

# CITY OF TULARE | CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2023



**PRICE PAIGE & COMPANY**  
*Certified Public Accountants*

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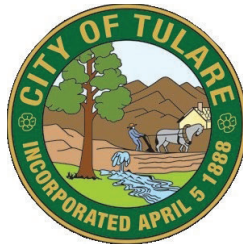
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## **INTRODUCTORY SECTION**



September 11, 2024

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) of the City of Tulare (the "City") for the fiscal year ended June 30, 2023. The ACFR has been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and has been audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants.

This letter of transmittal provides a non-technical summary of the City's finances. Management's Discussion and Analysis (MD&A), which provides a narrative introduction, overview, and analysis of the basic financial statements, complements this letter of transmittal and should be read in conjunction with it. MD&A can be found immediately following the report of the independent auditors, which begins on page 1 of the Financial Section.

This report consists of management's representations concerning the finances of the City. Therefore, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, internal controls have been designed to provide reasonable, rather than absolute, assurance the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Price Paige & Company, an independent auditing firm of certified public accountants, has issued an "unmodified" opinion on the City's financial statements for the fiscal year ended June 30, 2023. This opinion is the most favorable conclusion and indicates the City's financial statements for fiscal year 2023 are fairly stated in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this ACFR and as noted above, begins on page 1 of the section.

The independent audit of the financial statements of the City was part of a broader, federally mandated "single audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only the fair presentation of the financial statements but also on internal controls and compliance with legal requirements, with emphasis on those involving the administration of federal awards. The City's Single Audit Report is issued separately.

The ACFR is organized into three sections:

- The Introductory Section provides this transmittal letter which includes information about the form and operation of the government, the community, and the economic activities of the City and surrounding area.
- The Financial Section contains MD&A; the financial statements, including notes to the financial statements; required supplementary information, including notes to the supplementary information; and combining and individual fund statements.
- The Statistical Section includes tables containing historical financial data, debt statistics, and miscellaneous social and economic data of potential interest to readers of financial documents. The data also includes ten-year revenue and expenditure data.

## **PROFILE OF THE CITY OF TULARE**

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/manager form of government. The City Council comprises five members who are elected by district to staggered four-year terms. 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 occupies a land area of 20.5 square miles and is located in Tulare County in California's San Joaquin Valley, the southern half of the Central Valley, approximately midway between the cities of Fresno and Bakersfield. Tulare County is number one in dairy production and number one in overall agricultural production nationwide. And as an agrarian community anchored by the dairy industry, 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 had an estimated population of 69,565 as of January 1, 2023.

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 Freeholders' Charter of the City of Tulare requires the City Manager to submit an estimate of revenues and expenditures for the ensuing year to the City Council on or before the second regular meeting in May of each year, and the City Council adopts the budget by resolution prior to the beginning of each fiscal year, July 1st. The budget is organized by fund, department, and division and serves as the foundation for the City's fiscal planning and financial control.

After adoption of the budget, the City Council or Board of Public Utilities Commissioners, as applicable, must approve any revisions resulting in an increase to the combined total of appropriations and transfers of any fund. The City Manager is authorized to transfer appropriations within a fund.

The City Council adopted a balanced General Fund budget for fiscal year 2023 with a surplus (i.e.,



financing sources over financing uses) of \$1.2 million. And with staff efforts to control spending and higher than anticipated revenue, the City realized a \$5.7 million surplus, a positive variance of nearly \$4.6 million. As seen in the table below, the City’s major General Fund revenue sources increased significantly overall from fiscal year 2022 to fiscal year 2023.

General Fund Revenues	FY 22	FY 23	Increase/ (Decrease) Over Prior Year	% Increase/ (Decrease)
Sales Tax	\$23,967,584	\$24,282,439	\$ 314,855	1.31
Property Tax	6,914,707	7,378,065	463,358	6.70
Utility Users Tax	6,597,024	9,541,262	2,944,238	44.63
Transient Occupancy Tax	1,985,244	2,019,344	34,100	1.72
Franchise Taxes	1,272,954	1,584,502	311,548	24.47
<b>Total</b>	<b>\$40,737,513</b>	<b>\$44,805,611</b>	<b>\$4,068,097</b>	<b>9.99</b>

The cost of pensions for City employees continues to grow. According to actuarial valuation reports available from the City’s pension administrator, California Public Employees’ Retirement System (CalPERS), as of July 2023, pension expenses are expected to grow 19.9% over the succeeding five years. This increase rise is a result of changes to CalPERS’ 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 increases will continue to have a significant impact on retirement costs for the City. Actual CalPERS earnings for fiscal years 2021 through 2023 were 21.3%, -6.1%, and 5.8%, respectively. Based upon estimates from CalPERS’ valuation reports, the rate changes and investment returns will increase the City’s annual pension cost by approximately \$0.4 million to \$0.5 million per year for the next five years.

**LOCAL ECONOMY**

The City of Tulare’s estimated population was 69,565 as of January 1, 2023, with anticipated growth of 1.8% over the next year. The Tulare County population was approximately 474,680 as of January 1, 2023, and was expected to grow by 0.9%.

There were approximately 28,355 jobs in the City and 193,260 jobs County-wide in June 2023. The City’s unemployment rate, not seasonally adjusted, was 6.2%, up from 5.1% in June 2022, while the County rate was 9.8%, increasing from 7.8% at the same point of the prior year. Unemployment increased from 4.0% to 4.6% in California from June 2022 to June 2023 and held steady at 3.6% nationally over the period.

The Consumer Price Index for All Urban Consumers (CPI-U) improved for both California and the United States during fiscal year 2023. The State CPI-U averaged 5.7%, down from the fiscal year 2022 average of 6.6%, while the US CPI-U dropped from 7.2% to 6.3%. Despite the improvement, however, in July 2023, the Federal Open Market Committee (FOMC) increased the federal funds target rate/range to 5.00-5.25% in a continued effort to slow inflation. The widely anticipated move marked 11 rate hikes by FOMC in process that began in March 2022 and raised benchmark borrowing costs to their highest level in more than 22 years.

Housing indicators are mixed. Privately-owned housing units authorized nationally decreased 15.3% from June 2022 to June 2023. Housing starts decreased 8.7% for the same period, while completions grew 15.5%.

## 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. The City Council and City management created "The Rehabilitation and Economic Advancement Projects (REAP) Program" to plan out a five- to ten-year program to rebuild infrastructure to pave the way for city-wide economic benefits. By maintaining a healthy infrastructure and building additional capacity, the City's ability to meet the needs of a growing economic base can be met. The REAP Program is intended to lead the City towards meeting its obligation to be an excellent local government.

In 2016, the City developed and implemented the Hydrological Enterprise Program (HEP), which outlines annual goals related to water systems supply, demand, asset replacement, rehabilitation, and maintenance. The HEP is a wholistic, integrated approach to the City's management of its water, wastewater, and surface water operations with the goal of reaching and maintaining net zero groundwater extraction by balancing water demand and renewable supplies.

To ensure operational continuity, maintain its ability to provide quality, comprehensive services to the community, and attract business investment, the City has established various financial reserves. General Fund reserves are maintained to enhance the City's ability to withstand financial emergencies, such as those which may result from natural disasters, economic downturns, or unanticipated expenditures of a non-recurring nature. The Economic Incentive Reserve provides funding to assist new and existing businesses to locate or expand in the City. And other reserves provide for ongoing replacement and/or acquisition of equipment and technology and for system improvements, to ensure City staff has the tools to effectively and efficiently perform their work to serve its customers.

**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 described in Note 1 of Notes to Basic Financial Statements. The City's accounting 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 fiscal year 2023 City appropriation limit established as required by State statute was \$71,748,254.

**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 16429.1 et seq. and 53600 et seq. 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 US 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 Price Page & Company 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 US 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 ACFR for the fiscal year ended June 30, 2022. This was the 25th consecutive year the City has received this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. The ACFR 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 of one year only. We believe our current ACFR continues to meet these requirements.

**Bond Rating.** The City's current outstanding bonds are rated AA (insured) by Standard & Poor's. The rating continues to reflect sound financial management and prudent budgetary practices.

**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, and the City Manager 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, Price Paige & Company, for their significant and competent assistance.

Respectfully submitted,



Mark Roberts  
Chief Financial Officer

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Principal City Officials

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**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

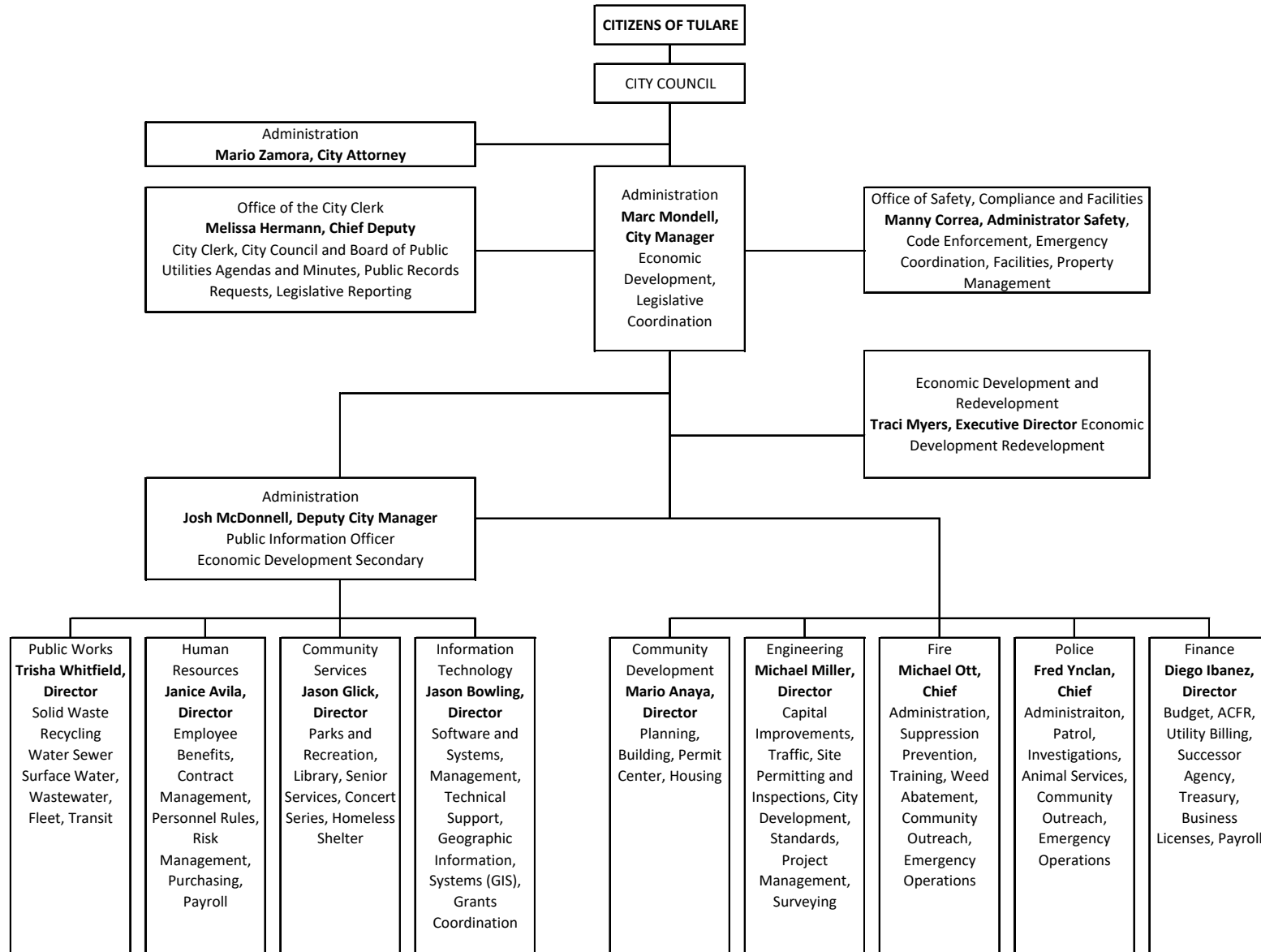
**BOARD OF PUBLIC UTILITIES COMMISSIONERS**

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 Executive Director
Michael Ott	Fire Chief
Diego Ibanez	Finance Director/Treasurer
Trisha Whitfield	Public Works Director
Jason Bowling	Information Technology Director

Department Organization Chart





**The Government Finance Officers Association of  
the United States and Canada**

*presents this*

## **AWARD OF FINANCIAL REPORTING ACHIEVEMENT**

*to*

**Finance Department**  
City of Tulare, California



*The Award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the department or individual designated as instrumental in the government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

*Christopher P. Morrill*

Date: 12/20/2023

## **FINANCIAL SECTION**



**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and City Council  
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, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

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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 generally accepted auditing standards 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 generally accepted auditing standards 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 noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements 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 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 September 11, 2024, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance.

*Price Pange & Company*

Clovis, California  
September 11, 2024

## **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, 2023. The Government-Wide statements present a combined picture of the City on a full accrual basis of accounting, where all debts 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 debts 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 exceeded liabilities and deferred inflows of resources by \$433.94 million at the close of the most recent fiscal year, which is a \$93.63 million, or 27.51%, increase in comparison with the prior year. Of this amount, \$171.94 million (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors. The City has \$261.99 million in net investment in capital assets. The total net position includes all major infrastructure networks.
- The City's total net position increased by \$33.99 million over the prior fiscal year. The majority of this increase is attributable to the increase in capital assets of \$5.93 million (net of accumulated depreciation).
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$105.97 million, an increase of \$51.06 million in comparison with the prior year. Amounts available for spending include restricted, committed, assigned, and unassigned fund balances. Of this amount, \$41.65 million is restricted by law or externally imposed requirements and \$858,956 is committed for specific purposes. Assigned amounts of \$6.48M were noted, which are those constrained by the City's intent.
- The City's total outstanding debt showed a net increase of \$5.73 million due to a decrease of \$7.26 million due to consistent execution of regular annual principal payments and an increase of \$12.98 million attributable to the new ENGIE solar project lease-purchase agreement.

### **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 regard 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 and fund financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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 \$433.94 million at the close of the most recent fiscal year, which is a \$93.63 million, or 27.51%, increase in comparison with the prior year.

The largest portion of the City's net position (60.38%) 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 agents which are 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 \$746.87 million in assets, approximately 31.3%, \$233.50 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, 2023 and 2022**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>ASSETS</b>						
Current and other assets	\$ 164,782,571	\$ 117,984,303	\$ 109,263,738	\$ 108,303,623	\$ 274,046,309	\$ 226,287,926
Capital assets (net of depreciation)	162,331,676	123,521,023	310,488,834	306,456,458	472,820,510	429,977,481
Total assets	327,114,247	241,505,326	419,752,572	414,760,081	746,866,819	656,265,407
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pensions	25,286,055	11,148,568	5,836,395	2,204,045	31,122,450	13,352,613
Other post-employment benefits (OPEB)	338,175	378,128	150,941	168,774	489,116	546,902
Deferred charges	-	-	880,539	926,807	880,539	926,807
Total deferred outflows of resources	25,624,230	11,526,696	6,867,875	3,299,626	32,492,105	14,826,322
<b>LIABILITIES</b>						
Current and other liabilities	23,475,512	28,638,394	5,299,845	7,535,790	28,775,357	36,174,184
Long-term liabilities	100,129,532	60,369,771	210,153,311	208,438,063	310,282,843	268,807,834
Total liabilities	123,605,044	89,008,165	215,453,156	215,973,853	339,058,200	304,982,018
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pensions	4,294,615	18,285,760	574,045	5,039,089	4,868,660	23,324,849
Other post-employment benefits (OPEB)	922,891	651,953	411,923	290,994	1,334,814	942,947
Leases	9,427	28,283	151,313	375,474	160,740	403,757
Grants	-	1,132,760	-	-	-	1,132,760
Total deferred inflows of resources	5,226,933	20,098,756	1,137,281	5,705,557	6,364,214	25,804,313
<b>NET POSITION</b>						
Net investment in capital assets	139,655,205	99,554,621	122,335,466	112,236,168	261,990,671	211,790,789
Restricted for capital improvements	-	1,186,861	-	-	-	1,186,861
Unrestricted	84,251,295	43,183,619	87,694,544	84,144,129	171,945,839	127,327,748
Total net position	\$ 223,906,500	\$ 143,925,101	\$ 210,030,010	\$ 196,380,297	\$ 433,936,510	\$ 340,305,398

**Governmental Activities** - Total assets for governmental activities increased by \$85.61 million, with a current and other assets in governmental activities increase of \$46.80 million and a capital assets increase of \$38.81 million. Total liabilities increased by \$34.60 million with current and other liabilities decreasing by \$5.16 million and long-term liabilities increasing by \$39.76 million.

Of the \$79.98 million increase in governmental activities total net position, unrestricted net position increased by \$40.07 million, restricted assets decreased by \$1.19 million, and net investment in capital assets increased by \$40.10 million.

**Business-Type Activities** - Total assets for business-type activities increased by \$4.99 million with an increase in current and other assets of \$960.12 thousand and an increase in capital assets of \$4.03 million. Total liabilities decreased by \$520.70 thousand with current and other liabilities decreasing by \$2.24 million and long-term liabilities increasing by \$1.72 million. Total net position for business-type activities increased by \$13.65 million. Business-type activities unrestricted net position increased by \$3.55 million.

**Change in Net Position of the City**

The following table presents the government-wide changes in net position for both 2022 and 2023. The City's total revenues of \$151.37 million exceeded transfers and expenses of \$117.37 million for an increase in net position of \$33.99 million.

**Statement of Activities**

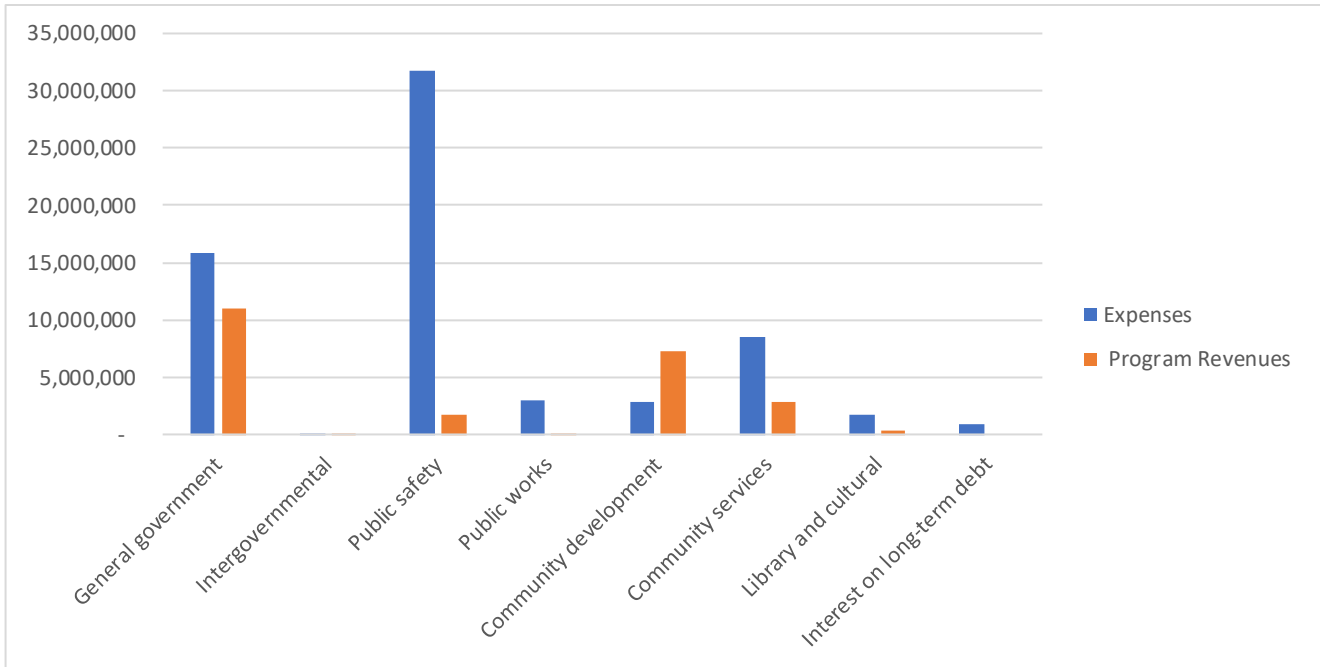
As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (usually year-end). The Statement of Activities provides details of how net position changed from the beginning of the year to the end of the year, and whether net position increased or decreased. Thus, it indicates whether the City as a whole is better off at June 30, 2023, than it was at June 30, 2022.



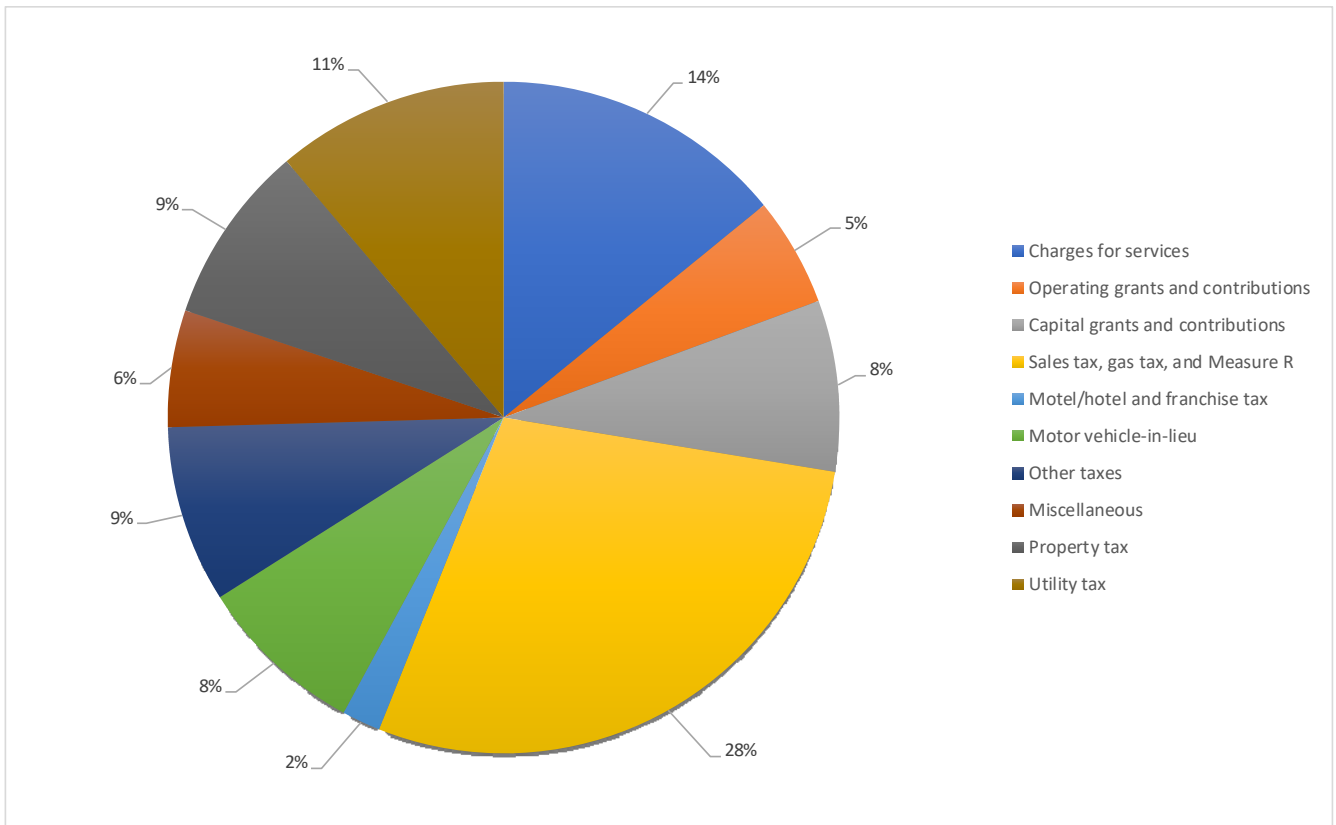
**City of Tulare**  
**Statement of Activities**  
**For the Years Ended June 30, 2023 and 2022**

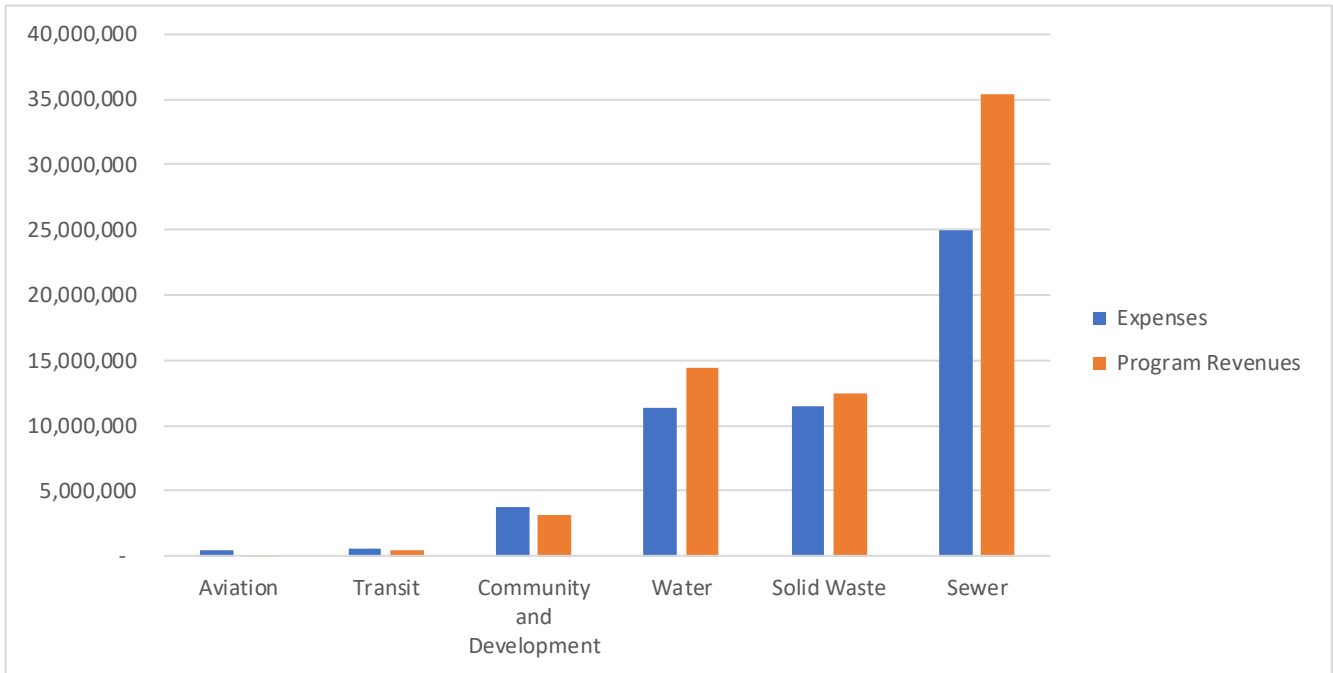
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 12,040,385	\$ 7,289,430	\$ 64,966,731	\$ 67,038,761	\$ 77,007,116	\$ 74,328,191
Operating grants and contributions	4,472,609	4,016,675	147,199	520,616	4,619,808	4,537,291
Capital grants and contributions	7,031,876	-	942,334	-	7,974,210	-
General revenues:						
Taxes	56,977,275	53,016,245	-	-	56,977,275	53,016,245
Rental income	154,677	-	-	-	154,677	-
American Rescue Plan Act	3,176,975	-	-	-	3,176,975	-
Gain on disposal of fixed assets	293,000	-	-	-	293,000	-
Investment earnings (losses)	(563,004)	(3,824,988)	(400,461)	(4,361,145)	(963,465)	(8,186,133)
Miscellaneous	1,478,957	9,111,514	648,333	2,958,688	2,127,290	12,070,202
<b>Total revenues</b>	<b>85,062,750</b>	<b>69,608,876</b>	<b>66,304,136</b>	<b>66,156,920</b>	<b>151,366,886</b>	<b>135,765,796</b>
<b>EXPENDITURES</b>						
Governmental activities:						
General government	15,851,263	6,713,368	-	-	15,851,263	6,713,368
Intergovernmental	10,575	-	-	-	10,575	-
Public safety	31,723,979	22,486,173	-	-	31,723,979	22,486,173
Public works	3,046,291	3,831,706	-	-	3,046,291	3,831,706
Community development	2,920,799	12,010,940	-	-	2,920,799	12,010,940
Community services	8,483,177	7,658,997	-	-	8,483,177	7,658,997
Library and cultural	1,756,273	4,379,160	-	-	1,756,273	4,379,160
Interest on long-term debt	878,845	914,972	-	-	878,845	914,972
Business-type activities						
Aviation	-	-	457,662	392,742	457,662	392,742
Transit	-	-	573,472	2,505,212	573,472	2,505,212
Community and development	-	-	3,821,392	2,987,161	3,821,392	2,987,161
Water	-	-	11,405,944	10,846,789	11,405,944	10,846,789
Solid Waste	-	-	11,510,574	9,637,100	11,510,574	9,637,100
Sewer	-	-	24,933,539	24,689,685	24,933,539	24,689,685
<b>Total expenses</b>	<b>64,671,202</b>	<b>57,995,316</b>	<b>52,702,583</b>	<b>51,058,689</b>	<b>117,373,785</b>	<b>109,054,005</b>
Change in net position before transfers and special items	20,391,548	11,613,560	13,601,553	15,098,231	33,993,101	26,711,791
Transfers	270,273	224,157	(270,273)	(347,685)	-	(123,528)
Extraordinary loss on dissolution of lawsuit settlement	-	(59,037)	-	-	-	(59,037)
<b>Change in net position</b>	<b>20,661,821</b>	<b>11,778,680</b>	<b>13,331,280</b>	<b>14,750,546</b>	<b>33,993,101</b>	<b>26,529,226</b>
Prior period adjustment (see note 14)	59,319,578	-	318,433	-	59,638,011	-
<b>Net position - beginning</b>	<b>203,244,679</b>	<b>132,146,421</b>	<b>196,698,730</b>	<b>181,629,751</b>	<b>399,943,409</b>	<b>313,776,172</b>
<b>Net position - ending</b>	<b>\$ 223,906,500</b>	<b>\$ 143,925,101</b>	<b>\$ 210,030,010</b>	<b>\$ 196,380,297</b>	<b>\$ 433,936,510</b>	<b>\$ 340,305,398</b>

**Governmental Activities** - Governmental activities increased the City's net position by \$20.66 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 \$24.28 million, or 28.46% of the total revenues. Utility user's tax, motor vehicle-in-lieu tax, and property taxes are also significant revenue sources for the City's governmental activities, amounting to \$23.84 million or 27.94% of total revenue, and public safety is the largest expense activity, amounting to \$31.72 million or 49.05% of total expenses.





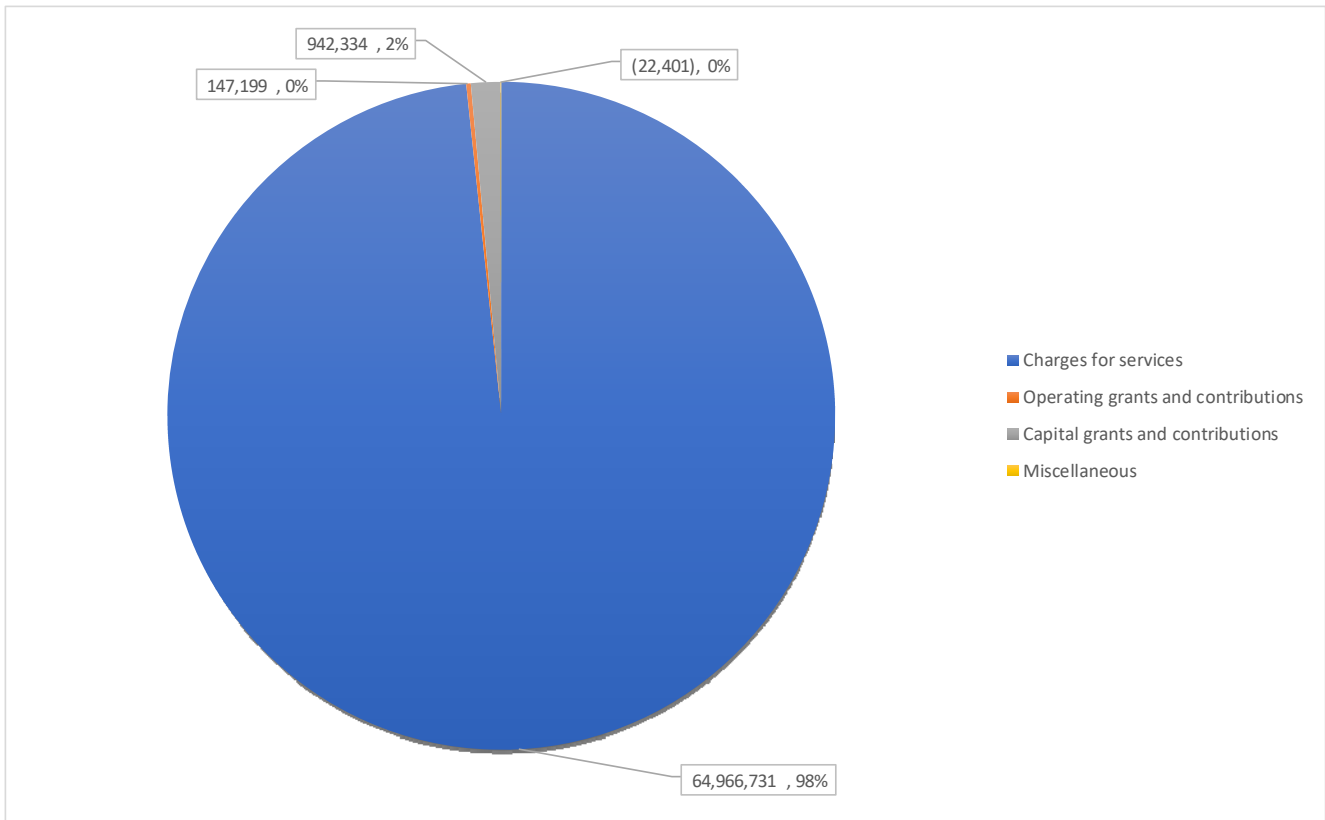
Governmental Activities revenue increased \$15.45 million, a 22.20% increase compared to the previous fiscal year. This increase is primarily attributable to Capital grants and contributions.

Total expenses in Governmental Activities had an increase of \$6.68 million from the previous fiscal year for an 11.51% increase. The largest decrease of \$9.09 million was in Community development.

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 \$13.33 million. The bar chart above compares total program revenues and expenses. Program revenues exceeded program expenses in Solid Waste by \$897.16 thousand, in Water by \$3.03 million, and in Sewer by \$10.48 million. This increase was offset by program expenses exceeding program revenues in Aviation by \$345.57 thousand, in Transit by \$73.28 thousand, and in Community and Economic Development by \$635.88 thousand.

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 98% of total revenues. Grants and contributions revenue represent 2 % of total revenue.



Total revenues increased by \$147.22 thousand or 0.22% over the prior year with the Solid Waste Fund showing the largest increase of \$866.03 thousand.

## 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 non-spendable 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 \$105.97 million, an increase of \$51.06 million in comparison with the prior year. The components of total fund balance are as follows (for more information see Note 13 - Fund Balances):

- Nonspendable Fund Balance - \$10.07 million consist of amounts with that are not in spendable form, such as prepaid items.
- Restricted Fund Balance - \$41.65 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) \$5.0 million for the purpose of the fund (i.e., Gas Tax for street projects) and 2) \$2.8 million for debt service.
- Committed Fund Balance - \$858.96 thousand have been committed by the City Council for appropriation for next year's budget and cash basis reserve.
- Assigned Fund Balance - \$6.49 million set aside by management for specific purposes.
- Unassigned Fund Balance - \$46.94 million 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 44.51%, or \$19.66 million to \$63.83 million. Major factor for this overall increase is \$12.98 million to cash & investments with fiscal agent for the ENGIE solar project.

### Other Major Governmental Funds

In the Measure R Fund, the total fund balance increased from \$4.06 million to \$5.04 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 Fund there was a negative prior year fund balance of \$356.28 thousand. The current year ending fund balance deficit of \$356.29 thousand 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 om FY23, the total fund balance remained consistent. 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 \$4.53 million to \$5.79 million. This overall increase of \$1.26 million is due to an increase in grant funds.

**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 a total net position of \$9.35 million at the end of the fiscal year, a slight increase of \$54.23 thousand. The net position increase is due to a decrease in current liabilities.

The Community & Economic Development Services Fund has a total net deficit of \$2.33 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 changes 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 annual deficit.

The Water Fund has total net position of \$75.51 million at the end of the fiscal year, an increase of \$3.09 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 \$7.89 million at the end of the fiscal year, an increase of \$339.09 thousand over the prior year. The net position increase is due to a decrease in current liabilities.

The Sewer Fund has total net position of \$116.11 million at the end of the fiscal year, an increase of \$10.05 million over the prior year. The net position increase is due to a decrease in current liabilities.

The Aviation Fund has total net position of \$3.22 million at the end of the fiscal year, a decrease of \$319.37 thousand over the prior year. The net position decrease is primarily due to a decrease in current 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 \$472.82 million (net of accumulated depreciation). This investment in capital assets includes land, right-of-way, buildings, infrastructure, structures and improvements, equipment, and construction in progress. (Please refer to Note 4 - Capital Assets.)

Infrastructure assets are included within the governmental activities, with a total investment of \$82.32 million (net of accumulated depreciation). The total increase in the City's investment in capital assets for the current fiscal year was \$5.93 million (net of accumulated depreciation). Of this amount, \$1.90 million was an increase to Governmental Activities and \$4.03 million was an increase to Business-Type Activities. Depreciation expense of \$22.86 million is netted against additions to capital assets by this amount.

**City of Tulare  
 Capital Assets  
 As of June 30, 2023 and 2022**

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land	\$ 19,303,728	\$ 17,389,440	\$ 8,280,895	\$ 7,620,014	\$ 27,584,623	\$ 25,009,454
Right-of-way	1,306,651	1,306,651	-	-	1,306,651	1,306,651
Construction in progress (CIP)	15,486,082	9,349,781	23,641,564	16,725,276	39,127,646	26,075,057
Infrastructure	227,349,961	224,551,077	-	-	227,349,961	224,551,077
Structures and improvements	61,937,561	61,063,311	381,722,005	378,739,936	443,659,566	439,803,247
Equipment	40,285,833	37,538,348	39,632,788	36,905,096	79,918,621	74,443,444
Right-to-use SBITA asset	156,539	156,539	-	-	156,539	156,539
Less: accumulated depreciation/amortization	(203,494,679)	(190,922,059)	(142,788,418)	(133,533,869)	(346,283,097)	(324,455,928)
<b>Total</b>	<b>\$ 162,331,676</b>	<b>\$ 160,433,088</b>	<b>\$ 310,488,834</b>	<b>\$ 306,456,453</b>	<b>\$ 472,820,510</b>	<b>\$ 466,889,541</b>

Long-Term Debt - At the end of the fiscal year, the City had a total debt outstanding of \$224,652,505, which included the following major liabilities. (Please refer to Note 6- Long-Term Debt.)

**City of Tulare  
 Outstanding Debt  
 As of June 30, 2023 and 2022**

	Governmental		Business-type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Lease revenue bonds	\$ 22,636,472	\$ 23,966,402	\$ -	\$ -	\$ 22,636,472	\$ 23,966,402
Revenue bonds payable	-	-	189,033,907	194,959,528	189,033,907	194,959,528
Finance leases	12,982,126	-	-	-	12,982,126	-
<b>Total</b>	<b>\$ 35,618,598</b>	<b>\$ 23,966,402</b>	<b>\$ 189,033,907</b>	<b>\$ 194,959,528</b>	<b>\$ 224,652,505</b>	<b>\$ 218,925,930</b>



With respect to the Governmental Activities, the outstanding \$22,636,472 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. In 2023, the City entered into a lease-purchase agreement for the installation of energy cost savings infrastructure improvements. The outstanding balance for finance leases is \$12,982,126.

Of the \$189,033,907 outstanding debt in the Business-Type Activities, \$156.32 million relates to the Sewer Fund for the expansion and upgrade of the sewer and wastewater plant. These bonds have been rated "AA" 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 increased from original budget to final budget of \$58.48 million.

Budgeted total expenditures increased by \$3.26 million to a final budget of \$73.98 million, mainly due to capital outlay related to infrastructure improvements.

#### General Fund – Final Budget and Actual Budget Comparison

Total revenue was \$8.12 million higher than the final budgeted amount, as detailed below:

Sales Tax – was \$327.76 thousand less than budgeted due to decreased consumer spending.

Property Tax – was \$363.17 thousand less than budgeted as valuation and construction increased less than anticipated.

Utility Use Tax – was \$3.04 million more than budgeted due to increases in costs.

Charges for Services – was \$425.72 thousand more due to increased activity in library and recreation programs.

Interest and Rentals – was \$1.74 thousand less than budget due to market value being lower than the cost.

Total expenditures were \$13.72 million less than budgeted. This difference is due to ongoing capital projects not completed during the current year.

### **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.
- Decrease in CalPERS unfunded liability payment by 5.28%.
- Increases in employees' salaries based on previously negotiated agreements; 4.0% for fire division chiefs; 9% for fire management and 10% for fire non-management and 3.5% for all other employee groups.
- County increase in property taxes of 2.25% for inflation of 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: [mroberts@tulare.ca.gov](mailto:mroberts@tulare.ca.gov). Formal written requests should be addressed to: City of Tulare, Attn: Finance Department, 411 East Kern Avenue, Tulare, California 93274.

## **Basic Financial Statements**

## Government-Wide Financial Statements

**CITY OF TULARE | JUNE 30, 2023**  
Statement of Net Position

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 119,438,071	\$ 87,928,199	\$ 207,366,270
Cash and investments with fiscal agent	14,219,007	11,913,925	26,132,932
Receivables:			
Accounts	1,419,799	7,372,332	8,792,131
Interest	853,062	122,670	975,732
Taxes	6,225,365	-	6,225,365
Intergovernmental	953,179	17,217	970,396
Notes	759,458	-	759,458
Leases	10,585	266,466	277,051
Inventories	817,743	-	817,743
Prepays	30,750	-	30,750
Internal balances	(113,538)	113,538	-
Loans receivable	10,163,369	29,391	10,192,760
Land held for resale	35,000	-	35,000
Long-term receivables	9,970,721	1,500,000	11,470,721
Nondepreciable capital assets	36,096,461	8,280,895	44,377,356
Depreciable capital assets, net	<u>126,235,215</u>	<u>302,207,939</u>	<u>428,443,154</u>
 Total assets	 <u>327,114,247</u>	 <u>419,752,572</u>	 <u>746,866,819</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pensions	25,286,055	5,836,395	31,122,450
Other post-employment benefits (OPEB)	338,175	150,941	489,116
Deferred charges	-	880,539	880,539
 Total deferred outflows of resources	 <u>25,624,230</u>	 <u>6,867,875</u>	 <u>32,492,105</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	4,232,011	2,438,767	6,670,778
Accrued interest payable	235,000	850,986	1,085,986
Deposits payable	2,386,244	1,293,694	3,679,938
Other payable	-	9,153	9,153
Unearned revenue	16,622,257	707,245	17,329,502
Long-term liabilities:			
Due within one year:			
Compensated absences payable	255,413	118,484	373,897
Insurance claims payable	1,444,875	-	1,444,875
Revenue bonds payable	1,394,930	5,730,622	7,125,552
IT subscription liability	39,999	-	39,999
Due after one year:			
Compensated absences payable	2,763,643	1,282,031	4,045,674
Net pension liability	58,319,973	18,965,900	77,285,873
Net other post-employment benefits (OPEB) liability	1,687,031	752,989	2,440,020
Revenue bonds payable	21,241,542	183,303,285	204,544,827
Finance leases	12,982,126	-	12,982,126
 Total liabilities	 <u>123,605,044</u>	 <u>215,453,156</u>	 <u>339,058,200</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pensions	4,294,615	574,045	4,868,660
Other post-employment benefits (OPEB)	922,891	411,923	1,334,814
Leases	9,427	151,313	160,740
 Total deferred inflows of resources	 <u>5,226,933</u>	 <u>1,137,281</u>	 <u>6,364,214</u>
<b>NET POSITION</b>			
Net investment in capital assets	139,655,205	122,335,466	261,990,671
Unrestricted	<u>84,251,295</u>	<u>87,694,544</u>	<u>171,945,839</u>
 Total net position	 <u>\$ 223,906,500</u>	 <u>\$ 210,030,010</u>	 <u>\$ 433,936,510</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Statement of Activities

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 15,851,263	\$ 7,347,522	\$ 52,423	\$ 3,628,102	\$ (4,823,216)	\$ -	\$ (4,823,216)
Intergovernmental	10,575	-	53,542	-	42,967	-	42,967
Public safety	31,723,979	1,041,334	747,574	-	(29,935,071)	-	(29,935,071)
Public works	3,046,291	74,991	-	-	(2,971,300)	-	(2,971,300)
Community development	2,920,799	1,211,150	2,723,946	3,403,774	4,418,071	-	4,418,071
Community services	8,483,177	2,001,805	895,124	-	(5,586,248)	-	(5,586,248)
Library and cultural	1,756,273	363,583	-	-	(1,392,690)	-	(1,392,690)
Interest on long-term debt	878,845	-	-	-	(878,845)	-	(878,845)
<b>Total governmental activities</b>	<b>64,671,202</b>	<b>12,040,385</b>	<b>4,472,609</b>	<b>7,031,876</b>	<b>(41,126,332)</b>	<b>-</b>	<b>(41,126,332)</b>
<b>Business type-activities:</b>							
Aviation	457,662	112,088	-	-	-	(345,574)	(345,574)
Transit	573,472	44,971	-	455,222	-	(73,279)	(73,279)
Community and development	3,821,392	3,185,514	-	-	-	(635,878)	(635,878)
Water	11,405,944	14,175,049	-	264,494	-	3,033,599	3,033,599
Solid waste	11,510,574	12,260,531	147,199	-	-	897,156	897,156
Sewer	24,933,539	35,188,578	-	222,618	-	10,477,657	10,477,657
<b>Total business-type activities</b>	<b>52,702,583</b>	<b>64,966,731</b>	<b>147,199</b>	<b>942,334</b>	<b>-</b>	<b>13,353,681</b>	<b>13,353,681</b>
<b>Total primary government</b>	<b>\$ 117,373,785</b>	<b>\$ 77,007,116</b>	<b>\$ 4,619,808</b>	<b>\$ 7,974,210</b>	<b>(41,126,332)</b>	<b>13,353,681</b>	<b>(27,772,651)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Sales					24,282,444	-	24,282,444
Property					7,378,064	-	7,378,064
Utility					9,541,261	-	9,541,261
Motor vehicle-in-lieu					6,920,240	-	6,920,240
Other					7,270,764	-	7,270,764
Motel/hotel and franchise					1,584,502	-	1,584,502
Rental income					154,677	-	154,677
American Rescue Plan Act					3,176,975	-	3,176,975
Gain on disposal of fixed assets					293,000	-	293,000
Investment earnings (losses)					(563,004)	(400,461)	(963,465)
Miscellaneous					1,478,957	648,333	2,127,290
Transfers					270,273	(270,273)	-
<b>Total general revenues and transfers</b>					<b>61,788,153</b>	<b>(22,401)</b>	<b>61,765,752</b>
<b>Change in net position</b>					<b>20,661,821</b>	<b>13,331,280</b>	<b>33,993,101</b>
<b>Net position - beginning, restated</b>					<b>203,244,679</b>	<b>196,698,730</b>	<b>399,943,409</b>
<b>Net position - ending</b>					<b>\$ 223,906,500</b>	<b>\$ 210,030,010</b>	<b>\$ 433,936,510</b>

The notes to the basic financial statements are an integral part of this statement.

## Fund Financial Statements

**CITY OF TULARE | JUNE 30, 2023**

**Governmental Funds**

**Balance Sheet**

	Special Revenue Funds					Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Measure R Fund	American Rescue Plan Act Fund	HOME Program Fund	Developer Impact Fees	Financing Authority Fund		
<b>ASSETS</b>								
Cash and investments	\$ 37,615,686	\$ 5,036,627	\$ 12,254,782	\$ 288,370	\$ 28,854,805	\$ 1,581,439	\$ 6,233,388	\$ 91,865,097
Cash and investments with fiscal agent	12,982,126	-	-	-	-	1,190,979	-	14,173,105
Receivables:								
Accounts	1,235,975	-	-	-	8,631	-	160	1,244,766
Interest	60,069	6,708	-	701,003	37,404	2,050	10,334	817,568
Taxes	5,934,150	-	-	-	-	-	291,215	6,225,365
Intergovernmental	588,658	-	-	21,116	-	-	333,168	942,942
Loans	-	-	-	8,033,045	-	-	2,130,324	10,163,369
Notes	-	-	-	-	-	-	759,458	759,458
Leases	10,585	-	-	-	-	-	-	10,585
Land held for resale	-	-	-	-	-	-	35,000	35,000
Due from other funds	3,708,293	-	-	-	-	-	-	3,708,293
Prepaid items	30,750	-	-	-	-	-	-	30,750
Long-term receivables	9,970,721	-	-	-	-	-	-	9,970,721
<b>Total assets</b>	<b>\$ 72,137,013</b>	<b>\$ 5,043,335</b>	<b>\$ 12,254,782</b>	<b>\$ 9,043,534</b>	<b>\$ 28,900,840</b>	<b>\$ 2,774,468</b>	<b>\$ 9,793,047</b>	<b>\$ 139,947,019</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
	-	-	-	-	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 72,137,013</b>	<b>\$ 5,043,335</b>	<b>\$ 12,254,782</b>	<b>\$ 9,043,534</b>	<b>\$ 28,900,840</b>	<b>\$ 2,774,468</b>	<b>\$ 9,793,047</b>	<b>\$ 139,947,019</b>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	\$ 2,969,542	\$ -	\$ 106,641	\$ 2,826	\$ -	\$ 1,935	\$ 299,285	\$ 3,380,229
Deposits payable	2,386,244	-	-	-	-	-	-	2,386,244
Due to other funds	-	-	-	-	-	-	961,726	961,726
Unearned revenue	2,946,482	-	12,504,426	307,344	-	-	610,849	16,369,101
<b>Total liabilities</b>	<b>8,302,268</b>	<b>-</b>	<b>12,611,067</b>	<b>310,170</b>	<b>-</b>	<b>1,935</b>	<b>1,871,860</b>	<b>23,097,300</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Lease proceeds	9,427	-	-	-	-	-	-	9,427
Deferred loans	-	-	-	8,733,674	-	-	2,132,873	10,866,547
<b>Total deferred inflows of resources</b>	<b>9,427</b>	<b>-</b>	<b>-</b>	<b>8,733,674</b>	<b>-</b>	<b>-</b>	<b>2,132,873</b>	<b>10,875,974</b>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	10,001,471	-	-	-	-	-	35,000	10,036,471
Restricted	-	5,043,335	-	-	28,900,840	2,772,533	4,933,819	41,650,527
Committed	-	-	-	-	-	-	858,956	858,956
Assigned	6,485,536	-	-	-	-	-	-	6,485,536
Unassigned	47,338,311	-	(356,285)	(310)	-	-	(39,461)	46,942,255
<b>Total fund balances (deficits)</b>	<b>63,825,318</b>	<b>5,043,335</b>	<b>(356,285)</b>	<b>(310)</b>	<b>28,900,840</b>	<b>2,772,533</b>	<b>5,788,314</b>	<b>105,973,745</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 72,137,013</b>	<b>\$ 5,043,335</b>	<b>\$ 12,254,782</b>	<b>\$ 9,043,534</b>	<b>\$ 28,900,840</b>	<b>\$ 2,774,468</b>	<b>\$ 9,793,047</b>	<b>\$ 139,947,019</b>

The notes to the basic financial statements are an integral part of this statement.



**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances – total governmental funds		\$ 105,973,745
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		149,125,063
Certain loans receivable are not due in the current period and, therefore, should not be reported in the governmental funds balance sheet.		10,866,547
Internal service funds are used by the management to charge the costs to individual funds. These assets, deferred outflows of resources, liabilities, and deferred inflows of resources are included in the statement of net position.		34,669,784
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.		(235,000)
Pension-related deferrals are reported as deferred outflows and inflows of resources on the statement of net position:		
Deferred outflows of resources from pensions	24,595,756	
Deferred inflows of resources from pensions	<u>(4,226,602)</u>	20,369,154
OPEB-related deferrals are reported as deferred outflows and inflows of resources on the statement of net position:		
Deferred outflows of resources from OPEB	321,447	
Deferred inflows of resources from OPEB	<u>(877,241)</u>	(555,794)
Long-term liabilities are not due and payable in the current year period and, therefore, are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:		
Compensated absences payable	(2,968,024)	
Net pension liability	(56,076,795)	
Net other post-employment benefits (OPEB) liability	(1,603,583)	
Bonds payable, net of premiums and discounts	<u>(35,658,597)</u>	(96,306,999)
Net position of governmental activities		<u>\$ 223,906,500</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**

	General Fund	Special Revenue Funds				Debt Service Fund		Nonmajor Governmental Funds	Total Governmental Funds
		Measure R Fund	American Rescue Plan Act Fund	HOME Program Fund	Developer Impact Fees	Financing Authority Fund			
<b>REVENUES</b>									
Taxes	\$ 51,523,882	\$ 1,166,305	\$ -	\$ -	\$ -	\$ -	\$ 3,181,325	\$ 55,871,512	
Intergovernmental	4,278,732	-	3,176,975	330,514	-	-	3,109,679	10,895,900	
Licenses and Permits	1,469,268	-	-	-	-	-	-	1,469,268	
Charges for services	7,802,594	-	-	-	7,520,057	-	2	15,322,653	
Fines and forfeitures	225,382	-	-	-	-	-	74,779	300,161	
Use of money and property	(321,936)	(43,652)	-	-	(233,552)	38,326	(64,740)	(625,554)	
Interest and rentals	154,677	-	-	-	-	-	-	154,677	
Assessments	-	-	-	-	-	-	1,146,147	1,146,147	
Other	1,471,047	-	-	-	-	-	142,965	1,614,012	
<b>Total revenues</b>	<b>66,603,646</b>	<b>1,122,653</b>	<b>3,176,975</b>	<b>330,514</b>	<b>7,286,505</b>	<b>38,326</b>	<b>7,590,157</b>	<b>86,148,776</b>	
<b>EXPENDITURES</b>									
Current:									
General government	8,745,416	-	25,895	-	-	-	-	8,771,311	
Intergovernmental	-	-	-	-	-	10,575	-	10,575	
Public safety	32,296,357	-	-	-	-	-	233,384	32,529,741	
Public works	3,101,544	-	-	-	-	-	-	3,101,544	
Community development	217,627	-	-	330,515	-	-	2,295,907	2,844,049	
Community services	6,991,137	-	-	-	-	-	1,517,242	8,508,379	
Library and cultural	1,556,303	-	-	-	-	-	-	1,556,303	
Capital outlay	7,307,938	-	3,151,079	-	-	-	-	10,459,017	
Debit service:									
Principal	38,740	-	-	-	-	1,220,000	-	1,258,740	
Interest and fiscal charges	3,025	-	-	-	-	1,001,000	-	1,004,025	
<b>Total expenditures</b>	<b>60,258,087</b>	<b>-</b>	<b>3,176,974</b>	<b>330,515</b>	<b>-</b>	<b>2,231,575</b>	<b>4,046,533</b>	<b>70,043,684</b>	
Excess (deficiency) of revenues over (under) expenditures	6,345,559	1,122,653	1	(1)	7,286,505	(2,193,249)	3,543,624	16,105,092	
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	4,495,478	-	-	-	-	2,200,000	773,695	7,469,173	
Transfers out	(4,456,113)	(137,683)	-	-	-	-	(3,057,795)	(7,651,591)	
Proceeds on debt issuance	12,982,126	-	-	-	-	-	-	12,982,126	
Sale of capital assets	293,000	-	-	-	-	-	-	293,000	
<b>Total other financing sources (uses)</b>	<b>13,314,491</b>	<b>(137,683)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,200,000</b>	<b>(2,284,100)</b>	<b>13,092,708</b>	
<b>Net change in fund balance</b>	<b>19,660,050</b>	<b>984,970</b>	<b>1</b>	<b>(1)</b>	<b>7,286,505</b>	<b>6,751</b>	<b>1,259,524</b>	<b>29,197,800</b>	
Fund balances (deficits) - beginning, restated	44,165,268	4,058,365	(356,286)	(309)	21,614,335	2,765,782	4,528,790	76,775,945	
<b>Fund balances (deficits) - ending</b>	<b>\$ 63,825,318</b>	<b>\$ 5,043,335</b>	<b>\$ (356,285)</b>	<b>\$ (310)</b>	<b>\$ 28,900,840</b>	<b>\$ 2,772,533</b>	<b>\$ 5,788,314</b>	<b>\$ 105,973,745</b>	

The notes to the basic financial statements are an integral part of this statement.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 29,197,800

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 exceeded depreciation and amortization expense in the current period.

Capital outlay 13,387,712  
Depreciation and amortization expense (11,773,289)

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 the incurrence of new debt. (12,982,126)  
This amount represents long-term debt repayments. 1,258,740  
This amount represents amortization of bond discounts/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 amounts represents costs of compensated absences. (341,668)

Interest payable 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. 15,248

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. (177,682)

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. 172,692

The distribution of housing loans and corresponding payments that were recognized in the governmental funds are not recognized in the statement of activities. 247,854

The changes in net position of certain activities of the internal service funds is reported within governmental activities. 1,546,610

Change in net position of governmental activities \$ 20,661,821

The notes to the basic financial statements are an integral part of this statement.

**CITY OF TULARE | JUNE 30, 2023**

**Proprietary Funds  
Statement of Net Position**

	Business-Type Activities - Enterprise Funds						Governmental Activities		
	Transit	Community and Economic Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds	
<b>ASSETS</b>									
Current assets:									
Cash and investments	\$ 1,411,562	\$ 1,433,284	\$ 16,465,795	\$ 10,818,166	\$ 57,799,392	\$ -	\$ 87,928,199	\$ 27,572,974	
Cash and investments with fiscal agent	-	-	6,659,865	-	5,254,060	-	11,913,925	45,902	
Receivables:									
Accounts	4,285	1,652	1,925,076	1,612,518	3,825,864	2,937	7,372,332	175,033	
Interest	1,830	1,854	25,463	13,711	79,812	-	122,670	35,494	
Intergovernmental	15,670	-	-	-	1,547	-	17,217	10,237	
Loans	-	-	21,315	-	8,076	-	29,391	-	
Leases	123,176	-	20,920	-	-	122,370	266,466	-	
Inventories	-	-	-	-	-	-	-	817,743	
Advances to other funds	-	-	-	620,000	-	-	620,000	-	
Long-term receivables	1,500,000	-	-	-	-	-	1,500,000	-	
<b>Total current assets</b>	<b>3,056,523</b>	<b>1,436,790</b>	<b>25,118,434</b>	<b>13,064,395</b>	<b>66,968,751</b>	<b>125,307</b>	<b>109,770,200</b>	<b>28,657,383</b>	
Noncurrent assets:									
Nondepreciable capital assets	193,261	-	2,559,092	-	5,249,327	279,215	8,280,895	75,000	
Depreciable capital assets, net	6,957,388	2,908	85,230,162	23,418	206,919,751	3,074,312	302,207,939	13,131,613	
<b>Total noncurrent assets</b>	<b>7,150,649</b>	<b>2,908</b>	<b>87,789,254</b>	<b>23,418</b>	<b>212,169,078</b>	<b>3,353,527</b>	<b>310,488,834</b>	<b>13,206,613</b>	
<b>Total assets</b>	<b>10,207,172</b>	<b>1,439,698</b>	<b>112,907,688</b>	<b>13,087,813</b>	<b>279,137,829</b>	<b>3,478,834</b>	<b>420,259,034</b>	<b>41,863,996</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Pensions	15,571	1,244,354	1,060,101	1,721,853	1,786,731	7,785	5,836,395	690,299	
Other post-employment benefits (OPEB)	3,032	28,173	26,608	45,830	47,200	98	150,941	16,728	
Deferred charges	-	-	104,197	-	776,342	-	880,539	-	
<b>Total deferred outflows of resources</b>	<b>18,603</b>	<b>1,272,527</b>	<b>1,190,906</b>	<b>1,767,683</b>	<b>2,610,273</b>	<b>7,883</b>	<b>6,867,875</b>	<b>707,027</b>	
<b>LIABILITIES</b>									
Current liabilities:									
Accounts payable and accrued liabilities	1,445	278,082	909,563	377,832	866,346	5,499	2,438,767	851,782	
Accrued interest payable	-	-	104,275	-	746,711	-	850,986	-	
Deposits payable	-	-	183,909	-	1,109,785	-	1,293,694	-	
Due to other funds	-	-	-	-	-	169,337	169,337	2,577,230	
Other payable	-	-	9,153	-	-	-	9,153	-	
Unearned revenue - PTMISEA	642,225	-	-	-	-	-	642,225	-	
Unearned revenue - Other	65,020	-	-	-	-	-	65,020	253,156	
Compensated absences payable	576	32,384	24,641	40,052	20,639	192	118,484	4,318	
Revenue bonds payable	-	-	768,660	-	4,961,962	-	5,730,622	-	
<b>Total current liabilities</b>	<b>709,266</b>	<b>310,466</b>	<b>2,000,201</b>	<b>417,884</b>	<b>7,705,443</b>	<b>175,028</b>	<b>11,318,288</b>	<b>3,686,486</b>	
Noncurrent liabilities:									
Compensated absences payable	6,238	350,401	266,620	433,376	223,317	2,079	1,282,031	46,714	
Insurance claims payable	-	-	-	-	-	-	-	1,444,875	
Advances from other funds	-	-	620,000	-	-	-	620,000	-	
Net pension liability	50,598	4,043,641	3,444,896	5,595,320	5,806,146	25,299	18,965,900	2,243,178	
Net other post-employment benefits (OPEB) liability	15,127	140,545	132,737	228,630	235,462	488	752,989	83,448	
Revenue bonds payable	-	-	31,938,084	-	151,365,201	-	183,303,285	-	
<b>Total noncurrent liabilities</b>	<b>71,963</b>	<b>4,534,587</b>	<b>36,402,337</b>	<b>6,257,326</b>	<b>157,630,126</b>	<b>27,866</b>	<b>204,924,205</b>	<b>3,818,215</b>	
<b>Total liabilities</b>	<b>781,229</b>	<b>4,845,053</b>	<b>38,402,538</b>	<b>6,675,210</b>	<b>165,335,569</b>	<b>202,894</b>	<b>216,242,493</b>	<b>7,504,701</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Pensions	1,802	122,018	104,221	169,181	176,021	802	574,045	68,013	
Other post-employment benefits (OPEB)	8,275	76,885	72,614	125,072	128,810	267	411,923	45,650	
Leases	79,938	-	8,936	-	-	62,439	151,313	-	
<b>Total deferred inflows of resources</b>	<b>90,015</b>	<b>198,903</b>	<b>185,771</b>	<b>294,253</b>	<b>304,831</b>	<b>63,508</b>	<b>1,137,281</b>	<b>113,663</b>	
<b>NET POSITION (DEFICIT)</b>									
Net investment in capital assets	7,150,649	2,908	55,082,510	23,418	55,841,915	3,353,527	121,454,927	13,206,613	
Unrestricted	2,203,882	(2,334,639)	20,427,775	7,862,615	60,265,787	(133,212)	88,292,208	21,746,046	
<b>Total net position</b>	<b>\$ 9,354,531</b>	<b>\$ (2,331,731)</b>	<b>\$ 75,510,285</b>	<b>\$ 7,886,033</b>	<b>\$ 116,107,702</b>	<b>\$ 3,220,315</b>	<b>\$ 209,747,135</b>	<b>\$ 34,952,659</b>	
							Adjustment to report the cumulative internal balance service funds and the enterprise funds over time	282,875	
							Net position of business-type activities	\$ 210,030,010	

The notes to the basic financial statements are an integral part of this statement.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Transit	Community and Economic Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
<b>Operating revenues:</b>								
Charges for services	\$ 44,971	\$ 3,185,514	\$ 14,175,049	\$ 12,260,531	\$ 35,188,578	\$ 112,147	\$ 64,966,790	\$ -
Departmental charges	-	-	-	-	-	-	-	16,001,307
Employee Contributions	-	-	-	-	-	-	-	1,443,563
Other revenues	106,305	183,505	95,771	37,122	221,830	3,741	648,274	-
<b>Total operating revenues</b>	<b>151,276</b>	<b>3,369,019</b>	<b>14,270,820</b>	<b>12,297,653</b>	<b>35,410,408</b>	<b>115,888</b>	<b>65,615,064</b>	<b>17,444,870</b>
<b>Operating expenses:</b>								
General administration	-	100	318,272	30,651	122,807	-	471,830	371,196
Personnel services	(50,345)	2,259,435	2,177,751	3,886,780	3,460,544	(203)	11,733,962	966,550
Contractual services	-	-	-	-	-	-	-	429,704
Maintenance and supplies	75,560	1,554,756	5,438,575	8,088,713	9,285,479	288,532	24,731,615	-
Equipment usage and operation	-	-	-	-	-	-	-	2,450,861
Insurance	-	-	-	-	-	-	-	10,151,869
Depreciation and amortization	542,830	1,517	2,196,077	10,093	6,350,332	153,700	9,254,549	1,829,947
<b>Total operating expenses</b>	<b>568,045</b>	<b>3,815,808</b>	<b>10,130,675</b>	<b>12,016,237</b>	<b>19,219,162</b>	<b>442,029</b>	<b>46,191,956</b>	<b>16,200,127</b>
<b>Operating income (loss)</b>	<b>(416,769)</b>	<b>(446,789)</b>	<b>4,140,145</b>	<b>281,416</b>	<b>16,191,246</b>	<b>(326,141)</b>	<b>19,423,108</b>	<b>1,244,743</b>
<b>Nonoperating revenues (expenses):</b>								
Use of money and property	15,784	(11,666)	48,492	(83,375)	(376,469)	6,773	(400,461)	(202,112)
Grants	455,222	-	-	147,199	-	-	602,421	-
Other income - miscellaneous	-	-	-	-	-	-	-	71,283
Interest and fiscal charges	-	-	(1,177,245)	-	(5,529,530)	-	(6,706,775)	-
Other expense - miscellaneous	-	-	(86,727)	-	-	-	(86,727)	-
Gain (loss) on sale of assets	-	-	-	-	-	-	-	262,880
<b>Total nonoperating revenues (expenses)</b>	<b>471,006</b>	<b>(11,666)</b>	<b>(1,215,480)</b>	<b>63,824</b>	<b>(5,905,999)</b>	<b>6,773</b>	<b>(6,591,542)</b>	<b>132,051</b>
<b>Income (loss) before transfers</b>	<b>54,237</b>	<b>(458,455)</b>	<b>2,924,665</b>	<b>345,240</b>	<b>10,285,247</b>	<b>(319,368)</b>	<b>12,831,566</b>	<b>1,376,794</b>
Transfers in	-	300,000	611,337	-	-	-	911,337	1,452,691
Transfers out	-	(2,020)	(711,150)	(6,150)	(462,290)	-	(1,181,610)	(1,000,000)
Capital Contributions	-	-	264,494	-	222,618	-	487,112	-
<b>Change in net position (deficit)</b>	<b>54,237</b>	<b>(160,475)</b>	<b>3,089,346</b>	<b>339,090</b>	<b>10,045,575</b>	<b>(319,368)</b>	<b>13,048,405</b>	<b>1,829,485</b>
<b>Net position (deficit) - beginning, restated</b>	<b>9,300,294</b>	<b>(2,171,256)</b>	<b>72,420,939</b>	<b>7,546,943</b>	<b>106,062,127</b>	<b>3,539,683</b>		<b>33,123,174</b>
<b>Net position (deficit) - ending</b>	<b>\$ 9,354,531</b>	<b>\$ (2,331,731)</b>	<b>\$ 75,510,285</b>	<b>\$ 7,886,033</b>	<b>\$ 116,107,702</b>	<b>\$ 3,220,315</b>		<b>\$ 34,952,659</b>
							Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	282,875
							Changes in net position of business-type activities	\$ 13,331,280

The notes to the basic financial statements are an integral part of this statement.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

**Proprietary Funds  
Statement of Cash Flows**

	Business-Type Activities - Enterprise Funds							Governmental
	Community and Economic Development Services						Total Enterprise Funds	Internal Service Funds
	Transit	Services	Water	Solid Waste	Sewer	Aviation		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash received from customers	\$ 123,519	\$ 3,369,489	\$ 14,325,255	\$ 12,664,809	\$ 37,263,506	\$ 119,588	\$ 67,866,166	\$ -
Cash received from interfund services provided	-	-	-	-	-	-	-	17,530,691
Cash payments to employees	(27,728)	(2,119,685)	(2,228,341)	(3,980,916)	(3,684,791)	(17,374)	(12,058,835)	(1,182,629)
Cash payments to suppliers	(78,605)	(1,837,920)	(6,716,242)	(8,328,140)	(11,095,418)	(298,929)	(28,355,254)	(739,023)
Cash payments for reported claims	-	-	-	-	-	-	-	(12,602,730)
Net cash provided by (used for) operating activities	17,186	(588,116)	5,380,672	355,753	22,483,297	(196,715)	27,452,077	3,006,309
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Cash received from operating grants	-	318,435	-	147,199	(9,623)	-	456,011	-
Cash payments to (from) other funds (short-term borrowings)	-	-	(227,982)	206,667	-	(124,107)	(145,422)	1,078,064
Cash payments to (from) other organizations (loans receivable)	(1,500,000)	-	-	-	-	-	(1,500,000)	-
Cash received from transfers from other funds	-	300,000	611,337	-	-	-	911,337	1,452,691
Cash payments for transfers to other funds	-	(2,020)	(711,150)	(6,150)	(462,290)	-	(1,181,610)	(1,000,000)
Cash received from other revenue	-	-	-	-	-	-	-	71,283
Net cash provided by (used for) noncapital and related financing activities	(1,500,000)	616,415	(327,795)	347,716	(471,913)	(124,107)	(1,459,684)	1,602,038
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Cash received from capital grants	450,933	-	-	-	-	-	450,933	153,848
Cash payments for the acquisition of capital assets	(2,472,944)	-	(5,506,258)	-	(4,787,582)	(33,031)	(12,799,815)	(2,152,024)
Cash received from the sale of capital assets	-	-	-	-	-	-	-	262,880
Cash payments for principal paid on capital debt	-	-	(1,148,660)	-	(4,776,961)	-	(5,925,621)	-
Cash payments for interest on capital debt	-	-	(1,177,044)	-	(5,508,347)	-	(6,685,391)	-
Net cash provided by (used for) capital and related financing activities	(2,022,011)	-	(7,831,962)	-	(15,072,890)	(33,031)	(24,959,894)	(1,735,296)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest on investments	15,572	(13,520)	23,029	(97,086)	(456,281)	6,773	(521,513)	(236,084)
Rental property	35,815	-	190,517	-	-	8,466	234,798	-
Net cash provided by (used for) investing activities	51,387	(13,520)	213,546	(97,086)	(456,281)	15,239	(286,715)	(236,084)
Net increase (decrease) in cash and cash equivalents	(3,453,438)	14,779	(2,565,539)	606,383	6,482,213	(338,614)	745,784	2,636,967
Cash and cash equivalents - beginning	4,865,000	1,418,505	25,691,199	10,211,783	56,571,239	338,614	99,096,340	24,981,909
Cash and cash equivalents - ending	\$ 1,411,562	\$ 1,433,284	\$ 23,125,660	\$ 10,818,166	\$ 63,053,452	\$ -	\$ 99,842,124	\$ 27,618,876
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>								
Operating income (loss)	\$ (416,769)	\$ (446,789)	\$ 4,140,145	\$ 281,416	\$ 16,191,246	\$ (326,141)	\$ 19,423,108	\$ 1,244,743
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and amortization	542,830	1,517	2,196,077	10,093	6,350,332	153,700	9,254,549	1,829,947
Changes in assets and liabilities:								
(Increase) decrease in consumer receivables	456	470	243,284	367,156	912,339	3,700	1,527,405	85,821
(Increase) decrease in prepaids	359	3,329	3,143	5,415	5,576	11	17,833	1,975
(Increase) decrease in pension related deferred outflows of resources	2,977	(790,992)	(662,082)	(1,078,858)	(1,100,171)	(3,224)	(3,632,350)	(745,313)
Increase (decrease) accounts payable	(3,045)	(283,064)	(959,395)	(208,776)	(746,373)	(10,408)	(2,211,061)	507,209
Increase (decrease) unearned revenue	-	-	-	-	-	-	-	(243,237)
Increase (decrease) in compensated absences	1,492	135,445	24,908	876	8,210	497	171,428	(6,244)
Increase (decrease) in net pension liability	(45,958)	1,683,638	1,368,463	2,241,429	2,220,065	1,804	7,469,441	858,064
Increase (decrease) in pension related deferred inflows of resources	(65,156)	(891,670)	(973,871)	(1,262,998)	(1,357,927)	(16,654)	(4,568,276)	(526,656)
Net cash provided by (used for) operating activities	\$ 17,186	\$ (588,116)	\$ 5,380,672	\$ 355,753	\$ 22,483,297	\$ (196,715)	\$ 27,452,077	\$ 3,006,309
<b>Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:</b>								
Cash and investments	\$ 1,411,562	\$ 1,433,284	\$ 16,465,795	\$ 10,818,166	\$ 57,799,392	\$ -	\$ 87,928,199	\$ 27,572,974
Cash and investments with fiscal agents	-	-	6,659,865	-	5,254,060	-	11,913,925	45,902
Cash and cash equivalents per statement of cash flows	\$ 1,411,562	\$ 1,433,284	\$ 23,125,660	\$ 10,818,166	\$ 63,053,452	\$ -	\$ 99,842,124	\$ 27,618,876

The notes to the basic financial statements are an integral part of this statement.

**CITY OF TULARE | JUNE 30, 2023**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position

	Private Purpose Trust Fund	Custodial Funds
<b>ASSETS</b>		
Cash and investments	\$ 3,433,672	\$ 564,815
Cash and investments with fiscal agent	3	3
Accounts receivable	250	-
Interest receivable	931,053	-
Note receivable	9,600,541	-
Land held for sale	91,321	-
	<u>14,056,840</u>	<u>564,818</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows from deferred loans	<u>220,235</u>	-
	<u>220,235</u>	-
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	2,401	18,922
Interest payable	275,859	-
Compensated absences payable, current portion	249	-
Unearned revenue	1,374,616	-
Deposits payable	20,250	-
Long-term liabilities:		
Compensated absences payable	2,692	-
Bonds and advances	<u>31,135,491</u>	-
	<u>32,811,558</u>	<u>18,922</u>
<b>NET POSITION</b>		
Restricted for individuals, organizations, and other governments	<u>\$ (18,534,483)</u>	<u>\$ 545,896</u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

	Private Purpose Trust Fund	Custodial Funds
<b>ADDITIONS</b>		
Contributions and fundraising	\$ 58,521	\$ -
Use of money and property	(27,466)	-
Collections on behalf of other governments:		
Property taxes	<u>2,022,462</u>	<u>-</u>
Total additions	<u>2,053,517</u>	<u>-</u>
<b>DEDUCTIONS</b>		
Community development	974,541	-
Debt service	<u>(5,679)</u>	<u>-</u>
Total deductions	<u>968,862</u>	<u>-</u>
Change in fiduciary net position (deficit)	1,084,655	-
Fiduciary net position (deficit) - beginning, restated	<u>(19,619,138)</u>	<u>545,896</u>
Fiduciary net position (deficit) - ending	<u>\$ (18,534,483)</u>	<u>\$ 545,896</u>

The notes to the basic financial statements are an integral part of this statement.



## Notes to the Basic Financial Statements

**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, 2023, and for the year then ended.

**A. Description of the Reporting Entity**

The City was incorporated on April 5, 1888, as a municipal corporation under the General Laws of the State of California. The City operates as a self-governing local government unit within the State of California. A five-member City Council appoints a City Administrator who administers the daily affairs under the policy guidance of the City Council. The City has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a City Council that passes laws and determines broad policies. The City Council also oversees the operations of the City and approves all budgets, fund transfers, and fund balance reserves. Services provided by the City include public safety, streets and roads, water, sanitation, public improvements, culture and recreation, parks, building inspections, planning and zoning, redevelopment, and general administration.

**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.

**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. 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.

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

**B. Basis of Presentation** (Continued)

**Government-Wide Financial Statements** (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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.

The funds described below were determined to be major funds by the City in fiscal year 2023. Individual nonmajor funds may be found in the Combining Financial Statements and Schedules.

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.

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.

American Rescue Plan Act Fund (ARPA) – 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 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.

Developer Impact Fees Fund – This fund accounts for fees collected from developers to cover the anticipated costs of improvements that will be necessary as a result of the impact the development has on the City.

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)

**Government-Wide Financial Statements** (Continued)

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

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 and Economic Development Services Fund – The Community and 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 also reports the following fund types:

Internal Service Funds - Accounts for financial transactions related to the City's fleet management, insurance, surface water management, and purchase services. These services are provided to other departments or agencies of the City on a cost-reimbursement basis.

Fiduciary Funds – A Private Purpose Trust Fund is used to record the assets, liabilities, and the activities of the Successor Agency. Custodial funds are used to account for assets held by the City as a custodian for resources collected for the benefit of other individuals and organizations. The financial activities of these funds are excluded from the entity-wide financial statements but are presented in separate Fiduciary Fund financial statements.

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

**C. Basis of Accounting**

The government-wide financial statements, proprietary fund financial statements, and the fiduciary 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 Cash Equivalents**

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.

**Cash and Investments**

The City maintains a cash and investment pool that is available for all funds. Each fund-type balance in the pool is reflected on the combined balance sheet as cash and investments. The City apportions interest earnings to all funds based on their quarterly cash balances.

The City pools cash and investments with the City Treasurer except for investments managed by fiscal agents under bonded debt agreements. Interest from bank accounts and investments are allocated quarterly to the various funds based on the fund's contribution to the pool. The City has stated investments at fair value in the statement of net position and balance sheet. The fair value of investments is based on published market prices and quotations from major investment brokers.

Cash and investments with fiscal agent represent funds held by various trustees from proceeds of the issuance of bonds in order to establish required reserve funds and to pay bond issuance costs per the respective trust agreements.

*Credit Risk* – The City's investment policy limits certain types of investments to various ratings.

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

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

*Custodial Credit Risk—Deposits* – Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City has a deposit policy for custodial risk that requires collateralization on certificates of deposit and repurchase (and reverse) agreements. In addition, the City maintains custodial agreements with certain independent third parties.

*Concentration of Credit Risk* – The City places no additional limit on the amount the City may invest in any one issuer beyond that established by the California Government Code.

*Interest Rate Risk* – Reserve funds may be invested in securities exceeding 10 years if the maturity of such investments are made to coincide as closely as practicable with the expected use of the funds.

**Interfund Transactions**

Interfund transactions are reflected as either loans, services provided or used, 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.

Services provided and used, 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.

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

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

**Loans & Notes Receivable**

The City engages in programs designed to encourage construction or improvement of housing for persons with low to moderate income and to encourage business development. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms. For financial statement purposes, the City has established an estimated allowance for potentially uncollectible loans. The balance of notes receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

**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.

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

**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)

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.

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.

**Software Subscription Arrangements**

The City has subscriptions for various information technology applications. The City recognizes subscription-based information technology arrangement (SBITA) liabilities and intangible right-to-use software arrangement assets in the government-wide financial statements as required by Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). At the commencement of a subscription arrangement, the City initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of the payments made. The Intangible Right-to-Use Software Arrangement asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the commencement of the subscription term. Subsequently, the intangible right-to-use software arrangement asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITAs include how the City determines (1) the rate it uses to discount the expected SBITA payments to present value, (2) the SBITA term, and (3) the SBITA payments.

- The City uses the interest rate charged by the SBITA vendors as the discount rate. When the interest rate charged by the SBITA vendors is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the non-cancellable period of the arrangement. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments made during the subscription term.

The city monitors changes in circumstances that would require a remeasurement of its SBITA liability and related asset and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position. Payments made on the SBITA liability are reported as debt service expenditures within the Statement of Revenues, Expenditures and Changes in Fund Balances.



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

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

**Leases**

Lessee: The City is a lessee for a noncancellable lease of a building. The lessee recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases, which it has determined is the prime rate at the inception of the lease.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor: The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental and enterprise fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the interest rate charged to the lessees as the discount rate. When the interest rate charged to the lessees is not provided, the City generally uses the implied rate of return as the discount rate for leases. When the implied rate of return has not been determined, the City uses its estimated incremental borrowing rate which it has determined is the prime rate at the inception of the lease.
- The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

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

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

**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.

**D.**

**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.

**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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources as they are needed.

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**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** (Continued)

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

*Nonspendable* – includes net resources that cannot be spent because of their form or because of legal or contractual limitations; resources must remain intact.

*Restricted* – 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* – 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* – 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* – 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.

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.

**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 <sup>st</sup> installment February 1 – 2 <sup>nd</sup> installment
Collection dates	December 10 – 1 <sup>st</sup> installment April 10 – 2 <sup>nd</sup> installment

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

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

**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. 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. 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 (the 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.

**H. 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.

**I. 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, 2023, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and investments	\$ 207,366,270
Cash and investments with fiscal agent	26,132,932
Statement of fiduciary net position:	
Cash and investments	3,998,487
Cash and investments with fiscal agent	<u>6</u>
 Total cash and investments	 <u>\$ 237,497,695</u>

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

Cash on hand	\$ 5,153
Deposits with financial institutions	46,281,570
Investments	<u>191,210,972</u>
 Total cash and investments	 <u>\$ 237,497,695</u>

**A. 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.

Authorized Investment Type	Maximum Maturity	Maximum Parentage/ Amount of Portfolio	Maximum Investment in Other Issuer
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
Federally Sponsored Agency Securities	N/A	N/A	N/A
Repurchase Agreements <sup>(3)</sup>	90 days	N/A	N/A
Medium-Term Notes/Corporate Bonds <sup>(1)</sup>	5 years	30%	N/A
Money Market Mutual Funds <sup>(4)</sup>	N/A	15%	N/A
Commercial Paper <sup>(6)</sup>	N/A	25%	N/A
Zero Coupon Bonds <sup>(2)</sup>	N/A	N/A	N/A
Passbook Savings Account Demand Deposits <sup>(5)</sup>	N/A	N/A	N/A

<sup>(1)</sup> Must be rated A or better by a nationally recognized rating service and may not exceed 30% of the City's surplus funds.

<sup>(2)</sup> May only be purchased for purposes of bond defeasance or future capital improvement projects.

<sup>(3)</sup> Requires physical delivery of the securities backing the repurchase agreements or safekeeping documentation to a qualified safekeeping institution.

<sup>(4)</sup> Purchases may not exceed 15% of the City's surplus funds.

<sup>(5)</sup> Requires investing only in Federal Deposit Insurance Corporation (FDIC) savings and loan institutions.

<sup>(6)</sup> Purchases may not exceed 25% of the City's surplus funds.

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**B. 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.

Authorized Investment Type	Maximum Maturity	Maximum Parentage/ Amount of Portfolio	Maximum Investment in Other Issuer
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

**C. Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. None of the City's investments, as shown below, are adversely affected by changes in interest rates.

Investment Type	Amount	Remaining Maturity (in months)		
		12 months or less	13 to 24 months	25 to 60 months
Federal Agency Securities	\$ 142,454,635	\$ 1,907,040	\$ 10,008,045	\$ 130,539,550
Local Agency Investment fund (LAIF)	35,605,548	35,605,548	-	-
Held by Bond Trustees:				
Money Market Mutual Funds	8,034,047	8,034,047	-	-
Investment Contracts	5,082,256	5,082,256	-	-
Held by Insurance Administrator:				
Pooled Insurance Investments	34,486	34,486	-	-
<b>Total</b>	<b>\$ 191,210,972</b>	<b>\$ 50,663,377</b>	<b>\$ 10,008,045</b>	<b>\$ 130,539,550</b>

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**D. 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	Remaining Maturity (in months)		
		12 months or less	13 to 24 months	25 to 60 months
Federal Agency Securities	\$ 142,454,635	\$ 1,907,040	\$ 10,008,045	\$ 130,539,550
Local Agency Investment fund (LAIF)	35,605,548	35,605,548	-	-
Held by Bond Trustees:				
Money Market Mutual Funds	8,034,047	8,034,047	-	-
Investment Contracts	5,082,256	5,082,256	-	-
Held by Insurance Administrator:	-	-	-	-
Pooled Insurance Investments	34,486	34,486	-	-
<b>Total</b>	<b>\$ 191,210,972</b>	<b>\$ 50,663,377</b>	<b>\$ 10,008,045</b>	<b>\$ 130,539,550</b>

**E. 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:

Investment Type	Investment Type	Reported Amount
Federal National Mortgage Association	Federal Agency Securities	\$ 11,863,460
Federal Home Loan Mortgage Corp	Federal Agency Securities	46,648,320
Federal Home Loan Banks	Federal Agency Securities	75,252,665
	<b>Total Federal Agency Securities</b>	<b>\$ 133,764,445</b>

**F. 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.

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**F. Custodial Credit Risk** (Continued)

The carrying amounts of the City's cash deposits were \$46,281,570 at June 30, 2023. Bank balances before reconciling items were \$48,576,186 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.

**G. 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](http://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.

**H. 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;
- Level 3: Investments reflect prices based upon unobservable sources.



**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**H. Fair Value Measurements (Continued)**

The City has the following recurring fair value measurements as of June 30, 2023:

Investment types by Fair Value Level	Totals	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:	\$ 142,454,635	\$ 142,454,635	\$ -	\$ -
Federal Agency Security	142,454,635	\$ 142,454,635	\$ -	\$ -
Total investments measured at fair value				
Investments measured at amortized cost:				
LAIF	35,605,548			
Pooled Insurance Investments	34,486			
Money Market Mutual Funds	8,034,047			
Investment Contracts	5,082,256			
Total investments measured at amortized cost	48,756,337			
Total pooled and direct investments	\$ 191,210,972			

**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).

Total notes receivable \$ 759,458

Loans receivable consist of:

**Primary government:**

HOME Program (Housing Successor Agency (HSA)) \$ 8,033,045  
Housing Community Development Block Grant (CDBG) loans 1,032,098  
Rehabilitation loans 1,098,226  
Others 29,391

Total loans receivable \$ 10,192,760

**CITY OF TULARE | JUNE 30, 2023**  
Notes to the Basic Financial Statements

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

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 intends to repay the loan as soon as possible. The balance of this long-term receivable as of June 30, 2023, was \$9,970,721.

**NOTE 4 – CAPITAL ASSETS**

Capital assets activities for the year ended June 30, 2023, were as follows:

	Balance June 30, 2022	Prior Period Adjustments	Restated Balance July 1, 2022	Additions	Deletions	Transfers/ Adjustments	Balance June 30, 2023
<b>Governmental Activities:</b>							
Capital assets not being depreciated:							
Land	\$ 17,389,440	\$ -	\$ 17,389,440	\$ 1,914,288	\$ -	\$ -	\$ 19,303,728
Right-of-way	1,306,651	-	1,306,651	-	-	-	1,306,651
Construction in progress (CIP)	9,349,781	-	9,349,781	6,136,301	-	-	15,486,082
Total capital assets not being depreciated	28,045,872	-	28,045,872	8,050,589	-	-	36,096,461
Capital assets being depreciated/amortized:							
Infrastructure	224,551,077	-	224,551,077	2,798,884	-	-	227,349,961
Structures and improvements	61,063,311	-	61,063,311	874,250	-	-	61,937,561
Equipment	37,538,348	-	37,538,348	4,147,470	(1,399,985)	-	40,285,833
Right-to-use SBITA asset	-	156,539	156,539	-	-	-	156,539
Total capital assets being depreciated	323,152,736	156,539	323,309,275	7,820,604	(1,399,985)	-	329,729,894
Less accumulated depreciation/amortization for:							
Infrastructure	(171,593,508)	36,697,207	(134,896,301)	(10,129,527)	-	-	(145,025,828)
Structures and improvements	(29,907,044)	27,086	(29,879,958)	(1,398,238)	-	-	(31,278,196)
Equipment	(26,177,033)	69,843	(26,107,190)	(2,028,986)	1,032,019	(1,403)	(27,105,560)
Right-to-use SBITA asset	-	(38,610)	(38,610)	(46,485)	-	-	(85,095)
Total accumulated depreciation/amortization	(227,677,585)	36,755,526	(190,922,059)	(13,603,236)	1,032,019	(1,403)	(203,494,679)
Total capital assets being depreciated/amortized, net	95,475,151	36,912,065	132,387,216	(5,782,632)	(367,966)	(1,403)	126,235,215
Governmental activities capital assets, net	\$ 123,521,023	\$ 36,912,065	\$ 160,433,088	\$ 2,267,957	\$ (367,966)	\$ (1,403)	\$ 162,331,676
<b>Business-Type Activities</b>							
Capital assets not being depreciated:							
Land	\$ 7,620,014	\$ 660,881	\$ -	\$ -	\$ -	\$ -	\$ 8,280,895
Construction in progress (CIP)	16,725,276	8,772,163	-	(1,855,875)	-	-	23,641,564
Total capital assets not being depreciated	24,345,290	9,433,044	-	(1,855,875)	-	-	31,922,459
Capital assets being depreciated:							
Buildings	7,501,788	26,000	-	-	-	-	7,527,788
Improvements other than buildings	371,238,148	1,270,790	-	1,685,279	-	-	374,194,217
Equipment	36,905,096	2,557,096	-	170,596	-	-	39,632,788
Total capital assets being depreciated	415,645,032	3,853,886	-	1,855,875	-	-	421,354,793
Less accumulated depreciation for:							
Buildings	(2,309,899)	(167,304)	-	-	-	-	(2,477,203)
Improvements other than buildings	(119,678,207)	(8,001,120)	-	58,350	-	-	(127,620,977)
Equipment	(11,545,763)	(1,086,125)	-	(58,350)	-	-	(12,690,238)
Total accumulated depreciation	(133,533,869)	(9,254,549)	-	-	-	-	(142,788,418)
Total capital assets being depreciated, net	282,111,163	(5,400,663)	-	1,855,875	-	-	278,566,375
Business-type activities capital assets, net	\$ 306,456,453	\$ 4,032,381	\$ -	\$ -	\$ -	\$ -	\$ 310,488,834

**NOTE 4 – CAPITAL ASSETS** (Continued)

Depreciation and amortization expense is charged to functions and programs based on their usage of the related assets. Depreciation and amortization expense for the year ended June 30, 2023, was charged to the following activities:

Governmental activities:	
General government	\$ 311,174
Public safety	259,405
Community development	10,227,399
Community services	1,928
Library and cultural	973,383
Internal service fund	<u>1,829,947</u>
Total governmental activities	<u>\$ 13,603,236</u>
Business-type activities:	
Transit	\$ 542,830
Community and development	1,517
Water	2,196,077
Solid waste	10,093
Sewer	6,350,332
Aviation	<u>153,700</u>
Total governmental activities	<u>\$ 9,254,549</u>

**NOTE 5 – 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 5 – INTERFUND TRANSACTIONS** (Continued)

Interfund transactions due from/to other funds at June 30, 2023, were as follows:

	<u>Due From</u>	<u>Due To</u>
<b>Governmental Funds:</b>		
Major Funds:		
General	\$ 3,708,293	\$ -
Nonmajor Funds:		
Senior Services	-	522,253
Housing Redevelopment CDBG	-	385,185
Traffic Safety	-	14,810
Local Law Enforcement Block Grant	-	30,125
OTS Grant	-	14
Auto Theft Deterrence	-	9,339
<b>Proprietary Major Funds:</b>		
Aviation	-	169,337
<b>Internal Service Funds:</b>		
Employee Welfare	-	11,419
General Insurance	-	2,190,458
Unemployment Insurance	-	13,522
Purchasing	-	361,831
	<u>\$ 3,708,293</u>	<u>\$ 3,708,293</u>

**NOTE 5 – INTERFUND TRANSACTIONS** (Continued)

Interfund transfers consist of transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2022-23 fiscal year are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental Funds:</b>		
Major Funds:		
General	\$ 4,495,478	\$ 4,456,113
Measure R	-	137,683
Financing Authority	2,200,000	-
Nonmajor Funds:		
Senior Services	445,885	-
Gas Tax	-	2,912,715
Traffic Safety	-	134,343
OTS Grant	-	10,737
Technology CIP	327,810	-
<b>Proprietary Major Funds:</b>		
Community and Economic Development Services	300,000	2,020
Water	611,337	711,150
Solid Waste	-	6,150
Sewer	-	462,290
<b>Internal Service Funds:</b>		
Unemployment Insurance	26,891	-
Surface Water Management	<u>1,425,800</u>	<u>1,000,000</u>
Total transfers	<u>\$ 9,833,201</u>	<u>\$ 9,833,201</u>

Transfers noted during the year are for funding of capital projects, reimbursements of costs, and debt service related payments.

**NOTE 6 – LONG-TERM DEBT**

The following is a summary of the long-term debt activity for the year ended June 30, 2023:

Type of Debt	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
<b>Governmental activities:</b>					
Lease revenue bonds payable	\$ 22,235,000	\$ -	\$ (1,220,000)	\$ 21,015,000	\$ 1,285,000
Bond premium	1,731,402	-	(109,930)	1,621,472	109,930
Finance leases	-	12,982,126	-	12,982,126	-
Compensated absences payable	2,683,632	519,104	(183,680)	3,019,056	255,413
Insurance claim payable	1,444,875	-	-	1,444,875	1,444,875
Net pension liability	30,095,260	37,894,450	(9,669,737)	58,319,973	-
Net OPEB liability	2,179,602	45,213	(537,784)	1,687,031	-
<b>Total governmental activities</b>	<b>\$ 60,369,771</b>	<b>\$ 51,440,893</b>	<b>\$ (11,721,131)</b>	<b>\$ 100,089,533</b>	<b>\$ 3,095,218</b>
<b>Business-type activities:</b>					
Revenue bonds payable	\$ 180,225,000	\$ -	\$ (5,289,999)	\$ 174,935,001	\$ 5,095,000
Bond premium	14,734,528	-	(635,622)	14,098,906	635,622
Compensated absences payable	1,229,087	284,730	(113,302)	1,400,515	118,484
Net pension liability	11,276,604	10,363,406	(2,674,110)	18,965,900	-
Net OPEB liability	972,844	20,180	(240,035)	752,989	-
<b>Total business-type activities</b>	<b>\$ 208,438,063</b>	<b>\$ 10,668,316</b>	<b>\$ (8,953,068)</b>	<b>\$ 210,153,311</b>	<b>\$ 5,849,106</b>

Type of Debt	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2023	Amounts Due Within One Year
<b>Primary government:</b>					
Revenue bonds payable	\$ 202,460,000	\$ -	\$ (6,509,999)	\$ 195,950,001	\$ 6,380,000
Bond premium	16,465,930	-	(745,552)	15,720,378	745,552
Finance leases	-	12,982,126	-	12,982,126	-
Compensated absences payable	3,912,719	803,834	(296,982)	4,419,571	373,897
Insurance claim payable	1,444,875	-	-	1,444,875	1,444,875
Net pension liability	41,371,864	48,257,856	(12,343,847)	77,285,873	-
Net OPEB liability	3,152,446	65,393	(777,819)	2,440,020	-
<b>Total governmental activities</b>	<b>\$ 268,807,834</b>	<b>\$ 62,109,209</b>	<b>\$ (20,674,199)</b>	<b>\$ 310,242,844</b>	<b>\$ 8,944,324</b>

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.

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**NOTE 6 – LONG-TERM DEBT** (Continued)

**A. 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, 2023, the outstanding balance, including the related unamortized bond premium and discount, was:

\$ 22,636,472

On June 29, 2023, the City entered into a financing lease with Banc of America Public Capital Corp. a Kansas corporation for an amount not to exceed \$12,982,126 (for lease and acquire from Lessor certain equipment. The proceeds from this obligation will help finance the cost and acquisition and installation of various equipment for the City. The payments commence in fiscal year 2024 and run through fiscal year 2043. The financing lease has a contract rate of 3.850% per annum.

As of June 30, 2023, the City has received the full proceeds from Banc of America Public Capital Corp., and has not drawn down any of the \$12,982,126 loan proceeds for equipment related purchases.

\$ 12,982,126

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.

\$ 3,019,056

**B. 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, 2023, the outstanding balance, including the related unamortized bond premium, was \$60,469,627.

**NOTE 6 – LONG-TERM DEBT** (Continued)

**B. Business-Type Activities** (Continued)

**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, 2023, the outstanding balance, including unamortized bond premium, was \$59,969,325.

**2017 Water Revenue Refunding 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, 2023, the outstanding balance, including the related unamortized bond premium, was \$18,220,066.

**2020 Water Revenue Refunding 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, 2023, the outstanding balance, including the related unamortized bond premium, was \$14,486,680.

**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, 2023, the outstanding balance, including the related unamortized premium, was \$21,208,211.

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, 2023, the outstanding balance, including the related unamortized premium, was \$14,680,000.



**NOTE 6 – LONG-TERM DEBT** (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
	2024	\$ 2,225,000	\$ 5,014,125	\$ 2,771,650
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	1,768,250	4,827,875	2,748,175	1,107,100
2029-2033	8,854,250	23,962,875	13,763,900	5,522,000
2034-2038	8,846,501	18,404,000	19,243,900	5,526,250
2039-2043	-	8,290,875	26,310,475	5,521,375
2044-2048	-	12,037,500	19,252,675	5,520,625
	<u>28,365,501</u>	<u>87,340,500</u>	<u>92,408,775</u>	<u>27,614,750</u>
Less interest	7,350,500	31,420,500	36,433,775	11,189,750
Plus unamortized premium	<u>1,621,471</u>	<u>4,549,627</u>	<u>3,994,325</u>	<u>1,795,065</u>
Total	<u>\$ 22,636,472</u>	<u>\$ 60,469,627</u>	<u>\$ 59,969,325</u>	<u>\$ 18,220,065</u>

Year Ending June 30,	Primary Government		
	Business-Type Activities		
	2020 Water Revenue Refunding Bonds	2020A Sewer Revenue Refunding Bonds	2020B Sewer Revenue Refunding Bonds
	2024	\$ 773,900	\$ 1,430,300
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	771,775	659,400	2,093,570
2029-2033	3,861,400	3,297,000	9,250,654
2034-2038	3,860,700	8,233,200	877,084
2039-2043	3,867,350	12,269,700	-
2044-2048	3,863,500	-	-
2049-2053	1,544,900	-	-
	<u>20,858,100</u>	<u>29,729,050</u>	<u>16,721,358</u>
Less interest	7,828,100	10,824,050	2,041,358
Plus unamortized premium	<u>1,456,679</u>	<u>2,303,211</u>	<u>-</u>
Total	<u>\$ 14,486,679</u>	<u>\$ 21,208,211</u>	<u>\$ 14,680,000</u>

**NOTE 6 – LONG-TERM DEBT** (Continued)

**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, 2023, the compensated absences payable totaled \$1,400,515 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.

**A. Miscellaneous Plan**

**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, 2023, are summarized as follows:

	Miscellaneous 1st Tier	Miscellaneous 1st Tier	Miscellaneous PEPRA
	Prior to January 1, 2011	January 1, 2011 thru December 31, 2013	On or after January 1, 2013
Hire Date	Prior to January 1, 2011	January 1, 2011 thru December 31, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.5% @ 55	2% @ 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 % of annual salary	2.0% to 2.7%	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.000%	8.000%	7.000%
Required employer contribution rates	10.570%	10.570%	10.570%

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**NOTE 7 – PENSION PLANS** (Continued)

**A. Miscellaneous Plan** (Continued)

**General Information** (Continued)

Benefits Provided (Continued)

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 \$3,828,963 for the year ended June 30, 2023.

Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms for the Plan:

Inactive employees or beneficiaries currently receiving benefits	352
Inactive employees entitled to but not yet receiving benefits	154
Active employees	<u>238</u>
 Total	 <u><u>744</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.

The City's contributions to the Plan recognized as a part of pension expense for the year ended June 30, 2023, were \$5,007,336.

**Net Pension Liability**

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$42,165,185.

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, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**NOTE 7 – PENSION PLANS** (Continued)

**A. Miscellaneous Plan** (Continued)

**Net Pension Liability** (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.500%
Payroll Growth	2.750%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.00%
Mortality	Derived using CalPERS' Membership Data for all Funds <sup>(2)</sup>

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

<sup>(2)</sup> The mortality table was developed based on CalPERS specific data.  
The table includes 15 years of mortality improvements using Society of Actuaries Scale BB.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 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 Cal PERS website.

**Changes of Assumptions**

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

**NOTE 7 – PENSION PLANS** (Continued)

**A. Miscellaneous Plan** (Continued)

**Net Pension Liability** (Continued)

Actuarial Assumptions (Continued)

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. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted for assumed administrative expenses of 10 Basis points.

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

Asset Class <sup>(a)</sup>	Assumed Asset Allocation	Real Return Years 1-10 <sup>(b)</sup>
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100%	

<sup>(a)</sup> An expected inflation of 2.30% used for this period

<sup>(b)</sup> Figures are based on the 2021-22 Asset Liability Management Study

**NOTE 7 – PENSION PLANS** (Continued)

**A. Miscellaneous Plan** (Continued)

**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, 2021	\$ 141,227,055	\$ 116,510,330	\$ 24,716,725
Changes recognized for the measurement period:			
Service cost	2,817,366	-	2,817,366
Interest on the total pension liability	9,748,281	-	9,748,281
Changes of assumptions	4,158,654	-	4,158,654
Differences between expected and actual experience	(1,814,905)	-	(1,814,905)
Contributions from the employer	-	4,700,557	(4,700,557)
Contributions from the employees	-	1,572,986	(1,572,986)
Net investment income	-	(8,740,028)	8,740,028
Benefits payment, including refunds of employee contributions	(7,400,125)	(7,400,125)	-
Administrative expenses	-	(72,579)	72,579
Net Changes	<u>7,509,271</u>	<u>(9,939,189)</u>	<u>17,448,460</u>
Balance at June 30, 2022	<u>148,736,326</u>	<u>106,571,141</u>	<u>42,165,185</u>

**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:

Discount Rate -1%	Current Discount Rate	Discount Rate +1%
5.90%	6.90%	7.90%
\$ 61,179,811	\$ 42,165,185	\$ 26,403,695

**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)

**A. Miscellaneous Plan** (Continued)

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

For the year ended June 30, 2023, the City recognized pension expense of \$4,543,588. At June 30, 2023, 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	\$ 5,007,336	\$ -
Changes of assumptions	2,673,420	-
Differences between actual and expected experience	-	1,274,681
Net differences between projected and actual earnings on plan investments	<u>5,294,780</u>	<u>-</u>
 Total	 <u>\$ 12,975,536</u>	 <u>\$ 1,274,681</u>

\$5,007,336 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2024	\$	1,567,645
2025		1,416,702
2026		366,093
2027		3,343,079
2028		<u>-</u>
 Total	 \$	 <u>6,693,519</u>

**Payable to the Pension Plan**

The City did not have any outstanding contributions payable to the pension plan for the year ended June 30, 2023.

**B. Safety Police and Safety Fire Plans**

**General Information**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan (the 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 Cal PERS website.

**NOTE 7 – PENSION PLANS** (Continued)

**B. Safety Police and Safety Fire Plans** (Continued)

**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, 2023, are summarized as follows:

	Safety - Police 1st Tier	Safety - Police 2nd Tier	Safety - Police PEPRA
Hire date	Prior to January 1, 2011	January 1, 2011 thru 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	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	23.75%	20.64%	12.78%
	Safety - Fire 1st Tier	Safety - Fire 2nd Tier	Safety - Fire PEPRA
Hire Date	Prior to January 1, 2011	January 1, 2011 thru 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	3.00%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	23.75%	21.84%	12.78%

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 \$2,457,611 for the year ended June 30, 2023.



**NOTE 7 – PENSION PLANS** (Continued)

**B. Safety Police and Safety Fire Plans** (Continued)

**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, 2023, were \$3,844,348.

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

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$35,120,688.

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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2021 and 2022, was as follows:

Proportion - June 30, 2021	0.4746%
Proportion - June 30, 2022	0.5111%
Change - Increase (Decrease)	0.0365%

For the year ended June 30, 2023, the City recognized pension expense of \$4,446,302. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 4,294,568	\$ -
Changes in assumptions	3,541,229	-
Differences between actual and expected experience	1,453,518	381,383
Net differences between projected and actual earnings on plan investments	5,546,047	-
Changes in City's proportion	3,311,549	-
Differences between the employer's actual contributions and the employer's proportionate share of contributions	-	3,212,596
	<u>18,146,911</u>	<u>3,593,979</u>
Total	<u>\$ 18,146,911</u>	<u>\$ 3,593,979</u>

**NOTE 7 – PENSION PLANS** (Continued)

**B. Safety Police and Safety Fire Plans** (Continued)

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

\$4,294,568 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30		
2024	\$	3,035,458
2025		2,469,356
2026		1,370,390
2027		3,383,160
2028		-
Thereafter		-
Total	\$	<u>10,258,364</u>

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry- Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	6.90% <sup>(1)</sup>
Mortality	Derived using CalPERS' Membership Data for all Funds <sup>(2)</sup>

<sup>(1)</sup> Net of pension plan investment expenses, including inflation

<sup>(2)</sup> The mortality table was developed based on CalPERS specific data.  
The table includes 15 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 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.

**NOTE 7 – PENSION PLANS** (Continued)

**B. Safety Police and Safety Fire Plans** (Continued)

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

Actuarial Assumptions

Changes of Assumptions

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

Discount Rate

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

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.

**NOTE 7 – PENSION PLANS** (Continued)

**B. Safety Police and Safety Fire Plans** (Continued)

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

Discount Rate (Continued)

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

Asset Class <sup>(a)</sup>	Assumed Asset Allocation	Real Return Years 1-10 <sup>(b)</sup>
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
<b>Total</b>	<b>100%</b>	

<sup>(a)</sup> An expected inflation of 2.30% used for this period

<sup>(b)</sup> Figures are based on the 2021-22 Asset Liability Management Study

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:

Discount Rate -1%	Current Discount Rate	Discount Rate +1%
5.90%	6.90%	7.90%
\$ 53,500,462	\$ 35,120,688	\$ 20,099,375

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

The City did not have any outstanding contributions payable to the pension plan for the year ended June 30, 2023.

**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.

**A. 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.

**B. 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, 2023, was \$1,444,875.

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS**

**A. 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.

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS** (Continued)

**A. Plan Description** (Continued)

**Benefits Provided** (Continued)

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, Plan 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.

**B. Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2022, 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 9 – OTHER POST EMPLOYMENT BENEFITS** (Continued)

**B. 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	3.69%
Inflation rate	3.00%
Salary increases	3.50%
Healthcare cost trend rate	5.75% for 2022; 5.50% for 2023; 5.20% for 2024-2069 and 4.50% for 2070 and later years; Medicare ages: 4.50% for all years.
Pre-retirement/post-retirement Mortality	Pre-retirement 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:

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS** (Continued)

**B. Net OPEB Liability** (Continued)

**Actuarial Assumptions** (Continued)

Changes in the Net OPEB liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability(Asset)
Balance at June 30, 2021	\$ 3,152,446	\$ -	\$ 3,152,446
Changes in the year:			
Service cost	6,230	-	\$ 6,230
Interest	59,163	-	59,163
Contributions - employer	-	155,295	(155,295)
Difference between expected and actual experience	-	-	-
Change of assumptions	(622,524)	-	(622,524)
Benefit payments	(155,295)	(155,295)	-
Net Changes	(712,426)	-	(712,426)
Balance at June 30, 2022	\$ 2,440,020	\$ -	\$ 2,440,020

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 (2.69 percent) or 1-percentage-point higher (4.69 percent) than the current discount rate:

	1% Decrease 2.69%	Discount Rate 3.69%	1% Increase 4.69%
Net OPEB Liability	\$ 2,763,264	\$ 2,440,020	\$ 2,174,979

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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current healthcare cost trend rates:

	1% Decrease 4.75%	Discount Rate 5.75%	1% Increase 6.75%
Net OPEB Liability	\$ 2,057,373	\$ 2,440,020	\$ 2,910,392



**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS** (Continued)

B. **Net OPEB Liability** (Continued)

**Actuarial Assumptions** (Continued)

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.

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense (credit) of \$(108,549). As of fiscal year ended June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions subsequent to measurement date	\$ 154,222	\$ -
Difference between expected and actual experience	168	690,053
Changes in assumptions or other inputs	334,726	644,761
	<u>489,116</u>	<u>1,334,814</u>
Total	<u>\$ 489,116</u>	<u>\$ 1,334,814</u>

The \$154,222 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30:	
2024	\$ (173,943)
2025	(173,943)
2026	(173,943)
2027	(149,226)
2028	(122,455)
Thereafter	<u>(206,410)</u>
Total	<u>\$ (999,920)</u>

**NOTE 10 – 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 the line with the CPI. During the fiscal year, the City recognized \$42,551 as lease revenue which is the reduction in deferred inflows of resources, and \$36,811 as interest income. At June 30, 2023, the balance of lease receivables was \$277,051, and the balance of deferred inflows of resources was \$160,740.

**NOTE 11 – 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 12 – FUND BALANCES**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2023, is as follows:

<b>Fund Balances</b>	<b>General Fund</b>	<b>Measure R Fund</b>	<b>American Rescue Plan Act Fund</b>	<b>HOME Program Fund</b>	<b>Developer Impact Fees Fund</b>	<b>Financing Authority Fund</b>	<b>Nonmajor Governmental Fund</b>	<b>Total Governmental Fund</b>
Nonspendable	\$ 10,001,471	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 10,036,471
Total nonspendable	<u>10,001,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>	<u>10,036,471</u>
Restricted:								
Public safety - police	-	-	-	-	-	-	10,288	10,288
Public safety - fire	-	-	-	-	-	-	115,223	115,223
Public works - street	-	5,043,335	-	-	-	-	2,687,882	7,731,217
Debt service	-	-	-	-	-	2,772,533	-	2,772,533
Development services	-	-	-	-	28,900,840	-	2,120,426	31,021,266
Total restricted	<u>-</u>	<u>5,043,335</u>	<u>-</u>	<u>-</u>	<u>28,900,840</u>	<u>2,772,533</u>	<u>4,933,819</u>	<u>41,650,527</u>
Committed:								
Capital projects	-	-	-	-	-	-	858,956	858,956
Appropriation for next year's budget	6,485,536	-	-	-	-	-	-	6,485,536
Total committed	<u>6,485,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>858,956</u>	<u>7,344,492</u>
Unassigned	47,338,311	-	(356,285)	(310)	-	-	(39,461)	46,942,255
Total unassigned	<u>47,338,311</u>	<u>-</u>	<u>(356,285)</u>	<u>(310)</u>	<u>-</u>	<u>-</u>	<u>(39,461)</u>	<u>46,942,255</u>
Total fund balances	<u>\$ 63,825,318</u>	<u>\$ 5,043,335</u>	<u>\$ (356,285)</u>	<u>\$ (310)</u>	<u>\$ 28,900,840</u>	<u>\$ 2,772,533</u>	<u>\$ 5,788,314</u>	<u>\$ 105,973,745</u>

**NOTE 13 – DEFICIT FUND BALANCES/NET POSITION**

The following funds contained a deficit fund balance as of June 30, 2023. Future revenues or transfers from other funds are expected to offset these deficits.

**Governmental Funds:**

Major Funds:

American Rescue Plan Act	356,285
HOME Program	310

Nonmajor Funds:

Local Law Enforcement Block Grant	30,125
Auto Theft Deterrence	9,339

**Proprietary Major Funds:**

Community and Economic Development Services	2,331,731
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**Internal Service Funds:**

General Insurance	<u>2,259,089</u>
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Total	<u><u>\$ 4,986,879</u></u>
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**NOTE 14 – RESTATEMENT OF BEGINNING FUND BALANCES/NET POSITION**

During the year ended June 30, 2023, various adjustments to opening fund balances/net positions were identified and corrected. A summary of the prior period adjustments are noted below.

	<u>Governmental Funds</u>				<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Developer Impact Fees</u>	<u>Financing Authority Fund</u>	<u>Community and Economic Development Services</u>	<u>Custodial Funds</u>
Fund balance/net position, June 30, 2022, as previously reported	<u>\$ 143,925,101</u>	<u>\$ 196,380,297</u>	<u>\$ -</u>	<u>\$ 2,515,532</u>	<u>\$ (2,489,689)</u>	<u>\$ -</u>
Prior period adjustments:						
Understatement of capital assets	36,794,136	-	-	-	-	-
Overstatement of accounts payable	250,250	-	-	250,250	-	-
Understatement of unearned revenues	(473,190)	-	-	-	-	-
Understatement of revenue	<u>22,747,095</u>	<u>318,433</u>	<u>21,614,335</u>	<u>-</u>	<u>318,433</u>	<u>545,896</u>
Total prior period adjustments	<u>59,318,291</u>	<u>318,433</u>	<u>21,614,335</u>	<u>250,250</u>	<u>318,433</u>	<u>545,896</u>
Change in accounting principle:						
Record the adjustments of subscription based information technology arrangement (right to use assets and related liability) for implementation of GASBS96.	<u>1,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total change in accounting principle	<u>1,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance/net position, July 1, 2022, as restated	<u><u>\$ 203,244,679</u></u>	<u><u>\$ 196,698,730</u></u>	<u><u>\$ 21,614,335</u></u>	<u><u>\$ 2,765,782</u></u>	<u><u>\$ (2,171,256)</u></u>	<u><u>\$ 545,896</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Pension Plans – Agent Multiple Defined Benefit Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios

	Report Date - Fiscal Year Ended June 30								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>									
Service cost	\$ 2,817,366	\$ 2,557,674	\$ 2,509,174	\$ 2,285,059	\$ 2,285,059	\$ 2,302,467	\$ 1,881,617	\$ 1,895,137	\$ 2,020,696
Interest on total pension liability	9,748,281	9,565,778	9,221,043	8,338,921	8,338,921	8,001,199	7,819,665	7,433,900	7,176,661
Changes in benefit terms	-	-	-	-	-	-	-	-	-
Change of assumptions	4,158,654	-	-	(886,564)	(886,564)	6,473,120	-	(1,775,482)	-
Differences - expected/actual experience	(1,814,905)	(347,865)	465,723	729,871	729,871	(1,583,358)	562,943	(1,397,005)	-
Benefit payments, including refunds of employee contributions	(7,400,125)	(6,809,319)	(6,360,937)	(6,209,260)	(5,624,680)	(5,205,114)	(5,023,725)	(4,661,365)	(4,290,119)
<b>Net change in total pension liability</b>	7,509,271	4,966,268	5,835,003	7,128,419	4,842,607	9,988,314	5,240,500	1,495,185	4,907,238
<b>Total pension liability - beginning</b>	141,227,055	136,260,787	130,425,784	123,297,365	118,454,758	108,466,444	103,225,944	101,730,759	96,823,521
<b>Total pension liability - ending (a)</b>	\$ 148,736,326	\$ 141,227,055	\$ 136,260,787	\$ 130,425,784	\$ 123,297,365	\$ 118,454,758	\$ 108,466,444	\$ 103,225,944	\$ 101,730,759
<b>Plan Fiduciary Net Position</b>									
Plan to plan resource movement	\$ -	\$ -	\$ -	\$ -	\$ (203)	\$ -	\$ -	\$ -	\$ -
Contributions - employer	4,700,557	4,313,159	3,910,427	3,408,537	3,026,404	2,953,750	2,660,488	2,433,522	2,318,875
Contributions - employee	1,572,986	1,516,692	1,621,617	1,431,732	1,314,215	1,173,897	938,085	1,680,617	905,841
Net investment income	(8,740,028)	21,676,108	4,626,622	5,746,746	6,978,602	8,340,246	417,640	(86,194)	11,296,380
Administration expenses	(72,579)	(95,808)	(130,038)	(62,543)	(128,722)	(111,403)	(46,628)	-	-
Other miscellaneous income/(expense)	-	-	-	-	(244,445)	-	-	-	-
Benefit payments, including refunds of employee contributions	(7,400,125)	(6,809,319)	(6,360,937)	(6,209,260)	(5,624,680)	(5,205,114)	(5,023,725)	(4,661,365)	(4,290,119)
<b>Net change in plan fiduciary net position</b>	(9,939,189)	20,600,832	3,667,691	4,315,212	5,321,171	7,151,376	(1,054,140)	258,837	10,230,977
<b>Plan fiduciary net position - beginning</b>	116,510,330	95,909,498	92,241,807	87,926,595	82,605,424	75,454,048	76,508,188	76,249,351	66,018,374
<b>Plan fiduciary net position - ending (b)</b>	\$ 106,571,141	\$ 116,510,330	\$ 95,909,498	\$ 92,241,807	\$ 87,926,595	\$ 82,605,424	\$ 75,454,048	\$ 76,508,188	\$ 76,249,351
<b>Net pension liability - ending (a) - (b)</b>	\$ 42,165,185	\$ 24,716,725	\$ 40,351,289	\$ 38,183,977	\$ 35,370,770	\$ 35,849,334	\$ 33,012,396	\$ 26,717,756	\$ 25,481,408
Plan fiduciary net position as a percentage of the total pension liability	71.65%	82.50%	70.39%	70.72%	71.31%	69.74%	69.56%	74.12%	74.95%
Covered employee payroll	\$ 10,736,617	\$ 10,448,740	\$ 10,134,999	\$ 9,287,900	\$ 9,499,135	\$ 11,261,890	\$ 785,106	\$ 10,614,682	\$ 10,372,469
Net pension liability (asset) as percentage of covered employee payroll	392.72%	236.55%	398.14%	411.12%	372.36%	318.32%	4204.83%	251.71%	245.66%

**Notes to the Schedule**

Changes in Benefit Terms

None.

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

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

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**  
Pension Plans – Agent Multiple Defined Benefit Pension Plan  
Schedule of Contributions

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contributions	\$ 5,007,336	\$ 4,700,556	\$ 3,103,795	\$ 3,908,531	\$ 3,374,661	\$ 3,007,436	\$ 2,950,052	\$ 2,663,687	\$ 2,416,465	\$ 2,229,666
Actual employer contributions	<u>5,007,336</u>	<u>4,700,556</u>	<u>3,103,795</u>	<u>3,908,531</u>	<u>3,374,661</u>	<u>3,007,436</u>	<u>2,950,052</u>	<u>2,663,687</u>	<u>2,416,465</u>	<u>2,229,666</u>
Contribution excess (deficiency)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,148,282	\$ 10,736,617	\$ 10,448,740	\$ 10,134,999	\$ 9,287,900	\$ 9,499,135	\$ 11,261,890	\$ 10,756,983	\$ 10,614,682	\$ 10,372,469
Contributions as a percentage of covered-employee payroll	44.92%	43.78%	29.70%	38.56%	36.33%	31.66%	26.19%	24.76%	22.77%	21.50%

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

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Pension Plans – Cost Sharing Multiple Employer Defined Benefit Pension Plan  
 Schedule of the City’s Proportionate Share of the Net Pension Liability

	Measurement Date - Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	
Proportion of the net pension liability	0.5111%	0.4746%	0.4432%	0.4249%	0.4125%	0.4168%	0.4316%	0.4443%	0.4487%	
Proportionate share of the net pension liability	\$ 35,120,688	\$ 16,655,139	\$ 29,527,370	\$ 26,521,847	\$ 24,205,123	\$ 24,905,736	\$ 22,352,131	\$ 18,307,442	\$ 16,966,410	
Covered payroll	\$ 8,633,379	\$ 8,637,146	\$ 8,384,958	\$ 8,017,645	\$ 8,887,143	\$ 9,255,346	\$ 8,848,988	\$ 9,091,762	\$ 8,626,208	
Proportionate share of the net pension liability as a percentage of covered payroll	406.80%	192.83%	352.15%	330.79%	272.36%	269.10%	252.60%	201.36%	196.68%	
Plan fiduciary net pension as a percentage of the total pension liability	73.61%	86.37%	74.61%	75.79%	75.93%	73.62%	73.74%	77.09%	77.86%	

**Notes to the Schedule**

Changes in Benefit Terms

None.

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

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

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

**Pension Plans – Cost Sharing Multiple Employer Defined Benefit Pension Plan  
Schedule of Contributions**

	Report Date - Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially required contribution (actuarially determined)	\$ 4,294,568	\$ 3,844,348	\$ 3,537,773	\$ 3,151,438	\$ 2,701,815	\$ 2,549,074	\$ 3,368,410	\$ 3,071,894	\$ 3,136,890	\$ 2,917,669
Contributions in relation to the actuarially determined contributions	<u>4,294,568</u>	<u>3,844,348</u>	<u>3,537,773</u>	<u>3,151,438</u>	<u>2,701,815</u>	<u>2,549,074</u>	<u>3,368,410</u>	<u>3,071,894</u>	<u>3,136,890</u>	<u>2,917,669</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 9,526,970	\$ 8,633,379	\$ 8,637,146	\$ 8,384,958	\$ 8,017,645	\$ 8,887,143	\$ 9,255,346	\$ 8,848,988	\$ 9,091,762	\$ 8,626,208
Contributions as a percentage of covered payroll	45.08%	44.53%	40.96%	37.58%	33.70%	28.68%	36.39%	34.71%	34.50%	33.82%

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



**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

**Retiree Healthcare Plan (OPEB)**

**Schedule of Changes in the Net Other Post Employment Benefits (OPEB) Liability and Related Ratios**

For Reporting at Fiscal Year Ended June 30: Measurement Date -- Fiscal Year Ended June 30:	2023 2022	2022 2021	2021 2020	2020 2019	2019 2018	2018 2017
<b>Total OPEB Liability</b>						
Service cost	\$ 6,230	\$ 18,574	\$ 615	\$ 572	\$ 524	\$ 508
Interest	59,163	81,505	97,955	139,688	130,720	134,199
Change of benefit terms	-	-	-	-	-	-
Differences - expected/actual experience	-	(423,590)	-	(677,736)	443	-
Change of assumptions	(622,524)	243,916	232,088	(18,841)	(222,884)	-
Benefit payments	(155,295)	(151,322)	(151,322)	(194,036)	(259,572)	(259,568)
<b>Net change in total OPEB liability</b>	<b>(712,426)</b>	<b>(230,917)</b>	<b>179,336</b>	<b>(750,353)</b>	<b>(350,769)</b>	<b>(124,861)</b>
<b>Total OPEB liability - beginning (a)</b>	<b>3,152,446</b>	<b>3,383,363</b>	<b>3,204,027</b>	<b>3,954,380</b>	<b>4,305,149</b>	<b>4,430,010</b>
<b>Total OPEB liability - ending (b)</b>	<b>\$ 2,440,020</b>	<b>\$ 3,152,446</b>	<b>\$ 3,383,363</b>	<b>\$ 3,204,027</b>	<b>\$ 3,954,380</b>	<b>\$ 4,305,149</b>
<b>Plan Fiduciary New Position</b>						
Contributions - employer	\$ 155,295	\$ 151,322	\$ 194,036	\$ 194,036	\$ 259,572	\$ 259,568
Net investment income	-	-	-	-	-	-
Benefit payments	(155,295)	(151,322)	(194,036)	(194,036)	(259,572)	(259,568)
Trustee fees	-	-	-	-	-	-
Administration expense	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning (c)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (d)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB liability - beginning (a) - (c)</b>	<b>\$ 3,152,446</b>	<b>\$ 3,383,363</b>	<b>\$ 3,204,027</b>	<b>\$ 3,954,380</b>	<b>\$ 4,305,149</b>	<b>\$ 4,430,010</b>
<b>Net OPEB liability - ending (b) - (d)</b>	<b>\$ 2,440,020</b>	<b>\$ 3,152,446</b>	<b>\$ 3,383,363</b>	<b>\$ 3,204,027</b>	<b>\$ 3,954,380</b>	<b>\$ 4,305,149</b>
Covered employee payroll	\$ 30,575,472	\$ 27,781,007	\$ 26,850,953	\$ 26,066,514	\$ 25,391,445	\$ 23,580,458
Net OPEB liability as percentage of covered employee payroll	7.98%	11.35%	12.60%	12.29%	15.57%	18.26%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\*Fiscal year 2017-2018 was the first year of implementation, therefore, only six fiscal years are shown.

**Notes to the 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*.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**  
**Retiree Healthcare Plan (OPEB)**  
**Schedule of Other Postemployment Benefits Contributions**

For Reporting at Fiscal Year Ended June 30:	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 155,295	\$ 151,322	\$ 194,036	\$ 194,036	\$ 259,572	\$ 259,568
Contributions in relation to the ADC	155,295	151,322	194,036	194,036	259,572	259,568
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 30,575,472	\$ 27,781,007	\$ 26,850,953	\$ 26,066,514	\$ 25,391,445	\$ 23,580,458
Contributions as a percentage of covered-employee payroll	0.51%	0.54%	0.72%	0.74%	1.02%	1.10%

\*Fiscal year 2017-2018 was the first year of implementation, therefore, only six fiscal years are shown.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual  
General Fund (GAAP Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 46,918,600	\$ 47,466,100	\$ 51,523,882	\$ 4,057,782
Intergovernmental	455,000	455,000	4,278,732	3,823,732
Licenses and permits	1,380,350	1,380,350	1,469,268	88,918
Charges for services	7,376,870	7,376,870	7,802,594	425,724
Fines and forfeitures	112,800	112,800	225,382	112,582
Use of money and property	150,000	150,000	(321,936)	(471,936)
Interest and rentals	156,420	156,420	154,677	(1,743)
Grants	-	-	-	-
Other	1,376,380	1,384,380	1,471,047	86,667
<b>Total revenues</b>	<b>57,926,420</b>	<b>58,481,920</b>	<b>66,603,646</b>	<b>8,121,726</b>
<b>EXPENDITURES</b>				
Current:				
General government	7,976,580	8,193,453	8,745,416	(551,963)
Public safety	31,686,210	31,827,189	32,296,357	(469,168)
Public works	2,714,490	2,721,490	3,101,544	(380,054)
Community development	236,990	236,990	217,627	19,363
Community services	6,647,430	7,001,430	6,991,137	10,293
Library and cultural	1,656,120	1,656,120	1,556,303	99,817
Capital outlay	19,744,530	22,285,436	7,307,938	14,977,498
Debt service:				
Principal	54,320	54,320	38,740	15,580
Interest and fiscal charges	-	-	3,025	(3,025)
<b>Total expenditures</b>	<b>70,716,670</b>	<b>73,976,428</b>	<b>60,258,087</b>	<b>13,718,341</b>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,790,250)</u>	<u>(15,494,508)</u>	<u>6,345,559</u>	<u>21,840,067</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,977,300	7,057,300	4,495,478	(2,561,822)
Transfers out	(5,371,590)	(5,451,590)	(4,456,113)	995,477
Proceeds on debt issuance	-	-	12,982,126	12,982,126
Sale of capital assets	-	-	293,000	293,000
<b>Total other financing sources (uses)</b>	<b>1,605,710</b>	<b>1,605,710</b>	<b>13,314,491</b>	<b>11,708,781</b>
Net change in fund balance	<u>\$ (11,184,540)</u>	<u>\$ (13,888,798)</u>	19,660,050	<u>\$ 33,548,848</u>
Fund balance - beginning			<u>44,165,268</u>	
Fund balance - ending			<u>\$ 63,825,318</u>	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual  
Measure R Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 1,166,305	\$ 1,166,305
Use of money and property	-	-	(43,652)	(43,652)
Total revenues	-	-	1,122,653	1,122,653
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	1,122,653	1,122,653
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(2,281,910)	(137,683)	2,144,227
Total other financing sources (uses)	-	(2,281,910)	(137,683)	2,144,227
Net change in fund balance	\$ -	\$ (2,281,910)	984,970	\$ 3,266,880
Fund balance - beginning			4,058,365	
Fund balance - ending			\$ 5,043,335	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual  
American Rescue Plan Act Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 3,176,975	\$ 3,176,975
Total revenues	-	-	3,176,975	3,176,975
<b>EXPENDITURES</b>				
Current:				
General government	-	-	25,895	(25,895)
Capital outlay	-	-	3,151,079	(3,151,079)
Total expenditures	-	-	3,176,974	(3,176,974)
Excess (deficiency) of revenues over (under) expenditures	-	-	1	1
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	1	\$ 1
Fund balance - beginning			(356,286)	
Fund balance - ending			\$ (356,285)	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual  
HOME Program Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 330,514	\$ 330,514
Total revenues	-	-	330,514	330,514
<b>EXPENDITURES</b>				
Current:				
Community development	-	-	330,515	(330,515)
Total expenditures	-	-	330,515	(330,515)
Excess (deficiency) of revenues over (under) expenditures	-	-	(1)	661,029
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	(1)	\$ 661,029
Fund balance - beginning			(309)	
Fund balance - ending			\$ (310)	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual  
Financing Authority Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ (8,000)	\$ 8,000	\$ 38,326	\$ 30,326
Total revenues	(8,000)	8,000	38,326	30,326
<b>EXPENDITURES</b>				
Current:				
Intergovernmental	5,390	5,390	10,575	(5,185)
Principal	1,220,000	1,220,000	1,220,000	-
Interest and fiscal charges	985,750	985,750	1,001,000	(15,250)
Total expenditures	2,211,140	2,211,140	2,231,575	(20,435)
Excess (deficiency) of revenues over (under) expenditures	(2,219,140)	(2,203,140)	(2,193,249)	9,891
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	2,200,000	2,200,000
Total other financing sources (uses)	-	-	2,200,000	2,200,000
Net change in fund balance	\$ (2,219,140)	\$ (2,203,140)	6,751	\$ 2,209,891
Fund balance - beginning, restated			2,765,782	
Fund balance - ending			\$ 2,772,533	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Notes to the Required Supplementary Information

**NOTE 1 – BUDGETARY DATA**

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, 2023. 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 Proprietary and Fiduciary Fund types. Budgetary comparison schedules are presented for all required funds with legally adopted budgets.

Budgeted amounts are as originally adopted or as amended by the City Council.

**NOTE 2 – EXCESS EXPENDITURES OVER APPROPRIATIONS**

The City incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2023:

<u>Appropriations Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>General Fund:</b>			
Current:			
General government	\$ 8,193,453	\$ 8,745,416	\$ (551,963)
Public safety	31,827,189	32,296,357	(469,168)
Public works	2,721,490	3,101,544	(380,054)
Debt service:			
Interest and fiscal charges	-	3,025	(3,025)
<b>American Rescue Plan Act Fund:</b>			
Current:			
General government	-	25,895	(25,895)
Capital outlay	-	3,151,079	(3,151,079)
<b>HOME Program Fund:</b>			
Current:			
Community development	-	330,515	(330,515)
<b>Finance Authority Fund (Debt Service):</b>			
Current:			
Intergovernmental	5,390	10,575	(5,185)
Debt service:			
Interest and fiscal charges	985,750	1,001,000	(15,250)



## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## 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 | JUNE 30, 2023**

Nonmajor Governmental Funds

Combining Balance Sheet

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 5,374,432	\$ 858,956	\$ 6,233,388
Receivables:			
Accounts	160	-	160
Interest	10,334	-	10,334
Taxes	291,215	-	291,215
Intergovernmental	333,168	-	333,168
Loans	2,130,324	-	2,130,324
Notes	759,458	-	759,458
Land held for resale	35,000	-	35,000
	<u>8,934,091</u>	<u>858,956</u>	<u>9,793,047</u>
Total assets	<u>\$ 8,934,091</u>	<u>\$ 858,956</u>	<u>\$ 9,793,047</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 299,285	\$ -	\$ 299,285
Due to other funds	961,726	-	961,726
Unearned revenue - other	610,849	-	610,849
	<u>1,871,860</u>	<u>-</u>	<u>1,871,860</u>
Total liabilities	<u>1,871,860</u>	<u>-</u>	<u>1,871,860</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred loans	2,132,873	-	2,132,873
	<u>2,132,873</u>	<u>-</u>	<u>2,132,873</u>
Total deferred inflows of resources	<u>2,132,873</u>	<u>-</u>	<u>2,132,873</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	35,000	-	35,000
Restricted	4,933,819	-	4,933,819
Committed	-	858,956	858,956
Unassigned	(39,461)	-	(39,461)
	<u>4,929,358</u>	<u>858,956</u>	<u>5,788,314</u>
Total fund balances (deficits)	<u>4,929,358</u>	<u>858,956</u>	<u>5,788,314</u>
	<u>\$ 8,934,091</u>	<u>\$ 858,956</u>	<u>\$ 9,793,047</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 8,934,091</u>	<u>\$ 858,956</u>	<u>\$ 9,793,047</u>

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 3,181,325	\$ -	\$ 3,181,325
Intergovernmental	3,109,679	-	3,109,679
Charges for services	2	-	2
Fines and forfeitures	74,779	-	74,779
Use of money and property	(64,740)	-	(64,740)
Assessments	1,146,147	-	1,146,147
Other	142,965	-	142,965
	<u>7,590,157</u>	<u>-</u>	<u>7,590,157</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Public safety	233,384	-	233,384
Community development	2,271,002	24,905	2,295,907
Community services	1,517,242	-	1,517,242
	<u>4,021,628</u>	<u>24,905</u>	<u>4,046,533</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>3,568,529</u>	<u>(24,905)</u>	<u>3,543,624</u>
Other financing sources (uses):			
Transfers in	445,885	327,810	773,695
Transfers out	(3,057,795)	-	(3,057,795)
	<u>(2,611,910)</u>	<u>327,810</u>	<u>(2,284,100)</u>
Total other financing sources (uses)			
Net change in fund balance	<u>956,619</u>	<u>302,905</u>	<u>1,259,524</u>
Fund balances (deficits) - beginning	3,972,739	556,051	4,528,790
Fund balances (deficits) - ending	<u>\$ 4,929,358</u>	<u>\$ 858,956</u>	<u>\$ 5,788,314</u>

**CITY OF TULARE | JUNE 30, 2023**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**

	Senior Services	Encampment Resolution Grant	Housing Redevelopment CDBG	Gas Tax	Traffic Safety	COPS - State Grant	Local Law Enforcement Block Grant
<b>ASSETS</b>							
Cash and investments	\$ 445,885	\$ 584,765	\$ -	\$ 2,389,793	\$ 1	\$ 164,223	\$ -
Receivables:							
Accounts	-	-	-	-	-	-	-
Interest	-	758	-	6,874	155	213	-
Taxes	-	-	-	291,215	-	-	-
Intergovernmental	90,845	-	214,721	-	14,655	-	-
Loans	-	-	1,032,098	-	-	-	-
Notes	-	-	759,458	-	-	-	-
Land held for resale	-	-	35,000	-	-	-	-
<b>Total assets</b>	<b>\$ 536,730</b>	<b>\$ 585,523</b>	<b>\$ 2,041,277</b>	<b>\$ 2,687,882</b>	<b>\$ 14,811</b>	<b>\$ 164,436</b>	<b>\$ -</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 14,474	\$ 171,756	\$ 77,455	\$ -	\$ -	\$ 3,541	\$ -
Due to other funds	522,253	-	385,185	-	14,810	-	30,125
Unearned revenue - other	-	413,767	-	-	-	160,843	-
<b>Total liabilities</b>	<b>536,727</b>	<b>585,523</b>	<b>462,640</b>	<b>-</b>	<b>14,810</b>	<b>164,384</b>	<b>30,125</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Loans	-	-	1,034,647	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>1,034,647</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>							
Nonspendable	-	-	35,000	-	-	-	-
Restricted	-	-	508,990	2,687,882	1	52	-
Unassigned	3	-	-	-	-	-	(30,125)
<b>Total fund balances (deficits)</b>	<b>3</b>	<b>-</b>	<b>543,990</b>	<b>2,687,882</b>	<b>1</b>	<b>52</b>	<b>(30,125)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 536,730</b>	<b>\$ 585,523</b>	<b>\$ 2,041,277</b>	<b>\$ 2,687,882</b>	<b>\$ 14,811</b>	<b>\$ 164,436</b>	<b>\$ -</b>

**CITY OF TULARE | JUNE 30, 2023**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (Continued)**

	Landscape and Lighting	OTS Grant	Auto Theft Deterrence	Police Forfeiture	Vehicle Abatement	Public Mitigation Grant	Rental Rehabilitation	Total
<b>ASSETS</b>								
Cash and investments	\$ 1,627,086	\$ -	\$ -	\$ 46,408	\$ 116,104	\$ 6	\$ 161	\$ 5,374,432
Receivables:								
Accounts	-	-	-	-	-	-	160	160
Interest	2,109	14	-	60	151	-	-	10,334
Taxes	-	-	-	-	-	-	-	291,215
Intergovernmental	12,598	-	-	-	-	-	349	333,168
Loans	-	-	-	-	-	-	1,098,226	2,130,324
Notes	-	-	-	-	-	-	-	759,458
Land held for resale	-	-	-	-	-	-	-	35,000
<b>Total assets</b>	<b>\$ 1,641,793</b>	<b>\$ 14</b>	<b>\$ -</b>	<b>\$ 46,468</b>	<b>\$ 116,255</b>	<b>\$ 6</b>	<b>\$ 1,098,896</b>	<b>\$ 8,934,091</b>
<b>LIABILITIES</b>								
Accounts payable and accrued liabilities	\$ 30,357	\$ -	\$ -	\$ -	\$ 1,032	\$ -	\$ 670	\$ 299,285
Due to other funds	-	14	9,339	-	-	-	-	961,726
Unearned revenue - other	-	-	-	36,239	-	-	-	610,849
<b>Total liabilities</b>	<b>30,357</b>	<b>14</b>	<b>9,339</b>	<b>36,239</b>	<b>1,032</b>	<b>-</b>	<b>670</b>	<b>1,871,860</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred Loans	-	-	-	-	-	-	1,098,226	2,132,873
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,098,226</b>	<b>2,132,873</b>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	-	-	-	35,000
Restricted	1,611,436	-	-	10,229	115,223	6	-	4,933,819
Unassigned	-	-	(9,339)	-	-	-	-	(39,461)
<b>Total fund balances (deficits)</b>	<b>1,611,436</b>	<b>-</b>	<b>(9,339)</b>	<b>10,229</b>	<b>115,223</b>	<b>6</b>	<b>-</b>	<b>4,929,358</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,641,793</b>	<b>\$ 14</b>	<b>\$ -</b>	<b>\$ 46,468</b>	<b>\$ 116,255</b>	<b>\$ 6</b>	<b>\$ 1,098,896</b>	<b>\$ 8,934,091</b>

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

**Nonmajor Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

	Senior Services	Encampment Resolution Grant	Housing Redevelopment CDBG	Gas Tax	Traffic Safety	COPS - State Grant	Local Law Enforcement Block Grant
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ 3,152,441	\$ -	\$ -	\$ -
Intergovernmental	438,165	1,151,814	1,354,580	-	-	165,120	-
Charges for services	2	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	68,919	-	-
Use of money and property	-	1,028	-	(49,149)	(1,065)	(1,173)	-
Grants	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	-
Assessments	-	-	-	-	-	-	-
Other	37,743	-	-	-	-	-	-
<b>Total revenues</b>	<b>475,910</b>	<b>1,152,842</b>	<b>1,354,580</b>	<b>3,103,292</b>	<b>67,854</b>	<b>163,947</b>	<b>-</b>
<b>EXPENDITURES</b>							
Current:							
Public safety	-	-	-	-	-	163,946	22,359
Community development	-	1,152,842	1,012,203	-	-	-	-
Community services	724,759	-	-	-	-	-	-
<b>Total expenditures</b>	<b>724,759</b>	<b>1,152,842</b>	<b>1,012,203</b>	<b>-</b>	<b>-</b>	<b>163,946</b>	<b>22,359</b>
Excess (deficiency) of revenues over (under) expenditures	(248,849)	-	342,377	3,103,292	67,854	1	(22,359)
Other financing (uses):							
Transfers in	445,885	-	-	-	-	-	-
Transfers out	-	-	-	(2,912,715)	(134,343)	-	-
<b>Total other financing sources</b>	<b>445,885</b>	<b>-</b>	<b>-</b>	<b>(2,912,715)</b>	<b>(134,343)</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>197,036</b>	<b>-</b>	<b>342,377</b>	<b>190,577</b>	<b>(66,489)</b>	<b>1</b>	<b>(22,359)</b>
Fund balances (deficits) - beginning	(197,033)	-	201,613	2,497,305	66,490	51	(7,766)
<b>Fund balances (deficits) - ending</b>	<b>\$ 3</b>	<b>\$ -</b>	<b>\$ 543,990</b>	<b>\$ 2,687,882</b>	<b>\$ 1</b>	<b>\$ 52</b>	<b>\$ (30,125)</b>

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

**Nonmajor Special Revenue Funds**

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**

	Landscape and Lighting	OTS Grant	Auto Theft Deterrence	Police Forfeiture	Vehicle Abatement	Public Mitigation Grant	Rental Rehabilitation	Total
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 28,884	\$ -	\$ -	\$ 3,181,325
Intergovernmental	-	-	-	-	-	-	-	3,109,679
Charges for services	-	-	-	-	-	-	-	2
Fines and forfeitures	-	5,860	-	-	-	-	-	74,779
Use of money and property	(13,937)	(102)	-	(340)	(731)	-	729	(64,740)
Grants	-	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	-	-
Assessments	1,146,147	-	-	-	-	-	-	1,146,147
Other	-	-	-	-	-	-	105,222	142,965
<b>Total revenues</b>	<b>1,132,210</b>	<b>5,758</b>	<b>-</b>	<b>(340)</b>	<b>28,153</b>	<b>-</b>	<b>105,951</b>	<b>7,590,157</b>
<b>EXPENDITURES</b>								
Current:								
Public safety	-	-	-	-	47,079	-	-	233,384
Community development	-	-	-	-	-	-	105,957	2,271,002
Community services	790,853	1,630	-	-	-	-	-	1,517,242
<b>Total expenditures</b>	<b>790,853</b>	<b>1,630</b>	<b>-</b>	<b>-</b>	<b>47,079</b>	<b>-</b>	<b>105,957</b>	<b>4,021,628</b>
Excess (deficiency) of revenues over (under) expenditures	341,357	4,128	-	(340)	(18,926)	-	(6)	3,568,529
Other financing (uses):								
Transfers in	-	-	-	-	-	-	-	445,885
Transfers out	-	(10,737)	-	-	-	-	-	(3,057,795)
<b>Total other financing sources</b>	<b>-</b>	<b>(10,737)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,611,910)</b>
<b>Net change in fund balance</b>	<b>341,357</b>	<b>(6,609)</b>	<b>-</b>	<b>(340)</b>	<b>(18,926)</b>	<b>-</b>	<b>(6)</b>	<b>956,619</b>
Fund balances (deficits) - beginning	1,270,079	6,609	(9,339)	10,569	134,149	6	6	3,972,739
Fund balances (deficits) - ending	\$ 1,611,436	\$ -	\$ (9,339)	\$ 10,229	\$ 115,223	\$ 6	\$ -	\$ 4,929,358



**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Senior Services Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 225,000	\$ 404,570	\$ 438,165	\$ 33,595
Charges for services	-	-	2	2
Other	<u>25,000</u>	<u>25,000</u>	<u>37,743</u>	<u>12,743</u>
Total revenues	<u>250,000</u>	<u>429,570</u>	<u>475,910</u>	<u>46,340</u>
<b>EXPENDITURES</b>				
Current:				
Community services	<u>611,840</u>	<u>796,410</u>	<u>724,759</u>	<u>71,651</u>
Total expenditures	<u>611,840</u>	<u>796,410</u>	<u>724,759</u>	<u>71,651</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(361,840)</u>	<u>(366,840)</u>	<u>(248,849)</u>	<u>117,991</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>338,360</u>	<u>338,360</u>	<u>445,885</u>	<u>(107,525)</u>
Total other financing sources	<u>338,360</u>	<u>338,360</u>	<u>445,885</u>	<u>(107,525)</u>
Net change in fund balance	<u>\$ (23,480)</u>	<u>\$ (28,480)</u>	197,036	<u>\$ 10,466</u>
Fund balance (deficit) - beginning			<u>(197,033)</u>	
Fund balance (deficit) - ending			<u>\$ 3</u>	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Encampment Resolution Grant Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,566,640	\$ 1,151,814	\$ (414,826)
Use of money and property	-	-	1,028	1,028
Total revenues	-	1,566,640	1,152,842	(413,798)
<b>EXPENDITURES</b>				
Current:				
Community development	-	1,566,640	1,152,842	413,798
Total expenditures	-	1,566,640	1,152,842	413,798
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance (deficit) - beginning			-	
Fund balance (deficit) - ending			\$ -	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Housing Redevelopment CDBG Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 787,280	\$ 1,354,580	\$ 567,300
Total revenues	-	787,280	1,354,580	567,300
<b>EXPENDITURES</b>				
Current:				
Community development	-	787,280	1,012,203	(224,923)
Total expenditures	-	787,280	1,012,203	(224,923)
Excess (deficiency) of revenues over (under) expenditures	-	-	342,377	342,377
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources	-	-	-	-
Net change in fund balance	\$ -	\$ -	342,377	\$ 342,377
Fund balance (deficit) - beginning			201,613	
Fund balance (deficit) - ending			\$ 543,990	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Gas Tax Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 3,152,441	\$ 3,152,441
Use of money and property	-	-	(49,149)	(49,149)
Total revenues	-	-	3,103,292	3,103,292
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	3,103,292	3,103,292
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,281,910)	(2,281,910)	(2,912,715)	(630,805)
Total other financing sources	(2,281,910)	(2,281,910)	(2,912,715)	(630,805)
Net change in fund balance	\$ (2,281,910)	\$ (2,281,910)	190,577	\$ 2,472,487
Fund balance (deficit) - beginning			2,497,305	
Fund balance (deficit) - ending			\$ 2,687,882	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Traffic Safety Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 68,919	\$ 18,919
Use of money and property	-	-	(1,065)	(1,065)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>67,854</u>	<u>17,854</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,000</u>	<u>50,000</u>	<u>67,854</u>	<u>17,854</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(134,343)</u>	<u>(84,343)</u>
Total other financing sources	<u>(50,000)</u>	<u>(50,000)</u>	<u>(134,343)</u>	<u>(84,343)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(66,489)	<u>\$ (66,489)</u>
Fund balance (deficit) - beginning			<u>66,490</u>	
Fund balance (deficit) - ending			<u>\$ 1</u>	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

COPS – State Grant Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 157,710	\$ 157,710	\$ 165,120	\$ (7,410)
Use of money and property	-	-	(1,173)	(1,173)
Total revenues	<u>157,710</u>	<u>157,710</u>	<u>163,947</u>	<u>(8,583)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>152,600</u>	<u>152,600</u>	<u>163,946</u>	<u>(11,346)</u>
Total expenditures	<u>152,600</u>	<u>152,600</u>	<u>163,946</u>	<u>(11,346)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,110</u>	<u>5,110</u>	<u>1</u>	<u>(19,929)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 5,110</u>	<u>\$ 5,110</u>	<u>1</u>	<u>\$ (19,929)</u>
Fund balance (deficit) - beginning			<u>51</u>	
Fund balance (deficit) - ending			<u>\$ 52</u>	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Landscape and Lighting Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ (13,937)	\$ (13,937)
Assessments	<u>900,410</u>	<u>900,410</u>	<u>1,146,147</u>	<u>245,737</u>
Total revenues	<u>900,410</u>	<u>900,410</u>	<u>1,132,210</u>	<u>231,800</u>
<b>EXPENDITURES</b>				
Current:				
Community services	<u>879,170</u>	<u>937,900</u>	<u>790,853</u>	<u>147,047</u>
Total expenditures	<u>879,170</u>	<u>937,900</u>	<u>790,853</u>	<u>147,047</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,240</u>	<u>(37,490)</u>	<u>341,357</u>	<u>378,847</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 21,240</u>	<u>\$ (37,490)</u>	<u>341,357</u>	<u>\$ 378,847</u>
Fund balance (deficit) - beginning			<u>1,270,079</u>	
Fund balance (deficit) - ending			<u>\$ 1,611,436</u>	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

OTS Grant Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 5,860	\$ (4,140)
Use of money and property	-	-	(102)	(102)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>5,758</u>	<u>(4,242)</u>
<b>EXPENDITURES</b>				
Current:				
Community services	<u>1,630</u>	<u>1,630</u>	<u>1,630</u>	<u>-</u>
Total expenditures	<u>1,630</u>	<u>1,630</u>	<u>1,630</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,370</u>	<u>8,370</u>	<u>4,128</u>	<u>(4,242)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(8,370)</u>	<u>(8,370)</u>	<u>(10,737)</u>	<u>(2,367)</u>
Total other financing sources	<u>(8,370)</u>	<u>(8,370)</u>	<u>(10,737)</u>	<u>(2,367)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(6,609)	<u>\$ (6,609)</u>
Fund balance (deficit) - beginning			<u>6,609</u>	
Fund balance (deficit) - ending			<u>\$ -</u>	



**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Vehicle Abatement Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 45,220	\$ 45,220	\$ 28,884	\$ (16,336)
Use of money and property	-	-	(731)	(731)
Total revenues	<u>45,220</u>	<u>45,220</u>	<u>28,153</u>	<u>(17,067)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>45,220</u>	<u>45,220</u>	<u>47,079</u>	<u>(1,859)</u>
Total expenditures	<u>45,220</u>	<u>45,220</u>	<u>47,079</u>	<u>(1,859)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(18,926)	(18,926)
<b>OTHER FINANCING SOURCES (USES)</b>				
Total other financing sources	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(18,926)	<u>\$ (18,926)</u>
Fund balance (deficit) - beginning			<u>134,149</u>	
Fund balance (deficit) - ending			<u>\$ 115,223</u>	

## 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 | JUNE 30, 2023**

Nonmajor Capital Projects Fund  
Balance Sheet

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	<u>Technology CIP</u>
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ <u>858,956</u>
Total assets	\$ <u><u>858,956</u></u>
<b>LIABILITIES</b>	
Liabilities:	
Accounts payable and accrued liabilities	\$ <u>-</u>
Total liabilities	<u>-</u>
<b>FUND BALANCE (DEFICIT)</b>	
Committed	<u>858,956</u>
Total fund balance (deficit)	<u>858,956</u>
Total liabilities and fund balance	\$ <u><u>858,956</u></u>

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**  
 Nonmajor Capital Projects Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance

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	Technology CIP
<b>REVENUES</b>	
Other	\$ -
Total revenues	-
<b>EXPENDITURES</b>	
Current:	
Community development	24,905
Total expenditures	24,905
Excess (deficiency) of revenues over (under) expenditures	(24,905)
Other financing sources:	
Transfers in	327,810
Transfers out	-
Total other financing sources	327,810
Net change in fund balance	302,905
Fund balance (deficis) - beginning, restated	556,051
Fund balance (deficit) - ending	\$ 858,956

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Nonmajor Capital Projects Fund

Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

	Technology CIP		
	Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Total revenues	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
Current:			
Community development	70,000	24,905	45,095
Total expenditures	70,000	24,905	45,095
Excess (deficiency) of revenues over (under) expenditures	(70,000)	(24,905)	(45,095)
Other financing sources:			
Transfers in	327,810	327,810	-
Transfers out	-	-	-
Total other financing sources	327,810	327,810	-
Net change in fund balance	<u>\$ 257,810</u>	302,905	<u>\$ (45,095)</u>
Net position (deficit) - beginning		<u>556,051</u>	
Net position (deficit) - ending		<u>\$ 858,956</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 | FOR THE YEAR ENDED JUNE 30, 2023**

Internal Service Funds

Combining Statement of Net Position

	Fleet Maintenance	Employee Welfare	Workers' Compensation	General Insurance	Unemployment Insurance	Purchasing	Surface Water Management	Total
<b>ASSETS</b>								
Current assets:								
Cash and investments	\$ 8,026,561	\$ 6,176,133	\$ 8,789,609	\$ -	\$ 26,891	\$ -	\$ 4,553,780	\$ 27,572,974
Cash and investments with fiscal agent	-	1,377	-	44,525	-	-	-	45,902
Receivables:								
Accounts	78,333	20,966	-	-	-	75,734	-	175,033
Interest	10,192	8,005	11,394	-	-	-	5,903	35,494
Intergovernmental	6,110	-	-	-	-	4,127	-	10,237
Inventory	-	-	-	-	-	817,743	-	817,743
Total current assets	<u>8,121,196</u>	<u>6,206,481</u>	<u>8,801,003</u>	<u>44,525</u>	<u>26,891</u>	<u>897,604</u>	<u>4,559,683</u>	<u>28,657,383</u>
Noncurrent assets:								
Capital assets:								
Nondepreciable:								
Land	75,000	-	-	-	-	-	-	75,000
Depreciable:								
Buildings	6,187,770	-	-	-	-	-	-	6,187,770
Improvements other than buildings	1,682,749	-	-	-	-	-	-	1,682,749
Machinery and equipment	28,179,805	-	-	-	-	13,419	9,821	28,203,045
Accumulated depreciation and amortization	(22,923,271)	-	-	-	-	(13,419)	(5,261)	(22,941,951)
Total noncurrent assets	<u>13,202,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,560</u>	<u>13,206,613</u>
Total assets	<u>21,323,249</u>	<u>6,206,481</u>	<u>8,801,003</u>	<u>44,525</u>	<u>26,891</u>	<u>897,604</u>	<u>4,564,243</u>	<u>41,863,996</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Pensions	495,666	29,844	50,605	42,819	-	-	71,365	690,299
Other post-employment benefits (OPEB)	13,109	587	929	734	-	-	1,369	16,728
Total deferred outflows of resources	<u>508,775</u>	<u>30,431</u>	<u>51,534</u>	<u>43,553</u>	<u>-</u>	<u>-</u>	<u>72,734</u>	<u>707,027</u>
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable and accrued liabilities	426,883	268,785	2,485	2,469	13,369	119,351	18,440	851,782
Due to other funds	-	11,419	-	2,190,458	13,522	361,831	-	2,577,230
Compensated absences - current	3,214	224	440	440	-	-	-	4,318
Unearned revenue - other	-	253,156	-	-	-	-	-	253,156
Total current liabilities	<u>430,097</u>	<u>533,584</u>	<u>2,925</u>	<u>2,193,367</u>	<u>26,891</u>	<u>481,182</u>	<u>18,440</u>	<u>3,686,486</u>
Noncurrent liabilities:								
Compensated absences payable	34,771	2,419	4,762	4,762	-	-	-	46,714
Insurance claims payable	-	-	1,444,875	-	-	-	-	1,444,875
Net OPEB liability	65,392	2,929	4,636	3,660	-	-	6,831	83,448
Net pension liability	1,610,710	96,980	164,444	139,145	-	-	231,899	2,243,178
Total noncurrent liabilities	<u>1,710,873</u>	<u>102,328</u>	<u>1,618,717</u>	<u>147,567</u>	<u>-</u>	<u>-</u>	<u>238,730</u>	<u>3,818,215</u>
Total liabilities	<u>2,140,970</u>	<u>635,912</u>	<u>1,621,642</u>	<u>2,340,934</u>	<u>26,891</u>	<u>481,182</u>	<u>257,170</u>	<u>7,504,701</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Pensions	48,949	2,959	4,966	4,231	-	-	6,908	68,013
Other post-employment benefits (OPEB)	35,773	1,602	2,536	2,002	-	-	3,737	45,650
Total deferred inflows of resources	<u>84,722</u>	<u>4,561</u>	<u>7,502</u>	<u>6,233</u>	<u>-</u>	<u>-</u>	<u>10,645</u>	<u>113,663</u>
<b>NET POSITION (DEFICIT)</b>								
Net investments in capital assets	13,202,053	-	-	-	-	-	4,560	13,206,613
Unrestricted	6,404,279	5,596,439	7,223,393	(2,259,089)	-	416,422	4,364,602	21,746,046
Total net position (deficit)	<u>\$ 19,606,332</u>	<u>\$ 5,596,439</u>	<u>\$ 7,223,393</u>	<u>\$ (2,259,089)</u>	<u>\$ -</u>	<u>\$ 416,422</u>	<u>\$ 4,369,162</u>	<u>\$ 34,952,659</u>

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

	Fleet Maintenance	Employee Welfare	Workers' Compensation	General Insurance	Unemployment Insurance	Purchasing	Surface Water Management	Total
Operating revenues:								
Departmental charges	\$ 4,216,007	\$ 3,563,035	\$ 4,259,982	\$ 1,744,091	\$ -	\$ 2,218,192	\$ -	\$ 16,001,307
Employee contributions	-	1,443,563	-	-	-	-	-	1,443,563
Total operating revenues	4,216,007	5,006,598	4,259,982	1,744,091	-	2,218,192	-	17,444,870
Operating expenses:								
General administration	236	68,118	5,018	26,492	1,290	-	270,042	371,196
Personnel services	585,394	54,949	83,408	66,076	-	-	176,723	966,550
Contractual services	429,704	-	-	-	-	-	-	429,704
Equipment usage and operation	324,569	-	-	-	-	2,126,292	-	2,450,861
Insurance	367,174	4,914,953	2,229,841	2,622,516	17,385	-	-	10,151,869
Depreciation and amortization	1,828,544	-	-	-	-	-	1,403	1,829,947
Total operating expenses	3,535,621	5,038,020	2,318,267	2,715,084	18,675	2,126,292	448,168	16,200,127
Operating income (loss)	680,386	(31,422)	1,941,715	(970,993)	(18,675)	91,900	(448,168)	1,244,743
Nonoperating revenues (expenses):								
Use of money and property	(50,730)	(46,956)	(73,908)	-	-	-	(30,518)	(202,112)
Other income (expense) - miscellaneous	67,983	3,300	-	-	-	-	-	71,283
Gain (loss) on sale of assets	262,880	-	-	-	-	-	-	262,880
Total nonoperating revenues (expenses)	280,133	(43,656)	(73,908)	-	-	-	(30,518)	132,051
Income (loss) before transfers	960,519	(75,078)	1,867,807	(970,993)	(18,675)	91,900	(478,686)	1,376,794
Transfers in	-	-	-	-	26,891	-	1,425,800	1,452,691
Transfers out	-	-	-	-	-	-	(1,000,000)	(1,000,000)
Change in net position (deficit)	960,519	(75,078)	1,867,807	(970,993)	8,216	91,900	(52,886)	1,829,485
Net position (deficit) - beginning	18,645,813	5,671,517	5,355,586	(1,288,096)	(8,216)	324,522	4,422,048	33,123,174
Net position (deficit) - ending	\$ 19,606,332	\$ 5,596,439	\$ 7,223,393	\$ (2,259,089)	\$ -	\$ 416,422	\$ 4,369,162	\$ 34,952,659



**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Internal Service Funds

Combining Statement of Cash Flows

	Fleet Maintenance	Employee Welfare	Workers' Compensation	General Insurance	Unemployment Insurance	Purchasing	Surface Water Management	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Cash received from interfund services provided	\$ 4,138,573	\$ 5,167,547	\$ 4,262,288	\$ 1,744,091	\$ -	\$ 2,218,192	\$ -	\$ 17,530,691
Cash payments to employees	(687,578)	(184,146)	(84,901)	(75,569)	-	-	(150,435)	(1,182,629)
Cash payments to suppliers	(163,667)	161,065	(6,953)	(28,552)	8,618	(445,332)	(264,202)	(739,023)
Cash payments for reported claims	(691,743)	(4,914,953)	(2,229,841)	(2,622,516)	(17,385)	(2,126,292)	-	(12,602,730)
Net cash provided by (used for) operating activities	2,595,585	229,513	1,940,593	(982,546)	(8,767)	(353,432)	(414,637)	3,006,309
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Cash payments to (from) other funds (short-term borrowings)	(137,849)	11,419	-	982,546	8,767	213,181	-	1,078,064
Cash received from transfers from other funds	-	-	-	-	26,891	-	1,425,800	1,452,691
Cash payments for transfers to other funds	-	-	-	-	-	-	(1,000,000)	(1,000,000)
Cash received from other revenue	67,983	3,300	-	-	-	-	-	71,283
Net cash provided by (used for) noncapital and related financing activities	(69,866)	14,719	-	982,546	35,658	213,181	425,800	1,602,038
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Cash received from capital grants	13,597	-	-	-	-	140,251	-	153,848
Cash payments for the acquisition of capital assets	(2,152,024)	-	-	-	-	-	-	(2,152,024)
Cash received from the sale of capital assets	262,880	-	-	-	-	-	-	262,880
Net cash provided by (used for) capital and related financing activities	(1,875,547)	-	-	-	-	140,251	-	(1,735,296)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest on investments	(60,922)	(54,961)	(85,302)	-	-	-	(34,899)	(236,084)
Net cash provided by (used for) investing activities	(60,922)	(54,961)	(85,302)	-	-	-	(34,899)	(236,084)
Net increase (decrease) in cash and cash equivalents	589,250	189,271	1,855,291	-	26,891	-	(23,736)	2,636,967
Cash and cash equivalents - beginning	7,437,311	5,988,239	6,934,318	44,525	-	-	4,577,516	24,981,909
Cash and cash equivalents - ending	\$ 8,026,561	\$ 6,177,510	\$ 8,789,609	\$ 44,525	\$ 26,891	\$ -	\$ 4,553,780	\$ 27,618,876

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Internal Service Funds  
 Combining Statement of Cash Flows  
 (Continued)

	Fleet Maintenance	Employee Welfare	Workers' Compensation	General Insurance	Unemployment Insurance	Purchasing	Surface Water Management	Total
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>								
Operating income (loss)	\$ 680,386	\$ (31,422)	\$ 1,941,715	\$ (970,993)	\$ (18,675)	\$ 91,900	\$ (448,168)	\$ 1,244,743
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:								
Depreciation and amortization	1,828,544	-	-	-	-	-	1,403	1,829,947
Changes in assets and liabilities:								
(Increase) decrease in consumer receivables	(77,434)	160,949	2,306	-	-	-	-	85,821
(Increase) decrease in pension related deferred outflows of resources	(299,487)	(17,500)	(32,019)	(25,768)	-	(321,344)	(49,195)	(745,313)
(Increase) decrease in prepaid	1,548	69	110	86	-	-	162	1,975
Increase (decrease) accounts payable	266,273	229,183	(1,935)	(2,060)	9,908	-	5,840	507,209
Increase (decrease) unearned revenue	-	(119,249)	-	-	-	(123,988)	-	(243,237)
Increase (decrease) in compensated absences	(4,494)	(694)	(528)	(528)	-	-	-	(6,244)
Increase (decrease) in net pension liability	588,882	32,969	67,811	50,868	-	-	117,534	858,064
Increase (decrease) in pension related deferred inflows of resources	(388,633)	(24,792)	(36,867)	(34,151)	-	-	(42,213)	(526,656)
Net cash provided by (used for) operating activities	<u>\$ 2,595,585</u>	<u>\$ 229,513</u>	<u>\$ 1,940,593</u>	<u>\$ (982,546)</u>	<u>\$ (8,767)</u>	<u>\$ (353,432)</u>	<u>\$ (414,637)</u>	<u>\$ 3,006,309</u>
<b>Reconciliation of cash and cash equivalents per statement of cash flows to the statement of net position:</b>								
Cash and investments	\$ 8,026,561	\$ 6,176,133	\$ 8,789,609	\$ -	\$ 26,891	\$ -	\$ 4,553,780	\$ 27,572,974
Cash and investments with fiscal agents	-	1,377	-	44,525	-	-	-	45,902
Cash and cash equivalents per statement of cash flows	<u>\$ 8,026,561</u>	<u>\$ 6,177,510</u>	<u>\$ 8,789,609</u>	<u>\$ 44,525</u>	<u>\$ 26,891</u>	<u>\$ -</u>	<u>\$ 4,553,780</u>	<u>\$ 27,618,876</u>

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Expenditures by Department

Budgetary Level of Control – Budget and Actual (GAAP Basis)

General Fund

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES</b>				
General government:				
City council	\$ 126,270	\$ 138,770	\$ 102,008	\$ 36,762
City manager	704,880	704,880	656,357	48,523
Finance	1,658,980	1,658,980	1,635,190	23,790
Economic development	228,000	228,000	267,815	(39,815)
CIP administrative	1,730,460	1,774,460	2,774,951	(1,000,491)
IT division	757,630	739,904	624,849	115,055
Personnel	574,830	574,830	640,417	(65,587)
Non-departmental	1,021,740	1,196,740	941,098	255,642
Animal control	1,173,790	1,176,889	1,102,731	74,158
Total general government	7,976,580	8,193,453	8,745,416	(551,963)
Public safety:				
Police	15,870,350	15,886,329	16,031,822	(145,493)
Fire code enforcement	8,269,750	8,391,250	8,345,324	45,926
Total public safety	24,140,100	24,277,579	24,377,146	(99,567)
Public works:				
Streets	2,963,000	2,970,000	2,525,791	444,209
Storm drains	56,490	56,490	575,753	(519,263)
Total public works	3,019,490	3,026,490	3,101,544	(75,054)
Community development:				
Parking and business improvement	88,000	88,000	88,095	(95)
Downtown parking	117,530	117,530	102,778	14,752
Dangerous building abatement	31,460	31,460	26,754	4,706
Total community development	236,990	236,990	217,627	19,363
Community services:				
Parks	3,269,310	3,366,310	3,407,585	(41,275)
Community services	3,378,120	3,635,120	3,583,552	51,568
Total community services	6,647,430	7,001,430	6,991,137	10,293
Library and cultural	1,656,120	1,656,120	1,556,303	99,817
Capital outlay	19,744,530	22,285,436	7,307,938	14,977,498
Debt service:				
Principal	54,320	54,320	38,740	15,580
Interest and fiscal charges	-	-	3,025	(3,025)
Total debt service	54,320	54,320	41,765	12,555
Transfers out	5,371,590	5,451,590	4,456,113	995,477
Total General Fund expenditures	\$ 68,847,150	\$ 72,183,408	\$ 56,794,989	\$ 15,388,419

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

## Expenditures – Budget and Actual

## Measure I Sales Tax Revenues and Related Expenditures

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	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Measure I sales tax	<u>\$ 8,486,000</u>	<u>\$ 8,486,000</u>	<u>\$ 8,342,072</u>	<u>\$ (143,928)</u>
<b>EXPENDITURES</b>				
Measure I - police	5,256,780	5,256,780	5,834,001	(577,221)
Measure I - fire	2,160,810	2,160,810	1,948,258	212,552
Measure I - code enforcement	132,020	132,020	136,952	(4,932)
Measure I - streets	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>7,749,610</u>	<u>7,749,610</u>	<u>7,919,211</u>	<u>(169,601)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 736,390</u>	<u>\$ 736,390</u>	<u>\$ 422,861</u>	<u>\$ (313,529)</u>

Note: Amounts reported here are included in the City's general fund.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**  
Long-Term Debt Recorded in Private Purpose Trust Fund

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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, 2023, and bore interest at rates from 4.125% to 7.70%. Term Bonds of \$350,000 were due August 1, 2023, 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 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, 2023, the outstanding balance, including the related unamortized bond premium and discount was:

\$ 7,737,021

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, 2023, the outstanding balance, including the related unamortized bond premium and discount, was:

\$ 8,025,000

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Long-Term Debt Recorded in Private Purpose Trust Fund  
(Continued)

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 3011, after the effective 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, 2023, is also \$465,736 in property to be sold to the County Superintendent of Schools. At June 30, 2023, the outstanding balance was:

\$ 15,373,470

The annual requirements to amortize debt payable are as follows in the Private-Purpose Trust Fund:

<u>Fiduciary Fund - Private Purpose Trust Fund</u>			
Year Ending June 30	Allocation Bonds Series A	Allocation Bonds Series B	From the Primary Govt.
2024	\$ 613,200	\$ 1,123,716	\$ 15,373,470
2025	889,900	903,847	-
2026	434,500	562,888	-
2027	442,600	567,393	-
2028	458,875	571,033	-
2029-2033	2,627,000	2,905,669	-
2034-2038	3,276,300	3,035,196	-
2039-2041	<u>2,168,500</u>	<u>1,859,933</u>	-
	10,910,875	11,529,675	15,373,470
Less Interest	(3,270,875)	(3,504,675)	-
Plus Unamortized Premium	<u>97,021</u>	-	-
Total	<u>\$ 7,737,021</u>	<u>\$ 8,025,000</u>	<u>\$ 15,373,470</u>

## **STATISTICAL SECTION**

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Net Position by Component

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021 (Restated)	2022	2023
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 177,172,689	\$ 207,289,716	\$ 211,461,105	\$ 211,265,222	\$ 208,315,732	\$ 217,579,213	\$ 233,031,562	\$ 98,357,048	\$ 99,554,621	\$ 139,655,205
Restricted	1,283,898	1,164,494	1,198,432	1,168,992	4,006,738	4,109,899	1,753,750	1,750,803	1,186,861	-
Unrestricted	47,137,211	11,560,174	44,306,438	47,705,937	50,782,588	46,588,528	29,301,183	32,038,570	43,183,619	84,251,295
<b>Total Business-Type Activities</b>										
<b>Net Position</b>	<b>\$ 225,593,798</b>	<b>\$ 220,014,384</b>	<b>\$ 256,965,975</b>	<b>\$ 260,140,151</b>	<b>\$ 263,105,058</b>	<b>\$ 268,277,640</b>	<b>\$ 264,086,495</b>	<b>\$ 132,146,421</b>	<b>\$ 143,925,101</b>	<b>\$ 223,906,500</b>
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	\$ 85,354,787	\$ 86,153,865	\$ 80,626,706	\$ 79,725,820	\$ 66,846,189	\$ 90,621,714	\$ 88,766,270	\$ 104,023,400	\$ 112,236,168	\$ 122,335,466
Restricted	12,828,344	8,572,997	8,572,997	7,675,730	13,006,601	13,006,601	-	-	-	-
Unrestricted	(7,120,889)	(6,566,796)	4,481,990	11,706,869	24,722,430	20,856,181	70,265,299	77,388,968	84,144,129	87,694,544
<b>Total Business-Type Activities</b>										
<b>Net Position</b>	<b>\$ 91,062,242</b>	<b>\$ 88,160,066</b>	<b>\$ 93,681,693</b>	<b>\$ 99,108,419</b>	<b>\$ 104,575,220</b>	<b>\$ 124,484,496</b>	<b>\$ 159,031,569</b>	<b>\$ 181,412,368</b>	<b>\$ 196,380,297</b>	<b>\$ 210,030,010</b>
<b>Primary Government:</b>										
Net Investment in Capital Assets	\$ 262,527,476	\$ 293,443,581	\$ 292,087,811	\$ 290,991,042	\$ 275,161,921	\$ 308,200,927	\$ 321,797,832	\$ 202,380,448	\$ 211,790,789	\$ 261,990,671
Restricted	14,112,242	9,737,491	9,771,429	8,844,722	17,013,339	17,116,500	1,753,750	1,750,803	1,186,861	-
Unrestricted	40,016,322	4,993,378	48,788,428	59,412,806	75,505,018	67,444,709	99,566,482	109,427,538	127,327,748	171,945,839
<b>Total Primary Government</b>										
<b>Net Position</b>	<b>\$ 316,656,040</b>	<b>\$ 308,174,450</b>	<b>\$ 350,647,668</b>	<b>\$ 359,248,570</b>	<b>\$ 367,680,278</b>	<b>\$ 392,762,136</b>	<b>\$ 423,118,064</b>	<b>\$ 313,558,789</b>	<b>\$ 340,305,398</b>	<b>\$ 433,936,510</b>

Source: Annual Comprehensive Financial Report

Source: Statement of Net Position



**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

**Changes in Net Position  
Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses:</b>										
<b>Governmental Activities:</b>										
General Government	\$ 4,862,056	\$ 5,972,924	\$ 4,975,254	\$ 2,475,077	\$ 5,805,716	\$ 4,703,423	\$ 5,829,647	\$ 6,365,027	\$ 6,713,368	\$ 15,851,263
Intergovernmental	148,790	2,001	2,400	-	-	-	-	-	-	10,575
Public Safety	19,915,983	20,543,299	18,978,334	22,434,933	27,123,518	27,945,951	30,094,565	31,438,950	22,486,173	31,723,979
Public Works	2,287,781	2,987,540	10,078,440	2,275,960	2,452,434	2,425,727	2,672,177	2,687,512	3,831,706	3,046,291
Community Development	5,968,778	4,217,078	10,236,915	5,682,852	8,126,574	5,905,476	2,847,502	10,585,221	12,010,940	2,920,799
Community Services	4,981,447	5,106,177	5,749,780	5,927,569	6,834,186	6,510,435	6,687,290	6,484,755	7,658,997	8,483,177
Library and Cultural	4,438,440	3,210,010	5,952,134	3,128,200	3,083,550	2,956,417	1,885,453	3,918,457	4,379,160	1,756,273
Interest on Long-Term Debt	1,548,628	1,555,034	1,488,132	1,450,221	598,884	1,088,411	1,472,373	1,311,580	914,972	878,845
<b>Total Governmental Activities Expenses</b>	<b>44,151,903</b>	<b>43,594,063</b>	<b>57,461,389</b>	<b>43,374,812</b>	<b>54,024,862</b>	<b>51,535,840</b>	<b>51,489,007</b>	<b>62,791,502</b>	<b>57,995,316</b>	<b>64,671,202</b>
<b>Business-Type Activities:</b>										
Aviation	351,636	251,520	410,647	303,045	421,384	360,020	378,379	408,388	392,742	457,662
Transit	2,948,977	3,111,671	3,123,964	3,526,009	3,664,540	3,935,325	3,970,662	4,087,217	2,505,212	573,472
Community and Development	2,203,021	1,956,087	1,573,507	2,275,967	3,329,780	3,266,224	2,508,214	2,829,135	2,987,161	3,821,392
Water	6,497,620	5,926,633	6,784,595	8,148,054	8,587,085	9,126,304	10,630,882	10,492,761	10,846,789	11,405,944
Solid Waste	6,346,567	6,685,681	7,283,313	7,355,336	8,288,359	9,021,964	9,382,570	10,035,760	9,637,100	11,510,574
Sewer	27,656,817	25,267,201	29,281,564	30,471,856	28,290,003	28,648,005	28,308,670	25,308,216	24,689,685	24,933,539
<b>Total Business-Type Activities Expenses</b>	<b>46,004,638</b>	<b>43,198,793</b>	<b>48,457,590</b>	<b>52,080,267</b>	<b>52,581,151</b>	<b>54,357,842</b>	<b>55,179,377</b>	<b>53,161,477</b>	<b>51,058,689</b>	<b>52,702,583</b>
<b>Total Primary Government Expenses</b>	<b>90,156,541</b>	<b>86,792,856</b>	<b>105,918,979</b>	<b>95,455,079</b>	<b>106,606,013</b>	<b>105,893,682</b>	<b>106,668,384</b>	<b>115,952,979</b>	<b>109,054,005</b>	<b>117,373,785</b>
<b>Program Revenues:</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	274,788	463,179	455,588	264,526	670,136	820,542	1,105,565	614,639	856,211	7,347,522
Intergovernmental	103,241	321,569	220	-	56,396	2,428	191	724	1,118	-
Public Safety	1,330,307	1,775,665	1,737,861	2,397,756	3,302,341	4,953,595	5,708,283	3,039,476	2,871,591	1,041,334
Public Works	129,298	231,673	922,891	243,245	298,589	429,575	506,854	259,825	489,327	74,991
Community Development	1,161,062	1,114,835	937,402	607,361	989,426	1,046,783	540,067	1,023,365	1,533,854	1,211,150
Community Services	281,516	395,966	526,512	633,515	832,075	1,154,015	1,268,433	626,938	978,090	2,001,805
Library and Cultural	250,847	248,925	545,042	334,330	375,428	524,044	357,629	378,831	559,239	363,583
Operating Grants and Contributions	1033917	1,240,627	1,782,930	959,415	3,189,647	1,155,276	3,328,130	2,252,847	4,016,675	4,472,609
Capital Grants and Contributions	8,919,700	12,424,332	7,918,523	-	-	-	-	-	-	7,031,876
<b>Total Governmental Activities Program Revenues</b>	<b>13,484,676</b>	<b>18,216,771</b>	<b>14,826,969</b>	<b>5,440,148</b>	<b>9,714,038</b>	<b>10,086,658</b>	<b>12,815,152</b>	<b>8,196,645</b>	<b>11,306,105</b>	<b>23,544,870</b>
<b>Business-Type Activities:</b>										
<b>Charges for Services:</b>										
Aviation	115,405	118,564	121,172	121,108	125,042	112,361	111,510	112,193	103,975	112,088
Transit	2,370,665	2,338,653	1,615,709	1,684,809	1,546,582	1,739,886	1,840,650	113,645	(400)	44,971
Community and Development	1,370,618	1,924,910	1,963,243	2,173,788	2,257,858	2,148,526	2,222,616	2,445,132	2,992,396	3,185,514
Water	6,635,639	8,112,880	8,014,181	10,611,372	12,295,297	14,770,030	14,150,290	15,188,361	14,865,402	14,175,049
Solid Waste	8,206,431	8,315,243	8,723,653	8,700,096	8,990,099	9,606,652	10,381,634	10,876,931	11,541,701	12,260,531
Sewer	26,207,894	27,054,457	29,436,905	30,349,080	32,200,444	33,864,373	35,442,110	37,434,359	37,535,687	35,188,578
Operating Grants and Contributions	2,031,384	1,157,482	837,623	3,721,134	1,697,847	2,636,741	5,119,938	3,996,986	520,616	147,199
Capital Grants and Contributions	-	2,221,961	-	-	-	-	-	-	-	942,334
<b>Total Business-Type Activities Program Revenues</b>	<b>46,938,036</b>	<b>51,244,150</b>	<b>50,712,486</b>	<b>57,361,387</b>	<b>59,113,169</b>	<b>64,878,569</b>	<b>69,268,748</b>	<b>70,167,607</b>	<b>67,559,377</b>	<b>66,056,264</b>
<b>Total Primary Government Program Revenues</b>	<b>60,422,712</b>	<b>69,460,921</b>	<b>65,539,455</b>	<b>62,801,535</b>	<b>68,827,207</b>	<b>74,965,227</b>	<b>82,083,900</b>	<b>78,364,252</b>	<b>78,865,482</b>	<b>89,601,134</b>
<b>Net Revenues (Expenses):</b>										
Governmental Activities	(30,667,227)	(25,377,292)	(42,634,420)	(37,934,664)	(44,310,824)	(41,449,182)	(38,673,855)	(54,594,857)	(46,689,211)	(41,126,332)
Business-Type Activities	933,398	8,045,357	2,254,896	5,281,120	6,532,018	10,520,727	14,089,371	17,006,130	16,500,688	13,353,681
<b>Total Net Revenues (Expenses)</b>	<b>\$ (29,733,829)</b>	<b>\$ (17,331,935)</b>	<b>\$ (40,379,524)</b>	<b>\$ (32,653,544)</b>	<b>\$ (37,778,806)</b>	<b>\$ (30,928,455)</b>	<b>\$ (24,584,484)</b>	<b>\$ (37,588,727)</b>	<b>\$ (30,188,523)</b>	<b>\$ (27,772,651)</b>

Source: Annual Comprehensive Financial Report  
Source: Statement of Net Position

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

**Changes in Net Position  
Last Ten Fiscal Years  
(Continued)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenue and Other Changes in Net Position:</b>										
<b>Governmental Activities:</b>										
<b>Taxes:</b>										
Sales Tax/Gas Tax/Measure R Taxes	\$ 23,393,201	\$ 31,070,736	\$ 26,818,588	\$ 18,074,636	\$ 19,519,868	\$ 20,118,217	\$ 21,619,073	\$ 24,252,291	\$ 28,854,256	\$ 24,282,444
Property Tax	4,705,679	4,688,189	4,780,267	5,181,172	5,553,078	5,884,742	6,194,371	6,664,504	6,914,707	7,378,064
Utility Tax	5,592,318	5,869,634	5,622,124	5,568,461	5,961,321	5,882,716	5,737,809	6,272,932	6,597,024	9,541,261
Motel/Hotel and Franchise Tax	2,101,367	22,157,176	2,219,734	2,326,641	2,465,042	2,594,469	2,544,058	2,708,877	3,178,939	6,920,240
Motor-Vehicle-in-Lieu Tax (Intergovernmental, Unrestricted)	4,326,227	4,629,563	4,882,755	5,107,399	5,349,628	5,572,329	5,895,136	6,186,789	6,523,262	1,584,502
Other Taxes	660,950	695,971	726,940	740,839	799,940	788,765	842,249	873,710	948,057	154,677
Investment Income (Losses) - Unrestricted	736,701	567,673	711,185	140,642	454,925	3,155,785	1,850,871	(6,098)	(3,824,988)	3,176,975
Miscellaneous Revenues	1,708,873	8,499,838	28,876,448	4,213,419	4,585,416	5,444,536	4,446,620	8,455,405	9,111,514	293,000
Grants and Contributions Not Restricted to Specific Programs	-	-	-	-	-	-	-	-	-	1,478,957
Transfers	(728,438)	(746,270)	(1,328,598)	570,630	4,334,254	(2,306,639)	(14,647,477)	653,093	224,157	270,273
<b>Total Governmental Activities</b>	<b>42,496,878</b>	<b>77,432,510</b>	<b>73,309,443</b>	<b>41,923,839</b>	<b>49,023,472</b>	<b>47,134,920</b>	<b>34,482,710</b>	<b>56,061,503</b>	<b>58,526,928</b>	<b>61,788,153</b>
<b>Business-Type Activities:</b>										
Investment Income (Loss)	692,776	636,054	588,133	820,923	1,444,614	2,600,791	1,846,765	(172,985)	(4,361,145)	(400,461)
Gain (Loss) on Sale of Capital Assets	-	-	-	(71,322)	-	-	-	(173,046)	-	-
Miscellaneous	-	-	-	-	-	4,481,519	3,963,460	6,386,130	2,958,688	648,333
Transfers	728,438	746,270	2,678,598	(570,630)	(662,772)	2,306,239	14,647,477	(665,430)	(347,685)	(270,273)
<b>Total Business-Type Activities</b>	<b>1,421,214</b>	<b>1,382,324</b>	<b>3,266,731</b>	<b>178,971</b>	<b>781,842</b>	<b>9,388,549</b>	<b>20,457,702</b>	<b>5,374,669</b>	<b>(1,750,142)</b>	<b>(22,401)</b>
<b>Total Primary Government</b>	<b>43,918,092</b>	<b>78,814,834</b>	<b>76,576,174</b>	<b>42,102,810</b>	<b>49,805,314</b>	<b>56,523,469</b>	<b>54,940,412</b>	<b>61,436,172</b>	<b>56,776,786</b>	<b>61,765,752</b>
<b>Special Items:</b>										
Extraordinary Loss on Dissolution of Redevelopment Agency	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	(513,556)	-	(138,047)	-	-
Extraordinary Gain (Loss) on Dissolution of Lawsuit Settlement	-	-	6,276,568	-	-	-	-	-	(59,037)	-
<b>Total Special Items</b>	<b>-</b>	<b>-</b>	<b>6,276,568</b>	<b>-</b>	<b>-</b>	<b>(513,556)</b>	<b>-</b>	<b>(138,047)</b>	<b>(59,037)</b>	<b>-</b>
<b>Changes in Net Position:</b>										
Governmental Activities	11,829,651	32,113,218	36,951,591	3,989,175	4,712,648	5,172,182	(4,191,145)	1,328,599	11,778,680	20,661,821
Business-Type Activities	2,354,612	9,427,681	5,521,627	5,460,091	7,313,860	19,909,276	34,547,073	22,380,799	14,750,546	13,331,280
<b>Total Primary Government</b>	<b>\$ 14,184,263</b>	<b>\$ 41,540,899</b>	<b>\$ 42,473,218</b>	<b>\$ 9,449,266</b>	<b>\$ 12,026,508</b>	<b>\$ 25,081,458</b>	<b>\$ 30,355,928</b>	<b>\$ 23,709,398</b>	<b>\$ 26,529,226</b>	<b>\$ 33,993,101</b>

Source: Annual Comprehensive Financial Report  
Source: Statement of Net Position

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Fund Balances of Governmental Funds (Modified Accrual Basis of Accounting)

Last Ten Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,001,471
Restricted	29,077	1,431,320	5,268,406	3,210,570	8,255,722	-	-	-	-	-
Committed	22,004,228	21,840,982	46,394,799	47,275,064	47,558,487	53,360,296	36,993,740	42,493,097	44,165,268	6,485,536
Unassigned	-	-	-	-	-	-	-	-	-	47,338,311
<b>Total General Fund</b>	<b>\$ 22,033,305</b>	<b>\$ 23,272,302</b>	<b>\$ 51,663,205</b>	<b>\$ 50,485,634</b>	<b>\$ 55,814,209</b>	<b>\$ 53,360,296</b>	<b>\$ 36,993,740</b>	<b>\$ 42,493,097</b>	<b>\$ 44,165,268</b>	<b>\$ 63,825,318</b>
All Other Governmental Funds:										
Nonspendable	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000
Restricted	12,594,663	11,034,408	9,989,692	9,544,309	14,276,293	14,081,580	12,569,286	10,517,062	10,725,774	41,650,527
Committed	722,545	744,557	461,054	312,130	281,719	424,962	342,738	253,813	556,051	(5,626,580)
Assigned	-	22,951	-	-	-	-	-	-	-	-
Unassigned	(1,082)	(624,325)	-	-	-	-	-	-	(570,733)	(396,056)
<b>Total All Other Governmental Funds</b>	<b>\$ 13,351,126</b>	<b>\$ 11,212,591</b>	<b>\$ 10,485,746</b>	<b>\$ 9,891,439</b>	<b>\$ 14,558,012</b>	<b>\$ 14,506,542</b>	<b>\$ 12,947,024</b>	<b>\$ 10,805,875</b>	<b>\$ 10,746,092</b>	<b>\$ 35,662,891</b>

Source: Annual Comprehensive Financial Report

Source: Balance Sheet - Governmental Funds

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**Assessed Value of Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Secured	Utility	Unsecured	Taxable Assessed Value (1)	Total Direct Tax Rate (2)
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%
2023	5,273,050,799	3,484,168	249,864,366	5,526,399,333	0.14%

Source: County of Tulare, Office of the Auditor-Controller.

(1) Assessed valuations are net of exemptions.

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

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 proeprty 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 | FOR THE YEAR ENDED JUNE 30, 2023**

Direct and Overlapping Property Tax Rates (Rate Per \$100 of Assessed Value)  
 Current Year and Nine Years Ago

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Direct Rate:</b>										
City of Tulare	0.143000	0.143000	0.142000	0.142000	0.141000	0.141000	0.141000	0.141000	0.141000	0.141000
County of Tulare	0.857000	0.857000	0.858000	0.858000	0.859000	0.859000	0.863767	0.859000	0.859000	0.859000
Total - 1% Breakout	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
<b>Overlapping Rate:</b>										
College of Sequoias Tulare SFID 2008	0.023200	0.025000	0.020000	0.017200	0.024300	0.021600	0.020000	0.020000	0.010000	0.012500
Tulare Joint Union High School District 20C	0.069100	0.063200	0.064500	0.066200	0.073800	0.064000	0.061500	0.060000	0.060000	0.060000
Kaweah Delta Water District	0.000400	0.000500	0.000400	0.000300	0.000400	0.000400	0.000300	0.000400	0.000400	0.000300
Tulare Health Care 2005	0.081500	0.081500	0.081500	0.085600	0.100300	0.100300	0.100300	0.050000	0.030000	0.020000
Total - Overlapping Rate	0.174200	0.170200	0.166400	0.169300	0.198800	0.186300	0.182100	0.130400	0.100400	0.092800
<b>Total Tax Rate</b>	<b>1.174200</b>	<b>1.170200</b>	<b>1.166400</b>	<b>1.169300</b>	<b>1.198800</b>	<b>1.186300</b>	<b>1.182100</b>	<b>1.130400</b>	<b>1.100400</b>	<b>1.092800</b>

Source: MuniServices / Avenu Insights & Analytics Company

Source: County Auditor-Controller Data

Table has been reinstated. Rates are not adjusted for ERAF.

Tax Rate as represented by TRA 005-000.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Historical Sales and Use Tax Rates

State Mandated Purposes							
Effective Date	End Date	State Jurisdiction	Local Transportation Fund	City Rate	County Rate	Combined Rate	
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	6/30/1973	3.75%	0.25%	1.00%		5.00%	
10/1/1973	3/31/1974	5.00%	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%	1.00%		7.25%	
7/1/2004 (2)	3/31/2007	6.25%	0.25%	1.00%		7.25%	
4/1/2006 (3)		7.25%	0.25%	1.00%		8.75%	
4/1/2007 (4)		7.25%	0.25%	1.00%	0.50%	9.25%	
7/1/2010		6.25%	0.25%	1.00%	0.50%	8.25%	
1/1/2017		6.00%	0.25%	1.00%	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 | FOR THE YEAR ENDED JUNE 30, 2023**

Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	2023		2014	
	Taxable Value	Percent of Total City Taxable Value	Taxable Value	Percent of Total City Taxable Value
Saputo Cheese and Protein LLC	\$ 205,038,571	3.71%	\$ 247,514,194	7.19%
Land O Lakes Inc	164,126,924	2.97%	161,476,672	4.69%
Lactalis Heritage Dairy Inc	88,718,457	1.61%		
Dreyers Grand Ice Cream Inc	78,709,685	1.42%	61,894,805	1.80%
United States Cold Storage of California	67,527,520	1.22%		
Craig Realty Group Tulare LLC	42,456,634	0.77%		
Target Corporation	29,447,557	0.53%	23,467,088	0.68%
SuLPhur Springs Cultured Specialties LLC	27,631,385	0.50%	13,867,436	0.40%
Hillman Tulare Investors LLC	24,743,405	0.45%		
International Agri-Center Inc	19,105,186	0.35%	13,503,233	0.39%
Loves Country Stores of California	16,472,209	0.30%	10,917,590	0.32%
Oak Valley Tulare LLC	15,981,200	0.29%		
Crestmark Equipment Finance	13,017,860	0.24%		
BDC Prosperity LP	12,890,619	0.23%	10,085,906	0.29%
Tulare Village LLC	12,345,561	0.22%	10,618,218	0.31%
Wal-Mart Real Estate Business Trust	12,163,889	0.22%	13,140,780	0.38%
Lowes HIW Inc	11,867,660	0.21%	12,229,810	0.36%
HD Development of Maryland Inc	11,017,210	0.20%	9,854,680	0.29%
Monterey Dynasty LLC	10,742,448	0.19%		
Cherry Hospitality LLC	10,362,600	0.19%		
Pilot Travel Centers LLC	10,255,824	0.19%		
Kloeckner Metals Corporation	9,959,544	0.18%	8,797,912	0.26%
Store Master Funding Ix LLC	9,683,590	0.18%		
Quinn Rental Services	9,346,880	0.17%		
Central CA Fuel Cell 1 LLC	9,298,680	0.17%		
Oscar Mayer Foods Corp			80,109,612	2.33%
U S Cold Storage of California			66,387,030	1.93%
1407 Retherford Street Holding			33,863,295	0.98%
Daley Enterprise Inc.			14,627,621	0.43%
Moyles Central Valley Health C			13,133,601	0.38%
Paul Vickie Daley Ltd. Ptnrs			12,661,787	0.37%
Blain Construction Co Inc.			12,264,436	0.36%
Pre Tulare Holdings LLC			10,046,428	0.29%
Rutherford Investment Properti			10,028,321	0.29%
Cinemas Tulare LP			9,716,720	0.28%
Pimentel Lino A Betty T			9,268,508	0.27%
CH Bethel Assembly of God			8,779,569	0.26%
<b>Total Top 25 Taxpayers</b>	<b>922,911,098</b>	<b>16.70%</b>	<b>878,255,252</b>	<b>25.52%</b>
<b>Total Taxable Value</b>	<b>5,526,399,333</b>	<b>100.00%</b>	<b>3,440,777,539</b>	<b>100.00%</b>

Source: MuniServices / Avenu Insights & Analytics Company

Source: County Assessor Data

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property*	Unsecured Property	Less		Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)	Factor of Taxable Assessed Value (2)
						Tax-Exempt Property					
2014	\$ -	\$ -	\$ -	\$ 3,347,851,924	\$ 136,958,939	\$ -	\$ -	\$ 3,484,810,863	0.14%	-	-
2015	-	-	-	3,596,500,544	134,753,531	-	-	3,731,254,075	0.14%	-	-
2016	-	-	-	3,792,578,075	143,801,821	-	-	3,936,379,896	0.14%	-	-
2017	-	-	-	3,964,724,152	151,219,467	-	-	4,115,943,619	0.14%	-	-
2018	-	-	-	4,099,475,198	208,318,421	-	-	4,307,793,619	0.14%	-	-
2019	-	-	-	4,279,061,181	209,716,581	-	-	4,488,777,762	0.14%	-	-
2020	-	-	-	4,520,579,269	214,038,086	-	-	4,734,617,355	0.14%	-	-
2021	-	-	-	4,761,478,461	214,030,845	-	-	4,975,509,306	0.14%	-	-
2022	3,587,346,382	801,662,908	651,528,395	138,170,046	243,440,607	229,262,101	-	5,192,886,237	0.14%	7,631,205,970	1.469550
2023	3,818,249,466	834,343,720	697,975,380	147,553,758	266,079,961	237,802,952	-	5,526,399,333	0.14%	8,997,459,386	1.628087

Source: County Assessor data, MuniServices / Avenu Insights & Analytics Company

Source: 2021 and Prior years: Prior published ACFR. Other Property represents Secured and Utility values.

( - ) data unavailable

Table has been reformatted to comply with GASB No. 44 and include estimated actual value.

Prior Year values are net of all exemptions.

\*Other Property includes State Unitary value of \$3,484,168.

(1) Total direct tax rate is the city 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.

Based on these calculations a multiplier value was extrapolated and applied to current assessed values.



**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Assessed Value of Property by Use Code, City-Wide  
Current Year

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<b>Category</b>	<b>2022</b>	<b>2023</b>
Residential	\$ 3,587,346,382	\$ 3,818,249,466
Commercial	801,662,908	834,343,720
Industrial	651,528,395	697,975,380
Institution	85,168,886	92,299,554
Agriculture	21,963,021	21,992,889
Unknown	13,143,135	13,137,171
Miscellaneous	10,361,748	14,122,188
Unitary	3,484,168	3,484,168
Government	2,385,984	2,411,786
Misc	1,562,701	-
Recreation	100,403	106,002
Gross Secured Value	5,178,707,731	5,498,122,324
Unsecured	243,440,607	266,079,961
Exemptions	229,262,101	237,802,952
Net Taxable Value	\$ 5,192,886,237	\$ 5,526,399,333

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Source: MuniServices / Avenu Insights & Analytics Company

Source: County Assessor Data;

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year Ended June 30		Collected within the Fiscal Year of Levy				Total Collections to Date		
		Taxes Levied for the Fiscal Year (1)	Amount (2)	Percent of Levy	Collections in Subsequent Years	Amount	Percent of Levy	
2014	(3)	\$ 4,331,367	\$ 3,832,575	88.48%	\$ 115,770	\$ 3,948,345	91.16%	
2015	(4)	4,454,173	3,880,262	87.12%	133,290	4,013,552	90.11%	
2016	(5)	4,715,361	4,237,324	89.86%	146,721	4,384,045	92.97%	
2017	(6)	4,887,339	4,459,365	91.24%	103,452	4,562,817	93.36%	
2018	(7)	5,246,283	4,778,139	91.08%	106,867	4,885,006	93.11%	
2019	(8)	5,527,262	5,034,816	91.09%	108,602	5,143,418	93.06%	
2020	(9)	5,800,055	5,295,495	91.30%	115,956	5,411,451	93.30%	
2021	(10)	6,119,608	5,666,998	92.60%	139,323	5,806,321	94.88%	
2022	(11)	6,463,561	5,905,609	91.37%	136,932	6,042,541	93.49%	
2023	(12)	6,646,500	6,294,243	94.70%	130,925	6,425,168	96.67%	

Sources:

(1) County of Tulare, Office of Auditor-Controller

(2) City of Tulare Finance Department

(3) Reduced approximately \$1,675,639 for the property tax shift to education.

(4) Reduced approximately \$1,698,640 for the property tax shift to education.

(5) Reduced approximately \$1,626,244 for the property tax shift to education.

(6) Reduced approximately \$1,639,505 for the property tax shift to education.

(7) Reduced approximately \$1,747,188 for the property tax shift to education.

(8) Reduced approximately \$1,861,417 for the property tax shift to education.

(9) Reduced approximately \$1,980,278 for the property tax shift to education.

(10) Reduced approximately \$2,313,482 for the property tax shift to education.

(11) Reduced approximately \$2,430,970 for the property tax shift to education.

(12) Reduced approximately \$2,684,793 for the property tax shift to education.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Schedule of Taxable Sales by Category (In Thousands)

Last Ten Fiscal Years

CDTFA NAICS SECTOR	2023Q1	2022Q1	2021Q1	2020Q1	2019Q1	2018Q1	2017Q1	2016Q1	2015Q1	2014Q1
Accommodation and Food Services	\$ 1,336,159	\$ 1,289,288	\$ 966,275	\$ 948,195	\$ 933,691	\$ 877,606	\$ 879,248	\$ 838,959	\$ 767,017	\$ 712,717
Agriculture, Forestry, Fishing and Hunting	81,725	484,913	57,067	75,563	78,054	43,819	60,971	63,671	34,286	101,239
Arts, Entertainment, and Recreation	5,376	5,036	1,876	5,719	5,054	4,681	8,157	4,975	3,957	5,126
Construction	29,470	31,206	33,266	26,627	22,800	16,525	13,537	15,471	13,503	9,945
Educational Services	7,295	5,427	5,101	20,188	15,771	13,939	17,552	14,086	13,502	13,996
Information	40,195	38,537	10,692	33,459	32,666	29,568	29,732	26,073	23,683	20,339
Manufacturing	258,447	220,512	188,859	228,124	279,696	212,572	177,436	179,498	239,550	190,604
Mining, Quarrying, and Oil and Gas Extraction	1,988,645	1,883,624	1,595,379	1,549,030	1,447,845	1,428,628	1,229,168	1,269,492	1,316,672	1,270,946
Other Services (except Public Administration)	174,007	162,779	129,501	109,232	98,325	86,559	75,870	75,840	75,416	71,498
Professional, Scientific, and Technical Services	11,609	10,403	9,835	11,038	9,015	9,127	6,891	6,763	9,217	9,478
Real Estate and Rental and Leasing	121,651	88,794	67,984	69,222	44,551	71,227	70,395	60,414	63,016	56,689
Retail Trade	8,624,442	8,374,803	6,992,879	6,664,386	6,407,181	6,241,630	5,997,898	5,979,158	6,036,193	6,022,671
Utilities	399,244	418,161	379,601	330,285	309,494	286,110	271,709	284,036	261,980	235,519
Undefined	16,605	30,821	12,635	889	66	78	726	0	0	0
<b>TOTAL</b>	<b>\$ 13,094,871</b>	<b>\$ 13,044,303</b>	<b>\$ 10,450,950</b>	<b>\$ 10,071,959</b>	<b>\$ 9,684,207</b>	<b>\$ 9,322,070</b>	<b>\$ 8,839,291</b>	<b>\$ 8,818,437</b>	<b>\$ 8,857,993</b>	<b>\$ 8,720,769</b>

Source: MuniServices / Avenu Insights & Analytics Company

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Principal Producers

Current Year and Nine Years Ago

2022-23		2013-14	
Taxpayer	Business Type	Taxpayer	Business Type
Arco AM/PM Mini Marts	Service Stations	Arco AM/PM Mini Marts	Service Stations
Chevron Service Stations	Service Stations	Exxon Service Stations	Service Stations
Circle K Service Stations	Service Stations	Firestone Tire & Service Ctrs.	Auto Parts/Repair
Garton Tractor	Heavy Industry	Garton Ford Tractor	Bldg.Matls-Whsle
Gary V. Burrows	Energy Sales	Gas N Save	Service Stations
High Sierra Lumber & Supply	Bldg.Matls-Whsle	Gea Farm Technologies	Bldg.Matls-Whsle
Home Depot	Bldg.Matls-Retail	Home Depot	Bldg.Matls-Retail
Linder Equipment Co.	Heavy Industry	K Mart Stores	Department Stores
Love's Travel Stop	Service Stations	Linder Equipment Company	Bldg.Matls-Whsle
Lowe's Home Centers	Bldg.Matls-Retail	Lowe's Country Stores	Service Stations
Mcdonald's Restaurants	Restaurants	Lowe's Home Improvement	Bldg.Matls-Retail
Merle Stone Chevrolet	Auto Sales - New	Mcdonald's Restaurants	Restaurants
Mid-Valley Pipe & Supply	Heavy Industry	Merle Stone Chevrolet	Auto Sales - New
Nike Factory Store	Apparel Stores	Mid-Valley Pipe & Supply	Bldg.Matls-Whsle
Paige Truck Stop	Service Stations	Mobil Service Stations	Service Stations
Pilot Travel Center	Service Stations	Nike Factory Store	Apparel Stores
Quinn Rental Services	Heavy Industry	Orchard Machinery	Bldg.Matls-Whsle
Roche Oil	Energy Sales	Ralph's Grocery Company	Food Markets
Ross Stores	Apparel Stores	Roche Oil	Energy Sales
San Joaquin Valley Dairy Equipment	Heavy Industry	Sierra Service Stations	Service Stations
Shell Service Stations	Service Stations	Sturgeon & Beck Buick/Olds	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 Mercury	Auto Sales - New

Source: MuniServices / Avenu Insights & Analytics Company

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities					
	Lease Revenue Bonds (1)	Leases Payable	Notes Payable	Advances from Other Fund	General Obligation Bond	Total Governmental Activities
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
2023	22,636,472	-	-	-	-	22,636,472

Notes:

- (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 capital data.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Business-Type Activities								
Revenue Bonds Payable (1)	Leases Payable	Notes Payable	Total Business-Type Activities	Total Primary Government	Debt per Capita (2)	Percentage of Gross Assessed Valuation	Percentage of Personal Income (3)	
\$ 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	-	260,666,297	288,837,216	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%	
189,033,907	-	-	189,033,907	211,670,379	3,038	3.83%	11.19%	

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Ratios of General Bonded Debt Outstanding (In Thousands, Except Per Capita)

Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Tax Allocation Bonds	Total	Percentage of Assessed Value (1)	Per Capita
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	65.00%	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
2023	-	22,636	22,636	0.41%	324.88

**Notes:**

General bonded debt is payable with governmental fund resource 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 | FOR THE YEAR ENDED JUNE 30, 2023**

Direct and Overlapping Debt

	Total Debt 6/30/23	Applicable Percentage (1)	City's Share of Debt 6/30/23
<u>Overlapping Tax and Assessment Debt:</u>			
College of the Sequoias Tulare School			
Facilities Improvement District	\$ 55,589,109	48.684%	\$ 27,063,002
Tulare Union High School District	13,226,877	63.012%	8,334,520
Liberty School District	331,002	31.813%	105,302
Tulare Local Health Care District	144,540,000	61.535%	<u>88,943,123</u>
Total Overlapping Tax and Assessment Debt			<u>\$ 124,445,946</u>
<u>Direct and Overlapping General Fund Debt:</u>			
Tulare County General Fund Obligations	40,995,926	12.798%	\$ 5,246,659
Tulare County Pension Obligation Bonds	201,020,000	12.798%	25,726,540
Tulare County Board of Education Certificates of Participation	34,365,000	12.798%	4,398,033
College of the Sequoias General Fund Obligations	210,830	63.012%	132,848
Tulare School District General Fund Obligations	5,470,000	94.845%	5,188,022
Liberty School District General Fund Obligations	2,065,000	31.813%	656,938
City of Tulare General Fund Obligations	21,015,000	100.000%	<u>21,015,000</u>
Total Direct and Overlapping General Fund Debt		100.000%	<u>62,364,039</u>
<u>Overlapping Tax Increment Debt (Successor Agency)</u>	15,665,000	100.000%	<u>\$ 15,665,000</u>
Total Direct Debt (3)		\$ 21,015,000	\$ 22,636,472
Total Overlapping Debt			<u>181,459,985</u>
Combined Total Debt			<u>\$ 204,096,457 (2)</u>
<u>Ratios to 2022-23 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt		2.24%	
Total Direct Debt (\$21,015,000)		0.38%	
Combined Total Debt		3.64%	
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$760,357,456):</u>			
Total Overlapping Tax Increment Debt		2.06%	

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: Avenu Insights & Analytics. California Municipal Statistics, Inc.



**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Legal Debt Margin Information  
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Valuation	\$ 3,484,810,863	\$ 3,731,254,075	\$ 3,936,379,896	\$ 4,116,213,619	\$ 4,307,793,619	\$ 4,488,777,762	\$ 4,734,617,355	\$ 4,758,154,693	\$ 4,959,482,006	\$ 5,561,184,238
Debt Margin Ratio	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Debt Margin	130,680,407	139,922,028	147,614,246	154,358,011	161,542,261	168,329,166	177,548,151	178,430,801	185,980,575	208,544,409
Less Outstanding General Obligations	-	-	-	-	-	-	-	-	-	-
Net Debt Margin	<u>\$ 130,680,407</u>	<u>\$ 139,922,028</u>	<u>\$ 147,614,246</u>	<u>\$ 154,358,011</u>	<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>	<u>\$ 208,544,409</u>

Notes:  
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.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Pledged Revenue Coverage

Last Ten Fiscal Years

Fiscal Year Ended June 30	Sewer Revenue Bonds									Fiscal Year Ended June 30	Water 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	Total Water Revenue		Less Operating Expenses	Net Revenues	Debt Service	Debt Coverage	
2014	\$ 25,225	\$ 10,981	(1) \$ 14,244	\$ 923	15.43	\$ 13,321	\$ 11,263	1.18	2014	\$ -	\$ -	\$ -	\$ -	-	
2015	26,023	9,615	16,408	923	17.77	15,485	11,221	1.38	2015	-	-	-	-	-	
2016	28,308	10,559	(2) 17,749	923	19.22	16,826	10,858	1.55	2016	-	-	-	-	-	
2017	29,556	9,787	19,769	923	21.41	18,846	10,617	1.78	2017	-	-	-	-	-	
2018	31,650	10,669	(3) 20,981	923	22.72	20,058	10,673	1.88	2018	12,658	6,795	5,863	379	15.47	
2019	37,071	11,071	26,000	923	28.16	25,077	10,633	2.36	2019	15,639	6,924	8,715	1,107	7.88	
2020	38,398	11,561	26,837	923	29.06	25,914	10,456	2.48	2020	14,662	7,296	7,367	1,353	5.45	
2021	38,643	10,916	27,727	462	60.06	27,266	9,859	2.77	2021	15,219	7,015	8,205	2,737	3.00	
2022	39,084	12,349	26,735	-	-	26,735	10,354	2.58	2022	15,073	7,358	7,715	2,735	2.82	
2023	35,339	12,869	22,470	-	-	22,470	10,327	2.18	2023	14,256	7,935	6,321	2,295	2.75	

Notes:

(1) Operating Expenses is Fiscal Year Ended 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 Ended 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 Ended 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.

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 Associated based on audited financial information and outstanding debt service schedules.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Demographic and Economic Statistics

Last Ten Calendar Years

Fiscal Year	City Population		Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Assessed Valuation (in thousands)	City	County
	(1)	Personal Income (2)				Unemployment Rate (3)	Unemployment Rate (3)
2014	61,857	1,129,508,820	1,129,509	18,260	3,484,811	9.80%	11.60%
2015	62,363	1,134,393,312	1,134,393	18,336	3,731,254	9.20%	10.90%
2016	63,515	1,004,957,149	1,004,957	15,872	3,936,380	9.10%	10.60%
2017	64,661	1,175,483,033	1,175,483	18,179	4,116,214	8.90%	10.60%
2018	65,982	1,194,535,485	1,194,535	18,707	4,307,794	6.40%	9.60%
2019	66,967	1,245,463,575	1,245,464	19,317	4,488,778	7.00%	10.00%
2020	67,834	1,369,297,124	1,369,297	20,186	4,734,617	14.60%	16.20%
2021	67,940	1,376,600,280	1,376,600	20,262	4,975,509	7.40%	9.30%
2022	69,462	1,616,614,827	1,616,615	23,273	5,192,886	3.40%	6.50%
2023	69,677	1,891,424,668	1,891,425	27,146	5,526,399	5.70%	10.00%

MuniServices / Avenu Insights & Analytics Company

Source: 2022 and prior years: City of Tulare Comprehensive Annual Financial Report For the Year Ended June 30th, 2022

(1) State of California Department of Finance;

(2) U.S. Census Bureau, adjusted for inflation;

(3) State of California Employment Development Department;

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Principal Employers

Current Year and Nine Years Ago

Employer	2023		2014	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Saputo Cheese USA, Inc. (4 locations)	1,125	3.71%	854	3.92%
Tulare City School District	1,100	3.63%		
Tulare Joint Union High School District	667	2.20%		
Land O'Lakes, Inc. (formerly Dairyman's Cooperative Creamery)*	486	1.60%	537	2.46%
City of Tulare	381	1.26%		
Adventist Health Hospital	355	1.17%		
Dryer's Grand Ice Cream (formerly Haagen-Dazs)	350	1.16%	354	1.62%
Lactalis Heritage Dairy (formerly Kraft Foods USA Tulare)	250	0.83%	250	1.15%
Walmart	212	0.70%	250	1.15%
Twin Oaks Rehabilitation and Nursing Center	189	0.62%		
U.S. Cold Storage of California (2 locations)			200	0.92%
J.D. Heiskell Company			360	1.46%
Ruan, Inc.			174	0.80%
Morris Levin & Sons Hardware			170	0.78%
Southern Ca Edison Company			125	0.57%
<b>Total Top Employers</b>	<b>5,115</b>	<b>16.88%</b>	<b>3,274</b>	<b>14.83%</b>
<b>Total Labor Force (1)</b>	<b>30,300</b>			

Source: MuniServices / Avenu Insights & Analytics Company

Source: 2014, City of Tulare Comprehensive Annual Financial Report For the Year Ended June 30th, 2014

\* No response received from business, previous year count applied.

(1) State of California Employment Development Department

Note: School Districts include Administrators, Certificated, and Classified employees for schools within the city limits only.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Full-Time and Part-Time City Employees by Function  
Last Ten Fiscal Years

Function	Full-Time and Part-Time Employees as of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	48	46	38	40	37	38	37	39	32	35
Public Safety	156	160	159	124	161	161	161	161	160	162
Public Works	86	88	95	92	103	112	112	114	120	120
Community Development	16	17	15	17	21	21	21	20	25	29
Community Services	22	22	22	26	26	21	20	19	21	22
Library and Cultural	10	10	11	16	12	12	12	12	10	10
<b>Total</b>	<b>338</b>	<b>343</b>	<b>340</b>	<b>315</b>	<b>360</b>	<b>365</b>	<b>363</b>	<b>365</b>	<b>368</b>	<b>378</b>

Source: City of Tulare Human Resources and Finance Department

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Operating Indicators by Function

Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Arrests	3,824	4,429	3,577	3,345	3,294	3,118	3,354	2,853	2,219	2,063
Parking Citations Issued	346	246	182	255	35	123	135	94	218	N/A
Fire:										
Number of Emergency Calls	4,754	5,762	5,392	5,496	5,350	5,350	5,704	7,096	8,516	7,687
Inspections	1,993	2,205	1,978	1,447	1,439	1,439	1,290	647	895	1,023
Parks and Recreation:										
Number of Recreation Classes	116	320	340	721	989	973	215	243	618	636
Number of Facility Rentals	1,338	2,428	2,885	2,469	2,977	2,967	1,998	648	2,386	2,565
Water:										
New Connections	179	211	701 (1)	378	339	382	394	354	342	362
Average Daily Consumption (millions of gallons)	17	14	12	13	14	14	14	15	15	13
										0
Sewer:										
New Connections	166	239	280	380	340	382	394	354	216	333

Source: City of Tulare Human Resources and Finance Department

Note: Parking citation information not available as of the time of publishing this report.

**CITY OF TULARE | FOR THE YEAR ENDED JUNE 30, 2023**

Capital Asset Statistics by Function

Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works:										
Streets (miles)	211.00	215.32	220.00	221.72	223.32	223.39	224.78	227.66	227.66	229.24
Traffic Signals	47	47	47	47	46	47	47	51	54	54
Parks and Recreation:										
Parks	18	18	18	18	18	18	18	18	20	20
Park Acreage	363.00	363.00	363.00	363.00	367.52	368.66	368.66	370.45	371.12	371.12
Water:										
Water Mains (miles)	227.00	231.68	232.16	234.19	235.75	236.63	238.18	241.49	242.72	244.20
Average Daily Consumption (millions of gallons)	16.99	14.43	12.46	13.31	13.55	14.16	13.99	15.46	15.00	13.45
Sewer:										
Sanitary Sewers (miles)	242.40	243.31	243.76	245.89	247.35	248.53	249.81	252.92	254.17	255.35
Average Daily Wastewater Flow (millions of gallons)	11.79	11.37	11.08	11.24	11.54	11.68	11.65	11.74	11.54	11.46

Source: Various City of Tulare Departments as appropriate