



# Comprehensive Annual Financial Report

County of Tulare  
State of California

For the Fiscal Year  
Ended June 30, 2005



# **COUNTY OF TULARE STATE OF CALIFORNIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2005**

**Prepared for the Board of Supervisors By**

**JERRY T. MESSINGER  
County Auditor-Controller**

**Under the Direction of:  
Carol Pightling, CPA, Chief Accountant**



**COUNTY OF TULARE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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# INTRODUCTORY SECTION



# AUDITOR-CONTROLLER

221 South Mooney Blvd., Room 101-E • Visalia, Ca 93291-4593 • FAX (559) 730-2547



COUNTY OF TULARE

JERRY T. MESSINGER  
Auditor-Controller  
(559) 733-6345

VERNON McDONALD, CPA  
Assistant Auditor-Controller  
(559) 733-6345

November 30, 2005

The Honorable Board of Supervisors  
The County of Tulare  
Administration Building  
Visalia, California 93291-4582

Dear Board Members:

The comprehensive annual financial report for the County of Tulare for the year ended June 30, 2005, is hereby submitted in accordance with Section 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and changes in financial position of the various funds and component units of the County of Tulare. All disclosures necessary for an understanding of the County's financial activities have been included. Dollar amounts are expressed in thousands, unless otherwise noted.

The comprehensive annual financial report is presented in three sections: Introductory, Financial and Statistical. The Introductory section, which is unaudited, includes this letter of transmittal, an organizational chart, a list of the County of Tulare's principal elected and appointed officials and a reproduction of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The Financial section includes the unaudited opinion of our independent auditors, management's discussion and analysis, basic financial statements with accompanying notes, and the supplementary information consisting of the combining and individual fund financial statements and schedules. The Statistical section, which is unaudited, includes relevant financial and demographic information depicting the County's historical trends and other significant facts.

This comprehensive annual financial report has been prepared by the Department of the Auditor-Controller in accordance with generally accepted accounting principles (GAAP), as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) through November 30, 1989. Responsibility for the accuracy of the data, including all disclosures, rests with the County. To provide a reasonable basis for making these representations, management of the County of Tulare has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County of Tulare's financial

statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of Tulare's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the County as measured by the financial activity of the various funds, and that all disclosures necessary to enable the reader to gain a full understanding of the County's financial affairs have been included.

The financial reporting entity includes all of the funds of the County of Tulare, as well as its component units, including the Tulare County Redevelopment Agency, the Terra Bella Sewer Maintenance District, the Tulare County Flood Control District, the Tulare County Public Facilities Corporation, the Tulare County Public Financing Authority, the Tulare County In-Home Supportive Services Public Authority, and the First 5 Tulare County. Component units are legally separate entities for which the County is financially accountable.

The County provides a full range of services, including police and fire protection; health and sanitation services; social services; construction and maintenance of highways, streets and infrastructures; recreational activities and cultural events.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County of Tulare's MD&A can be found immediately following the report of the independent auditor.

## **GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK**

The County of Tulare is a general law county created by the State Legislature in 1852. The County is located in the San Joaquin Valley. The Sierra Nevada provides its eastern boundary line. The County ranks seventh among California counties in land area. The City of Visalia is the County seat with a population of approximately 107,550. The County has a population of approximately 409,871 residents with nearly 1.6 million acres under cultivation.

The County is the number one producer of dairy products in the United States, and is the nation's second highest-ranking county with regard to total agriculture and livestock production. The climate of the County is such that it produces outstanding citrus crops. Among these crops, oranges are the most prominent, with large acreage also devoted to lemons. Thousands of acres of grapes are high on the list for cash income. Table grapes grown here are shipped worldwide, while other grapes are processed for wine making and raisins. The County is also famous for its olives, walnuts, plums, peaches and nectarines, which account for hundreds of millions of dollars in farm income each year. California produces 95 percent of the nation's olives, one-half of which are grown and packaged in the County. The southern San Joaquin Valley has always been famous for premium long staple cotton, which accounts for more than \$98 million of the agricultural income within the County. The beef industry is also an important component of the County's economy, as are turkey and hog production. The County's geographical location presents easy access to markets around the world for all commodities produced.



## MAJOR INITIATIVES

**For the year.** The Board of Supervisors' commitment to effectively serving the residents of the County of Tulare is demonstrated by the following:

Continued the process of the comprehensive review of the County's General Plan.

Continued the restoration of the Visalia Library into a children's library.

Completed the \$11 million capital project for energy efficiency improvements to County facilities, which are expected to save approximately \$1 million in energy costs annually.

Changed the County's Workers' Compensation program from externally insured to self-insured and implemented preventative measures to further reduce costs. The first year's annual savings were \$2.5 million due to this conversion.

Initiated a comprehensive review of the County's benefit package provided to employees in order to identify opportunities for improvement. Salary and benefit negotiations were included in this review.

Initiated a review of all internal services provided by the County in order to increase efficiencies and determine if privatization is necessary.

Vigorously pursued grant programs to expand revenue base and increase services.

**For the Future.** The Board of Supervisors' continues to prioritize programs to effectively serve the needs of the residents of the County of Tulare, and the following projects are a demonstration of that commitment:

Finalize the process for a comprehensive update of the County's General Plan.

Complete a comprehensive review of the County's benefit package provided to employees in order to identify opportunities for improvement. The primary focus of the final portion of the review will be the health insurance options available to County employees.

Continue the review of all internal services provided by the County in order to increase efficiencies and determine if privatization is necessary.

Initiate a Countywide strategic business plan for the County.

Initiate an information technology assessment of the County's operation to efficiently update outdated information technology infrastructure.

## **FINANCIAL INFORMATION**

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse, and to ensure adequate accounting data are compiled to allow for the preparation of basic financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments of management.

As a recipient of federal, state and local financial assistance, the County is also responsible for maintaining an adequate internal control structure that will ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the County.

As part of the County's Single Audit, tests were made of the County's internal control structure and of its compliance with applicable laws and regulations, relating to federal awards. Although this testing was not sufficient to support an opinion on the County's internal control system or its compliance with laws and regulations related to non-major federal awards, the audit for the year ended June 30, 2005, disclosed no material internal control weaknesses or material violations of laws and regulations.

In addition, the County maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the general fund, special revenue funds, debt service funds, and capital projects funds are included in the annual appropriated budget. The legal level of budgetary control (that is, the level which cannot be exceeded without action by the Board of Supervisors) is the fund level, with the exception of the General Fund in which the legal level of control is the department level. The Administrative Officer may approve transfers of appropriations between expenditure appropriation classifications, within the same budget unit.

The County utilizes an automated accounting system (Advantage Financial) maintained on the County's mainframe computer. The system allows us to restrict each department's expenditures to the amount of the budgeted appropriation. Changes in budget appropriation must be approved by the Board as a transfer from contingency reserve, transfer from another budget unit, or as an appropriation of unanticipated or over realized revenue. Any unencumbered appropriation balances remaining at the end of the fiscal year automatically lapse except by approval of the County Administrative Officer (CAO). The fund balances along with projected revenues become available for appropriation in the following year.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

## **EMPLOYEES' RETIREMENT PLAN**

County employees' retirement is provided by the Tulare County Employees' Retirement Association (TCERA) which was established July 1, 1945, pursuant to the provisions of the County Employee Retirement Law of 1937. Substantially all employees are covered by this contributory plan. The Board of Retirement consists of nine people, four elected by employee members, both working and retired, four appointed by the Board of Supervisors and the County Treasurer. The Retirement Association is not considered a component unit of the County of Tulare because membership includes entities that are not part of the County.

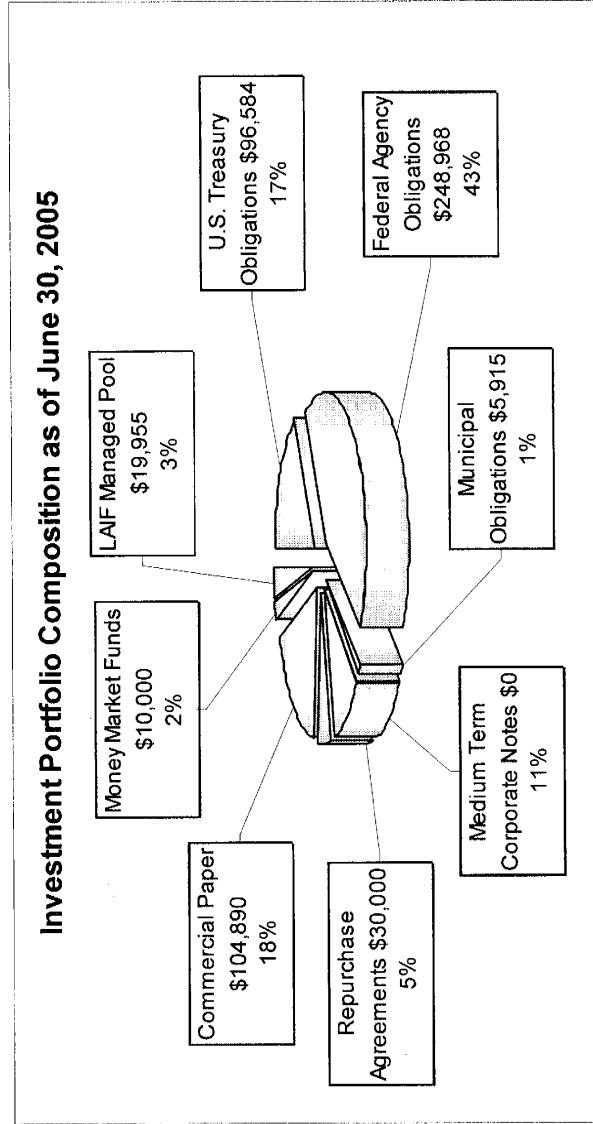
Contributions are made to the Employees' Retirement Association by both the County and members on amounts recommended by the TCERA's actuary. Five years of service is needed for a partial vested interest and ten years of membership and a minimum age of 50 is required for full vesting.

The Board of Supervisors adopted a two-tier retirement plan in 1980 and added a third tier in January 1990 pursuant to Internal Revenue Code Section 415. Employees covered under Tiers 2 and 3 will receive reduced retirement benefits compared to members of Tier 1. With the passage of time, this will represent a significant reduction in cost for the County. A complete financial report is available from the Retirement Association.

## CASH MANAGEMENT

The County investment policy's primary goal is the Safety and preservation of capital. The second goal is the continual maintenance of Liquidity (or always having the ability to convert sufficient securities to cash to cover the cash flow needs of the County and all its investing agencies and to meet any contingency needs). The third goal is Yield (or to earn a reasonable rate of return representative of current market conditions and the present phase of the market cycle, while remaining in compliance with all State laws and the Treasurer's formal investment policy).

Over 87% of the investments, held by the County during the fiscal year ended June 30, 2005, are classified in the category of lowest custodial credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were held in the County's name either by the counterparty financial institution's trust department or by a Securities and Exchange Commission-registered brokerage firm. The earned yield (net of treasurer's fees) for the County of Tulare for fiscal year June 30, 2005 was 3.04%.



## **RISK MANAGEMENT**

The County transitioned from a self-insured program in November 1993 to contracting with multiple HMO's (Health Maintenance Organizations) to provide medical coverage for County employees and retirees.

The County returned to a self-insured program in July 2004 for Workers' Compensation. All losses prior to July 1, 2004 remained the financial responsibility of AIG as insurer. The SIR Program includes Excess Insurance at \$1 million. Rates have been established based on claim cost needs and IBNR (Incurred but Not Reported) estimates with credit for anticipated loss cost benefits of SB 899 and more aggressive claim management practices. The County maintains full statutory coverage for Workers' Compensation under the Excess Insurance policy. As of June 30, 2005, the County's workers' compensation fund has set aside \$7,200.

The County remained self-insured for general liability in the fiscal year ended June 30, 2005 at the \$250 SIR effective on July 1, 2003. Excess limits were, again, renewed at \$25 million. As of June 30, 2005, the County's general liability fund has set aside \$4,845.

Aviation liability, including airport operations, and hull coverage (\$1 and \$10 deductible, respectively) is provided on a fully insured basis.

Other coverages for property and employee dishonesty are provided under pooled insurance programs. A deductible of \$10 is applicable for Property and \$25 for Crime Bond.

Medical Malpractice is an insured program with a deductible of \$10 and limits of liability of \$10 million.

## **INDEPENDENT AUDIT**

The financial records and transactions of the County and its blended component units for the fiscal year ended June 30, 2005, have been audited by M. Green and Company, L.L.P., a firm of certified public accountants, and their opinion is included in the Financial section of this report.

In addition, the County of Tulare is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to the single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal control and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

## **AWARDS**

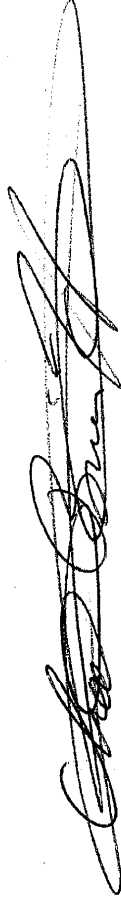
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Tulare for its comprehensive annual financial report for the fiscal year ended June 30, 2004. This was the ninth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

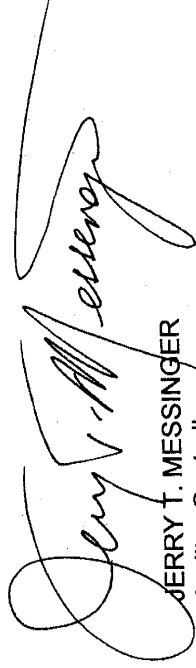
## ACKNOWLEDGMENT

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Auditor-Controller's Office, as well as the efforts and input of every department of the County, and to M. Green and Company for their professional assistance. Each participating member has our sincere appreciation for the contributions made in the preparation of this report. Finally, we would like to thank the Board for their continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully submitted,



C. BRIAN HADDIX  
County Administrative Officer



JERRY T. MESSINGER  
Auditor-Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Tulare,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Ziehl*

President

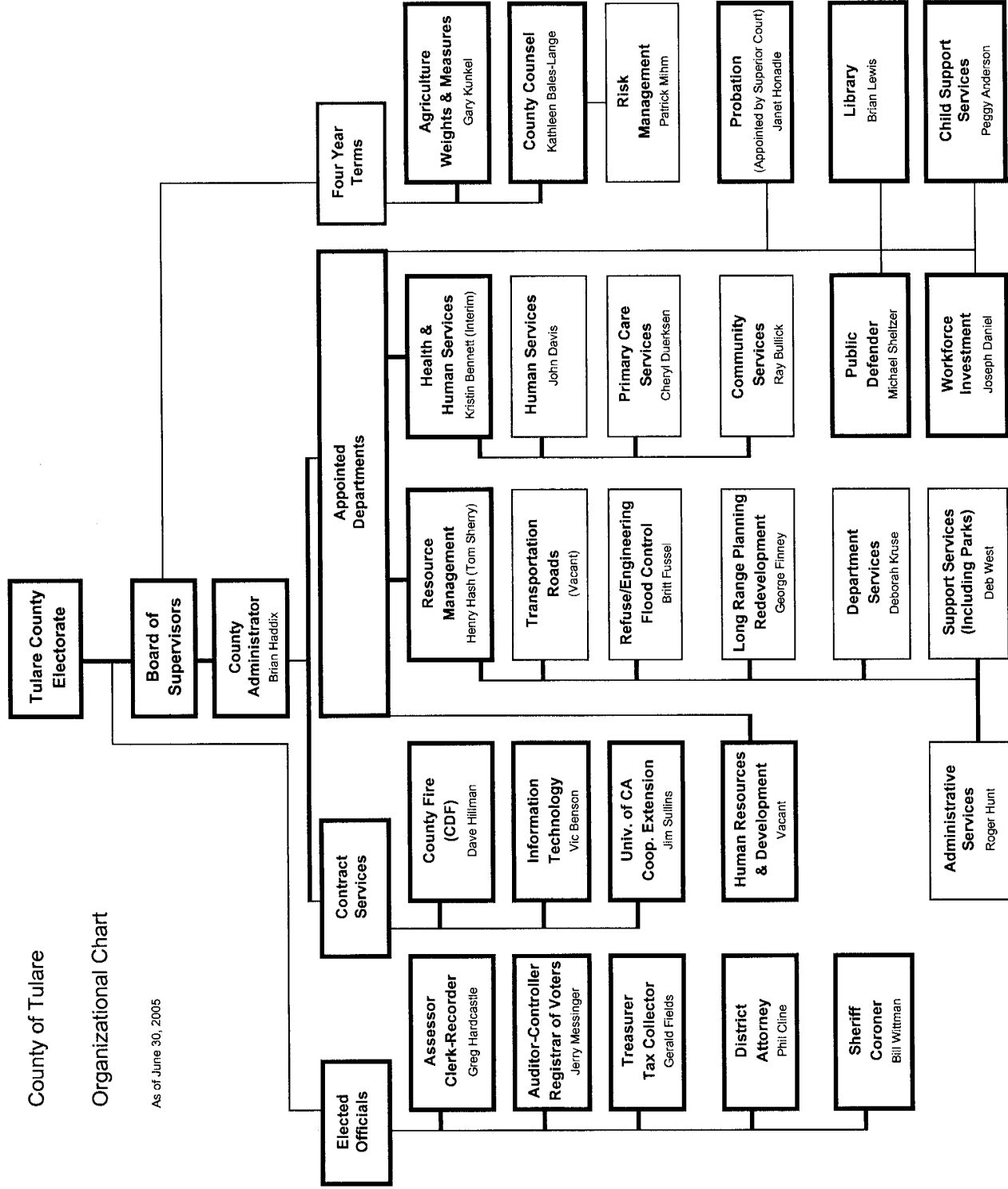
*Geffrey R. Egan*

Executive Director

# County of Tulare

## Organizational Chart

As of June 30, 2005



**COUNTY OF TULARE**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**JUNE 30, 2005**

<u>DEPARTMENT</u>	<u>OFFICIALS</u>	<u>POSITIONS</u>
Agricultural Commissioner	Gary Kunkel	57
* Assessor/Clerk-Recorder	Gregory B. Hardcastle	80
* Auditor-Controller Elections Purchasing	Jerry Messinger	39
Board of Supervisors		7
** District No. 1	Allen Ishida	
** District No. 2	Connie Conway, Chairperson	
** District No. 3	Phil Cox	
** District No. 4	J. Steven Worthley, Vice Chairman	
** District No. 5	James E. Maples	
Child Support Services	Peggy Anderson	269
Cooperative Extension	Jim Sullins	7
County Administrative Office	Brian Haddix	18
County Counsel Risk Management	Kathleen Bales-Lange	46
* District Attorney Public Administrator	Phillip J. Cline	178
Fire Protection Services	Dave Hillman	24

Footnote:

- Unmarked - Appointed
- \* Elective - County at Large
- \*\* Elective - By District



**COUNTY OF TULARE  
LIST OF ELECTED AND APPOINTED OFFICIALS  
JUNE 30, 2005**

<u>DEPARTMENT</u>	<u>OFFICIALS</u>	<u>POSITIONS</u>
Health & Human Services Agency	(Vacant)	2,119
Administrative Services		
Human Services		
Primary Care Services		
Community Services		
Human Resources & Development	(Vacant)	20
Library	Brian G. Lewis	31
Probation	Janet M. Honadle	302
Juvenile Detention Facility		
Probation Youth Facility		
Delinquency Prevention & Court Services		
Supervision Services		
Program Planning and Development		
Administrative Services		
Public Defender	Michael Sheltzer	69
Resource Management Agency	Henry Hash	444
Engineering Services		
Transportation Services		
Long Range Planning		
Support Services		
Administration		
* Sheriff-Coroner	Bill Wittman	662
* Treasurer-Tax Collector	O. Gerald Fields	19
Workforce Investment	Joseph H. Daniel	80
<b>TOTAL ALLOCATED POSITIONS</b>		<b>4,471</b>

Footnote:

- Unmarked - Appointed
- \* Elective - County at Large
- \*\* Elective - By District



# **FINANCIAL SECTION**





# M. Green and Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

LARRY W. AYERS, C.P.A.  
MARLA D. BORGES, C.P.A.  
KEVIN M. GREEN, C.P.A.  
WM. KENT JENSEN, C.P.A.  
KATHLEEN M. LAMPE, C.P.A.  
LYNN M. LAMPE, C.P.A.  
ALAN S. MOORE, C.P.A.  
JUSTIN MORALES, JR., C.P.A.  
KENNETH B. NUNES, C.P.A.  
GIUSEPPE SCALIA, C.P.A.  
KENNETH W. WHITE, JR., C.P.A.

REBECCA AGREDAÑO, C.P.A.  
LYNDA S. ANDERSON, C.P.A.  
DAVID A. BEKEDAM, C.P.A.  
DAWN M. PERKINS, C.P.A.  
ELAINE D. REULE, C.P.A.  
NANCY R. TUTSCHULTE, C.P.A.

ROBERT L. BANDY, C.P.A.  
*Consultant*  
JAMES G. DWYER, C.P.A.  
*Consultant*  
DONALD G. GORDON, C.P.A.  
*Consultant*  
MAURICE M. GREEN, C.P.A.  
*Consultant*  
JAMES R. JOHNSON, C.P.A.  
*Consultant*  
FOREST A. MCQUEEN, C.P.A.  
*Consultant*  
CHARLES L. SOUTHARD, C.P.A.  
*Consultant*  
KENT A. WOOLLEY, C.P.A.  
*Consultant*

*Tulare  
Visalia  
Hanford  
Dinuba*

## Independent Auditors' Report

### To the Board of Supervisors County of Tulare

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Tulare, California (the County), as of and for the fiscal year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of First 5 Tulare County, which represent 100 percent of the assets and revenues of the discretely presented component unit for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, in so far as it relates to the amounts included for First 5 Tulare County, is based solely on the report of the other auditors.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2005 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 15 through 28 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*M. Green and Company, LLP*

November 21, 2005  
Visalia, CA

## Management's Discussion and Analysis

As management of the County of Tulare, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Tulare for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

The assets of the County of Tulare exceeded its liabilities at the close of the most recent fiscal year by \$1,575,476 (*net assets*). Of this amount, \$60,345 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's total net assets, which may serve as a useful indicator of financial position, decreased by \$9,673, exclusive of the effects of the addition of infrastructure assets for the first time. (See Note III. C.).

As of the close of the current fiscal year, the County of Tulare governmental funds reported combined ending fund balances of \$123,754, an increase of \$4,981 in comparison with the prior year. Approximately \$27,734 is available for spending at the government's discretion (*unreserved fund balance*).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$15,147 or 3.5% of total general fund expenditures.

The County of Tulare's total debt decreased by \$10,317 (6.5%) during the current fiscal year.

### Overview of Financial Statements

The Comprehensive Annual Financial Report for the County of Tulare consists of three parts - *management's discussion and analysis* (this section), the *basic financial statements*, and an optional section that presents *combining statements and schedules* for nonmajor governmental funds, nonmajor enterprise funds, and internal service funds. This discussion and analysis is intended to serve as an introduction to the County of Tulare's basic financial statements. The County of Tulare's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The two types of financial statements are designed to present two different views of the County.

**Government-wide financial statements.** The *government-wide financial statements* provide readers with a broad overview of both long-term and short-term information about the County of Tulare's overall financial status in a manner similar to a private-sector business. The two government-wide statements report the County's *net assets* and how they have changed. Net assets are one way to measure the County's financial health or position.

The government-wide financial statements of the County are divided into two categories:

*Governmental activities* - most of the County's basic services are included here, such as fire, public works and general administration, which receive approximately 82.5% of their support from charges for services and operating grants and contributions. Property taxes, sales taxes, and other revenues covered the remaining costs.

*Business-type activities* - charge fees to users which are intended to recover all or a significant portion of their costs for certain services, such as water and sewer services and solid waste disposal. In fiscal year ended June 30, 2005, 81.3% of costs were recovered through fees to users. Property taxes, operating grants, and investment income covered the remaining costs.

The *statement of net assets* presents information on all of the County of Tulare's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of the improvement in the financial position of the County of Tulare.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that are the result of cash flows in prior fiscal periods (e.g., prepayment of retirement contributions) or will result in cash flows in future fiscal periods (e.g., earned-but-unused vacation leave).

The government-wide financial statements include not only the County of Tulare itself (known as the *primary government*), but also seven legally separate organizations for which the elected officials of the County are financially accountable. Financial information for six of these *blended component units* is combined with the financial information presented for the primary government itself. First 5 Tulare County is a *discretely presented component unit*.

The government-wide financial statements can be found in the Basic Financial Statements section following the Management's Discussion and Analysis.

**Fund financial statements.** A *fund* is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Tulare, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The *fund financial statements* focus on individual parts of the County government. All of the funds of the County of Tulare can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available for future spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County of Tulare's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County of Tulare maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Tulare County Public Facilities Corporation, and the Tulare County Public Financing Authority, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County of Tulare adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. Similar comparisons for all nonmajor governmental funds are provided in the form of *budget and actual schedules* elsewhere in this report.



The basic governmental fund financial statements can be found following the Government-wide Financial Statements in the Basic Financial Statements section of this report.

**Proprietary funds.** The County of Tulare maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County of Tulare uses enterprise funds to account for its Solid Waste, Transit, and many sewer and water operations. *Internal service funds* are used to accumulate and allocate costs internally. The County of Tulare uses internal service funds to account for its central services, such as mailroom, print shop, and motorpool, and for insurance coverages. They have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Solid Waste, which is a major fund of the County of Tulare. Data for all nonmajor enterprise funds are combined into a single, aggregated presentation. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements, as well. Individual fund data for the nonmajor enterprise funds and the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found in the Fund Financial Statements section of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They provide information about financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County of Tulare's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in the Fund Financial Statements section of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the Fund Financial Statements in this report.

**Other information.** The combining statements and schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and capital assets used in the operation of governmental funds are presented immediately following the Notes to the Financial Statements.

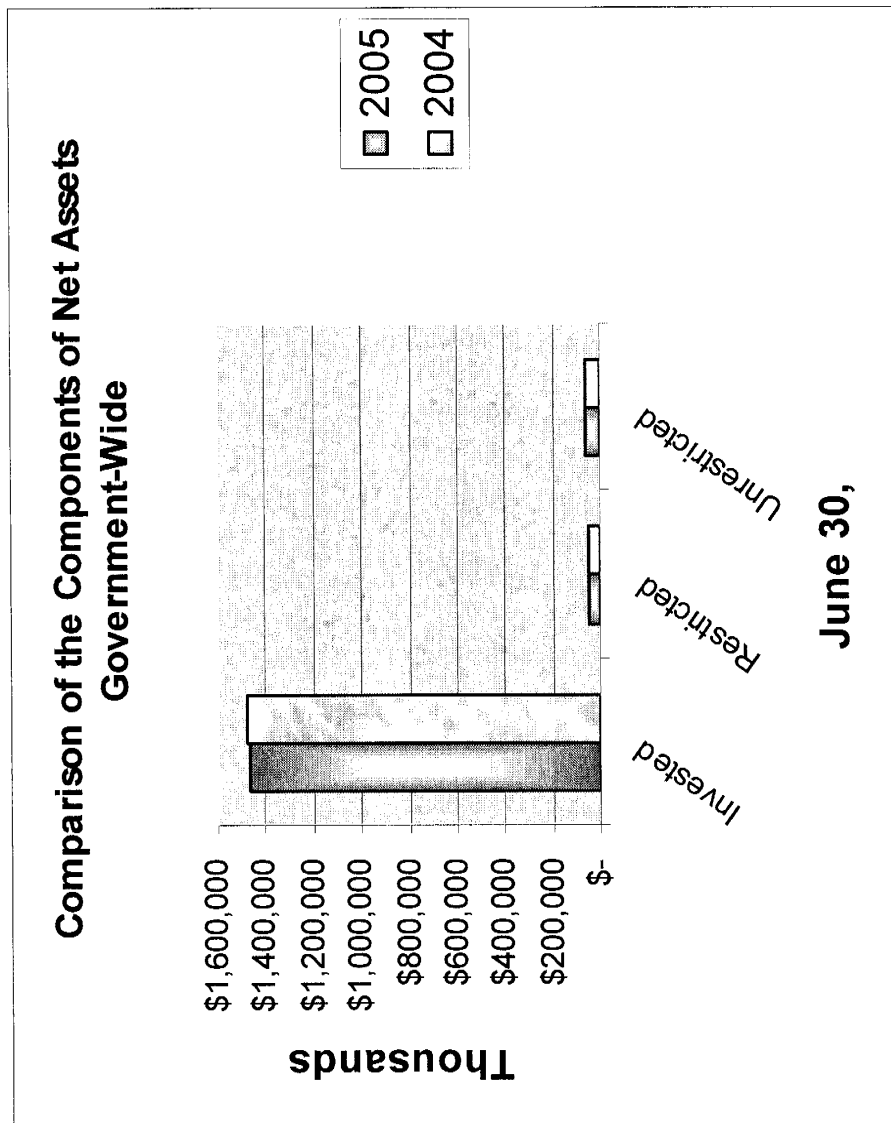
### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Tulare, assets exceeded liabilities by \$1,575,476 at the close of the most recent fiscal year.

A portion (\$1,470,075) of the County of Tulare's net assets (93.3%) for the current year reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and vehicles), less any related, outstanding debt used to acquire those assets. The County of Tulare uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County of Tulare'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.

An additional portion of the County of Tulare's net assets (\$45,056) represents resources that are subject to external restrictions on how they may be used (*restricted net assets*). The remaining balance of *unrestricted net assets* (\$60,345) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County of Tulare is able to report positive balances in all three categories of net assets for the County as a whole, as well as for its separate governmental and business-type activities.



Key elements of the County of Tulare's calculation of net assets for both governmental activities and business-type activities for fiscal years ended June 30, 2004 and 2005 are as follows:

County of Tulare's Net Assets (amounts expressed in thousands)					
As of June 30,	Governmental Activities		Business-type Activities		Total
	2005	2004	2005	2004	
Current and other assets	\$ 308,016	\$ 264,500	\$ 58,845	\$ 54,680	\$ 366,861
Capital assets	1,523,420	1,542,348 *	21,602	21,014	1,545,022
Total assets	1,831,436	1,806,848	80,447	75,694	1,911,883
Long-term liabilities outstanding	158,179	159,962	41,866	40,379	200,045
Other liabilities	147,682	111,751	(11,320)	(14,699)	136,362
Total liabilities	305,861	271,713	30,546	25,680	336,407
Net assets:					
Invested in capital assets, net of related debt	1,450,065	1,461,647 *	20,010	19,396	1,470,075
Restricted	40,051	41,803	5,005	5,005	45,056
Unrestricted	35,459	31,685	24,886	25,613	60,345
Total net assets	\$ 1,525,575	\$ 1,535,135 *	\$ 49,901	\$ 50,014	\$1,575,476
					\$1,585,149 *

\*Governmental balances have been restated to include Infrastructure Inventory as of June 30, 2004.

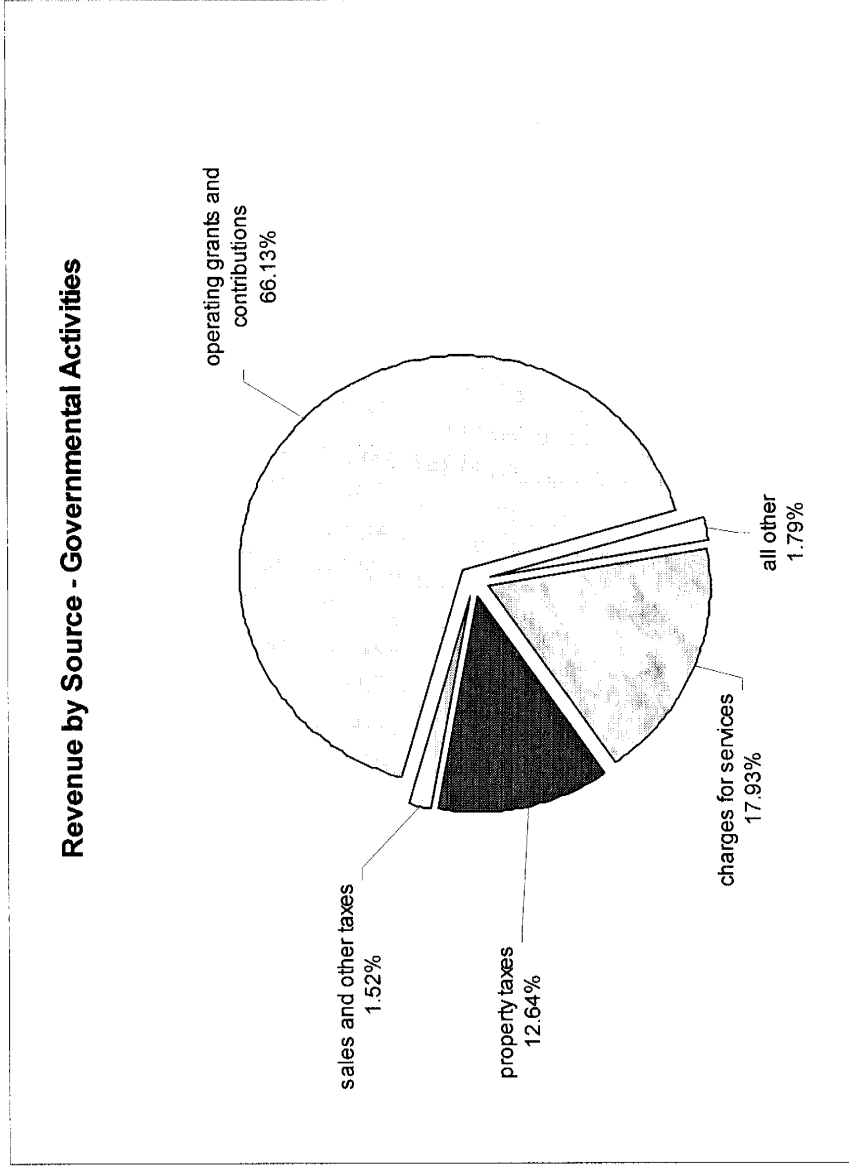
**County of Tulare's Changes in Net Assets**  
(amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total	
For the fiscal year ended June 30,	2005	2004	2005	2004	2005	2004
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 94,684	\$ 90,627	\$ 9,723	\$ 9,509	\$ 104,407	\$ 100,136
Operating grants and contributions	349,248	322,329	373	40	349,621	322,369
General revenues:						
Property taxes	66,738	40,342	-	-	66,738	40,342
Other taxes	8,032	7,632	855	658	8,887	8,290
Grants and contributions not restricted to specific programs	-	33,611	-	-	-	33,611
Other	9,441	14,193	1,555	534	10,996	14,727
Total revenues	<u>528,143</u>	<u>508,734</u>	<u>12,506</u>	<u>10,741</u>	<u>540,649</u>	<u>519,475</u>
<b>Expenses:</b>						
General government	25,312	32,816	-	-	25,312	32,816
Public protection	148,459	145,513	-	-	148,459	145,513
Public ways and facilities	35,404	19,411	-	-	35,404	19,411
Health and sanitation	99,669	86,955	-	-	99,669	86,955
Public assistance	215,275	202,481	-	-	215,275	202,481
Education	3,384	3,356	-	-	3,384	3,356
Culture and recreation	1,631	1,949	-	-	1,631	1,949
Unallocated depreciation	589	589	-	-	589	589
Unallocated interest expense	8,642	8,220	-	-	8,642	8,220
Solid Waste	-	-	10,249	12,967	10,249	12,967
Other business-type activities	-	-	1,708	1,839	1,708	1,839
Total expenses	<u>538,365</u>	<u>501,290</u>	<u>11,957</u>	<u>14,806</u>	<u>550,322</u>	<u>516,096</u>
Change in net assets before transfers	<u>(10,222)</u>	<u>7,444</u>	<u>549</u>	<u>(4,065)</u>	<u>(9,673)</u>	<u>3,379</u>
Transfers	662	892	(662)	(892)	-	-
Change in net assets	<u>(9,560)</u>	<u>8,336</u>	<u>(113)</u>	<u>(4,957)</u>	<u>(9,673)</u>	<u>3,379</u>
Net assets - July 1	1,535,135	1,526,799	50,014	54,971	1,585,149	1,581,770 *
Net assets - June 30	<u>\$ 1,525,575</u>	<u>\$ 1,535,135</u>	<u>\$ 49,901</u>	<u>\$ 50,014</u>	<u>\$ 1,575,476</u>	<u>\$ 1,585,149</u>

\* Governmental net assets at June 30, 2004 have been restated to include infrastructure inventory. See Note III C.

The County of Tulare's overall net assets decreased by \$9,673 during the current fiscal year. The increase in depreciation expense (\$20,473) due to the addition of infrastructure assets to the government-wide statements is, perhaps, the largest contributing factor to the \$13,052 decrease from the prior year improvement in overall net assets of \$3,379.

**Governmental activities.** Governmental activities decreased the County of Tulare's current year net assets by (\$9,560), which accounts for 98.8% of the County's overall change in net assets. Key elements of revenues in governmental activities for the fiscal year ended June 30, 2005 are as follows:

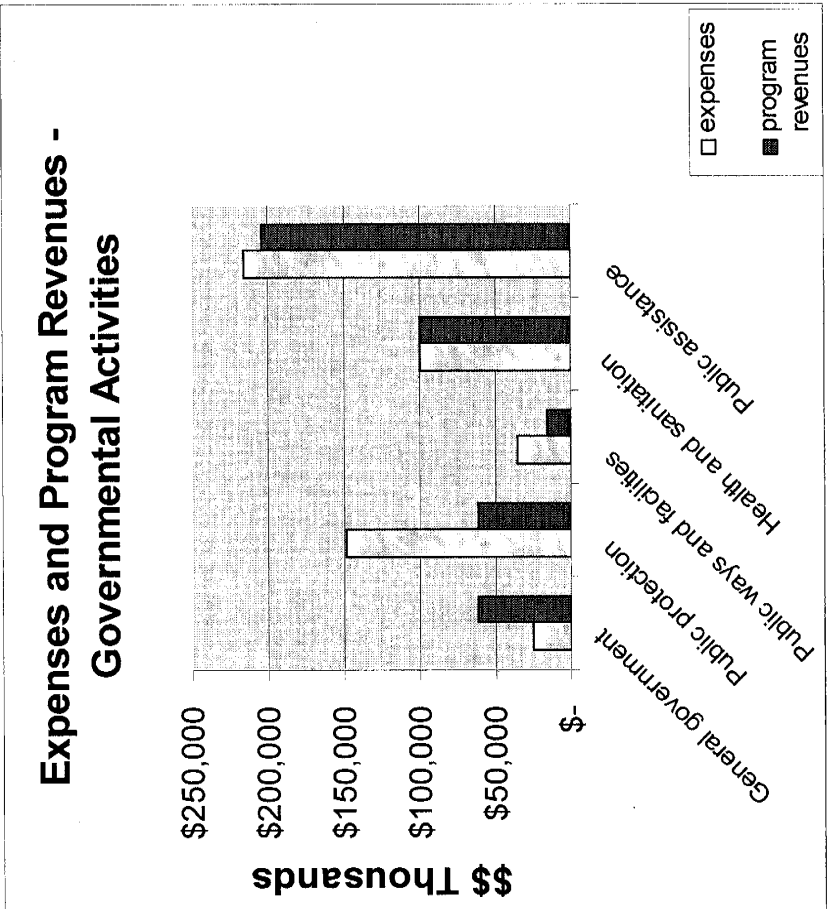


Total revenues for governmental activities increased by \$19,409. Local charges for services showed a \$4,057 (4.5%) increase over the prior year (largely due to rate increases), operating grants and contributions for governmental activities increased by \$26,919 or 8.4%, while property taxes and other grants increased by 6.8% or \$4,752. On the other hand, tobacco settlement revenues declined as did miscellaneous revenues (which were the result in the prior year, of the sale of a \$5,321 receivable).

At the same time, governmental activities showed an increase of \$37,035 (7.4%) in overall expenses. Approximately 55.3% of the increase relates to the depreciation of infrastructure assets in the Public Ways and Facilities function. Depreciation expense for infrastructure assets had not previously been reported in the Comprehensive Annual Financial Report for the County of Tulare. The remaining increase in overall expenses represents a modest growth of 3.3%.

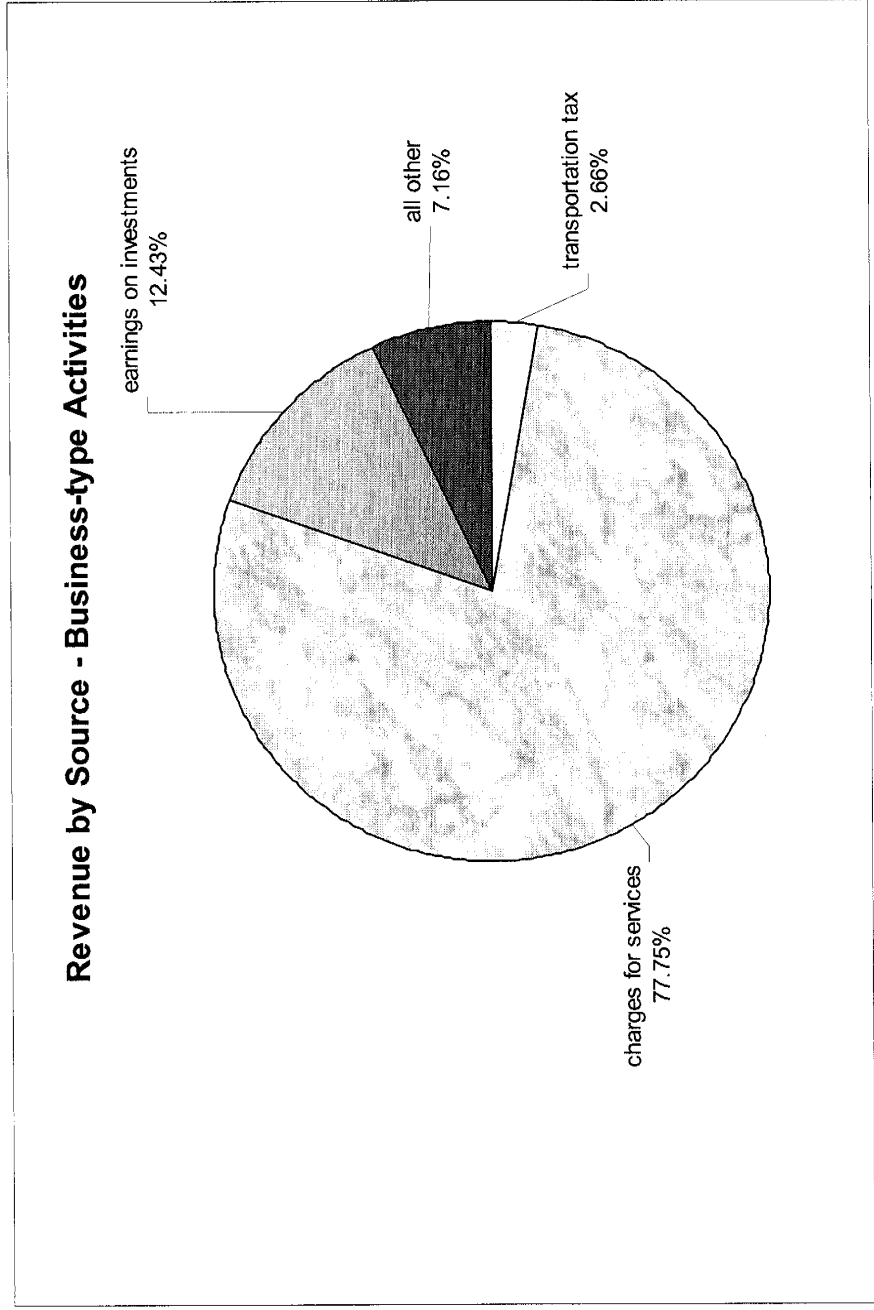
Whereas most governmental activities have program revenues sufficient to fund all or most of the program expenses, public protection program revenues cover less than half (41.8%) of program costs. Therefore, virtually 100% of general revenues are used for public protection.

A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2005 is as follows:



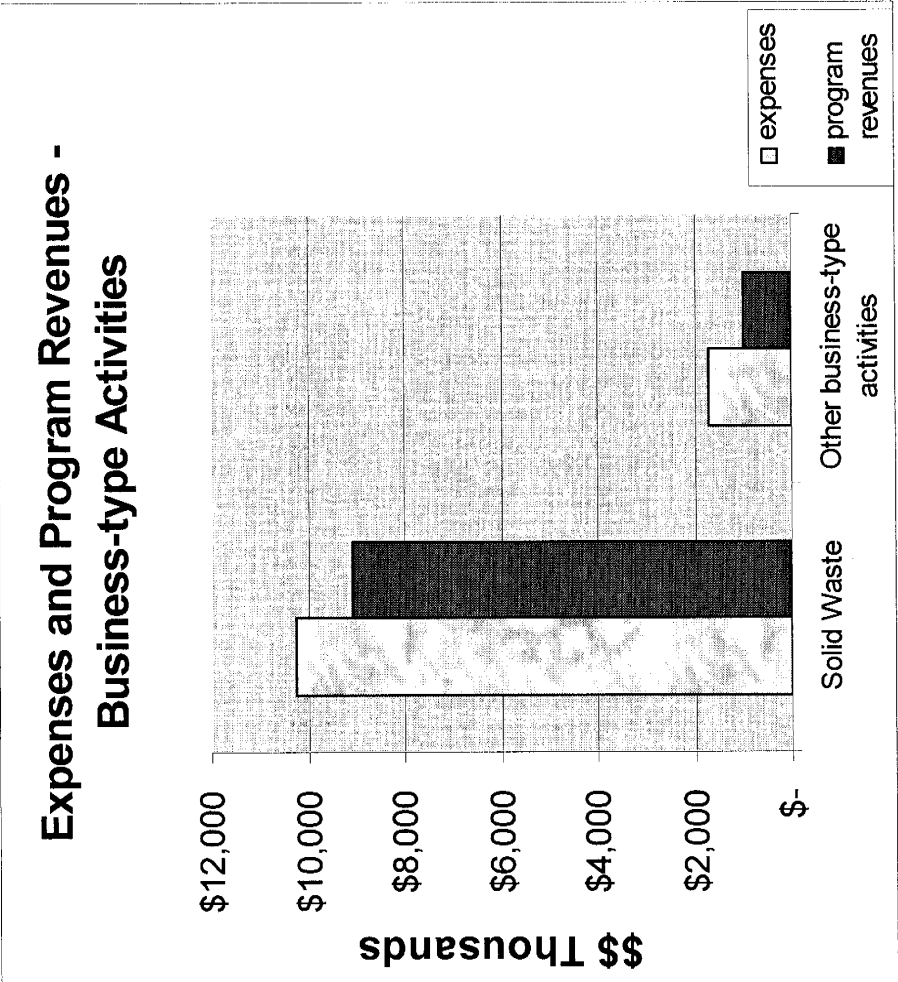
**Business-type activities.** Business-type activities decreased the County of Tulare's net assets by \$113. Key elements of the current changes are as follows:

Total revenues for business-type activities increased by \$1,756 (16.4%) over the prior period. Although fees for services remained stable, revenues from investment earnings increased \$1,052. Key elements of revenues in business-type activities for the fiscal year ended June 30, 2005 are as follows:



Business-type activities showed a decrease of \$2,849 (19.2%) in overall expenses. A decrease of \$2,718 in Solid Waste expenses makes up approximately 95.4% of the overall decrease. After a spike in current landfill closure and postclosure costs in the prior year (resulting from the closure of

two landfill sites), the annual cost in the current year is more consistent with prior periods. A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2005 is as follows:





## Financial Analysis of the County's Funds

As noted earlier, the County of Tulare uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the County of Tulare's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County of Tulare's financial requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County of Tulare's governmental funds reported combined ending fund balances of \$123,754, an increase of \$4,981 over the prior year. Approximately 22.4% of this total amount, or \$27,734, constitutes *unreserved fund balance*, which is available for spending at the County of Tulare's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for future debt service payments (\$61,422); 2) for toxic cleanup at Harmon Field airstrip per contract with the California Environmental Protection Agency (\$5,000); 3) for future collections on long-term notes receivable (\$15,430); 4) for future collections of delinquent property taxes (\$12,002); or 5) for a variety of other restricted purposes (\$2,166).

The general fund is the chief operating fund of the County of Tulare. At the end of the current fiscal year, unreserved fund balance of the general fund was \$15,147, while total fund balance reached \$42,447. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 3.5% of total general fund expenditures, while total fund balance represents 9.8 % of that same amount.

The fund balance of the County of Tulare's general fund increased by \$6,293 during the current fiscal year. The prior fiscal year resulted in a decrease of \$1,025 by comparison. Key factors of this trend are as follows:

Total revenues of the general fund increased by \$36,891 or 9.5%. Although there were only slight increases in most revenue sources, taxes and assessments increased \$28,331. In the State of California, the State exchanged revenues delivered to the County. The amount of intergovernmental revenues related to Vehicle License Fees was reduced (in County of Tulare by approximately \$25,000), but Property Taxes retained by the County were increased by a like amount. What this means, is that the biggest increase in revenues in the general fund was due to increased Intergovernmental revenues (other than VLF) received from the State of California, predominantly in the areas of Health and Public Assistance.

Spending increased \$24,456 (6%). Contributing factors include a 14.3% increase in Health spending and a 5.4% increase in spending in Public Assistance programs. This coincides with the increased support from the State of California in the same areas.

Two major blended component units of the County of Tulare are the Tulare County Public Facilities Corporation (TCPFC) and the Tulare County Public Financing Authority (TCPFA), which were established to assist with past and future acquisition and maintenance of County structures. Since both of these blended components are related to capital assets and the financing thereof, the *total fund balances* of both TCPFC (\$8,910) and TCPFA (\$51,670) are restricted for future servicing of debt.

**Proprietary funds.** The County of Tulare's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

*Total net assets* of all proprietary funds were \$53,999, with \$49,901 of that in enterprise funds and 86.2% (\$43,001) of the enterprise funds in Solid Waste. *Unrestricted net assets* of Solid Waste at the end of the fiscal year amounted to \$23,785, and the total reduction in net assets for Solid Waste was \$305. Other factors concerning the finances of this fund have already been addressed in the discussion of the County of Tulare's business-type activities.

## General Fund Budgetary Highlights

The Board of Supervisors of the County of Tulare made several supplemental budgetary expenditure appropriations totaling \$14,116 (3.1 %) in the general fund appropriations throughout the fiscal year. Approximately 75.2% of the increased appropriations are directly related to the previously mentioned increased funding from the State of California.

For the current fiscal year, \$8,166 was budgeted from beginning available fund balance. Actual revenues realized fell \$9,107 short of budgetary estimates, especially that to be received as aid from Federal sources. Expenditures for the current fiscal year fell \$30,879 below budgetary estimates as well. As a consequence, the actual deficiency of revenues over expenditures was only about 22.3% of that budgeted.

## Capital Asset and Debt Administration

**Capital assets.** The County of Tulare's investment in capital assets for its governmental and business-type activities at current year-end amounts to \$1,545,022 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, and some construction in progress.

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

County of Tulare's Capital Assets (net of depreciation)						
As of June 30,	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 959,051	\$ 958,374 *	\$ 6,728	\$ 6,728	\$ 965,779	\$ 965,102
Infrastructure	412,235	432,047 *	-	-	412,235	432,047
Buildings and improvements	130,162	122,449	11,902	12,058	142,064	134,507
Equipment and vehicles	14,038	14,519	2,953	2,228	16,991	16,747
Construction in progress	1,254	10,562	19	-	1,273	10,562
Infrastructure in progress	6,680	4,397 *	-	-	6,680	4,397
Total	\$ 1,523,420	\$ 1,542,348	\$ 21,602	\$ 21,014	\$ 1,545,022	\$ 1,563,362

\* Prior year balances have been restated to include Infrastructure Inventory as of June 30, 2004. See Note III C.

1. The adult pre-trial facility was opened to house Federal prisoners.
2. The energy management project was completed at a total expense of \$10,920. This will result in material savings on energy costs for many years to come.

Additional information on the County of Tulare's capital assets can be found in Note IV E. of this report.

**Long-term debt.** At the end of the current fiscal year, the County of Tulare had total outstanding debt of \$149,600. Of this amount, almost 39.1% (\$58,454) comprises debt for Certificates of Participation (COP's) issued by the Tulare County Public Facilities Corporation for the acquisition or construction of major capital facilities. Approximately 21.0% of the outstanding debt of the County of Tulare (\$31,355) represents Pension Obligation Bonds used to pay a previously unfunded actuarial accrued liability. Another 28.9% (\$43,308) is the outstanding balance of Variable Rate Demand Bonds issued by the Tulare County Public Financing Authority to provide financing of future acquisition and construction of major capital facilities. The remaining balance is for several capital leases and loans used for new equipment and vehicles (i.e., patrol vehicles for the Sheriff's department, and fire engines) used in the general operations of the County of Tulare.

County of Tulare's Outstanding Debt					
As of June 30,	Governmental Activities		Business-type Activities		Total
	2005	2004	2005	2004	
Loans	\$ 16,352	\$ 17,281	\$ -	\$ -	\$ 16,352 \$ 17,281
Capital leases	133	287	-	-	133 287
Variable rate demand bonds	43,300	43,800	8	8	43,308 43,808
Pension obligation bonds	31,355	33,800	-	-	31,355 33,800
Certificates of Participation	56,870	63,133	1,584	1,610	58,454 64,743
Totals	\$ 148,010	\$ 158,301	\$ 1,592	\$ 1,618	\$ 149,602 \$ 159,919

The overall decrease of current fiscal year outstanding debt of the County of Tulare over the prior fiscal year is \$10,319 (6.45%). The largest reductions occurred with payments of \$6,289 against the COP's and \$2,706 paid on equipment and vehicle loans. The County borrowed \$1,776 for additional vehicle purchases during the current year.

The County of Tulare maintains long-term credit ratings of "Aaa" and "AAA" from Moody's Investors Service and Fitch IBCA, Inc., respectively

Constitutional Amendment XIII A, passed by vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1% of full cash value. Thus, the legal debt margin (\$260,486) is 1.25% of assessed valuation (\$20,838,859). As of June 30, 2005, the County had no tax supported general obligation bonded debt outstanding.

Additional information on the County of Tulare's long-term debt can be found in Note IV. J. of this report.

## **Economic Factors and Next Year's Budgets**

The economy in the County of Tulare experienced strong growth in Fiscal Year 2004-2005 as a result of the unprecedented escalation of the housing market and its affect on related industries such as construction and personal services. The County's assessed value grew by 9%, marking the fourth consecutive year of over 5% growth. Although still saddled with the sixth highest unemployment rate for counties in the State, Tulare County's unemployment rate at year end improved significantly from 14.9% to 9.0% outpacing the percentage growth of the State. This translated into increased motor vehicle fees, sales, and property taxes.

On the State budgetary front, the State adopted its budget on July 11, 2005, marking the earliest budget adoption in five years. The two most significant aspects of the budget to the County was the early payback of the motor vehicle in lieu gap loan (for County of Tulare approximately \$7,922) and the initiation of Proposition 42 transportation related funding for the first time. Crossing over fiscal years 2002/2003 and 2003/2004, the State reduced its subvention for motor vehicle in lieu fees to counties and cities statewide and promised to pay back this amount in August 2006.

The County is in the second and last year of the State's reduction of secured property taxes (otherwise known as ERAF III) resulting from last year's State budget. Included in last year's State budget was an annual statewide reduction of \$1.3 billion in property tax revenues for fiscal years 2004/2005 and 2005/2006. For Tulare County, these actions reduce General County Revenues by \$3.8 million, or just under 4% for each year.

All of these factors were considered in preparing the County of Tulare's budget for the 2005-06 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund is \$15,147. The County of Tulare has appropriated \$13,610 of this amount for spending in the 2005/2006 fiscal year budget.

## **Requests for Information**

This financial report is designed to provide a general overview of the County of Tulare's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tulare County Auditor-Controller's Office, 221 S. Mooney Blvd., Suite 101-E, Visalia, CA 93291.

The Comprehensive Annual Financial Report of the County of Tulare for the fiscal year ended June 30, 2005 can also be found at the County's website [www.co.tulare.ca.us/government/financial\\_services/auditor/firrpt](http://www.co.tulare.ca.us/government/financial_services/auditor/firrpt).

# **BASIC FINANCIAL STATEMENTS**

## **Government-wide Financial Statements**





County of Tulare  
Statement of Net Assets  
June 30, 2005  
(amounts expressed in thousands)

	Primary Government			Component Unit	
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County	
<b>Assets:</b>					
Current assets:					
Cash in banks	\$ 1,333	\$ 261	\$ 1,594		\$ 62
Investment in treasury pool	94,796	7,896	102,692		17,852
Investments	41,985	-	41,985		-
Imprest cash	331	2	333		-
Accounts receivables, net	2,369	843	3,212		1,179
Taxes receivable	11,837	-	11,837		-
Interest receivable	18	-	18		-
Deposits with others	521	50	571		4
Due from other governments	48,797	-	48,797		-
Inventories	279	-	279		-
Pension assets	32,382	-	32,382		-
Prepaid items	2,068	-	2,068		470
Advances to agency funds	40	-	40		-
Lease payments receivable, net of interest	107	-	107		-
Notes Receivable	109	5,320	5,429		-
Total current assets	236,972	14,372	251,344		19,567
Noncurrent assets:					
Lease payments receivable, net of interest	1,503	-	1,503		-
Notes receivable	15,321	-	15,321		-
Advances to Agency funds	550	-	550		-
Restricted assets - noncurrent	53,670	44,473	98,143		-
Capital assets:					
Land and other assets not being depreciated	966,985	6,747	973,732		-
Buildings , equipment, and infrastructure, net	556,435	14,855	571,290		-
Total capital assets, net	1,523,420	21,602	1,545,022		-
Total noncurrent assets	1,594,464	66,075	1,660,539		-
Total assets	1,831,436	80,447	1,911,883		19,567



Liabilities:				
Current liabilities:				
Accounts payable	31,038	388	31,426	977
Due to other governments	8,758	94	8,852	-
Internal balances	12,068	(12,068)	-	-
Deposits from others	654	2	656	-
Salaries and benefits payable	10,989	207	11,196	25
Interest payable	2,390	15	2,405	-
Unearned revenue	34,732	-	34,732	-
Tax Revenue Anticipation note	30,000	-	30,000	-
Liability claims payable	3,812	-	3,812	-
Compensated absences	732	15	747	-
Leases payable	97	-	97	-
Loans payable	2,482	-	2,482	-
Bonds payable	3,360	-	3,360	-
COPs payable	6,570	27	6,597	-
Total current liabilities	<u>147,682</u>	<u>(11,320)</u>	<u>136,362</u>	<u>1,002</u>
Noncurrent liabilities:				
Liability claims payable	8,233	-	8,233	-
Compensated absences	14,445	283	14,728	-
Advances from Agency funds	-	550	550	-
Closure/postclosure costs payable	-	39,468	39,468	-
Leases payable	36	-	36	-
Loans payable	13,870	-	13,870	-
Bonds payable	71,295	8	71,303	-
COPs payable	50,300	1,557	51,857	-
Total noncurrent liabilities	<u>158,179</u>	<u>41,866</u>	<u>200,045</u>	<u>-</u>
Total liabilities	<u>305,861</u>	<u>30,546</u>	<u>336,407</u>	<u>1,002</u>
Net assets:				
Invested in capital assets, net of related debt	1,450,065	20,010	1,470,075	-
Restricted for:				
Capital projects	9,696	-	9,696	-
Debt service	19,542	-	19,542	-
Roads projects	1,340	-	1,340	-
Redevelopment	6,677	-	6,677	-
Other purposes	2,796	5,005	7,801	-
Unrestricted	35,459	24,886	60,345	18,565
Total net assets	<u>\$ 1,525,575</u>	<u>\$ 49,901</u>	<u>\$ 1,575,476</u>	<u>\$ 18,565</u>

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



# **BASIC FINANCIAL STATEMENTS**

## **Fund Financial Statements**



County of Tulare  
Balance Sheet  
Governmental Funds  
June 30, 2005  
(amounts expressed in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash in banks	\$ 1,333	\$ -	\$ -	\$ -	\$ 1,333
Investment in treasury pool	54,946	67	-	23,316	78,329
Investments	30,085	8,894	3,000	6	41,985
Imprest cash	79	-	-	2	81
Receivables (net where applicable of allowances for uncollectibles):					
Accounts	201	-	-	2,098	2,299
Interest	18	-	-	-	18
Taxes	11,837	-	-	-	11,837
Deposits with others	-	-	-	521	521
Due from other County funds	1,057	-	-	729	1,786
Due from other governments	45,818	-	-	2,979	48,797
Inventories	-	-	-	279	279
Prepaid items	1,258	-	-	810	2,068
Advances to other County funds	325	-	-	-	325
Advances to Agency funds	550	-	-	40	590
Lease payments receivable, net of interest	-	-	-	1,610	1,610
Notes receivable	14,180	-	-	1,270	15,430
Restricted assets	-	-	48,670	5,000	53,670
Total assets	\$ 161,667	\$ 8,961	\$ 51,670	\$ 38,660	\$ 260,958
<b>Liabilities:</b>					
Accounts payable	\$ 23,509	\$ -	\$ -	\$ 6,181	\$ 29,690
Due to other County funds	12,861	-	-	899	13,760
Due to other governments	8,798	-	-	-	8,798
Due to others	563	-	-	-	563
Deposits from others	40	51	-	-	91
Salaries and benefits payable	9,547	-	-	1,211	10,758
Deferred revenue	33,942	-	-	9,317	43,259
Advances from other County funds	-	-	-	325	325
Tax revenue anticipation notes payable	30,000	-	-	-	30,000
Total liabilities	119,220	51	-	17,933	137,204
<b>Fund balances:</b>					
Reserved for imprest cash	79	-	-	2	81
Reserved for inventories	-	-	-	279	279
Reserved for prepaid items	81	-	-	810	891
Reserved for advances to other funds	875	-	-	40	915
Reserved for taxes receivable	10,101	-	-	-	10,101
Reserved for notes receivable	14,160	-	-	1,270	15,430
Reserved for Harmon Field Cleanup	-	-	-	5,000	5,000
Reserved for debt service	103	8,910	51,670	739	61,422
Reserved for property tax delinquencies	1,901	-	-	-	1,901
Unreserved	15,147	-	-	-	15,147
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	7,891	7,891
Capital projects funds	-	-	-	4,696	4,696
Total fund balances	42,447	8,910	51,670	20,727	123,754
Total liabilities and fund balances	\$ 161,667	\$ 8,961	\$ 51,670	\$ 38,660	\$ 260,958

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

County of Tulare  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
June 30, 2005  
(amounts expressed in thousands)

Total fund balances for governmental funds (Exhibit 3) \$ 123,754

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Those assets, including those reported in Internal Service Funds, consist of:

Land	\$	959,051
Buildings and improvements, net of \$44,453 accumulated depreciation		130,162
Equipment and vehicles, net of \$30,928 accumulated depreciation		14,038
Infrastructure, net of \$222,839 accumulated depreciation		412,235
Construction / projects in progress		1,254
Infrastructure in progress		6,680
Total capital assets		1,523,420

The future revenue resulting from a direct financing lease between the County (as lessor) and the City of Dinuba for the Courthouse/Police Station is categorized as deferred for the fund statements, but is recognized for the government-wide statements.

2,789

The future revenue resulting from the delay in reimbursements from the State for mandated programs (SB-90) is categorized as deferred for fund statements because the funds will not be available for more than one year.

2,518

Tobacco Settlement revenue and delinquent property tax penalties are categorized as deferred for fund statements because the revenues will not be available to liquidate liabilities of the current period. However, the revenue is recognized for the government-wide statements.

3,220

Long-term liabilities applicable to the County's governmental funds are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net assets. Balances, including those reported in Internal Service Funds, at June 30 are:

Accrued interest on debt	\$	(2,390)
Capital leases payable		(133)
Loans payable		(16,352)
Bonds payable		(74,655)
COP's payable		(56,870)
General liability claims payable		(12,045)
Compensated absences		(15,177)
Total long-term liabilities		(177,622)

The pension assets resulting from contributions in excess of the Annual Required Contribution in FYE June 30, 1997 are not financial resources and therefore are not reported in the funds.

32,382

Internal service funds (See Exhibit 6) are used by the County to charge the costs of various central services to individual funds. The assets (except capital assets included above) and liabilities (except long term liabilities included above) of the internal service funds are included in governmental activities in the statement of net assets.

15,114

Total net assets of governmental activities ( Exhibit 1)

\$ 1,525,575

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

County of Tulare  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes and special assessments	\$ 65,970	\$ -	\$ -	\$ 13,012	\$ 78,982
Licenses and permits	8,550	-	-	-	8,550
Fines, forfeitures and penalties	6,635	-	-	1,489	8,124
Interest, rents and concessions	2,449	556	1,234	1,055	5,294
Intergovernmental revenues	277,123	-	-	69,613	346,736
Charges for services	58,127	-	-	6,069	64,196
Other revenues	7,361	-	-	4,673	12,034
Total revenues	426,215	556	1,234	95,911	523,916
<b>Expenditures:</b>					
Current:					
General government	13,555	-	-	4,020	17,575
Public protection	117,163	-	-	26,973	144,136
Public ways and facilities	-	-	-	14,086	14,086
Health and sanitation	97,556	-	-	921	98,477
Public assistance	197,340	-	-	16,639	213,979
Education	928	-	-	2,534	3,462
Culture and recreation	1,524	-	-	-	1,524
Debt service:					
Principal retirement	151	6,263	500	4,529	11,443
Interest and fiscal charges	1,420	3,185	1,226	2,557	8,388
Capital outlay	2,817	-	-	4,813	7,630
Total expenditures	432,454	9,448	1,726	77,072	520,700
Excess (deficiency) of revenues over (under) expenditures	(6,239)	(8,892)	(492)	18,839	3,216
<b>Other financing sources (uses):</b>					
Sale of general capital assets	115	-	-	33	148
Direct financing lease	-	-	-	105	105
Loan proceeds	1,775	-	-	-	1,775
Transfers in	47,800	8,789	3,978	41,574	102,141
Transfers (out)	(37,158)	-	(2,500)	(62,746)	(102,404)
Total other financing sources (uses)	12,532	8,789	1,478	(21,034)	1,765
Net change in fund balances	6,293	(103)	986	(2,195)	4,981
Fund balances, July 1	36,154	9,013	50,684	22,922	118,773
Fund balances, June 30	42,447	8,910	51,670	20,727	123,754

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

County of Tulare  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

Net change in fund balances - total governmental funds (Exhibit 4)	\$ 4,981
The change in net assets reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense differs from capital outlays expenditures in the current period.	(19,650)
Governmental funds report proceeds from the sale of capital assets as revenues when received. However, in the statement of activities, proceeds of the sale must be offset by the book value of the asset sold to determine a gain or loss on the sale. This is the book value of the capital assets sold in the current period.	(119)
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 expense. If a project in progress is abandoned during a subsequent fiscal year, the cost invested in the prior period is reported as an expense of the subsequent period.	(32)
Governmental funds report the future resources as the result of a direct financing lease between the County (as lessor) and the City of Dinuba for the Courthouse/Police Station as deferred revenue until received. However, for the government-wide statements, the revenue was recognized upon the signing of the direct financing lease agreement. Therefore, subsequent receipt of previously recognized revenue is not recognized in the government-wide statements.	(218)
Governmental funds report the future resources as the result of delayed collection of reimbursements from the State for mandated programs (SB-90) as deferred revenue because the delay will exceed one year. However, for government-wide statements, the revenue is recognized when earned.	901
Likewise, current year collections of previously delayed State reimbursements for mandated programs (SB-90) are reported as current year revenue for governmental funds. However, for government-wide statements, current year collections cannot be recognized a second time.	(2,602)
Tobacco Settlement revenue and delinquent property tax penalties are categorized as deferred for fund statements because the revenues will not be available to liquidate liabilities of the current period. However, for government-wide statements, the revenue is recognized when earned.	44
Governmental funds report the principal portion of debt service payments as expenditures. However, repayment of principal reduces long-term liabilities on the statement of net assets and has no effect on the statement of activities.	11,443
Similarly, loan and capital lease proceeds are reported as other financing sources by governmental funds. However, issuing debt in the statement of net assets increases long-term liabilities and has no effect on the statement of activities.	(1,775)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported when amounts are due and payable. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of three balances for the current period.	
Compensated absences	\$ (1,763)
Amortization of pension assets	(2,179)
Accrued interest on debt	185
Combined adjustment	(3,757)
Internal service funds (See Exhibit 7) are used by the County to charge the costs of various insurance coverages and central services to individual funds. The net cost of internal service funds is reported with the governmental funds.	1,224
Changes in net assets (Exhibit 2)	\$ (9,560)

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



County of Tulare  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Taxes and special assessments:					
Assessor	\$ 1,100	\$ 1,100	\$ -	\$ 2,113	\$ 1,013
General County Revenues	34,753	60,320	25,567	63,857	3,537
	35,853	61,420	25,567	65,970	4,550
<b>License and permits:</b>					
Agriculture Commissioner	133	133	-	137	4
Assessor	37	37	-	38	1
County Counsel	205	205	-	196	(9)
General County Revenues	3,468	3,468	-	3,530	62
Health & Human Services	1,992	2,012	20	2,026	14
Resource Management	2,059	2,059	-	2,603	544
Sheriff - Coroner	5	5	-	3	(2)
Treasurer - Tax Collector	8	8	-	7	(1)
Trial Courts	9	9	-	10	1
<b>Fines, forfeitures and penalties:</b>					
Agriculture Commissioner	11	11	-	8	(3)
District Attorney	141	141	-	-	(141)
Drug & Alcohol Abuse Testing	100	100	-	37	(63)
General County Revenues	2,142	2,142	-	282	(1,860)
Health & Human Services	163	163	-	42	(121)
Probation	25	25	-	8	(17)
Resource Management Agency	40	40	-	29	(11)
Sheriff - Coroner	6	6	-	3	(3)
TRAN/Teeter	-	-	-	3,049	3,049
Treasurer - Tax Collector	155	155	-	172	17
Trial Courts	2,439	2,749	310	3,005	256
<b>Interest, rents and concessions:</b>					
CPA 2000	42	44	2	40	(4)
General County Revenues	1,220	1,220	-	791	(429)
Human Resources & Development	-	-	-	1	1
Miscellaneous Administration	33	33	-	27	(6)
Resource Management Agency	27	105	78	152	47
TRAN / Teeter	-	-	-	1,438	1,438

Cont.

County of Tulare  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Intergovernmental revenues:					
Action Project	1,894	1,894	-	1,216	(678)
Agriculture Commissioner	5,838	5,838	-	4,381	(1,457)
Assessor	918	918	-	554	(364)
Auditor-Controller	175	175	-	180	5
Cooperative Extension	6	6	-	6	-
CPA 2000	1,097	1,097	-	1,097	-
District Attorney	1,902	1,952	50	1,810	(142)
General County Revenues	53,202	27,635	(25,567)	32,053	4,418
Health & Human Services	224,260	235,857	11,597	221,634	(14,223)
Local Law Enforcement	565	565	-	472	(93)
Multi-Agcy. Gang Violence Program	74	74	-	74	-
Probation	5,721	5,721	-	5,616	(105)
Resource Management Agency	6,311	6,311	-	3,220	(3,091)
Rural Crime	745	1,134	389	974	(160)
Sheriff - Coroner	2,450	4,063	1,613	3,836	(227)
Charges for services:					
Agriculture Commissioner	763	763	-	899	136
Assessor	2,005	2,005	-	1,934	(71)
Auditor-Controller	613	667	54	765	98
Capital Acquisitions	183	183	-	183	-
Cooperative Extension	-	7	7	3	(4)
County Administrative	188	188	-	180	(8)
County Counsel	2,937	2,942	5	2,623	(319)
District Attorney	564	564	-	535	(29)
General County Revenues	1,294	1,294	-	1,702	408
Health & Human Services	32,472	32,481	9	31,688	(793)
Human Resources & Development	698	698	-	653	(45)
Information Technology	754	754	-	654	(100)
Miscellaneous Administration	40	40	-	23	(17)
Probation	1,513	1,513	-	1,463	(50)
Public Defender	80	80	-	77	(3)
Purchasing	154	154	-	164	10
Resource Management Agency	5,609	5,596	(13)	5,033	(563)
Sheriff - Coroner	6,178	6,178	-	5,969	(209)
Treasurer - Tax Collector	1,444	1,444	-	1,082	(362)
Trial Courts	2,388	2,388	-	2,497	109

Cont.

County of Tulare  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final					
Other revenues:							
Action Project	-	120	-	-	3	3	(13)
Agriculture Commissioner	120	70	-	-	107	21	23
Assessor	70	84	-	-	107	2	17
Auditor-Controller	84	6	-	-	8	(43)	(427)
Cooperative Extension	6	1	-	-	18	1,402	24
County Counsel	1	141	-	1	98	6	7
District Attorney	140	1,678	-	-	1,251	44	(105)
General County Revenues	1,678	2,624	-	53	4,026	52	(47)
Health & Human Services	2,571	1	-	-	1	12	
Human Resources & Development	1	-	-	-	24		
Local Law Enforcement	-	-	-	-	6		
Miscellaneous Administration	-	92	-	-	158		
Probation	92	1	-	-	8		
Public Defender	1	84	-	-	128		
Purchasing	84	155	-	-	50		
Resource Management	155	726	-	45	1,190		
Sheriff - Coroner	681	-	-	-	21		
TRAN/Teeter	68	2	-	-	14		
Treasurer - Tax Collector	2	-	-	-	-		
Trial Courts	-	-	-	-	-		
<b>Total revenues</b>	<b>421,102</b>	<b>435,322</b>	<b>14,220</b>	<b>426,215</b>	<b>(9,107)</b>		
Expenditures:							
Current:							
General government:							
Assessor	4,819	4,819	-	-	4,392	427	
Auditor-Controller	1,927	1,982	(55)	-	1,733	249	
Board of Supervisors	957	962	(5)	-	955	7	
Capital Acquisitions	(2,510)	(2,510)	-	-	(4,198)	1,688	
Central Telephone	754	754	-	-	591	163	
Contingencies	720	289	431	-	-	289	
County Administrative	556	504	52	-	465	39	
County Counsel	1,740	1,745	(5)	-	1,438	307	
Human Resources & Development	596	643	(47)	-	580	63	
Miscellaneous Administration	(736)	(812)	76	-	1,661	(2,473)	
Purchasing	246	246	-	-	188	58	
Resource Management Agency	2,832	2,852	(20)	-	2,688	164	
TRAN/Teeter	-	-	-	-	23	(23)	
Treasurer - Tax Collector	2,374	2,374	-	-	1,939	435	
Trial Courts	-	-	-	-	1,100	(1,100)	

Cont.

County of Tulare  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Public protection:					
Action Project	1,730	1,730	-	1,147	583
Agriculture Commissioner	8,422	8,422	-	6,545	1,877
Assessor	1,726	1,726	-	1,023	703
CPA 2000	1,134	1,099	35	1,087	12
District Attorney	11,297	11,333	(36)	10,632	701
Drug & Alcohol Abuse Testing	150	165	(15)	140	25
Health & Human Services	772	766	6	727	39
Local Law Enforcement	565	565	-	547	18
Miscellaneous Administration	-	-	-	-	-
Multi-Agcy. Gang Violence Program	604	647	(43)	634	13
Probation	19,630	19,554	76	17,818	1,736
Public Defender	6,032	6,032	-	5,376	656
Resource Management Agency	10,924	10,924	-	7,869	3,055
Rural Crime	712	894	(182)	769	125
Sheriff - Coroner	56,118	57,263	(1,145)	55,417	1,846
Trial Courts	6,807	8,534	(1,727)	7,432	1,102
Health and sanitation:					
Health & Human Services	102,841	110,153	(7,312)	97,556	12,597
Public assistance:					
Health & Human Services	199,160	200,771	(1,611)	196,962	3,809
Probation	379	379	-	378	1
Education:					
Cooperative Extension	844	851	(7)	811	40
Miscellaneous Administration	117	117	-	117	-
Culture and recreation:					
Resource Management	1,801	1,601	200	1,524	77

Cont.

County of Tulare  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Principal retirement:					
Auditor - Controller	64	67	(3)	67	-
Resource Management Agency	6	6	-	5	1
Sheriff - Coroner	75	75	-	79	(4)
Interest and fiscal charges:					
Auditor - Controller	18	15	3	15	-
Miscellaneous Administration	388	388	-	-	388
Resource Management Agency	3	3	-	3	-
Sheriff - Coroner	13	13	-	9	4
TRAN/Teeler	-	-	-	1,393	(1,393)
Capital Outlay:					
Action Project	164	164	-	65	99
Agriculture Commissioner	-	-	-	223	(223)
Assessor	260	260	-	62	198
CPA 2000	-	37	(37)	38	(1)
Cooperative Extension	-	-	-	14	(14)
District Attorney	-	8	(8)	93	(85)
Health & Human Services	152	1,837	(1,685)	721	1,116
Miscellaneous Administration	-	-	-	11	(11)
Probation	-	75	(75)	168	(93)
Public Defender	-	-	-	64	(64)
Resource Management	2,034	2,234	(200)	628	1,606
Rural Crime	-	154	(154)	112	42
Sheriff - Coroner	-	623	(623)	618	5
Total expenditures	449,217	463,333	(14,116)	432,454	30,879
Excess (deficiency) of revenues over (under) expenditures	(28,115)	(28,011)	104	(6,239)	21,772

Cont.

County of Tulare  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Other financing sources (uses):					
Sale of general capital assets:					
Purchasing	-	-	-	115	115
				115	115
Loan proceeds					
Capital Purchases	2,710	2,710	-	1,775	(935)
Transfers in:					
District Attorney	790	790	-	-	(790)
Health & Human Services	46,892	49,594	2,702	47,031	(2,563)
Multi-Agcy. Gang Violence Program	42	42	-	-	(42)
Probation	654	654	-	769	115
Resource Management Agency	119	119	-	-	(119)

Cont.

County of Tulare  
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - (Negative)
	Original	Final			
Transfers (out):					
Action Project	-	-	-	(7)	(7)
Agriculture Commissioner	(108)	(108)	-	(239)	(131)
Assessor	(48)	(48)	-	(250)	(202)
Auditor - Controller	(29)	(29)	-	(103)	(74)
Board of Supervisors	(4)	(4)	-	(11)	(7)
Cooperative Extension	(16)	(16)	-	(31)	(15)
County Administrative	(3)	(3)	-	(23)	(20)
County Counsel	(8)	(8)	-	(47)	(39)
CPA 2000	(5)	(5)	-	(14)	(9)
Capital Acquisitions	(7,843)	(7,843)	-	(7,338)	505
District Attorney	(172)	(172)	-	(498)	(326)
Health & Human Services	(17,691)	(20,384)	(2,693)	(21,856)	(1,472)
Human Resources & Development	(6)	(6)	-	(19)	(13)
Local Law Enforcement	-	-	-	(7)	(7)
Miscellaneous Administration	(3,703)	(3,703)	-	(3,602)	101
Multi-Agency Gang Violence	(12)	(12)	-	(20)	(8)
Probation	(181)	(181)	-	(458)	(277)
Public Defender	(55)	(55)	-	(127)	(72)
Purchasing	(3)	(3)	-	(6)	(3)
Resource Management Agency	(109)	(154)	(45)	(310)	(156)
Rural Crime Program	(32)	(86)	(54)	(93)	(7)
Sheriff - Coroner	(1,014)	(1,028)	(14)	(1,840)	(812)
Treasurer/Tax Collector	(17)	(17)	-	(59)	(42)
Trial Courts	(199)	(199)	-	(200)	(1)
Total other financing sources (uses)	<u>19,949</u>	<u>19,845</u>	<u>(104)</u>	<u>12,532</u>	<u>(7,313)</u>
Change in fund balance	(8,166)	(8,166)	-	6,293	14,459
Fund balance, July 1	28,166	28,166	-	36,154	7,988
Prior period adjustments	-	-	-	-	-
Fund balance, June 30	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 42,447</u>	<u>\$ 22,447</u>

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

Concluded

County of Tulare  
Statement of Fund Net Assets  
Proprietary Funds  
June 30, 2005  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
<b>Assets</b>				
Current assets:				
Cash in banks	\$ 252	\$ 9	\$ 261	\$ -
Investment in treasury pool	6,244	1,652	7,896	16,467
Imprest cash	2	-	2	250
Accounts receivable, net	766	77	843	70
Notes receivable	5,320	-	5,320	-
Deposits with others	-	50	50	-
Due from other County funds	12,068	-	12,068	64
Total current assets	24,652	1,788	26,440	16,851
Noncurrent assets:				
Restricted assets:				
Capital assets:				
Land	44,468	5	44,473	-
Buildings and improvements, net	6,116	612	6,728	-
Infrastructure, net	5,607	6,285	11,892	10,920
Equipment and vehicles, net	2,474	479	2,953	656
Construction in progress	19	-	19	-
Total capital assets	14,216	7,396	21,602	11,576
Total noncurrent assets	58,684	7,391	66,075	11,576
Total assets	83,336	9,179	92,515	28,427
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	268	120	388	1,348
Due to other County funds	-	-	-	158
Due to other governments	94	-	94	-
Deposits from others	-	2	2	-
Salaries and benefits payable	207	-	207	231
Interest payable	-	15	15	279
Compensated absences payable	15	-	15	21
Claims payable	-	-	-	3,812
Loans payable	-	-	-	577
Capital lease payable	-	-	-	8
COP's payable	-	27	27	-
Total current liabilities	594	164	748	6,434
Noncurrent liabilities:				
Compensated absences payable	283	-	283	319
Advances from Agency funds	-	550	550	-
Closure/postclosure costs payable	39,468	-	39,468	-
Claims payable	-	-	-	8,233
Loans payable	-	-	-	9,326
Bonds payable	-	8	8	-
Capital lease payable	-	-	-	17
COP's payable	-	1,557	1,557	-
Total noncurrent liabilities	39,751	2,115	41,866	17,895
Total liabilities	40,335	2,279	42,614	24,329
Net assets:				
Invested in capital assets, net of related debt	14,216	5,794	20,010	1,648
Restricted for other purposes	5,000	5	5,005	-
Unrestricted	23,785	1,101	24,886	2,450
Total net assets (deficit)	\$ 43,001	\$ 6,900	\$ 49,901	\$ 4,093

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



County of Tulare  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Operating revenues:				
Charges for services	\$ 8,967	\$ 668	\$ 9,635	\$ 37,398
Rents and concessions	18	2	20	7
Other revenues	68	-	68	3,245
Total operating revenues	9,053	670	9,723	40,650
Operating expenses:				
Salaries and benefits	3,389	-	3,389	4,185
Services and supplies	4,410	1,286	5,696	21,624
Insurance premiums paid	-	-	-	2,467
Landfill closure and postclosure costs	1,402	-	1,402	-
Depreciation	1,020	337	1,357	286
Claims incurred	-	-	-	11,571
Total operating expenses	10,221	1,623	11,844	40,133
Operating income (loss)	(1,168)	(953)	(2,121)	517
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	(28)	-	(28)	(46)
Intergovernmental revenues	40	333	373	-
Taxes and assessments	-	855	855	-
Investment earnings	1,516	39	1,555	214
Interest expense	-	(85)	(85)	(439)
Total nonoperating revenues (expenses)	1,528	1,142	2,670	(271)
Income (loss) before contributions and transfers	360	189	549	246
Capital contributions	-	-	-	8
Transfers in	-	3	3	1,017
Transfers (out)	(665)	-	(665)	(92)
Change in net assets	(305)	192	(113)	1,179
Net assets, July 1	43,306	6,708	50,014	2,919
Net assets, June 30	43,001	6,900	49,901	4,088

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

County of Tulare  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total		
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,735	\$ 663	\$ 8,398	\$	37,621
Receipts from interfund services provided	1,019	-	1,019		-
Receipts from rents and concessions	18	2	20		7
Other revenues	68	-	68		3,245
Payments to employees	(3,294)	-	(3,294)		(4,135)
Payments to suppliers	(2,419)	(952)	(3,371)		(19,875)
Payments for interfund services used	(1,928)	(324)	(2,252)		(3,750)
Payments for claims	-	-	-		(4,558)
Net cash provided (used) by operating activities	1,199	(611)	588		8,555
Cash flows from noncapital financing activities:					
Subsidy from intergovernmental entities	40	333	373		-
Receipts from taxes and assessments	-	855	855		-
Transfers from other funds	15,378	7	15,385		1,285
Transfers (to) other funds	(12,740)	(15)	(12,755)		(476)
Advance from other funds	-	30	30		-
Net cash provided (used) by noncapital financing activities	2,678	1,210	3,888		809
Cash flows from capital and related financing activities:					
Sales (purchases) of capital assets	(1,681)	(292)	(1,973)		(1,094)
Principal paid on capital debt	-	(26)	(26)		(623)
Interest paid on capital debt	-	(85)	(85)		(474)
Net cash provided (used) by capital and related financing activities	(1,681)	(403)	(2,084)		(2,191)
Cash flows from investing activities:					
Interest and dividends received	1,516	39	1,555		214
Net cash provided by investing activities	1,516	39	1,555		214
Net increase (decrease) in cash and cash equivalents	3,712	235	3,947		7,387
Cash and cash equivalents, July 1	47,254	1,431	48,685		9,330
Cash and cash equivalents, June 30	\$ 50,966	\$ 1,666	\$ 52,632		\$ 16,717



County of Tulare  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2005  
(amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
<b>Assets</b>		
Cash in banks	\$ -	\$ 7,982
Investment in treasury pool	406,859	11,554
Due from County funds	-	1
Advances to County funds	-	550
Total assets	<u>406,859</u>	<u>20,087</u>
<b>Liabilities</b>		
Warrants payable	1,757	1,202
Advances from County funds	-	590
Agency obligations		18,295
Total liabilities	<u>1,757</u>	<u>20,087</u>
<b>Net assets</b>		
Held in trust for treasury pool participants	<u>\$ 405,102</u>	

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

County of Tulare  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Investment Trust Funds
Additions	
Contributions	
To pooled investments	\$ 2,457,223
Total contributions	<u>2,457,223</u>
Investment income	8,398
Total additions	<u>2,465,621</u>
Deductions	
Distributions from pooled investments	2,415,874
Total deductions	<u>2,415,874</u>
Change in net assets held in trust	49,747
Net assets, July 1	355,355
Net assets, June 30	<u>\$ 405,102</u>

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



# **BASIC FINANCIAL STATEMENTS**

## **Notes to the Financial Statements**





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**COUNTY OF TULARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2005**  
**(amounts expressed in thousands)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. The Financial Reporting Entity**

The County of Tulare is a general law political subdivision of the State of California and as such can exercise the powers specified by the Constitution and laws of the State of California. The County is governed by an elected five member Board of Supervisors. As required by generally accepted accounting principles, the accompanying financial statements present the County and its component units.

*Component units* are legally separate organizations for which the elected officials of the County are either financially accountable or for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the County's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

In conformity with generally accepted accounting principles, the financial statements of six component units have been included and combined with financial data of the County. Five component units have an integral relationship with and serve as an extension of the County. Using the criteria of Government Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*," management has determined that each entity is presented as a blended component unit due to the composition of each Governing Board. One component unit is presented discretely.

*Blended Component Units.* The Tulare County Redevelopment Agency, the Terra Bella Sewer Maintenance District, the Tulare County Flood Control District, the Tulare County Public Facilities Corporation, and the Tulare County Public Financing Authority are entities legally separate from the County of Tulare. For financial reporting purposes, these entities are considered component units and their individual financial information is presented as part of the County's operations. The blended component units discussed herein have a June 30 year-end.

*Tulare County Redevelopment Agency*

The governing board of the Tulare County Redevelopment Agency (TCRA), an entity legally separate from the County of Tulare, is the County's Board of Supervisors. For financial reporting purposes, the TCRA is reported as if it were part of the County's operations. The scope of activities of this agency includes capital improvement projects for sewer and storm-drainage systems, community improvements such as youth and community facilities, sidewalks, and graffiti abatement. The communities served include Earlimart, Cutler-Orosi, Goshen, Ivanhoe, Pixley, Poplar/Cotton Center, Richgrove, and Traver. This component unit is reported in two fund types: the Special Revenue Funds and the Debt Service Funds. In the Special Revenue Funds, Redevelopment Agency Low-Moderate Housing funds are shown as revenues with expenditures related to the low-and moderate-income housing set-aside program. The Debt Service Funds show tax increment revenues used to pay principal and interest for Redevelopment Agency Tax Allocation Bonds.

*Terra Bella Sewer Maintenance District*

Terra Bella Sewer Maintenance District (TBSMD) is an entity legally separate from the County. However, the Tulare County Board of Supervisors serves as the Board of the District. For financial reporting purposes, the TBSMD is reported as if it were part of the County's operations. The District is operated by the Resource Management Agency and its Engineering Division. The purpose of the District is to develop, expand, and maintain the TBSMD Wastewater Treatment and Disposal facility. This component unit's financial information is included as an Enterprise Fund.

**COUNTY OF TULARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2005**  
**(amounts expressed in thousands)**

Tulare County Flood Control District

The members of the governing board of the Tulare County Flood Control District (TCFCD), an entity legally separate from the County of Tulare, are the County's Board of Supervisors. For financial reporting purposes, the TCFCD is reported as if it were part of the County's operations. The District's primary responsibility is to provide flood control related services to the residents of Tulare County. The component unit's financial information is included as a Special Revenue Fund accounting for reimbursement for flood control related services and projects within the County.

Tulare County Public Facilities Corporation

The Board members of the Tulare County Public Facilities Corporation (TCPFC), a nonprofit public benefit corporation which is legally separate from the County of Tulare, are appointees of the County's Board of Supervisors. For financial reporting purposes, the TCPFC is reported as if it were part of the County's operations as it serves to assist the County by acquiring equipment and facilities financed by the proceeds of borrowings. The equipment and facilities are then leased to the County. This component unit's financial information is included as a major governmental fund.

Tulare County Public Financing Authority

The Tulare County Public Financing Authority (TCPFA), which is legally separate from the County of Tulare, was established through a Joint Exercise of Powers Agreement between the County of Tulare and the Tulare County Redevelopment Agency. The Tulare County Board of Supervisors serves as the Board of the TCPFA. For financial reporting purposes, TCPFA is reported as if it were part of the County's operations as it serves to assist the County of Tulare through borrowings, which are used for the acquisition and construction of public capital improvements and the repair and maintenance thereof. Lease payments to TCPFA are payable through the County. This component unit's financial information is included as a major governmental fund.

Tulare County In-Home Supportive Services Public Authority

The Tulare County In-Home Supportive Services Public Authority (TCHSSPA), which is legally separate from the County of Tulare, was established according to the provisions of Welfare and Institutions Code Section 12301.6 to serve as the employer of record of Providers of in-home supportive services for purposes of the Meyers-Millas-Brown Act. The Tulare County Board of Supervisors serves as the Board of TCHSSPA and has control over the day-to-day operations of TCHSSPA through budget approvals, and the hiring or dismissal of management. For financial reporting purposes, TCHSSPA is reported as if it were part of the County's operations.

Complete financial statements for the Tulare County Redevelopment Agency, Tulare County Public Facilities Corporation, and the Tulare County Public Financing Authority are available at the County of Tulare's Administrative Office, 2800 W. Burrell Avenue, Visalia, California. The other blended component units do not issue separate financial statements.

**Discretely Presented Component Unit** The governing board of the First 5 Tulare County (F5TC), an entity legally separate from the County of Tulare, are appointees of the County's Board of Supervisors, who can impose their will upon F5TC through the approval of the Commission's annual budget and by their authority to remove F5TC Board members. The Commission was created by Tulare County Ordinance No. 3217 on December 8, 1998. The purpose of the F5TC is to develop, promote, and implement local early childhood development programs administered by the California Children and Families First Commission. For financial reporting purposes, the F5TC is discretely presented because the resources of the Commission are not used to support County operations. Complete audited financial statements for First 5 Tulare County are available at the County of Tulare Auditor-Controller's Office, 221 S. Mooney Boulevard, Room 101-E, Visalia, California.

**COUNTY OF TULARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2005**  
**(amounts expressed in thousands)**

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County and its component units. The effect of interfund activity has been removed from these statements. *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 and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Some functions include expenses that are, in essence, *indirect expenses* of other functions resulting from charges among funds or programs for centralized services. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

**1. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The basis of accounting determines when transactions and economic events are reflected in financial statements. Measurement focus identifies which transactions and events should be recorded.

The County of Tulare legally adopts an annual budget for the General Fund and all of its Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. Component units Terra Bella Sewer Maintenance District, Tulare County Redevelopment Agency, Tulare County Flood Control District, and the Tulare County In-Home Supportive Services Public Authority each adopt an annual budget. Tulare County Public Facilities Corporation and Tulare County Public Financing Authority do not adopt budgets.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers expenditure-driven grant revenues available if they are collected within one year. All other revenues are considered available if they are collected within 90 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims, and judgments which are recognized when the obligations are due and payable.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Property tax revenues recognized are only those levied for the current fiscal year, which have been collected or expect to be collected within sixty days after fiscal year-end. Sales taxes collected and held by the State at year-end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

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Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grant revenues are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and reimbursement is expected within one year.

The County reports the following major individual governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Public Facilities Corporation** accounts for the activities of the TCPFC that assists the County of Tulare by acquiring equipment and facilities financed from the proceeds of borrowing. Such equipment and facilities are leased to the County.

The **Public Financing Authority** accounts for the activities of the TCPFA, which assists the County of Tulare by providing funds for construction, acquisition, and/or maintenance of capital assets.

Additionally, the County reports the following governmental fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including private purpose funds or major capital projects).

The **Debt Service Funds** account for the servicing of general long-term debt not being financed by proprietary or permanent funds.

The **Capital Projects Funds** account for all major maintenance, improvements, acquisition or construction of capital assets not being financed by proprietary or permanent funds.

**Proprietary Funds** are accounted for on the *economic resources measurement focus* and use the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The County applies all applicable FASB pronouncements in accounting and reporting for its enterprise operations, including FASB Statements and Interpretations issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

The County reports the Solid Waste Fund as its only major individual proprietary fund.

The **Solid Waste Fund** is an enterprise fund that is used to account for the operation, maintenance, and development of various landfills and disposal sites for solid waste, and to prepare for future closure and postclosure expenses.

Additionally, the County reports the following proprietary fund types:

The **Enterprise Funds** are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, the activity is financed with debt secured solely by a pledge of net revenues of the activity, or laws or regulations require that the cost of providing services be recovered through fees and charges.

The **Internal Service Funds** are used to account for operations that provide mailroom, motor pool, print shop, utilities, custodial and maintenance services, data processing, telecommunications and insurance coverage to other funds, departments, or agencies of the County and its component units or to other governments, on a cost-reimbursement basis. An Internal Service fund operates in a manner similar to an enterprise fund, but is used when the reporting government itself is the predominant participant in the fund.

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**Fiduciary Funds** account for assets held by the County in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the County under the terms of a formal trust agreement.

The County reports the following fiduciary fund types:

The **Investment Trust Funds** are used to account for assets held for external investment pool participants, such as schools and local special districts, and do present changes in financial position. Investment Trust Funds are accounted for on the *economic resources measurement focus* and use the *accrual basis of accounting*.

The **Agency Funds** are custodial in nature and do not present changes in financial position or have a measurement focus. Agency funds are accounted for using the *accrual basis of accounting*. These funds are used to account for assets that the government holds for individuals, private organizations, or other governments.

**2. Financial Statement Presentation**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements in order to remove the "doubling-up" effect of internal service activities, reciprocal interfund activity, and nonreciprocal interfund activity.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than program revenues and include by definition, all taxes.

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste, Transit, Terra Bella Sewer Maintenance District, Assessment Districts, County Service Area #1, County Service Area #2 enterprise funds and the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Implementation of New Accounting Principles**

**1. Governmental Accounting Standards Board Statement No 40**

The County adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures an amendment of GASB Statement No. 3* in the fiscal year ended June 30, 2005. This statement establishes and modifies disclosure requirements related to investment risks: (including custodial credit risk), interest rate risk, and foreign currency risk. This Statement also establishes and modifies disclosure requirements for deposit risks: custodial credit risk and foreign currency risk. Accordingly, the County has updated the custodial credit risk disclosure establishing more comprehensive disclosures addressing common risks of the deposits and investments of local governments.

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**2. Governmental Accounting Standards Board Statement No. 44**

The County adopted the provisions of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section an amendment of NCGA Statement 1* in the fiscal year ended June 30, 2005. This Statement establishes and modifies requirements related to the supplementary information presented in the statistical section.

**E. Assets, Liabilities and Equity**

**1. Deposits and Investments**

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in Treasury pool, and other short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County and the Districts to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

The County Treasurer's Office administers a pooled investment program for the County and for certain special purpose authorities including school districts. As of June 30, 2005, the special purpose authorities' cash and pooled investments were approximately 72% of the County Treasurer's Office pooled investment portfolio.

Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, require governmental entities, including governmental external investment pools, to report certain investments at fair value in the balance sheet / statement of net assets and recognize the corresponding change in the fair value of investments in the year in which the change occurred. The fair value of pooled investments is determined annually and is based on current market prices received from the County's securities custodian. The Local Agency Investment Fund (LAIF) is required to invest in accordance with State statutes. No investments are reported at amortized cost.

The value of the deposits of the County's pooled investment program is equal to the dollars deposited in the program, plus increases and less decreases (unrealized gains and losses) required to record investments at their fair market value as of June 30, 2005. The dollars deposited in the program have been decreased by \$3,467 to reflect the decrease in the fair value of the Investment in the Treasury Pool at June 30, 2005.

In addition, investments outside the Investment Pool were adjusted to fair market value as of June 30, 2005 resulting in a decrease of \$90.

**2. Receivables and Payables**

Transactions between funds that are representative of non-current lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Advances to / from other County funds." All other outstanding balances between funds are reported as "Due to / from other County funds." Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property taxes receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible accounts.

The County is responsible for the assessment, collection and apportionment of property taxes for all jurisdictions, including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 for property values assessed on July 1. Secured property tax payments are due in two equal installments.



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The first installment is generally due November 1 and delinquent with penalties after December 10, and the second installment is generally due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid after August 31. Property taxes are accounted for in the Unapportioned Tax Collection Fund, an agency fund, until apportionment and disbursement to taxing jurisdictions. As of fiscal year ended June 30, 1994, the County adopted the alternative method of secured property tax apportionment available under the Revenue and Taxation Code of the State of California (also known as the "Teeter Plan") whereby secured property taxes are distributed to participating taxing entities (including the County and related Component Units) on the basis of the tax levy, including any uncollected amounts at fiscal year end. The County, as administrator, benefits from future collections of penalties and interest on delinquent taxes. Transactions of the Teeter Plan (including outstanding debt borrowed for the annual Teeter buyout) are accounted for in the Teeter Fund, an agency fund. Taxes receivable are recorded as of the date levied.

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes.

**3. Inventories and Prepaid Items**

Governmental fund type inventories not held for resale are valued at cost using the first-in / first-out (FIFO) method. The costs of most governmental fund type inventories are recorded as expenditures when purchased rather than when consumed except for the Roads Fund, which uses the consumption method. Inventories held for governmental activities are recorded using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are regularly recurring costs of operations recorded as prepaid items (e.g., prepaid rent and prepaid employee retirement contributions).

**4. Restricted Assets**

Resources that will not be used in current operations, which are restricted for acquisition or construction of non-current assets, or that are restricted for liquidation of long-term debt beyond the next year are *restricted assets*.

**5. Capital Assets**

Capital assets, which include land, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined as assets with an initial, individual cost of more than \$5 and an estimated useful life in excess of one year. The County reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. Where historical cost information was unavailable, the County was able to estimate the historical cost for the initial reporting of these assets by estimating the current replacement cost of the infrastructure and using an Engineering News-Record (ENR) construction cost index to deflate the cost to the estimated acquisition year.

As the County constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are amounts essentially spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, capital assets are valued as their estimated fair value at the date of donations.

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Capital assets of the County, as well as the component units, are depreciated using the straight line method and the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	20
Infrastructure Roadway:	
Pavement	40
Bridges	50
Pipe Crossings	30
Traffic Control Devices	25
Signs	10
Sewer/water systems	7-20
Landfill site improvements	15
Vehicles	2-20
Office equipment	3-16

Depreciation expense related to infrastructure assets is calculated by applying an annual depreciation rate to the cost of the grouping of subsystems. Depreciation expense in all other categories of capital assets is calculated on an item-by-item basis.

Capital outlay is recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met. Interest incurred during the construction phase of the capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Amortization of assets acquired under capital leases is included in depreciation and amortization.

**6. Compensated Absences**

Employees are granted vacations and sick leave and are permitted to accumulate earned but unused vacation and sick leave benefits. The portion relating to the proprietary funds is expensed as salaries in the year earned. The benefit amounts relating to governmental funds, which will be paid from future resources, are recorded in the government-wide financial statements. Benefit amounts due and payable at year-end are recorded in the governmental funds as part of Salaries and benefits payable.

In the event of termination or death, an employee, or the employee's estate, is compensated for 100% of accumulated vacation.

Employees in Bargaining Units 1, 3, 6 & 7 who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in these same Units leaving County service in good standing, other than by retirement, after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 20 converted hours. Unrepresented employees in Bargaining Units 9, 10, 11, 17, 18, 19, 20, 21, 22, 40, & 45 and represented employees in Bargaining Unit 5, who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in these same Units leaving County service in good standing, other than by retirement, after five years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 40 converted hours. Bargaining Units 2, 4, 8, 12, 13, 14, 15, 16, 60, 61, 62, 63, 64, & 65 employees who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 176 converted hours.

Any compensatory time off (CTO) remaining, in the event of termination or death, is converted to cash at the employees' current payroll rate.

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The County has a sick leave buy back program that allows employees to be compensated on the first pay date in December for a portion of their unused sick leave based on their years of service and usage in the prior year. Employees with three to five years' service may convert up to 40 hours of sick leave. Employees with over five years may convert up to 60 hours. The amount available for conversion is reduced by the sick leave used in the year ending the 1st of October just prior to the December pay out.

**7. Short-term Borrowing (Tax and Revenue Anticipation Notes Payable)**

Each fiscal year, the County issues Tax and Revenue Anticipation Notes to provide money to meet the General Fund's current year expenditures and to discharge its obligations and indebtedness. The principal of the notes and the interest thereon is paid from pledged property taxes and other revenues the County expects to receive during the fiscal year.

**8. Long-term Obligations**

In the government-wide financial statements and proprietary 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 statements of net assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, 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.

**9. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

A reconciliation of the total fund balances for governmental funds to the total net assets of governmental activities has been prepared as part of the basic financial statements, including explanations of differences in Exhibit 3.1.

A reconciliation of the total net change in fund balances for governmental funds to the total changes in net assets of governmental activities has been prepared as part of the basic financial statements including explanations of differences in Exhibit 4.1.

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the provision of Sections 29000 through 29132, inclusive, of the Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and adopts a final budget on or before October 2 for each fiscal year. Until the adoption of this final balanced budget, operations are governed by a proposed budget approved by the Board of Supervisors.

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An operating balanced budget is adopted each fiscal year for the County's General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund. An operating balanced budget is adopted each fiscal year for the Tulare County Redevelopment Agency, the Tulare County Flood Control District and the Tulare County In-Home Supportive Services Public Authority (blended component units), which are governed by the Board of Supervisors and of which the Auditor-Controller is the ex-officio Finance Officer.

The Tulare County Public Financing Authority and the Tulare County Public Facilities Corporation do not adopt a budget.

A spending plan is adopted each fiscal year for the County's Enterprise Funds and Internal Service Funds, as well as the Terra Bella Sewer Maintenance District (blended component unit) which is governed by the Board of Supervisors and of which the Auditor-controller is the ex-officio Finance Officer.

Public hearings are conducted on the adopted proposed budget and spending plans to review all appropriations and the sources of financing. Because the adopted budget for governmental fund types **must be balanced**, any shortfall in revenue requires an equal reduction in appropriations. All appropriations lapse at year-end.

All governmental fund type budget units are adopted on the modified accrual basis of accounting. Spending plans for proprietary fund types are adopted on the accrual basis. County department heads, with the approval of the County Administrative Officer, may make transfers of appropriations within a department without the approval of the Board of Supervisors. Amendments or transfers between departments within the General Fund are approved by the Board of Supervisors. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. The legal level of budgetary control is the fund level, with the exception of the General Fund in which the legal level of budgetary control is the department level. Budgeted amounts are reported both as originally adopted and as amended.

The Board of Supervisors made several supplemental budgetary appropriations throughout the fiscal year, including additional appropriations for new programs, additional positions, and unanticipated obligations. For the fiscal year ended June 30, 2005, appropriations in the General Fund were increased by \$14,116.

**B. Excess of Expenditures Over Appropriations**

For the year ended June 30, 2005, expenditures did not exceed appropriations in any fund at the legal level of control.

**C. Restated Beginning Balances**

Beginning balances for capital assets related to infrastructure have been restated to include infrastructure and depreciation related to infrastructure not previously included in the financial statements.

**D. Deficit Fund Equity**

As of June 30, 2005, no funds have deficit fund equity.

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**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

As provided by Government Code §53600, the cash balances of substantially all county funds and participating county schools and agencies are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. Interest earned on the pooled funds is apportioned quarterly based on the average daily balance of each participating fund. Certain funds, which have deposits in the County's pooled investment program, do not receive the interest earnings on their deposits. The earnings on the investments related to those funds are assigned to the County's General Fund, as permitted by Government Code. "Investments" in the governmental funds balance sheet (Exhibit 3) represent the investment of assets associated with the Tulare County Public Facilities Corporation (TCPFC) and the Tulare County Public Financing Authority (TCPFA), which are not invested by the County Treasurer but are held by fiscal agents.

Cash Deposits. As of June 30, 2005, the County's bank deposits had a carrying amount of \$11,203 and the balance per the financial institutions totaled \$14,310. All pooled cash deposits and nonnegotiable Certificates of Deposit are entirely insured \$642 or collateralized \$13,668. The California Government Code requires California banks and savings and loan associations to secure the County's deposits by pledging government securities or first trust deed mortgage notes. The market value of the pledged government securities and first trust deed mortgage notes must be at least 110% and 150% of the County's deposits, respectively. The collateral is held by the pledging financial institutions trust department or its agent and is considered to be held in the County's name.

Investments. The pool's cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer. The objectives of the policy are, in order of priority: preservation of capital, liquidity, and yield. The Treasurer reports on a monthly basis to the Tulare County Board of Supervisors. Additionally, there is an Oversight Committee established under California Code § 27130 to §27137 comprised of Tulare County Officials, representatives from various pool participants, and members of the public, whose function is to monitor compliance with the County's Investment Policy. Investments made outside the County Treasury are invested pursuant to governing bond covenants or California Government Code provisions.

The County's Investment Policy, in compliance with California Government Code §53601 and §53635, authorizes the Treasurer to invest in the following:

- (A) Obligations issued by the County of Tulare
- (B) Obligations of the U.S. Treasury
- (C) Obligations of the State of California and municipalities
- (D) Obligations of Federal Agencies or U.S. Government-sponsored enterprises
- (E) Bankers Acceptances eligible for purchase by the Federal Reserve System
- (F) Commercial Paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record
- (G) Negotiable Certificates of Deposit
- (H) Medium-Term Corporate Notes rated "A" or better
- (I) Mutual Funds
- (J) Repurchase and Reverse Repurchase Agreements
- (K) Local Agency Investment Fund (LAIF)

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*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Treasury has limited its custodial credit risk on investments by having all investments in the name of the County. In accordance with the Governmental Accounting Standards Board Statement 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the County's investments have been classified into the following three categories of custodial credit risk:

- (1) Insured or registered, or securities held by the County or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by the counterparty's trust department or agent, but not in the County's name.

As of June 30, 2005, all categorized investments were category (1), with the exception of the \$30 repurchase agreement which is a category (2) investment.

*Interest Rate Risk.* This is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. The Treasurer mitigates this risk by investing in longer-term securities only with funds that are not needed for current cash flow purposes and generally holding these securities to maturity.

*Credit Risk and concentration of Credit Risk.* Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment with a single issuer. The County Treasurer mitigates these risks by holding a diversified portfolio of high quality investments and limits the percentage of the total investments to the type of investment and to any one issuer by type of allowable investment instrument. State law also limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The NRSRO's used by the County are listed in the County's investment policy and are Standard and Poor's and Moody's.

The County's investments as of June 30, 2005 are as follows:

	Carrying Value	Reported Amount/ Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury Obligations	\$ 98,784	\$ 97,809	573	2.25% - 6.88%	7/1/2005-11/15/2007
Federal Agency Obligations	279,299	277,062	770	2.10% - 7.25%	11/15/2005 - 10/5/2012
Municipal Obligations	5,874	5,915	153	4.96%	12/1/2005
Corporate Bonds	64,039	63,753	442	2.71% - 7.88%	11/1/2005 - 1/15/2009
Repurchase Agreements	30,000	30,000	1	3.40%	7/1/2005
Commercial Paper	115,038	115,013	42	2.92% - 3.19%	7/1/2005 - 9/27/2005
	593,034	589,552			
Other Investments:					
Money Market Funds	17,811	17,811			
LAIF Managed Pool	33,338	33,263			
Total fair value					
Portfolio weighted average maturity	\$ 644,183	\$ 640,626			

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The County held investments in excess of 5% of the total yearend investments for the following issuers:

Issuer	Amount	Percentage
Bank of America	\$ 30,000	5.2%
Federal Home Loan Bank	110,712	19.1
Federal Home Loan Mortgage Corporation	51,513	8.9
Federal National Mortgage Association	82,755	14.3
Lockhart Funding	29,898	5.2

Investments in the Money Market Mutual Fund, LAIF Managed Pool, and Money Market Funds are not categorized, in accordance with GASB No. 3, because they are not evidenced by securities that exist in physical or book entry form.

California Local Agency Investment Fund (LAIF). The State Treasurer's Local Agency Investment Fund (LAIF) is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without penalty or loss of interest. The value of the County's shares in LAIF that may be withdrawn is determined on an amortized cost basis, which may be different from the fair value of the County's position in the pool. As of June 30, 2005, the County's investment in LAIF is \$33,263. The total amount recorded by all public agencies in LAIF at that date is \$60,449,637. Of that amount, 2.4% is invested in non-derivative financial products and 97.6% in structured notes and asset-backed securities.

Repurchase Agreements. Repurchase Agreements are contracts in which a broker/dealer sells securities to the Investment Pool with an agreement to repurchase those securities for a fixed price at an agreed-upon date. Government Code requires that California public entities that utilize repurchase agreements collateralize the investments that underlay the repurchase agreements with amounts that exceed cost. The market value of the securities underlying the repurchase agreements must be valued at 102% or greater. The Pool's Investment Policy reflects this requirement.

Treasury Pool Income and Participant Withdrawals. Treasury Pool investments are accounted for in accordance with the provisions of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires governmental entities to report certain investments at fair market value in the balance sheet and the statement of net assets and recognize the corresponding change in value of investments in the year in which the change occurred. The value of the participant's shares in the pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair market value of the participant's position in the Pool. The fair market value fluctuates with interest rates, and increasing rates could cause the value to decline below original cost; however, County management believes the liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude the County from having to sell investments below original cost for that purpose.

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As of June 30, 2005, the investment income comprises of the following:

<u>Investment Income</u>	
Interest and Dividends	\$ 14,846
Net (Decrease) in the Fair Value	(1,172)
Less: Investment Expenses	(962)
Total Treasury Pool Income	<u>\$ 12,712</u>

The net decrease in fair market value of investments during fiscal year 2004-2005 was \$1,172. This amount takes into account all changes in fair value (including sales resulting in a net loss \$1,065) that occurred during the year. The fair value loss on investments held as of June 30, 2005 was \$3,467.

Summary of Cash and Investments Balances

Following is a reconciliation of the County's cash and investment balances to the balance sheets/statements of net assets for the Governmental, Enterprise, Internal Service, Fiduciary Funds, and the discretely presented component unit as of June 30, 2005:

	Governmental Funds (Exhibit 3)	Enterprise Funds (Exhibit 6)	Internal Service Funds (Exhibit 6)	Fiduciary Funds (Exhibit 9)	Total	Component Unit - First 5 Tulare County
Cash in Banks	\$ 1,333	\$ 261	\$ -	\$ 7,982	\$ 9,576	\$ 62
Investment in Treasury	78,329	7,896	16,467	418,413	521,105	17,852
Investments	41,985	-	-	-	41,985	-
Imprest Cash	81	2	250	-	333	-
Restricted Assets in	53,670	44,473	-	-	98,143	-
Deposits with Others	521	-	-	-	521	-
	<u>\$ 175,919</u>	<u>\$ 52,632</u>	<u>\$ 16,717</u>	<u>\$ 426,395</u>	<u>\$ 671,663</u>	<u>\$ 17,914</u>



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Summary of total cash investments is as follows:

	Investment in Treasury Pool	Other	Total
Bank Deposits	\$ 4,942	\$ 40,580	\$ 45,522
Interest	3,429	-	3,429
Investments	580,064	60,562	640,626
Total	<u>\$ 588,435</u>	<u>\$ 101,142</u>	<u>\$ 689,577</u>

The following represents a condensed statement of net assets and changes in net assets for the Treasurer's Investment Pool as of June 30, 2005:

Statement of Net Assets		Statement of Changes in Net Assets	
Net assets held in trust for all pool participants	\$ 588,435	Net Assets at July 1, 2004	\$ 530,238
Equity of internal pool participants	<u>183,333</u>	Net (decrease) in investments by pool participants	<u>58,197</u>
Equity of external pool participants	<u>405,102</u>	Net Assets at June 30, 2005	<u>\$ 588,435</u>
Total Equity	<u>\$ 588,435</u>		

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**B. Receivables**

Receivables as of year-end for the County's individual major funds and for non-major and internal service funds are as follows:

	General	Solid Waste	Nonmajor and other Funds	Total	Noncurrent portion
Receivables:					
Accounts	\$ 201	\$ 766	\$ 2,245	\$ 3,212	\$ -
Interest	18	-	-	18	-
Property taxes	11,837	-	-	11,837	11,837
Lease payments	-	-	1,610	1,610	1,493
Notes	14,160	5,320	1,270	20,750	15,368
Due from other governments	44,917	-	2,979	47,896	1,617
Total Receivables	\$ 71,133	\$ 6,086	\$ 8,104	\$ 85,323	\$ 30,315

**C. Restricted Assets**

Restricted assets in the governmental funds include \$48,670 in the Tulare County Public Financing Authority for future debt service and \$5,000 in a capital projects fund for the future clean up of toxic ground at the Harmon Field airstrip. Restricted assets in the business-type funds include \$44,468 in the Solid Waste fund for future closure/postclosure expenses for disposal sites, and \$5 in CSA#2 for the future liquidation of water bonds.

**D. Deferred Revenue**

Deferred revenue consists of two categories of revenue including 1) resources received before their use is permitted (*unearned*) or, 2) amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met, in that the amounts are measurable, but not available within the current period or soon enough thereafter to pay liabilities of the current period (*unavailable*).

	Unearned	Unavailable
General Fund	\$ 29,070	\$ 4,872
Nonmajor Governmental Funds	5,662	3,655
Total Unavailable/Unearned Revenue	\$ 34,732	\$ 8,527

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**E. Capital Assets**

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Additions	Retirements	Adjustments	Ending Balance
<b>Capital Assets - Primary Government</b>					
<b>Governmental activities:</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 958,374 *	\$ 676	\$ -	\$ 1	\$ 959,051
Construction in Progress	10,562	1,644	(10,952)	-	1,254
Infrastructure in Progress	4,397 *	2,283	-	-	6,680
Total capital assets, not being depreciated	<u>973,333</u>	<u>4,603</u>	<u>(10,952)</u>	<u>1</u>	<u>966,985</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	634,413 *	661	-	-	635,074
Buildings and Improvements	163,685	10,930	-	-	174,615
Equipment / Vehicles	43,980	3,515	(2,196)	(333)	44,966
Total capital assets being depreciated	<u>842,078</u>	<u>15,106</u>	<u>(2,196)</u>	<u>(333)</u>	<u>854,655</u>
<i>Less accumulated depreciation for:</i>					
Infrastructure	(202,366) *	(20,473)	-	-	(222,839)
Buildings and Improvements	(41,236)	(3,216)	-	(1)	(44,453)
Equipment / Vehicles	(29,461)	(4,142)	2,077	598	(30,928)
Total accumulated depreciation	<u>(273,063)</u>	<u>(27,831)</u>	<u>2,077</u>	<u>597</u>	<u>(298,220)</u>
Total capital assets, being depreciated, net	<u>569,015</u>	<u>(12,725)</u>	<u>(119)</u>	<u>264</u>	<u>556,435</u>
Governmental activities capital assets, net:	<u>\$ 1,542,348 *</u>	<u>\$ (8,122)</u>	<u>\$ (11,071)</u>	<u>\$ 265</u>	<u>\$ 1,523,420</u>

\* Beginning balances have been restated to include Infrastructure Inventory as of June 30, 2004. See Note III. C.

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<b>Capital Assets - Primary Government</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Adjustments</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 6,728	\$ -	\$ -	\$ -	6,728
Construction in Progress	-	19	-	-	19
Total capital assets, not being depreciated	<u>6,728</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>6,747</u>
<i>Capital assets, being depreciated:</i>					
Buildings and Improvements	17,165	607	-	-	17,772
Equipment /Vehicles	9,323	1,347	(81)	-	10,589
Total capital assets being depreciated	<u>26,488</u>	<u>1,954</u>	<u>(81)</u>	<u>-</u>	<u>28,361</u>
<i>Less accumulated depreciation for:</i>					
Buildings and Improvements	(5,107)	(763)	-	-	(5,870)
Equipment /Vehicles	(7,095)	(594)	53	-	(7,636)
Total accumulated depreciation	<u>(12,202)</u>	<u>(1,357)</u>	<u>53</u>	<u>-</u>	<u>(13,506)</u>
Total capital assets, being depreciated, net	<u>14,286</u>	<u>597</u>	<u>(28)</u>	<u>-</u>	<u>14,855</u>
Business-type activities capital assets, net:	<u>\$ 21,014</u>	<u>\$ 616</u>	<u>\$ (28)</u>	<u>\$ -</u>	<u>\$ 21,602</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Depreciation - Governmental activities:</b>	<b>Depreciation - Business-type activities:</b>
General government	Solid Waste
Public protection	Nonmajor enterprise funds
Public ways and facilities	
Health and sanitation	
Public assistance	
Education	
Culture and recreation	
Unallocated depreciation expense	
Total depreciation expense - governmental activities	Total depreciation expense - business-type activities
\$ 27,831	\$ 1,357

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The County has active construction and other projects as of June 30, 2005 including the remodeling of the Visalia Library, the Oat Mountain radio tower project, and various infrastructure projects.

At fiscal year-end the County's commitments with contractors are as follows:

Capital Project - Active Construction	Spent-to- Date	Remaining Commitment
Orosi Substation	\$ 61	\$ 88
Playground Equipment	490	-
Visalia Library	464	469
Sheriff Bus - Not received	198	-
Oat Mountain Radio Tower Project	41	55
Roads:		
Environmental review of existing roads	6,229	315
Bridges:		
Replacement of bridge	2	-
Review of existing bridge for possible replacement	449	-
Total Construction in Progress	\$ 7,934	\$ 927

The commitment for road and bridge reconstruction and environmental review is being financed by the State Transportation Improvement Program.

**F. Interfund Receivables and Payables**

**1. Advances to / from other County funds**

Advances to/from other County funds are representative of non-current lending / borrowing arrangements outstanding at the end of the fiscal year.

The composition of advances to / from other County funds balances as of June 30, 2005, is as follows:

Advances - Receivable Fund	Advances - Payable Fund	Amount
General	Nonmajor Governmental	\$ 325
	Total	\$ 325

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**2. Due to / from other County funds**

Due to/from other County funds represents current outstanding balances between funds at the end of the fiscal reporting period. The County's computerized general ledger only allows for the transfer of cash between funds until mid July following the end of the fiscal year. Therefore, the recording of interfund activity which occurred during the fiscal year, but which is entered to the system after mid-July, results in an interfund payable / receivable.

The composition of due to / from other County fund balances as of June 30, 2005, is as follows:

Due To / From County Funds		
Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 899
	Internal service	158
	Sub-total	<u>1,057</u>
Nonmajor governmental	General	729
Solid Waste	General	12,068
Internal service	General	64
	Total	<u>\$ 13,918</u>

**G. Transfers**

Transfers to / from other County funds for the fiscal year ended June 30, 2005 consist of transfers for normal operations, including the accumulation of debt service payments and support of other funds resources.

The schedule of transfers to / from other County funds for the fiscal year ended June 30, 2005 is as follows:

Transfers out:	Transfers In:					Total Transfers
	General	PFC	PFA	Nonmajor governmental	Nonmajor enterprise	
General	\$ -	- \$	- \$	36,195 \$	3 \$	37,158
PFA	-	-	-	2,500	-	2,500
Nonmajor governmental	47,280	8,789	3,978	2,646	-	62,746
Solid Waste	520	-	-	141	-	665
Internal service	-	-	-	92	-	92
Total transfers out	<u>\$ 47,800</u>	<u>\$ 8,789</u>	<u>\$ 3,978</u>	<u>\$ 41,574</u>	<u>\$ 3</u>	<u>\$ 103,161</u>

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**H. Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage regulations and restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage rebate requirements stipulate, in general, that the excess of earnings from the investment of tax-exempt bond proceeds over related interest expenditures on the bonds must be remitted to the Federal government on every fifth anniversary of each bond issue. The County has evaluated each outstanding debt obligation that is subject to the arbitrage rebate requirements and deferred interest income of \$10 during fiscal year ending June 30, 2005 for future payment on two of the County's Bond issues.

**I. Leases**

Operating Leases (County as Lessor). The County, as the lessor, has entered into long-term operating lease agreements leasing land and buildings to others. Leased assets represent \$2,007 (net of \$728 accumulated depreciation) of the capital assets of governmental activities. The revenues realized for the fiscal year ended June 30, 2005 were \$850. The minimum future rentals for noncancellable operating leases are as follows:

Future Rentals	
Fiscal Year Ending June 30,	Amount
2006	\$ 314
2007	285
2008	276
2009	275
2010	275
2011-2015	388
2016-2020	24
Total	\$ 1,837

Operating Leases (County as Lessee). The County has commitments under long-term operating lease agreements for facilities used in operations. These lease agreements provide for cancellation in the event the Board of the respective entity does not appropriate funding in subsequent fiscal years. The expenses for the fiscal year ended June 30, 2005 were \$5,719. The future minimum lease payments for these leases are as follows:

Operating Leases	
Fiscal Year Ending June 30,	Amount
2006	\$ 5,063
2007	4,261
2008	3,865
2009	3,423
2010	2,897
2011-2015	6,991
2016-2020	2,473
2021-2025	1,563
Total	\$ 30,536

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In addition to real property leases, the County has also entered into long-term leases for personal property, the majority of which is leased by Roads, Solid Waste, the District Attorney's Office, and the General Services division of the Resource Management Agency. Most of these leases also provide for cancellation in the event that the Board of Supervisors does not appropriate funding, and are subject to annual adjustments based upon negotiations. Total rent and lease expense for these operating leases for the fiscal year ended June 30, 2005, was approximately \$186.

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of police communications equipment and other non-capitalized items; and printing equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

Assets Acquired Through Capital Leases	
Fiscal Year Ending June 30,	Governmental Activities
Equipment	\$ 321
Less: Accumulated depreciation	(163)
Total	\$ 158

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2005, are as follows:

Capital Leases	
Fiscal Year Ending June 30,	Governmental Activities
2006	\$ 105
2007	17
2008	16
2009	6
Total minimum lease payments	144
Less: amount representing interest	(11)
Present value of minimum lease payments	\$ 133



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Direct Financing Lease. The County has entered into a lease agreement as lessor for the lease purchase of the Dinuba Courthouse / Police Station by the City of Dinuba in March 1997. This lease agreement qualifies as a direct financing lease for accounting purposes and, therefore, has been recorded as lease payments receivable with no allowance for uncollectible payments and net of interest. The net investment in this direct financing lease as of June 30, 2005 is \$1610. Minimum lease payments receivable for each of the five succeeding fiscal years and thereafter are as follows:

Direct Financing Lease Receivable			
Fiscal Year Ending June 30,	Principal	Interest	
2006	\$ 114	\$ 96	
2007	121	89	
2008	128	82	
2009	136	74	
2010	144	65	
2011-2015	865	181	
2016	102	3	
	<u>\$ 1,610</u>	<u>\$ 590</u>	

**J. Short-term Debt**

Tax and Revenue Anticipation Notes Payable. In accordance with the Resolution of Issuance, the 2004-2005 Tax and Revenue Anticipation Note (TRAN) of \$30,000 was issued on July 1, 2004 at 3.5% with a re-offering yield of 1.67%. This \$30,000 Tran will mature on July 29, 2005.

Short-term Debt Activity			
	Beginning Balance	Issued	Ending Balance
Tax and Revenue Anticipation Notes	\$ -	\$ 30,000	\$ 30,000

**K. Long-term Debt**

Certificates of Participation. The Tulare County Public Facilities Corporation issues Certificates of Participation (COP's) to provide funds for the acquisition, construction and repair and maintenance of major capital facilities. COP's have been issued for both governmental and proprietary activities. These COP's are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. In addition, COP's have been issued to refund earlier certificates with higher interest rates.

COP's are obligations of the County's component units. However, the County is indirectly obligated under lease agreements it has signed with its component units. The County's obligation is limited to including in its annual budget, lease payments called for in the lease agreements. These COP's generally are issued as 20-year certificates with increasing amounts of principal maturing each year.

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Certificates of Participation currently outstanding are as follows:

Outstanding Certificates of Participation				
Date Issued	Purpose of Debt	Interest Rates	Amount	
September 16, 1992	Governmental activities - Refunding	2.75% - 6.13%	\$	2,720
July 23, 1996	Governmental activities	4.30% - 6.00%		12,425
October 8, 1998	Governmental activities - Refunding	3.35% - 5.00%		41,725
	Subtotal			56,870
September 2, 1993	Business-type activities	5.00%		515
February 23, 1994	Business-type activities	5.00%		75
August 16, 1994	Business-type activities	4.50%		54
September 14, 1994	Business-type activities	4.50%		45
May 28, 1996	Business-type activities	4.50%		895
	Subtotal			1,584
	Total		\$	58,454

Annual debt service requirements to maturity for COP's are as follows:

Certificates of Participation				
Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2006	\$		\$	
2007	6,570	2,884	27	74
2008	4,145	2,508	27	72
2009	4,365	2,298	27	71
2010	4,580	2,072	28	70
2011-2015	4,920	1,734	29	69
2016-2020	25,090	4,864	174	319
2021-2025	7,200	243	217	274
2026-2030	-	-	271	215
2031-2035	-	-	343	145
2036-2037	-	-	391	55
Total	\$ 56,870	\$ 16,603	\$ 1,584	\$ 1,365

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*Variable Rate Demand Bonds.* On December 17, 1999, the Tulare County Public Financing Authority (TCPFA) issued Variable Rate Demand Bonds of \$45,000 with a variable rate not to exceed 12%. Each fiscal year up to \$2,500 will be transferred to the County to provide financing for the acquisition and construction of public capital assets and repair and maintenance costs related thereto. A lease agreement in which the County is leasing four existing buildings to TCPFA is used as security for the bonds.

These bonds are treated as a long-term liability in accordance with GAAP as the County entered into a take-out agreement before the financial statements were issued. The take-out agreement does not expire within one year of the fiscal period end. Neither the take-out agreement itself nor the obligations issued pursuant to the agreement are cancelable by the lender within one year of the fiscal period end, and the lender is expected to be financially capable of honoring the take-out agreement.

These bonds are the obligation of the County's component unit. However, the County is obligated under the leaseback agreement it has signed with its component unit. The County's obligation is limited to including in its annual budget the lease payments called for in this leaseback agreement payable from a pledge of the County's share of the Tobacco Master Settlement Agreement. These bonds were issued with a final maturity date of August 1, 2034.

Annual debt service requirements to maturity for the bonds are as follows:

TCPFA Variable Rate Demand Bonds			
Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest *	
2006	\$ 500	\$ 2,500	
2007	500	2,471	
2008	600	2,444	
2009	600	2,402	
2010	600	2,367	
2011-2015	3,900	11,233	
2016-2020	5,300	9,910	
2021-2025	7,400	7,866	
2026-2030	10,100	5,225	
2031-2035	13,800	1,803	
Total	\$ 43,300	\$ 48,221	

\* Interest rate of 5.75% were used for this projection.

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Pension Obligation Bonds. The County issued Pension Obligation Bonds (POB's) of \$41,460 on May 22, 1997, to pay the unfunded actuarial accrued liability at June 30, 1996.

Annual debt service requirements to maturity for the POB's are as follows:

Fiscal Year Ending June 30,	Pension Obligation Bonds	
	Governmental Activities	
	Principal	Interest
2006	\$ 2,860	\$ 2,173
2007	3,320	1,952
2008	3,830	1,696
2009	4,390	1,399
2010	5,000	1,058
2011-2012	11,955	899
Total	\$ 31,355	\$ 9,177

Loans Payable. The County has borrowed funds for the acquisition of fire trucks, vehicles, computers and other equipment each year since 1996. The magnitude of these loans varies from \$656 to \$3,525 and the interest rates range from 2.9% and 5.48%. During the fiscal year ended June 30, 2005, one additional loan of \$1,246 was taken at 3.38% over five years. These loans extend to January 2009. In September 2002, the County borrowed \$10,920 at 4.49% for energy improvement projects. This loan extends to November 2017. A tax allocation loan agreement dated November 1, 2002 was entered into between the California Infrastructure and Economic Development Bank and Goshen Redevelopment. In January 2004, Goshen Redevelopment received this loan of \$1,914 at 3.07%. This loan extends to August 2032.

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The debt payment schedule for the following fiscal years ending June 30 is as follows:

Fiscal Year Ending June 30,	Loans Payable	
	Governmental Activities	
	Principal	Interest
2006	\$ 2,482	\$ 634
2007	1,949	561
2008	1,491	490
2009	1,123	434
2010	999	389
2011-2015	4,188	1,397
2016-2020	3,106	435
2021-2025	343	130
2026-2030	400	73
2031-2035	271	12
2036-2037	-	-
Total	\$ 16,352	\$ 4,555

Prior-Year Defeasance of Debt. In prior years, the County defeased certain Certificates of Participation (COP) by placing the proceeds of new COP's in an irrevocable trust to provide for all future debt service payments on the old COP's. Accordingly, the trust account assets and the liability for the defeased COP's are not included in the County's financial statements. At June 30, 2005, \$ 37,705 of bonds outstanding are considered defeased.

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Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2005 was as follows:

Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
COPs	\$ 63,133	\$ -	(6,263)	\$ 56,870	\$ 6,570
Variable Rate demand Bonds	43,800	-	(500)	43,300	500
Pension Obligation Bonds	33,800	-	(2,445)	31,355	2,860
Loans Payable	17,281	1,775	(2,704)	16,352	2,482
Capital Leases	287	-	(154)	133	97
Compensated Absences	13,410	2,499	(732)	15,177	732
Claims Payable	5,032	11,571	(4,558)	12,045	3,812
Governmental activities Long-term liabilities	<u>\$ 176,743</u>	<u>\$ 15,845</u>	<u>\$ (17,356)</u>	<u>\$ 175,232</u>	<u>\$ 17,053</u>

Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Business-type activities:</b>					
COPs	\$ 1,610	\$ -	(26)	\$ 1,584	\$ 27
Bonds	8	-	-	8	-
Closure/postclosure costs	38,066	1,402	-	39,468	-
Compensated Absences	252	61	(15)	298	15
Business-type activities Long-term liabilities	<u>\$ 39,936</u>	<u>\$ 1,463</u>	<u>\$ (41)</u>	<u>\$ 41,358</u>	<u>\$ 42</u>

The liability for compensated absences has typically been liquidated using the primary government's governmental funds and the Solid Waste fund. The value of accumulated vacation at June 30, 2005 was \$12,498. Of this amount, \$209 is recorded in business-type funds. The value of accumulated sick leave at June 30, 2005 was calculated using a termination payment method and is accrued at \$1,959. Of this amount, \$ 41 is recorded in business-type funds. The value of accumulated CTO at June 30, 2005 was \$1,018. Of this amount, \$48 is recorded in the business-type funds. The value of sick leave buy backs for future years cannot be accurately estimated, but for the fiscal year ended June 30, 2005, the County paid \$747 to employees through this program.

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The liabilities for claims and judgments payable includes both General Liability and Workers' Compensation Liability and have been liquidated using the General Liability Insurance Internal Service fund and the Workers' Compensation Insurance Internal Service fund.

Other Payables. El Rancho Sewer District, which is part of County Service Area #1, issued revenue bonds during the fiscal year ended June 30, 1988. The bonds were purchased by Farmers Home Administration. The proceeds of the loan were used for a sewer construction project. The original bonds payable of \$11 has a current principal balance of \$8 and bears interest at 5% per annum. This matures in 2027, a 40-year period. The bonds were issued under Health & Safety Code §49000. The bonds will be redeemed with monies raised from service charges associated with the sewer system operation.

The annual debt service requirements to maturity for the revenue bonds are as follows:

Fiscal Year Ending June 30,	El Rancho Sewer Bond Business-type Activities	
	Principal	Interest
2006	\$ -	\$ 1
2007	-	-
2008	-	1
2009	-	-
2010	-	-
2011-2015	2	2
2016-2020	2	1
2021-2025	3	1
2026-2027	1	-
Total	\$ 8	\$ 6

**L. Special Assessment Debt**

The County of Tulare is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$193,784 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2005. The Tulare County Auditor-Controller acts as an agent for the Property Owners / Bond Holders in collecting and forwarding the special assessments, with the exception of the Kaweah Delta Hospital Bond. The School Bonds totaling \$137,604 include bonds for Buena Vista, Burton, Earlimart, Liberty Richgrove, Sundale, Traver, and Woodlake Elementary Schools, Exeter, Strathmore, Tulare Joint Union, and Woodlake High Schools, Cutler-Orosi, Dinuba, Farmersville, Lindsay, Porterville, and Visalia Unified Schools. The 1915 Improvement Act Bonds totaling \$194 include bonds for Ducor Community Service District, and Ducor CSD Supplemental. The Special Districts GO Bonds totaling \$51 are for Kaweah Delta Hospital Bond and Woodville Public Utility District Sewer.

**M. Landfills**

State and Federal laws and regulations require that Tulare County Solid Waste Fund place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfills used during the year. The estimated liability for landfill closure and post closure care

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costs has a balance of \$39,468 as of June 30, 2005, which is based on an average of 29% usage (filled) of all landfill sites (remaining capacity since August 18, 1989). It is estimated that an additional \$ 48,667 will be recognized as closure and post closure care expenses between the date of the statement of net assets and the date the landfills are currently expected to be filled to capacity. The estimated total current cost of the landfill closure and post closure care (\$83,690) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2005. However, the actual cost of closure and post closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

In addition, the County is required by State and Federal laws and regulations to make annual contributions to finance closure and post closure care. The County is in compliance with these requirements, and at June 30, 2005, investments of \$35,024 are part of the pooled funds held by the Tulare County Treasurer. It is anticipated that future inflation costs will be financed in part from earnings on investments held by the Treasurer. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill site users, taxpayers, or both.

Financial assurance for corrective action is required by the State Water Resources Control Board through the Regional Water Quality Control Board under California Code Regulations, title 27, subchapter 2, Article 4, and Sections 22220 through 22222. The funds are the financial assurance mechanism for corrective actions and are there to be used to clean up or otherwise remediate a release (a.k.a. plume of groundwater contamination) from the County's landfills. The California Integrated Waste Management Board (CIWMB) specifies what annual inflation rate should be applied to the amount required for corrective action along with closure and postclosure maintenance at the landfills. The County is in compliance with these requirements and, at June 30, 2005, investments of \$4,444 are part of the pooled funds held by the Tulare County Treasurer.

**N. Restricted Net Assets**

Net assets invested in capital assets, net of related debt is computed as follows:

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
Total capital assets, net of accumulated depreciation	\$ 1,523,420	\$ 21,602	\$ 1,545,022
Less related debt:			
COP's	(56,870)	(1,584)	(58,454)
Capital leases	(133)	-	(133)
Loans	(16,352)	-	(16,352)
Bonds	-	(8)	(8)
Total	\$ 1,450,065	\$ 20,010	\$ 1,470,075



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Net assets of capital projects funds (\$9,696) are restricted by the State for the future clean up of toxic ground at the Harmon Field airstrip (\$5,000), and by the Joint Powers Agreement governing the disbursement and use of proceeds of the variable rate demand bonds (\$4,696). Net assets of special revenue funds (\$10,813) are restricted by the funding source, usually State and Federal, for specific functions such as Roads (\$1,340), Redevelopment (\$6,677), and others (\$2,796).

Net assets of debt service funds (\$19,542) are restricted by lenders COP's (\$8,910), or by contractual agreements with trustees and bond holders (\$9,514), or others (\$218).

Net assets of business-type activities are restricted by State landfill postclosure contingency requirements (\$5,000) or by contractual agreements with bond holders (CSA - \$5).

**O. Condensed Financial Statements**

The Tulare County Public Facilities Corporation issued Certificates of Participation to finance its sewage and water projects. Both the water and sewer projects are accounted for in three single funds. However, investors in the Certificates of Participation rely solely on the revenue generated by the individual activities for repayment. Summary financial information for these funds is presented below:

CONDENSED STATEMENT OF NET ASSETS		Terra Bella Sewer			
		Maintenance	CSA #1	CSA #2	
Assets:					
Current assets	\$	705 \$	389 \$	73	
Restricted assets		-	-	5	
Capital assets		1,567	4,915	456	
Total assets		2,272	5,304	534	
Liabilities:					
Current liabilities		37	75	3	
Noncurrent liabilities		880	1,191	44	
Total liabilities		917	1,266	47	
Net Assets:					
Invested in capital assets, net of related debt		672	4,263	411	
Restricted		-	-	5	
Unrestricted (deficit)		683	(225)	71	
Total net assets	\$	1,355 \$	4,038 \$	487	

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CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS	Terra Bella Sewer Maintenance	CSA #1	CSA #2
Water and Sewer charges	\$ 142	\$ 340	\$ 45
Depreciation expense	(77)	(202)	(18)
Other operating expenses	(106)	(335)	(31)
Operating Income (loss)	(41)	(197)	(4)
Nonoperating revenues (expenses):			
Investment earnings	17	11	2
Special assessments	6	-	-
Interest expense	(41)	(42)	(2)
Change in net assets	(59)	(228)	(4)
Beginning net assets	1,414	4,266	491
Ending net assets	\$ 1,355	\$ 4,038	\$ 487

CONDENSED STATEMENT OF CASH FLOWS	Terra Bella Sewer Maintenance	CSA #1	CSA #2
Net cash provided (used) by:			
Operating activities	\$ 55	\$ 27	\$ 16
Noncapital financing activities	6	21	-
Capital and related financing activities	(56)	(52)	(3)
Investing activities	17	11	2
Net increase (decrease)	22	7	15
Beginning cash and cash equivalents	664	282	55
Ending cash and cash equivalents	\$ 686	\$ 289	\$ 70

The County maintains three non-major enterprise funds that account for the maintenance and operations of a sewer system (Terra Bella Sewer Maintenance District) and clean and safe water systems (County Service Areas 1 & 2).

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**V. OTHER INFORMATION**

**A. Risk Management**

The County is exposed to various risks of loss related to tort claims from automobile losses, operations losses, and professional errors and omissions; damage to and destruction of assets from theft, natural disasters, and other occurrences; and job related injuries to County employees. The County uses a combination of self-insurance, commercial insurance, and insurance pools with other counties to provide protection from loss. Premiums are paid into the insurance funds by all other funds and are available to pay claims, build reserves, pay insurance premiums, and pay the administrative costs associated with risk and claim administration.

Losses and incidents of potential loss are reported to Risk Management. After an initial assessment, a claim is established that includes a reasonable estimate of the ultimate cost of the claim to the County. Excess liability coverage is maintained for automobile, general liability, and non-medical. The self-insured retention for the Liability Program effective July 1, 2003 is \$250 and continued at this level for fiscal year 2004/05. The self-insured retention of \$250 applies to automobile, general liability, and non-medical errors and omission's claims. Excess Limits of Liability were maintained at \$25 million for the fiscal year 2004/05. The purchased insurance for aviation, water craft and medical malpractice claims pays for all claim and expense costs, with deductibles that apply as follows: aviation-\$1,000; water craft-\$5,000 and medical malpractice-\$10,000.

Liability settlements have exceeded the self-insured retention in two claims during the Fiscal Year. The County recovered amounts paid in excess of the SIR from CSAC-EIA programs. Expenses in the Mold Litigation have exceeded the self-insured retention and recovery was made during the Fiscal Year from CSAC-EIA for prior year expenditures. Ongoing expenses will result in additional recoveries and will be received after June 30, 2005.

Liabilities include an amount for estimated claims payable, including expenses and an accrual for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and the amount of payouts as well as economic and social factors affecting claim values. The liability for claims and judgments is reported in the insurance internal service funds

Property coverage is insured with a \$10 deductible applying to real property and contents, including automobiles, and includes replacement cost limits of liability. The Crime Bond deductible is \$25 and the Boiler and Machinery deductible is \$10 with coverage under the basic Property Program coverage. Workers' compensation is a full statutory program and includes the funding for a Safety Officer and safety programs.

Changes in the balances of claims liabilities during the last three fiscal years ended June 30 are as follows:

Claims Liability	June 30, 2005		June 30, 2004		June 30, 2003	
	Total		Total		Total	
Unpaid claims	\$	5,032	\$	5,460	\$	6,475
Claims incurred		4,044		2,694		1,365
Claims closed		-		-		(1,603)
Claims paid		(4,231)		(3,122)		(777)
Total unpaid claims	\$	<u>4,845</u>	\$	<u>5,032</u>	\$	<u>5,460</u>

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The county returned to a Self-Insured Program during fiscal year 2004/05. AIG had provided a fully insured Workers' Compensation policy for the previous six years.

Effective July 1, 2004, the county entered into a workers' compensation administration service agreement with Keenan and Associates for claim and loss control services. Keenan staff handles claims with claim payments from a trust fund. A trust fund balance is maintained at \$250 through a monthly reconciliation performed by Risk Management and County Counsel Accountant.

During the year, 422 claims were reported to Keenan and Associates. As of June 30, 2005, 147 claims remained open, payments totaled \$327 and \$1,070 in outstanding reserves. Incurred but not recorded (IBNR) is reserved at \$6,130 for future development of accident fiscal year.

Changes in the balances of Workers' Compensation claims liabilities during the last three fiscal years ended June 30 are as follows:

<b>Workers' Compensation Claims Liability</b>	<b>June 30, 2005 Total</b>
Unpaid claims	\$ -
Claims incurred	7,527
Claims closed	-
Claims paid	(327)
Total unpaid claims	<u>\$ 7,200</u>

The combined unpaid claims liability for General Liability and Workers' Compensation are reported in these financial statements as follows:

<b>General Liability and Workers' Compensation Unpaid Claims Liability</b>	<b>June 30, 2005 Total *</b>	<b>June 30, 2004 Total</b>	<b>June 30, 2003 Total</b>
Claims payable - current	\$ 3,812	\$ 3,051	\$ 2,767
Claims payable - noncurrent	8,233	1,981	2,693
Total unpaid claims liability	<u>\$ 12,045</u>	<u>\$ 5,032</u>	<u>\$ 5,460</u>

\* June 30, 2005 is the first year of Self-Insured Workers' Compensation

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**B. Risk Pool**

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC), a California Joint Powers Authority. The purpose of the Authority is to develop and fund insurance programs for its 54 member counties. CSAC Excess insurance Authority was formed in October 1979 and has operated without interruption since that time. Each County appoints one member of the CSAC EIA's Board of Directors to represent its County. The Authority operates public entity risk pools for workers' compensation, comprehensive liability, property, and medical malpractice. The Authority also purchases excess insurance, actuarial services, and claims audits; and provides other services and subsidies for its members.

The County participates in the following CSAC Excess Insurance programs. The current County self-insured retention level for each program is as follows:

<u>Excess Insurance Program</u>	<u>Self-Insurance Retention</u>
Excess Liability	\$250
Property	\$ 10
Medical Malpractice	\$ 10

The County's claims exceeded the self insurance retention in two instances during fiscal year 2004/05 and excess insurance recoveries were received on both claims. No claims have exceeded the County's total insurance coverage. The relationship between the County and the CSAC Excess Insurance Authority is such that the CSAC Excess Insurance Authority is not a component unit of the County for financial reporting purposes.

Condensed financial information for CSAC Excess Insurance Authority as of and for the fiscal year ended June 30, 2004, is as follows:

CSAC Excess Insurance Authority Condensed Statement of Net Assets June 30, 2004 (amounts expressed in thousands)	
Total Assets	\$ 210,161
Total Liabilities	186,368
Claim Liabilities	18,733
All Other Liabilities	5,060
Net Assets	\$ 5,060

CSAC Excess Insurance Authority Condensed Statement of Revenues, Expenses, and Changes in Net Assets For fiscal year ended June 30, 2004 (amounts expressed in thousands)	
Total Revenue	\$ 247,402
Total Expenses	246,700
Changes in Net Assets	702
Beginning Net Assets	4,358
Ending Net Assets	\$ 5,060

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CSAC Excess Insurance Authority owns its office building. The building was purchased with assessments from the member counties. Each county shares in the equity of the building in proportion to the assessment contributed. Tulare County's percentage equity in the CSAC EIA building fund at June 30, 2004 was 1.8073% of \$1,659 for a total of \$29.

**C. Joint Ventures**

A joint venture is defined by Governmental Accounting Standards Board Statement No. 14 The Financial Reporting Entity as "a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain either (a) an ongoing financial interest, or (b) an ongoing financial responsibility." Aside from the County's membership in the California State Association of Counties (CSAC) as described in Note V. B., the County also participates in eight other joint ventures as follows:

Central Valley Immunization Information System (CVIIS) On January 1, 2001, the Counties of Fresno, Kern, Kings, Madera, Mono, and Tulare entered into a Joint Exercise of Powers Agreement by which they created and established CVIIS as a separate public Agency. This agency was created to provide a client-oriented, automated immunization system so that residents of member counties will have access to and receive age appropriate immunizations pursuant to health and Safety Code Section 120440 (b) (1). The County acts as its own fiscal agent with respect to funds provided to it directly from the State. The County's financial interest is based upon joint ownership of money and property owned by CVIIS.

Goshen Public Financing Authority (GPFA) On September 17, 1996, the Tulare County Redevelopment Agency (a blended component unit of the County) and the Goshen Community Services District formed the legally-separate GPFA as a result of a joint powers agreement. The County has pledged \$53 each year for 40 years against U.S.D.A. bonds secured by GPFA for a sewer project in Goshen.

Kings/ Tulare Area Agency on Aging KTAAG was established in 1980 as a result of a joint powers agreement between Kings and Tulare Counties for the purpose of spending Older Americans Act and Older Californians Act monies in support of seniors. The County is responsible for a minimum of 79% of the required administrative match each year, but all resources would revert to the California Department of Aging. Independently audited financial statements can be obtained from the County Health and Human Services Agency, 5957 South Mooney Boulevard, Visalia, California.

Lake Kaweah Enlargement Project The Project was established in 1999 as a result of a joint powers agreement between the Kaweah Delta Water Conservation District and the County for the purpose of constructing a spillway at Lake Kaweah in order to provide greater flood protection. The County is responsible for 12% of non-federally-supported costs of the Project and retains a 12% interest in the completed Project. Independently audited financial statements can be obtained from the Kaweah Delta Water Conservation District, 2975 Farmersville Boulevard, Farmersville, California.

San Joaquin Valley Library System The entity was established in 1970 as a result of a joint powers agreement among library jurisdictions in the San Joaquin Valley for the purpose of reducing the costs of operations and improving services to the public. The County is responsible for staffing and minor purchases in support of the System. The County's financial interest is based upon its percentage of contributions to the System. Independently audited financial statements can be obtained from the Fresno County Library, 2420 Mariposa Street, Fresno, California.

Tulare County Association of Governments TCAG was established in 1971 as a result of a joint powers agreement among incorporated Cities and the County for the purpose of providing a forum for the coordination of transportation and air quality maintenance programs. The County is responsible for staffing and for a pro rata share of operating costs. Independently audited financial statements can be obtained from the County Resource Management Agency, 5961 South Mooney Boulevard, Visalia, California.

Tulare County Service Authority for the Abatement of Abandoned Vehicles The Authority was established in 1991 as a result of a joint powers agreement among incorporated Cities and the County for the purpose of removing and disposing of abandoned vehicles deemed to be public nuisances. The County is responsible for the collection and disbursement of authorized funds and meeting State reporting requirements for which the County receives 1% of the annual funds collected. The Authority has no resources other than cash, which is distributed immediately upon receipt. Independently audited financial statements can be obtained from the State of California Controller's Office, Sacramento, California.

**COUNTY OF TULARE**  
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Tule River Improvement Project The Project was established in 1998 as a result of a joint powers agreement between the Lower Tule River Irrigation District and the County for the purpose of acquiring and maintaining entrance facilities and channels in order to provide flood control and water conservation. The Project's support costs are shared equally among participants with specific project costs shared according to separate agreements per project. The County's interest in the Project is calculated based on contributions to individual projects. Independently audited financial statements can be obtained from the Lower Tule River Irrigation District, 357 East Olive Avenue, Tipton, California.

**D. Subsequent Events**

1. On July 1, 2005, \$ 39,000 Tax Revenue Anticipation Notes (TRAN) 2005-2006 were issued at 4% with a re-offering yield of 2.67%, maturing on July 31, 2006.
2. On July 29, 2005, \$11,435 representing a prepayment of the employer's annual retirement contribution was paid to Tulare County Employees' Retirement Association.

**E. Contingent Liabilities**

Litigation. The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Counsel, (other than the claims included in section V. Other Information, sub-section A. Risk Management), even resolution of these matters would not have a material adverse effect on the financial condition of the County.

In the opinion of the County Counsel, a large majority of tax assessment appeals will be withdrawn by the applicants or settled by a stipulation of value and the County's Tax Assessor will prevail in the majority of appeals.

Termination Fee. The County is contingently liable for an early termination fee under a contract with ACS to manage the County's data processing system through the fiscal year ended June 30, 2006. The termination fee is computed based on the level of services received and payments made by the County over a period of ten (10) years beginning July 1997. The early termination fee at the end of the next fiscal year is \$113.

Program Compliance Requirements. The County participates in a number of Federal and State assisted grant programs, principal of which are the Family Support Payments, Child Support Enforcement, Community Development Block Grants, Workforce Investment Act, Justice Subvention programs and Local Public Works programs. These programs are subject to program compliance audits by the grantors and audits conducted under the Single Audit Act Amendments of 1996. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects amounts, if any, to be immaterial.

**F. Deferred Compensation Plan**

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available for distribution until termination, retirement, death, or unforeseeable emergency.

The assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Since the plan assets are administered by an outside party in accordance with Governmental Accounting Standards Board Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 *Deferred Compensation Plans*, these assets are not included in the financial statements of the County.

**G. Other Post-employment Benefits**

The County reports no other post-employment benefits as of June 30, 2005.

**COUNTY OF TULARE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2005**  
**(amounts expressed in thousands)**

**H. Employee Retirement System**

Plan Description. The Tulare County Employees' Retirement Association was established July 1, 1945, under the provisions of the County Employees Retirement Act of 1937 (Government Code sections 31450 et seq.). The Association operates as a cost-sharing multiple-employer defined benefit plan with special funding circumstances and provides retirement, disability and death benefits for qualified employees of Tulare County, the Tulare County Courts, First 5 Tulare County, and the Strathmore Public Utility District. The Association was integrated with Social Security in 1956. The Association is administered by a nine-member Board of Retirement. The Association issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from the Tulare County Employees' Retirement Association.

Funding Policy. Active plan members in the Association are required to contribute a percentage of their annual covered salary based upon age at entry into the plan and plan Tier. Currently, General Tier I members contribute an average of 7.08% of salary. General members of Tiers II and III contribute an average of 6.28% of covered salary. Safety Tier I members contribute an average of 15.97% of salary. Safety Tier II and III members contribute an average of 11.64% of covered salary. Due to a collective bargaining agreement, the County has a legal obligation to contribute 50% of the contributions required for active Tier I plan members. The rates reflected above for Tier I members do not reflect the County "pickup". The required employer aggregate contribution rate for all members combined in fiscal 2004-05 was 7.08% of total payroll.

Annual Pension Cost (APC). For fiscal year 2004-05, the County's annual pension cost for the Association was projected to be \$11,498, and the County actually contributed \$9,788. The projected contribution for fiscal year 2004-05 was determined as part of the June 30, 2003 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of pay. The actuarial assumption included (a) 8.00% investment rate of return (net of administrative expenses), (b) projected salary increases of 4%, and (c) 3% cost-of-living adjustment. Both (a) and (b) include an inflation component of 4%. The actuarial value of the Association's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a five-year period. The Association's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payrolls on a rolling fifteen-year basis.

The County's annual pension cost and pension assets for the fiscal year ended June 30, 2005, were as follows:

Annual Pension Costs and Pension Assets	
Annual required contribution	\$ 9,788
Interest on pension assets	(2,765)
Adjustment to the annual required contribution	4,944
Annual pension cost	<u>11,967</u>
Contributions made	<u>9,788</u>
Decrease in pension assets	<u>(2,179)</u>
Pension assets, July 1	<u>34,561</u>
Pension assets, June 30	<u>\$ 32,382</u>



**COUNTY OF TULARE**  
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**(amounts expressed in thousands)**

Schedule of Funding Progress (dollars expressed in thousands)						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) - Entry Age (B)	Overfunded AAL (OAAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	OAAAL as a % of Covered Payroll (B-A)/C
6/30/02	\$ 612,469	\$ 561,377	\$ (51,092)	109.10%	\$ 158,263	-32.3%
6/30/03	634,249	608,505	(25,744)	104.23%	162,397	-15.9%
6/30/04	665,244	649,649	(15,595)	102.40%	158,032	-9.9%
6/30/05*	*Current information for the fiscal year ended June 30, 2005 is unavailable.					

Three Year Trend Information				
Year Ended June 30	Annual Pension Cost	Contribution	Percentage Contributed	Pension Assets
2003	\$ 6,309	4,879	77.33%	\$ 36,344
2004	9,831	8,048	81.86%	34,561
2005	11,967	9,788	81.79%	32,382

**I. Trial Court Funding**

Assembly Bill 233 ("AB 233"), which was adopted by the State Legislature in 1997 and became effective January 1, 1998, transfers responsibility from the counties to the State for local trial court funding commencing in the 1997-98 fiscal year. Under this legislation, the State assumed a greater degree of responsibility for trial court operations costs from fiscal year 1997-98 forward.

The County will continue to be obligated to provide court facilities for all judicial officers and support positions authorized prior to July 1, 1996. This includes those judicial officers and positions, which replace those offices and positions created prior to July 1, 1996. However AB 233 does not require that the County finance new capital facility expenditures related to judicial officers and support staff required for any judgeships authorized during the period from January 1, 1998 to June 30, 2003. The County remains obligated to fund capital expenditures with respect to capital needs of existing judicial officers and support positions located in several of its courthouse facilities.



# **Combining and Individual Fund Statements and Schedules**



County of Tulare  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2005  
(amounts expressed in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Funds
<b>Assets</b>				
Investment in treasury pool	\$ 17,853	\$ 589	\$ 4,874	\$ 23,316
Investments	-	6	-	6
Imprest cash	2	-	-	2
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts receivable, net	2,098	-	-	2,098
Deposits with others	521	-	-	521
Due from other County funds	610	-	119	729
Due from other governments	2,684	295	-	2,979
Inventories	279	-	-	279
Prepaid items	810	-	-	810
Advances to Agency funds	40	-	-	40
Lease payments receivable, net of interest	-	1,610	-	1,610
Notes receivable	1,270	-	-	1,270
Restricted assets	-	-	-	5,000
<b>Total assets</b>	<u>\$ 26,167</u>	<u>\$ 2,500</u>	<u>\$ 9,993</u>	<u>\$ 38,660</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 5,888	\$ -	\$ 293	\$ 6,181
Due to other County funds	608	291	-	899
Salaries and benefits payable	1,207	-	4	1,211
Deferred revenue	7,326	1,991	-	9,317
Advances from other County funds	325	-	-	325
<b>Total liabilities</b>	<u>15,354</u>	<u>2,282</u>	<u>297</u>	<u>17,933</u>
<b>Fund balances:</b>				
Reserved for:				
Imprest cash	2	-	-	2
Inventories	279	-	-	279
Prepaid items	810	-	-	810
Advances to Agency funds	40	-	-	40
Notes receivable	1,270	-	-	1,270
Harmon Field cleanup	-	-	5,000	5,000
Debt service	521	218	-	739
Unreserved, reported in nonmajor:				
Special revenue funds	7,891	-	-	7,891
Capital projects funds	-	-	4,696	4,696
<b>Total fund balances</b>	<u>10,813</u>	<u>218</u>	<u>9,696</u>	<u>20,727</u>
<b>Total liabilities and fund balances</b>	<u>\$ 26,167</u>	<u>\$ 2,500</u>	<u>\$ 9,993</u>	<u>\$ 38,660</u>

County of Tulare  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Funds
<b>Revenues:</b>				
Taxes and special assessments	\$ 13,012	\$ -	\$ -	\$ 13,012
Fines, forfeitures and penalties	255	1,234	-	1,489
Interest, rents, and concessions	828	117	110	1,055
Intergovernmental revenues	69,318	295	-	69,613
Charges for services	6,069	-	-	6,069
Other revenues	4,396	75	202	4,673
Total revenues	<u>93,878</u>	<u>1,721</u>	<u>312</u>	<u>95,911</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	2,305	-	1,715	4,020
Public protection	26,973	-	-	26,973
Public ways and facilities	14,086	-	-	14,086
Health and sanitation	921	-	-	921
Public assistance	16,639	-	-	16,639
Education	2,534	-	-	2,534
Debt service:				
Principal retirement	132	4,397	-	4,529
Interest and fiscal charges	53	2,504	-	2,557
Capital outlay	4,617	-	196	4,813
Total expenditures	<u>68,260</u>	<u>6,901</u>	<u>1,911</u>	<u>77,072</u>
Excess (deficiency) of revenues over (under) expenditures	25,618	(5,180)	(1,599)	18,839
<b>Other financing sources (uses):</b>				
Sale of general capital assets	33	-	-	33
Capital lease principal payment	-	105	-	105
Transfers in	25,171	13,903	2,500	41,574
Transfers (out)	(53,826)	(8,789)	(131)	(62,746)
Total other financing sources (uses)	<u>(28,622)</u>	<u>5,219</u>	<u>2,369</u>	<u>(21,034)</u>
Net change in fund balances	(3,004)	39	770	(2,195)
Fund balances, July 1	13,817	179	8,926	22,922
Fund balances, June 30	<u>\$ 10,813</u>	<u>\$ 218</u>	<u>\$ 9,696</u>	<u>\$ 20,727</u>

# Nonmajor Governmental Funds

## Special Revenue Funds

**Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.**

**Indigent Health Fund** - This fund is used to account for monies paid to hospitals and doctors for services rendered to individuals who cannot pay. This fund was established in 1989-90 to receive the County's share of Proposition 99 monies per AB75.

**Library Fund** - This fund is used to account for informational, cultural and recreational services to the public through library outlets. The primary sources of revenue are charges for services, ad valorem property taxes, and State funds.

**Fish and Game Fund** - This fund is used to account for improving the habitat for wildlife propagation and for incidental administrative matters. The primary source of revenue is the County's share of fines levied for violations of fish and game laws within its boundaries.

**Aviation Fund** - This fund is used to account for aviation services to the public and governmental agencies. The primary source of revenue is Aircraft taxes.

**Structural Fire Fund** - This fund is used to account for public structural fire protection. The primary sources of revenue are charges for services, ad valorem property taxes, and State funds.

**Roads Fund** - This fund is used to account for the maintenance and construction of roadways and for specialized engineering services to other governmental units and the public. The primary sources of revenue are the County's share of State highway users taxes, Transportation Development Act and Intermodal Surface Transportation Efficiency Act revenues.

**Workforce Investment Act Fund** - This fund is used to account for services providing training and employment opportunities for the public. The primary sources of revenue are State/Federal Grants.

**Child Support Services Fund** - This fund is used to account for the costs of administering Child Support services to families in the County.

**Mental Health Realignment Fund** - These State mandated funds were established to account for County match, sales tax revenues, and transfers to/from the General Fund for certain mental health program expenditures.

**Health Realignment Fund** - These State mandated funds were established to account for County match, sales tax revenues, and transfers to/from the General Fund for certain health program expenditures.

**Social Services Realignment Fund** - These State mandated funds were established to account for County match, sales tax revenues, and transfers to/from the General Fund for certain welfare program expenditures.

**Tobacco Settlement Revenue Fund** - This fund was established to receive the County's share of the Tobacco Settlement Litigation Proceeds.

**Tulare County In-Home Supportive Services Public Authority Fund (TCHSSPA)** - TCHSSPA was established according to the provisions of the Welfare and Institutions code Section 12301.6 to serve as employer of record of Providers of in-home supportive services for purposes of the Meyers-Millias-Brown Act.

**Flood Control Fund** - This fund is used to account for flood control services provided in the County. The primary sources of revenue are ad valorem property taxes, assessments, and State funds.

**Redevelopment Funds (Earlmarl, Ivanhoe, Goshen, Orosi, Pixley, Traver, Richgrove, and Poplar)** - These funds were established to account for revenues and expenditures related to the low-and- moderate-income-housing-set-aside program. Twenty percent of the tax increments allocated to the Redevelopment Agency are required to be placed in these funds. Eighty percent of the tax increments are used to build reserves for the future and to match funds to federal and state grant/loan funding programs, which are used for infrastructure and other public service projects within the redevelopment area.





County of Tulare  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2005  
(amounts expressed in thousands)

	Indigent Health	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment	Child Support Services
<b>Assets</b>								
Investment in treasury pool	\$ 421	\$ 1,252	\$ 9	\$ 112	\$ 995	\$ 1,205	\$ 766	\$ 1,906
Imprest cash	-	1	-	-	-	-	-	1
of allowances for uncollectibles):	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	54	-	-
Deposits with others	-	-	-	-	-	-	-	-
Due from other County funds	-	-	-	-	510	8	5	-
Due from other governments	445	-	-	-	149	1,154	855	-
Inventories	-	-	-	-	-	279	-	-
Prepaid items	124	-	-	-	-	-	-	686
Advances to Agency funds	-	-	-	-	-	-	-	40
Notes receivable	-	-	-	-	-	-	-	-
Total Assets and other debits	\$ 990	\$ 1,253	\$ 9	\$ 112	\$ 1,654	\$ 2,700	\$ 1,626	\$ 2,633
<b>Liabilities and fund balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 657	\$ 54	\$ 1	\$ -	\$ 1,511	\$ 759	\$ 1,445	\$ 1,354
Due to other County funds	-	-	-	-	-	-	-	-
Salaries and benefits payable	6	83	-	-	50	358	181	523
Deferred revenue	-	-	-	-	-	243	-	756
Advances from other County funds	-	-	-	-	-	-	-	-
Total liabilities	\$ 663	\$ 137	\$ 1	\$ -	\$ 1,561	\$ 1,360	\$ 1,626	\$ 2,633
<b>Fund balances:</b>								
Reserved for:								
Imprest cash	-	1	-	-	-	-	-	1
Inventories	-	-	-	-	-	279	-	-
Prepaid items	124	-	-	-	-	-	-	686
Advances to other funds	-	-	-	-	-	-	-	40
Notes receivable	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Special revenue funds	203	1,115	8	112	93	1,061	-	(727)
Total fund balances	327	1,116	8	112	93	1,340	-	-
Total liabilities and fund balances	\$ 990	\$ 1,253	\$ 9	\$ 112	\$ 1,654	\$ 2,700	\$ 1,626	\$ 2,633

Cont.

County of Tulare  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2005  
(amounts expressed in thousands)

	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Redevelopment Earlmarl	Redevelopment Ivanhoe
<b>Assets</b>								
Investment in treasury pool	\$ 805	\$ 2,693	\$ 1,300	\$ -	\$ 113	\$ 1,141	\$ 697	\$ 244
Imprest cash	-	-	-	-	-	-	-	-
of allowances for uncollectibles):	-	-	-	-	-	-	-	-
Accounts	-	-	-	2,044	-	-	-	-
Deposits with others	-	-	-	-	-	-	-	-
Due from other County funds	37	50	-	-	-	-	-	-
Due from other governments	-	-	-	-	81	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Advances to Agency funds	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	<u>\$ 842</u>	<u>\$ 2,743</u>	<u>\$ 1,300</u>	<u>\$ 2,044</u>	<u>\$ 194</u>	<u>\$ 1,141</u>	<u>\$ 146</u>	<u>\$ 245</u>
<b>Liabilities and fund balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ 2	\$ 4	\$ -
Due to other County funds	74	528	-	-	6	-	-	-
Salaries and benefits payable	-	-	-	-	6	-	-	-
Deferred revenue	768	2,215	1,300	2,044	-	-	-	-
Advances from other County funds	-	-	-	-	175	-	-	29
Total liabilities	<u>842</u>	<u>2,743</u>	<u>1,300</u>	<u>2,044</u>	<u>193</u>	<u>2</u>	<u>4</u>	<u>29</u>
<b>Fund balances:</b>								
Reserved for:								
Imprest cash	-	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	146	1
Notes receivable	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Special revenue funds	-	-	-	-	1	1,139	693	215
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,139</u>	<u>839</u>	<u>216</u>
Total liabilities and fund balances	<u>\$ 842</u>	<u>\$ 2,743</u>	<u>\$ 1,300</u>	<u>\$ 2,044</u>	<u>\$ 194</u>	<u>\$ 1,141</u>	<u>\$ 843</u>	<u>\$ 245</u>

Cont.

County of Tulare  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2005  
(amounts expressed in thousands)

Assets	Redevelopment Goshen	Redevelopment Orosi	Redevelopment Pixley	Redevelopment Traver	Redevelopment Richgrove	Redevelopment Poplar	Total Special Revenue Funds
Investment in treasury pool	\$ 784	\$ 1,743	\$ 326	\$ 969	\$ 183	\$ 189	\$ 17,853
Imprest cash	-	-	-	-	-	-	2
of allowances for uncollectibles):							
Accounts	-	-	-	-	-	-	2,098
Deposits with others	521	-	-	-	-	-	521
Due from other County funds	-	-	-	-	-	-	610
Due from other governments	-	-	-	-	-	-	2,684
Inventories	-	-	-	-	-	-	279
Prepaid items	-	-	-	-	-	-	810
Advances to Agency funds	-	-	-	-	-	-	40
Notes receivable	476	388	11	98	140	10	1,270
Total assets	\$ 1,781	\$ 2,131	\$ 337	\$ 1,067	\$ 323	\$ 199	\$ 26,167
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ 14	\$ 4	\$ 51	\$ 26	\$ -	\$ -	\$ 5,888
Due to other County funds	-	-	-	-	-	-	608
Salaries and benefits payable	-	-	-	-	-	-	1,207
Deferred revenue	-	-	-	-	-	-	7,326
Advances from other County funds	9	-	29	-	54	29	325
Total liabilities	23	4	80	26	54	29	15,354
Fund balances:							
Reserved for:							
Imprest cash	-	-	-	-	-	-	2
Inventories	-	-	-	-	-	-	279
Prepaid items	-	-	-	-	-	-	810
Advances to other funds	-	-	-	-	-	-	40
Notes receivable	476	388	11	98	140	10	1,270
Debt service	521	-	-	-	-	-	521
Special revenue funds	761	1,739	246	943	129	160	7,891
Total fund balances	1,758	2,127	257	1,041	269	170	10,813
Total liabilities and fund balances	\$ 1,781	\$ 2,131	\$ 337	\$ 1,067	\$ 323	\$ 199	\$ 26,167

Concluded

County of Tulare  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Indigent Health	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment	Child Support Services
<b>Revenues:</b>								
Taxes and special assessments	\$ -	\$ 2,318	\$ -	\$ -	\$ 6,164	\$ 2,099	\$ -	\$ -
Fines, forfeitures and penalties	234	-	5	-	16	-	-	-
Interest, rents, and concessions	13	23	-	20	149	45	437	-
Intergovernmental revenues	673	308	-	42	385	11,594	12,505	15,756
Charges for services	-	73	-	-	885	1,437	3,674	-
Other revenues	2	161	-	-	114	31	62	29
Total revenues	922	2,883	5	62	7,713	15,206	16,678	15,785
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	-	-	-	-	-	-
Public protection	-	-	5	-	10,732	-	-	15,575
Public ways and facilities	-	-	-	31	-	14,055	-	-
Health and sanitation	921	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	16,639	-
Education	-	2,534	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	95
Capital Outlay	-	-	-	-	32	4,435	-	-
Total expenditures	921	2,534	5	31	10,764	18,490	16,639	15,670
Excess (deficiency) of revenues over (under) expenditures	1	349	-	31	(3,051)	(3,284)	39	115
<b>Other financing sources (uses):</b>								
Sale of general capital assets	-	-	-	-	-	29	-	4
Transfers in	-	-	-	-	3,739	-	-	-
Transfers (out)	(1)	(122)	-	(1)	(589)	(258)	(37)	(159)
Total other financing sources (uses)	(1)	(122)	-	(1)	3,150	(229)	(37)	(155)
Net change in fund balances	-	227	-	30	99	(3,513)	2	(40)
Fund balances, July 1	327	889	8	82	(6)	4,853	(2)	40
Fund balances, June 30	327	1,116	8	112	93	1,340	-	-

Cont.

County of Tulare  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Redevelopment Earlham	Redevelopment Ivanhoe
<b>Revenues:</b>								
Taxes and special assessments	-	\$ -	\$ -	\$ -	\$ -	\$ 336	\$ 242	\$ 92
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-
Interest, rents, and concessions	-	-	-	-	-	24	14	4
Intergovernmental revenues	10,041	4,012	13,196	-	359	7	6	2
Charges for services	-	-	-	-	-	-	-	-
Other revenues	-	-	-	3,978	-	19	-	-
<b>Total revenues</b>	<b>10,041</b>	<b>4,012</b>	<b>13,196</b>	<b>3,978</b>	<b>359</b>	<b>386</b>	<b>262</b>	<b>98</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	-	-	-	-	197	32
Public protection	-	-	-	-	357	304	-	-
Public ways and facilities	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>357</b>	<b>304</b>	<b>197</b>	<b>32</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>10,041</b>	<b>4,012</b>	<b>13,196</b>	<b>3,978</b>	<b>2</b>	<b>82</b>	<b>65</b>	<b>66</b>
<b>Other financing sources (uses):</b>								
Sale of general capital assets	-	-	-	-	-	-	-	-
Transfers in	7,434	13,094	903	-	-	1	-	-
Transfers (out)	(17,475)	(17,106)	(14,099)	(3,978)	(1)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(10,041)</b>	<b>(4,012)</b>	<b>(13,196)</b>	<b>(3,978)</b>	<b>(1)</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>83</b>	<b>65</b>	<b>66</b>
<b>Fund balances, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,056</b>	<b>774</b>	<b>150</b>
<b>Fund balances, June 30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1,139</b>	<b>839</b>	<b>216</b>

Cont.

County of Tulare  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Normal Special Revenue Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Redevelopment Goshen	Redevelopment Orosi	Redevelopment Pixley	Redevelopment Traver	Redevelopment Richgrove	Redevelopment Poplar	Total Special Revenue Funds
<b>Revenues:</b>							
Taxes and special assessments	\$ 565	\$ 537	\$ 159	\$ 218	\$ 175	\$ 107	\$ 13,012
Fines, forfeitures and penalties	-	-	-	-	-	-	255
Interest, rents, and concessions	26	39	6	20	5	3	828
Intergovernmental revenues	379	13	3	5	30	2	69,318
Charges for services	-	-	-	-	-	-	6,069
Other revenues	-	-	-	-	-	-	4,396
<b>Total revenues</b>	<u>970</u>	<u>589</u>	<u>168</u>	<u>243</u>	<u>210</u>	<u>112</u>	<u>93,878</u>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	1,237	364	111	109	187	68	2,305
Public protection	-	-	-	-	-	-	26,973
Public ways and facilities	-	-	-	-	-	-	14,086
Health and sanitation	-	-	-	-	-	-	921
Public assistance	-	-	-	-	-	-	16,639
Education	-	-	-	-	-	-	2,534
Debt service:							
Principal retirement	132	-	-	-	-	-	132
Interest and fiscal charges	53	-	-	-	-	-	53
Capital Outlay	-	55	-	-	-	-	4,617
<b>Total expenditures</b>	<u>1,422</u>	<u>419</u>	<u>111</u>	<u>109</u>	<u>187</u>	<u>68</u>	<u>68,260</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(452)	170	57	134	23	44	25,618
<b>Other financing sources (uses):</b>							
Sale of general capital assets	-	-	-	-	-	-	33
Transfers in	-	-	-	-	-	-	25,171
Transfers (out)	-	-	-	-	-	-	(53,826)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,622)</u>
<b>Net change in fund balances</b>	(452)	170	57	134	23	44	(3,004)
<b>Fund balances, July 1</b>	<u>2,210</u>	<u>1,957</u>	<u>200</u>	<u>907</u>	<u>246</u>	<u>126</u>	<u>13,817</u>
<b>Fund balances, June 30</b>	<u>1,758</u>	<u>2,127</u>	<u>257</u>	<u>1,041</u>	<u>269</u>	<u>170</u>	<u>10,813</u>
	\$	\$	\$	\$	\$	\$	\$

Concluded

County of Tulare  
Nonmajor Special Revenue Fund - Indigent Health Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Fines, forfeitures and penalties	\$ 148	\$ 148	\$	-	\$ 234	\$ 86
Interest, rents, and concessions	22	16		(6)	13	(3)
Intergovernmental revenues	766	781		15	673	(108)
Other revenues	-	-		-	2	2
Total revenues	<u>936</u>	<u>945</u>		<u>9</u>	<u>922</u>	<u>(23)</u>
<b>Expenditures:</b>						
<b>Current:</b>						
Health and sanitation	1,126	1,135		(9)	921	214
Total expenditures	<u>1,126</u>	<u>1,135</u>		<u>(9)</u>	<u>921</u>	<u>214</u>
Excess (deficiency) of revenues over (under) expenditures	(190)	(190)		-	1	191
<b>Other financing sources (uses):</b>						
Transfers (out)	-	-		-	(1)	(1)
Total other financing sources (uses)	<u>-</u>	<u>-</u>		<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net change in fund balance	(190)	(190)		-	-	190
Fund balance, July 1	190	190		-	327	137
Fund balance, June 30	<u>-</u>	<u>-</u>	\$	<u>-</u>	<u>327</u>	<u>327</u>

County of Tulare  
Nonmajor Special Revenue Fund - Library Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes and special assessments	\$ 2,150	\$ 2,150	\$	-	\$ 2,318	\$ 168
Interest, rents, and concessions	19	19		-	23	4
Intergovernmental revenues	320	345		25	308	(37)
Charges for services	68	68		-	73	5
Other revenues	146	146		-	161	15
Total revenues	2,703	2,728		25	2,883	155
<b>Expenditures:</b>						
Current:						
Education	3,536	3,561		(25)	2,534	1,027
Total expenditures	3,536	3,561		(25)	2,534	1,027
Excess (deficiency) of revenues over (under) expenditures	(833)	(833)		-	349	1,182
Other financing sources (uses):						
Transfers (out)	(60)	(60)		(60)	(122)	(62)
Total other financing sources (uses)	(60)	(60)		(60)	(122)	(62)
Net change in fund balance	(893)	(893)		(60)	227	1,120
Fund balance, July 1	893	893		-	889	(4)
Fund balance, June 30	-	-	\$	(60)	1,116	1,116



County of Tulare  
Nonmajor Special Revenue Fund - Fish and Game Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Fines, forfeitures and penalties	\$ 6	\$ 6	\$ -	\$ 5	\$ (1)
Total revenues	6	6	-	5	(1)
Expenditures:					
Current:					
Public protection	6	6	-	5	1
Total expenditures	6	6	-	5	1
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	8	8	-	8	-
Fund balance, June 30	8	8	-	8	-

County of Tulare  
Nonmajor Special Revenue Fund - Aviation Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts			Actual Amounts		Variance with Original Budget - Positive (Negative)	Variance with Final Budget - Positive (Negative)
	Original	Final					
Revenues:							
Interest, rents, and concessions	\$ 26	\$ 26	\$ -	\$ 20	\$ (6)		
Intergovernmental revenues	480	480	-	42	(438)		
Total revenues	506	506	-	62	(444)		
Expenditures:							
Current:							
Public ways and facilities	584	584	-	31	553		
Capital Outlay	42	42	-	-	42		
Total expenditures	626	626	-	31	595		
Excess (deficiency) of revenues over (under) expenditures	(120)	(120)	-	31	151		
Other financing sources (uses):							
Transfers in	38	38	-	-	(38)		
Transfers (out)	-	-	-	(1)	(1)		
Total other financing sources (uses)	38	38	-	(1)	(39)		
Net change in fund balance	(82)	(82)	-	30	112		
Fund balance, July 1	82	82	-	82	-		
Fund balance, June 30	-	-	-	112	112		

County of Tulare  
Nonmajor Special Revenue Fund - Structural Fire Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts		Variance with Original Budget - Positive (Negative)	Variance with Final Budget - Positive (Negative)
	Original	Final				
Revenues:						
Taxes and special assessments	\$ 6,068	\$ 6,068	\$ -	\$ 6,164	\$ -	\$ 96
Fines, forfeitures and penalties	17	17	-	16	16	(1)
Interest, rents, and concessions	110	110	-	149	149	39
Intergovernmental revenues	309	578	269	385	385	(193)
Charges for services	561	773	212	885	885	112
Other revenues	369	83	(286)	114	114	31
Total revenues	7,434	7,629	195	7,713	7,713	84
Expenditures:						
Current:						
Public protection	10,095	10,535	(440)	10,732	10,732	(197)
Capital Outlay	-	255	(255)	32	32	223
Total expenditures	10,095	10,790	(695)	10,764	10,764	26
Excess (deficiency) of revenues over (under) expenditures	(2,661)	(3,161)	(500)	(3,051)	(3,051)	110
Other financing sources (uses):						
Transfers in	3,229	3,729	500	3,739	3,739	10
Transfers (out)	(568)	(568)	(568)	(589)	(589)	(21)
Total other financing sources (uses)	2,661	3,161	(68)	3,150	3,150	(11)
Net change in fund balance	-	-	-	99	99	99
Fund balance, July 1	-	-	-	(6)	(6)	(6)
Fund balance, June 30	-	-	-	93	93	93
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

County of Tulare  
Nonmajor Special Revenue Fund - Roads Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts		Variance with Original Budget - Positive (Negative)	Variance with Final Budget - Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Taxes and special assessments	\$ 2,471	\$ 2,471	\$ -	\$ 2,099	\$ -	\$ (372)
Interest, rents, and concessions	152	152	-	45	-	(107)
Intergovernmental revenues	17,894	17,895	1	11,594	1	(6,301)
Charges for services	1,234	1,248	14	1,437	14	189
Other revenues	204	204	-	31	-	(173)
Total revenues	21,955	21,970	15	15,206	15	(6,764)
<b>Expenditures:</b>						
Current:						
Public ways and facilities	24,995	25,011	(16)	14,055	(16)	10,956
Capital Outlay	1,942	1,941	1	4,435	1	(2,494)
Total expenditures	26,937	26,952	(15)	18,490	(15)	8,462
Excess (deficiency) of revenues over (under) expenditures	(4,982)	(4,982)	-	(3,284)	-	1,698
<b>Other financing sources (uses):</b>						
Sale of general capital assets	350	350	-	29	-	(321)
Transfers in	2	2	-	-	-	(2)
Transfers (out)	(27)	(27)	-	(258)	-	(231)
Total other financing sources (uses)	325	325	-	(229)	-	(554)
Net change in fund balance	(4,657)	(4,657)	-	(3,513)	-	1,144
Fund balance, July 1	4,657	4,657	-	4,853	-	196
Fund balance, June 30	-	-	-	1,340	-	1,340
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

County of Tulare  
 Nonmajor Special Revenue Fund - Workforce Investment Act Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2005  
 (amounts expressed in thousands)

	Budgeted Amounts			Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final				
Revenues:						
Interest, rents, and concessions	\$ 350	\$ 350	\$ -	-	\$ 437	\$ 87
Intergovernmental revenues	19,261	19,261	-	-	12,505	(6,756)
Charges for services	2,000	4,000	2,000	2,000	3,674	(326)
Other revenues	40	40	-	-	62	22
Total revenues	21,651	23,651	2,000	2,000	16,678	(6,973)
Expenditures:						
Current:						
Public assistance	21,651	23,627	(1,976)	(1,976)	16,639	6,988
Capital Outlay	-	24	(24)	(24)	-	24
Total expenditures	21,651	23,651	(2,000)	(2,000)	16,639	7,012
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	39	39
Other financing sources (uses):						
Transfers (out)	-	-	-	-	(37)	(37)
Total other financing sources (uses)	-	-	-	-	(37)	(37)
Net change in fund balance	-	-	-	-	2	2
Fund balance, July 1	-	-	-	-	(2)	(2)
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

County of Tulare  
Nonmajor Special Revenue Fund - Child Support Services Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final				
Revenues:						
Intergovernmental revenues	\$ 16,849	\$ 16,849	\$ -		\$ 15,756	\$ (1,093)
Other revenues	160	160	-		29	(131)
Total revenues	<u>17,009</u>	<u>17,009</u>	-		<u>15,785</u>	<u>(1,224)</u>
Expenditures:						
Current:						
Public protection	17,009	16,911	98		15,575	1,336
Capital Outlay	-	98	(98)		95	3
Total expenditures	<u>17,009</u>	<u>17,009</u>	-		<u>15,670</u>	<u>1,339</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-		115	115
Other financing sources (uses):						
Sale of general capital assets	-	-	-		4	4
Transfers (out)	-	-	-		(159)	(159)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	-		<u>(155)</u>	<u>(155)</u>
Net change in fund balance	-	-	-		(40)	(40)
Fund balance, July 1	-	-	-		40	40
Fund balance, June 30	<u>-</u>	<u>-</u>	-		<u>-</u>	<u>-</u>
	\$	\$	\$		\$	\$

County of Tulare  
Nonmajor Special Revenue Fund - Mental Health Realignment Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final				
Revenues:						
Intergovernmental revenues	\$ 10,645	\$ 10,644	\$ (1)	\$ 10,041	\$ (603)	
Total revenues	10,645	10,644	(1)	10,041	(603)	
Other financing sources (uses):						
Transfers in	5,111	7,547	2,436	7,434	(113)	
Transfers (out)	(15,756)	(18,191)	(2,435)	(17,475)	716	
Total other financing sources (uses)	(10,645)	(10,644)	1	(10,041)	603	
Net change in fund balance	-	-	-	-	-	
Fund balance, July 1	-	-	-	-	-	
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	

County of Tulare  
 Nonmajor Special Revenue Fund - Health Realignment Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2005  
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 5,897	\$ 5,897	\$ -	\$ 4,012	\$ (1,885)
Total revenues	<u>5,897</u>	<u>5,897</u>	<u>-</u>	<u>4,012</u>	<u>(1,885)</u>
Other financing sources (uses):					
Transfers in	11,662	12,943	1,281	13,094	151
Transfers (out)	<u>(17,559)</u>	<u>(18,840)</u>	<u>(1,281)</u>	<u>(17,106)</u>	<u>1,734</u>
Total other financing sources (uses)	<u>(5,897)</u>	<u>(5,897)</u>	<u>-</u>	<u>(4,012)</u>	<u>1,885</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



County of Tulare  
 Nonmajor Special Revenue Fund - Social Services Realignment Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2005  
 (amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Original Budget - Positive (Negative)	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 12,783	\$ 14,183	\$ 13,196	\$ 1,400	\$ (987)
Total revenues	<u>12,783</u>	<u>14,183</u>	<u>13,196</u>	<u>1,400</u>	<u>(987)</u>
Other financing sources (uses):					
Transfers in	470	972	903	502	(69)
Transfers (out)	(13,253)	(15,155)	(14,099)	(1,902)	1,056
Total other financing sources (uses)	<u>(12,783)</u>	<u>(14,183)</u>	<u>(13,196)</u>	<u>(1,400)</u>	<u>987</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare  
 Nonmajor Special Revenue Fund - Tobacco Settlement Revenue Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2005  
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Other revenues	\$ -	\$ -	\$ -	\$ 3,978	\$ 3,978
Total revenues	-	-	-	3,978	3,978
Other financing sources (uses):					
Transfers in	4,525	4,525	-	-	(4,525)
Transfers (out)	(4,525)	(4,525)	-	(3,978)	547
Total other financing sources (uses)	-	-	-	(3,978)	(3,978)
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

County of Tulare  
 Nonmajor Special Revenue Fund - Tulare County In Home Supportive Services Public Authority  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
 For the Fiscal Year Ended June 30, 2005  
 (amounts expressed in thousands)

	Budgeted Amounts			Actual Amounts		Variance with Original Budget - Positive (Negative)	Variance with Final Budget - Positive (Negative)
	Original	Final					
Revenues:							
Intergovernmental revenues	\$ 419	\$ 419	\$ -	\$ 359	\$ (60)		
Total revenues	<u>419</u>	<u>419</u>	<u>-</u>	<u>359</u>	<u>(60)</u>		
Expenditures:							
Current:							
Public protection	419	419	-	357	62		
Total expenditures	<u>419</u>	<u>419</u>	<u>-</u>	<u>357</u>	<u>62</u>		
Excess (deficiency) of revenues over (under) expenditures	-	-	-	2	2		
Other financing sources (uses):							
Transfers (out)	-	-	-	(1)	(1)		
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>		
Net change in fund balance	-	-	-	1	1		
Fund balance, July 1	-	-	-	-	-		
Fund balance, June 30	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>1</u>	<u>1</u>		<u>\$ 1</u>

County of Tulare  
Nonmajor Special Revenue Fund - Flood Control District Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
<b>Revenues:</b>					
Taxes and special assessments	\$ 343	\$ 343	\$ -	\$ 336	\$ (7)
Interest, rents, and concessions	20	20	-	24	4
Intergovernmental revenues	7	7	-	7	-
Other revenues	7	7	-	19	12
Total revenues	377	377	-	386	9
<b>Expenditures:</b>					
<b>Current:</b>					
Public protection	1,438	1,438	-	304	1,134
Total expenditures	1,438	1,438	-	304	1,134
Excess (deficiency) of revenues over (under) expenditures	(1,061)	(1,061)	-	82	1,143
<b>Other financing sources (uses):</b>					
Transfers in	1	1	-	1	-
Total other financing sources (uses)	1	1	-	1	-
Net change in fund balance	(1,060)	(1,060)	-	83	1,143
Fund balance, July 1	1,060	1,060	-	1,056	(4)
Fund balance, June 30	-	-	-	1,139	1,139

County of Tulare  
Nonmajor Special Revenue Fund - Earlimart Redevelopment Funds  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 207	\$ 241	\$ 34	\$ 242	\$ 1
Interest, rents, and concessions	13	13	-	14	1
Intergovernmental revenues	2	2	-	6	4
Total revenues	<u>222</u>	<u>256</u>	<u>34</u>	<u>262</u>	<u>6</u>
Expenditures:					
Current:					
General government	851	851	-	197	654
Total expenditures	<u>851</u>	<u>851</u>	<u>-</u>	<u>197</u>	<u>654</u>
Excess (deficiency) of revenues over (under) expenditures	(629)	(595)	34	65	660
Other financing sources (uses):					
Transfers in	151	151	-	-	(151)
Transfers (out)	<u>(151)</u>	<u>(185)</u>	<u>(34)</u>	<u>-</u>	<u>185</u>
Total other financing sources (uses)	<u>-</u>	<u>(34)</u>	<u>(34)</u>	<u>-</u>	<u>34</u>
Net change in fund balance	(629)	(629)	-	65	694
Fund balance, July 1	629	629	-	774	145
Fund balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>839</u>	<u>839</u>
	\$	\$	\$	\$	\$

County of Tulare  
Nonmajor Special Revenue Fund - Ivanhoe Redevelopment Funds  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 73	\$ 87	\$ 14	\$ 92	\$ 5
Interest, rents, and concessions	3	3	-	4	1
Intergovernmental revenues	1	1	-	2	1
Total revenues	<u>77</u>	<u>91</u>	<u>14</u>	<u>98</u>	<u>7</u>
Expenditures:					
Current:					
General government	221	219	2	32	187
Total expenditures	<u>221</u>	<u>219</u>	<u>2</u>	<u>32</u>	<u>187</u>
Excess (deficiency) of revenues over (under) expenditures	(144)	(128)	16	66	194
Other financing sources (uses):					
Transfers in	52	54	2	-	(54)
Transfers (out)	(57)	(75)	(18)	-	75
Total other financing sources (uses)	<u>(5)</u>	<u>(21)</u>	<u>(16)</u>	<u>-</u>	<u>21</u>
Net change in fund balance	(149)	(149)	-	66	215
Fund balance, July 1	149	149	-	150	1
Fund balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>216</u>	<u>216</u>

County of Tulare  
Nonmajor Special Revenue Fund - Goshen Redevelopment Funds  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final					
<b>Revenues:</b>							
Taxes and special assessments	\$ 511	\$ 682	\$ 171	\$ 565	\$ (117)		
Interest, rents, and concessions	19	20	1	26	6		
Intergovernmental revenues	230	230	-	379	149		
Total revenues	760	932	172	970	38		
<b>Expenditures:</b>							
Current:							
General government	1,792	1,802	(10)	1,237	565		
Debt service:							
Principal retirement	125	139	(14)	132	7		
Interest and fiscal charges	-	25	(25)	53	(28)		
Capital Outlay	120	120	-	-	120		
Total expenditures	2,037	2,086	(49)	1,422	664		
Excess (deficiency) of revenues over (under) expenditures	(1,277)	(1,154)	123	(452)	702		
Other financing sources (uses):							
Transfers in	513	636	123	-	(636)		
Transfers (out)	(513)	(759)	(246)	-	759		
Total other financing sources (uses)	-	(123)	(123)	-	123		
Net change in fund balance	(1,277)	(1,277)	-	(452)	825		
Fund balance, July 1	1,277	1,277	-	2,210	933		
Fund balance, June 30	-	-	-	1,758	1,758		

County of Tulare  
Nonmajor Special Revenue Fund - Orsi Redevelopment Funds  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 457	\$ 531	\$ 74	\$ 537	\$ 6
Interest, rents, and concessions	31	31	-	39	8
Intergovernmental revenues	7	7	-	13	6
Total revenues	495	569	74	589	20
Expenditures:					
Current:					
General government	2,092	2,057	35	364	1,693
Capital Outlay	32	67	(35)	55	12
Total expenditures	2,124	2,124	-	419	1,705
Excess (deficiency) of revenues over (under) expenditures	(1,629)	(1,555)	74	170	1,725
Other financing sources (uses):					
Transfers in	339	363	24	-	(363)
Transfers (out)	(339)	(437)	(98)	-	437
Total other financing sources (uses)	-	(74)	(74)	-	74
Net change in fund balance	(1,629)	(1,629)	-	170	1,799
Fund balance, July 1	1,629	1,629	-	1,957	328
Fund balance, June 30	-	-	-	2,127	2,127



County of Tulare  
Nonmajor Special Revenue Fund - Pixley Redevelopment Funds  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 168	\$ 168	\$ -	\$ 159	\$ 9
Interest, rents, and concessions	2	2	-	6	(4)
Intergovernmental revenues	1	1	-	3	(2)
Total revenues	<u>171</u>	<u>171</u>	<u>-</u>	<u>168</u>	<u>3</u>
Expenditures:					
Current:					
General government	372	372	-	111	261
Total expenditures	<u>372</u>	<u>372</u>	<u>-</u>	<u>111</u>	<u>261</u>
Excess (deficiency) of revenues over (under) expenditures	(201)	(201)	-	57	264
Other financing sources (uses):					
Transfers in	125	133	8	-	(133)
Transfers (out)	<u>(125)</u>	<u>(133)</u>	<u>(8)</u>	<u>-</u>	<u>133</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(201)	(201)	-	57	264
Fund balance, July 1	201	201	-	200	(1)
Fund balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>257</u>	<u>263</u>

County of Tulare  
Nonmajor Special Revenue Fund - Traver Redevelopment Funds  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 169	\$ 213	\$ 44	\$ 218	\$ 5
Interest, rents, and concessions	17	17	-	20	3
Intergovernmental revenues	2	2	-	5	3
Total revenues	<u>188</u>	<u>232</u>	<u>44</u>	<u>243</u>	<u>11</u>
Expenditures:					
Current:					
General government	1,017	1,017	-	109	908
Total expenditures	<u>1,017</u>	<u>1,017</u>	<u>-</u>	<u>109</u>	<u>908</u>
Excess (deficiency) of revenues over (under) expenditures	(829)	(785)	44	134	919
Other financing sources (uses):					
Transfers in	131	131	-	-	(131)
Transfers (out)	<u>(131)</u>	<u>(175)</u>	<u>(44)</u>	<u>-</u>	<u>175</u>
Total other financing sources (uses)	<u>-</u>	<u>(44)</u>	<u>(44)</u>	<u>-</u>	<u>44</u>
Net change in fund balance	(829)	(829)	-	134	963
Fund balance, July 1	829	829	-	907	78
Fund balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,041</u>	<u>1,041</u>

County of Tulare  
Nonmajor Special Revenue Fund - Richgrove Redevelopment Funds  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final				
Revenues:						
Taxes and special assessments	\$ 154	\$ 175	\$ 21	\$ 175	\$ -	
Interest, rents, and concessions	6	6	-	5	(1)	
Intergovernmental revenues	3,082	3,082	-	30	(3,052)	
Other revenues	399	399	-	-	(399)	
Total revenues	<u>3,641</u>	<u>3,662</u>	<u>21</u>	<u>210</u>	<u>(3,452)</u>	
Expenditures:						
Current:						
General government	<u>3,564</u>	<u>3,564</u>	<u>-</u>	<u>187</u>	<u>3,377</u>	
Total expenditures	<u>3,564</u>	<u>3,564</u>	<u>-</u>	<u>187</u>	<u>3,377</u>	
Excess (deficiency) of revenues over (under) expenditures	77	98	21	23	(75)	
Other financing sources (uses):						
Transfers (out)	<u>(107)</u>	<u>(128)</u>	<u>(21)</u>	<u>-</u>	<u>128</u>	
Total other financing sources (uses)	<u>(107)</u>	<u>(128)</u>	<u>(21)</u>	<u>-</u>	<u>128</u>	
Net change in fund balance	(30)	(30)	-	23	53	
Fund balance, July 1	<u>30</u>	<u>30</u>	<u>-</u>	<u>246</u>	<u>216</u>	
Fund balance, June 30	<u>-</u>	<u>-</u>	<u>-</u>	<u>269</u>	<u>269</u>	
	\$	\$	\$	\$	\$	

County of Tulare  
Nonmajor Special Revenue Fund - Poplar Redevelopment Funds  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)		Actual Amounts		Variance with Final Budget - Positive (Negative)
	Original	Final					
Revenues:							
Taxes and special assessments	\$ 78	\$ 102	\$ 24	\$ 107	\$ 5		
Interest, rents, and concessions	3	3	-	3	-		
Intergovernmental revenues	201	201	-	2	(199)		
Total revenues	282	306	24	112	(194)		
Expenditures:							
Current:							
General government	408	407	1	68	339		
Total expenditures	408	407	1	68	339		
Excess (deficiency) of revenues over (under) expenditures	(126)	(101)	25	44	145		
Other financing sources (uses):							
Transfers in	59	60	1	-	(60)		
Transfers (out)	(59)	(85)	(26)	-	85		
Total other financing sources (uses)	-	(25)	(25)	-	25		
Net change in fund balance	(126)	(126)	-	44	170		
Fund balance, July 1	126	126	-	126	-		
Fund balance, June 30	-	-	-	170	170		

# Nonmajor Governmental Funds

## Debt Service Funds

**Debt Service Funds are used to account for the accumulation of resources and payment of principal and interest from governmental sources when the government is obligated in some manner for the payment.**

**Pension Obligation Fund** - This fund accumulates resources from other County funds for the payment of principal and interest on Pension Obligation Bonds; the proceeds of which were used to pay an unfunded actuarially accrued liability for the fiscal year ended June 30, 1996.

**Equipment Loans Fund** - This fund receives transfers of resources from other County funds for principal and interest payments on various loans which financed the acquisition of vehicles and equipment used in daily operations.

**Building Loans Fund** - This fund receives transfers of resources from County building occupants for the payment of the County's lease obligations to TCPFC.



County of Tulare  
Combining Balance Sheet  
Nonmajor Debt Service Funds  
June 30, 2005  
(amounts expressed in thousands)

	Pension Obligation	Equipment Loans	Building Loans	Total Debt Service Funds
<b>Assets</b>				
Investment in treasury pool	\$ -	\$ 208	\$ 381	\$ 589
Investments	6	-	-	6
Due from other governments	295	-	-	295
Lease payments receivable, net of interest	-	-	1,610	1,610
Total assets	<u>\$ 301</u>	<u>\$ 208</u>	<u>\$ 1,991</u>	<u>\$ 2,500</u>
<b>Liabilities and fund balances</b>				
<b>Liabilities:</b>				
Due to other County funds	\$ 291	\$ -	\$ -	\$ 291
Deferred revenue	-	-	1,991	1,991
Total liabilities	<u>291</u>	<u>-</u>	<u>1,991</u>	<u>2,282</u>
<b>Fund balances:</b>				
Reserved, reported in nonmajor				
Debt service funds	10	208	-	218
Total fund balances	<u>10</u>	<u>208</u>	<u>-</u>	<u>218</u>
Total liabilities and fund balances	<u>\$ 301</u>	<u>\$ 208</u>	<u>\$ 1,991</u>	<u>\$ 2,500</u>

County of Tulare  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Pension Obligation	Equipment Loans	Building Loans	Total Debt Service Funds
<b>Revenues:</b>				
Fines, forfeitures and penalties	\$ -	\$ -	1,234	\$ 1,234
Interest, rents, and concessions	6	-	111	117
Intergovernmental revenues	295	-	-	295
Other revenues		75	-	75
Total revenues	<u>301</u>	<u>75</u>	<u>1,345</u>	<u>1,721</u>
<b>Expenditures:</b>				
<b>Debt service:</b>				
Principal retirement	2,445	1,952	-	4,397
Interest and fiscal charges	<u>2,364</u>	<u>140</u>	<u>-</u>	<u>2,504</u>
Total expenditures	<u>4,809</u>	<u>2,092</u>	<u>-</u>	<u>6,901</u>
Excess (deficiency) of revenues over (under) expenditures	(4,508)	(2,017)	1,345	(5,180)
<b>Other financing sources (uses):</b>				
Direct financing lease	-	-	105	105
Transfers in	4,504	2,060	7,339	13,903
Transfers (out)	-	-	(8,789)	(8,789)
Total other financing sources (uses)	<u>4,504</u>	<u>2,060</u>	<u>(1,345)</u>	<u>5,219</u>
Net change in fund balance	(4)	43	-	39
Fund balance, July 1	14	165	-	179
Fund balance, June 30	<u>10</u>	<u>208</u>	<u>-</u>	<u>218</u>



County of Tulare  
Nonmajor Debt Service Fund - Pension Obligation Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Original Budget - Positive (Negative)			Actual Amounts			Variance with Final Budget - Positive (Negative)	
	Original	Final									
Revenues:											
Interest, rents, and concessions	\$ -	\$ -		\$ -		\$ -	6		\$ -	6	
Intergovernmental revenues	4,795	4,795		-			295			(4,500)	
Total revenues	<u>4,795</u>	<u>4,795</u>		<u>-</u>			<u>301</u>			<u>(4,494)</u>	
Expenditures:											
Debt service:											
Principal retirement	2,445	2,445		-			2,445			-	
Interest and fiscal charges	2,364	2,364		-			2,361			3	
Total expenditures	<u>4,809</u>	<u>4,809</u>		<u>-</u>			<u>4,806</u>			<u>3</u>	
Excess (deficiency) of revenues over (under) expenditures	(14)	(14)		-			(4,505)			(4,491)	
Other financing sources (uses):											
Transfers in	-	-		-			4,504			4,504	
Total other financing sources (uses)	<u>-</u>	<u>-</u>		<u>-</u>			<u>4,504</u>			<u>4,504</u>	
Net change in fund balance	(14)	(14)		-			(1)			13	
Fund balance, July 1	14	14		-			14			-	
Fund balance, June 30	<u>-</u>	<u>-</u>		<u>-</u>		\$	<u>13</u>		\$	<u>13</u>	

## County of Tulare

## Nonmajor Debt Service Fund - Equipment Loans Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended June 30, 2005

(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Other revenues	\$ -	\$ -	\$ -	\$ 75	\$ 75
Total revenues	-	-	-	75	75
Expenditures:					
Debt service:					
Principal retirement	2,111	2,111	-	1,952	159
Interest and fiscal charges	139	139	-	140	(1)
Total expenditures	2,250	2,250	-	2,092	158
Excess (deficiency) of revenues over (under) expenditures	(2,250)	(2,250)	-	(2,017)	233
Other financing sources (uses):					
Transfers in	2,085	2,085	-	2,060	(25)
Total other financing sources (uses)	2,085	2,085	-	2,060	(25)
Net change in fund balance	(165)	(165)	-	43	208
Fund balance, July 1	165	165	-	165	-
Fund balance, June 30	-	-	-	208	208

County of Tulare  
Nonmajor Debt Service Fund - Building Loans Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Original	Final	Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>					
Fines, forfeitures and penalties	\$ 1,128	\$ 1,128	\$ -	\$ 1,234	\$ 106
Interest, rents, and concessions	229	502	273	111	(391)
Total revenues	1,357	1,630	273	1,345	(285)
<b>Expenditures:</b>					
<b>Debt service:</b>					
Principal retirement	6,263	6,263	-	-	6,263
Interest and fiscal charges	2,937	3,210	(273)	-	3,210
Total expenditures	9,200	9,473	(273)	-	9,473
Excess (deficiency) of revenues over (under) expenditures	(7,843)	(7,843)	546	1,345	9,188
<b>Other financing sources (uses):</b>					
Direct financing lease	-	-	-	105	105
Transfers in	7,843	7,843	-	7,339	(504)
Transfers (out)	-	-	-	(8,789)	(8,789)
Total other financing sources (uses)	7,843	7,843	-	(1,345)	(9,188)
Net change in fund balance	-	-	546	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ 546	\$ -	\$ -



# **Nonmajor Governmental Funds**

## **Capital Projects Fund**

**Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trusts funds.**

**Capital Projects Fund** - This fund is used to finance the acquisition and construction of public buildings, including major maintenance and improvements. Revenues are obtained from State funding and from other funds when allocated by the Board of Supervisors.



County of Tulare  
Balance Sheet  
Nonmajor Capital Projects Fund  
June 30, 2005  
(amounts expressed in thousands)

	Capital Projects
Assets	
Investment in treasury pool	\$ 4,874
Due from other County funds	119
Restricted assets	5,000
Total assets	<u>9,993</u>
Liabilities and fund balance	
Liabilities:	
Accounts payable	\$ 293
Salaries and benefits payable	4
Total liabilities	<u>297</u>
Fund balance:	
Reserved for:	
Harmon Field cleanup	5,000
Unreserved, reported in nonmajor:	-
Capital projects fund	4,696
Total fund balance	<u>9,696</u>
Total liabilities and fund balance	<u>\$ 9,993</u>

County of Tulare  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Capital Projects Fund  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Capital Projects
Revenues:	
Interest, rents, and concessions	\$ 110
Other revenues	202
Total revenues	<u>312</u>
Expenditures:	
Current:	
General government	1,715
Capital outlay	196
Total expenditures	<u>1,911</u>
Excess (deficiency) of revenues over (under) expenditures	(1,599)
Other financing sources (uses):	
Transfers in	2,500
Transfers (out)	(131)
Total other financing sources (uses)	<u>2,369</u>
Net change in fund balance	770
Fund balance, July 1	8,926
Fund balance, June 30	<u><u>\$ 9,696</u></u>



County of Tulare  
Nonmajor Capital Projects Fund - Capital Projects Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Budgeted Amounts			Variance with Original Budget - Positive (Negative)		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final					
Revenues:							
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ -	\$ 110	\$ 110	
Intergovernmental revenues	3,339	3,339	-	-	-	(3,339)	
Other revenues	1,169	1,169	-	-	202	(967)	
Total revenues	4,508	4,508	-	-	312	(4,196)	
Expenditures:							
Current:							
General government	508	508	-	-	1,715	(1,207)	
Capital outlay	10,149	10,149	-	-	196	9,953	
Total expenditures	10,657	10,657	-	-	1,911	8,746	
Excess (deficiency) of revenues over (under) expenditures	(6,149)	(6,149)	-	-	(1,599)	4,550	
Other financing sources (uses):							
Transfers in	2,500	2,500	-	-	2,500	-	
Transfers (out)	(169)	(169)	-	-	(131)	38	
Total other financing sources (uses)	2,331	2,331	-	-	2,369	38	
Net change in fund balance	(3,818)	(3,818)	-	-	770	4,588	
Fund balance, July 1	3,818	3,818	-	-	8,926	5,108	
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ 9,696	\$ 9,696	



# Nonmajor Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the Board of Supervisors is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Board of Supervisors has decided that periodic determination of net income is appropriate for accountability purposes.

Transit Fund - This fund is used to account for the operation, maintenance, and development of a rural transit system and transit related projects.

Terra Bella Sewer Maintenance Fund - This fund is used to account for the operation, maintenance, and development of the Terra Bella Sanitation District governed by the County Board of Supervisors.

Assessment District Funds - These funds are used to account for the costs of maintenance and improvement of the Landscaping Assessment Districts.

County Service Area Funds - These funds are used to account for the development, operation, and maintenance of clean and safe drinking water systems in rural communities of the County.



County of Tulare  
Combining Statement of Fund Net Assets  
Nonmajor Enterprise Funds  
June 30, 2005  
(amounts expressed in thousands)

Assets	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>Current assets:</b>						
Cash in banks	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ 9
Investment in treasury pool	463	677	158	289	65	1,652
Accounts receivable	-	19	-	53	5	77
Deposits with others	-	-	-	47	3	50
Total current assets	<u>463</u>	<u>705</u>	<u>158</u>	<u>389</u>	<u>73</u>	<u>1,788</u>
<b>Noncurrent assets:</b>						
Restricted assets	-	-	-	-	5	5
<b>Capital assets:</b>						
Land	-	68	-	503	41	612
Buildings and improvements, net	-	1,499	-	4,381	415	6,295
Equipment and vehicles, net	448	-	-	31	-	479
Total capital assets (net of accumulated depreciation)	<u>448</u>	<u>1,567</u>	<u>-</u>	<u>4,915</u>	<u>456</u>	<u>7,386</u>
Total noncurrent assets	<u>448</u>	<u>1,567</u>	<u>-</u>	<u>4,915</u>	<u>461</u>	<u>7,391</u>
Total assets	<u>911</u>	<u>2,272</u>	<u>158</u>	<u>5,304</u>	<u>534</u>	<u>9,179</u>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	47	22	-	50	1	120
Deposits from others	-	-	2	-	-	2
Interest payable	-	-	-	14	1	15
COP's payable	-	15	-	11	1	27
Total current liabilities	<u>47</u>	<u>37</u>	<u>2</u>	<u>75</u>	<u>3</u>	<u>164</u>
<b>Noncurrent liabilities:</b>						
Advances due to Agency funds	-	-	-	550	-	550
Bonds payable	-	-	-	8	-	8
COP's payable	-	880	-	633	44	1,557
Total noncurrent liabilities	<u>-</u>	<u>880</u>	<u>-</u>	<u>1,191</u>	<u>44</u>	<u>2,115</u>
Total liabilities	<u>47</u>	<u>917</u>	<u>2</u>	<u>1,266</u>	<u>47</u>	<u>2,279</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	448	672	-	4,263	411	5,794
Restricted	-	-	-	-	5	5
Unrestricted	416	683	156	(225)	71	1,101
Total net assets	<u>\$ 864</u>	<u>\$ 1,355</u>	<u>\$ 156</u>	<u>\$ 4,038</u>	<u>\$ 487</u>	<u>\$ 6,900</u>

County of Tulare  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Operating revenues:						
Charges for services	\$ 110	\$ 142	\$ 33	\$ 338	\$ 45	\$ 668
Rents and concessions	-	-	-	2	-	2
Total operating revenues	<u>110</u>	<u>142</u>	<u>33</u>	<u>340</u>	<u>45</u>	<u>670</u>
Operating expenses:						
Services and supplies	802	106	12	335	31	1,286
Depreciation	40	77	-	202	18	337
Total operating expenses	<u>842</u>	<u>183</u>	<u>12</u>	<u>537</u>	<u>49</u>	<u>1,623</u>
Operating income (loss)	<u>(732)</u>	<u>(41)</u>	<u>21</u>	<u>(197)</u>	<u>(4)</u>	<u>(953)</u>
Nonoperating revenues (expenses):						
Intergovernmental revenues	333	-	-	-	-	333
Special assessments	849	6	-	-	-	855
Investment earnings	7	17	2	11	2	39
Interest expense	-	(41)	-	(42)	(2)	(85)
Total nonoperating revenues (expenses)	<u>1,189</u>	<u>(18)</u>	<u>2</u>	<u>(31)</u>	<u>-</u>	<u>1,142</u>
Net income (loss)	<u>457</u>	<u>(59)</u>	<u>23</u>	<u>(228)</u>	<u>(4)</u>	<u>189</u>
before contributions and transfers						
Transfers in	3	-	-	-	-	3
Total transfers	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Change in net assets	<u>460</u>	<u>(59)</u>	<u>23</u>	<u>(228)</u>	<u>(4)</u>	<u>192</u>
Total net assets, July 1	404	1,414	133	4,266	491	6,708
Total net assets, June 30	<u>864</u>	<u>1,355</u>	<u>156</u>	<u>4,038</u>	<u>487</u>	<u>6,900</u>
	\$	\$	\$	\$	\$	\$

County of Tulare  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>Cash flows from operating activities:</b>						
Receipts from customers and users	\$ 110	\$ 140	\$ 31	\$ 337	\$ 45	\$ 663
Receipts from rents and concessions	-	-	-	2	-	2
Payments to suppliers	(662)	(40)	(11)	(221)	(18)	(952)
Payments for interfund services used	(176)	(45)	(1)	(91)	(11)	(324)
Net cash provided (used) by operating activities	(728)	55	19	27	16	(611)
<b>Cash flows from noncapital financing activities:</b>						
Subsidy from intergovernmental entities	333	-	-	-	-	333
Receipts from taxes and assessments	849	6	-	-	-	855
Transfers from other funds	3	-	4	-	-	7
Transfers (to) other funds	-	-	(6)	(9)	-	(15)
Advance from other funds	-	-	-	30	-	30
Net cash provided (used) by noncapital financing activities	1,185	6	(2)	21	-	1,210
<b>Cash flows from capital and related financing activities:</b>						
Purchases of capital assets	(292)	-	-	-	-	(292)
Principal paid on capital debt	-	(15)	-	(10)	(1)	(26)
Interest paid on capital debt	-	(41)	-	(42)	(2)	(85)
Net cash provided (used) by capital and related financing activities	(292)	(56)	-	(92)	(3)	(403)
<b>Cash flows from investing activities:</b>						
Interest and dividends received	7	17	2	11	2	39
Net cash provided (used) by investing activities	7	17	2	11	2	39
Net increase (decrease) in cash and cash equivalents	172	22	19	7	15	235
Cash and cash equivalents, July 1	291	664	139	282	55	1,431
Cash and cash equivalents, June 30 (including \$ 5 for the County Service Area #2 reported in restricted accounts)	<u>\$ 463</u>	<u>\$ 686</u>	<u>\$ 158</u>	<u>\$ 289</u>	<u>\$ 70</u>	<u>\$ 1,666</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (732)	\$ (41)	\$ 21	\$ (197)	\$ (4)	\$ (953)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	40	77	-	202	18	337
(Increase) decrease in accounts receivable	-	(2)	-	-	-	(2)
(Increase) decrease in intergovernmental receivables	-	-	-	(2)	-	(2)
(Increase) decrease in due from other funds	-	-	(2)	-	-	(2)
Increase (decrease) in accounts payable	(36)	21	-	-	-	(15)
Increase (decrease) in amounts payable to equipment purchases	-	-	-	-	-	-
Total adjustments	<u>4</u>	<u>96</u>	<u>(2)</u>	<u>24</u>	<u>2</u>	<u>26</u>
Net cash provided (used) by operating activities	<u>\$ (728)</u>	<u>\$ 55</u>	<u>\$ 19</u>	<u>\$ 27</u>	<u>\$ 16</u>	<u>\$ (611)</u>





# Internal Service Funds

**Internal Service Funds** are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County and to other governmental units on a cost reimbursement basis.

**Insurance Funds** - These funds account for the financing of workers' compensation to applicable bargaining units, general liability, property casualty liability, and malpractice insurances. All other insurance functions are accounted for in the General Fund.

**Central Services Funds** - These funds account for central services, such as mailroom, motor pool, print shop, utilities, custodial and maintenance services, data processing, and telecommunications, which are primarily provided to other departments of the County.





County of Tulare  
Combining Statement of Fund Net Assets  
Internal Service Funds  
June 30, 2005  
(amounts expressed in thousands)

	Insurance Funds	Central Services	Total
<b>Assets</b>			
Current assets:			
Investment in treasury pool	\$ 14,334	\$ 2,133	\$ 16,467
Imprest cash	250	-	250
Accounts receivable	-	70	70
Due from other County funds	62	2	64
Total current assets	<u>14,646</u>	<u>2,205</u>	<u>16,851</u>
Noncurrent assets:			
Capital assets:			
Buildings and improvements	-	10,920	10,920
Equipment and vehicles, net	-	656	656
Total capital assets (net of accumulated depreciation)	-	11,576	11,576
Total noncurrent assets	-	11,576	11,576
Total assets	<u>14,646</u>	<u>13,781</u>	<u>28,427</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	257	1,091	1,348
Due to other County funds	-	158	158
Salaries and benefits payable	-	231	231
Interest payable	-	279	279
Compensated absences payable	-	21	21
Claims payable	3,812	-	3,812
Loans payable	-	577	577
Capital lease payable	-	8	8
Total current liabilities	<u>4,069</u>	<u>2,365</u>	<u>6,434</u>
Noncurrent liabilities:			
Compensated absences payable	-	319	319
Claims payable	8,233	-	8,233
Loans payable	-	9,326	9,326
Capital lease payable	-	17	17
Total noncurrent liabilities	<u>8,233</u>	<u>9,662</u>	<u>17,895</u>
Total liabilities	<u>12,302</u>	<u>12,027</u>	<u>24,329</u>
<b>Net assets</b>			
Invested in capital assets, net of related debt	-	1,648	1,648
Unrestricted	2,344	106	2,450
Total net assets	<u>\$ 2,344</u>	<u>\$ 1,754</u>	<u>\$ 4,098</u>

County of Tulare  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Insurance Funds	Central Services	Total
<b>Operating revenues:</b>			
Charges for services - internal	\$ 13,887	\$ 23,511	\$ 37,398
Rents and concessions	-	7	7
Other revenues	3,159	86	3,245
Total operating revenues	17,046	23,604	40,650
<b>Operating expenses:</b>			
Salaries and benefits	-	4,185	4,185
Services and supplies	3,295	18,329	21,624
Insurance premiums paid	2,467	-	2,467
Depreciation	-	286	286
Claims incurred	11,571	-	11,571
Total operating expenses	17,333	22,800	40,133
Operating income (loss)	(287)	804	517
<b>Nonoperating revenues (expenses):</b>			
Gain (loss) on sale of capital assets	-	(46)	(46)
Investment earnings	202	12	214
Interest expense	-	(439)	(439)
Total nonoperating revenues (expenses)	202	(473)	(271)
Income (loss) before contributions and transfers	(85)	331	246
<b>Capital contributions</b>			
Transfers in	-	8	8
Transfers (out)	-	1,017	1,017
Change in net assets	(85)	(92)	(92)
		1,264	1,179
<b>Net assets, July 1</b>	2,429	490	2,919
<b>Net assets, June 30</b>	<u>2,344</u>	<u>1,754</u>	<u>\$ 4,098</u>

County of Tulare  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

	Insurance Funds	Central Services	Total
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 13,825	\$ 23,796	\$ 37,621
Receipts from rents and concessions	-	7	7
Other revenues	3,159	86	3,245
Payments to employees	-	(4,135)	(4,135)
Payments to suppliers	(4,272)	(15,603)	(19,875)
Payments for interfund services used	(1,328)	(2,422)	(3,750)
Payments for claims	(4,558)	-	(4,558)
Net cash provided (used) by operating activities	6,826	1,729	8,555
<b>Cash flows from noncapital financing activities:</b>			
Transfers from other funds	-	1,285	1,285
Transfers (to) other funds	-	(476)	(476)
Net cash provided (used) by noncapital financing activities	-	809	809
<b>Cash flows from capital and related financing activities:</b>			
Sales (purchases) of capital assets	-	(1,094)	(1,094)
Principal paid on capital debt	-	(623)	(623)
Interest paid on capital debt	-	(474)	(474)
Net cash provided (used) by capital and related financing activities	-	(2,191)	(2,191)
<b>Cash flows from investing activities:</b>			
Interest and dividends received	202	12	214
Net cash provided by investing activities	202	12	214
<b>Net increase (decrease) in cash and cash equivalents</b>	7,028	359	7,387
Cash and cash equivalents, July 1	7,556	1,774	9,330
Cash and cash equivalents, June 30	<u>\$ 14,584</u>	<u>\$ 2,133</u>	<u>\$ 16,717</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$	(287)	\$	804	\$ 517
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense		-		286	286
(Increase) decrease in intergovernmental receivables		-		285	285
(Increase) decrease in inventories		(62)		-	(62)
Increase (decrease) in amounts payable to equipment purchases		162		304	466
Increase (decrease) in interest payable		-		50	50
Increase (decrease) in claims payable		7,013		-	7,013
Total adjustments		7,113		925	8,038
Net cash provided (used) by operating activities	\$	6,826	\$	1,729	\$ 8,555
Non cash investing, capital, and financing activities:		6,826		1,729	8,555
Contributions of capital assets from government	\$	-	\$	8	\$ 8





# Fiduciary Funds

**Fiduciary Funds include all Investment Trust and Agency Funds.**

**Investment Trust Funds** are used to account for assets held by the County in a trustee capacity. External pool participants include local School Districts, Special Districts not included as component units of the County, and the Tulare County Employee Retirement Agency which maintains a check-clearing account in the Treasury Pool.

**Agency funds** are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments.

**Property Tax Collection and Apportionment Funds** - These funds account for property taxes collected and for the apportionment of taxes to the State, the County and others.

**State Fines Agency Funds** - These funds are used as a clearing fund for penalties, fines, and assessments collected and payable to the State.

**Transportation Tax Funds** - These funds account for the one-quarter of one percent sales tax collected by the State Board of Equalization and deposited with the County of origin for local transportation support.

**Employee Health Benefits Fund** - This fund is used to accumulate premium payments for health, dental, vision, life, long term disability, and voluntary products collected from employees, retired employees, and Special District employees for distribution to providers.

**Education Revenue Augmentation Fund (ERAF)** - This fund is used to collect tax revenues shifted from counties, cities, special districts, and redevelopment agencies to augment loss of State funding to local schools.

**Other Agency Funds** - These funds account for monies held as agent for a variety of purposes.



County of Tulare  
Combining Statement of Fiduciary Net Assets - Agency Funds  
Fiduciary Funds  
June 30, 2005  
(amounts expressed in thousands)

	Property Tax Collection and Apportionment Funds	State Fines Agency Funds	Transportation Tax Funds	Employee Health Benefits Fund	Education Revenue Augmentation Fund	Other Agency Funds	Total
<b>Assets:</b>							
Cash in banks	\$ 1,198	\$ -	\$ -	\$ -	\$ -	\$ 6,784	\$ 7,982
Investment in treasury pool	1,862	68	1,200	663	-	7,761	11,554
Due to County funds	-	-	-	-	-	1	1
Advances to County funds	-	-	-	-	-	550	550
Total assets	<u>\$ 3,060</u>	<u>\$ 68</u>	<u>\$ 1,200</u>	<u>\$ 663</u>	<u>\$ -</u>	<u>\$ 15,096</u>	<u>\$ 20,087</u>
<b>Liabilities:</b>							
Warrants payable	\$ 254	\$ -	\$ -	\$ 200	\$ -	\$ 748	\$ 1,202
Advances from County funds	-	-	-	-	-	590	590
Agency obligations	2,806	68	1,200	463	-	13,758	18,295
Total liabilities	<u>\$ 3,060</u>	<u>\$ 68</u>	<u>\$ 1,200</u>	<u>\$ 663</u>	<u>\$ -</u>	<u>\$ 15,096</u>	<u>\$ 20,087</u>

County of Tulare  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
Fiduciary Funds  
June 30, 2005  
(amounts expressed in thousands)

Property Tax Collection and Apportionment Funds		Balance July 1	Additions	Deductions	Balance June 30
Assets:					
Cash in banks	\$	946	\$ 252	\$ -	\$ 1,198
Investment in treasury pool		6,139	127,121	(131,398)	1,862
Taxes receivable		3,572	-	(3,572)	-
Total assets	\$	<u>10,657</u>	<u>\$ 127,373</u>	<u>\$ (134,970)</u>	<u>\$ 3,060</u>
Liabilities:					
Warrants payable	\$	570	\$ 254	\$ (570)	\$ 254
Due to County funds		3,346		(3,346)	-
Agency obligations		6,741	127,119	(131,054)	2,806
Total liabilities	\$	<u>10,657</u>	<u>\$ 127,373</u>	<u>\$ (134,970)</u>	<u>\$ 3,060</u>
State Fines Agency Funds					
Assets:					
Investment in treasury pool	\$	479	\$ 182	\$ (593)	\$ 68
Total assets	\$	<u>479</u>	<u>\$ 182</u>	<u>\$ (593)</u>	<u>\$ 68</u>
Liabilities:					
Agency obligations	\$	479	\$ 182	\$ (593)	\$ 68
Total liabilities	\$	<u>479</u>	<u>\$ 182</u>	<u>\$ (593)</u>	<u>\$ 68</u>

Cont.

County of Tulare  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
Fiduciary Funds  
June 30, 2005  
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
<b>Transportation Tax Funds</b>				
Assets:				
Investment in treasury pool	\$ 609	\$ 10,629		\$ 1,200
Total assets	<u>\$ 609</u>	<u>\$ 10,629</u>	<u>\$ (10,038)</u>	<u>\$ 1,200</u>
Liabilities:				
Agency obligations	\$ 609	\$ 10,629		\$ 1,200
Total liabilities	<u>\$ 609</u>	<u>\$ 10,629</u>	<u>\$ (10,038)</u>	<u>\$ 1,200</u>
<b>Employee Health Benefits Fund</b>				
Assets:				
Investment in treasury pool	\$ 600	\$ 24,715	\$ (24,652)	\$ 663
Receivables	<u>40</u>	<u>-</u>	<u>(40)</u>	<u>-</u>
Total assets	<u>\$ 640</u>	<u>\$ 24,715</u>	<u>\$ (24,692)</u>	<u>\$ 663</u>
Liabilities:				
Warrants payable	\$ 152	\$ 200	\$ (152)	\$ 200
Due to County funds	<u>30</u>	<u>-</u>	<u>(30)</u>	<u>-</u>
Agency obligations	458	24,515	(24,510)	463
Total liabilities	<u>\$ 640</u>	<u>\$ 24,715</u>	<u>\$ (24,692)</u>	<u>\$ 663</u>

County of Tulare  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
Fiduciary Funds  
June 30, 2005  
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
<b>Education Revenue Augmentation Fund</b>				
Assets:				
Investment in treasury pool	\$ 89	\$ 52,023	\$ (52,112)	\$ -
Total assets	\$ 89	\$ 52,023	\$ (52,112)	\$ -
Liabilities:				
Agency obligations	\$ 89	\$ 52,023	\$ (52,112)	\$ -
Total liabilities	\$ 89	\$ 52,023	\$ (52,112)	\$ -
<b>Other Agency Funds</b>				
Assets:				
Cash in banks	\$ 6,567	\$ 217	\$ -	\$ 6,784
Investment in treasury pool	9,633	1,528	(3,400)	7,761
Due from County funds	-	1	-	1
Advances to County funds	520	30	-	550
Total assets	\$ 16,720	\$ 1,776	\$ (3,400)	\$ 15,096
Liabilities:				
Warrants payable	\$ 2,424	\$ 748	\$ (2,424)	\$ 748
Advances from County funds	560	30	-	590
Agency obligations	13,736	998	(976)	13,758
Total liabilities	\$ 16,720	\$ 1,776	\$ (3,400)	\$ 15,096
		-		Cont.

County of Tulare  
Combining Statement of Changes in Assets and Liabilities - Agency Funds  
Fiduciary Funds  
June 30, 2005  
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Cash in banks	\$ 7,513	\$ 469	\$ -	\$ 7,982
Investment in treasury pool	17,549	216,198	(222,193)	11,554
Taxes receivable	3,572	-	(3,572)	-
Receivables	40	-	(40)	-
Due to County funds	-	1	-	1
Advances to County funds	520	30	-	550
<b>Total assets</b>	<u>\$ 29,194</u>	<u>\$ 216,698</u>	<u>\$ (225,805)</u>	<u>\$ 20,087</u>
<b>Liabilities:</b>				
Warrants payable	\$ 3,146	\$ 1,202	\$ (3,146)	\$ 1,202
Due to County funds	3,376	-	(3,376)	-
Advances from County funds	560	30	-	590
Agency obligations	22,112	215,466	(219,283)	18,295
<b>Total liabilities</b>	<u>\$ 29,194</u>	<u>\$ 216,698</u>	<u>\$ (225,805)</u>	<u>\$ 20,087</u>
				Concluded





## **Capital Assets Used in the Operation of Governmental Funds**

These schedules report capital assets acquired for general government operations. These capital assets are tangible and of significant value having a utility which extends beyond the current year. They are broadly classified as land, structures and improvements, machinery and equipment, vehicles, infrastructure and construction in progress.



County of Tulare  
Capital Assets Used in the Operation of Governmental Funds  
Comparative Schedule by Source  
June 30, 2005 and 2004  
(amounts expressed in thousands)

	2005	2004
Governmental funds capital assets:		
Land	\$ 959,051	\$ 958,374 *
Infrastructure	635,074	634,413 *
Structures and improvements	163,695	163,685
Machinery and equipment	8,166	7,219
Vehicles	34,402	34,251
Construction in progress	1,254	615
Infrastructure in progress	6,680	5,437
Total governmental funds capital assets	<u>\$ 1,808,322</u>	<u>\$ 1,803,994</u>

Investment in governmental funds capital assets by source:

General fund	\$ 176,802	\$ 177,824
Federal revenue sharing fund	12,905	12,286
Special revenue funds	1,616,478	1,612,513 *
Capital projects funds	1,254	615
Redevelopment funds	354	299
Donations	529	457
Total governmental funds capital assets	<u>\$ 1,808,322</u>	<u>\$ 1,803,994</u>

\*Beginning balances have been restated to include Infrastructure Inventory as of June 30, 2004

County of Tulare  
**Capital Assets Used in the Operation of Governmental Funds**  
 Schedule by Function and Activity  
 June 30, 2005  
 (amounts expressed in thousands)

Function and Activity	Land	Infrastructure	Structures and Improvements	Machinery and Equipment	Vehicles	Total
<b>General government:</b>						
Administrative	\$ -	\$ -	\$ 25	\$ 10	\$ -	\$ 35
Finance	-	-	-	428	161	589
County Counsel	-	-	1,663	27	-	1,690
Personnel	-	-	24	-	-	24
Elections	-	-	-	557	-	557
Property management	299	-	2,762	14	55	3,130
Other general	2,154	-	721	55	3,789	6,719
<b>Total general government</b>	<b>2,453</b>	<b>-</b>	<b>5,195</b>	<b>1,091</b>	<b>4,005</b>	<b>12,744</b>
<b>Public protection:</b>						
Judicial	6	-	38,395	1,181	1,694	41,276
Sheriff	639	-	940	1,009	4,416	7,004
Other protection	-	-	104	317	337	758
<b>Total public protection</b>	<b>645</b>	<b>-</b>	<b>39,439</b>	<b>2,507</b>	<b>6,447</b>	<b>49,038</b>
<b>Detention and correction:</b>						
Detention	-	-	72,142	595	931	73,668
Fire	146	-	2,982	203	7,539	10,870
Inspection	210	-	4,685	91	900	5,886
<b>Total detention and correction</b>	<b>356</b>	<b>-</b>	<b>79,809</b>	<b>889</b>	<b>9,370</b>	<b>90,424</b>
<b>Public ways and facilities</b>	<b>951,649</b>	<b>635,074 *</b>	<b>2,180</b>	<b>1,051</b>	<b>10,102</b>	<b>1,600,056</b>
Public health	2,634	-	25,694	1,571	1,758	31,657
Public assistance	226	-	3,505	614	1,887	6,232
Education	122	-	3,527	95	555	4,299
Recreation and cultural services	966	-	4,346	348	278	5,938
	<u>955,597</u>	<u>635,074</u>	<u>39,252</u>	<u>3,679</u>	<u>14,580</u>	<u>1,648,182</u>
<b>Total governmental funds capital assets</b>	<b>\$ 959,051</b>	<b>\$ 635,074</b>	<b>\$ 163,695</b>	<b>\$ 8,166</b>	<b>\$ 34,402</b>	<b>1,800,388</b>
<b>Construction in progress</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,254</b>	<b>\$ -</b>	<b>\$ -</b>	<b>1,254</b>
<b>Infrastructure projects in progress</b>	<b>-</b>	<b>6,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,680</b>
						<u>\$ 1,808,322</u>

\*Beginning balances have been restated to include Infrastructure Inventory as of June 30, 2004.

County of Tulare  
Capital Assets Used in the Operation of Governmental Funds  
Schedule of Changes by Function and Activity  
For the Fiscal Year Ended June 30, 2005  
(amounts expressed in thousands)

Function and Activity	Governmental Fund Capital Assets July 1	Additions	Deletions	Adjustments	Governmental Fund Capital Assets June 30
<b>General government:</b>					
Administrative	\$ 35	\$ -	\$ -	\$ -	\$ 35
Finance	589	-	-	-	589
County Counsel	1,691	-	-	(1)	1,690
Personnel	25	-	-	(1)	24
Elections	563	-	-	(6)	557
Property management	2,762	55	-	313	3,130
Other general	8,389	30	(834)	(866)	6,719
Total general government	14,054	85	(834)	(561)	12,744
<b>Public protection:</b>					
Judicial	41,082	253	(124)	65	41,276
Sheriff	6,702	443	(209)	68	7,004
Other protection	623	168	(32)	(1)	758
Total public protection	48,407	864	(365)	132	49,038
<b>Detention and correction:</b>					
Detention	72,870	320	(14)	492	73,668
Fire	10,838	32	-	-	10,870
Inspection	5,704	263	(68)	(13)	5,886
Total detention and correction	89,412	615	(82)	479	90,424
<b>Public ways and facilities</b>					
Public health	1,598,309 *	2,151	(317)	(87)	1,600,056
Public assistance	31,330	468	(98)	(43)	31,657
Education	6,552	248	(178)	(390)	6,232
Recreation and cultural services	4,222	14	(15)	78	4,299
	5,656	231	-	51	5,938
	1,646,069	3,112	(608)	(391)	1,648,182
<b>Construction/ projects in progress</b>					
Infrastructure projects in progress	615	671	(32)	-	1,254
	4,397	2,283	-	-	6,680
Total governmental funds capital assets	\$ 1,802,954	\$ 7,630	\$ (1,921)	\$ (341)	\$ 1,808,322

\*Beginning balances have been restated to include Infrastructure Inventory as of June 30, 2004.



# **STATISTICAL SECTION**

## **(UNAUDITED)**





Table 1

County of Tulare  
Net Assets By Component  
Last Four Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year			
	2001-02	2002-03	2003-04	2004-05
<b>Governmental activities</b>				
Invested in capital assets, net of related debt				
Restricted	\$ 77,558 *	\$ 83,862 *	\$ 1,461,647 **	\$ 1,450,065
Unrestricted	75,598 *	45,532	41,803	40,051
	(21,431)	16,373	31,685	35,459
Total governmental activities net assets	<u>\$ 131,725</u>	<u>\$ 145,767</u>	<u>\$ 1,535,135</u>	<u>\$ 1,525,575</u>
<b>Business-type activities</b>				
Invested in capital assets, net of related debt				
Restricted	\$ 16,998	\$ 16,386	\$ 19,396	\$ 20,010
Unrestricted	5,005	5,005	5,005	5,005
	32,851	33,580	25,613	24,886
Total business-type activities net assets	<u>\$ 54,854</u>	<u>\$ 54,971</u>	<u>\$ 50,014</u>	<u>\$ 49,901</u>
<b>Primary government</b>				
Invested in capital assets, net of related debt				
Restricted	\$ 94,556 *	\$ 100,248 *	\$ 1,481,043 **	\$ 1,470,075
Unrestricted	80,603 *	50,537	46,808	45,056
	11,420	49,953	57,298	60,345
Total primary government net assets	<u>\$ 186,579</u>	<u>\$ 200,738</u>	<u>\$ 1,585,149</u>	<u>\$ 1,575,476</u>

\* Prior periods are restated for subsequent Prior Period Adjustments.

Discretely presented Component Unit is not included.

\*\* Beginning balances of capital assets restated to include infrastructure assets.

Table 2

County of Tulare  
Changes in Net Assets  
Last Four Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year			
	2001-02	2002-03	2003-04	2004-05
<b>Expenses</b>				
Governmental activities:				
General government	\$ 25,529	\$ 37,912	\$ 32,816	\$ 25,312
Public protection	132,758	130,282	145,513	148,459
Public ways and facilities	18,321	18,699	19,411	35,404
Health and sanitation	82,382	87,856	86,955	99,669
Public assistance	201,975	202,308	202,481	215,275
Education	3,380	3,481	3,356	3,384
Culture and recreation	1,661	1,839	1,949	1,631
Unallocated depreciation	571	627	589	589
Unallocated interest expense	9,933	9,023	8,220	8,642
Total governmental activities expenses	476,510	492,027	501,290	538,365
Business-type activities:				
Solid Waste	8,980	10,361	12,967	10,249
Other business-type activities	1,543	1,873	1,839	1,708
Total business-type activities expenses	10,523	12,234	14,806	11,957
Total primary government expenses	\$ 487,033	\$ 504,261	\$ 516,096	\$ 550,322
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 23,524	\$ 28,653	\$ 31,895	\$ 28,181
Public protection	17,812	24,314	19,635	22,015
Public ways and facilities	1,335	1,636	1,109	1,468
Health and sanitation	25,943	9,998	11,365	12,430
Public assistance	2,835	21,147	25,499	29,244
Education	143	227	112	245
Culture and recreation	347	710	1,012	1,101
Operating grants and contributions	358,518	353,679	355,940	349,248
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	430,457	440,364	446,567	443,932
Business-type activities:				
Charges for services:				
Solid Waste	8,462	8,886	8,878	9,053
Other business-type activities	682	642	631	670
Operating grants and contributions	-	135	40	373
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	9,144	9,663	9,549	10,096
Total primary government program revenues	\$ 439,601	\$ 450,027	\$ 456,116	\$ 454,028

Fiscal Year

	2001-02	2002-03	2003-04	2004-05
Net (expense)/revenue				
Governmental activities	\$ (46,053)	\$ (51,663)	\$ (54,723)	\$ (94,433)
Business-type activities	(1,379)	(2,571)	(5,257)	(1,861)
Total primary government net expense	<u>(47,432)</u>	<u>(54,234)</u>	<u>(59,980)</u>	<u>(96,294)</u>

**General Revenues and Other Changes in Net Assets**

Governmental activities:				
Taxes				
Property taxes	\$ 34,981	\$ 37,394	\$ 40,342	\$ 66,738
Sales and other taxes	7,231	6,694	7,632	8,032
Earnings on investments	7,462	6,710	2,880	5,402
Miscellaneous	1,256	-	5,321	-
Tobacco settlement revenues	4,447	4,636	5,929	4,010
Gain on sale of fixed assets	-	-	63	29
Total governmental activities	<u>55,377</u>	<u>55,434</u>	<u>62,167</u>	<u>84,211</u>
Business-type activities:				
Sales and other taxes	294	815	658	855
Earnings on investments	3,948	2,550	503	1,555
Gain on sale of fixed assets	5	-	31	-
Total business-type activities	<u>4,247</u>	<u>3,365</u>	<u>1,192</u>	<u>2,410</u>
Total primary government	<u>\$ 59,624</u>	<u>\$ 58,799</u>	<u>\$ 63,359</u>	<u>\$ 86,621</u>

**Change in Net Assets**

Governmental activities	\$ 9,324	\$ 3,771	\$ 7,444	\$ (10,222)
Business-type activities	2,868	794	(4,065)	549
Total primary government	<u>\$ 12,192</u>	<u>\$ 4,565</u>	<u>\$ 3,379</u>	<u>\$ (9,673)</u>

Table 3

County of Tulare  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
General Fund										
Reserved	\$ 2,482	\$ 1,603	\$ 2,114	\$ 2,583	\$ 2,000	\$ 1,704	\$ 2,995	\$ 4,247	\$ 19,030	\$ 27,300
Unreserved	42,224	41,235	36,156	29,987	26,324	30,198	27,800	32,932	17,124	15,147
Total General Fund	<u>\$ 44,706</u>	<u>\$ 42,838</u>	<u>\$ 38,270</u>	<u>\$ 32,570</u>	<u>\$ 28,324</u>	<u>\$ 31,902</u>	<u>\$ 30,795</u>	<u>\$ 37,179</u>	<u>\$ 36,154</u>	<u>\$ 42,447</u>
All other governmental funds										
Reserved	\$ 10,426	\$ 16,692	\$ 14,771	\$ 16,760	\$ 57,021	\$ 61,855	\$ 64,772	\$ 64,257	\$ 67,015	\$ 68,720
Unreserved, reported in:										
Special revenue funds	6,792	7,753	7,884	7,274	7,442	12,972	13,550	13,328	11,678	7,891
Capital projects funds	4,858	34,931	20,853	5,665	2,805	2,723	3,377	4,919	3,926	4,696
Total all other governmental funds	<u>\$ 22,076</u>	<u>\$ 59,376</u>	<u>\$ 43,508</u>	<u>\$ 29,699</u>	<u>\$ 67,268</u>	<u>\$ 77,550</u>	<u>\$ 81,699</u>	<u>\$ 82,504</u>	<u>\$ 82,619</u>	<u>\$ 81,307</u>

Table 4

County of Tulare  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Revenues</b>										
Taxes and special assessments	\$ 65,851	\$ 66,898	\$ 45,705	\$ 43,098	\$ 41,123	\$ 42,599	\$ 45,113	\$ 46,500	\$ 50,450	\$ 78,982
Licenses and permits	5,199	5,157	5,474	5,836	5,561	6,096	6,843	6,920	7,214	8,550
Fines, forfeitures, and penalties	2,572	2,996	5,544	6,725	7,138	5,234	6,528	14,029	7,968	8,124
Interest, rents, and concessions	3,704	7,413	6,784	5,417	4,780	9,235	7,109	6,163	2,979	5,294
Intergovernmental revenues	254,678	243,944	267,658	277,867	304,807	335,763	355,617	349,650	350,762	346,736
Charges for services	29,392	33,572	47,944	57,920	55,851	59,415	52,025	53,662	57,450	64,196
Other revenues	8,770	7,386	6,978	10,229	5,298	9,547	9,890	10,970	10,484	12,034
Total revenues	370,166	367,366	386,087	407,092	424,558	467,889	483,125	487,894	487,307	523,916
<b>Expenditures</b>										
General government	21,160	25,836	21,394	19,275	16,241	12,257	22,224	23,609	23,164	17,575
Public protection	86,760	87,755	95,716	112,997	121,120	136,160	127,337	123,937	139,512	144,136
Public ways and facilities	11,799	13,579	13,780	15,172	14,868	19,617	20,229	17,958	18,764	14,086
Health and sanitation	52,904	53,131	67,732	61,646	66,650	76,596	80,812	86,567	86,165	98,477
Public assistance	182,942	173,347	158,622	175,251	177,934	191,993	200,765	201,211	201,839	213,979
Education	2,675	2,522	2,623	2,728	3,473	3,439	3,129	3,200	3,370	3,462
Culture and recreation	1,397	1,331	1,505	1,390	1,448	1,507	1,578	1,759	1,831	1,524
Capital outlay	4,615	24,741	28,421	27,447	6,815	3,687	4,604	6,419	4,018	7,630
Debt service										
Principal	2,115	2,704	12,830	14,502	16,603	12,388	11,427	11,101	11,259	11,443
Interest and fiscal charges	3,679	6,680	10,645	9,541	10,228	10,524	10,040	8,413	7,926	8,388
Total expenditures	370,046	391,626	413,268	439,949	435,380	468,168	482,145	484,174	497,848	520,700
Excess of revenues over (under) expenditures	120	(24,260)	(27,181)	(32,857)	(10,822)	(279)	980	3,720	(10,541)	3,216
<b>Other financing sources (uses)</b>										
Sale of general capital assets	16	-	-	-	199	1,082	367	251	177	148
Sale of note receivable	-	-	29,701	46,438	45,000	-	-	-	5,321	-
Bond proceeds	-	98,123	-	-	-	-	-	-	-	-
Capital lease proceeds	-	-	-	-	-	-	-	394	30	-
Contribution to Retirement Association	-	(40,879)	-	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	(29,701)	(41,875)	-	-	-	-	-	-
Payment of defeance costs	-	-	-	(4,347)	-	-	-	-	-	-
Litigation proceeds	-	-	-	-	4,938	-	-	-	-	-
Direct financing lease	-	-	-	-	-	-	-	-	-	-
Loan proceeds	1,902	2,619	3,030	5,200	2,500	1,530	1,053	2,147	101	105
Transfers in	48,075	53,538	69,200	85,468	83,146	92,258	98,306	97,791	2,906	1,775
Transfers (out)	(48,632)	(53,094)	(66,808)	(85,362)	(83,146)	(91,609)	(97,664)	(97,114)	101,557	102,141
Total other financing sources (uses)	1,361	60,307	5,422	5,522	52,637	3,261	2,062	3,469	(100,461)	(102,404)
Net change in fund balances	\$ 1,481	\$ 36,047	\$ (21,759)	\$ (27,335)	\$ 41,815	\$ 2,982	\$ 3,042	\$ 7,189	\$ (910)	\$ 4,981
Debt service as a percentage of noncapital expenditures	1.59%	2.56%	6.10%	5.83%	6.26%	4.93%	4.50%	4.08%	3.88%	3.87%

Table 5

County of Tulare  
General Governmental Tax Revenues By Source - Table  
Last Eight Fiscal Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

Fiscal Year	Property	Sales and Use	Transient Occupancy	Property Transfer	Timber	Aircraft	Other	Total
1997 - 98	\$ 29,472	\$ 14,831	\$ 586	\$ 637	\$ 42	\$ 137	\$ -	\$ 45,705
1998 - 99	31,625	8,080	598	713	67	129	1,886	43,098
1999 - 00	31,725	7,885	682	661	49	121	-	41,123
2000 - 01	32,894	8,016	743	747	34	165	-	42,599
2001 - 02	34,162	9,179	819	777	15	161	-	45,113
2002 - 03	35,380	8,973	877	1,075	29	166	-	46,500
2003 - 04	37,802	10,108	986	1,349	39	166	-	50,450
2004 - 05	64,879	10,804	986	2,113	49	131	-	78,962
Percentage Growth Earliest to Current	120.1%	-27.2%	68.3%	231.7%	16.7%	-4.4%	0.0%	72.8%

Table 6

County of Tulare  
Equalized Roll Assessed Value of Taxable Property  
Last Ten Fiscal Years  
(amounts expressed in thousands)

Fiscal Years	Real Property Assessed Value	Personal Property Assessed Value	Assessed Value
1995-96	\$12,425,110	\$741,639	\$13,166,749
1996-97	12,719,639	802,996	13,522,635
1997-98	13,220,599	859,125	14,079,724
1998-99	13,646,997	917,125	14,564,122
1999-00	14,154,136	941,827	15,095,963
2000-01	14,731,050	1,065,525	15,796,575
2001-02	15,232,365	1,064,889	16,297,254
2002-03	16,004,259	1,150,562	17,154,821
2003-04	16,984,360	1,051,432	18,035,792
2004-05	17,971,651	1,087,362	19,059,013

Due to Constitutional Amendment, Section 13A, property is assessed at Full Cash Value as of 1975-76 with a maximum increase of 2% permitted each year. New construction and property sold are reassessed at Full Cash Value in the year the transaction occurs.

Table 7

**County of Tulare**  
**Direct Overlapping Property Tax Rates**  
**Last Ten Years (Per \$100 of Assessed Values)**

	Year Taxes Are Payable									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>County Wide Rates</b>										
General	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>School District Rates</b>										
Allensworth Elementary	0.032	0.061	0.030	0.056	0.051	0.051	0.050	0.043	0.041	0.044
Alta Vista Elementary	0.062	0.072	0.067	0.080	0.066	0.072	0.072	0.075	0.066	0.048
Buena Vista Elementary	-	-	-	-	0.075	0.049	0.048	0.033	0.035	0.031
Burton Elementary	0.073	0.007	0.068	0.063	-	-	-	-	-	-
Burton Elementary 2002	-	-	-	-	-	-	-	-	0.030	0.022
Cutler-Orosi Unified	0.002	0.001	-	-	-	-	-	-	-	-
Cutler-Orosi Unified 2004	-	-	-	-	-	-	-	-	-	-
Delano Joint High (A, B, & C)	-	-	-	-	-	0.053	0.053	0.159	0.090	0.060
Dinuba Unified	-	-	-	-	-	-	-	-	0.051	0.055
Earlimart Elementary	0.082	0.090	0.060	0.050	0.054	0.051	0.041	0.045	0.050	0.048
Exeter High	-	-	-	-	-	-	0.028	0.031	0.037	0.038
Farmersville Elementary	0.097	0.100	0.052	0.077	-	-	-	-	-	-
Farmersville Unified 1992A	0.216	0.193	0.153	0.132	0.094	0.100	0.105	0.073	0.091	0.091
Farmersville Unified 1992B	-	-	-	-	-	-	0.055	0.089	0.079	0.057
Hanford Joint High - Series A	-	-	-	-	-	0.023	0.027	0.018	0.018	0.014
Hanford Joint High - Series B	-	-	-	-	-	-	-	0.014	0.012	0.014
Hanford Joint High - Series C	-	-	-	-	-	-	-	-	-	0.005
Kern Community College SFID 2002	-	-	-	-	-	-	-	-	0.012	0.009
Kings Canyon Joint Unified	-	-	-	-	-	-	-	0.043	0.051	0.058
Kingsburg Joint Elementary 1991	-	-	-	-	-	0.020	0.012	0.014	0.018	0.020
Kingsburg Joint Elementary 2004	-	-	-	-	-	-	-	-	-	0.045
Kingsburg Joint High	-	-	-	-	-	0.052	0.065	0.054	0.050	0.050
Liberty Elementary	-	-	-	-	-	-	0.083	0.074	0.090	0.084
Lindsay Unified	-	-	-	-	-	-	-	0.044	0.052	0.060
Linns Valley Poso-Flat Joint Elementary	-	-	-	-	-	-	-	-	0.019	0.026





**COUNTY OF TULARE**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(amounts expressed in thousands)**

2004/2005				1995/1996			
Taxpayer	Taxable		Percentage of Total Taxable	Taxpayer	Taxable		Percentage of Total Taxable
	Assessed Value	Rank			Assessed Value	Rank	
Land O' Lakes, Inc/Cheese & Protein Intl, LLC	\$ 261,999	1	1.37%	Southern California Edison Company	\$ 245,839	1	1.87%
Southern California Edison Company	220,334	2	1.16%	Pacific Bell Telephone Co	137,722	2	1.05%
Kraft Foods Inc	95,627	3	0.50%	Eagle Snacks	89,435	3	0.68%
Wal-Mart Stores Inc	88,357	4	0.46%	Oscar Mayer Food Corp	87,922	4	0.67%
Southern California Gas Company	68,311	5	0.36%	Southern California Gas Company	81,611	5	0.62%
SBC California	64,790	6	0.34%	Dairyman's Cooperative Creamery Association	79,819	6	0.61%
Recot Inc	63,149	7	0.33%	Wal-Mart Stores Inc	72,942	7	0.55%
California Milk Products	62,000	8	0.33%	Pacific Gas and Electric	52,116	8	0.40%
Best Buy Stores, LP	59,528	9	0.31%	Haagen-Dazs	48,560	9	0.37%
Ruiz Foods Products Inc	46,206	10	0.24%	Boboli Company	42,227	10	0.32%
Total	\$ 1,030,301		5.41%	Total	\$ 938,193		7.12%

Table 9

**COUNTY OF TULARE**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	\$ 122,046	\$ 117,479	96.26%		\$ 117,479	96.26%
1997	125,984	121,891	96.75%		121,891	96.75%
1998	130,632	126,442	96.79%		126,442	96.79%
1999	135,775	131,534	96.88%		131,534	96.88%
2000	140,642	136,380	96.97%		136,380	96.97%
2001	149,307	144,161	96.55%		144,161	96.55%
2002	154,682	149,897	96.91%		149,897	96.91%
2003	162,726	157,372	96.71%		157,372	96.71%
2004	173,386	168,089	96.94%	\$ 5,221	173,310	99.96%
2005	183,896	178,233	96.92%	4,905	183,138	99.59%

Table 10

County of Tulare  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Variable Rate Demand Bonds	Pension Obligation Bonds	Health Insurance Revenue Bond	Loans and Notes	Certificates of Participation		Bonds			
						Leases					
1996	\$ 34,740	\$ -	\$ -	\$ -	\$ 897	\$ 2,329	\$ 1,072	\$ 10	\$ 39,048	0.68%	\$ 111
1997	90,815	-	41,460	-	942	3,835	1,751	10	138,813	2.30%	389
1998	87,475	-	41,460	21,500	942	6,618	1,733	10	159,738	2.58%	444
1999	88,748	-	41,075	12,530	942	11,401	1,714	10	156,420	2.36%	429
2000	85,183	45,000	40,175	3,200	12,332	86	1,695	10	187,681	2.69%	508
2001	80,377	45,000	39,025	-	10,716	-	1,676	9	176,803	2.39%	471
2002	74,880	44,600	37,600	-	7,664	-	1,656	9	166,409	2.15%	434
2003	63,131	44,200	35,870	-	17,555	359	1,637	9	162,761	2.03%	414
2004	63,133	43,800	33,800	-	17,281	287	1,610	8	159,919	1.91%	400
2005	56,870	43,300	31,355	-	16,352	133	1,584	8	149,602	1.72%	365

Table 11

County of Tulare  
 Computation of Direct and Overlapping Debt  
 June 30, 2005  
 (dollar values expressed in thousands)

Jurisdiction	Outstanding Debt	Percentage Applicable to the County of Tulare	Amount Applicable to the County of Tulare
Special Districts	\$ 56,180	100%	\$ 56,180
School Districts	137,604	100%	137,604
County of Tulare	149,602	100%	149,602
Total	\$ 343,386		\$ 343,386

Outstanding debt for the County of Tulare includes all Certificates of Participation, Leases, Loans, and Bonds outstanding for both governmental and business-type activities for the County and blended component units.

Table 12

County of Tulare  
Computation of Legal Debt Margin  
June 30, 2005  
(amounts expressed in thousands)

Net Assessed Value	\$	20,838,859
Debt Limit - 1.25 Percent of Taxable Property (A)		260,486
Amount of Debt Applicable to Debt Limit (B)		-
Legal Debt Margin (C)		260,486

- (A) Constitutional Amendment XIII A, passed by vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1% of full cash value. Thus, the legal debt is 1.25% of assessed valuation.
- (B) As of 6/30/05 the County had no tax supported general obligation bonded debt outstanding.
- (C) Legal debt margin is computed by subtracting the County legal general obligation bonded debt from the legal debt limit.

Table 13

County of Tulare  
Demographic Statistics  
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (Calculated)	Personal Income (amounts expressed in millions) (1)(5)	Median Age (1)(3)	School Enrollment (4)	Unemployment Rate (2)
1995-96	353,200	\$ 16,183	\$ 5,716	29	82,459	16.2
1996-97	357,300	16,905	6,040	29	83,633	15.7
1997-98	360,100	17,167	6,182	29	83,875	15.6
1998-99	364,300	18,202	6,631	29	84,723	15.2
1999-00	369,300	18,879	6,972	29.2	84,938	13.4
2000-01	375,200	19,712	7,396	29	85,664	14
2001-02	383,100	20,159	7,723	29	86,952	14
2002-03	392,900	20,387	8,010	29	88,341	13.6
2003-04	400,123	20,906	8,365	29	90,230	14.5
2004-05	409,871	21,275 (5)	8,720 (5)	29	92,126	9

(1) Source: California Department of Finance, Demographic Research Unit; Census every 10 years.

(2) Source: State Department of Employment Development

(3) Median age is the age at which there are as many residents older as there are younger.

(4) California Department of Education, Educational Demographics Unit

(5) Amounts are estimated based on historical percentages

Table 14

County of Tulare  
Principal Employers 2005

Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,320	1	2.63%
Porterville Development Center	2,014	2	1.23%
Kaweah Delta Helathcare District	2,000	3	1.22%
Ruiz Food Products	1,800	4	1.10%
WalMart Distribution Center	1,692	5	1.03%
College of The Sequoias	1,160	6	0.71%
CIGNA HealthCare	900	7	0.55%
Sierra View District Hospital	724	8	0.44%
Jostens	720	9	0.44%
Land O' Lakes	600	10	0.37%

Source: Tulare County Economic Development Corporation



Table 15

County of Tulare  
County of Tulare Employees by Function  
Last Ten Fiscal Years

Function	Allocated Positions as of June 30									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Administration	32	31	34	35	36	38	42	40	42	45
Retirement	6	6	6	7	7	7	-	-	-	-
County Counsel	29	29	30	31	35	40	40	37	37	38
Risk Management	2	3	3	5	4	4	4	4	5	8
Elections	6	8	8	8	8	8	7	7	7	7
Finance	119	122	128	118	118	122	127	122	123	126
Purchasing	5	5	5	6	7	7	7	6	5	5
Planning and Development	83	48	48	49	59	60	50	50	58	61
Other General	111	124	85	80	85	153	170	166	160	163
Public Protection										
Child Support Services	187	193	188	189	216	315	311	316	316	269
District Attorney	124	185	143	151	153	176	175	188	169	178
Fire Protection	21	21	19	19	21	21	23	23	23	24
Probation	244	240	235	277	282	354	304	313	300	302
Public Defender	56	59	57	60	61	62	66	66	66	69
Sheriff / Coroner	463	511	514	614	669	773	839	654	650	662
Trial Courts	165	179	172	164	178	199	-	-	-	-
Other Protection	53	55	55	55	54	58	57	53	57	57
Public Ways and Facilities	157	155	155	149	147	133	133	133	132	133
Health and Sanitation	709	682	403	504	603	630	624	618	544	581
Public Assistance	771	987	1,189	1,149	1,185	1,559	1,621	1,454	1,538	1,618
Education	44	44	44	44	45	52	52	37	38	38
Culture and Recreation	21	21	21	21	23	15	19	19	15	15
Solid Waste Management	63	63	63	66	68	72	72	72	72	72
Total	3,471	3,771	3,605	3,801	4,064	4,858	4,743	4,378	4,357	4,471

Table 16

County of Tulare  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	Fiscal Year									
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Public Safety										
Sheriff	4	4	4	4	4	4	4	4	4	4
Stations	276	393	484	546	551	555	578	578	448	467
Sworn Deputies & Officers	164	126	156	208	212	211	223	223	184	191
Non-sworn Deputies & Officers	30	30	31	31	38	35	36	29	27	28
Fire Stations	110	110	110	110	71	71	71	70	71	57
Firefighters & Officers	368	368	440	440	450	440	440	440	425	440
Volunteer Firefighters										
Sanitation										
Landfill Sites	5	5	6	6	7	7	7	7	7	7
Transfer Stations	5	5	6	7	7	7	7	7	7	7
Highways and Roads										
Roads (miles)	3,082	3,082	3,082	3,082	3,077	3,077	3,077	3,072	3,072	3,072
Streetslights	1,035	1,035	1,409	1,445	1,445	1,384	1,384	1,295	1,295	1,454
Culture and Recreation										
Libraries	16	16	16	15	16	16	15	15	15	15
Bookmobiles	-	-	-	-	2	2	2	2	2	2
Volumes	423,382	423,382	402,446	399,556	397,151	389,348	388,909	364,325	366,018	352,184
Park acreage	585	585	585	610	610	464	592	685	685	604
Parks	11	11	14	14	14	10	10	10	10	10
Museum (square feet)	23,000	23,000	23,000	23,618	23,618	25,919	25,919	25,919	25,919	25,919
Lake Success Capacity (acre feet)	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,300
Lake Kaweah Capacity (acre feet)	142,000	142,000	142,000	142,000	142,000	143,000	143,000	143,000	143,000	185,600
Building Permits Issued	2,875	2,875	2,875	2,005	2,204	2,172	3,194	3,790	2,163	3,643

Table 17

County of Tulare  
Summary of Financing Requirements  
By Fund and Function  
For Fiscal Years 2003-04, 2004-05, 2005-06  
(amounts expressed in thousands)

	Actual Expenditures and Transfers 2003-2004	Actual Expenditures and Transfers 2004-2005	Budgeted Expenditures and Transfers 2005-2006		Actual Expenditures and Transfers 2003-2004	Actual Expenditures and Transfers 2004-2005	Budgeted Expenditures and Transfers 2005-2006
<b>Summary by fund</b>					<b>Summary by function</b>		
General	\$ 443,785	\$ 469,612	\$ 507,262	General government	\$ 18,578	\$ 15,270	\$ 15,788
Indigent Health	785	922	1,136	Public protection	139,147	143,475	166,236
Library	2,519	2,656	3,974	Public ways and facilities	18,764	14,086	24,550
Fish and Game	6	5	3	Health and sanitation	86,165	98,477	108,455
Aviation	103	32	574	Public assistance	201,563	213,979	222,163
Structural Fire	11,423	11,353	11,764	Education	3,370	3,462	4,783
Roads	19,518	18,748	25,875	Culture and Recreation	1,831	1,524	1,878
Workforce Investment Act	14,523	16,676	21,637	Debt service	8,455	12,828	16,576
Child Support Services	16,733	15,829	16,955	Capital outlay	3,947	3,219	29,528
Realignment	48,835	48,680	51,960	Transfers out	99,236	99,903	91,750
Tobacco Settlement Revenue	4,027	3,978	4,589				
Debt service	16,351	15,690	16,576				
Capital Projects	2,448	2,042	19,402				
Total by fund	\$ 581,056	\$ 606,223	\$ 681,707	Total by function	\$ 581,056	\$ 606,223	\$ 681,707

Actual amounts from CAFR basic financial statements for governmental fund types not including component units.  
Adopted budget amounts from the BOS Adopted Budget for governmental fund types not including component units.

**COUNTY OF TULARE**  
**Insurance Policies in Force During Fiscal Year Ended June 30, 2005**  
(amounts expressed in whole dollars)

Company	Policy #	Policy Period From To	Deductible SIR	Limits	Premium Costs	Coverage	Fund
ACE Excess WC	WCU C4261550AR	7/1/2004 7/1/2005	\$1,000,000	Statutory, including defense for Serious and Willful Actions	\$1,279,375	Worker's Compensation -	061
GL-I CSAC/ EIA	EIA 03 EL-50	7/1/2004 7/1/2005	\$250,000 per occurrence	\$1,000,000 per occurrence	\$528,154	1st Layer Liability Excess liability coverage - applies above SIR for liability claims by third parties	062
GL-II CSAC/ EIA	EIA 03 GL2-12	7/1/2004 7/1/2005	None	\$15,000,000 excess of first layer above	\$205,224	2nd Layer Liability Excess liability coverage - applies above first layer	062
Optional Excess Liability CSAC/EIA	164-4251	7/1/2004 7/1/2005	None	\$10,000,000	\$40,639	Optional Excess Liability Excess Limits of Liability	062
Brown & Associates Aviation	NAL3021801 NAC3021799	7/1/2004 7/1/2005	\$1,000 each aircraft	\$10,000,000 per occurrence \$1,000,000 for hanger keeper liability	\$17,000 \$7,650	Aviation Liability Aviation Commercial Liability for County owned airports	062
Brown & Associates Aviation Hull	NAC3021799	7/1/2004 7/1/2005	\$1,000 Liability \$100 Hull damage \$250 Non-motion	\$1,000,000 Liability \$63,000 Hull damage	\$14,975	Aircraft Property Hull	063
Property CSAC/ EIA	PPR04-07	3/31/2005 3/31/2006	\$10,000	Replacement costs Includes Vehicles	\$194,825	Property Real and Personal Property Includes vehicles	063
Crime Bond CSAC/ EIA	2824389	7/1/02 6/30/2007	\$25,000	\$10,000,000	\$12,544	Crime Bond Covers losses as a result of employee dishonesty, theft, robbery and burglary.	063
Water Craft Liability Fireman's Fund	OHL98116901	3/15/2004 6/30/2005	\$5,000	\$2,000,000 CLS	\$634	Water Craft Primary and Excess Liability	063
Water Craft Hull Fireman's Fund	OHL98116901	3/15/2005 6/30/2005	\$500 - \$5,000 Variable	\$175,000 TIV	\$1,506	Hull Coverage per boat Values	063
CSAC/ EIA	EIA 04 M2-12	10/1/2004 10/1/2005	\$10,000 per Claim	\$10,000,000 per Claim	\$173,965	Medical Malpractice Claims Made	064

