

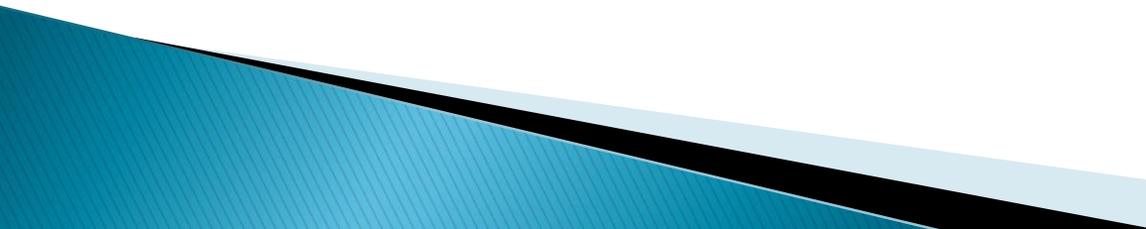
**City of Visalia**  
**Measure N Independent**  
**Accountants' Report**

(July 1, 2023– June 30, 2024)



# Measure N:

---

- ▶ The Measure is a 1/2 cent Sales Tax for essential City services such as Police, Fire, Recreation, as well as maintenance of parks, roads, and City facilities.
  - ▶ The Measure uses a detailed 10-year plan.
  - ▶ Measure N was approved by the voters November 2016 and became effective April 1, 2017.
- 

# Measure N Requirements:

---

## ▶ Revenues:

- 10% of budgeted revenues go to the Uncertainty Fund for a fiscal emergency.
- 10% of budgeted revenues go to the following programs:
  - 2% Youth Programs
  - 8% Maintenance and Emerging Needs

## ▶ Expenditures:

- Money shall not be used for debt service payments
- Annual expenditure plan must be approved by Council after the following has occurred:
  - City Manager makes a recommendation to City Council.
  - Comments and recommendation received by Sales Tax Oversight Board.
  - Two public hearings are held at regular Council Meetings.

# Measure N Requirements (cont.):

---

## ▶ **Sales Tax Oversight Board**

- Board consists of 11 members that are appointed as specified in the plan.
- Reviews Measure N budgets prior to adoption
- Reviews Independent Accountants' Report on Applying Agreed-Upon Procedures

## ▶ **Independent Accountants' Report on Applying Agreed-Upon Procedures**

- An Independent Auditor will annually review tax revenues received and expenditures from the measure, to ensure compliance with the Ballot Measure, Program Guidelines and Expenditure plans.

## ▶ **Effectiveness Review**

- Review the progress of the Measure N Plan and the continuing need for the sales tax measure at a City Council meeting before April 1, 2025, and every 8 years thereafter.

# Measure N FY 23/24 Report

---

- Report Completed by M. Green and Company for Fiscal Year ending June 30, 2024.
- There were two findings:
  - A Squad vehicle and vehicle replacement costs were inadvertently booked to the incorrect fund. The error was corrected in FY 23/24.
  - A wire for an invoice in the amount of \$20,361 was not accrued at year end. The year end process to accrue wires has been updated.
- The Measure N Oversight Committee reviewed the report for fiscal year 23/24 on January 9, 2025.

# Measure N Budget to Actuals Comparison (ACFR Document Pg 32 & 36)

	Measure N	
	Final Budget	Actual
<b>REVENUES</b>		
Sales Taxes	\$ 19,669,500	\$ 18,394,594
Interest Earnings & Miscellaneous	228,000	1,706,882
Grants - Police	-	35,611
Total Revenues	<u>19,897,500</u>	<u>20,137,087</u>
<b>EXPENDITURES</b>		
General Government	(1,994,000)	(235,867)
Public Safety:		
Fire	(1,701,000)	(1,628,256)
Police	(5,933,100)	(6,318,012)
Community Services	(884,265)	(757,760)
Capital Outlay	(12,506,406)	(12,214,788)
Debt Service (Note 7)		
SBITA-Principal **	-	(279,520)
SBITA-Interest **	-	(33,173)
Total Expenditures	<u>(23,018,771)</u>	<u>(21,467,376)</u>
Revenues Over (Under) Expenditures	<u>(3,121,271)</u>	<u>(1,330,289)</u>
Other Financing Sources (Uses)		
Subscription Assets Acquired	-	1,644,951
Total Other Financing Sources (Uses)	-	<u>1,644,951</u>
Net Change in Fund Balance	<u><u>\$ (3,121,271)</u></u>	314,662
Fund Balance Beginning of Year		<u>36,585,593</u>
Fund Balance - End of Year *		<u><u>\$ 36,900,255</u></u>

\* Included in the end of year fund balance is the Economic Uncertainty Fund of \$1,966,950 (10% of the annual budgetd sales tax revenue).

\*\*GASB 96 requires City to record certain Subscription Based Information Technology (SBITA) Arrangements.

# Current and Future Projects:

---

Project Name	Roll Amount
Cape Seal	150,000
Reclamite Streets - MS N	750,000
Shirk Widening over Mill Creek	339,004
Downtown Street Lights	1,223,860
Fire Station 56 Relocation	1,245,718
Station 51 Facility	4,343,852
County Center Road Rehabilitation	605,969
Caldwell Improvement Project - Akers to Shady	8,696
Purchase Marked Patrol Vehicle	95,000
Purchase Media & Community Coordinator Vehicle	35,000
Purchase 3 Police Patrol Vehicle	305,000
Squad Vehicle uplift, decals, and radio	33,004
Measure N Building Maintenance	1,556,474
<b>TOTAL</b>	<b>10,691,577</b>

## Additional Funding Needed

---

Station 51 Facility

# Measure N FY 23/24 – Fund Balance

	<b>Beginning Fund Balance</b>	<b>23/24 Revenues</b>	<b>23/24 Expenditures</b>	<b>Other Financing Sources and (Uses)</b>	<b>Ending Fund Balance</b>	<b>CIP Rolled into FY 24/25</b>	<b>Fund Balance Remaining</b>
Essential Services	28,844,549	17,760,057	21,317,773	1,644,951	26,931,784	9,135,103	17,796,681
8% Maint & Emerging Needs	4,868,745	1,883,701	14,022	-	6,738,424	1,556,474	5,181,950
2 % Youth Programs	943,919	454,759	135,581	-	1,263,097	-	1,263,097
<b>Measure N Operating Funds</b>	<b>34,657,213</b>	<b>20,098,517</b>	<b>21,467,376</b>	<b>1,644,951</b>	<b>34,933,305</b>	<b>10,691,577</b>	<b>24,241,728</b>
Economic Uncertainty	1,928,380	38,570	-	-	1,966,950	-	1,966,950
<b>Measure N Total</b>	<b>36,585,593</b>	<b>20,137,087</b>	<b>21,467,376</b>	<b>1,644,951</b>	<b>36,900,255</b>	<b>10,691,577</b>	<b>26,208,678</b>

## Measure N Audit Summary

The Independent Accountants' Report confirmed that Measure N funds are in accordance with the Ballot Measure, Program Guidelines and Expenditure Plan for Fiscal Year ended June 30, 2024

## Action Tonight

No formal action is required today. Council is to receive and review the report.

# Questions?

