

Comprehensive Annual Financial Report



County of Tulare
State of California

For the Fiscal Year
Ended June 30, 2006

COUNTY OF TULARE STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2006

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
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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

December 6, 2006

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, 2006, 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 unqualified 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 108,669. The County has a population of approximately 410,847 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:

Initiated development of the County Strategic Business Plan

Facilitated the opening of the Pre-Trial Courtroom for use by the Superior Court, Sheriff, and Public Defender.

Initiated the transition from contracted Fire Services to County owned and operated Fire Services.

Finalized the process for a 2030 Update of the County's General Plan.

Continued the restoration of the Visalia Library including a children's wing.

Finalized the planning of the Cutler-Orosi Sheriff Substation replacement project.

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

Complete a comprehensive review of the County's employee benefit package.

Upgrade the outdated information technology infrastructure.

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:

Full implementation of the County Strategic Business Plan

Complete the transition from contracted Fire Services to County owned and operated Fire Services by June 30, 2007.

Facilitate the expanded use of the Pre-Trial Courtroom into full expedited court, including participation by the District Attorney.

Complete the 2030 Update of the County's General Plan.

Continued the restoration of the Visalia Library including a children's wing.

Initiate construction of the Cutler-Orosi Sheriff Substation replacement project.

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, 2006, 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.

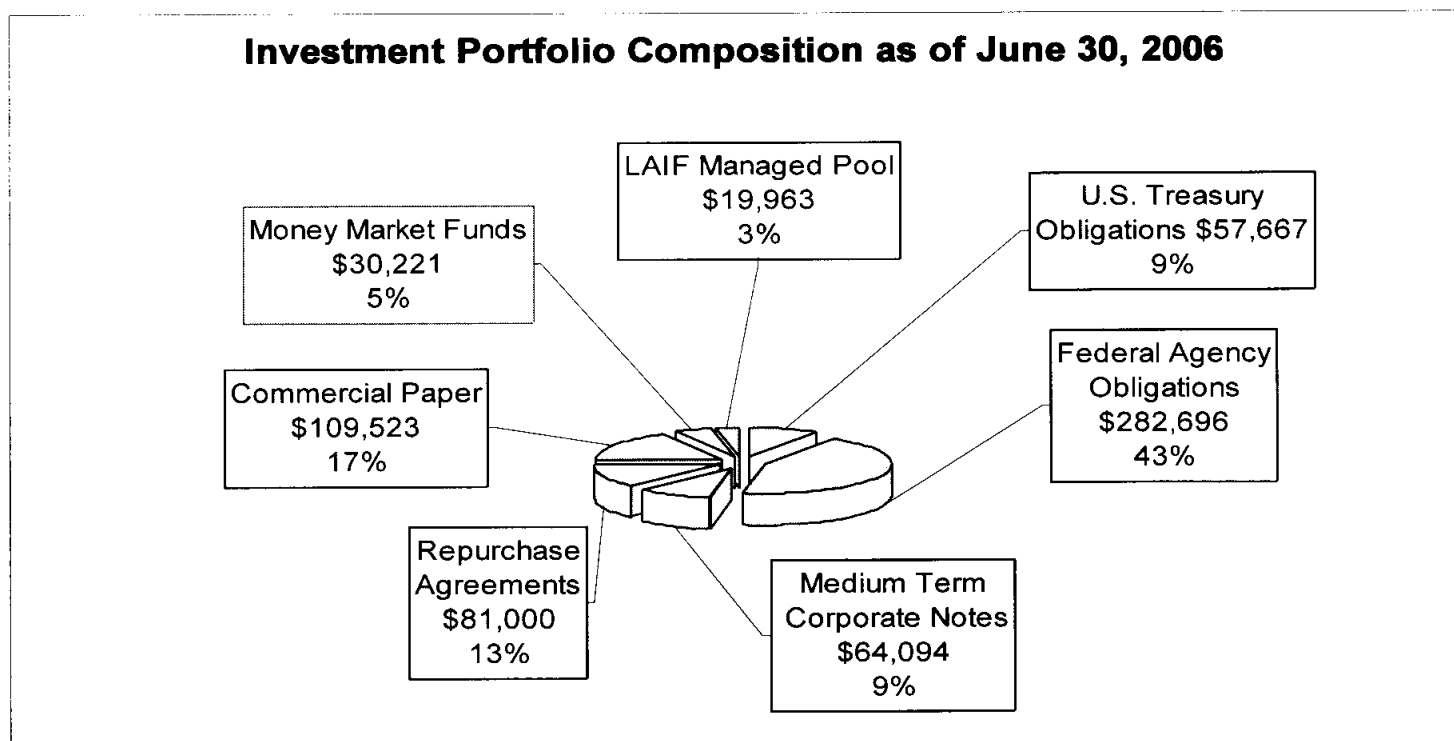
Contributions are made to the Employees' Retirement Association by both the County and members on amounts recommended by the TCERA's actuary. Five years of service is needed for a partial vested interest and ten years of membership and a minimum age of 50 is required for full vesting.

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.

TREASURY POOL CASH MANAGEMENT

The Treasury Pool 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 76% of the investments, held by the County during the fiscal year ended June 30, 2006, 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, 2006 was 4.02%.



RISK MANAGEMENT

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, 2006, the County's workers' compensation fund has set aside \$13,930.

The County remained self-insured for general liability in the fiscal year ended June 30, 2006 at the \$250 SIR effective on July 1, 2003. Excess limits were, again, renewed at \$25 million. As of June 30, 2006, the County's general liability fund has set aside \$6,506.

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

Other coverage for property and employee dishonesty is 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 and limits of liability of \$50 million aggregate over two years.

INDEPENDENT AUDIT

The financial records and transactions of the County and its blended component units for the fiscal year ended June 30, 2006, 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, 2005. This was the tenth 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,

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line and a small flourish.

C. BRIAN HADDIX
County Administrative Officer

A handwritten signature in black ink, appearing to read 'Jerry T. Messinger' in a cursive script.

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, 2005

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.

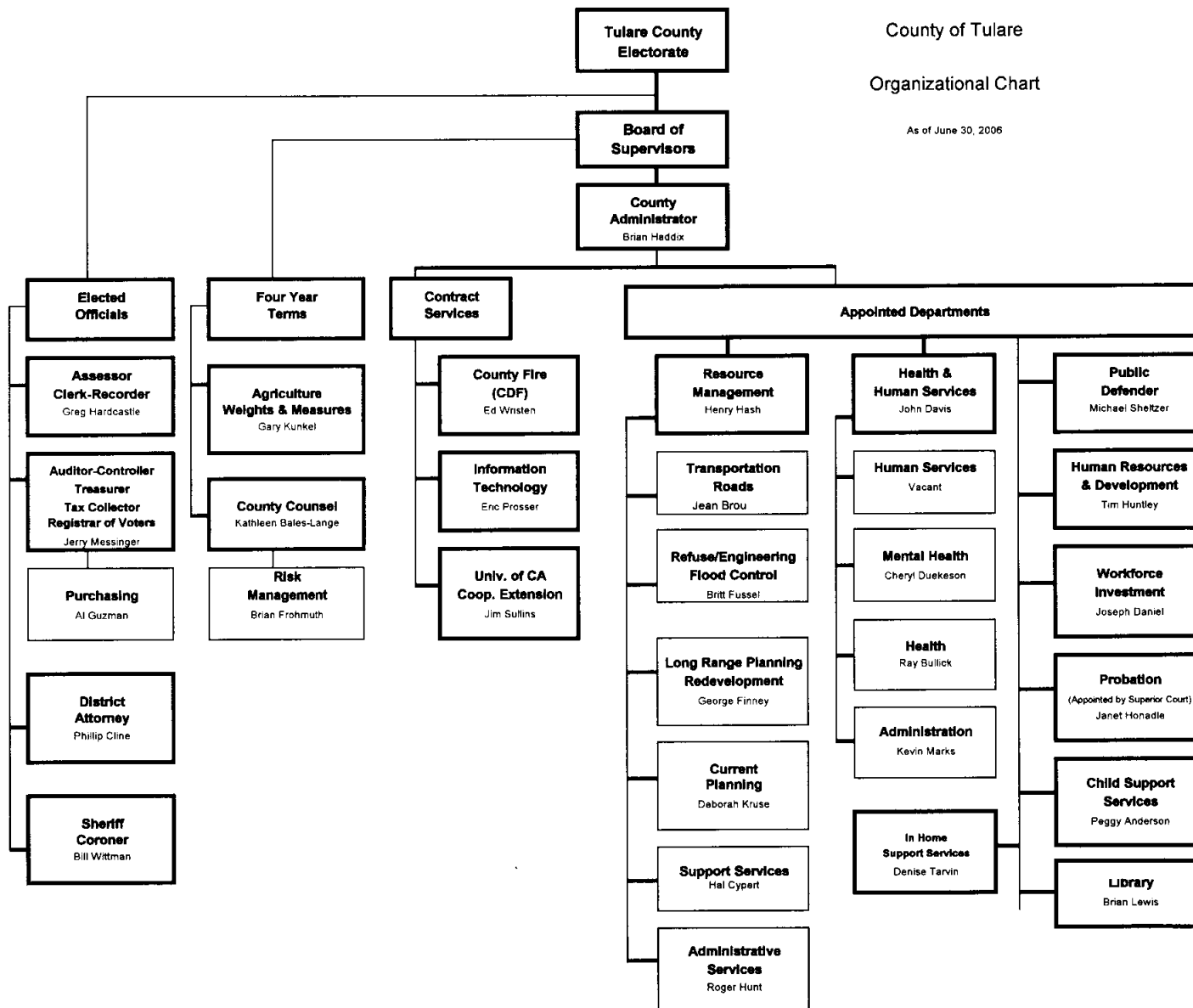


Carla E. Perry

President

Jeffrey R. Enos

Executive Director



County of Tulare
Organizational Chart

As of June 30, 2006

COUNTY OF TULARE
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2006

<u>DEPARTMENT</u>	<u>OFFICIALS</u>	<u>POSITIONS</u>
Agricultural Commissioner	Gary Kunkel	57
* Assessor/Clerk-Recorder	Gregory B. Hardcastle	84
* Auditor-Controller/Treasurer/ Registrar of Voters/Tax Collector Purchasing	Jerry Messinger	58
Board of Supervisors		7
** District No. 1	Allen Ishida, Vice Chairman	
** District No. 2	Connie Conway	
** District No. 3	Phil Cox	
** District No. 4	J. Steven Worthley, Chairman	
** District No. 5	James E. Maples	
Child Support Services	Peggy Anderson	269
Cooperative Extension	Jim Sullins	8
County Administrative Office	Brian Haddix	17
County Counsel Risk Management	Kathleen Bales-Lange	54
* District Attorney Public Administrator	Phillip J. Cline	164
Fire Protection Services	Steve Sunderland	20

Footnote:

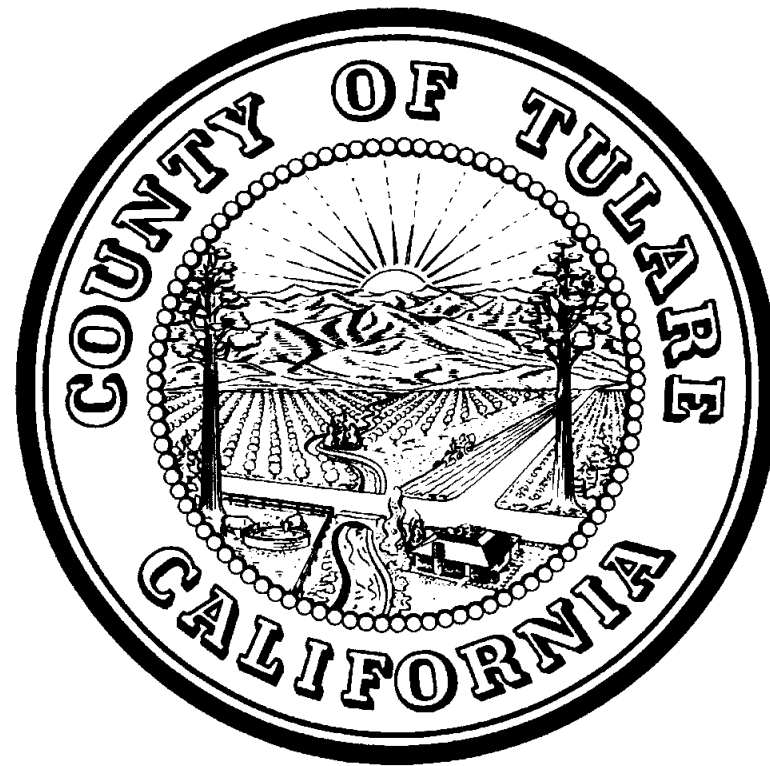
- Unmarked - Appointed
- * Elective - County at Large
- ** Elective - By District

**COUNTY OF TULARE
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2006**

<u>DEPARTMENT</u>	<u>OFFICIALS</u>	<u>POSITIONS</u>
Health & Human Services Agency	John Davis	2,165
Administrative Services		
Human Services		
Mental Health Services		
Health Services		
Human Resources & Development	Tim Huntley	22
Library	Brian G. Lewis	31
Probation	Janet M. Honadle	309
Juvenile Detention Facility		
Probation Youth Facility		
Delinquency Prevention & Court Services		
Supervision Services		
Program Planning and Development		
Administrative Services		
Public Defender	Michael Sheltzer	71
Resource Management Agency	Henry Hash	447
Engineering Services		
Transportation Services		
Long Range Planning		
Support Services		
Current Planning		
Administration		
* Sheriff-Coroner	Bill Wittman	710
Workforce Investment	Joseph H. Daniel	80
TOTAL ALLOCATED POSITIONS		4,573

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 AGREDANO, C.P.A.

LYNDA S. ANDERSON, C.P.A.

ELAINE D. REULE, C.P.A.

NATALIE H. SIEGEL, 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
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, 2006, 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, insofar 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, 2006, 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 December 6, 2006 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, and 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 or on 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.

As described in Note D-1 to the basic financial statements, the County adopted GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation Disclosure*.

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 nonmajor fund financial statements and schedules, and statistical section listed in the table of contents 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 and statistical sections 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.

December 6, 2006
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, 2006. 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 exceeded its liabilities at the close of the most recent fiscal year by \$1,562,095 (*net assets*). Of this amount, \$66,635 (*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 \$13,381.

As of the close of the current fiscal year, the County governmental funds reported combined ending fund balances of \$133,828, an increase of \$10,074 in comparison with the prior year. Approximately \$50,016 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 \$31,653 or 6.9% of total general fund expenditures.

The County's total debt decreased by \$5,419 (3.6%) 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's basic financial statements. The County'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'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 80.1% 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, 2006, 75.3% 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'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.

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 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, 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 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'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 maintains 30 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 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 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 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 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. 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'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.

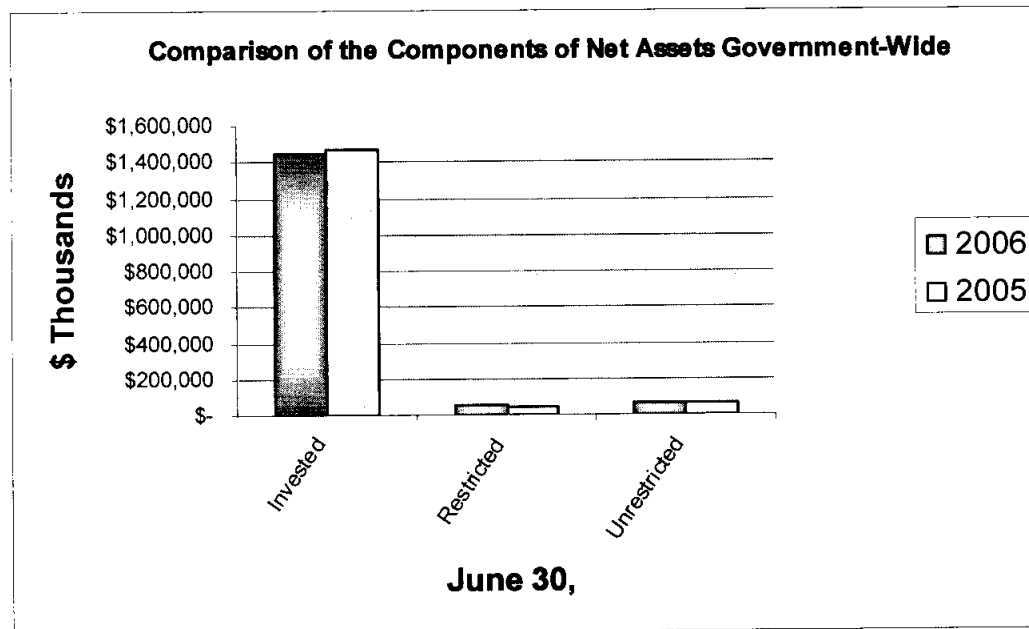
Government-wide Financial Analysis

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, assets exceeded liabilities by \$1,562,095 at the close of the most recent fiscal year.

A portion (\$1,445,902) of the County's net assets (92.6%) 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 uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County'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's net assets (\$49,558) represents resources that are subject to external restrictions on how they may be used (*restricted net assets*). The remaining balance of *unrestricted net assets* (\$66,635) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County 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's calculation of net assets for both governmental activities and business-type activities for the fiscal years ended June 30, 2005 and 2006 are as follows:

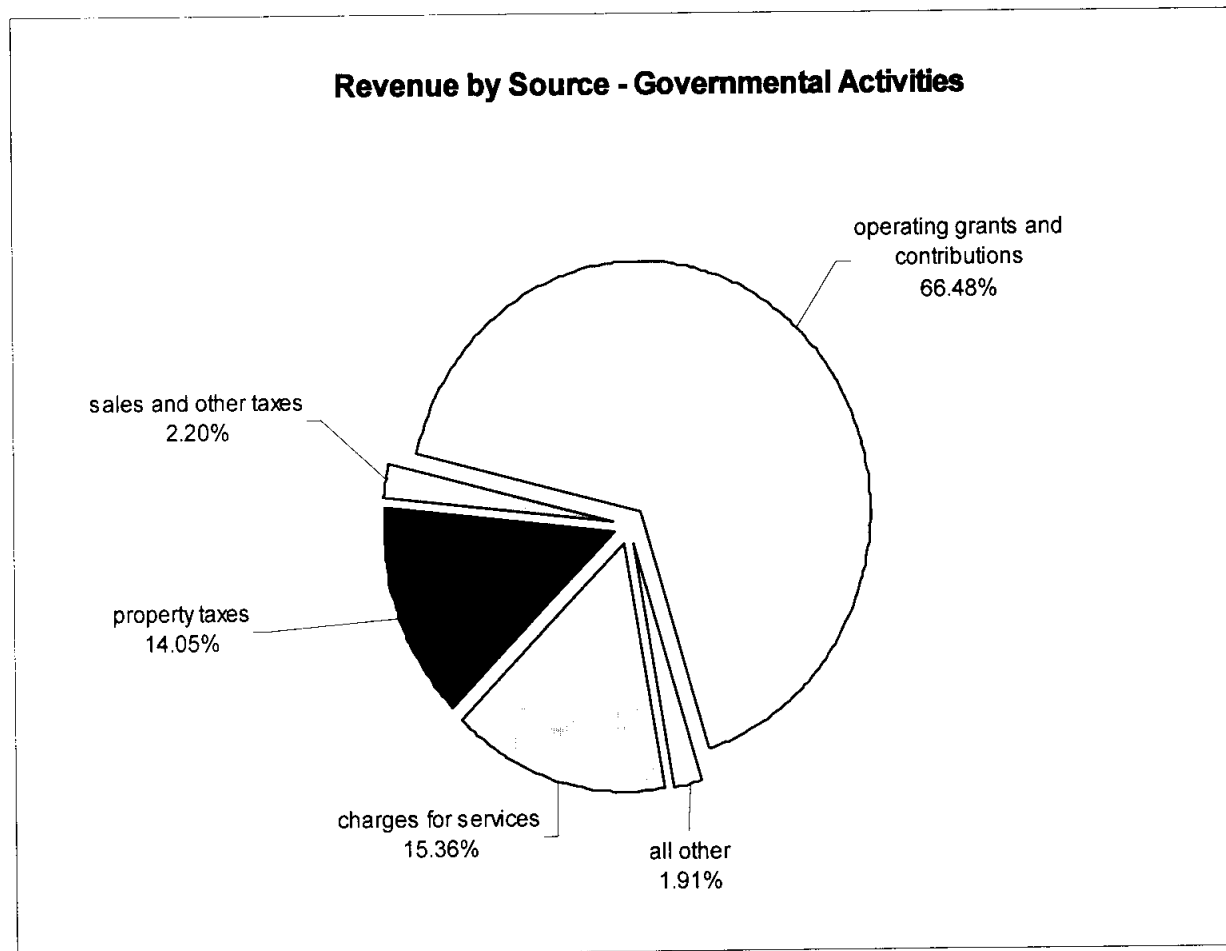
County of Tulare's Net Assets (amounts expressed in thousands)						
As of June 30,	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 337,526	\$ 308,016	\$ 68,600	\$ 58,845	\$ 406,126	\$ 366,861
Capital assets	1,496,902	1,523,420	21,888	21,602	1,518,790	1,545,022
Total assets	<u>1,834,428</u>	<u>1,831,436</u>	<u>90,488</u>	<u>80,447</u>	<u>1,924,916</u>	<u>1,911,883</u>
Long-term liabilities outstanding	161,873	158,179	41,240	41,866	203,113	200,045
Other liabilities	158,701	147,682	1,007	(11,320)	159,708	136,362
Total liabilities	<u>320,574</u>	<u>305,861</u>	<u>42,247</u>	<u>30,546</u>	<u>362,821</u>	<u>336,407</u>
Invested in capital assets, net of related debt	1,425,580	1,450,065	20,322	20,010	1,445,902	1,470,075
Restricted	44,553	40,051	5,005	5,005	49,558	45,056
Unrestricted	43,721	35,459	22,914	24,886	66,635	60,345
Total net assets	<u>\$ 1,513,854</u>	<u>\$ 1,525,575</u>	<u>\$ 48,241</u>	<u>\$ 49,901</u>	<u>\$ 1,562,095</u>	<u>\$ 1,575,476</u>

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

For the fiscal year ended June 30,	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues:						
Charges for services	\$ 85,938	\$ 94,684	\$ 10,401	\$ 9,723	\$ 96,339	\$ 104,407
Operating grants and contributions	371,869	349,248	42	373	371,911	349,621
General revenues:						
Property taxes	78,583	66,738	-	-	78,583	66,738
Other taxes	12,311	8,032	512	855	12,823	8,887
Other	10,685	9,441	1,812	1,555	12,497	10,996
Total revenues	<u>559,386</u>	<u>528,143</u>	<u>12,767</u>	<u>12,506</u>	<u>572,153</u>	<u>540,649</u>
Expenses:						
General government	44,550	25,312	-	-	44,550	25,312
Public protection	155,626	148,459	-	-	155,626	148,459
Public ways and facilities	26,701	35,404	-	-	26,701	35,404
Health and sanitation	104,035	99,669	-	-	104,035	99,669
Public assistance	225,735	215,275	-	-	225,735	215,275
Education	3,241	3,384	-	-	3,241	3,384
Culture and recreation	1,468	1,631	-	-	1,468	1,631
Unallocated depreciation	589	589	-	-	589	589
Interest expense	9,713	8,642	-	-	9,713	8,642
Solid Waste	-	-	12,004	10,249	12,004	10,249
Other business-type activities	-	-	1,872	1,708	1,872	1,708
Total expenses	<u>571,658</u>	<u>538,365</u>	<u>13,876</u>	<u>11,957</u>	<u>585,534</u>	<u>550,322</u>
Change in net assets before transfers	<u>(12,272)</u>	<u>(10,222)</u>	<u>(1,109)</u>	<u>549</u>	<u>(13,381)</u>	<u>(9,673)</u>
Transfers	551	662	(551)	(662)	-	-
Change in net assets	<u>(11,721)</u>	<u>(9,560)</u>	<u>(1,660)</u>	<u>(113)</u>	<u>(13,381)</u>	<u>(9,673)</u>
Net assets - July 1	1,525,575	1,535,135	49,901	50,014	1,575,476	1,585,149
Net assets - June 30	<u>\$ 1,513,854</u>	<u>\$1,525,575</u>	<u>\$ 48,241</u>	<u>\$ 49,901</u>	<u>\$1,562,095</u>	<u>\$1,575,476</u>

The County's overall net assets decreased by \$13,381 during the current fiscal year. The dominant factor was the annexation by local Cities of 8.02 miles of road, thereby reducing infrastructure assets by \$17,804.

Governmental activities. Governmental activities decreased the County's current year net assets by (\$11,721), which accounts for 87.6% of the County's overall change in net assets. Key elements of revenues in governmental activities for the fiscal year ended June 30, 2006 are as follows:



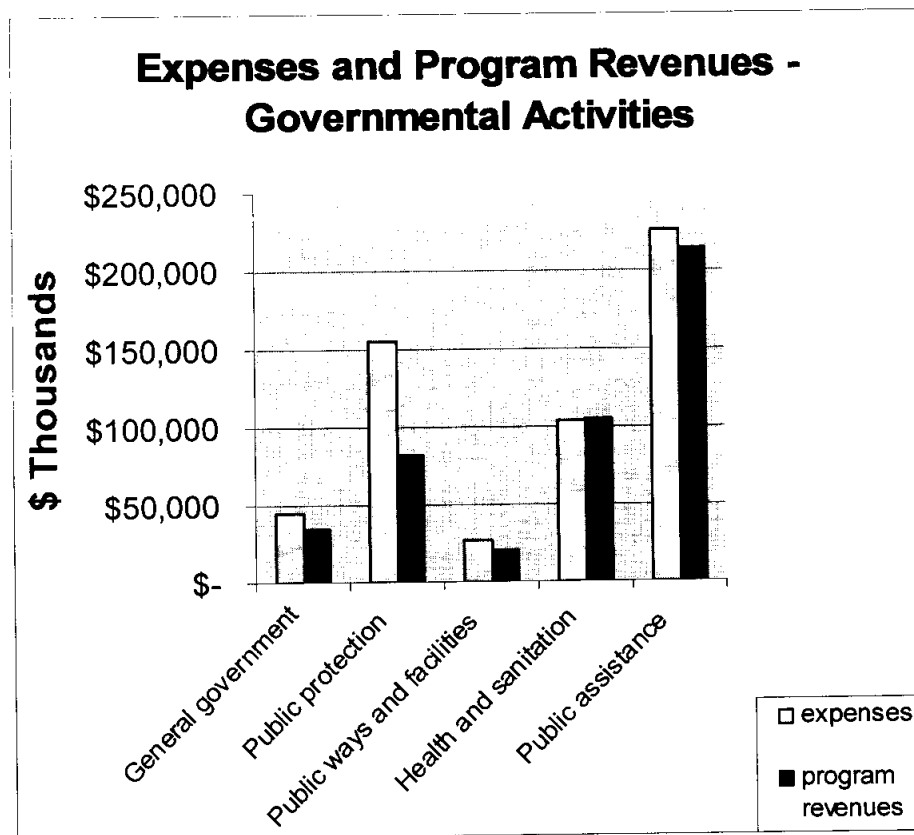
Total revenues for governmental activities increased by \$31,243. Operating grants and contributions for governmental activities increased by \$22,621 or 6.5%, which is approximately 2% less than the increase experienced in the prior year. While State and Federal funding is still on the rise, the pace has slowed now that the State of California is in the second year of recovery from prior severe budget cutbacks. Property tax revenues have increased by

17.8% (or \$11,845) due to the sharp increase in property values during the past two years. The price of average housing in the local area has virtually doubled and there has been a marked increase in new housing. Local charges for services showed an \$8,746 (or 9.2%) decrease over the prior year, largely due to rate reductions for building permits. Due to the sharp increase in property values, the County changed the way building permit fees were calculated to better reflect our actual cost of providing plan review and inspection services. On the other hand, earnings on investments rose slightly (\$1,632) due to a slight upswing in interest rates.

At the same time, governmental activities showed an increase of \$33,293 (or 6.2%) in overall expenses. More than half of the increase relates to the transfer of infrastructure assets to another municipality as the result of an annexation. The remaining increase in overall expenses represents a modest growth of approximately 2.7%.

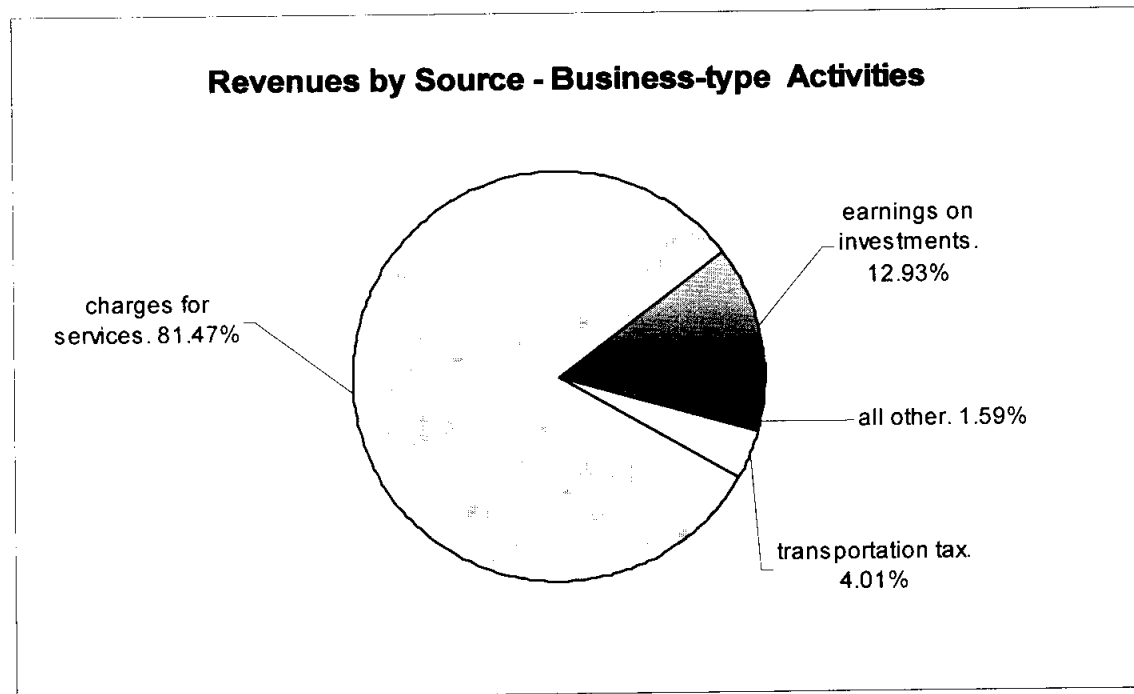
Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, public protection program revenues cover barely over half (52.3%) of program costs. Therefore, the largest portions of general revenues are used for public protection.

A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2006 is as follows:



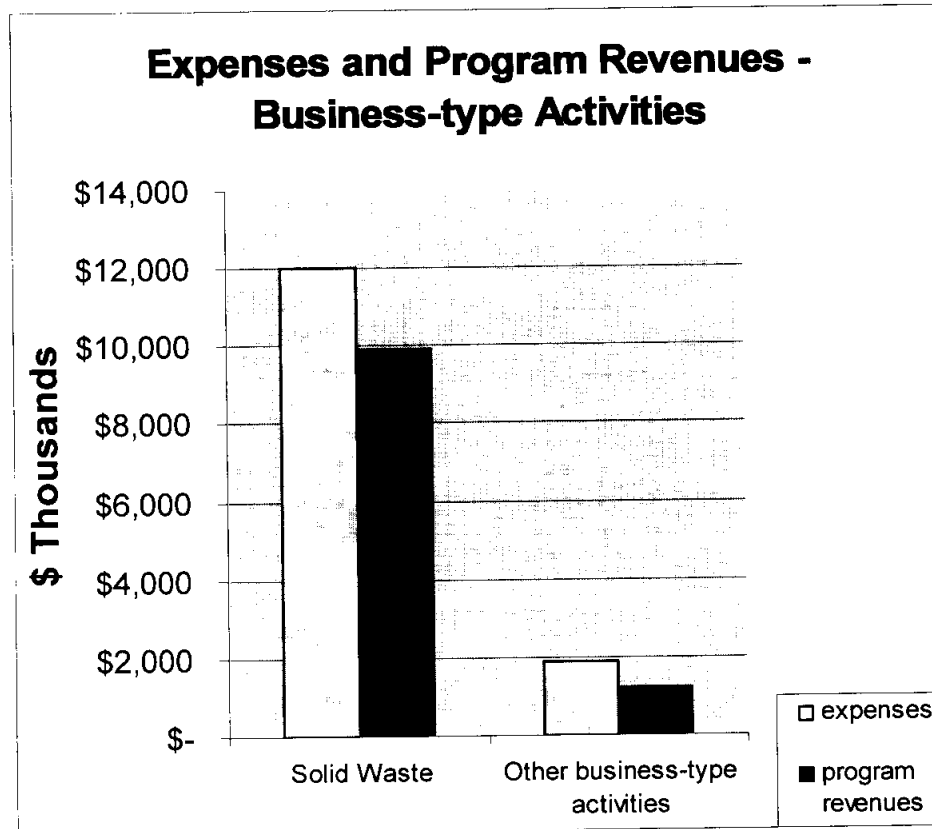
Business-type activities. Business-type activities decreased the County's net assets by \$1,660. Key elements of the current changes are as follows:

Key elements of revenues in business-type activities for the fiscal year ended June 30, 2006 are as follows:



Total revenues for business-type activities increased by \$261 (2.1%) over the prior period. Although fees for services increased slightly, revenues from State sources and other taxes declined.

Business-type activities showed an increase of \$1,919 (or 16.1%) in overall expenses. An increase of \$1,755 in Solid Waste expenses makes up approximately 91.5% of the overall change. A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2006 is as follows:



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.

Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County'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'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's governmental funds reported combined ending fund balances of \$133,828, an increase of \$10,074 over the prior year. Approximately 37.4% of this total amount, or \$50,016, constitutes *unreserved fund balance*, which is available for spending at the County'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 (\$59,330); 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 (\$15,143); or 4) for a variety of other restricted purposes (\$4,339).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$31,653, while total fund balance reached \$48,552. 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 6.9% of total General Fund expenditures, while total fund balance represents 10.6% of that same amount.

For a second year, the fund balance of the County's General Fund has increased. The current year increased by \$6,105 over the prior year and the prior fiscal year increased by \$6,293 over two years ago. Key factors of this trend are as follows:

Total revenues of the General Fund increased by \$23,611 or 5.5%. Although there were only slight increases in most revenue sources, taxes and assessments increased \$13,969 or 21.2% due to the increase in local building and a sharp increase in the real estate market. Intergovernmental support of Health and Public Assistance programs also increased over the prior year.

Spending from the General Fund increased by \$24,136 or 5.6%. Contributing factors include an 8.2% increase in spending for public protection - approximately 63.0% of which went to the Sheriff's Department; and a 5.0% increase in spending for Public Assistance programs. This coincides with the increased support from the State of California in the same area.

Two major blended component units of the County 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 (\$5,614) and TCPFA (\$52,277) are restricted for future servicing of debt.

Proprietary funds. The County'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 \$50,472, with \$48,241 of that in enterprise funds and 87.0% (\$41,964) of the enterprise funds net assets in Solid Waste. *Unrestricted net assets* of Solid Waste at the end of the fiscal year amounted to \$22,123, and the total reduction in net assets for Solid Waste was \$1,037. 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 made several supplemental budgetary expenditure appropriations totaling \$14,697 (3.1%) in the General Fund appropriations throughout the fiscal year. Approximately 80.7% of the increased appropriations are directly related to the previously mentioned increased funding from the State of California in the areas of health and public assistance.

For the current fiscal year, \$13,610 was budgeted from beginning available fund balance. Actual revenues realized fell \$2,654 short of budgetary estimates, especially that to be received as aid from Federal sources. Expenditures for the current fiscal year fell \$30,701 below budgetary estimates as well. As a consequence, the actual deficiency of revenues under expenditures was only about 19.4% of that budgeted.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities at current year-end amounts to \$1,518,790 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, and some construction in progress.

County of Tulare's Capital Assets (net of depreciation)							
As of June 30,	Governmental Activities		Business-type Activities		Total		
	2006	2005	2006	2005	2006	2005	
Land	\$ 941,247	\$ 959,051	\$ 6,728	\$ 6,728	\$ 947,975	\$ 965,779	
Infrastructure	404,115	412,235	-	-	404,115	412,235	
Buildings and improvements	127,031	130,162	11,638	11,902	138,669	142,064	
Equipment and vehicles	15,179	14,038	3,496	2,953	18,675	16,991	
Construction in progress	2,160	1,254	26	19	2,186	1,273	
Infrastructure in progress	7,170	6,680	-	-	7,170	6,680	
Total	<u>\$ 1,496,902</u>	<u>\$ 1,523,420</u>	<u>\$ 21,888</u>	<u>\$ 21,602</u>	<u>\$ 1,518,790</u>	<u>\$ 1,545,022</u>	

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

1. Optical Voting Equipment purchased for \$924.
2. Lewis Hill Tower and Vault project was completed, with microwave and computer equipment installed on it, as well as on Mooney Grove and Stokes Mountain Towers, completing the triangle for a hospital communication system that will enhance the ability of Tulare County to respond to a disaster or bioterrorism incident by providing real time communication link between hospitals for a total expense of \$438.
3. Right-of-way was reduced by \$17,804, due to annexation of 8.02 miles to Dinuba, Lindsay, Porterville, Tulare, Visalia, and Woodlake.

Additional information on the County'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 had total outstanding debt of \$144,183. Of this amount, 36.0% (\$51,858) 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 19.8% of the outstanding debt of the County (\$28,495) represents Pension Obligation Bonds used to pay a previously unfunded actuarial accrued liability. Another 29.7% (\$42,808) 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.

County of Tulare's Outstanding Debt						
As of June 30,	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Loans	\$ 20,954	\$ 16,352	\$ -	\$ -	\$ 20,954	\$ 16,352
Capital leases	68	133	-	-	68	133
Variable rate demand bonds	42,800	43,300	8	8	42,808	43,308
Pension obligation bonds	28,495	31,355	-	-	28,495	31,355
Certificates of Participation	50,300	56,870	1,558	1,584	51,858	58,454
Totals	<u>\$ 142,617</u>	<u>\$ 148,010</u>	<u>\$ 1,566</u>	<u>\$ 1,592</u>	<u>\$ 144,183</u>	<u>\$ 149,602</u>

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$5,419 (3.62%). The largest reductions occurred with payments of \$6,596 against the COP's and \$2,593 paid on equipment and vehicle loans. The County borrowed \$2,482 for additional vehicle purchases during the current year and \$7,084 for energy improvement projects.

The County maintains a long term credit rating of A1 Issuer (General Obligation equivalent) by Moody's Investors Service

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 (\$296,389) is 1.25% of assessed valuation (\$23,711,083). As of June 30, 2006, the County had no tax supported general obligation bonded debt outstanding.

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

Economic Factors and Next Year's Budgets

The economy in the County experienced strong growth in Fiscal Year 2005-2006 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 9.6%, marking the fourth consecutive year of over 5% growth. For the second year, The County's unemployment rate at year end improved, dropping from 8.7% to 7.9%. This translated into increased motor vehicle fees, sales, and property taxes.

On the State budgetary front, the governor signed the State budget on June 30, 2006, making the first time in six years a budget was enacted by the start of the fiscal year. The budget was very positive for local governments and for the State as a whole. The budget avoided having to borrow and reduced debt ahead of schedule in a number of areas. Major debt reduction actions of particular interest to the County included \$403 million in State mandate payments which included the first and second years of the 15-year repayment cycle, and early payback of the Proposition 42 suspensions from Fiscal Years 2003-2004 and 2004-2005 at \$1.4 billion. For the County, the two years of deferred mandate payments amount to over \$300 and Proposition 42 suspended payments amount to \$4.3 million. Of course, the budget also marks the restoration of ERAFF III property tax revenues which amounts to \$3.8 million. In addition, the new budget included enhanced funding for the following vital County Services:

Increased funding for public-safety programs, including juvenile crime prevention and intervention, front-line enforcement services, mentally ill diversion programs, local corrections officer training and methamphetamine abatement.;

A package of modifications to the CalWORKS, program, (California's welfare program), which will ensure that more families in California are working and moving toward self sufficiency;

Funding augmentations for the Foster Care program and Child Welfare service aimed at amount other things, improving outcomes and caseload reductions;

Additional funding for Proposition 36 which steers non-violent drug offenders away from jail and into treatment; and

Inclusion of prepayment of Fiscal Year 2006-2007 mandates.

One of the few negative aspects of the State budget was the suspension of the Property Tax Administration Program (PTAP) used to augment county assessors' budgets.

All of these factors were considered in preparing the County's budget for Fiscal Year 2006-2007. During the current fiscal year, unreserved fund balance in the general fund is \$18,260. The County has appropriated \$17,932 of this amount for spending in the Fiscal Year 2006-2007 budget.

Requests for Information

This financial report is designed to provide a general overview of the County'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 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, 2006 can also be found at the County's website www.co.tulare.ca.us/government/auditor/finrpt.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements



County of Tulare
Statement of Net Assets
June 30, 2006
(amounts expressed in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Assets				
Current assets:				
Cash in banks	\$ -	\$ 311	\$ 311	\$ 307
Investment in treasury pool	127,056	23,559	150,615	16,413
Investments	48,141	-	48,141	-
Imprest cash	336	2	338	-
Accounts receivables, net	2,953	837	3,790	1,261
Taxes receivable	14,582	-	14,582	-
Interest receivable	47	-	47	-
Deposits with others	31	57	88	4
Due from other governments	40,824	-	40,824	-
Inventories	351	-	351	-
Pension assets	29,755	-	29,755	-
Prepaid items	1,950	-	1,950	173
Lease payments receivable, net of interest	1,497	-	1,497	-
Total current assets	<u>267,523</u>	<u>24,766</u>	<u>292,289</u>	<u>18,158</u>
Noncurrent assets:				
Notes receivable	15,143	-	15,143	-
Advances to Agency funds	600	-	600	-
Restricted assets - noncurrent	54,260	43,834	98,094	-
Capital assets:				
Land and other assets not being depreciated	950,577	6,754	957,331	-
Buildings , equipment, and infrastructure, net	<u>546,325</u>	<u>15,134</u>	<u>561,459</u>	-
Total capital assets, net	<u>1,496,902</u>	<u>21,888</u>	<u>1,518,790</u>	-
Total noncurrent assets	<u>1,566,905</u>	<u>65,722</u>	<u>1,632,627</u>	-
Total assets	<u>1,834,428</u>	<u>90,488</u>	<u>1,924,916</u>	<u>18,158</u>

Liabilities

Current liabilities:				
Accounts payable	38,395	789	39,184	1,205
Due to other governments	9,626	-	9,626	-
Internal balances	65	(65)	-	-
Deposits from others	520	4	524	44
Salaries and benefits payable	12,549	203	12,752	-
Interest payable	2,155	15	2,170	-
Unearned revenue	38,270	-	38,270	170
Tax and revenue anticipation note	39,000	-	39,000	-
Liability claims payable	5,964	-	5,964	-
Compensated absences	2,213	34	2,247	-
Leases payable	30	-	30	-
Loans payable	1,949	-	1,949	-
Bonds payable	3,820	-	3,820	-
COPs payable	4,145	27	4,172	-
Total current liabilities	<u>158,701</u>	<u>1,007</u>	<u>159,708</u>	<u>1,419</u>
Noncurrent liabilities:				
Liability claims payable	14,472	-	14,472	-
Compensated absences	14,728	312	15,040	-
Advances from Agency funds	-	560	560	-
Closure/postclosure costs payable	-	38,829	38,829	-
Leases payable	38	-	38	-
Loans payable	19,005	-	19,005	-
Bonds payable	67,475	8	67,483	-
COPs payable	46,155	1,531	47,686	-
Total noncurrent liabilities	<u>161,873</u>	<u>41,240</u>	<u>203,113</u>	<u>-</u>
Total liabilities	<u>320,574</u>	<u>42,247</u>	<u>362,821</u>	<u>1,419</u>
Net assets				
Invested in capital assets, net of related debt	1,425,580	20,322	1,445,902	-
Restricted for:				
Capital projects	11,143	-	11,143	-
Debt service	18,597	-	18,597	-
Roads projects	2,612	-	2,612	-
Redevelopment	7,291	-	7,291	-
Other purposes	4,910	5,005	9,915	-
Unrestricted	43,721	22,914	66,635	16,739
Total net assets	<u>\$ 1,513,854</u>	<u>\$ 48,241</u>	<u>\$ 1,562,095</u>	<u>\$ 16,739</u>

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

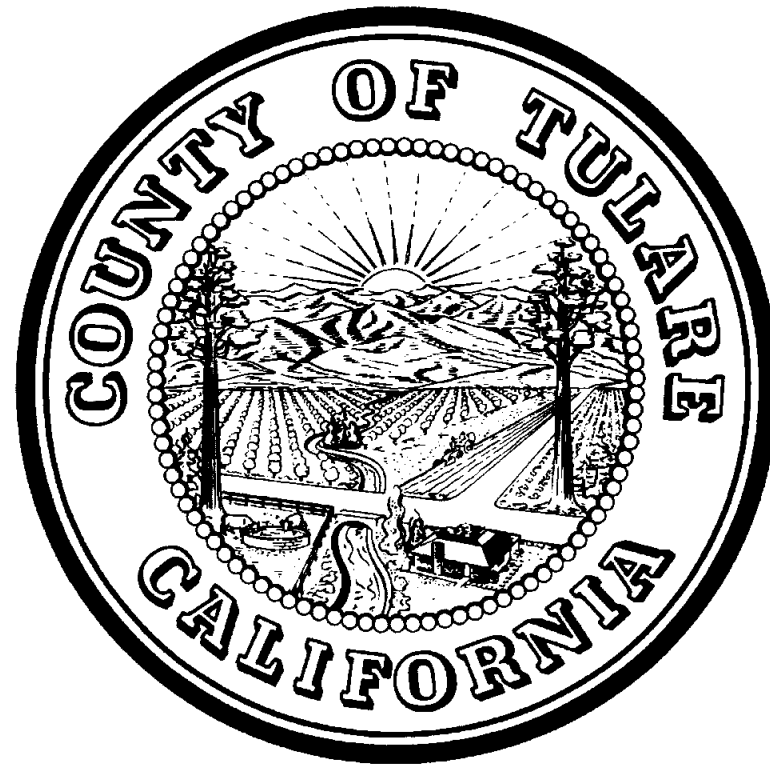
County of Tulare
Statement of Activities
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

Functions / Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions		Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Governmental activities:								
General government	\$ 44,550	\$ 21,838	\$ 13,230	\$	(9,482)		\$ (9,482)	
Public protection	155,626	22,179	59,250		(74,197)		(74,197)	
Public ways and facilities	26,701	2,783	17,787		(6,131)		(6,131)	
Health and sanitation	104,035	11,653	93,674		1,292		1,292	
Public assistance	225,735	26,348	187,367		(12,020)		(12,020)	
Education	3,241	289	312		(2,640)		(2,640)	
Culture and recreation	1,468	848	249		(371)		(371)	
Unallocated depreciation	589	-	-		(589)		(589)	
Interest expense	9,713	-	-		(9,713)		(9,713)	
Total governmental activities	<u>571,658</u>	<u>85,938</u>	<u>371,869</u>		<u>(113,851)</u>		<u>(113,851)</u>	
Business-type activities:								
Solid Waste	12,004	9,705	42			\$ (2,257)	(2,257)	
Other business-type activities	1,872	696	-			(1,176)	(1,176)	
Total business-type activities	<u>13,876</u>	<u>10,401</u>	<u>42</u>			<u>(3,433)</u>	<u>(3,433)</u>	
Total Primary Government	<u>\$ 585,534</u>	<u>\$ 96,339</u>	<u>\$ 371,911</u>		<u>(113,851)</u>	<u>(3,433)</u>	<u>(117,284)</u>	
Component unit:								
First 5 Tulare County	\$ 9,684	-	\$ 7,362					\$ (2,322)
Total component unit	<u>\$ 9,684</u>	<u>-</u>	<u>\$ 7,362</u>					<u>(2,322)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purposes				67,628	-		67,628	-
Property taxes, levied for flood control				377	-		377	-
Property taxes, levied for redevelopment				2,368	-		2,368	-
Property taxes, levied for fire protection				5,639	-		5,639	-
Property taxes, levied for library				2,571	-		2,571	-
Sales and other taxes				12,311	512		12,823	-
Earnings on investments				7,034	1,651		8,685	496
Tobacco Settlement revenues				3,651	-		3,651	-
Gain on sale of capital assets					161		161	-
Transfers				551	(551)		-	-
Total general revenues and transfers				<u>102,130</u>	<u>1,773</u>		<u>103,903</u>	<u>496</u>
Change in net assets				<u>(11,721)</u>	<u>(1,660)</u>		<u>(13,381)</u>	<u>(1,826)</u>
Net assets - July 1				<u>1,525,575</u>	<u>49,901</u>		<u>1,575,476</u>	<u>18,565</u>
Net assets - June 30				<u>\$ 1,513,854</u>	<u>\$ 48,241</u>		<u>\$ 1,562,095</u>	<u>\$ 16,739</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, 2006
(amounts expressed in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Investment in treasury pool	\$ 68,974	\$ 73	\$ -	\$ 28,902	\$ 97,949
Investments	39,556	5,596	2,971	18	48,141
Imprest cash	84	-	-	2	86
Receivables (net where applicable of allowances for uncollectibles):					
Accounts	692	-	-	2,095	2,787
Interest	-	1	46	-	47
Taxes	14,582	-	-	-	14,582
Deposits with others	-	-	-	31	31
Due from other County funds	574	-	-	61	635
Due from other governments	37,338	-	-	3,451	40,789
Inventories	-	-	-	351	351
Prepaid items	1,135	-	-	798	1,933
Advances to other County funds	325	-	-	-	325
Advances to Agency funds	560	-	-	40	600
Lease payments receivable, net of interest	-	-	-	1,497	1,497
Notes receivable	13,741	-	-	1,402	15,143
Restricted assets	-	-	49,260	5,000	54,260
Total assets	\$ 177,561	\$ 5,670	\$ 52,277	\$ 43,648	\$ 279,156

Liabilities					
Accounts payable	\$ 28,713	\$ -	\$ -	\$ 7,264	\$ 35,977
Due to other County funds	126	-	-	574	700
Due to other governments	9,626	-	-	-	9,626
Deposits from others	464	56	-	-	520
Salaries and benefits payable	10,966	-	-	1,324	12,290
Deferred revenue	40,114	-	-	6,776	46,890
Advances from other County funds	-	-	-	325	325
Tax revenue anticipation notes payable	39,000	-	-	-	39,000
Total liabilities	129,009	56	-	16,263	145,328
Fund balances					
Reserved for imprest cash	84	-	-	2	86
Reserved for inventories	-	-	-	351	351
Reserved for prepaid items	70	-	-	798	868
Reserved for advances to other funds	885	-	-	40	925
Reserved for notes receivable	13,741	-	-	1,402	15,143
Reserved for Harmon Field cleanup	-	-	-	5,000	5,000
Reserved for debt service	10	5,614	52,277	1,429	59,330
Reserved for property tax delinquencies	2,109	-	-	-	2,109
Unreserved	31,653	-	-	-	31,653
Unreserved, reported in nonmajor:	-	-	-	-	-
Special revenue funds	-	-	-	12,220	12,220
Capital projects funds	-	-	-	6,143	6,143
Total fund balances	48,552	5,614	52,277	27,385	133,828
Total liabilities and fund balances	\$ 177,561	\$ 5,670	\$ 52,277	\$ 43,648	\$ 279,156

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, 2006
(amounts expressed in thousands)

Total fund balances for governmental funds (Exhibit 3) \$ 133,828

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	\$	941,247	
Buildings and improvements, net of \$47,930 accumulated depreciation		127,031	
Equipment and vehicles, net of \$32,890 accumulated depreciation		15,179	
Infrastructure, net of \$238,886 accumulated depreciation		404,115	
Construction in progress		2,160	
Infrastructure in progress		7,170	
Total capital assets			1,496,902

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.

2,562

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.

2,112

Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines 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.

3,946

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	\$	(2,155)	
Capital leases payable		(68)	
Loans payable		(20,954)	
Bonds payable		(71,295)	
COP's payable		(50,300)	
General liability and worker's compensation claims payable		(20,436)	
Compensated absences		(16,941)	
Total long-term liabilities			(182,149)

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.

29,755

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.

26,898

Total net assets of governmental activities (Exhibit 1) \$ 1,513,854

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, 2006
(amounts expressed in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes and special assessments	\$ 79,939	\$ -	\$ -	\$ 14,462	\$ 94,401
Licenses and permits	8,460	-	-	20	8,480
Fines, forfeitures, and penalties	6,624	-	-	2,140	8,764
Interest, rents, and concessions	3,534	495	2,006	1,111	7,146
Intergovernmental revenues	288,079	-	-	80,689	368,768
Charges for services	55,995	-	-	5,777	61,772
Other revenues	7,195	-	-	4,297	11,492
Total revenues	<u>449,826</u>	<u>495</u>	<u>2,006</u>	<u>108,496</u>	<u>560,823</u>
Expenditures:					
Current:					
General government	12,604	-	-	4,945	17,549
Public protection	126,715	-	-	26,544	153,259
Public ways and facilities	-	-	-	9,890	9,890
Health and sanitation	101,733	-	-	1,342	103,075
Public assistance	207,132	-	-	17,306	224,438
Education	720	-	-	2,569	3,289
Culture and recreation	1,323	-	-	-	1,323
Debt service:					
Principal retirement	172	6,570	500	4,694	11,936
Interest and fiscal charges	2,117	2,884	2,050	2,370	9,421
Capital outlay	4,074	-	-	10,537	14,611
Total expenditures	<u>456,590</u>	<u>9,454</u>	<u>2,550</u>	<u>80,197</u>	<u>548,791</u>
Excess (deficiency) of revenues over (under) expenditures	(6,764)	(8,959)	(544)	28,299	12,032
Other financing sources (uses):					
Sale of general capital assets	497	-	-	-	497
Capital lease proceeds	44	-	-	-	44
Direct financing lease	-	-	-	114	114
Transfers in	55,406	8,149	3,651	48,979	116,185
Transfers (out)	(43,078)	(2,486)	(2,500)	(70,734)	(118,798)
Total other financing sources (uses)	<u>12,869</u>	<u>5,663</u>	<u>1,151</u>	<u>(21,641)</u>	<u>(1,958)</u>
Net change in fund balances	6,105	(3,296)	607	6,658	10,074
Fund balances, July 1	42,447	8,910	51,670	20,727	123,754
Fund balances, June 30	<u>\$ 48,552</u>	<u>\$ 5,614</u>	<u>\$ 52,277</u>	<u>\$ 27,385</u>	<u>\$ 133,828</u>

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, 2006
 (amounts expressed in thousands)

Net change in fund balances - total governmental funds (Exhibit 4) \$ 10,074

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. (8,547)

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 (or otherwise disposed of) to determine a gain or loss on the disposition. This is the book value of the capital assets sold in the current period. (19,206)

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. (227)

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. (406)

Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines 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. 726

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 affect on the statement of activities. 11,936

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 affect on the statement of activities. (44)

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	\$	(1,776)	
Amortization of pension assets		(2,627)	
Accrued interest on debt		235	
Combined adjustment		(4,168)	

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. (1,859)

Changes in net assets (Exhibit 2) \$ (11,721)

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, 2006
(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:					
Assessor	\$ 1,150	\$ 1,150	\$ -	\$ 2,406	\$ 1,256
General County Revenues	65,745	68,056	2,311	77,533	9,477
Total taxes and special assessments	66,895	69,206		79,939	
Licenses and permits:					
Agriculture Commissioner	141	141	-	144	3
Assessor	37	37	-	37	-
County Counsel	205	205	-	181	(24)
General County Revenues	3,547	3,547	-	3,788	241
Health & Human Services	2,115	2,115	-	2,091	(24)
Resource Management	2,349	2,349	-	2,197	(152)
Sheriff - Coroner	3	3	-	4	1
Treasurer - Tax Collector	7	7	-	8	1
Trial Courts	10	10	-	10	-
Total licenses and permits	8,414	8,414		8,460	
Fines, forfeitures, and penalties:					
Agriculture Commissioner	9	9	-	14	5
District Attorney	141	141	-	23	(118)
General County Revenues	2,200	2,200	-	220	(1,980)
Health & Human Services	134	134	-	121	(13)
Probation	30	30	-	8	(22)
Resource Management Agency	115	115	-	112	(3)
Sheriff - Coroner	4	4	-	6	2
TRAN/Teeter	-	-	-	4,103	4,103
Treasurer - Tax Collector	175	175	-	192	17
Trial Courts	3,109	3,109	-	1,825	(1,284)
Total fines, forfeitures, and penalties	5,917	5,917		6,624	
Interest, rents, and concessions:					
Capital Acquisitions	-	-	-	30	30
CPA 2000	30	36	6	35	(1)
General County Revenues	1,220	1,220	-	1,011	(209)
Human Resources & Development	1	1	-	1	-
Miscellaneous Administration	31	31	-	29	(2)
Resource Management Agency	26	26	-	115	89
TRAN / Teeter	-	-	-	2,313	2,313
Total interest, rents, and concessions	1,308	1,314		3,534	

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, 2006
(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	2,081	2,081	-	1,351	(730)
Agriculture Commissioner	4,257	5,681	1,424	3,814	(1,867)
Assessor	878	878	-	483	(395)
Auditor-Controller	3,554	3,554	-	2,177	(1,377)
County Administrative	194	-	(194)	5	5
County Counsel	-	-	-	80	80
CPA, 2000	1,095	1,095	-	1,095	-
District Attorney	1,734	1,812	78	1,805	(7)
General County Revenues	30,030	30,030	-	31,799	1,769
Health & Human Services	226,742	236,279	9,537	232,504	(3,775)
Local Law Enforcement	506	506	-	449	(57)
Multi-Agcy. Gang Violence Program	84	84	-	84	-
Probation	5,735	5,735	-	5,616	(119)
Public Defender	-	-	-	30	30
Purchasing	-	100	100	49	(51)
Resource Management Agency	7,236	7,481	245	2,300	(5,181)
Rural Crime	692	692	-	684	(8)
Sheriff - Coroner	3,741	4,289	548	3,753	(536)
Treasurer - Tax Collector	-	-	-	1	1
Total intergovernmental revenues	288,559	300,297		288,079	
Charges for services:					
Agriculture Commissioner	994	994	-	1,393	399
Assessor	2,349	2,349	-	2,172	(177)
Auditor-Controller	600	600	-	641	41
Central Telephone	547	547	-	481	(66)
Cooperative Extension	-	-	-	2	2
County Administrative	265	265	-	236	(29)
County Counsel	1,832	1,832	-	1,906	74
District Attorney	647	647	-	738	91
General County Revenues	1,365	1,365	-	1,723	358
Health & Human Services	31,624	31,853	229	29,030	(2,823)
Human Resources & Development	713	713	-	630	(83)
Miscellaneous Administration	131	131	-	112	(19)
Probation	1,875	1,875	-	1,530	(345)
Public Defender	80	80	-	49	(31)
Purchasing	(10)	(10)	-	(12)	(2)
Resource Management Agency	5,767	5,984	217	5,472	(512)
Sheriff - Coroner	6,365	6,365	-	6,342	(23)
Treasurer - Tax Collector	1,431	1,431	-	1,220	(211)
Trial Courts	2,547	2,547	-	2,061	(486)
Total charges for services	59,391	59,837		55,995	

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Other revenues:					
Action Project	-	-	-	1	1
Agriculture Commissioner	119	132	13	126	(6)
Assessor	69	69	-	102	33
Auditor-Controller	69	69	-	79	10
Board of Supervisors	-	-	-	6	6
CPA 2000	-	-	-	1	1
Capital Purchases	100	100	-	-	(100)
Cooperative Extension	6	13	7	13	-
County Counsel	182	182	-	20	(162)
District Attorney	483	477	(6)	589	112
General County Revenues	1,275	1,275	-	1,069	(206)
Health & Human Services	3,580	3,587	7	3,545	(42)
Human Resources & Development	-	-	-	2	2
Local Law Enforcement	-	-	-	36	36
Miscellaneous Administration	3	3	-	12	9
Probation	105	105	-	142	37
Public Defender	-	-	-	6	6
Purchasing	53	53	-	101	48
Resource Management Agency	121	121	-	51	(70)
Rural Crime	-	-	-	1	1
Sheriff - Coroner	1,023	1,241	218	1,129	(112)
TRAN/Teeter	-	-	-	1	1
Treasurer - Tax Collector	68	68	-	163	95
Total other revenues	7,256	7,495		7,195	
Total revenues	437,740	452,480	14,740	449,826	(2,654)

Expenditures:

Current:

General government:

Assessor	4,804	4,780	24	4,502	278
Auditor-Controller	5,936	5,975	(39)	3,220	2,755
Board of Supervisors	949	1,022	(73)	891	131
Capital Acquisitions	(6,079)	(4,932)	(1,147)	(6,729)	1,797
Central Telephone	547	549	(2)	449	100
Contingencies	1,584	760	824	-	760
County Administrative	452	479	(27)	311	168
County Counsel	3,234	3,227	7	3,108	119
Human Resources & Development	863	859	4	659	200
Miscellaneous Administration	1,254	981	273	648	333
Purchasing	442	600	(158)	592	8
Resource Management Agency	3,204	3,248	(44)	2,817	431
Treasurer - Tax Collector	2,278	2,316	(38)	2,136	180
Total general government	19,468	19,864		12,604	

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, 2006
(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	2,077	2,078	(1)	1,248	830
Agriculture Commissioner	7,049	8,386	(1,337)	6,118	2,268
Assessor	2,279	2,268	11	1,205	1,063
CPA 2000	1,125	1,165	(40)	1,087	78
District Attorney	12,838	13,067	(229)	12,480	587
Health & Human Services	849	849	-	732	117
Local Law Enforcement	696	696	-	534	162
Multi-Agcy. Gang Violence Program	698	698	-	637	61
Probation	20,414	20,323	91	18,391	1,932
Public Defender	6,626	6,600	26	6,138	462
Resource Management Agency	12,470	12,952	(482)	8,087	4,865
Rural Crime	692	692	-	603	89
Sheriff - Coroner	63,512	63,976	(464)	61,434	2,542
Trial Courts	8,483	8,339	144	8,021	318
Total public protection	139,808	142,089		126,715	
Health and sanitation:					
CPA 2000	-	(34)	34	(4)	(30)
Health & Human Services	109,021	115,383	(6,362)	101,737	13,646
Total health and sanitation	109,021	115,349		101,733	
Public assistance:					
Health & Human Services	199,062	204,593	(5,531)	206,702	(2,109)
Probation	469	469	-	430	39
Total public assistance	199,531	205,062		207,132	
Education:					
Cooperative Extension	682	718	(36)	596	122
Miscellaneous Administration	128	128	-	124	4
Total education	810	846		720	
Culture and recreation:					
Resource Management	3,392	3,496	(104)	1,323	2,173
Total culture and recreation	3,392	3,496		1,323	

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Principal retirement:					
Auditor - Controller	70	70	-	71	(1)
Resource Management Agency	5	5	-	5	-
Sheriff - Coroner	83	98	(15)	96	2
Total principal retirement	158	173		172	
Interest and fiscal charges:					
Auditor - Controller	11	11	-	11	-
Miscellaneous Administration	388	388	-	-	388
Resource Management Agency	2	2	-	2	-
Sheriff - Coroner	5	11	(6)	11	-
TRAN/Teeter	-	-	-	2,093	(2,093)
Total interest and fiscal charges	406	412		2,117	
Capital outlay:					
Action Project	-	-	-	84	(84)
Agriculture Commissioner	-	-	-	142	(142)
Assessor	-	-	-	32	(32)
Auditor - Controller	-	-	-	923	(923)
CPA 2000	-	-	-	33	(33)
Cooperative Extension	-	-	-	92	(92)
District Attorney	-	-	-	251	(251)
Health & Human Services	-	-	-	840	(840)
Probation	-	-	-	6	(6)
Resource Management Agency	-	-	-	566	(566)
Rural Crime	-	-	-	68	(68)
Sheriff - Coroner	-	-	-	1,037	(1,037)
Total capital outlay	-	-		4,074	
Total expenditures	<u>472,594</u>	<u>487,291</u>	<u>(14,697)</u>	<u>456,590</u>	<u>30,701</u>
Excess (deficiency) of revenues over (under) expenditures	(34,854)	(34,811)	43	(6,764)	28,047

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, 2006
(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:					
General County Revenues	-	-	-	328	328
Purchasing	127	127	-	169	42
Total sale of general capital assets	127	127	-	497	370
Capital lease proceeds					
Capital Acquisitions	-	-	-	44	44
Total capital lease proceeds	-	-	-	44	
Loan proceeds					
Capital Acquisitions	1,775	1,822	47	-	(1,822)
Total loan proceeds	1,775	1,822		-	
Transfers in:					
Capital Purchases	-	1,100	1,100	-	(1,100)
County Administrative	-	-	-	-	
District Attorney	-	160	160	-	(160)
Health & Human Services	53,306	56,330	3,024	54,584	(1,746)
Probation	656	656	-	801	145
Purchasing	-	-	-	-	
Resource Management Agency	110	165	55	21	(144)
Total transfers in	54,072	58,411		55,406	

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - (Negative)
	Original	Final			
Transfers (out)					
Action Project	(4)	(4)	-	(21)	(17)
Agriculture Commissioner	(122)	(214)	(92)	(280)	(66)
Assessor	(6)	(43)	(37)	(125)	(82)
Auditor - Controller	-	(29)	(29)	(67)	(38)
Board of Supervisors	-	(4)	(4)	(16)	(12)
Cooperative Extension	(19)	(19)	-	(26)	(7)
County Administrative	-	(3)	(3)	(25)	(22)
County Counsel	-	(8)	(8)	(83)	(75)
CPA 2000	-	-	-	(14)	(14)
Capital Acquisitions	(5,089)	(5,061)	28	(4,599)	462
District Attorney	(95)	(141)	(46)	(389)	(248)
Health & Human Services	(21,037)	(22,017)	(980)	(24,405)	(2,388)
Human Resources & Development	-	(6)	(6)	(31)	(25)
Local Law Enforcement	-	-	-	(14)	(14)
Miscellaneous Administration	(7,378)	(9,997)	(2,619)	(9,863)	134
Multi-Agency Gang Violence	-	-	-	(14)	(14)
Probation	(40)	(161)	(121)	(436)	(275)
Public Defender	(22)	(54)	(32)	(157)	(103)
Purchasing	-	(3)	(3)	(9)	(6)
Resource Management Agency	(65)	(99)	(34)	(238)	(139)
Rural Crime Program	-	-	-	(14)	(14)
Sheriff - Coroner	(853)	(1,135)	(282)	(2,075)	(940)
Treasurer/Tax Collector	-	(17)	(17)	(31)	(14)
Trial Courts	-	(144)	(144)	(146)	(2)
Total transfers (out)	(34,730)	(39,159)		(43,078)	
Total other financing sources (uses)	<u>21,244</u>	<u>21,201</u>	<u>(43)</u>	<u>12,869</u>	<u>(8,354)</u>
Change in fund balance	(13,610)	(13,610)	-	6,105	19,693
Fund balance, July 1	<u>33,610</u>	<u>33,610</u>	-	<u>42,447</u>	<u>8,837</u>
Fund balance, June 30	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ -</u>	<u>\$ 48,552</u>	<u>\$ 28,530</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 2006
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Assets				
Current assets:				
Cash in banks	\$ 305	\$ 6	\$ 311	\$ -
Investment in treasury pool	22,256	1,303	23,559	29,107
Imprest cash	2	-	2	250
Accounts receivable, net	763	74	837	166
Deposits with others	-	57	57	-
Due from other County funds	65	-	65	-
Due from other governments	-	-	-	35
Prepaid Items	-	-	-	17
Total current assets	<u>23,391</u>	<u>1,440</u>	<u>24,831</u>	<u>29,575</u>
Noncurrent assets:				
Restricted assets	43,829	5	43,834	-
Capital assets:				
Land	6,116	612	6,728	-
Buildings and improvements, net	5,629	6,009	11,638	10,647
Equipment and vehicles, net	3,070	426	3,496	1,180
Construction in progress	26	-	26	976
Total capital assets	<u>14,841</u>	<u>7,047</u>	<u>21,888</u>	<u>12,803</u>
Total noncurrent assets	<u>58,670</u>	<u>7,052</u>	<u>65,722</u>	<u>12,803</u>
Total assets	<u>82,061</u>	<u>8,492</u>	<u>90,553</u>	<u>42,378</u>

Liabilities

Current liabilities:

Accounts payable	719	70	789	2,418
Deposits from others	-	4	4	-
Salaries and benefits payable	203	-	203	259
Interest payable	-	15	15	279
Compensated absences payable	34	-	34	74
Claims payable	-	-	-	5,964
Loans payable	-	-	-	603
Capital lease payable	-	-	-	8
COPs payable	-	27	27	-
Total current liabilities	<u>956</u>	<u>116</u>	<u>1,072</u>	<u>9,605</u>

Noncurrent liabilities:

Compensated absences payable	312	-	312	254
Advances from Agency funds	-	560	560	-
Closure/postclosure costs payable	38,829	-	38,829	-
Claims payable	-	-	-	14,472
Loans payable	-	-	-	15,807
Bonds payable	-	8	8	-
Capital lease payable	-	-	-	9
COPs payable	-	1,531	1,531	-
Total noncurrent liabilities	<u>39,141</u>	<u>2,099</u>	<u>41,240</u>	<u>30,542</u>
Total liabilities	<u>40,097</u>	<u>2,215</u>	<u>42,312</u>	<u>40,147</u>

Net assets

Invested in capital assets, net of related debt	14,841	5,481	20,322	(3,607)
Restricted for other purposes	5,000	5	5,005	-
Unrestricted	<u>22,123</u>	<u>791</u>	<u>22,914</u>	<u>5,838</u>
Total net assets (deficit)	<u>\$ 41,964</u>	<u>\$ 6,277</u>	<u>\$ 48,241</u>	<u>\$ 2,231</u>

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, 2006
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Operating revenues:				
Charges for services	\$ 9,545	\$ 692	\$ 10,237	\$ 38,528
Rents and concessions	19	4	23	9
Other revenues	141	-	141	805
Total operating revenues	9,705	696	10,401	39,342
Operating expenses:				
Salaries and benefits	3,403	-	3,403	4,229
Services and supplies	8,272	1,443	9,715	25,024
Insurance premiums paid	-	-	-	2,283
Landfill closure and postclosure costs	(639)	-	(639)	-
Depreciation	968	338	1,306	518
Claims incurred	-	-	-	12,283
Total operating expenses	12,004	1,781	13,785	44,337
Operating income (loss)	(2,299)	(1,085)	(3,384)	(4,995)
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	161	-	161	(8)
Intergovernmental revenues	42	-	42	-
Taxes and special assessments	-	512	512	-
Investment earnings	1,613	38	1,651	470
Interest expense	-	(91)	(91)	(527)
Total nonoperating revenues (expenses)	1,816	459	2,275	(65)
Income (loss) before contributions and transfers	(483)	(626)	(1,109)	(5,060)
Capital contributions	-	-	-	29
Transfers in	-	3	3	3,274
Transfers (out)	(554)	-	(554)	(110)
Change in net assets	(1,037)	(623)	(1,660)	(1,867)
Net assets, July 1	43,001	6,900	49,901	4,098
Net assets, June 30	\$ 41,964	\$ 6,277	\$ 48,241	\$ 2,231

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, 2006
(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	\$ 8,831	\$ 699	\$ 9,530	\$ 38,397
Receipts from interfund services provided	717	-	717	-
Receipts from rents and concessions	19	4	23	42
Other revenues	141	-	141	772
Payments to employees	(3,359)	-	(3,359)	(4,204)
Payments to suppliers	(5,183)	(1,099)	(6,282)	(22,497)
Payments for interfund services used	(2,638)	(393)	(3,031)	(3,740)
Payments for claims	-	-	-	(3,892)
Net cash provided (used) by operating activities	<u>(1,472)</u>	<u>(789)</u>	<u>(2,261)</u>	<u>4,878</u>
Cash flows from noncapital financing activities:				
Subsidy from intergovernmental entities	(52)	-	(52)	-
Receipts from taxes and assessments	-	512	512	-
Transfers from other funds	12,707	25	12,732	3,625
Transfers (to) other funds	(1,193)	(28)	(1,221)	(632)
Advance from other funds	-	10	10	-
Net cash provided (used) by noncapital financing activities	<u>11,462</u>	<u>519</u>	<u>11,981</u>	<u>2,993</u>
Cash flows from capital and related financing activities:				
Proceeds from capital debt	-	-	-	7,084
Sales (purchases) of capital assets	(1,432)	-	(1,432)	(1,673)
Principal paid on capital debt	-	(27)	(27)	(585)
Interest paid on capital debt	-	(93)	(93)	(527)
Net cash provided (used) by capital and related financing activities	<u>(1,432)</u>	<u>(120)</u>	<u>(1,552)</u>	<u>4,299</u>
Cash flows from investing activities:				
Purchase of investments	5,320	-	5,320	-
Interest and dividends received	<u>1,548</u>	<u>38</u>	<u>1,586</u>	<u>470</u>
Net cash provided by investing activities	<u>6,868</u>	<u>38</u>	<u>6,906</u>	<u>470</u>
Net increase (decrease) in cash and cash equivalents	15,426	(352)	15,074	12,840
Cash and cash equivalents, July 1	<u>50,966</u>	<u>1,666</u>	<u>52,632</u>	<u>16,717</u>
Cash and cash equivalents, June 30	<u>\$ 66,392</u>	<u>\$ 1,314</u>	<u>\$ 67,706</u>	<u>\$ 29,357</u>

Displayed as:

Cash in banks	\$ 305	\$ 6	\$ 311	\$ -
Investment in treasury pool	22,256	1,303	23,559	29,107
Imprest cash	2	-	2	250
Restricted assets which are cash equivalents	43,829	5	43,834	-
	<u>\$ 66,392</u>	<u>\$ 1,314</u>	<u>\$ 67,706</u>	<u>\$ 29,357</u>

Reconciliation of operating income (loss) to net cash

provided (used) by operating activities:

Operating income (loss)	\$ (2,299)	\$ (1,085)	\$ (3,384)	\$ (4,995)
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Adjustments to reconcile operating income

(loss) to net cash provided (used) by

operating activities:

Landfill closure and postclosure costs	(639)	-	(639)	-
Depreciation	968	338	1,306	518
(Increase) decrease in accounts receivable	3	8	11	-
(Increase) decrease in intergovernmental receivables	-	(2)	(2)	(132)
(Increase) decrease in customers deposits	-	2	2	-
Increase (decrease) in accounts payable	451	(23)	428	-
Increase (decrease) in amounts payable for equipment purchases	-	(27)	(27)	1,070
Increase (decrease) in salaries and benefits payable and compensated absences	44	-	44	-
Increase (decrease) in interest payable	-	-	-	26
Increase (decrease) in claims payable	-	-	-	8,391
Total adjustments	<u>827</u>	<u>296</u>	<u>1,123</u>	<u>9,873</u>

Net cash provided (used) by operating activities	<u>\$ (1,472)</u>	<u>\$ (789)</u>	<u>\$ (2,261)</u>	<u>\$ 4,878</u>
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Noncash investing, capital, and financing activities:

Contributions of capital assets from government			\$	29
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The notes to the financial statements are an integral part of this statement.

County of Tulare
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2006
(amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
Assets		
Cash in banks	\$ -	\$ 5,715
Investment in treasury pool	427,384	15,892
Total assets	<u>427,384</u>	<u>\$ 21,607</u>
Liabilities		
Warrants payable	960	\$ 1,536
Agency obligations		20,071
Total liabilities	<u>960</u>	<u>\$ 21,607</u>
Net assets		
Held in trust for treasury pool participants	<u>\$ 426,424</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, 2006
(amounts expressed in thousands)

	Investment Trust Funds
Additions	
Contributions	
To pooled investments	\$ 3,480,433
Total contributions	3,480,433
Investment income	11,062
Total additions	3,491,495
Deductions	
Distributions from pooled investments	3,470,173
Total deductions	3,470,173
Change in net assets held in trust	21,322
Net assets, July 1	405,102
Net assets, June 30	\$ 426,424

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, 2006
(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, the Tulare County Public Financing Authority, and the Tulare County In-Home Supportive Services Public 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.

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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 (TCIHSSPA), 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-Milias-Brown Act. The Tulare County Board of Supervisors serves as the Board of TCIHSSPA and has control over the day-to-day operations of TCIHSSPA through budget approvals, and the hiring or dismissal of management. For financial reporting purposes, TCIHSSPA 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.

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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 is 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 46

The County adopted the provisions of GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation* in fiscal year ended June 30, 2006. This statement clarifies the meaning of the phrase *legally enforceable* as it applies to restrictions imposed on net asset use by enabling legislation and by specifies the accounting and financial reporting requirements for those restricted net assets. Accordingly, the County has reviewed it's presentation of restricted net assets on Exhibit 1 to ensure compliance.

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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, 2006, the special purpose authorities' cash and pooled investments were approximately 67.3% 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, 2006. The dollars deposited in the program have been decreased by \$7,948 to reflect the decrease in the fair value of the Investment in the Treasury Pool at June 30, 2006.

In addition, investments outside the Investment Pool were adjusted to fair market value as of June 30, 2006 resulting in a decrease of \$116.

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 property tax installment is due November 1 and delinquent with penalties after December 10, and the second property tax installment is 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 Units 9, 10, 11, 19, 20, 21, 22, & 50 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 (except Unit 5) 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 4, 8, 13, 14, and 15, 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. Bargaining Units 2, 12, 14, and 16, may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours.

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

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, 2006, appropriations in the General Fund were increased by \$14,697.

B. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2006, expenditures did not exceed appropriations in any fund at the legal level of control.

C. Deficit Fund Equity

For the year ended June 30, 2006, five funds had deficit fund equity. The GASB Statement No. 31 requirement to record investments at market value resulted in two special revenue funds showing deficit fund balances; Children and Health Fund (\$1) and Workforce Investment (\$10). One of the Internal Service Insurance Funds (General Liability Insurance) incurred deficit net assets of (\$764) due to the recording of estimated actuarial liability for future claims payable. Two of the Internal Service Central Services Funds (Custodial and Motorpool) incurred deficit net assets of (\$24) and (\$173) respectively.

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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, 2006, the County's bank deposits had a carrying amount of \$14,415 and the balance per the financial institutions totaled \$8,649. All pooled cash deposits and non-negotiable Certificates of Deposit are entirely insured (\$748) or collateralized (\$13,667). 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, 2006, all categorized investments were category (1), with the exception of the \$81,000 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 Treasury 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 Treasury 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. As of June 30, 2006, the County's investment in corporate bonds were rated AA by a national recognized statistical –rating organization, commercial paper was rated F by Fitch, P1 by Moody's, or A1 by Standard and Poor's. Securities that are fully guaranteed as to payment by an agency, or government sponsored enterprise of the US Government were rated AAA by a national recognized statistical-rating organization.

The County's investments as of June 30, 2006 are as follows:

	Carrying Value	Reported Amount/ Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury Obligations	\$ 59,266	\$ 58,101	686	2.375% - 6.25%	8/31/2006 - 4/15/2010
Federal Agency Obligations	313,035	307,121	720	2.375% - 7.25%	7/15/2006-10/05/2012
Corporate Bonds	64,094	63,075	612	3.125% - 7.875%	8/01/2006 - 2/22/2010
Repurchase Agreements	81,000	81,000	3	5.23%	7/3/2006
Commercial Paper	137,115	137,185	33	4.93% - 5.37%	7/05/2006 - 8/29/2006
	<u>654,510</u>	<u>646,482</u>			
Other investments:					
Money Market Funds	35,671	35,671			
Guaranteed Investment Contract	39,427	39,427			
LAIF Managed Pool	20,000	19,964			
Total other investments	<u>95,098</u>	<u>95,062</u>			
Total fair value					
Portfolio weighted average maturity	\$ <u>749,608</u>	\$ <u>741,544</u>			

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

Issuer	Amount	Percentage
Federal Home Loan Bank	\$ 104,348	14.1%
Federal National Mortgage Association	105,091	14.2%
Morgan Stanley - Dean Witter	83,399	11.2%
US treasury Notes	57,956	7.8%
Morrigan TRR Funding LLC	39,950	5.4%
Rabobank Guaranteed Investment Contract	39,427	5.3%

Investments in the Money Market Funds and LAIF Managed Pool 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, 2006, the County's investment in LAIF is \$19,964. The total amount recorded by all public agencies in LAIF at that date is \$63,337,960. Of that amount, 97.4% is invested in non-derivative financial products and 2.6% 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, 2006, the investment income comprises of the following:

Investment Income	
Interest and Dividends	\$ 21,307
Net (Decrease) in the Fair Value	(4,595)
Less: Investment Expenses	(1,081)
Total Treasury Pool Income	<u>\$ 15,631</u>

The net decrease in fair market value of investments during fiscal year 2005-2006 was \$4,595. This amount takes into account all changes in fair value (including sales resulting in a net loss \$2,128) that occurred during the year. The fair value loss on investments held as of June 30, 2006 was \$8,064.

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, 2006:

	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	\$ -	\$ 311	\$ -	\$ 5,715	\$ 6,026	\$ 307
Investment in Treasury	97,949	23,559	29,107	443,276	593,891	16,413
Investments	48,141	-	-	-	48,141	-
Imprest Cash	86	2	250	-	338	-
Restricted Assets	54,260	43,834	-	-	98,094	-
Deposits with Others	31	-	-	-	31	-
	<u>\$ 200,467</u>	<u>\$ 67,706</u>	<u>\$ 29,357</u>	<u>\$ 448,991</u>	<u>\$ 746,521</u>	<u>\$ 16,720</u>

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Summary of total cash investments is as follows:

	Investment in Treasury Pool	Other	Total
Bank Deposits	\$ 10,598	\$ 6,707	\$ 17,305
Interest	4,392	-	4,392
Investments	644,148	97,396	741,544
Total	<u>\$ 659,138</u>	<u>\$ 104,103</u>	<u>\$ 763,241</u>

The following represents a condensed statement of net assets and changes in net assets for the Treasury Pool as of June 30, 2006:

Statement of Net Assets		Statement of Changes in Net Assets	
Net assets held in trust for all pool participants	\$ <u>659,138</u>	Net Assets at July 1, 2005	\$ 588,435
Equity of internal pool participants	215,862	Net (decrease) in investments by pool participants	<u>70,703</u>
Equity of external pool participants	443,276		
Total Equity	<u>\$ 659,138</u>	Net Assets at June 30, 2006	<u>\$ 659,138</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	\$ 692	\$ 763	\$ 2,336	\$ 3,791	\$ -
Interest	-	-	47	47	-
Property taxes	14,582	-	-	14,582	14,582
Lease payments	-	-	1,497	1,497	1,376
Notes	13,741	-	1,402	15,143	1,587
Due from other governments	37,338	-	3,486	40,824	-
Total Receivables	<u>\$ 66,353</u>	<u>\$ 763</u>	<u>\$ 8,768</u>	<u>\$ 75,884</u>	<u>\$ 17,545</u>

C. Restricted Assets

Restricted assets in the governmental funds include \$49,260 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 \$43,829 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	\$ 35,067	\$ 5,047
Nonmajor Governmental Funds	3,203	3,573
Total Unavailable/Unearned Revenue	<u>\$ 38,270</u>	<u>\$ 8,620</u>

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E. Capital Assets

Capital asset activity for the year ended June 30, 2006 was as follows:

Capital Assets - Primary Government	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Governmental activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 959,051	\$ -	\$ (17,804)	\$ -	\$ 941,247
Construction in Progress	1,254	1,573	(688)	21	2,160
Infrastructure in Progress	6,680	1,332	(842)	-	7,170
Total capital assets, not being depreciated	<u>966,985</u>	<u>2,905</u>	<u>(19,334)</u>	<u>21</u>	<u>950,577</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	635,074	7,927	-	-	643,001
Buildings and Improvements	174,615	505	(159)	-	174,961
Equipment / Vehicles	44,966	4,852	(2,044)	295	48,069
Total capital assets being depreciated	<u>854,655</u>	<u>13,284</u>	<u>(2,203)</u>	<u>295</u>	<u>866,031</u>
<i>Less accumulated depreciation for:</i>					
Infrastructure	(222,839)	(16,047)	-	-	(238,886)
Buildings and Improvements	(44,453)	(3,497)	23	(3)	(47,930)
Equipment / Vehicles	(30,928)	(4,132)	1,681	489	(32,890)
Total accumulated depreciation	<u>(298,220)</u>	<u>(23,676)</u>	<u>1,704</u>	<u>486</u>	<u>(319,706)</u>
Total capital assets, being depreciated, net	<u>556,435</u>	<u>(10,392)</u>	<u>(499)</u>	<u>781</u>	<u>546,325</u>
Governmental activities capital assets, net:	<u>\$ 1,523,420</u>	<u>\$ (7,487)</u>	<u>\$ (19,833)</u>	<u>\$ 802</u>	<u>\$ 1,496,902</u>

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Capital Assets - Primary Government	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Business-type activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 6,728	\$ -	\$ -	\$ -	\$ 6,728
Construction in Progress	19	26	(19)	-	26
Total capital assets, not being depreciated	<u>6,747</u>	<u>26</u>	<u>(19)</u>	<u>-</u>	<u>6,754</u>
<i>Capital assets, being depreciated:</i>					
Buildings and Improvements	17,772	499	-	3	18,274
Equipment / Vehicles	<u>10,589</u>	<u>1,087</u>	<u>(130)</u>	<u>(488)</u>	<u>11,058</u>
Total capital assets being depreciated	<u>28,361</u>	<u>1,586</u>	<u>(130)</u>	<u>(485)</u>	<u>29,332</u>
<i>Less accumulated depreciation for:</i>					
Buildings and Improvements	(5,870)	(763)	-	(3)	(6,636)
Equipment / Vehicles	<u>(7,636)</u>	<u>(543)</u>	<u>129</u>	<u>488</u>	<u>(7,562)</u>
Total accumulated depreciation	<u>(13,506)</u>	<u>(1,306)</u>	<u>129</u>	<u>485</u>	<u>(14,198)</u>
Total capital assets, being depreciated, net	<u>14,855</u>	<u>280</u>	<u>(1)</u>	<u>-</u>	<u>15,134</u>
Business-type activities capital assets, net:	\$ <u>21,602</u>	\$ <u>306</u>	\$ <u>(20)</u>	\$ <u>-</u>	\$ <u>21,888</u>

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

Depreciation - Governmental activities:		Depreciation - Business-type activities:	
General government	\$ 725	Solid Waste	\$ 968
Public protection	4,339	Nonmajor enterprise funds	338
Public ways and facilities	16,694		
Health and sanitation	615		
Public assistance	471		
Education	87		
Culture and recreation	156		
Unallocated depreciation expense	<u>589</u>		
Total depreciation expense - governmental activities	\$ <u>23,676</u>	Total depreciation expense - business-type activities	\$ <u>1,306</u>

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The County has active construction and other projects as of June 30, 2006 including the new Orosi Sheriff's Substation, remodeling of the Visalia Library, the Oat Mountain radio tower project, upgrading security and facilities, rehabilitation of the airport, installing a mobile office for the Alpaugh Fire Station, energy conservation projects, 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 (030)	\$ 181	\$ -
Visalia Library (030)	743	-
Oat Mountain Radio Tower Project (001)	137	418
Airport Security Upgrade (012)	38	140
Airport Facilities Rehabilitation (012)	24	-
Alpaugh Fire Station Mobile Office Installation (013)	40	-
Three Rivers Rest Stop (001)	21	-
Landfill Site Improvements (045)	26	-
Energy Conservation Measures (081)	976	-
Roads (014):		
Environmental review of existing roads	6,947	315
Turnouts	187	-
Shoulder Stabilization	23	-
Bridges (014):		
Repair or Replace bridge	11	-
Review of existing bridge for possible replacement	2	-
Total Construction in Progress	\$ <u>9,356</u>	\$ <u>873</u>

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

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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, 2006, is as follows:

<u>Advances - Receivable Fund</u>	<u>Advances - Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 325
	Total	\$ 325

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, 2006, is as follows:

Due To / From County Funds		
Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 574
	Sub-total	574
Nonmajor governmental	General	61
Solid Waste	General	65
	Total	\$ 700

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G. Transfers

Transfers to / from other County funds for the fiscal year ended June 30, 2006 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, 2006 is as follows:

Transfers out:	Transfers in:						Total Transfers
	General	PFC	PFA	Nonmajor governmental	Nonmajor enterprise	Internal service	
General	\$ -	\$ -	\$ -	40,083	\$ 3	\$ 2,992	\$ 43,078
PFA	-	-	-	2,500	-	-	2,500
PFC	-	-	-	2,486	-	-	2,486
Nonmajor governmental	54,945	8,149	3,651	3,755	-	234	70,734
Solid Waste	440	-	-	66	-	48	554
Internal service	21	-	-	89	-	-	110
Total transfers out	\$ 55,406	\$ 8,149	\$ 3,651	\$ 48,979	\$ 3	\$ 3,274	\$ 119,462

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 for future payment on two of the County's Bond issues.

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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 \$688 (net of \$1,319 accumulated depreciation) of the capital assets of governmental activities. The revenues realized for the fiscal year ended June 30, 2006 were \$779. The minimum future rentals for noncancellable operating leases are as follows:

Future Rentals		
Fiscal Year Ending June 30,		Amount
2007	\$	294
2008		276
2009		276
2010		276
2011		196
2012-2016		218
2017-2021		5
Total	\$	1,541

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, 2006 were \$5,390. The future minimum lease payments for these leases are as follows:

Operating Leases		
Fiscal Year Ending June 30,		Amount
2007	\$	4,748
2008		4,244
2009		3,753
2010		3,086
2011		1,839
2012-2016		6,546
2017-2021		2,371
2021-2025		1,235
Total	\$	27,822

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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, 2006, was approximately \$162.

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 Aquired Through Capital Leases	
Fiscal Year Ending June 30, 2006	Governmental Activities
Equipment	\$ 378
Less: Accumulated depreciation	(233)
Total	<u>\$ 145</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2006, are as follows:

Capital Leases	
Fiscal Year Ending June 30,	Governmental Activities
2007	\$ 36
2008	34
2009	6
Total minimum lease payments	<u>76</u>
Less: amount representing interest	<u>(8)</u>
Present value of minimum lease payments	<u>\$ 68</u>

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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, 2006 is \$1,497. 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	
2007	\$ 121	\$ 89	
2008	128	82	
2009	136	74	
2010	144	65	
2011	153	56	
2012-2016	815	128	
	<u>\$ 1,497</u>	<u>\$ 494</u>	

J. Short-term Debt

Tax and Revenue Anticipation Notes Payable In accordance with the Resolution of Issuance, the 2005-2006 Tax and Revenue Anticipation Note (TRAN) of \$39,000 was issued on July 1, 2005 at 4% with a re-offering yield of 2.67%. This \$39,000 Tran will mature on July 31, 2006.

Short-term Debt Activity				
	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	\$ <u>30,000</u>	\$ <u>39,000</u>	\$ <u>(30,000)</u>	\$ <u>39,000</u>

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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.

Certificates of Participation currently outstanding are as follows:

Outstanding Certificates of Participation			
Date Issued	Purpose of Debt	Interest Rates	Amount
July 23, 1996	Governmental activities	4.30% - 6.00%	\$ 9,560
October 8, 1998	Governmental activities - Refunding	3.35% - 5.00%	40,740
	Subtotal		<u>50,300</u>
September 2, 1993	Business-type activities	5.00%	507
February 23, 1994	Business-type activities	5.00%	74
August 16, 1994	Business-type activities	4.50%	53
September 14, 1994	Business-type activities	4.50%	44
May 28, 1996	Business-type activities	4.50%	880
	Subtotal		<u>1,558</u>
	Total		<u>\$ 51,858</u>

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

Fiscal Year Ending June 30,	Certificates of Participation			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2007	\$ 4,145	\$ 2,508	\$ 27	\$ 73
2008	4,365	2,298	28	72
2009	4,580	2,072	28	70
2010	4,920	1,734	29	69
2011	5,235	1,480	30	68
2012-2016	26,315	3,582	181	315
2017-2021	740	51	228	269
2022-2026	-	-	286	209
2027-2031	-	-	358	137
2032-2036	-	-	363	47
Total	\$ 50,300	\$ 13,725	\$ 1,558	\$ 1,329

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.

The Variable Rate shall be the rate of interest per annum, determined by the Remarketing Agent, to be the lowest rate which in its judgment, on the basis of prevailing financial market conditions, is necessary as of the date such rate becomes effective to remarket the Bonds in secondary market transaction at the price equal to par, but no greater than the Maximum Rate.

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.

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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 *	
2007	\$ 500	\$ 2,471	
2008	600	2,444	
2009	600	2,402	
2010	600	2,367	
2011	700	2,327	
2012-2016	4,100	10,998	
2017-2021	5,700	9,579	
2022-2026	7,900	7,330	
2027-2031	10,700	4,687	
2032-2036	11,400	1,115	
Total	\$ 42,800	\$ 45,720	

* 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:

Pension Obligation Bonds			
Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	
2007	\$ 3,320	\$	1,952
2008	3,830		1,696
2009	4,390		1,399
2010	5,000		1,058
2011	5,685		669
2012	6,270		230
Total	\$ 28,495	\$	7,004

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 \$2,500 and the interest rates range from 2.9% and 5.15%. During the fiscal year ended June 30, 2006, one additional loan of \$7,084 was taken at 3.9% to fund energy improvement projects. These loans extend to September 2022. 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
2007	\$ 1,949	\$ 837
2008	1,786	762
2009	1,489	692
2010	1,380	633
2011	1,163	579
2012-2016	6,601	2,107
2017-2021	4,926	715
2022-2026	1,065	137
2027-2031	412	60
2032-2036	183	6
Total	\$ 20,954	\$ 6,528

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, 2006, \$1,830 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, 2006 was as follows:

Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
COP's	\$ 56,870	\$ -	\$ (6,570)	\$ 50,300	\$ 4,145
Variable Rate demand Bonds	43,300	-	(500)	42,800	500
Pension Obligation Bonds	31,355	-	(2,860)	28,495	3,320
Loans Payable	16,352	7,084	(2,482)	20,954	1,949
Capital Leases	133	44	(109)	68	30
Compensated Absences	15,177	4,011	(2,247)	16,941	2,213
Claims Payable	12,045	11,159	(2,768)	20,436	5,964
Governmental activities Long-term liabilities	\$ <u>175,232</u>	\$ <u>22,298</u>	\$ <u>(17,536)</u>	\$ <u>179,994</u>	\$ <u>18,121</u>

Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
COP's	\$ 1,584	\$ -	\$ (26)	\$ 1,558	\$ 27
Bonds	8	-	-	8	-
Closure/postclosure costs	39,468	-	(639)	38,829	-
Compensated Absences	298	65	(17)	346	34
Business-type activities Long-term liabilities	\$ <u>41,358</u>	\$ <u>65</u>	\$ <u>(682)</u>	\$ <u>40,741</u>	\$ <u>61</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, 2006 was \$13,760. Of this amount, \$241 is recorded in business-type funds. The value of accumulated sick leave at June 30, 2006 was calculated using a termination payment method and is accrued at \$2,247. Of this amount, \$51 is recorded in business-type funds. The value of accumulated CTO at June 30, 2006 was \$1,280. Of this amount, \$54 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, 2006, the County paid \$806 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
2007	\$ -	\$ -
2008	-	-
2009	-	1
2010	-	-
2011	-	-
2012-2016	2	2
2017-2021	2	1
2022-2026	3	1
2027	1	-
Total	\$ 8	\$ 5

L. Special Assessment Debt

The County of Tulare is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$192,630 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2006. 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 \$136,301 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 \$189 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

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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 costs has a balance of \$38,829 as of June 30, 2006, which is based on an average of 30% usage (filled) of all landfill sites (remaining capacity since August 18, 1989). It is estimated that an additional \$41,988 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 remaining life of landfill sites ranges from 4.3 years for Teapot Dome to 93.6 years for the Visalia site. The estimated total current cost of the landfill closure and post closure care (\$80,817) 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, 2006. 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, 2006, investments of \$40,646 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, 2006, investments of \$4,569 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	\$ 1,496,902	\$ 21,888	\$ 1,518,790
Less related debt:			
COP's	(50,300)	(1,558)	(51,858)
Capital leases	(68)	-	(68)
Loans	(20,954)	-	(20,954)
Bonds	-	(8)	(8)
Total	\$ <u>1,425,580</u>	\$ <u>20,322</u>	\$ <u>1,445,902</u>

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Net assets of capital projects funds (\$11,143) 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 (\$6,143). Net assets of special revenue funds (\$14,813) are restricted by the funding source, usually State and Federal, for specific functions such as Roads (\$2,612), Redevelopment (\$7,291), and others (\$4,910).

Net assets of debt service funds (\$18,597) are restricted by lenders COP's (\$5,614), or by contractual agreements with trustees and bond holders (\$11,554), or others (\$1,429).

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	\$	694	\$	355
Restricted assets		-		5
Capital assets		1,497		4,709
Total assets		<u>2,191</u>		<u>5,064</u>
Liabilities:				
Current liabilities		39		47
Noncurrent liabilities		865		1,192
Total liabilities		<u>904</u>		<u>1,239</u>
Net Assets:				
Invested in capital assets, net of related debt		617		4,068
Restricted		-		-
Unrestricted (deficit)		670		(241)
Total net assets	\$	<u>1,287</u>	\$	<u>3,827</u>

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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	\$ 139	\$ 364	\$ 49
Other operating revenues	2	2	-
Depreciation expense	(70)	(205)	(16)
Other operating expenses	(124)	(331)	(43)
Operating Income (loss)	(53)	(170)	(10)
Nonoperating revenues (expenses):			
Investment earnings	17	8	2
Special assessments	8	-	-
Interest expense	(40)	(49)	(2)
Change in net assets	(68)	(211)	(10)
Beginning net assets	1,355	4,038	487
Ending net assets	\$ 1,287	\$ 3,827	\$ 477

CONDENSED STATEMENT OF CASH FLOWS	Terra Bella Sewer		
	Maintenance	CSA #1	CSA #2
Net cash provided (used) by:			
Operating activities	\$ 27	\$ 8	\$ 4
Noncapital financing activities	8	5	(1)
Capital and related financing activities	(55)	(63)	(2)
Investing activities	17	8	2
Net increase (decrease)	(3)	(42)	3
Beginning cash and cash equivalents	686	289	70
Ending cash and cash equivalents	\$ 683	\$ 247	\$ 73

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 continues at this level. The self-insured retention of \$250 applies to general liability, and non-medical errors and omission's claims. Excess Limits of Liability were maintained at \$25 million for the fiscal year 2005/06. The purchased insurance for automobiles, aviation, water craft and medical malpractice claims pays for all claim and expense costs, with deductibles that apply as follows: automobiles-\$10, aviation-\$1; water craft-\$5 and medical malpractice-\$10.

Liability costs/settlements have occasionally exceeded the self-insured retention. The County recovered amounts paid in excess of the SIR from CSAC-EIA programs as follows:

Type of Event	June 30, 2006 Total	June 30, 2005 Total	June 30, 2004 Total
Mold Litigation	\$ -	\$ 784	\$ -
Vehicle Accident	-	221	-
Harassment Litigation	203	-	-
Total Reimbursements	\$ <u>203</u>	\$ <u>1,005</u>	\$ <u>-</u>

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.

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

Claims Liability	June 30, 2006 Total	June 30, 2005 Total	June 30, 2004 Total
Unpaid claims	\$ 4,845	\$ 5,032	\$ 5,460
Claims incurred	3,836	4,044	2,694
Claims paid	<u>(2,175)</u>	<u>(4,231)</u>	<u>(3,122)</u>
Total unpaid claims	<u>\$ 6,506</u>	<u>\$ 4,845</u>	<u>\$ 5,032</u>

The County completed its second year of Workers' Compensation Self-Insurance with the close of fiscal year 2005/06. 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.

During the year, 402 claims were reported to Keenan and Associates. As of June 30, 2006, 537 claims remained open and benefit payments totaled \$1,717. Outstanding reserves for recorded claims are valued at \$3,508, while incurred but not recorded (IBNR) is reserved at \$10,422 for future development of accident fiscal year.

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

Workers' Compensation Claims Liability	June 30, 2006 Total	June 30, 2005 Total
Unpaid claims	\$ 7,200	\$ -
Claims incurred	8,447	7,527
Claims paid	<u>(1,717)</u>	<u>(327)</u>
Total unpaid claims	<u>\$ 13,930</u>	<u>\$ 7,200</u>

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

General Liability and Workers' Compensation Unpaid Claims Liability	June 30, 2006 Total	June 30, 2005 Total*	June 30, 2004 Total
Claims payable - current	\$ 5,964	\$ 3,812	\$ 3,051
Claims payable - noncurrent	14,472	8,233	1,981
Total unpaid claims liability	<u>\$ 20,436</u>	<u>\$ 12,045</u>	<u>\$ 5,032</u>
* June 30, 2005 is the first year of Self-Insured Workers' Compensation			

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:

Excess Insurance Program	Self-Insurance Retention
Excess Liability	\$250
Property	\$ 10
Medical Malpractice	\$ 10

The County's claims exceeded the self insurance retention in two instances during Fiscal Year 2005-2006 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.

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Condensed financial information for CSAC Excess Insurance Authority as of and for the fiscal year ended June 30, 2005, is as follows:

CSAC Excess Insurance Authority Condensed Statement of Net Assets June 30, 2005 (amounts expressed in thousands)		CSAC Excess Insurance Authority Condensed Statement of Revenues, Expenses, and Changes in Net Assets For fiscal year ended June 30, 2005 (amounts expressed in thousands)	
Total Assets	\$ 305,649	Total Revenue	\$ 287,222
Total Liabilities		Total Expenses	<u>266,608</u>
Claim Liabilities	250,470	Changes in Net Assets	20,614
All Other Liabilities	<u>29,505</u>	Beginning Net Assets	<u>5,060</u>
Net Assets	\$ <u>25,674</u>	Ending Net Assets	\$ <u>25,674</u>

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, 2005 was 1.8073% of \$1,755 for a total of \$32

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 other joint ventures as follows:

California Statewide Communities Development Authority (CSCDA) The CSCDA is a California joint exercise of powers authority, organized and existing under the California Government Code Section 6500 and following, and is sponsored by the League of California Cities and the California State Association of Counties. The CSCDA is comprised of over 460 California cities, counties, and special districts, including the County of Tulare. The CSCDA is authorized to assist in the financing of 501(c)(3) nonprofit projects, however, the CSCDA may only issue debt with the approval of the governing body of the jurisdiction in which the Project is located. There are no financial obligations placed on the County for project financing costs or debt repayment.

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)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.

Consolidated Waste Management Authority (CWMA) On December 14, 1999, the cities of Visalia, Porterville, Lindsay, Dinuba, and Tulare entered into a Joint Powers Agreement by which was created and established the CWMA as an independent public agency to comprehensively plan, develop, operate, and manage the transformation, recycling,

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processing and disposal of solid waste within the members' jurisdictions per AB939. In November 2002, the cities of Exeter and Farmersville were added as members of the CWMA. In April 2006, the County was added as a member. Aside from annual membership dues, the County has no financial responsibilities. Independently audited financial statements can be obtained from Consolidated Waste Management Authority, 707 W. Acequia, Visalia, California.

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.

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 5, 2006, \$ 55,000 Tax Revenue Anticipation Notes (TRAN) 2006-2007 were issued at 4.5% with a re-offering yield of 3.59%, maturing on July 31, 2007.
2. On July 27, 2006, \$15,170 representing a prepayment of the employer's annual retirement contribution was paid to Tulare County Employees' Retirement Association.

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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 Presently, the County is not engaged in any contracts containing contingent liability for an early termination.

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. 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 4.99% of salary. General members of Tiers II and III contribute an average of 8.38% of covered salary. Safety Tier I members contribute an average of 6.50% of salary. Safety Tier II and III members contribute an average of 10.10% 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 2005-06 was 7.02% of total payroll.

Annual Pension Cost (APC) For fiscal year 2005-06, the County's annual pension cost for the Association was projected to be \$11,092, and the County actually contributed \$11,797. The projected contribution for fiscal year 2005-06 was determined as part of the June 30, 2004 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of pay. The actuarial assumption included (a) 7.9% 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

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2006
(amounts expressed in thousands)

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, 2006, were as follows:

Annual Pension Costs and Pension Assets		
Annual required contribution	\$	11,797
Interest on pension assets		(2,591)
Adjustment to the annual required contribution		5,218
Annual pension cost		<u>14,424</u>
Contributions made		<u>11,797</u>
Decrease in pension assets		(2,627)
Pension assets, July 1		<u>32,382</u>
Pension assets, June 30	\$	<u><u>29,755</u></u>

Schedule of Funding Progress (dollars expressed in thousands)						
<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (B)</u>	<u>Unfunded Actuarial Liability/(Surplus) (UAAL/S) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll (C)</u>	<u>UAAL/S as a % of Covered Payroll (B-A)/C</u>
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	681,618	714,656	33,038	95.38%	164,777	20.1%
6/30/06*	*Current information for the fiscal year ended June 30, 2006 is unavailable.					

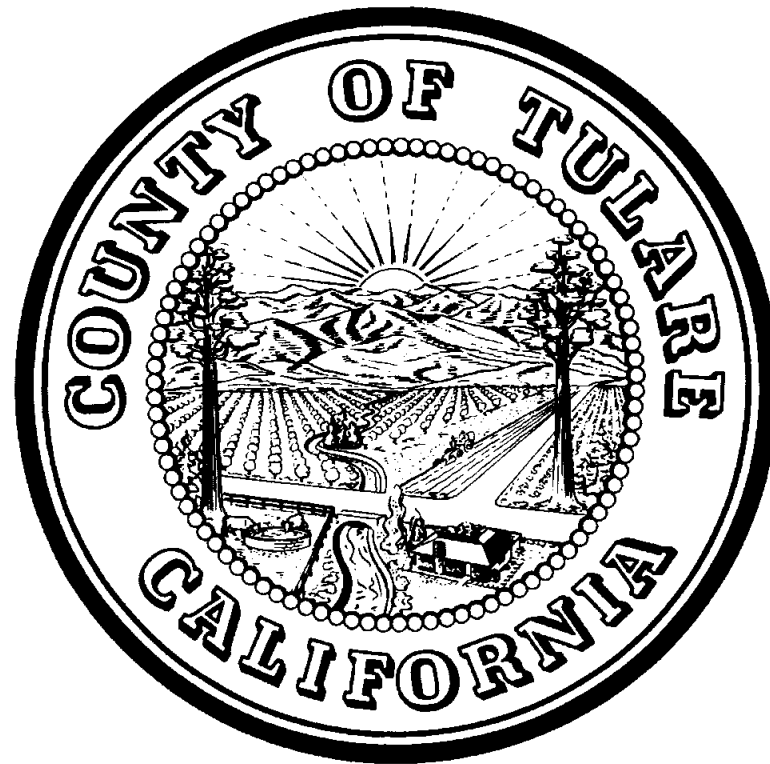
COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2006
(amounts expressed in thousands)

Three Year Trend Information				
<u>Year Ended June 30</u>	<u>Annual Pension Cost</u>	<u>Contribution</u>	<u>Percentage Contributed</u>	<u>Pension Assets</u>
2004	\$ 9,831	\$ 8,048	81.86%	\$ 34,561
2005	11,967	9,788	81.79%	32,282
2006	14,424	11,797	81.79%	29,755

H. 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, 2006
(amounts expressed in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Funds
Assets				
Investment in treasury pool	\$ 20,821	\$ 1,238	\$ 6,843	\$ 28,902
Investments	-	18	-	18
Imprest cash	2	-	-	2
Accounts receivable, net	2,095	-	-	2,095
Deposits with others	31	-	-	31
Due from other County funds	61	-	-	61
Due from other governments	2,841	610	-	3,451
Inventories	351	-	-	351
Prepaid items	798	-	-	798
Advances to Agency funds	40	-	-	40
Lease payments receivable, net of interest	-	1,497	-	1,497
Notes receivable	1,402	-	-	1,402
Restricted assets	-	-	5,000	5,000
Total assets	\$ 28,442	\$ 3,363	\$ 11,843	\$ 43,648
Liabilities and fund balances				
Liabilities:		-		
Accounts payable	\$ 6,569	\$ -	\$ 695	\$ 7,264
Due to other County funds	140	434	-	574
Salaries and benefits payable	1,319	-	5	1,324
Deferred revenue	5,276	1,500	-	6,776
Advances from other County funds	325	-	-	325
Total liabilities	13,629	1,934	700	16,263
Fund balances:		-		
Reserved for:				
Imprest cash	2	-	-	2
Inventories	351	-	-	351
Prepaid items	798	-	-	798
Advances to Agency funds	40	-	-	40
Notes receivable	1,402	-	-	1,402
Harmon Field cleanup	-	-	5,000	5,000
Debt service	-	1,429	-	1,429
Unreserved, reported in nonmajor:				
Special revenue funds	12,220	-	-	12,220
Capital projects funds	-	-	6,143	6,143
Total fund balances	14,813	1,429	11,143	27,385
Total liabilities and fund balances	\$ 28,442	\$ 3,363	\$ 11,843	\$ 43,648

County of Tulare
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Funds
Revenues:				
Taxes and special assessments	\$ 14,462	\$ -	\$ -	\$ 14,462
Licenses and permits	20	-	-	20
Fines, forfeitures and penalties	217	1,923	-	2,140
Interest, rents, and concessions	857	120	134	1,111
Intergovernmental revenues	80,363	326	-	80,689
Charges for services	5,777	-	-	5,777
Other revenues	4,243	53	1	4,297
Total revenues	<u>105,939</u>	<u>2,422</u>	<u>135</u>	<u>108,496</u>
Expenditures:				
Current:				
General government	1,856	-	3,089	4,945
Public protection	26,544	-	-	26,544
Public ways and facilities	9,890	-	-	9,890
Health and sanitation	1,342	-	-	1,342
Public assistance	17,306	-	-	17,306
Education	2,569	-	-	2,569
Debt service:				
Principal retirement	41	4,653	-	4,694
Interest and fiscal charges	59	2,311	-	2,370
Capital outlay	10,138	-	399	10,537
Total expenditures	<u>69,745</u>	<u>6,964</u>	<u>3,488</u>	<u>80,197</u>
Excess (deficiency) of revenues over (under) expenditures	36,194	(4,542)	(3,353)	28,299
Other financing sources (uses):				
Direct financing Lease	-	114	-	114
Transfers in	30,259	13,788	4,932	48,979
Transfers (out)	(62,453)	(8,149)	(132)	(70,734)
Total other financing sources (uses)	<u>(32,194)</u>	<u>5,753</u>	<u>4,800</u>	<u>(21,641)</u>
Net change in fund balances	4,000	1,211	1,447	6,658
Fund balances, July 1	10,813	218	9,696	20,727
Fund balances, June 30	<u>\$ 14,813</u>	<u>\$ 1,429</u>	<u>\$ 11,143</u>	<u>\$ 27,385</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.

Children and Health Fund - This fund is used to account for health premiums paid to providers on behalf of First 5.

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 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 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 (TCIHSSPA) - TCIHSSPA 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-Milias-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 (Earlmar, Ivanhoe, Goshen, Orovi, 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, 2006
(amounts expressed in thousands)

	Indigent Health	Children and Health	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment
Assets								
Investment in treasury pool	\$ 530	\$ 38	\$ 1,823	\$ 17	\$ 79	\$ 2,292	\$ 3,757	\$ 868
Imprest cash	-	-	1	-	-	-	-	-
Accounts receivable	-	-	-	-	2	-	16	-
Deposits with others	-	-	-	-	-	-	-	-
Due from other County funds	-	-	-	-	-	19	42	-
Due from other governments	464	-	-	-	44	131	1,662	468
Inventories	-	-	-	-	-	-	351	-
Prepaid items	108	-	-	-	-	-	-	-
Advances to Agency funds	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	\$ 1,102	\$ 38	\$ 1,824	\$ 17	\$ 125	\$ 2,442	\$ 5,828	\$ 1,336
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ 936	\$ 39	\$ 49	\$ 1	\$ 37	\$ 709	\$ 2,712	\$ 1,125
Due to other County funds	-	-	-	-	-	-	-	-
Salaries and benefits payable	7	-	75	-	-	77	362	202
Deferred revenue	57	-	18	-	-	-	142	19
Advances from other County funds	-	-	-	-	-	-	-	-
Total liabilities	1,000	39	142	1	37	786	3,216	1,346
Fund balances:								
Reserved for:								
Imprest cash	-	-	1	-	-	-	-	-
Inventories	-	-	-	-	-	-	351	-
Prepaid items	108	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:								
Special revenue funds	(6)	(1)	1,681	16	88	1,656	2,261	(10)
Capital projects funds	-	-	-	-	-	-	-	-
Total fund balances	102	(1)	1,682	16	88	1,656	2,612	(10)
Total liabilities and fund balances	\$ 1,102	\$ 38	\$ 1,824	\$ 17	\$ 125	\$ 2,442	\$ 5,828	\$ 1,336

Cont.

County of Tulare
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(amounts expressed in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Redevelopment Earlmar
Assets								
Investment in treasury pool	\$ 2,322	\$ 706	\$ -	\$ 657	\$ -	\$ 111	\$ 1,376	\$ 870
Imprest cash	1	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	2,077	-	-	-
Deposits with others	-	-	-	-	-	-	-	-
Due from other County funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	72	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	690	-	-	-	-	-	-	-
Advances to Agency funds	40	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	139
Total assets	\$ 3,053	\$ 706	\$ -	\$ 657	\$ 2,077	\$ 183	\$ 1,376	\$ 1,009
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ 860	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ -	\$ 35
Due to other County funds	-	-	-	-	-	2	-	-
Salaries and benefits payable	593	-	-	-	-	3	-	-
Deferred revenue	1,600	706	-	657	2,077	-	-	-
Advances from other County funds	-	-	-	-	-	175	-	-
Total liabilities	3,053	706	-	657	2,077	182	-	35
Fund balances:								
Reserved for:								
Imprest cash	1	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	690	-	-	-	-	-	-	-
Advances to other funds	40	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	139
Debt service	-	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:								
Special revenue funds	(731)	-	-	-	-	1	1,376	835
Capital projects funds	-	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	1	1,376	974
Total liabilities and fund balances	\$ 3,053	\$ 706	\$ -	\$ 657	\$ 2,077	\$ 183	\$ 1,376	\$ 1,009

Cont.

County of Tulare
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2006
(amounts expressed in thousands)

	Redevelopment Ivanhoe	Redevelopment Goshen	Redevelopment Orosi	Redevelopment Pixley	Redevelopment Traver	Redevelopment Richgrove	Redevelopment Poplar	Total Special Revenue Funds
Assets								
Investment in treasury pool	\$ 341	\$ 1,123	\$ 1,803	\$ 458	\$ 1,099	\$ 281	\$ 270	\$ 20,821
Imprest cash	-	-	-	-	-	-	-	2
Accounts receivable	-	-	-	-	-	-	-	2,095
Deposits with others	-	31	-	-	-	-	-	31
Due from other County funds	-	-	-	-	-	-	-	61
Due from other governments	-	-	-	-	-	-	-	2,841
Inventories	-	-	-	-	-	-	-	351
Prepaid items	-	-	-	-	-	-	-	798
Advances to Agency funds	-	-	-	-	-	-	-	40
Notes receivable	1	512	497	11	96	136	10	1,402
Total assets	<u>\$ 342</u>	<u>\$ 1,666</u>	<u>\$ 2,300</u>	<u>\$ 469</u>	<u>\$ 1,195</u>	<u>\$ 417</u>	<u>\$ 280</u>	<u>\$ 28,442</u>
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ -	\$ 31	\$ 16	\$ -	\$ 16	\$ 1	\$ -	\$ 6,569
Due to other County funds	-	-	-	-	-	138	-	140
Salaries and benefits payable	-	-	-	-	-	-	-	1,319
Deferred revenue	-	-	-	-	-	-	-	5,276
Advances from other County funds	29	9	-	29	-	54	29	325
Total liabilities	<u>29</u>	<u>40</u>	<u>16</u>	<u>29</u>	<u>16</u>	<u>193</u>	<u>29</u>	<u>13,629</u>
Fund balances:								
Reserved for:								
Imprest cash	-	-	-	-	-	-	-	2
Inventories	-	-	-	-	-	-	-	351
Prepaid items	-	-	-	-	-	-	-	798
Advances to other funds	-	-	-	-	-	-	-	40
Notes receivable	1	512	497	11	96	136	10	1,402
Debt service	-	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:								
Special revenue funds	312	1,114	1,787	429	1,083	88	241	12,220
Capital projects funds	-	-	-	-	-	-	-	-
Total fund balances	<u>313</u>	<u>1,626</u>	<u>2,284</u>	<u>440</u>	<u>1,179</u>	<u>224</u>	<u>251</u>	<u>14,813</u>
Total liabilities and fund balances	<u>\$ 342</u>	<u>\$ 1,666</u>	<u>\$ 2,300</u>	<u>\$ 469</u>	<u>\$ 1,195</u>	<u>\$ 417</u>	<u>\$ 280</u>	<u>\$ 28,442</u>

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, 2006
(amounts expressed in thousands)

	Indigent Health	Children and Health	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment
Revenues:								
Taxes and special assessments	\$ -	\$ -	\$ 2,571	\$ -	\$ -	\$ 5,639	\$ 3,507	\$ -
Licenses and permits	-	-	-	-	-	16	4	-
Fines, forfeitures and penalties	205	-	-	12	-	-	-	-
Interest, rents, and concessions	17	(1)	29	-	22	177	35	359
Intergovernmental revenues	771	126	312	-	54	718	14,226	14,003
Charges for services	-	-	103	-	-	218	2,410	3,046
Other revenues	-	-	171	-	-	7	369	7
Total revenues	<u>993</u>	<u>125</u>	<u>3,186</u>	<u>12</u>	<u>76</u>	<u>6,775</u>	<u>20,551</u>	<u>17,415</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public protection	-	-	-	4	-	10,726	-	-
Public ways and facilities	-	-	-	-	37	-	9,853	-
Health and sanitation	1,216	126	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	17,306
Education	-	-	2,569	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	62	333	9,514	-
Total expenditures	<u>1,216</u>	<u>126</u>	<u>2,569</u>	<u>4</u>	<u>99</u>	<u>11,059</u>	<u>19,367</u>	<u>17,306</u>
Excess (deficiency) of revenues over (under) expenditures	(223)	(1)	617	8	(23)	(4,284)	1,184	109
Other financing sources (uses):								
Transfers in	-	-	-	-	-	6,237	335	-
Transfers (out)	(2)	-	(51)	-	(1)	(390)	(247)	(119)
Total other financing sources (uses)	<u>(2)</u>	<u>-</u>	<u>(51)</u>	<u>-</u>	<u>(1)</u>	<u>5,847</u>	<u>88</u>	<u>(119)</u>
Net change in fund balances	(225)	(1)	566	8	(24)	1,563	1,272	(10)
Fund balances, July 1	327	-	1,116	8	112	93	1,340	-
Fund balances, June 30	<u>\$ 102</u>	<u>\$ (1)</u>	<u>\$ 1,682</u>	<u>\$ 16</u>	<u>\$ 88</u>	<u>\$ 1,656</u>	<u>\$ 2,612</u>	<u>\$ (10)</u>

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, 2006
(amounts expressed in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Redevelopment Earlmar
Revenues:								
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377	\$ 272
Licenses and permits	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-
Interest, rents, and concessions	39	-	-	-	-	-	30	21
Intergovernmental revenues	15,559	9,784	6,484	17,791	-	366	44	15
Charges for services	-	-	-	-	-	-	-	-
Other revenues	36	-	-	-	3,651	-	-	-
Total revenues	<u>15,634</u>	<u>9,784</u>	<u>6,484</u>	<u>17,791</u>	<u>3,651</u>	<u>366</u>	<u>451</u>	<u>308</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	173
Public protection	15,235	-	-	-	-	364	215	-
Public ways and facilities	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	154	-	-	-	-	-	-	-
Total expenditures	<u>15,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364</u>	<u>215</u>	<u>173</u>
Excess (deficiency) of revenues over (under) expenditures	245	9,784	6,484	17,791	3,651	2	236	135
Other financing sources (uses):								
Transfers in	-	7,954	14,717	1,015	-	-	1	-
Transfers (out)	(245)	(17,738)	(21,201)	(18,806)	(3,651)	(2)	-	-
Total other financing sources (uses)	<u>(245)</u>	<u>(9,784)</u>	<u>(6,484)</u>	<u>(17,791)</u>	<u>(3,651)</u>	<u>(2)</u>	<u>1</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	237	135
Fund balances, July 1	-	-	-	-	-	1	1,139	839
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1,376</u>	<u>\$ 974</u>

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, 2006
(amounts expressed in thousands)

	Redevelopment Ivanhoe	Redevelopment Goshen	Redevelopment Orosi	Redevelopment Pixley	Redevelopment Traver	Redevelopment Richgrove	Redevelopment Poplar	Total Special Revenue Funds
Revenues:								
Taxes and special assessments	\$ 147	\$ 576	\$ 604	\$ 244	\$ 219	\$ 184	\$ 122	\$ 14,462
Licenses and permits	-	-	-	-	-	-	-	20
Fines, forfeitures and penalties	-	-	-	-	-	-	-	217
Interest, rents, and concessions	6	26	51	9	26	6	5	857
Intergovernmental revenues	3	26	13	4	4	27	33	80,363
Charges for services	-	-	-	-	-	-	-	5,777
Other revenues	-	1	1	-	-	-	-	4,243
Total revenues	<u>156</u>	<u>629</u>	<u>669</u>	<u>257</u>	<u>249</u>	<u>217</u>	<u>160</u>	<u>105,939</u>
Expenditures:								
Current:								
General government	59	661	437	74	111	262	79	1,856
Public protection	-	-	-	-	-	-	-	26,544
Public ways and facilities	-	-	-	-	-	-	-	9,890
Health and sanitation	-	-	-	-	-	-	-	1,342
Public assistance	-	-	-	-	-	-	-	17,306
Education	-	-	-	-	-	-	-	2,569
Debt service:								
Principal retirement	-	41	-	-	-	-	-	41
Interest and fiscal charges	-	59	-	-	-	-	-	59
Capital outlay	-	-	75	-	-	-	-	10,138
Total expenditures	<u>59</u>	<u>761</u>	<u>512</u>	<u>74</u>	<u>111</u>	<u>262</u>	<u>79</u>	<u>69,745</u>
Excess (deficiency) of revenues over (under) expenditures	97	(132)	157	183	138	(45)	81	36,194
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	30,259
Transfers (out)	-	-	-	-	-	-	-	(62,453)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,194)</u>
Net change in fund balances	97	(132)	157	183	138	(45)	81	4,000
Fund balances, July 1	216	1,758	2,127	257	1,041	269	170	10,813
Fund balances, June 30	<u>\$ 313</u>	<u>\$ 1,626</u>	<u>\$ 2,284</u>	<u>\$ 440</u>	<u>\$ 1,179</u>	<u>\$ 224</u>	<u>\$ 251</u>	<u>\$ 14,813</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, 2006
(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	\$ 176	\$ 176	\$ -	\$ 205	\$ 29
Interest, rents, and concessions	13	13	-	17	4
Intergovernmental revenues	741	1,042	301	771	(271)
Total revenues	<u>930</u>	<u>1,231</u>	<u>301</u>	<u>993</u>	<u>(238)</u>
Expenditures:					
Current:					
Health and sanitation	<u>1,136</u>	<u>1,437</u>	<u>(301)</u>	<u>1,216</u>	<u>221</u>
Total expenditures	<u>1,136</u>	<u>1,437</u>	<u>(301)</u>	<u>1,216</u>	<u>221</u>
Excess (deficiency) of revenues over (under) expenditures	(206)	(206)	-	(223)	(17)
Other financing sources (uses):					
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Net change in fund balance	(206)	(206)	-	(225)	(19)
Fund balance, July 1	<u>206</u>	<u>206</u>	<u>-</u>	<u>327</u>	<u>121</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102</u>	<u>\$ 102</u>

County of Tulare
 Nonmajor Special Revenue Fund - Children and Health Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2006
 (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	\$ -	\$ -	\$ -	\$ (1)	\$ (1)
Intergovernmental revenues	-	146	146	126	(20)
Total revenues	-	146	146	125	(21)
Expenditures:					
Current:					
Health and sanitation	-	146	(146)	126	20
Total expenditures	-	146	(146)	126	20
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(1)	(1)
Net change in fund balance	-	-	-	(1)	(1)
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ (1)	\$ (1)

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, 2006
(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	\$ 2,298	\$ 2,298	\$ -	\$ 2,571	\$ 273
Interest, rents, and concessions	19	19	-	29	10
Intergovernmental revenues	422	440	18	312	(128)
Charges for services	75	85	10	103	18
Other revenues	38	38	-	171	133
Total revenues	<u>2,852</u>	<u>2,880</u>	<u>28</u>	<u>3,186</u>	<u>306</u>
Expenditures:					
Current:					
Education	<u>3,974</u>	<u>4,004</u>	<u>(30)</u>	<u>2,569</u>	<u>1,435</u>
Total expenditures	<u>3,974</u>	<u>4,004</u>	<u>(30)</u>	<u>2,569</u>	<u>1,435</u>
Excess (deficiency) of revenues over (under) expenditures	(1,122)	(1,124)	(2)	617	1,741
Other financing sources (uses):					
Transfers in	-	2	2	-	(2)
Transfers (out)	-	-	-	(51)	(51)
Total other financing sources (uses)	<u>-</u>	<u>2</u>	<u>2</u>	<u>(51)</u>	<u>(53)</u>
Net change in fund balance	(1,122)	(1,122)	-	566	1,688
Fund balance, July 1	<u>1,122</u>	<u>1,122</u>	<u>-</u>	<u>1,116</u>	<u>(6)</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,682</u>	<u>\$ 1,682</u>

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, 2006
 (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	\$ 4	\$ 4	\$ -	\$ 12	\$ 8
Total revenues	<u>4</u>	<u>4</u>	<u>-</u>	<u>12</u>	<u>8</u>
Expenditures:					
Current:					
Public protection	4	4	-	4	-
Total expenditures	<u>4</u>	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>
Net change in fund balance	-	-	-	8	8
Fund balance, July 1	8	8	-	8	-
Fund balance, June 30	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 8</u>

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, 2006
 (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	\$ 26	\$ 26	\$ -	\$ 22	\$ (4)
Intergovernmental revenues	487	497	10	54	(443)
Total revenues	<u>513</u>	<u>523</u>	<u>10</u>	<u>76</u>	<u>(447)</u>
Expenditures:					
Current:					
Public ways and facilities	444	232	212	37	195
Capital Outlay	130	351	(221)	62	289
Total expenditures	<u>574</u>	<u>583</u>	<u>(9)</u>	<u>99</u>	<u>484</u>
Excess (deficiency) of revenues over (under) expenditures	(61)	(60)	1	(23)	37
Other financing sources (uses):					
Transfers (out)	-	(1)	-	(1)	-
Total other financing sources (uses)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Net change in fund balance	(61)	(61)	1	(24)	37
Fund balance, July 1	112	112	-	112	-
Fund balance, June 30	<u>\$ 51</u>	<u>\$ 51</u>	<u>\$ 1</u>	<u>\$ 88</u>	<u>\$ 37</u>

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, 2006
(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	\$ 5,372	\$ 5,372	\$ -	\$ 5,639	\$ 267
Licenses and permits	19	19	-	16	(3)
Interest, rents, and concessions	145	146	1	177	31
Intergovernmental revenues	1,460	1,460	-	718	(742)
Charges for services	171	245	74	218	(27)
Other revenues	170	170	-	7	(163)
Total revenues	<u>7,337</u>	<u>7,412</u>	<u>75</u>	<u>6,775</u>	<u>(637)</u>
Expenditures:					
Current:					
Public protection	11,371	13,155	(1,784)	10,726	2,429
Capital outlay	92	214	(122)	333	(119)
Total expenditures	<u>11,463</u>	<u>13,369</u>	<u>(1,906)</u>	<u>11,059</u>	<u>2,310</u>
Excess (deficiency) of revenues over (under) expenditures	(4,126)	(5,957)	(1,831)	(4,284)	1,673
Other financing sources (uses):					
Transfers in	4,419	6,323	1,904	6,237	(86)
Transfers (out)	(300)	(373)	(373)	(390)	(17)
Total other financing sources (uses)	<u>4,119</u>	<u>5,950</u>	<u>1,531</u>	<u>5,847</u>	<u>(103)</u>
Net change in fund balance	(7)	(7)	-	1,563	1,570
Fund balance, July 1	<u>7</u>	<u>7</u>	<u>-</u>	<u>93</u>	<u>86</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,656</u>	<u>\$ 1,656</u>

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, 2006
(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	\$ 2,951	\$ 2,951	\$ -	\$ 3,507	\$ 556
Licenses and permits	-	-	-	4	4
Interest, rents, and concessions	33	33	-	35	2
Intergovernmental revenues	20,649	20,649	-	14,226	(6,423)
Charges for services	1,282	1,282	-	2,410	1,128
Other revenues	16	16	-	369	353
Total revenues	<u>24,931</u>	<u>24,931</u>	<u>-</u>	<u>20,551</u>	<u>(4,380)</u>
Expenditures:					
Current:					
Public ways and facilities	24,056	23,852	204	9,853	13,999
Debt service:					
Principal retirement	46	46	-	-	46
Interest and fiscal charges	4	4	-	-	4
Capital outlay	1,766	1,847	(81)	9,514	(7,667)
Total expenditures	<u>25,872</u>	<u>25,749</u>	<u>123</u>	<u>19,367</u>	<u>6,382</u>
Excess (deficiency) of revenues over (under) expenditures	(941)	(818)	123	1,184	2,002
Other financing sources (uses):					
Transfers in	335	336	1	335	(1)
Transfers (out)	(3)	(127)	(124)	(247)	(120)
Total other financing sources (uses)	<u>332</u>	<u>209</u>	<u>(123)</u>	<u>88</u>	<u>(121)</u>
Net change in fund balance	(609)	(609)	-	1,272	1,881
Fund balance, July 1	609	609	-	1,340	731
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,612</u>	<u>\$ 2,612</u>

County of Tulare
 Nonmajor Special Revenue Fund - Workforce Investment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2006
 (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	\$ 335	\$ 335	\$ -	\$ 359	\$ 24
Intergovernmental revenues	19,252	19,299	47	14,003	(5,296)
Charges for services	2,000	2,000	-	3,046	1,046
Other revenues	50	50	-	7	(43)
Total revenues	<u>21,637</u>	<u>21,684</u>	<u>47</u>	<u>17,415</u>	<u>(4,269)</u>
Expenditures:					
Current:					
Public assistance	21,585	21,550	35	17,306	4,244
Capital Outlay	52	107	(55)	-	107
Total expenditures	<u>21,637</u>	<u>21,657</u>	<u>(20)</u>	<u>17,306</u>	<u>4,351</u>
Excess (deficiency) of revenues over (under) expenditures	-	27	27	109	82
Other financing sources (uses):					
Transfers in	-	20	-	-	(20)
Transfers (out)	-	(47)	-	(119)	(72)
Total other financing sources (uses)	<u>-</u>	<u>(27)</u>	<u>-</u>	<u>(119)</u>	<u>(92)</u>
Net change in fund balance	-	-	27	(10)	(10)
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ (10)</u>	<u>\$ (10)</u>

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, 2006
 (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	\$ -	\$ -	\$ -	\$ 39	\$ 39
Intergovernmental revenues	16,795	16,795	-	15,559	(1,236)
Other revenues	160	160	-	36	(124)
Total revenues	<u>16,955</u>	<u>16,955</u>	<u>-</u>	<u>15,634</u>	<u>(1,321)</u>
Expenditures:					
Current:					
Public protection	16,915	16,808	107	15,235	1,573
Capital outlay	40	163	(123)	154	9
Total expenditures	<u>16,955</u>	<u>16,971</u>	<u>(16)</u>	<u>15,389</u>	<u>1,582</u>
Excess (deficiency) of revenues over (under) expenditures	-	(16)	(16)	245	261
Other financing sources (uses):					
Transfers in	-	16	-	-	(16)
Transfers (out)	-	-	-	(245)	(245)
Total other financing sources (uses)	<u>-</u>	<u>16</u>	<u>-</u>	<u>(245)</u>	<u>(261)</u>
Net change in fund balance	-	-	(16)	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16)</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, 2006
 (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	\$ 11,255	\$ 11,255	\$ -	\$ 9,784	\$ (1,471)
Total revenues	<u>11,255</u>	<u>11,255</u>	<u>-</u>	<u>9,784</u>	<u>(1,471)</u>
Other financing sources (uses):					
Transfers in	7,127	7,127	-	7,954	827
Transfers (out)	<u>(18,382)</u>	<u>(18,382)</u>	<u>-</u>	<u>(17,738)</u>	<u>644</u>
Total other financing sources (uses)	<u>(11,255)</u>	<u>(11,255)</u>	<u>-</u>	<u>(9,784)</u>	<u>1,471</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 - Health Realignment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2006
 (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	\$ 7,149	\$ 7,149	\$ -	\$ 6,484	\$ (665)
Total revenues	<u>7,149</u>	<u>7,149</u>	<u>-</u>	<u>6,484</u>	<u>(665)</u>
Other financing sources (uses):					
Transfers in	12,524	14,052	1,528	14,717	665
Transfers (out)	(19,673)	(21,201)	(1,528)	(21,201)	-
Total other financing sources (uses)	<u>(7,149)</u>	<u>(7,149)</u>	<u>-</u>	<u>(6,484)</u>	<u>665</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, 2006
 (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	\$ 13,103	\$ 17,804	\$ 4,701	\$ 17,791	\$ (13)
Total revenues	<u>13,103</u>	<u>17,804</u>	<u>4,701</u>	<u>17,791</u>	<u>(13)</u>
Other financing sources (uses):					
Transfers in	802	1,002	200	1,015	13
Transfers (out)	<u>(13,905)</u>	<u>(18,806)</u>	<u>(4,901)</u>	<u>(18,806)</u>	<u>-</u>
Total other financing sources (uses)	<u>(13,103)</u>	<u>(17,804)</u>	<u>(4,701)</u>	<u>(17,791)</u>	<u>13</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 Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2006
 (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	\$ -	\$ -	\$ -	\$ 3,651	\$ 3,651
Total revenues	-	-	-	3,651	3,651
Other financing sources (uses):					
Transfers in	4,589	4,589	-	-	(4,589)
Transfers (out)	(4,589)	(4,589)	-	(3,651)	938
Total other financing sources (uses)	-	-	-	(3,651)	(3,651)
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, 2006
 (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	\$ 458	\$ 458	\$ -	\$ 366	\$ (92)
Total revenues	<u>458</u>	<u>458</u>	<u>-</u>	<u>366</u>	<u>(92)</u>
Expenditures:					
Current:					
Public protection	458	458	-	364	94
Total expenditures	<u>458</u>	<u>458</u>	<u>-</u>	<u>364</u>	<u>94</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	2	2
Other financing sources (uses):					
Transfers (out)	-	-	-	(2)	(2)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(2)</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	1	1
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

County of Tulare
Nonmajor Special Revenue Fund - Flood Control Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2006
(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	\$ 376	\$ 376	\$ -	\$ 377	\$ 1
Interest, rents, and concessions	12	12	-	30	18
Intergovernmental revenues	14	14	-	44	30
Total revenues	<u>402</u>	<u>402</u>	<u>-</u>	<u>451</u>	<u>49</u>
Expenditures:					
Current:					
Public protection	<u>1,165</u>	<u>1,165</u>	<u>-</u>	<u>215</u>	<u>950</u>
Total expenditures	<u>1,165</u>	<u>1,165</u>	<u>-</u>	<u>215</u>	<u>950</u>
Excess (deficiency) of revenues over (under) expenditures	(763)	(763)	-	236	999
Other financing sources (uses):					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	(763)	(763)	-	237	1,000
Fund balance, July 1	<u>1,145</u>	<u>1,145</u>	<u>-</u>	<u>1,139</u>	<u>(6)</u>
Fund balance, June 30	<u>\$ 382</u>	<u>\$ 382</u>	<u>\$ -</u>	<u>\$ 1,376</u>	<u>\$ 994</u>

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, 2006
 (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	\$ 288	\$ 288	\$ -	\$ 272	\$ (16)
Interest, rents, and concessions	-	-	-	21	21
Intergovernmental revenues	4	4	-	15	11
Total revenues	<u>292</u>	<u>292</u>	<u>-</u>	<u>308</u>	<u>16</u>
Expenditures:					
Current:					
General government	990	990	-	173	817
Total expenditures	<u>990</u>	<u>990</u>	<u>-</u>	<u>173</u>	<u>817</u>
Excess (deficiency) of revenues over (under) expenditures	(698)	(698)	-	135	833
Other financing sources (uses):					
Transfers in	227	227	-	-	(227)
Transfers (out)	(226)	(226)	-	-	226
Total other financing sources (uses)	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>(1)</u>
Net change in fund balance	(697)	(697)	-	135	832
Fund balance, July 1	697	697	-	839	142
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 974</u>	<u>\$ 974</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, 2006
 (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	\$ 54	\$ 54	\$ -	\$ 147	\$ 93
Interest, rents, and concessions	2	2	-	6	4
Intergovernmental revenues	1	1	-	3	2
Total revenues	<u>57</u>	<u>57</u>	<u>-</u>	<u>156</u>	<u>99</u>
Expenditures:					
Current:					
General government	<u>274</u>	<u>274</u>	<u>-</u>	<u>59</u>	<u>215</u>
Total expenditures	<u>274</u>	<u>274</u>	<u>-</u>	<u>59</u>	<u>215</u>
Excess (deficiency) of revenues over (under) expenditures	(217)	(217)	-	97	314
Other financing sources (uses):					
Transfers in	34	34	-	-	(34)
Transfers (out)	<u>(34)</u>	<u>(34)</u>	<u>-</u>	<u>-</u>	<u>34</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(217)	(217)	-	97	314
Fund balance, July 1	<u>217</u>	<u>217</u>	<u>-</u>	<u>216</u>	<u>(1)</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313</u>	<u>\$ 313</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, 2006
(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	\$ 451	\$ 451	\$ -	\$ 576	\$ 125
Interest, rents, and concessions	5	14	9	26	12
Intergovernmental revenues	394	394	-	26	(368)
Other revenues	-	-	-	1	1
Total revenues	<u>850</u>	<u>859</u>	<u>9</u>	<u>629</u>	<u>(230)</u>
Expenditures:					
Current:					
General government	2,000	1,958	42	661	1,297
Debt service:					
Principal retirement	53	41	12	41	-
Interest and fiscal charges	-	54	(54)	59	(5)
Capital Outlay	160	160	-	-	160
Total expenditures	<u>2,213</u>	<u>2,213</u>	<u>-</u>	<u>761</u>	<u>1,452</u>
Excess (deficiency) of revenues over (under) expenditures	(1,363)	(1,354)	9	(132)	1,222
Other financing sources (uses):					
Transfers in	326	303	(23)	-	(303)
Transfers (out)	<u>(251)</u>	<u>(237)</u>	<u>14</u>	<u>-</u>	<u>237</u>
Total other financing sources (uses)	<u>75</u>	<u>66</u>	<u>(9)</u>	<u>-</u>	<u>(66)</u>
Net change in fund balance	(1,288)	(1,288)	-	(132)	1,156
Fund balance, July 1	<u>1,288</u>	<u>1,288</u>	<u>-</u>	<u>1,758</u>	<u>470</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,626</u>	<u>\$ 1,626</u>

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, 2006
 (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	\$ 258	\$ 258	\$ -	\$ 604	\$ 346
Interest, rents, and concessions	17	17	-	51	34
Intergovernmental revenues	6	6	-	13	7
Other revenues	-	-	-	1	1
Total revenues	<u>281</u>	<u>281</u>	<u>-</u>	<u>669</u>	<u>388</u>
Expenditures:					
Current:					
General government	1,956	1,937	19	437	1,500
Capital outlay	70	89	(19)	75	14
Total expenditures	<u>2,026</u>	<u>2,026</u>	<u>-</u>	<u>512</u>	<u>1,514</u>
Excess (deficiency) of revenues over (under) expenditures	(1,745)	(1,745)	-	157	1,902
Other financing sources (uses):					
Transfers in	122	122	-	-	(122)
Transfers (out)	(122)	(122)	-	-	122
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,745)	(1,745)	-	157	1,902
Fund balance, July 1	<u>1,745</u>	<u>1,745</u>	<u>-</u>	<u>2,127</u>	<u>382</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,284</u>	<u>\$ 2,284</u>

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, 2006
 (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	\$ 148	\$ 148	\$ -	\$ 244	\$ (96)
Interest, rents, and concessions	1	1	-	9	(8)
Intergovernmental revenues	1	1	-	4	(3)
Total revenues	<u>150</u>	<u>150</u>	<u>-</u>	<u>257</u>	<u>(107)</u>
Expenditures:					
Current:					
General government	398	398	-	74	324
Total expenditures	<u>398</u>	<u>398</u>	<u>-</u>	<u>74</u>	<u>324</u>
Excess (deficiency) of revenues over (under) expenditures	(248)	(248)	-	183	217
Other financing sources (uses):					
Transfers in	109	109	-	-	(109)
Transfers (out)	(109)	(109)	-	-	109
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(248)	(248)	-	183	217
Fund balance, July 1	248	248	-	257	9
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440</u>	<u>\$ 226</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, 2006
 (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	\$ 180	\$ 180	\$ -	\$ 219	\$ 39
Interest, rents, and concessions	12	12	-	26	14
Intergovernmental revenues	2	2	-	4	2
Total revenues	<u>194</u>	<u>194</u>	<u>-</u>	<u>249</u>	<u>55</u>
Expenditures:					
Current:					
General government	<u>1,143</u>	<u>1,143</u>	<u>-</u>	<u>111</u>	<u>1,032</u>
Total expenditures	<u>1,143</u>	<u>1,143</u>	<u>-</u>	<u>111</u>	<u>1,032</u>
Excess (deficiency) of revenues over (under) expenditures	(949)	(949)	-	138	1,087
Other financing sources (uses):					
Transfers in	130	130	-	-	(130)
Transfers (out)	<u>(130)</u>	<u>(130)</u>	<u>-</u>	<u>-</u>	<u>130</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(949)	(949)	-	138	1,087
Fund balance, July 1	<u>949</u>	<u>949</u>	<u>-</u>	<u>1,041</u>	<u>92</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,179</u>	<u>\$ 1,179</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, 2006
 (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	\$ 178	\$ 178	\$ -	\$ 184	\$ 6
Interest, rents, and concessions	1	1	-	6	5
Intergovernmental revenues	3,802	3,802	-	27	(3,775)
Other revenues	-	-	-	-	-
Total revenues	<u>3,981</u>	<u>3,981</u>	<u>-</u>	<u>217</u>	<u>(3,764)</u>
Expenditures:					
Current:					
General government	4,094	3,961	133	262	3,699
Capital outlay	-	133	(133)	-	133
Total expenditures	<u>4,094</u>	<u>4,094</u>	<u>-</u>	<u>262</u>	<u>3,832</u>
Excess (deficiency) of revenues over (under) expenditures	(113)	(113)	-	(45)	68
Other financing sources (uses):					
Transfers (out)	<u>(126)</u>	<u>(126)</u>	<u>-</u>	<u>-</u>	<u>126</u>
Total other financing sources (uses)	<u>(126)</u>	<u>(126)</u>	<u>-</u>	<u>-</u>	<u>126</u>
Net change in fund balance	(239)	(239)	-	(45)	194
Fund balance, July 1	114	114	-	269	155
Fund balance, June 30	<u>\$ (125)</u>	<u>\$ (125)</u>	<u>\$ -</u>	<u>\$ 224</u>	<u>\$ 349</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, 2006
 (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	\$ 80	\$ 80	\$ -	\$ 122	\$ 42
Interest, rents, and concessions	2	2	-	5	3
Intergovernmental revenues	442	442	-	33	(409)
Total revenues	<u>524</u>	<u>524</u>	<u>-</u>	<u>160</u>	<u>(364)</u>
Expenditures:					
Current:					
General government	684	684	-	79	605
Total expenditures	<u>684</u>	<u>684</u>	<u>-</u>	<u>79</u>	<u>605</u>
Excess (deficiency) of revenues over (under) expenditures	(160)	(160)	-	81	241
Other financing sources (uses):					
Transfers in	57	57	-	-	(57)
Transfers (out)	(57)	(57)	-	-	57
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(160)	(160)	-	81	241
Fund balance, July 1	160	160	-	170	10
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251</u>	<u>\$ 251</u>



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, 2006
(amounts expressed in thousands)

	Pension Obligation	Equipment Loans	Building Loans	Total Debt Service Funds
Assets				
Investment in treasury pool	\$ -	\$ 235	\$ 1,003	\$ 1,238
Investments	18	-	-	18
Due from other governments	610	-	-	610
Lease payments receivable, net of interest	-	-	1,497	1,497
Total assets	<u>\$ 628</u>	<u>\$ 235</u>	<u>\$ 2,500</u>	<u>\$ 3,363</u>
Liabilities and fund balances				
Liabilities:				
Due to other County funds	\$ 434	\$ -	\$ -	\$ 434
Deferred revenue	-	-	1,500	1,500
Total liabilities	<u>434</u>	<u>-</u>	<u>1,500</u>	<u>1,934</u>
Fund balances:				
Reserved, reported in nonmajor				
Debt service funds	<u>194</u>	<u>235</u>	<u>1,000</u>	<u>1,429</u>
Total fund balances	<u>194</u>	<u>235</u>	<u>1,000</u>	<u>1,429</u>
Total liabilities and fund balances	<u>\$ 628</u>	<u>\$ 235</u>	<u>\$ 2,500</u>	<u>\$ 3,363</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, 2006
(amounts expressed in thousands)

	Pension Obligation	Equipment Loans	Building Loans	Total Debt Service Funds
Revenues:				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 1,923	\$ 1,923
Interest, rents, and concessions	17	7	96	120
Intergovernmental revenues	326	-	-	326
Other revenues		53	-	53
Total revenues	<u>343</u>	<u>60</u>	<u>2,019</u>	<u>2,422</u>
Expenditures:				
Debt service:				
Principal retirement	2,860	1,793	-	4,653
Interest and fiscal charges	<u>2,175</u>	<u>125</u>	<u>11</u>	<u>2,311</u>
Total expenditures	<u>5,035</u>	<u>1,918</u>	<u>11</u>	<u>6,964</u>
Excess (deficiency) of revenues over (under) expenditures	(4,692)	(1,858)	2,008	(4,542)
Other financing sources (uses):				
Direct financing lease	-	-	114	114
Transfers in	4,876	1,885	7,027	13,788
Transfers (out)	<u>-</u>	<u>-</u>	<u>(8,149)</u>	<u>(8,149)</u>
Total other financing sources (uses)	<u>4,876</u>	<u>1,885</u>	<u>(1,008)</u>	<u>5,753</u>
Net change in fund balance	184	27	1,000	1,211
Fund balance, July 1	<u>10</u>	<u>208</u>	<u>-</u>	<u>218</u>
Fund balance, June 30	<u>\$ 194</u>	<u>\$ 235</u>	<u>\$ 1,000</u>	<u>\$ 1,429</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, 2006
(amounts expressed in thousands)

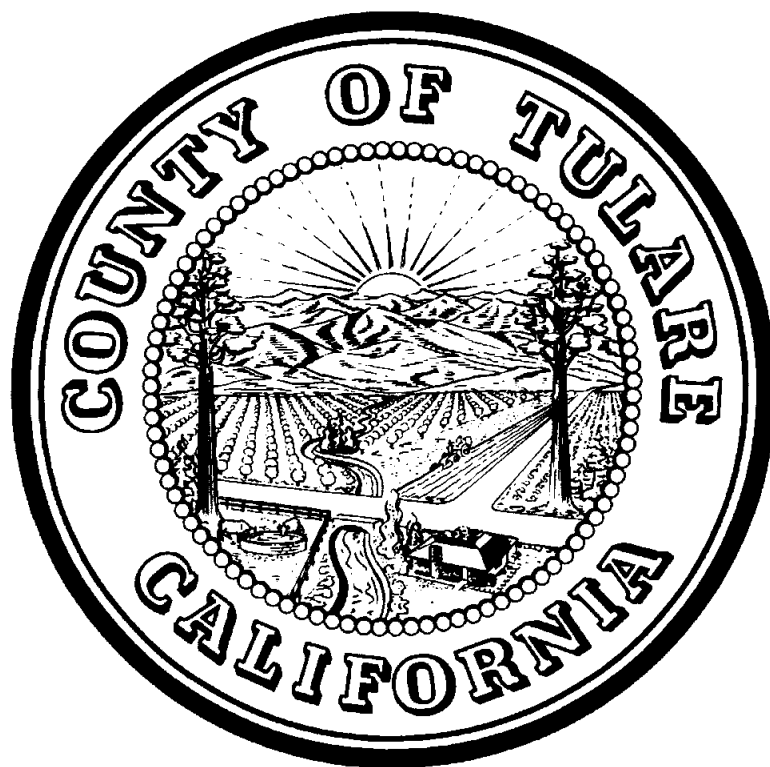
	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ 17	\$ 17
Intergovernmental revenues	-	-	-	326	326
Other revenues	5,025	5,025	-	-	(5,025)
Total revenues	5,025	5,025	-	343	(4,682)
Expenditures:					
Debt service:					
Principal retirement	2,860	2,860	-	2,860	-
Interest and fiscal charges	2,176	2,176	-	2,175	1
Total expenditures	5,036	5,036	-	5,035	1
Excess (deficiency) of revenues over (under) expenditures	(11)	(11)	-	(4,692)	(4,681)
Other financing sources (uses):					
Transfers in	-	-	-	4,876	4,876
Total other financing sources (uses)	-	-	-	4,876	4,876
Net change in fund balance	(11)	(11)	-	184	195
Fund balance, July 1	11	11	-	10	(1)
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 194	\$ 194

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, 2006
(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	\$ -	\$ -	\$ -	\$ 7	7
Other revenues	50	50	-	53	3
Total revenues	50	50	-	60	10
Expenditures:					
Debt service:					
Principal retirement	1,843	1,843	-	1,793	50
Interest and fiscal charges	125	125	-	125	-
Total expenditures	1,968	1,968	-	1,918	50
Excess (deficiency) of revenues over (under) expenditures	(1,918)	(1,918)	-	(1,858)	60
Other financing sources (uses):					
Transfers in	1,824	1,824	-	1,885	61
Total other financing sources (uses)	1,824	1,824	-	1,885	61
Net change in fund balance	(94)	(94)	-	27	121
Fund balance, July 1	208	208	-	208	-
Fund balance, June 30	\$ 114	\$ 114	\$ -	\$ 235	\$ 121

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, 2006
(amounts expressed in thousands)

	Original	Final	Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:					
Fines, forfeitures, and penalties	\$ 1,199	\$ 1,199	\$ -	\$ 1,923	\$ 724
Interest, rents, and concessions	714	714	-	96	(618)
Other revenues	114	114	-	-	(114)
Total revenues	<u>2,027</u>	<u>2,027</u>	<u>-</u>	<u>2,019</u>	<u>(8)</u>
Expenditures:					
Debt service:					
Principal retirement	6,570	6,570	-	-	6,570
Interest and fiscal charges	3,003	3,003	-	11	2,992
Total expenditures	<u>9,573</u>	<u>9,573</u>	<u>-</u>	<u>11</u>	<u>9,562</u>
Excess (deficiency) of revenues over (under) expenditures	(7,546)	(7,546)	-	2,008	9,554
Other financing sources (uses):					
Direct financing lease	-	-	-	114	114
Transfers in	7,545	7,545	-	7,027	(518)
Transfers (out)	-	-	-	(8,149)	(8,149)
Total other financing sources (uses)	<u>7,545</u>	<u>7,545</u>	<u>-</u>	<u>(1,008)</u>	<u>(8,553)</u>
Net change in fund balance	(1)	(1)	-	1,000	1,001
Fund balance, July 1	1	1	-	-	(1)
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 1,000</u>



Nonmajor Governmental Funds

Capital Projects Fund

Capital Projects Fund is 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, 2006
 (amounts expressed in thousands)

	Capital Projects
Assets	
Investment in treasury pool	\$ 6,843
Restricted assets	5,000
Total assets	<u>11,843</u>
Liabilities and fund balance	
Liabilities:	
Accounts payable	\$ 695
Salaries and benefits payable	5
Total liabilities	<u>700</u>
Fund balance:	
Reserved for:	
Harmon Field cleanup	5,000
Unreserved, reported in nonmajor:	
Capital projects fund	<u>6,143</u>
Total fund balance	<u>11,143</u>
Total liabilities and fund balance	<u>\$ 11,843</u>

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Capital Projects
Revenues:	
Interest, rents, and concessions	\$ 134
Other revenues	<u>1</u>
Total revenues	<u>135</u>
Expenditures:	
Current:	
General government	3,089
Capital outlay	<u>399</u>
Total expenditures	<u>3,488</u>
Excess (deficiency) of revenues over (under) expenditures	(3,353)
Other financing sources (uses):	
Transfers in	4,932
Transfers (out)	<u>(132)</u>
Total other financing sources (uses)	<u>4,800</u>
Net change in fund balance	1,447
Fund balance, July 1	<u>9,696</u>
Fund balance, June 30	<u>\$ 11,143</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, 2006
(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	\$ 3,340	\$ 3,340	\$ -	\$ 134	\$ (3,206)
Other revenues	5,961	5,961	-	1	(5,960)
Total revenues	9,301	9,301	-	135	(9,166)
Expenditures:					
Current:					
General government	436	437	(1)	3,089	(2,652)
Capital outlay	18,797	18,882	(85)	399	18,483
Total expenditures	19,233	19,319	(86)	3,488	15,831
Excess (deficiency) of revenues over (under) expenditures	(9,932)	(10,018)	(86)	(3,353)	6,665
Other financing sources (uses):					
Transfers in	5,619	5,666	47	4,932	(734)
Transfers (out)	(169)	(130)	(39)	(132)	(2)
Total other financing sources (uses)	5,450	5,536	8	4,800	(736)
Net change in fund balance	(4,482)	(4,482)	-	1,447	5,929
Fund balance, July 1	4,482	4,482	-	9,696	5,214
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 11,143	\$ 11,143



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

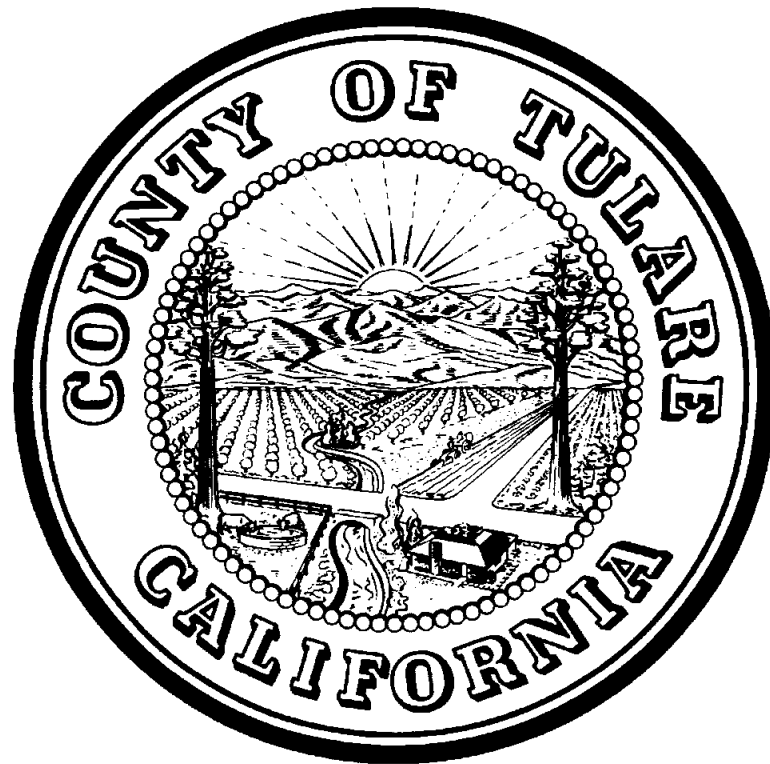
County Service Area Funds (#1 and #2) - These funds are used to account for the development, operation, and maintenance of clean and safe drinking water systems in rural communities of the County.

County of Tulare
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
June 30, 2006
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Assets						
Current assets:						
Cash in banks	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ 6
Investment in treasury pool	135	677	176	247	68	1,303
Imprest cash	-	-	-	-	-	-
Accounts receivable	1	11	-	55	7	74
Deposits with others	-	-	-	53	4	57
Total current assets	<u>136</u>	<u>694</u>	<u>176</u>	<u>355</u>	<u>79</u>	<u>1,440</u>
Noncurrent assets:						
Restricted assets	-	-	-	-	5	5
Capital assets:						
Land	-	68	-	503	41	612
Buildings and improvements, net	-	1,429	-	4,181	399	6,009
Equipment and vehicles, net	<u>401</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>426</u>
Total capital assets (net of accumulated depreciation)	<u>401</u>	<u>1,497</u>	<u>-</u>	<u>4,709</u>	<u>440</u>	<u>7,047</u>
Total noncurrent assets	<u>401</u>	<u>1,497</u>	<u>-</u>	<u>4,709</u>	<u>445</u>	<u>7,052</u>
Total assets	<u>537</u>	<u>2,191</u>	<u>176</u>	<u>5,064</u>	<u>524</u>	<u>8,492</u>
Liabilities						
Current liabilities:						
Accounts payable	22	24	1	22	1	70
Deposits from others	-	-	4	-	-	4
Interest payable	-	-	-	14	1	15
COP's payable	-	15	-	11	1	27
Total current liabilities	<u>22</u>	<u>39</u>	<u>5</u>	<u>47</u>	<u>3</u>	<u>116</u>
Noncurrent liabilities:						
Advances due to Agency funds	-	-	-	560	-	560
Bonds payable	-	-	-	8	-	8
COP's payable	-	865	-	622	44	1,531
Total noncurrent liabilities	<u>-</u>	<u>865</u>	<u>-</u>	<u>1,190</u>	<u>44</u>	<u>2,099</u>
Total liabilities	<u>22</u>	<u>904</u>	<u>5</u>	<u>1,237</u>	<u>47</u>	<u>2,215</u>
Net assets						
Invested in capital assets, net of related debt	401	617	-	4,068	395	5,481
Restricted	-	-	-	-	5	5
Unrestricted	114	670	171	(241)	77	791
Total net assets	<u>\$ 515</u>	<u>\$ 1,287</u>	<u>\$ 171</u>	<u>\$ 3,827</u>	<u>\$ 477</u>	<u>\$ 6,277</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, 2006
(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	\$ 139	\$ 30	\$ 364	\$ 49	\$ 692
Rents and concessions	-	2	-	2	-	4
Total operating revenues	<u>110</u>	<u>141</u>	<u>30</u>	<u>366</u>	<u>49</u>	<u>696</u>
Operating expenses:						
Services and supplies	929	124	16	331	43	1,443
Depreciation	<u>47</u>	<u>70</u>	<u>-</u>	<u>205</u>	<u>16</u>	<u>338</u>
Total operating expenses	<u>976</u>	<u>194</u>	<u>16</u>	<u>536</u>	<u>59</u>	<u>1,781</u>
Operating income (loss)	<u>(866)</u>	<u>(53)</u>	<u>14</u>	<u>(170)</u>	<u>(10)</u>	<u>(1,085)</u>
Nonoperating revenues (expenses):						
Taxes and special assessments	504	8	-	-	-	512
Investment earnings	10	17	1	8	2	38
Interest expense	<u>-</u>	<u>(40)</u>	<u>-</u>	<u>(49)</u>	<u>(2)</u>	<u>(91)</u>
Total nonoperating revenues (expenses)	<u>514</u>	<u>(15)</u>	<u>1</u>	<u>(41)</u>	<u>-</u>	<u>459</u>
Net income (loss) before contributions and transfers	<u>(352)</u>	<u>(68)</u>	<u>15</u>	<u>(211)</u>	<u>(10)</u>	<u>(626)</u>
Transfers in	3	-	-	-	-	3
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Change in net assets	<u>(349)</u>	<u>(68)</u>	<u>15</u>	<u>(211)</u>	<u>(10)</u>	<u>(623)</u>
Total net assets, July 1	<u>864</u>	<u>1,355</u>	<u>156</u>	<u>4,038</u>	<u>487</u>	<u>6,900</u>
Total net assets, June 30	<u>\$ 515</u>	<u>\$ 1,287</u>	<u>\$ 171</u>	<u>\$ 3,827</u>	<u>\$ 477</u>	<u>\$ 6,277</u>



County of Tulare
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 109	\$ 147	\$ 32	\$ 364	\$ 47	\$ 699
Receipts from rents and concessions	-	2	-	2	-	4
Payments to suppliers	(691)	(78)	(12)	(285)	(33)	(1,099)
Payments for interfund services used	(263)	(44)	(3)	(73)	(10)	(393)
Net cash provided (used) by operating activities	(845)	27	17	8	4	(789)
Cash flows from noncapital financing activities:						
Receipts from taxes and assessments	504	8	-	-	-	512
Transfers from other funds	3	-	22	-	-	25
Transfers (to) other funds	-	-	(22)	(5)	(1)	(28)
Advance from other funds	-	-	-	10	-	10
Net cash provided (used) by noncapital financing activities	507	8	-	5	(1)	519
Cash flows from capital and related financing activities:						
Principal paid on capital debt	-	(15)	-	(12)	-	(27)
Interest paid on capital debt	-	(40)	-	(51)	(2)	(93)
Net cash provided (used) by capital and related financing activities	-	(55)	-	(63)	(2)	(120)
Cash flows from investing activities:						
Interest and dividends received	10	17	1	8	2	38
Net cash provided (used) by investing activities	10	17	1	8	2	38
Net increase (decrease) in cash and cash equivalents	(328)	(3)	18	(42)	3	(352)
Cash and cash equivalents, July 1 (including \$ 5 for the County Service Area #2 reported in restricted accounts)	463	686	158	289	70	1,666
Cash and cash equivalents, June 30 (including \$ 5 for the County Service Area #2 reported in restricted accounts)	\$ 135	\$ 683	\$ 176	\$ 247	\$ 73	\$ 1,314

Displayed as:

Cash in banks	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ 6
Investment in treasury pool	135	677	176	247	68	1,303
Imprest cash	-	-	-	-	-	-
Restricted assets which are cash equivalents	-	-	-	-	5	5
Total cash as displayed	<u>\$ 135</u>	<u>\$ 683</u>	<u>\$ 176</u>	<u>\$ 247</u>	<u>\$ 73</u>	<u>\$ 1,314</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (866)	\$ (53)	\$ 14	\$ (170)	\$ (10)	\$ (1,085)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	47	70	-	205	16	338
(Increase) decrease in accounts receivable	(1)	8	1	-	-	8
(Increase) decrease in intergovernmental receivables	-	-	-	-	(2)	(2)
(Increase) decrease in customers deposits	-	-	2	-	-	2
Increase (decrease) in accounts payable	(25)	2	-	-	-	(23)
Increase (decrease) in amounts payable for equipment purchases	-	-	-	(27)	-	(27)
Total adjustments	<u>21</u>	<u>80</u>	<u>3</u>	<u>178</u>	<u>14</u>	<u>296</u>
Net cash provided (used) by operating activities	<u>\$ (845)</u>	<u>\$ 27</u>	<u>\$ 17</u>	<u>\$ 8</u>	<u>\$ 4</u>	<u>\$ (789)</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, 2006
(amounts expressed in thousands)

	Insurance Funds	Central Services	Total
Assets			
Current assets:			
Investment in treasury pool	\$ 20,719	\$ 8,388	\$ 29,107
Imprest cash	250	-	250
Accounts receivable, net	-	166	166
Due from other governments	-	35	35
Prepaid items	17	-	17
Total current assets	<u>20,986</u>	<u>8,589</u>	<u>29,575</u>
Noncurrent assets:			
Capital assets:			
Buildings and improvements, net	-	10,647	10,647
Equipment and vehicles, net	-	1,180	1,180
Construction in progress	-	976	976
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>12,803</u>	<u>12,803</u>
Total noncurrent assets	<u>-</u>	<u>12,803</u>	<u>12,803</u>
Total assets	<u>20,986</u>	<u>21,392</u>	<u>42,378</u>
Liabilities			
Current liabilities:			
Accounts payable	358	2,060	2,418
Salaries and benefits payable	-	259	259
Interest payable	-	279	279
Compensated absences payable	-	74	74
Claims payable	5,964	-	5,964
Loans payable	-	603	603
Capital lease payable	-	8	8
Total current liabilities	<u>6,322</u>	<u>3,283</u>	<u>9,605</u>
Noncurrent liabilities:			
Compensated absences payable	-	254	254
Claims payable	14,472	-	14,472
Loans payable	-	15,807	15,807
Capital lease payable	-	9	9
Total noncurrent liabilities	<u>14,472</u>	<u>16,070</u>	<u>30,542</u>
Total liabilities	<u>20,794</u>	<u>19,353</u>	<u>40,147</u>
Net assets			
Invested in capital assets, net of related debt	-	(3,607)	(3,607)
Restricted for other purposes	-	-	-
Unrestricted	192	5,646	5,838
Total net assets	<u>\$ 192</u>	<u>\$ 2,039</u>	<u>\$ 2,231</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, 2006
(amounts expressed in thousands)

	Insurance Funds	Central Services	Total
Operating revenues:			
Charges for services - internal	\$ 14,334	\$ 24,194	\$ 38,528
Rents and concessions	-	9	9
Other revenues	410	395	805
Total operating revenues	<u>14,744</u>	<u>24,598</u>	<u>39,342</u>
Operating expenses:			
Salaries and benefits	-	4,229	4,229
Services and supplies	2,800	22,224	25,024
Insurance premiums paid	2,283	-	2,283
Depreciation	-	518	518
Claims incurred	12,283	-	12,283
Total operating expenses	<u>17,366</u>	<u>26,971</u>	<u>44,337</u>
Operating income (loss)	<u>(2,622)</u>	<u>(2,373)</u>	<u>(4,995)</u>
Nonoperating revenues (expenses):			
Gain (loss) on sale of capital assets	-	(8)	(8)
Investment earnings	470	-	470
Interest expense	-	(527)	(527)
Total nonoperating revenues (expenses)	<u>470</u>	<u>(535)</u>	<u>(65)</u>
Income (loss) before contributions and transfers	<u>(2,152)</u>	<u>(2,908)</u>	<u>(5,060)</u>
Capital contributions	-	29	29
Transfers in	-	3,274	3,274
Transfers (out)	-	(110)	(110)
Change in net assets	<u>(2,152)</u>	<u>285</u>	<u>(1,867)</u>
Net assets, July 1	<u>2,344</u>	<u>1,754</u>	<u>4,098</u>
Net assets, June 30	<u>\$ 192</u>	<u>\$ 2,039</u>	<u>\$ 2,231</u>



County of Tulare
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Insurance Funds	Central Services	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 14,334	\$ 24,063	\$ 38,397
Receipts from rents and concessions	-	42	42
Other revenues	410	362	772
Payments to employees	-	(4,204)	(4,204)
Payments to suppliers	(4,062)	(18,435)	(22,497)
Payments for interfund services used	(920)	(2,820)	(3,740)
Payments for claims	(3,892)	-	(3,892)
Net cash provided (used) by operating activities	<u>5,870</u>	<u>(992)</u>	<u>4,878</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	62	3,563	3,625
Transfers (to) other funds	(17)	(615)	(632)
Net cash provided (used) by noncapital financing activities	<u>45</u>	<u>2,948</u>	<u>2,993</u>
Cash flows from capital and related financing activities:			
Proceeds from capital debt	-	7,084	7,084
Sales (purchases) of capital assets	-	(1,673)	(1,673)
Principal paid on capital debt	-	(585)	(585)
Interest paid on capital debt	-	(527)	(527)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>4,299</u>	<u>4,299</u>
Cash flows from investing activities:			
Interest and dividends received	470	-	470
Net cash provided by investing activities	<u>470</u>	<u>-</u>	<u>470</u>
Net increase (decrease) in cash and cash equivalents	6,385	6,255	12,640
Cash and cash equivalents, July 1	14,584	2,133	16,717
Cash and cash equivalents, June 30	<u>\$ 20,969</u>	<u>\$ 8,388</u>	<u>\$ 29,357</u>

Displayed as:

Investment in treasury pool	\$ 20,719	\$ 8,388	\$ 29,107
Imprest cash	250	-	250
Total displayed	<u>\$ 20,969</u>	<u>\$ 8,388</u>	<u>\$ 29,357</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (2,622)	\$ (2,373)	\$ (4,995)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	518	518
(Increase) decrease in intergovernmental receivables	-	(132)	(132)
Increase (decrease) in amounts payable to equipment purchases	101	969	1,070
Increase (decrease) in interest payable	-	26	26
Increase (decrease) in claims payable	8,391	-	8,391
Total adjustments	<u>8,492</u>	<u>1,381</u>	<u>9,873</u>
Net cash provided (used) by operating activities	<u>\$ 5,870</u>	<u>\$ (992)</u>	<u>\$ 4,878</u>

Noncash investing, capital, and financing activities:

Contributions of capital assets from government			\$ <u>29</u>
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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, 2006
(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
Assets							
Cash in banks	\$ 1,273	\$ -	\$ -	\$ -	\$ -	\$ 4,442	\$ 5,715
Investment in treasury pool	2,930	33	1,335	1,050	-	10,544	15,892
Advances to County funds	-	-	-	-	-	560	560
Total assets	<u>\$ 4,203</u>	<u>\$ 33</u>	<u>\$ 1,335</u>	<u>\$ 1,050</u>	<u>\$ -</u>	<u>\$ 15,546</u>	<u>\$ 22,167</u>
Liabilities							
Warrants payable	\$ 545	\$ -	\$ -	\$ 253	\$ -	\$ 738	\$ 1,536
Advances from County funds	-	-	-	-	-	600	600
Agency obligations	3,658	33	1,335	797	-	14,208	20,031
Total liabilities	<u>\$ 4,203</u>	<u>\$ 33</u>	<u>\$ 1,335</u>	<u>\$ 1,050</u>	<u>\$ -</u>	<u>\$ 15,546</u>	<u>\$ 22,167</u>

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Property Tax Collection and Apportionment Funds				
Assets				
Cash in banks	\$ 1,198	\$ 1,273	\$ (1,198)	\$ 1,273
Investment in treasury pool	1,862	394,008	(392,940)	2,930
Total assets	<u>\$ 3,060</u>	<u>\$ 395,281</u>	<u>\$ (394,138)</u>	<u>\$ 4,203</u>
Liabilities				
Warrants payable	\$ 254	\$ 86,695	\$ (86,404)	\$ 545
Due to County funds	-	66	(66)	-
Agency obligations	2,806	308,520	(307,668)	3,658
Total liabilities	<u>\$ 3,060</u>	<u>\$ 395,281</u>	<u>\$ (394,138)</u>	<u>\$ 4,203</u>
 State Fines Agency Fund				
Assets				
Investment in treasury pool	\$ 68	\$ 513	\$ (548)	\$ 33
Total assets	<u>\$ 68</u>	<u>\$ 513</u>	<u>\$ (548)</u>	<u>\$ 33</u>
Liabilities				
Agency obligations	\$ 68	\$ 513	\$ (548)	\$ 33
Total liabilities	<u>\$ 68</u>	<u>\$ 513</u>	<u>\$ (548)</u>	<u>\$ 33</u>

Cont.

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Transportation Tax Funds				
Assets				
Investment in treasury pool	\$ 1,200	\$ 12,194	\$ (12,059)	\$ 1,335
Total assets	<u>\$ 1,200</u>	<u>\$ 12,194</u>	<u>\$ (12,059)</u>	<u>\$ 1,335</u>
Liabilities				
Agency obligations	\$ 1,200	\$ 12,194	\$ (12,059)	\$ 1,335
Total liabilities	<u>\$ 1,200</u>	<u>\$ 12,194</u>	<u>\$ (12,059)</u>	<u>\$ 1,335</u>
Employee Health Benefits Fund				
Assets				
Investment in treasury pool	\$ 663	\$ 26,661	\$ (26,274)	\$ 1,050
Total assets	<u>\$ 663</u>	<u>\$ 26,661</u>	<u>\$ (26,274)</u>	<u>\$ 1,050</u>
Liabilities				
Warrants payable	\$ 200	\$ 5,678	\$ (5,625)	\$ 253
Agency obligations	463	20,983	(20,649)	797
Total liabilities	<u>\$ 663</u>	<u>\$ 26,661</u>	<u>\$ (26,274)</u>	<u>\$ 1,050</u>

Cont.

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Education Revenue Augmentation Fund				
Assets				
Investment in treasury pool	\$ -	\$ 66,195	\$ (66,195)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 66,195</u>	<u>\$ (66,195)</u>	<u>\$ -</u>
Liabilities				
Agency obligations	\$ -	\$ 66,195	\$ (66,195)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 66,195</u>	<u>\$ (66,195)</u>	<u>\$ -</u>
Other Agency Funds				
Assets				
Cash in banks	\$ 6,784	\$ 4,442	\$ (6,784)	\$ 4,442
Investment in treasury pool	7,761	23,281	(20,498)	10,544
Due from County funds	1	-	(1)	-
Advances to County funds	550	20	(10)	560
Total assets	<u>\$ 15,096</u>	<u>\$ 27,743</u>	<u>\$ (27,293)</u>	<u>\$ 15,546</u>
Liabilities				
Warrants payable	\$ 748	\$ 8,904	\$ (8,914)	\$ 738
Advances from County funds	590	20	(10)	600
Agency obligations	13,758	18,819	(18,369)	14,208
Total liabilities	<u>\$ 15,096</u>	<u>\$ 27,743</u>	<u>\$ (27,293)</u>	<u>\$ 15,546</u>

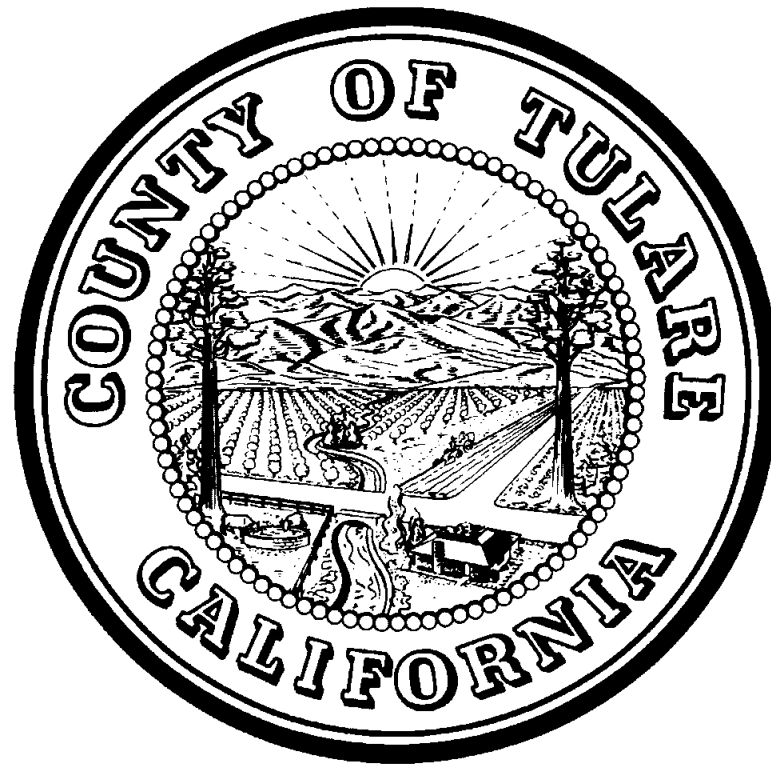
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Cont.

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
For the Fiscal Year Ended June 30, 2006
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Total Agency Funds				
Assets				
Cash in banks	\$ 7,982	\$ 5,715	\$ (7,982)	\$ 5,715
Investment in treasury pool	11,554	522,852	(518,514)	15,892
Due from County funds	1	-	(1)	-
Advances to County funds	550	20	(10)	560
Total assets	\$ 20,087	\$ 528,587	\$ (526,507)	\$ 22,167
Liabilities				
Warrants payable	\$ 1,202	\$ 101,277	\$ (100,943)	\$ 1,536
Due to County funds	-	66	(66)	-
Advances from County funds	590	20	(10)	600
Agency obligations	18,295	427,224	(425,488)	20,031
Total liabilities	\$ 20,087	\$ 528,587	\$ (526,507)	\$ 22,167

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, infrastructure, buildings and improvements, machinery and equipment, vehicles, infrastructure in progress, and construction in progress.

County of Tulare
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedule by Source
 June 30, 2006 and 2005
 (amounts expressed in thousands)

	2006	2005
Governmental funds capital assets:		
Land	\$ 941,247	\$ 959,051
Infrastructure	643,001	635,074
Buildings and improvements	164,041	163,695
Machinery and equipment	10,395	8,166
Vehicles	34,477	34,402
Construction in progress	1,184	1,254
Infrastructure in progress	7,170	6,680
Total governmental funds capital assets	\$ <u>1,801,515</u>	\$ <u>1,808,322</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 177,767	\$ 176,802
Federal revenue sharing fund	14,916	12,905
Special revenue funds	1,606,691	1,616,478
Capital projects funds	1,184	1,254
Redevelopment funds	428	354
Donations	529	529
Total investment in governmental funds capital assets by source	\$ <u>1,801,515</u>	\$ <u>1,808,322</u>

County of Tulare
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2006
 (amounts expressed in thousands)

Function and Activity	Land	Infrastructure	Buildings and Improvements	Machinery and Equipment	Vehicles	Total
General government:						
Administrative	\$ -	\$ -	\$ 25	\$ 10	\$ -	\$ 35
Finance	-	-	-	324	268	592
County Counsel	-	-	1,663	38	-	1,701
Personnel	-	-	25	-	-	25
Elections	-	-	-	1,481	-	1,481
Property management	299	-	2,762	14	144	3,219
Other general	2,154	-	720	55	196	3,125
Total general government	<u>2,453</u>	<u>-</u>	<u>5,195</u>	<u>1,922</u>	<u>608</u>	<u>10,178</u>
Public protection:						
Judicial	6	-	38,395	1,323	1,970	41,694
Sheriff	639	-	941	1,059	6,517	9,156
Other protection	-	-	103	318	511	932
Total public protection	<u>645</u>	<u>-</u>	<u>39,439</u>	<u>2,700</u>	<u>8,998</u>	<u>51,782</u>
Detention and correction:						
Detention	-	-	72,142	714	1,411	74,267
Fire	146	-	2,981	270	7,534	10,931
Inspection	210	-	4,685	98	1,421	6,414
Total detention and correction	<u>356</u>	<u>-</u>	<u>79,808</u>	<u>1,082</u>	<u>10,366</u>	<u>91,612</u>
Public ways and facilities	933,845	643,001	2,180	1,718	9,814	1,590,558
Public health	2,634	-	25,903	1,653	1,890	32,080
Public assistance	226	-	3,505	883	1,742	6,356
Education	122	-	3,527	95	627	4,371
Recreation and cultural services	966	-	4,484	342	432	6,224
	<u>937,793</u>	<u>643,001</u>	<u>39,599</u>	<u>4,691</u>	<u>14,505</u>	<u>1,639,589</u>
Total governmental funds capital assets	\$ <u>941,247</u>	\$ <u>643,001</u>	\$ <u>164,041</u>	\$ <u>10,395</u>	\$ <u>34,477</u>	<u>1,793,161</u>
Construction in progress	\$ -	\$ -	\$ 1,184	\$ -	\$ -	1,184
Infrastructure projects in progress	-	7,170	-	-	-	7,170
						<u>\$ 1,801,515</u>

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, 2006
 (amounts expressed in thousands)

Function and Activity	Governmental Fund Capital Assets July 1	Additions	Deletions	Transfers and Adjustments	Governmental Fund Capital Assets June 30
General government:					
Administrative	\$ 35	\$ -	\$ -	\$ -	\$ 35
Finance	589	-	(29)	32	592
County Counsel	1,690	-	-	11	1,701
Personnel	25	-	-	-	25
Elections	557	924	-	-	1,481
Property management	3,130	111	-	(22)	3,219
Other general	6,718	2	(725)	(2,870)	3,125
Total general government	12,744	1,037	(754)	(2,849)	10,178
Public protection:					
Judicial	41,276	405	(193)	206	41,694
Sheriff	7,005	873	(159)	1,437	9,156
Other protection	757	76	(37)	136	932
Total public protection	49,038	1,354	(389)	1,779	51,782
Detention and correction:					
Detention	73,668	259	(93)	433	74,267
Fire	10,869	293	-	(231)	10,931
Inspection	5,886	305	(40)	263	6,414
Total detention and correction	90,423	857	(133)	465	91,612
Public ways and facilities	1,600,056	8,182	(18,165)	485	1,590,558
Public health	31,657	409	(78)	92	32,080
Public assistance	6,232	397	(15)	(258)	6,356
Education	4,299	92	(15)	(5)	4,371
Recreation and cultural services	5,939	354	(159)	90	6,224
	1,648,183	9,434	(18,432)	404	1,639,589
Construction/ projects in progress	1,254	597	(688)	21	1,184
Infrastructure projects in progress	6,680	1,332	(842)	-	7,170
Total governmental funds capital assets	\$ 1,808,322	\$ 14,611	\$ (21,238)	\$ (180)	\$ 1,801,515



STATISTICAL SECTION (UNAUDITED)

Table 1

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

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Governmental activities					
Invested in capital assets, net of related debt	\$ 77,558 *	\$ 83,862 *	\$ 1,461,647 **	\$ 1,450,065	\$ 1,425,580
Restricted	75,598 *	45,532	41,803	40,051	44,553
Unrestricted	(21,431)	16,373	31,685	35,459	43,721
Total governmental activities net assets	\$ <u>131,725</u>	\$ <u>145,767</u>	\$ <u>1,535,135</u> **	\$ <u>1,525,575</u>	\$ <u>1,513,854</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 16,998	\$ 16,386	\$ 19,396	\$ 20,010	\$ 20,322
Restricted	5,005	5,005	5,005	5,005	5,005
Unrestricted	32,851	33,580	25,613	24,886	22,914
Total business-type activities net assets	\$ <u>54,854</u>	\$ <u>54,971</u>	\$ <u>50,014</u>	\$ <u>49,901</u>	\$ <u>48,241</u>
Primary government					
Invested in capital assets, net of related debt	\$ 94,556 *	\$ 100,248 *	\$ 1,481,043 **	\$ 1,470,075	\$ 1,445,902
Restricted	80,603 *	50,537	46,808	45,056	49,558
Unrestricted	11,420	49,953	57,298	60,345	66,635
Total primary government net assets	\$ <u>186,579</u>	\$ <u>200,738</u>	\$ <u>1,585,149</u> **	\$ <u>1,575,476</u>	\$ <u>1,562,095</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 Five Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Expenses					
Governmental activities:					
General government	\$ 25,529	\$ 37,912	\$ 32,816	\$ 25,312	\$ 44,550
Public protection	132,758	130,282	145,513	148,459	155,626
Public ways and facilities	18,321	18,699	19,411	35,404	26,701
Health and sanitation	82,382	87,856	86,955	99,669	104,035
Public assistance	201,975	202,308	202,481	215,275	225,735
Education	3,380	3,481	3,356	3,384	3,241
Culture and recreation	1,661	1,839	1,949	1,631	1,468
Unallocated depreciation	571	627	589	589	589
Unallocated interest expense	9,933	9,023	8,220	8,642	9,713
Total governmental activities expenses	<u>476,510</u>	<u>492,027</u>	<u>501,290</u>	<u>538,365</u>	<u>571,658</u>
Business-type activities:					
Solid Waste	8,980	10,361	12,967	10,249	12,004
Other business-type activities	1,543	1,873	1,839	1,708	1,872
Total business-type activities expenses	<u>10,523</u>	<u>12,234</u>	<u>14,806</u>	<u>11,957</u>	<u>13,876</u>
Total primary government expenses	<u>\$ 487,033</u>	<u>\$ 504,261</u>	<u>\$ 516,096</u>	<u>\$ 550,322</u>	<u>\$ 585,534</u>
 Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 23,524	\$ 28,653	\$ 31,895	\$ 28,181	\$ 21,838
Public protection	17,812	24,314	19,635	22,015	22,179
Public ways and facilities	1,335	1,636	1,109	1,468	2,783
Health and sanitation	25,943	9,998	11,365	12,430	11,653
Public assistance	2,835	21,147	25,499	29,244	26,348
Education	143	227	112	245	289
Culture and recreation	347	710	1,012	1,101	848
Operating grants and contributions	358,518	353,679	355,940	349,248	371,869
Total governmental activities program revenues	<u>430,457</u>	<u>440,364</u>	<u>446,567</u>	<u>443,932</u>	<u>457,807</u>
Business-type activities:					
Charges for services:					
Solid Waste	8,462	8,886	8,878	9,053	9,705
Other business-type activities	682	642	631	670	696
Operating grants and contributions	-	135	40	373	42
Total business-type activities program revenues	<u>9,144</u>	<u>9,663</u>	<u>9,549</u>	<u>10,096</u>	<u>10,443</u>
Total primary government program revenues	<u>\$ 439,601</u>	<u>\$ 450,027</u>	<u>\$ 456,116</u>	<u>\$ 454,028</u>	<u>\$ 468,250</u>

	Fiscal Year				
	2001-02	2002-03	2003-04	2004-05	2005-06
Net (expense)/revenue					
Governmental activities	\$ (46,053)	\$ (51,663)	\$ (54,723)	\$ (94,433)	\$ (113,851)
Business-type activities	(1,379)	(2,571)	(5,257)	(1,861)	(3,433)
Total primary government net expense	\$ <u>(47,432)</u>	\$ <u>(54,234)</u>	\$ <u>(59,980)</u>	\$ <u>(96,294)</u>	\$ <u>(117,284)</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes	\$ 34,981	\$ 37,394	\$ 40,342	\$ 66,738	\$ 78,583
Sales and other taxes	7,231	6,694	7,632	8,032	12,311
Earnings on investments	7,462	6,710	2,880	5,402	7,034
Miscellaneous	1,256	-	5,321	-	-
Tobacco settlement revenues	4,447	4,636	5,929	4,010	3,651
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>	<u>101,579</u>
Business-type activities:					
Sales and other taxes	294	815	658	855	512
Earnings on investments	3,948	2,550	503	1,555	1,651
Gain on sale of fixed assets	5	-	31	-	161
Total business-type activities	<u>4,247</u>	<u>3,365</u>	<u>1,192</u>	<u>2,410</u>	<u>2,324</u>
Total primary government	\$ <u>59,624</u>	\$ <u>58,799</u>	\$ <u>63,359</u>	\$ <u>86,621</u>	\$ <u>103,903</u>
Change in Net Assets					
Governmental activities	\$ 9,324	\$ 3,771	\$ 7,444	\$ (10,222)	\$ (12,272)
Business-type activities	2,868	794	(4,065)	549	(1,109)
Total primary government	\$ <u>12,192</u>	\$ <u>4,565</u>	\$ <u>3,379</u>	\$ <u>(9,673)</u>	\$ <u>(13,381)</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									
	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
General Fund										
Reserved	\$ 1,603	\$ 2,114	\$ 2,583	\$ 2,000	\$ 1,704	\$ 2,995	\$ 4,247	\$ 19,030	\$ 27,300	\$ 16,899
Unreserved	41,235	36,156	29,987	26,324	30,198	27,800	32,932	17,124	15,147	31,653
Total General Fund	<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>	<u>\$ 48,552</u>
 All other governmental funds										
Reserved	\$ 16,692	\$ 14,771	\$ 16,760	\$ 57,021	\$ 61,855	\$ 64,772	\$ 64,257	\$ 67,015	\$ 68,720	\$ 66,913
Unreserved, reported in:										
Special revenue funds	7,753	7,884	7,274	7,442	12,972	13,550	13,328	11,678	7,891	12,220
Capital projects funds	34,931	20,853	5,665	2,805	2,723	3,377	4,919	3,926	4,696	6,143
Total all other governmental funds	<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>	<u>\$ 85,276</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									
	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Revenues										
Taxes and special assessments	\$ 66,898	\$ 45,705	\$ 43,098	\$ 41,123	\$ 42,599	\$ 45,113	\$ 46,500	\$ 50,450	\$ 78,982	\$ 94,401
Licenses and permits	5,157	5,474	5,836	5,561	6,096	6,843	6,920	7,214	8,550	8,480
Fines, forfeitures, and penalties	2,996	5,544	6,725	7,138	5,234	6,528	14,029	7,968	8,124	8,764
Interest, rents, and concessions	7,413	6,784	5,417	4,780	9,235	7,109	6,163	2,979	5,294	7,146
Intergovernmental revenues	243,944	267,658	277,867	304,807	335,763	355,617	349,650	350,762	346,736	368,768
Charges for services	33,572	47,944	57,920	55,851	59,415	52,025	53,662	57,450	64,196	61,772
Other revenues	7,386	6,978	10,229	5,298	9,547	9,890	10,970	10,484	12,034	11,492
Total revenues	<u>367,366</u>	<u>386,087</u>	<u>407,092</u>	<u>424,558</u>	<u>467,889</u>	<u>483,125</u>	<u>487,894</u>	<u>487,307</u>	<u>523,916</u>	<u>560,823</u>
Expenditures										
General government	25,836	21,394	19,275	16,241	12,257	22,224	23,609	23,164	17,575	17,549
Public protection	87,755	95,716	112,997	121,120	136,160	127,337	123,937	139,512	144,136	153,259
Public ways and facilities	13,579	13,780	15,172	14,868	19,617	20,229	17,958	18,764	14,086	9,890
Health and sanitation	53,131	67,732	61,646	66,650	76,596	80,812	86,567	86,165	98,477	103,075
Public assistance	173,347	158,622	175,251	177,934	191,993	200,765	201,211	201,839	213,979	224,438
Education	2,522	2,623	2,728	3,473	3,439	3,129	3,200	3,370	3,462	3,289
Culture and recreation	1,331	1,505	1,390	1,448	1,507	1,578	1,759	1,831	1,524	1,323
Capital outlay	24,741	28,421	27,447	6,815	3,687	4,604	6,419	4,018	7,630	14,611
Debt service										
Principal	2,704	12,830	14,502	16,603	12,388	11,427	11,101	11,259	11,443	11,936
Interest and fiscal charges	6,680	10,645	9,541	10,228	10,524	10,040	8,413	7,926	8,388	9,421
Total expenditures	<u>391,626</u>	<u>413,268</u>	<u>439,949</u>	<u>435,380</u>	<u>468,168</u>	<u>482,145</u>	<u>484,174</u>	<u>497,848</u>	<u>520,700</u>	<u>548,791</u>
Excess of revenues over (under) expenditures	(24,260)	(27,181)	(32,857)	(10,822)	(279)	980	3,720	(10,541)	3,216	12,032
Other financing sources (uses)										
Sale of general capital assets	-	-	-	199	1,082	367	251	177	148	497
Capital lease proceeds	-	-	-	-	-	-	394	30	-	44
Direct financing lease	-	-	-	-	-	-	-	101	105	114
Loan proceeds	2,619	3,030	5,200	2,500	1,530	1,053	2,147	2,906	1,775	-
Transfers in	53,538	69,200	85,468	83,146	92,258	98,306	97,791	101,557	102,141	116,185
Transfers (out)	(53,094)	(66,808)	(85,362)	(83,146)	(91,609)	(97,664)	(97,114)	(100,461)	(102,404)	(118,798)
Total other financing sources (uses)	<u>60,307</u>	<u>5,422</u>	<u>5,522</u>	<u>52,637</u>	<u>3,261</u>	<u>2,062</u>	<u>3,469</u>	<u>9,631</u>	<u>1,765</u>	<u>(1,958)</u>
Net change in fund balances	<u>\$ 36,047</u>	<u>\$ (21,759)</u>	<u>\$ (27,335)</u>	<u>\$ 41,815</u>	<u>\$ 2,982</u>	<u>\$ 3,042</u>	<u>\$ 7,189</u>	<u>\$ (910)</u>	<u>\$ 4,981</u>	<u>\$ 10,074</u>
Debt service as a percentage of noncapital expenditures	2.56%	6.10%	5.83%	6.26%	4.93%	4.50%	4.08%	3.88%	3.87%	4.00%

Table 5

County of Tulare
 General Governmental Tax Revenues By Source - Table
 Last Nine 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
2005 - 06	78,579	12,122	1,069	2,407	42	182	-	94,401
Percentage Growth Earliest to Current	166.6%	-18.3%	82.4%	277.9%	0.0%	32.8%	0.0%	106.5%

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
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
2005-06	19,714,530	1,174,747	20,889,277

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

	1997	1998	1999	2000	2001	2002	2003	2004	2004	2006
County Wide Rates										
General	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School District Rates										
Allensworth Elementary	0.061	0.030	0.056	0.051	0.051	0.050	0.043	0.041	0.044	0.044
Alta Vista Elementary	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	0.003
Burton Elementary	0.007	0.068	0.063	-	-	-	-	-	-	-
Burton Elementary 2002	-	-	-	-	-	-	-	0.030	0.022	0.023
Cutler-Orosi Unified	0.001	-	-	-	-	-	-	-	-	-
Cutler-Orosi Unified 2004	-	-	-	-	-	-	-	-	0.060	0.060
Delano Joint High (A, B , & C)	-	-	-	-	0.053	0.053	0.159	0.090	0.097	0.097
Dinuba Unified	-	-	-	-	-	-	-	0.051	0.055	0.074
Earlimart Elementary	0.090	0.060	0.050	0.054	0.051	0.041	0.045	0.050	0.048	0.039
Exeter High	-	-	-	-	-	0.028	0.031	0.037	0.038	0.034
Farmersville Elementary	0.100	0.052	0.077	-	-	-	-	-	-	-
Farmersville Unified 1992A	0.193	0.153	0.132	0.094	0.100	0.105	0.073	0.091	0.091	0.079
Farmersville Unified 1992B	-	-	-	-	-	0.055	0.089	0.079	0.057	0.054
Hanford Joint High - Series A	-	-	-	-	0.023	0.027	0.018	0.018	0.014	0.016
Hanford Joint High - Series B	-	-	-	-	-	-	0.014	0.012	0.014	0.017
Hanford Joint High - Series C	-	-	-	-	-	-	-	-	0.005	0.006
Kern Community College SFID 2002	-	-	-	-	-	-	-	0.012	0.009	0.010
Kings Canyon Joint Unified	-	-	-	-	-	-	0.043	0.051	0.058	0.035
Kingsburg Joint Elementary 1991	-	-	-	-	0.020	0.012	0.014	0.018	0.020	0.003
Kingsburg Joint Elementary 2004	-	-	-	-	-	-	-	-	0.045	0.011
Kingsburg Joint High	-	-	-	-	0.052	0.065	0.054	0.050	0.050	0.059
Liberty Elementary	-	-	-	-	-	0.083	0.074	0.090	0.084	0.057
Lindsay Unified	-	-	-	-	-	-	0.044	0.052	0.060	0.060
Linns Valley Poso-Flat Joint Elementary	-	-	-	-	-	-	-	0.019	0.026	0.025
Porterville Elementary	-	-	-	-	-	-	-	-	-	-
Porterville SFID 2002A	-	-	-	-	-	-	-	0.055	0.056	0.052

Porterville SFID 2002B	-	-	-	-	-	-	-	-	-	0.008
Richgrove Elementary	0.057	0.047	0.060	0.049	0.042	0.046	0.045	0.036	0.051	0.043
State Center Comm. College SFID 2002	-	-	-	-	-	-	-	0.016	0.014	0.001
State Center Comm. College SFID 2004A	-	-	-	-	-	-	-	-	-	0.005
Strathmore High	-	-	-	-	-	-	0.085	0.078	0.086	0.070
Sundale Elementary	-	-	0.082	0.072	0.062	0.041	0.046	0.043	0.040	0.039
Three Rivers Elementary	0.004	0.004	0.002	-	-	-	-	-	-	-
Traver Elementary 2004M	-	-	-	-	-	-	-	-	0.028	0.029
Traver Elementary 2004N	-	-	-	-	-	-	-	-	-	0.028
Tulare High 2004A	-	-	-	-	-	-	-	-	0.053	0.048
Tulare High 2004B	-	-	-	-	-	-	-	-	-	0.012
Visalia Unified	0.001	-	-	-	-	-	-	-	-	-
Visalia Unified 1999A	-	-	-	0.068	0.045	0.039	0.031	0.030	0.021	0.011
Visalia Unified 1999B	-	-	-	-	0.023	0.023	0.017	0.013	0.018	0.021
Visalia Unified 1999C	-	-	-	-	-	-	0.022	0.021	0.011	0.010
Woodlake Elementary	-	-	0.087	0.070	0.079	0.053	0.054	0.051	0.049	0.046
Woodlake High	-	-	0.063	0.058	0.057	0.044	0.038	0.037	0.037	0.034
Special District Rates										
Kaweah Delta Healthcare District	-	-	-	-	-	-	-	-	0.040	0.040
Kaweah Delta Water Conservation	0.001	0.001	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001
Lindsay Hospital	-	-	-	-	-	-	-	-	-	-
Patterson Tract CSD	0.029	0.047	0.046	0.029	0.024	0.024	0.000	-	-	-
Tulare County Pest Control	-	5.000	3.658	0.000	0.000	0.000	0.000	0.000	1.250	1.250 *
South Tulare County Citrus Pest	13.887	13.656	13.656	13.656	12.680	12.680	12.320	11.423	11.423	11.423 *
Woodville Public Utility	0.040	0.037	0.036	0.031	0.031	0.036	0.038	0.036	0.029	0.025

* Trees Per Acres

Note 1: All tax rates are levied and collected upon each \$100.00 valuation of net assessed valuation of taxable property, as assessed by the County Assessor, except for Kaweah Delta Water Conservation District (KDW) and Citrus Pest Control District tax rates. KDW tax rates are levied and collected upon each \$100.00 valuation of land and improvement assessed valuation of taxable property. Citrus Pest Control District tax rates are levied and collected upon each 100 trees per acre valuation as assigned by the County Assessor.

Note 2: The County Wide tax rate is distributed to tax revenue districts according to California State law, specifically AB8. This includes the County of Tulare, Library Fund, Fire Fund, all cities, all schools, and special districts that set tax rates prior to Proposition 13.

Table 8

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

2005/2006				1996/1997			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Land O' Lakes, Inc/Cheese & Protein Intl, LLC	\$ 285,233,530	1	1.37%	Southern California Edison Company	\$ 237,913,965	1	1.76%
Southern California Edison Company	254,990,561	2	1.22%	Pacific Bell Telephone Co	135,354,875	2	1.00%
Kraft Foods Inc	94,143,974	3	0.45%	Oscar Mayer Food Corp	107,335,155	3	0.79%
Wal-Mart Stores Inc	93,834,724	4	0.45%	Dairyman's Cooperative Creamery Association	91,267,286	4	0.67%
SBC California	67,894,966	5	0.33%	Recot, Inc	87,390,809	5	0.65%
Southern California Gas Company	67,611,393	6	0.32%	Southern California Gas Company	78,775,840	6	0.58%
California Milk Producers	65,084,305	7	0.31%	Wal-Mart Stores Inc	75,583,284	7	0.56%
Best Buy Stores, LP	60,512,959	8	0.29%	Pacific Gas and Electric	52,080,666	8	0.39%
Ruiz Foods Products Inc	51,568,936	9	0.25%	Haagen-Dazs	47,396,943	9	0.35%
Visalia Mall LP (Price Development)	44,506,331	10	0.21%	Zaninovich	38,721,955	10	0.29%
Total				Total			
	<u>\$ 1,085,381,679</u>		<u>5.20%</u>		<u>\$ 951,820,778</u>		<u>7.04%</u>

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	
			Percentage			Percentage
		Amount	of Levy		Amount	of Levy
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%
2006	202,601	195,336	96.41%	5,666	201,002	99.21%

*Collections in Subsequent Years represents monies collected for all previous years excluding the current fiscal year.

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	Leases	Certificates of Participation	Bonds			
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
2006	50,300	42,800	28,495	-	20,954	68	1,558	8	144,183	1.59%	351

Table 11

County of Tulare
 Computation of Direct and Overlapping Debt
 June 30, 2006
 (dollar values expressed in thousands)

Jurisdiction	Outstanding Debt	Percentage Applicable to the County of Tulare	Amount Applicable to the County of Tulare
Special Districts	\$ 56,329	100%	\$ 56,329
School Districts	136,301	100%	136,301
County of Tulare	144,183	100%	144,183
Total	\$ 336,813		\$ 336,813

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.

County of Tulare
Legal Debt Margin Information
Last Ten Fiscal Years
(amounts expressed in thousands)

Legal Debt Margin Calculation for Fiscal Year 2005-06

Net Assessed Value	\$ 23,711,083
Debt Limit - 1.25 Percent of Taxable Property (A)	296,389
Amount of Debt Applicable to Debt Limit (B)	-
Legal Debt Margin (C)	296,389

	Fiscal Year									
	<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Debt limit	\$ 169,033	\$ 175,997	\$ 182,052	\$ 188,700	\$ 196,849	\$ 203,716	\$ 214,435	\$ 237,711	\$ 260,486	\$ 296,389
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 169,033</u>	<u>\$ 175,997</u>	<u>\$ 182,052</u>	<u>\$ 188,700</u>	<u>\$ 196,849</u>	<u>\$ 203,716</u>	<u>\$ 214,435</u>	<u>\$ 237,711</u>	<u>\$ 260,486</u>	<u>\$ 296,389</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

- (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 6/30/06 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)
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	14.0%
2001-02	383,100	20,159	7,723	29	86,952	14.0%
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	9.0%
2005-06	410,874	22,082 (5)	9,073 (5)	29	93,424	7.9%

(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
Current Year and Nine Years Ago

Principal Employers 2006

Principal Employers 1997*

Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,573	1	2.79%	County of Tulare	3,752	1	2.29%
Porterville Development Center	2,014	2	1.23%	*Porterville Development Center	1,700	2	1.04%
Kaweah Delta Healthcare District	2,000	3	1.22%	WalMart Distribution Center	1,350	3	0.82%
Ruiz Food Products	1,800	4	1.10%	Ruiz Food Products	1,100	4	0.67%
WalMart Distribution Center	1,692	5	1.03%	Jostens	980	5	0.60%
College of The Sequoias	1,160	6	0.71%	Dairyman's Cooperative	650	6	0.40%
CIGNA HealthCare	900	7	0.55%	CIGNA HealthCare	500	7	0.30%
Sierra View District Hospital	724	8	0.44%	Monrovia Nursery	420	8	0.26%
Jostens	720	9	0.44%	Kraft Foods	400	9	0.24%
Land O' Lakes	600	10	0.37%	USDA Cotton	350	10	0.21%

Source: Tulare County Economic Development Corporation

*Top Ten Employers for 1997 included Kaweah Delta Healthcare District, College of Sequoias and Sierra View Hospital; these entities were unable to provide employment data.

*Estimate from Porterville Development Center Human Resources Division unable to provide actual figure.

Table 15

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

Function	Allocated Positions as of June 30									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Administration	31	34	35	36	38	42	40	42	45	48
Retirement	6	6	7	7	7	-	-	-	-	-
County Counsel	29	30	31	35	40	40	37	37	38	39
Risk Management	3	3	5	4	4	4	4	5	8	8
Elections	8	8	8	8	8	7	7	7	7	7
Finance	122	128	118	118	122	127	122	123	126	130
Purchasing	5	5	6	7	7	7	6	5	5	5
Planning and Development	48	48	49	59	60	50	50	58	61	64
Other General	124	85	80	85	153	170	166	160	163	165
Public Protection										
Child Support Services	193	188	189	216	315	311	316	316	269	269
District Attorney	185	143	151	153	176	175	188	169	178	165
Fire Protection	21	19	19	21	21	23	23	23	24	20
Probation	240	235	277	282	354	304	313	300	302	309
Public Defender	59	57	60	61	62	66	66	66	69	71
Sheriff / Coroner	511	514	614	669	773	839	654	650	662	710
Trial Courts	179	172	164	178	199	-	-	-	-	-
Other Protection	55	55	55	54	58	57	53	57	57	57
Public Ways and Facilities	155	155	149	147	133	133	133	132	133	133
Health and Sanitation	682	403	504	603	630	624	618	544	581	625
Public Assistance	987	1,189	1,149	1,185	1,559	1,621	1,454	1,538	1,618	1,623
Education	44	44	44	45	52	52	37	38	38	38
Culture and Recreation	21	21	21	23	15	19	19	15	15	15
Solid Waste Management	63	63	66	68	72	72	72	72	72	72
Total Number of Employpess by Function	3,771	3,605	3,801	4,064	4,858	4,743	4,378	4,357	4,471	4,573
*Total Gross Salaries by Fiscal Year	\$ -	\$ -	\$ -	\$133,189	\$138,547	\$142,713	\$150,544	\$152,349	\$156,554	\$162,093

*Gross Salaries Rounded to Thousands

Table 16

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
PUBLIC PROTECTION										
Child Support Services										
Number of Caseloads	-	-	-	-	-	-	38,800	37,298	36,712	35,687
Number of Orders established	-	-	-	-	-	-	2,516	1,951	2,009	2,085
Distributed Collections	\$ -	\$ -	\$ -	\$ -	\$ 36,136,482	\$ 37,608,967	\$ 39,459,603	\$ 40,480,568	\$ 39,825,831	\$ 40,639,624
District Attorney										
Number of Adult Felony Cases Processed (Reviewed and Evaluated)	-	-	-	-	-	5,795	4,770	6,195	6,444	7,131
Number of Adult Felony Cases Filed	-	-	-	-	-	3,772	4,341	4,282	4,474	4,960
Number of Adult Misdemeanors Cases Processed (Reviewed and Evaluated)	-	-	-	-	-	13,357	11,388	13,815	15,309	15,571
Number of Adult Misdemeanors Cases Filed	-	-	-	-	-	10,438	10,768	12,828	12,437	12,747
Total Juvenile Felony & Misdemeanors Cases Processed	-	-	-	-	-	2,715	2,766	3,079	3,556	14,893
Number of Juvenile Misdemeanors Cases Filed	-	-	-	-	-	1,303	1,823	1,355	1,390	1,196
Number of Juvenile Felony Cases Filed	-	-	-	-	-	752	943	866	1,268	754
Total Cases Tried (Excluded Juvenile Trials)	-	-	-	-	-	222	170	216	186	196
Total Number of Estates Opened	-	23	37	40	45	27	31	9	28	28
Total Number of Estates Closed	-	10	30	36	50	29	15	22	7	7
Total Amount of Fees Collected	\$ -	\$ 9,131	\$ 17,495	\$ 25,544	\$ 42,808	\$ 45,533	\$ 12,021	\$ 36,307	\$ 89,447	\$ 89,447
Total Amount of Bond Fees	\$ -	\$ 234	\$ 817	\$ 1,289	\$ 1,634	\$ 2,957	\$ 708	\$ 1,635	\$ 2,040	\$ 2,041
Fire Protection										
Number of Fires	-	2,180	1,968	2,223	2,066	2,138	2,227	2,285	2,492	2,383
Medical Aids	-	6,251	6,170	6,262	6,616	6,965	7,353	7,673	8,298	8,330
Assist other Agencies	-	678	689	647	741	802	1,025	1,413	1,534	1,622
Public Defender										
Felony New Cases Opened	-	3,296	3,507	3,345	3,785	4,204	4,763	4,957	5,066	6,074
Misdemeanor New Cases Opened	-	6,360	5,255	4,935	5,284	6,113	6,276	6,340	6,055	6,457
Juvenile Delinquency New Cases Opened	-	2,938	1,828	2,522	2,451	2,425	2,526	2,304	2,629	2,451
Sheriff/Coroner										
Homicide	-	12	11	10	10	12	12	11	9	-
Rape	-	42	31	42	37	29	36	33	28	30
Robbery	-	81	81	53	73	68	75	68	68	86
Aggravated Assault	-	525	505	-	-	308	450	518	470	-
Burglary	-	1,197	1,055	845	975	999	1,141	1,045	1,219	1,328
Larceny Theft	-	1,901	1,833	1,540	1,924	1,686	1,668	2,066	2,071	2,117
Warrants Processed	-	16,015	13,196	11,401	13,642	14,761	18,054	19,336	19,916	22,743
Jail Population-Admissions	-	21,134	22,246	18,951	19,868	19,561	20,689	20,394	20,943	22,675
Other Protection - Auto Theft										
Number of Vehicles Recovered	-	-	-	-	-	76	81	32	92	73
Total Value of Recovered Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,014,915	\$ 1,003,500	\$ 300,000	\$ 960,500	\$ 508,000

Table 16

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Other Protection - Environmental Health										
Small Water System Inspections	395	381	345	169	329	237	336	221	280	240
Food Facility Inspections	3,076	3,080	2,082	605	1,975	1,822	1,175	1,402	1,647	1,620
Swimming Pool Inspections	448	521	377	145	366	321	61	108	113	134
Dairy Inspections	989	938	1,058	954	956	906	971	996	999	1,014
Hazardous Materials Inspections	-	-	-	-	-	203	94	272	247	308
Hazardous Waste Inspections	-	-	-	-	-	102	53	133	139	156
Underground Tank Inspections	-	-	-	-	-	273	249	270	255	277
Animal Control Field Calls	-	-	-	-	-	3,356	4,919	5,258	5,246	4,899
Rabies Investigations	-	-	-	150	155	134	124	123	143	105
Animal Control Intake	-	-	-	-	-	6,967	8,245	8,031	8,453	8,829
Solid Waste Inspections	-	-	-	-	-	262	296	282	275	277
Liquid Waste Inspections	-	-	-	-	-	37	68	44	51	54
Tire Facility Inspections	-	-	-	-	-	123	128	172	265	181
Illegal Tire Pile Inspections	-	-	-	-	-	31	76	48	29	23
Medical Waste Inspections	-	-	-	-	-	24	24	24	25	25
PUBLIC WAYS AND FACILITIES										
Roads										
Total Maintained Mileage	3,081	3,081	3,081	3,078	3,077	3,078	3,072	3,065	3,057	3,048
Miles of Road Re-oiled	55	55	55	55	55	55	55	55	55	45
Miles of Chip Seals	75	75	100	100	100	100	125	100	94	75
Miles of Surface Seals	-	-	-	60	60	70	70	70	70	70
Miles of Shoulders	200	200	200	400	400	200	200	200	200	200
Bridges over 20 feet	-	-	-	-	-	-	-	366	362	360
Bridges less than 20 feet	32	32	32	32	32	32	32	32	32	32
Numbers of Installed Traffic Signs	-	-	-	-	-	-	-	-	-	17,282
Miles of Road Striped	-	-	-	-	-	-	-	-	-	1,276
Number of Traffic Signal Locations	-	-	-	-	-	-	-	-	-	8
Number of Streetlights	-	-	-	-	-	-	-	-	-	1,384
Number of Traffic Collisions	-	-	-	-	1,781	1,734	1,884	1,846	1,915	1,879
HEALTH AND SANITATION										
Childhood Dental Disease Prevention Program										
Number of Children Receiving Oral Health Education	-	-	-	-	-	-	7,561	7,487	7,564	7,789
Number of Children Receiving Dental Screening	-	-	-	-	-	-	2,615	2,370	2,761	3,571
Number of Children Receiving Sealants	-	-	-	-	-	-	5,615	2,370	1,851	3,571
TeenSMART										
Number of Presentations	-	-	-	-	-	-	-	33	75	105
Number of Participants Reached	-	-	-	-	-	-	-	1,895	1,126	1,415
Teen Pregnancy Prevention Program Clients Served										
Adolescence Family Life Program (AFLP)	566	609	600	629	603	567	607	633	613	652
Adolescence Siblings Preventive Parenting Program	1,030	964	887	756	703	657	633	597	611	507
Cal-Learn Program	17	101	96	109	114	110	164	151	153	127

Table 16

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Unduplicated Number of Mental Health Clients Served										
Outpatient	5,556	5,746	6,470	7,457	7,782	7,798	7,455	8,021	8,511	8,870
Impatient	493	503	496	563	619	706	566	540	675	613
Conserved	206	244	246	273	291	311	322	266	277	278
Day Treatment	258	261	252	272	264	267	135	13	4	5
Tulare County Clinic Encounters	-	-	-	-	97,210	108,719	101,233	102,930	104,080	115,285
HIV Annual Statistics										
Monthly Caseloads	-	-	79	96	95	132	182	215	318	352
Number of New Clients	-	-	25	17	26	28	25	32	11	15
PUBLIC ASSISTANCE										
Indigent Patient Count										
Total Inpatient Services Unduplicated Count	-	-	7,570	8,185	4,190	6,447	5,369	3,904	-	-
Total Outpatient Services Unduplicated Count	-	-	5,985	7,254	3,701	5,805	4,253	4,052	-	-
Total Emergency Services Patients Unduplicated Count	-	-	2,243	1,647	1,483	3,782	3,101	2,994	-	-
Welfare Fraud										
Major Fraud Cases Completed	-	-	-	-	-	2,015	2,464	2,095	1,363	1,072
Persons Convicted	-	-	-	-	-	218	158	136	87	104
Court Ordered Restitution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 499,987	\$ 424,443	\$ 424,443	\$ 300,422
Community Based Programs										
Congregate Meals Served	-	-	-	-	-	113,419	138,486	127,347	121,932	125,007
Home Delivered Meals	-	-	-	-	-	62,998	90,798	83,333	94,026	108,794
Information & Assistance Contacts	-	-	-	-	-	23,850	56,152	64,983	49,692	52,346
Health Insurance Counseling and Advocacy Program (HICAP)	-	-	-	-	-	1,280	607	410	359	297
Number of People Served through Area Agency on Aging Funds	-	-	-	-	-	201,547	286,043	276,073	266,009	286,444
Number of Adult Protective Services Cases Opened	-	-	-	-	-	811	843	828	930	976
Number of Enrolled Participants in Cal Works	-	-	8,075	8,558	8,381	7,996	7,511	7,341	7,198	
CULTURE AND RECREATION										
Parks and Recreation										
Total Number of Cars Entered Parks	-	-	-	-	-	-	-	32,680	29,066	22,266
Total Amount of Park Reservations	-	-	-	-	-	-	-	2,070	1,529	1,697
SOLID WASTE MANAGEMENT										
Sanitation-Land Fills										
Landfill Tonnage Gross Total	-	-	-	-	278,437	245,877	252,039	269,401	250,254	281,830
Landfill Tonnage Recycled Total	-	-	-	-	17,370	17,461	20,653	19,457	20,680	26,408
OTHER ENTERPRISES										
Transit										
Total Route Miles	-	-	-	257,260	418,071	363,067	382,787	409,323	410,767	444,855
Number of Passengers	-	-	-	62,385	75,392	75,334	74,615	90,128	86,828	89,952

Table 17

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

Function	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public Protection										
Sheriff/Coroner										
Stations	4	4	4	4	4	4	4	4	4	4
Sworn Deputies & Officers	393	484	546	551	555	578	578	448	467	448
Non-sworn Personnel	126	156	208	212	211	223	223	184	191	181
Fire Protection										
Stations	30	31	31	38	35	36	29	27	28	29
Firefighters & Officers	110	110	110	71	71	71	70	71	57	69
Volunteer Firefighters	368	440	440	450	440	440	440	425	440	440
Building Permits Issued	2,875	2,875	2,005	2,204	2,172	3,194	3,790	2,163	3,643	6,428
Public Ways and Facilities										
Roads (miles)	3,082	3,082	3,082	3,077	3,077	3,077	3,072	3,072	3,072	3,048
Streetlights	1,035	1,409	1,445	1,445	1,384	1,384	1,295	1,295	1,454	1,384
Culture and Recreation										
Libraries	16	16	15	16	16	15	15	15	15	15
Bookmobiles	-	-	-	2	2	2	2	2	2	2
Volumes	423,382	402,446	399,556	397,151	389,348	388,909	364,325	366,018	352,184	372,000
Park acreage	585	585	610	610	464	592	685	685	604	688
Parks	11	14	14	14	10	10	10	10	10	11
Museum (square feet)	23,000	23,000	23,618	23,618	25,919	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	82,300	29,000*
Lake Kaweah Capacity (acre feet)	142,000	142,000	142,000	142,000	143,000	143,000	143,000	143,000	185,600	185,600
Solid Waste Management										
Landfill Sites	5	6	6	7	7	7	7	7	7	7
Transfer Stations	5	6	7	7	7	7	7	7	7	7

*Reflects a new lower maximum capacity due to dam deficiencies.

Table 18

County of Tulare
Summary of Financing Requirements
By Fund and Function
For Fiscal Years 2004-05, 2005-06, 2006-07
(amounts expressed in thousands)

	Actual Expenditures and Transfers 2004-2005	Actual Expenditures and Transfers 2005-2006	Budgeted Expenditures and Transfers 2006-2007		Actual Expenditures and Transfers 2004-2005	Actual Expenditures and Transfers 2005-2006	Budgeted Expenditures and Transfers 2006-2007
Summary by fund				Summary by function			
General	\$ 469,612	\$ 499,668	\$ 573,322	General government	\$ 15,270	\$ 12,256	\$ 19,348
Indigent Health	922	1,218	949	Public protection	143,475	152,680	163,291
Children & Health		126	-	Public ways and facilities	14,086	9,890	61,460
Library	2,656	2,620	4,757	Health and sanitation	98,477	103,075	114,370
Fish and Game	5	4	9	Public assistance	213,979	224,438	254,910
Aviation	32	100	996	Education	3,462	3,340	5,599
Structural Fire	11,353	11,449	14,257	Culture and Recreation	1,524	1,323	1,704
Roads	18,748	19,614	33,066	Debt service	12,828	9,253	14,038
Workforce Investment Act	16,676	17,425	21,781	Capital outlay	3,219	17,973	24,247
Child Support Services	15,829	15,634	16,955	Transfers out	99,903	113,759	104,985
Realignment	48,680	57,745	60,340				
Tobacco Settlement Revenue	3,978	3,651	4,654				
Debt service	15,690	15,113	13,823				
Capital Projects	2,042	3,620	19,043				
Total by fund	<u>\$ 606,223</u>	<u>\$ 647,987</u>	<u>\$ 763,952</u>	Total by function	<u>\$ 606,223</u>	<u>\$ 647,987</u>	<u>\$ 763,952</u>

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, 2006
(amounts expressed in whole dollars)

Company	Policy #	Policy Period		Deductible SIR	Limits	Premium Costs	Coverage	Fund
		From	To					
ACE Excess WC	WCU C4261550AR	7/1/2005	7/1/2006	\$1,000,000	Statutory, including defense for Serious and Willful Actions	\$859,230	Worker's Compensation	061
GL-I CSAC / EIA	EIA 03 EL-50	7/1/2005	7/1/2006	\$250,000 per occurrence	\$1,000,000 per occurrence	\$526,580	1st Layer Liability Excess liability coverage - applies above SIR for liability claims by third parties	062
GL-II CSAC/ EIA	EIA 03 GL2-12	7/1/2005	7/1/2006	None	\$15,000,000 excess of first layer above	\$233,755	2nd Layer Liability Excess liability coverage - applies above first layer	062
Optional Excess Liability CSAC/EIA	164-4251	7/1/2005	7/1/2006	None	\$10,000,000	\$36,030	Optional Excess Liability Excess Limits of Liability	062
Brown & Associates Aviation	NAL3021801 NAC3021799	7/1/2005	7/1/2006	\$1,000 each aircraft	\$10,000,000 per occurrence \$1,000,000 for hanger keeper liability	\$17,000	Aviation Liability Aviation Commercial Liability for County owned airports	062
Brown & Associates Aviation Hull	NAC3021799	7/1/2005	7/1/2006	\$1,000 Liability \$100 Hull damage \$250 Non-motion	\$1,000,000 Liability \$83,000 Hull damage	\$22,625	Aircraft Property Hull	063
Property CSAC/ EIA	PPR04-07	3/31/2005	3/31/2006	\$10,000	Replacement costs Includes Vehicles	\$181,146	Property Real and Personal Property Includes vehicles	063
Crime Bond CSAC/ EIA	2824389	7/1/2005	6/30/2006	\$25,000	\$10,000,000	\$11,872	Crime Bond Covers losses as a result of employee dishonesty, theft, robbery and burglary.	063
Water Craft Liability Fireman's Fund	OHL98116901	7/1/2005	6/30/2006	\$5,000	\$2,000,000 CLS	\$2,200	Water Craft Primary and Excess Liability	062
Water Craft Hull Fireman's Fund	OHL98116901	7/1/2005	6/30/2006	\$500 - \$5,000 Variable	\$175,000 TIV	\$5,090	Hull Coverage per boat Values	063
CSAC/ EIA	EIA 04 M2-12	10/1/2005	10/1/2006	\$10,000 per Claim	\$10,000,000 per Claim	\$277,824	Medical Malpractice Claims Made	064