
CITY OF
TULARE
CALIFORNIA

Annual Comprehensive



Financial Report

For the Fiscal Year Ended
JUNE 30, 2022

CITY OF
TULARE
CALIFORNIA

Annual Comprehensive



Financial Report

For the Fiscal Year Ended June 30, 2022

Prepared by the Finance Department Staff

J. DIEGO IBANEZ

Finance Director/Treasurer

**CITY OF TULARE,
CALIFORNIA
JUNE 30, 2022**

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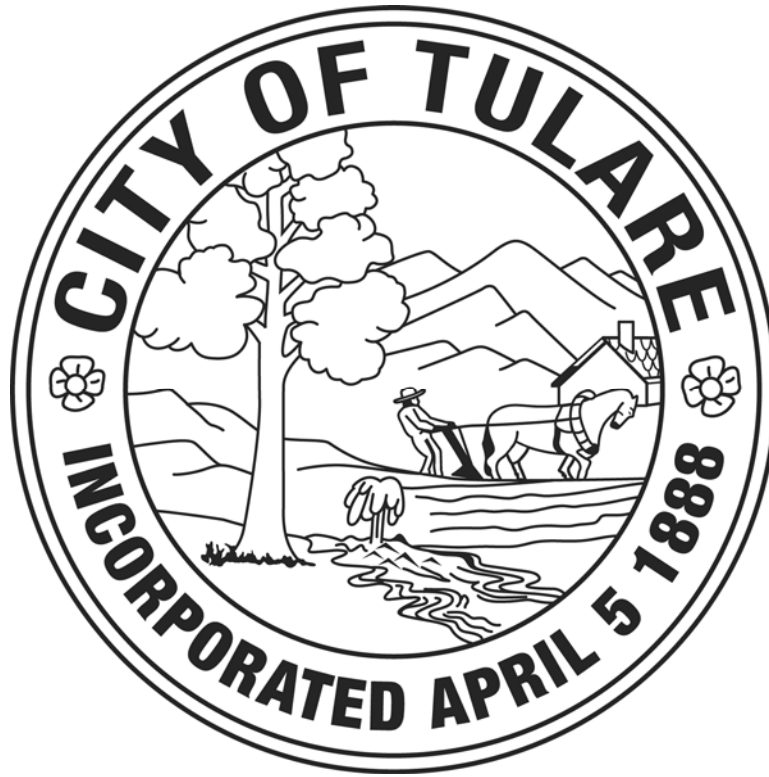
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INTRODUCTORY SECTION



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May 17, 2023

Honorable Mayor and Members of the City Council
City of Tulare, California

State law requires local governments prepare a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2022. This report was prepared by the City of Tulare's (the City) Finance Department, which assumes responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

The accompanying financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors, which begins at page 1 of the financial section.

Government Profile - The City was incorporated on April 5, 1888, as a general law city. On May 1, 1923, the City was granted a Freeholders Charter by the State of California and operates under the Council-Administrator form of government. The City Council is comprised of five members who are elected by districts to alternating four-year terms staggered every two years. The City Council selects one of its members to serve as Mayor for a two-year term. The 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 and overseeing operations. All other department heads are appointed by the City Manager.

The City is located in California's central valley, the San Joaquin Valley, approximately midway between the cities of Fresno and Bakersfield and approximately sixty-five miles south of the center of state. An agricultural community anchored by the dairy industry (Tulare County is number one in dairy production and number one in overall agricultural nationwide), the City has developed a balanced economic base by expanding its light industrial opportunities, food production capabilities, retail sales outlets, and residential housing markets. The City currently has a land area of approximately 21 square miles with a population of 69,462 as of January 2022.

The City provides a full range of municipal services including those required by statute or charter. These services include police and fire; parks and community services (including a cross-town trail, a senior center, a teen center, and a cycle park); engineering; water, solid waste, sewer, and wastewater treatment and collection (public utilities); street maintenance, sweeping, and construction; planning, zoning, and building inspection; a public transit system; a municipal airport; a library; economic development; housing and community development; finance, treasury, and accounting; and human resources, risk management, and general administration. The public utilities are governed by the Board of Public Utilities Commissioners, which consists of five commissioners appointed by the City Council.

Budget – The City Charter requires the City Manager to submit an estimated revenue and proposed expenditure budget for the ensuing year to the City Council on or before the second regular meeting in May of each year. This budget serves as a foundation for the City’s fiscal planning and financial control. The budget is prepared by fund (e.g., Public Utilities), division (e.g., Solid Waste), and by department (e.g., Residential). The budget is legally adopted annually by the City Council by resolution no later than the close of the prior fiscal year. Each department head is responsible for monitoring departmental expenditures incurred compared to appropriations established by the City Council or Board of Public Utilities Commissioners, as applicable. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments or changes in appropriations that affect the fund balance require the approval of the City Council. Oversight functions are provided by the City Manager and the Chief Financial Officer through administrative policies and periodic review.

The City Council adopted a balanced budget for fiscal year 2022-23 with revenues in excess of expenditures by \$26,590. The budget is a plan for the use of City resources consistent with specific objectives developed and approved by the City Council. The budget is adopted by resolution of the City Council and may be modified from time to time as the City Council sees fit, or administratively by the City Manager in accordance with the City Council’s approved Fiscal Policies. Budgetary control is maintained at the department level, meaning line-item variances within any given department are allowed so long as the total departmental expenditures do not exceed total budgeted appropriations

	<u>2020-2021</u>	<u>2021-2022</u>	<u>Increase/(Decrease) Over Prior Year</u>	<u>% of Increase/(Decrease)</u>
Sales Tax	\$24,252,291	\$28,854,256	\$4,601,965	18.98
Property Tax	6,664,504	6,914,707	250,203	3.75
Utility Users Tax	6,272,932	6,597,024	324,092	5.17
Motel/Hotel and Franchise Tax	<u>2,708,877</u>	<u>3,178,939</u>	<u>470,062</u>	6.48
Total	<u>\$39,898,604</u>	<u>\$45,544,926</u>	<u>\$5,646,322</u>	

Retirement costs continue to escalate for all employee groups and over the next several years are expected to increase by 78% by fiscal year 2024-25. This dramatic rise is a result of California Public Employees’ Retirement System’s (CalPERS) changes to its actuarial methodology and its lower than projected earnings in previous years. CalPERS approved a multi-year smoothing method to spread the rate increase associated with moving from a rolling 30-year amortization period to a fixed 30-year amortization period. In December 2016, CalPERS changed the rate of return used to project earnings on its portfolio of investments to 7.00% per year, which is a 0.50% decrease. The combination of methodology changes and resulting rate increase will have a significant impact on retirement costs for the City. Actual CalPERS earnings over the past three years were 6.17%, 4.7%, and 21.3%, respectively. While the recent improvement in return on investments is a positive sign, the effects of annual investment increases are smoothed over a 30-year period and are not expected in the near-term. CalPERS estimates the impact of the rate changes and investment returns will increase our annual retirement benefits cost by approximately \$1.0 million to \$5.0 million per year for the next seven years.

The City is part of the Visalia/Porterville Metropolitan Area. This includes the City of Tulare, City of Visalia, City of Porterville, and developed areas of the County of Tulare in and around the various smaller cities in the county. The population of the area is approximately 477,544. The anticipated growth in population of the Metropolitan Area is approximately 2%. The City’s population for 2022 was 69,462. There are approximately 174,700 jobs in Tulare County. The countywide unemployment rate is about 6.50%, not seasonally adjusted; whereas the City has an unemployment rate of about 3.40% during the fiscal year.

Long-Term Financial Planning – An integral part of the City’s budget process is to look into the future of the infrastructure needs of the City. This year, the City will develop a strategic plan to develop growth strategies for year 2023-24 year and look forward to the next five years. Some of the concepts involved in the strategic plan focus on economic development and the potential for a regional sportsplex, trail system expansion, neighborhood expansion and redevelopment, importance of activity centers, potential annexation and potential business park, as well as a potential in-land port project.

To anticipate future needs, various reserve accounts have been created to ensure the City will continue to provide service to its residents to its fullest. A fleet and equipment replacement reserve is in place to ensure the City has the funds to replace mission-critical equipment. An information technology fund has also been created so employees have the proper computer and software to perform their jobs.

Accounting System and Internal Controls - The City accounting system is organized and operated on a fund basis. Each fund is a distinct self-balancing accounting entity. Various funds utilized by the City are fully described in Note 1 of Notes to Basic Financial Statements. The City's account records for general governmental operations are maintained on a modified accrual basis of accounting, whereby revenues are recognized when measurable and available and expenditures are recognized when materials and services are received. Accounting records for the enterprise and internal service funds are recorded on an accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. However, the City recognizes that even sound internal controls have their inherent limitations. Internal controls are reviewed to ensure that the City's operating policies and procedures are being adhered to and that the controls are adequate to ensure accurate and reliable financial reporting to safeguard the City's assets. The 2021-22 City appropriation limit established as required by State statute was \$66,692,758.

Cash Management - The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and investments.

The City Council has adopted an investment policy in accordance with California Government Code Sections 53607 and 53646 with a goal to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City is also governed by State statutes authorizing the City to invest in bonds or other evidences of indebtedness of the U.S. Government or any of its agencies and instrumentalities, repurchase agreements, and bankers' acceptances.

Budgetary Controls - The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year-end. However, encumbrances and certain capital projects are re-appropriated as part of the following year's budget.

Independent Audit - The City Charter requires an annual audit by independent certified public accountants. The accounting firm of Brown Armstrong Accountancy Corporation was selected by the City Council to perform the annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984, the Comptroller General of the United States, and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The auditor's report covers the basic financial statements, including the notes to the financial statements.

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the 24th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. The Annual Comprehensive Financial Report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period on one year only. We believe our current Annual Comprehensive Financial Report continues to meet these requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Bond Rating - The City's current lease revenue bond credit rating is AA (insured) from Standard and Poor's. The rating continues to reflect the sound financial management and prudent budgetary practice.

Acknowledgements - The preparation of this document could not have been accomplished without the dedicated services of the entire staff of the Finance Department. I would also like to thank the Mayor, City Council, City Manager, and Department Directors for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. Recognition is also extended to our auditors, Brown Armstrong Accountancy Corporation, for their significant and competent assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'J. Diego Ibanez', with a stylized flourish at the end.

J. Diego Ibanez
Chief Financial Officer

**CITY OF TULARE
PRINCIPAL CITY OFFICIALS
JUNE 30, 2022**

City Council

Terry Sayre	Mayor, District 2
Patrick Isherwood	Vice Mayor, District 5
Jose Sigala	Council Member, District 1
Stephen Harrell	Council Member, District 3
Dennis A. Mederos	Council Member, District 4

Board of Public Utilities Commissioners

Howard Stroman	President
Ray Fonseca	Vice President
Thomas Griesbach	Commissioner
Rene Soto	Commissioner
Tony Sozinho	Commissioner

Administrative Officials and Department Heads

Marc Mondell	City Manager
Janice Avila	Human Resources Director
Jason Glick	Community Services Director
Fred Ynclan	Chief of Police
Joshua McDonnell	Deputy City Manager
Michael Miller	City Engineer
Traci Myers	Community & Economic Development Director
Michael Ott	Fire Chief
Diego Ibanez	Finance Director/Treasurer
Trisha Whitfield	Public Works Director
Jason Bowling	Information Technology Director

Citizens of Tulare

CITY COUNCIL

Administration
Mario Zamora, City Attorney

Office of the City Clerk
Melissa Hermann, Chief
Deputy
City Clerk
City Council and Board of
Public Utilities Agendas and
Minutes
Public Records Requests
Legislative Reporting

Administration
Marc Mondell, City Manager
Economic Development Secondary
Legislative Coordination

**Economic Development and
Redevelopment**
Traci Myers, Executive Director

**Office of Safety, Compliance
and Facilities**
Manny Correa, Officer
Safety
Code Enforcement
Emergency Coordination
Facilities
Property Management

Administration
Josh McDonnell, Deputy City Manager
Public Information Officer
Economic Development Secondary

Public Works
Trisha Whitfield, Director
Solid Waste
Recycling
Water
Sewer
Surface Water
Streets
Wastewater
Fleet
Transit

Human Resources
Janice Avila, Director
Employee Benefits
Contract Management
Personnel Rules
Risk Management
Purchasing
Payroll

Community Services
Jason Glick, Director
Parks and Recreation
Library
Senior Services
Concert Series
Homeless Shelter

Information Technology
Jason Bowling, Chief
Technology Officer
Software and Systems
Management
Technical Support
Geographic Information
Systems
Grants Coordination

Community Development
Mario Anaya, Interim
Director
Planning
Building
Permit Center
Housing
Environmental

**Engineering and
Project Management**
Michael Miller, Director
Capital Improvements
Traffic
Site Permitting and
Inspections
City Development
Standards
Project Management
Surveying
ARPA Coordination

Police
Fred Ynclan, Chief
Administration
Patrol
Investigations
Animal Services
Community Outreach
Emergency Operations

Fire
Michael Ott, Chief
Administration
Suppression
Prevention
Training
Weed Abatement
Community Outreach
Emergency Operations

Finance
Diego Ibanez, Director
Budget
CAFER
Utility Billing
Successor Agency
Treasury
Business Licenses
Payroll

Note: Effective as of 08 -01-22 subject to change



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tulare
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

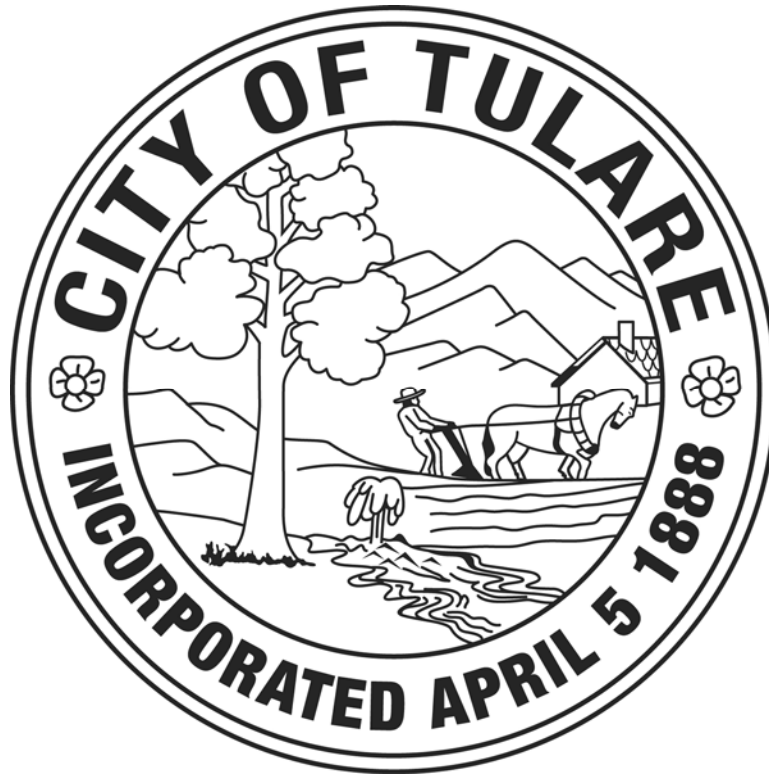
June 30, 2021

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

The Honorable City Council of
the City of Tulare, 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 Tulare, California (the City), as of and for the year ended June 30, 2022, 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the Required Supplementary Information (RSI), as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and the RSI 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 combining and individual nonmajor fund financial statements and schedules and other supplementary information 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 and schedules and the other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

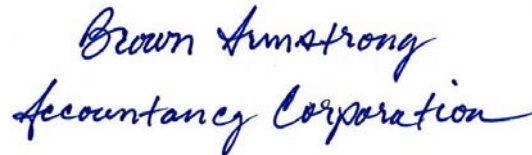
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover 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 May 17, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the firm.

Bakersfield, California
May 17, 2023

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Management's Discussion and Analysis

This discussion and analysis of the City of Tulare's (the City) financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. The Government-Wide statements present a combined picture of 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.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$340.31 million (net position). Of this amount, \$127.33 million (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors. The City has \$211.79 million in net investment in capital assets. The total net position includes all major infrastructure networks.
- The City's total net position increased by \$26.53 million over the prior fiscal year. The majority of this increase is attributable to the increase in capital assets of \$6.27 million.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$54.91 million, an increase of \$1.61 million in comparison with the prior year. Amounts available for spending include restricted, committed, assigned, and unassigned fund balances. Of this amount, \$10.73 million is restricted by law or externally imposed requirements and \$44.72 million is committed for specific purposes.
- The City's total outstanding debt showed a net decrease of \$7.50 million. The decrease is due to the consistent execution of regular annual principal payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present the financial picture of the City using the economic resources measurement focus and the accrual basis of accounting. They present governmental activities and business-type activities separately. Additionally, certain eliminations have occurred as prescribed by the Governmental Accounting Standards Board (GASB) statements in regards to interfund activity, payables, and receivables.

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the City's net position and changes in it. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and sales tax base.

In the Statement of Net Position and the Statement of Activities, we separate the City activities as follows:

Governmental Activities – Most of the City’s basic services are reported in this category, including the General Government, Police, Fire, Public Works, Parks, Recreation, and Library. Property and sales taxes, user fees, interest income, franchise fees, and state and federal shared revenues and grants generally finance these activities.

Business-Type Activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City’s Water Fund, Sewer Fund, Solid Waste Fund, Community & Economic Development Services Fund, Aviation Fund, and Transit Fund are reported in this category.

The **Fund Financial Statements** include statements for each of the three categories of activities – governmental, business-type, and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are Custodial Funds, which only report a balance sheet and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the difference created by the integrated approach.

FUND FINANCIAL STATEMENTS

The City, like other state and local governments, uses fund accounting to account for a number of funding sources and activities. In general, fund accounting provides a mechanism for separately accounting for a variety of different funding sources, and enables the City to demonstrate compliance with legal and/or contractual requirements that may be associated with these funds. Thus, the accompanying fund financial statements present individual funds, organized into one of three groups based on the nature of the activities and their purpose: Governmental, Proprietary, or Fiduciary Funds. Note that the fund financial statements only present the most significant (or major) funds. In addition, the fund financial statements include a schedule that reconciles the Fund Financial Statements to the Government-Wide Financial Statements. This is designed to explain the difference created by the integrated approach.

Governmental Funds – Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences of results in the Governmental Funds Financial Statements to those in the Government-Wide Financial Statements are explained in a reconciliation schedule following each Governmental Funds Financial Statement.

Proprietary Funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. In fact, the City’s enterprise funds are the same as the business-type activities reported in the Government-Wide Financial Statements, but provide more detail and additional information, such as cash flows, for proprietary funds. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City’s other programs and activities – such as the City’s self-insurance, fleet maintenance, and purchasing funds. The internal service funds are reported with governmental activities in the Government-Wide Financial Statements.

Fiduciary Funds – The City is the trustee, or fiduciary, for certain funds held on behalf of various third parties. The City’s fiduciary activities are reported in a separate Statement of Net Position. The City excludes these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to Basic Financial Statements – The notes to basic financial statements provide information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain “required supplementary information” concerning the City’s progress in funding its obligation to provide pension and other postemployment benefits to its employees and budgetary comparison schedules for the General Fund and other major funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$340.31 million at the close of the most recent fiscal year, which is a \$26.53 million, or 8.45%, increase in comparison with the prior year.

By far the largest portion of the City’s net position (62.3%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding and cash and investments with fiscal agent which is restricted for capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the total assets, \$656.27 million, approximately 26.8%, \$176.13 million, consists of cash and investments. These funds are invested in accordance with State law and the City’s investment policy, and include funds legally and/or contractually restricted as to their use.

City of Tulare
Statement of Net Position
As of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2021 (Restated)	2022	2021 (Restated)	2022	2021 (Restated)	2022
Assets:						
Current and Other Assets	\$ 95,543,146	\$ 117,984,303	\$ 107,156,058	\$ 108,303,623	\$ 202,699,204	\$ 226,287,926
Capital Assets (Net of Depreciation)	123,613,380	123,521,023	300,094,936	306,456,458	423,708,316	429,977,481
Total Assets	219,156,526	241,505,326	407,250,994	414,760,081	626,407,520	656,265,407
Deferred Outflows of Resources:						
Deferred Outflows from Pensions	10,302,578	11,148,568	2,144,883	2,204,045	12,447,461	13,352,613
from Other Post-Employment Benefits (OPEB)	245,836	378,128	109,890	168,774	355,726	546,902
from Deferred Charges	-	-	973,079	926,807	973,079	926,807
Total Deferred Outflows of Resources	10,548,414	11,526,696	3,227,852	3,299,626	13,776,266	14,826,322
Liabilities:						
Current and Other Liabilities	13,418,763	28,638,394	13,024,862	7,535,790	26,443,625	36,174,184
Long-Term Liabilities	81,086,194	60,369,771	215,191,477	208,438,063	296,277,671	268,807,834
Total Liabilities	94,504,957	89,008,165	228,216,339	215,973,853	322,721,296	304,982,018
Deferred Inflows of Resources:						
Deferred Inflows from Pensions	1,703,519	18,285,760	-	5,039,089	1,703,519	23,324,849
from OPEB	467,925	651,953	208,851	290,994	676,776	942,947
from Leases	47,140	28,283	423,905	375,474	471,045	403,757
from Grants	834,978	1,132,760	-	-	834,978	1,132,760
Total Deferred Inflows of Resources	3,053,562	20,098,756	632,756	5,705,557	3,686,318	25,804,313
Net Position:						
Net Investment in Capital Assets	98,357,048	99,554,621	104,023,400	112,236,168	202,380,448	211,790,789
Restricted	1,750,803	1,186,861	-	-	1,750,803	1,186,861
Unrestricted	32,038,570	43,183,619	77,606,351	84,144,129	109,644,921	127,327,748
Total Net Position	\$ 132,146,421	\$ 143,925,101	\$ 181,629,751	\$ 196,380,297	\$ 313,776,172	\$ 340,305,398

Governmental Activities – Total assets for governmental activities increased by \$22.35 million, with a current and other assets in governmental activities increase of \$22.44 million and a capital assets decrease of \$92.4 thousand. Total liabilities decreased by \$5.5 million with current and other liabilities increasing by \$15.22 million and long-term liabilities decreasing by \$20.72 million.

Of the \$11.78 million increase in governmental activities total net position, unrestricted net position increased by \$11.15 million, restricted assets decreased by \$563.94 thousand, and net investment in capital assets increased by \$1.20 million.

Business-Type Activities – Total assets for business-type activities increased by \$7.51 million with a current and other assets increase of \$1.15 million and an increase in capital assets of \$6.36 million. Total liabilities decreased by \$12.24 million with current and other liabilities decreasing by \$5.49 million and long-term liabilities decreasing by \$6.75 million. Total net position for business-type activities increased by \$14.75 million. Business-type activities unrestricted net position increased by \$6.54 million.

Change in Net Position of the City

The following table presents the government-wide changes in net position for both 2021 and 2022. The City's total revenues of \$135.77 million exceeded transfers and expenses of \$109.18 million for an increase in net position of \$26.53 million.

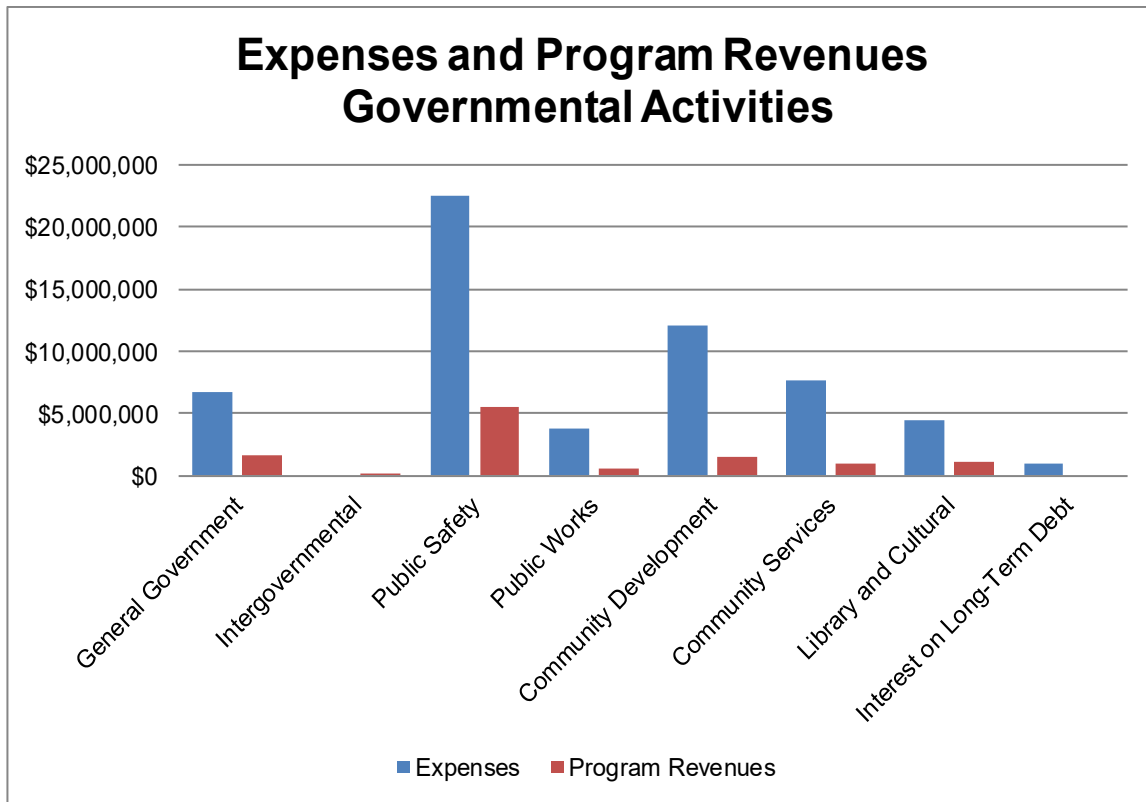
Statement of Activities

As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (usually year-end). The Statement of Activities provides details of how net position changed from the beginning of the year to the end of the year, and whether net position increased or decreased. Thus, it indicates whether the City as a whole is better off at June 30, 2022, than it was at June 30, 2021.

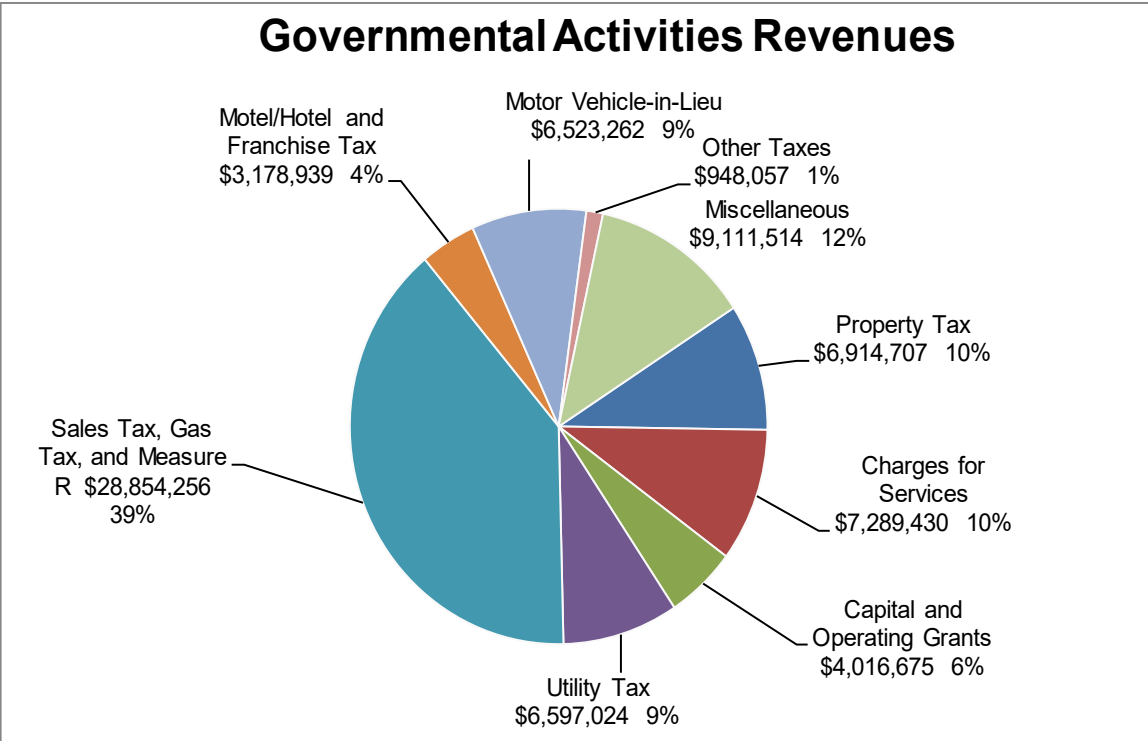
City of Tulare
Statement of Activities
For the Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2021 (Restated)	2022	2021 (Restated)	2022	2021 (Restated)	2022
REVENUES:						
Program Revenues:						
Charges for Services	\$ 5,943,798	\$ 7,289,430	\$ 66,170,621	\$ 67,038,761	\$ 72,114,419	\$ 74,328,191
Operating Grants and Contributions	2,252,847	4,016,675	3,996,986	520,616	6,249,833	4,537,291
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues:						
Taxes	46,959,103	53,016,245	-	-	46,959,103	53,016,245
Investment Earnings	(6,098)	(3,824,988)	(172,985)	(4,361,145)	(179,083)	(8,186,133)
Miscellaneous	8,455,405	9,111,514	6,213,084	2,958,688	14,668,489	12,070,202
TOTAL REVENUES	63,605,055	69,608,876	76,207,706	66,156,920	139,812,761	135,765,796
EXPENSES:						
Governmental Activities:						
General Government	6,365,027	6,713,368	-	-	6,365,027	6,713,368
Public Safety	31,438,950	22,486,173	-	-	31,438,950	22,486,173
Public Works	2,687,512	3,831,706	-	-	2,687,512	3,831,706
Community Development	10,585,221	12,010,940	-	-	10,585,221	12,010,940
Community Services	6,484,755	7,658,997	-	-	6,484,755	7,658,997
Library and Cultural	3,918,457	4,379,160	-	-	3,918,457	4,379,160
Debt Service	1,311,580	914,972	-	-	1,311,580	914,972
Business-Type Activities:						
Aviation	-	-	408,388	392,742	408,388	392,742
Transit	-	-	4,087,217	2,505,212	4,087,217	2,505,212
Community and Development	-	-	2,829,135	2,987,161	2,829,135	2,987,161
Water	-	-	10,492,761	10,846,789	10,492,761	10,846,789
Solid Waste	-	-	10,035,760	9,637,100	10,035,760	9,637,100
Sewer	-	-	25,308,216	24,689,685	25,308,216	24,689,685
TOTAL EXPENSES	62,791,502	57,995,316	53,161,477	51,058,689	115,952,979	109,054,005
Increase in Net Position Before Transfers and Special Item	813,553	11,613,560	23,046,229	15,098,231	23,859,782	26,711,791
Transfers	653,093	224,157	(665,430)	(347,685)	(12,337)	(123,528)
Special Item						
Extraordinary Loss on Dissolution of Lawsuit Settlement	(138,047)	(59,037)	-	-	(138,047)	(59,037)
Change in Net Position	1,328,599	11,778,680	22,380,799	14,750,546	23,709,398	26,529,226
Net Position, Beginning, as Restated	130,817,822	132,146,421	159,248,952	181,629,751	290,066,774	313,776,172
Net Position, End of Year	\$ 132,146,421	\$ 143,925,101	\$ 181,629,751	\$ 196,380,297	\$ 313,776,172	\$ 340,305,398

Governmental Activities – Governmental activities increased the City’s net position by \$11.78 million during the year. The main increase in the City’s net position is due to an increase in unrestricted net position. In the table below, the difference between the program revenues and expenses bars by activity illustrates the amount each respective activity is supported by program revenues. Public Safety programs rely heavily on taxes to support their operations.



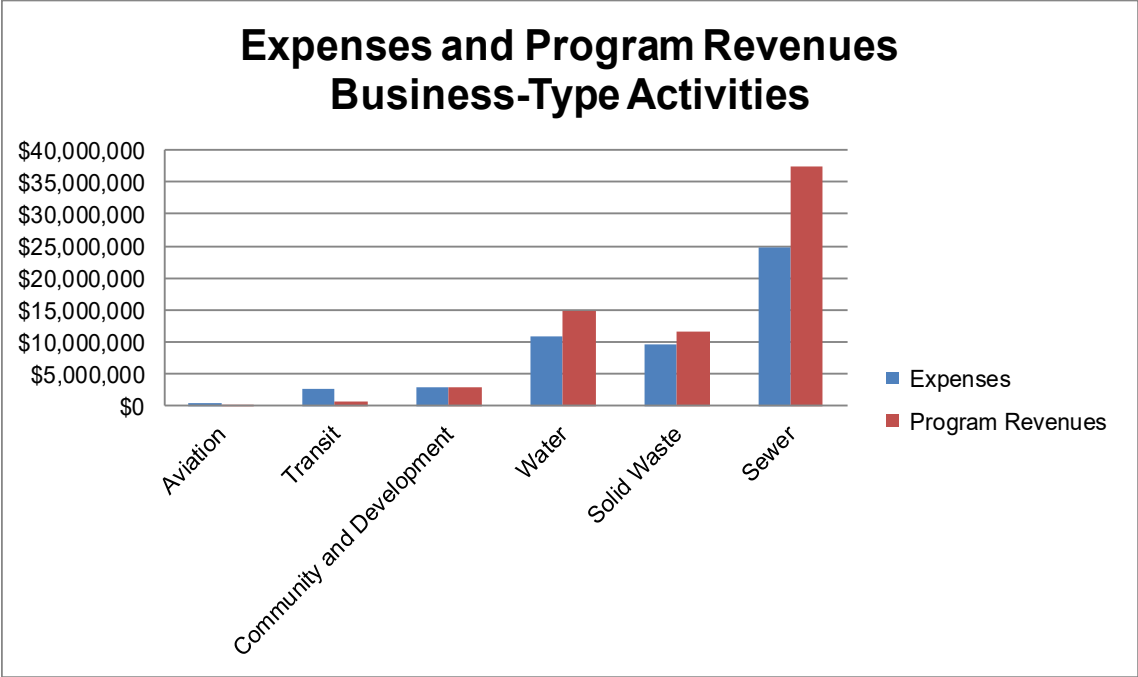
Revenues and expenses in the governmental activities have grown as the population has grown. The sales tax, gas tax, and Measure R category is the largest revenue source for governmental activities and amounts to \$28.85 million, or 41.3% of the total revenues. Utility user’s tax, motor vehicle-in-lieu tax, and property taxes are also a significant revenue source for the City’s governmental activities, amounting to \$20.03 million or 28.69% of total revenue, and public safety is the largest expense activity, amounting to \$22.49 million or 38.77% of total expenses.



Governmental Activities revenue increased \$6.00 million, a 9.44% increase compared to the previous fiscal year. This increase is primarily attributable to the reopening of various programs throughout the City, following the easing of pandemic-related restrictions, which led to a resurgence in revenues from recreation, library, senior services, and other community-based programs.

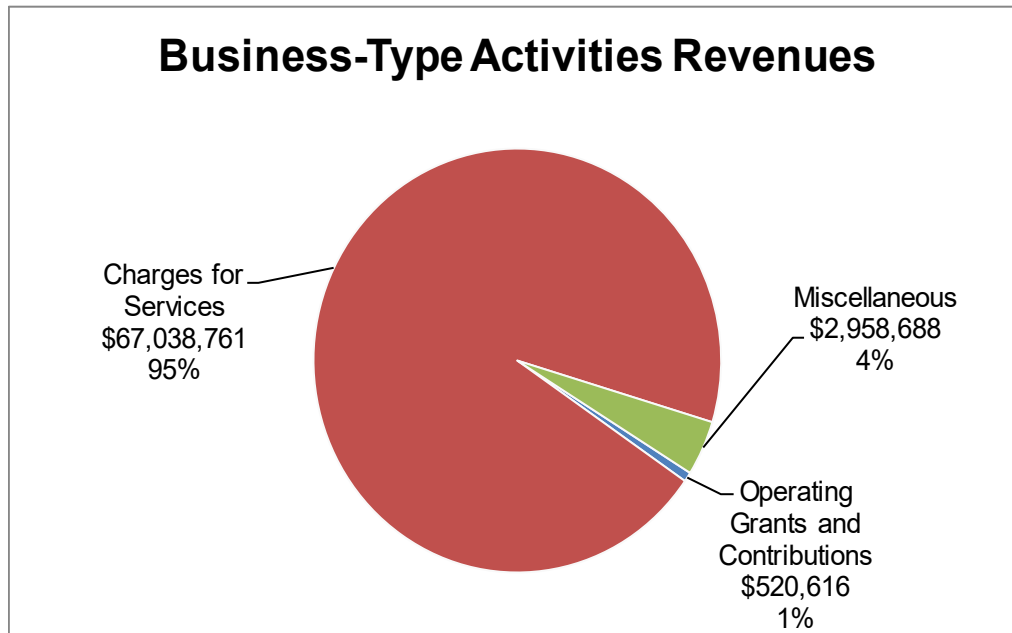
Total expenses in Governmental Activities had a decrease of \$4.80 million from the previous fiscal year for an over 7.64% decrease. The largest decrease of \$8.95 million was in Public Safety due to available vacant positions.

Business-Type Activities – The City operates six enterprise funds that offer water, sewer services, solid waste collection, transit service, inspection services and engineering, and a municipal airport. Major revenue for the enterprise funds is charges for the services and the largest expenditure is sewer service.



Business-type activities increased the City's net position by \$14.75 million. The bar chart above compares total program revenues and expenses. Program revenues exceeded program expenses in Solid Waste by \$1.90 million, in Water by \$4.02 million, in Sewer by \$12.86 million, and in Community and Economic Development by \$5.23 thousand. This increase was offset by program expenses exceeding program revenues in Aviation by \$288.77 thousand and in Transit by \$1.98 million.

The pie chart illustrates the distribution of business-type revenues by category. The City's business-type activities rely heavily on charges for services to fund their operations, making up 95% of total revenues. Grants and contributions revenue represent 1% of total revenue.



Total revenues decreased by \$2.56 million, and 3.53% over the prior year with the Solid Waste Fund showing the largest increase of \$3.35 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously noted, the City uses fund accounting to demonstrate compliance with legal and contractual requirements. This section provides an analysis and discussion of individual funds and fund types presented in the financial statements.

Governmental Funds – The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of the City's resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$54.91 million, an increase of \$1.61 million in comparison with the prior year. The components of total fund balance are as follows (for more information see Note 13 – Fund Balances):

- **Restricted Fund Balance** - \$10.73 million consist of amounts with externally imposed constraints put on their use by creditors, grantors, contributions, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for 1) \$7 million for the purpose of the fund (i.e., Gas Tax for street projects) and 2) \$2.6 million for debt service.
- **Committed Fund Balance** - \$44.72 million have been committed by the City Council for appropriation for next year's budget and cash basis reserve.
- **Assigned Fund Balance** - \$0 have been set aside by management for specific purpose.
- **Unassigned Fund Balance** - \$570.73 thousand indicates a deficit in residual funds that are not restricted, committed, or assigned to specific purposes.

General Fund - The General Fund is the chief operating fund of the City. At the end of the fiscal year, the General Fund's total fund balance increased by 3.94%, or \$1.67 million to \$44.17 million. Of this increase, the majority relates to the committed amounts of fund balance which was due almost entirely to the portion set aside for the subsequent year's budget and various projects. Major factors for this overall increase:

- \$4.60 million increase to Sales Tax Revenue. This represents 18.97% increase over the prior year. The major increase is due to Wayfair court ruling to online sales to collect sales tax.
- \$5.23 million increase in Capital Outlay. 57.91% increase over the prior year fiscal year. This increase accounts for street and various infrastructure throughout the City.

Other Major Governmental Funds

In the Measure R Fund, the total fund balance increased from \$3.18 million to \$4.06 million. The major factor for this overall increase was the continuance of receiving monthly payments when street projects assigned to this revenue source are still in planning stages.

In the Financing Authority Fund, the total fund balance remained consistent due to receiving rental income to cover debt service. Fund balance maintains a balance to cover at least one year of debt service.

In the American Rescue Plan Act, since it is a new fund, there was no prior year fund balance. The current year ending fund balance was \$356.29 thousand deficit due to the GASB Statement No. 31 adjustment. The adjustment reflects changes in the fair value of investments held by the fund, which impacted its ending fund balance.

In the HOME Program Fund, which became a major fund in the current year, the total fund balance experienced a decrease of \$309 due to the GASB Statement No. 31 adjustment. The adjustment reflects changes in the fair value of investments held by the fund, which impacted its ending fund balance. The HOME Program Fund will continue to support affordable housing initiatives and projects in the community, and future funding allocations will be used to manage the fund balance.

Other Nonmajor Governmental Funds

The combined Nonmajor Other Governmental Funds' total fund balance increased from \$4.46 million to \$4.53 million. The major slight increase of factor for this overall increase \$70.4 thousand increase in the Gas Tax Fund to funds used to do various street maintenance.

Proprietary Funds – The City's proprietary funds are shown in their entirety in the governmental-wide financial statements. All funds are being reported as major funds, so there is no need to report additional detail elsewhere in the document.

The Transit Fund has total net position of \$9.30 million at the end of the fiscal year, a decrease of \$1.91 million or 16.65%. The decrease is due to a loss in charges for services, personnel expenses, and increase in expenses.

The Community & Economic Development Services Fund has a total net deficit of \$2.49 million at the end of the fiscal year. The fund was created in the 2018 fiscal year to track cost order information to determine the correct charges for these services. Previously these expenses were reported in the General Fund under Community Development. GASB Statement No. 68 reporting of pension liability is the main source for the deficit.

The Water Fund has total net position of \$72.42 million at the end of the fiscal year, an increase of \$3.34 million over the prior year. The increase to net position is due to investment in capital assets.

The Solid Waste Fund has total net position of \$7.55 million at the end of the fiscal year, an increase of \$1.4 million over the prior year. The net position increase is due to a rate increase.

The Sewer Fund has total net position of \$106.06 million at the end of the fiscal year, an increase of \$11.78 million over the prior year.

The Aviation Fund has total net position of \$3.54 million at the end of the fiscal year, a decrease of \$272.43 thousand or 7.26%. The major factor for this decrease is due to depreciation expense on capital assets.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$429.98 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, construction in progress, and roads. (Please refer to Note 4 – Capital Assets.)

These financial statements include infrastructure assets constructed or acquired through the 2021-22 fiscal year. The total increase in the City’s investment in capital assets for the current fiscal year was \$9.58 million. Of this amount, a \$1.37 million increase in Governmental Activities and a \$8.21 million increase in Business-Type Activities. Depreciation expense of \$23.04 million is netted against additions to capital assets by this amount.

City of Tulare Capital Assets As of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2021 (Restated)	2022	2021	2022	2021 (Restated)	2022
Land, Right-of-Way, and Construction in Progress	\$ 26,024,482	\$ 28,045,872	\$ 22,340,590	\$ 24,345,290	\$ 48,365,072	\$ 52,391,162
Depreciable Buildings, Property, Equipment, and Infrastructure, Net of Depreciation and Amortization	97,588,897	95,475,151	277,754,346	282,111,168	375,343,243	377,586,319
Total Capital Assets	\$ 123,613,379	\$ 123,521,023	\$ 300,094,936	\$ 306,456,458	\$ 423,708,315	\$ 429,977,481

Long-Term Debt – At the end of the fiscal year, the City had a total debt outstanding of \$218,925,930, which included the following major liabilities. (Please refer to Note 6 – Long-Term Debt.)

City of Tulare Outstanding Debt As of June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2021	2022	2021	2022	2021	2022
Lease Revenue Bonds *	\$ 25,256,332	\$ 23,966,402	\$ -	\$ -	\$ 25,256,332	\$ 23,966,402
Revenue Bonds Payable *	-	-	201,170,151	194,959,528	201,170,151	194,959,528
Total Outstanding Debt	\$ 25,256,332	\$ 23,966,402	\$ 201,170,151	\$ 194,959,528	\$ 226,426,483	\$ 218,925,930

* Amounts shown above are net of bond premiums and discounts.

With respect to the Governmental Activities, the outstanding \$23,966,402 in lease revenue bonds (which includes the bond premium and discount) were issued in 2018 for \$26,675,000 to refinance the 2008 lease revenue bonds and to help fund additional projects for Cartmill Corridor and the purchase and renovation of the former County Courthouse located next to City Hall of an additional \$4 million.

Of the \$194,959,528 outstanding debt in the Business-Type Activities, \$23.6 million relates to the Sewer Fund for the expansion and upgrade of the sewer and wastewater plant. These bonds have been rated “Aaa” by Moody’s Investors Services and “AAA” by Standard & Poor’s.

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 minor supplemental appropriations approved throughout the year at Council meetings and during mid-year budget review.

Budgeted total revenues decreased from original budget to final budget of \$53.20 million.

Budgeted total expenditures increased by \$3.45 million to a final budget of \$74.18 million, mainly due to capital outlay related to infrastructure improvements, department heads monitoring their budgets, and overall possibility of a recession.

General Fund – Final Budget and Actual Budget Comparison

Total revenue was \$8.48 million higher than the final budgeted amount, as detailed below:

Sales Tax – was \$4.60 million more than budgeted due to the inflation costs and increased consumer spending.

Property Tax – was \$250.20 thousand more than budgeted as valuation and construction increased more than anticipated.

Utility Use Tax – was \$324.09 thousand more than budgeted due to increase in costs.

Charges for Services – reduced \$219.77 thousand due to limited library and recreation programs.

Interest and Rentals – was \$748.31 thousand less than budget due to market value was lower than cost and reclassify to an expenditure account.

Total expenditures were \$14.08 million less than budget. This difference is due to major ongoing street projects not completed but has been budgeted for the total project even though the project may take more than one year to complete and the reallocation of interest income.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The key assumptions in the General Fund forecast for fiscal year 2023-24 were:

- General fund contribution to various reserves and CIP funds.
- Increase in CalPERS unfunded liability payment by 15.40%.
- Various service changes (recreation, library, etc.) were forecast for only a partial year due to the increase in health insurance cost to departments by 22%.
- Increase employees’ salaries of 1.5% for fire employees and all other 3.5% as negotiated.
- County decrease from 2% to 1.036% inflation for property tax value.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information can be sent via e-mail to: dibanez@tulare.ca.gov. Formal written requests should be addressed to: City of Tulare, Attn: Finance Department, 411 East Kern Avenue, Tulare, California 932744.

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**BASIC FINANCIAL
STATEMENTS**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF TULARE
STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and Investments	\$ 75,851,467	\$ 87,476,482	\$ 163,327,949
Cash and Investments with Fiscal Agent	1,186,861	11,619,858	12,806,719
Receivables:			
Accounts	1,917,563	8,899,737	10,817,300
Interest	660,242	1,618	661,860
Taxes	5,448,353	-	5,448,353
Intergovernmental	11,374,772	11,381	11,386,153
Notes	759,458	-	759,458
Leases	30,904	587,991	618,895
Inventories	496,399	-	496,399
Internal Balances	293,444	(293,444)	-
Loans Receivable	9,959,119	-	9,959,119
Land Held for Resale	35,000	-	35,000
Long-Term Receivables	9,970,721	-	9,970,721
Nondepreciable Capital Assets	28,045,872	24,345,290	52,391,162
Depreciable Capital Assets, Net	95,475,151	282,111,168	377,586,319
Total Assets	241,505,326	414,760,081	656,265,407
Deferred Outflows of Resources			
Pensions	11,148,568	2,204,045	13,352,613
Other Post-Employment Benefits (OPEB)	378,128	168,774	546,902
Deferred Charges	-	926,807	926,807
Total Deferred Outflows of Resources	11,526,696	3,299,626	14,826,322
Liabilities			
Accounts Payable and Accrued Liabilities	6,293,450	5,590,587	11,884,037
Accrued Interest Payable	250,250	875,870	1,126,120
Deposits Payable	1,104,954	352,935	1,457,889
Other Payable	42,836	9,153	51,989
Unearned Revenue	20,946,904	707,245	21,654,149
Long-Term Liabilities:			
Due Within One Year:			
Compensated Absences Payable	227,036	103,980	331,016
Insurance Claims Payable	1,444,875	-	1,444,875
Revenue Bonds Payable	1,329,930	5,925,621	7,255,551
Due After One Year:			
Compensated Absences Payable	2,456,596	1,125,107	3,581,703
Net Pension Liability	30,095,260	11,276,604	41,371,864
Net Other Post-Employment Benefits (OPEB) Liability	2,179,602	972,844	3,152,446
Revenue Bonds Payable	22,636,472	189,033,907	211,670,379
Total Liabilities	89,008,165	215,973,853	304,982,018
Deferred Inflows of Resources			
Pensions	18,285,760	5,039,089	23,324,849
Other Post-Employment Benefits (OPEB)	651,953	290,994	942,947
Leases	28,283	375,474	403,757
Grants	1,132,760	-	1,132,760
Total Deferred Inflows of Resources	20,098,756	5,705,557	25,804,313
Net Position			
Net Investment in Capital Assets	99,554,621	112,236,168	211,790,789
Restricted for Capital Improvements	1,186,861	-	1,186,861
Unrestricted	43,183,619	84,144,129	127,327,748
Total Net Position	\$ 143,925,101	\$ 196,380,297	\$ 340,305,398

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

**CITY OF TULARE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities					
General Government	\$ 6,713,368	\$ 856,211	\$ 802,004	\$ -	\$ 1,658,215
Intergovernmental	-	1,118	1,047	-	2,165
Public Safety	22,486,173	2,871,591	2,609,790	-	5,481,381
Public Works	3,831,706	489,327	80,000	-	569,327
Community Development	12,010,940	1,533,854	-	-	1,533,854
Community Services	7,658,997	978,090	-	-	978,090
Library and Cultural	4,379,160	559,239	523,834	-	1,083,073
Interest on Long-Term Debt	914,972	-	-	-	-
Total Governmental Activities	57,995,316	7,289,430	4,016,675	-	11,306,105
Business-Type Activities:					
Aviation	392,742	103,975	-	-	103,975
Transit	2,505,212	(400)	520,616	-	520,216
Community and Development	2,987,161	2,992,396	-	-	2,992,396
Water	10,846,789	14,865,402	-	-	14,865,402
Solid Waste	9,637,100	11,541,701	-	-	11,541,701
Sewer	24,689,685	37,535,687	-	-	37,535,687
Total Business-Type Activities	51,058,689	67,038,761	520,616	-	67,559,377
Total Primary Government	\$ 109,054,005	\$ 74,328,191	\$ 4,537,291	\$ -	\$ 78,865,482

(Continued)

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

CITY OF TULARE
STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary Government:			
Governmental Activities			
General Government	\$ (5,055,153)	\$ -	\$ (5,055,153)
Intergovernmental	2,165	-	2,165
Public Safety	(17,004,792)	-	(17,004,792)
Public Works	(3,262,379)	-	(3,262,379)
Community Development	(10,477,086)	-	(10,477,086)
Community Services	(6,680,907)	-	(6,680,907)
Library and Cultural	(3,296,087)	-	(3,296,087)
Interest on Long-Term Debt	(914,972)	-	(914,972)
Total Governmental Activities	(46,689,211)	-	(46,689,211)
Business-Type Activities:			
Aviation	-	(288,767)	(288,767)
Transit	-	(1,984,996)	(1,984,996)
Community and Development	-	5,235	5,235
Water	-	4,018,613	4,018,613
Solid Waste	-	1,904,601	1,904,601
Sewer	-	12,846,002	12,846,002
Total Business-Type Activities	-	16,500,688	16,500,688
Total Primary Government	\$ (46,689,211)	\$ 16,500,688	\$ (30,188,523)
General Revenues:			
Sales Tax/Gas Tax/Measure R Taxes	\$ 28,854,256	\$ -	\$ 28,854,256
Property Tax	6,914,707	-	6,914,707
Utility Tax	6,597,024	-	6,597,024
Motor Vehicle-in-Lieu Tax (Intergovernmental, Unrestricted)	6,523,262	-	6,523,262
Other Taxes	948,057	-	948,057
Motel/Hotel and Franchise Tax	3,178,939	-	3,178,939
Investment Earnings (Losses) - Unrestricted	(3,824,988)	(4,361,145)	(8,186,133)
Miscellaneous	9,111,514	2,958,688	12,070,202
Transfers	224,157	(347,685)	(123,528)
Total General Revenues and Transfers	58,526,928	(1,750,142)	56,776,786
Change in Net Position Before Extraordinary Item	11,837,717	14,750,546	26,588,263
Extraordinary Loss on Dissolution of Lawsuit Settlement	(59,037)	-	(59,037)
Change in Net Position	11,778,680	14,750,546	26,529,226
Net Position - Beginning of Year	266,748,594	181,412,368	448,160,962
Prior Period Adjustments	(134,602,173)	217,383	(134,384,790)
Net Position - Beginning of Year, as Restated	132,146,421	181,629,751	313,776,172
Net Position - End of Year	\$ 143,925,101	\$ 196,380,297	\$ 340,305,398

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

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**BASIC FINANCIAL
STATEMENTS**

FUND FINANCIAL STATEMENTS

**CITY OF TULARE
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Measure R Fund	Financing Authority Fund	American Rescue Plan Act Fund	HOME Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets and Deferred Outflows of Resources							
Assets							
Cash and Investments	\$ 34,512,401	\$ 3,720,147	\$ 1,615,326	\$ 6,336,578	\$ 253,080	\$ 4,467,133	\$ 50,904,665
Cash and Investments with Fiscal Agent	-	-	1,151,754	-	-	-	1,151,754
Receivables							
Accounts	1,432,942	-	-	(70)	222,381	1,456	1,656,709
Interest	14,935	1,237	537	-	640,713	1,298	658,720
Taxes	4,983,622	336,981	-	-	-	127,750	5,448,353
Intergovernmental	279,778	-	-	9,012,034	-	1,918,875	11,210,687
Loans	-	-	-	-	7,809,697	2,149,422	9,959,119
Notes	-	-	-	-	-	759,458	759,458
Leases	30,904	-	-	-	-	-	30,904
Land Held for Resale	-	-	-	-	-	35,000	35,000
Due from Other Funds	4,746,911	-	-	-	-	-	4,746,911
Long-Term Receivables, Current Portion	9,970,721	-	-	-	-	-	9,970,721
Total Assets	55,972,214	4,058,365	2,767,617	15,348,542	8,925,871	9,460,392	96,533,001
Deferred Outflows of Resources	-	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 55,972,214	\$ 4,058,365	\$ 2,767,617	\$ 15,348,542	\$ 8,925,871	\$ 9,460,392	\$ 96,533,001
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)							
Liabilities							
Accounts Payable and Accrued Liabilities	\$ 5,338,945	\$ -	\$ 252,085	\$ 23,427	\$ 2,663	\$ 207,769	\$ 5,824,889
Deposits Payable	1,104,954	-	-	-	-	-	1,104,954
Due to Other Funds	2,163,936	-	-	-	-	790,365	2,954,301
Other Payables	42,836	-	-	-	-	-	42,836
Unearned Revenue	3,127,992	-	-	15,681,401	-	1,765,106	20,574,499
Total Liabilities	11,778,663	-	252,085	15,704,828	2,663	2,763,240	30,501,479
Deferred Inflows of Resources							
Leases	28,283	-	-	-	-	-	28,283
Deferred Loans	-	-	-	-	8,923,517	2,168,362	11,091,879
Total Deferred Inflows of Resources	28,283	-	-	-	8,923,517	2,168,362	11,120,162
Fund Balances (Deficits)							
Nonspendable	-	-	-	-	-	35,000	35,000
Restricted	-	4,058,365	2,515,532	-	-	4,151,877	10,725,774
Committed	44,165,268	-	-	-	-	556,051	44,721,319
Unassigned	-	-	-	(356,286)	(309)	(214,138)	(570,733)
Total Fund Balances (Deficits)	44,165,268	4,058,365	2,515,532	(356,286)	(309)	4,528,790	54,911,360
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 55,972,214	\$ 4,058,365	\$ 2,767,617	\$ 15,348,542	\$ 8,925,871	\$ 9,460,392	\$ 96,533,001

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

CITY OF TULARE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

	Amount
Total Fund Balances - Total Governmental Funds	\$ 54,911,360
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	110,636,487
Certain loans receivable are not due in the current period and, therefore, should not be reported in the Governmental Funds Balance Sheet.	11,091,879
Certain deferred grants are not due in the current period and, therefore, they are not reported in the Governmental Funds Balance Sheet.	(1,132,760)
Internal service funds are used by management to charge the costs of fleet maintenance, purchasing, employee welfare, workers' compensation, and general and unemployment insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	33,123,174
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	(250,250)
The net pension liability (\$28,734,501) and pension related deferred outflows of resources (\$10,882,238) and deferred inflows of resources (\$17,677,689) are not available resources or liabilities for the current period and, therefore, are not reported in the governmental funds.	(35,529,962)
The net post-employment benefits (OPEB) liability (\$2,071,787) and OPEB related deferred outflows of resources (\$290,994) and deferred inflows of resources (\$619,705) are not available resources or liabilities for the current period and, therefore, are not reported in the governmental funds.	(2,332,069)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.	
Bonds Payable, Net of Premiums and Discounts	(23,966,402)
Compensated Absences Payable	(2,626,356)
	\$ 143,925,101
Net Position of Governmental Activities	\$ 143,925,101

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

CITY OF TULARE
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Measure R Fund	Financing Authority Fund	American Rescue Plan Act Fund	HOME Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 48,129,572	\$ 1,874,420	\$ -	\$ -	\$ -	\$ 3,012,253	\$ 53,016,245
Intergovernmental	91,447	-	-	-	195,352	278,931	565,730
Licenses and Permits	92,370	-	-	-	-	-	92,370
Fines and Forfeitures	11,014	-	-	-	-	70,010	81,024
Charges for Services	5,540,428	-	-	-	-	-	5,540,428
Use of Money and Property	(1,984,396)	(209,104)	(90,795)	(356,286)	8,247	(218,485)	(2,850,819)
Interest and Rentals	230,662	15,591	12,793	-	-	18,418	277,464
Grants	510,211	-	-	2,342,667	221,825	861,972	3,936,675
Meals	-	-	-	-	-	19,177	19,177
Assessments	79,723	-	-	-	-	930,155	1,009,878
Other	8,983,787	-	-	-	-	72,521	9,056,308
Total Revenues	61,684,818	1,680,907	(78,002)	1,986,381	425,424	5,044,952	70,744,480
Expenditures							
Current							
General Government	7,024,283	-	-	832,378	-	-	7,856,661
Intergovernmental	-	-	8,755	-	-	-	8,755
Public Safety	29,572,257	-	-	-	-	153,648	29,725,905
Public Works	3,388,276	-	-	-	-	-	3,388,276
Community Development	89,390	-	-	-	425,733	655,135	1,170,258
Community Services	6,189,648	-	-	-	-	1,469,349	7,658,997
Library and Cultural	1,591,367	-	-	-	-	-	1,591,367
Capital Outlay	12,244,052	-	-	1,510,289	-	503,149	14,257,490
Debt Service							
Principal	-	-	1,180,000	-	-	-	1,180,000
Interest and Fiscal Charges	302	-	1,036,400	-	-	-	1,036,702
Total Expenditures	60,099,575	-	2,225,155	2,342,667	425,733	2,781,281	67,874,411
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,585,243	1,680,907	(2,303,157)	(356,286)	(309)	2,263,671	2,870,069
Other Financing Sources (Uses)							
Transfers In	5,339,439	-	2,200,000	-	-	327,810	7,867,249
Transfers Out	(5,196,473)	(801,174)	(550,206)	-	-	(2,521,039)	(9,068,892)
Total Other Financing Sources (Uses)	142,966	(801,174)	1,649,794	-	-	(2,193,229)	(1,201,643)
Change in Fund Balances before Extraordinary Item	1,728,209	879,733	(653,363)	(356,286)	(309)	70,442	1,668,426
Extraordinary Loss on Dissolution of Lawsuit Settlement	(59,037)	-	-	-	-	-	(59,037)
Net Change in Fund Balances	1,669,172	879,733	(653,363)	(356,286)	(309)	70,442	1,609,389
Fund Balances - Beginning	42,493,097	3,178,632	3,168,895	-	-	4,458,348	53,298,972
Prior Period Adjustments	2,999	-	-	-	-	-	2,999
Fund Balances - Beginning, as Restated	42,496,096	3,178,632	3,168,895	-	-	4,458,348	53,301,971
Fund Balances (Deficit) - Ending	\$ 44,165,268	\$ 4,058,365	\$ 2,515,532	\$ (356,286)	\$ (309)	\$ 4,528,790	\$ 54,911,360

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

**CITY OF TULARE
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022**

	Amount
Net Change in Fund Balances - Total Governmental Funds	\$ 1,609,389
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlay \$13,041,698 exceeded depreciation and amortization (\$10,690,347) in the current period.	849,191
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of prepaid insurance, premiums, original issue discounts, and deferred inflows of resources on bond refunding charge when debt is first issued, whereas these amounts are amortized to interest and expensed over the life of the debt in the Government-Wide Statement of Activities.	
This amount represents long-term debt repayments.	1,180,000
This amount represents amortization of bond discount/premiums.	109,930
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
This amount represents costs of compensated absences.	521,380
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, the interest expense is not reported as an expenditure in the governmental funds. The following amount represents the change in accrued interest from the prior year.	11,800
Changes to the net pension liability and related deferred outflows and inflows of resources do not provide current financial resources or liabilities and, therefore, are not reported in the governmental funds.	5,691,110
Changes to net OPEB liability and related deferred outflows and inflows of resources do not provide current financial resources or liabilities and, therefore, are not reported in the governmental funds.	102,893
Internal service funds are used by management to charge the costs of fleet maintenance, purchasing, employee welfare, workers' compensation, and general and unemployment insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	1,885,788
Change in Net Position of Governmental Activities	\$ 11,778,680

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

**CITY OF TULARE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds						Governmental	
	Transit	Community & Economic Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
Assets and Deferred Outflows of Resources								
Current Assets								
Cash and Investments	\$ 4,865,000	\$ 1,418,505	\$ 19,219,002	\$ 10,211,783	\$ 51,423,578	\$ 338,614	\$ 87,476,482	\$ 24,946,802
Cash and Investments with Fiscal Agent	-	-	6,472,197	-	5,147,661	-	11,619,858	35,107
Accounts Receivable	4,741	2,122	2,168,360	1,979,674	4,738,203	6,637	8,899,737	260,854
Interest Receivable	1,618	-	-	-	-	-	1,618	1,522
Lease Receivable	158,991	-	298,164	-	-	130,836	587,991	-
Intergovernmental Receivable	11,381	-	-	-	-	-	11,381	164,085
Inventories	-	-	-	-	-	-	-	496,399
Advances to Other Funds	-	-	-	826,667	-	-	826,667	-
Total Current Assets	5,041,731	1,420,627	28,157,723	13,018,124	61,309,442	476,087	109,423,734	25,904,769
Noncurrent Assets								
Capital Assets								
Nondepreciable								
Land	193,261	-	2,559,092	-	4,588,446	279,215	7,620,014	75,000
Construction in Progress	-	-	9,871,258	-	6,854,018	-	16,725,276	-
Depreciable								
Buildings	4,549,720	-	40,958	-	2,749,660	161,451	7,501,789	6,187,770
Improvements Other Than Buildings	-	-	78,897,350	15,857	285,347,631	6,977,311	371,238,149	1,648,583
Machinery and Equipment	7,290,047	7,587	24,145,687	173,755	5,189,280	98,741	36,905,097	27,117,207
Accumulated Depreciation and Amortization	(6,812,493)	(3,160)	(31,299,766)	(156,101)	(91,219,825)	(4,042,522)	(133,533,867)	(22,144,024)
Total Noncurrent Assets	5,220,535	4,427	84,214,579	33,511	213,509,210	3,474,196	306,456,458	12,884,536
Total Assets	10,262,266	1,425,054	112,372,302	13,051,635	274,818,652	3,950,283	415,880,192	38,789,305
Deferred Outflows of Resources								
Deferred Outflows from Pensions	18,548	453,362	398,019	642,995	686,560	4,561	2,204,045	266,330
Deferred Outflows from OPEB	3,391	31,502	29,751	51,245	52,776	109	168,774	18,703
Deferred Charges - Bonds	-	-	108,344	-	818,463	-	926,807	-
Total Deferred Outflows of Resources	21,939	484,864	536,114	694,240	1,557,799	4,670	3,299,626	285,033
Total Assets and Deferred Outflows of Resources	\$ 10,284,205	\$ 1,909,918	\$ 112,908,416	\$ 13,745,875	\$ 276,376,451	\$ 3,954,953	\$ 419,179,818	\$ 39,074,338

(Continued)

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

CITY OF TULARE
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Transit	Community & Economic Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
Liabilities and Deferred Inflows of Resources								
Current Liabilities								
Accounts Payable and Accrued Liabilities	\$ 4,490	\$ 561,146	\$ 1,868,958	\$ 586,608	\$ 2,553,478	\$ 15,907	\$ 5,590,587	\$ 468,561
Deposits Payable	-	-	183,909	-	169,026	-	352,935	-
Due to Other Funds	-	-	-	-	-	293,444	293,444	1,499,166
Unearned Revenue - PTMISEA	707,245	-	-	-	-	-	707,245	-
Unearned Revenue - Other	-	-	-	-	-	-	-	372,405
Other Payables	-	-	9,153	-	-	-	9,153	-
Interest Payable	-	-	108,221	-	767,649	-	875,870	-
Compensated Absences - Current	450	20,925	22,533	39,978	19,944	150	103,980	4,846
Revenue Bonds Payable - Current	-	-	1,148,660	-	4,776,961	-	5,925,621	-
Insurance Claims Payable	-	-	-	-	-	-	-	1,444,875
Total Current Liabilities	712,185	582,071	3,341,434	626,586	8,287,058	309,501	13,858,835	3,789,853
Noncurrent Liabilities								
Advances from Other Funds	-	-	826,667	-	-	-	826,667	-
Compensated Absences Payable	4,872	226,415	243,820	432,574	215,802	1,624	1,125,107	52,430
Net OPEB Liability	19,544	181,581	171,493	295,384	304,211	631	972,844	107,813
Net Pension Liability	92,139	2,318,967	2,037,677	3,287,137	3,517,332	23,352	11,276,604	1,360,749
Revenue Bonds Payable	-	-	32,706,744	-	156,327,163	-	189,033,907	-
Total Noncurrent Liabilities	116,555	2,726,963	35,986,401	4,015,095	160,364,508	25,607	203,235,129	1,520,992
Total Liabilities	828,740	3,309,034	39,327,835	4,641,681	168,651,566	335,108	217,093,964	5,310,845
Deferred Inflows of Resources								
Deferred Inflows from OPEB	5,846	54,314	51,296	88,354	90,995	189	290,994	32,248
Deferred Inflows from Pensions	41,174	1,036,259	910,561	1,468,897	1,571,763	10,435	5,039,089	608,071
Deferred Inflows from Leases	108,151	-	197,785	-	-	69,538	375,474	-
Total Deferred Inflows of Resources	155,171	1,090,573	1,159,642	1,557,251	1,662,758	80,162	5,705,557	640,319
Total Liabilities and Deferred Inflows of Resources	983,911	4,399,607	40,487,477	6,198,932	170,314,324	415,270	222,799,521	5,951,164
Net Position (Deficit)								
Net Investment in Capital Assets	5,220,535	4,427	50,467,519	33,511	53,223,549	3,474,196	112,423,737	12,884,536
Restricted for Capital Improvements	-	-	-	-	-	-	-	-
Unrestricted	4,079,759	(2,494,116)	21,953,420	7,513,432	52,838,578	65,487	83,956,560	20,238,638
Total Net Position (Deficit)	\$ 9,300,294	\$ (2,489,689)	\$ 72,420,939	\$ 7,546,943	\$ 106,062,127	\$ 3,539,683	\$ 196,380,297	\$ 33,123,174

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

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CITY OF TULARE
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Transit	Community & Economic Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
Operating Revenues								
Charges for Services	\$ (400)	\$ 2,992,396	\$ 14,743,968	\$ 11,541,701	\$ 37,534,539	\$ 103,975	\$ 66,916,179	\$ -
Departmental Charges	-	-	-	-	-	-	-	14,538,776
Connection Fees	-	-	121,434	-	1,148	-	122,582	-
Employee Contributions	-	-	-	-	-	-	-	1,468,969
Other	285,641	161,457	451,215	67,159	1,981,711	11,505	2,958,688	-
Total Operating Revenues	285,241	3,153,853	15,316,617	11,608,860	39,517,398	115,480	69,997,449	16,007,745
Operating Expenses								
General Administration	-	-	-	-	-	-	-	280,268
Personnel Services	(109,112)	1,589,435	1,827,615	3,220,199	3,384,198	15,902	9,928,237	702,894
Contractual Services	-	-	-	-	-	-	-	278,728
Maintenance and Supplies	2,084,977	1,396,209	5,530,230	6,406,808	8,965,008	217,289	24,600,521	-
Equipment Usage and Operation	-	-	-	-	-	-	-	2,507,241
Insurance	-	-	-	-	-	-	-	8,830,770
Depreciation and Amortization	529,347	1,517	2,169,980	10,093	6,166,988	159,551	9,037,476	1,812,252
Total Operating Expenses	2,505,212	2,987,161	9,527,825	9,637,100	18,516,194	392,742	43,566,234	14,412,153
Operating Income (Loss)	(2,219,971)	166,692	5,788,792	1,971,760	21,001,204	(277,262)	26,431,215	1,595,592
Nonoperating Revenues (Expenses)								
Use of Money and Property	(214,300)	(74,448)	(954,891)	(533,245)	(2,589,091)	4,830	(4,361,145)	(1,352,977)
Interest Income	-	-	(1,324,964)	-	(6,173,491)	-	(7,498,455)	101,344
Grants	520,616	-	-	-	-	-	520,616	80,000
Gain (Loss) on Sale of Assets	-	-	6,000	-	-	-	6,000	(3,971)
Other Income - Miscellaneous	-	-	-	-	-	-	-	40,000
Total Nonoperating Revenues (Expenses)	306,316	(74,448)	(2,273,855)	(533,245)	(8,762,582)	4,830	(11,332,984)	(1,135,604)
Income (Loss) Before Transfers	(1,913,655)	92,244	3,514,937	1,438,515	12,238,622	(272,432)	15,098,231	459,988
Transfers In	-	300,000	8,560,647	500,000	7,052,380	113,040	16,526,067	2,357,208
Transfers Out	-	(2,020)	(8,737,873)	(506,150)	(7,514,669)	(113,040)	(16,873,752)	(931,408)
Change in Net Position (Deficit)	(1,913,655)	390,224	3,337,711	1,432,365	11,776,333	(272,432)	14,750,546	1,885,788
Net Position (Deficit), Beginning	11,158,902	(2,879,913)	68,982,860	6,114,578	94,285,794	3,750,147	181,412,368	31,237,386
Prior Period Adjustments	55,047	-	100,368	-	-	61,968	217,383	-
Net Position (Deficit), Beginning, as Restated	11,213,949	(2,879,913)	69,083,228	6,114,578	94,285,794	3,812,115	181,629,751	31,237,386
Net Position (Deficit), Ending	\$ 9,300,294	\$ (2,489,689)	\$ 72,420,939	\$ 7,546,943	\$ 106,062,127	\$ 3,539,683	\$ 196,380,297	\$ 33,123,174

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

**CITY OF TULARE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Transit	Community & Economic Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:								
Cash Received from Customers for Current Services	\$ 1,769,319	\$ 3,158,950	\$ 14,997,225	\$ 10,888,585	\$ 38,801,283	\$ 111,599	\$ 69,726,961	\$ -
Cash Received from Interfund Services Provided	-	-	-	-	-	-	-	15,942,868
Cash Paid for Salaries and Benefits	(93,405)	(1,974,386)	(2,115,278)	(3,921,190)	(3,717,206)	(18,673)	(11,840,138)	(1,017,425)
Cash Paid for Services and Supplies	(2,296,048)	(1,024,929)	(5,191,173)	(6,153,002)	(9,637,780)	(290,236)	(24,593,168)	(3,174,428)
Cash Paid for Reported Claims	-	-	-	-	-	-	-	(8,830,770)
Cash Paid for Other Charges	-	-	-	-	-	-	-	(280,288)
Net Cash Provided by (Used for) Operating Activities	(620,134)	159,635	7,690,774	814,393	25,446,297	(197,310)	33,293,655	2,639,977
Cash Flows from Non-Capital Financing Activities:								
Grants	520,616	-	-	-	-	-	520,616	80,000
Due to Other Funds	-	-	-	-	-	293,444	293,444	1,064,251
Other Income - Miscellaneous	-	-	-	-	-	-	-	40,000
Transfers from Other Funds	-	300,000	8,560,647	500,000	7,052,380	113,040	16,526,067	2,357,208
Transfers to Other Funds	-	(2,020)	(8,737,873)	(506,150)	(7,514,669)	(113,040)	(16,873,752)	(931,408)
Net Cash Provided by (Used for) Non-Capital Financing Activities	520,616	297,980	(177,226)	(6,150)	(462,289)	293,444	466,375	2,610,051
Cash Flows from Capital and Related Financing Activities:								
Proceeds from the Sale of Assets	-	-	6,000	-	-	-	6,000	56,732
Principal and Interest Paid on Long-Term Debt	-	-	(2,750,405)	-	(10,082,803)	-	(12,833,208)	-
Deferred Charges - Bonds	-	-	4,148	-	42,124	-	46,272	-
Lease Proceeds - Deferred Inflows of Resources	4,207	-	(11)	-	-	670	4,866	-
Acquisition of Capital Assets	-	-	(8,038,472)	-	(7,247,488)	(113,038)	(15,398,998)	(931,408)
Net Cash Provided by (Used for) Capital and Related Financing Activities	4,207	-	(10,778,740)	-	(17,288,167)	(112,368)	(28,175,068)	(874,676)
Cash Flows from Investing Activities:								
Investment Earnings (Loss)	(214,300)	(74,448)	(954,891)	(533,245)	(2,589,091)	4,830	(4,361,145)	(1,251,633)
Net Increase (Decrease) in Cash and Cash Equivalents	(309,611)	383,167	(4,220,083)	274,998	5,106,750	(11,404)	1,223,817	3,123,719
Cash and Cash Equivalents, Beginning of the Year	5,174,611	1,035,338	29,911,282	9,936,785	51,464,489	350,018	97,872,523	21,858,190
Cash and Cash Equivalents, End of the Year	\$ 4,865,000	\$ 1,418,505	\$ 25,691,199	\$ 10,211,783	\$ 56,571,239	\$ 338,614	\$ 99,096,340	\$ 24,981,909

(Continued)

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

CITY OF TULARE
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Transit	Community & Economic Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:								
Operating Income (Loss)	\$ (2,219,971)	\$ 166,692	\$ 5,788,792	\$ 1,971,760	\$ 21,001,204	\$ (277,262)	\$ 26,431,215	\$ 1,595,592
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:								
Depreciation and Amortization	529,347	1,517	2,169,980	10,093	6,166,988	159,551	9,037,476	1,812,252
Changes in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable	14,831	5,097	(319,392)	(720,275)	(717,339)	(3,881)	(1,740,959)	(341,744)
(Increase) in Inventory	-	-	-	-	-	-	-	(209,359)
Decrease in Intergovernmental Receivable	1,469,246	-	-	-	1,224	-	1,470,470	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(211,071)	371,280	290,598	253,806	(692,666)	(72,947)	(61,000)	(179,100)
Increase in Unearned Revenue	1	-	-	-	-	-	1	276,867
(Decrease) in Net OPEB Liability	(1,232)	(9,724)	(8,417)	(12,604)	(16,024)	(2)	(48,003)	(5,026)
(Decrease) in Net Pension Liability and Related Items	(159,641)	(395,208)	(254,889)	(661,578)	(310,297)	(2,918)	(1,784,531)	(314,976)
Increase (Decrease) in Compensated Absences Payable	(41,644)	19,981	(24,357)	(26,809)	(6,687)	149	(79,367)	5,471
Net Cash Provided by (Used for) Operating Activities	<u>\$ (620,134)</u>	<u>\$ 159,635</u>	<u>\$ 7,690,774</u>	<u>\$ 814,393</u>	<u>\$ 25,446,297</u>	<u>\$ (197,310)</u>	<u>\$ 33,293,655</u>	<u>\$ 2,639,977</u>
Reconciliation of Cash and Cash Equivalents Per Statement of Cash Flows to the Statement of Net Position:								
Cash and Investments	\$ 4,865,000	\$ 1,418,505	\$ 19,219,002	\$ 10,211,783	\$ 51,423,578	\$ 338,614	\$ 87,476,482	\$ 24,946,802
Cash and Investments with Fiscal Agents	-	-	6,472,197	-	5,147,661	-	11,619,858	35,107
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 4,865,000</u>	<u>\$ 1,418,505</u>	<u>\$ 25,691,199</u>	<u>\$ 10,211,783</u>	<u>\$ 56,571,239</u>	<u>\$ 338,614</u>	<u>\$ 99,096,340</u>	<u>\$ 24,981,909</u>
Noncash investing, capital, and financing activities								
Lease receivable recognized on lessor lease transaction	\$ 158,991	\$ -	\$ 311,272	\$ -	\$ -	\$ 130,836	\$ 601,099	\$ -
Total noncash investing, capital, and financing activities	<u>\$ 158,991</u>	<u>\$ -</u>	<u>\$ 311,272</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,836</u>	<u>\$ 601,099</u>	<u>\$ -</u>

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

**CITY OF TULARE
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Private Purpose Trust Fund	Custodial Funds
Assets		
Cash and Investments	\$ 4,483,906	\$ 22,148,393
Cash and Investments with Fiscal Agent	4	-
Accounts Receivable	868,378	14,960
Interest Receivable	609	-
Note Receivable	8,621,498	-
Land Held for Sale	91,321	-
Total Assets	14,065,716	22,163,353
Deferred Outflows of Resources		
Deferred Outflows from Deferred Loans	233,126	-
Total Deferred Outflows of Resources	\$ 233,126	\$ -
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 1,684	\$ 1,345
Interest Payable	291,335	-
Unearned Revenue	1,335,951	-
Deposits Payable	20,250	22,162,008
Bonds - Current	1,130,679	-
Total Current Liabilities	2,779,899	22,163,353
Noncurrent Liabilities		
Compensated Absences	2,590	-
Bonds and Advances	31,135,491	-
Total Noncurrent Liabilities	31,138,081	-
Total Liabilities	33,917,980	22,163,353
Net Position (Deficit)	\$ (19,619,138)	\$ -

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

**CITY OF TULARE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Private Purpose Trust Fund	Custodial Funds
Additions		
Grants	\$ 2,109,796	\$ -
Use of Money and Property	(131,712)	-
Interest and Rentals	81,459	-
Contributions from the City of Tulare (Transfers In)	123,528	-
Total Additions	<u>2,183,071</u>	<u>-</u>
Deductions		
Community Development	748,020	-
Other	31,907	-
Total Deductions	<u>779,927</u>	<u>-</u>
Change in Net Position (Deficit)	1,403,144	-
Net Position (Deficit), Beginning of Year	<u>(21,022,282)</u>	<u>-</u>
Net Position (Deficit), End of Year	<u><u>\$ (19,619,138)</u></u>	<u><u>\$ -</u></u>

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

CITY OF TULARE
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Tulare (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2022, and for the year then ended.

A. Description of the Reporting Entity

The City was incorporated as a general law city on April 5, 1888, and became a charter city on May 1, 1923, under the charter laws of the State of California. The City operates under a Council-Administrator form of government and provides the following services: public safety (police and fire), community development, community services, public works, library and cultural, general administrative services, and capital improvements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. However, elected officials of the City have a continuing accountability for fiscal matters of the other entity. The financial reporting entity consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component unit balances and transactions are reported in a manner similar to the balances and transactions of the City. A component unit is presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City. Otherwise, the component unit is presented discretely.

Blended Component Unit:

The Tulare Public Financing Authority (the Authority) is a joint exercise of powers authority duly organized and existing under a Joint Exercise of Powers Agreement dated as of August 15, 1997, by and between the City and the former Tulare Redevelopment Agency. The Authority was formed to assist the City in the financing and refinancing of public capital improvements. The Authority is governed by a five-member board whose members are the same as the City Council. The Authority's financial data and transactions are included in the City's Financing Authority Major Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation

Government-Wide Financial Statements

The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information of all of the nonfiduciary activities of the primary government and its blended component unit. For the most part, eliminations have been made to minimize the double counting on internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

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. Certain indirect costs are included as part of the program expense reported for individual functions and activities. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and 3) interfund services provided and used. Interfund services provided and used are not eliminated in the process of consolidation. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Net position is restricted when constraints placed on it are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Financial Statements

The Governmental 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 governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund – The General Fund is the principal operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. For the City, the General Fund includes basic governmental activities such as general government, public safety, public works, and community services. Consequently, it includes reserves and capital funds designated for specific purposes.

Measure R Fund – The Measure R Fund accounts for the City's share of the county-wide ½ cent sales tax for various street projects.

Financing Authority Fund – The Financing Authority Fund accounts for the annual debt service on the 2018 Lease Revenue Bonds. Lease revenues are derived from lease payments made by the City's General Fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Governmental Fund Financial Statements (Continued)

American Rescue Plan Act Fund – The American Rescue Plan Act (ARPA) Fund accounts for receipts and expenditures of money appropriated by the ARPA, a federal relief package established in response to the COVID-19 pandemic, which was enacted by President Biden in 2021. The fund tracks both the inflow and allocation of resources provided by the stimulus program.

HOME Investment Partnerships Program Fund – The HOME Investment Partnerships (HOME) Program Fund manages the financial activities associated with the HOME Program, a grant program administered by the U.S. Department of Housing and Urban Development (HUD). The program is designed to support state and local governments in their efforts to expand the availability of affordable housing for low-income households. The fund documents the receipt and distribution of HOME grant funds to facilitate the development, acquisition, and rehabilitation of affordable housing projects within the community.

The City reports the following major enterprise funds:

Transit Fund – The Transit Fund accounts for the financial activity of the City's transit system which offers fixed route and dial-a-ride transportation services.

Community & Economic Development Services Fund – The Community & Economic Development Services Fund is a cost center that accounts for inspection, permits, and engineering services.

Water Fund – The Water Fund is used to account for the financial activities of the water utility of the City.

Solid Waste Fund – The Solid Waste Fund is used to account for the financial activities of the collection of solid waste and disposal utility of the City.

Sewer Fund – The Sewer Fund is used to account for financial activities of the sewage collection and wastewater treatment utility of the City.

Aviation Fund – The Aviation Fund accounts for the financial activity of the City's municipal airport.

The City reports the following additional fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Internal Service Funds – Internal Service Funds are used to account for fleet management, insurance, and purchase services provided by one department or agency of the City to another on a cost-reimbursement basis.

Private Purpose Trust Fund – The Private Purpose Trust Fund is used to record the assets, liabilities, and the activities of the Successor Agency.

Custodial Funds – Custodial Funds are used to account for assets held by the City as an agent for development impact fees collected for construction companies and contractors.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting

The government-wide financial statements, proprietary fund financial statements, and the private purpose trust fund financial statements are reported using the economic resources measurement focus and the 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. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On an accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied. Unbilled water utility receivables are not recorded at year-end. However, the amount of unbilled receivables is not material to the financial statements.

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. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

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. Revenues and expenses not meeting this definition are reported as nonoperating.

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items

Cash and Investments

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents.

Investments

Investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale).

Further cash and investment disclosures are presented in Note 2.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items (Continued)

Interfund Transactions (Continued)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Interfund transfers are generally recorded as transfers except for the following types of transactions:

- Charges for services are recorded as revenues of the performing fund and expenditures of the requesting fund. Unbilled costs are recognized as unbilled receivables at the end of the fiscal year.
- Reimbursements for costs of services performed are recorded as a reduction of expenditure in the performing fund and an expenditure of the requesting fund.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include intergovernmental and taxes receivable. Business-type activities report trade and intergovernmental as their major receivables.

Inventory

Inventories of materials and supplies in the proprietary and internal service funds are valued at cost, carried on a first-in, first-out (FIFO) basis. The City follows the consumption method of accounting for inventories.

Land Held for Resale

Land held for resale is recorded at the lower of cost or estimated realizable value. Fund balances are reserved in amounts equal to the carrying value of the land held for resale because such assets are not available to finance the City's current operations.

Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements

In the government-wide financial statements, land, buildings, improvements, equipment, and construction in progress are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their acquisition value at the date of donation.

The City's capitalization threshold, including intangible assets, is \$5,000. In other words, capital assets are capitalized only if they have a cost in excess of \$5,000 and have an expected useful life of three years or more. Capital assets that have a cost below \$5,000 are expensed during the fiscal year they are acquired.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items (Continued)

Capital Assets (Continued)

Government-Wide Financial Statements (Continued)

Depreciation and amortization of all exhaustible capital assets are recorded as an allocated expense in the Statement of Activities, with accumulated depreciation and amortization reflected in the Statement of Net Position. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method of depreciation and amortization. The range of estimated useful lives by type of asset is as follows:

Infrastructure	20 to 50 years
Buildings	20 to 50 years
Improvements other than buildings	20 to 50 years
Machinery and equipment	5 to 20 years
Intangible assets	2 to 10 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation and amortization are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide financial statements.

Leases

Lessee Accounting

In accordance with GASB Statement No. 87, *Leases*, the City recognizes lease liabilities and intangible right-to-use leased assets for leases that were formerly classified as operating leases. For each lease, the City records an intangible right-to-use leased asset, which represents the right to use the leased asset over the lease term, and a lease liability, which represents the City's obligation to make lease payments under the agreement. The lease liability is measured at the present value of lease payments expected to be made during the lease term, discounted using the interest rate the City charges the lessee or the Consumer Price Index (CPI) rate. Right-to-use leased assets and liabilities are recognized at the commencement of the lease term. The City retrospectively applied the provisions of GASB Statement No. 87 in accordance with the standard and recorded a prior period adjustment to affect the beginning net position and fund balance. Right-to-use leased assets are amortized over the lease term, while lease liabilities are reduced by the principal portion of lease payments. The interest portion of lease payments is recognized as an expense. The City implemented GASB Statement No. 87 in fiscal year 2021-22. Additional information can be found in Note 12, Leases.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items (Continued)

Leases (Continued)

Lessor Accounting

In accordance GASB Statement No. 87, *Leases*, the City, as a lessor, recognizes lease receivables and deferred inflows of resources for leases that were previously classified as operating leases. For each lease, the City records a lease receivable, representing the right to receive lease payments during the lease term, and a deferred inflow of resources, representing the unearned revenue associated with the lease. The lease receivable is measured at the present value of lease payments expected to be received during the lease term, discounted using the interest rate the City charges the lessee or the CPI rate. Lease receivables and deferred inflows of resources are recognized at the commencement of the lease term. The City retrospectively applied the provisions of GASB Statement No. 87 in accordance with the standard and recorded a prior period adjustment to affect the beginning net position and fund balance. The City does not derecognize the underlying leased assets. Deferred inflows of resources are recognized as revenue over the lease term, and lease receivables are reduced by the principal portion of lease payments received. The interest portion of lease payments received is recognized as interest revenue. The City implemented GASB Statement No. 87 in fiscal year 2021-22. Additional information can be found in Note 12, Leases.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. All vacation, sick, and compensatory pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For additional information regarding compensated absences, see Note 6.

Long-Term Obligations

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Debt principal payments of both governmental and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums, discounts, and deferred gains and losses at refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. Governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items (Continued)

Net Position/Fund Balances

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and amortization and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted* – This category presents amounts with external restrictions on its use imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* – This category represents net position of the City, not restricted for any project or other purpose.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The City implemented GASB Statement No. 54 beginning with fiscal year ending June 30, 2012. Fund balances for governmental funds are segregated as follows.

- *Nonspendable fund balance* – includes net resources that cannot be spent because of their form or because of legal or contractual limitations; resources must remain intact.
- *Restricted fund balance* – includes net resources that have externally enforceable limitations on their use. These limitations can be established by creditors, grantors, or by laws and regulations.
- *Committed fund balance* – includes amounts with self-imposed limitations and are set in place prior to the end of the fiscal year. Commitments are set forth by the formal action of the City's highest level of decision-making authority, the City Council, and the limitations require that same level of authority to be removed.
- *Assigned fund balance* – includes amounts for which the intended use results in limitations but do not meet the requirements for either the "Restricted" or "Committed" classifications. Intended use can be established by the City Council, a governing committee or board, or by a City official designated as having that authority. The City's Finance Director has been designated to make assignments, through the budget, which is approved by the City Council.
- *Unassigned fund balance* – is the residual balance of the General Fund not included in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City Council establishes, modifies, or rescinds fund balance commitments and assignments by passage of a resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by the committed, assigned, and unassigned resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items (Continued)

Property Taxes

In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County of Tulare (the County) and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt. In the fund financial statements, property tax is recorded as revenue in the period levied to the extent it is collected within 60 days of year-end.

The property tax calendar for the City is as follows:

Lien date	January 1
Levy dates	July 1 through June 30
Due dates	November 1 – 1 st installment February 1 – 2 nd installment
Collection dates	December 10 – 1 st installment April 10 – 2 nd installment

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The procedures established by the City Council in adopting the budgetary data reflected in the financial statements are as follows:

On or before the second meeting in May, the City Manager submits to the City Council a proposed operating and capital projects budget for the fiscal year commencing the following July 1st. Following publication and public hearings, the budget is legally enacted by resolution.

The City Manager is authorized to transfer funds appropriated with respect to all classifications within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to existing capital outlay and capital projects classifications within the same department only; however, any revisions that alter the total expenditures of any department or create additional projects must be approved by the City Council.

Supplemental budgetary appropriations were negligible for the year ended June 30, 2022. All unencumbered appropriations lapse at year-end.

For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department. Revenues are budgeted on a line item basis. A comparison of budgeted and actual revenues by line item would be too voluminous for this report.

Budgets for the General, Special Revenue, and Debt Service Funds are presented on a basis consistent with accounting principles generally accepted in the United States of America. No budgets are adopted for the Financing Authority Debt Service Fund or the Proprietary and Fiduciary Fund types.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Stewardship, Compliance, and Accountability (Continued)

Budgets and Budgetary Accounting (Continued)

Budgeted amounts are as originally adopted, or as amended by the City Council. During the fiscal year ended June 30, 2022, the City Council approved \$3.5 million of increases to the originally adopted General Fund budget, including carryovers of prior year encumbered balances and selected capital appropriations.

F. Reclassifications and Eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for the net residual amounts due between governmental activities and business-type activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once – in the function in which they are allocated.

G. New Accounting Pronouncements – Implemented in the Financial Statements

During the fiscal year ending June 30, 2022, the City implemented the following standards:

GASB Statement No. 87 – Leases. The requirements of this statement are effective for periods beginning after June 15, 2021. The City implemented this change and the changes resulting from the adoption of this statement are reflected in the financial statements and related disclosures for the fiscal year ended June 30, 2022.

GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period. The requirements of this statement are effective for financial statements starting with the fiscal year that ends December 31, 2021. The City implemented this change, and the resulting changes from the adoption of this statement are reflected in the financial statements and related disclosures for the fiscal year ended June 30, 2022.

GASB Statement No. 91 – Conduit Debt Obligations. The requirements of this statement are effective for periods beginning after December 31, 2021. The adoption of this statement did not have a significant impact on the City's financial statement or disclosures for the fiscal year ended June 30, 2022.

GASB Statement No. 92 – Omnibus 2020. The requirements of this statement are effective for periods beginning after June 15, 2021. The City implemented this change and the changes resulting from the adoption of this standard are reflected in the financial statements and related disclosures for the fiscal year ended June 30, 2022.

GASB Statement No. 93 – Replacement of Interbank Offered Rates. The requirements of this statement are effective for reporting periods ending after December 31, 2021, and for financial statements starting with the fiscal year that ends June 30, 2022. The adoption of this statement did not have a significant impact on the City's financial statement or disclosures for the fiscal year ended June 30, 2022.

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans. The requirements in paragraph 4 as it applies to defined contribution plans, defined contribution other post-employment benefit (OPEB) plans, and other employee benefit plans, and paragraph 5 are effective immediately. All other requirements are applicable for fiscal years beginning after June 15, 2021. The adoption of this statement did not have a significant impact on the City's financial statement or disclosures for the fiscal year ended June 30, 2022.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. New Accounting Pronouncements – Implemented in the Financial Statements

GASB Statement No. 98 – *The Annual Comprehensive Financial Report*. The provisions of GASB Statement No. 98 are effective for financial statements beginning after December 15, 2021. The City implemented this change, and the resulting changes from the adoption of this statement are reflected in the financial statements and related disclosures for the fiscal year ended June 30, 2022.

H. Future Accounting Pronouncements

Recently released standards by GASB affecting future years are as follows:

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. The City will implement GASB Statement No. 94 if and where applicable.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. The City will implement GASB Statement No. 96 if and where applicable.

GASB Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, and June 15, 2023, depending on specific provisions. The City will implement GASB Statement No. 99 if and where applicable.

GASB Statement No. 100 – *Accounting Changes and Error Corrections*. An Amendment of GASB Statement No. 62. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. The City will implement GASB Statement No. 100 if and where applicable.

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for reporting periods beginning after December 15, 2023. The City will implement GASB Statement No. 101 if and where applicable.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) pension plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Outflows and Inflows of Resources

As required by GASB Statements No. 63 and No. 65, the City recognized applicable deferred outflows and inflows of resources in the government-wide and fund financial statements.

The Statements of Net Position and Balance Sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources are defined as a consumption of net assets by the City that applies to future periods, while deferred inflows of resources represent an acquisition of net assets by the City that applies to future periods. The City has items that qualify for reporting in these categories, which are detailed in a separate note disclosure.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30, 2022, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Primary Government	
Cash and Investments	\$ 163,327,949
Cash and Investments with Fiscal Agent	12,806,719
Fiduciary Funds:	
Cash and Investments	26,632,299
Cash and Investments with Fiscal Agent	<u>4</u>
Total Cash and Investments	<u><u>\$ 202,766,971</u></u>

Cash and investments as of June 30, 2022, consist of the following:

Cash on Hand	\$ 12,890
Deposits with Financial Institutions	9,320,119
Investments	180,627,239
Cash and Investments with Fiscal Agents	<u>12,806,723</u>
Total Cash and Investments	<u><u>\$ 202,766,971</u></u>

Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the **investment types** that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address **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 of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage/Amount of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Time Certificates of Deposit	N/A	30%	N/A
Local Agency Investment Fund (LAIF)	N/A	\$50 million	N/A
Bankers’ Acceptances	180 days	40%	30%
Treasury Bonds and Notes	10 years	N/A	N/A
Treasury Bills (T-Bills)	1 year	N/A	N/A

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code and the City’s Investment Policy
(Continued)

Federally Sponsored Agency Securities	N/A	N/A	N/A
Repurchase Agreements (3)	90 days	N/A	N/A
Medium-Term Notes/Corporate Bonds (1)	5 years	30%	N/A
Money Market Mutual Funds (4)	N/A	15%	N/A
Commercial Paper (6)	N/A	25%	N/A
Zero Coupon Bonds (2)	N/A	N/A	N/A
Passbook Savings Account Demand Deposits (5)	N/A	N/A	N/A

- (1) Must be rated A or better by a nationally recognized rating service and may not exceed 30% of the City’s surplus funds.
- (2) May only be purchased for purposes of bond defeasance or future capital improvement projects.
- (3) Requires physical delivery of the securities backing the repurchase agreements or safekeeping documentation to a qualified safekeeping institution.
- (4) Purchases may not exceed 15% of the City’s surplus funds.
- (5) Requires investing only in Federal Deposit Insurance Corporation (FDIC) savings and loan institutions.
- (6) Purchases may not exceed 25% of the City’s surplus funds.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by the provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the **investment types** that are authorized for investments held by bond trustees. 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 Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers’ Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

NOTE 2 – CASH AND INVESTMENTS (Continued)

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. None of the City's investments, as shown below, are adversely affected by changes in interest rates.

Investment Type	Amount	Weighted Average Maturity (in years)
Federal Agency Securities	\$ 146,077,850	2.5
Local Agency Investment Fund (LAIF)	34,549,389	N/A
Held by Bond Trustees:		
Money Market Mutual Funds	7,689,539	N/A
Investment Contracts	5,082,077	2.5
Held by Insurance Administrator:		
Pooled Investments	35,107	N/A
Total	\$ 193,433,962	

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

None of the City's investments (including investments held by bond trustees) are highly sensitive to interest rate fluctuations.

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's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

Investment Type	Amount	Minimum Legal Rating	Not Required To Be Rated	Rating as of Year-End	
				AAA	Unrated
Federal Agency Securities	\$ 146,077,850	N/A	\$ -	\$ 146,077,850	\$ -
LAIF	34,549,389	Collateralized	-	-	34,549,389
Held by Bond Trustees:					
Money Market Mutual Funds	7,689,539	A	7,689,539	-	-
Investment Contracts	5,082,077	N/A	5,082,077	-	-
Held by Insurance Administrator:					
Pooled Investments	35,107	N/A	35,107	-	-
Total	\$ 193,433,962		\$ 12,806,723	\$ 146,077,850	\$ 34,549,389

NOTE 2 – CASH AND INVESTMENTS (Continued)

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 that represent 5% or more of total City's investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan	Federal Agency Securities	\$ 125,234,485
Federal Farm Credit Banks	Federal Agency Securities	8,789,365
Federal National Mortgage	Federal Agency Securities	<u>12,054,000</u>
	Total Federal Agency Securities	<u>\$ 146,077,850</u>

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's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). Collateral for cash deposits is considered to be held in the City's name. 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. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the FDIC. The City, however, has not waived the collateralization requirements.

The carrying amounts of the City's cash deposits were \$9,320,119 at June 30, 2022. Bank balances before reconciling items were \$9,852,555 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed above.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Investments in State Investment Pool

The City is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. 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 valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at www.treasurer.ca.gov. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City'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.

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

The City has the following recurring fair value measurements as of June 30, 2022:

Investments by Fair Value Level	Fair Value Measurements Using		
	Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities			
Federal Agency Securities	\$ 146,077,850	\$ 146,077,850	\$ -
Total Investments Measured at Fair Value	146,077,850	\$ 146,077,850	\$ -
Investments Measured at Amortized Cost			
LAIF	34,549,389		
Pooled Insurance Investments	35,107		
Money Market Mutual Funds	7,689,539		
Investment Contracts	5,082,077		
Total Investments Measured at Amortized Cost	47,356,112		
Total Pooled and Directed Investments	\$ 193,433,962		

NOTE 3 – NOTES, LOANS, AND LONG-TERM RECEIVABLES

Notes receivable for the primary government consist of:

Primary Government

Five secured notes receivable for various amounts from **Kaweah Management** for properties at 145 No B St, 445 So I St, 361 Beechwood, 484 Beechwood, and 524 Aspenwood. These loans are 55 year notes with affordability agreements. If these notes stay in compliance for the full term, then the notes are forgiven. If not, then the notes are due and payable and any funds returned to the City will be forwarded to Tulare County as program income per Federal funding rules for the Neighborhood Stabilization Program (NSP).

	\$ 759,458
Total Primary Government	\$ 759,458

NOTE 3 – NOTES, LOANS, AND LONG-TERM RECEIVABLES (Continued)

Loans receivable consist of:

Primary Government

HOME Program (Housing Successor Agency (HSA))	\$ 7,809,697
Housing Community Development Block Grant (CDBG) Loans	1,073,164
Rehabilitation Loans	<u>1,076,258</u>
Total Primary Government	<u>\$ 9,959,119</u>

On January 5, 2017, the Department of Finance (DOF) approved a loan between the City and Successor Agency for the amount of \$10,588,362. Annual City loan payments cannot exceed 50% of the incremental growth of residual Redevelopment Property Tax Trust Fund (RPTTF) revenues between the previous fiscal year and fiscal year 2012-13. The Successor Agency would like to repay the loan as soon as possible. The balance of this long-term receivable as of June 30, 2022, was \$9,970,721.

NOTE 4 – CAPITAL ASSETS

Capital assets activities for the year ended June 30, 2022, were as follows:

<u>Governmental Activities</u>	Balance July 1, 2021 (Restated)	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2022
Nondepreciable Capital Assets:					
Land	\$ 16,843,413	\$ 546,027	\$ -	\$ -	\$ 17,389,440
Right-of-Way	1,306,651	-	-	-	1,306,651
Construction in Progress (CIP)	<u>7,874,418</u>	<u>7,251,577</u>	-	<u>(5,776,214)</u>	<u>9,349,781</u>
Subtotal	<u>26,024,482</u>	<u>7,797,604</u>	-	<u>(5,776,214)</u>	<u>28,045,872</u>
Depreciable Capital Assets:					
Infrastructure	217,356,049	2,803,914	-	4,391,114	224,551,077
Structures and Improvements	59,059,274	618,937	-	1,385,100	61,063,311
Equipment	<u>35,087,177</u>	<u>2,752,649</u>	<u>(301,478)</u>	-	<u>37,538,348</u>
Subtotal	<u>311,502,500</u>	<u>6,175,500</u>	<u>(301,478)</u>	<u>5,776,214</u>	<u>323,152,736</u>
Accumulated Depreciation and Amortization:					
Infrastructure	(160,985,867)	(10,607,641)	-	-	(171,593,508)
Structures and Improvements	(28,502,567)	(1,404,477)	-	-	(29,907,044)
Equipment	<u>(24,425,168)</u>	<u>(1,992,641)</u>	<u>240,776</u>	-	<u>(26,177,033)</u>
Subtotal	<u>(213,913,602)</u>	<u>(14,004,759)</u>	<u>240,776</u>	-	<u>(227,677,585)</u>
Net Capital Assets	<u>\$ 123,613,380</u>	<u>\$ (31,655)</u>	<u>\$ (60,702)</u>	<u>\$ -</u>	<u>\$ 123,521,023</u>

NOTE 4 – CAPITAL ASSETS (Continued)

Business-Type Activities	Balance July 1, 2021	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2022
Nondepreciable Capital Assets:					
Land	\$ 7,620,014	\$ -	\$ -	\$ -	\$ 7,620,014
Construction in Progress (CIP)	14,720,576	11,585,527	-	(9,580,827)	16,725,276
Subtotal	22,340,590	11,585,527	-	(9,580,827)	24,345,290
Depreciable Capital Assets:					
Buildings	7,501,788	-	-	-	7,501,788
Improvements Other Than Buildings	359,583,294	3,686,712	-	7,968,143	371,238,149
Equipment	35,165,655	126,759	-	1,612,684	36,905,098
Subtotal	402,250,737	3,813,471	-	9,580,827	415,645,035
Accumulated Depreciation and Amortization:					
Buildings	(2,142,292)	(167,616)	-	-	(2,309,908)
Improvements Other Than Buildings	(111,863,528)	(7,814,679)	-	-	(119,678,207)
Equipment	(10,490,571)	(1,055,181)	-	-	(11,545,752)
Subtotal	(124,496,391)	(9,037,476)	-	-	(133,533,867)
Net Capital Assets	\$ 300,094,936	\$ 6,361,522	\$ -	\$ -	\$ 306,456,458

Depreciation and amortization expense for the year ended June 30, 2022, was charged to the following activities:

Governmental Activities:	
General Government	\$ 1,634,237
Public Safety	534,033
Public Works	39,388
Community Development	9,442,896
Community Services	-
Library and Cultural	2,354,205
Total Governmental Activities Depreciation and Amortization Expense	\$ 14,004,759
Business-Type Activities:	
Transit	\$ 529,347
Community and Development	1,517
Water	2,169,980
Solid Waste	10,093
Sewer	6,166,988
Aviation	159,551
Total Business-Type Activities Depreciation and Amortization Expense	\$ 9,037,476

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The City's accounts payable and accrued liabilities for the year ended June 30, 2022, for the major funds, nonmajor funds, and internal service funds are as follows:

Governmental Activities:	
General Fund	\$ 5,338,945
Financing Authority Fund	252,085
American Rescue Plan Act Fund	23,427
HOME Program Fund	2,663
Nonmajor Governmental Funds	207,769
Internal Service Funds	<u>468,561</u>
Total Governmental Activities	<u>\$ 6,293,450</u>
Business-Type Activities:	
Transit	\$ 4,490
Community & Economic Development Services	561,146
Water	1,868,958
Solid Waste	586,608
Sewer	2,553,478
Aviation	<u>15,907</u>
Total Business-Type Activities	<u>\$ 5,590,587</u>

NOTE 6 – LONG-TERM DEBT

The following is a summary of the long-term debt activity for the year ended June 30, 2022:

Type of Debt	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities:					
Lease Revenue Bonds Payable	\$ 23,415,000	\$ -	\$ 1,180,000	\$ 22,235,000	\$ 1,220,000
Bond Premium	1,841,332	-	109,930	1,731,402	109,930
Compensated Absences Payable	3,199,541	84,522	600,431	2,683,632	227,036
Insurance Claim Payable	1,444,875	-	-	1,444,875	1,444,875
Net Pension Liability	51,837,597	-	21,742,337	30,095,260	-
Net OPEB Liability	<u>2,339,257</u>	-	<u>159,655</u>	<u>2,179,602</u>	-
Total Governmental Activities	<u>\$ 84,077,602</u>	<u>\$ 84,522</u>	<u>\$ 23,792,353</u>	<u>\$ 60,369,771</u>	<u>\$ 3,001,841</u>
Business-Type Activities:					
Revenue Bonds Payable	\$ 185,800,000	\$ -	\$ 5,575,000	\$ 180,225,000	\$ 5,290,000
Bond Premium	15,370,151	-	635,623	14,734,528	635,621
Compensated Absences Payable	1,308,454	-	79,367	1,229,087	103,980
Net Pension Liability	18,041,062	-	6,764,458	11,276,604	-
Net OPEB Liability	<u>1,044,106</u>	-	<u>71,262</u>	<u>972,844</u>	-
Total Business-Type Activities	<u>\$ 221,563,773</u>	<u>\$ -</u>	<u>\$ 13,125,710</u>	<u>\$ 208,438,063</u>	<u>\$ 6,029,601</u>

NOTE 6 – LONG-TERM DEBT (Continued)

Type of Debt	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Amounts Due Within One Year
Primary Government:					
Revenue Bonds Payable	\$ 209,215,000	\$ -	\$ 6,755,000	\$ 202,460,000	\$ 6,510,000
Bond Premium	17,211,483	-	745,553	16,465,930	745,551
Compensated Absences Payable	4,507,995	84,522	679,798	3,912,719	331,016
Net Pension Liability	69,878,659	-	28,506,795	41,371,864	-
Net OPEB Liability	<u>3,383,363</u>	<u>-</u>	<u>230,917</u>	<u>3,152,446</u>	<u>-</u>
Total Primary Government	<u>\$ 304,196,500</u>	<u>\$ 84,522</u>	<u>\$ 36,918,063</u>	<u>\$ 267,362,959</u>	<u>\$ 7,586,567</u>

The liability for pension related debt, OPEB debt, and compensated absences for governmental activities is primarily liquidated by the General Fund with smaller portions charged to other funds in an amount proportional to the personnel costs incurred. The pension related debt and compensated absences for business-type activities will be paid by the respective proprietary funds.

Governmental Activities -

Lease Revenue Bonds (the Authority):

On March 27, 2018, the City issued \$26,675,000 in Lease Revenue Bonds to refund the City's 2008 Lease Revenue Bond with an outstanding balance of \$26,670,000. The reacquisition price exceeded the net carry amount of the old debt by \$5,000. The transaction resulted in an economic gain of \$4,478,415. Due to the advance refunding of the 2008 Lease Revenue Bond, a deferred outflow of resources (refunding of debt) of \$175,898 was calculated and will be amortized over the life of the debt. The bonds are payable in amounts ranging from \$1,040,000 to \$1,700,000 per year on April 1 each year, commencing April 1, 2019, through April 1, 2038, and bear interest at rates ranging from 3.00% to 5.00% depending upon the date of maturity. At June 30, 2022, the outstanding balance, including the related unamortized bond premium and discount, was:

\$ 23,966,402

Compensated Absences:

The City accounts for compensated absences (unpaid vacation, sick leave, and compensatory time) in accordance with the City's policy. 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 government-wide Statement of Net Position.

\$ 2,683,632

NOTE 6 – LONG-TERM DEBT (Continued)

Business-Type Activities -

2015 Sewer Revenue Refunding Bonds:

In November 2015, the City issued \$84,555,000 in Sewer Revenue Refunding Bonds to refund the City's 2006 Sewer Revenue Bonds with an outstanding principal of \$76,800,000. The reacquisition price exceeded the net carry amount of the old debt by \$7,755,000. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$7,433,828. Principal and interest payments are due semi-annually commencing on November 15, 2015, through November 15, 2045, and bear interest at a rate of 5%. In October 2020, the City paid off a portion of the remaining balance by using the Sewer Revenue Refunding Bonds, Series 2020A and 2020B. At June 30, 2022, the outstanding balance, including the related unamortized bond premium, was \$62,823,341.

2016 Sewer Revenue Refunding Bonds:

On July 20, 2016, the City issued \$58,265,000 in Sewer Revenue Refunding Bonds to refund the City's 2010 Sewer Revenue Bonds with an outstanding principal of \$8,375,000, and the City's 2009 Sewer Revenue Bonds with an outstanding principal of \$54,775,000. Due to the advance refunding of the 2010 Sewer Revenue Bonds, a deferred outflow of resources (refunding of debt) of \$387,453 was calculated and will be amortized over the life of the debt. The transaction resulted in a reduction of \$1,951,172 in future debt service payments. The economic gain was \$906,004. Principal and interest payments are due semi-annually commencing November 15, 2019, through November 15, 2044, and bear interest at rates from 3% to 5%. At June 30, 2022, the outstanding balance, including unamortized bond premium, was \$60,817,511.

2017 Water Revenue Bonds:

In 2018, the City issued \$18,155,000 in Water Revenue Refunding Bonds. The bond principal is payable in amounts ranging from \$330,000 to \$1,080,000 per year on December 1 each year, commencing December 1, 2018, through December 1, 2047, and bears interest at rates from 2.00% to 5.00%. The bond interest is payable twice a year, on June 1 and December 1 each year. At June 30, 2022, the outstanding balance, including the related unamortized bond premium, was \$18,658,584.

2020 Water Revenue Bonds:

In 2020, the City issued \$15,735,000 in Water Revenue Refunding Bonds. The bond principal is payable in amounts ranging from \$260,000 to \$1,050,000 per year on December 1 each year, commencing December 1, 2020, through December 1, 2049, and bears interest at rates from 4.00% to 5.00%. The bond interest is payable twice a year, on June 1 and December 1 each year. At June 30, 2022, the outstanding balance, including the related unamortized bond premium, was \$15,196,822.

2020A and 2020B Sewer Revenue Refunding Bonds:

In 2021, the City issued \$20,170,000 and \$17,210,000 in Series A and Series B Revenue Refunding Bonds, respectively, to refund the City's 2012 Sewer Revenue Refunding Bond with an outstanding principal of \$5,364,005, 2013 Sewer Revenue Refunding Bonds with an outstanding principal of \$20,060,000, and \$20,000,000 of the 2015 Sewer Revenue Refunding Bonds. Due to the advance refunding of each Sewer Revenue Bonds, a deferred outflow of resources (refunding debt) of \$332,418 was calculated and will be amortized over the life of the debt. The transaction resulted in a reduction of \$10,279,742 in future debt service payments. The economic gain was \$6,927,470. The 2020A bond principal is payable in amounts ranging from \$305,000 to 2,955,000 per year on November 15 each year, commencing November 15, 2021, through November 15, 2041, and bears interest at rates from 4% to 5%. The bond interest is payable twice a year, on May 15 and November 15 each year. At June 30, 2022, the outstanding balance, including the related unamortized premium, was \$21,978,270. The 2020B bond principal is payable in amounts ranging from \$805,000 to 2,020,000 per year on November 15 each year, commencing November 15, 2021, through November 15, 2033, and bears interest at rates from 0.809% to 2.794%. The bond interest is payable twice a year, on May 15 and November 15 each year. At June 30, 2022, the outstanding balance, including the related unamortized premium, was \$15,485,000.

NOTE 6 – LONG-TERM DEBT (Continued)

Business-Type Activities - (Continued)

The annual requirements to amortize bonded debt and notes payable, including interest, are as follows:

Year Ending June 30,	Primary Government			
	Governmental Activities	Business-Type Activities		
	2018 Lease Revenue Bonds	2015 Sewer Revenue Refunding Bonds	2016 Sewer Revenue Refunding Bonds	2017 Water Revenue Refunding Bonds
2023	\$ 2,221,000	\$ 4,999,750	\$ 2,773,950	\$ 1,103,200
2024	2,225,000	5,014,125	2,771,650	1,103,300
2025	2,225,750	5,007,625	2,773,250	1,102,800
2026	2,223,250	4,951,750	2,772,800	1,106,600
2027	2,222,500	4,843,875	2,771,950	1,104,700
2028-2032	8,850,000	24,047,625	13,560,375	5,524,275
2033-2037	8,851,000	21,163,250	18,108,700	5,526,263
2038-2042	1,768,000	9,739,750	20,742,600	5,520,938
2043-2047	-	12,572,500	28,907,450	6,625,875
2048-2051	-	-	-	-
	30,586,500	92,340,250	95,182,725	28,717,951
Less Interest	8,351,500	34,270,250	38,537,725	11,927,951
Plus Unamortized Premium	1,731,402	4,753,341	4,172,511	1,868,584
Total	\$ 23,966,402	\$ 62,823,341	\$ 60,817,511	\$ 18,658,584

Year Ending June 30,	Primary Government		
	Business-Type Activities		
	2020 Water Revenue Refunding Bonds	2020A Sewer Revenue Refunding Bonds	2020B Sewer Revenue Refunding Bonds
2023	\$ 1,191,775	\$ 1,431,600	\$ 1,122,132
2024	773,900	1,430,300	1,124,028
2025	770,650	1,434,275	1,129,236
2026	771,775	1,433,150	1,122,762
2027	772,150	972,025	1,124,025
2028-2032	3,858,875	3,297,000	10,463,674
2033-2037	3,865,000	5,771,500	1,757,634
2038-2042	3,866,675	15,390,800	-
2043-2047	3,860,775	-	-
2048-2051	2,318,300	-	-
	22,049,875	31,160,650	17,843,491
Less Interest	8,364,875	11,610,650	2,358,491
Plus Unamortized Premium	1,511,822	2,428,270	-
Total	\$ 15,196,822	\$ 21,978,270	\$ 15,485,000

Compensated Absences:

The City accounts for compensated absences (unpaid vacation, sick leave, and compensatory time) in accordance with the City's policy. At June 30, 2022, the compensated absences payable totaled \$1,229,087 for business-type activities.

NOTE 7 – PENSION PLANS

The City participates in the Miscellaneous Plan, an agent multiple employer defined benefit pension plan of the City of Tulare, and the Safety Fire Plan and Safety Police Plan, cost-sharing multiple employer defined benefit pension plans of the City of Tulare, which are included in the Public Agency portion of CalPERS.

Miscellaneous Plan

A. General Information

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan 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 Plan are established by State statute and City 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 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 Miscellaneous Plan are applied as specified by the Public Employees' Retirement Law.

The Public Employees' Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members as defined by PEPRA, that are hired after January 1, 2013. Pursuant to PEPRA, the Miscellaneous 2nd Tier Plan is closed to new entrants as of January 1, 2013.

The rate plan provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous 1st Tier	Miscellaneous 2nd Tier	Miscellaneous PEPRA
Hire Date	Prior to January 1, 2011	January 1, 2011 through December 31, 2012	On or after January 1, 2013
Benefit Formula	2.7%@55	2.5%@55	2.0%@62
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	50-55	50-63	52-67
Monthly Benefits, as a Percentage of Eligible Compensation	2.0% to 2.7%	2.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rates	8.00%	8.00%	7.00%
Required Employer Contribution Rates	11.030%	11.030%	11.030%

NOTE 7 – PENSION PLANS (Continued)

Miscellaneous Plan (Continued)

A. General Information (Continued)

Benefits Provided (Continued)

Employees Covered – At June 30, 2022, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	308
Inactive employees entitled to but not yet receiving benefits	147
Active employees	<u>241</u>
Total	<u><u>696</u></u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

B. Net Pension Liability

The City's net pension liability for its Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, 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 liability in the 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation Rate	2.500%
Payroll Growth	2.750%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.00% (1)
Mortality	Derived from CalPERS Membership Data for all Funds (2)

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% MP 2016.

NOTE 7 – PENSION PLANS (Continued)

Miscellaneous Plan (Continued)

B. Net Pension Liability (Continued)

Actuarial Assumptions (Continued)

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Changes of Assumptions

None in 2020 or 2021. In December 2017, the CalPERS Board of Administration adopted new mortality assumptions for plans participating in Public Employees' Retirement Fund (PERF), the inflation assumption was reduced from 2.75 percent to 2.50 percent, and the assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.50 percent.

Discount Rate

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all the funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

<u>Asset Class (a)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

(a) In the CalPERS Annual Comprehensive Financial Report (ACFR), Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

NOTE 7 – PENSION PLANS (Continued)

Miscellaneous Plan (Continued)

C. Changes in Net Pension Liability

The changes in the net pension liability for the Plan follow:

	Total Pension Liability (1)	Increase (Decrease) in Plan Fiduciary Net Position (2)	Net Pension Liability (Asset) (3) = (1) - (2)
Balance at June 30, 2020	\$ 136,260,787	\$ 95,909,498	\$ 40,351,289
Changes Recognized for the Measurement Period:			
- Service Cost	2,557,674	-	2,557,674
- Interest on the Total Pension Liability	9,565,778	-	9,565,778
- Differences between Expected and Actual Experience	(347,865)	-	(347,865)
- Contributions from the Employer	-	4,313,159	(4,313,159)
- Contributions from the Employees	-	1,516,692	(1,516,692)
- Net Investment Income	-	21,676,108	(21,676,108)
- Administrative Expenses	-	-	-
- Benefit Payment, Including Refunds of Employee Contributions	(6,809,319)	(6,809,319)	-
	-	(95,808)	95,808
Net Changes	4,966,268	20,600,832	(15,634,564)
Balance at June 30, 2021	\$ 141,227,055	\$ 116,510,330	\$ 24,716,725

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for the Miscellaneous Plan, calculated using the discount rate for the Miscellaneous Plan, as well as what the City'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 PLAN</u>	<u>Discount Rate - 1%</u> (6.15%)	<u>Current Discount Rate</u> (7.15%)	<u>Discount Rate + 1%</u> (8.15%)
Plan's Net Pension Liability	\$ 42,326,263	\$ 24,716,725	\$ 10,069,926

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 7 – PENSION PLANS (Continued)

Miscellaneous Plan (Continued)

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

For the year ended June 30, 2022, the City recognized pension expense of \$60,084. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 4,700,556	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	133,063	227,911
Net differences between projected and actual earnings on Plan investments	-	10,817,061
	<u> </u>	<u> </u>
Total	<u>\$ 4,833,619</u>	<u>\$ 11,044,972</u>

\$4,700,556 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2023	\$ (2,726,421)
2024	(2,612,487)
2025	(2,595,017)
2026	(2,977,984)
2027	-
	<u> </u>
Total	<u>\$ (10,911,909)</u>

E. Payable to the Pension Plan

The City had an outstanding amount of contributions to the pension plan of \$104,271 required for the year ended June 30, 2022.

Safety Police and Safety Fire Plans

A. General Information

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors six safety rate plans (three police and three fire). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

NOTE 7 – PENSION PLANS (Continued)

Safety Police and Safety Fire Plans (Continued)

A. General Information (Continued)

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 years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty 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 the Plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Safety - Police 1st Tier	Safety - Police 2nd Tier	Safety - Police PEPRA
Hire date	Prior to January 1, 2013	January 1, 2011 through December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 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 - 55	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.000%	9.000%	13.000%
Required employer contribution rates	23.710%	20.640%	13.130%
	Safety - Fire 1st Tier	Safety - Fire 2nd Tier	Safety - Fire PEPRA
Hire date	Prior to January 1, 2013	January 1, 2011 through December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 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 - 55	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.000%	9.000%	13.000%
Required employer contribution rates	23.710%	21.790%	13.130%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$2,125,695 for the year ended June 30, 2022.

NOTE 7 – PENSION PLANS (Continued)

Safety Police and Safety Fire Plans (Continued)

A. General Information (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law mandates that the employer rates for all public employers must be determined annually by the actuary and will be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The City's contributions to the Plan recognized as a part of pension expense for the year ended June 30, 2022, were \$3,537,773.

B. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$16,655,139.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2021, was as follows:

Proportion - June 30, 2020	0.4432%
Proportion - June 30, 2021	0.4746%
Change - Increase (Decrease)	0.0314%

For the year ended June 30, 2022, the City recognized pension expense of \$694,203. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 3,844,348	\$ -
Changes of assumptions	-	-
Differences between actual and expected experience	2,845,516	-
Net difference between projected and actual earnings on plan investments	-	9,913,010
Change in City's proportion	1,829,130	-
Differences between the City's actual contributions and the City's proportionate share of contributions	-	2,366,867
Total	<u>\$ 8,518,994</u>	<u>\$ 12,279,877</u>

NOTE 7 – PENSION PLANS (Continued)

Safety Police and Safety Fire Plans (Continued)

B. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$3,844,348 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30</u>	
2023	\$ (1,229,569)
2024	(1,564,938)
2025	(2,082,801)
2026	<u>(2,727,923)</u>
Total	<u>\$ (7,605,231)</u>

C. Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation Rate	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality	Derived from CalPERS Membership Data for all Funds (2)

(1) Net of pension plan investment expenses, including inflation.

(2) The mortality table was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experiences Study can be found on the CalPERS website.

D. Discount Rate

The discount rate used to measure the total pension liability was 7.15%. 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.

NOTE 7 – PENSION PLANS (Continued)

Safety Police and Safety Fire Plans (Continued)

D. Discount Rate (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows.

Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (a)	New Strategic Allocation	Real Return Years 1-10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(a) In the CalPERS ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the 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:

SAFETY POLICE AND SAFETY FIRE PLANS	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate +1% 8.15%
Plans' Net Pension Liability	\$ 33,108,968	\$ 16,655,139	\$ 3,140,350

E. Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 7 – PENSION PLANS (Continued)

Safety Police and Safety Fire Plans (Continued)

F. Payable to the Pension Plan

The City had an outstanding amount of contributions payable to the pension plan of \$111,632 required for the year ended June 30, 2022.

G. Pension Expense

Total pension expense for both Plans was \$754,287 for the year ended June 30, 2022.

NOTE 8 – RISK MANAGEMENT

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). CSJVRMA is a consortium of fifty-four (54) cities in the San Joaquin Valley, California, established under the provisions of California Government Code Section 6500, et seq. CSJVRMA provides risk coverage for its members through the pooling of risks and purchased insurance. This coverage extends to workers' compensation and general liability. CSJVRMA is governed by a board consisting of one board member appointed by each member agency and meets three to four times a year. The board has contracted with a management group to supervise and conduct CSJVRMA affairs.

In the event of termination and after all claims have been settled, any excess or deficit will be divided among the agencies in accordance with an approved formula.

General Liability Insurance: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. Each member city self-insures through the CSJVRMA for the first \$100,000 of each loss. However, this self-insurance retention is funded through annual contributions; therefore, the City effectively has no exposure except for specific limits as described herein. Participating cities then share in the next \$100,000 to \$1,000,000 per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, errors and omissions, and certain other coverage.

Separate deposits are collected from the member cities to cover claims between \$1,000,000 and \$15,000,000. These deposits are also subject to retrospective adjustment.

Workers' Compensation: The workers' compensation program includes pooling of retained losses plus excess insurance. Annual deposits are paid by member cities and are adjusted retrospectively on an annual basis to cover costs and reflect claims experience of both the individual member and the pool. The annual retrospective computation of the deposit is based on the member's own losses up to its retention level plus a pro-rata share of general/administrative expenses and losses between \$100,000 and \$500,000. The City has a retention level of \$100,000, and all claims up to that level are paid by the City. However, this self-insured retention is funded through annual contributions; therefore, the City effectively has no exposure except for specific limits described herein. Benefits from \$100,000 to \$500,000 are covered by the pool. Excess insurance covers claims from \$500,000 up to the statutory benefits schedule under California Workers' Compensation Law.

There have been no significant changes in insurance coverage as compared to last year, and settlements have not exceeded coverage in each of the past three fiscal years. The insurance claims payable at June 30, 2022, was \$1,444,875.

NOTE 9 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE 9 – INTERFUND TRANSACTIONS (Continued)

Interfund due from/to other funds at June 30, 2022, were as follows:

	Purpose	Due From Other Funds	Due To Other Funds
Major Governmental Funds			
General Fund	General Operations	\$ 4,746,911	\$ 2,163,936
Nonmajor Special Revenue Funds			
Senior Services	General Operations	-	258,224
Housing Redevelopment CDBG	General Operations	-	522,802
DMV - Auto Theft Deterrence	General Operations	-	9,339
Internal Service Funds			
Fleet Maintenance Fund	General Operations	-	137,849
General Insurance	General Operations	-	1,207,912
Unemployment Insurance	General Operations	-	4,755
Purchasing	General Operations	-	148,650
Proprietary Major Funds			
Aviation Fund	General Operations	-	293,444
		<u>\$ 4,746,911</u>	<u>\$ 4,746,911</u>

Interfund transfers consist of transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2021-22 fiscal year are as follows:

	Purpose	Transfers In	Transfers Out
Governmental Major Funds			
General Fund			
General Fund	To fund CIP activity	\$ 905,000	\$ -
General Fund	To fund activity	200,000	-
General Fund	To fund M St. rental building	250,000	-
General Fund	To fund parking	112,020	-
Measure R Fund	To fund CIP activity	801,174	-
Nonmajor Governmental Funds	To fund CIP activity	2,521,039	-
Finance Authority Fund	To reimburse General Fund	550,206	-
General Fund	To fund activity	-	512,020
General Fund	To fund CIP activity	-	905,000
General Fund	To reimburse General Fund	-	50,000
Enterprise Fund	To fund activity	-	300,000
Enterprise Fund	To fund CIP activity	-	533,925
Financing Authority Fund	For lease revenue bond payment	-	2,200,000
Capital Project Fund	To fund CIP activity	-	300,000
Internal Service Funds	To fund activity	-	272,000
Fiduciary Fund	Required by Department of Finance	-	123,528
		<u>5,339,439</u>	<u>5,196,473</u>
Measure R Fund			
General Fund	To fund CIP activity	-	801,174
Finance Authority Fund			
General Fund	For lease revenue bond payment	<u>2,200,000</u>	<u>550,206</u>

NOTE 9 – INTERFUND TRANSACTIONS (Continued)

Governmental Nonmajor Funds

Special Revenue Funds

General Fund	To fund CIP activity	-	2,521,039
Total Special Revenue Funds		-	2,521,039

Capital Projects Fund

General Fund	To fund CIP activity	300,000	-
Enterprise Funds	To fund CIP activity	27,810	-
Total Capital Projects Fund		327,810	-

Proprietary Major Funds

Enterprise Funds

Aviation Fund	To fund CIP activity	113,040	-
Water Fund	To fund CIP activity	8,358,647	-
Sewer Fund	To fund CIP activity	7,052,380	-
Solid Waste	Reimburse for Capital Outlay	500,000	-
Water Fund	To fund activity	202,000	-
Community & Economic			
Development Services	To fund activity	300,000	-
Community & Economic			
Development Services	To fund activity	-	2,020
Aviation Fund	To fund activity	-	113,040
Sewer Fund	To fund activity	-	462,289
Sewer Fund	To fund CIP activity	-	7,052,380
Water Fund	To fund activity	-	905,800
Water Fund	To fund CIP activity	-	7,832,073
Solid Waste Fund	To fund activity	-	6,150
Solid Waste Fund	Reimburse for Capital Outlay	-	500,000
Total Enterprise Funds		16,526,067	16,873,752

Proprietary Nonmajor Funds

Internal Service Funds

Surface Water Management	To fund activity	1,425,800	-
Fleet Maintenance Fund	Reimburse for Capital Outlay	931,408	-
Fleet Maintenance Fund	Reimburse for Capital Outlay	-	931,408
Total Internal Service Funds		2,357,208	931,408

Trust Funds

Trust Funds

Housing Successor Agency	Requirement by Dept of Finance	123,528	-
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Totals		<u>\$ 26,874,052</u>	<u>\$ 26,874,052</u>
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Interfund advances to/from at June 30, 2022, were as follows:

Advances from Other Funds:

A loan from the Water Fund to the Solid Waste Fund in June 2014 for the construction of wells: \$1,550,000 original loan in 15 annual payments of \$103,333 plus interest of 2.25%.

\$ 826,667

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

Plan Administration. The City provides a single-employer OPEB Plan to cover eligible retirees' health care insurance and life insurance costs in accordance with a resolution approved by the City Council.

Benefits Provided. The benefits are provided in the form of:

- An explicit subsidy where the City contributes towards health contributions of those active employees and retirees hired before June 23, 1984.
- An explicit subsidy for OPEB life insurance benefits.

For employees hired before June 24, 1984, the City operates under an agreement to continue to provide health care insurance benefits to all employees who retire after the age of 50 and who have 10 years of service to the City. The retirees are required to pay the employee insurance contribution being charged at the time of their retirement and the City pays the excess of the cost over the amount of the contribution.

The employees' contribution rate is frozen for them; they will never have to pay a larger amount regardless of changes in the City's cost to provide the insurance. At July 1, 2021, members affected by this provision are as follows:

Active Employees	-
Retired Employees	<u>22</u>
Total	<u><u>22</u></u>

In June 1984, in the City's annual memorandum of understanding with employee bargaining units, this agreement was amended for those hired after June 23, 1984: Employees hired after June 23, 1984, must be 55 years old and work 10 years to qualify for the benefits. In addition, for those employees who are hired after June 23, 1984, any increases in contributions after retirement must be borne by the retirees (their rates are not frozen); the City still pays the excess of the cost over the amount of the employees cost of the contribution. The City's obligation under the agreements continues until the death of the employee unless the employee chooses to discontinue the insurance.

Effective August 1, 2006, management employees with more than 20 years of service with the City and attaining age 50 are eligible to continue of the City's health insurance at the same rate as if they were 55.

Plan Membership. At July 1, 2021, membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits payments	32
Active plan members	<u>309</u>
Total	<u><u>341</u></u>

Contributions: The contribution requirements of OPEB Plan members and the City are established and amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2021. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability (Continued)

Actuarial Assumptions. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	1.92%
Inflation Rate	3.00%
Salary Increases	3.50%
Investment Rate of Return	4.00%
Healthcare Cost Trend Rate	6.00 percent for 2021; 5.75 percent for 2022; 5.50 percent for 2023; 5.20 percent for 2024-2069, and 4.50 percent for 2070 and later years; Medicare ages: 4.50 percent for all years.
Preretirement/Postretirement Mortality	Preretirement Mortality Rates from CalPERS Experience Study (2000-2019); Post-retirement Mortality Rates for healthy Recipients from CalPERS Experience Study (2000-2019)

Actuarial assumptions used in the July 1, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

Discount Rate. GASB Statement No. 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB Plan investments - to the extent that the OPEB Plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return.
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher - to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the OPEB Plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the City's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return of Plan Investments (if any)	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
June 30, 2021	June 30, 2020	4.00%	2.45%	2.45%
June 30, 2022	June 30, 2021	4.00%	1.92%	1.92%

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability (Continued)

Changes in the Net OPEB Liability. The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2020	\$ 3,383,363	\$ -	\$ 3,383,363
Changes in the Year:			
Service Cost	18,574	-	18,574
Interest on the Total OPEB Liability	81,505	-	81,505
Contributions - Employer	-	-	-
Difference Between Expected and Actual Experience	(423,590)	-	(423,590)
Change of Assumptions	243,916	-	243,916
Benefit Payments	(151,322)	-	(151,322)
Net Changes	(230,917)	-	(230,917)
Balance at June 30, 2021	\$ 3,152,446	\$ -	\$ 3,152,446

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (0.92 percent) or 1-percentage-point higher (2.92 percent) than the current discount rate:

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Net OPEB Liability	\$ 3,649,307	\$ 3,152,446	\$ 2,755,376

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current healthcare cost trend rates:

	1% Decrease (5.00% decreasing to 4.00%)	Trend Rate (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Net OPEB Liability	\$ 2,631,066	\$ 3,152,446	\$ 3,803,897

OPEB Plan Fiduciary Net Position. Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Recognition of Deferred Outflows and Deferred Inflows of Resources. Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. For the fiscal year ended June 30, 2022, the City recognized OPEB expense (credit) of \$(626). As of fiscal year ended June 30, 2022, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 155,295	\$ -
Difference Between Expected and Actual Experience	223	817,788
Changes in Assumptions or Other Inputs	391,384	125,159
Differences Between Projected and Actual Return Investments	<u>-</u>	<u>-</u>
Total	<u>\$ 546,902</u>	<u>\$ 942,947</u>

The \$86,864 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2023.

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Year Ending June 30</u>	
2023	\$ (100,705)
2024	(100,705)
2025	(100,705)
2026	(100,705)
2027	(75,988)
Thereafter	<u>(72,532)</u>
Total	<u>\$ (551,340)</u>

NOTE 11 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

As of June 30, 2022, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund	
Public Works	\$ 172,626
Interest	302
Major Fund	
HOME Program	425,733
American Rescue Plan Act	1,510,289
Nonmajor Fund	
CDBG	967,282
Landscape and Lighting	49,788
Auto Theft Deterrence	(17,009)
Police Forfeiture	28
Vehicle Abatement	12
Rental Rehabilitation	396

NOTE 12 – LEASES

City as Lessor

The City leases its facilities to private and corporate entities and various users for office space, municipal facilities, and land leases. The lease terms range from five to thirty-five years, including the noncancelable period of the lease and extensions the City is reasonably certain to exercise, and vary with each contract. Each contract either provides for an annual increase of 3% to the lease payments on the anniversary of the agreement or an increase in line with the CPI. As a result of this retrospective application, the City recognized \$691,426 in lease receivables and \$471,044 in deferred inflows of resources as of July 1, 2021. A prior period adjustment of \$220,382 was made to account for the difference between the previously reported figures and the amounts calculated under the new accounting standard. During the fiscal year, the City recognized \$67,288 as lease revenue, which is the reduction in deferred inflows of resources, and \$50,888 as interest income. At June 30, 2022, the balance of lease receivables was \$618,895, and the balance of deferred inflows of resources was \$403,757.

NOTE 13 – COMMITMENTS AND CONTINGENCIES

General Liability

Several claims and suits have been filed against the City in the normal course of business. In the opinion of management and the City Attorney, the potential liability of the City for such claims will not have a material adverse effect on the financial statements of the City. Also, the City has certain commitments under long-term construction projects which will be funded out of future revenues.

NOTE 14 – 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, 2022, is as follows:

	General Fund	Measure R Fund	Financing Authority Fund	American Rescue Plan Act Fund	HOME Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Total nonspendable fund balance	-	-	-	-	-	35,000	35,000
Restricted for:							
Public safety - Police	-	-	-	-	-	18,335	18,335
Public safety - Fire	-	-	-	-	-	134,149	134,149
Public works - Street	-	4,058,365	-	-	-	2,497,305	6,555,670
Debt service	-	-	2,515,532	-	-	-	2,515,532
Development services	-	-	-	-	-	1,502,088	1,502,088
Total restricted fund balance	-	4,058,365	2,515,532	-	-	4,151,877	10,725,774
Committed to:							
Appropriation for next year's budget	44,165,268	-	-	-	-	556,051	44,721,319
Total committed fund balance	44,165,268	-	-	-	-	556,051	44,721,319
Unassigned fund balance:	-	-	-	(356,286)	(309)	(214,138)	(570,733)
Total unassigned fund balance	-	-	-	(356,286)	(309)	(214,138)	(570,733)
Total fund balances	\$44,165,268	\$ 4,058,365	\$ 2,515,532	\$ (356,286)	\$ (309)	\$ 4,528,790	\$ 54,911,360

NOTE 15 – DEFICIT FUND BALANCES/NET POSITION

As of June 30, 2022, the following funds had a deficit fund balance or net position:

The Community & Economic Development Services Fund, an Enterprise Fund, had a deficit of \$2,489,689. The deficit relates to GASB Statement No. 68. The City's plan is to increase the fund balance over time to cover the pension through rate increases and cost savings. This fund was created in the fiscal year 2012-13 and inherited the liability of staff without any consideration of the pension liability. The American Rescue Plan Act Fund, a Governmental Fund, had a deficit of \$356,286. The deficit is due to GASB Statement No. 31 adjustments. The HOME Program Fund, a Governmental Fund, had a deficit of \$309. The deficit is due to GASB Statement No. 31 adjustments. The Senior Services Fund, a Governmental Fund, had a deficit of \$197,033. The deficit is due to increased demand for Community Services and rising operational costs. The Local Law Enforcement Block Grant Fund, a Governmental Fund, had a deficit of \$7,766. The deficit is attributed to higher community service costs and the implementation of new public safety initiatives. The Auto Theft Deterrence Fund, a Governmental Fund, had a deficit of \$9,339. The Auto Theft Deterrence Fund deficit relates to funds due to the General Fund. The General Insurance Fund, an Internal Service Fund, had a deficit of \$1,288,096. The deficit relates to the cost of City's self-insured liability and fire insurance exceeding current year departmental charges. The Unemployment Insurance Fund, an Internal Service Fund, had a deficit of \$8,216. The deficit is primarily due to increased claims for unemployment benefits and changes in economic conditions that have affected the unemployment insurance rates.

NOTE 16 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2022, have been evaluated for possible adjustments to the financial statements or disclosures is May 17, 2023, which is the date that the financial statements were available to be issued.

NOTE 17 – RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE

A prior period adjustment was made to Net Position for Governmental Activities as follows:

Net Position at July 1, 2021, as Previously Reported	\$ 266,748,594
Adjust Capital Asset to Actual	(134,605,172)
GASB Statement No. 87 Retroactive Application	<u>2,999</u>
Net Position at July 1, 2021, as Restated	<u><u>\$ 132,146,421</u></u>

A prior period adjustment was made to Net Position for Business-Type Activities as follows:

Net Position at July 1, 2021, as Previously Reported	\$ 181,412,368
GASB Statement No. 87 Retroactive Application	<u>217,383</u>
Net Position at July 1, 2021, as Restated	<u><u>\$ 181,629,751</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF TULARE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 47,892,600	\$ 40,793,350	\$ 48,129,572	\$ 7,336,222
Intergovernmental	50,000	-	91,447	91,447
Licenses and Permits	120,000	130,000	92,370	(37,630)
Fines and Forfeitures	10,000	15,000	11,014	(3,986)
Charges for Services	4,823,680	5,760,200	5,540,428	(219,772)
Use of Money and Property	(150,000)	(376,500)	(1,984,396)	(1,607,896)
Interest and Rentals	532,420	978,970	230,662	(748,308)
Grants	405,000	508,450	510,211	1,761
Assessments	88,000	88,000	79,723	(8,277)
Other	4,347,200	5,306,330	8,983,787	3,677,457
Total Revenues	58,118,900	53,203,800	61,684,818	8,481,018
Expenditures				
Current				
General Government	9,003,350	8,324,973	7,024,283	1,300,690
Public Safety	31,789,440	29,596,070	29,572,257	23,813
Public Works	2,896,600	3,215,650	3,388,276	(172,626)
Community Development	131,960	131,680	89,390	42,290
Community Services	6,682,170	6,370,270	6,189,648	180,622
Library and Cultural	1,656,120	1,637,890	1,591,367	46,523
Capital Outlay	18,568,530	24,905,171	12,244,052	12,661,119
Debt Service				
Interest and Fiscal Charges	-	-	302	(302)
Total Expenditures	70,728,170	74,181,704	60,099,575	14,082,129
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,609,270)	(20,977,904)	1,585,243	22,563,147
Other Financing Sources (Uses)				
Transfers In	6,977,300	11,370,850	5,339,439	(6,031,411)
Transfers Out	(5,371,590)	(5,709,800)	(5,196,473)	513,327
Total Other Financing Sources (Uses)	1,605,710	5,661,050	142,966	(5,518,084)
Change in Fund Balance Before Extraordinary Item	(11,003,560)	(15,316,854)	1,728,209	17,045,063
Extraordinary Item				
Extraordinary Loss on Dissolution of Lawsuit Settlement	-	-	(59,037)	(59,037)
Net Change in Fund Balance	(11,003,560)	(15,316,854)	1,669,172	16,986,026
Fund Balance, Beginning	42,493,097	42,493,097	42,493,097	-
Prior Period Adjustments	-	-	2,999	2,999
Fund Balances, Beginning, as Restated	42,493,097	42,493,097	42,496,096	2,999
Fund Balance, Ending	\$ 31,489,537	\$ 27,176,243	\$ 44,165,268	\$ 16,989,025

CITY OF TULARE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE R FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 1,200,000	\$ 1,200,000	\$ 1,874,420	\$ 674,420
Use of Money and Property	-	-	(209,104)	(209,104)
Interest and Rentals	-	-	15,591	15,591
Total Revenues	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,680,907</u>	<u>480,907</u>
Expenditures				
Current				
General Government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing (Uses)				
Transfers Out	<u>(1,864,360)</u>	<u>(1,864,360)</u>	<u>(801,174)</u>	<u>1,063,186</u>
Net Change in Fund Balance	(664,360)	(664,360)	879,733	1,544,093
Fund Balance, Beginning	<u>3,178,632</u>	<u>3,178,632</u>	<u>3,178,632</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,514,272</u></u>	<u><u>\$ 2,514,272</u></u>	<u><u>\$ 4,058,365</u></u>	<u><u>\$ 1,544,093</u></u>

CITY OF TULARE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Grants	\$ -	\$ 17,081,800	\$ 2,342,667	\$ (14,739,133)
Use of Money and Property	-	-	(356,286)	(356,286)
Total Revenues	-	17,081,800	1,986,381	(15,095,419)
Expenditures				
Current				
General Government	-	4,431,800	832,378	3,599,422
Capital Outlay	-	-	1,510,289	(1,510,289)
Total Expenditures	-	4,431,800	2,342,667	2,089,133
Net Change in Fund Balance	-	17,081,800	(356,286)	(17,438,086)
Fund Balance, Beginning	-	-	-	-
Fund Balance (Deficit), Ending	\$ -	\$ 17,081,800	\$ (356,286)	\$ (17,438,086)

CITY OF TULARE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
HOME PROGRAM FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 195,352	\$ 195,352
Use of Money and Property	-	-	8,247	8,247
Grants	-	-	221,825	221,825
Total Revenues	-	-	425,424	425,424
Expenditures				
Current				
Community Development	-	-	425,733	(425,733)
Total Expenditures	-	-	425,733	(425,733)
Net Change in Fund Balance	-	-	(309)	(309)
Fund Balance, Beginning	-	-	-	-
Fund Balance (Deficit), Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (309)</u>	<u>\$ (309)</u>

**CITY OF TULARE
REQUIRED SUPPLEMENTARY INFORMATION
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 YEARS*
FOR THE YEAR ENDED JUNE 30, 2022**

	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability								
Service cost	\$ 2,020,696	\$ 1,895,137	\$ 1,881,617	\$ 2,302,467	\$ 2,285,059	\$ 2,383,821	\$ 2,509,174	\$ 2,557,674
Interest on the total pension liability	7,176,661	7,433,900	7,819,665	8,001,199	8,338,921	8,830,802	9,221,043	9,565,778
Changes of benefit terms	-	-	-	-	-	-	-	-
Changes of assumptions	-	(1,775,482)	-	6,473,120	(886,564)	-	-	-
Differences between expected and actual experience	-	(1,397,005)	562,943	(1,583,358)	729,871	2,123,056	465,723	(347,865)
Benefit payments, including refunds of employee contributions	(4,290,119)	(4,661,365)	(5,023,725)	(5,205,114)	(5,624,680)	(6,209,260)	(6,360,937)	(6,809,319)
Administrative expenses	-	-	-	-	-	-	-	-
Net change in total pension liability	4,907,238	1,495,185	5,240,500	9,988,314	4,842,607	7,128,419	5,835,003	4,966,268
Total pension liability - beginning	96,823,521	101,730,759	103,225,944	108,466,444	118,454,758	123,297,365	130,425,784	136,260,787
Total pension liability - ending (a)	\$ 101,730,759	\$ 103,225,944	\$ 108,466,444	\$ 118,454,758	\$ 123,297,365	\$ 130,425,784	\$ 136,260,787	\$ 141,227,055
Plan Fiduciary Net Position								
Plan to plan resource movement	\$ -	\$ -	\$ -	\$ -	\$ (203)	\$ -	\$ -	\$ -
Contributions - employer	2,318,875	2,433,522	2,660,488	2,953,750	3,026,404	3,408,537	3,910,427	4,313,159
Contributions - employee	905,841	892,257	938,085	1,173,897	1,314,215	1,431,732	1,621,617	1,516,692
Net investment income	11,296,380	1,680,617	417,640	8,340,246	6,978,602	5,746,746	4,626,622	21,676,108
Administrative expenses	-	(86,194)	(46,628)	(111,403)	(128,722)	(62,543)	(130,038)	(95,808)
Other miscellaneous income/(expense)	-	-	-	-	(244,445)	-	-	-
Benefit payments, including refunds of employee contributions	(4,290,119)	(4,661,365)	(5,023,725)	(5,205,114)	(5,624,680)	(6,209,260)	(6,360,937)	(6,809,319)
Net change in plan fiduciary net position	10,230,977	258,837	(1,054,140)	7,151,376	5,321,171	4,315,212	3,667,691	20,600,832
Plan fiduciary net position - beginning	66,018,374	76,249,351	76,508,188	75,454,048	82,605,424	87,926,595	92,241,807	95,909,498
Plan fiduciary net position - ending (b)	\$ 76,249,351	\$ 76,508,188	\$ 75,454,048	\$ 82,605,424	\$ 87,926,595	\$ 92,241,807	\$ 95,909,498	\$ 116,510,330
Net pension liability (a)-(b)	\$ 25,481,408	\$ 26,717,756	\$ 33,012,396	\$ 35,849,334	\$ 35,370,770	\$ 38,183,977	\$ 40,351,289	\$ 24,716,725
Plan fiduciary net position as a percentage of the total pension liability	74.95%	74.12%	69.56%	69.74%	71.31%	70.72%	70.39%	82.50%
Covered payroll	\$ 10,372,469	\$ 10,614,682	\$ 10,756,983	\$ 11,261,890	\$ 9,499,135	\$ 9,287,900	\$ 10,134,999	\$ 10,448,740
Net pension liability as a percentage of covered payroll	245.66%	251.71%	306.89%	318.32%	372.36%	411.12%	398.14%	236.55%

Notes to the Schedule

Changes in Benefit Terms

None.

Changes in Assumptions

In 2018, demographic assumptions and the inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF TULARE
REQUIRED SUPPLEMENTARY INFORMATION
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS*
FOR THE YEAR ENDED JUNE 30, 2022**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially required contribution (actuarially determined)	\$ 2,229,666	\$ 2,416,465	\$ 2,663,687	\$ 2,950,052	\$ 3,007,436	\$ 3,374,661	\$ 3,908,531	\$ 3,103,795	\$ 4,700,556
Contributions in relation to the actuarially determined contributions	<u>2,229,666</u>	<u>2,416,465</u>	<u>2,663,687</u>	<u>2,950,052</u>	<u>3,007,436</u>	<u>3,374,661</u>	<u>3,908,531</u>	<u>3,103,795</u>	<u>4,700,556</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,372,469	\$ 10,614,682	\$ 10,756,983	\$ 11,261,890	\$ 9,499,135	\$ 9,287,900	\$ 10,134,999	\$ 10,448,740	\$ 10,736,617
Contributions as a percentage of covered payroll	21.50%	22.77%	24.76%	26.19%	31.66%	36.33%	38.56%	29.70%	43.78%

* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF TULARE
REQUIRED SUPPLEMENTARY INFORMATION
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 YEARS*
FOR THE YEAR ENDED JUNE 30, 2022**

	2015	2016	2017	2018	2019	2020	2021	2022
Proportion of the net pension liability	0.4487%	0.4443%	0.4316%	0.4168%	0.4125%	0.4249%	0.4432%	0.4746%
Proportionate share of the net pension liability	\$ 16,966,410	\$ 18,307,442	\$ 22,352,131	\$ 24,905,736	\$ 24,205,123	\$ 26,521,847	\$ 29,527,370	\$ 16,655,139
Covered payroll	\$ 8,626,208	\$ 9,091,762	\$ 8,848,988	\$ 9,255,346	\$ 8,887,143	\$ 8,017,645	\$ 8,384,958	\$ 8,637,146
Proportionate share of the net pension liability as a percentage of covered payroll	196.68%	201.36%	252.60%	269.10%	272.36%	330.79%	352.15%	192.83%
Plan fiduciary net position as a percentage of the total pension liability	77.86%	77.09%	73.74%	73.62%	75.93%	75.79%	74.61%	86.37%

Notes to the Schedule

Changes in Benefit Terms

None.

Changes in Assumptions

In 2018, demographic assumptions and the inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF TULARE
REQUIRED SUPPLEMENTARY INFORMATION
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS*
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially required contribution (actuarially determined)	\$ 2,917,669	\$ 3,136,890	\$ 3,071,894	\$ 3,368,410	\$ 2,549,074	\$ 2,701,815	\$ 3,151,438	\$ 3,537,773	\$ 3,844,348
Contributions in relation to the actuarially determined contributions	<u>2,917,669</u>	<u>3,136,890</u>	<u>3,071,894</u>	<u>3,368,410</u>	<u>2,549,074</u>	<u>2,701,815</u>	<u>3,151,438</u>	<u>3,537,773</u>	<u>3,844,348</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,626,208	\$ 9,091,762	\$ 8,848,988	\$ 9,255,346	\$ 8,887,143	\$ 8,017,645	\$ 8,384,958	\$ 8,637,146	\$ 8,633,379
Contributions as a percentage of covered payroll	33.82%	34.50%	34.71%	36.39%	28.68%	33.70%	37.58%	40.96%	44.53%

* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF TULARE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OTHER POST-EMPLOYMENT
BENEFITS (OPEB) LIABILITY AND RELATED RATIOS
LAST 10 YEARS*
FOR THE MEASUREMENT PERIOD ENDED JUNE 30**

The following table provides the changes in the City's OPEB Plan net OPEB liability and related ratios:

	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 508	\$ 524	\$ 572	\$ 615	\$ 18,574
Interest	134,199	130,720	139,688	97,955	81,505
Changes of Benefit Terms	-	-	-	-	-
Difference Between Expected and Actual Experience	-	443	(677,736)	-	(423,590)
Changes of Assumptions	-	(222,884)	(18,841)	232,088	243,916
Benefit Payments	(259,568)	(259,572)	(194,036)	(151,322)	(151,322)
Net Change in Total OPEB Liability	(124,861)	(350,769)	(750,353)	179,336	(230,917)
Total OPEB Liability - Beginning (a)	4,430,010	4,305,149	3,954,380	3,204,027	3,383,363
Total OPEB Liability - Ending (b)	<u>\$ 4,305,149</u>	<u>\$ 3,954,380</u>	<u>\$ 3,204,027</u>	<u>\$ 3,383,363</u>	<u>\$ 3,152,446</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 259,568	\$ 259,572	\$ 194,036	\$ 194,036	\$ -
Net Investment Income	-	-	-	-	-
Benefit Payments	(259,568)	(259,572)	(194,036)	(194,036)	-
Trustee Fees	-	-	-	-	-
Administrative Expense	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-
Plan Fiduciary Net Position - Beginning (c)	-	-	-	-	-
Plan Fiduciary Net Position - Ending (d)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability Beginning (a) - (c)	<u>\$ 4,430,010</u>	<u>\$ 4,305,149</u>	<u>\$ 3,954,380</u>	<u>\$ 3,204,027</u>	<u>\$ 3,383,363</u>
Net OPEB Liability Ending (b) - (d)	<u>\$ 4,305,149</u>	<u>\$ 3,954,380</u>	<u>\$ 3,204,027</u>	<u>\$ 3,383,363</u>	<u>\$ 3,152,446</u>
Covered-Employee Payroll	\$ 23,580,458	\$ 25,391,445	\$ 26,066,514	\$ 26,850,953	\$ 27,781,007
Net OPEB Liability as a Percentage of Covered-Employee Payroll	18.26%	15.57%	12.29%	12.60%	11.35%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%

* Fiscal year 2017-18 was the first year of implementation, therefore, only five fiscal years are shown.

Note to Schedule

The OPEB schedule presented relates solely to the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

OTHER SUPPLEMENTARY INFORMATION

**CITY OF TULARE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Special Revenue Funds</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets and Deferred Outflows of Resources			
Assets			
Cash and Investments	\$ 3,906,048	\$ 561,085	\$ 4,467,133
Receivables			
Accounts	1,456	-	1,456
Interest	1,298	-	1,298
Taxes	127,750	-	127,750
Intergovernmental	1,918,875	-	1,918,875
Loans	2,149,422	-	2,149,422
Notes	759,458	-	759,458
Land Held for Resale	35,000	-	35,000
	<u>8,899,307</u>	<u>561,085</u>	<u>9,460,392</u>
Total Assets			
	<u>8,899,307</u>	<u>561,085</u>	<u>9,460,392</u>
Deferred Outflows of Resources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 8,899,307</u>	<u>\$ 561,085</u>	<u>\$ 9,460,392</u>
	<u>\$ 8,899,307</u>	<u>\$ 561,085</u>	<u>\$ 9,460,392</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 202,735	\$ 5,034	\$ 207,769
Due to Other Funds	790,365	-	790,365
Unearned Revenue	1,765,106	-	1,765,106
	<u>2,758,206</u>	<u>5,034</u>	<u>2,763,240</u>
Total Liabilities			
	<u>2,758,206</u>	<u>5,034</u>	<u>2,763,240</u>
Deferred Inflows of Resources			
Deferred Loans	2,168,362	-	2,168,362
	<u>2,168,362</u>	<u>-</u>	<u>2,168,362</u>
Fund Balances			
Nonspendable	35,000	-	35,000
Restricted	4,151,877	-	4,151,877
Committed	-	556,051	556,051
Unassigned	(214,138)	-	(214,138)
	<u>3,972,739</u>	<u>556,051</u>	<u>4,528,790</u>
Total Fund Balances			
	<u>3,972,739</u>	<u>556,051</u>	<u>4,528,790</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,899,307</u>	<u>\$ 561,085</u>	<u>\$ 9,460,392</u>
	<u>\$ 8,899,307</u>	<u>\$ 561,085</u>	<u>\$ 9,460,392</u>

**CITY OF TULARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 3,012,253	\$ -	\$ 3,012,253
Intergovernmental	278,931	-	278,931
Fines and Forfeitures	70,010	-	70,010
Use of Money and Property	(218,485)	-	(218,485)
Interest and Rentals	18,418	-	18,418
Grants	861,972	-	861,972
Meals	19,177	-	19,177
Assessments	930,155	-	930,155
Other	72,521	-	72,521
Total Revenues	5,044,952	-	5,044,952
Expenditures			
Current			
Public Safety	153,648	-	153,648
Community Development	629,563	25,572	655,135
Community Services	1,469,349	-	1,469,349
Capital Outlay	503,149	-	503,149
Total Expenditures	2,755,709	25,572	2,781,281
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,289,243	(25,572)	2,263,671
Other Financing Sources (Uses)			
Transfers In	-	327,810	327,810
Transfers Out	(2,521,039)	-	(2,521,039)
Total Other Financing Sources (Uses)	(2,521,039)	327,810	(2,193,229)
Net Change in Fund Balances	(231,796)	302,238	70,442
Fund Balances - Beginning	4,204,535	253,813	4,458,348
Fund Balances - Ending	<u>\$ 3,972,739</u>	<u>\$ 556,051</u>	<u>\$ 4,528,790</u>

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SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Senior Services Fund accounts for receipts of funds from various sources and expenditures to provide meals to senior citizens.

The Encampment Resolution Grant Fund accounts for receipts of funds from various sources and expenditures aimed at addressing and resolving issues related to homeless encampments.

The Housing Redevelopment CDBG Fund accounts for capital projects relating to the low and moderate income housing program.

The Gas Tax Fund accounts for receipts and expenditures of money apportioned under Streets and Highway Code Sections 2105, 2106, 2107, and 2107.5 of the State of California.

The Traffic Safety Fund accounts for vehicle code fund revenues and expenditures for traffic safety purposes.

The Citizens Option for Public Safety (COPS) – State Grant Fund accounts for the City's allocation of the State of California COPS program established by Assembly Bill (AB) 3229.

Local Law Enforcement Block Grant Fund accounts for Federal funds received from the U.S. Department of Justice for the purpose of reducing crime and improving public safety.

The Landscape and Lighting Fund accounts for revenues from assessments collected under the 1972 Landscape and Lighting Act and expenditures for maintenance of landscaping in the special assessment districts.

The Office of Traffic and Safety (OTS) Grant Fund accounts for Federal revenues for the comprehensive traffic safety program.

The Auto Theft Deterrence Fund accounts for State revenues for the suppression of auto theft.

The Police Forfeiture Fund accounts for State and Federal revenues for narcotic suppression activities.

The Vehicle Abatement Fund accounts for State and Federal revenues for the abatement of abandoned vehicles.

The Public Mitigation Grant Fund accounts for receipts of funds from various sources, including federal, state, and local grants, and expenditures focused on enhancing public services and infrastructure.

Rental Rehabilitation Fund accounts for financial assistance to pay for mandatory repairs to self-contained units occupied by low-income tenants.

**CITY OF TULARE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022**

	Senior Services	Encampment Resolution Grant	Housing Redevelopment CDBG	Gas Tax	Traffic Safety	COPS - State Grant
Assets and Deferred Outflows of Resources						
Assets						
Cash and Investments	\$ 100	\$ -	\$ -	\$ 2,127,929	\$ 52,119	\$ 154,123
Receivables						
Accounts	-	-	1,426	-	-	-
Interest	-	-	-	708	17	51
Taxes	-	-	-	127,750	-	-
Intergovernmental	90,106	1,566,604	-	240,918	14,354	1,812
Loans	-	-	1,073,164	-	-	-
Notes	-	-	759,458	-	-	-
Land Held for Resale	-	-	35,000	-	-	-
Total Assets	90,206	1,566,604	1,869,048	2,497,305	66,490	155,986
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 90,206	\$ 1,566,604	\$ 1,869,048	\$ 2,497,305	\$ 66,490	\$ 155,986
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)						
Liabilities						
Accounts Payable and						
Accrued Liabilities	\$ 29,015	\$ 1,023	\$ 55,373	\$ -	\$ -	\$ 6,497
Due to Other Funds	258,224	-	522,802	-	-	-
Unearned Revenue	-	1,565,581	16,096	-	-	149,438
Total Liabilities	287,239	1,566,604	594,271	-	-	155,935
Deferred Inflows of Resources						
Deferred Loans	-	-	1,073,164	-	-	-
Fund Balances (Deficits)						
Nonspendable	-	-	35,000	-	-	-
Restricted	-	-	166,613	2,497,305	66,490	51
Unassigned	(197,033)	-	-	-	-	-
Total Fund Balances (Deficits)	(197,033)	-	201,613	2,497,305	66,490	51
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 90,206	\$ 1,566,604	\$ 1,869,048	\$ 2,497,305	\$ 66,490	\$ 155,986

(Continued)

CITY OF TULARE
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Local Law Enforcement Block Grant	Landscape and Lighting	OTS Grant	Auto Theft Deterrence	Police Forfeiture	Vehicle Abatement
Assets and Deferred Outflows of Resources						
Assets						
Cash and Investments	\$ 17,667	\$ 1,348,056	\$ 6,607	\$ -	\$ 44,545	\$ 135,991
Receivables						
Accounts	-	-	-	-	-	-
Interest	-	448	2	-	15	45
Taxes	-	-	-	-	-	-
Intergovernmental	-	5,081	-	-	-	-
Loans	-	-	-	-	-	-
Notes	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-
Total Assets	17,667	1,353,585	6,609	-	44,560	136,036
Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	\$ 17,667	\$ 1,353,585	\$ 6,609	\$ -	\$ 44,560	\$ 136,036
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)						
Liabilities						
Accounts Payable and Accrued Liabilities	\$ 25,433	\$ 83,506	\$ -	\$ -	\$ -	\$ 1,887
Due to Other Funds	-	-	-	9,339	-	-
Unearned Revenue	-	-	-	-	33,991	-
Total Liabilities	25,433	83,506	-	9,339	33,991	1,887
Deferred Inflows of Resources						
Deferred Loans	-	-	-	-	-	-
Fund Balances (Deficits)						
Nonspendable	-	-	-	-	-	-
Restricted	-	1,270,079	6,609	-	10,569	134,149
Unassigned	(7,766)	-	-	(9,339)	-	-
Total Fund Balances (Deficits)	(7,766)	1,270,079	6,609	(9,339)	10,569	134,149
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 17,667	\$ 1,353,585	\$ 6,609	\$ -	\$ 44,560	\$ 136,036

(Continued)

CITY OF TULARE
COMBINING BALANCE SHEET (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Public Mitigation Grant	Rental Rehabilitation	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and Investments	\$ -	\$ 18,911	\$ 3,906,048
Receivables			
Accounts	-	30	1,456
Interest	6	6	1,298
Taxes	-	-	127,750
Intergovernmental	-	-	1,918,875
Loans	-	1,076,258	2,149,422
Notes	-	-	759,458
Land Held for Resale	-	-	35,000
Total Assets	<u>6</u>	<u>1,095,205</u>	<u>8,899,307</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 6</u>	<u>\$ 1,095,205</u>	<u>\$ 8,899,307</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)			
Liabilities			
Accounts Payable and Accrued Liabilities	\$ -	\$ 1	\$ 202,735
Due to Other Funds	-	-	790,365
Unearned Revenue	-	-	1,765,106
Total Liabilities	<u>-</u>	<u>1</u>	<u>2,758,206</u>
Deferred Inflows of Resources			
Deferred Loans	<u>-</u>	<u>1,095,198</u>	<u>2,168,362</u>
Fund Balances (Deficits)			
Nonspendable	-	-	35,000
Restricted	6	6	4,151,877
Unassigned	-	-	(214,138)
Total Fund Balances (Deficits)	<u>6</u>	<u>6</u>	<u>3,972,739</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 6</u>	<u>\$ 1,095,205</u>	<u>\$ 8,899,307</u>

CITY OF TULARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Senior Services	Encampment Resolution Grant	Housing Redevelopment CDBG	Gas Tax	Traffic Safety	COPS - State Grant
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 3,012,253	\$ -	\$ -
Intergovernmental	278,931	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	63,034	-
Use of Money and Property	-	-	-	(119,607)	(2,930)	(8,663)
Interest and Rentals	-	-	-	11,466	139	523
Grants	-	1,023	693,806	-	-	119,579
Meals	19,177	-	-	-	-	-
Assessments	-	-	-	-	-	-
Other	11,383	-	-	-	-	-
Total Revenues	309,491	1,023	693,806	2,904,112	60,243	111,439
Expenditures						
Current						
Public Safety	-	-	-	-	-	111,388
Community Development	-	1,023	612,144	-	-	-
Community Services	506,540	-	-	-	-	-
Capital Outlay	-	-	450,000	-	-	-
Total Expenditures	506,540	1,023	1,062,144	-	-	111,388
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,049)	-	(368,338)	2,904,112	60,243	51
Other Financing (Uses)						
Transfers Out	-	-	-	(2,521,039)	-	-
Total Other Financing (Uses)	-	-	-	(2,521,039)	-	-
Net Change in Fund Balances (Deficits)	(197,049)	-	(368,338)	383,073	60,243	51
Fund Balances (Deficits) - Beginning	16	-	569,951	2,114,232	6,247	-
Fund Balances (Deficits) - Ending	\$ (197,033)	\$ -	\$ 201,613	\$ 2,497,305	\$ 66,490	\$ 51

(Continued)

CITY OF TULARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Local Law Enforcement Block Grant	Landscape and Lighting	OTS Grant	Auto Theft Deterrence	Police Forfeiture	Vehicle Abatement
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Fines and Forfeitures	-	-	6,976	-	-	-
Use of Money and Property	(993)	(75,772)	(372)	-	(2,504)	(7,644)
Interest and Rentals	12	5,434	15	-	193	630
Grants	29,886	-	-	-	2,609	15,069
Meals	-	-	-	-	-	-
Assessments	-	930,155	-	-	-	-
Other	-	603	-	60,133	-	-
Total Revenues	28,905	860,420	6,619	60,133	298	8,055
Expenditures						
Current						
Public Safety	-	-	-	-	28	42,232
Community Development	-	-	-	16,000	-	-
Community Services	36,671	926,118	20	-	-	-
Capital Outlay	-	-	-	53,149	-	-
Total Expenditures	36,671	926,118	20	69,149	28	42,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,766)	(65,698)	6,599	(9,016)	270	(34,177)
Other Financing (Uses)						
Transfers Out	-	-	-	-	-	-
Total Other Financing (Uses)	-	-	-	-	-	-
Net Change in Fund Balances (Deficits)	(7,766)	(65,698)	6,599	(9,016)	270	(34,177)
Fund Balances (Deficits) - Beginning	-	1,335,777	10	(323)	10,299	168,326
Fund Balances (Deficits) - Ending	\$ (7,766)	\$ 1,270,079	\$ 6,609	\$ (9,339)	\$ 10,569	\$ 134,149

(Continued)

**CITY OF TULARE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (Continued)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Public Mitigation Grant	Rental Rehabilitation	Total
Revenues			
Taxes	\$ -	\$ -	\$ 3,012,253
Intergovernmental	-	-	278,931
Fines and Forfeitures	-	-	70,010
Use of Money and Property	-	-	(218,485)
Interest and Rentals	6	-	18,418
Grants	-	-	861,972
Meals	-	-	19,177
Assessments	-	-	930,155
Other	-	402	72,521
Total Revenues	6	402	5,044,952
Expenditures			
Current			
Public Safety	-	-	153,648
Community Development	-	396	629,563
Community Services	-	-	1,469,349
Capital Outlay	-	-	503,149
Total Expenditures	-	396	2,755,709
Excess (Deficiency) of Revenues Over (Under) Expenditures	6	6	2,289,243
Other Financing (Uses)			
Transfers Out	-	-	(2,521,039)
Total Other Financing (Uses)	-	-	(2,521,039)
Net Change in Fund Balances (Deficits)	6	6	(231,796)
Fund Balances (Deficits) - Beginning	-	-	4,204,535
Fund Balances (Deficits) - Ending	\$ 6	\$ 6	\$ 3,972,739

**CITY OF TULARE
 SENIOR SERVICES FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Intergovernmental	\$ 151,000	\$ 278,931	\$ 127,931
Meals	18,000	19,177	1,177
Other	6,000	11,383	5,383
	<u>175,000</u>	<u>309,491</u>	<u>134,491</u>
Total Revenues			
	<u>175,000</u>	<u>309,491</u>	<u>134,491</u>
Expenditures			
Current			
Community Services	545,540	506,540	39,000
	<u>545,540</u>	<u>506,540</u>	<u>39,000</u>
Total Expenditures			
	<u>545,540</u>	<u>506,540</u>	<u>39,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(370,540)</u>	<u>(197,049)</u>	<u>173,491</u>
Other Financing Sources			
Transfers In	378,830	-	(378,830)
	<u>378,830</u>	<u>-</u>	<u>(378,830)</u>
Total Other Financing Sources			
	<u>378,830</u>	<u>-</u>	<u>(378,830)</u>
Net Change in Fund Balance	8,290	(197,049)	(205,339)
Fund Balance, Beginning	<u>-</u>	<u>16</u>	<u>(16)</u>
Fund Balance (Deficit), Ending	<u>\$ 8,290</u>	<u>\$ (197,033)</u>	<u>\$ (205,323)</u>

**CITY OF TULARE
ENCAMPMENT RESOLUTION GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Grants	\$ 1,566,620	\$ 1,023	\$ (1,565,597)
Total Revenues	<u>1,566,620</u>	<u>1,023</u>	<u>(1,565,597)</u>
Expenditures			
Current			
Community Development	<u>1,566,620</u>	<u>1,023</u>	<u>1,565,597</u>
Total Expenditures	<u>1,566,620</u>	<u>1,023</u>	<u>1,565,597</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF TULARE
HOUSING REDEVELOPMENT CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Grants	\$ -	\$ 693,806	\$ 693,806
Total Revenues	<u>-</u>	<u>693,806</u>	<u>693,806</u>
Expenditures			
Current			
Community Development	94,862	612,144	(517,282)
Capital Outlay	<u>-</u>	<u>450,000</u>	<u>(450,000)</u>
Total Expenditures	<u>94,862</u>	<u>1,062,144</u>	<u>(967,282)</u>
Net Change in Fund Balance	(94,862)	(368,338)	(273,476)
Fund Balance - Beginning	<u>569,951</u>	<u>569,951</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 475,089</u>	<u>\$ 201,613</u>	<u>\$ (273,476)</u>

**CITY OF TULARE
GAS TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Taxes	\$ 2,993,500	\$ 3,012,253	\$ 18,753
Use of Money and Property	-	(119,607)	(119,607)
Interest and Rentals	50,000	11,466	(38,534)
	<u>3,043,500</u>	<u>2,904,112</u>	<u>(139,388)</u>
Total Revenues	<u>3,043,500</u>	<u>2,904,112</u>	<u>(139,388)</u>
Expenditures			
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,043,500</u>	<u>2,904,112</u>	<u>(139,388)</u>
Other Financing (Uses)			
Transfers Out	(6,835,080)	(2,521,039)	4,314,041
	<u>(6,835,080)</u>	<u>(2,521,039)</u>	<u>4,314,041</u>
Net Change in Fund Balance	(3,791,580)	383,073	4,174,653
Fund Balance, Beginning	<u>2,114,232</u>	<u>2,114,232</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (1,677,348)</u>	<u>\$ 2,497,305</u>	<u>\$ 4,174,653</u>

**CITY OF TULARE
TRAFFIC SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 50,000	\$ 63,034	\$ 13,034
Use of Money and Property	-	(2,930)	(2,930)
Interest and Rentals	-	139	139
	<u>50,000</u>	<u>60,243</u>	<u>10,243</u>
Total Revenues	<u>50,000</u>	<u>60,243</u>	<u>10,243</u>
Expenditures			
Current			
Public Safety	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>50,000</u>	<u>60,243</u>	<u>10,243</u>
Other Financing (Uses)			
Transfers Out	(50,000)	-	50,000
	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	-	60,243	60,243
Fund Balance, Beginning	<u>6,247</u>	<u>6,247</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 6,247</u>	<u>\$ 66,490</u>	<u>\$ 60,243</u>

**CITY OF TULARE
COPS – STATE GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Use of Money and Property	\$ -	\$ (8,663)	\$ (8,663)
Interest and Rentals	-	523	523
Grants	<u>166,000</u>	<u>119,579</u>	<u>(46,421)</u>
Total Revenues	<u>166,000</u>	<u>111,439</u>	<u>(45,898)</u>
Expenditures			
Current			
Public Safety	<u>166,000</u>	<u>111,388</u>	<u>54,612</u>
Total Expenditures	<u>166,000</u>	<u>111,388</u>	<u>54,612</u>
Net Change in Fund Balance	-	51	51
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ 51</u></u>	<u><u>\$ 51</u></u>

**CITY OF TULARE
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Use of Money and Property	\$ -	\$ (993)	\$ (993)
Interest and Rentals	-	12	12
Grants	<u>19,190</u>	<u>29,886</u>	<u>10,696</u>
Total Revenues	<u>19,190</u>	<u>28,905</u>	<u>9,715</u>
Expenditures			
Current			
Community Development	-	-	-
Community Services	<u>36,677</u>	<u>36,671</u>	<u>6</u>
Total Expenditures	<u>36,677</u>	<u>36,671</u>	<u>6</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,487)	(7,766)	9,721
Other Financing (Uses)			
Transfers Out	<u>(6,830)</u>	<u>-</u>	<u>6,830</u>
Net Change in Fund Balance	(24,317)	(7,766)	16,551
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u>\$ (24,317)</u>	<u>\$ (7,766)</u>	<u>\$ 24,317</u>

**CITY OF TULARE
LANDSCAPE AND LIGHTING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Use of Money and Property	\$ -	\$ (75,772)	\$ (75,772)
Interest and Rentals	-	5,434	5,434
Assessments	906,610	930,155	23,545
Other	-	603	603
	<u>906,610</u>	<u>860,420</u>	<u>(46,190)</u>
Total Revenues			
	<u>906,610</u>	<u>860,420</u>	<u>(46,190)</u>
Expenditures			
Current			
Community Services	876,330	926,118	(49,788)
	<u>876,330</u>	<u>926,118</u>	<u>(49,788)</u>
Total Expenditures			
	<u>876,330</u>	<u>926,118</u>	<u>(49,788)</u>
Net Change in Fund Balance	30,280	(65,698)	3,598
Fund Balance, Beginning	<u>1,335,777</u>	<u>1,335,777</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,366,057</u>	<u>\$ 1,270,079</u>	<u>\$ 3,598</u>

**CITY OF TULARE
OTS GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Fines and Forfeitures	\$ 10,000	\$ 6,976	\$ (3,024)
Use of Money and Property	-	(372)	(372)
Interest and Rentals	-	15	15
	<u>10,000</u>	<u>6,619</u>	<u>(3,381)</u>
Total Revenues			
	<u>10,000</u>	<u>6,619</u>	<u>(3,381)</u>
Expenditures			
Current			
Community Services	20	20	-
	<u>20</u>	<u>20</u>	<u>-</u>
Total Expenditures			
	<u>20</u>	<u>20</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>9,980</u>	<u>6,599</u>	<u>(3,381)</u>
Other Financing (Uses)			
Transfers Out	(10,000)	-	10,000
	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balance	(20)	6,599	6,619
Fund Balance, Beginning	-	10	10
	<u>-</u>	<u>10</u>	<u>10</u>
Fund Balance (Deficit), Ending	<u>\$ (20)</u>	<u>\$ 6,609</u>	<u>\$ 6,629</u>

**CITY OF TULARE
 AUTO THEFT DETERRENCE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Interest and Rentals	\$ -	\$ -	\$ -
Other	60,000	60,133	133
	<u>60,000</u>	<u>60,133</u>	<u>133</u>
Total Revenues	<u>60,000</u>	<u>60,133</u>	<u>133</u>
Expenditures			
Current			
Community Development	-	16,000	(16,000)
Capital Outlay	52,140	53,149	(1,009)
	<u>52,140</u>	<u>53,149</u>	<u>(1,009)</u>
Total Expenditures	<u>52,140</u>	<u>69,149</u>	<u>(17,009)</u>
Net Change in Fund Balance (Deficit)	7,860	(9,016)	(16,876)
Fund Balance (Deficit), Beginning	<u>(323)</u>	<u>(323)</u>	<u>-</u>
Fund Balance (Deficit), Ending	<u><u>\$ 7,537</u></u>	<u><u>\$ (9,339)</u></u>	<u><u>\$ (16,876)</u></u>

**CITY OF TULARE
POLICE FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Use of Money and Property	\$ -	\$ (2,504)	\$ (2,504)
Interest and Rentals	-	193	193
Grants	-	2,609	2,609
	<u>-</u>	<u>298</u>	<u>298</u>
Total Revenues	<u>-</u>	<u>298</u>	<u>298</u>
Expenditures			
Current			
Public Safety	-	28	(28)
	<u>-</u>	<u>28</u>	<u>(28)</u>
Total Expenditures	<u>-</u>	<u>28</u>	<u>(28)</u>
Net Change in Fund Balance	-	270	270
Fund Balance, Beginning	<u>10,299</u>	<u>10,299</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 10,299</u></u>	<u><u>\$ 10,569</u></u>	<u><u>\$ 270</u></u>

**CITY OF TULARE
VEHICLE ABATEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Use of Money and Property	\$ -	\$ (7,644)	\$ (7,644)
Interest and Rentals	-	630	630
Grants	<u>35,000</u>	<u>15,069</u>	<u>(19,931)</u>
Total Revenues	<u>35,000</u>	<u>8,055</u>	<u>(26,945)</u>
Expenditures			
Current			
Public Safety	<u>42,220</u>	<u>42,232</u>	<u>(12)</u>
Total Expenditures	<u>42,220</u>	<u>42,232</u>	<u>(12)</u>
Net Change in Fund Balance	(7,220)	(34,177)	(26,957)
Fund Balance, Beginning	<u>168,326</u>	<u>168,326</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 161,106</u></u>	<u><u>\$ 134,149</u></u>	<u><u>\$ (26,957)</u></u>

**CITY OF TULARE
PUBLIC MITIGATION GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Interest and Rentals	\$ -	\$ 6	\$ 6
Total Revenues	<u>-</u>	<u>6</u>	<u>6</u>
Expenditures			
Current			
Public Safety	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	6	6
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ 6</u></u>	<u><u>\$ 6</u></u>

**CITY OF TULARE
 RENTAL REHABILITATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other	\$ -	\$ 402	\$ 402
Total Revenues	<u>-</u>	<u>402</u>	<u>402</u>
Expenditures			
Current			
Community Development	-	396	(396)
Total Expenditures	<u>-</u>	<u>396</u>	<u>(396)</u>
Net Change in Fund Balance	-	6	6
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</u>

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CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

The Technology Construction in Progress (CIP) Fund accounts for the capital projects expenditures related to technology.

**CITY OF TULARE
BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUND
JUNE 30, 2022**

	Technology CIP
Assets	
Cash and Investments	\$ 561,085
Total Assets	\$ 561,085
Liabilities and Fund Balance	
Liabilities	
Accounts Payable and Accrued Liabilities	\$ 5,034
Total Liabilities	5,034
Fund Balance	
Committed	556,051
Total Fund Balance	556,051
Total Liabilities and Fund Balance	\$ 561,085

**CITY OF TULARE
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2022**

	Technology CIP
Revenues	
Other	\$ -
Total Revenues	-
Expenditures	
Current	
Community Development	25,572
Total Expenditures	25,572
Deficiency of Revenues Under Expenditures	(25,572)
Other Financing Sources	
Transfers In	327,810
Total Other Financing Sources	327,810
Net Change in Fund Balance	302,238
Fund Balance - Beginning	253,813
Fund Balance - Ending	\$ 556,051

**CITY OF TULARE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022**

	Technology CIP		Variance With Final Budget
	Budget	Actual	
Revenues			
Other	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures			
Current			
Community Development	145,000	25,572	119,428
Total Expenditures	145,000	25,572	119,428
Deficiency of Revenues Under Expenditures	(145,000)	(25,572)	119,428
Other Financing Sources			
Transfers In	327,810	327,810	-
Total Other Financing Sources	327,810	327,810	-
Net Change in Fund Balance	182,810	302,238	119,428
Fund Balance - Beginning	253,813	253,813	-
Fund Balance - Ending	<u>\$ 436,623</u>	<u>\$ 556,051</u>	<u>\$ 119,428</u>

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department of the City to another on a cost-reimbursement basis.

The Fleet Maintenance Fund accounts for the costs of maintaining and replacing City vehicles and equipment. Costs are funded by charges to using departments based upon actual usage and rental rates.

The Employee Welfare Fund accounts for the cost of the City's health insurance program. Costs are funded by charges to departments based upon the number of employees and by employee contributions for department coverage.

The Workers' Compensation Fund accounts for the cost of the City's self-insured workers' compensation program. Costs are funded by charges to departments based upon standard workers' compensation rates.

The General Insurance Fund accounts for the cost of the City's self-insured liability and fire insurance program. Costs are funded by charges to departments based upon a combination of number of employees and square footage of buildings factors.

The Unemployment Insurance Fund accounts for the cost of unemployment claims paid and is funded by the General Fund.

The Purchasing Fund accounts for the cost of purchases of inventory items and the department charges for issuance of those items.

The Surface Water Management Fund accounts for the cost of flood control, water recharge, capacity enhancement, and pollution control. Costs are funded by the General Fund, Water Fund, and Sewer Fund contributions.

CITY OF TULARE
COMBINING STATEMENT OF NET POSITION
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Fleet Maintenance	Employee Welfare	Workers' Compensation	General Insurance
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and Investments	\$ 7,437,311	\$ 5,997,657	\$ 6,934,318	\$ -
Cash and Investments with Fiscal Agent	-	(9,418)	-	44,525
Receivables				
Accounts	899	181,915	2,306	-
Interest	-	-	-	-
Intergovernmental	19,707	-	-	-
Inventories	-	-	-	-
Total Current Assets	7,457,917	6,170,154	6,936,624	44,525
Noncurrent Assets				
Capital Assets				
Nondepreciable				
Land	75,000	-	-	-
Depreciable				
Buildings	6,187,770	-	-	-
Improvements Other Than Buildings	1,648,583	-	-	-
Machinery and Equipment	27,093,967	-	-	-
Accumulated Depreciation and Amortization	(22,126,747)	-	-	-
Total Noncurrent Assets	12,878,573	-	-	-
Total Assets	20,336,490	6,170,154	6,936,624	44,525
Deferred Outflows of Resources				
Deferred Outflows from Pensions	196,179	12,344	18,586	17,051
Deferred Outflows from OPEB	14,657	656	1,039	820
Total Deferred Outflows of Resources	210,836	13,000	19,625	17,871
Total Assets and Deferred Outflows of Resources	\$ 20,547,326	\$ 6,183,154	\$ 6,956,249	\$ 62,396
Liabilities and Deferred Inflows of Resources				
Current Liabilities				
Accounts Payable and Accrued Liabilities	\$ 160,610	\$ 39,602	\$ 4,420	\$ 4,529
Due to Other Funds	137,849	-	-	1,207,912
Compensated Absences - Current	3,594	282	485	485
Unearned Revenue - Other	-	372,405	-	-
Insurance Claims Payable	-	-	1,444,875	-
Total Current Liabilities	302,053	412,289	1,449,780	1,212,926
Noncurrent Liabilities				
Compensated Absences Payable	38,885	3,055	5,245	5,245
Net OPEB Liability	84,485	3,784	5,989	4,729
Net Pension Liability	1,002,735	63,156	95,280	87,208
Total Noncurrent Liabilities	1,126,105	69,995	106,514	97,182
Total Liabilities	1,428,158	482,284	1,556,294	1,310,108
Deferred Inflows of Resources				
Deferred Inflows from OPEB	25,271	1,132	1,791	1,414
Deferred Inflows from Pensions	448,084	28,221	42,578	38,970
Total Deferred Inflows of Resources	473,355	29,353	44,369	40,384
Total Liabilities and Deferred Inflows of Resources	1,901,513	511,637	1,600,663	1,350,492
Net Position (Deficit)				
Net Investment in Capital Assets	12,878,573	-	-	-
Unrestricted	5,767,240	5,671,517	5,355,586	(1,288,096)
Total Net Position (Deficit)	\$ 18,645,813	\$ 5,671,517	\$ 5,355,586	\$ (1,288,096)

(Continued)

CITY OF TULARE
COMBINING STATEMENT OF NET POSITION (Continued)
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2022

Unemployment Insurance	Purchasing	Surface Water Management	Total
\$ -	\$ -	\$ 4,577,516	\$ 24,946,802
-	-	-	35,107
-	75,734	-	260,854
-	-	1,522	1,522
-	144,378	-	164,085
-	496,399	-	496,399
-	716,511	4,579,038	25,904,769
-	-	-	75,000
-	-	-	6,187,770
-	-	-	1,648,583
-	13,419	9,821	27,117,207
-	(13,419)	(3,858)	(22,144,024)
-	-	5,963	12,884,536
-	716,511	4,585,001	38,789,305
-	-	22,170	266,330
-	-	1,531	18,703
-	-	23,701	285,033
<u>\$ -</u>	<u>\$ 716,511</u>	<u>\$ 4,608,702</u>	<u>\$ 39,074,338</u>
\$ 3,461	\$ 243,339	\$ 12,600	\$ 468,561
4,755	148,650	-	1,499,166
-	-	-	4,846
-	-	-	372,405
-	-	-	1,444,875
8,216	391,989	12,600	3,789,853
-	-	-	52,430
-	-	8,826	107,813
-	-	112,370	1,360,749
-	-	121,196	1,520,992
8,216	391,989	133,796	5,310,845
-	-	2,640	32,248
-	-	50,218	608,071
-	-	52,858	640,319
8,216	391,989	186,654	5,951,164
-	-	5,963	12,884,536
(8,216)	324,522	4,416,085	20,238,638
<u>\$ (8,216)</u>	<u>\$ 324,522</u>	<u>\$ 4,422,048</u>	<u>\$ 33,123,174</u>

**CITY OF TULARE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Fleet Maintenance</u>	<u>Employee Welfare</u>	<u>Workers' Compensation</u>	<u>General Insurance</u>
Operating Revenues				
Departmental Charges	\$ 3,298,679	\$ 3,664,969	\$ 3,995,231	\$ 1,254,109
Employee Contributions	-	1,468,969	-	-
Total Operating Revenues	<u>3,298,679</u>	<u>5,133,938</u>	<u>3,995,231</u>	<u>1,254,109</u>
Operating Expenses				
General Administration	267	87,016	1,910	12,955
Personnel Services	479,082	50,527	76,967	61,541
Contractual Services	278,728	-	-	-
Equipment Usage and Operation	302,097	-	-	-
Insurance	351,820	4,428,123	1,898,963	2,143,818
Depreciation and Amortization	1,810,849	-	-	-
Total Operating Expenses	<u>3,222,843</u>	<u>4,565,666</u>	<u>1,977,840</u>	<u>2,218,314</u>
Operating Income (Loss)	<u>75,836</u>	<u>568,272</u>	<u>2,017,391</u>	<u>(964,205)</u>
Nonoperating Revenues (Expenses)				
Use of Money and Property	(368,796)	(337,119)	(389,767)	-
Interest Income	30,702	23,702	26,162	-
Grants	80,000	-	-	-
Other Income (Expense) - Miscellaneous	25,050	14,747	373	-
Gain (Loss) on Sale of Assets	(3,971)	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(237,015)</u>	<u>(298,670)</u>	<u>(363,232)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>(161,179)</u>	<u>269,602</u>	<u>1,654,159</u>	<u>(964,205)</u>
Transfers In	931,408	-	-	-
Transfers Out	(931,408)	-	-	-
Change in Net Position (Deficit)	(161,179)	269,602	1,654,159	(964,205)
Net Position (Deficit), Beginning	<u>18,806,992</u>	<u>5,401,915</u>	<u>3,701,427</u>	<u>(323,891)</u>
Net Position (Deficity), Ending	<u>\$ 18,645,813</u>	<u>\$ 5,671,517</u>	<u>\$ 5,355,586</u>	<u>\$ (1,288,096)</u>

(Continued)

CITY OF TULARE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION (Continued)
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

<u>Unemployment Insurance</u>	<u>Purchasing</u>	<u>Surface Water Management</u>	<u>Total</u>
\$ -	\$ 2,325,788	\$ -	\$ 14,538,776
-	-	-	1,468,969
-	2,325,788	-	16,007,745
-	-	178,120	280,268
-	-	34,777	702,894
-	-	-	278,728
-	2,205,144	-	2,507,241
8,046	-	-	8,830,770
-	-	1,403	1,812,252
8,046	2,205,144	214,300	14,412,153
(8,046)	120,644	(214,300)	1,595,592
-	-	(257,295)	(1,352,977)
-	52	20,726	101,344
-	-	-	80,000
(170)	-	-	40,000
-	-	-	(3,971)
(170)	52	(236,569)	(1,135,604)
(8,216)	120,696	(450,869)	459,988
-	-	1,425,800	2,357,208
-	-	-	(931,408)
(8,216)	120,696	974,931	1,885,788
-	203,826	3,447,117	31,237,386
\$ (8,216)	\$ 324,522	\$ 4,422,048	\$ 33,123,174

**CITY OF TULARE
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Fleet Maintenance</u>	<u>Employee Welfare</u>	<u>Workers' Compensation</u>	<u>General Insurance</u>
Cash Flows from Operating Activities:				
Cash Received from Interfund Services Provided	\$ 3,291,359	\$ 5,293,367	\$ 3,997,713	\$ 1,254,109
Cash Paid for Salaries and Benefits	(688,890)	(60,567)	(81,875)	(76,998)
Cash Received From (Paid for) Services and Supplies	(492,401)	(288,636)	774	596
Cash Paid for Reported Claims	(351,820)	(4,428,123)	(1,898,963)	(2,143,818)
Cash Paid for Other Charges	(267)	(87,016)	(1,910)	(12,955)
Net Cash Provided by (Used for) Operating Activities	<u>1,757,981</u>	<u>429,025</u>	<u>2,015,739</u>	<u>(979,066)</u>
Cash Flows from Non-Capital Financing Activities:				
Due to Other Funds	(68,220)	-	-	979,066
Grants	80,000	-	-	-
Other Income (Expense) - Miscellaneous	25,050	14,747	373	-
Transfers from Other Funds	931,408	-	-	-
Transfers to Other Funds	(931,408)	-	-	-
Net Cash Provided by Non-Capital Financing Activities	<u>36,830</u>	<u>14,747</u>	<u>373</u>	<u>979,066</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from the Sale of Assets	56,732	-	-	-
Acquisition of Capital Assets	(931,408)	-	-	-
Net Cash Used for Capital and Related Financing Activities	<u>(874,676)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:				
Investment Earnings (Loss)	(338,094)	(313,417)	(363,605)	-
Net Cash Provided by (Used for) Investing Activities	<u>(338,094)</u>	<u>(313,417)</u>	<u>(363,605)</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	582,041	130,355	1,652,507	-
Cash and Cash Equivalents, Beginning of the Year	<u>6,855,270</u>	<u>5,857,884</u>	<u>5,281,811</u>	<u>44,525</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 7,437,311</u>	<u>\$ 5,988,239</u>	<u>\$ 6,934,318</u>	<u>\$ 44,525</u>

(Continued)

**CITY OF TULARE
COMBINING STATEMENT OF CASH FLOWS (Continued)
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

Unemployment Insurance	Purchasing	Surface Water Management	Total
\$ -	\$ 2,105,804	\$ 516	\$ 15,942,868
-	-	(109,095)	(1,017,425)
(1,228)	(2,396,088)	2,555	(3,174,428)
(8,046)	-	-	(8,830,770)
-	-	(178,120)	(280,268)
<u>(9,274)</u>	<u>(290,284)</u>	<u>(284,144)</u>	<u>2,639,977</u>
4,755	148,650	-	1,064,251
-	-	-	80,000
(170)	-	-	40,000
-	-	1,425,800	2,357,208
-	-	-	(931,408)
<u>4,585</u>	<u>148,650</u>	<u>1,425,800</u>	<u>2,610,051</u>
-	-	-	56,732
-	-	-	(931,408)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(874,676)</u>
<u>-</u>	<u>52</u>	<u>(236,569)</u>	<u>(1,251,633)</u>
<u>-</u>	<u>52</u>	<u>(236,569)</u>	<u>(1,251,633)</u>
(4,689)	(141,582)	905,087	3,123,719
<u>4,689</u>	<u>141,582</u>	<u>3,672,429</u>	<u>21,858,190</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,577,516</u>	<u>\$ 24,981,909</u>

(Continued)

**CITY OF TULARE
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Fleet Maintenance</u>	<u>Employee Welfare</u>	<u>Workers' Compensation</u>	<u>General Insurance</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	\$ 75,836	\$ 568,272	\$ 2,017,391	\$ (964,205)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization	1,810,849	-	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(7,320)	(117,438)	2,482	-
(Increase) in Inventory	-	-	-	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	88,424	(288,636)	774	596
Increase in Compensated Absences Payable	4,855	136	240	240
(Decrease) in Net OPEB Liability	(3,483)	(155)	(324)	(201)
(Decrease) in Net Pension Liability and Related Items	(211,180)	(10,021)	(4,824)	(15,496)
Increase in Unearned Revenue	-	276,867	-	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,757,981</u>	<u>\$ 429,025</u>	<u>\$ 2,015,739</u>	<u>\$ (979,066)</u>
Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to the Statement of Net Position:				
Cash and Investments	\$ 7,437,311	\$ 5,997,657	\$ 6,934,318	\$ -
Cash and Investments with Fiscal Agents	-	(9,418)	-	44,525
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 7,437,311</u>	<u>\$ 5,988,239</u>	<u>\$ 6,934,318</u>	<u>\$ 44,525</u>

(Continued)

**CITY OF TULARE
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

<u>Unemployment Insurance</u>	<u>Purchasing</u>	<u>Surface Water Management</u>	<u>Total</u>
\$ (8,046)	\$ 120,644	\$ (214,300)	\$ 1,595,592
-	-	1,403	1,812,252
-	(219,984)	516	(341,744)
-	(209,359)	-	(209,359)
(1,228)	18,415	2,555	(179,100)
-	-	-	5,471
-	-	(863)	(5,026)
-	-	(73,455)	(314,976)
-	-	-	276,867
<u>\$ (9,274)</u>	<u>\$ (290,284)</u>	<u>\$ (284,144)</u>	<u>\$ 2,639,977</u>
\$ -	\$ -	\$ 4,577,516	\$ 24,946,802
-	-	-	35,107
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,577,516</u>	<u>\$ 24,981,909</u>

CITY OF TULARE
SCHEDULE OF EXPENDITURES BY DEPARTMENT –
BUDGETARY LEVEL OF CONTROL – BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government				
City Council	\$ 98,770	\$ 91,030	\$ 79,908	\$ 11,122
City Manager	616,750	532,670	700,244	(167,574)
Finance	1,643,510	1,438,260	1,347,749	90,511
Economic Development	216,500	187,030	178,803	8,227
CIP Administrative	3,854,950	3,602,273	2,330,584	1,271,689
IT Division	586,800	531,840	535,722	(3,882)
Personnel	485,320	480,710	454,207	26,503
Non-Departmental	433,330	442,550	474,985	(32,435)
Animal Control	1,067,420	1,018,610	922,081	96,529
Total General Government	9,003,350	8,324,973	7,024,283	1,300,690
Public Safety				
Police	18,379,200	17,109,290	16,829,236	280,054
Fire Code Enforcement	13,410,240	12,486,780	12,743,021	(256,241)
Total Public Safety	31,789,440	29,596,070	29,572,257	23,813
Public Works				
Streets	2,896,600	3,215,650	3,388,276	(172,626)
Storm Drains	-	-	-	-
Total Public Works	2,896,600	3,215,650	3,388,276	(172,626)
Community Development				
Parking and Business Improvement	88,000	88,000	78,056	9,944
Dangerous Building Abatement	43,960	43,680	11,334	32,346
Total Community Development	131,960	131,680	89,390	42,290
Community Services				
Parks	2,815,210	2,658,390	2,723,575	(65,185)
Community Services	3,866,960	3,711,880	3,466,073	245,807
Total Community Services	6,682,170	6,370,270	6,189,648	180,622
Library and Cultural	1,656,120	1,637,890	1,591,367	46,523
Capital Outlay	18,568,530	24,905,171	12,244,052	12,661,119
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	-	302	(302)
Total Debt Service	-	-	302	(302)
Transfers Out	5,371,590	5,709,800	5,196,473	513,327
Total General Fund Expenditures	\$ 76,099,760	\$ 79,891,504	\$ 65,296,048	\$ 14,595,456

**CITY OF TULARE
 MEASURE I SALES TAX REVENUES AND RELATED
 EXPENDITURES – BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	Final Budget	Actual	Variance with Final Budget
Revenues			
Measure I Sales Tax	\$ 6,237,000	\$ 8,375,789	\$ 2,138,789
Expenditures			
Measure I - Police	147,140	119,774	27,366
Measure I - Fire	5,180,514	4,886,313	294,201
Measure I - Code Enforcement	1,825,120	1,859,429	(34,309)
Total Expenditures	7,152,774	6,865,516	287,258
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (915,774)	\$ 1,510,273	\$ 2,426,047

**CITY OF TULARE
LONG-TERM DEBT RECORDED IN
PRIVATE PURPOSE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2022**

Discretely Presented Successor Agency -

Tax Allocation Bonds:

On June 30, 2010, the former Redevelopment Agency participated in issuing its Merged Tulare Redevelopment Projects Serial Tax Allocation Bonds Series A (Tax-Exempt). Series A bonds totaling \$8,605,000 were payable in amounts ranging from \$45,562 to \$955,156 semiannually on August 1 and February 1, commencing August 1, 2010, through August 1, 2040, and bore interest at rates from 6.00% to 6.25%. Term Bonds of \$2,245,000 were due August 1, 2030, at interest rate 6.00%. Term Bonds of \$2,470,000 were due August 1, 2035, at interest rate 6.125%. Term Bonds of \$3,890,000 were due August 1, 2040, at interest rate 6.25%. The former Redevelopment Agency paid off the remaining balance by issuing its Merged Tulare Redevelopment Serial Tax Allocation Bonds Series A and B (Tax-Exempt).

On June 30, 2010, the former Redevelopment Agency participated in issuing its Merged Tulare Redevelopment Projects Serial Tax Allocation Bonds Series B (Taxable). Series B bonds totaling \$4,915,000 were payable in amounts ranging from \$29,622 to \$640,035 semiannually on August 1 and February 1, commencing August 1, 2010, through August 1, 2023, and bore interest at rates from 4.125% to 7.70%. Term Bonds of \$350,000 were due August 1, 2013, at interest rate 4.125%. Term Bonds of \$365,000 were due August 1, 2014, at interest rate 4.50%. Term Bonds of \$380,000 were due August 1, 2015, at interest rate 5.00%. Term Bonds of \$3,820,000 were due August 1, 2023, at interest rate 7.70%. The former Redevelopment Agency paid off the remaining balance by issuing its Merged Tulare Redevelopment Serial Tax Allocation Bonds Series A and B (Tax-Exempt).

On June 30, 2010, the former Redevelopment Agency participated in issuing its Merged Tulare Redevelopment Projects Serial Tax Allocation Bonds Series C (Taxable). Series C bonds totaling \$9,830,000 were payable in amounts ranging from \$68,853 to \$734,963 semiannually on August 1 and February 1, commencing August 1, 2010, through August 1, 2040, and bore interest at rates from 5.25% to 8.50%. Term Bonds of \$445,000 were due August 1, 2015, at interest rate 5.25%. Term Bonds of \$1,390,000 were due August 1, 2020, at interest rate 7.50%. Term Bonds of \$3,040,000 were due August 1, 2030, at interest rate 8.25%. Term Bonds of \$4,955,000 were due August 1, 2040, at interest rate 8.50%. The former Redevelopment Agency paid off the remaining balance by issuing its Merged Tulare Redevelopment Serial Tax Allocation Bonds Series A and B (Tax-Exempt).

On February 16, 2017, the former Redevelopment Agency participated in issuing its Merged Tulare Redevelopment Serial Tax Allocation Bonds Series A (Tax-Exempt). Series A bonds totaling \$7,915,000 are payable in amounts ranging from \$13,400 to \$752,900 semiannually on August 1 and February 1 commencing August 1, 2017, through August 1, 2040, and bear interest at rates from 2.00% to 5.00%. The transaction resulted in a reduction of \$2,218,010 in future debt service payments. The economic gain was \$646,754. At June 30, 2022, the outstanding balance, including the related unamortized bond premium and discount, was:

\$ 7,895,401

On February 16, 2017, the former Redevelopment Agency participated in issuing its Merged Tulare Redevelopment Serial Tax Allocation Bonds Series B (Tax-Exempt). Series A bonds totaling \$14,015,000 are payable in amounts ranging from \$14,130 to \$1,268,902 semiannually on August 1 and February 1 commencing August 1, 2017, through August 1, 2040, and bear interest at rates from 2.00% to 4.71%. The transaction resulted in a reduction of \$6,397,531 in future debt service payments. The economic gain was \$1,292,184. At June 30, 2022, the outstanding balance, including the related unamortized bond premium and discount, was:

\$ 9,100,000

**CITY OF TULARE
LONG-TERM DEBT RECORDED IN
PRIVATE PURPOSE TRUST FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2022**

The City advanced funds to the former Redevelopment Agency for operations. These advances date back since inception, and were payable upon demand, with interest accruing at 8% per annum on the unpaid balance. As of June 30, 2009, the remaining balance was approximately \$66 million. On June 29, 2010, the former Redevelopment Agency and the City reached an amended repayment agreement. The City forgave \$44,258,915 to reduce the outstanding principal balance to the City to \$22,052,848. In addition, the former Redevelopment Agency repaid \$6,000,000 and reduced the balance to the amount of \$3,302,059 as of June 30, 2011. The former Redevelopment Agency would make annual payments to the City with the annual interest rate at 3%. Beginning in fiscal year 2010-11, the former Redevelopment Agency was required to make annual payments of interest only to the City. This agreement was to continue through fiscal year 2024-25 and commencing in fiscal year 2025-26, payments of principal and interest were to be due until all amounts due were paid in full. However, in 2013, after the dissolution of the former Redevelopment Agency and when the State took control, the State Controller's Office issued a written finding in regards to an accelerated loan payment made by the City in December 2011, after the effective date of AB 1X 26 and ordered the City to return \$1,634,962 in property taxes to the Successor Agency which increased the advance to \$4,937,021. Included in the \$15,991,111 ending balance as of June 30, 2022, is also \$465,736 in property to be sold to the County Superintendent of Schools. At June 30, 2022, the outstanding balance was:

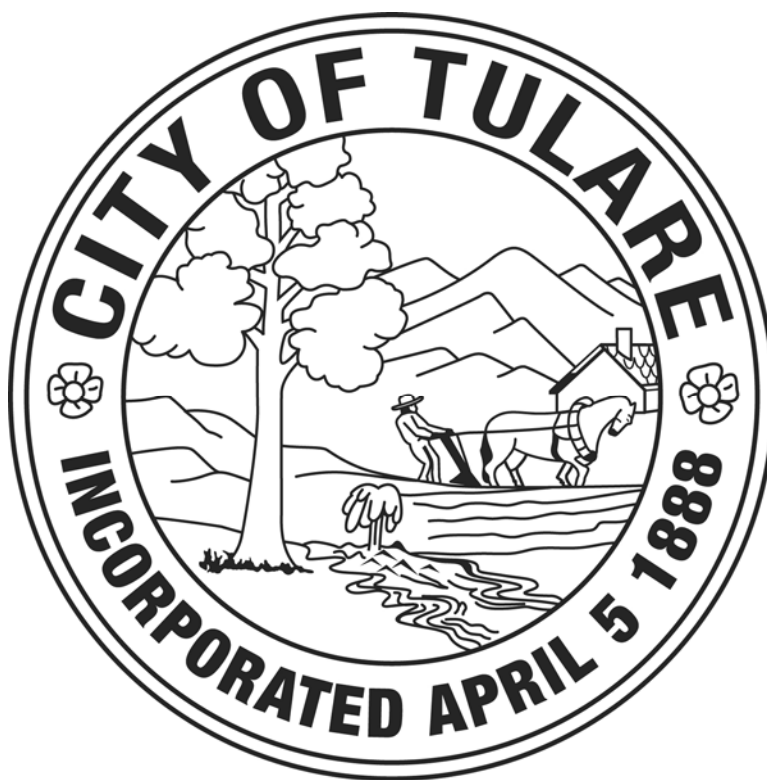
\$ 15,373,470

The annual requirements to amortize debt payable are as follows:

Year Ending June 30,	Fiduciary Fund - Private Purpose Trust Fund		
	Allocation Bonds - Series A	Allocation Bonds - Series B	From the Primary Government
2023	\$ 360,400	\$ 1,445,233	\$ 15,373,470
2024	613,200	1,123,716	-
2025	889,900	903,847	-
2026	434,500	562,888	-
2027	442,600	567,393	-
2028-2032	2,507,575	2,885,585	-
2033-2037	3,176,100	3,017,466	-
2038-2040	2,847,000	2,468,780	-
	11,271,275	12,974,908	15,373,470
Less Interest	3,581,276	3,874,908	-
Plus Unamortized Premium	102,701	-	-
Total	<u>\$ 7,792,700</u>	<u>\$ 9,100,000</u>	<u>\$ 15,373,470</u>

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STATISTICAL SECTION (UNAUDITED)



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STATISTICAL SECTION (UNAUDITED)

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**CITY OF TULARE
STATISTICAL SECTION (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022**

The statistical section of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	134 – 144
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax revenues.	145 – 157
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	158 – 165
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	166 – 168
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	169 – 173

**CITY OF TULARE
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2013	2014	2015	2016	2017
<u>Governmental Activities:</u>					
Net Investment in					
Capital Assets	\$ 165,585,033	\$ 177,172,689	\$ 207,289,716	\$ 211,461,105	\$ 211,265,222
Restricted	2,212,182	1,283,898	1,164,494	1,198,432	1,168,992
Unrestricted	46,626,129	47,137,211	11,560,174	44,306,438	47,705,937
Total Governmental Activities					
Net Position	<u>\$ 214,423,344</u>	<u>\$ 225,593,798</u>	<u>\$ 220,014,384</u>	<u>\$ 256,965,975</u>	<u>\$ 260,140,151</u>
<u>Business-Type Activities:</u>					
Net Investment in					
Capital Assets	\$ 83,470,628	\$ 85,354,787	\$ 86,153,865	\$ 80,626,706	\$ 79,725,820
Restricted	14,901,128	12,828,344	8,572,997	8,572,997	7,675,730
Unrestricted	(8,501,979)	(7,120,889)	(6,566,796)	4,481,990	11,706,869
Total Business-Type Activities					
Net Position	<u>\$ 89,869,777</u>	<u>\$ 91,062,242</u>	<u>\$ 88,160,066</u>	<u>\$ 93,681,693</u>	<u>\$ 99,108,419</u>
<u>Primary Government:</u>					
Net Investment in					
Capital Assets	\$ 249,055,661	\$ 262,527,476	\$ 293,443,581	\$ 292,087,811	\$ 290,991,042
Restricted	17,113,310	14,112,242	9,737,491	9,771,429	8,844,722
Unrestricted	38,124,150	40,016,322	4,993,378	48,788,428	59,412,806
Total Primary Government					
Net Position	<u>\$ 304,293,121</u>	<u>\$ 316,656,040</u>	<u>\$ 308,174,450</u>	<u>\$ 350,647,668</u>	<u>\$ 359,248,570</u>

Sources:

Annual Comprehensive Financial Report
Statement of Net Position

Fiscal Year				
2018	2019	2020	2021 (Restated)	2022
\$ 208,315,732	\$ 217,579,213	\$ 233,031,562	\$ 98,357,048	\$ 99,554,621
4,006,738	4,109,899	1,753,750	1,750,803	1,186,861
<u>50,782,588</u>	<u>46,588,528</u>	<u>29,301,183</u>	<u>32,038,570</u>	<u>43,183,619</u>
<u>\$ 263,105,058</u>	<u>\$ 268,277,640</u>	<u>\$ 264,086,495</u>	<u>\$ 132,146,421</u>	<u>\$ 143,925,101</u>
\$ 66,846,189	\$ 90,621,714	\$ 88,766,270	\$ 104,023,400	\$ 112,236,168
13,006,601	13,006,601	-	-	-
<u>24,722,430</u>	<u>20,856,181</u>	<u>70,265,299</u>	<u>77,388,968</u>	<u>84,144,129</u>
<u>\$ 104,575,220</u>	<u>\$ 124,484,496</u>	<u>\$ 159,031,569</u>	<u>\$ 181,412,368</u>	<u>\$ 196,380,297</u>
\$ 275,161,921	\$ 308,200,927	\$ 321,797,832	\$ 202,380,448	\$ 211,790,789
17,013,339	17,116,500	1,753,750	1,750,803	1,186,861
<u>75,505,018</u>	<u>67,444,709</u>	<u>99,566,482</u>	<u>109,427,538</u>	<u>127,327,748</u>
<u>\$ 367,680,278</u>	<u>\$ 392,762,136</u>	<u>\$ 423,118,064</u>	<u>\$ 313,558,789</u>	<u>\$ 340,305,398</u>

**CITY OF TULARE
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2013	2014	2015	2016	2017
Expenses:					
Governmental Activities:					
General Government	\$ 9,010,273	\$ 4,862,056	\$ 5,972,924	\$ 4,975,254	\$ 2,475,077
Intergovernmental	1,850	148,790	2,001	2,400	-
Public Safety	19,059,260	19,915,983	20,543,299	18,978,334	22,434,933
Public Works	5,655,689	2,287,781	2,987,540	10,078,440	2,275,960
Community Development	3,122,172	5,968,778	4,217,078	10,236,915	5,682,852
Community Services	3,941,229	4,981,447	5,106,177	5,749,780	5,927,569
Library and Cultural	4,114,378	4,438,440	3,210,010	5,952,134	3,128,200
Interest on Long-Term Debt	1,797,517	1,548,628	1,555,034	1,488,132	1,450,221
Total Governmental Activities Expenses	<u>46,702,368</u>	<u>44,151,903</u>	<u>43,594,063</u>	<u>57,461,389</u>	<u>43,374,812</u>
Business-Type Activities:					
Aviation	293,005	351,636	251,520	410,647	303,045
Transit	2,618,740	2,948,977	3,111,671	3,123,964	3,526,009
Community and Development	1,342,996	2,203,021	1,956,087	1,573,507	2,275,967
Water	6,998,271	6,497,620	5,926,633	6,784,595	8,148,054
Solid Waste	5,562,606	6,346,567	6,685,681	7,283,313	7,355,336
Sewer	26,131,677	27,656,817	25,267,201	29,281,564	30,471,856
Total Business-Type Activities Expenses	<u>42,947,295</u>	<u>46,004,638</u>	<u>43,198,793</u>	<u>48,457,590</u>	<u>52,080,267</u>
Total Primary Government Expenses	<u>89,649,663</u>	<u>90,156,541</u>	<u>86,792,856</u>	<u>105,918,979</u>	<u>95,455,079</u>
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	498,638	274,788	463,179	455,588	264,526
Intergovernmental	179,467	103,241	321,569	220	-
Public Safety	1,285,941	1,330,307	1,775,665	1,737,861	2,397,756
Public Works	312,403	129,298	231,673	922,891	243,245
Community Development	962,594	1,161,062	1,114,835	937,402	607,361
Community Services	217,701	281,516	395,966	526,512	633,515
Library and Cultural	227,266	250,847	248,925	545,042	334,330
Operating Grants and Contributions	1,151,910	1,033,917	1,240,627	1,782,930	959,415
Capital Grants and Contributions	9,196,546	8,919,700	12,424,332	7,918,523	-
Total Governmental Activities Program Revenues	<u>14,032,466</u>	<u>13,484,676</u>	<u>18,216,771</u>	<u>14,826,969</u>	<u>5,440,148</u>
Business-Type Activities:					
Charges for Services:					
Aviation	109,303	115,405	118,564	121,172	121,108
Transit	2,248,152	2,370,665	2,338,653	1,615,709	1,684,809
Community and Development	1,089,516	1,370,618	1,924,910	1,963,243	2,173,788
Water	6,063,775	6,635,639	8,112,880	8,014,181	10,611,372
Solid Waste	8,340,384	8,206,431	8,315,243	8,723,653	8,700,096
Sewer	26,051,737	26,207,894	27,054,457	29,436,905	30,349,080
Operating Grants and Contributions	863,097	2,031,384	1,157,482	837,623	3,721,134
Capital Grants and Contributions	-	-	2,221,961	-	-
Total Business-Type Activities Program Revenues	<u>44,765,964</u>	<u>46,938,036</u>	<u>51,244,150</u>	<u>50,712,486</u>	<u>57,361,387</u>
Total Primary Government Program Revenues	<u>58,798,430</u>	<u>60,422,712</u>	<u>69,460,921</u>	<u>65,539,455</u>	<u>62,801,535</u>

(Continued)

Fiscal Year				
2018	2019	2020	2021	2022
\$ 5,805,716	\$ 4,703,423	\$ 5,829,647	\$ 6,365,027	\$ 6,713,368
-	-	-	-	-
27,123,518	27,945,951	30,094,565	31,438,950	22,486,173
2,452,434	2,425,727	2,672,177	2,687,512	3,831,706
8,126,574	5,905,476	2,847,502	10,585,221	12,010,940
6,834,186	6,510,435	6,687,290	6,484,755	7,658,997
3,083,550	2,956,417	1,885,453	3,918,457	4,379,160
598,884	1,088,411	1,472,373	1,311,580	914,972
<u>54,024,862</u>	<u>51,535,840</u>	<u>51,489,007</u>	<u>62,791,502</u>	<u>57,995,316</u>
421,384	360,020	378,379	408,388	392,742
3,664,540	3,935,325	3,970,662	4,087,217	2,505,212
3,329,780	3,266,224	2,508,214	2,829,135	2,987,161
8,587,085	9,126,304	10,630,882	10,492,761	10,846,789
8,288,359	9,021,964	9,382,570	10,035,760	9,637,100
<u>28,290,003</u>	<u>28,648,005</u>	<u>28,308,670</u>	<u>25,308,216</u>	<u>24,689,685</u>
<u>52,581,151</u>	<u>54,357,842</u>	<u>55,179,377</u>	<u>53,161,477</u>	<u>51,058,689</u>
<u>106,606,013</u>	<u>105,893,682</u>	<u>106,668,384</u>	<u>115,952,979</u>	<u>109,054,005</u>
670,136	820,542	1,105,565	614,639	856,211
56,396	2,428	191	724	1,118
3,302,341	4,953,595	5,708,283	3,039,476	2,871,591
298,589	429,975	506,854	259,825	489,327
989,426	1,046,783	540,067	1,023,365	1,533,854
832,075	1,154,015	1,268,433	626,938	978,090
375,428	524,044	357,629	378,831	559,239
3,189,647	1,155,276	3,328,130	2,252,847	4,016,675
-	-	-	-	-
<u>9,714,038</u>	<u>10,086,658</u>	<u>12,815,152</u>	<u>8,196,645</u>	<u>11,306,105</u>
125,042	112,361	111,510	112,193	103,975
1,546,582	1,739,886	1,840,650	113,645	(400)
2,257,858	2,148,526	2,222,616	2,445,132	2,992,396
12,295,297	14,770,030	14,150,290	15,188,361	14,865,402
8,990,099	9,606,652	10,381,634	10,876,931	11,541,701
32,200,444	33,864,373	35,442,110	37,434,359	37,535,687
1,697,847	2,636,741	5,119,938	3,996,986	520,616
-	-	-	-	-
<u>59,113,169</u>	<u>64,878,569</u>	<u>69,268,748</u>	<u>70,167,607</u>	<u>67,559,377</u>
<u>68,827,207</u>	<u>74,965,227</u>	<u>82,083,900</u>	<u>78,364,252</u>	<u>78,865,482</u>

(Continued)

CITY OF TULARE
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	Fiscal Year				
	2013	2014	2015	2016	2017
Net Revenues (Expenses):					
Governmental Activities	(32,669,902)	(30,667,227)	(25,377,292)	(42,634,420)	(37,934,664)
Business-Type Activities	1,818,669	933,398	8,045,357	2,254,896	5,281,120
Total Net Revenues (Expenses)	<u>(30,851,233)</u>	<u>(29,733,829)</u>	<u>(17,331,935)</u>	<u>(40,379,524)</u>	<u>(32,653,544)</u>
<u>General Revenues and Other Changes in Net Position:</u>					
Governmental Activities:					
Taxes:					
Sales Tax/Gas Tax/Measure R Taxes	23,905,777	23,393,201	31,070,736	26,818,588	18,074,636
Property Tax	4,026,662	4,705,679	4,688,189	4,780,267	5,181,172
Utility Tax	5,343,876	5,592,318	5,869,634	5,622,124	5,568,461
Motel/Hotel and Franchise Tax	1,984,941	2,101,367	2,215,176	2,219,734	2,326,641
Motor Vehicle-in-Lieu Tax (Intergovernmental, Unrestricted)	4,229,944	4,326,227	4,629,563	4,882,755	5,107,399
Other Taxes	633,097	660,950	695,971	726,940	740,839
Investment Income (Losses) - Unrestricted	212,232	736,701	567,673	711,185	140,642
Miscellaneous Revenues	-	1,708,873	8,499,838	28,876,448	4,213,419
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	-
Transfers	(304,524)	(728,438)	(746,270)	(1,328,598)	570,630
Total Governmental Activities	<u>40,032,005</u>	<u>42,496,878</u>	<u>57,490,510</u>	<u>73,309,443</u>	<u>41,923,839</u>
Business-Type Activities:					
Investment Income (Loss)	631,930	692,776	636,054	588,133	820,923
Gain (Loss) on Sale of Capital Assets	-	-	-	-	(71,322)
Miscellaneous	-	-	-	-	-
Transfers	275,748	728,438	746,270	2,678,598	(570,630)
Total Business-Type Activities	<u>907,678</u>	<u>1,421,214</u>	<u>1,382,324</u>	<u>3,266,731</u>	<u>178,971</u>
Total Primary Government	<u>40,939,683</u>	<u>43,918,092</u>	<u>58,872,834</u>	<u>76,576,174</u>	<u>42,102,810</u>
<u>Special Items:</u>					
Extraordinary Loss on Dissolution of Redevelopment Agency	(1,634,962)	-	-	-	-
Other	-	-	-	-	-
Extraordinary Gain (Loss) on Dissolution of Lawsuit Settlement	-	-	-	6,276,568	-
Total Special Items	<u>(1,634,962)</u>	<u>-</u>	<u>-</u>	<u>6,276,568</u>	<u>-</u>
Changes in Net Position					
Governmental Activities	5,727,141	11,829,651	32,113,218	36,951,591	3,989,175
Business-Type Activities	2,726,347	2,354,612	9,427,681	5,521,627	5,460,091
Total Primary Government	<u>\$ 8,453,488</u>	<u>\$ 14,184,263</u>	<u>\$ 41,540,899</u>	<u>\$ 42,473,218</u>	<u>\$ 9,449,266</u>

Sources:

Annual Comprehensive Financial Report
Statement of Net Position

Fiscal Year				
2018	2019	2020	2021	2022
(44,310,824)	(41,449,182)	(38,673,855)	(54,594,857)	(46,689,211)
6,532,018	10,520,727	14,089,371	17,006,130	16,500,688
<u>(37,778,806)</u>	<u>(30,928,455)</u>	<u>(24,584,484)</u>	<u>(37,588,727)</u>	<u>(30,188,523)</u>
19,519,868	20,118,217	21,619,073	24,252,291	28,854,256
5,553,078	5,884,742	6,194,371	6,664,504	6,914,707
5,961,321	5,882,716	5,737,809	6,272,932	6,597,024
2,465,042	2,594,469	2,544,058	2,708,877	3,178,939
5,349,628	5,572,329	5,895,136	6,186,789	6,523,262
799,940	788,765	842,249	873,710	948,057
454,925	3,155,785	1,850,871	(6,098)	(3,824,988)
4,585,416	5,444,536	4,446,620	8,455,405	9,111,514
-	-	-	-	-
4,334,254	(2,306,639)	(14,647,477)	653,093	224,157
<u>49,023,472</u>	<u>47,134,920</u>	<u>34,482,710</u>	<u>56,061,503</u>	<u>58,526,928</u>
1,444,614	2,600,791	1,846,765	(172,985)	(4,361,145)
-	-	-	(173,046)	-
-	4,481,519	3,963,460	6,386,130	2,958,688
<u>(662,772)</u>	<u>2,306,239</u>	<u>14,647,477</u>	<u>(665,430)</u>	<u>(347,685)</u>
781,842	9,388,549	20,457,702	5,374,669	(1,750,142)
<u>49,805,314</u>	<u>56,523,469</u>	<u>54,940,412</u>	<u>61,436,172</u>	<u>56,776,786</u>
-	-	-	-	-
-	(513,556)	-	(138,047)	-
-	-	-	-	(59,037)
-	(513,556)	-	(138,047)	(59,037)
4,712,648	5,172,182	(4,191,145)	1,328,599	11,778,680
7,313,860	19,909,276	34,547,073	22,380,799	14,750,546
<u>\$ 12,026,508</u>	<u>\$ 25,081,458</u>	<u>\$ 30,355,928</u>	<u>\$ 23,709,398</u>	<u>\$ 26,529,226</u>

CITY OF TULARE
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
General Fund:					
Restricted	\$ 8,708	\$ 29,077	\$ 1,431,320	\$ 5,268,406	\$ 3,210,570
Committed	19,998,080	22,004,228	21,840,982	46,394,799	47,275,064
Unassigned	(1,634,962)	-	-	-	-
Total General Fund	<u>\$ 18,371,826</u>	<u>\$ 22,033,305</u>	<u>\$ 23,272,302</u>	<u>\$ 51,663,205</u>	<u>\$ 50,485,634</u>
All Other Governmental Funds:					
Nonspendable	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Restricted	14,986,150	12,594,663	11,034,408	9,989,692	9,544,309
Committed	626,408	722,545	744,557	461,054	312,130
Assigned	-	-	22,951	-	-
Unassigned	-	(1,082)	(624,325)	-	-
Total All Other Governmental Funds	<u>\$ 15,647,558</u>	<u>\$ 13,351,126</u>	<u>\$ 11,212,591</u>	<u>\$ 10,485,746</u>	<u>\$ 9,891,439</u>

Sources:

Annual Comprehensive Financial Report
Balance Sheet – Governmental Funds

Fiscal Year				
2018	2019	2020	2021	2022
\$ 8,255,722	\$ -	\$ -	\$ -	\$ -
47,558,487	53,360,296	36,993,740	42,493,097	44,165,268
-	-	-	-	-
<u>\$ 55,814,209</u>	<u>\$ 53,360,296</u>	<u>\$ 36,993,740</u>	<u>\$ 42,493,097</u>	<u>\$ 44,165,268</u>
\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 35,000
14,276,293	14,081,580	12,569,286	10,517,062	10,725,774
281,719	424,962	342,738	253,813	556,051
-	-	-	-	-
-	-	-	-	(570,733)
<u>\$ 14,558,012</u>	<u>\$ 14,506,542</u>	<u>\$ 12,947,024</u>	<u>\$ 10,805,875</u>	<u>\$ 10,746,092</u>

CITY OF TULARE
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	Fiscal Year				
	2013	2014	2015	2016	2017
Revenues:					
Taxes	\$ 40,124,297	\$ 40,779,742	\$ 49,169,269	\$ 45,050,408	\$ 36,999,148
Intergovernmental	179,365	94,832	321,414	861,728	269,782
Licenses and Permits	78,939	102,983	89,279	100,478	107,543
Fines and Forfeitures	233,167	204,719	182,604	238,400	167,492
Charges for Services	2,481,343	2,407,782	3,259,979	3,207,668	3,161,371
Use of Money and Property	-	-	-	-	-
Interest and Rentals	239,841	648,751	491,354	599,787	126,029
Grants	5,564,425	9,913,617	13,664,959	9,652,535	959,415
Meals	26,296	26,416	24,935	23,657	23,722
Assessments	711,196	720,743	698,536	717,240	774,545
Other	4,088,635	1,241,758	8,118,499	28,749,291	4,164,384
Total Revenues	53,727,504	56,141,343	76,020,828	89,201,192	46,753,431
Expenditures:					
Current:					
General Government	3,354,212	3,477,232	5,276,640	4,695,792	4,989,627
Intergovernmental	1,850	80,434	2,001	2,400	11,669
Public Safety	18,458,371	18,951,852	21,472,541	22,337,198	23,623,776
Public Works	5,544,549	2,159,172	2,913,300	9,930,778	2,435,929
Community Development	2,149,595	1,715,725	914,959	1,864,782	781,757
Community Services	3,884,359	4,915,473	5,075,036	5,682,940	6,356,615
Library and Cultural	794,455	879,266	1,185,082	1,307,433	1,170,100
Capital Outlay	16,668,830	19,376,263	33,103,216	17,604,871	5,088,655
Debt Service:					
Principal	1,062,010	839,461	878,069	916,840	955,783
Interest and Fiscal Charges	1,753,594	1,605,503	1,563,978	1,524,185	1,486,669
Total Expenditures	53,671,825	54,000,381	72,384,822	65,867,219	46,900,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	55,679	2,140,962	3,636,006	23,333,973	(147,149)
Other Financing Sources (Uses):					
Payment to Refunded Bonds Escrow Agent	-	-	-	-	-
Bond Premium	-	-	-	-	-
Transfers In	17,031,556	19,122,308	22,601,066	17,507,010	7,812,006
Transfers Out	(17,435,007)	(20,035,107)	(25,136,610)	(19,453,493)	(8,621,736)
Issuance of Bonds	-	-	-	-	-
Total Other Financing Sources (Uses)	(403,451)	(912,799)	(2,535,544)	(1,946,483)	(809,730)
Net Change in Fund Balances Before Extraordinary Item	(347,772)	1,228,163	1,100,462	21,387,490	(956,879)
Extraordinary Item					
Extraordinary (Gain) Loss	(1,634,962)	-	33,384,431	6,276,568	-
Net Change in Fund Balances	\$ (1,982,734)	\$ 1,228,163	\$ 34,484,893	\$ 27,664,058	\$ (956,879)
Debt Service as a Percentage of Non-Capital Expenditures	7.61%	7.06%	6.22%	5.06%	5.84%

Fiscal Year				
2018	2019	2020	2021	2022
\$ 39,648,877	\$ 40,841,238	\$ 42,832,696	\$ 46,959,103	\$ 53,016,245
1,340,288	280,173	789,633	618,765	565,730
100,416	124,917	99,320	106,918	92,370
51,536	113,170	112,181	81,309	81,024
4,401,984	7,720,201	7,638,170	4,163,517	5,540,428
-	-	-	-	(2,850,819)
379,130	2,531,984	1,409,381	5,110	277,464
1,819,203	1,155,276	1,815,947	2,252,848	3,936,675
17,496	17,359	15,509	22,496	19,177
630,167	692,921	847,718	973,289	1,009,878
4,438,938	5,347,995	4,276,891	8,356,163	9,056,308
<u>52,828,035</u>	<u>58,825,234</u>	<u>59,837,446</u>	<u>63,539,518</u>	<u>70,744,480</u>
6,305,880	6,284,959	8,017,709	7,228,066	7,856,661
463,207	13,695	1,005	7,485	8,755
24,298,006	24,875,419	26,909,215	28,044,660	29,725,905
2,326,161	2,237,096	2,468,579	2,475,967	3,388,276
2,045,393	1,494,241	1,617,946	1,536,487	1,170,258
6,802,735	6,491,182	6,687,290	6,484,755	7,658,997
1,415,168	1,383,045	1,455,153	1,510,084	1,591,367
4,316,151	11,856,512	12,777,433	9,691,658	14,257,490
94,318	99,214	1,469,675	1,135,000	1,180,000
684,512	926,803	1,144,261	1,082,968	1,036,702
<u>48,751,531</u>	<u>55,662,166</u>	<u>62,548,266</u>	<u>59,197,130</u>	<u>67,874,411</u>
<u>4,076,504</u>	<u>3,163,068</u>	<u>(2,710,820)</u>	<u>4,342,388</u>	<u>2,870,069</u>
(27,379,338)	(1,040,000)	-	-	-
-	(269,210)	-	-	-
11,182,672	7,558,752	12,791,456	10,782,972	7,867,249
(6,909,591)	(11,404,437)	(28,006,710)	(11,629,105)	(9,068,892)
29,034,901	-	-	-	-
<u>5,928,644</u>	<u>(5,154,895)</u>	<u>(15,215,254)</u>	<u>(846,133)</u>	<u>(1,201,643)</u>
<u>10,005,148</u>	<u>(1,991,827)</u>	<u>(17,926,074)</u>	<u>3,496,255</u>	<u>1,668,426</u>
<u>(10,000)</u>	<u>(513,556)</u>	<u>-</u>	<u>(138,047)</u>	<u>(59,037)</u>
<u>\$ 9,995,148</u>	<u>\$ (2,505,383)</u>	<u>\$ (17,926,074)</u>	<u>\$ 3,358,208</u>	<u>\$ 1,609,389</u>
1.75%	2.34%	6.68%	4.48%	4.13%

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**CITY OF TULARE
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	City			Total Assessed Value (1)	Total Direct Tax Rate (2)
	Secured	Utility	Unsecured		
2013	\$ 3,265,369,337	\$ 3,653,677	\$ 133,272,910	\$ 3,402,295,924	0.14%
2014	3,344,992,202	2,859,722	136,958,939	3,484,810,863	0.14%
2015	3,593,640,822	2,859,722	134,753,531	3,731,254,075	0.14%
2016	3,789,718,353	2,859,722	143,801,821	3,936,379,896	0.14%
2017	3,962,134,430	2,589,722	151,219,467	4,115,943,619	0.14%
2018	4,096,151,430	3,323,768	208,318,421	4,307,793,619	0.14%
2019	4,275,737,413	3,323,768	209,716,581	4,488,777,762	0.14%
2020	4,517,255,501	3,323,768	214,038,086	4,734,617,355	0.14%
2021	4,758,154,693	3,323,768	214,030,845	4,975,509,306	0.14%
2022	4,959,482,006	3,484,168	229,920,063	5,192,886,237	0.14%

(1) Assessed valuations are net of exemptions.

(2) Total direct tax rate is the City's share of the 1% Proposition 13 tax only for TRA 5-000.

Source:

County of Tulare, Office of the Auditor-Controller

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 value of taxable property and is subject to the limitations described above.

CITY OF TULARE
DIRECT AND OVERLAPPING PROPERTY TAX RATES
 (Rate per \$100 of assessed value)
CURRENT YEAR AND NINE YEARS AGO

	2013	2014	2015	2016	2017
Direct Rates:					
City Basic Rate	0.143	0.143	0.143	0.142	0.142
County of Tulare	0.8570	0.8570	0.8570	0.8580	0.8580
Total - 1% Breakout	1.0000	1.0000	1.0000	1.0000	1.0000
Overlapping Rates:					
College of Sequoias Tulare SFID 2008	0.0277	0.0232	0.0250	0.0200	0.0172
Tulare Joint Union High School District 2004	0.0578	0.0691	0.0632	0.0645	0.0662
Kaweah Delta Water District	0.0001	0.0004	0.0005	0.0004	0.0003
Tulare Health Care 2005	0.0815	0.0815	0.0815	0.0815	0.0856
Total - Overlapping Rate	0.1671	0.1742	0.1702	0.1664	0.1693
Total Tax Rate	1.1671	1.1742	1.1702	1.1664	1.1693

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. As a result, the tax rates have been frozen since 1979. The above rates are an average of the total of all tax rate areas within the City of Tulare.

Sources:

County of Tulare, Office of the Auditor-Controller
 MuniServices / Avenu Insights & Analytics Company

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
0.141	0.141	0.141	0.141	0.141
<u>0.8590</u>	<u>0.8590</u>	<u>0.8638</u>	<u>0.8590</u>	<u>0.8590</u>
1.0000	1.0000	1.0048	1.0000	1.0000
0.0243	0.0216	0.0200	0.0200	0.0100
0.0738	0.0640	0.0615	0.0600	0.0600
0.0004	0.0004	0.0003	0.0004	0.0004
<u>0.1003</u>	<u>0.1003</u>	<u>0.1003</u>	<u>0.0500</u>	<u>0.0300</u>
<u>0.1988</u>	<u>0.1863</u>	<u>0.1821</u>	<u>0.1304</u>	<u>0.1004</u>
<u><u>1.1988</u></u>	<u><u>1.1863</u></u>	<u><u>1.1869</u></u>	<u><u>1.1304</u></u>	<u><u>1.1004</u></u>

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

Effective Date	End Date	State Mandated Purposes		City Rate	County Rate	Combined Rate
		State Jurisdiction	Local Transportation Fund			
8/1/1933	6/30/1935	2.50%				2.50%
7/1/1935	6/30/1943	3.00%				3.00%
7/1/1943	6/30/1949	2.50%				2.50%
7/1/1949	12/31/1961	3.00%		1.00%		4.00%
1/1/1962 (1)	7/31/1967	4.00%		1.00%		5.00%
8/1/1967	6/30/1972	3.75%	0.25%	1.00%		5.00%
7/1/1972	6/30/1973	4.75%	0.25%	1.00%		6.00%
7/1/1973	9/30/1973	3.75%	0.25%	1.00%		5.00%
10/1/1973	3/31/1974	0.05%	0.25%	1.00%		1.30%
4/1/1974	11/30/1989	5.00%	0.25%	1.00%		6.25%
12/1/1989	12/31/1990	4.75%	0.25%	1.00%		6.00%
1/1/1991	7/14/1991	6.00%	0.25%	1.00%		7.25%
7/15/1991	12/31/2000	5.75%	0.25%	1.00%		7.00%
1/1/2001	12/31/2001	6.00%	0.25%	1.00%		7.25%
1/1/2002	6/30/2004	6.25%	0.25%	0.75%		7.25%
7/1/2004 (2)	3/31/2007	6.25%	0.25%	0.75%		7.25%
4/1/2006 (3)		7.25%	0.25%	1.25%		8.75%
4/1/2007 (4)		7.25%	0.25%	1.25%	0.50%	9.25%
7/1/2010		6.25%	0.25%	1.25%	0.50%	8.25%
1/1/2017		6.00%	0.25%	1.50%	0.50%	8.25%

Source:

State Board of Equalization, State of California

Notes:

- (1) Sales tax only. The use tax was enacted effective July 1, 1955.
- (2) 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 ¼-cent sales tax dedicated to repayment of the deficit reduction bonds. Cities and counties would then be “made whole” by the State from increased property allocations via reduced contributions to Education Revenue Augmentation Fund (ERAF). This “triple flip” is theoretically revenue-neutral, and as such, the effective rate for revenue purposes remains at 1%.
- (3) In November 2005, voters in the City of Tulare approved a local sales tax measure increasing the City rate by ½% which became effective April 1, 2006. The sales tax measure does not have a sunset period.
- (4) In November 2006, voters in the County of Tulare approved a countywide sales tax measure giving the County a ½% 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 (i.e., streets, transit, etc.). The allocation is as follows: 50% - regional projects, 35% - goes to the cities for their street programs, 14% - transportation enhancement programs, and 1% - administration.

**CITY OF TULARE
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2022 (2)		2013 (1)	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Saputo Cheese and Protein LLC	\$ 191,668,463	3.69%	\$ 269,066,264	8.01%
Land O Lakes, Inc	162,533,379	3.13%	178,234,930	5.31%
U.S. Cold Storage of California	66,587,548	1.28%	67,140,351	2.00%
Dreyers Grand Ice Cream Inc.	63,557,368	1.22%	51,975,635	1.55%
Kraft Heinz Foods Company	47,311,510	0.91%	-	0.00%
Craig Realty Group Tulare LLC	41,515,664	0.80%	-	0.00%
Oscar Mayer Foods Corporation	38,277,616	0.74%	81,854,268	2.44%
Target Corporation	28,796,746	0.55%	23,067,146	0.69%
Sulphur Springs Cultured Specialties LLC	27,361,949	0.53%	9,659,765	0.29%
Hillman Tulare Investors LLC	24,258,252	0.47%	-	0.00%
International Agri-Center Inc.	18,540,522	0.36%	13,025,594	0.39%
Oak Valley Tulare LLC	15,670,000	0.30%	-	0.00%
Loves Country Stores Of California	14,790,265	0.28%	12,382,007	0.37%
Central CA Fuel Cell 2 LLC	13,461,650	0.26%	-	0.00%
BDC Prosperity LP	12,640,531	0.24%	9,864,142	0.29%
Tulare Village LLC	12,098,526	0.23%	10,419,755	0.31%
Wal-Mart Real Estate Business Trust	11,925,382	0.23%	13,153,521	0.39%
Lowes HIW Inc.	11,621,650	0.22%	13,221,980	0.39%
Kloekner Metals Corporation	11,344,066	0.22%	-	0.00%
HD Development Of Maryland Inc.	11,054,880	0.21%	9,985,500	0.30%
Quest Equity LLC	10,575,627	0.20%	-	0.00%
Monterey Dynasty LLC	10,531,812	0.20%	-	0.00%
Pilot Travel Centers LLC	10,292,455	0.00%	-	0.00%
Store Master Funding IX LLC	9,675,612	0.00%	-	0.00%
Pimentel Lino A & Betty	9,532,878	0.00%	9,113,874	0.27%
1407 Retherford Street Holding	-	0.00%	35,523,205	1.06%
Paul Vickie Daley Ltd. Ptnrs	-	0.00%	16,903,134	0.50%
Moyles Central Valley Health Care	-	0.00%	12,600,875	0.38%
PRE Tulare	-	0.00%	11,279,981	0.34%
F C Farming	-	0.00%	10,680,214	0.32%
Apple Eight Hospitality Owners	-	0.00%	10,165,300	0.30%
Cinemas Tulare LP	-	0.00%	9,842,778	0.29%
Rutherford Investment Properties	-	0.00%	9,831,687	0.29%
CH Bethel Assembly Of God Tulare	-	0.00%	8,081,007	0.24%
Daley Enterprise Inc.	-	0.00%	7,975,918	0.24%
Total Top 25 Taxpayers	\$ 875,624,351	16.29%	\$ 905,048,831	26.95%
Total Taxable Value	\$ 5,192,886,237	100.00%	\$ 3,358,557,261	100.00%

Source:

- (1) Tulare County Auditor-Controller Office
- (2) California Municipal Statistics, Inc.

**CITY OF TULARE
 ASSESSED VALUE AND ESTIMATED
 ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

City

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other Property*	Unsecured Property
2013	\$ -	\$ -	\$ -	\$ 3,269,023,014	\$ 133,272,910
2014	-	-	-	3,347,851,924	136,958,939
2015	-	-	-	3,596,500,544	134,753,531
2016	-	-	-	3,792,578,075	143,801,821
2017	-	-	-	3,964,724,152	151,219,467
2018	-	-	-	4,099,475,198	208,318,421
2019	-	-	-	4,279,061,181	209,716,581
2020	-	-	-	4,520,579,269	214,038,086
2021	-	-	-	4,761,478,461	214,030,845
2022	3,587,346,382	801,662,908	651,528,395	138,170,046	243,440,607

- (1) Total direct tax rate is the City's share of the 1% Proposition 13 tax only for TRA 5-000.
 (2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

Sources:

County Assessor data, MuniServices / Avenu Insights & Analytics Company
 2021 and Prior years: Prior published ACFR. Other Property represents Secured and Utility values.

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 value of taxable property and is subject to the limitations described above.

<u>Less Tax-Exempt Property</u>	<u>Taxable Assessed Value</u>	<u>Total Direct Tax Rate (1)</u>	<u>Estimated Actual Taxable Value (2)</u>	<u>Factor of Taxable Assessed Value (2)</u>
\$ -	\$ 3,402,295,924	0.14%	\$ -	-
-	3,484,810,863	0.14%	-	-
-	3,731,254,075	0.14%	-	-
-	3,936,379,896	0.14%	-	-
-	4,115,943,619	0.14%	-	-
-	4,307,793,619	0.14%	-	-
-	4,488,777,762	0.14%	-	-
-	4,734,617,355	0.14%	-	-
-	4,975,509,306	0.14%	-	-
229,262,101	5,192,886,237	0.14%	7,631,205,970	1.469550

**CITY OF TULARE
 ASSESSED VALUE OF PROPERTY
 BY USE CODE, CITY-WIDE
 CURRENT YEAR**

Category	2022
Residential	\$ 3,587,346,382
Commercial	801,662,908
Industrial	651,528,395
Institution	85,168,886
Agriculture	21,963,021
Unknown	13,143,135
Miscellaneous	10,361,748
Unitary	3,484,168
Government	2,385,984
Misc.	1,562,701
Recreation	100,403
	5,178,707,731
Unsecured	243,440,607
Exemptions	229,262,101
Net Taxable Value	\$ 5,192,886,237

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. As a result, the tax rates have been frozen since 1979. The above rates are an average of the total of all tax rate areas within the City of Tulare.

Source:

County of Tulare, Office of the Auditor-Controller
 MuniServices / Avenu Insights & Analytics Company

**CITY OF TULARE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of Levy			Total Collections to Date		
		Amount (2)	Percent of Levy	Collections in Subsequent Years	Amount	Percent of Levy	
2013	(4) \$ 4,120,720	\$ 3,359,035	81.52%	\$ 110,454	\$ 3,469,489	84.20%	
2014	(5) 4,331,367	3,832,575	88.48%	115,770	3,948,345	91.16%	
2015	(6) 4,454,173	3,880,262	87.12%	133,290	4,013,552	90.11%	
2016	(7) 4,715,361	4,237,324	89.86%	146,721	4,384,045	92.97%	
2017	(8) 4,887,339	4,459,365	91.24%	103,452	4,562,817	93.36%	
2018	(9) 5,246,283	4,778,139	91.08%	106,867	4,885,006	93.11%	
2019	(10) 5,527,262	5,034,816	91.09%	108,602	5,143,418	93.06%	
2020	(11) 5,800,055	5,295,495	91.30%	115,956	5,411,451	93.30%	
2021	(12) 6,119,608	5,666,998	92.60%	139,323	5,806,321	94.88%	
2022	(13) 6,463,561	5,905,609	91.37%	136,932	6,042,541	93.49%	

Sources:

- (1) County of Tulare, Office of Auditor-Controller
- (2) City of Tulare Finance Department
- (3) The City entered into an agreement to participate in the Teeter Plan whereby the County pays all taxes levied. The County accepts the responsibility for all collections and all risk of non-payment.
- (4) Reduced approximately \$1,774,310 for the property tax shift to education.
- (5) Reduced approximately \$1,675,639 for the property tax shift to education.
- (6) Reduced approximately \$1,698,640 for the property tax shift to education.
- (7) Reduced approximately \$1,626,244 for the property tax shift to education.
- (8) Reduced approximately \$1,639,505 for the property tax shift to education.
- (9) Reduced approximately \$1,747,188 for the property tax shift to education.
- (10) Reduced approximately \$1,861,417 for the property tax shift to education.
- (11) Reduced approximately \$1,980,278 for the property tax shift to education.
- (12) Reduced approximately \$2,313,482 for the property tax shift to education.
- (13) Reduced approximately \$2,430,970 for the property tax shift to education.

CITY OF TULARE
SCHEDULE OF TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS
(In Thousands)

	Fiscal Year				
	2013	2014	2015	2016	2017
Sales:					
Accommodation and Food Services	\$ 694,142	\$ 713,343	\$ 767,017	\$ 838,959	\$ 878,816
Agriculture, Forestry, Fishing and Hunting	61,169	101,239	34,286	63,671	58,013
Arts, Entertainment, and Recreation	4,386	5,126	3,957	4,975	8,157
Construction	181,645	209,574	234,465	259,533	244,505
Educational Services	14,298	13,996	13,502	14,086	17,552
Information	19,740	20,339	23,683	26,073	29,732
Manufacturing	169,795	190,604	239,550	179,498	177,433
Mining, Quarrying, and Oil and Gas Extraction	1,054,672	1,270,946	1,316,672	1,266,383	1,232,238
Other Services (except Public Administration)	72,989	71,498	75,416	75,840	75,870
Professional, Scientific, and Technical Services	10,041	9,478	9,217	6,763	6,891
Real Estate and Rental and Leasing	52,747	56,689	63,016	60,414	70,395
Retail Trade	5,648,323	5,835,611	5,818,360	5,722,005	5,740,812
Utilities	20,104	26,073	27,515	24,503	27,204
Undefined	185,345	194,216	233,066	270,910	268,132
Total	\$ 8,189,396	\$ 8,718,732	\$ 8,859,722	\$ 8,813,613	\$ 8,835,750

Source:

MuniServices / Avenu Insights & Analytics Company

Fiscal Year					
2018	2019	2020	2021	2022	
\$ 877,577	\$ 932,701	\$ 947,057	\$ 962,118	\$ 1,277,555	
40,127	67,418	76,026	56,682	487,758	
4,681	5,054	5,719	1,876	5,036	
237,547	250,894	289,032	334,195	376,737	
13,939	15,771	20,188	5,101	5,427	
29,568	32,666	33,445	10,689	33,865	
212,572	279,700	228,121	188,858	223,133	
1,428,628	1,447,845	1,549,034	1,604,562	1,835,671	
86,559	98,325	109,232	128,315	158,381	
9,127	9,015	11,038	9,835	10,400	
71,227	44,423	69,123	67,984	88,782	
5,979,387	6,166,877	6,354,924	6,653,206	7,977,864	
48,765	58,692	39,998	45,501	43,602	
255,858	260,415	332,698	377,659	440,587	
<u>\$ 9,295,562</u>	<u>\$ 9,669,796</u>	<u>\$ 10,065,635</u>	<u>\$ 10,446,581</u>	<u>\$ 12,964,798</u>	

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**CITY OF TULARE
PRINCIPAL PRODUCERS
CURRENT YEAR AND NINE YEARS AGO**

2021-22		2012-13	
Taxpayer	Business type	Taxpayer	Business type
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Central California Implement	Heavy Industry	Exxon Service Stations	Service Stations
Chevron Service Stations	Service Stations	Firestone Tire & Service Ctrs.	Auto Parts/Repair
Garton Tractor	Heavy Industry	Garton Tractor	Heavy Industry
Herb'N Vibes - MMMD	Drug Stores	Gas N Save	Service Stations
High Sierra Lumber & Supply	Bldg.Matls-Whsle	Gea Farm Technologies	Heavy Industry
Home Depot	Bldg.Matls-Retail	Home Depot	Bldg.Matls-Retail
Kraft Heinz Foods Company	Food Processing Eqp	K Mart Stores	Department Stores
La Playita Auto Sales	Auto Sales - Used	Linder Equipment Co.	Heavy Industry
Linder Equipment Co.	Heavy Industry	Love's Travel Stop	Service Stations
Love's Travel Stop	Service Stations	Lowe's Home Centers	Bldg.Matls-Retail
Lowe's Home Centers	Bldg.Matls-Retail	McDonald's Restaurants	Restaurants
McDonald's Restaurants	Restaurants	Merle Stone Chevrolet	Auto Sales - New
Merle Stone Chevrolet	Auto Sales - New	Mid-Valley Pipe & Supply	Heavy Industry
Mid-Valley Pipe & Supply	Heavy Industry	Mobil Service Stations	Service Stations
Nike Factory Store	Apparel Stores	Nike Factory Store	Apparel Stores
Paige Truck Stop	Service Stations	Orchard Machinery	Heavy Industry
Pilot Travel Center	Service Stations	Ralph's Grocery Company	Food Markets
Roche Oil	Energy Sales	Roche Oil	Energy Sales
Ross Stores	Apparel Stores	Sierra Service Stations	Service Stations
Shell Service Stations	Service Stations	Sturgeon & Beck	Auto Sales - New
Target Stores	Department Stores	Target Stores	Department Stores
Valero Service Stations	Service Stations	Tesoro Service Stations	Service Stations
Wal Mart Stores	Department Stores	Wal Mart Stores	Department Stores
Will Tiesiera Ford	Auto Sales - New	Will Tiesiera Ford	Auto Sales - New

Source:

MuniServices / Avenu Insights & Analytics Company

**CITY OF TULARE
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Governmental Activities						
Fiscal Year Ended June 30	Lease Revenue Bonds (1)	Leases Payable	Note Payable	Advances from Other Funds	General Obligation Bond	Total Governmental Activities
2013	\$ 31,334,216	\$ 1,133,674	\$ -	\$ -	\$ -	\$ 32,467,890
2014	29,773,588	1,035,583	-	-	-	30,809,171
2015	28,951,872	933,039	-	-	-	29,884,911
2016	28,095,156	825,839	-	-	-	28,920,995
2017	27,203,440	713,771	-	-	-	27,917,211
2018	29,005,402	597,202	-	-	-	29,602,604
2019	27,696,192	474,727	-	-	-	28,170,919
2020	26,501,262	-	-	-	-	26,501,262
2021	25,256,332	-	-	-	-	25,256,332
2022	23,966,402	-	-	-	-	23,966,402

NOTES:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) The City issued over \$29 million of new revenue bonds in 2003 and 2004. The City issued \$79 million of new revenue bonds in 2007. The City issued \$55 million of new revenue bonds in 2009.
- (2) Ratio calculated using population for the prior calendar year.
- (3) See the schedule of Demographic and Economic Statistics for personal income and per capita data.

Business-Type Activities

<u>Revenue Bonds Payable (1)</u>	<u>Leases Payable</u>	<u>Notes Payable</u>	<u>Total Business- Type Activities</u>	<u>Total Primary Government</u>	<u>Debt per Capita (2)</u>	<u>Percentage of Gross Assessed Valuation</u>	<u>Percentage of Personal Income (3)</u>
\$ 197,068,903	\$ 11,059,273	\$ -	\$ 208,128,176	\$ 240,596,066	\$ 4,015	7.07%	21.59%
192,163,518	9,882,269	1,530,000	203,575,787	234,384,958	3,911	6.73%	20.75%
189,179,833	8,657,524	1,031,886	198,869,243	228,754,154	3,817	6.13%	20.17%
192,182,638	7,382,888	521,793	200,087,319	229,008,314	3,627	5.90%	22.92%
243,697,903	6,519,902	-	250,217,805	278,135,016	4,301	6.76%	23.66%
260,258,512	5,612,978	-	265,871,490	295,474,094	4,478	6.86%	24.74%
256,006,225	4,660,072	-	261,841,874	290,012,793	4,480	6.43%	23.19%
213,702,484	1,474,943	-	215,177,427	241,678,689	3,626	5.20%	17.96%
201,170,151	-	-	201,170,151	226,426,483	3,380	4.62%	16.68%
194,596,530	-	-	194,596,530	218,562,932	3,147	4.21%	13.52%

CITY OF TULARE
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(In Thousands, Except Per Capita)

<u>Fiscal Year Ended June 30</u>	<u>General Obligation Bonds</u>	<u>Tax Allocation Bonds</u>	<u>Total</u>	<u>Percent of Assessed Value (1)</u>	<u>Per Capita</u>
2013	\$ -	\$ 31,334	\$ 31,334	0.67%	\$ 373.21
2014	-	29,774	29,774	0.66%	369.32
2015	-	28,952	28,952	0.60%	359.42
2016	-	28,095	28,095	0.53%	350.00
2017	-	27,203	27,203	0.65%	404.20
2018	-	28,846	28,846	0.62%	437.18
2019	-	27,696	27,696	0.62%	432.75
2020	-	26,501	26,501	0.59%	389.72
2021	-	25,256	25,256	0.51%	371.41
2022	-	23,966	23,966	0.46%	345.03

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which the City has none).

(1) Assessed value has been used because the actual value of taxable property is not readily available from the State of California.

**CITY OF TULARE
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022**

	Total Debt 6/30/22	Percentage Applicable (1)	City's Share of Debt 6/30/22
<u>Overlapping Tax and Assessment Debt:</u>			
College of the Sequoias Tulare School Facilities Improvement District	\$ 56,956,595	48.707%	\$ 27,741,849
Tulare Union High School District	15,194,673	63.262%	9,612,454
Liberty School District	405,476	27.663%	112,167
Tulare Local Health Care District	147,140,000	61.701%	90,786,851
Total Overlapping Tax and Assessment Debt			<u>128,253,321</u>
<u>Direct and Overlapping General Fund Debt:</u>			
Tulare County General Fund Obligations	44,495,640	12.876%	\$ 5,729,259
Tulare County Pension Obligation Bonds	212,080,000	12.876%	27,307,421
Tulare County Board of Education Certificates of Participation	35,600,000	12.876%	4,583,856
College of the Sequoias General Fund Obligations	-	0.000%	-
Tulare School District General Fund Obligations	6,170,000	94.806%	5,849,530
Liberty School District General Fund Obligations	2,155,000	27.663%	596,138
City of Tulare General Fund Obligations	22,235,000	100.000%	22,235,000
Total Direct and Overlapping General Fund Debt			<u>66,301,203</u>
<u>Overlapping Tax Increment Debt (Successor Agency)</u>	16,790,000	100.000%	16,790,000
Total Direct Debt (3)			22,235,000
Total Overlapping Debt			<u>189,109,524</u>
Combined Total Debt			<u>\$ 211,344,524</u> ⁽²⁾
<u>Ratios to 2021-22 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt	2.45%		
Total Direct Debt (\$22,235,000)	4.30%		
Combined Total Debt	4.04%		
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$713,224,093):</u>			
Total Overlapping Tax Increment Debt	2.35%		

Notes:

- (1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.
- (3) Includes any applicable bond premium and/or bond discounts.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source:

California Municipal Statistics, Inc.

**CITY OF TULARE
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2013	2014	2015	2016	2017
Assessed Valuation	\$ 3,402,295,924	\$ 3,484,810,863	\$ 3,731,254,075	\$ 3,936,379,896	\$ 4,116,213,619
Debt Margin Ratio	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>
Debt Margin	127,586,097	130,680,407	139,922,028	147,614,246	154,358,011
Less Outstanding General Obligations	-	-	-	-	-
Net Debt Margin	<u>\$ 127,586,097</u>	<u>\$ 130,680,407</u>	<u>\$ 139,922,028</u>	<u>\$ 147,614,246</u>	<u>\$ 154,358,011</u>

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 on 15% 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.

Sources:

City of Tulare Finance Department
County of Tulare, Office of the Auditor-Controller

Fiscal Year				
2018	2019	2020	2021	2022
\$ 4,307,793,619	\$ 4,488,777,762	\$ 4,734,617,355	\$ 4,758,154,693	\$ 4,959,482,006
<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>
161,542,261	168,329,166	177,548,151	178,430,801	185,980,575
-	-	-	-	-
<u>\$ 161,542,261</u>	<u>\$ 168,329,166</u>	<u>\$ 177,548,151</u>	<u>\$ 178,430,801</u>	<u>\$ 185,980,575</u>

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

Fiscal Year Ended June 30	Sewer Revenue Bonds							
	Total Sewer Revenue	Less Operating Expenses	Net Revenues	2001 Senior Bonds	Senior Debt Coverage	Remaining Net Revenues	Parity (Subordinate) Debt	Parity Debt Coverage
2013	\$ 24,963	\$ 9,087	\$ 15,876	\$ 1,056	15.04	\$ 14,820	\$ 11,076	1.34
2014	25,225	10,981 ⁽¹⁾	14,244	923	15.43	13,321	11,263	1.18
2015	26,023	9,615	16,408	923	17.77	15,485	11,221	1.38
2016	28,308	10,559 ⁽²⁾	17,749	923	19.22	16,826	10,858	1.55
2017	29,556	9,787	19,769	923	21.41	18,846	10,617	1.78
2018	31,650	10,669 ⁽³⁾	20,981	923	22.72	20,058	10,673	1.88
2019	37,071	11,071	26,000	923	28.16	25,077	10,633	2.36
2020	38,398	11,561	26,837	923	29.06	25,914	10,456	2.48
2021	38,643	10,916	27,727	462	60.06	27,266	9,859	2.77
2022	39,424	11,430	27,994	462	60.21	27,994	10,354	2.70

- (1) Operating Expenses in Fiscal Year Ending June 30, 2014, included a number of extraordinary expenses for: a) sludge disposal of approximately 8 years of sludge accumulation, b) roadwork funded from the Capital Improvement Fund but written off as an expense, and c) higher-than-normal natural gas purchases incurred during removal of the Bulk Volume Fermenter cover for repair and during sludge removal.
- (2) Operating Expenses shown for Fiscal Year Ending June 30, 2016, exclude \$1,543,438.74 of bond-funded expenses related to the Series 2015 Bonds and the unamortized portions of the Series 2006 Bonds and Series 2010 Bonds.
- (3) Operating Expenses shown for Fiscal Year Ending June 30, 2018, exclude \$3,163,328.48 of bond funded expenses related to the Series 2016 Bonds and unamortized portion of the Series 2010 Bonds.

Operating Expenses exclude interest expenses and depreciation.

For purposes of calculating debt service coverage, Federal Reimbursable Credits for Build America Bonds are treated as reductions in debt service and are excluded from Sewer Revenues.

Debt service shown on the table is based on total debt payments due and payable each fiscal year and excludes a) payments made from escrow funds, and b) adjustments due to accounting accruals or interest earnings on debt service reserve funds or other bond funds.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source:

Prepared by Bartle Wells Associates based on audited financial information and outstanding debt service schedules.

Water Revenue Bonds					
Fiscal Year Ended June 30	Total Water Revenue	Less Operating Expenses	Net Revenues	Debt Service	Debt Coverage
2013	\$ -	\$ -	\$ -	\$ -	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	12,658	6,795	5,863	379	15.47
2019	15,639	6,924	8,715	1,107	7.88
2020	14,662	7,296	7,367	1,353	5.45
2021	15,219	7,015	8,205	2,737	3.00
2022	15,316	8,501	6,815	2,735	3.11

**CITY OF TULARE
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income</u>	<u>Personal Income (amounts expressed in thousands) (4)</u>	<u>Total Personal Income / Per Capita (4)</u>	<u>Assessed Valuation (in thousands) (2)</u>	<u>Per Capita Assessed Valuation</u>	<u>City Unemployment Rate (3)</u>	<u>County Unemployment Rate (3)</u>
2013	61,199	\$ 1,114,556,188	\$ 1,114,556	\$ 18,212	\$ 3,402,296	\$ 55.59	10.90%	12.80%
2014	61,857	1,129,508,820	1,129,508	18,260	3,484,811	56.34	9.80%	11.60%
2015	62,363	1,134,393,312	1,134,393	18,336	3,731,254	59.83	9.20%	10.90%
2016	63,515	1,004,957,149	1,004,957	15,872	3,936,380	61.98	9.10%	10.60%
2017	64,661	1,175,483,033	1,175,483	18,179	4,116,214	63.66	8.90%	10.60%
2018	65,982	1,194,535,485	1,194,535	18,707	4,307,794	65.29	6.40%	9.60%
2019	66,967	1,245,463,575	1,245,464	19,317	4,488,778	67.03	7.00%	10.00%
2020	67,834	1,369,297,124	1,369,297	20,186	4,734,617	69.80	14.60%	16.20%
2021	67,940	1,376,600,280	1,376,600	20,262	4,975,509	73.23	7.40%	9.30%
2022	69,462	1,616,614,827	1,616,615	23,273	5,192,886	74.76	3.40%	6.50%

Sources:

- (1) State Department of Finance
- (2) Tulare County Auditor-Controller
- (3) State of California Employment Development Department
- (4) U.S. Census Bureau

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

Employer	2022		2013	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Tulare City School District	1,095	3.70%	-	N/A
Saputo Cheese USA, Inc. (4 locations)	900	3.04%	854	3.92%
Tulare Joint Union High School District	718	2.43%	-	N/A
Land O'Lakes, Inc. (formerly Dairyman's Cooperative Creamery)	486	1.64%	537	2.46%
Dryer's Grand Ice Cream (formerly Haagen-Dazs)	350	1.18%	354	1.62%
Adventist Health Hospital	289	0.98%	-	N/A
Lactalis Heritage Dairy (formerly Kraft Foods USA Tulare) (1)	250	0.84%	250	1.15%
Walmart	215	0.73%	250	1.15%
City of Tulare (2)	214	0.72%	340	1.56%
U.S. Cold Storage of California (2 locations)	174	0.59%	200	0.92%
J.D. Heiskell Company	-	N/A	360	1.46%
Ruan, Inc.	-	N/A	174	0.80%
Morris Levin & Sons Hardware	-	N/A	170	0.78%
Southern Ca Edison Company	-	N/A	125	0.57%

“Total Employment” as used above represents the total employment of all employers located within City limits.

(1) Count is from Sun Gazette article dated February 25, 2022.

(2) City of Tulare 2021/22 Adopted Budget

Sources:

State of California Employment Development Department
Tulare County Economic Development Corporation
Tulare Chamber of Commerce
City of Tulare Economic Development Department
MuniServices / Avenu Insights & Analytics Company

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**CITY OF TULARE
 FULL-TIME AND PART-TIME CITY EMPLOYEES
 BY FUNCTION
 LAST TEN FISCAL YEARS**

Function	Full-Time and Part-Time Employees as of June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	48	48	46	38	40	37	38	37	39	32
Public Safety	158	156	160	159	124	161	161	161	161	160
Public Works	86	86	88	95	92	103	112	112	114	120
Community Development	16	16	17	15	17	21	21	21	20	25
Community Services	22	22	22	22	26	26	21	20	19	21
Library and Cultural	10	10	10	11	16	12	12	12	12	10
Total	340	338	343	340	315	360	365	363	365	368

Source:

City of Tulare Human Resources and Finance Department

**CITY OF TULARE
OPERATING INDICATORS
BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2013	2014	2015	2016	2017
Police:					
Arrests	3,486	3,824	4,429	3,577	3,345
Parking Citations Issued	387	346	246	182	255
Fire:					
Number of Emergency Calls	6,108	4,754	5,762	5,392	5,496
Inspections	1,184	1,993	2,205	1,978	1,447
Parks and Recreation:					
Number of Recreation Classes	107	116	320	340	721
Number of Facility Rentals	1,542	1,338	2,428	2,885	2,469
Water:					
New Connections	2	179	211	704 (1)	378
Average Daily Consumption (millions of gallons)	17	17	14	12	13
Sewer:					
New Connections	14	166	239	280	380

(1) Includes the addition of 323 Trade Accounts, a housing community outside of City limits.

Source:

Various City of Tulare Departments as appropriate

Fiscal Year				
2018	2019	2020	2021	2022
3,294	3,118	3,354	2,853	2,219
35	123	135	94	218
5,350	5,350	5,704	7,096	8,516
1,439	1,439	1,290	647	895
989	973	215	243	846
2,977	2,967	1,998	648	2,345
339	382	394	354	342
14	14	14	15	15
340	382	394	354	145

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

	Fiscal Year				
	2013	2014	2015	2016	2017
Police:					
Stations	1	1	1	1	1
Fire:					
Fire Stations	3	3	3	3	3
Public Works:					
Streets (miles)	195.23	211.00	215.32	220.00	221.72
Traffic Signals	44	47	47	47	47
Parks and Recreation:					
Parks	18	18	18	18	18
Park Acreage	363.00	363.00	363.00	363.00	363.00
Water:					
Water Mains (miles)	220.82	227.00	231.68	232.16	234.19
Average Daily Consumption (millions of gallons)	17.50	16.99	14.43	12.46	13.31
Sewer:					
Sanitary Sewers (miles)	242.40	239.00	243.31	243.76	245.89
Average Daily Wastewater Flow (millions of gallon)	11.79	11.74	11.37	11.08	11.24

Source:

Various City of Tulare Departments as appropriate

Fiscal Year				
2018	2019	2020	2021	2022
1	1	1	1	1
3	3	3	3	3
223.32 46	223.39 47	224.78 47	227.66 51	227.66 54
18 367.52	18 368.66	18 368.66	18 370.45	20 371.12
235.75 13.55	236.63 14.16	238.18 13.99	241.49 15.46	242.72 15.00
247.35 11.54	248.53 11.68	249.81 11.65	252.92 11.74	254.17 11.54

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