5)	-13%
Animal Control	2.5	2.4	0.1	4%
Total Expenses	<u>105.3</u>	<u>87.5</u>	<u>17.8</u>	<u>20%</u>
Increase in Net Position				
Before Transfers	11.5	10.9	0.6	6%
Transfers	<u>5.2</u>	<u>4.6</u>	<u>0.6</u>	<u>13%</u>
Increase in Net Position	<u>16.7</u>	<u>15.5</u>	<u>1.2</u>	<u>8%</u>
Net Position at Beg. of Year, as previously reported	458.2	441.8	16.4	4%
Restatement for change in accounting principle	(0.9)	-	(0.9)	-%
Net Position at Beg. of Year, as restated	<u>457.3</u>	<u>441.8</u>	<u>15.5</u>	<u>4%</u>
Net Position at End of Year, as restated	<u>\$ 474.0</u>	<u>\$ 457.3</u>	<u>\$ 16.7</u>	<u>4%</u>

\* As restated due to the implementation of GASB 101.

# Management Discussion and Analysis

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

### Revenues

- **Charges for Services** – These revenues were up collectively by \$3.5 million. Revenues were up for the Water Reclamation Facility by \$1.7 million (residential users, trunk line capacity, and front footage fees). Increases were also seen in Transit of \$0.9 million (farebox ticket sales, and Sequoia Shuttle National Parks reimbursement), Convention Center of \$0.2 million (conference room rental, equipment rental, bar sales, and security services), Animal Control of \$0.3 million (animal service contract charges for Dinuba, Exeter and Farmersville), and Building Safety of \$0.6 million (overall increase in construction permits issued). Revenues were offset by a decrease in Solid Waste of \$0.1 million (franchise tax). Storm Sewer Maintenance and Airport were consistent with the prior year.
- **Operating and Capital Grants and Contributions** – The combined revenue from operating and capital grants & contributions increased this year by \$12.6 million mainly due to receiving more grant revenue in Transit of \$11.7 million as a result from timing constraints and increases to the annual apportionment; Solid Waste of \$0.1 million grant funding from CalRecycle OWR4 was received for the purchase of a solid waste front load truck; Water Reclamation Facility of \$3.3 million for capital related projects; and Animal Control of \$0.1 million grant funding for providing assistance to owners reclaiming their pets. A decrease in Storm Sewer Maintenance contributions of \$2.6 million was a result of less capital related projects.

### Expenses

- **Water Reclamation Facility** – There were \$35.2 million in expenses, an increase of \$6.4 million (22%) mainly due to increases in salaries and benefits of \$0.1 million as the result of wage and benefit increases combined with annual pension adjustments, utility expenses of \$0.1 million, allocated expenses and services provided of \$0.3 million, capital related activity of \$5.7 million, chemicals of \$0.2 million, equipment maintenance of \$0.1 million, dump charges of \$0.1 million and computer software support of \$0.1 million, offset by a decrease of \$0.4 million due to the implementation of GASB 101 when compared to the prior year.
- **Storm Sewer Maintenance** – There were \$2.9 million in expenses, an increase of \$0.2 million (7%) mainly due to increases in salaries and benefits of \$0.1 million as the result of wage and benefit increases combined with annual pension adjustments, and allocated expenses and services provided of \$0.1 million.
- **Solid Waste** – There were \$26.4 million in expenses, an increase of \$3.0 million (13%) mainly due to increases seen in salaries and benefits of \$2.1 million as the result of wage and benefit increases combined with annual pension adjustments. Increases also occurred in allocated expenses and services provided of \$1.2 million, depreciation expense of \$0.1 million, and internal services allocation of \$0.4 million offset by a decrease in bad debts of \$0.1 million, capital related activity of \$0.3 million and \$0.4 million due to the implementation of GASB 101 when compared to the prior year.
- **Transit** – There were \$27.8 million in expenses, an increase of \$8.0 million (40%) mainly due to increases in contracted bus services of \$7.4 million as a result of a new vendor providing bus services (RATP Dev USA Inc.), CNG fuel of \$0.1 million, allocated expenses and services provided of \$0.2 million, depreciation expense of \$0.2 million, and salaries and benefits of \$0.1 million as the result of wage and benefit increases combined with annual pension adjustments.
- **Convention Center** – There were \$4.6 million in expenses, an increase of \$0.5 million (12%) due to increases in salaries and benefits of \$0.1 million as the result of wage and benefit increases combined with annual pension adjustments, allocated expenses and services provided of \$0.2 million, security services of \$0.1 million and utilities of \$0.1 million.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

- **Airport** – There were \$2.5 million in expenses, an increase of \$0.1 million (4%) due to increases in salaries and benefits of \$0.2 million as the result of wage and benefit increases combined with annual pension adjustments offset by a decrease in capital related activity of \$0.1 million.
- **Building Safety** – There were \$3.4 million in expenses, a decrease of \$0.5 million (13%) due to decreases in allocated expenses and services provided of \$0.3 million, computer software support of \$0.1 million, and \$0.1 million due to the implementation of GASB 101 when compared to prior year. Salaries and benefits were consistent with the prior year including minor fluctuations as the result of wage and benefit increases combined with annual pension adjustments.
- **Animal Control** – There were \$2.5 million in expenses, an increase of \$0.1 million (4%) mainly due to grant expenses of \$0.1 million consisting of services for animals including daily boarding and impound fees, vaccinations and spay/neuter fees. Salaries and benefits were consistent with the prior year including minor fluctuations as the result of wage and benefit increases combined with annual pension adjustments.

## 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 24-25	FY 23-24	Change	
			\$	%
<b>Assets</b>				
Cash and Investments	\$ 358.6	\$ 325.7	\$ 32.9	10%
Other Assets	90.2	82.5	7.7	9%
Intergovernmental Balances	7.2	3.7	3.5	95%
Total Assets	<u>456.0</u>	<u>411.9</u>	<u>44.1</u>	11%
<b>Liabilities</b>				
Advances From Other Funds	2.0	2.0	0.0	0%
Other Liabilities	<u>26.5</u>	<u>44.2</u>	<u>(17.7)</u>	-40%
Total Liabilities	<u>28.5</u>	<u>46.2</u>	<u>(17.7)</u>	-38%
<b>Deferred Inflows of Resources</b>				
Unavailable Revenue	13.7	11.4	2.3	20%
Leases	<u>2.8</u>	<u>2.2</u>	<u>0.6</u>	27%
Total Deferred Inflows of Resources	<u>16.5</u>	<u>13.6</u>	<u>2.9</u>	21%
<b>Fund Balances</b>				
Nonspendable	2.0	2.1	(0.1)	-5%
Restricted	259.0	215.9	43.1	20%
Committed	107.4	99.4	8.0	8%
Assigned	40.0	34.9	5.1	15%
Unassigned	<u>2.6</u>	<u>(0.2)</u>	<u>2.8</u>	-1400%
Total Fund Balances	<u>\$ 411.0</u>	<u>\$ 352.1</u>	<u>\$ 58.9</u>	17%

# Management Discussion and Analysis

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

**Assets** – The composition of assets changed by \$44.1 million (11%) during the year with increases in cash, other assets, and intergovernmental balances. Cash and investments increased \$32.9 million (10%) mainly due to revenues exceeding expenditures and other sources & (uses) by \$58.9 million. Other assets increased \$7.7 million (9%) as increases were seen in loans receivable of \$3.0 million with the majority in Housing & Community Grants of \$2.8 million and Housing Successor Agency of \$1.2 million offset by a decrease in General Fund of \$0.8 million and Transportation of \$0.2 million; leases receivable of \$0.5 million; interest receivable of \$0.3 million; accounts receivable of \$2.4 million (Transportation \$1.7 million, Public Safety Impact Fee \$0.1 million, Government Facilities Impact Fee \$0.1 million, General Fund \$0.3 million and Recreation Facilities \$0.2 million); and taxes receivable of \$1.7 million (mainly in Measure R \$1.1 million). A decrease was seen in inventory of \$0.2 million. Intergovernmental balances increased \$3.5 million (95%) as a result of increase in due from other funds of \$0.6 million and due from other governmental agencies of \$2.9 million.

**Liabilities** – Liabilities have decreased \$17.7 million (38%) due to a decrease in other liabilities of \$17.7 million (40%), consisting of decreases in unearned revenue of \$22.1 million as revenue has been received and recognized, and customer deposits of \$0.2 million, offset by increases in accounts payable of \$4.0 million, and due to other funds of \$0.6 million.

**Deferred Inflows of Resources** – Deferred Inflows of Resources increased \$2.9 million (21%) mainly due to increases in unavailable revenue of \$2.3 million consisting of impact fees receivable of \$2.6 million, property tax receivable of \$0.2 million, business tax receivable of \$0.1 million offset by a decrease in grants receivable of \$0.6 million. Leases had an increase of \$0.6 million (27%).

**Fund Balances** - By June 30, 2025, the City's Governmental Funds had a total fund balance of \$411.0 million, an increase of \$58.9 million (17%) 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)**

	<b>FY 24-25</b>	<b>FY 23-24</b>	<b>Change</b>	
			<b>\$</b>	<b>%</b>
Revenues	\$ 238.7	\$ 208.9	\$ 29.8	14%
Expenditures	<u>176.0</u>	<u>156.1</u>	<u>19.9</u>	13%
Excess of Revenues Over Expenditures	62.7	52.8	9.9	19%
Other Sources & (Uses)	<u>(3.8)</u>	<u>(4.2)</u>	<u>(0.4)</u>	-10%
Net Change	<u>\$ 58.9</u>	<u>\$ 48.6</u>	<u>\$ 10.3</u>	21%

Revenues increased \$29.8 million from the prior year. Sales tax decreased \$0.9 million which includes a decrease in Measure R sales tax of \$2.4 million (21%) as funding for Measure R Trails and Measure R Regional are received on a reimbursement basis. In addition, we had growth in general sales tax of \$1.0 million (2%), Measure N sales tax of \$0.3 million (2%) and Measure T sales tax of \$0.2 million (2%). Property tax revenue saw an increase of \$2.7

# Management Discussion and Analysis

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

million (8%) as growth in property values and new developments continued. Subventions and grants grew \$18.1 million mainly due to the project closing out for ARPA funding. Other increases in revenues included fees and fines of \$2.3 million as impact fee revenues were up; charges for current services of \$3.1 million; miscellaneous revenue of \$0.6 million; and uses of money and property of \$4.6 million as the average interest earnings rate this year was 3.82% and there also was an increase in the fair market value of investments held on June 30, 2025 in accordance with GASB 31. Decreases were seen in other taxes of \$0.7 million, including franchise fees of \$0.8 million and business license of \$0.1 million offset by an increase in transient occupancy tax of \$0.2 million.

Expenditures grew by \$19.9 million, as compared to the prior year. Increases were seen in capital-related projects of \$3.9 million as projects were in progress. Other Financing Sources & Uses in the governmental funds had a decrease of \$0.4 million mainly due to transfers out exceeding transfers in for the current year. Increases can also be attributed to the following:

- General Government had an increase of \$0.2 million which included an increase in salaries and benefits of \$0.2 million as a result of wage and benefit increases.
- Community Development of \$1.0 million which included salaries and benefits of \$1.0 million as a result of wage and benefit increases.
- Housing and Community Grants of \$1.0 million as a result of program activity.
- Fire of \$2.6 million which included salaries and benefits of \$2.2 million as a result of wage and benefit increases. Other increases were seen in various other operating expenses of \$0.2 million and allocated expenses and services provided of \$0.2 million.
- Police of \$7.6 million which included salaries and benefits of \$6.0 million as a result of wage and benefit increases. Other increases were seen in various other operating expenses of \$0.4 million and allocated expenses and services provided of \$1.2 million.
- Public Works of \$1.4 million which included salaries and benefits of \$0.9 million as a result of wage and benefit increases. Other increases were seen in various other operating expenses of \$0.4 million and allocated expenses and services provided of \$0.1 million.
- Parks & Recreation of \$1.8 million which included salaries and benefits of \$1.6 million as a result of wage and benefit. Other increases were seen in various other operating expenses of \$0.1 million and allocated expenses and services provided of \$0.1 million.

### ANALYSIS OF MAJOR GOVERNMENTAL FUNDS

**General Fund** - The General Fund saw a change in fund balance of \$27.5 million for the year. Contributing to the growth in the fund balance was an increase in revenues of \$6.1 million (6%) as compared to last year. The increases included property taxes of \$2.7 million (8%), sales tax of \$1.0 million (2%), subventions and grants of \$0.1 million (3%), uses of money and property (interest earnings) of \$0.3 million (10%), fees and fines of \$0.2 million (18%), and charges for current services of \$2.6 million (69%). Decreases occurred in other taxes of \$0.7 million (6%), and miscellaneous of \$0.1 million (6%).

**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 \$0.8 million compared to the prior year. The increase includes growth in interest earnings of \$0.4 million and sales tax of \$0.4 million. The Measure N's fund balance increased \$5.3 million to \$42.2 million as a result of revenues and other financing sources exceeding expenditures for the year.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

**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 final reporting for the American Rescue Plan close out has been completed and the fund balance is zero.

**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 \$4.6 million to \$36.0 million as a result of revenues exceeding capital projects for the year. Contributing to the increase in fund balance was an increase in impact fees collected and a higher interest earnings rate for the year, including an 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 decreased \$0.5 million due to capital expenses of \$4.8 million off set by interest earnings of \$4.3 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 \$69.0 million in revenue and have a combined fund balance at year-end of \$172.5 million.

## ANALYSIS OF MAJOR PROPRIETARY FUNDS

### Business-Type Funds

By June 30, 2025, the City's Proprietary Funds combined net position totaled \$479.1 million, an increase of \$17.3 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 \$90.1 million this year, an increase of \$11.0 million from last year.

Grants and contributions had an increase of \$7.5 million mainly due to receiving more grant revenue in Transit of \$7.2 million resulting from the timing constraints and increases to the annual apportionment. In addition, Solid Waste had increases of \$0.1 million as a result of receiving a CalRecycle OWR4 grant for the purchase of a solid waste front load truck, and Animal Control increased \$0.1 million in grant funding for providing assistance to owners reclaiming their pets.

Charges for services had an increase of \$3.5 million. Revenues were up for the Water Reclamation Facility by \$1.7 million (residential users, trunk line capacity, and front footage fees). Increases were also seen in Transit of \$0.9 million (farebox ticket sales, and Sequoia Shuttle National Parks reimbursement), Convention Center of \$0.2 million (conference room, equipment rental, bar sales, and security services), Animal Control of \$0.3 million (animal service contract charges for Dinuba, Exeter and Farmersville), and Building Safety of \$0.6 million (overall increase in construction permits issued). Revenues were offset by a decrease in Solid Waste of \$0.1 million (franchise tax). Storm Sewer Maintenance and Airport were consistent with the prior year.

Operating expenses were \$96.7 million this year, an increase of \$16.7 million from last year including increases in maintenance and operations of \$13.7 million, salaries and benefits of \$2.6 million as the result of wage and benefit increases and annual pension adjustments, and depreciation and amortization of \$0.4 million.

**Water Reclamation Facility** - Operating revenues increased \$1.7 million. Revenues had increases in trunk line capacity fees of \$1.0 million, front footage fees of \$0.2 million, septage receiving fees of \$0.1 million, residential fees of \$0.1 million, commercial fees of \$0.3 million, and services provided of \$0.3 million, offset by a decrease in industrial fees of \$0.3 million. Operating expenses increased by \$3.6 million mainly due to increases in maintenance and operations of \$3.5 million which had increases in utility expenses of \$0.1 million, allocated

# Management Discussion and Analysis

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

expenses and services provided of \$0.3 million, capital related activity of \$2.6 million, chemicals of \$0.2 million, equipment maintenance of \$0.1 million, dump charges of \$0.1 million and computer software support of \$0.1 million. Increases were also seen in salaries and benefits of \$0.1 million as the result of wage and benefit increases and annual pension adjustments.

**Storm Sewer Maintenance** - Operating revenues of \$1.4 million were consistent with the prior year. Operating expenses increased by \$0.2 million including increases in salaries and benefits of \$0.1 million as the result of wage and benefit increases and annual pension adjustments and increases in maintenance and operations of \$0.1 million for allocated expenses and services provided.

**Solid Waste** - Operating revenues of \$24.1 million were consistent with the prior year. Operating expenses increased by \$4.2 million due to increases in salaries and benefits of \$2.1 million as the result of wage and benefit increases and annual pension adjustments, depreciation expenses of \$0.1 million, and maintenance and operations of \$2.0 million mainly due to allocated expenses and services provided of \$1.2 million, capital related activity of \$0.9 million, offset by a decrease in bad debts of \$0.1 million.

**Transit** – Operating revenues increased \$8.1 million from last year. The majority of the increase was operating grant revenue of \$7.2 million due to the timing of when the City receives the grant funding and receiving more in transit assistance grant funding which can fluctuate from year to year. Increases were also seen in Sequoia Shuttle National Park reimbursement of \$0.7 million, and farebox and ticket sales of \$0.3 million, offset by a decrease in CNG sales and carbon credits of \$0.1 million. Operating expenses increased by \$8.2 million mainly due to increases of \$7.9 million in maintenance and operations including new vendor providing bus services (RATP Dev USA Inc.) of \$7.4 million, CNG fuel of \$0.1 million, capital related activity of \$0.2 million, and allocated expenses and services provided of \$0.2 million. Increases were also seen in depreciation expense of \$0.2 million and salaries and benefits of \$0.1 million as the result of wage and benefit increases and annual pension adjustments.

### ANALYSIS OF NON MAJOR PROPRIETARY FUNDS

**Convention Center** - Operating revenues increased by \$0.2 million. Increases were mainly seen in conference room, equipment rental, bar sales, and security services of \$0.2 million. Operating expenses increased by \$0.5 million mainly due to increases in maintenance and operations of \$0.4 million including increases in allocated expenses and services provided of \$0.2 million, security services of \$0.1 million and utilities of \$0.1 million due to higher event activity. An increase was also seen in salaries and benefits of \$0.1 million as the result of wage and benefit increases and annual pension adjustments

**Airport** - Operating revenues of \$2.4 million were consistent with the prior year with an increase in grant funding of \$0.1 million and a decrease in fuel sales of \$0.1 million. Operating expenses increased by \$0.2 million in salaries and benefits as the result of wage and benefit increases and annual pension adjustments.

**Building Safety** – Operating revenues increased by \$0.6 million due to an overall increase in construction permits compared to prior years activity. Operating expenses decreased by \$0.4 million mainly in maintenance and operations consisting of allocated expenses and services provided of \$0.3 million and computer software support of \$0.1 million. Salaries and benefits were consistent with the prior year including minor fluctuations as the result of wage and benefit increases and annual pension adjustments.

**Animal Control** – Operating revenues increased by \$0.4 million mainly due to an increase in animal service contract charges of \$0.3 million for Dinuba, Exeter and Farmersville and \$0.1 million for grant funding for assistance to owners for reclaiming their pet. Operating expenses increased by \$0.1 million mainly due to grant expenses of \$0.1 million consisting of services for animals including daily boarding and impound fees, vaccinations and spay/neuter fees. Salaries and benefits were consistent with the prior year including minor fluctuations as the result of wage and benefit increases and annual pension adjustments.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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 \$0.3 million to a final budgeted amount of \$101.3 million, mainly due to an increase in grant funding of \$0.3 million.

Budgeted total expenditures increased by \$5.2 million to a final budgeted amount of \$95.4 million, mainly due to an increase of \$5.1 million in Capital Outlay (Projects).

### General Fund - Final Budget and Actual Comparison

Total revenues were \$10.9 million higher than the final budgeted amount, as detailed below.

- Sales Tax – was \$1.3 million more than budgeted as the budget was conservative. The economy had growth, inflation continued and averaged 3.0% for the year making goods and services more expensive. In addition, new businesses opened within the City.
- Property Tax – was \$2.9 million more than budgeted as valuation increased more than anticipated due to increased development and increases in real estate prices.
- Transient Occupancy Tax – was \$0.4 million more than budgeted as there were more hotel stays and short term rentals than anticipated as well as increased collection efforts in the short-term rental sector.
- Franchise Fees – was \$0.9 million less than budgeted as revenues were down more than anticipated as the Southern California Gas Company payment was significantly lower this year due to a decrease in usage and price procurement.
- Business License – was \$0.1 million less than budgeted as business license activity was slightly lower than anticipated for the year. In addition, the implementation of a new online business license billing and receipt system required adjustments that occurred due to the transition of systems.
- Subventions and Grants – was \$1.9 million more than budgeted mostly due to the City drawing down grant funding for capital improvement projects.
- 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 \$2.1 million more than budgeted which includes interest earnings of \$1.2 million due to the earnings rate being more than projected averaging 3.82% for the year and investment & fair market value gain of \$0.9 million.
- Total expenditures were \$0.3 million more than budget. This difference had contributing factors such as vacancies, wage and salary increases, which included adjustments to pension expense as required by GASB 68 all offset by capital outlay.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The City's capital assets for its Governmental and Business-Type activities as of June 30, 2025 totaled \$797.1 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 24-25	FY 23-24	Change	
			\$	%
<b>Governmental Activities</b>				
Land	\$ 49.7	\$ 42.3	\$ 7.4	17%
Buildings	50.6	42.8	7.8	18%
Improvements	58.3	59.1	(0.8)	-1%
Equipment	24.8	21.5	3.3	15%
Infrastructure	199.8	167.7	32.1	19%
Construction in Progress	46.1	65.1	(19.0)	-29%
Right-to-use assets - lease assets	0.6	0.6	-	0%
Right-to-use assets - SBITA	2.4	2.7	(0.3)	-11%
<b>Total</b>	<b>\$ 432.3</b>	<b>\$ 401.8</b>	<b>\$ 30.5</b>	<b>8%</b>
<b>Business-Type Activities</b>				
Land	\$ 26.1	\$ 26.1	-	0%
Buildings	32.6	33.8	(1.2)	-4%
Improvements	146.0	150.6	(4.6)	-3%
Equipment	28.4	26.0	2.4	9%
Infrastructure	117.9	117.7	0.2	0%
Construction in Progress	11.7	8.1	3.6	44%
Right-to-use assets - SBITA	2.1	0.1	2.00	2000%
<b>Total</b>	<b>\$ 364.8</b>	<b>\$ 362.4</b>	<b>\$ 2.4</b>	<b>1%</b>
<b>Total City-Wide</b>	<b>\$ 797.1</b>	<b>\$ 764.2</b>	<b>\$ 32.9</b>	<b>4%</b>

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

### Governmental

- Fire Station 56 completed
- Purchased building at 300 E. Mineral King
- Caldwell Improvement project Santa Fe to Lovers Lane in progress
- Shirk Widening project in progress
- Riggin Widening project in progress
- Play structures installed at 6 city parks
- Shade structures installed at 3 city parks
- Arbors replaced at Whitendale Park
- Picnic tables replaced at various city parks

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

- Blain Park retaining wall completed
- Village Park basketball court resurfaced
- New ovens at the Senior Center
- Purchased 24 new Dodge Durangos for Police
- Purchased new Sweeper for Streets Division
- Purchased 4 new Dodge Durangos for Measure N Police
- Purchased 7 new Dodge Durangos for Measure T Police

## Business-type

- Purchased 8 new Roll-Off boxes for Solid Waste
- Purchased 8 new Solid Waste collection vehicles
- Purchased Compact Loader for Solid Waste division
- Purchased 4 Dump Trailers and 1 30-Yd refuse bin for new SWEEP division
- Purchased 2 new 40' Electric Buses for Transit
- Purchased 7 new vans for Micro Transit program
- New Battery Backup System for citywide computer network

## Debt Administration

The City's total long-term debt decreased by \$2.7 million (2%) 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 24-25	FY 23-24*	Change	
			\$	%
<b>Governmental Activities</b>				
Certificates of Participation	\$ 5.5	\$ 6.5	\$ (1.0)	-15%
Lease Liabilities	0.6	0.6	-	0%
SBITA Liabilities	2.3	2.4	(0.1)	-4%
Compensated Absences	11.3	10.8	0.5	5%
<b>Total</b>	<b>\$ 19.7</b>	<b>\$ 20.3</b>	<b>\$ (0.6)</b>	<b>-3%</b>
<b>Business-Type Activities</b>				
Certificates of Participation	\$ 2.6	\$ 3.6	\$ (1.0)	-28%
Lease	1.6	2.1	(0.5)	-24%
Notes - Direct Borrowings	79.0	81.7	(2.7)	-3%
SBITA Liabilities	2.1	0.04	2.1	5150%
Compensated Absences	2.2	2.2	-	0%
<b>Total</b>	<b>\$ 87.5</b>	<b>\$ 89.6</b>	<b>\$ (2.1)</b>	<b>-2%</b>
<b>Total City-Wide</b>	<b>\$ 107.2</b>	<b>\$ 109.9</b>	<b>\$ (2.7)</b>	<b>-2%</b>

\* As restated due to the implementation of GASB 101.

# Management Discussion and Analysis

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Overall, the City is in good financial shape. However, like all Government Agencies throughout California, the City is faced with increases in pension costs, health care, minimum wage, annual operating costs, aging infrastructure, and a potential economic downturn.

Visalia, like many businesses across the nation, is struggling to retain current employees and fill vacant positions. Employees are the City's most important resource as they serve Visalia residents by providing high quality programs and services. In order to retain employees, the City must compensate them appropriately and competitively for the work they perform, attempting to keep pace with the labor market. The budget for fiscal Year 2025-26 includes a wage increase of up to 4% and the addition of 2 full time employees in Measure N.

Visalia is dealing with inflation and continued supply shortages which is increasing costs significantly. In addition to inflation, operating costs are increasing as more technology is implemented throughout the departments. Technology is used for communication, operations, data collection, and administration of processes. Technology allows departments to become more efficient and responsive in many ways but comes with annual on-going costs.

While revenues continue to have small growth, we must recognize that other foreign and domestic factors (i.e. inflation, housing prices, supply chain disruptions, etc.) could negatively impact the growth and expansion of our local economy. Any of these factors could also contribute to an economic downturn. The City is optimistic but must also be fiscally responsible by having sufficient reserves, balanced budgets, and prudent spending policies.

Economists are speculating that the national economic outlook for 2026 is one with slowing Gross Domestic Product (GDP) growth with inflation cooling as the Federal Open Market Committee (FOMC) continues to make cuts to the federal funds rate, which will reduce interest earnings as the average interest rate earned decreases. However, outlook predictions can easily be affected by trade tensions, uncertainty with tariffs, and federal policies. These issues affect us locally as they have ramifications in both industrial and consumer consumption which may affect Sales Tax revenue for the City.

We are projecting that revenues will still increase but not at the rates we have seen in past fiscal years. We are not projecting a recession at this time, however, this could change before the next budget is adopted. Expenditures have been increasing over the last couple of years at a higher rate due to inflation, shortages, legislation, and wage increases.

## REQUEST FOR FINANCIAL INFORMATION

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



---

# **BASIC FINANCIAL STATEMENTS**

---



# Statement of Net Position and Statement of Activities

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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, 2025**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Investments (Note 3)	\$ 409,754,300	\$ 222,890,290	\$ 632,644,590
Restricted Cash and Investments (Note 3)	6,204,448	6,242,915	12,447,363
Accounts Receivable	14,498,729	8,807,821	23,306,550
Leases Receivable (Note 14)	2,802,596	5,051,861	7,854,457
Interest Receivable	4,644,204	-	4,644,204
Taxes Receivable	21,121,095	11,180,204	32,301,299
Notes and Loans Receivable (Note 5)	47,139,398	18,771	47,158,169
Supplies	1,199,177	107,983	1,307,160
Internal Balances (Note 4D)	5,164,183	(5,164,183)	-
Due from Other Governmental Units	3,406,945	2,360,535	5,767,480
Prepays and Deposits	13,848	28,323	42,171
Capital Assets, Net of Accumulated Depreciation (Note 6):			
Capital Assets Not Being Depreciated or Amortized	95,857,437	37,880,445	133,737,882
Capital Assets Being Depreciated or Amortized	336,479,708	326,874,520	663,354,228
<b>Total Assets</b>	<b>948,286,068</b>	<b>616,279,485</b>	<b>1,564,565,553</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related (Note 10)	37,892,547	8,780,018	46,672,565
<b>Total Deferred Outflows of Resources</b>	<b>37,892,547</b>	<b>8,780,018</b>	<b>46,672,565</b>
<b>LIABILITIES</b>			
Accounts, Interest, and Contracts Payable	19,262,280	9,941,204	29,203,484
Advances from Grantors and Third Parties	-	8,991,160	8,991,160
Customer Deposits	593,567	528,965	1,122,532
Unearned Revenue	7,706,646	1,336,730	9,043,376
Accrued Personnel Costs	51,913	-	51,913
Long-Term Liabilities (Note 7):			
Due Within One Year	3,311,184	4,743,373	8,054,557
Due in More Than One Year	16,427,663	82,712,176	99,139,839
Liability for Self-Insurance Claims (Note 11):			
Due Within One Year	938,697	-	938,697
Due in More Than One Year	11,183,382	-	11,183,382
Net Pension Liability Due in More Than One Year (Note 10)	124,049,621	37,664,886	161,714,507
<b>Total Liabilities</b>	<b>183,524,953</b>	<b>145,918,494</b>	<b>329,443,447</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Related (Note 10)	1,410,785	272,581	1,683,366
Lease Related (Note 14)	2,819,111	4,907,216	7,726,327
<b>Total Deferred Inflows of Resources</b>	<b>4,229,896</b>	<b>5,179,797</b>	<b>9,409,693</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	422,590,865	279,487,995	702,078,860
Restricted for:			
Capital Projects	173,294,936	14,485,714	187,780,650
Debt Service	18,254	4,365,228	4,383,482
Waterways/Groundwater Projects	8,772,969	-	8,772,969
Landscape & Lighting Districts	19,124,190	-	19,124,190
Public Safety	19,113,967	-	19,113,967
Roadway Projects	21,908,396	-	21,908,396
Housing & Community Grants and Successor Agency	37,498,679	-	37,498,679
Golf Course Maintenance Projects & Miscellaneous	2,430,455	-	2,430,455
<b>Total Restricted Net Position</b>	<b>282,161,846</b>	<b>18,850,942</b>	<b>301,012,788</b>
Unrestricted	93,671,055	175,622,275	269,293,330
<b>Total Net Position</b>	<b>\$ 798,423,766</b>	<b>\$ 473,961,212</b>	<b>\$ 1,272,384,978</b>

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

**CITY OF VISALIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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	\$ 7,331,252	\$ 1,820,715	\$ 795,638	\$ 3,937,841	\$ (777,058)	\$ -	\$ (777,058)
Community Development	8,362,951	3,819,885	35,341	14,621	(4,493,104)	-	(4,493,104)
Housing & Community Grants	11,881,597	67,085	15,770,058	-	3,955,546	-	3,955,546
<b>Public Safety</b>							
Police	62,253,191	4,756,449	14,206,241	847,688	(42,442,813)	-	(42,442,813)
Fire	26,078,536	2,801,296	-	42,061	(23,235,179)	-	(23,235,179)
Public Works	20,371,848	15,776,426	12,343	11,477,091	6,894,012	-	6,894,012
Parks & Recreation	18,002,318	10,493,044	21,202	6,128,718	(1,359,354)	-	(1,359,354)
Interest on Long-Term Debt	324,306	-	-	-	(324,306)	-	(324,306)
<b>Total Governmental Activities</b>	<b>154,605,999</b>	<b>39,534,900</b>	<b>30,840,823</b>	<b>22,448,020</b>	<b>(61,782,256)</b>	<b>-</b>	<b>(61,782,256)</b>
<b>Business-Type Activities</b>							
Convention Center	4,611,546	2,273,986	-	-	-	(2,337,560)	(2,337,560)
Airport	2,501,772	2,371,250	64,659	-	-	(65,863)	(65,863)
Water Reclamation Facility	35,251,458	32,512,180	37,800	4,165,309	-	1,463,831	1,463,831
Storm Sewer Maintenance	2,897,617	1,378,380	-	1,639,772	-	120,535	120,535
Solid Waste	26,352,994	23,470,039	638,197	62,218	-	(2,182,540)	(2,182,540)
Transit	27,772,894	6,296,565	16,012,472	4,800,751	-	(663,106)	(663,106)
Animal Control	2,481,923	927,085	86,970	-	-	(1,467,868)	(1,467,868)
Building Safety	3,407,115	4,040,108	-	-	-	632,993	632,993
<b>Total Business-Type Activities</b>	<b>105,277,319</b>	<b>73,269,593</b>	<b>16,840,098</b>	<b>10,668,050</b>	<b>-</b>	<b>(4,499,578)</b>	<b>(4,499,578)</b>
<b>Total</b>	<b>\$ 259,883,318</b>	<b>\$ 112,804,493</b>	<b>\$ 47,680,921</b>	<b>\$ 33,116,070</b>	<b>\$ (61,782,256)</b>	<b>\$ (4,499,578)</b>	<b>\$ (66,281,834)</b>
<b>General Revenues</b>							
Taxes:							
Sales Taxes				85,140,027	-	85,140,027	
Property Taxes				37,243,803	-	37,243,803	
Transient Occupancy Taxes				5,001,865	-	5,001,865	
Franchise Taxes				3,232,921	-	3,232,921	
Business License Taxes				3,561,927	-	3,561,927	
Investment Earnings				19,082,755	13,060,815	32,143,570	
Miscellaneous				1,146,495	2,938,586	4,085,081	
<b>Transfers</b>				<b>(5,181,564)</b>	<b>5,181,564</b>	<b>-</b>	
<b>Total General Revenues and Transfers</b>				<b>149,228,229</b>	<b>21,180,965</b>	<b>170,409,194</b>	
<b>Change in Net Position</b>							
Net Position - Beginning of Year, As Previously Reported				715,672,024	458,182,170	1,173,854,194	
Restatement - Change in Accounting Principle				(4,694,231)	(902,345)	(5,596,576)	
Net Position - Beginning of Year, as Restated (Note 17)				<b>710,977,793</b>	<b>457,279,825</b>	<b>1,168,257,618</b>	
Net Position - End of Year				<b>\$ 798,423,766</b>	<b>\$ 473,961,212</b>	<b>\$ 1,272,384,978</b>	

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



# Major Governmental Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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 2024-25. 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 Capital Project Funds and 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  $\frac{1}{2}$  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, 2025**

	Major Funds		
	General Fund	Measure N - Special Revenue Fund	American Rescue Plan - Special Revenue Fund
<b>ASSETS</b>			
Cash and Investments (Note 3)	\$ 58,874,557	\$ 40,516,185	\$ -
Restricted Cash and Investments (Note 3)			
Cash Held by Trustee	-	-	-
Cash Held by City	-	-	-
Accounts Receivable	2,305,525	13,136	-
Leases Receivable (Note 14)	453,317	-	-
Interest Receivable	4,644,204	-	-
Taxes Receivable	11,317,052	3,240,934	-
Notes and Loans Receivable (Note 5)	10,668,448	-	-
Supplies	12,312	-	-
Due from Other Funds (Note 4C)	1,860,293	-	-
Advances to Other Funds (Note 4B)	1,948,098	-	-
Due from Other Governmental Units	282,573	-	-
Prepays and Deposits	13,844	-	-
Total Assets	<u><u>\$ 92,380,223</u></u>	<u><u>\$ 43,770,255</u></u>	<u><u>\$ -</u></u>
<b>LIABILITIES</b>			
Accounts, Interest and Contracts Payable	\$ 1,227,973	\$ 1,569,259	\$ -
Due to Other Funds (Note 4C)	-	-	-
Advances from Grantors and Third Parties	-	-	-
Advances from Other Funds (Note 4B)	-	-	-
Customer Deposits	392,120	-	-
Unearned Revenue	923,223	-	-
Accrued Personnel Costs	36,401	-	-
Total Liabilities	<u><u>2,579,717</u></u>	<u><u>1,569,259</u></u>	<u><u>-</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Tax	1,312,945	-	-
Unavailable Revenue - Business Tax	998,106	-	-
Unavailable Revenue - Impact Fees	-	-	-
Unavailable Revenue - Misc	449,939	-	-
Leases (Note 14)	435,735	-	-
Total Deferred Inflows of Resources	<u><u>3,196,725</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>FUND BALANCES (Note 9)</b>			
Nonspendable	1,974,254	-	-
Restricted	18,334,342	42,200,996	-
Committed	25,402,999	-	-
Assigned	38,237,724	-	-
Unassigned (Deficit)	2,654,462	-	-
Total Fund Balances	<u><u>86,603,781</u></u>	<u><u>42,200,996</u></u>	<u><u>-</u></u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 92,380,223</u></u>	<u><u>\$ 43,770,255</u></u>	<u><u>\$ -</u></u>

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

**CITY OF VISALIA**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (Continued)**  
**JUNE 30, 2025**

	Major Funds		Non-Major Funds		Total
	Transportation - Capital Project Fund	Civic Center - Capital Project Fund	All Other Governmental Funds		
<b>ASSETS</b>					
Cash and Investments (Note 3)	\$ 39,969,905	\$ 73,457,122	\$ 140,121,995	\$ 352,939,764	
Restricted Cash and Investments (Note 3)					
Cash Held by Trustee	-	-	18,254	18,254	
Cash Held by City	-	-	5,669,443	5,669,443	
Accounts Receivable	8,601,992	702	3,501,217	14,422,572	
Leases Receivable (Note 14)	-	-	2,349,279	2,802,596	
Interest Receivable	-	-	-	4,644,204	
Taxes Receivable	-	-	6,563,109	21,121,095	
Notes and Loans Receivable (Note 5)	148,833	120,349	36,201,768	47,139,398	
Supplies	-	-	-	12,312	
Due from Other Funds (Note 4C)	-	-	-	1,860,293	
Advances to Other Funds (Note 4B)	-	-	-	1,948,098	
Due from Other Governmental Units	-	-	3,124,372	3,406,945	
Prepays and Deposits	-	-	4	13,848	
 Total Assets	 \$ 48,720,730	 \$ 73,578,173	 \$ 197,549,441	 \$ 455,998,822	
<b>LIABILITIES</b>					
Accounts, Interest and Contracts Payable	\$ 4,890,074	\$ 15,202	\$ 8,675,194	\$ 16,377,702	
Due to Other Funds (Note 4C)	-	-	1,860,293	1,860,293	
Advances from Grantors and Third Parties	-	-	-	-	
Advances from Other Funds (Note 4B)	-	-	1,948,098	1,948,098	
Customer Deposits	-	-	201,447	593,567	
Unearned Revenue	-	-	6,783,423	7,706,646	
Accrued Personnel Costs	-	-	-	36,401	
 Total Liabilities	 4,890,074	 15,202	 19,468,455	 28,522,707	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Tax	-	-	-	1,312,945	
Unavailable Revenue - Business Tax	-	-	-	998,106	
Unavailable Revenue - Impact Fees	7,793,237	-	3,151,746	10,944,983	
Unavailable Revenue - Misc	-	-	-	449,939	
Leases (Note 14)	-	-	2,383,376	2,819,111	
 Total Deferred Inflows of Resources	 7,793,237	 -	 5,535,122	 16,525,084	
<b>FUND BALANCES (Note 9)</b>					
Nonspendable	-	-	-	1,974,254	
Restricted	36,037,419	-	162,440,373	259,013,130	
Committed	-	73,562,971	8,394,753	107,360,723	
Assigned	-	-	1,795,407	40,033,131	
Unassigned (Deficit)	-	-	(84,669)	2,569,793	
 Total Fund Balances	 36,037,419	 73,562,971	 172,545,864	 410,951,031	
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 48,720,730	 \$ 73,578,173	 \$ 197,549,441	 \$ 455,998,822	

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, 2025**

**Total Fund Balances - Governmental Funds** \$ 410,951,031

**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	\$595,130,686
Accumulated Depreciation	(185,184,832)
Right-To-Use Assets - Lease Assets at Cost	700,502
Right-To-Use Assets - Subscription-Based Information Technology Arrangements	3,946,482
Accumulated Amortization	<u>(2,136,970)</u>
	412,455,868

**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.

50,901,788

**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	(5,453,813)
Lease Liabilities	(607,791)
Subscription-Based Information Technology Arrangements	<u>(1,916,167)</u>
	(7,977,771)

**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.

13,705,973

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 \$1,793,113 allocated to the internal service funds	36,099,434
Aggregate net pension liabilities - net of \$7,692,179 allocated to the internal service funds	(116,357,442)
Pension related deferred inflows of resources - net of \$55,670 allocated to the internal service funds	<u>(1,355,115)</u>
	(81,613,123)

**Total Net Position - Governmental Activities**

\$ 798,423,766

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, 2025**

	Major Funds		Major Funds
	General Fund	Measure N - Special Revenue Fund	American Rescue Plan - Special Revenue Fund
<b>REVENUES</b>			
Sales Taxes	\$ 48,662,242	\$ 18,733,236	\$ -
Property Taxes	37,080,901	-	-
Other Taxes	11,574,868	-	-
Subventions and Grants	2,779,212	41,811	21,936,281
License and Permits	49,532	-	-
Fees and Fines	1,325,640	-	-
Uses of Money and Property	3,061,522	2,113,021	662,830
Charges for Current Services	6,298,321	-	-
Miscellaneous	1,392,021	41,563	302
 Total Revenues	 112,224,259	 20,929,631	 22,599,413
<b>EXPENDITURES</b>			
Current:			
General Government	3,206,327	228,496	-
Community Development	7,001,361	-	-
Housing & Community Grants	-	-	-
Public Safety:			
Fire	19,230,079	1,802,954	-
Police	44,038,681	7,047,496	-
Public Works	4,145,799	-	-
Parks & Recreation	8,790,090	888,720	-
Capital Outlay	8,685,603	5,104,444	1,308,729
Debt Service (Note 7):			
Principal	602,649	309,507	-
Interest and Fiscal Charges	42,899	28,855	-
 Total Expenditures	 95,743,488	 15,410,472	 1,308,729
 Excess (Deficiency) of Revenues over (Under) Expenditures	 16,480,771	 5,519,159	 21,290,684
<b>Other Financing Sources (Uses)</b>			
Proceeds From Sale of Capital Assets	18,500	-	-
Subscription Assets Acquired	392,903	-	-
Issuance of Debt - Leases Acquired	15,953	-	-
Transfers In (Note 4A)	23,300,634	24,082	-
Transfers Out (Note 4A)	(12,700,990)	(242,500)	(23,112,970)
 Total Other Financing Sources (Uses)	 11,027,000	 (218,418)	 (23,112,970)
 Net Change in Fund Balances	 27,507,771	 5,300,741	 (1,822,286)
 Fund Balances - Beginning of Year	 59,096,010	 36,900,255	 1,822,286
 Fund Balances - End of Year	 \$ 86,603,781	 \$ 42,200,996	 \$ -

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, 2025**

	Major Funds		Non-Major Funds		Total
	Transportation - Capital Project Fund	Civic Center - Capital Project Fund	All Other Governmental Funds		
<b>REVENUES</b>					
Sales Taxes	\$ -	\$ -	\$ 18,405,303	\$ 85,800,781	
Property Taxes	-	-	-	37,080,901	
Other Taxes	-	-	101,448	11,676,316	
Subventions and Grants	-	-	26,661,789	51,419,093	
License and Permits	-	-	8,710	58,242	
Fees and Fines	7,248,428	-	9,165,240	17,739,308	
Uses of Money and Property	1,985,126	4,291,442	7,660,398	19,774,339	
Charges for Current Services	-	-	6,585,402	12,883,723	
Miscellaneous	501,720	26	399,594	2,335,226	
Total Revenues	9,735,274	4,291,468	68,987,884	238,767,929	
<b>EXPENDITURES</b>					
Current:					
General Government	-	35,794	769,680	4,240,297	
Community Development	-	-	100,226	7,101,587	
Housing & Community Grants	-	-	2,906,613	2,906,613	
Public Safety:					
Fire	-	-	3,419,362	24,452,395	
Police	-	-	5,150,561	56,236,738	
Public Works	63,393	-	2,908,468	7,117,660	
Parks & Recreation	-	-	4,817,068	14,495,878	
Capital Outlay	5,077,804	4,794,134	32,252,481	57,223,195	
Debt Service (Note 7):					
Principal	-	-	1,066,343	1,978,499	
Interest and Fiscal Charges	-	-	212,513	284,267	
Total Expenditures	5,141,197	4,829,928	53,603,315	176,037,129	
Excess (Deficiency) of Revenues over (Under) Expenditures	4,594,077	(538,460)	15,384,569	62,730,800	
<b>Other Financing Sources (Uses)</b>					
Proceeds From Sale of Capital Assets	-	-	-	18,500	
Subscription Assets Acquired	-	-	-	392,903	
Issuance of Debt - Leases Acquired	-	-	-	15,953	
Transfers In (Note 4A)	-	-	9,718,758	33,043,474	
Transfers Out (Note 4A)	-	-	(1,238,942)	(37,295,402)	
Total Other Financing Sources (Uses)	-	-	8,479,816	(3,824,572)	
Net Change in Fund Balances	4,594,077	(538,460)	23,864,385	58,906,228	
Fund Balances - Beginning of Year	31,443,342	74,101,431	148,681,479	352,044,803	
Fund Balances - End of Year	\$ 36,037,419	\$ 73,562,971	\$ 172,545,864	\$ 410,951,031	

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, 2025**

**Total Net Changes in Fund Balances - Governmental Funds** \$ 58,906,228

**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	\$ 41,671,167
Net Retirements of Capital Assets	(1,508,711)
Depreciation and Amortization Expenses	<u>(12,321,164)</u> 27,841,292

**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	1,066,343
Principal Payments of Lease Liabilities	24,421
Principal Payments of Subscription-Based Information Technology Arrangements	<u>887,735</u> 1,978,499

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:

2,281,543

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:

232,463

Pension Related Expenses	<u>(3,794,052)</u>
<b>Total Change in Net Position - Governmental Activities</b>	<b><u>\$ 87,445,973</u></b>

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



# Major Proprietary Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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 2024-25. 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 164-166)**

Convention Center

Airport

Building Safety

Animal Control

**CITY OF VISALIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2025**

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)	\$ 117,376,439	\$ 286,579	\$ 38,364,048	\$ 47,421,632	
Accounts Receivable	4,549,229	244,083	2,792,861	270,014	
Leases Receivable (Note 14)	-	-	-	24,458	
Taxes Receivable	70,536	-	79,353	11,030,315	
Current Portion of Note and Loans Receivable (Note 5)	16,453	-	-	-	
Supplies	-	-	-	-	
Due from Other Governmental Units	37,800	-	25,858	2,296,877	
Prepaid Expenses	-	-	-	-	
Total Current Assets	<u>122,050,457</u>	<u>530,662</u>	<u>41,262,120</u>	<u>61,043,296</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)	-	-	-	-	
Non-current Portion of Note and Loans Receivable (Note 5)	2,318	-	-	-	
Capital Assets (Note 6)					
Land	6,948,344	9,437,692	1,567,372	4,361,902	
Construction in Progress	6,182,084	5,272,223	-	101,018	
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	10,172,379	1,233,446	25,548,425	40,414,370	
Infrastructure	94,887,257	65,315,447	-	-	
Right-to-use subscription asset (SBITA)	-	-	130,374		
Accumulated Depreciation and Amortization	(100,778,240)	(18,050,202)	(13,263,803)	(37,193,208)	
Total Non-Current Assets	<u>231,523,307</u>	<u>65,754,736</u>	<u>15,030,644</u>	<u>30,006,615</u>	
Total Assets	<u>353,573,764</u>	<u>66,285,398</u>	<u>56,292,764</u>	<u>91,049,911</u>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related (Note 10)	2,271,113	289,146	3,178,641	540,665	
Total Deferred Outflows of Resources	<u>2,271,113</u>	<u>289,146</u>	<u>3,178,641</u>	<u>540,665</u>	
<b>LIABILITIES</b>					
Current Liabilities					
Accounts, Interest and Contracts Payable	4,452,150	14,483	1,280,228	3,077,755	
Advances from Grantors and Third Parties	-	-	36,266	8,954,894	
Accrued Personnel Costs	-	-	-		
Customer Deposits	504,565	-	-	-	
Current Portion of Long-Term Liabilities (Note 7):					
Compensated Absences	99,740	-	38,862	-	
Certificates of Participation and Loans	2,706,542	-	-	-	
Liability for SBITA Lease (Note 7)	-	-	-	18,276	
Liability for Self-insured Claims (Note 11)	-	-	-		
Total Current Liabilities	<u>7,762,997</u>	<u>14,483</u>	<u>1,355,356</u>	<u>12,050,925</u>	
Non-Current Liabilities					
Unearned Revenue	1,321,784	-	-	-	
Non-current Portion of Long-term Liabilities (Note 7):					
Compensated Absences	414,915	40,705	938,473	124,982	
Certificates of Participation and Loans	76,278,474	-	-	-	
Liability for SBITA Lease (Note 7)	-	-	-	18,825	
Liability for Self-insured Claims (Note 11)	-	-	-		
Net Pension Liability (Note 10)	9,742,716	1,240,391	13,635,868	2,319,366	
Total Non-Current Liabilities	<u>87,757,889</u>	<u>1,281,096</u>	<u>14,574,341</u>	<u>2,463,173</u>	
Total Liabilities	<u>95,520,886</u>	<u>1,295,579</u>	<u>15,929,697</u>	<u>14,514,098</u>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related (Note 10)	70,508	8,977	98,683	16,785	
Lease Related (Note 14)	-	-	-	24,571	
Total Deferred Inflows of Resources	<u>70,508</u>	<u>8,977</u>	<u>98,683</u>	<u>41,356</u>	
<b>NET POSITION</b>					
Net Investment in Capital Assets	148,138,087	65,754,736	15,030,644	29,969,514	
Restricted for:					
Debt Service	4,365,228	-	-	-	
Capital Projects	9,747,317	81,863	3,622,840	341,082	
Designated	-	-	-	-	
Unrestricted (Deficit)	98,002,851	(566,611)	24,789,541	46,724,526	
Total Net Position	<u>\$ 260,253,483</u>	<u>\$ 65,269,988</u>	<u>\$ 43,443,025</u>	<u>\$ 77,035,122</u>	

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

**CITY OF VISALIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
**JUNE 30, 2025**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Funds	
	<u>Non-Major Funds</u>		Total		
	Non-Major Funds Total	Total			
<b>ASSETS</b>					
Current Assets					
Cash and Investments (Note 3)	\$ 19,441,592	\$ 222,890,290	\$ 56,814,536		
Accounts Receivable	951,634	8,807,821	76,157		
Leases Receivable (Note 14)	434,363	458,821	-		
Taxes Receivable	-	11,180,204	-		
Current Portion of Note and Loans Receivable (Note 5)	-	16,453	-		
Supplies	107,983	107,983	1,186,865		
Due from Other Governmental Units	-	2,360,535	-		
Prepaid Expenses	28,323	28,323	-		
Total Current Assets	<u>20,963,895</u>	<u>245,850,430</u>	<u>58,077,558</u>		
Non-Current Assets					
Restricted Cash and Investments (Note 3)					
Cash Held by Trustee	-	-	516,751		
Cash Held by City	1,877,687	6,242,915	-		
Leases Receivable (Note 14)	4,593,040	4,593,040	-		
Non-current Portion of Note and Loans Receivable (Note 5)	-	2,318	-		
Capital Assets (Note 6)					
Land	3,829,637	26,144,947	-		
Construction in Progress	180,173	11,735,498	3,518,017		
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	80,704,626	43,056,557		
Infrastructure	-	160,202,704	-		
Right-to-use subscription asset (SBITA)	2,079,046	2,209,420	1,403,183		
Accumulated Depreciation and Amortization	(37,212,952)	(206,498,405)	(28,970,175)		
Total Non-Current Assets	<u>33,277,936</u>	<u>375,593,238</u>	<u>20,398,028</u>		
Total Assets	<u>54,241,831</u>	<u>621,443,668</u>	<u>78,475,586</u>		
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related (Note 10)	<u>2,500,453</u>	<u>8,780,018</u>	<u>1,793,113</u>		
Total Deferred Outflows of Resources	<u>2,500,453</u>	<u>8,780,018</u>	<u>1,793,113</u>		
<b>LIABILITIES</b>					
Current Liabilities					
Accounts, Interest and Contracts Payable	1,116,588	9,941,204	2,884,578		
Advances from Grantors and Third Parties	-	8,991,160	-		
Accrued Personnel Costs	-	-	15,512		
Customer Deposits	24,400	528,965	-		
Current Portion of Long-Term Liabilities (Note 7):					
Compensated Absences	93,999	232,601	1,129,292		
Certificates of Participation and Loans	1,531,049	4,237,591	-		
Liability for SBITA Lease (Note 7)	254,905	273,181	173,575		
Liability for Self-insured Claims (Note 11)	-	-	938,697		
Total Current Liabilities	<u>3,020,941</u>	<u>24,204,702</u>	<u>5,141,654</u>		
Non-Current Liabilities					
Unearned Revenue	14,946	1,336,730	-		
Non-current Portion of Long-term Liabilities (Note 7):					
Compensated Absences	469,561	1,988,636	10,204,503		
Certificates of Participation and Loans	2,668,913	78,947,387	-		
Liability for SBITA Lease (Note 7)	1,757,328	1,776,153	253,706		
Liability for Self-insured Claims (Note 11)	-	-	11,183,382		
Net Pension Liability (Note 10)	10,726,545	37,664,886	7,692,179		
Total Non-Current Liabilities	<u>15,637,293</u>	<u>121,713,792</u>	<u>29,333,770</u>		
Total Liabilities	<u>18,658,234</u>	<u>145,918,494</u>	<u>34,475,424</u>		
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related (Note 10)	<u>77,628</u>	<u>272,581</u>	<u>55,670</u>		
Lease Related (Note 14)	<u>4,882,645</u>	<u>4,907,216</u>	<u>-</u>		
Total Deferred Inflows of Resources	<u>4,960,273</u>	<u>5,179,797</u>	<u>55,670</u>		
<b>NET POSITION</b>					
Net Investment in Capital Assets	20,595,014	279,487,995	18,478,094		
Restricted for:					
Debt Service	-	4,365,228	-		
Capital Projects	692,612	14,485,714	563,040		
Designated	-	-	-		
Unrestricted (Deficit)	11,836,151	180,786,458	26,696,471		
Total Net Position	<u>\$ 33,123,777</u>	<u>479,125,395</u>	<u>\$ 45,737,605</u>		
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds		(5,164,183)			
Net Position of Business-Type Activities		<u>\$ 473,961,212</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, 2025**

	Business-Type Activities - Enterprise Funds				
	Major Funds				
	Water Reclamation Facility	Storm Sewer Maintenance	Solid Waste	Transit	
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 32,512,180	\$ 1,378,380	\$ 23,470,039	\$ 6,296,565	
Operating Grants and Contributions	37,800	-	638,197	16,012,472	
Total Operating Revenues	<u>32,549,980</u>	<u>1,378,380</u>	<u>24,108,236</u>	<u>22,309,037</u>	
<b>OPERATING EXPENSES</b>					
Salaries, Wages and Employee Benefits	5,694,708	766,311	9,094,741	1,217,109	
Maintenance and Operations	16,912,140	1,233,576	14,615,720	23,465,919	
Insurance Premiums and Loss Provisions	-	-	-	-	
Depreciation and Amortization	5,544,548	865,247	1,823,958	2,978,840	
Total Operating Expenses	<u>28,151,396</u>	<u>2,865,134</u>	<u>25,534,419</u>	<u>27,661,868</u>	
Operating Income (Loss)	<u>4,398,584</u>	<u>(1,486,754)</u>	<u>(1,426,183)</u>	<u>(5,352,831)</u>	
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	6,525,588	20,794	2,270,321	3,068,472	
Interest Expense	(1,668,141)	-	-	(583)	
Other Income	1,233,136	70,941	532,130	806,815	
Other Expenses	(5,198,042)	-	-	-	
Total Nonoperating Revenues (Expenses)	<u>892,541</u>	<u>91,735</u>	<u>2,802,451</u>	<u>3,874,704</u>	
Income (Loss) Before Contributions and Transfers	<u>5,291,125</u>	<u>(1,395,019)</u>	<u>1,376,268</u>	<u>(1,478,127)</u>	
Capital Grants and Contributions	4,165,309	1,639,772	62,218	4,800,751	
Transfers In (Note 4A)	-	300,000	169,835	-	
Transfers Out (Note 4A)	-	-	-	-	
Net Contributions and Transfers	<u>4,165,309</u>	<u>1,939,772</u>	<u>232,053</u>	<u>4,800,751</u>	
Change in Net Position	9,456,434	544,753	1,608,321	3,322,624	
Net Position - Beginning of Year	<u>250,991,448</u>	<u>64,746,185</u>	<u>42,239,215</u>	<u>73,761,945</u>	
Restatement - Change in Accounting Principle (Note 17)	<u>(194,399)</u>	<u>(20,950)</u>	<u>(404,511)</u>	<u>(49,447)</u>	
Net Position - Beginning of Year, As Restated	<u>250,797,049</u>	<u>64,725,235</u>	<u>41,834,704</u>	<u>73,712,498</u>	
Net Position - End of Year	<u>\$ 260,253,483</u>	<u>\$ 65,269,988</u>	<u>\$ 43,443,025</u>	<u>\$ 77,035,122</u>	

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

**CITY OF VISALIA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<u>Business-Type Activities - Enterprise Funds</u>			
<u>Non-Major Funds</u>			
	Non-Major Funds	Total	Governmental Activities
	Total	Total	Internal Service Funds
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 9,612,429	\$ 73,269,593	\$ 37,620,106
Operating Grants and Contributions	151,629	16,840,098	-
 Total Operating Revenues	 9,764,058	 90,109,691	 37,620,106
<b>OPERATING EXPENSES</b>			
Salaries, Wages and Employee Benefits	6,490,029	23,262,898	4,216,027
Maintenance and Operations	4,705,398	60,932,753	9,472,097
Insurance Premiums and Loss Provisions	-	-	27,599,165
Depreciation and Amortization	1,265,653	12,478,246	2,829,447
 Total Operating Expenses	 12,461,080	 96,673,897	 44,116,736
 Operating Income (Loss)	 (2,697,022)	 (6,564,206)	 (6,496,630)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest Income	1,175,640	13,060,815	2,930,784
Interest Expense	(203,451)	(1,872,175)	(40,039)
Other Income	295,564	2,938,586	1,470,576
Other Expenses	-	(5,198,042)	(105,547)
 Total Nonoperating Revenues (Expenses)	 1,267,753	 8,929,184	 4,255,774
 Income (Loss) Before Contributions and Transfers	 (1,429,269)	 2,364,978	 (2,240,856)
 Capital Grants and Contributions	 -	 10,668,050	 1,869,750
Transfers In (Note 4A)	4,711,729	5,181,564	4,694,231
Transfers Out (Note 4A)	-	-	(5,623,867)
 Net Contributions and Transfers	 4,711,729	 15,849,614	 940,114
 Change in Net Position	 3,282,460	 18,214,592	 (1,300,742)
 Net Position - Beginning of Year	 30,074,355	 461,813,148	 51,732,578
 Restatement - Change in Accounting Principle (Note 17)	 (233,038)	 (902,345)	 (4,694,231)
 Net Position - Beginning of Year, As Restated	 29,841,317	 460,910,803	 47,038,347
 Net Position - End of Year	 \$ 33,123,777	 479,125,395	 \$ 45,737,605
 Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds		 (1,533,205)	
 Change in Net Position of Business-Type Activities		 \$ 16,681,387	

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, 2025**

	Business-Type Activities - Enterprise Funds			
	Major Funds			
	Water	Storm Sewer	Solid Waste	Transit
Reclamation Facility	Maintenance			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers or Other Funds	\$ 33,952,767	\$ 1,386,334	\$ 24,687,566	\$ 12,239,532
Cash Payments to Employees for Services	(5,190,094)	(754,939)	(7,669,924)	(1,203,225)
Cash Payments to Suppliers for Services	(19,118,490)	(1,269,512)	(13,704,757)	(23,034,908)
Cash Received from (Payments to) Other Governments	(20,028)	63,963	(25,858)	(1,214,553)
Net Cash Provided (Used) by Operating Activities	<u>9,624,155</u>	<u>(574,154)</u>	<u>3,287,027</u>	<u>(13,213,154)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advance (to) from Other Funds	36,742	-	(378,237)	-
Transfers In	-	300,000	169,835	-
Transfers (Out)	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	<u>36,742</u>	<u>300,000</u>	<u>(208,402)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(4,449,748)	(1,639,772)	(3,737,058)	(2,887,759)
Capital Grants Received	-	-	-	6,357,550
Contributions	4,165,309	1,639,772	62,218	-
Interest Expense	-	-	-	-
Long-Term Debt Payments - Principal	(2,650,874)	-	-	-
Long-Term Debt Payments - Interest	(1,668,141)	-	-	(583)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,603,454)</u>	<u>-</u>	<u>(3,674,840)</u>	<u>3,469,208</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Earnings	6,525,588	20,794	2,270,321	3,068,472
Net Cash Provided by Investing Activities	<u>6,525,588</u>	<u>20,794</u>	<u>2,270,321</u>	<u>3,068,472</u>
Net Increase (Decrease) in Cash and Investments	11,583,031	(253,360)	1,674,106	(6,675,474)
Cash and Investments - Beginning of Year	<u>110,158,636</u>	<u>539,939</u>	<u>36,689,942</u>	<u>54,097,106</u>
Cash and Investments - End of Year	<u>\$ 121,741,667</u>	<u>\$ 286,579</u>	<u>\$ 38,364,048</u>	<u>\$ 47,421,632</u>
Consisting of:				
Unrestricted	\$ 117,376,439	\$ 286,579	\$ 38,364,048	\$ 47,421,632
Restricted	4,365,228	-	-	-
Total Cash and Investments	<u>\$ 121,741,667</u>	<u>\$ 286,579</u>	<u>\$ 38,364,048</u>	<u>\$ 47,421,632</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 4,398,584	\$ (1,486,754)	\$ (1,426,183)	\$ (5,352,831)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:				
Depreciation and Amortization	5,544,548	865,247	1,823,958	2,978,840
Operating income and cash flow category classification differences	(3,964,906)	70,941	532,130	806,815
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	169,647	(62,987)	41,800	153,995
Taxes Receivable	17,772	63,963	5,400	(11,030,315)
Supplies	20,053	20,766	-	-
Due from Other Governments	(37,800)	-	(25,858)	(1,214,553)
Prepaid Expenses	-	-	-	-
Accounts Payable and Contract Payable	2,576,426	(35,936)	911,449	393,910
Deferred Outflows Pensions	(143,133)	(19,283)	(184,073)	(90,942)
Deferred Inflows Pensions & Leases	580,323	88,035	595,256	158,740
Net Pension Liability	(144,149)	(67,420)	550,524	(105,701)
Unearned Revenue	124,031	(20,766)	(486)	-
Accrued Personnel Costs	-	-	-	-
Compensated Absences	211,577	10,040	463,110	51,787
Other Liability	-	-	-	37,101
Liability for Self-Insurance Claims	-	-	-	-
Customer Deposits	271,182	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,624,155</u>	<u>\$ (574,154)</u>	<u>\$ 3,287,027</u>	<u>\$ (13,213,154)</u>
Noncash investing, capital and financing activities				
SBITA liability for the acquisition of right-to-use assets				\$ 115,717
Total noncash investing, capital and financing activities				<u>\$ 115,717</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, 2025**

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds		Governmental Activities
	Non-Major Funds	Total	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers or Other Funds	\$ 10,016,102	82,282,301	\$ 44,441,514
Cash Payments to Employees for Services	(6,513,332)	(21,331,514)	(30,374,642)
Cash Payments to Suppliers for Services	(4,578,314)	(61,705,981)	(4,155,632)
Cash Received from (Payments to) Other Governments	-	(1,196,476)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(1,075,544)</b>	<b>(1,951,670)</b>	<b>9,911,240</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Advance (to) from Other Funds	-	(341,495)	-
Transfers In	4,711,729	5,181,564	4,694,231
Transfers (Out)	-	-	(5,623,867)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>4,711,729</b>	<b>4,840,069</b>	<b>(929,636)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(178,829)	(12,893,166)	(4,679,332)
Capital Grants Received	-	6,357,550	-
Contributions	-	5,867,299	1,869,750
Interest Expense	-	-	(40,039)
Long-Term Debt Payments - Principal	(1,462,705)	(4,113,579)	-
Long-Term Debt Payments - Interest	(215,659)	(1,884,383)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(1,857,193)</b>	<b>(6,666,279)</b>	<b>(2,849,621)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest Earnings	1,175,640	13,060,815	2,930,784
<b>Net Cash Provided by Investing Activities</b>	<b>1,175,640</b>	<b>13,060,815</b>	<b>2,930,784</b>
Net Increase (Decrease) in Cash and Investments	2,954,632	9,282,935	9,062,767
Cash and Investments - Beginning of Year	18,364,647	219,850,270	48,268,520
Cash and Investments - End of Year	<b>\$ 21,319,279</b>	<b>\$ 229,133,205</b>	<b>\$ 57,331,287</b>
Consisting of:			
Unrestricted	\$ 19,441,592	\$ 222,890,290	\$ 56,814,536
Restricted	1,877,687	6,242,915	516,751
<b>Total Cash and Investments</b>	<b>\$ 21,319,279</b>	<b>\$ 229,133,205</b>	<b>\$ 57,331,287</b>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:			
Operating Income (Loss)	\$ (2,697,022)	\$ (6,564,206)	\$ (6,496,630)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:			
Depreciation and Amortization	1,265,653	12,478,246	2,829,447
Operating income and cash flow category classification differences	295,564	(2,259,456)	1,365,029
Net Change in Assets and Liabilities:			
Accounts and Interest Receivable	(43,520)	258,935	(50,220)
Taxes Receivable	-	(10,943,180)	-
Supplies	(64,888)	(24,069)	326,237
Due from Other Governments	-	(1,278,211)	-
Prepaid Expenses	7,198	7,198	1,072,769
Accounts Payable and Contract Payable	(1,681,194)	2,164,655	1,988,360
Deferred Outflows Pensions	159,251	(278,180)	547,619
Deferred Inflows Pensions & Leases	172,672	1,595,026	(119,707)
Net Pension Liability	(558,761)	(325,507)	(423,912)
Unearned Revenue	(65,850)	36,929	-
Accrued Personnel Costs	-	-	9,673
Compensated Absences	203,535	940,049	5,215,792
Other Liability	1,968,793	2,005,894	427,281
Liability for Self-Insurance Claims	-	-	3,219,502
Customer Deposits	(36,975)	234,207	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (1,075,544)</b>	<b>\$ (1,951,670)</b>	<b>\$ 9,911,240</b>
Noncash investing, capital and financing activities			
SBITA liability for the acquisition of right-to-use assets	\$ 2,014,562	\$ 2,130,279	\$ 599,423
<b>Total noncash investing, capital and financing activities</b>	<b>\$ 2,014,562</b>	<b>\$ 2,130,279</b>	<b>\$ 599,423</b>

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

# Fiduciary Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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, 2025**

	Custodial Funds	Successor Agency Private Purpose Trust Fund
<b>ASSETS</b>		
Cash and Investments (Note 3)	\$ 713,086	\$ 345,003
Restricted Cash and Investments (Note 3)	- -	541,454
Accounts Receivable	155,978	-
District Assessment Receivable	25,873	-
Notes and Loan Receivable (Note 5)	- -	64,036
Land Held For Resale	- -	<u>2,824,503</u>
 Total Assets	 <u>894,937</u>	 <u>3,774,996</u>
<b>LIABILITIES</b>		
Accounts, Interest, and Contracts Payable	81,630	20,435
Deposits	41,124	-
Due to City	105,823	-
Long - Term Liabilities (Note 7):		
Due Within One Year	- -	382,451
Due in More Than One Year	- -	<u>11,328,964</u>
Total Long - Term Liabilities	<u>- -</u>	<u>11,711,415</u>
 Total Liabilities	 <u>228,577</u>	 <u>11,731,850</u>
<b>NET POSITION</b>		
<b>Restricted for:</b>		
Held in Trust	- -	(7,956,854)
Individuals, Organizations, and Other Governments	<u>666,360</u>	-
 Total Net Position	 <u>\$ 666,360</u>	 <u>\$ (7,956,854)</u>

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

**CITY OF VISALIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Custodial Funds	Successor Agency Private Purpose Trust Fund
<b>Additions</b>		
Redevelopment Property Taxes Trust Funds	\$ -	\$ 1,513,160
Use of Money and Property	38,752	60,170
Revenue from District Assessments	1,014,591	-
Miscellaneous Revenue	298,798	-
<b>Total Additions</b>	<b><u>1,352,141</u></b>	<b><u>1,573,330</u></b>
<b>Deductions</b>		
Obligation Requirements		
Interest on Bonds and Notes Payable	11,219	264,724
<b>Total Obligation Requirements</b>	<b><u>11,219</u></b>	<b><u>264,724</u></b>
Administrative Expenses	6,886	120,904
<b>Total Administrative Expenses</b>	<b><u>6,886</u></b>	<b><u>120,904</u></b>
Distribution of District Assessment	1,309,337	-
Principal on Bonds and Notes Payable	60,666	-
<b>Total Distribution of District Assessment</b>	<b><u>1,370,003</u></b>	<b><u>-</u></b>
<b>Total Deductions</b>	<b><u>1,388,108</u></b>	<b><u>385,628</u></b>
Change in Net Position	(35,967)	1,187,702
Net Position - Beginning of Year	<u>702,327</u>	<u>(9,144,556)</u>
Net Position (Deficit) - End of Year	<u><b>\$ 666,360</b></u>	<u><b>\$ (7,956,854)</b></u>

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

---

# NOTES TO THE FINANCIAL STATEMENTS

---



# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## TABLE OF CONTENTS – NOTES TO THE FINANCIAL STATEMENTS

	<u>Page</u>
<b>Reporting Entity and Accounting Policies:</b>	
Note 1 – Summary of Significant Accounting Policies .....	57
<b>DETAILED NOTES ON FUNDS:</b>	
Note 2 – Budgets and Budgetary Accounting.....	69
Note 3 – Cash and Investments.....	70
Note 4 – Interfund Transactions.....	76
Note 5 – Notes and Loans Receivable .....	78
Note 6 – Capital Assets .....	81
Note 7 – Long Term Liabilities .....	83
Note 8 – Debt Without City Commitment.....	88
Note 9 – Fund Balance and Net Position Classifications .....	89
Note 10 – Employee Benefits .....	92
Note 14 – Leases Receivable .....	102
<b>OTHER INFORMATION:</b>	
Note 11 – Risk Management .....	100
Note 12 – Contingent Liabilities and Commitments.....	101
Note 13 – Transactions with Related Parties .....	102
Note 15 – Pledged Revenues.....	104
Note 16 – Subsequent Events.....	104
Note 17 – Restatements and Adjustments.....	104



# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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, 2025

## **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, 2025

## **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 of 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 Capital Project Funds and 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  $\frac{1}{2}$  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, 2025

## **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, 2025

## **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 February 1, and becomes a lien on those dates. It becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on August 31 and becomes delinquent if not paid by that date. 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, 2025

## **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, certain compensated time off, and sick leave that is estimated to be more than likely used in the future, all for which are accrued as earned. In addition, an employee with 10 years or more of continuous service will be compensated for remaining earned sick leave at 30% of its value on their retirement date. Also included is an employee with 20 years or more of continuous service with the City, who 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 details 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, 2025

## **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. 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.

### **L. 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. 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.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### **L. Fund Balance** (Continued)

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.

### **M. 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.

### **N. Fair Value Measurements**

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

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

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

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

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

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### **O. 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, 2025 to liquidate the encumbrances. Encumbrances outstanding as of June 30, 2025 are listed below:

	<u>Amount</u>
General Fund	\$ 11,837,508
Measure N	3,787,987
Transportation	4,756,521
Civic Center Fund	51,695,433
Non-Major Governmental Funds	56,167,017
Water Reclamation Facility	9,781,503
Storm Sewer Maintenance	81,863
Solid Waste	3,622,840
Transit	341,082
Non-Major Proprietary Funds	692,612
Vehicle Replacement	20,013
Information Services	26,276
	<u><b>\$ 142,810,655</b></u>

### **P. Leases**

#### **Lessee**

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

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

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

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

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### **P. Leases (Continued)**

- 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: 3.16% for a lease term of 0-60 months; 2.92% for a lease term of 61-120 months; and 3.70% for a lease term of 121 months or more.
- The lease term includes the noncancelable 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 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: 3.16% for a lease term of 0-60 months; 2.92% for a lease term of 61-120 months; and 3.70% for a lease term of 121 months or more.
- The lease term includes the noncancelable period of the lease as well as any options to extend the lease if the City feels that it will be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.
- The City monitors situations that would require a remeasurement of a lease and will remeasure the lease receivable and deferred inflows of resources if the situation is expected to significantly affect the amount of the lease receivable.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### **Q. 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: 3.16% for a subscription term of 0-60 months; 2.92% for a subscription term of 61-120 months; and 3.70% for a subscription term of 121 months or more.
- The subscription term includes the noncancelable 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 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, 2025

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

### **R. Implementation of Accounting Pronouncements**

The following GASB Statement has been implemented in the current 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 implemented this statement for June 30, 2025 which effected the 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 implemented this statement for June 30, 2025. There was no effect on the financial statements as a result of implementing this statement. As there were no disclosures applicable to the City.

### **S. Future GASB Pronouncements**

The following GASB Statements will be implemented in future 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.

### **T. New Funds**

During fiscal year 2024-25, the City created two new funds. These two funds account for capital projects in the General fund and remaining capital projects relating to ARPA. Both funds roll up in the financial statements into the General Fund, a major governmental fund.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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 each March and one mid-cycle review in June. The City Council is authorized to make appropriation adjustments to the budget during the year as deemed necessary.

### **B. Excess of Expenditures**

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

Major Funds:		Non-Major Funds: (Continued)	
General Fund	\$ 307,552	Special Revenue Funds:	
Civic Center	\$ 35,750	Golf Course	\$ 4,405
Non-Major Funds:		Oak Tree Preservation	
Special Revenue Funds:		Conservation	\$ 123
Groundwater Recharge	\$ 457,831	Housing Successor Agency	\$ 1,800
Kaweah Lake and Local Storm Water Maint	\$ 2,524	Capital Projects Funds:	
Special Service Districts	\$ 576,919	Recreation Facilities	\$ 7,293
Northeast Area	\$ 111	Public Safety Impact Fee	\$ 1,099
Grant & Loan Funds	\$ 69,683	Government Facilities Impact Fee	\$ 2,618
Measure T - Fire	\$ 11,869	Facility Improvements	\$ 392
Measure R - Regional	\$ 443,450	Regional Parks	\$ 289
Transportation Grants	\$ 825	Vehicle Miles Traveled Impact Fee	\$ 13
		Animal Control Reserve	\$ 125

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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, 2025, are classified in the Statement of Net Position as follows:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 632,644,590
Restricted Cash and Investments	12,447,363
Fiduciary Funds Statement of Net Position:	
Cash and Investments	1,058,089
Restricted Cash and Investments	<u>541,454</u>
Total Cash and Investments	<u>\$ 646,691,496</u>

Cash and investments as of June 30, 2025, consist of the following:

Cash on hand	\$ 11,550
Deposits with financial institutions	2,971,564
Investments	<u>643,708,382</u>
Total Cash and Investments	<u>\$ 646,691,496</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, 2025

## **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, 2025

## **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 06/30/2025	Weighted Average		
		Maturity (in Days )	% of Investments	
Federal Agency Securities	\$ 170,950,707	164.19	26.56%	
U.S. Treasuries	129,763,606	194.55	20.16%	
Local Agency Investment Fund	20,303,478	N/A	3.15%	
California Asset Management Program	47,528,937	N/A	7.38%	
Corporate Medium-Term Notes	91,154,387	121.60	14.16%	
Municipal Bonds	183,314,311	222.03	28.48%	
Local Agency Bonds	133,248	0.28	0.02%	
Held by Bond Trustee:				
Money Market Funds	559,708	0.04	0.09%	
Total	<u>\$ 643,708,382</u>			

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

As of June 30, 2025, and during the 2024-25 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, 2025

## NOTE 3 – CASH AND INVESTMENTS (Continued)

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

Investment Type	Minimum Legal Rating	Moody's Rating	Standard & Poor's Rating	% of Portfolio	
Federal Agency Securities	\$ 170,950,707	N/A	Aaa	AA+	26.56%
U.S. Treasuries	129,763,606	N/A	Aaa	Not Rated	20.16%
Corporate Medium-Term Notes	10,222,590	A	Aaa	AA+	1.59%
Corporate Medium-Term Notes	13,852,231	A	Aa2	AA	2.15%
Corporate Medium-Term Notes	10,906,190	A	A1	AA	1.69%
Corporate Medium-Term Notes	5,005,960	A	Aa3	AA-	0.78%
Corporate Medium-Term Notes	4,918,550	A	A1	AA-	0.76%
Corporate Medium-Term Notes	4,464,833	A	Aa3	A+	0.69%
Corporate Medium-Term Notes	18,261,481	A	A1	A+	2.84%
Corporate Medium-Term Notes	16,627,122	A	A1	A	2.58%
Corporate Medium-Term Notes	2,991,270	A	A3	A	0.46%
Corporate Medium-Term Notes	3,904,160	A	A2	A-	0.61%
Local Agency Investment Fund	20,303,478	N/A	Not Rated	Not Rated	3.15%
California Asset Management Program	47,528,937	N/A	Not Rated	Not Rated	7.38%
Municipal Bonds	989,392	A	Aaa	AAA	0.15%
Municipal Bonds	6,240,520	A	Aa1	AAA	0.97%
Municipal Bonds	2,446,152	A	Aa2	AAA	0.38%
Municipal Bonds	1,772,456	A	Not Rated	AAA	0.27%
Municipal Bonds	12,199,474	A	Aaa	AA+	1.89%
Municipal Bonds	3,444,311	A	Aa1	AA+	0.53%
Municipal Bonds	3,583,413	A	Not Rated	AA+	0.56%
Municipal Bonds	9,578,054	A	Aa1	AA	1.49%
Municipal Bonds	24,018,071	A	Aa2	AA	3.73%
Municipal Bonds	7,944,265	A	Aa3	AA	1.23%
Municipal Bonds	2,878,620	A	A1	AA	0.45%
Municipal Bonds	6,418,063	A	Not Rated	AA	1.00%
Municipal Bonds	60,988,030	A	Aa2	AA-	9.47%
Municipal Bonds	8,311,095	A	Aa3	AA-	1.29%
Municipal Bonds	1,895,740	A	Not Rated	AA-	0.29%
Municipal Bonds	12,956,311	A	Aa3	A+	2.01%
Municipal Bonds	2,044,152	A	Not Rated	A+	0.32%
Municipal Bonds	10,760,806	A	Aa2	Not Rated	1.67%
Municipal Bonds	4,845,386	A	A1	Not Rated	0.75%
Local Agency Bonds	133,248	N/A	Not Rated	Not Rated	0.02%
Held by Bond Trustee:					
Money Market Funds	559,708	A	Aaa-mf	AAAm	0.09%
Total	<u>\$ 643,708,382</u>				<u>100.00%</u>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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	\$ 72,226,546
Federal Farm Credit Bank	Federal Agency Securities	68,261,293
U.S. Treasuries	U.S. Treasuries	129,763,606
State of California Bonds	Municipal Bonds	42,416,344
<b>Total</b>		<b>\$ 312,667,789</b>

### **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, 2025, 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, 2025

## **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, 2025, these investments matured in an average of 248 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, 2025:

<i>Investments by Fair Value Level</i>	<i>Level 1</i>	<i>Level 2</i>	<i>Uncategorized</i>	<i>Total</i>
Federal Agency Securities	\$ -	\$ 170,950,707	\$ -	\$ 170,950,707
U.S. Treasuries	129,763,606	-	-	129,763,606
Corporate Medium-Term Notes	-	91,154,387	-	91,154,387
Municipal Bonds	-	183,314,311	-	183,314,311
Held by Bond Trustee:				
Money market funds	-	559,708	-	559,708
<b>Subtotal</b>	<b>\$ 129,763,606</b>	<b>\$ 445,979,113</b>		<b>\$ 575,742,719</b>
<i>Investments Measured at Amortized Cost</i>				
Local Agency Bonds		133,248		133,248
Local Agency Investment Fund		20,303,478		20,303,478
California Asset Management Program		47,528,937		47,528,937
<b>Subtotal</b>		<b>\$ 67,965,663</b>		
<b>Total Investments</b>				<b>\$ 643,708,382</b>

U.S. Treasuries totaling \$129.8 million, classified in Level 1 of the fair value hierarchy, are valued at quoted prices in active markets for identical assets. Federal agency securities totaling \$170.9 million, corporate medium-term notes totaling \$91.2 million, municipal bonds totaling \$183.3 million, and money market funds held by the bond Trustee totaling \$.5 million, classified in Level 2 of the fair value hierarchy, are valued using a matrix pricing technique. Matrix pricing is the process of estimating the fair value price of a bond based on the quoted prices of more frequently traded comparable bonds. The Local Agency Investment Fund, California Asset Management Program, and Local Agency Bonds are reported at amortized cost.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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, 2025, were as follows:

Fund Receiving Transfer	Fund Making Transfer	Amount Transferred
<b>Governmental Funds:</b>		
General Fund	Compensated Absences - Internal Services	\$ 352,808 (B)
General Fund	American Rescue Plan	13,047,308 (B)
General Fund	American Rescue Plan	9,900,518 (A)
Measure N	Vehicle Replacement Fund - Internal Services	24,082 (A)
<b>Debt Service Funds:</b>		
VPFA 2014 Refunding COP	General Fund	126,739 (C)
2015 COP	General Fund	591,610 (C)
2015 COP	Public Safety Impact Fee - Capital Projects	414,852 (C)
2015 COP	Measure T Police - Special Revenue	151,362 (C)
<b>Capital Projects Funds:</b>		
Parking District	General Fund	83,350 (B)
Baseball	General Fund	647,019 (B)
Baseball	General Fund	2,656,698 (A)
Baseball	Risk Management	5,000,000 (A)
<b>Special Revenue Funds:</b>		
Measure R - Local	Recreational Facilities - Capital Projects	5,820 (A)
Housing & Community Grants	Grant & Loan Funds	40,918 (B)
Housing & Community Grants	General Fund	390 (B)
GOVERNMENTAL Funds Sub-Total		<u>33,043,474</u>
<b>Enterprise Funds:</b>		
Animal Control	General Fund	1,112,109 (B)
Animal Control	General Fund	567,328 (C)
Convention Center	General Fund	400,000 (A)
Convention Center	General Fund	1,544,348 (B)
Convention Center	General Fund	1,087,944 (C)
Solid Waste	American Rescue Plan	165,144 (B)
Solid Waste	General Fund	4,691 (B)
Storm Sewer Maintenance	Kaweah Lake and Local Storm Water Maintenance - Special Revenue	300,000 (B)
ENTERPRISE Funds Sub-Total		<u>5,181,564</u>
<b>Internal Service Funds:</b>		
Compensated Absences	General Fund	3,878,764 (B)
Compensated Absences	Measure N - Special Revenue	242,500 (B)
Compensated Absences	Grant & Loan Funds - Special Revenue	31,414 (B)
Compensated Absences	Measure T Police - Special Revenue	128,731 (B)
Compensated Absences	Measure T Fire - Special Revenue	130,050 (B)
Compensated Absences	Housing & Community Grants - Special Revenue	35,795 (B)
Compensated Absences	Fleet Services - Internal Services	106,120 (B)
Compensated Absences	Information Services - Internal Services	122,916 (B)
Compensated Absences	Risk Management - Internal Services	17,941 (B)
INTERNAL SERVICE Funds Sub-Total		<u>4,694,231</u>
TOTAL TRANSFERS		<u>\$ 42,919,269</u>

(A) To fund capital expenses  
 (B) To fund operating expenses  
 (C) To fund debt service payments

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **NOTE 4 – INTERFUND TRANSACTIONS** (Continued)

### **B. Long-Term Interfund Advances**

At June 30, 2025, 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	\$ -	\$ 1,948,098
Special Revenue Funds:		
Special Service Districts (Landscape & Lighting) (a)	1,226,278	-
Measure R - Regional (b)	721,820	-
Total Advances	<u>\$ 1,948,098</u>	<u>\$ 1,948,098</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, 2025, the General Fund provided \$1,798,877 to the Housing & Community Grants Fund to fund operating expenses, \$35,198 to the Waterways Fund to fund operating expenses and \$26,218 to the Grant & Loan Funds to fund operating expenses 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, 2025

## NOTE 5 – NOTES AND LOANS RECEIVABLE

### A. Current Year Transactions and Balances

	<u>Issue Date</u>	<u>Maturity</u>	Balance at <u>June 30, 2024</u>	<u>Additions</u>	<u>Repayments</u>	Balance at <u>June 30, 2025</u>
<u>GOVERNMENTAL ACTIVITIES</u>						
<u>General Fund</u>						
Visalia Successor Agency	-	-	\$ 11,467,268	\$ 216,961	\$ 1,015,781	10,668,448
Subtotal General Fund			<u>11,467,268</u>	<u>216,961</u>	<u>1,015,781</u>	<u>10,668,448</u>
<u>Housing &amp; Community Grants</u>						
1001 N Jacob (TCHA)	May 1996	July 2024	200	-	200	-
Fairview Village (KMC)	Dec 1994	Dec 2034	120,000	-	6,000	114,000
Navigation Center	July 2022	June 2042	3,184,480	-	159,224	3,025,256
Navigation Center	July 2022	June 2042	1,950,182	-	97,509	1,852,673
Navigation Center	July 2022	June 2042	3,628,371	-	181,419	3,446,952
1627 S Garden Public Facility	Aug 2019	Aug 2039	320,000	-	20,000	300,000
1627 S Garden Public Facility	Aug 2019	Aug 2039	212,000	-	13,250	198,750
Visalia Senior Housing III	Jan 2007	Jan 2062	2,720,193	-	-	2,720,193
Robinwood	April 2007	April 2036	519,989	-	43,332	476,657
Court & Paradise Apts	Nov 2010	Nov 2066	500,000	-	-	500,000
Highland Gardens	Sep 2015	Dec 2070	1,980,000	-	-	1,980,000
101 N Strawberry	June 2015	Dec 2045	429,150	-	-	429,150
SHE 517-519 N Encina	May 2018	May 2048	436,656	-	-	436,656
Lofts Project	Feb 2022	Dec 2057	2,350,898	-	-	2,350,898
Sequoia Village Project	April 2022	Mar 2057	1,445,454	-	27,272	1,418,182
Majestic Gardens	April 2024	April 2044	-	1,800,000	-	1,800,000
Majestic Gardens	April 2024	April 2079	-	648,810	-	648,810
Rancho Colegio	May 2024	Dec 2081	-	931,604	-	931,604
Habitat for Humanity Assigned	Various	Various	262,731	467,815	21,233	709,313
CDBG	Various	Various	675,872	-	50,025	625,847
Cal Home	Various	Various	561,332	-	-	561,332
HOME	Various	Various	1,815,760	73,392	30,569	1,858,583
NSP	Various	Various	508,226	-	448,378	59,848
Subtotal Housing & Community Grants			<u>23,621,494</u>	<u>3,921,621</u>	<u>1,098,411</u>	<u>26,444,704</u>
<u>Housing Successor Agency</u>						
Kaweah Management (1)	June 1996	Nov 2025	250,000	-	-	250,000
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	29,363	-	863	28,500
Encina Triplex	Aug 2008	Aug 2048	252,829	-	7,235	245,594
Kaweah Management - East (1)	Sep 2009	June 2065	472,708	-	-	472,708
Court & Paradise Apts	Nov 2010	Nov 2066	500,000	-	-	500,000
Mill Creek Parkway \$3.0M (KMC)	Oct 2015	Oct 2070	2,563,637	-	54,546	2,509,091
Mill Creek Parkway \$1.5M (KMC)	Mar 2006	Mar 2061	1,033,612	-	27,935	1,005,677
KMC 621 N Santa Fe	Dec 2021	Dec 2071	100,000	-	-	100,000
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
Lofts Project	Feb 2022	Dec 2057	329,320	-	-	329,320
Navigation Center	July 2022	June 2042	200,000	-	10,000	190,000
Majestic Gardens	April 2024	April 2079	-	1,325,000	-	1,325,000
1029 W Goshen	Jan 2011	Jan 2066	124,233	-	2,953	121,280
East Visalia Redevelopment	Various	Various	32,461	-	-	32,461
Habitat for Humanity Assigned	Various	Various	647,965	-	9,011	638,954
Housing Fund	Various	Various	59,237	-	1,740	57,497
Subtotal Housing Successor Funds			<u>8,245,260</u>	<u>1,325,000</u>	<u>114,283</u>	<u>9,455,977</u>
<u>Transportation Fund</u>						
El Centro Corner (B183341)	May 2019	June 2025	47,633	-	47,633	-
NW Visalia Senior (B173132)	Oct 2019	June 2025	50,256	-	50,256	-
J Beast LP (B193168)	July 2020	June 2026	56,373	-	28,187	28,186
J Beast LP (B193169)	July 2020	June 2026	31,931	-	15,965	15,966
Vaccinated LP (B201416)	June 2021	June 2027	103,658	-	34,553	69,105
Vaccinated LP (B201417)	June 2021	June 2027	53,364	-	17,788	35,576
Subtotal Transportation Fund			<u>343,215</u>	<u>-</u>	<u>194,382</u>	<u>148,833</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, 2025

## 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, 2024</u>	<u>Additions</u>	<u>Repayments</u>	Balance at <u>June 30, 2025</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>						
<u>Civic Center Fund</u>						
Imagine U Museum	Dec 2016	Dec 2046	123,878	-	3,529	120,349
Subtotal Civic Center Fund			123,878	-	3,529	120,349
<u>Parking District Fund</u>						
Comfort Suites	Oct 2002	Oct 2032	96,651	-	10,548	86,103
Subtotal Parking District Fund			96,651	-	10,548	86,103
<u>Waterways Fund</u>						
Imagine U Museum	Dec 2016	Dec 2046	151,407	-	4,314	147,093
Subtotal Waterways Fund			151,407	-	4,314	147,093
<u>Govt Facilities Impact Fee Fund</u>						
El Centro Corner (B183341)	May 2019	June 2025	253	-	253	-
J Beast LP (B193168)	July 2020	June 2026	29,998	-	14,999	14,999
J Beast LP (B193169)	July 2020	June 2026	14,736	-	7,368	7,368
Vaccinated LP (B201416)	June 2021	June 2027	6,242	-	2,081	4,161
Vaccinated LP (B201417)	June 2021	June 2027	26,526	-	8,842	17,684
Subtotal Govt Facilities Impact Fee Fund			77,755	-	33,543	44,212
<u>Public Safety Impact Fee Fund</u>						
El Centro Corner (B183341)	May 2019	June 2025	3,170	-	3,170	-
J Beast LP (B193168)	July 2020	June 2026	18,631	-	9,316	9,315
Vaccinated LP (B201417)	June 2021	June 2027	19,202	-	6,400	12,802
Subtotal Public Safety Impact Fee Fund			41,003	-	18,886	22,117
<u>Storm Sewer Construction Fund</u>						
El Centro Corner (B183341)	May 2019	June 2025	207	-	207	-
J Beast LP (B193168)	July 2020	June 2026	1,316	-	658	658
Vaccinated LP (B201417)	June 2021	June 2027	1,356	-	452	904
Subtotal Storm Sewer Construction Fund			2,879	-	1,317	1,562
Total Governmental Activities			44,170,810	5,463,582	2,494,994	47,139,398
<b><u>BUSINESS - TYPE</u></b>						
<u>Water Reclamation Facility Fund</u>						
El Centro Corner (B183341)	May 2019	June 2025	2,804	-	2,804	-
NW Visalia Senior (B173132)	Oct 2019	June 2025	12,552	-	12,552	-
120 W Main St (B150085)	May 2015	June 2025	4,933	-	4,933	-
J Beast LP (B193168)	July 2020	June 2026	26,600	-	13,300	13,300
J Beast LP (B193169)	July 2020	June 2026	1,670	-	835	835
Vaccinated LP (B201416)	June 2021	June 2027	3,942	-	1,314	2,628
Vaccinated LP (B201417)	June 2021	June 2027	3,012	-	1,004	2,008
Subtotal Water Reclamation Facility Fund			55,513	-	36,742	18,771
Total Governmental Activities and Business-Type			\$ 44,226,323	\$ 5,463,582	\$ 2,531,736	47,158,169
<u>Successor Agency</u>						
Willow Street Parking Structure			84,786	-	20,750	64,036
Subtotal Successor Agency			\$ 84,786	\$ -	\$ 20,750	64,036
Total Notes and Loans Receivable			\$ 44,311,109	\$ 5,463,582	\$ 2,552,486	47,222,205

## Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

#### **B. Notes Receivable**

The City loans monies for various purposes in the course of its operations. The General Fund holds notes receivable for deferred impact fees and land sales. The Parking District holds notes relating to payment of downtown parking in-lieu fees. Various housing funds hold notes related to housing development. The Housing Successor Agency loans are mainly for developers who develop housing projects for low-income persons which meet affordability requirements. At June 30, 2025, these notes receivable totaled \$47,222,205 in the following funds: \$10,668,448 in the General Fund, \$26,444,704 in Housing & Community Grants, \$9,455,977 in the Housing Successor Agency Fund, \$148,833 in the Transportation Fund, \$120,349 in the Civic Center Fund, \$86,103 in the Parking District Fund, \$147,093 in the Waterways Fund, \$44,212 in the Government Facilities Impact Fee Fund, \$22,117 in the Public Safety Impact Fee Fund, \$1,562 in the Storm Sewer Construction Fund, \$18,771 in the Water Reclamation Facility Fund, and \$64,036 in the Fiduciary Successor Agency.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## NOTE 6 – CAPITAL ASSETS

### A. Capital Assets Additions and Retirements

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance</u> <u>June 30, 2025</u>
<b>GOVERNMENTAL ACTIVITIES:</b>					
Capital assets not being depreciated					
Land	\$ 42,306,251	\$ 7,435,782	\$ -	\$ -	\$ 49,742,033
Construction in progress	65,121,167	22,722,625	(1,507,498)	(40,220,890)	46,115,404
	<u>107,427,418</u>	<u>30,158,407</u>	<u>(1,507,498)</u>	<u>(40,220,890)</u>	<u>95,857,437</u>
Capital assets being depreciated					
Buildings	63,080,109	2,510,225	-	6,617,685	72,208,019
Improvements other than buildings	95,111,657	1,607,257	-	6,878	96,725,792
Machinery, equipment and vehicles	57,447,992	6,889,270	(1,265,226)	313,904	63,385,940
Infrastructure - streets, traffic signals & signs	276,771,340	5,185,339	(837,334)	33,282,423	314,401,768
	<u>492,411,098</u>	<u>16,192,091</u>	<u>(2,102,560)</u>	<u>40,220,890</u>	<u>546,721,519</u>
Accumulated depreciation					
Buildings	(20,340,851)	(1,312,135)	-	-	(21,652,986)
Improvements other than buildings	(36,009,250)	(2,393,694)	-	-	(38,402,944)
Machinery, equipment and vehicles	(35,920,470)	(3,736,964)	1,073,583	-	(38,583,851)
Infrastructure - streets, traffic signals & signs	(109,046,355)	(6,437,969)	837,334	-	(114,646,990)
	<u>(201,316,926)</u>	<u>(13,880,762)</u>	<u>1,910,917</u>	<u>-</u>	<u>(213,286,771)</u>
Intangible assets being amortized					
Right-to-use assets - lease assets - Land and land improvements	684,549	15,953	-	-	700,502
Right-to-use assets - lease assets - Buildings	230,126	-	(230,126)	-	-
Right-to-use assets - SBITA	4,366,313	992,326	(8,973)	-	5,349,666
	<u>5,280,988</u>	<u>1,008,279</u>	<u>(239,099)</u>	<u>-</u>	<u>6,050,168</u>
Accumulated amortization					
Right-to-use assets - lease assets - Land and land improvements	(80,059)	(28,202)	-	-	(108,261)
Right-to-use assets - lease assets - Buildings	(243,305)	-	243,305	-	-
Right-to-use assets - SBITA	(1,655,300)	(1,241,647)	-	-	(2,896,947)
	<u>(1,978,664)</u>	<u>(1,269,849)</u>	<u>243,305</u>	<u>-</u>	<u>(3,005,208)</u>
Governmental Capital Asset Activity, Net	<u>\$ 401,823,914</u>	<u>\$ 32,208,166</u>	<u>\$ (1,694,935)</u>	<u>\$ -</u>	<u>\$ 432,337,145</u>
Total Governmental Capital assets not being depreciated or amortized					\$ 95,857,437
Total Governmental Capital assets being depreciated or amortized					\$ 336,479,708
<b>BUSINESS-TYPE ACTIVITIES:</b>					
Capital assets not being depreciated					
Land	\$ 26,144,947	\$ -	\$ -	\$ -	\$ 26,144,947
Construction in progress	8,108,499	3,807,117	(180,118)	-	11,735,498
	<u>34,253,446</u>	<u>3,807,117</u>	<u>(180,118)</u>	<u>-</u>	<u>37,880,445</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	73,888,657	6,924,534	(108,565)	-	80,704,626
Infrastructure - sewer and storm drainage	158,041,189	2,161,515	-	-	160,202,704
	<u>522,186,021</u>	<u>9,086,049</u>	<u>(108,565)</u>	<u>-</u>	<u>531,163,505</u>
Accumulated depreciation					
Buildings	(24,557,136)	(1,210,152)	-	-	(25,767,288)
Improvements other than buildings	(81,333,181)	(4,604,603)	-	-	(85,937,784)
Machinery, equipment and vehicles	(47,858,248)	(4,597,340)	101,939	-	(52,353,649)
Infrastructure - sewer and storm drainage	(40,355,891)	(1,965,698)	-	-	(42,321,589)
	<u>(194,104,456)</u>	<u>(12,377,793)</u>	<u>101,939</u>	<u>-</u>	<u>(206,380,310)</u>
Intangible assets being amortized					
Right-to-use assets - SBITA	144,122	2,130,280	(64,982)	-	2,209,420
	<u>144,122</u>	<u>2,130,280</u>	<u>(64,982)</u>	<u>-</u>	<u>2,209,420</u>
Accumulated amortization					
Right-to-use assets - SBITA	(82,558)	(100,453)	64,916	-	(118,095)
	<u>(82,558)</u>	<u>(100,453)</u>	<u>64,916</u>	<u>-</u>	<u>(118,095)</u>
Business-type Capital Asset Activity, Net	<u>\$ 362,396,575</u>	<u>\$ 2,545,200</u>	<u>\$ (186,810)</u>	<u>\$ -</u>	<u>\$ 364,754,965</u>
Total Business-Type Capital assets not being depreciated or amortized					\$ 37,880,445
Total Business-Type Capital assets being depreciated or amortized					\$ 326,874,520

## Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

### **NOTE 6 – CAPITAL ASSETS (Continued)**

#### **B. Depreciation and Amortization Expense**

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

#### **Governmental Activities**

General Government	\$ 6,838,094
Public Works	1,504,607
Public Safety:	
Police	1,795,672
Fire	544,668
Community Services	1,638,123
Capital Assets Held by the City's Internal Service Funds are Charged to the Various Functions Based on their Usage of the Assets	<u>2,829,447</u>
Total Governmental Activities	<u>\$ 15,150,611</u>

#### **Business-Type Activities**

Water Reclamation Facility	\$ 5,544,548
Storm Sewer Maintenance	865,247
Solid Waste	1,823,958
Transit	2,978,840
Convention Center	715,557
Airport	276,913
Building Safety	93,126
Animal Control	180,057
Total Business-Type Activities	<u>\$ 12,478,246</u>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## NOTE 7 – LONG-TERM LIABILITIES

### A. Current Year Transactions and Balances

	Original Issue Amount	Balance at June 30, 2024 As Restated	Additions	Retirements	Balance at June 30, 2025	Due Within One Year
<b>Governmental Activity Debt</b>						
Certificates of Participation:						
2015 COP	\$ 13,121,230	\$ 6,278,556	\$ -	\$ (948,743)	\$ 5,329,813	\$ 996,364
2014 VPFA - Refunding (1)	1,180,800	241,600	-	(117,600)	124,000	124,000
	<u>14,302,030</u>	<u>6,520,156</u>	-	<u>(1,066,343)</u>	<u>5,453,813</u>	<u>1,120,364</u>
Lease Liabilities (2)	-	616,259	15,953	(24,421)	607,791	24,790
SBITA Liabilities (3)	-	2,410,999	392,903	(887,735)	1,916,167	863,163
Internal Service Funds:						
SBITA Liabilities (3)	-	-	599,423	(172,142)	427,281	173,575
Compensated Absences	-	10,812,237	521,558	-	11,333,795	1,129,292
Total Governmental Activities	<u>\$ 14,302,030</u>	<u>\$ 20,359,651</u>	<u>\$ 1,529,837</u>	<u>\$ (2,150,641)</u>	<u>\$ 19,738,847</u>	<u>\$ 3,311,184</u>
<b>Business-Type Activity Debt</b>						
Certificates of Participation:						
2015 COP	\$ 4,788,770	\$ 2,291,444	\$ -	\$ (346,257)	\$ 1,945,187	\$ 363,636
2014 VPFA - Refunding (1)	6,199,200	1,268,400	-	(617,400)	651,000	651,000
Bond Premium	971,504	12,208	-	(12,208)	-	-
	<u>11,959,474</u>	<u>3,572,052</u>	-	<u>(975,865)</u>	<u>2,596,187</u>	<u>1,014,636</u>
Notes - Direct Borrowings:						
2014 Clean Water State Revolving Fund Loan	96,434,597	81,635,890	-	(2,650,874)	78,985,016	2,706,542
Lease - Direct Borrowings:						
2012 Animal Control	6,600,000	2,102,823	-	(499,048)	1,603,775	516,413
SBITA Liabilities (3)	-	43,440	2,130,279	(124,385)	2,049,334	273,181
Compensated Absences	-	2,183,548	37,689	-	2,221,237	232,601
Total Business-Type Activities	<u>\$ 114,994,071</u>	<u>\$ 89,537,753</u>	<u>\$ 2,167,968</u>	<u>\$ (4,250,172)</u>	<u>\$ 87,455,549</u>	<u>\$ 4,743,373</u>
<b>Fiduciary Funds</b>						
Redevelopment Agency Tax Allocation Bonds:						
2003 East Visalia District	\$ 5,185,000	\$ 680,000	\$ -	\$ (220,000)	\$ 460,000	\$ 225,000
Notes - Direct Borrowings:						
2004 RDA - Mooney District	2,707,250	733,687	-	(150,720)	582,967	157,451
Advances:						
General Fund	-	11,467,268	216,961	(1,015,781)	10,668,448	-
	-	<u>11,467,268</u>	<u>216,961</u>	<u>(1,015,781)</u>	<u>10,668,448</u>	<u>-</u>
Total Private Purpose Trust Funds	<u>\$ 7,892,250</u>	<u>\$ 12,880,955</u>	<u>\$ 216,961</u>	<u>\$ (1,386,501)</u>	<u>\$ 11,711,415</u>	<u>\$ 382,451</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 a lease for land with land improvements. The term remaining on the agreement is 21 years. The calculated interest rate is 1.50%.

(3) The City has entered into agreements for subscription-based information technology. The terms of the agreements range from 1 to 7 years. The calculated interest rate is 2.92% and 3.16% for FY2024-25, 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, 2025

### **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 none 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. A default refers to any one or more of the following events: payment default (lease payment or reserve replenishment); covenant default; and bankruptcy or insolvency. No such events of default occurred during the fiscal year ending June 30, 2025.

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. A default refers to any one or

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### **B. Certificates of Participation (Continued)**

more of the following events: payment default (lease payment or reserve replenishment); covenant default; and bankruptcy or insolvency. No such events of default occurred during the fiscal year ending June 30, 2025.

### **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 (see Note 1H). 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. With the implementation of GASB 101, balances as of June 30, 2024 have been restated.

### **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, 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, 2025.

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

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### **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%. As of June 30, 2025, the interest rate on the loan was 4.30%. The term of the loan is set at 24 years to match the sunset of the Mooney Redevelopment Area in 2028.

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

Although the note originated with Stockmen's Bank in 2004, as of June 30, 2012, the note is held by WestAmerica Bank. 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 7 years. The discount rates that have been used are 2.92% and 3.16% for SBITA contracted in fiscal year 2024-25, 2.63% for SBITA contracted in fiscal year 2023-24 and 2.40% for SBITA contracted in prior fiscal years.

As of June 30, 2025, the capitalized right to use assets related to SBITA for governmental activities was \$5,349,666 and \$2,209,420 for business-type activities. As of June 30, 2025, the total subscription liability was \$2,343,448 for governmental activities and \$2,049,334 for business-type activities.

For the year ended June 30, 2025, the City recognized \$68,062 of interest expense related to these arrangements for governmental activities and \$15,900 of interest expense for business-type activities.

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

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### I. Lessee Leases

The City entered into a lease for land, including land improvements, with an inception date of November 2020. The lease has a term of 25 years and an interest rate of 1.50%.

As of June 30, 2025, the City reported total lease assets for governmental activities amounting to \$700,502. The accumulated amortization of these assets totaled \$108,261, resulting in net lease assets of \$592,241.

For the year ended June 30, 2025, the City recognized a reduction in the lease liability amounting to \$24,421 and interest expense of \$9,651.

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
2026	\$ 1,120,364	\$ 162,216	\$ 24,790	\$ 9,282	\$ 1,036,738	\$ 48,293
2027	1,036,658	118,657	25,164	8,908	772,155	22,202
2028	1,065,963	87,118	25,545	8,528	495,334	4,046
2029	1,098,930	53,957	25,930	8,142	39,221	472
2030	1,131,898	18,393	26,322	7,750	-	-
2031-2035	-	-	137,693	32,667	-	-
2036-2040	-	-	148,411	21,949	-	-
2041-2045	-	-	160,269	10,091	-	-
2046-2050	-	-	33,667	405	-	-
	<u>\$ 5,453,813</u>	<u>\$ 440,341</u>	<u>\$ 607,791</u>	<u>\$ 107,722</u>	<u>\$ 2,343,448</u>	<u>\$ 75,013</u>

For the Year Ending June 30,	Business-Type Activities					
	Direct Borrowings		Public Offering		SBITA Liabilities	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 3,222,955	\$ 1,709,600	\$ 1,014,636	\$ 74,346	\$ 273,181	\$ 54,584
2027	3,297,764	1,634,792	378,342	43,306	269,664	46,810
2028	3,374,389	1,558,166	389,038	31,795	264,963	38,920
2029	2,880,660	1,484,567	401,069	19,693	291,326	30,791
2030	2,941,154	1,424,073	413,102	6,713	319,579	21,864
2031-2035	15,658,588	6,167,551	-	-	630,621	14,790
2036-2040	17,373,260	4,452,879	-	-	-	-
2041-2045	19,275,694	2,550,445	-	-	-	-
2046-2050	12,564,327	531,357	-	-	-	-
	<u>\$ 80,588,791</u>	<u>\$ 21,513,430</u>	<u>\$ 2,596,187</u>	<u>\$ 175,853</u>	<u>\$ 2,049,334</u>	<u>\$ 207,759</u>

## Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

#### **J. Debt Service Requirements (Continued)**

For the Year Ending June 30,	Private Purpose Trust Fund			
	Direct Borrowings		Public Offering	
	Principal	Interest	Principal	Interest
2026	\$ 157,451	\$ 23,665	\$ 225,000	\$ 20,125
2027	164,391	16,726	235,000	10,281
2028	171,636	9,480	-	-
2029	89,489	1,927	-	-
2030	-	-	-	-
	<b>\$ 582,967</b>	<b>\$ 51,798</b>	<b>\$ 460,000</b>	<b>\$ 30,406</b>

### **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, 2025, \$45,000 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, 2025, \$54,006 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, 2025, \$34,242 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, 2025

## **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, 2025 is as follows:

**City of Visalia**  
**Governmental Fund Balances**  
**June 30, 2025**  
(In Thousands)

	General Fund	Measure N	American Rescue Plan	Transportation	Civic Center	All Other Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>							
Prepays/Deposits	\$ 14	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14
Supplies	12	-	-	-	-	-	12
Advance - Measure R - Regional	423	-	-	-	-	-	423
Advance - Measure R - Trailways	299	-	-	-	-	-	299
Advance - Special Service Districts	1,226	-	-	-	-	-	1,226
<b>Total Nonspendable Fund Balance</b>	<b>1,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,974</b>
<b>Restricted</b>							
Purpose of Fund	18,334	42,201	-	36,037	-	162,441	259,013
<b>Total Restricted Fund Balance</b>	<b>18,334</b>	<b>42,201</b>	<b>-</b>	<b>36,037</b>	<b>-</b>	<b>162,441</b>	<b>259,013</b>
<b>Committed</b>							
Golf Course	-	-	-	-	-	1,041	1,041
Conservation	-	-	-	-	-	270	270
Police Unclaimed Funds	-	-	-	-	-	122	122
Softball	-	-	-	-	-	8	8
Baseball	-	-	-	-	-	6,954	6,954
Civic Center	-	-	-	-	73,563	-	73,563
Emergency Reserve	24,015	-	-	-	-	-	24,015
Miscellaneous Capital Projects	1,388	-	-	-	-	-	1,388
<b>Total Committed Fund Balance</b>	<b>25,403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>73,563</b>	<b>8,395</b>	<b>107,361</b>
<b>Assigned</b>							
Facility Improvements	-	-	-	-	-	853	853
Regional Parks	-	-	-	-	-	628	628
Vehicle Miles Traveled	-	-	-	-	-	40	40
Animal Control Reserve	-	-	-	-	-	274	274
Advance - Atwood District (Custodial Fund)	68	-	-	-	-	-	68
Advance - Laura District (Custodial Fund)	38	-	-	-	-	-	38
Due From - Community Development	1,799	-	-	-	-	-	1,799
Due From - Waterways	35	-	-	-	-	-	35
Due From - Grant & Loan Funds	26	-	-	-	-	-	26
CIP Budgeted Not Started	11,148	-	-	-	-	-	11,148
Cal PERS Unfunded Liability FY 25/26	14,455	-	-	-	-	-	14,455
Successor Agency Loans	10,669	-	-	-	-	-	10,669
<b>Total Assigned Fund Balance</b>	<b>38,238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,795</b>	<b>40,033</b>
<b>Unassigned</b>							
<b>Total Unassigned Fund Balance (Deficit)</b>	<b>2,655</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85)</b>	<b>2,570</b>
<b>Total Fund Balances</b>	<b>\$ 86,604</b>	<b>\$ 42,201</b>	<b>\$ -</b>	<b>\$ 36,037</b>	<b>\$ 73,563</b>	<b>\$ 172,546</b>	<b>\$ 410,951</b>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### B. Fund Balances

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

	<b>FY 20/21</b>	<b>FY 21/22</b>	<b>FY 22/23</b>	<b>FY 23/24</b>	<b>FY 24/25</b>
<b>Nonspendable Fund Balance:</b>					
Inventory	\$ -	\$ -	\$ -	\$ 136	\$ -
Prepaid Expenditures	22	27	18	15	14
Supplies	19	14	13	19	12
Long-Term Receivable	527	134	58	-	-
Advance - Public Facility Impact Fee (Library)	60	26	-	-	-
Advance - Measure R - Regional	-	-	-	572	423
Advance - Measure R - Trailways	522	392	2,367	287	299
Advance - Special Service Districts	963	971	1,042	1,109	1,226
Advance - Airport	1,367	-	-	-	-
<b>Nonspendable Fund Balance Total</b>	<b>3,480</b>	<b>1,564</b>	<b>3,498</b>	<b>2,138</b>	<b>1,974</b>
<b>Restricted Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,334</b>
<b>Committed Fund Balance:</b>					
Emergency Reserve	16,407	17,402	19,023	22,705	24,015
Miscellaneous Capital Projects	202	156	1,782	905	1,388
<b>Committed Fund Balance Total</b>	<b>16,609</b>	<b>17,558</b>	<b>20,805</b>	<b>23,610</b>	<b>25,403</b>
<b>Assigned Fund Balance:</b>					
Custodial Fund Advance - Atwood District	76	75	76	70	68
Custodial Fund Advance - Laura District	36	38	38	38	38
Due from - Community Development	5	-	211	-	1,799
Due from - Public Facility Impact Fee (Library)	-	-	2	-	-
Due from - Waterways	-	-	-	-	35
Due from - Grant & Loan Funds	-	-	-	-	26
CIP Budgeted not started	3,961	3,522	4,731	10,087	11,148
Cal PERS Unfunded Liability Payment	11,120	12,227	11,000	11,500	14,455
Successor Agency	12,431	12,077	11,910	11,467	10,669
<b>Assigned Fund Balance Total</b>	<b>27,629</b>	<b>27,939</b>	<b>27,968</b>	<b>33,162</b>	<b>38,238</b>
<b>Unassigned Fund Balance:</b>					
Unassigned	5,428	6,731	3,142	186	2,655
<b>Unassigned Fund Balance Total</b>	<b>5,428</b>	<b>6,731</b>	<b>3,142</b>	<b>186</b>	<b>2,655</b>
<b>Total Fund Balance</b>	<b>\$ 53,146</b>	<b>\$ 53,792</b>	<b>\$ 55,413</b>	<b>\$ 59,096</b>	<b>\$ 86,604</b>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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, 2025. Future revenues, future charges or interfund transfers are expected to offset these deficits:

Special Revenue Funds:		
Grant & Loan Funds	\$	26,135
Measure R Regional	\$	58,025
Debt Service Funds:		
VPFA 2014 Refunding Certificates of Participation	\$	509
Fiduciary Funds:		
Successor Agency	\$	7,956,854
Internal Services:		
Fleet Services	\$	512,765

### **D. Net Investment in Capital Assets**

The following is the calculation of net investment in capital assets at June 30, 2025:

	Governmental Activities	Business-Type Activities	Total
Capital Assets, net of accumulated depreciation and amortization	\$ 432,337,145	\$ 364,754,965	\$ 797,092,110
Less: outstanding principal on capital related debt	(5,453,813)	(83,184,978)	(88,638,791)
Less: outstanding leases liability	(607,791)	-	(607,791)
Less: outstanding SBITA lease liability	(2,343,448)	(2,049,334)	(4,392,782)
Less: capital accounts payable	(1,341,228)	(32,658)	(1,373,886)
Net Investment in Capital Assets	<u>\$ 422,590,865</u>	<u>\$ 279,487,995</u>	<u>\$ 702,078,860</u>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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, 2025, are summarized as follows:

<b>Miscellaneous</b>				
	<b>Prior to May 9, 2008</b>	<b>May 10, 2008 through May 20, 2011</b>	<b>May 21, 2011 through December 31, 2012</b>	<b>January 1, 2013 through current</b>
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%	8.25%
Required employer contribution rates	11.400%	11.400%	11.400%	11.400%
Unfunded Liability Contribution				
% of Payroll (illustrative only)	24.470%	24.470%	24.470%	24.470%
<b>Safety</b>				
	<b>Prior to February 26, 2011</b>	<b>February 27, 2011 through December 31, 2012</b>	<b>January 1, 2013 through current</b>	
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%	14.50%	
Required employer contribution rates	21.530%	21.530%	21.530%	
Unfunded Liability Contribution				
% of Payroll (illustrative only)	26.730%	26.730%	26.730%	

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

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

**Employees Covered** – For valuation date, as of June 30, 2023, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	508	267
Inactive employees entitled to but not yet receiving benefits	394	136
Active employees	397	221
<b>Total</b>	<b>1,299</b>	<b>624</b>

**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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 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, 2023 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, 2025

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

### **B. Net Pension Liability (Continued)**

	Miscellaneous	Safety
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
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	2.800%	2.800%
Projected Salary Increase	.40% - 8.5% <sup>(1)</sup>	.97% - 17.0% <sup>(1)</sup>
Investment Rate of Return	6.80% <sup>(2)</sup>	6.80% <sup>(2)</sup>
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, 2023 valuation were based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. 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 shown on the next page.

***Change of Assumptions*** – There were no assumption changes with the June 30, 2023 valuation date (2024 measurement date). The accounting discount rate remained at 6.90%. In determining the expected long-term 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, 2025

## **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	 <u>100%</u>	

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

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

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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, 2023</b>	<b>\$288,867,800</b>	<b>\$202,799,265</b>	<b>\$86,068,535</b>
<b>Changes in the year:</b>			
Service cost	5,625,448	-	5,625,448
Interest on the total pension liability	19,930,729	-	19,930,729
Differences between actual and expected experience	4,376,782	-	4,376,782
Contribution - employer	-	9,239,433	(9,239,433)
Contribution - employee	-	2,474,111	(2,474,111)
Net investment income	-	19,272,982	(19,272,982)
Administrative expenses	-	(165,018)	165,018
Benefit payments, including refunds of employee contributions	(14,412,320)	(14,412,320)	-
<b>Net changes</b>	<b>15,520,639</b>	<b>16,409,188</b>	<b>(888,549)</b>
<b>Balance at June 30, 2024</b>	<b>\$304,388,439</b>	<b>\$219,208,453</b>	<b>\$85,179,986</b>

#### *Safety Plan:*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2023</b>	<b>\$315,363,893</b>	<b>\$237,189,206</b>	<b>\$78,174,687</b>
<b>Changes in the year:</b>			
Service cost	7,965,287	-	7,965,287
Interest on the total pension liability	21,904,771	-	21,904,771
Differences between actual and expected experience	5,194,048	-	5,194,048
Contribution - employer	-	11,207,408	(11,207,408)
Contribution - employee	-	2,963,630	(2,963,630)
Net investment income	-	22,726,236	(22,726,236)
Administrative expenses	-	(193,002)	193,002
Benefit payments, including refunds of employee contributions	(14,160,274)	(14,160,274)	-
<b>Net changes</b>	<b>20,903,832</b>	<b>22,543,998</b>	<b>(1,640,166)</b>
<b>Balance at June 30, 2024</b>	<b>\$336,267,725</b>	<b>\$259,733,204</b>	<b>\$76,534,521</b>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **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	\$125,945,246	\$126,800,711	\$252,745,957
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$85,179,986	\$76,534,521	\$161,714,507
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$51,567,202	\$35,850,820	\$87,418,022

***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, 2025, the City of Visalia recognized pension expense of \$28,295,502 (\$13,454,241 related to the Miscellaneous Plan and \$14,841,261 related to the Safety Plan). At June 30, 2025, 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	\$10,620,001	\$ -
Differences between expected and actual experience	4,803,543	(616,451)
Changes in assumptions	1,189,913	-
Net differences between projected and actual earnings on plan investments	3,242,748	-
<b>Total</b>	<b>\$19,856,205</b>	<b>(\$616,451)</b>

## Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

### 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	\$12,576,668	\$ -
Differences between expected and actual experience	5,801,183	(1,066,915)
Changes in assumptions	4,803,430	-
Net differences between projected and actual earnings on plan investments	<u>3,635,079</u>	<u>-</u>
 Total	 <u>\$26,816,360</u>	 <u>(\$1,066,915)</u>
 <b>Grand Total</b>	 <b><u>\$46,672,565</u></b>	 <b><u>(\$1,683,366)</u></b>

\$23,196,669 (\$10,620,001 related to the Miscellaneous Plan and \$12,576,668 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b><i>Miscellaneous Plan:</i></b>		<b><i>Safety Plan:</i></b>	
Measurement Periods Ending	Annual Amortization	Measurement Periods Ending	Annual Amortization
June 30		June 30	
2025	\$2,861,791	2025	\$3,530,860
2026	7,036,261	2026	9,385,838
2027	(201,739)	2027	577,765
2028	<u>(1,076,560)</u>	2028	<u>(321,686)</u>
<b>Total</b>	<b><u>\$8,619,753</u></b>	<b>Total</b>	<b><u>\$13,172,777</u></b>

***Expected Average Remaining Service Lifetime (EARSL) – Miscellaneous Plan*** – The EARSL for the plan for the measurement period ending June 30, 2024 is 3.5 years, which was obtained by dividing the total service years of 4,493 (the sum of remaining service lifetimes of the active employees) by 1,299 (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, 2024 is 4.9 years, which was obtained by dividing the total service years of 3,052 (the sum of remaining service lifetimes of the active employees) by 624 (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, 2025

## **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, 2025, 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, 2025, the City did not report a payable for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025 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, 2025, 38 retirees are participating in the City's health plan at full cost. Of these retirees 16 have dependent coverage. The full cost of the EPO and PPO plans is up to \$953 per month for retiree only coverage, \$1,888 for retiree and one dependent, and \$2,608 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 \$783 per month for retiree only coverage, \$1,548 for retiree and one dependent, and \$2,137 for retiree and two or more dependents.

## Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

### **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.

Three retirees qualified for the 2025 reduced rate; both are enrolled as retirees only. The retiree cost is up to \$795 per month with the City subsidizing up to \$348 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 2024-2025, the City's Retiree Health Care Contribution was approximately \$75,000.

### **NOTE 11 – RISK MANAGEMENT**

#### **A. Coverage**

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

The City has public employee dishonesty insurance with a \$100,000 deductible and coverage up to \$5,000,000 per loss. The City's property and machinery insurance has various deductibles and various coverages based on the kind of machinery. During the past four years there have been no significant reductions in any of the City's insurance coverage and no settlement amounts under these policies 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 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 \$65,000,000 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, 2025

### **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, 2025, the City contributed \$2,618,468 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 0.5 (6 month/12 months).

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

	<b>Beginning of Year Liability</b>	<b>Current Year Claims &amp; Changes in Estimates</b>	<b>Claim Payments</b>	<b>End of Year Liability</b>	<b>Due Within One Year</b>
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
2024-25	8,902,577	7,260,781	(4,041,279)	12,122,079	938,697

### **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, 2025, the City had made commitments of approximately \$126.6 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, 2025

## **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, 2025</b>
Downtown Visalians	City Council Member	Business tax surcharge (passthrough)	\$ 182,969
Downtown Visalians	City Council Member	Security, cleaning services and misc.	53,368
<b>Total</b>			<b>236,337</b>
Downtown Visalia Property			
Owners Association	City Council Member	Property Based Improvement District (passthrough)	665,000
Downtown Visalia Property			
Owners Association	City Council Member	Parking fund revenue match	(41,917)
<b>Total</b>			<b>623,083</b>
<b>Total Related Party Transactions</b>			<b>\$ 859,420</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 1 to 27 years with the calculated interest rates used ranging from .90% to 3.16% depending on the length of the lease. For the year ended June 30, 2025, the City's governmental funds recognized \$328,321 in lease revenue and \$55,854 in lease interest revenue.

For proprietary funds, leased property includes buildings, office space, and land. The remaining terms of these arrangements range from 1 to 33 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, 2025, the City's proprietary funds recognized \$474,973 in lease revenue and \$97,196 in lease interest revenue.

### **A. Current Year Transactions and Balances**

A summary of the changes in lease receivables for the fiscal year ended June 30, 2025 is as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025	Due Within One Year	Due in More Than One Year
<b><u>Governmental Lease Receivable Activities</u></b>						
General Fund	\$ 479,183	\$ 51,572	\$ (77,438)	\$ 453,317	\$ 83,556	\$ 369,761
Golf Course	1,715,318	-	(63,109)	1,652,209	64,150	1,588,059
Parking District	137,893	-	(3,609)	134,284	3,867	130,417
Baseball	-	843,745	(280,959)	562,786	134,627	428,159
<b>Total Governmental Activities</b>	<b>\$ 2,332,394</b>	<b>\$ 895,317</b>	<b>\$ (425,115)</b>	<b>\$ 2,802,596</b>	<b>\$ 286,200</b>	<b>\$ 2,516,396</b>

### **Business-Type Lease Receivable Activities**

Transit	\$ 84,984	\$ 1,949	\$ (62,475)	\$ 24,458	\$ 24,458	\$ -
Airport	5,225,263	186,479	(384,339)	5,027,403	434,363	4,593,040
<b>Total Business-Type Activities</b>	<b>\$ 5,310,247</b>	<b>\$ 188,428</b>	<b>\$ (446,814)</b>	<b>\$ 5,051,861</b>	<b>\$ 458,821</b>	<b>\$ 4,593,040</b>

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## NOTE 14 – LEASES RECEIVABLE (Continued)

### B. Scheduled Lease Receivables Due

Lease receivables due in the upcoming years are as follows:

For the Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 286,200	\$ 49,699	\$ 335,899	\$ 458,821	\$ 72,008	\$ 530,829
2027	262,204	43,426	305,630	347,642	66,661	414,303
2028	258,319	37,575	295,894	201,610	62,560	264,170
2029	264,266	31,627	295,893	198,315	59,555	257,870
2030	114,823	26,671	141,494	201,295	56,574	257,869
2031-2035	654,534	102,836	757,370	1,002,516	237,531	1,240,047
2036-2040	574,297	54,570	628,867	1,035,021	161,641	1,196,662
2041-2045	345,047	10,487	355,534	740,537	92,657	833,194
2046-2050	28,734	1,800	30,534	415,086	47,732	462,818
2051-2055	14,172	77	14,249	269,485	24,256	293,741
2056-2060	-	-	-	181,533	4,549	186,082
	<u>\$ 2,802,596</u>	<u>\$ 358,768</u>	<u>\$ 3,161,364</u>	<u>\$ 5,051,861</u>	<u>\$ 885,724</u>	<u>\$ 5,937,585</u>

### C. Deferred Inflows of Resources – Leases

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

For the Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Deferred Inflows of Resources to be Recognized		Deferred Inflows of Resources to be Recognized	
2026	\$ 328,321		\$ 467,198	
2027	302,064		372,009	
2028	292,649		220,039	
2029	292,649		216,202	
2030	211,768		214,284	
2031-2035	639,950		1,025,992	
2036-2040	470,665		986,554	
2041-2045	246,955		673,601	
2046-2050	23,243		364,216	
2051-2055	10,847		224,749	
2056-2060	-		142,372	
	<u>\$ 2,819,111</u>		<u>\$ 4,907,216</u>	

# Notes to the Financial Statements

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## **NOTE 15 – PLEDGED REVENUES**

The City has pledged future tax increment revenues to repay bonds and a note issued by the former Redevelopment Agency (now the Successor Agency). These obligations are payable solely from the specified revenues and are not general obligations of the City. The total remaining principal and interest payments for this debt at June 30, 2025, is \$1,125,171, payable through fiscal year 2028.

For the fiscal year ended June 30, 2025, total principal and interest paid was \$426,054, and total pledged revenues recognized were \$426,054. Details of the City's revenue pledges at June 30, 2025, are as follows:

<b>Pledged Revenue / Debt Issue</b>	<b>Purpose</b>	<b>Pledged Revenue in FY 2025</b>	<b>Debt Service Paid in FY 2025 (P&amp;I)</b>	<b>Remaining Debt Service (P&amp;I)</b>	<b>Term of Pledge (Maturity)</b>
<b>Successor Agency - Private Purpose Trust Fund</b>					
Tax Increment Revenue / 2003 Tax Allocation Bonds	Refunding of prior RDA debt	\$244,938	\$244,938	\$490,406	2026
Tax Increment Revenue / 2004 Mooney District Note	Refinancing of prior RDA debt	\$181,116	\$181,116	\$634,765	2028

## **NOTE 16 – SUBSEQUENT EVENTS**

Litigation Settlement – On July 8, 2025, there was a final judgement in favor of the City in the amount of \$2,433,205. However, the bankruptcy court proposed that \$0.00 of the assets be paid to the City.

Management Review - Management has evaluated subsequent events through December 15, 2025, 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.

## **NOTE 17 – RESTATEMENTS AND ADJUSTMENTS**

### **Change in Accounting Principle**

In FY 2024-25, the City implemented new pronouncement GASB 101 Compensated Absences. The new pronouncement uniformed and defined the elements required in the compensated absence liability calculation retroactively.

The change in accounting principle affected the following line items in the prior year governmentwide statements: Net Position and Long-term Liabilities. As a result, the Net Position of governmental activities and business-type activities were overstated in prior year. In addition, the change in accounting principle affected the following line items in the prior year Internal Service and Enterprise Fund statements: Net Position and Long-term liabilities. As a result, Net Position was overstated in the prior year.

	<b>July 1, 2024</b>	<b>Change in</b>	
	<b>As Previously</b>	<b>Accounting</b>	<b>July 1, 2024</b>
	<b>Reported</b>	<b>Principle</b>	<b>As Restated</b>
Net Position: Governmentwide			
Governmental Activities	\$ 715,672,024	\$ (4,694,231)	\$ 710,977,793
Business-Type Activities	458,182,170	(902,345)	457,279,825
Total Governmentwide	\$ 1,173,854,194	\$ (5,596,576)	\$ 1,168,257,618

---

REQUIRED  
SUPPLEMENTARY  
INFORMATION  
(Unaudited)

---



**City of Visalia**  
Required Supplementary Information (Unaudited)  
Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2025

---

**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 XIIIIB 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, 2025, based on calculations by City Management, proceeds of taxes did not exceed related appropriations. Further, Section 5 of Article XIIIIB 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, 2025**

<b>REVENUES</b>	<b>Budgeted Amounts</b>			<b>Variance With Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
Taxes				
Sales	\$ 47,350,600	\$ 47,350,600	\$ 48,662,242	\$ 1,311,642
Property	34,137,500	34,137,500	37,080,901	2,943,401
Transient Occupancy	4,647,800	4,647,800	5,001,865	354,065
Franchise	4,088,000	4,088,000	3,232,921	(855,079)
Business License	3,473,300	3,473,300	3,340,082	(133,218)
Total Taxes	93,697,200	93,697,200	97,318,011	3,620,811
Subventions and Grants				
Police and Other	379,100	707,529	2,551,327	1,843,798
Motor Vehicle License In-Lieu	147,200	147,200	227,885	80,685
Total Subventions and Grants	526,300	854,729	2,779,212	1,924,483
License and Permits				
Other License and Permits	56,200	56,200	49,532	(6,668)
Total License and Permits	56,200	56,200	49,532	(6,668)
Fees and Fines				
Vehicle Code and Parking Violations	518,300	518,300	542,434	24,134
Local Ordinance Violations	634,400	634,400	783,206	148,806
Total Fees and Fines	1,152,700	1,152,700	1,325,640	172,940
Use of Money and Property				
Interest Earned	546,900	546,900	2,646,035	2,099,135
Rents and Concessions	414,600	414,600	415,487	887
Total Use of Money and Property	961,500	961,500	3,061,522	2,100,022
Charges for Services				
Engineering and Subdivision Fees	989,700	989,700	3,130,779	2,141,079
Zoning Fees	189,600	189,600	215,607	26,007
Special Public Safety Services	1,429,300	1,429,300	2,179,223	749,923
Recreation Programs	723,500	723,500	772,712	49,212
Total Charges for Services	3,332,100	3,332,100	6,298,321	2,966,221
Other Revenue	1,293,700	1,293,700	1,392,021	98,321
Total Revenues	101,019,700	101,348,129	112,224,259	10,876,130

**CITY OF VISALIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

<b>EXPENDITURES</b>	<b>Budgeted Amounts</b>			<b>Variance With Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
Current:				
General Government	\$ 4,572,500	\$ 4,576,781	\$ 3,206,327	\$ 1,370,454
Community Development	6,966,800	6,966,800	7,001,361	(34,561)
Public Safety:				
Fire	18,338,000	18,334,996	19,230,079	(895,083)
Police	42,133,400	42,225,601	44,038,681	(1,813,080)
Public Works	4,078,600	4,103,434	4,145,799	(42,365)
Parks & Recreation	9,519,400	9,556,166	8,790,090	766,076
Capital Outlay	4,592,200	9,672,158	8,685,603	986,555
Debt Service (Note 7)				
Principal	-	-	602,649	(602,649)
Interest and Fiscal Charges	-	-	42,899	(42,899)
Total Expenditures	<u>90,200,900</u>	<u>95,435,936</u>	<u>95,743,488</u>	<u>(307,552)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,818,800	5,912,193	16,480,771	10,568,578
Other Financing Sources (Uses)				
Proceeds From Sale of Capital Assets	-	-	18,500	18,500
Subscription Assets Acquired	-	-	392,903	392,903
Issuance of Debt - Leases Acquired	-	-	15,953	15,953
Transfers In	-	-	23,300,634	23,300,634
Transfers Out	<u>(6,347,500)</u>	<u>(6,347,500)</u>	<u>(12,700,990)</u>	<u>(6,353,490)</u>
Total Other Financing Sources (Uses)	<u>(6,347,500)</u>	<u>(6,347,500)</u>	<u>11,027,000</u>	<u>17,374,500</u>
Net Change in Fund Balance	<u>\$ 4,471,300</u>	<u>\$ (435,307)</u>	<u>27,507,771</u>	<u>\$ 27,943,078</u>
Fund Balances - Beginning of Year			<u>59,096,010</u>	
Fund Balances - End of Year			<u>\$ 86,603,781</u>	

**CITY OF VISALIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - MEASURE N FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>				
Taxes				
Sales	\$ 18,123,700	\$ 18,123,700	\$ 18,733,236	\$ 609,536
Total Taxes	18,123,700	18,123,700	18,733,236	609,536
Subventions and Grants				
Police and Other	-	-	41,811	41,811
Total Subventions and Grants	-	-	41,811	41,811
Use of Money and Property				
Interest Earned	380,000	380,000	2,113,021	1,733,021
Total Use of Money and Property	380,000	380,000	2,113,021	1,733,021
Charges for Current Services	-	-	-	-
Other Revenue	400	400	41,563	41,163
Total Revenues	18,504,100	18,504,100	20,929,631	2,425,531
<b>EXPENDITURES</b>				
Current:				
General Government	260,400	260,400	228,496	31,904
Public Safety:				
Fire	1,747,600	1,747,600	1,802,954	(55,354)
Police	7,472,200	7,472,200	7,047,496	424,704
Parks & Recreation	986,400	995,047	888,720	106,327
Capital Outlay	5,338,900	7,401,343	5,104,444	2,296,899
Debt Service (Note 7)				
Debt Service-Principal	-	-	309,507	(309,507)
Debt Service-Interest	-	-	28,855	(28,855)
Total Expenditures	15,805,500	17,876,590	15,410,472	2,466,118
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,698,600	627,510	5,519,159	4,891,649
Other Financing Sources				
Transfers In	-	-	24,082	24,082
Transfers Out	-	-	(242,500)	(242,500)
Total Other Financing Sources	-	-	(218,418)	(218,418)
Net Change in Fund Balance	\$ 2,698,600	\$ 627,510	\$ 5,300,741	\$ 4,673,231
Fund Balances - Beginning of Year			<u>36,900,255</u>	
Fund Balance - End of Year			<u>\$ 42,200,996</u>	

**CITY OF VISALIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - AMERICAN RESCUE PLAN FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Subventions and Grants	\$ -	\$ 21,936,281	\$ 21,936,281
Uses of Money and Property	-	662,830	662,830
Miscellaneous	-	302	302
 Total Revenues	 -  	 22,599,413  	 22,599,413  
<b>Expenditures</b>			
Current:			
Capital Outlay	1,308,729	1,308,729	-
 Total Expenditures	 1,308,729  	 1,308,729  	 -  
Excess (Deficiency) of Revenue Over (Under) Expenditures	(1,308,729)	21,290,684	22,599,413
 Other Financing Sources (Uses)			
Transfers Out	-  	(23,112,970)  	23,112,970  
 Total Other Financing Sources	 -  	 (23,112,970)  	 23,112,970  
Net Changes in Fund Balance	\$ (1,308,729)	(1,822,286)	\$ 45,712,383
 Fund Balance - Beginning of Year		 1,822,286  	
Fund Balance - End of Year		 \$ -  	

# Required Supplementary Information

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### Miscellaneous Plan

Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 5,625,448	\$ 5,014,272	\$ 4,868,837	\$ 4,395,969	\$ 4,403,664
Interest	19,930,729	18,923,125	17,957,207	17,627,181	16,958,814
Changes of Benefit Terms	-	337,776	-	-	-
Difference Between Expected and Actual Experience	4,376,782	4,073,370	(4,315,154)	(88,959)	(1,366,753)
Changes of Assumptions	-	-	8,329,382	-	-
Benefit Payments, Including Refunds of Employee Contributions	(14,412,320)	(13,621,273)	(13,000,942)	(12,115,961)	(11,727,761)
<b>Net Change in Total Pension Liability</b>	<b>15,520,639</b>	<b>14,727,270</b>	<b>13,839,330</b>	<b>9,818,230</b>	<b>8,267,964</b>
<b>Total Pension Liability - Beginning</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>Total Pension Liability - Ending (a)</b>	<b>\$ 304,388,439</b>	<b>\$ 288,867,800</b>	<b>\$ 274,140,530</b>	<b>\$ 260,301,200</b>	<b>\$ 250,482,970</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 9,239,433	\$ 9,200,531	\$ 8,224,129	\$ 7,688,208	\$ 7,072,583
Contributions - Employee	2,474,111	2,280,204	1,923,874	1,897,359	1,918,767
Net Investment Income	19,272,982	11,991,455	(16,135,131)	39,751,521	8,526,757
Benefit Payments, Including Refunds of Employee Contributions	(14,412,320)	(13,621,273)	(13,000,942)	(12,115,961)	(11,727,761)
Net Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(165,018)	(141,990)	(132,195)	(174,979)	(239,113)
Other Miscellaneous Income/(Expense) <sup>1</sup>	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>16,409,188</b>	<b>9,708,927</b>	<b>(19,120,265)</b>	<b>37,046,148</b>	<b>5,551,233</b>
<b>Plan Fiduciary Net Position - Beginning<sup>2</sup></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 Fiduciary Net Position - Ending (b)</b>	<b>\$ 219,208,453</b>	<b>\$ 202,799,265</b>	<b>\$ 193,090,338</b>	<b>\$ 212,210,603</b>	<b>\$ 175,164,455</b>
<b>PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)</b>	<b>\$ 85,179,986</b>	<b>\$ 86,068,535</b>	<b>\$ 81,050,192</b>	<b>\$ 48,090,597</b>	<b>\$ 75,318,515</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>72.02%</b>	<b>70.20%</b>	<b>70.43%</b>	<b>81.53%</b>	<b>69.93%</b>
<b>Covered Payroll<sup>3</sup></b>	<b>\$ 30,506,769</b>	<b>\$ 26,488,495</b>	<b>\$ 25,571,621</b>	<b>\$ 25,483,876</b>	<b>\$ 25,250,366</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>279.22%</b>	<b>324.93%</b>	<b>316.95%</b>	<b>188.71%</b>	<b>298.29%</b>

<sup>1</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>2</sup> Includes any begining of year adjustments.

<sup>3</sup> Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

### Notes to Schedule:

**Changes of Benefit Terms:** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes of Assumptions:** There were no assumption changes in 2023 or 2024. 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, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

# Required Supplementary Information

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### Miscellaneous Plan

Measurement Period	2018-19	2017-18	2016-17	2015-16	2014-15
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 4,255,037	\$ 4,192,969	\$ 4,245,437	\$ 3,786,783	\$ 3,692,092
Interest	16,380,941	15,535,179	14,997,055	14,571,322	13,839,466
Changes of Benefit Terms	-	-	-	-	-
Difference Between Expected and Actual Experience	2,525,650	(286,874)	(2,890,524)	431,303	(307,086)
Changes of Assumptions	-	(1,586,819)	12,685,479	-	(3,447,570)
Benefit Payments, Including Refunds of Employee Contributions	(10,795,043)	(10,116,949)	(9,515,763)	(8,700,574)	(8,186,347)
<b>Net Change in Total Pension Liability</b>	<b>12,366,585</b>	<b>7,737,506</b>	<b>19,521,684</b>	<b>10,088,834</b>	<b>5,590,555</b>
<b>Total Pension Liability - Beginning</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>Total Pension Liability - Ending (a)</b>	<b>\$ 242,215,006</b>	<b>\$ 229,848,421</b>	<b>\$ 222,110,915</b>	<b>\$ 202,589,231</b>	<b>\$ 192,500,397</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 6,219,874	\$ 5,482,359	\$ 5,129,632	\$ 4,678,278	\$ 4,077,411
Contributions - Employee	1,845,020	1,850,278	1,781,007	1,733,983	1,747,629
Net Investment Income	10,604,879	12,914,267	15,518,122	742,388	3,174,848
Benefit Payments, Including Refunds of Employee Contributions	(10,795,043)	(10,116,949)	(9,515,763)	(8,700,574)	(8,186,347)
Net Plan to Plan Resource Movement	-	(376)	-	-	-
Administrative Expense	(115,502)	(237,501)	(206,266)	(86,138)	(159,136)
Other Miscellaneous Income/(Expense) <sup>1</sup>	376	(451,018)	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>7,759,604</b>	<b>9,441,060</b>	<b>12,706,732</b>	<b>(1,632,063)</b>	<b>654,405</b>
<b>Plan Fiduciary Net Position - Beginning<sup>2</sup></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 Fiduciary Net Position - Ending (b)</b>	<b>\$ 169,613,222</b>	<b>\$ 161,853,618</b>	<b>\$ 152,412,558</b>	<b>\$ 139,705,826</b>	<b>\$ 141,337,889</b>
<b>PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)</b>	<b>\$ 72,601,784</b>	<b>\$ 67,994,803</b>	<b>\$ 69,698,357</b>	<b>\$ 62,883,405</b>	<b>\$ 51,162,508</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>70.03%</b>	<b>70.42%</b>	<b>68.62%</b>	<b>68.96%</b>	<b>73.42%</b>
<b>Covered Payroll<sup>3</sup></b>	<b>\$ 23,916,793</b>	<b>\$ 23,303,337</b>	<b>\$ 22,840,895</b>	<b>\$ 22,218,995</b>	<b>\$ 21,309,546</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>303.56%</b>	<b>291.78%</b>	<b>305.15%</b>	<b>283.02%</b>	<b>240.09%</b>

<sup>1</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>2</sup> Includes any beginning of year adjustments.

<sup>3</sup> Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

### Notes to Schedule:

**Changes of Benefit Terms:** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes of Assumptions:** There were no assumption changes in 2023 or 2024. 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, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

# Required Supplementary Information

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### Safety Plan

Measurement Period	2023-24	2022-23	2021-22	2020-21	2019-20
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 7,965,287	\$ 7,341,173	\$ 7,271,834	\$ 6,473,248	\$ 6,324,588
Interest	21,904,771	20,534,740	19,359,561	18,396,919	17,437,680
Changes of Benefit Terms	-	142,088	-	-	-
Difference Between Expected and Actual Experience	5,194,048	2,691,739	(2,751,520)	403,302	(1,240,319)
Changes of Assumptions	-	-	12,387,796	-	-
Benefit Payments, Including Refunds of Employee Contributions	(14,160,274)	(12,892,726)	(12,043,905)	(11,219,989)	(10,427,951)
<b>Net Change in Total Pension Liability</b>	<b>20,903,832</b>	<b>17,817,014</b>	<b>24,223,766</b>	<b>14,053,480</b>	<b>12,093,998</b>
<b>Total Pension Liability - Beginning</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>Total Pension Liability - Ending (a)</b>	<b>\$ 336,267,725</b>	<b>\$ 315,363,893</b>	<b>\$ 297,546,879</b>	<b>\$ 273,323,113</b>	<b>\$ 259,269,633</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 11,207,408	\$ 11,407,444	\$ 10,480,584	\$ 10,044,602	\$ 8,928,558
Contributions - Employee	2,963,630	2,809,328	2,430,715	2,349,763	2,142,637
Net Investment Income	22,726,236	13,860,541	(18,360,033)	44,537,546	9,341,900
Benefit Payments, Including Refunds of Employee Contributions	(14,160,274)	(12,892,726)	(12,043,905)	(11,219,989)	(10,427,951)
Net Plan to Plan Resource Movement	-	-	-	-	-
Administrative Expense	(193,002)	(163,372)	(149,387)	(194,086)	(260,195)
Other Miscellaneous Income/(Expense) <sup>1</sup>	-	-	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>22,543,998</b>	<b>15,021,215</b>	<b>(17,642,026)</b>	<b>45,517,836</b>	<b>9,724,949</b>
<b>Plan Fiduciary Net Position - Beginning<sup>2</sup></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 Fiduciary Net Position - Ending (b)</b>	<b>\$ 259,733,204</b>	<b>\$ 237,189,206</b>	<b>\$ 222,167,991</b>	<b>\$ 239,810,017</b>	<b>\$ 194,292,181</b>
<b>PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)</b>	<b>\$ 76,534,521</b>	<b>\$ 78,174,687</b>	<b>\$ 75,378,888</b>	<b>\$ 33,513,096</b>	<b>\$ 64,977,452</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.24%	75.21%	74.67%	87.74%	74.94%
<b>Covered Payroll<sup>3</sup></b>	<b>\$ 25,254,555</b>	<b>\$ 23,013,081</b>	<b>\$ 22,374,873</b>	<b>\$ 21,898,673</b>	<b>\$ 21,060,898</b>
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	303.05%	339.70%	336.89%	153.04%	308.52%

<sup>1</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>2</sup> Includes any beginning of year adjustments.

<sup>3</sup> Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

### Notes to Schedule:

**Changes of Benefit Terms:** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes of Assumptions:** There were no assumption changes in 2023 or 2024. 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, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

# Required Supplementary Information

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

### Safety Plan

Measurement Period	2018-19	2017-18	2016-17	2015-16	2014-15
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 6,222,413	\$ 5,995,204	\$ 5,853,759	\$ 5,349,411	\$ 5,222,479
Interest	16,600,696	15,464,636	14,715,002	14,186,919	13,269,691
Changes of Benefit Terms	-	-	-	-	-
Difference Between Expected and Actual Experience	3,326,073	(517,263)	(4,891,206)	807,923	(373,500)
Changes of Assumptions	-	(1,321,124)	13,266,074	-	(3,509,871)
Benefit Payments, Including Refunds of Employee Contributions	(9,427,686)	(8,593,404)	(8,040,046)	(7,578,069)	(7,169,237)
<b>Net Change in Total Pension Liability</b>	<b>16,721,496</b>	<b>11,028,049</b>	<b>20,903,583</b>	<b>12,766,184</b>	<b>7,439,562</b>
<b>Total Pension Liability - Beginning</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>Total Pension Liability - Ending (a)</b>	<b>\$ 247,175,635</b>	<b>\$ 230,454,139</b>	<b>\$ 219,426,090</b>	<b>\$ 198,522,507</b>	<b>\$ 185,756,323</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 8,085,201	\$ 7,221,051	\$ 6,623,640	\$ 6,259,154	\$ 5,610,391
Contributions - Employee	2,172,900	1,924,202	1,846,297	1,750,054	1,805,168
Net Investment Income	11,443,404	13,555,587	15,911,405	717,302	3,141,564
Benefit Payments, Including Refunds of Employee Contributions	(9,427,686)	(8,593,404)	(8,040,046)	(7,578,069)	(7,169,237)
Net Plan to Plan Resource Movement	-	(400)	(210,978)	(9,962)	-
Administrative Expense	(123,040)	(247,809)	(210,978)	(86,447)	(159,587)
Other Miscellaneous Income/(Expense) <sup>1</sup>	400	(470,593)	-	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>12,151,179</b>	<b>13,388,634</b>	<b>16,130,318</b>	<b>1,052,032</b>	<b>3,228,299</b>
<b>Plan Fiduciary Net Position - Beginning<sup>2</sup></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 Fiduciary Net Position - Ending (b)</b>	<b>\$ 184,567,232</b>	<b>\$ 172,416,053</b>	<b>\$ 159,027,419</b>	<b>\$ 142,897,101</b>	<b>\$ 141,845,069</b>
<b>PLAN NET PENSION LIABILITY/(ASSET) - ENDING (a)-(b)</b>	<b>\$ 62,608,403</b>	<b>\$ 58,038,086</b>	<b>\$ 60,398,671</b>	<b>\$ 55,625,406</b>	<b>\$ 43,911,254</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>74.67%</b>	<b>74.82%</b>	<b>72.47%</b>	<b>71.98%</b>	<b>76.36%</b>
<b>Covered Payroll<sup>3</sup></b>	<b>\$ 20,360,634</b>	<b>\$ 19,541,081</b>	<b>\$ 18,777,695</b>	<b>\$ 19,201,043</b>	<b>\$ 18,560,232</b>
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>307.50%</b>	<b>297.01%</b>	<b>321.65%</b>	<b>289.70%</b>	<b>236.59%</b>

<sup>1</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>2</sup> Includes any begining of year adjustments.

<sup>3</sup> Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal years ended June 30, 2022 through 2024; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

### Notes to Schedule:

**Changes of Benefit Terms:** The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

**Changes of Assumptions:** There were no assumption changes in 2023 or 2024. 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, and 7.65% for measurement dates June 30, 2015 through June 30, 2016.

# Required Supplementary Information

## City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

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

**Miscellaneous Plan**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution (ADC)</u>	<u>Contributions in Relation to the ADC</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll<sup>1</sup></u>		<u>Contributions as a Percentage of Covered Payroll</u>
2024-25	\$ 10,620,001	\$ (10,620,001)	\$ -	\$ 35,030,996		30.32%
2023-24	9,239,433	(9,239,433)	-	30,506,769		30.29%
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**

<u>Fiscal Year</u>	<u>Actuarially Determined Contribution (ADC)</u>	<u>Contributions in Relation to the ADC</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll<sup>1</sup></u>		<u>Contributions as a Percentage of Covered Payroll</u>
2024-25	\$ 12,576,668	\$ (12,576,668)	\$ -	\$ 29,192,371		43.08%
2023-24	11,207,408	(11,207,408)	-	25,254,555		44.38%
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, 2025 covered payroll is based on PERSable income during fiscal year 2024-25. Includes one year's payroll growth using 2.80 percent payroll growth assumption for fiscal year ended June 30, 2022 through 2024; 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 2023-24 were derived from the June 30, 2021 funding valuation report.

Actuarial Cost Method	Entry Age Actuarial Cost Method.
Amortization Method/Period	For details, see June 30, 2021 Funding Valuation Report.
Asset Valuation Method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service.
Payroll Growth	2.80%
Investment Rate of Return	6.80% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	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.

Other information:

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

---

## SUPPLEMENTARY INFORMATION

---



**CITY OF VISALIA**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - TRANSPORTATION - CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>Revenues</b>				
Fees and Fines	\$ 5,345,500	\$ 5,345,500	\$ 7,248,428	\$ 1,902,928
Uses of Money and Property	302,100	302,100	1,985,126	1,683,026
Miscellaneous	-	-	501,720	501,720
Total Revenues	<u>5,647,600</u>	<u>5,647,600</u>	<u>9,735,274</u>	<u>4,087,674</u>
<b>Expenditures</b>				
Current:				
Public Works	46,800	46,800	63,393	(16,593)
Capital Outlay	<u>4,726,100</u>	<u>5,763,077</u>	<u>5,077,804</u>	<u>685,273</u>
Total Expenditures	<u>4,772,900</u>	<u>5,809,877</u>	<u>5,141,197</u>	<u>668,680</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>874,700</u>	<u>(162,277)</u>	<u>4,594,077</u>	<u>4,756,354</u>
Net Changes in Fund Balance	<u>\$ 874,700</u>	<u>\$ (162,277)</u>	<u>4,594,077</u>	<u>\$ 4,756,354</u>
Fund Balance - Beginning of Year			<u>31,443,342</u>	
Fund Balance - End of Year			<u>\$ 36,037,419</u>	

**CITY OF VISALIA**  
**SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - CIVIC CENTER - CAPITAL PROJECT FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
Uses of Money and Property	\$ -	\$ 4,291,442	\$ 4,291,442
Miscellaneous	- 26	26	26
<b>Total Revenues</b>	<b>-</b>	<b>4,291,468</b>	<b>4,291,468</b>
<b>Expenditures</b>			
Current:			
General Government	- 35,794	(35,794)	
Capital Outlay	4,794,178	4,794,134	44
<b>Total Expenditures</b>	<b>4,794,178</b>	<b>4,829,928</b>	<b>(35,750)</b>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<b>(4,794,178)</b>	<b>(538,460)</b>	<b>4,255,718</b>
<b>Net Changes in Fund Balance</b>	<b>\$ (4,794,178)</b>	<b>(538,460)</b>	<b>\$ 4,255,718</b>
Fund Balance - Beginning of Year		74,101,431	
Fund Balance - End of Year		<b>\$ 73,562,971</b>	

## **NON- MAJOR GOVERNMENTAL FUNDS**



# Non-Major Governmental Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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  $\frac{1}{4}$  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>s vote.

### **MEASURE T – FIRE**

Established to account for increased Fire operational and capital expenditures. Financing is provided by 40% of the  $\frac{1}{4}$  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>s vote.

### **MEASURE R – LOCAL**

Established to account for the costs of specific local transportation projects and for its funding from a  $\frac{1}{4}$  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  $\frac{1}{4}$  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, 2025

## **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**

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**

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, 2025

## **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, 2025**

	SPECIAL REVENUE FUNDS				
	Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance	Special Service Districts	
			Waterways	Groundwater Recharge	Kaweah Lake and Local Storm Water Maintenance
<b>ASSETS</b>					
Cash and Investments	\$ 5,162,565	\$ 2,329,918	\$ 943,156	\$ 19,668,599	
Restricted Cash and Investments:					
Cash Held by Trustee	-	-	-	-	
Cash Held by City	-	-	-	-	
Accounts Receivable	87,715	142,872	56,409	-	
Lease Receivable	-	-	-	-	
Taxes Receivable	-	1,619	-	139,499	
Notes and Loans Receivable	147,093	-	-	-	
Due from Other Governmental Units	-	-	-	-	
Prepays and Deposits	-	-	-	-	
<b>Total Assets</b>	<b>\$ 5,397,373</b>	<b>\$ 2,474,409</b>	<b>\$ 999,565</b>	<b>\$ 19,808,098</b>	
<b>LIABILITIES</b>					
Accounts, Interest and Contracts Payable	\$ 5,064	\$ 3,958	\$ -	\$ 397,150	
Due to Other Funds	35,198	-	-	-	
Advance from Other Funds	-	-	-	1,226,278	
Customer Deposits	-	-	-	-	
Unearned Revenue	-	11,429	-	-	
<b>Total Liabilities</b>	<b>40,262</b>	<b>15,387</b>	<b>-</b>	<b>1,623,428</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Grants	-	-	-	-	
Unavailable Revenue - Impact Fees	42,729	-	-	-	
Leases	-	-	-	-	
<b>Total Deferred Inflows of Resources</b>	<b>42,729</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>FUND BALANCES</b>					
Restricted	5,314,382	2,459,022	999,565	18,184,670	
Committed	-	-	-	-	
Assigned	-	-	-	-	
Unassigned (Deficit)	-	-	-	-	
<b>Total Fund Balances (Deficit)</b>	<b>5,314,382</b>	<b>2,459,022</b>	<b>999,565</b>	<b>18,184,670</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 5,397,373</b>	<b>\$ 2,474,409</b>	<b>\$ 999,565</b>	<b>\$ 19,808,098</b>	

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2025**

<b>SPECIAL REVENUE FUNDS</b>						
	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police		
<b>ASSETS</b>						
Cash and Investments	\$ 939,520	\$ -	\$ 704,604	\$ 9,987,772		
Restricted Cash and Investments:						
Cash Held by Trustee	-	-	-			
Cash Held by City	-	-	-			
Accounts Receivable	1,722	212	-		1,481	
Lease Receivable	-	-	-			
Taxes Receivable	-	-	-		961,164	
Notes and Loans Receivable	-	-	-			
Due from Other Governmental Units	-	-	-			
Prepays and Deposits	-	-	-			
Total Assets	<u>\$ 941,242</u>	<u>\$ 212</u>	<u>\$ 704,604</u>	<u>\$ 10,950,417</u>		
<b>LIABILITIES</b>						
Accounts, Interest and Contracts Payable	\$ -	\$ 129	\$ 124,072	\$ 1,498		
Due to Other Funds	-	26,218	-			
Advance from Other Funds	-	-	-			
Customer Deposits	-	-	197,552			
Unearned Revenue	-	-	338,315			
Total Liabilities	<u>-</u>	<u>26,347</u>	<u>659,939</u>	<u>1,498</u>		
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Grants	-	-	-			
Unavailable Revenue - Impact Fees	1,722	-	-			
Leases	-	-	-			
Total Deferred Inflows of Resources	<u>1,722</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<b>FUND BALANCES</b>						
Restricted	939,520	-	44,665	10,948,919		
Committed	-	-	-			
Assigned	-	-	-			
Unassigned (Deficit)	-	(26,135)	-			
Total Fund Balances (Deficit)	<u>939,520</u>	<u>(26,135)</u>	<u>44,665</u>	<u>10,948,919</u>		
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 941,242</u>	<u>\$ 212</u>	<u>\$ 704,604</u>	<u>\$ 10,950,417</u>		

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2025**

<b>SPECIAL REVENUE FUNDS</b>						
	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants		
<b>ASSETS</b>						
Cash and Investments	\$ 7,506,067	\$ 20,068,908	\$	-	\$	4,123,585
Restricted Cash and Investments:						
Cash Held by Trustee	-	-	-	-	-	-
Cash Held by City	-	-	-	-	-	-
Accounts Receivable	1,295	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-
Taxes Receivable	640,776	495,396	3,629,939	-	-	-
Notes and Loans Receivable	-	-	-	-	-	-
Due from Other Governmental Units	5,708	-	-	-	653,957	653,957
Prepays and Deposits	-	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 8,153,846</u></b>	<b><u>\$ 20,564,304</u></b>	<b><u>\$ 3,629,939</u></b>	<b><u>\$ 4,777,542</u></b>		
<b>LIABILITIES</b>						
Accounts, Interest and Contracts Payable	\$ 7,328	\$ 1,187,624	\$ 2,966,144	\$ 2,187,801	\$	2,187,801
Due to Other Funds	-	-	-	-	-	-
Advance from Other Funds	-	-	721,820	-	-	-
Customer Deposits	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-
<b>Total Liabilities</b>	<b><u>7,328</u></b>	<b><u>1,187,624</u></b>	<b><u>3,687,964</u></b>	<b><u>2,187,801</u></b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Grants	-	-	-	-	-	-
Unavailable Revenue - Impact Fees	-	-	-	-	-	-
Leases	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>						
Restricted	8,146,518	19,376,680	-	2,589,741	\$	2,589,741
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned (Deficit)	-	-	(58,025)	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b><u>8,146,518</u></b>	<b><u>19,376,680</u></b>	<b><u>(58,025)</u></b>	<b><u>2,589,741</u></b>		
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 8,153,846</u></b>	<b><u>\$ 20,564,304</u></b>	<b><u>\$ 3,629,939</u></b>	<b><u>\$ 4,777,542</u></b>		

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2025**

<b>SPECIAL REVENUE FUNDS</b>						
	Golf Course	CASP Program	Oak Tree Preservation	Conservation		
<b>ASSETS</b>						
Cash and Investments	\$ 947,424	\$ 746,707	\$ 238,009	\$ 270,283		
Restricted Cash and Investments:						
Cash Held by Trustee	-	-	-	-		
Cash Held by City	-	-	-	-		
Accounts Receivable	7,500	17,326	-	-		
Lease Receivable	1,652,209	-	-	-		
Taxes Receivable	-	-	-	-		
Notes and Loans Receivable	-	-	-	-		
Due from Other Governmental Units	-	-	-	-		
Prepays and Deposits	-	4	-	-		
<b>Total Assets</b>	<b>\$ 2,607,133</b>	<b>\$ 764,037</b>	<b>\$ 238,009</b>	<b>\$ 270,283</b>		
<b>LIABILITIES</b>						
Accounts, Interest and Contracts Payable	\$ 92	\$ 4,501	\$ -	\$ -		
Due to Other Funds	-	-	-	-		
Advance from Other Funds	-	-	-	-		
Customer Deposits	-	-	-	-		
Unearned Revenue	-	-	-	-		
<b>Total Liabilities</b>	<b>92</b>	<b>4,501</b>	<b>-</b>	<b>-</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Grants	-	-	-	-		
Unavailable Revenue - Impact Fees	-	-	-	-		
Leases	1,565,977	-	-	-		
<b>Total Deferred Inflows of Resources</b>	<b>1,565,977</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>FUND BALANCES</b>						
Restricted	-	759,536	238,009	-		
Committed	1,041,064	-	-	270,283		
Assigned	-	-	-	-		
Unassigned (Deficit)	-	-	-	-		
<b>Total Fund Balances (Deficit)</b>	<b>1,041,064</b>	<b>759,536</b>	<b>238,009</b>	<b>270,283</b>		
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 2,607,133</b>	<b>\$ 764,037</b>	<b>\$ 238,009</b>	<b>\$ 270,283</b>		

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2025**

	SPECIAL REVENUE FUNDS				DEBT SERVICE FUNDS	
					VPFA 2014	
	Police Unclaimed Funds	Housing & Community Grants	Housing Successor Agency	Refunding Certificates of Participation		
<b>ASSETS</b>						
Cash and Investments	\$ 276,662	\$ 6,628,657	\$ 763,941	\$ -		
Restricted Cash and Investments:						
Cash Held by Trustee	- - -	- - -	- - -	- - -		
Cash Held by City	- - -	- - -	- - -	- - -		
Accounts Receivable	- - -	- - -	- - -	- - -		
Lease Receivable	- - -	- - -	- - -	- - -		
Taxes Receivable	- - -	- - -	- - -	- - -		
Notes and Loans Receivable	- - 26,444,704		9,455,977			
Due from Other Governmental Units	- - 2,464,707		- - -			
Prepays and Deposits	- - -	- - -	- - -	- - -		
<b>Total Assets</b>	<b><u>\$ 276,662</u></b>	<b><u>\$ 35,538,068</u></b>	<b><u>\$ 10,219,918</u></b>	<b><u>\$ -</u></b>		
<b>LIABILITIES</b>						
Accounts, Interest and Contracts Payable	\$ 2,901	\$ 178,949	\$ -	\$ 509		
Due to Other Funds	- - 1,798,877		- - -			
Advance from Other Funds	- - -	- - -	- - -	- - -		
Customer Deposits	- - -	- - -	- - -	- - -		
Unearned Revenue	152,198	6,281,481	- - -	- - -		
<b>Total Liabilities</b>	<b><u>155,099</u></b>	<b><u>8,259,307</u></b>	<b><u>- - -</u></b>	<b><u>509</u></b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Grants	- - -	- - -	- - -	- - -		
Unavailable Revenue - Impact Fees	- - -	- - -	- - -	- - -		
Leases	- - -	- - -	- - -	- - -		
<b>Total Deferred Inflows of Resources</b>	<b><u>- - -</u></b>	<b><u>- - -</u></b>	<b><u>- - -</u></b>	<b><u>- - -</u></b>		
<b>FUND BALANCES</b>						
Restricted	- - 27,278,761		10,219,918			
Committed	121,563	- - -	- - -	- - -		
Assigned	- - -	- - -	- - -	- - -		
Unassigned (Deficit)	- - -	- - -	- - -	(509)		
<b>Total Fund Balances (Deficit)</b>	<b><u>121,563</u></b>	<b><u>27,278,761</u></b>	<b><u>10,219,918</u></b>	<b><u>(509)</u></b>		
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 276,662</u></b>	<b><u>\$ 35,538,068</u></b>	<b><u>\$ 10,219,918</u></b>	<b><u>\$ -</u></b>		

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2025**

	DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS		
	2015 Certificates of Participation	Softball Facility Development	Highway Users	Recreational Facilities	
<b>ASSETS</b>					
Cash and Investments	\$ -	\$ 8,385	\$ 18,483,290	\$ 12,083,131	
Restricted Cash and Investments:					
Cash Held by Trustee	18,254	-	-	-	-
Cash Held by City	-	-	-	-	-
Accounts Receivable	-	-	3,950	1,848,261	
Lease Receivable	-	-	-	-	-
Taxes Receivable	-	-	671,519	-	-
Notes and Loans Receivable	-	-	-	-	-
Due from Other Governmental Units	-	-	-	-	-
Prepays and Deposits	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 18,254</b>	<b>\$ 8,385</b>	<b>\$ 19,158,759</b>	<b>\$ 13,931,392</b>	
<b>LIABILITIES</b>					
Accounts, Interest and Contracts Payable	\$ 15,083	\$ -	\$ 614,523	\$ 25,244	
Due to Other Funds	-	-	-	-	-
Advance from Other Funds	-	-	-	-	-
Customer Deposits	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
<b>Total Liabilities</b>	<b>15,083</b>	<b>-</b>	<b>614,523</b>	<b>25,244</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Grants	-	-	-	-	-
Unavailable Revenue - Impact Fees	-	-	-	-	1,848,261
Leases	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,848,261</b>
<b>FUND BALANCES</b>					
Restricted	3,171	-	18,544,236	12,057,887	
Committed	-	8,385	-	-	-
Assigned	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
<b>Total Fund Balances (Deficit)</b>	<b>3,171</b>	<b>8,385</b>	<b>18,544,236</b>	<b>12,057,887</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 18,254</b>	<b>\$ 8,385</b>	<b>\$ 19,158,759</b>	<b>\$ 13,931,392</b>	

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2025**

<b>CAPITAL PROJECT FUNDS</b>					
	Storm Sewer Construction	Public Safety Impact Fee	Government Facilities Impact Fee	Parking District	
<b>ASSETS</b>					
Cash and Investments	\$ 7,671,985	\$ 2,467,319	\$ 11,526,025	\$ 2,578,775	
Restricted Cash and Investments:					
Cash Held by Trustee	-	-	-	-	
Cash Held by City	-	-	-	-	
Accounts Receivable	193,752	407,087	730,958	677	
Lease Receivable	-	-	-	134,284	
Taxes Receivable	11,336	-	-	11,861	
Notes and Loans Receivable	1,562	22,117	44,212	86,103	
Due from Other Governmental Units	-	-	-	-	
Prepays and Deposits	-	-	-	-	
<b>Total Assets</b>	<b>\$ 7,878,635</b>	<b>\$ 2,896,523</b>	<b>\$ 12,301,195</b>	<b>\$ 2,811,700</b>	
<b>LIABILITIES</b>					
Accounts, Interest and Contracts Payable	\$ 158,194	\$ 2,304	\$ 2,259	\$ 131	
Due to Other Funds					
Advance from Other Funds	-	-	-	-	
Customer Deposits	-	-	-	3,895	
Unearned Revenue	-	-	-	-	
<b>Total Liabilities</b>	<b>158,194</b>	<b>2,304</b>	<b>2,259</b>	<b>4,026</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Grants	-	-	-	-	
Unavailable Revenue - Impact Fees	120,989	407,087	730,958	-	
Leases	-	-	-	127,063	
<b>Total Deferred Inflows of Resources</b>	<b>120,989</b>	<b>407,087</b>	<b>730,958</b>	<b>127,063</b>	
<b>FUND BALANCES</b>					
Restricted	7,599,452	2,487,132	11,567,978	2,680,611	
Committed	-	-	-	-	
Assigned	-	-	-	-	
Unassigned (Deficit)	-	-	-	-	
<b>Total Fund Balances (Deficit)</b>	<b>7,599,452</b>	<b>2,487,132</b>	<b>11,567,978</b>	<b>2,680,611</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,878,635</b>	<b>\$ 2,896,523</b>	<b>\$ 12,301,195</b>	<b>\$ 2,811,700</b>	

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2025**

<b>CAPITAL PROJECT FUNDS</b>						
	Facility Improvements	Regional Parks		Vehicle Miles Traveled Impact Fee		Animal Control Reserve
<b>ASSETS</b>						
Cash and Investments	\$ 853,089	\$ 628,106		\$ 40,189	\$ 274,023	
Restricted Cash and Investments:						
Cash Held by Trustee	-	-		-	-	
Cash Held by City	-	-		-	-	
Accounts Receivable	-	-		-	-	
Lease Receivable	-	-		-	-	
Taxes Receivable	-	-		-	-	
Notes and Loans Receivable	-	-		-	-	
Due from Other Governmental Units	-	-		-	-	
Prepays and Deposits	-	-		-	-	
<b>Total Assets</b>	<b><u>\$ 853,089</u></b>	<b><u>\$ 628,106</u></b>		<b><u>\$ 40,189</u></b>	<b><u>\$ 274,023</u></b>	
<b>LIABILITIES</b>						
Accounts, Interest and Contracts Payable	\$ -	\$ -		\$ -	\$ -	
Due to Other Funds	-	-		-	-	
Advance from Other Funds	-	-		-	-	
Customer Deposits	-	-		-	-	
Unearned Revenue	-	-		-	-	
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>		<b><u>-</u></b>	<b><u>-</u></b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue - Grants	-	-		-	-	
Unavailable Revenue - Impact Fees	-	-		-	-	
Leases	-	-		-	-	
<b>Total Deferred Inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>		<b><u>-</u></b>	<b><u>-</u></b>	
<b>FUND BALANCES</b>						
Restricted	-	-		-	-	
Committed	-	-		-	-	
Assigned	853,089	628,106		40,189	274,023	
Unassigned (Deficit)	-	-		-	-	
<b>Total Fund Balances (Deficit)</b>	<b><u>853,089</u></b>	<b><u>628,106</u></b>		<b><u>40,189</u></b>	<b><u>274,023</u></b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b><u>\$ 853,089</u></b>	<b><u>\$ 628,106</u></b>		<b><u>\$ 40,189</u></b>	<b><u>\$ 274,023</u></b>	

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (Continued)**  
**JUNE 30, 2025**

	CAPITAL PROJECT FUNDS	Total Non-major Governmental Funds	
	Baseball	Non-major Governmental Funds	
<b>ASSETS</b>			
Cash and Investments	\$ 2,201,301	\$ 140,121,995	
Restricted Cash and Investments:			
Cash Held by Trustee	-	18,254	
Cash Held by City	5,669,443	5,669,443	
Accounts Receivable	-	3,501,217	
Lease Receivable	562,786	2,349,279	
Taxes Receivable	-	6,563,109	
Notes and Loans Receivable	-	36,201,768	
Due from Other Governmental Units	-	3,124,372	
Prepays and Deposits	-	4	
 Total Assets	 \$ 8,433,530	 \$ 197,549,441	
<b>LIABILITIES</b>			
Accounts, Interest and Contracts Payable	\$ 789,736	\$ 8,675,194	
Due to Other Funds	-	1,860,293	
Advance from Other Funds	-	1,948,098	
Customer Deposits	-	201,447	
Unearned Revenue	-	6,783,423	
 Total Liabilities	 789,736	 19,468,455	
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Grants	-	-	
Unavailable Revenue - Impact Fees	-	3,151,746	
Leases	690,336	2,383,376	
 Total Deferred Inflows of Resources	 690,336	 5,535,122	
<b>FUND BALANCES</b>			
Restricted	-	162,440,373	
Committed	6,953,458	8,394,753	
Assigned	-	1,795,407	
Unassigned (Deficit)	-	(84,669)	
 Total Fund Balances (Deficit)	 6,953,458	 172,545,864	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 \$ 8,433,530	 \$ 197,549,441	

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>SPECIAL REVENUE FUNDS</b>			
	Waterways	Groundwater Recharge	Local Storm Water Maintenance	Special Service Districts
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	- -	- -	- -	- -
Subventions and Grants	- -	- -	- -	- -
License and Permits	- -	- -	- -	- -
Fees and Fines	979,671	1,552,119	422,400	- -
Uses of Money and Property	283,063	165,505	57,191	1,034,282
Charges for Current Services	328,170	- -	- -	6,098,095
Miscellaneous	- -	498	- -	47
<b>Total Revenues</b>	<b>1,590,904</b>	<b>1,718,122</b>	<b>479,591</b>	<b>7,132,424</b>
<b>EXPENDITURES</b>				
Current:				
General Government	- -	- -	- -	- -
Community Development	- -	- -	- -	- -
Housing & Community Grants	- -	- -	- -	- -
Public Safety:				
Fire	- -	- -	- -	- -
Police	- -	- -	- -	- -
Public Works	373,838	969,420	23,724	- -
Parks & Recreation	- -	- -	- -	4,756,610
Capital Outlay	638,734	1,341,562	- -	159,431
Debt Service:				
Principal	- -	- -	- -	- -
Interest and Fiscal Charges	- -	- -	- -	- -
<b>Total Expenditures</b>	<b>1,012,572</b>	<b>2,310,982</b>	<b>23,724</b>	<b>4,916,041</b>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	578,332	(592,860)	455,867	2,216,383
<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>
Net Changes in Fund Balances	578,332	(592,860)	155,867	2,216,383
Fund Balances (Deficits) - Beginning of Year	4,736,050	3,051,882	843,698	15,968,287
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 5,314,382</b>	<b>\$ 2,459,022</b>	<b>\$ 999,565</b>	<b>\$ 18,184,670</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, 2025**

<b>SPECIAL REVENUE FUNDS</b>					
	Northeast Area	Grant & Loan Funds	Narcotics Forfeiture	Measure T Police	
<b>REVENUES</b>					
Sales Taxes	\$ -	\$ -	\$ -	\$ 5,622,553	
Other Taxes	-	-	-	-	
Subventions and Grants	-	433,715	-	37,731	
License and Permits	-	-	-	-	
Fees and Fines	172,789	-	-	-	
Uses of Money and Property	43,870	5,130	-	535,793	
Charges for Current Services	-	-	-	-	
Miscellaneous	-	44	64,150	142	
<b>Total Revenues</b>	<b>216,659</b>	<b>438,889</b>	<b>64,150</b>	<b>6,196,219</b>	
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	
Community Development	-	-	-	-	
Housing & Community Grants	-	-	-	-	
Public Safety:					
Fire	-	-	-	-	
Police	-	392,041	13,161	4,733,969	
Public Works	1,211	-	-	-	
Parks & Recreation	-	-	-	-	
Capital Outlay	-	88,942	50,939	31	
Debt Service:					
Principal	-	-	-	-	
Interest and Fiscal Charges	-	-	-	-	
<b>Total Expenditures</b>	<b>1,211</b>	<b>480,983</b>	<b>64,100</b>	<b>4,734,000</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	215,448	(42,094)	50	1,462,219	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	
Transfers Out	-	(72,332)	-	(280,093)	
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(72,332)</b>	<b>-</b>	<b>(280,093)</b>	
Net Changes in Fund Balances	215,448	(114,426)	50	1,182,126	
Fund Balances (Deficits) - Beginning of Year	724,072	88,291	44,615	9,766,793	
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 939,520</b>	<b>\$ (26,135)</b>	<b>\$ 44,665</b>	<b>\$ 10,948,919</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, 2025**

**SPECIAL REVENUE FUNDS**

	Measure T Fire	Measure R Local	Measure R Regional	Transportation Grants
<b>REVENUES</b>				
Sales Taxes	\$ 3,748,368	\$ 4,130,315	\$ 4,904,067	\$ -
Other Taxes	-	-	-	-
Subventions and Grants	-	-	-	1,268,847
License and Permits	-	-	-	-
Fees and Fines	-	-	-	-
Uses of Money and Property	401,015	1,003,138	3,159	242,510
Charges for Current Services	152,955	-	-	-
Miscellaneous	325	6	104,461	-
<b>Total Revenues</b>	<b>4,302,663</b>	<b>5,133,459</b>	<b>5,011,687</b>	<b>1,511,357</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	3,414,732	-	-	-
Police	-	-	-	-
Public Works	-	43,549	36,348	2,025
Parks & Recreation	-	-	-	-
Capital Outlay	1,037	1,779,442	4,654,337	3,079,694
Debt Service:				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
<b>Total Expenditures</b>	<b>3,415,769</b>	<b>1,822,991</b>	<b>4,690,685</b>	<b>3,081,719</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	886,894	3,310,468	321,002	(1,570,362)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	5,820	-	-
Transfers Out	(130,050)	-	-	(5,820)
<b>Total Other Financing Sources (Uses)</b>	<b>(130,050)</b>	<b>5,820</b>	<b>-</b>	<b>(5,820)</b>
Net Changes in Fund Balances	756,844	3,316,288	321,002	(1,576,182)
Fund Balances (Deficits) - Beginning of Year	7,389,674	16,060,392	(379,027)	4,165,923
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 8,146,518</b>	<b>\$ 19,376,680</b>	<b>\$ (58,025)</b>	<b>\$ 2,589,741</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, 2025**

	<b>SPECIAL REVENUE FUNDS</b>			
	Golf Course	CASP Program	Oak Tree Preservation	Conservation
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	- -	101,448	- -	- -
Subventions and Grants	- -	- -	- -	- -
License and Permits	- -	- -	- -	- -
Fees and Fines	290,514	- -	29,492	- -
Uses of Money and Property	71,592	38,359	13,074	14,861
Charges for Current Services	- -	- -	- -	- -
Miscellaneous	- -	41	- -	- -
<b>Total Revenues</b>	<b>362,106</b>	<b>139,848</b>	<b>42,566</b>	<b>14,861</b>
<b>EXPENDITURES</b>				
Current:				
General Government	68,705	- -	- -	- -
Community Development	- -	4,155	- -	- -
Housing & Community Grants	- -	- -	- -	- -
Public Safety:				
Fire	- -	- -	- -	- -
Police	- -	- -	- -	- -
Public Works	- -	- -	- -	- -
Parks & Recreation	- -	- -	36,510	123
Capital Outlay	- -	- -	- -	- -
Debt Service:				
Principal	- -	- -	- -	- -
Interest and Fiscal Charges	- -	- -	- -	- -
<b>Total Expenditures</b>	<b>68,705</b>	<b>4,155</b>	<b>36,510</b>	<b>123</b>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>293,401</u>	<u>135,693</u>	<u>6,056</u>	<u>14,738</u>
<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>
Net Changes in Fund Balances	293,401	135,693	6,056	14,738
Fund Balances (Deficits) - Beginning of Year	<u>747,663</u>	<u>623,843</u>	<u>231,953</u>	<u>255,545</u>
<b>Fund Balances (Deficits) - End of Year</b>	<b><u>\$ 1,041,064</u></b>	<b><u>\$ 759,536</u></b>	<b><u>\$ 238,009</u></b>	<b><u>\$ 270,283</u></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, 2025**

	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	-	14,481,407	1,317,434	-
License and Permits	-	-	-	-
Fees and Fines	-	44,741	-	-
Uses of Money and Property	14,888	293,931	106,339	-
Charges for Current Services	-	5,000	-	-
Miscellaneous	5,751	5,967	19	-
<b>Total Revenues</b>	<b>20,639</b>	<b>14,831,046</b>	<b>1,423,792</b>	<b>-</b>
<b>EXPENDITURES</b>				
Current:				
General Government	-	-	356,400	-
Community Development	-	96,071	-	-
Housing & Community Grants	-	2,906,613	-	-
Public Safety:				
Fire	-	-	-	-
Police	10,421	-	-	-
Public Works	-	-	-	-
Parks & Recreation	-	-	-	-
Capital Outlay	5,552	7,630,494	1,325,000	-
Debt Service:				
Principal	-	-	-	117,600
Interest and Fiscal Charges	-	-	-	8,658
<b>Total Expenditures</b>	<b>15,973</b>	<b>10,633,178</b>	<b>1,681,400</b>	<b>126,258</b>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	4,666	4,197,868	(257,608)	(126,258)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	41,308	-	126,739
Transfers Out	-	(35,795)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>5,513</b>	<b>-</b>	<b>126,739</b>
Net Changes in Fund Balances	4,666	4,203,381	(257,608)	481
Fund Balances (Deficits) - Beginning of				
Year	116,897	23,075,380	10,477,526	(990)
Fund Balances (Deficits) - End of Year	<b>\$ 121,563</b>	<b>\$ 27,278,761</b>	<b>\$ 10,219,918</b>	<b>\$ (509)</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, 2025**

	DEBT SERVICE FUNDS	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	-	-	8,980,748	-
License and Permits	-	-	-	-
Fees and Fines	-	-	-	2,591,091
Uses of Money and Property	3,079	396	907,972	727,061
Charges for Current Services	-	1,182	-	-
Miscellaneous	-	-	3,977	11
<b>Total Revenues</b>	<b>3,079</b>	<b>1,578</b>	<b>9,892,697</b>	<b>3,318,163</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,336	-	-	-
Community Development	-	-	-	-
Housing & Community Grants	-	-	-	-
Public Safety:				
Fire	-	-	-	-
Police	-	-	-	-
Public Works	-	-	1,412,736	-
Parks & Recreation	-	4	-	23,821
Capital Outlay	-	-	3,203,058	3,460,575
Debt Service:				
Principal	948,743	-	-	-
Interest and Fiscal Charges	203,855	-	-	-
<b>Total Expenditures</b>	<b>1,153,934</b>	<b>4</b>	<b>4,615,794</b>	<b>3,484,396</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,150,855)	1,574	5,276,903	(166,233)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,157,824	-	-	-
Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,157,824</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes in Fund Balances	6,969	1,574	5,276,903	(166,233)
Fund Balances (Deficits) - Beginning of Year	(3,798)	6,811	13,267,333	12,224,120
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 3,171</b>	<b>\$ 8,385</b>	<b>\$ 18,544,236</b>	<b>\$ 12,057,887</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, 2025**

	<b>CAPITAL PROJECT FUNDS</b>			
	Storm Sewer Construction	Public Safety Impact Fee	Government Facilities Impact Fee	Parking District
<b>REVENUES</b>				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	- -	- -	- -	- -
Subventions and Grants	- -	- -	- -	141,907
License and Permits	- -	- -	- -	8,710
Fees and Fines	1,813,623	748,429	509,242	- -
Uses of Money and Property	368,795	126,979	624,008	286,662
Charges for Current Services	- -	- -	- -	- -
Miscellaneous	28,001	- -	- -	1
<b>Total Revenues</b>	<b>2,210,419</b>	<b>875,408</b>	<b>1,133,250</b>	<b>437,280</b>
<b>EXPENDITURES</b>				
Current:				
General Government	- -	- -	12,503	34,679
Community Development	- -	- -	- -	- -
Housing & Community Grants	- -	- -	- -	- -
Public Safety:				
Fire	- -	4,630	- -	- -
Police	- -	969	- -	- -
Public Works	42,302	- -	3,315	- -
Parks & Recreation	- -	- -	- -	- -
Capital Outlay	371,698	213,030	210,788	2,051,052
Debt Service:				
Principal	- -	- -	- -	- -
Interest and Fiscal Charges	- -	- -	- -	- -
<b>Total Expenditures</b>	<b>414,000</b>	<b>218,629</b>	<b>226,606</b>	<b>2,085,731</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,796,419	656,779	906,644	(1,648,451)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	- -	- -	- -	83,350
Transfers Out	- -	(414,852)	- -	- -
<b>Total Other Financing Sources (Uses)</b>	<b>- -</b>	<b>(414,852)</b>	<b>- -</b>	<b>83,350</b>
Net Changes in Fund Balances	1,796,419	241,927	906,644	(1,565,101)
Fund Balances (Deficits) - Beginning of Year	5,803,033	2,245,205	10,661,334	4,245,712
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 7,599,452</b>	<b>\$ 2,487,132</b>	<b>\$ 11,567,978</b>	<b>\$ 2,680,611</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, 2025**

<b>CAPITAL PROJECT FUNDS</b>					
	<b>Facility Improvements</b>	<b>Regional Parks</b>	<b>Vehicle Miles Traveled Impact Fee</b>	<b>Animal Control Reserve</b>	
<b>REVENUES</b>					
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	- -	- -	- -	- -	- -
Subventions and Grants	- -	- -	- -	- -	- -
License and Permits	- -	- -	- -	- -	- -
Fees and Fines	- -	- -	11,129	- -	- -
Uses of Money and Property	46,905	34,537	1,658	15,066	
Charges for Current Services	- -	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -	- -
<b>Total Revenues</b>	<b>46,905</b>	<b>34,537</b>	<b>12,787</b>		<b>15,066</b>
<b>EXPENDITURES</b>					
Current:					
General Government	392	289	13	125	
Community Development	- -	- -	- -	- -	- -
Housing & Community Grants	- -	- -	- -	- -	- -
Public Safety:					
Fire	- -	- -	- -	- -	- -
Police	- -	- -	- -	- -	- -
Public Works	- -	- -	- -	- -	- -
Parks & Recreation	- -	- -	- -	- -	- -
Capital Outlay	- -	36	- -	- -	- -
Debt Service:					
Principal	- -	- -	- -	- -	- -
Interest and Fiscal Charges	- -	- -	- -	- -	- -
<b>Total Expenditures</b>	<b>392</b>	<b>325</b>	<b>13</b>		<b>125</b>
Excess (Deficiency) of					
Revenues Over (Under) Expenditures	46,513	34,212	12,774		14,941
<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>
Net Changes in Fund Balances	46,513	34,212	12,774		14,941
Fund Balances (Deficits) - Beginning of Year	806,576	593,894	27,415		259,082
<b>Fund Balances (Deficits) - End of Year</b>	<b>\$ 853,089</b>	<b>\$ 628,106</b>	<b>\$ 40,189</b>		<b>\$ 274,023</b>

**CITY OF VISALIA**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (Continued)**

	CAPITAL PROJECT FUNDS		Total Non-major Governmental Funds
	Baseball		
<b>REVENUES</b>			
Sales Taxes	\$	-	\$ 18,405,303
Other Taxes		-	101,448
Subventions and Grants		-	26,661,789
License and Permits		-	8,710
Fees and Fines		-	9,165,240
Uses of Money and Property	189,580		7,660,398
Charges for Current Services		-	6,585,402
Miscellaneous	<u>186,153</u>		<u>399,594</u>
Total Revenues	<u>375,733</u>		<u>68,987,884</u>
<b>EXPENDITURES</b>			
Current:			
General Government	295,238		769,680
Community Development		-	100,226
Housing & Community Grants		-	2,906,613
Public Safety:			
Fire		-	3,419,362
Police		-	5,150,561
Public Works		-	2,908,468
Parks & Recreation		-	4,817,068
Capital Outlay	<u>1,987,049</u>		<u>32,252,481</u>
Debt Service:			
Principal		-	1,066,343
Interest and Fiscal Charges		<u>-</u>	<u>212,513</u>
Total Expenditures	<u>2,282,287</u>		<u>53,603,315</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,906,554)</u>		<u>15,384,569</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	8,303,717		9,718,758
Transfers Out		-	(1,238,942)
Total Other Financing Sources (Uses)	<u>8,303,717</u>		<u>8,479,816</u>
Net Changes in Fund Balances	6,397,163		23,864,385
Fund Balances (Deficits) - Beginning of Year	<u>556,295</u>		<u>148,681,479</u>
Fund Balances (Deficits) - End of Year	<u>\$ 6,953,458</u>		<u>\$ 172,545,864</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, 2025**

	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	487,700	979,671	491,971	1,234,800	1,552,119	317,319
Uses of Money and Property	39,200	283,063	243,863	32,900	165,505	132,605
Charges for Current Services	320,600	328,170	7,570	-	-	-
Miscellaneous	-	-	-	-	498	498
Total Revenues	<u>847,500</u>	<u>1,590,904</u>	<u>743,404</u>	<u>1,267,700</u>	<u>1,718,122</u>	<u>450,422</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	331,000	373,838	(42,838)	296,300	969,420	(673,120)
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	738,472	638,734	99,738	1,556,851	1,341,562	215,289
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>1,069,472</u>	<u>1,012,572</u>	<u>56,900</u>	<u>1,853,151</u>	<u>2,310,982</u>	<u>(457,831)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(221,972)</u>	<u>578,332</u>	<u>800,304</u>	<u>(585,451)</u>	<u>(592,860)</u>	<u>(7,409)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	<u>\$ (221,972)</u>	<u>578,332</u>	<u>\$ 800,304</u>	<u>\$ (585,451)</u>	<u>(592,860)</u>	<u>\$ (7,409)</u>
Fund Balances (Deficits) - Beginning of Year		<u>4,736,050</u>			<u>3,051,882</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 5,314,382</u>			<u>\$ 2,459,022</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, 2025**

	Kaweah Lake and Local Storm Water Maintenance			Special Service Districts			Variance With Final Budget
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual		
<b>REVENUES</b>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-	-
Fees and Fines	367,400	422,400	55,000	-	-	-	-
Uses of Money and Property	20,700	57,191	36,491	150,000	1,034,282	884,282	
Charges for Current Services	-	-	-	5,813,200	6,098,095	284,895	
Miscellaneous	-	-	-	-	47	47	
Total Revenues	388,100	479,591	91,491	5,963,200	7,132,424	1,169,224	
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-	-
Public Safety:							
Fire	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Public Works	21,200	23,724	(2,524)	-	-	-	-
Parks & Recreation	-	-	-	4,015,800	4,756,610	(740,810)	
Capital Outlay	-	-	-	323,322	159,431	163,891	
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Total Expenditures	21,200	23,724	(2,524)	4,339,122	4,916,041	(576,919)	
Excess (Deficiency) of Revenues Over (Under) Expenditures	366,900	455,867	88,967	1,624,078	2,216,383	592,305	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	-	-
Transfers Out	(300,000)	(300,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	(300,000)	(300,000)	-	-	-	-	-
Net Changes in Fund Balances	\$ 66,900	155,867	\$ 88,967	\$ 1,624,078	2,216,383	\$ 592,305	
Fund Balances (Deficits) - Beginning of Year		843,698			15,968,287		
Fund Balances (Deficits) - End of Year		\$ 999,565			\$ 18,184,670		

**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, 2025**

	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	-	-	-	433,714	433,715	1
License and Permits	-	-	-	-	-	-
Fees and Fines	1,600	172,789	171,189	-	-	-
Uses of Money and Property	-	43,870	43,870	-	5,130	5,130
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	44	44
Total Revenues	<u>1,600</u>	<u>216,659</u>	<u>215,059</u>	<u>433,714</u>	<u>438,889</u>	<u>5,175</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	336,300	392,041	(55,741)
Public Works	1,100	1,211	(111)	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	75,000	88,942	(13,942)
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>1,100</u>	<u>1,211</u>	<u>(111)</u>	<u>411,300</u>	<u>480,983</u>	<u>(69,683)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>500</u>	<u>215,448</u>	<u>214,948</u>	<u>22,414</u>	<u>(42,094)</u>	<u>(64,508)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(72,332)	(72,332)
Total Other Financing Sources (Uses)	-	-	-	-	(72,332)	(72,332)
Net Changes in Fund Balances	<u>\$ 500</u>	<u>215,448</u>	<u>\$ 214,948</u>	<u>\$ 22,414</u>	<u>(114,426)</u>	<u>\$ (136,840)</u>
Fund Balances (Deficits) - Beginning of Year		<u>724,072</u>			<u>88,291</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 939,520</u>			<u>\$ (26,135)</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, 2025**

	Narcotics Forfeiture			Measure T - Police			Variance With Final Budget
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual		
<b>REVENUES</b>							
Sales Taxes	\$ -	\$ -	\$ -	\$ 5,451,200	\$ 5,622,553	\$ 171,353	
Other Taxes	-	-	-	-	-	-	
Subventions and Grants	-	-	-	6,000	37,731	31,731	
License and Permits	-	-	-	-	-	-	
Fees and Fines	-	-	-	-	-	-	
Uses of Money and Property	-	-	-	65,000	535,793	470,793	
Charges for Current Services	-	-	-	-	-	-	
Miscellaneous	112,900	64,150	(48,750)	30,000	142	(29,858)	
Total Revenues	112,900	64,150	(48,750)	5,552,200	6,196,219	644,019	
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Housing & Community Grants	-	-	-	-	-	-	
Public Safety:							
Fire	-	-	-	-	-	-	
Police	23,300	13,161	10,139	4,967,200	4,733,969	233,231	
Public Works	-	-	-	-	-	-	
Parks & Recreation	-	-	-	-	-	-	
Capital Outlay	61,477	50,939	10,538	-	31	(31)	
Debt Service:							
Principal	-	-	-	-	-	-	
Interest and Fiscal Charges	-	-	-	-	-	-	
Total Expenditures	84,777	64,100	20,677	4,967,200	4,734,000	233,200	
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,123	50	(28,073)	585,000	1,462,219	877,219	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	-	-	
Transfers Out	-	-	-	(151,500)	(280,093)	(128,593)	
Total Other Financing Sources (Uses)	-	-	-	(151,500)	(280,093)	(128,593)	
Net Changes in Fund Balances	\$ 28,123	50	\$ (28,073)	\$ 433,500	1,182,126	\$ 748,626	
Fund Balances (Deficits) - Beginning of Year		44,615				9,766,793	
Fund Balances (Deficits) - End of Year		\$ 44,665				\$ 10,948,919	

**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, 2025**

	Measure T - Fire			Measure R - Local			Variance With Final Budget
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget	
<b>REVENUES</b>							
Sales Taxes	\$ 3,634,100	\$ 3,748,368	\$ 114,268	\$ 3,929,800	\$ 4,130,315	\$ 200,515	
Other Taxes	-	-	-	-	-	-	
Subventions and Grants	-	-	-	-	-	-	
License and Permits	-	-	-	-	-	-	
Fees and Fines	-	-	-	-	-	-	
Uses of Money and Property	66,000	401,015	335,015	157,700	1,003,138	845,438	
Charges for Current Services	50,000	152,955	102,955	-	-	-	
Miscellaneous	30,100	325	(29,775)	-	6	6	
Total Revenues	<u>3,780,200</u>	<u>4,302,663</u>	<u>522,463</u>	<u>4,087,500</u>	<u>5,133,459</u>	<u>1,045,959</u>	
<b>EXPENDITURES</b>							
Current:							
General Government	-	-	-	-	-	-	
Community Development	-	-	-	-	-	-	
Housing & Community Grants	-	-	-	-	-	-	
Public Safety:							
Fire	3,403,900	3,414,732	(10,832)	-	-	-	
Police	-	-	-	-	-	-	
Public Works	-	-	-	37,200	43,549	(6,349)	
Parks & Recreation	-	-	-	-	-	-	
Capital Outlay	-	1,037	(1,037)	2,553,125	1,779,442	773,683	
Debt Service:							
Principal	-	-	-	-	-	-	
Interest and Fiscal Charges	-	-	-	-	-	-	
Total Expenditures	<u>3,403,900</u>	<u>3,415,769</u>	<u>(11,869)</u>	<u>2,590,325</u>	<u>1,822,991</u>	<u>767,334</u>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>376,300</u>	<u>886,894</u>	<u>510,594</u>	<u>1,497,175</u>	<u>3,310,468</u>	<u>1,813,293</u>	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	5,820	5,820	
Transfers Out	-	(130,050)	(130,050)	-	-	-	
Total Other Financing Sources (Uses)	-	<u>(130,050)</u>	<u>(130,050)</u>	-	<u>5,820</u>	<u>5,820</u>	
Net Changes in Fund Balances	<u>\$ 376,300</u>	<u>756,844</u>	<u>\$ 380,544</u>	<u>\$ 1,497,175</u>	<u>3,316,288</u>	<u>\$ 1,819,113</u>	
Fund Balances (Deficits) - Beginning of Year		<u>7,389,674</u>			<u>16,060,392</u>		
Fund Balances (Deficits) - End of Year		<u>\$ 8,146,518</u>			<u>\$ 19,376,680</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, 2025**

	Measure R - Regional			Transportation Grants		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ 1,294,600	\$ 4,904,067	\$ 3,609,467	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	835,000	1,268,847	433,847
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	3,159	3,159	-	242,510	242,510
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	104,461	104,461	-	-	-
Total Revenues	<u>1,294,600</u>	<u>5,011,687</u>	<u>3,717,087</u>	<u>835,000</u>	<u>1,511,357</u>	<u>676,357</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	36,348	(36,348)	1,200	2,025	(825)
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	4,247,235	4,654,337	(407,102)	3,079,694	3,079,694	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>4,247,235</u>	<u>4,690,685</u>	<u>(443,450)</u>	<u>3,080,894</u>	<u>3,081,719</u>	<u>(825)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,952,635)</u>	<u>321,002</u>	<u>3,273,637</u>	<u>(2,245,894)</u>	<u>(1,570,362)</u>	<u>675,532</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	(5,820)	(5,820)
Total Other Financing Sources (Uses)	-	-	-	-	(5,820)	(5,820)
Net Changes in Fund Balances	<u>\$ (2,952,635)</u>	<u>321,002</u>	<u>\$ 3,273,637</u>	<u>\$ (2,245,894)</u>	<u>(1,576,182)</u>	<u>\$ 669,712</u>
Fund Balances (Deficits) - Beginning of Year		<u>(379,027)</u>			<u>4,165,923</u>	
Fund Balances (Deficits) - End of Year		<u>\$ (58,025)</u>			<u>\$ 2,589,741</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, 2025**

	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	-	-	-	90,100	101,448	11,348
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	274,700	290,514	15,814	-	-	-
Uses of Money and Property	5,000	71,592	66,592	5,000	38,359	33,359
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	41	41
Total Revenues	279,700	362,106	82,406	95,100	139,848	44,748
<b>EXPENDITURES</b>						
Current:						
General Government	64,300	68,705	(4,405)	-	-	-
Community Development	-	-	-	22,000	4,155	17,845
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	64,300	68,705	(4,405)	22,000	4,155	17,845
Excess (Deficiency) of Revenues Over (Under) Expenditures	215,400	293,401	78,001	73,100	135,693	62,593
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ 215,400	293,401	\$ 78,001	\$ 73,100	\$ 135,693	\$ 62,593
Fund Balances (Deficits) - Beginning of Year		747,663			623,843	
Fund Balances (Deficits) - End of Year		\$ 1,041,064			\$ 759,536	

**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, 2025**

	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	-	29,492	29,492	-	-	-
Uses of Money and Property	-	13,074	13,074	-	14,861	14,861
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	42,566	42,566	-	14,861	14,861
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	36,510	(36,510)	-	123	(123)
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	36,510	(36,510)	-	123	(123)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	6,056	6,056	-	14,738	14,738
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ -	\$ 6,056	\$ 6,056	\$ -	\$ 14,738	\$ 14,738
Fund Balances (Deficits) - Beginning of Year		231,953			255,545	
Fund Balances (Deficits) - End of Year		\$ 238,009			\$ 270,283	

**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, 2025**

	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	-	-	-	8,540,963	14,481,407	5,940,444
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	15,600	44,741	29,141
Uses of Money and Property	2,000	14,888	12,888	62,600	293,931	231,331
Charges for Current Services	-	-	-	-	5,000	5,000
Miscellaneous	20,000	5,751	(14,249)	10,600	5,967	(4,633)
Total Revenues	22,000	20,639	(1,361)	8,629,763	14,831,046	6,201,283
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	87,200	96,071	(8,871)
Housing & Community Grants	-	-	-	6,727,755	2,906,613	3,821,142
Public Safety:						
Fire	-	-	-	-	-	-
Police	15,100	10,421	4,679	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	2,659	5,552	(2,893)	7,630,494	7,630,494	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	17,759	15,973	1,786	14,445,449	10,633,178	3,812,271
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,241	4,666	425	(5,815,686)	4,197,868	10,013,554
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	41,308	41,308
Transfers Out	-	-	-	-	(35,795)	(35,795)
Total Other Financing Sources (Uses)	-	-	-	-	5,513	5,513
Net Changes in Fund Balances	\$ 4,241	4,666	\$ 425	\$ (5,815,686)	4,203,381	\$ 10,019,067
Fund Balances (Deficits) - Beginning of Year		116,897			23,075,380	
Fund Balances (Deficits) - End of Year		\$ 121,563			\$ 27,278,761	

**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, 2025**

	Housing Successor Agency		VPFA 2014			
			Refunding Certificates of Participation	Variance With Final Budget	Final Budget	
	Final Budget	Actual		Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	1,317,434	1,317,434	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	7,000	106,339	99,339	-	-	-
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	19	19	-	-	-
Total Revenues	7,000	1,423,792	1,416,792	-	-	-
<b>EXPENDITURES</b>						
Current:						
General Government	354,600	356,400	(1,800)	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	1,325,000	1,325,000	-	-	-	-
Debt Service:						
Principal	-	-	-	117,600	117,600	-
Interest and Fiscal Charges	-	-	-	9,100	8,658	442
Total Expenditures	1,679,600	1,681,400	(1,800)	126,700	126,258	442
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,672,600)	(257,608)	1,414,992	(126,700)	(126,258)	442
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	126,700	126,739	39
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	126,700	126,739	39
Net Changes in Fund Balances	\$ (1,672,600)	(257,608)	\$ 1,414,992	\$ -	481	\$ 481
Fund Balances (Deficits) - Beginning of Year		10,477,526				(990)
Fund Balances (Deficits) - End of Year		\$ 10,219,918			\$ (509)	

**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, 2025**

	2015 Certificates of Participation		Variance With Final Budget	Softball Facility Development		Variance With Final Budget
	Final Budget	Actual		Final Budget	Actual	
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-
Subventions and Grants	-	-	-	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	-	-	-
Uses of Money and Property	-	3,079	3,079	-	396	396
Charges for Current Services	-	-	-	1,200	1,182	(18)
Miscellaneous	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>3,079</b>	<b>3,079</b>	<b>1,200</b>	<b>1,578</b>	<b>378</b>
<b>EXPENDITURES</b>						
Current:						
General Government	-	1,336	(1,336)	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	100	4	96
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	948,700	948,743	(43)	-	-	-
Interest and Fiscal Charges	207,800	203,855	3,945	-	-	-
<b>Total Expenditures</b>	<b>1,156,500</b>	<b>1,153,934</b>	<b>2,566</b>	<b>100</b>	<b>4</b>	<b>96</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,156,500)	(1,150,855)	5,645	1,100	1,574	474
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	1,157,100	1,157,824	724	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,157,100</b>	<b>1,157,824</b>	<b>724</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Changes in Fund Balances	\$ 600	6,969	\$ 6,369	\$ 1,100	1,574	\$ 474
Fund Balances (Deficits) - Beginning of Year		(3,798)			6,811	
Fund Balances (Deficits) - End of Year		<u>\$ 3,171</u>			<u>\$ 8,385</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, 2025**

	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	7,368,200	8,980,748	1,612,548	-	-	-
License and Permits	-	-	-	-	-	-
Fees and Fines	-	-	-	2,417,000	2,591,091	174,091
Uses of Money and Property	138,200	907,972	769,772	81,600	727,061	645,461
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	3,977	3,977	-	11	11
Total Revenues	<u>7,506,400</u>	<u>9,892,697</u>	<u>2,386,297</u>	<u>2,498,600</u>	<u>3,318,163</u>	<u>819,563</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	1,495,900	1,412,736	83,164	-	-	-
Parks & Recreation	-	-	-	16,500	23,821	(7,321)
Capital Outlay	3,626,466	3,203,058	423,408	3,460,603	3,460,575	28
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>5,122,366</u>	<u>4,615,794</u>	<u>506,572</u>	<u>3,477,103</u>	<u>3,484,396</u>	<u>(7,293)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,384,034</u>	<u>5,276,903</u>	<u>2,892,869</u>	<u>(978,503)</u>	<u>(166,233)</u>	<u>812,270</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	<u>\$ 2,384,034</u>	<u>5,276,903</u>	<u>\$ 2,892,869</u>	<u>\$ (978,503)</u>	<u>(166,233)</u>	<u>\$ 812,270</u>
Fund Balances (Deficits) - Beginning of Year		<u>13,267,333</u>			<u>12,224,120</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 18,544,236</u>			<u>\$ 12,057,887</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, 2025**

	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	1,271,900	1,813,623	541,723	889,000	748,429	(140,571)
Uses of Money and Property	38,900	368,795	329,895	28,300	126,979	98,679
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	28,001	28,001	-	-	-
Total Revenues	<u>1,310,800</u>	<u>2,210,419</u>	<u>899,619</u>	<u>917,300</u>	<u>875,408</u>	<u>(41,892)</u>
<b>EXPENDITURES</b>						
Current:						
General Government	-	-	-	-	-	-
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	3,600	4,630	(1,030)
Police	-	-	-	900	969	(69)
Public Works	32,300	42,302	(10,002)	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	418,447	371,698	46,749	213,030	213,030	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	<u>450,747</u>	<u>414,000</u>	<u>36,747</u>	<u>217,530</u>	<u>218,629</u>	<u>(1,099)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>860,053</u>	<u>1,796,419</u>	<u>936,366</u>	<u>699,770</u>	<u>656,779</u>	<u>(42,991)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	(415,200)	(414,852)	348
Total Other Financing Sources (Uses)	-	-	-	(415,200)	(414,852)	348
Net Changes in Fund Balances	<u>\$ 860,053</u>	<u>1,796,419</u>	<u>\$ 936,366</u>	<u>\$ 284,570</u>	<u>241,927</u>	<u>\$ (42,643)</u>
Fund Balances (Deficits) - Beginning of Year		<u>5,803,033</u>			<u>2,245,205</u>	
Fund Balances (Deficits) - End of Year		<u>\$ 7,599,452</u>			<u>\$ 2,487,132</u>	

**CITY OF VISALIA**  
**NON -MAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Government Facilities Impact Fee			Parking District			Variance With Final Budget
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Parking District	
<b>REVENUES</b>							
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	-	-	-	-	-	-	-
Subventions and Grants	-	-	-	40,300	141,907	101,607	
License and Permits	-	-	-	9,400	8,710	(690)	
Fees and Fines	663,800	509,242	(154,558)	-	-	-	
Uses of Money and Property	284,400	624,008	339,608	45,700	286,662	240,962	
Charges for Current Services	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	1	1	
Total Revenues	948,200	1,133,250	185,050	95,400	437,280	341,880	
<b>EXPENDITURES</b>							
Current:							
General Government	11,100	12,503	(1,403)	6,100	34,679	(28,579)	
Community Development	-	-	-	-	-	-	
Housing & Community Grants	-	-	-	-	-	-	
Public Safety:							
Fire	-	-	-	-	-	-	
Police	-	-	-	-	-	-	
Public Works	2,100	3,315	(1,215)	-	-	-	
Parks & Recreation	-	-	-	-	-	-	
Capital Outlay	210,788	210,788	-	2,500,000	2,051,052	448,948	
Debt Service:							
Principal	-	-	-	-	-	-	
Interest and Fiscal Charges	-	-	-	-	-	-	
Total Expenditures	223,988	226,606	(2,618)	2,506,100	2,085,731	420,369	
Excess (Deficiency) of Revenues Over (Under) Expenditures	724,212	906,644	182,432	(2,410,700)	(1,648,451)	762,249	
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	-	-	-	83,350	83,350	
Transfers Out	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	83,350	83,350	
Net Changes in Fund Balances	\$ 724,212	906,644	\$ 182,432	\$ (2,410,700)	(1,565,101)	\$ 845,599	
Fund Balances (Deficits) - Beginning of Year		10,661,334				4,245,712	
Fund Balances (Deficits) - End of Year		\$ 11,567,978				\$ 2,680,611	

**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, 2025**

	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	-	46,905	46,905	-	34,537	34,537
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	46,905	46,905	-	34,537	34,537
<b>EXPENDITURES</b>						
Current:						
General Government	-	392	(392)	-	289	(289)
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	36	36	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	392	(392)	36	325	(289)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	46,513	46,513	(36)	34,212	34,248
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ -	46,513	\$ 46,513	\$ (36)	34,212	\$ 34,248
Fund Balances (Deficits) - Beginning of Year		806,576			593,894	
Fund Balances (Deficits) - End of Year		\$ 853,089			\$ 628,106	

**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, 2025**

	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	-	11,129	11,129	-	-	-
Uses of Money and Property	-	1,658	1,658	-	15,066	15,066
Charges for Current Services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	12,787	12,787	-	15,066	15,066
<b>EXPENDITURES</b>						
Current:						
General Government	-	13	(13)	-	125	(125)
Community Development	-	-	-	-	-	-
Housing & Community Grants	-	-	-	-	-	-
Public Safety:						
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	13	(13)	-	125	(125)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	12,774	12,774	-	14,941	14,941
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Changes in Fund Balances	\$ -	\$ 12,774	\$ 12,774	\$ -	\$ 14,941	\$ 14,941
Fund Balances (Deficits) - Beginning of Year		27,415			259,082	
Fund Balances (Deficits) - End of Year		\$ 40,189			\$ 274,023	

**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, 2025**

	Baseball			Total		
	Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>						
Sales Taxes	\$ -	\$ -	\$ -	\$ 14,309,700	\$ 18,405,303	\$ 4,095,603
Other Taxes	-	-	-	90,100	101,448	11,348
Subventions and Grants	-	-	-	17,224,177	26,661,789	9,437,612
License and Permits	-	-	-	9,400	8,710	(690)
Fees and Fines	-	-	-	7,623,500	9,165,240	1,541,740
Uses of Money and Property	-	189,580	189,580	1,230,200	7,660,398	6,430,198
Charges for Current Services	-	-	-	6,185,000	6,585,402	400,402
Miscellaneous	90,000	186,153	96,153	293,600	399,594	105,994
Total Revenues	90,000	375,733	285,733	46,965,677	68,987,884	22,022,207
<b>EXPENDITURES</b>						
Current:						
General Government	308,700	295,238	13,462	744,800	769,680	(24,880)
Community Development	-	-	-	109,200	100,226	8,974
Housing & Community Grants	-	-	-	6,727,755	2,906,613	3,821,142
Public Safety:					-	
Fire	-	-	-	3,407,500	3,419,362	(11,862)
Police	-	-	-	5,342,800	5,150,561	192,239
Public Works	-	-	-	2,218,300	2,908,468	(690,168)
Parks & Recreation	-	-	-	4,032,400	4,817,068	(784,668)
Capital Outlay	1,990,210	1,987,049	3,161	34,012,909	32,252,481	1,760,428
Debt Service:					-	
Principal	-	-	-	1,066,300	1,066,343	(43)
Interest and Fiscal Charges	-	-	-	216,900	212,513	4,387
Total Expenditures	2,298,910	2,282,287	16,623	57,878,864	53,603,315	4,275,549
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,208,910)	(1,906,554)	302,356	\$ (10,913,187)	\$ 15,384,569	\$ 26,297,756
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	418,700	8,303,717	7,885,017	1,702,500	9,718,758	8,016,258
Transfers Out	-	-	-	(866,700)	(1,238,942)	(372,242)
Total Other Financing Sources (Uses)	418,700	8,303,717	7,885,017	835,800	8,479,816	7,644,016
Net Changes in Fund Balances	\$ (1,790,210)	6,397,163	\$ 8,187,373	\$ (10,077,387)	23,864,385	\$ 33,941,772
Fund Balances (Deficits) - Beginning of Year		556,295			148,681,479	
Fund Balances (Deficits) - End of Year		\$ 6,953,458			\$ 172,545,864	

## **NON-MAJOR PROPRIETARY FUNDS**



# Non-Major Proprietary Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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, 2025**

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds				
	Convention Center	Airport	Building Safety	Animal Control	Total
<b>ASSETS</b>					
Current Assets					
Cash and Investments	\$ 100	\$ 2,628,711	\$ 16,812,581	\$ 200	\$ 19,441,592
Accounts Receivable	458,098	115,527	-	378,009	951,634
Leases Receivable	-	434,363	-	-	434,363
Supplies	-	107,983	-	-	107,983
Prepaid Expenses	-	28,323	-	-	28,323
Total Current Assets	458,198	3,314,907	16,812,581	378,209	20,963,895
Non-Current Assets					
Restricted Cash and Investments					
Cash Held by City	1,359,214	-	-	518,473	1,877,687
Leases Receivable	-	4,593,040	-	-	4,593,040
Capital Assets					
Land	829,047	3,000,590	-	-	3,829,637
Construction in Progress	178,815	1,358	-	-	180,173
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	2,014,562	24,225	2,079,046
Accumulated Depreciation and Amortization	(21,700,309)	(13,577,306)	(213,511)	(1,721,826)	(37,212,952)
Total Non-Current Assets	10,510,367	15,132,201	2,029,855	5,605,513	33,277,936
Total Assets	10,968,565	18,447,108	18,842,436	5,983,722	54,241,831
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension Related	624,220	267,979	1,116,495	491,759	2,500,453
Total Deferred Outflows of Resources	624,220	267,979	1,116,495	491,759	2,500,453
<b>LIABILITIES</b>					
Current Liabilities					
Accounts, Interest and Contracts Payable	254,539	137,371	695,114	29,564	1,116,588
Customer Deposits	2,400	-	22,000	-	24,400
Current Portion of Long-Term Liabilities:					
Compensated Absences	55,257	-	27,732	11,010	93,999
Certificates of Participation and Loans	1,014,636	-	-	516,413	1,531,049
Liability for SBITA Lease	-	10,202	237,580	7,123	254,905
Total Current Liabilities	1,326,832	147,573	982,426	564,110	3,020,941
Non-Current Liabilities					
Unearned Revenue	-	-	12,663	2,283	14,946
Non-current Portion of Long-term Liabilities:					
Compensated Absences	81,525	62,506	233,346	92,184	469,561
Certificates of Participation and Loans	1,581,551	-	-	1,087,362	2,668,913
Liability for SBITA Lease	-	10,461	1,746,867	-	1,757,328
Net Pension Liability	2,677,803	1,149,589	4,789,585	2,109,568	10,726,545
Total Non-Current Liabilities	4,340,879	1,222,556	6,782,461	3,291,397	15,637,293
Total Liabilities	5,667,711	1,370,129	7,764,887	3,855,507	18,658,234
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension Related	19,379	8,320	34,662	15,267	77,628
Lease Related	-	4,882,645	-	-	4,882,645
Total Deferred Inflows of Resources	19,379	4,890,965	34,662	15,267	4,960,273
<b>NET POSITION</b>					
Net Investment in Capital Assets	6,554,966	10,518,498	45,408	3,476,142	20,595,014
Restricted for:					
Capital Projects	82,024	496,488	114,100	-	692,612
Designated	-	-	-	-	-
Unrestricted (Deficit)	(731,295)	1,439,007	11,999,874	(871,435)	11,836,151
Total Net Position	\$ 5,905,695	\$ 12,453,993	\$ 12,159,382	\$ 2,604,707	\$ 33,123,777

**CITY OF VISALIA**  
**NON-MAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Business-Type Activities - Enterprise Funds				
	Non-Major Funds				
	Convention Center	Airport	Building Safety	Animal Control	Total
<b>OPERATING REVENUES</b>					
Charges for Services	\$ 2,273,986	\$ 2,371,250	\$ 4,040,108	\$ 927,085	\$ 9,612,429
Operating Grants and Contributions	- 64,659	- 86,970	- 151,629		
Total Operating Revenues	2,273,986	2,435,909	4,040,108	1,014,055	9,764,058
<b>OPERATING EXPENSES</b>					
Salaries, Wages and Employee Benefits	2,093,294	727,361	2,328,619	1,340,755	6,490,029
Maintenance and Operations	1,572,398	1,444,825	873,609	814,566	4,705,398
Depreciation and Amortization	715,557	276,913	93,126	180,057	1,265,653
Total Operating Expenses	4,381,249	2,449,099	3,295,354	2,335,378	12,461,080
Operating Income (Loss)	(2,107,263)	(13,190)	744,754	(1,321,323)	(2,697,022)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	62,772	204,545	879,684	28,639	1,175,640
Interest Expense	(119,854)	(700)	(14,312)	(68,585)	(203,451)
Other Income	18,059	261,129	10,660	5,716	295,564
Total Nonoperating Revenues (Expenses)	(39,023)	464,974	876,032	(34,230)	1,267,753
Income (Loss) Before Contributions and Transfers	(2,146,286)	451,784	1,620,786	(1,355,553)	(1,429,269)
Transfers In	3,032,292	-	-	1,679,437	4,711,729
Net Contributions and Transfers	3,032,292	-	-	1,679,437	4,711,729
Change in Net Position	886,006	451,784	1,620,786	323,884	3,282,460
Net Position - Beginning of Year	5,038,603	12,023,273	10,695,456	2,317,023	30,074,355
Restatement - Change in Accounting Principle (Note 17)	(18,914)	(21,064)	(156,860)	(36,200)	(233,038)
Net Position - Beginning, as Restated	5,019,689	12,002,209	10,538,596	2,280,823	29,841,317
Net Position - End of Year	\$ 5,905,695	\$ 12,453,993	\$ 12,159,382	\$ 2,604,707	\$ 33,123,777

**CITY OF VISALIA**  
**NON-MAJOR PROPRIETARY FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	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	\$ 2,093,448	\$ 2,859,457	\$ 4,050,768	\$ 1,012,429	\$ 10,016,102
Cash Payments to Employees for Services	(2,105,565)	(908,772)	(2,295,377)	(1,203,618)	(6,513,332)
Cash Payments to Suppliers for Services	(1,538,377)	(1,611,684)	(539,414)	(888,839)	(4,578,314)
Net Cash Provided (Used) by Operating Activities	<u>(1,550,494)</u>	<u>339,001</u>	<u>1,215,977</u>	<u>(1,080,028)</u>	<u>(1,075,544)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers In	3,032,292	-	-	1,679,437	4,711,729
Net Cash Provided by Noncapital Financing Activities	<u>3,032,292</u>	<u>-</u>	<u>-</u>	<u>1,679,437</u>	<u>4,711,729</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of Capital Assets	(178,815)	(14)	-	-	(178,829)
Long-Term Debt Payments - Principal	(963,657)	-	-	(499,048)	(1,462,705)
Long-Term Debt Payments - Interest	(132,062)	(700)	(14,312)	(68,585)	(215,659)
Net Cash (Used) by Capital and Related Financing Activities	<u>(1,274,534)</u>	<u>(714)</u>	<u>(14,312)</u>	<u>(567,633)</u>	<u>(1,857,193)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest Earnings	62,772	204,545	879,684	28,639	1,175,640
Net Cash Provided by Investing Activities	<u>62,772</u>	<u>204,545</u>	<u>879,684</u>	<u>28,639</u>	<u>1,175,640</u>
Net Increase in Cash and Investments	270,036	542,832	2,081,349	60,415	2,954,632
Cash and Investments - Beginning of Year	<u>1,089,278</u>	<u>2,085,879</u>	<u>14,731,232</u>	<u>458,258</u>	<u>18,364,647</u>
Cash and Investments - End of Year	<u>\$ 1,359,314</u>	<u>\$ 2,628,711</u>	<u>\$ 16,812,581</u>	<u>\$ 518,673</u>	<u>\$ 21,319,279</u>
Consisting of:					
Unrestricted	\$ 100	\$ 2,628,711	\$ 16,812,581	\$ 200	\$ 19,441,592
Restricted	1,359,214	-	-	518,473	1,877,687
Total Cash and Investments	<u>\$ 1,359,314</u>	<u>\$ 2,628,711</u>	<u>\$ 16,812,581</u>	<u>\$ 518,673</u>	<u>\$ 21,319,279</u>
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>					
Operating Income (Loss)	\$ (2,107,263)	\$ (13,190)	\$ 744,754	\$ (1,321,323)	\$ (2,697,022)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows from Operating Activities:</b>					
Depreciation and Amortization	715,557	276,913	93,126	180,057	1,265,653
Operating income and cash flow category classification differences	18,059	261,129	10,660	5,716	295,564
<b>Net Change in Assets and Liabilities:</b>					
Accounts and Interest Receivable	(198,597)	162,419	-	(7,342)	(43,520)
Supplies	-	(64,888)	-	-	(64,888)
Prepaid Expenses	-	7,198	-	-	7,198
Accounts Payable and Contract Payable	48,996	(99,277)	(1,634,719)	3,806	(1,681,194)
Deferred Outflows Pensions	204,362	62,014	(76,851)	(30,274)	159,251
Deferred Inflows Pensions & Leases	(42,702)	(272,551)	371,850	116,075	172,672
Net Pension Liability	(195,165)	5,394	(370,998)	2,008	(558,761)
Unearned Revenue	-	-	6,467	(72,317)	(65,850)
Compensated Absences	21,234	23,732	109,241	49,328	203,535
Other Liability	-	(9,892)	1,984,447	(5,762)	1,968,793
Customer Deposits	(14,975)	-	(22,000)	-	(36,975)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,550,494)</u>	<u>\$ 339,001</u>	<u>\$ 1,215,977</u>	<u>\$ (1,080,028)</u>	<u>\$ (1,075,544)</u>
Noncash investing, capital and financing activities					
SBITA liability for the acquisition of right-to-use assets			\$ 2,014,562		\$ 2,014,562
Total noncash investing, capital and financing activities			<u>\$ 2,014,562</u>		<u>\$ 2,014,562</u>

## INTERNAL SERVICE FUNDS



# Internal Service Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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, 2025**

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 609,926	\$ 13,913,748	\$ 7,819,676	\$ 15,228,199
Accounts and Interest Receivables	7,854	-	-	3,926
Supplies	1,186,865	-	-	-
Total Current Assets	1,804,645	13,913,748	7,819,676	15,232,125
Non-Current Assets				
Restricted Cash and Investments				
Cash Held by Trustee	-	-	-	456,051
Capital Assets				
Building	654,910	-	-	-
Improvements Other Than Buildings	211,545	-	7,240	-
Machinery, Equipment and Vehicles	473,900	27,225,974	15,356,683	-
Construction in Progress	1,614	3,449,889	66,515	-
Right-to-use subscription asset (SBITA)	119,665	-	1,283,519	-
Accumulated Depreciation and Amortization	(1,179,794)	(16,144,354)	(11,646,029)	-
Total Non-Current Assets	281,840	14,531,509	5,067,928	456,051
Total Assets	2,086,485	28,445,257	12,887,604	15,688,176
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related	656,326	-	893,807	242,980
Total Deferred Outflows of Resources	656,326	-	893,807	242,980
<b>LIABILITIES</b>				
Current Liabilities				
Accounts, Interest, and Contracts Payable	325,492		60,411	2,416,309
Accrued Personnel Costs	-		-	-
Current Portion of Long-Term Liabilities:				
Compensated Absences	-	-	-	-
Liability for SBITA Lease (Note 7)	28,092	-	145,483	-
Liability for Self-Insurance Claims	-	-	-	836,897
Total Current Liabilities	353,584	-	205,894	3,253,206
Non-Current Liabilities				
Non-current Portion of Long-term Liabilities:				
Compensated Absences	-	-	-	-
Liability for SBITA Lease (Note 7)	66,075	-	187,631	-
Liability for Self-Insurance Claims	-	-	-	11,183,382
Net Pension Liability	2,815,540	-	3,834,292	1,042,347
Total Non-Current Liabilities	2,881,615	-	4,021,923	12,225,729
Total Liabilities	3,235,199	-	4,227,817	15,478,935
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	20,377	-	27,749	7,544
Total Deferred Inflows of Resources	20,377	-	27,749	7,544
<b>NET POSITION</b>				
Net Investment in Capital Assets	162,175	14,531,509	3,784,409	-
Restricted	-	20,013	26,276	456,051
Unrestricted (Deficit)	(674,940)	13,893,735	5,715,160	(11,374)
Total Net Position (Deficit)	\$ (512,765)	\$ 28,445,257	\$ 9,525,845	\$ 444,677

**CITY OF VISALIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION (Continued)**  
**JUNE 30, 2025**

	Health Benefits	Compensated Absences	Building Maintenance	Totals
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 7,100,305	\$ 11,333,795	\$ 808,887	\$ 56,814,536
Accounts and Interest Receivables	64,377	-	-	76,157
Supplies	-	-	-	1,186,865
Total Current Assets	7,164,682	11,333,795	808,887	58,077,558
Non-Current Assets				
Restricted Cash and Investments				
Cash Held by Trustee	60,700	-	-	516,751
Capital Assets				
Building	-	-	-	654,910
Improvements Other Than Buildings	-	-	-	218,785
Machinery, Equipment and Vehicles	-	-	-	43,056,557
Construction in Progress	-	-	-	3,518,018
Right-to-use subscription asset (SBITA)	-	-	-	1,403,184
Accumulated Depreciation and Amortization	-	-	-	(28,970,177)
Total Non-Current Assets	60,700	-	-	20,398,028
Total Assets	7,225,382	11,333,795	808,887	78,475,586
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related	-	-	-	1,793,113
Total Deferred Outflows of Resources	-	-	-	1,793,113
<b>LIABILITIES</b>				
Current Liabilities				
Accounts, Interest, and Contracts Payable	82,366	-	-	2,884,578
Accrued Personnel Costs	15,512	-	-	15,512
Current Portion of Long-Term Liabilities:				
Compensated Absences	-	1,129,292	-	1,129,292
Liability for SBITA Lease (Note 7)	-	-	-	173,575
Liability for Self-Insurance Claims	101,800	-	-	938,697
Total Current Liabilities	199,678	1,129,292	-	5,141,654
Non-Current Liabilities				
Non-current Portion of Long-term Liabilities:				
Compensated Absences	-	10,204,503	-	10,204,503
Liability for SBITA Lease (Note 7)	-	-	-	253,706
Liability for Self-Insurance Claims	-	-	-	11,183,382
Net Pension Liability	-	-	-	7,692,179
Total Non-Current Liabilities	-	10,204,503	-	29,333,770
Total Liabilities	199,678	11,333,795	-	34,475,424
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	-	-	-	55,670
Total Deferred Inflows of Resources	-	-	-	55,670
<b>NET POSITION</b>				
Net Investment in Capital Assets	-	-	-	18,478,093
Restricted	60,700	-	-	563,040
Unrestricted (Deficit)	6,965,004	-	808,887	26,696,472
Total Net Position (Deficit)	\$ 7,025,704	\$ -	\$ 808,887	\$ 45,737,605

**CITY OF VISALIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
<b>OPERATING REVENUES</b>				
Service Charges and Fees	\$ 9,313,229	\$ 1,662,225	\$ 2,696,913	\$ 7,398,884
<b>OPERATING EXPENSES</b>				
Salaries, Wages and Employee Benefits	1,905,424	-	1,891,172	419,431
Maintenance and Operations	7,018,013	38,178	1,326,733	705,506
Insurance Premiums and Loss Provisions	-	-	-	11,985,813
Depreciation and Amortization	38,851	1,599,217	1,191,379	-
Total Operating Expenses	<u>8,962,288</u>	<u>1,637,395</u>	<u>4,409,284</u>	<u>13,110,750</u>
Operating Income (Loss)	<u>350,941</u>	<u>24,830</u>	<u>(1,712,371)</u>	<u>(5,711,866)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	194	729,004	410,876	1,020,556
Interest (Expense)	(36,039)	-	(4,000)	-
Other Income	9,417	47,003	816,293	591,553
Other (Expenses)	-	(105,547)	-	-
Total Nonoperating Revenues (Expenses)	<u>(26,428)</u>	<u>670,460</u>	<u>1,223,169</u>	<u>1,612,109</u>
Income (Loss) Before Contributions and Transfers	<u>324,513</u>	<u>695,290</u>	<u>(489,202)</u>	<u>(4,099,757)</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Grants and Contributions	-	1,592,624	277,126	-
Transfers In	-	-	-	-
Transfers Out	(106,120)	(24,082)	(122,916)	(5,017,941)
Net Contributions and Transfers	<u>(106,120)</u>	<u>1,568,542</u>	<u>154,210</u>	<u>(5,017,941)</u>
<b>CHANGE IN NET POSITION</b>	<u>218,393</u>	<u>2,263,832</u>	<u>(334,992)</u>	<u>(9,117,698)</u>
<b>NET POSITION (DEFICIT)</b>				
Net Position - Beginning of Year	<u>(731,158)</u>	<u>26,181,425</u>	<u>9,860,837</u>	<u>9,562,375</u>
Restatement - Change in Accounting Principle	-	-	-	-
Net Position - Beginning of Year, As Restated	<u>(731,158)</u>	<u>26,181,425</u>	<u>9,860,837</u>	<u>9,562,375</u>
Net Position - End of Year	<u>\$ (512,765)</u>	<u>\$ 28,445,257</u>	<u>\$ 9,525,845</u>	<u>\$ 444,677</u>

**CITY OF VISALIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Health Benefits	Compensated Absences	Building Maintenance	Totals
<b>OPERATING REVENUES</b>				
Service Charges and Fees	\$ 16,548,855	\$ -	\$ -	\$ 37,620,106
<b>OPERATING EXPENSES</b>				
Salaries, Wages and Employee Benefits	-	-	-	4,216,027
Maintenance and Operations	380,326	2,970	371	9,472,097
Insurance Premiums and Loss Provisions	15,613,352	-	-	27,599,165
Depreciation and Amortization	-	-	-	2,829,447
Total Operating Expenses	15,993,678	2,970	371	44,116,736
Operating Income (Loss)	555,177	(2,970)	(371)	(6,496,630)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	369,902	355,778	44,474	2,930,784
Interest (Expense)	-	-	-	(40,039)
Other Income	6,310	-	-	1,470,576
Other (Expenses)	-	-	-	(105,547)
Total Nonoperating Revenues (Expenses)	376,212	355,778	44,474	4,255,774
Income (Loss) Before Contributions and Transfers	931,389	352,808	44,103	(2,240,856)
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Grants and Contributions	-	-	-	1,869,750
Transfers In	-	4,694,231	-	4,694,231
Transfers Out	-	(352,808)	-	(5,623,867)
Net Contributions and Transfers	-	4,341,423	-	940,114
CHANGE IN NET POSITION	931,389	4,694,231	44,103	(1,300,742)
<b>NET POSITION (DEFICIT)</b>				
Net Position - Beginning of Year	6,094,315	-	764,784	51,732,578
Restatement - Change in Accounting Principle	-	(4,694,231)	-	(4,694,231)
Net Position - Beginning of Year, As Restated	6,094,315	(4,694,231)	764,784	47,038,347
Net Position - End of Year	\$ 7,025,704	\$ -	\$ 808,887	\$ 45,737,605

**CITY OF VISALIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Fleet Services	Vehicle Replacement	Information Services	Risk Management
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 9,322,895	\$ 1,894,488	\$ 3,513,206	\$ 7,986,511
Cash Payments to Suppliers for Services	(6,762,294)	(143,725)	(1,437,962)	(7,159,372)
Cash Payments to Employees for Services	(1,775,147)	-	(1,835,137)	(545,348)
Net Cash Provided by (Used in) Operating Activities	<u>785,454</u>	<u>1,750,763</u>	<u>240,107</u>	<u>281,791</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	-	-	-	-
Transfers Out	(106,120)	(24,082)	(122,916)	(5,017,941)
Net Cash Provided by Noncapital Financing Activities	<u>(106,120)</u>	<u>(24,082)</u>	<u>(122,916)</u>	<u>(5,017,941)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(57,761)	(4,290,020)	(331,551)	-
Grants and Contributions	-	1,592,624	277,126	-
Interest Expense	(36,039)	-	(4,000)	-
Net Cash (Used in) Capital and Related Financing Activities	<u>(93,800)</u>	<u>(2,697,396)</u>	<u>(58,425)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Earnings	194	729,004	410,876	1,020,556
Net Cash Provided by Investing Activities	<u>194</u>	<u>729,004</u>	<u>410,876</u>	<u>1,020,556</u>
Net Increase (Decrease) in Cash and Cash Investments	585,728	(241,711)	469,642	(3,715,594)
Cash and Cash Investments at Beginning of Year	24,198	14,155,459	7,350,034	19,399,844
Cash and Cash Investments at End of Year	<u>\$ 609,926</u>	<u>\$ 13,913,748</u>	<u>\$ 7,819,676</u>	<u>\$ 15,684,250</u>
Consisting of:				
Unrestricted	\$ 609,926	\$ 13,913,748	\$ 7,819,676	\$ 15,228,199
Restricted	-	-	-	456,051
Total Cash and Investments	<u>\$ 609,926</u>	<u>\$ 13,913,748</u>	<u>\$ 7,819,676</u>	<u>\$ 15,684,250</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 350,941	\$ 24,830	\$ (1,712,371)	\$ (5,711,866)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	38,851	1,599,217	1,191,379	-
Operating income and cash flow category classification differences	9,417	(58,544)	816,293	591,553
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	249	-	-	(3,926)
Supplies	326,237	-	-	-
Prepaid Expenses	-	-	-	-
Accounts Payable and Contract Payable	(108,290)	185,260	(444,343)	2,320,645
Deferred Outflows Pension	171,958	-	251,712	123,949
Deferred Inflow Pension	(41,681)	-	(58,078)	(19,948)
Accrued Personnel Costs	-	-	-	-
Compensated Absences	-	-	-	-
Other Liability	94,167	-	333,114	-
Pension Liability	(56,395)	-	(137,599)	(229,918)
Liability for Self-Insurance Claims	-	-	-	3,211,302
Net Cash Provided by (Used in) Operating Activities	<u>\$ 785,454</u>	<u>\$ 1,750,763</u>	<u>\$ 240,107</u>	<u>\$ 281,791</u>
Noncash investing, capital and financing activities				
SBITA liability for the acquisition of right-to-use assets	\$ 119,665		\$ 479,758	
Total noncash investing, capital and financing activities	<u>\$ 119,665</u>		<u>\$ 479,758</u>	

**CITY OF VISALIA**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	Health Benefits	Compensated Absences	Building Maintenance	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 16,508,622	\$ 5,215,792	\$ -	\$ 44,441,514
Cash Payments to Suppliers for Services	(14,867,948)	(2,970)	(371)	(30,374,642)
Cash Payments to Employees for Services	-	-	-	(4,155,632)
Net Cash Provided by (Used in) Operating Activities	<u>1,640,674</u>	<u>5,212,822</u>	<u>(371)</u>	<u>9,911,240</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers In	-	4,694,231	-	4,694,231
Transfers Out	-	(352,808)	-	(5,623,867)
Net Cash Provided by Noncapital Financing Activities	-	<u>4,341,423</u>	-	<u>(929,636)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	-	-	-	(4,679,332)
Grants and Contributions	-	-	-	1,869,750
Interest Expense	-	-	-	(40,039)
Net Cash (Used in) Capital and Related Financing Activities	-	-	-	<u>(2,849,621)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	<u>369,902</u>	<u>355,778</u>	<u>44,474</u>	<u>2,930,784</u>
Net Cash Provided by Investing Activities	<u>369,902</u>	<u>355,778</u>	<u>44,474</u>	<u>2,930,784</u>
Net Increase (Decrease) in Cash and Cash Investments	<u>2,010,576</u>	<u>9,910,023</u>	<u>44,103</u>	<u>9,062,767</u>
Cash and Cash Investments at Beginning of Year	<u>5,150,429</u>	<u>1,423,772</u>	<u>764,784</u>	<u>48,268,520</u>
Cash and Cash Investments at End of Year	<u>\$ 7,161,005</u>	<u>\$ 11,333,795</u>	<u>\$ 808,887</u>	<u>\$ 57,331,287</u>
Consisting of:				
Unrestricted	<u>\$ 7,100,305</u>	<u>\$ 11,333,795</u>	<u>\$ 808,887</u>	<u>\$ 56,814,536</u>
Restricted	<u>60,700</u>	-	-	<u>516,751</u>
Total Cash and Investments	<u>\$ 7,161,005</u>	<u>\$ 11,333,795</u>	<u>\$ 808,887</u>	<u>\$ 57,331,287</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	\$ 555,177	\$ (2,970)	\$ (371)	\$ (6,496,630)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Depreciation and amortization	-	-	-	2,829,447
Operating income and cash flow category classification differences	6,310	-	-	1,365,029
Net Change in Assets and Liabilities:				
Accounts and Interest Receivable	(46,543)	-	-	(50,220)
Supplies	-	-	-	326,237
Prepaid Expenses	1,072,769	-	-	1,072,769
Accounts Payable and Contract Payable	35,088	-	-	1,988,360
Deferred Outflows Pension	-	-	-	547,619
Deferred Inflow Pension	-	-	-	(119,707)
Accrued Personnel Costs	9,673	-	-	9,673
Compensated Absences	-	5,215,792	-	5,215,792
Other Liability	-	-	-	427,281
Pension Liability	-	-	-	(423,912)
Liability for Self-Insurance Claims	8,200	-	-	3,219,502
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,640,674</u>	<u>\$ 5,212,822</u>	<u>\$ (371)</u>	<u>\$ 9,911,240</u>
Noncash investing, capital and financing activities				
SBITA liability for the acquisition of right-to-use assets				\$ 599,423
Total noncash investing, capital and financing activities				<u>\$ 599,423</u>



## **CUSTODIAL FUNDS**



# Custodial Funds

City of Visalia –Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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, 2025**

	<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>ASSETS</b>							
Cash and Investments (Note 3)	\$ 546,497	\$ 3	\$ 80,964	\$ -	\$ -	\$ 85,622	\$ 713,086
Accounts Receivable	-	-	-	91,430	64,548	-	155,978
District Assessment Receivable	24,649	-	-	1,224	-	-	25,873
Total Assets	<u>571,146</u>	<u>3</u>	<u>80,964</u>	<u>92,654</u>	<u>64,548</u>	<u>85,622</u>	<u>894,937</u>
<b>LIABILITIES</b>							
Accounts, Interest, and Contracts Payable	-	-	-	-	-	81,630	81,630
Deposits	-	-	-	20,000	21,124	-	41,124
Due to City	-	-	-	67,543	38,280	-	105,823
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,543</u>	<u>59,404</u>	<u>81,630</u>	<u>228,577</u>
<b>NET POSITION (DEFICIT)</b>							
Restricted for:							
Individuals, Organizations, and Other Governments	<u>\$ 571,146</u>	<u>\$ 3</u>	<u>\$ 80,964</u>	<u>\$ 5,111</u>	<u>\$ 5,144</u>	<u>\$ 3,992</u>	<u>\$ 666,360</u>

**CITY OF VISALIA**  
**COMBINING STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION**  
**CUSTODIAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	PBID # 5	Village West	Orchard Walk	Atwood	Laura	VTMD	Total Custodial Funds
<b>Additions</b>							
Use of Money and Property	\$ 34,929	\$ 117	\$ 3,706	\$ -	\$ -	\$ -	\$ 38,752
Revenue from District Assessments	447,796	-	-	-	-	566,795	1,014,591
Miscellaneous Revenue	226,715	-	52,062	12,241	7,780	-	298,798
Total Additions	<u>709,440</u>	<u>117</u>	<u>55,768</u>	<u>12,241</u>	<u>7,780</u>	<u>566,795</u>	<u>1,352,141</u>
<b>Deductions</b>							
Obligation Requirements							
Interest on Bonds and Notes Payable	-	-	7,062	2,544	1,613	-	11,219
Total Obligation Requirements	<u>-</u>	<u>-</u>	<u>7,062</u>	<u>2,544</u>	<u>1,613</u>	<u>-</u>	<u>11,219</u>
Administrative Expenses	738	-	261	110	108	5,669	6,886
Total Administrative Expenses	<u>738</u>	<u>-</u>	<u>261</u>	<u>110</u>	<u>108</u>	<u>5,669</u>	<u>6,886</u>
Distribution of District Assessment	665,000	-	-	-	-	644,337	1,309,337
Principal on Bonds and Notes Payable	-	-	45,000	9,587	6,079	-	60,666
Total Distribution of District Assessment	<u>665,000</u>	<u>-</u>	<u>45,000</u>	<u>9,587</u>	<u>6,079</u>	<u>644,337</u>	<u>1,370,003</u>
Total Deductions	<u>665,738</u>	<u>-</u>	<u>52,323</u>	<u>12,241</u>	<u>7,800</u>	<u>650,006</u>	<u>1,388,108</u>
Change in Net Position	43,702	117	3,445	-	(20)	(83,211)	(35,967)
Net Position - Beginning 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>
Net Position (Deficit) - End of Year	<u>\$ 571,146</u>	<u>\$ 3</u>	<u>\$ 80,964</u>	<u>\$ 5,111</u>	<u>\$ 5,144</u>	<u>\$ 3,992</u>	<u>\$ 666,360</u>



# Statistical Section

(Unaudited)

Statistical Section



# Statistical Section

City of Visalia – Annual Comprehensive Financial Report For Year Ended June 30, 2025

## 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			
	2016	2017	2018	2019
<b>Governmental Activities:</b>				
Net Investment in Capital Assets	\$ 288,048	\$ 312,172	\$ 325,420	\$ 324,799
Restricted	56,417	56,984	69,608	79,763
Unrestricted	12,676	17,877	22,633	35,203
<b>Total Governmental Activities Net Position</b>	<b>\$ 357,141</b>	<b>\$ 387,033</b>	<b>\$ 417,661</b>	<b>\$ 439,765</b>
<b>Business-type Activities:</b>				
Net Investment in Capital Assets	\$ 242,950	\$ 266,867	\$ 271,696	\$ 269,444
Restricted	45,202	16,732	12,785	11,368
Unrestricted	24,631	63,975	89,290	93,039
<b>Total Business-type Activities Net Position</b>	<b>\$ 312,783</b>	<b>\$ 347,574</b>	<b>\$ 373,771</b>	<b>\$ 373,851</b>
<b>Primary Government:</b>				
Net Investment in Capital Assets	\$ 530,998	\$ 579,039	\$ 597,116	\$ 594,243
Restricted	101,619	73,716	82,393	91,131
Unrestricted (Deficit)	37,307	81,852	111,923	128,242
<b>Total Primary Government Net Position</b>	<b>\$ 669,924</b>	<b>\$ 734,607</b>	<b>\$ 791,432</b>	<b>\$ 813,616</b>

Fiscal Year									
2020		2021		2022		2023		2024	
\$ 335,920	\$ 341,796	\$ 344,300	\$ 367,404	\$ 391,773	\$ 422,591				
94,930	130,726	159,684	182,830	254,246	282,162				
38,351	45,014	81,583	97,330	69,653	93,671				
<u>\$ 469,201</u>	<u>\$ 517,536</u>	<u>\$ 585,567</u>	<u>\$ 647,564</u>	<u>\$ 715,672</u>	<u>\$ 798,424</u>				
\$ 270,985	\$ 277,874	\$ 276,505	\$ 272,712	\$ 275,042	\$ 279,488				
20,325	12,887	10,995	16,765	11,479	18,851				
104,952	126,266	141,742	152,362	171,661	175,622				
<u>\$ 396,262</u>	<u>\$ 417,027</u>	<u>\$ 429,242</u>	<u>\$ 441,839</u>	<u>\$ 458,182</u>	<u>\$ 473,961</u>				
\$ 606,905	\$ 619,670	\$ 620,805	\$ 640,116	\$ 666,815	\$ 702,079				
115,255	143,613	170,679	199,595	265,725	301,013				
143,303	171,280	223,325	249,692	241,314	269,293				
<u>\$ 865,463</u>	<u>\$ 934,563</u>	<u>\$ 1,014,809</u>	<u>\$ 1,089,403</u>	<u>\$ 1,173,854</u>	<u>\$ 1,272,385</u>				

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

	Fiscal Year			
	2016	2017	2018	2019
<b>Expenses:</b>				
<b>Governmental Activities:</b>				
General Government	\$ 4,262	\$ 3,653	\$ 5,778	\$ 4,951
Community Development	4,768	3,570	2,028	6,098
Housing & Community Grants	-	-	-	-
Public Safety				
Police	31,182	34,737	38,720	39,996
Fire	15,331	16,948	16,881	17,371
Public Works	24,526	19,270	19,579	15,155
Parks & Recreation	799	3,988	4,820	5,540
Community Services	-	-	-	-
Interest on Long-Term Debt	702	561	508	471
<b>Total Governmental Activities Expenses</b>	<b>81,570</b>	<b>82,727</b>	<b>88,314</b>	<b>89,582</b>
<b>Business-type Activities:</b>				
Convention Center	5,822	5,525	5,517	4,952
Airport	2,219	1,999	2,017	2,199
Valley Oaks Golf	2,502	2,426	1,571	-
Wastewater and Storm				
Sewer Maintenance	19,836	23,845	18,488	21,031
Solid Waste	16,309	17,422	18,847	24,168
Transit	14,772	14,726	18,360	20,408
Baseball	342	329	354	350
Animal Control	1,881	2,490	1,993	1,908
Building Safety	2,306	3,103	3,303	3,303
<b>Total Business-Type Activities Expenses</b>	<b>65,989</b>	<b>71,865</b>	<b>70,450</b>	<b>78,319</b>
<b>Total Primary Government Expenses</b>	<b>147,559</b>	<b>154,592</b>	<b>158,764</b>	<b>167,901</b>
<b>Program Revenues:</b>				
<b>Governmental Activities:</b>				
Charges for Services:				
General Government	653	717	794	1,247
Community Development	2,142	2,122	1,955	1,788
Housing & Community Grants	-	-	-	-
Public Safety				
Police	2,804	2,716	2,636	3,055
Fire	1,256	1,492	1,875	1,678
Public Works	10,011	10,736	11,344	12,286
Parks & Recreation	3,468	3,321	3,509	4,140
Community Services	-	-	-	-
Operating Grants and Contributions	3,660	3,118	2,619	2,648
Capital Grants and Contributions	9,625	14,635	9,206	12,022
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 33,619</b>	<b>\$ 38,857</b>	<b>\$ 33,938</b>	<b>\$ 38,864</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											
2020		2021		2022		2023		2024		2025	
\$ 7,404		\$ 6,883		\$ 2,237		\$ 7,009		\$ 6,393		\$ 7,331	
2,477		2,741		(3,942)		3,388		12,963		8,363	
1,667		2,751		2,182		2,936		13,395		11,882	
44,992		44,431		41,081		49,059		53,384		62,253	
19,000		19,745		20,380		22,699		24,442		26,079	
20,424		12,224		19,717		19,949		12,937		20,372	
-		-		-		-		14,813		18,002	
12,146		11,271		14,827		14,074		-		-	
450		401		362		370		362		324	
<u>108,560</u>		<u>100,447</u>		<u>96,844</u>		<u>119,484</u>		<u>138,689</u>		<u>154,606</u>	
4,300		2,360		1,180		4,675		4,108		4,612	
2,127		3,119		2,545		2,755		2,359		2,502	
-		-		-		-		-		-	
25,263		25,541		28,133		28,439		31,204		38,148	
18,963		19,212		21,658		20,938		22,946		26,353	
17,837		17,263		19,791		21,496		19,773		27,773	
221		243		-		-		-		-	
2,003		1,927		1,935		1,970		2,439		2,482	
3,490		3,411		3,099		3,742		3,751		3,407	
<u>74,204</u>		<u>73,076</u>		<u>78,341</u>		<u>84,015</u>		<u>86,580</u>		<u>105,277</u>	
<u>182,764</u>		<u>173,523</u>		<u>175,185</u>		<u>203,499</u>		<u>225,269</u>		<u>259,883</u>	
896		1,110		1,381		1,154		1,181		1,821	
1,283		871		1,206		782		1,837		3,820	
23		22		22		39		68		67	
3,126		2,953		2,818		2,983		4,335		4,756	
1,620		1,654		2,142		1,960		2,346		2,801	
10,459		11,303		15,791		12,357		9,220		15,776	
-		-		-		-		9,418		10,493	
7,778		7,957		10,395		9,815		-		-	
5,083		6,064		6,269		7,728		20,302		30,841	
11,765		12,148		10,618		14,873		14,271		22,448	
<u>\$ 42,033</u>		<u>\$ 44,082</u>		<u>\$ 50,642</u>		<u>\$ 51,691</u>		<u>\$ 62,978</u>		<u>\$ 92,823</u>	

(Continued)

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

	Fiscal Year			
	2016	2017	2018	2019
<b>Business-Type Activities:</b>				
Charges for Services:				
Convention Center	\$ 3,587	\$ 3,483	\$ 3,657	\$ 2,967
Airport	1,925	1,710	1,817	1,701
Valley Oaks Golf	2,405	2,372	1,337	-
Wastewater and Storm				
Sewer Maintenance	26,033	26,822	27,060	28,057
Solid Waste	18,852	19,831	20,216	19,225
Transit	6,004	4,969	5,055	5,000
Baseball	18	51	68	50
Animal Control	430	487	441	573
Building Safety	3,873	3,741	3,465	3,959
Operating Grants and Contributions	4,183	14,050	16,499	12,987
Capital Grants and Contributions	<u>17,291</u>	<u>21,188</u>	<u>12,160</u>	<u>5,093</u>
<b>Total Business-Type Activities</b>				
Program Revenues	<u>84,601</u>	<u>98,704</u>	<u>91,775</u>	<u>79,612</u>
<b>Total Primary Government</b>				
Program Revenues	<u>118,220</u>	<u>137,561</u>	<u>125,713</u>	<u>118,476</u>
<b>Net Revenues (Expenses):</b>				
Governmental Activities	(47,951)	(43,870)	(54,376)	(50,718)
Business-Type Activities	<u>18,612</u>	<u>26,839</u>	<u>21,325</u>	<u>1,293</u>
<b>Total Net Revenues (Expenses)</b>				
	<u>(29,339)</u>	<u>(17,031)</u>	<u>(33,051)</u>	<u>(49,425)</u>
<b>General Revenues and Other Changes in Net Position:</b>				
<b>Governmental Activities:</b>				
Taxes:				
Sales Taxes	36,145	44,574	54,104	58,561
Property Taxes	26,810	22,429	23,687	25,076
Transient Occupancy Taxes	-	-	-	-
Franchise Taxes	-	-	-	-
Business License Taxes	-	-	-	-
Other Taxes	7,638	7,800	8,341	8,663
Investment Earnings	725	1,074	1,409	4,064
Gain from Sale of Capital Assets	7	3	1	-
Miscellaneous	2,563	1,944	1,504	1,704
Transfers and Extraordinary Items	<u>(4,138)</u>	<u>(3,869)</u>	<u>(4,140)</u>	<u>(3,785)</u>
<b>Total Governmental Activities</b>				
	<u>69,750</u>	<u>73,955</u>	<u>84,906</u>	<u>94,283</u>
<b>Business-Type Activities:</b>				
Investment Earnings	576	690	872	4,024
Miscellaneous	3,439	3,478	3,431	2,344
Transfers	<u>4,138</u>	<u>3,869</u>	<u>4,140</u>	<u>3,785</u>
<b>Total Business-Type Activities</b>				
	<u>8,153</u>	<u>8,037</u>	<u>8,443</u>	<u>10,153</u>
<b>Total Primary Government</b>				
	<u>77,903</u>	<u>81,992</u>	<u>93,349</u>	<u>104,436</u>
<b>Changes in Net Position:</b>				
Governmental Activities	21,799	30,085	30,530	43,565
Business-Type Activities	<u>26,765</u>	<u>34,876</u>	<u>29,768</u>	<u>11,446</u>
<b>Total Primary Government</b>				
	<u>\$ 48,564</u>	<u>\$ 64,961</u>	<u>\$ 60,298</u>	<u>\$ 55,011</u>

Fiscal Year											
2020		2021		2022		2023		2024		2025	
\$ 1,882	1,616	\$ 505	1,775	\$ 1,547	2,313	\$ 1,770	2,282	\$ 2,079	2,400	\$ 2,274	2,371
-	-	-	-	-	-	-	-	-	-	-	-
27,479	27,744	30,975	30,013	32,164	33,890						
19,457	20,564	21,574	21,505	23,585	23,470						
5,081	3,623	5,161	5,838	5,434	6,297						
4	-	-	-	-	-						
580	646	636	564	632	927						
4,520	4,934	5,771	5,133	3,490	4,040						
15,949	15,455	14,030	16,395	9,364	16,840						
<u>7,650</u>	<u>12,093</u>	<u>7,045</u>	<u>2,965</u>	<u>5,354</u>	<u>10,668</u>						
<u>84,218</u>	<u>87,339</u>	<u>89,052</u>	<u>86,465</u>	<u>84,502</u>	<u>100,777</u>						
<u>126,251</u>	<u>131,421</u>	<u>139,694</u>	<u>138,156</u>	<u>147,480</u>	<u>193,600</u>						
<u>(66,527)</u>	<u>(56,365)</u>	<u>(46,202)</u>	<u>(67,793)</u>	<u>(75,711)</u>	<u>(61,783)</u>						
<u>10,014</u>	<u>14,263</u>	<u>10,711</u>	<u>2,450</u>	<u>(2,078)</u>	<u>(4,500)</u>						
<u>(56,513)</u>	<u>(42,102)</u>	<u>(35,491)</u>	<u>(65,343)</u>	<u>(77,789)</u>	<u>(66,283)</u>						
60,351	70,926	82,151	85,969	85,984	85,140						
26,297	27,875	29,810	31,727	34,476	37,244						
-	-	-	4,533	4,790	5,002						
-	-	-	3,707	4,017	3,233						
-	-	-	3,752	3,513	3,562						
7,987	9,275	10,714	-	-	-						
4,614	1,311	(5,351)	3,711	14,735	19,083						
-	-	-	-	-	-						
1,387	1,056	1,196	1,023	925	1,146						
<u>(4,489)</u>	<u>(4,018)</u>	<u>(3,836)</u>	<u>(4,894)</u>	<u>(4,621)</u>	<u>(5,182)</u>						
<u>96,147</u>	<u>106,425</u>	<u>114,684</u>	<u>129,528</u>	<u>143,819</u>	<u>149,228</u>						
4,345	674	(5,026)	2,185	10,114	13,061						
2,939	1,810	3,356	3,068	3,687	2,939						
<u>4,489</u>	<u>4,018</u>	<u>3,836</u>	<u>4,894</u>	<u>4,621</u>	<u>5,182</u>						
<u>11,773</u>	<u>6,502</u>	<u>2,166</u>	<u>10,147</u>	<u>18,422</u>	<u>21,182</u>						
<u>107,920</u>	<u>112,927</u>	<u>116,850</u>	<u>139,675</u>	<u>162,241</u>	<u>170,410</u>						
29,620	50,060	68,482	61,735	68,108	87,446						
<u>21,787</u>	<u>20,765</u>	<u>12,876</u>	<u>12,597</u>	<u>16,343</u>	<u>16,681</u>						
<u>\$ 51,407</u>	<u>\$ 70,825</u>	<u>\$ 81,358</u>	<u>\$ 74,332</u>	<u>\$ 84,451</u>	<u>\$ 104,127</u>						

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

	Fiscal Year			
	2016	2017	2018	2019
General Fund:				
Nonspendable	\$ 357	\$ 1,346	\$ 1,365	\$ 1,125
Restricted	-	1,193	-	-
Committed	28,018	19,805	21,921	15,344
Assigned	18,781	21,857	24,981	25,215
Unassigned	<u>4,787</u>	<u>9,612</u>	<u>10,214</u>	<u>9,753</u>
Total General Fund	<u>51,943</u>	<u>53,813</u>	<u>58,481</u>	<u>51,437</u>
All Other Governmental Funds:				
Nonspendable	-	47	815	-
Restricted	50,857	51,465	54,253	68,188
Committed	15,903	9,582	18,233	31,924
Assigned	1,243	1,243	1,632	1,632
Unassigned (Deficit)	<u>(11,627)</u>	<u>(5,393)</u>	<u>(6,005)</u>	<u>(3,925)</u>
Total All Other Governmental Funds	<u>56,376</u>	<u>56,944</u>	<u>68,928</u>	<u>97,819</u>
Total Governmental Fund Balance	<u><u>\$ 108,319</u></u>	<u><u>\$ 110,757</u></u>	<u><u>\$ 127,409</u></u>	<u><u>\$ 149,256</u></u>

Fiscal Year											
2020		2021		2022		2023		2024		2025	
\$	678	\$	3,480	\$	1,564	\$	3,498	\$	2,138	\$	1,974
-	-	-	-	-	-	-	-	-	-	-	18,334
16,239		16,609		17,559		20,805		23,610		25,403	
30,278		27,629		27,939		27,968		33,162		38,238	
5,497		5,428		6,731		3,142		186		2,655	
<u>52,692</u>		<u>53,146</u>		<u>53,793</u>		<u>55,413</u>		<u>59,096</u>		<u>86,604</u>	
-	-	-	-	-	-	-	-	-	-	-	-
91,088		144,003		210,248		189,403		215,861		240,679	
30,259		36,280		14,099		57,720		75,785		81,958	
1,168		848		301		1,654		1,687		1,795	
(4,475)		(31)		(989)		(737)		(384)		(85)	
<u>118,040</u>		<u>181,100</u>		<u>223,659</u>		<u>248,040</u>		<u>292,949</u>		<u>324,347</u>	
<u>\$ 170,732</u>	<u>\$ 234,246</u>	<u>\$ 277,452</u>	<u>\$ 303,453</u>	<u>\$ 352,045</u>	<u>\$ 410,951</u>						

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

	Fiscal Year			
	2016	2017	2018	2019
<b>Revenues:</b>				
Sales Tax	\$ 36,144	\$ 44,575	\$ 54,104	\$ 58,561
Property Tax	26,880	22,370	23,694	25,048
Other Taxes	7,608	7,681	8,272	8,619
Subventions and Grants	13,286	14,160	10,355	13,505
Licenses and Permits	87	81	88	95
Fees and Fines	10,520	10,552	10,991	12,267
Use of Money and Property	1,133	1,522	1,843	4,470
Charges for Current Services	7,014	7,859	8,367	8,692
Miscellaneous	2,477	2,578	2,260	2,999
<b>Total Revenues</b>	<b>105,149</b>	<b>111,378</b>	<b>119,974</b>	<b>134,256</b>
<b>Expenditures</b>				
<b>Current:</b>				
General Government	3,102	3,335	3,913	3,049
Community Development	5,119	5,245	5,272	6,052
Community Services	3,231	3,531	3,510	3,988
Housing & Community Grants	-	-	-	-
Public Safety:				
Police	31,728	33,378	35,382	38,446
Fire	15,070	15,855	16,160	17,115
Parks & Recreation	-	-	-	-
Public Works	8,958	8,874	9,053	8,966
Capital Outlay	32,435	34,136	24,248	27,031
Debt Service:				
Principal Retirement	1,178	1,321	1,364	1,136
Interest and Fiscal Charges	694	548	507	465
<b>Total Expenditures</b>	<b>101,515</b>	<b>106,223</b>	<b>99,409</b>	<b>106,248</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,634</b>	<b>5,155</b>	<b>20,565</b>	<b>28,008</b>
<b>Other Financing Sources (Uses):</b>				
Sales of Real Property	655	1,465	113	517
Proceeds from Sale of Capital	7	3	1	1
Subscription Assets Acquired	-	-	-	-
Issuance of Debt - Leases Acquired	-	-	-	-
Issuance of Debt	13,121	-	-	-
Bond Premium	785	-	-	-
Transfers In	2,070	8,373	3,272	9,509
Transfers Out	(6,304)	(12,365)	(7,398)	(13,125)
<b>Total Other Financing Sources (Uses)</b>	<b>10,334</b>	<b>(2,524)</b>	<b>(4,012)</b>	<b>(3,098)</b>
<b>Extraordinary Items</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 13,968</b>	<b>\$ 2,631</b>	<b>\$ 16,553</b>	<b>\$ 24,910</b>
<b>Debt Service as a Percentage of Noncapital Expenditures <sup>1</sup></b>	<b>2.4%</b>	<b>2.3%</b>	<b>2.3%</b>	<b>2.0%</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						
	2020	2021	2022	2023	2024	2025
\$	60,350	\$ 70,926	\$ 82,151	\$ 84,617	\$ 86,676	\$ 85,801
26,282	27,885	29,726	31,769	34,381	37,081	
8,020	9,290	10,868	11,771	12,368	11,676	
14,829	17,865	14,689	20,859	33,329	51,419	
84	73	57	97	60	58	
13,929	14,264	17,382	13,106	15,415	17,739	
4,841	1,479	(4,977)	4,056	15,152	19,775	
8,374	8,117	10,530	9,441	9,804	12,884	
2,208	1,754	2,780	2,151	1,742	2,335	
<b>138,917</b>	<b>151,653</b>	<b>163,206</b>	<b>177,867</b>	<b>208,927</b>	<b>238,768</b>	
3,944	4,610	3,600	4,546	4,022	4,240	
2,114	2,552	3,135	3,131	6,150	7,102	
10,501	9,736	11,825	12,645	-	-	
753	2,269	947	2,637	1,859	2,907	
41,638	42,420	44,792	47,580	48,603	56,237	
17,360	18,678	20,542	22,135	21,846	24,452	
-	-	-	-	12,673	14,496	
5,400	5,305	5,881	6,723	5,735	7,118	
29,900	19,298	21,389	39,293	53,280	57,223	
895	882	1,041	1,729	1,601	1,978	
437	397	362	346	328	284	
<b>112,942</b>	<b>106,147</b>	<b>113,514</b>	<b>140,765</b>	<b>156,097</b>	<b>176,037</b>	
<b>25,975</b>	<b>45,506</b>	<b>49,692</b>	<b>37,102</b>	<b>52,830</b>	<b>62,731</b>	
-	1,028	1,386	173	-	-	
16	3	47	1	-	18	
-	-	-	-	2,187	393	
-	-	-	73	17	16	
-	-	-	-	-	-	
8,482	13,700	15,959	11,748	20,107	33,043	
(12,813)	(17,697)	(24,795)	(23,097)	(26,549)	(37,295)	
<b>(4,315)</b>	<b>(2,966)</b>	<b>(7,403)</b>	<b>(11,102)</b>	<b>(4,238)</b>	<b>(3,825)</b>	
<b>\$ 21,660</b>	<b>\$ 42,540</b>	<b>\$ 42,289</b>	<b>\$ 26,000</b>	<b>\$ 48,592</b>	<b>\$ 58,906</b>	
1.5%	1.5%	1.4%	1.9%	1.6%	1.7%	

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

	Fiscal Year			
	2016	2017	2018	2019
<b>City Direct Rate:</b>				
City Basic Rate	\$ 0.1150	\$ 0.1150	\$ 0.1150	\$ 0.1150
Total City Direct Rate	0.1150	0.1150	0.1150	0.1150
<b>Overlapping Rates:</b>				
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	0.1834	0.1836	0.1825	0.1825
Tulare County Schools	0.0248	0.0248	0.0248	0.0248
Tulare County Flood Control District	0.0022	0.0022	0.0021	0.0021
Air Pollution Control District	0.0004	0.0004	0.0004	0.0004
Library Fund	0.0158	0.0158	0.0157	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	0.0141	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	0.2426	0.2438	0.2438
Visalia Unified School District Bonds	0.0226	0.0270	0.0183	0.0225
Kaweah Delta Hospital Bonds	0.0237	0.0206	0.0198	0.0181
Kaweah Delta Water Assessment	0.0004	0.0003	0.0004	0.0004
Total Direct Rate <sup>1</sup>	<u>\$ 1.0472</u>	<u>\$ 1.0482</u>	<u>\$ 1.0386</u>	<u>\$ 1.0411</u>

**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											
	2020		2021		2022		2023		2024		2025
\$	0.1150	\$	0.1150	\$	0.1150	\$	0.1540	\$	0.1535	\$	0.1535
	0.1150		0.1150		0.1150		0.1540		0.1535		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
	0.1818		0.1820		0.1820		0.3722		0.3722		0.3722
	0.0248		0.0248		0.0248		0.0248		0.0248		0.0248
	0.0021		0.0021		0.0021		0.0055		0.0055		0.0055
	0.0004		0.0004		0.0004		0.0004		0.0004		0.0004
	0.0156		0.0156		0.0156		0.0174		0.0174		0.0174
	0.0016		0.0016		0.0016		0.0020		0.0020		0.0020
	0.0011		0.0011		0.0011		0.0018		0.0018		0.0018
	0.0141		0.0141		0.0140		0.0237		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
	0.2447		0.2445		0.2447		-		-		-
	0.0225		0.0425		0.0350		0.0300		0.0400		0.0400
	0.0181		0.0169		0.0180		0.0160		0.0160		0.0147
	0.0003		0.0004		0.0004		-		-		-
\$	1.0411	\$	1.0600	\$	1.0537	\$	1.0468	\$	1.0563	\$	1.0550

**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			
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%	
2025	16,037,686	1,146,181	17,183,867	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	2025			2016		
	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.	\$ 212,906	1.24%	1	-	-	-
CRP LDF Central Point CA LLC	186,640	1.09%	2	-	-	-
Canam Visalia LLC	147,104	0.86%	3	-	-	-
Amazon.com Services LLC	137,155	0.80%	4	-	-	-
3315 Kelsey LLC	133,404	0.78%	5	-	-	-
Pac West Diversified LP	97,277	0.57%	6	-	-	-
J Beast LP	65,000	0.38%	7	-	-	-
United Parcel Service Inc	79,985	0.47%	8			
BT-OH LLC	63,269	0.37%	9	-	-	-
Visalia Mall LP	62,508	0.36%	10	-	-	-
California Dairies Inc.	-	-	-	\$ 184,312	2.02%	1
Imperial Bondware Corp.	-	-	-	61,893	0.68%	2
Target Corporation	-	-	-	50,446	0.55%	3
Perfection Pet Foods	-	-	-	45,515	0.50%	4
Visalia Mall LP	-	-	-	43,719	0.48%	5
VF Outdoor	-	-	-	37,559	0.41%	6
Bank of America	-	-	-	37,242	0.41%	7
VWR International LLC	-	-	-	36,947	0.41%	8
J Beast LP	-	-	-	36,067	0.40%	9
Cottonwood Fresno Holdings LLC	-	-	-	36,000	0.40%	10
Total Ten Largest Tax Payers	<u>\$ 1,185,248</u>	<u>6.90%</u>		<u>\$ 569,700</u>	<u>6.25%</u>	
All Other Tax Payers	<u>\$15,998,619</u>	<u>93.10%</u>		<u>\$8,540,934</u>	<u>93.75%</u>	
Total Assessed Valuation - All Tax Payers	<u>\$17,183,867</u>	<u>100.00%</u>		<u>\$9,110,634</u>	<u>100.00%</u>	

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

Source: Tulare County Auditor-Controller

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the	
		Amount	Percent of Levy
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%
2025	33,436	33,436	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						City Rate Measure N	Combined Rate
		State Jurisdiction	Local Transportation Fund	Local City Rate	(1) (1)	City Rate Measure T	County Rate Measure R		
08/01/1933	06/30/1935	(2) 2.50%							2.50%
07/01/1935	06/30/1943	3.00%							3.00%
07/01/1943	06/30/1949	2.50%							2.50%
07/01/1949	12/31/1961	3.00%			1.00%				4.00%
01/01/1962	07/31/1967	3.00%			1.00%				4.00%
08/01/1967	06/30/1972	4.00%		0.25%	1.00%				5.25%
07/01/1972	06/30/1973	3.75%		0.25%	1.00%				5.00%
07/01/1973	09/30/1973	4.75%		0.25%	1.00%				6.00%
10/01/1973	03/31/1974	3.75%		0.25%	1.00%				5.00%
04/01/1974	11/30/1989	4.75%		0.25%	1.00%				6.00%
12/01/1989	12/31/1990	5.00%		0.25%	1.00%				6.25%
01/01/1991	07/14/1991	4.75%		0.25%	1.00%				6.00%
07/15/1991	12/31/2000	6.00%		0.25%	1.00%				7.25%
01/01/2001	12/31/2001	5.75%		0.25%	1.00%				7.00%
01/01/2002	06/30/2004	6.00%		0.25%	1.00%				7.25%
07/01/2004	03/31/2007	6.25%		0.25%	0.75% (3)	0.25% (4)			7.50%
04/01/2007	03/31/2009	6.25%		0.25%	0.75%	0.25%	0.50% (5)		8.00%
04/01/2009	06/30/2011	7.25%		0.25%	0.75%	0.25%	0.50%		9.00%
07/01/2011	12/31/2012	6.25%		0.25%	0.75%	0.25%	0.50%		8.00%
01/01/2013	12/31/2016	6.50%		0.25%	0.75%	0.25%	0.50%		8.25%
01/01/2017	03/31/2017	6.00%		0.25%	1.00%	0.25%	0.50%		8.00%
04/01/2017	Current	6.00%		0.25%	1.00%	0.25%	0.50%	0.50% (6)	8.50%

NOTES:

- (1) The Bradley-Burns Uniform Local Sales and Use Tax Law was enacted in 1955. The law authorizes cities and counties to impose a sales and use tax. Effective January 1, 1962, all cities and counties have adopted ordinances for the State Board of Equalization to collect the local tax.
- (2) Sales Tax only. The use tax was enacted effective July 1, 1935.
- (3) In March 2004, a State ballot measure was passed issuing deficit reduction bonds for State purposes. Funding was provided effective July 1, 2004, by repealing 25% of the local 1% sales tax and then adopting a new 1/4 cent sales tax dedicated to the repayment of the deficit reduction bonds. Cities and counties would then be "made whole" by the State from increased property tax allocations via reduced contributions to ERAF. This "triple flip" is theoretically revenue-neutral, and as such, the effective rate for revenue purposes remains at 1%.
- (4) In March 2004, the voters of the City of Visalia passed a sales tax override (Measure T) to increase public safety in the community increasing the City rate by 1/4%, effective July 1, 2004. The measure requires the City Manager to annually recertify the Measure T plan to the City Council. Additionally, the plan must be reaffirmed every 8 years by a 4 out of 5 City Council approval.
- (5) In November 2006, voters in the County of Tulare approved a countywide sales tax measure (Measure R) giving the County a 1/2% rate increase which became effective April 1, 2007. The sales tax measure has a sunset period of 30 years. The revenue is earmarked for transportation projects with allocations as follows: 50% for regional projects, 35% goes to cities for their street programs, 14% for transportation enhancement programs, and 1% for administration.
- (6) In November 2016, voters of the City of Visalia passed a 1/2 (half-cent) sales tax override (Measure N), effective April 1, 2017. The proceeds of this tax will provide the City with a reliable, ongoing, local source of funding for public safety, repairs and maintenance for streets, and maintenance of parks and trails.

Source:

(1)(2)(3) State Board of Equalization, State of California  
(4)(5)(6) City of Visalia

**CITY OF VISALIA**  
**TAXABLE SALES TRANSACTIONS BY TYPE**  
**2015-2024 CALENDAR YEARS**  
**(Dollars in Thousands)**

	<b>2020<sup>(2)</sup></b>	<b>2021<sup>(2)</sup></b>	<b>2022<sup>(2)</sup></b>	<b>2023<sup>(2)</sup></b>	<b>2024<sup>(2)</sup></b>
Retail Stores					
Apparel Stores	\$ 107,987	\$ 185,096	\$ 166,673	\$ 181,202	\$ 205,352
General Merchandise Stores	387,705	471,973	504,821	501,146	487,703
Food Stores	138,239	131,034	149,412	138,113	144,061
Eating and Drinking Places	249,567	348,749	381,344	403,787	422,182
Home Furnishings and Appliances	91,551	119,453	106,914	93,362	86,956
Bldg. Material and Farm Implements	286,433	309,307	335,070	329,892	311,749
Auto Dealers and Auto Supplies	370,099	479,184	452,229	432,378	415,763
Service Stations	132,712	186,585	225,791	204,930	191,093
Other Retail Stores	218,646	346,084	516,480	628,872	614,357
Retail Stores Totals	1,982,939	2,577,465	2,838,734	2,913,682	2,879,216
All Other Outlets	<u>1,081,731</u>	<u>1,251,414</u>	<u>1,363,230</u>	<u>1,226,427</u>	<u>1,199,684</u>
Totals All Outlets	<u><u>\$ 3,064,670</u></u>	<u><u>\$ 3,828,879</u></u>	<u><u>\$ 4,201,964</u></u>	<u><u>\$ 4,140,109</u></u>	<u><u>\$ 4,078,900</u></u>

	<b>2015<sup>(2)</sup></b>	<b>2016<sup>(2)</sup></b>	<b>2017<sup>(2)</sup></b>	<b>2018<sup>(2)</sup></b>	<b>2019<sup>(2)</sup></b>
Retail Stores					
Apparel Stores	\$ 128,885	\$ 138,129	\$ 138,637	\$ 144,806	\$ 145,638
General Merchandise Stores	392,404	398,900	400,820	406,490	405,765
Food Stores	108,996	123,005	120,900	124,058	124,210
Eating and Drinking Places	247,406	263,310	277,409	288,003	296,010
Home Furnishings and Appliances	83,136	91,778	86,839	91,966	92,407
Bldg. Material and Farm Implements	203,921	213,421	222,315	312,640	242,041
Auto Dealers and Auto Supplies	370,884	411,684	401,536	377,145	375,482
Service Stations	155,270	141,307	163,999	155,709	171,821
Other Retail Stores	208,015	212,872	203,637	215,347	214,145
Retail Stores Totals	1,898,917	1,994,406	2,016,092	2,116,164	2,067,519
All Other Outlets	<u>742,120</u>	<u>775,194</u>	<u>794,330</u>	<u>854,888</u>	<u>1,029,450</u>
Totals All Outlets	<u><u>\$ 2,641,037</u></u>	<u><u>\$ 2,769,600</u></u>	<u><u>\$ 2,810,422</u></u>	<u><u>\$ 2,971,052</u></u>	<u><u>\$ 3,096,969</u></u>

Source:

- (1) California Department of Finance
- (2) Avenue Insights & Analytics (MuniServices)

Note: 2024 is the latest available year.

**CITY OF VISALIA**  
**TOP 25 SALES TAX CONTRIBUTORS**  
**2024 CALENDAR YEAR and NINE YEARS AGO**  
**(in alphabetical order)**

**2024 CALENDAR YEAR**

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

**2015 CALENDAR YEAR**

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	Visalia Ford
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: 2024 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		
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	
2025	5,454	-	608	1,916	7,978	

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	Lease Liabilities			SBITA Liabilities		Total Business-type Activities	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Debt Per Capita
		\$ 10,517	\$ 84,995	\$ 5,536	\$ -	\$ 101,048				
9,677	92,703	5,157		-		107,537	121,309	0.66%	911	
8,838	96,516	4,764		-		110,118	122,484	0.66%	899	
8,003	94,133	4,357		-		106,493	117,702	0.59%	852	
7,166	91,705	3,937		-		102,808	113,118	0.52%	816	
6,308	89,266	3,502		-		99,076	108,504	0.47%	768	
5,425	86,775	3,051		-		95,251	104,475	0.46%	735	
4,513	84,232	2,585		65		91,395	100,339	N/A	702	
3,572	81,636	2,103		43		87,354	96,901	N/A	670	
2,596	78,985	1,604		2,049		85,234	93,212	N/A	634	

**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				Percent of Assessed Value <sup>1</sup>	Debt Per Capita
	Certificates of Participation	Lease Liabilities	SBITA Liabilities	Total		
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
2025	5,436	608	1,916	\$ 7,960	0.05%	54

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, 2025**  
**(In Thousands)**

2024-25 City Assessed Valuation		\$ 17,183,867	
Successor Agency Incremental Valuation		<u>(2,448,398)</u>	
 Total Assessed Valuation		<u>\$ 14,735,469</u>	 Estimated Share of Overlapping Debt
	Percentage Applicable <sup>1</sup>	Outstanding Debt 6/30/25	
Overlapping Tax and Assessment Debt:			
College of the Sequoias Tulare School Facilities Improvement District	0.588%	\$ 53,111	\$ 312
College of the Sequoias Visalia School Facilities Improvement District	69.240%	118,724	82,204
Visalia Unified School District	86.748%	149,370	129,575
Tulare Joint Union High School District	0.775%	9,380	73
Liberty School District	15.717%	172	27
Kaweah Delta Hospital District	85.625%	33,330	28,539
City of Visalia 1915 Act Bonds	100.000%	133	133
 Total Overlapping Tax and Assessment Debt		<u>364,220</u>	<u>240,864</u>
Direct and Overlapping General Fund Debt:			
Tulare County Certificates of Participation	34.347%	33,561	11,527
Tulare County Pension Obligation Bonds	34.347%	177,745	61,050
Tulare County Board of Education Certificates of Participation	34.347%	31,770	10,912
Visalia Unified School District Certificates of Participation	86.748%	25,930	22,494
Tulare Joint Union High School District General Fund Obligations	0.775%	115	1
Liberty School District Certificates of Participation	15.717%	1,880	295
<b>City of Visalia General Fund Obligations</b>	<b>100.000%</b>	<b>7,978</b>	<b>7,978</b>
 Total Direct and Overlapping General Fund Debt		<u>278,979</u>	<u>114,257</u>
Overlapping Tax Increment Debt (Successor Agency)	100.000%	460	460
 <b>Total Direct Debt</b>		<b>7,978</b>	<b>7,978</b>
 Total Overlapping Debt		<u>635,681</u>	<u>347,603</u>
Combined Total Debt		<u>\$ 643,659</u>	<u>\$ 355,581</u>

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			
	2016	2017	2018	2019
Assessed valuation	\$ 9,110,634	\$ 9,580,740	\$ 10,001,046	\$ 10,601,276
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	2,277,659	2,395,185	2,500,262	2,650,319
Debt limit percentage	15%	15%	15%	15%
Debt limit	341,649	359,278	375,039	397,548
Total net debt applicable to limit: General obligation bonds	-	-	-	-
Legal debt margin	<u>\$ 341,649</u>	<u>\$ 359,278</u>	<u>\$ 375,039</u>	<u>\$ 397,548</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					
2020	2021	2022	2023	2024	2025
\$ 11,145,062	\$ 11,789,750	\$ 12,516,423	\$ 14,684,266	\$ 15,784,770	\$ 17,183,867
25%	25%	25%	25%	25%	25%
2,786,266	2,947,438	3,129,106	3,671,067	3,946,193	4,295,967
15%	15%	15%	15%	15%	15%
417,940	442,116	469,366	550,660	591,929	644,395
-	-	-	-	-	-
\$ 417,940	\$ 442,116	\$ 469,366	\$ 550,660	\$ 591,929	\$ 644,395
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

**Wastewater & Storm Sewer Maintenance Fund**  
**Cleanwater State Revolving Fund Loan**

Fiscal Year Ended June 30	Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Debt Service Coverage
				Principal	Interest	
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
2025	33,928	24,607	9,321	2,651	1,714	2.14

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)
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	23,135,829	48,253	10.1%
2024	144,532	17,183,867	118,893	NA	NA	10.0%
2025	146,978	17,183,867	116,915	NA	NA	10.8%

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 2023.

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

Employer	2025			2016		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Kaweah Delta Healthcare	5,390	1	2.66%	2,132	3	1.15%
County of Tulare	3,437	2	1.69%	4,892	1	2.64%
Visalia Unified School District	3,339	3	1.65%	2,527	2	1.36%
Amazon Fulfillment Center (FAT2 & HLA6)	2,008	4	0.99%	NA	NA	NA
City of Visalia	910	5	0.45%	591	6	0.32%
Walmart Supercenters & Neighborhood Market*	836	6	0.41%	400	8	0.22%
College of the Sequoias - Visalia Campus	714	7	0.35%	1,160	4	0.63%
VF Outdoor Distribution	609	8	0.30%	450	7	0.24%
California Dairies Inc	490	9	0.24%	NA	NA	NA
Graphic Packaging (formerly International Paper)*	435	10	0.21%	350	9	0.19%
CIGNA Health Care	NA		NA	700	5	0.38%
Jostens	NA		NA	320	10	0.17%
Number of Employed (1)	72,800			NA		
Number of Employed (2)	202,900			185,600		

Source: 2025: MuniServices, LLC / Neumo

2016: FY 2016, City of Visalia Comprehensive Annual Financial Report For the Year Ended June 30, 2016

(1) State of California Employment Development Department - City of Visalia

(2) State of California Employment Development Department - Visalia Metropolitan Statistical Area

Notes: 2025 results based on direct correspondence with the city's local businesses.

\* Includes FTE & PTE.

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

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Administration	46	47	64	64	64	18	18	43	30	30
Administrative Services	NA	NA	NA	NA	NA	NA	NA	26	14	14
Community Development	65	65	79	79	77	35	35	39	NA	NA
Engineering Services	NA	NA	NA	NA	NA	NA	NA	NA	48	50
Finance & Technology Services	20	20	27	27	27	52	52	55	55	56
Fire	82	81	81	85	85	86	86	89	89	89
General Services	NA	NA	NA	NA	NA	46	46	NA	NA	NA
Housing & Community Grants	NA	NA	NA	NA	2	NA	NA	NA	NA	NA
Community Services	12	12	13	13	13	39	39	50	NA	NA
Parks & Recreation	NA	NA	NA	NA	NA	NA	NA	NA	54	58
Planning & Community Preservation	NA	NA	NA	NA	NA	NA	NA	NA	22	22
Police	208	208	223	230	234	237	239	247	248	251
Public Works	139	141	143	144	144	144	144	127	132	135
Transportation & General Services	27	29	NA							
<b>Total</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>	<b>705</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			
	2016	2017	2018	2019
<b>Police:</b>				
Calls for service - Calendar Year*	144,856	144,489	153,701	158,783
<b>Fire:</b>				
Calls for service - Calendar Year*	14,065	14,283	15,301	15,229
<b>Refuse/Sewer**:</b>				
Number of Residential Accounts	37,884	38,014	38,579	41,638
Number of Commercial Accounts	3,758	4,043	3,993	3,654
Total Refuse/Sewer Accounts	<u>41,642</u>	<u>42,057</u>	<u>42,572</u>	<u>45,292</u>
<b>Business Licenses:</b>				
New licenses issued during the year	1,201	1,375	1,955	1,586
Total business licenses	<u>12,145</u>	<u>12,098</u>	<u>12,268</u>	<u>12,241</u>
<b>Building Permits:</b>				
Residential	3,152	2,793	2,865	3,049
Commercial	349	355	381	319
Miscellaneous	1,648	1,745	1,497	1,970
Total Building Permits	<u>5,149</u>	<u>4,893</u>	<u>4,743</u>	<u>5,338</u>

Source: City of Visalia

Note:

\* 2024 calendar year information available.

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

Fiscal Year					
2020	2021	2022	2023	2024	2025
<u>160,465</u>	<u>158,189</u>	<u>158,836</u>	<u>159,159</u>	<u>138,548</u>	<u>129,325</u>
<u>16,180</u>	<u>15,885</u>	<u>16,630</u>	<u>17,135</u>	<u>17,536</u>	<u>18,093</u>
39,494	39,076	40,397	42,870	41,586	42,140
3,254	3,360	3,441	3,598	3,352	3,456
<u>42,748</u>	<u>42,436</u>	<u>43,838</u>	<u>46,468</u>	<u>44,938</u>	<u>45,596</u>
1,409	1,236	1,525	1,663	1,724	2,059
<u>12,315</u>	<u>12,505</u>	<u>12,953</u>	<u>13,126</u>	<u>13,473</u>	<u>13,990</u>
2,753	3,367	4,068	4,273	2,262	2,038
319	270	343	345	345	345
1,962	2,025	2,223	1,983	2,530	3,031
<u>5,034</u>	<u>5,662</u>	<u>6,634</u>	<u>6,601</u>	<u>5,137</u>	<u>5,414</u>

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

	Fiscal Year			
	2016	2017	2018	2019
<b>Police:</b>				
Stations	3	3	3	3
<b>Fire:</b>				
Fire stations	6	6	6	6
<b>Public Works:</b>				
City Area in Square Miles	37	38	38	38
Streets (miles)	512	516	516	525
Traffic Signalized Intersections	120	123	123	126
<b>Community Services:</b>				
Developed City Park Acreage	281	269	269	269
City Owned Open Space Acreage	282	289	289	289
Public Libraries	1	1	1	1
Recreation Centers	5	5	5	5
Swimming Pools	0	0	0	0
Parks	52	54	54	54
Acres of Parks	290	286	286	286
<b>Wastewater:</b>				
Sanitary sewers (miles)	468	507	508	508
Storm sewers (miles)	240	276	277	277
<b>Golf Course:</b>				
Municipal golf courses	1	1	1	1

Source: Various City Departments

Fiscal Year					
2020	2021	2022	2023	2024	2025
3	3	3	3	3	3
6	6	6	6	6	6
38	38	38	38	40	40
528	519	519	519	525	534
127	131	131	132	132	132
269	293	293	293	293	293
289	266	266	266	266	266
1	1	1	1	1	1
5	5	5	5	5	5
0	0	0	0	0	0
54	58	58	58	58	58
286	314	314	314	314	314
508	508	508	508	510	510
277	277	277	279	280	280
1	1	1	1	1	1

**CITY OF VISALIA  
INSURANCE IN FORCE  
FISCAL YEAR ENDED JUNE 30, 2025**

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		07/01/24 to 06/30/25
	Commercial Property Policy	Allianz	Business Real Property, Business Personal Property limit \$347 mil; Business Income/Extra Exp \$10m	\$50,000 bldg; \$5k contents;	USC007189200	07/01/24 to 06/30/25
Primary	Pollution Liability (Underground Storage Tank)	Great American Insurance Group	\$1 mil liability; \$1 mil aggregate	\$5k deductible	STPE95970200	10/31/24 - 10/31/25
Primary	Excess Workers Compensation	Safety National	XS work comp, loss control fees; admin fees; broker fees. \$25 million limits	\$1 mil SIR	SP4067096	07/01/24 to 06/30/25
Primary	Excess Health & Medical Coverage	PRISM Risk	Healthcare Pooling Program	None		1/1/25 to 12/31/25
Ancillary	Aviation Liability	ACE Property Casualty	25 mil each occurrence/offense in respect of Bodily Injury, 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	11/4/24 - 11/4/25
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	07/01/24 to 06/30/25
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	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	1/1/25 to 12/31/25
	Life Insurance	Sun Life	City Manager 2X Annual Salary; Department Head Group \$75,000; All Other Employees \$30,000		234707	1/1/25 to 12/31/25
	Dental	Preferred Benefits/Delta Dental	\$1,000 maximum annual benefit paid per insured (retirees and their dependents are not eligible for dental)		8244	1/1/25 to 12/31/25
	Vision	Vision Service Plan	Annual benefits with VSP provider		ID #00849301	1/1/25 to 12/31/25

# 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 2024-25 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
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
2025	299,633,502	37,306,562	651,803	337,591,867	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**

<b>Fiscal Year</b>	<b>Total Receipts of</b>			<b>Percentage of</b>
	<b>Levy</b>	<b>Tax Increment</b>	<b>Revenue</b>	
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 2024-25 ASSESSED VALUATION**

<b>Property Owner</b>	<b>Fiscal Year 2024-25</b>		<b>Percentage of</b> <b>Total <sup>(1)</sup></b>
	<b>Total Assessed Value</b>		
1 Hotel Circle GL Holding LLC	\$ 17,056,464		5.05%
2 Donald John & Shelly Kaye Groppetti	15,850,137		4.70%
3 Willow Street Development Co LLC	10,560,044		3.13%
4 Kenneth J. Curti (TR)	9,095,671		2.69%
5 Visalia Land & Investment Co LLC	9,079,020		2.69%
6 United Rentals North America Inc.	8,916,850		2.64%
7 CRG Development LP	6,815,936		2.02%
8 Z5 LLC	3,433,885		1.02%
9 Larry J. Ritchie	3,216,603		0.95%
10 Cary S. Winslow	2,735,594		0.81%
		\$ 86,760,204	

<sup>(1)</sup> Fiscal Year 2024-25 assessed valuation: \$337,591,867

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, 2025 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, 2025 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.

