



Comprehensive Annual Financial Report

CAFR



**County of Tulare
State of California**

**For the Fiscal Year
Ended June 30, 2014**

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COUNTY OF TULARE STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prepared for the Board of Supervisors by:

**Rita A. Woodard
Tulare County Auditor-Controller**

**Under the Direction of:
Oscar J. Garcia, CPA
Chief of Financial Reporting and Audits**

COUNTY OF TULARE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2014

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Introductory Section



AUDITOR-CONTROLLER/ TREASURER-TAX COLLECTOR



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December 5, 2014

To the Honorable Board of Supervisors and Citizens of Tulare County:

The comprehensive annual financial report for the County of Tulare (the County) for the year ended June 30, 2014, is hereby submitted in accordance with Section 25253 of the Government Code of the State of California (the State). 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. All disclosures necessary for an understanding of the County's financial activities have been included. Dollar amounts are expressed in thousands, unless otherwise noted.

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). 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 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's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County'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, are accurate in all material respects, that they are 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, as well as its component units, including 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 the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditor.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The County is a general law county created by the State Legislature in 1852. The County is located in the San Joaquin Valley. The Sierra Nevada mountain range provides its eastern boundary line. The County ranks seventh among California counties in land area. The County has a population of approximately 454,143 residents, and its County Seat, the City of Visalia, has a population of approximately 127,763.

California is the leader amongst the top 10 milk producing U.S. states, and Tulare County is the nation's number one ranking County with regard to total agriculture and livestock production. The County's total crop acreage is over 1.7 million acres. The climate of the County is such that it produces outstanding citrus crops. Among these crops, navel oranges are the most prominent with a total bearing acreage of 76,700. The highest valued crop, in the fruit and nut crop category, are grapes totaling just over \$984,000. 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, almonds, pistachio nuts, walnuts, plums, peaches, and nectarines, which account for hundreds of millions of dollars in farm income each year. The beef industry is 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' (the Board) commitment to effectively serving the residents of the County is demonstrated by the following:

- The County will lead the charge to improve its goal for a better, healthier life through its own Health & Wellness Program and by implementing strategies under the California Community Transformation Initiative. In collaboration with the Tulare County Health Advisory Committee, the County has begun implementation of its plans for Tobacco Free Living, Healthy Eating and Active Living, and Healthy and Safe Physical Environments.
- Began the design and engineering phase for the construction of a new South County Detention Facility in Porterville. This project will cost approximately \$65,000, will be completed within five years, and will be a state of the art facility to provide additional housing of inmates in the southern portion of the County.
- Continued undertaking new projects to support improvements at Sequoia Field to facilitate future commercial development.
- Began the third and final phase of the Tulare Lake Basin Disadvantaged Community Water Study which included completing pilot projects and drafting the Final Report. The study is aimed at developing recommended solutions to water issues facing disadvantaged communities.
- Sponsored 10 Step Up community events in collaboration with the Tulare County Gang Prevention Task Force in the communities of Goshen, Ivanhoe, Porterville, Woodlake and newcomer Strathmore.
- Implemented the third annual Step Up Youth Challenge, a Youth Activities Grant Program that targeted the involvement of 21 Junior High and High schools throughout the County with \$30 in grants being awarded.
- Continued the Summer Night Lights Program aimed at curbing violence and other negative activities by keeping selected parks and recreational activities open on designated evenings throughout the summer. The program continued within the communities of Alpaugh, Allensworth, Cutler-Orosi, Dinuba, Porterville, Tulare, Visalia and Woodlake and expanded to include the communities of Earlimart, Exeter, Ivanhoe and Lindsay resulting in a 72% increase in attendance (20,341) over the 2013 season (11,837).
- Started the Step Up #LEAD (Leading, Educating, Advocating and Dedication) program in the community of Visalia for Junior and Senior high school students. The goal of the school-year long program is to inspire participants to learn the skills to become a mentor and leader within their communities.
- Approximately half of all County employees have completed the customer service training course including 93% of all managers and supervisors. Surveys indicate that 80% of participants feel the course is personally beneficial and 83% believe the course is beneficial for County employees.
- The Board, in conjunction with the County Administrative Office, advocate throughout the year for increased Superior Court funding and an equitable allocation of Assembly Bill 109 (AB 109) funding through the inclusion of relevant demographic data in future year calculations. The Governor's Office included supplemental Superior Court funding in the May Budget Revise. A revised AB 109 funding allocation formula is still pending.
- The Board held two workshops, on October 22, 2013 and June 3, 2014, to receive updates and consider options related to the enforcement of the Tulare County Ordinance Code pertaining to the cultivation and distribution of marijuana. Due to ongoing public safety concerns, the Board voted for a revision of the Ordinance Code to include a ban on all medical marijuana cultivation and dispensaries.

For the future. The Board 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:

- Assess the current and long term facility and space needs of County departments. Identify available space in the County's current inventory, as well as the necessary development or acquisition of space to accommodate current and future needs. Transition the selected departments into the space currently occupied by the Tulare County Office of Education, which allows for additional space to be created in the County's inventory.
- Identify and begin the process of acquiring and/or developing property in Porterville for a long term solution to the County's criminal justice needs in that community.
- Finalize the funding approved by the State of California Board of State and Community Corrections for the County's Sequoia Field Program Facility to be funded by the SB 1022 Jail Construction Program.
- Finalize the design and engineering phase of the construction of a new Fire Station at the County's central yard facility south of Visalia.
- Continue to work with community partners to identify communities' water needs, propose feasible solutions, and work to secure funding from various state and federal sources.
- Expand the Summer Night Lights program to include the communities of Tipton and Pixley.
- Expand the Step Up #LEAD program to include the city of Tulare.
- Identify permanent office space for Porterville Justice Partners.

LONG - TERM FINANCIAL PLANNING

Local assessed property values for fiscal year 2014-2015 increased 5.1 percent above fiscal year 2013-2014; this will increase property tax revenues in the County. The budget was adopted reflecting an increase in property taxes when compared against fiscal year 2013-2014 actual revenues.

The County's Capital Improvement Plan (CIP) is a 10 year plan that identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the plan. For fiscal year 2014-2015, the capital projects fund adopted budget is \$29,037. Significant projects for fiscal year 2014-2015 include the remediation of toxic substances at Harmon Field Airport at \$4,715, the South County Detention Facility at \$3,500, improvements to the electrical system at Bartell Park in Porterville at \$600, and improvements to the restrooms at Balch Park at \$289.

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 United States' Federal Government (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 nonmajor Federal awards, the audit for the year ended June 30, 2014, 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. Activities of the general fund, special revenue funds, debt service funds, and capital projects fund 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) 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 Client Server computers. The system allows the County 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.

INDEPENDENT AUDIT

The financial records and transactions of the County and its blended component units for the fiscal year ended June 30, 2014, have been audited by Brown Armstrong Accountancy Corporation and their opinion is included in the Financial Section of this report.

In addition, the County 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 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This was the eighteenth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. 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 this 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 by Brown Armstrong Accountancy Corporation 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 its continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully submitted,



JEAN M. ROUSSEAU
County Administrative Officer



RITA A. WOODARD
Auditor-Controller / Treasurer-Tax Collector



Government Finance Officers Association

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, 2013

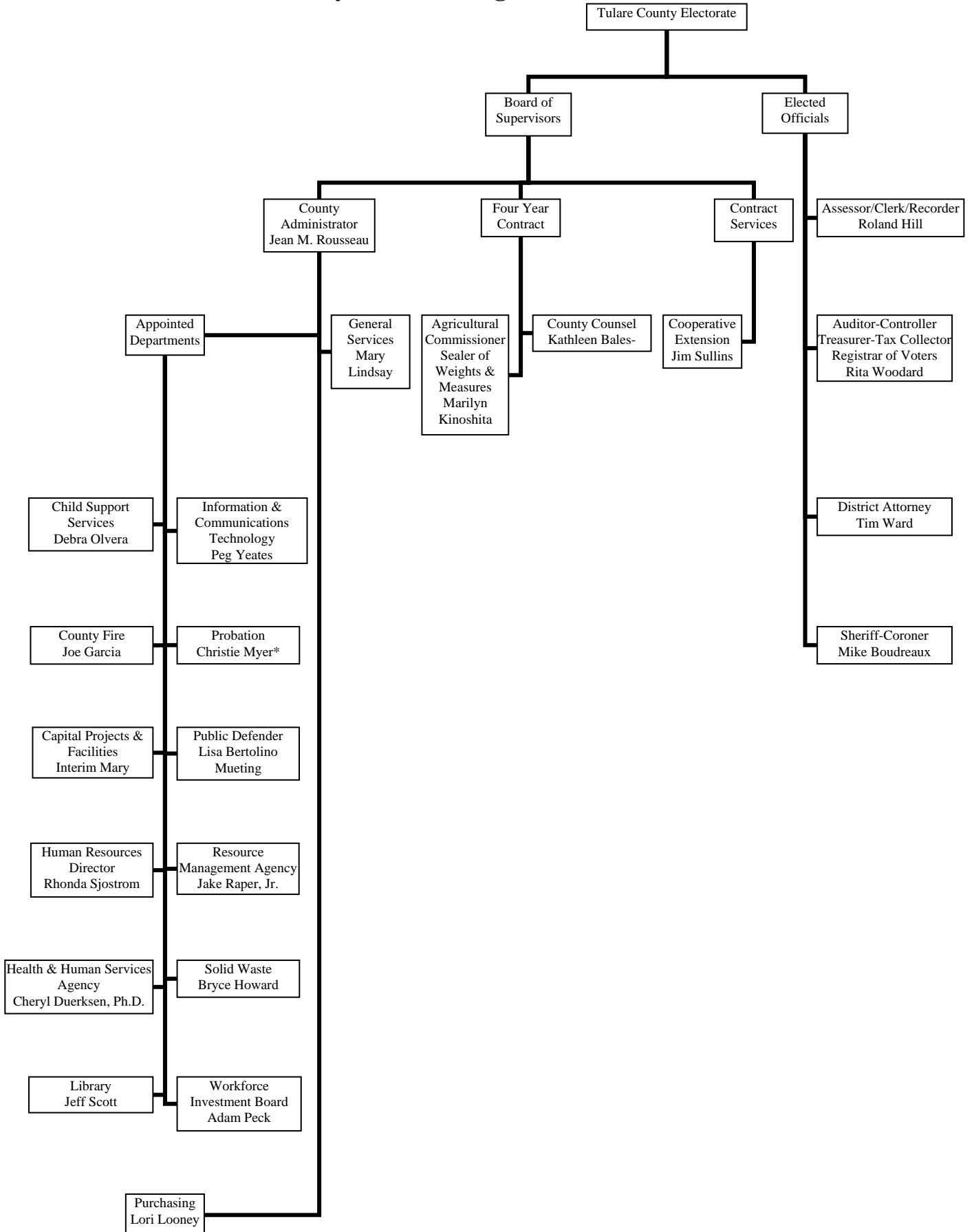
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Linda C. Davidson
President

Jeffrey R. Emer
Executive Director

County of Tulare Organizational Chart



*Appointed by Tulare County Superior Court

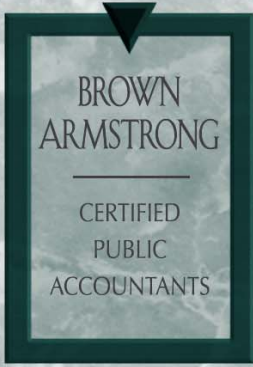
COUNTY OF TULARE
List of Elected and Appointed Officials
June 30, 2014

<u>Department/Agency/District</u>	<u>Elected Official</u>
Assessor/Clerk-Recorder	Roland P. Hill
Auditor-Controller/Treasurer-Tax Collector/Elections	Rita A. Woodard
Board of Supervisors District No. 1	Allen Ishida
<i>Exeter, Farmersville, Lindcove, Lindsay, Poplar, Strathmore, Three Rivers, (Part) Visalia, and Woodville</i>	
Board of Supervisors District No. 2	Pete Vander Poel
<i>Allensworth, Alpaugh, Earlimart, Pixley, Tipton Tulare, and Waukena</i>	
Board of Supervisors District No. 3	Phillip Cox, Chairman
<i>Visalia</i>	
Board of Supervisors District No. 4	J. Steven Worthley, Vice Chairman
<i>Badger, Cutler, Dinuba, Goshen, Ivanhoe, Orosi, Traver, (Part) Visalia, and Woodlake</i>	
Board of Supervisors District No. 5	Mike Ennis
<i>Camp Nelson, Ducor, Kennedy Meadows, Poplar-Cotton Center, Porterville, Posey, Richgrove Springville, and Terra Bella</i>	
District Attorney	Timothy Ward
Sheriff-Coroner	Mike Boudreaux

<u>Department/Agency</u>	<u>Appointed Official</u>
Agricultural Commissioner	Marilyn Kinoshita
Child Support Services	Debra Olvera
Capital Projects and Facilities	Mary Lindsay (Interim)
Cooperative Extension	Jim Sullins
County Administrative Office	Jean M. Rousseau
County Counsel	Kathleen Bales-Lange
Fire Protection Services	Joe Garcia
General Services	Mary Lindsay
Grand Jury	Milton D. Morrison, Foreman
Health & Human Services Agency	Dr. Cheryl L. Duerksen, Ph.D.
Human Resources & Development	Rhonda Sjostrom
Information Technology	Peg Yeates
Law Library	Anne Bernardo
Library	Jeff Scott
Probation	Christie Myer
Public Defender	Lisa Bertolino Muetting
Purchasing	Lori Looney
Solid Waste	Bryce Howard
Resource Management Agency	Jake Raper Jr.
Workforce Investment Board	Adam Peck

Financial Section





BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Supervisors
of the County of Tulare, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of County of Tulare, California, (the County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Tulare County, which represents 100 percent of the assets and revenues of the discretely presented component unit for the fiscal 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 the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparison information for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2014, the County implemented Governmental Accounting Standards Board (GASB) Statement Nos. 65, 66, 67, and 70 during the fiscal year 2014. Among these new GASB Statements, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, had a significant impact over the County's financial statements. Our opinion is not modified with respect the matter.

Other Matters

Required Supplementary Information

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

Other Information

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, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

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

Bakersfield, California
December 5, 2014

COUNTY OF TULARE
Management's Discussion and Analysis
June 30, 2014 (in thousands)

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$1,840,557 (*net position*). Of this amount, \$92,963 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$15,847.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$258,679, an increase of \$16,084 in comparison with the prior year. Approximately 28.5% of this amount, \$73,687, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$77,164, or approximately 13.8% of total general fund expenditures.
- The County's total outstanding long-term debt decreased by \$10,609 during the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the County's Basic Financial Statements. The County's Basic Financial Statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the Basic Financial Statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Culture and Recreation. The business-type activities of the County include Solid Waste, Transit, and many sewer and water operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also six legally separate organizations for which the elected officials of the County are financially accountable. Financial information for five 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 of this report.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2014 (in thousands)

Fund Financial Statements. A *fund* is a grouping of related accounts that 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. 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 at the end of the fiscal year. Such information may be useful in assessing 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 government'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 22 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, which are considered to be major funds. Data from the other 19 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of 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.

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 an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its central services, such as mailroom, print shop, and motor pool and insurance coverage. Because both of these services predominantly benefit governmental rather than business-type functions, 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 considered to be a major fund of the County. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of 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 of the government. Fiduciary funds are *not* reported 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 County maintains three different types of fiduciary funds. The *Investment trust funds* are used to account for assets held by the County in a trustee capacity. The *Private-Purpose trust fund* is used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Tulare County

COUNTY OF TULARE
Management’s Discussion and Analysis (continued)
June 30, 2014 (in thousands)

Redevelopment Successor Agency (Successor Agency). The *Agency funds* are custodial in nature and do not involve measurement of results of operations.

The fiduciary fund financial statements can be found in the fund financial statements section of this report.

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

Other Information. In addition to the Basic Financial Statements and accompanying notes, this report also presents *Required Supplementary Information (RSI)* concerning the County’s progress in funding its obligation to provide pension benefits and Other Postemployment Benefits (OPEB) to its employees. RSI can be found immediately following the Notes to the Basic Financial Statements of this report.

The combining and individual fund statements 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 Required Supplementary Information of this report.

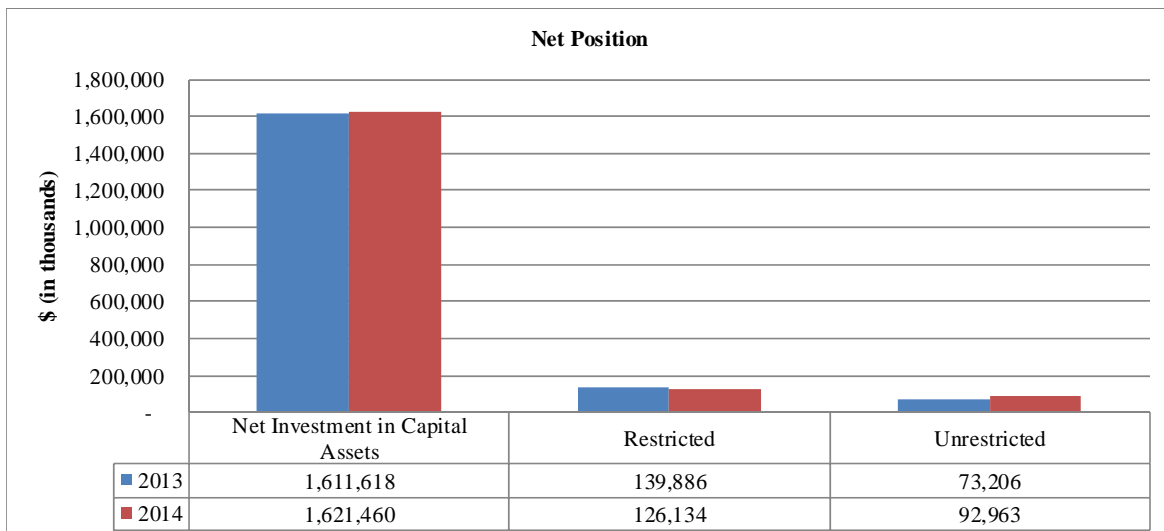
GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time may serve as a useful indicator of a government’s financial position. In the case of the County, assets exceeded liabilities by \$1,840,557 at the close of the most recent fiscal year.

A portion (\$1,621,460) of the County’s net position (88.1%) 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. Accordingly, 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 position (\$126,134) represents resources that are subject to external restrictions on how they may be used (*restricted net position*). The remaining balance of \$92,963 is unrestricted and may be used to meet the government’s ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.



COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2014 (in thousands)

Key elements of the County's calculation of net position for both governmental activities and business-type activities for the fiscal years ended June 30, 2014 and 2013 are as follows:

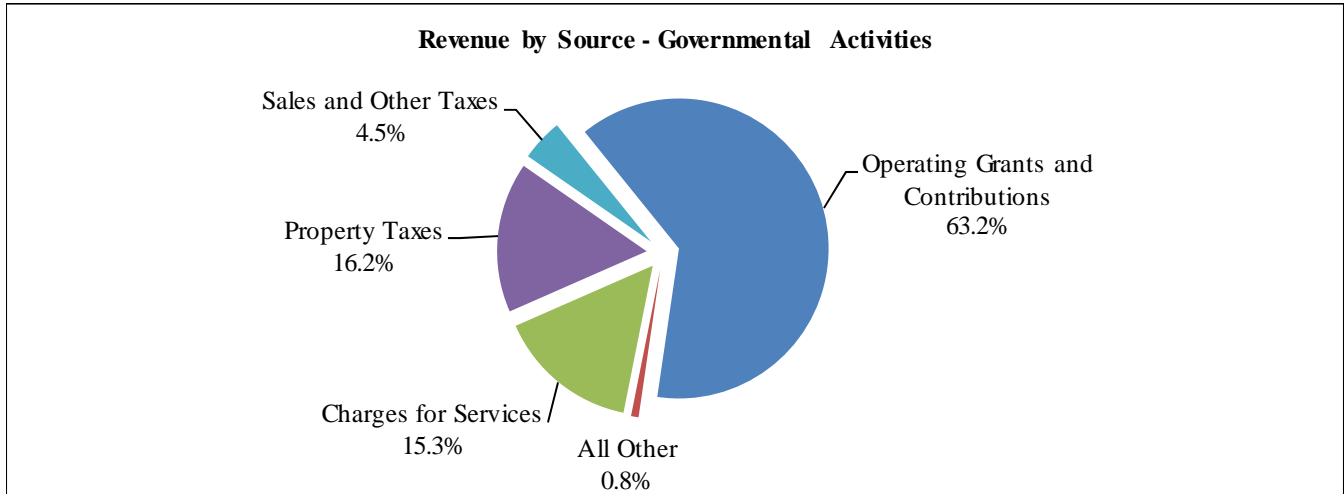
Net Position June 30, 2014 and 2013 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets:						
Current and other assets	\$ 425,222	\$ 495,028	\$ 57,788	\$ 54,205	\$ 483,010	\$ 549,233
Capital assets	1,611,746	1,609,943	26,955	28,710	1,638,701	1,638,653
Total assets	<u>2,036,968</u>	<u>2,104,971</u>	<u>84,743</u>	<u>82,915</u>	<u>2,121,711</u>	<u>2,187,886</u>
Liabilities:						
Long-term liabilities	128,057	130,101	42,237	41,536	170,294	171,637
Other liabilities	92,896	190,673	947	866	93,843	191,539
Total liabilities	<u>220,953</u>	<u>320,774</u>	<u>43,184</u>	<u>42,402</u>	<u>264,137</u>	<u>363,176</u>
Deferred inflows of resources:						
Unavailable revenue	17,017	-	-	-	17,017	-
Total deferred inflows of resources:	<u>17,017</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,017</u>	<u>-</u>
Net position:						
Net investment in capital assets	1,595,822	1,584,261	25,638	27,357	1,621,460	1,611,618
Restricted	121,118	134,870	5,016	5,016	126,134	139,886
Unrestricted	82,058	65,066	10,905	8,140	92,963	73,206
Total net position	<u>\$ 1,798,998</u>	<u>\$ 1,784,197</u>	<u>\$ 41,559</u>	<u>\$ 40,513</u>	<u>\$ 1,840,557</u>	<u>\$ 1,824,710</u>

Changes in Net Position (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	\$ 103,140	\$ 98,798	\$ 10,325	\$ 9,820	\$ 113,465	\$ 108,618
Operating grants and contributions	424,721	421,514	3,270	504	427,991	422,018
Capital grants and contribution	-	6	-	-	-	6
General Revenues:						
Property taxes	109,266	107,101	-	-	109,266	107,101
Sales and other taxes	30,524	31,951	2,084	2,328	32,608	34,279
Other	5,467	7,438	660	163	6,127	7,601
Total revenues	<u>673,118</u>	<u>666,808</u>	<u>16,339</u>	<u>12,815</u>	<u>689,457</u>	<u>679,623</u>
Expenses:						
General government	39,432	42,343	-	-	39,432	42,343
Public protection	202,075	190,904	-	-	202,075	190,904
Public ways and facilities	37,155	33,767	-	-	37,155	33,767
Health and sanitation	129,190	124,681	-	-	129,190	124,681
Public assistance	242,378	228,148	-	-	242,378	228,148
Education	5,470	5,112	-	-	5,470	5,112
Culture and recreation	431	329	-	-	431	329
Unallocated depreciation	511	520	-	-	511	520
Interest expense	1,940	1,990	-	-	1,940	1,990
Solid waste	-	-	10,873	10,812	10,873	10,812
Water/Sewer services	-	-	1,046	992	1,046	992
Transit	-	-	3,029	2,813	3,029	2,813
Other business-type activities	-	-	80	39	80	39
Total expenses	<u>658,582</u>	<u>627,794</u>	<u>15,028</u>	<u>14,656</u>	<u>673,610</u>	<u>642,450</u>
Change in net position before extraordinary items and transfers	<u>14,536</u>	<u>39,014</u>	<u>1,311</u>	<u>(1,841)</u>	<u>15,847</u>	<u>37,173</u>
Transfers	265	378	(265)	(378)	-	-
Change in net position	14,801	39,392	1,046	(2,219)	15,847	37,173
Net position, July 1	1,784,197	1,744,805	40,513	42,732	1,824,710	1,787,537
Net position, June 30	<u>\$ 1,798,998</u>	<u>\$ 1,784,197</u>	<u>\$ 41,559</u>	<u>\$ 40,513</u>	<u>\$ 1,840,557</u>	<u>\$ 1,824,710</u>

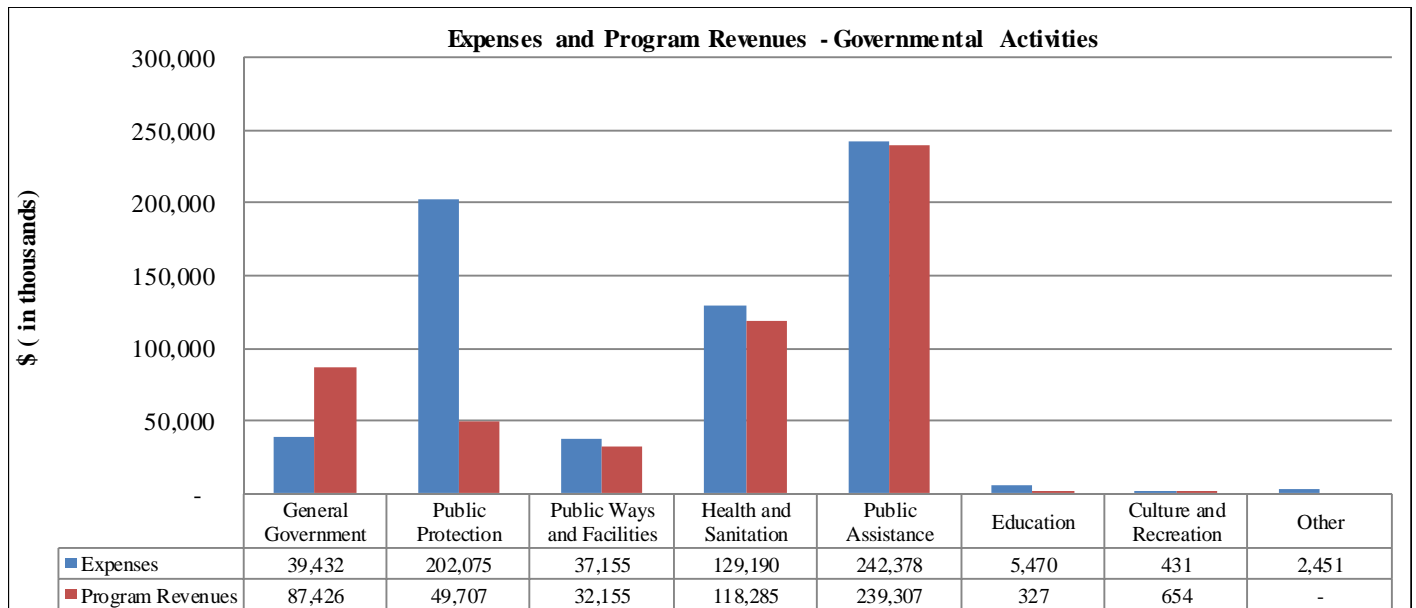
COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2014 (in thousands)

The County's overall net position increased \$15,847 during the year ended June 30, 2014. The dominant factor was an approximate \$4,847 increase in Charges for Services.

Governmental Activities. Governmental activities increased the County's net position by \$14,801 to \$1,784,197 for the year ended June 30, 2014. Charges for Services revenue increased by \$4,342, and General Government expenses decreased by \$3,066. Also, due to contractions in the economy, the County has responded by cutting back on all other general expenses, which is why the reverse effect is realized on total net position. Key elements of revenues in governmental activities for the year ended June 30, 2014, are as follows:

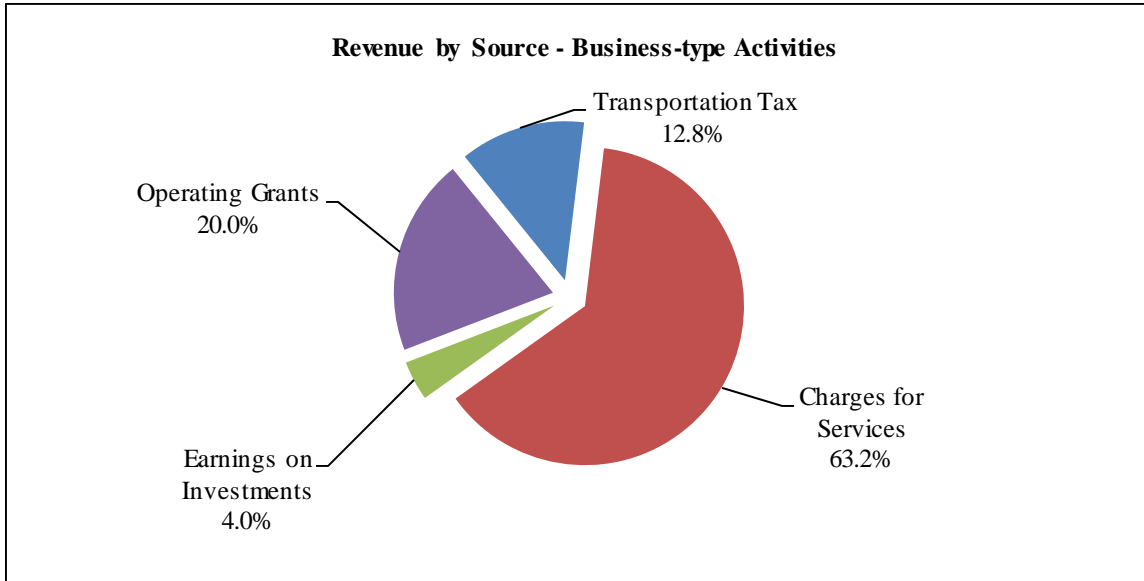


Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, the largest segment of uncovered costs are in the area of public protection. A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2014, is as follows:

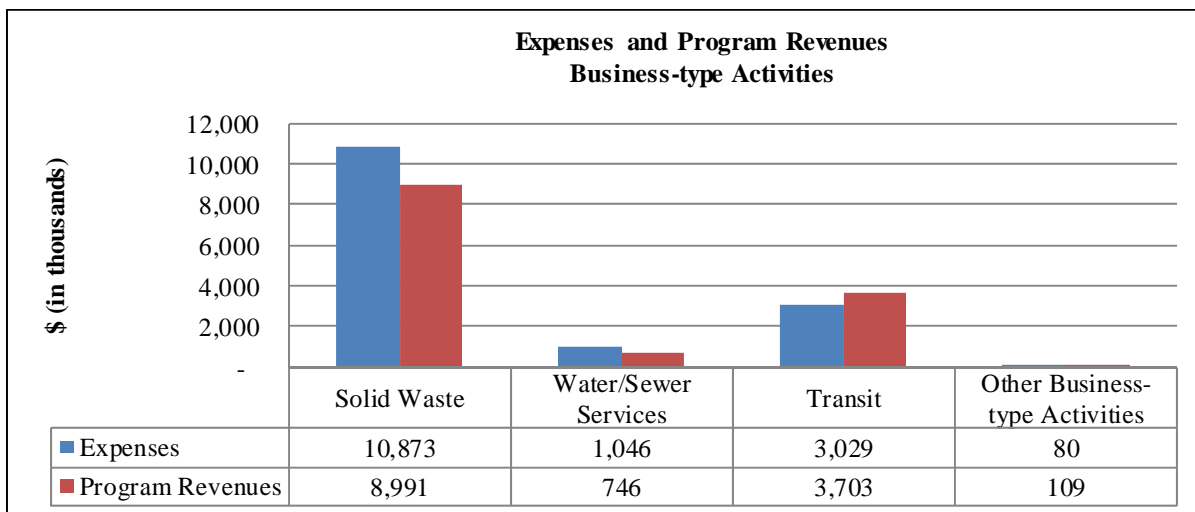


COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2014 (in thousands)

Business-type Activities. The net position of business-type activities increased by 2.5%, or \$1,046, to \$41,559, which indicates these activities did generate revenues sufficient to cover the cost of operations. Contributing factors are increases in Operating Grants and Contributions of \$2,766. The largest source of business-type revenue continues to be Charges for Services, which represents 63.2% of all business-type activities revenue.



Total fee revenues for Solid Waste, which represents 87.1% of Charges for Services for business-type activities, represent a smaller percentage of revenues compared with the prior year – continuing a 10-year trend. Solid Waste continues to have a disparity between expenses of \$10,873 and fee revenue of \$8,991, which is primarily due to an unchanging fee structure and steadily rising expenses. A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2014, is as follows:



COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2014 (in thousands)

FINANCIAL ANALYSIS OF GOVERNMENTAL 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 financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$258,679, an increase of \$16,084 in comparison with the prior year. Approximately 28.5% of the total fund balances, or \$73,687, constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is either *nonspendable, restricted, committed, or assigned fund balance* to indicate that it is 1) not in spendable form (\$1,419), 2) restricted for particular purposes (\$159,380), 3) committed for particular purposes (\$4,980), or 4) assigned for particular purposes (\$19,213).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$76,284 while total fund balance reached \$111,706. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13.6% of total general fund expenditures, while total fund balance represents 20.0% of that same amount.

Spending from the general fund increased by \$26,585, or 5.0%. Contributing factors include an 8.1%, or \$12,586 increase in spending for Public Protection primarily due to an increase in Sheriff's salaries. There also was a \$5,483, or 4.5% increase in Health and Sanitation due to medical services provided and an increase in workers' compensation. Public Assistance spending increased by \$15,800, or 7.3% due to receiving additional State Aid funds that were passed on to aid recipients.

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 position of all proprietary funds was \$52,659, with \$41,559 of that in enterprise funds. Of the \$41,559 in enterprise funds, 69.4%, or \$28,855 was in Solid Waste. There was a reduction of \$1,516, or 5.0%, of the prior year net position of Solid Waste. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. The total change between the original budget and the final amended budget was an increase of \$20, or .10%. Primarily these changes were not significant. The most notable change was an increase of \$253 in the public assistance function.

Final budget compared to actual results. The variance between the final budget and actual revenue resulted in a decrease of \$21,229. The most significant differences between estimated revenues and actual revenues were as follows:

<u>Revenues Source</u>	<u>Final Budget</u>	<u>Actual Revenues</u>	<u>Difference</u>
Taxes and special assessments	\$ 106,147	\$ 116,371	\$ 10,224
Intergovernmental revenues	355,848	323,124	(32,724)
Charges for services	72,468	59,276	(13,192)
Other revenues	6,733	15,800	9,067

- Taxes and special assessments revenue was higher than anticipated due to an increase in assessed property values as well as the redistribution of excess Redevelopment Agency (RDA) funds.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2014 (in thousands)

- Intergovernmental revenues were less than expected due to the State's realignment of the Mental Health Managed Care program and Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program as well as the elimination of the vehicle license fee.
- Charges for services revenue declined due to a delay in payment from the State for Medi-Cal and Healthy Families claims.
- Other revenues increased primarily due to a fluctuation in Health and Human Services caseloads and repayments.

The variance between the final budget and actual expenditures resulted in \$89,214 of unspent appropriations. The most significant differences are as follows:

- Public protection expenditures decreased by \$15,696 due to unfilled positions in the Probation, District Attorney, and Sheriff departments.
- Health and sanitation expenditures decreased by \$44,099 due to fewer clients and unfilled positions.
- Public assistance expenditures decreased by \$14,236 due to fewer client services offered in Health and Public Health programs.

CAPITAL ASSETS 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 \$1,638,701 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, and some construction in progress and infrastructure in progress. The total increase in capital assets for the current fiscal year was less than 1%.

Capital Assets
(net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 934,604	\$ 911,450	\$ 6,726	\$ 6,726	\$ 941,330	\$ 918,176
Infrastructure	420,502	404,271	-	-	420,502	404,271
Buildings and improvements	128,562	133,066	15,709	17,153	144,271	150,219
Equipment and vehicles	22,995	21,176	4,520	4,831	27,515	26,007
Construction in progress	6,808	744	-	-	6,808	744
Infrastructure in progress	98,275	139,236	-	-	98,275	139,236
Total	\$ 1,611,746	\$ 1,609,943	\$ 26,955	\$ 28,710	\$ 1,638,701	\$ 1,638,653

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

- South County Detention Facility Project totaled \$2,376 for the year.
- New Mental Health Facility Project totaled \$1,986 for the year.
- Purchased infrastructure equipment, such as tractors, for a total of \$238.
- Purchased vehicles for public safety departments at a cost of \$2,151.

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

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2014 (in thousands)

Long-term Debt. At the end of the current fiscal year, the County had total outstanding debt of \$54,616. Of this amount, 23.5% (\$12,835) comprises debt for Certificates of Participation (COPs) issued by the Tulare County Public Facilities Corporation for the acquisition or construction of major capital facilities. Another 68.4% (\$37,382) is the outstanding balance of Variable Rate Demand Bonds issued by the Tulare County Public Financing Authority to provide financing for future acquisition and construction of major capital facilities. The remaining balance is for loans used for new equipment and vehicles used in the general operations of the County.

	Outstanding Debt (in thousands)					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Loans	\$ 4,399	\$ 9,332	\$ -	\$ -	\$ 4,399	\$ 9,332
Variable Rate Demand Bonds	37,375	38,190	7	7	37,382	38,197
Certificates of Participation	11,525	16,350	1,310	1,346	12,835	17,696
Total	<u>\$ 53,299</u>	<u>\$ 63,872</u>	<u>\$ 1,317</u>	<u>\$ 1,353</u>	<u>\$ 54,616</u>	<u>\$ 65,225</u>

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$10,609 (16.3%). The largest reductions occurred with payments of \$4,933 against the Loans and \$4,861 paid on the COPs.

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 a 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 (\$357,621) is 1.25% of assessed valuation (\$28,609,710). As of June 30, 2014, 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 AND RATES

The following economic factors currently affect the County and were considered in developing the 2014/15 fiscal year budget:

- The County's economy is stabilizing and rebounding from the "Great Recession" of 2008, which is reflected in the improvement of the County's finances. The downward spiral in Fiscal Year 2008/09 caused the decline in the housing market, the closing of local retail businesses, a reduction in sales tax, and an increase to the County's unemployment rate. The County is now showing improvement in those areas and a strong carryover fund balance is allowing the County to pay down debt, cover a variety of one-time appropriations, and increase general fund reserves by \$2 million. The County's assessed valuation has increased (2.987%) for Fiscal Year 2013/14 when compared to Fiscal Year 2012/13. Current unemployment rate of 11.6% is an improvement from last year's rate of 13.4%, showing a decrease of 1.8%. State and local sales tax revenues are recovering at a rate of around 10%, which comprise approximately of 24% of the County's discretionary revenue.
- The Governor's Fiscal Year 2013/14 State Budget shows California in its most stable footing in over a decade and expected to continue on its current growth pace. Due to tough spending cuts/reductions, a recovering California economy, and temporary revenues provided to the State from Proposition 30 the budget is projected to remain balanced. However, unforeseeable uncertainties, liabilities, and substantial risks remain. These uncertainties, risks, and reductions that impact the County include:
 - The State projected a downward revision in the short-term economic outlook due to recent Federal actions to not extend the 2% payroll tax reduction.
 - Medi-Cal health care program is experiencing higher cost due to Federal and court actions. Federal health care reform will significantly expand this coverage. This will impact counties by shifting funds and shifting more financial responsibility for certain human services programs.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2014 (in thousands)

- California's current recovery status is uncertain and projected forecasts in Fiscal Year 2013/14 have dimmed due to Federal actions that have slowed the pace of the State's economic growth. These uncertainties, coupled with State actions that are set to begin with the Governor's Budget for Fiscal Year 2014/15 and the severe drought condition that has plagued California could cause the current recovery to fail and begin to reverse direction. Counties that are agricultural based economies, such as Tulare County, are impacted especially hard by the drought, because water generates jobs, produces crops and other agricultural industries, and grows an overall healthy agricultural economy.
- The County is moving forward guardedly. The County has negotiated a 3% salary increase with certain bargaining units and unrepresented employees that had expired contracts, and gave targeted increases to specific classifications. The County's general revenue, sometimes referred to as discretionary revenue has increased as mentioned above due to increases in property taxes, State sales taxes, and local sales taxes. The State's economic and budget outlook over its multi-year plan is optimistic but the potential risks and uncertainties are still a concern for the County.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those interested in the government's finances. 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, 2014, can also be found at the County's website: www.co.tulare.ca.us/government/auditor/finrpt.

Basic Financial Statements

COUNTY OF TULARE
Statement of Net Position
June 30, 2014 (in thousands)

	Primary Government			Component Unit First 5 Tulare County
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash in banks	\$ 95	\$ 247	\$ 342	\$ 153
Investment in treasury pool	291,017	10,934	301,951	8,387
Investments	8,906	-	8,906	-
Cash on hand	500	-	500	-
Imprest cash	77	3	80	-
Receivable (net of allowance for uncollectibles)				
Accounts	6,266	1,458	7,724	1,008
Taxes	1,973	-	1,973	-
Deposits with others	-	-	-	6
Due from other governments	35,108	344	35,452	-
Internal balances	889	(889)	-	-
Prepaid items	1,034	-	1,034	34
Notes receivable	18,283	-	18,283	-
Inventories	435	-	435	-
Lease payments receivable, net of interest	297	-	297	-
Restricted assets	60,342	45,691	106,033	-
Capital assets, not being depreciated/amortized	1,039,687	6,726	1,046,413	-
Capital assets, net of accumulated depreciation/amortization	572,059	20,229	592,288	-
Total assets	<u>2,036,968</u>	<u>84,743</u>	<u>2,121,711</u>	<u>9,588</u>
LIABILITIES				
Accounts payable	30,533	826	31,359	1,345
Due to other governments	17,601	-	17,601	-
Deposits from others	432	8	440	-
Salaries and benefits payable	11,263	113	11,376	13
Advances	32,827	-	32,827	-
Interest payable	240	-	240	-
Total current liabilities	<u>92,896</u>	<u>947</u>	<u>93,843</u>	<u>1,358</u>
Noncurrent liabilities - Due within one year:				
Claims payable	7,099	-	7,099	-
Compensated absences	1,521	9	1,530	-
Loans payable	461	-	461	-
Bonds payable	915	1	916	-
COPs payable	5,065	37	5,102	-
Noncurrent liabilities - Due in more than one year:				
Claims payable	28,510	-	28,510	-
Net OPEB obligation	13,851	-	13,851	-
Compensated absences	19,062	220	19,282	22
Closure/post closure costs payable	-	40,691	40,691	-
Accrued remediation costs	4,715	-	4,715	-
Loans payable	3,938	-	3,938	-
Bonds payable	36,460	6	36,466	-
COPs payable	6,460	1,273	7,733	-
Total noncurrent liabilities	<u>128,057</u>	<u>42,237</u>	<u>170,294</u>	<u>22</u>
Total liabilities	<u>220,953</u>	<u>43,184</u>	<u>264,137</u>	<u>1,380</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	17,017	-	17,017	-
Total deferred inflows of resources	<u>17,017</u>	<u>-</u>	<u>17,017</u>	<u>-</u>

Continued

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

COUNTY OF TULARE
Statement of Net Position (continued)
June 30, 2014 (in thousands)

	Primary Government			Component Unit First 5 Tulare County
	Governmental Activities	Business-type Activities	Total	
NET POSITION				
Net investment in capital assets	1,595,822	25,638	1,621,460	-
Restricted for:				
Capital projects	-	-	-	-
Debt service	32,073	-	32,073	-
Roads projects	25,760	-	25,760	-
Low & moderate income housing	19	-	19	-
Public protection	16,133	-	16,133	-
Education	2,334	-	2,334	-
Health and sanitation	30,694	-	30,694	-
Public assistance	7,737	-	7,737	-
Landfill ground water contingencies	-	5,016	5,016	-
Other purposes	6,368	-	6,368	-
Unrestricted	82,058	10,905	92,963	8,208
Total net position	<u>\$ 1,798,998</u>	<u>\$ 41,559</u>	<u>\$ 1,840,557</u>	<u>\$ 8,208</u>
				Concluded

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

COUNTY OF TULARE
Statement of Activities
For the Year Ended June 30, 2014 (in thousands)

Functions / Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Governmental activities:								
General government	\$ 39,432	\$ 24,138	\$ 63,288	\$ -	\$ 47,994	\$ -	\$ 47,994	\$ -
Public protection	202,075	23,741	25,966	-	(152,368)	-	(152,368)	-
Public ways and facilities	37,155	3,599	28,556	-	(5,000)	-	(5,000)	-
Health and sanitation	129,190	42,588	75,697	-	(10,905)	-	(10,905)	-
Public assistance	242,378	8,566	230,741	-	(3,071)	-	(3,071)	-
Education	5,470	202	125	-	(5,143)	-	(5,143)	-
Culture and recreation	431	306	348	-	223	-	223	-
Unallocated depreciation	511	-	-	-	(511)	-	(511)	-
Interest expense	1,940	-	-	-	(1,940)	-	(1,940)	-
Total governmental activities	658,582	103,140	424,721	-	(130,721)	-	(130,721)	-
Business-type activities:								
Solid waste	10,873	8,991	46	-	-	(1,836)	(1,836)	-
Water/Sewer services	1,046	746	-	-	-	(300)	(300)	-
Transit	3,029	479	3,224	-	-	674	674	-
Other business-type activities	80	109	-	-	-	29	29	-
Total business-type activities	15,028	10,325	3,270	-	-	(1,433)	(1,433)	-
Total primary government	\$ 673,610	\$ 113,465	\$ 427,991	\$ -	\$ (130,721)	\$ (1,433)	\$ (132,154)	\$ -
Component unit:								
First 5 Tulare County	\$ 5,680	\$ -	\$ 5,519	\$ -				(161)
Total component unit	\$ 5,680	\$ -	\$ 5,519	\$ -				(161)

General revenues:				
Taxes:				
Property taxes, levied for general purposes	97,244	-	97,244	-
Property taxes, levied for flood control	525	-	525	-
Property taxes, levied for fire protection	7,762	-	7,762	-
Property taxes, levied for library	3,735	-	3,735	-
Sales and other taxes	30,524	2,084	32,608	-
Earnings on investments	1,517	660	2,177	105
Miscellaneous	-	-	-	6
Tobacco settlement revenues	3,894	-	3,894	-
Extinguishment of debt	(183)	-	(183)	-
Gain on disposal of capital assets	239	-	239	-
Transfers	265	(265)	-	-
Total general revenues and transfers	145,522	2,479	148,001	111
Change in net position	14,801	1,046	15,847	(50)
Net position, July 1	1,784,197	40,513	1,824,710	8,258
Net position, June 30	\$ 1,798,998	\$ 41,559	\$ 1,840,557	\$ 8,208

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

COUNTY OF TULARE
Governmental Funds
Balance Sheet
June 30, 2014 (in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash in banks	\$ 94	\$ -	\$ -	\$ 1	\$ 95
Investment in treasury pool	168,340	92	-	77,690	246,122
Investments	-	5,794	3,112	-	8,906
Imprest cash	76	-	-	1	77
Receivable (net of allowance for uncollectibles)					
Accounts	3,754	-	-	2,501	6,255
Taxes	1,973	-	-	-	1,973
Due from other funds	1,825	-	-	360	2,185
Due from other governments	27,363	-	-	7,636	34,999
Prepaid items	395	-	-	589	984
Advances to other funds	880	-	-	-	880
Notes receivable	-	-	-	18,283	18,283
Inventories	-	-	-	435	435
Lease payments receivable, net of interest	-	-	-	297	297
Restricted assets	-	-	55,627	4,715	60,342
Total assets	<u>\$ 204,700</u>	<u>\$ 5,886</u>	<u>\$ 58,739</u>	<u>\$ 112,508</u>	<u>\$ 381,833</u>
LIABILITIES					
Accounts payable	\$ 23,840	\$ -	\$ -	\$ 4,581	\$ 28,421
Due to other funds	360	-	-	1,762	2,122
Due to other governments	17,493	8	-	100	17,601
Deposits from others	375	57	-	-	432
Salaries and benefits payable	9,449	-	-	1,175	10,624
Advances	30,072	-	-	2,755	32,827
Advances from other funds	2,360	-	-	-	2,360
Total liabilities	<u>83,949</u>	<u>65</u>	<u>-</u>	<u>10,373</u>	<u>94,387</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-special assessments	9,045	-	-	19,722	28,767
Total deferred inflows of resources	<u>9,045</u>	<u>-</u>	<u>-</u>	<u>19,722</u>	<u>28,767</u>
FUND BALANCES					
Nonspendable	395	-	-	1,024	1,419
Restricted	34,147	5,820	55,239	64,174	159,380
Committed	880	-	-	4,100	4,980
Assigned	-	1	3,500	15,712	19,213
Unassigned	76,284	-	-	(2,597)	73,687
Total fund balances	<u>111,706</u>	<u>5,821</u>	<u>58,739</u>	<u>82,413</u>	<u>258,679</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 204,700</u>	<u>\$ 5,886</u>	<u>\$ 58,739</u>	<u>\$ 112,508</u>	<u>\$ 381,833</u>

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

COUNTY OF TULARE
Governmental Funds
Reconciliation of the Balance Sheet
June 30, 2014 (in thousands)

Total fund balances for governmental funds	\$		258,679
Total net position reported for governmental activities in the statement of net position 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	\$		934,604
Buildings and improvements, net of \$78,297 accumulated depreciation			128,562
Equipment and vehicles, net of \$58,357 accumulated depreciation			22,995
Infrastructure, net of \$268,499 accumulated depreciation			420,502
Construction in progress			6,808
Infrastructure in progress			98,275
Total capital assets			1,611,746
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.			
			574
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.			
			5,265
Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines are categorized as deferred inflows of resources 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.			
			5,855
Ag. Commissioner deferred inflows of resources from farmer fees; revenues were already recognized in government-wide statements in prior year.			
			56
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 position. Balances, including those reported in internal service funds, at June 30 are:			
Accrued interest on debt		(240)	
Loans payable		(4,399)	
Bonds payable		(37,375)	
COPs payable		(11,525)	
Claims payable		(35,609)	
Accrued remediation cost		(4,715)	
Net OPEB obligation		(13,851)	
Compensated absences		(20,583)	
Total long-term liabilities			(128,297)
The pension assets resulting from contributions in excess of the Annual Required Contribution in fiscal year ended June 30, 1997 are not financial resources and therefore are not reported in the funds.			
Internal service funds 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 position.			
			45,120
Total net position of governmental activities	\$		1,798,998

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

COUNTY OF TULARE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014 (in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and special assessments	\$ 116,371	\$ -	\$ -	\$ 23,419	\$ 139,790
Licenses and permits	10,495	-	-	19	10,514
Fines, forfeitures and penalties	6,655	-	-	2,546	9,201
Interest, rents and concessions	3,703	43	267	1,338	5,351
Intergovernmental revenues	323,124	2	-	103,361	426,487
Charges for services	59,276	-	-	3,938	63,214
Other revenues	15,800	-	-	4,627	20,427
Total revenues	<u>535,424</u>	<u>45</u>	<u>267</u>	<u>139,248</u>	<u>674,984</u>
EXPENDITURES					
Current:					
General government	24,308	-	-	4,584	28,892
Public protection	168,787	-	-	26,773	195,560
Public ways and facilities	-	-	-	22,167	22,167
Health and sanitation	126,496	-	-	1,116	127,612
Public assistance	232,818	-	-	8,020	240,838
Education	1,109	-	-	4,079	5,188
Debt service:					
Principal retirement	-	4,840	815	5,117	10,772
Interest and fiscal charges	280	726	228	925	2,159
Capital outlay	5,545	-	-	20,796	26,341
Total expenditures	<u>559,343</u>	<u>5,566</u>	<u>1,043</u>	<u>93,577</u>	<u>659,529</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,919)</u>	<u>(5,521)</u>	<u>(776)</u>	<u>45,671</u>	<u>15,455</u>
OTHER FINANCING SOURCES (USES)					
Sale of general capital assets	239	-	-	-	239
Transfers in	70,714	5,522	3,893	37,212	117,341
Transfers (out)	(31,813)	-	(2,500)	(82,638)	(116,951)
Total other financing sources (uses)	<u>39,140</u>	<u>5,522</u>	<u>1,393</u>	<u>(45,426)</u>	<u>629</u>
Net change in fund balances	15,221	1	617	245	16,084
Fund balances, July 1	96,485	5,820	58,122	82,168	242,595
Fund balances, June 30	<u>\$ 111,706</u>	<u>\$ 5,821</u>	<u>\$ 58,739</u>	<u>\$ 82,413</u>	<u>\$ 258,679</u>

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

COUNTY OF TULARE
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014 (in thousands)

Net change in fund balances - total governmental funds	\$	16,084
The change in net position reported for governmental activities in the statement of activities is different because:		
<p>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 outlay expenditures in the current period.</p>		
Capital outlay expenditures	\$ 26,342	
Depreciation expense	<u>(24,055)</u>	
Combined adjustment		2,287
<p>Governmental funds report proceeds or losses 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 disposition. This is the book value of the capital assets sold in the current period.</p>		
		(911)
<p>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 a deferred inflows of resources 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.</p>		
		(368)
<p>Governmental funds report the future resources as the result of delayed collection of reimbursements from the State for mandated programs (SB-90) as a deferred inflows of resources because the delay will exceed one year. However, for government-wide statements, the revenue is recognized when earned.</p>		
		(42)
<p>Neighborhood Stabilization Program's future program revenues meet the revenue recognition for the government-wide statement, but not for the fund statements.</p>		
		(233)
<p>To account for the remediation cost for Harmon.</p>		
		130
<p>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.</p>		
		(1,741)
<p>Current year collections of previously delayed reimbursements for Ag. Commissioner programs are reported as current year revenue for governmental funds. However, for government-wide statements, current year collections cannot be recognized a second time.</p>		
		(6)
<p>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 position and has no effect on the statement of activities.</p>		
		10,573
<p>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 of accounting, 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 for the current period.</p>		
Compensated absences	(21)	
Amortization of net OPEB obligation	(3,184)	
Accrued interest on debt	<u>235</u>	
Combined adjustment		(2,970)
<p>Internal service funds are used by the County to charge the costs of various insurance coverage and central services to individual funds. The net cost of internal service funds is reported with the governmental funds.</p>		
		(8,002)
Changes in net position	<u>\$</u>	<u>14,801</u>

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

COUNTY OF TULARE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 106,147	\$ 106,147	\$ 116,371	\$ 10,224
Licenses and permits	9,095	9,095	10,495	1,400
Fines, forfeitures and penalties	4,942	5,152	6,655	1,503
Interest, rents and concessions	1,210	1,210	3,703	2,493
Intergovernmental revenues	342,476	355,848	323,124	(32,724)
Charges for services	71,422	72,468	59,276	(13,192)
Other revenues	6,610	6,733	15,800	9,067
Total revenues	<u>541,902</u>	<u>556,653</u>	<u>535,424</u>	<u>(21,229)</u>
EXPENDITURES				
Current:				
General government	36,100	36,260	24,308	11,952
Public protection	182,275	184,483	168,787	15,696
Health and sanitation	159,854	170,595	126,496	44,099
Public assistance	247,307	247,054	232,818	14,236
Education	1,205	1,205	1,109	96
Debt service:				
Interest and fiscal charges	250	250	280	(30)
Capital outlay	6,154	8,710	5,545	3,165
Total expenditures	<u>633,145</u>	<u>648,557</u>	<u>559,343</u>	<u>89,214</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(91,243)</u>	<u>(91,904)</u>	<u>(23,919)</u>	<u>67,985</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	175	175	239	64
Transfers in	104,105	106,867	70,714	(36,153)
Transfers (out)	(32,703)	(34,784)	(31,813)	2,971
Total other financing sources (uses)	<u>71,577</u>	<u>72,258</u>	<u>39,140</u>	<u>(33,118)</u>
Net change in fund balance	(19,666)	(19,646)	15,221	34,867
Fund balance, July 1	96,485	96,485	96,485	-
Fund balance, June 30	<u>\$ 76,819</u>	<u>\$ 76,839</u>	<u>\$ 111,706</u>	<u>\$ 34,867</u>

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

COUNTY OF TULARE
Proprietary Funds
Statement of Net Position
June 30, 2014 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
ASSETS				
Current assets:				
Cash in banks	\$ 238	\$ 9	\$ 247	\$ -
Investment in treasury pool	3,108	7,826	10,934	44,895
Imprest cash	3	-	3	500
Receivable (net of allowance for uncollectibles)				
Accounts	1,230	228	1,458	11
Prepaid items	-	-	-	50
Due from other funds	-	-	-	600
Due from other governments	-	344	344	109
Total current assets	4,579	8,407	12,986	46,165
Noncurrent assets:				
Advances to other funds	-	-	-	2,360
Restricted assets	45,691	-	45,691	-
Capital assets:				
Land	6,115	611	6,726	-
Buildings and improvements, net	11,633	4,076	15,709	-
Equipment and vehicles, net	2,457	2,063	4,520	2,333
Construction in progress	-	-	-	509
Total capital assets	20,205	6,750	26,955	2,842
Total noncurrent assets	65,896	6,750	72,646	5,202
Total assets	70,475	15,157	85,632	51,367
LIABILITIES				
Current liabilities:				
Accounts payable	604	222	826	2,112
Due to other funds	8	1	9	654
Deposits from others	-	8	8	-
Salaries and benefits payable	108	5	113	639
Compensated absences payable	9	-	9	108
Claims payable	-	-	-	7,099
Bonds payable	-	1	1	-
COP payable	-	37	37	-
Total current liabilities	729	274	1,003	10,612
Noncurrent liabilities:				
Compensated absences payable	200	20	220	1,145
Advances from other funds	-	880	880	-
Closure/post closure costs payable	40,691	-	40,691	-
Claims payable	-	-	-	28,510
Bonds payable	-	6	6	-
COP payable	-	1,273	1,273	-
Total noncurrent liabilities	40,891	2,179	43,070	29,655
Total liabilities	41,620	2,453	44,073	40,267
NET POSITION				
Net investment in capital assets	20,205	5,433	25,638	2,842
Restricted for:				
Landfill ground water contingencies	5,000	16	5,016	-
Unrestricted	3,650	7,255	10,905	8,258
Total net position	\$ 28,855	\$ 12,704	\$ 41,559	\$ 11,100

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

COUNTY OF TULARE
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2014 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Operating revenues:				
Charges for services	\$ 8,725	\$ 1,317	\$ 10,042	\$ 49,649
Interest, rents and concessions	24	3	27	-
Other revenues	242	14	256	1,243
Total operating revenues	<u>8,991</u>	<u>1,334</u>	<u>10,325</u>	<u>50,892</u>
Operating expenses:				
Salaries and benefits	2,554	141	2,695	15,953
Services and supplies	5,602	3,254	8,856	27,914
Insurance premiums paid	-	-	-	5,891
Landfill closure and post closure costs	755	-	755	-
Depreciation	1,962	714	2,676	507
Claims incurred	-	-	-	9,050
Total operating expenses	<u>10,873</u>	<u>4,109</u>	<u>14,982</u>	<u>59,315</u>
Operating income (loss)	<u>(1,882)</u>	<u>(2,775)</u>	<u>(4,657)</u>	<u>(8,423)</u>
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	-	-	-	(1)
Intergovernmental revenues	46	3,224	3,270	35
Taxes and special assessments	-	2,084	2,084	-
Investment earnings	585	75	660	468
Interest expense	-	(46)	(46)	-
Total nonoperating revenues (expenses)	<u>631</u>	<u>5,337</u>	<u>5,968</u>	<u>502</u>
Income (loss) before contributions and transfers	<u>(1,251)</u>	<u>2,562</u>	<u>1,311</u>	<u>(7,921)</u>
Capital contributions	-	-	-	44
Transfers in	-	-	-	20
Transfers (out)	(265)	-	(265)	(145)
Change in net position	<u>(1,516)</u>	<u>2,562</u>	<u>1,046</u>	<u>(8,002)</u>
Net position, July 1	<u>30,371</u>	<u>10,142</u>	<u>40,513</u>	<u>19,102</u>
Net position, June 30	<u>\$ 28,855</u>	<u>\$ 12,704</u>	<u>\$ 41,559</u>	<u>\$ 11,100</u>

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

COUNTY OF TULARE
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2014 (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	\$ 8,565	\$ 1,875	\$ 10,440	\$ 652
Receipts from interfund services provided	302	(15)	287	49,124
Receipts from rents and concessions	24	3	27	-
Other revenues	242	(273)	(31)	1,134
Payments to employees	(2,578)	(139)	(2,717)	(16,007)
Payments to suppliers	(3,129)	(2,886)	(6,015)	(27,180)
Payments for interfund services used	(2,263)	(480)	(2,743)	(6,240)
Payments for claims	-	-	-	(3,288)
Net cash provided by (used for) operating activities	<u>1,163</u>	<u>(1,915)</u>	<u>(752)</u>	<u>(1,805)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from intergovernmental entities	46	3,224	3,270	35
Receipts from taxes and assessments	-	2,084	2,084	-
Transfers to other funds	(264)	-	(264)	(125)
Advance from other funds	-	55	55	-
Advance to other funds	-	-	-	(816)
Net cash provided by (used for) noncapital financing activities	<u>(218)</u>	<u>5,363</u>	<u>5,145</u>	<u>(906)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sales of capital assets	-	2	2	-
Purchases of capital assets	(176)	(747)	(923)	(892)
Principal paid on capital debt	-	(36)	(36)	-
Interest paid on capital debt	-	(60)	(60)	-
Net cash (used for) capital and related financing activities	<u>(176)</u>	<u>(841)</u>	<u>(1,017)</u>	<u>(892)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	585	75	660	468
Net cash provided by investing activities	<u>585</u>	<u>75</u>	<u>660</u>	<u>468</u>
Net increase (decrease) in cash and cash equivalents	1,354	2,682	4,036	(3,135)
Cash and cash equivalents, July 1	47,686	5,153	52,839	48,530
Cash and cash equivalents, June 30	<u>\$ 49,040</u>	<u>\$ 7,835</u>	<u>\$ 56,875</u>	<u>\$ 45,395</u>

Continued

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

COUNTY OF TULARE
Proprietary Funds
Statement of Cash Flows (continued)
For the Year Ended June 30, 2014 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Displayed as:				
Cash in banks	\$ 238	\$ 9	\$ 247	\$ -
Investment in treasury pool	48,799	7,826	56,625	44,895
Imprest cash	3	-	3	500
Total cash displayed	<u>\$ 49,040</u>	<u>\$ 7,835</u>	<u>\$ 56,875</u>	<u>\$ 45,395</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	<u>\$ (1,882)</u>	<u>\$ (2,775)</u>	<u>\$ (4,657)</u>	<u>\$ (8,423)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Landfill closure and post closure costs	755	-	755	-
Depreciation expense	1,962	714	2,676	507
(Increase) decrease in accounts receivable	(156)	566	410	116
(Increase) decrease in due from other funds	298	-	298	(600)
(Increase) decrease in due to other funds	-	(23)	(23)	611
(Increase) decrease in prepaid items	-	-	-	150
Increase (decrease) in accounts payable	210	(112)	98	235
Increase (decrease) in salaries and benefits payable and compensated absences	(24)	2	(22)	(54)
Increase (decrease) in claims payable	-	-	-	5,762
Total adjustments	<u>3,045</u>	<u>860</u>	<u>3,905</u>	<u>6,618</u>
Net cash provided by (used for) operating activities	<u>\$ 1,163</u>	<u>\$ (1,915)</u>	<u>\$ (752)</u>	<u>\$ (1,805)</u>
Schedule of non-cash capital and related finance activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 44

Concluded

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

COUNTY OF TULARE
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2014 (in thousands)

	<u>Investment Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Current assets:			
Cash in bank	\$ 1	\$ -	\$ 4,582
Investment in treasury pool	545,152	1,589	43,831
Accounts receivable (net of allowance for uncollectibles)	12,518	-	95
Prepaid items	30	-	-
Deposits with others	-	144	-
Due from other governments	19	-	-
Noncurrent assets:			
Capital assets:			
Infrastructure	-	2,567	-
Equipment and vehicles, net	-	138	-
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>2,705</u>	<u>-</u>
Total assets	<u>557,720</u>	<u>4,438</u>	<u>48,508</u>
LIABILITIES			
Accounts payable	8,982	-	10,071
Due to other governments	248	-	7,523
Advances	963	-	-
Note payable	21,632	5,765	-
Agency obligations	<u>-</u>	<u>-</u>	<u>30,914</u>
Total liabilities	<u>31,825</u>	<u>5,765</u>	<u>\$ 48,508</u>
NET POSITION			
Net position held in trust for pension benefits and other purposes	<u>\$ 525,895</u>	<u>\$ (1,327)</u>	

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

COUNTY OF TULARE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014 (in thousands)

	Investment Trust Funds	Private-Purpose Trust Funds
ADDITIONS		
Contributions to pooled investments	\$ 4,212,052	\$ 218
Investment income	7,368	14
Total additions	<u>4,219,420</u>	<u>232</u>
DEDUCTIONS		
Distributions from pooled investments	4,207,682	683
Total deductions	<u>4,207,682</u>	<u>683</u>
Change in net position	11,738	(451)
Net position, July 1	<u>514,157</u>	<u>(876)</u>
Net position, June 30	<u>\$ 525,895</u>	<u>\$ (1,327)</u>

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

Notes to the Financial Statements



COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

I. Summary of Significant Accounting Policies

A. THE FINANCIAL REPORTING ENTITY

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

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 accounting principles generally accepted in the United States of America, 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 Governmental 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 and the control of the day-to-day activities through the budget process. One component unit is presented discretely.

Blended Component Units 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. 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.

1. *Terra Bella Sewer Maintenance District* Terra Bella Sewer Maintenance District (TBSMD) is an entity legally separate from the County. However, the County Board serves as the governing Board of TBSMD and has control over the day-to-day operations of TBSMD through budget approvals. For financial reporting purposes, the TBSMD is reported as if it were part of the County's operations. The TBSMD is operated by the County's Resource Management Agency and its Engineering Division. The purpose of the TBSMD 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.
2. *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, are members of County's Board and have control over the day-to-day operations of TCFCD through budget approvals. For financial reporting purposes, the TCFCD is reported as if it were part of the County's operations. The TCFCD's primary responsibility is to provide flood control related services to the residents of the 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.
3. *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, are appointees of the County's Board that can impose its will upon TCPFC by its authority to remove TCPFC Board members. 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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

4. *Tulare County Public Financing Authority* The Tulare County Public Financing Authority (TCPFA), which is legally separate from the County, was established through a Joint Exercise of Powers Agreement between the County and the County Redevelopment Agency. The County Board serves as the governing 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 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.
5. *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, 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-Miliias-Brown Act. The County Board serves as the governing 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. The component unit's financial information is included as a special revenue fund.

Discretely Presented Component Unit The members of the governing board of the First 5 Tulare County (F5TC), an entity legally separate from the County, are appointees of the County's Board, that can impose its will upon F5TC through the approval of the F5TC's annual budget, by its authority to remove F5TC Board members, and the hiring or dismissal of management. F5TC was created by 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 F5TC are not used to support County operations. Complete audited financial statements for F5TC are available at the County of Tulare Auditor-Controller's Office, 221 S. Mooney Boulevard, Room 101-E, Visalia, California 93291.

B. FINANCIAL STATEMENT PRESENTATION

In accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the financial statements consist of the following:

- o Government-wide financial statements,
- o Fund financial statements, and
- o Notes to the financial statements.

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund intra-function activity has been eliminated from the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. The Statement of Activities presents function revenue and expenses of governmental activities and business-type activities. 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. In the Statement of Activities, internal service funds' revenues and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities.

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include policy and executive, public safety, health and public assistance, community resources and public facilities, general government and support services, and general county programs. The business-type activities of the County include resource recovery and waste management and sanitation operations.

The Statement of Activities demonstrates the degree to which the direct and indirect expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are allocated based on the annual Countywide Cost Allocation Plan which allocates the cost of central

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

service departments to service user departments. Costs allocated in the Cost Allocation Plan include administrative and support costs such as budget preparation and oversight, county counsel, landscaping, payroll, utilities, and facilities maintenance. 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, and (2) grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from among program revenues are reported as general revenues.

Separate fund 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.

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 GASB. 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.

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, and 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.

C. MEASUREMENT FOCUS, 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 numbers 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 legally adopts an annual budget for the general fund and all of its special revenue funds, debt service funds, and its capital projects fund. Component units TBSMD, TCFCD, and the TCIHSSPA each adopt an annual budget. TCPFC and TCPFA do not adopt budgets.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

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 that have been collected or expect to be collected within 60 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.

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 accounted for in another fund.

The *Public Facilities Corporation* accounts for the activities of the TCPFC that assists the County 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 through borrowings, which are used 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 expenditures 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 fund* accounts 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 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 landfill and disposal sites for solid waste, and to prepare for future closure and post closure expenses.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

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, data processing, telecommunications, and insurance services 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.

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 *private-purpose trust fund* is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefits and other governments. This fund reports the assets, liabilities, and activities of the Tulare County Redevelopment Successor Agency (Successor Agency).

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.

D. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

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

- **GASB Statement No. 60** - *Accounting and Financial Reporting for Service Concession Arrangements* address accounting and financial reporting issues related to public-private and public-public partnership. The statement is effective for periods beginning December 15, 2011. The County implemented this change for the fiscal year ended June 30, 2012.
- **GASB Statement No. 61** - *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* modifies a number of provisions with regard to reporting of component units within a financial reporting entity. The statement is effective for periods beginning after June 15, 2012. The County implemented this change for the fiscal year ended June 30, 2013.
- **GASB Statement No. 62** - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements* incorporated into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The statement is effective for periods beginning after December 15, 2011. Upon implementation, there was no effect on the County's accounting or financial reporting.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

- **GASB Statement No. 63** - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* modifies current financial reporting of those elements. The largest change will be the replacement of the current Statement of Net Assets with a Statement of Net Position and a Statement of Changes in Net Position instead of the current Statement of Changes in Net Assets upon implementation for periods beginning after December 15, 2011. The County implemented this change for the fiscal year ended June 30, 2013.
- **GASB Statement No. 64** - *Derivative Instruments: Application of Hedge Accounting Termination Provisions* amends current accounting and financial reporting related to terminations of swap agreements due to default or other termination events. In certain instances where swap counterparties or credit support providers are replaced, hedge accounting may continue, rather than cease. The provisions of GASB Statement No. 64 are effective for financial statements beginning after June 15, 2011. The County implemented this change for the fiscal year ended June 30, 2012.
- **GASB Statement No. 65** - *Items Previously Reported as Assets and Liabilities*. The provisions of GASB Statement No. 65 are effective for financial statements beginning after December 15, 2012. The County implemented this change for the fiscal year ended June 30, 2014.
- **GASB Statement No. 66** - *Items Technical Corrections - 2012 - an amendment of GASB Statements No. 10 and No. 62*. The provisions of GASB Statement No. 66 are effective for financial statements beginning after December 15, 2012. The County implemented this change for the fiscal year ended June 30, 2013.
- **GASB Statement No. 67** - *Financial Reporting for Pension Districts - an amendment of GASB Statement No. 25*. The provisions of GASB Statement No. 67 are effective for financial statements beginning after June 15, 2013. The County implemented this change for the fiscal year ended June 30, 2014.
- **GASB Statement No. 68** - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The provisions of GASB Statement No. 68 are effective for financial statements beginning after June 15, 2014. The County has not fully judged the effect of the implementation of GASB Statement No. 68 as of the date of the basic financial statements.
- **GASB Statement No. 69** - *Government Combinations and Disposals of Government Operations*. The provisions of GASB Statement No. 69 are effective for financial statements beginning after December 15, 2013. The County has not fully judged the effect of the implementation of GASB Statement No. 69 as of the date of the basic financial statements.
- **GASB Statement No. 70** - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The provisions of GASB Statement No. 70 are effective for financial statements beginning after June 15, 2013. The County implemented this change for the fiscal year ended June 30, 2014.

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, federal agencies, municipal securities, commercial paper, corporate notes and bonds, repurchase agreements, certificates of deposit, and the State Treasurer's Investment Pool.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

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, 2014, the special purpose authorities' cash and pooled investments were approximately 65.7% of the County Treasurer's Office pooled investment portfolio.

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 position 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 quarterly 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, 2014. The dollars deposited in the program have been increased by \$3,356 to reflect the increase in the fair value of the Investment in the Treasury Pool at June 30, 2014.

In addition, investments outside the Investment Pool were adjusted to fair market value as of June 30, 2014 resulting in an increase of \$60.

2. Receivables and Payables

Transactions between funds that are representative of noncurrent 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 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 levies property taxes as of September 1 for property values assessed on July 1. Secured property tax payments are due in two equal installments.

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 Resources Fund, an agency fund, until apportionment and disbursement to taxing jurisdictions. In 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 were 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, benefited from future collections of penalties and interest on delinquent taxes. Transactions of the Teeter Plan (including outstanding debt borrowed for the annual Teeter buyout) were accounted for in the general fund. Taxes receivable are recorded as of the date levied. The County opted out of the Teeter Plan June 30, 2009.

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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

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 governmental fund type inventories are recorded as expenditures/expenses when consumed rather than when purchased. Thus, in governmental funds, prepaid totals are reported as nonspendable.

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).

The costs associated with debt issuance are reported as an expenditure of the period in which they are incurred in governmental funds.

4. Restricted Assets

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

5. Capital Assets

Capital assets include land, land improvements, buildings and improvements, equipment, vehicles, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (e.g., land easements and computer software). They are reported in the applicable governmental or business-type activities columns in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. The capitalization thresholds are \$5 for equipment and vehicles, and \$100 for land improvements, buildings improvements, infrastructure, and computer software. Land and buildings are capitalized regardless of cost.

All capital asset additions are reported in the fiscal year in which the asset is acquired, except for infrastructure assets which use a business cycle extending from May to April, with all additions of the business cycle being reported in the fiscal year in which April is included. In the case of donations, capital assets are valued at their estimated fair value at the date of donation.

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20-50
Infrastructure roadway:	
Pavement	10-40
Bridges	50
Pipe crossings	30
Traffic control devices	25
Signs	10
Sewer/water systems	7-20
Landfill site improvements	15
Vehicles/heavy equipment	3-20
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.

COUNTY OF TULARE
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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 separation of employment or death, an employee, or the employee's estate, is compensated for 100% of accumulated vacation at the employee's current payroll rate.

Most covered employees (eligible for overtime compensation) receive either compensatory time off (CTO) in lieu of overtime or paid overtime. An employee earns CTO hours in lieu of paid overtime until a certain CTO balance is reached; thereafter, an employee receives paid overtime for overtime hours worked. In the event of separation of employment or death, an employee, or the employee's estate, is compensated for 100% of their accumulated CTO hours at the employee's current payroll rate.

Employees in Bargaining Units 2, 5, 8, 12, 13, 14, 15, 16 & 22 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 Bargaining Unit 23 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 350 converted hours.

Employees in Bargaining Units 1, 3, 4, 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.

Employees in Bargaining Units 9, 10, 11, 19, 20, 21, 40 & 45 who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in these same Units leaving County service in good standing, other than by retirement, after five years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 40 converted hours.

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 will be paid from pledged property taxes and other revenues the County expects to receive during the fiscal year. The County issued a Tax and Revenue Anticipation Note for the year ended June 30, 2014.

COUNTY OF TULARE
Notes to the Financial Statements
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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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses during the current period.

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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net positions that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has various deferred inflows of resources that have not met the County revenue recognition policy, which originate from various sources.

10. Fund Balance Policies

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the County is bound to honor constraints on how specific amounts can be spent.

Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.

Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned fund balance – amounts that are constrained by the County's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose. This is also the classification for residual funds in the County's special revenue funds. The Board, by board resolution, delegates the authority to assign fund balances to the Chief Administrative Officer (CAO).

COUNTY OF TULARE
Notes to the Financial Statements
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Unassigned fund balance – the residual classification for the County’s general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution (ordinances and resolutions are considered of equal authority with respect to fund balance). This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

11. Fund Balance Flow Assumptions

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

12. Use of Estimates

The preparation of the basic financial statements is in conformity with accounting principles generally accepted in the United States (GAAP). GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. Reconciliation of Government-Wide and Fund Financial Statements

A reconciliation of the total fund balances for governmental funds to the total net position of governmental activities has been prepared as part of the basic financial statements, including explanations of differences on page 27.

A reconciliation of the total net change in fund balances for governmental funds to the total changes in net position of governmental activities has been prepared as part of the basic financial statements including explanations of differences on page 29.

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 an operating budget approved by the Board.

A balanced operating budget is adopted each fiscal year for the County’s general fund, special revenue funds, debt service funds, and capital projects fund. A balanced operating budget is adopted each fiscal year for the TCFCD, which is governed by the Board 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 and of which the Auditor-Controller is the ex-officio Finance Officer.

Public hearings are conducted on the recommended 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.

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All governmental fund type budgets and the spending plans for proprietary fund types are adopted on the modified accrual basis of accounting. County department heads, with the approval of the CAO, may make transfers of appropriations within a department without the approval of the Board for specific object or sub-object accounts under Administrative Regulation (AR) No.4. Transfers of appropriations to or from any budget unit, transfers of appropriations between funds, and transfers from the Contingency Reserve are approved by the Board. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must be approved by the Board. The Board per Government Code 29125 has legally delegated authority under AR No. 4 to the CAO to approve transfers of appropriations within any budget unit among the object or sub-object accounts, with the following restrictions: 1) Overall appropriations of the budget unit are not increased, 2) Transfers cannot create a Capital Asset appropriation, 3) Increases to existing Capital Asset appropriation cannot exceed 10%, and 4) Increases from the County's allocated salaries account may be approved for unspent salaries that are tied to a regular position that is vacant or under-filled. Budgeted amounts are reported both as adopted and as amended.

The Board 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, 2014, appropriations in the general fund were increased by \$15,412.

B. INDIVIDUAL FUND DEFICITS

There are not any individual fund deficits for the fiscal year 2013-2014.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2014, expenditures exceeded appropriations at the legal level of control for the fund, Tulare County In- Home Support Services Public Authority Fund. The excesses of expenditures over appropriations is was due to the Tulare County In- Home Support Services Public Authority Fund being closed and transferred into the general fund.

IV. Detailed Notes on All Funds

A. CASH AND INVESTMENTS

As provided by Government Code Section 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 TCPFC and the TCPFA, which are not invested by the County Treasurer but are held by fiscal agents.

Deposits. Deposits consist of cash in banks as well as non-negotiable certificates of deposits. As of June 30, 2014, the County's bank deposits had a carrying amount of \$41,459 and the balance per the financial institutions totaled \$48,927. The difference between the carrying amount and the bank balance includes temporary reconciling items such as cash on hand, outstanding checks, and deposits in transit. Of the balance in the financial institutions, \$1,275 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$47,652 was collateralized pursuant to California Government Code. 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 a 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.

COUNTY OF TULARE
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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 Board. Additionally, there is an Oversight Committee established under California Code Government Code Section 27130 to Section 27137 comprised of 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 Section 53601 and Section 53635, authorizes the Treasurer to invest in permissible types of instruments. These include:

- (A) Obligations issued by the County
- (B) Obligations of the U.S. Treasury
- (C) Obligations of the State and local agencies
- (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) Pass-Through Securities
- (J) Money Market Mutual Funds
- (K) Repurchase and Reverse Repurchase Agreements
- (L) Local Agency Investment Fund (LAIF)

Credit Risk. Credit risk exists when there is the possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. To mitigate this risk, the Investment Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the rating of investments held in the Investment Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long term or A-1 for short-term. Securities that are fully guaranteed as to payment by an agency, or government sponsored enterprise of the U.S. Government were rated AA+ by national recognized statistical-rating organizations. As of June 30, 2014, the County invested in primarily high quality investments as shown below:

Credit Ratings	
AAA	4%
A-1 (short-term rating)	6%
AA	70%
A	12%
SP-1+	2%
Not Rated**	6%
Total	100%

Standard & Poor's Ratings [includes all ratings in this category (e.g., A-, A, A+)].

** The portion of the portfolio that is not rated represent the \$50,000 deposit in LAIF, the State investment fund. The remaining portion not rated is issued by John Deere Owners Trust; it is not rated by S&P, however it is rated AAA by Moody's and Fitch.

COUNTY OF TULARE
Notes to the Financial Statements
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Concentration of Credit Risk. 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. In accordance with GASB Statement No. 40, the County held investments in excess of 5% of the total year-end investments for the following issuers:

<u>Issuer</u>	<u>Amount</u>	<u>Percentage</u>
United States Treasury	\$ 201,775	20.6%
Federal National Mortgage Association	140,772	14.4%
Federal Home Loan Bank	84,764	8.7%
Federal Home Loan Mortgage Corporation	81,142	8.3%
Local Agency Investment Fund	50,015	5.1%
Total	<u>\$ 558,468</u>	<u>57.1%</u>

Custodial Credit Risk. Custodial credit risk for an investment exists when, in the event of failure of the counterparty to a transaction, the County will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Treasury has limited its custodial credit risk on investments by having all investments in the name of the County. In accordance with GASB Statement No. 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, 2014, the entire portfolio is under category (1) except for Money Market Funds, which do not fall under any of the above categories of credit risk as the investment in these funds is not evidenced by securities that exist in physical or book entry form.

Foreign Currency Credit Risk. The County does not have any foreign currency risk as all investments are in U.S. dollar-denominated assets.

COUNTY OF TULARE
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Interest Rate Risk. Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. The Treasury mitigates this risk limiting the dollar-weighted average maturity of the investment portfolio to 3.5 years and invests in longer-term securities only with funds that are not needed for current cash flow purposes.

The County's investments as of June 30, 2014 are as follows:

	Carrying Value	Reported Amount/Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury Obligations	\$ 200,974	\$ 201,775	990	0.500% - 5.125%	07/31/2015 - 02/28/2019
Federal Agency Obligations	332,728	333,745	1,050	0.375% - 2.500%	09/10/2015 - 02/19/2019
Corporate Notes/Bonds	272,493	273,910	908	0.207% - 6.000%	07/28/2014 - 04/25/2019
Municipal Obligations	36,419	36,553	483	0.991% - 5.750%	02/01/2016 - 05/15/2018
Commercial Paper	32,738	32,754	78	0.190% - 0.245%	07/22/2014 - 01/05/2015
Negotiable Time Deposits	38,554	38,527	691	0.250% - 0.716%	04/15/2016 - 06/13/2016
	<u>913,906</u>	<u>917,264</u>			
Other Investments:					
Money Market Funds	10,227	10,227			
LAIF Managed Pool	50,000	50,015			
Other Managed Pool	180	180			
Total Other Investments	<u>60,407</u>	<u>60,422</u>			
Total Investments	<u>\$ 974,313</u>	<u>\$ 977,686</u>			

The County's total report investments \$977,686. Of that amount, 97.41% is invested in non-derivative financial products and 2.59% of the portfolio is invested in AAA rated Asset-backed securities.

California Local Agency Investment Fund (LAIF). The State Treasurer's LAIF is a governmental investment pool managed and directed by the State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of 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, 2014, the County's investment in LAIF is \$50,015. The total amount recorded by all public agencies in LAIF at that date was \$21,119,834. Of that amount, 98.14% is invested in non-derivative financial products and 1.86% of the portfolio is invested in Medium-term and Short-term 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. As of June 30, 2014, the County had no outstanding repurchase agreements.

COUNTY OF TULARE
Notes to the Financial Statements
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Treasury Pool Income and Participant Withdrawals. Treasury Pool investments are accounted for in accordance with the provisions of GASB Statement No. 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 position 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.

For the year ended June 30, 2014, the Treasury Pool investment income was comprised of the following:

Investment Income	Amount
Interest and Dividends	\$ 9,729
Net Increase in the Fair Value	4,188
Less: Investment Expenses	(1,444)
Total Treasury Pool Income	\$ 12,473

The net increase in the fair market value of investments during fiscal year 2013-2014 was \$4,188. This amount takes into account all changes in fair value (including sales resulting in a net gain of \$2,098) that occurred during the year. The net fair value adjustment on investments held as of June 30, 2014 was a gain of \$2,090.

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 position for the governmental, enterprise, internal service, fiduciary funds, and the discretely presented component unit as of June 30, 2014:

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total	Component Unit - First 5 Tulare County
Cash in Banks	\$ 95	\$ 247	\$ -	\$ 4,583	\$ 4,925	\$ 153
Investment in Treasury Pool	246,122	10,934	44,895	590,572	892,523	8,387
Restricted Investments in Pool	4,715	45,691	-	-	50,406	-
Investments	8,906	-	-	-	8,906	-
Restricted Investments	55,627	-	-	-	55,627	-
Imprest Cash	77	-	-	-	77	-
Deposits with Others	-	-	-	144	144	6
Cash on Hand	-	3	500	-	503	-
Cash Overdraft	-	-	-	-	-	-
	\$ 315,542	\$ 56,875	\$ 45,395	\$ 595,299	\$ 1,013,111	\$ 8,546

COUNTY OF TULARE
Notes to the Financial Statements
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Summary of total cash investments is as follows:

	Investment in Treasury Pool	Other	Total
Cash and Bank Deposits	\$ 43,075	\$ 5,576	\$ 48,651
Cash in Transit	(7,165)	(27)	(7,192)
Interest Receivable	2,709	43	2,752
Investments	912,936	64,749	977,685
Due to Pool Participants	(239)	-	(239)
Total	\$ 951,316	\$ 70,341	\$ 1,021,657

The following represents a condensed statement of net position and changes in net position for the Treasury Pool as of June 30, 2014:

<u>Statement of Net Position</u>	
Net position held in trust for all pool participants	<u>\$ 951,316</u>
Equity of internal pool participants	\$ 326,149
Equity of external pool participants	<u>625,167</u>
Total Equity	<u>\$ 951,316</u>
<u>Statement of Changes in Net Position</u>	
Net position as of July 1	\$ 976,447
Net Additions/Withdrawals by Pool Participants	(39,048)
Net Increase in the Investment Fair Value:	
Realized Gains/Losses from Sales	2,098
Market Value Gain on Investments Held at Year-end	2,090
Interest and Dividends Earned	<u>9,729</u>
Net Position as of June 30, 2014	<u>\$ 951,316</u>

B. RECEIVABLES

Receivables as of the fiscal year-end for the County's individual major funds and for nonmajor and Internal Service Funds (ISF) are as follows:

	General	TCPFA	Solid Waste	Nonmajor Governmental	ISF	Nonmajor Enterprise	Total
Receivables:							
Accounts	\$ 3,754	\$ -	\$ 1,230	\$ 2,501	\$ 11	\$ 228	\$ 7,724
Property taxes	1,973	-	-	-	-	-	1,973
Lease payments	-	-	-	297	-	-	297
Notes	-	-	-	18,283	-	-	18,283
Due from other governments	27,363	-	-	7,636	109	344	35,452
Total Receivables	<u>\$ 33,090</u>	<u>\$ -</u>	<u>\$ 1,230</u>	<u>\$ 28,717</u>	<u>\$ 120</u>	<u>\$ 572</u>	<u>\$ 63,729</u>

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C. RESTRICTED ASSETS

Restricted assets in the governmental funds include \$55,627 in the TCPFA for future debt service and \$4,715 in a capital projects fund for the future cleanup of toxic ground at the Harmon Field airstrip. Restricted assets in the business-type funds include \$45,691 in the Solid Waste fund for future closure/post closure expenses for disposal sites and landfill groundwater contingencies.

D. DEFERRED INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred inflows of resources in the entity-wide and government-wide fund statements. These items are an acquisition of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report revenues not susceptible to accrual as deferred inflows of resources.

Deferred inflows of resources balances for the year ended June 30, 2014 were as follows:

	<u>Balance</u> <u>June 30, 2014</u>
Government-wide Deferred Inflows	
Governmental Activities	
Community Development Block Grants (CDBG)	\$ 5,893
Home Program Grant	<u>11,124</u>
Total Governmental Activities	<u>17,017</u>
Total Government-wide Deferred Inflows	<u>\$ 17,017</u>
Governmental Fund Deferred Inflows	
General Fund	<u>\$ 9,045</u>
Total General Fund	9,045
Debt Service Fund	
Building Loans Fund	<u>296</u>
Total Debt Service Fund	296
Special Revenue Funds	
Tobacco Settlement	2,409
CDBG	5,893
Home Program Grant	<u>11,124</u>
Total Special Revenue Funds	<u>19,426</u>
Total Governmental Fund Deferred Inflows	<u>\$ 28,767</u>

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Notes to the Financial Statements
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E. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows:

<u>Capital Assets - Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Current Period Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 911,450	\$ 23,227	\$ (71)	\$ (2)	\$ 934,604
Construction in Progress	744	6,111	(34)	(13)	6,808
Infrastructure in Progress	139,236	10,875	(51,124)	(712)	98,275
Total capital assets, not being depreciated	<u>1,051,430</u>	<u>40,213</u>	<u>(51,229)</u>	<u>(727)</u>	<u>1,039,687</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	659,376	29,822	(197)	-	689,001
Buildings and Improvements	206,752	107	-	-	206,859
Equipment/Vehicles	76,746	8,284	(3,697)	19	81,352
Total capital assets being depreciated	<u>942,874</u>	<u>38,213</u>	<u>(3,894)</u>	<u>19</u>	<u>977,212</u>
<i>Less accumulated depreciation for:</i>					
Infrastructure	(255,105)	(13,551)	134	23	(268,499)
Buildings and Improvements	(73,686)	(4,610)	-	(1)	(78,297)
Equipment/Vehicles	(55,570)	(6,402)	5,037	(1,422)	(58,357)
Total accumulated depreciation	<u>(384,361)</u>	<u>(24,563)</u>	<u>5,171</u>	<u>(1,400)</u>	<u>(405,153)</u>
Total capital assets, being depreciated, net	<u>558,513</u>	<u>13,650</u>	<u>1,277</u>	<u>(1,381)</u>	<u>572,059</u>
Governmental activities capital assets, net:	<u><u>1,609,943</u></u>	<u><u>53,863</u></u>	<u><u>(49,952)</u></u>	<u><u>(2,108)</u></u>	<u><u>1,611,746</u></u>
Business-type activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 6,726	\$ -	\$ -	\$ -	\$ 6,726
Construction in Progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>6,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,726</u>
<i>Capital assets, being depreciated:</i>					
Buildings and Improvements	31,501	98	-	-	31,599
Equipment/Vehicles	14,631	821	(106)	1	15,347
Total capital assets being depreciated	<u>46,132</u>	<u>919</u>	<u>(106)</u>	<u>1</u>	<u>46,946</u>
<i>Less accumulated depreciation for:</i>					
Buildings and Improvements	(14,348)	(1,543)	-	1	(15,890)
Equipment/Vehicles	(9,800)	(1,133)	106	-	(10,827)
Total accumulated depreciation	<u>(24,148)</u>	<u>(2,676)</u>	<u>106</u>	<u>1</u>	<u>(26,717)</u>
Total capital assets, being depreciated, net	<u>21,984</u>	<u>(1,757)</u>	<u>-</u>	<u>2</u>	<u>20,229</u>
Business-type activities capital assets, net:	<u><u>\$ 28,710</u></u>	<u><u>\$ (1,757)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 26,955</u></u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

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

Depreciation	
Governmental activities:	
General government	\$ 1,473
Public protection	4,833
Public ways and facilities	14,875
Health and sanitation	1,195
Public assistance	999
Education	257
Culture and recreation	420
Unallocated depreciation expense	511
Total depreciation expense - governmental activities	<u>\$ 24,563</u>
Business-type activities:	
Solid Waste	\$ 1,962
Nonmajor enterprise funds	714
Total depreciation expense - business-type activities	<u>\$ 2,676</u>

The County has active construction and other projects as of June 30, 2014, including the new Oroshi Sheriff's Substation, remodeling of the Downtown Annex, landfill site improvements, construction of the Ivanhoe Community Center, rehabilitation of the airport, improvements to Fire Station #1, and various infrastructure projects.

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

	Spent-to-Date	Remaining Commitment
Governmental Funds		
Fire Station #1	\$ 221	\$ -
Porterville Mental Health Services Administration Facility	1,988	-
Emergency Generators	46	2,355
South County Detention Facility	2,756	224
Bob Wiley Detention Facility Boiler Replacement Project	30	595
Sequoia Field Program Facility	25	2,175
Harmon Field Remediation	285	4,715
Purchasing Department Relocation	28	272
Apron & Taxi Lane Construction at Sequoia Field Airport	920	-
Enterprise Software License	509	-
Roads:		
Environmental Review of Existing Roads	22,425	-
Turnouts	-	-
Shoulder Stabilization	-	-
Other Improvements	56,045	-
Repair or Replace Bridge	19,805	-
Total Governmental Funds	<u>105,083</u>	<u>10,336</u>
Total Construction in Progress	<u>\$ 105,083</u>	<u>\$ 10,336</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

F. INTERFUND RECEIVABLES AND PAYABLES

Advances to/from other County funds

Advances to/from other funds are representative of noncurrent lending/borrowing arrangements outstanding at the end of the fiscal year.

The composition of advances to/from other funds balances as of June 30, 2014, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Enterprise	\$ 880
Internal Service Fund	General	2,360
	Total	\$ 3,240

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 into 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, 2014, is as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 1,762
	Internal Service	54
	Nonmajor Enterprise	1
	Solid Waste	8
	Sub-total	1,825
Nonmajor Governmental	General	360
	Sub-total	360
Internal Service	Internal Service	600
	Sub-total	600
	Total	\$ 2,785

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

G. TRANSFERS

Transfers to/from other County funds for the fiscal year ended June 30, 2014, 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, 2014, is as follows:

	Transfers From:			Transfers To:		
	General	TCPFC	TCPFA	Nonmajor Governmental	Internal Service	Total Transfers
General	\$ -	\$ -	\$ -	\$ 31,793	\$ 20	\$ 31,813
TCPFA	-	-	-	2,500	-	2,500
Nonmajor Governmental	70,449	5,522	3,893	2,774	-	82,638
Solid Waste	265	-	-	-	-	265
Internal Service	-	-	-	145	-	145
Total transfers	<u>\$ 70,714</u>	<u>\$ 5,522</u>	<u>\$ 3,893</u>	<u>\$ 37,212</u>	<u>\$ 20</u>	<u>\$ 117,361</u>

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.

I. LEASES

Operating Leases (County as Lessor) The County has entered into long-term operating lease agreements leasing land and buildings to others. Leased assets represent a cost of \$2,007 with \$1,640 of accumulated depreciation for a net carrying amount of \$367. The revenues realized for the fiscal year ended June 30, 2014, were \$1,530. The minimum future rentals for noncancellable operating leases are as follows:

Future Rentals	
Year Ending June 30,	Amount
2015	\$ 486
2016	481
2017	480
2018	478
2019	476
2020-2024	839
Total	<u>\$ 3,240</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

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, 2014, were \$7,857. The future minimum lease payments for these leases are as follows:

Operating Leases	
Year Ending June 30,	Amount
2015	\$ 6,563
2016	4,239
2017	2,048
2018	1,488
2019	917
2020-2024	230
Total	\$ 15,485

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 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, 2014, was approximately \$175.

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, 2014, is \$296. Minimum lease payments receivable for each of the two succeeding fiscal years are as follows:

Direct Financing Lease Receivable		
Year Ending June 30,	Principal	Interest
2015	\$ 194	\$ 15
2016	102	3
Total	\$ 296	\$ 18

J. SHORT-TERM DEBT

Tax and Revenue Anticipation Notes In July of fiscal year ended, June 30, 2014, the County issued Tax and Revenue Anticipation Notes (TRANs) to provide financing of seasonal cash flow requirements for the general fund’s current year expenditures and to discharge its obligations and indebtedness during this period. The principal of the notes and the interest thereon was paid from pledged property taxes and revenues the County received during the fiscal year.

Short-term debt activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	\$ 53,933	\$ -	\$ (53,933)	\$ -

K. LONG-TERM DEBT

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

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

COPs 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 COPs generally are issued as 20 to 40-year certificates with increasing amounts of principal maturing each year.

COPs currently outstanding are as follows:

Outstanding Certificate of Participation			
Date Issued	Purpose of Debt	Interest Rates	Amount
October 8, 1998	Governmental activities - Refunding	3.35% - 5.00%	\$ 11,525
September 2, 1993	Business-type activities	5.00%	423
February 23, 1994	Business-type activities	5.00%	61
August 16, 1994	Business-type activities	4.50%	45
September 14, 1994	Business-type activities	4.50%	36
May 28, 1996	Business-type activities	4.50%	745
		Subtotal	1,310
		Total	\$ 12,835

Annual debt service requirements to maturity for COPs are as follows:

Year Ending June 30,	Certificates of Participation			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 5,065	\$ 450	\$ 37	\$ 62
2016	6,460	162	37	60
2017	-	-	43	58
2018	-	-	45	57
2019	-	-	46	54
2020-2024	-	-	260	237
2025-2029	-	-	325	172
2030-2034	-	-	411	88
2035-2036	-	-	106	11
Total	\$ 11,525	\$ 612	\$ 1,310	\$ 799

Variable Rate Demand Bonds On December 17, 1999, the TCPFA issued Variable Rate Demand Bonds of \$45,000 with a variable rate not to exceed 12%. Each fiscal year up to \$3,000 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 was used as security for the bonds. On December 1, 2006, these bonds were refunded with private placement Tobacco Settlement Asset Backed Bonds of \$42,360, which will mature on August 1, 2034.

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 a secondary market transaction at the price equal to par, but no greater than the Maximum Rate.

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

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

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 915	\$ 154
2016	915	151
2017	1,010	146
2018	1,110	142
2019	1,110	137
2020-2024	6,925	599
2025-2029	9,465	421
2030-2034	12,870	180
2035	3,055	-
Total	<u>\$ 37,375</u>	<u>\$ 1,930</u>

Loans Payable In September 2002, the County borrowed \$10,920 at 4.49% for energy improvement projects. This loan extended to November 2017, however, the full remaining principal balance of \$4,489 was paid off on October 22, 2013, along with a buyout penalty in the amount of \$183. In 2006, an additional loan of \$7,084 was taken at 3.9% to fund energy improvement projects. This loan extends to September 2022.

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

<u>Year Ending June 30,</u>	<u>Loans Payable</u>	
	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ 461	\$ 163
2016	479	145
2017	499	126
2018	518	106
2019	539	86
2020-2023	1,903	126
Total	<u>\$ 4,399</u>	<u>\$ 752</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

Prior Year Defeasance of Debt In prior years, the County defeased certain COPs by placing the proceeds of new COPs in an irrevocable trust to provide for all future debt service payments on the old COPs. Accordingly, the trust account assets and the liability for the defeased COPs are not included in the County's financial statements. At June 30, 2014, there are no longer any bonds outstanding considered to be defeased.

Other Payables El Rancho Sewer District, part of County Service Area #1, issued revenue bonds during the fiscal year ended June 30, 1988. Farmers Home Administration purchased the bonds. The proceeds of the bonds were used for a sewer construction project. The original bonds payable of \$11 have a current principal balance of \$7 and bear interest at 5% per annum. This matures in 2027, a 40-year period. The bonds were issued under Health & Safety Code Section 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:

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2015	\$ 1	\$ 1
2016	1	1
2017	-	-
2018	-	-
2019	1	-
2020-2024	2	1
2025-2027	2	-
Total	<u>\$ 7</u>	<u>\$ 3</u>

Changes in Long-term Liabilities Long-term liability activity for the fiscal year ended June 30, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
COPs payable	\$ 16,350	\$ -	\$ (4,825)	\$ 11,525	\$ 5,065
Variable rate demand bonds	38,190	-	(815)	37,375	915
Loans payable	9,332	-	(4,933)	4,399	461
Net OPEB obligation	10,667	4,007	(823)	13,851	-
Compensated absences	20,715	1,389	(1,521)	20,583	1,521
Liability claims payable	29,847	9,050	(3,288)	35,609	7,099
Accrued remediation cost	5,000	-	(285)	4,715	-
Total Governmental activities	<u>\$ 130,101</u>	<u>\$ 14,446</u>	<u>\$ (16,490)</u>	<u>\$ 128,057</u>	<u>\$ 15,061</u>
<u>Business-type activities:</u>					
COPs payable	\$ 1,346	\$ -	\$ (36)	\$ 1,310	\$ 37
Bonds payable	7	-	-	7	1
Closure/postclosure costs payable	39,935	756	-	40,691	-
Compensated absences	248	-	(19)	229	9
Total Business-type activities	<u>\$ 41,536</u>	<u>\$ 756</u>	<u>\$ (55)</u>	<u>\$ 42,237</u>	<u>\$ 47</u>

COUNTY OF TULARE
Notes to the Financial Statements
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The liability for compensated absences has typically been liquidated using the County's governmental funds and the Solid Waste Fund. The value of accumulated vacation at June 30, 2014, was \$16,434. Of this amount, \$152 is recorded in business-type funds. The value of accumulated sick leave at June 30, 2014 was calculated using a termination payment method and is accrued at \$2,959. Of this amount, \$44 is recorded in business-type funds. The value of accumulated compensated time off (CTO) at June 30, 2014 was \$1,419. Of this amount, \$32 is recorded in business-type funds.

The liabilities for claims and judgments payable include 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.

L. SPECIAL ASSESSMENT DEBT

The County is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$386,781 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2014. The County Auditor-Controller acts as an agent for the property owners and bond holders in collecting and forwarding the special assessments, with the exception of the Kaweah Delta Hospital Bond. The School Bonds totaling \$248,308 include bonds for Buena Vista, Burton, Earlimart, Exeter, Liberty, Kings River, Richgrove, Stone Corral, 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; and College of the Sequoias Community College. The 1915 Improvement Act Bonds totaling \$141 include bonds for Ducor Community Service District (CSD) and Ducor CSD Supplemental. The Special Districts General Obligation Bonds totaling \$134,591 are for the Kaweah Delta Hospital Bond and the Tulare Healthcare Bond.

M. LANDFILLS

State and Federal laws and regulations require that 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 30 years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfills used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$35,369 as of June 30, 2014, which is based on an average of 36% usage (filled) of all landfill sites (remaining capacity determined as of August 18, 1989). It is estimated that an additional \$35,848 will be recognized as closure and post closure care expenses between the date of the statement of net position and the date the landfills are currently expected to be filled to capacity. The estimated remaining life of landfill sites ranges from 23.2 years for Teapot Dome, to 74.8 years for Woodville, to 140.6 years for the Visalia site. The estimated total current cost of the landfill closure and post closure care of \$71,218 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, 2014. 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, 2014, investments of \$35,371 are part of the pooled funds held by the 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.

COUNTY OF TULARE
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Funds are set aside in accordance with the State Water Resources Control Board through the Regional Water Quality Control Board under California Governmental 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 (e.g. plume of groundwater contamination) from the County's landfills. CalRecycle specifies what annual inflation rate should be applied to the amount required for corrective action, along with closure and post closure maintenance at the landfills. The County is in compliance with these requirements and, at June 30, 2014, investments of \$5,320 are part of the pooled funds held by the County Treasurer.

As of June 30, 2014, the pooled funds held by the County Treasurer's Department for financial assurance and closure/post closure maintenance total \$40,691 to offset the total liability.

N. REMEDIATION CONTINGENCIES

The County owns a 40 acre site used as a base for crop duster activities from 1952 to 1994. As a result of a site assessment, pesticides were identified at or near the surface. The County entered into an agreement with the State Department of Toxic Substances Control (DTSC) to perform interim remedial measures to comply with Health and Safety Code Section 25355.5 (a)(1)(c). The County has performed the following: (1) construction and maintenance of a site perimeter fence; (2) maintenance of a surface soil sealant over affected soils; (3) periodic inspections by both County and DTSC staff; (4) maintenance of a liner system over the former pond area; and (5) removal and proper closure of underground storage tanks and concrete sumps. As of June 30, 2014, the governmental activities reflects a \$4,715 accrued remediation liability. The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations, and other factors that could result in revisions to these estimates. The County continues to work with DTSC staff and provides them with semiannual summary reports of the tests performed at the site. The semiannual testing will continue until the full scale remediation commences or until DTSC authorizes County in writing to discontinue or modify some or all of the interim remedial measures. The County spent \$287 for interim remedial expenditures and an additional \$285 was spent on the final remediation phase for the fiscal year ended June 30, 2014.

O. RESTRICTED NET POSITION

Net Position Restricted for Laws or Regulations of Other Governments:

Community Development Block Grants	\$	2,665
County Children's		103
Social Security Truncation Program		357
Title IV-E Federal		102
Memo Trust Deferred Comp		88
Dairy Inspection Program		56
Public Guardian		312
Children's Wraparound Plan		319
Community Corrections Performance Incentive		677
Local Revenue Fund 2011 (AB118)		1,176
Courthouse		278
Retirement Contributions		117
Various Others		118
Total Net Position Restricted: Other Purposes	<u>\$</u>	<u>6,368</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

P. CONDENSED FINANCIAL STATEMENTS

The TCPFC issued COPs to finance its sewage and water projects. These water and sewer projects are accounted for in separate funds. However, investors in the COPs 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 Position

	Terra Bella Sewer		
	<u>Maintenance</u>	<u>CSA #1</u>	<u>CSA #2</u>
Assets:			
Current assets	\$ 959	\$ 724	\$ 127
Capital assets	1,013	3,193	313
Total assets	<u>1,972</u>	<u>3,917</u>	<u>440</u>
Liabilities:			
Current liabilities	91	75	16
Noncurrent liabilities	725	1,323	111
Total liabilities	<u>816</u>	<u>1,398</u>	<u>127</u>
Net Position:			
Unrestricted (deficit)	<u>1,156</u>	<u>2,519</u>	<u>313</u>
Total net position	<u>\$ 1,156</u>	<u>\$ 2,519</u>	<u>\$ 313</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Terra Bella Sewer		
	<u>Maintenance</u>	<u>CSA #1</u>	<u>CSA #2</u>
Water and sewer charges	\$ 165	\$ 512	\$ 64
Other operating revenues	1	4	-
Depreciation expense	(53)	(170)	(15)
Other operating expenses	<u>(158)</u>	<u>(499)</u>	<u>(105)</u>
Operating income (loss)	<u>(45)</u>	<u>(153)</u>	<u>(56)</u>
Nonoperating revenues (expenses):			
Investment earnings	10	3	1
Special assessments	31	-	-
Interest expense	<u>(34)</u>	<u>(11)</u>	<u>(1)</u>
Change in net position	<u>(38)</u>	<u>(161)</u>	<u>(56)</u>
Beginning net position	<u>1,194</u>	<u>2,680</u>	<u>369</u>
Ending net position	<u>\$ 1,156</u>	<u>\$ 2,519</u>	<u>\$ 313</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

Condensed Statement of Cash Flows

	Terra Bella Sewer Maintenance	CSA #1	CSA #2
Net cash provided (used) by:			
Operating activities	\$ (58)	\$ 37	\$ (32)
Noncapital financing activities	31	20	35
Capital and related financing activities	-	(43)	(2)
Investing activities	10	3	1
Net increase (decrease)	<u>(17)</u>	<u>17</u>	<u>2</u>
Beginning cash and cash equivalents	<u>844</u>	<u>516</u>	<u>111</u>
Ending cash and cash equivalents	<u>\$ 827</u>	<u>\$ 533</u>	<u>\$ 113</u>

The County maintains three nonmajor 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 and #2).

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

Q. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note I. for a description of these categories). A detailed schedule of fund balances at June 30, 2014, is as follows:

	<u>Major Special Revenue Funds</u>			<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>TCPFC Fund</u>	<u>TCPFA Fund</u>		
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 435	\$ 435
Prepaid items	395	-	-	589	984
Nonspendable subtotal	<u>395</u>	<u>-</u>	<u>-</u>	<u>1,024</u>	<u>1,419</u>
Restricted for:					
Alcohol and drug programs	4,240	-	-	-	4,240
Child support services	-	-	-	2,515	2,515
County clerk	7,611	-	-	-	7,611
Debt service	-	5,820	55,239	5,980	67,039
Education programs	-	-	-	1,745	1,745
Environmental programs	1,189	-	-	-	1,189
Fire department programs	-	-	-	2,070	2,070
Health care programs	483	-	-	16,217	16,700
Highways	-	-	-	-	-
Lease payments receivable	-	-	-	-	-
Law enforcement	8,640	-	-	-	8,640
Mental health care programs	8,565	-	-	-	8,565
Notes receivable	-	-	-	4,640	4,640
Other purposes	3,293	-	-	955	4,248
Parks and recreation programs	-	-	-	12	12
Proposition 69	126	-	-	-	126
Public ways and facilities programs	-	-	-	25,325	25,325
Remediation of Harmon Field	-	-	-	4,715	4,715
Restricted subtotal	<u>34,147</u>	<u>5,820</u>	<u>55,239</u>	<u>64,174</u>	<u>159,380</u>
Committed to:					
Advances to others	880	-	-	-	880
CalWORKs information network system	-	-	-	-	-
Dairy	-	-	-	-	-
Law enforcement	-	-	-	-	-
Health care programs	-	-	-	-	-
Sheriff projects	-	-	-	-	-
Goshen transportation plan	-	-	-	-	-
District Attorney programs	-	-	-	-	-
Federal legislative services	-	-	-	-	-
South County detention facility	-	-	-	4,100	4,100
Government Plaza generators	-	-	-	-	-
Committed to subtotal	<u>880</u>	<u>-</u>	<u>-</u>	<u>4,100</u>	<u>4,980</u>
Assigned to:					
Imprest cash	-	-	-	1	1
Other capital projects	-	1	3,500	14,084	17,585
Other purposes	-	-	-	1,627	1,627
Property tax administration fees court case	-	-	-	-	-
Assigned subtotal	<u>-</u>	<u>1</u>	<u>3,500</u>	<u>15,712</u>	<u>19,213</u>
Unassigned:	<u>76,284</u>	<u>-</u>	<u>-</u>	<u>(2,597)</u>	<u>73,687</u>
Total fund balances	<u>\$ 111,706</u>	<u>\$ 5,821</u>	<u>\$ 58,739</u>	<u>\$ 82,413</u>	<u>\$ 258,679</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

V. Other Information

A. RISK MANAGEMENT

The County is exposed to tort claims arising out of various types of loss such as automobile losses, operations losses, professional errors and omissions. The County is exposed to property loss and destruction of assets from theft, natural disasters, and other hazards. The County is also exposed to workers' compensation claims and liability arising out of job related injuries to County employees. The County uses a combination of self-insurance, commercial excess insurance, and pooled retentions with other counties to provide protection from loss. Premiums are collected from County agencies and deposited into the internal service funds for workers' compensation and liability to pay claims, build reserves, pay insurance premiums, and pay the administrative costs associated with risk management and claim administration.

The Risk Management Division self-administers the County's liability claim program. Losses and incidents of potential loss are reported to Risk Management. If appropriate after initial evaluation, a claim is established that includes a reasonable estimate of the ultimate cost of the claim to the County. The County has and continues to utilize a \$250 self-insured retention (SIR) for its Liability Insurance Program since 2003. The County purchases Excess Insurance above the SIR to cover general liability, auto liability and error and omissions claims. Total liability coverage limits for the fiscal year 2013-2014 were \$35 million. Property coverage is fully insured with a \$10 deductible applying to real property and contents. Insurance coverage for automobiles, aviation, water craft and medical malpractice claims pays for all claim and expense costs, with deductibles that apply as follows: automobiles \$20, aviation \$1, water craft \$1, and medical malpractice \$10. The Crime Bond deductible is \$25 and the Boiler and Machinery deductible is \$5 with coverage under the basic Property Program coverage.

Liability costs/settlements have occasionally exceeded the self-insured retention. For fiscal year 2013-2014, no payments were made that exceeded the self-insured retention.

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC EIA), a California Joint Powers Authority. The purpose of CSAC EIA is to develop and fund insurance programs for California counties, cities, and other public agencies. CSAC EIA was formed in October 1979 and has operated without interruption since that time.

In 2001, the California Public Entities Insurance Authority was formed to allow other California public entities access to CSAC EIA's programs and services. In 2006, the Joint Powers Agreement was amended to allow public entities to join CSAC EIA directly. Through the restructure, two categories of membership were established: counties and public entities. CSAC EIA's Board of Directors consists of one representative from each of the 54 County members and seven elected representatives from the other public entities. County and public entity members serve together on the Executive and other committees that support CSAC EIA. CSAC EIA issues its own audited Comprehensive Annual Financial Report which can be obtained from them at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

CSAC EIA operates public entity risk pools for Workers' Compensation, Comprehensive Liability, Property, and Medical Malpractice. CSAC EIA also purchases primary and excess insurance, actuarial services, and claims audits; and provides loss prevention and other services and subsidies for its members.

<u>Excess Insurance Program</u>	<u>Self-Insured Retention</u>	<u>Coverage Limits</u>
Excess Workers' Compensation	\$ 125	Statutory
General Liability Programs I & II	250	\$ 25,000
Optional Excess General Liability	25,000	25,000
Property	10	600,000
Medical Malpractice	10	21,500

Liability reserves 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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

The County returned to a Self-Insured Workers' Compensation Program on July 1, 2005. American International Group provided a fully insured Workers' Compensation policy for the previous six years. The Workers' Compensation Program utilizes a \$125 SIR and includes statutory coverage limits. The Workers' Compensation fund covers the cost of the Safety Officer, Safety and Claim Officer and safety programs. The Risk Management Division self-administers the Safety Program for the County.

The County renewed its workers' compensation administration service agreement with the third party claim administrator CorVel Corporation on April 1, 2014 for one, three-year term. CorVel Corporation staff administers claims and payments from a \$500 revolving fund, which is reconciled at least monthly by the County.

Changes in the balances of claims liabilities during the last two fiscal years are as follows:

	Workers' Compensation	General and Property Damage	Total
Liability - June 30, 2012	\$ 27,891	\$ 3,728	\$ 31,619
Claims incurred	1,583	3,224	4,807
Claims payments	(3,504)	(3,075)	(6,579)
Liability - June 30, 2013	25,970	3,877	29,847
Claims incurred	6,362	2,688	9,050
Claims payments	(3,016)	(272)	(3,288)
Liability - June 30, 2014	<u>\$ 29,316</u>	<u>\$ 6,293</u>	<u>\$ 35,609</u>

B. JOINT VENTURES

A joint venture is defined by GASB 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 CSAC as described in Note V.A, 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 nearly 500 California cities, counties, and special districts, including the County. 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. CVIIS 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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

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, processing and disposal of solid waste within the members' jurisdictions per Assembly Bill (AB) 939. 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 West Acequia, Visalia, California 93291.

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 United States Department of Agriculture (USDA) bonds secured by GPFA for a sewer project in Goshen. Tulare County Successor Agency was formed because of the Redevelopment Agency (RDA) dissolution, the pledge has transferred over to the Successor Agency as detailed in Note V.

Kings/Tulare Area Agency on Aging (KTAAA) KTAAA 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 93277.

Lake Kaweah Enlargement Project The Lake Kaweah Enlargement 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 93292.

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 93721.

San Joaquin Valley Power Authority (SJVPA) The entity was established on November 15, 2006, by the Board that adopted subsection(s) to Section 105 of the County Ordinance Code which approved the Joint Powers Agreement to join the SJVPA. The other members of SJVPA are: the Cities of Clovis, Corcoran, Dinuba, Fresno, Hanford, Kerman, Kingsburg, Lemoore, Parlier, Reedley, Sanger, Selma, and Kings County. The SJVPA will set electrical generation rates for customers within its service area and will purchase power from the Kings River Conservation District and seek to offer a 5% reduction in generation charges to its customers. The total cost incurred by the County to date is \$27,655. There is no ongoing cost for membership in the SJVPA. Independently audited financial statements can be obtained from the Kings River Conservation District, 4886 East Jensen Avenue, Fresno, California 93725.

Tulare County Association of Governments (TCAG) 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 93277.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

Tulare County Service Authority for the Abatement of Abandoned Vehicles The Tulare County Service Authority for the Abatement of Abandoned Vehicles 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, Post Office Box 942850, Sacramento, CA 94250.

Tule River Improvement Project The Tule River Improvement 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 93272.

San Joaquin Valley Insurance Authority (SJVIA) On September 29, 2009, the Counties of Tulare and Fresno entered into a Joint Exercise of Powers Agreement by which they created the SJVIA as a separate public agency charged with the responsibility of providing health and medical benefits for over 10,000 Fresno and Tulare County employees. Independently audited financial statements can be obtained from the Fresno County Auditor-Controller at 2281 Tulare Street #105, Fresno, CA 93721.

Upper Kings Basin Integrated Regional Water Management Authority (UKBIRWMA) On May 18, 2010, the County became a full voting member of the UKBIRWMA at a cost of \$5 per year. The purpose of the UKBIRWMA is to engage in the management of water resources under the Integrated Regional Water Management Planning Act of 2002. The UKBIRWMA has brought in over \$11,000 of funding to the region for planning and expanding local groundwater projects.

California Rural Home Mortgage Finance Authority (CRHMFA) On January 27, 2009, the County became an associate member of the CRHMFA in order to meet the demand from mortgage consultants expressing interest in utilizing National Homebuyer Fund (NHF) loan programs. There are no annual membership dues, so the County has no financial responsibilities with respect to this organization.

C. SUBSEQUENT EVENTS

On July 2, 2014 a \$56,000 2014-2015 Tax Revenue Anticipation Note (TRAN) was issued at 2% with a one year maturity of June 30, 2015.

D. CONTINGENT LIABILITIES

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 Note V. Other Information, sub-section A. Risk Management), 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.

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.

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

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

Tulare County Redevelopment Successor Agency In accordance with AB 1X 26 and AB 1434, all redevelopment agencies in the State were dissolved and ceased to operate as legal entities as of February 1, 2012. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule. The range of potential loss of revenue to pay these obligations is between \$0 and \$5,694 over the remaining life of the Successor Agency (23 years).

E. 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 an outside party in accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, administers the plan assets, these assets are not included in the financial statements of the County.

F. EMPLOYEE RETIREMENT SYSTEM

Plan Description The Tulare County Employees' Retirement Association (TCERA) was established July 1, 1945 under the provisions of the County Employees Retirement Act of 1937 (Government Code Sections 31450 et seq.). TCERA 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 the County, the County Courts, and the Strathmore Public Utility District. TCERA was integrated with Social Security in 1956. TCERA is administered by a nine-member Board of Retirement. TCERA issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from TCERA, 136 North Akers Street, Visalia, California 93291, or from TCERA's website at www.tcera.org.

Funding Policy Active plan members in TCERA 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 between 3.79% and 8.07% of salary. General members of Tiers II and III contribute between 5.56% and 12.32% of covered salary. Safety Tier I members contribute between 6.01% and 8.86% of salary. Safety Tier II and III members contribute 8.78% and 13.54% 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 Tier I, II and III members combined in fiscal year 2013-2014 was 11.21% for General employees and 19.67% for Safety employees of total payroll. Effective January 1, 2013, the County Board established a new Tier IV for plan members impacted by the provisions of the California Public Employee's Pension Reform Act (PEPRA). Tier IV General Members contribute between 2.98% and 9.24% of covered salary to the pension plan. Safety members contribute between 6.81% and 13.22% of salary. County employer rates for Tier IV are equal to 6.09% for General employees and 8.69% for Safety employees.

Annual Pension Cost (APC) For fiscal year 2013-2014, the County's annual pension cost for TCERA was \$27,257 and the County actually contributed \$27,257. The projected contribution for the fiscal year was determined as part of the June 30, 2014, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of pay as projected by the County. The actuarial assumption included (a) 7.85% investment rate of return (net of administrative expenses), (b) projected salary increases of 5.5%, and (c) life expectancy – the employee portion of the cost-of-living provisions is expressed as a percentage of the employee's contribution rates, ignoring the cost-of-living provisions. Both (a) and (b) include an inflation component of 4%. The actuarial value of TCERA's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a 10-year period. TCERA unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payrolls on an open/rolling 15-year basis.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

The County's annual pension cost and pension assets for the fiscal year ended June 30, 2014, were as follows:

Three Year Trend Information				
Year Ended June 30	Annual Pension Cost	Required Annual Contribution	Percentage Contributed	Pension Assets
2012	\$ 28,166	\$ 22,189	78.78%	\$ 7,504
2013	31,334	24,197	77.22%	367
2014	25,953	25,953	100.00%	-

As of June 30, 2014, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,251,179
Actuarial Value of Plan Assets	<u>1,101,929</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 149,250</u>
Funded Ratio	88.1%
Covered Payroll	\$ 234,439
UAAL as a percentage of covered payroll	63.7%

G. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The County's postemployment benefit plan is an agent multiple-employer plan. The County allows retirees who participate in the County administered medical plan and retire directly from active service under the TCERA to continue to participate in the County administered medical plan at the retirees' expense. The same premiums are charged to both active employees and retirees. Although the County does not explicitly subsidize retirees medical plan premiums, allowing retirees to participate in the same plan at the same premium rate results in an "implied subsidy." Including the "implied subsidy" on the government-wide statements is done solely for purposes of complying with accounting standards and is not an admission by the County that the benefit is in any way a vested benefit to which any current or former employee is or will be entitled. Under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the value of this implied subsidy must be included in the employer's Annual Required Contribution (ARC) and Actuarial Accrued Liability (AAL) to the extent that the employers pay at least that amount in active employee premiums.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation as well as the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets (if any), consistent with the long-term perspective of the calculations.

In the County's June 30, 2014, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.25% investment rate of return (net of investment expenses) and an annual healthcare cost trend of 8.6% and declines to 5.25% over nine years. Both rates include an inflation assumption of 3.25%. The AAL is the cumulative value of the projected benefits. The unfunded AAL is amortized as a level percent of payroll over a closed 30 year period from June 30, 2007. As of June 30, 2012 there are 25 years remaining.

Actuarial valuations of an ongoing OPEB Plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the OPEB Plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress for the County's OPEB is presented as required supplementary information following the Notes to the Basic Financial Statements. This schedule will, in the subsequent fiscal year, present multiyear trend information that shows whether the actuarial value of OPEB Plan assets is increasing or decreasing over time relative to the AAL for benefits.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

Using a 4.25% discount rate, the actuarial values are as follows:

<u>As of June 30, 2012</u>	
Actuarial Accrued Liability	\$ 25,597
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability	<u>\$ 25,597</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 204,009
UAAL as a percentage of covered payroll	12.55%

<u>Plan Cost for the year ended June 30, 2014</u>	
Normal Cost (NC)	\$ 2,712
UAAL Amortization	1,376
Annual Required Contribution	<u>\$ 4,088</u>
Projected Payroll	\$ 210,639
ARC as % Payroll	1.9%

<u>OPEB Cost for the year ended June 30, 2014</u>	
Annual required contribution	\$ 4,088
Interest on net OPEB obligation	436
Adjustment to ARC	<u>(517)</u>
Annual OPEB cost	4,007
Contributions made	<u>(823)</u>
Increase in net OPEB obligation	3,184
Net OPEB obligation - beginning of year	10,667
Net OPEB obligation - end of year	<u>\$ 13,851</u>

<u>3 year OPEB Trend</u>			
<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	\$ 2,264	36%	\$ 7,769
6/30/2013	3,771	23%	10,667
6/30/2014	4,007	21%	13,851

H. TRIAL COURT FUNDING

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 1997-1998 fiscal year. Under this legislation, the State assumed a greater degree of responsibility for trial court operations costs from fiscal year 1997-1998 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 officers 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 remained obligated to fund capital expenditures with respect to capital needs of existing judicial officers and support positions located in several of its courthouse facilities until an agreement can be reached for each specific facility.

In fiscal year 2006-2007, the County began negotiations with the State of California Judicial Council for individual facilities. Per the agreements, the County would be obligated to contribute an ongoing quarterly Court Facilities Payment to the State which will be adjusted annually.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2014 (in thousands)

In addition, there would be a Joint Occupancy Agreement between Judicial Council and the County. The primary occupant would be determined for each facility based upon square footage occupied. The responsibilities of each occupant would be outlined in the agreements and the secondary occupant would be required to reimburse the primary occupant a predetermined percentage of such expenses as utilities and repairs. The secondary occupant would be invoiced quarterly.

As of June 30, 2009, Joint Occupancy Agreements have been signed for the Tulare Courthouse (in which the County was originally a 30% occupant but no longer occupies due to closure of the courthouse), the Porterville Courthouse (in which the County was originally a 46% occupant but now occupies approximately 23% due to the closure of the courthouse), the Visalia Courthouse (in which the County is a 68% occupant), the William Silveira Jr. Juvenile Justice Center (in which the County is a 87% occupant), and the Dinuba Courthouse (which the County does not occupy). The County is currently initiating the process of selling the now vacant Tulare Courthouse and is coordinating this effort with the Administrative Office of the Courts.

I. PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA

Under the provisions of Proposition 1A and as part of the 2009-2010 budget package passed by the California state legislature on July 28, 2009, the State borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties, and special districts (excluding redevelopment agencies). The State was required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the County was \$8,270.

Authorized with the 2009-2010 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority (California Communities), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds (Prop 1A Bonds) to provide local agencies with cash proceeds in two equal installments, on January 15, 2010, and May 3, 2010. The County opted to receive the two equal payments and received the entire \$8,270 prior to the year ended June 30, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State. Participating local agencies have no obligation on the bonds and no credit exposure to the State. California Communities participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

The Fire and Library funds did not securitize in fiscal year 2009-2010 and instead received payment plus interest from the State in fiscal year 2012-2013. The amount Fire received in fiscal year 2012-2013 was \$581. The amount the Library received in fiscal year 2012-2013 was \$280.

Required Supplementary Information (RSI)

COUNTY OF TULARE
Tulare County Employees' Retirement Association (TCERA)
Schedule of Funding Progress
June 30, 2014 (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded Actuarial Accrued Liability/(Surplus) (UAAL/S) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL/S as a % of Covered Payroll (B-A)/C
6/30/2007	\$ 800,967	\$ 846,030	\$ 45,063	94.67%	\$ 204,803	22.0%
6/30/2008	879,051	946,414	67,363	92.88%	226,836	29.7%
6/30/2009	919,179	996,747	77,568	92.22%	227,306	34.1%
6/30/2010	946,640	1,033,211	86,571	91.62%	217,811	39.7%
6/30/2011	969,681	1,072,144	102,463	90.44%	219,854	46.6%
6/30/2012	981,946	1,101,456	119,510	89.15%	222,635	53.7%
6/30/2013	1,048,160	1,186,057	137,898	88.37%	230,955	59.7%
6/30/2014 *	1,101,929	1,251,179	149,249	88.07%	234,439	63.7%

***Data provided by Buck Consultants "Tulare County Employees' Retirement Association Report on the Actuarial Valuation as of June 30, 2014."**

Note to Required Supplementary Information

1. The schedule for TCERA, a cost-sharing, multiple employer retirement system, relates to the association as a whole. The County represents a majority of TCERA's covered payroll.

COUNTY OF TULARE
Tulare County Employees' Other Postemployment Benefits (OPEB)
Schedule of Funding Progress
June 30, 2014 (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	OPEB Schedule of Funding Progress			Covered Payroll (C)	UAAL/S as a % of Covered Payroll (B-A)/C
		Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded Actuarial Accrued Liability/(Surplus) (UAAL/S) (B-A)	Funded Ratio (A/B)		
6/30/2006	\$ -	\$ 13,744	\$ 13,744	0.00%	\$ 194,399	7.07%
6/30/2008	-	12,411	12,411	0.00%	214,673	5.78%
6/30/2010	-	12,596	12,596	0.00%	205,008	6.14%
6/30/2012 *	-	25,597	25,597	0.00%	204,009	12.55%

* Data provided by Bartel Associates, LLC. "County of Tulare Retiree Healthcare Plan Actuarial Valuation as of June 30, 2012"

Note to Required Supplementary Information

1. The OPEB schedule presented relates solely to the County.

Combining and Individual Fund Statements and Schedules

COUNTY OF TULARE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014 (in thousands)

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash in banks	\$ 1	\$ -	\$ -	\$ 1
Investment in treasury pool	53,073	5,998	18,619	77,690
Imprest cash	1	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	2,501	-	-	2,501
Due from other funds	360	-	-	360
Due from other governments	7,636	-	-	7,636
Prepaid items	589	-	-	589
Notes receivable	18,283	-	-	18,283
Inventories	435	-	-	435
Lease payments receivable, net of interest	-	297	-	297
Restricted assets	-	-	4,715	4,715
Total assets	\$ 82,879	\$ 6,295	\$ 23,334	\$ 112,508
LIABILITIES				
Accounts payable	\$ 4,167	\$ -	\$ 414	\$ 4,581
Due to other funds	1,760	-	2	1,762
Due to other governments	100	-	-	100
Salaries and benefits payable	1,156	-	19	1,175
Advances	2,755	-	-	2,755
Total liabilities	9,938	-	435	10,373
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	19,426	296	-	19,722
Total deferred inflows of resources	19,426	296	-	19,722
FUND BALANCES				
Nonspendable	1,024	-	-	1,024
Restricted	53,479	5,980	4,715	64,174
Committed	-	-	4,100	4,100
Assigned	1,609	19	14,084	15,712
Unassigned	(2,597)	-	-	(2,597)
Total fund balances	53,515	5,999	22,899	82,413
Total liabilities, deferred inflows of resources and fund balances	\$ 82,879	\$ 6,295	\$ 23,334	\$ 112,508

COUNTY OF TULARE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014 (in thousands)

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes and special assessments	\$ 23,419	\$ -	\$ -	\$ 23,419
Licenses and permits	19	-	-	19
Fines, forfeitures and penalties	907	1,639	-	2,546
Interest, rents and concessions	886	216	236	1,338
Intergovernmental revenues	103,346	-	15	103,361
Charges for services	3,938	-	-	3,938
Other revenues	4,392	21	214	4,627
Total revenues	<u>136,907</u>	<u>1,876</u>	<u>465</u>	<u>139,248</u>
EXPENDITURES				
Current:				
General government	1,596	-	2,988	4,584
Public protection	26,773	-	-	26,773
Public ways and facilities	22,167	-	-	22,167
Health and sanitation	1,116	-	-	1,116
Public assistance	8,020	-	-	8,020
Education	4,079	-	-	4,079
Debt service:				
Principal retirement	-	5,117	-	5,117
Interest and fiscal charges	-	925	-	925
Capital outlay	15,984	-	4,812	20,796
Total expenditures	<u>79,735</u>	<u>6,042</u>	<u>7,800</u>	<u>93,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>57,172</u>	<u>(4,166)</u>	<u>(7,335)</u>	<u>45,671</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	18,847	8,268	10,097	37,212
Transfers (out)	<u>(72,640)</u>	<u>(8,127)</u>	<u>(1,871)</u>	<u>(82,638)</u>
Total other financing sources (uses)	<u>(53,793)</u>	<u>141</u>	<u>8,226</u>	<u>(45,426)</u>
Net change in fund balances	3,379	(4,025)	891	245
Fund balances, July 1	50,136	10,024	22,008	82,168
Fund balances, June 30	<u>\$ 53,515</u>	<u>\$ 5,999</u>	<u>\$ 22,899</u>	<u>\$ 82,413</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 Assembly Bill (AB) 75. The primary source of revenue are tobacco taxes.

Redevelopment (RDA) Successor Agency Housing Fund - The Tulare County Redevelopment Successor Agency Housing Fund was created on February 1, 2012, pursuant to the provisions of the Redevelopment Restructuring Act. Under this act, the County elected to assume the housing functions and take over the housing assets of the former RDA, along with the related rights, powers, liabilities, duties, and obligations. The primary source of revenue are property taxes.

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 revenues are 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 are 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 and 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. The primary source of revenue is charges for services.

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. The primary sources of revenue are State funds.

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. The primary sources of revenue are State funds.

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. The primary sources of revenue are State funds.

Tobacco Settlement Fund - This fund was established to receive the County's share of the Tobacco Settlement litigation proceeds. The primary source of revenue are tobacco taxes.

Tulare County In-Home Supportive Services Public Authority (TCIHSSPA) Fund - 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-Miliias-Brown Act. The primary sources of revenue are State funds.

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.

Community Development Block Grants (CDBG) Fund - This fund was set up to collect and recycle repayment of CDBG loan funds. The primary sources of revenue are Federal Grants.

HOME Program Fund - This fund is used to collect and recycle repayment of home loan funds. The primary sources of revenue are Federal Grants.

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2014 (in thousands)

	Redevelopment		Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment	Child Support Services
	Indigent Health	Successor Agency Housing							
ASSETS									
Cash in banks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -
Investment in treasury pool	1,033	37	2,177	13	808	2,495	21,993	360	3,226
Imprest cash	-	-	1	-	-	-	-	-	-
Receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	54	20	18	-	-
Due from other funds	-	-	-	-	-	-	360	-	-
Due from other governments	-	-	-	-	895	20	5,786	20	410
Prepaid items	-	-	589	-	-	-	-	-	-
Notes receivable	-	1,973	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	435	-	-
Total assets	<u>\$ 1,033</u>	<u>\$ 2,010</u>	<u>\$ 2,767</u>	<u>\$ 13</u>	<u>\$ 1,757</u>	<u>\$ 2,535</u>	<u>\$ 28,593</u>	<u>\$ 380</u>	<u>\$ 3,636</u>
LIABILITIES									
Accounts payable	\$ 966	\$ -	\$ 13	\$ 1	\$ 535	\$ 72	\$ 1,993	\$ 324	\$ 32
Due to other funds	-	-	6	-	1,100	49	27	5	30
Due to other governments	-	-	-	-	-	-	100	-	-
Salaries and benefits payable	4	-	79	-	-	344	341	51	337
Advances	-	1,991	-	-	-	-	32	-	722
Total liabilities	<u>970</u>	<u>1,991</u>	<u>98</u>	<u>1</u>	<u>1,635</u>	<u>465</u>	<u>2,493</u>	<u>380</u>	<u>1,121</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue-special assessments	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Nonspendable	-	-	589	-	-	-	435	-	-
Restricted	63	19	1,745	12	122	2,070	25,325	-	2,515
Assigned	-	-	335	-	-	-	340	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>63</u>	<u>19</u>	<u>2,669</u>	<u>12</u>	<u>122</u>	<u>2,070</u>	<u>26,100</u>	<u>-</u>	<u>2,515</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,033</u>	<u>\$ 2,010</u>	<u>\$ 2,767</u>	<u>\$ 13</u>	<u>\$ 1,757</u>	<u>\$ 2,535</u>	<u>\$ 28,593</u>	<u>\$ 380</u>	<u>\$ 3,636</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2014 (in thousands)

Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Community Development Block Grant	HOME Program	Total Special Revenue Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	ASSETS
5,141	4,105	6,908	1	-	3,768	888	120	53,073	Cash in banks
-	-	-	-	-	-	-	-	1	Investment in treasury pool
-	-	-	-	-	-	-	-	-	Imprest cash
-	-	-	2,409	-	-	-	-	2,501	Receivables, net
-	-	-	-	-	-	-	-	360	Accounts
-	-	-	-	-	-	-	-	-	Due from other funds
-	-	-	-	-	-	478	27	7,636	Due from other governments
-	-	-	-	-	-	-	-	589	Prepaid items
-	-	-	-	-	-	5,296	11,014	18,283	Notes receivable
-	-	-	-	-	-	-	-	435	Inventories
<u>\$ 5,141</u>	<u>\$ 4,105</u>	<u>\$ 6,908</u>	<u>\$ 2,410</u>	<u>\$ -</u>	<u>\$ 3,768</u>	<u>\$ 6,662</u>	<u>\$ 11,161</u>	<u>\$ 82,879</u>	Total assets
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48	\$ 183	\$ -	\$ 4,167	LIABILITIES
-	-	-	-	-	-	517	26	1,760	Accounts payable
-	-	-	-	-	-	-	-	100	Due to other funds
-	-	-	-	-	-	-	-	1,156	Due to other governments
-	-	-	-	-	-	-	-	10	Salaries and benefits payable
-	-	-	-	-	-	-	-	10	Advances
-	-	-	-	-	48	700	36	9,938	Total liabilities
-	-	-	2,409	-	-	5,893	11,124	19,426	DEFERRED INFLOWS OF RESOURCES
-	-	-	2,409	-	-	5,893	11,124	19,426	Unavailable revenue-special assessments
-	-	-	-	-	-	-	-	-	Total deferred inflows of resources
-	-	-	-	-	-	-	-	1,024	FUND BALANCES
5,141	4,105	6,908	1	-	2,786	2,665	2	53,479	Nonspendable
-	-	-	-	-	934	-	-	1,609	Restricted
-	-	-	-	-	-	(2,596)	(1)	(2,597)	Assigned
<u>5,141</u>	<u>4,105</u>	<u>6,908</u>	<u>1</u>	<u>-</u>	<u>3,720</u>	<u>69</u>	<u>1</u>	<u>53,515</u>	Unassigned
<u>\$ 5,141</u>	<u>\$ 4,105</u>	<u>\$ 6,908</u>	<u>\$ 2,410</u>	<u>\$ -</u>	<u>\$ 3,768</u>	<u>\$ 6,662</u>	<u>\$ 11,161</u>	<u>\$ 82,879</u>	Total fund balances
									Total liabilities, deferred inflows of resources and fund balances

Concluded

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2014 (in thousands)

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment	Child Support Services
REVENUES									
Taxes and special assessments	\$ -	\$ 38	\$ 3,735	\$ -	\$ -	\$ 7,762	\$ 11,359	\$ -	\$ -
Licenses and permits	-	-	-	-	-	14	5	-	-
Fines, forfeitures and penalties	899	-	-	8	-	-	-	-	-
Interest, rents and concessions	13	1	24	-	28	56	215	374	49
Intergovernmental revenues	144	-	113	-	902	833	27,706	7,546	12,399
Charges for services	-	-	136	-	-	409	3,392	-	-
Other revenues	52	39	50	-	1	136	171	-	24
Total revenues	<u>1,108</u>	<u>78</u>	<u>4,058</u>	<u>8</u>	<u>931</u>	<u>9,210</u>	<u>42,848</u>	<u>7,920</u>	<u>12,472</u>
EXPENDITURES									
Current:									
General government	-	6	-	-	-	-	-	-	-
Public protection	-	-	-	8	-	13,651	-	-	12,632
Public ways and facilities	-	-	-	-	70	-	22,097	-	-
Health and sanitation	1,116	-	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	8,020	-
Education	-	-	4,079	-	-	-	-	-	-
Capital outlay	-	-	-	-	920	342	14,660	-	44
Total expenditures	<u>1,116</u>	<u>6</u>	<u>4,079</u>	<u>8</u>	<u>990</u>	<u>13,993</u>	<u>36,757</u>	<u>8,020</u>	<u>12,676</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8)</u>	<u>72</u>	<u>(21)</u>	<u>-</u>	<u>(59)</u>	<u>(4,783)</u>	<u>6,091</u>	<u>(100)</u>	<u>(204)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	13	-	-	-	101	4,811	408	100	-
Transfers (out)	-	-	(159)	-	-	-	(20)	-	-
Total other financing sources (uses)	<u>13</u>	<u>-</u>	<u>(159)</u>	<u>-</u>	<u>101</u>	<u>4,811</u>	<u>388</u>	<u>100</u>	<u>-</u>
Net change in fund balances	<u>5</u>	<u>72</u>	<u>(180)</u>	<u>-</u>	<u>42</u>	<u>28</u>	<u>6,479</u>	<u>-</u>	<u>(204)</u>
Fund balances, July 1	58	(53)	2,849	12	80	2,042	19,621	-	2,719
Fund balances, June 30	<u>\$ 63</u>	<u>\$ 19</u>	<u>\$ 2,669</u>	<u>\$ 12</u>	<u>\$ 122</u>	<u>\$ 2,070</u>	<u>\$ 26,100</u>	<u>\$ -</u>	<u>\$ 2,515</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Year Ended June 30, 2014 (in thousands)

Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCHSS Public Authority	Flood Control	Community Development Block Grant	HOME Program	Total Special Revenue Funds	
REVENUES									
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525	\$ -	\$ -	\$ 23,419	Taxes and special assessments
-	-	-	-	-	-	-	-	19	Licenses and permits
-	-	-	-	-	-	-	-	907	Fines, forfeitures and penalties
-	-	-	-	-	45	64	17	886	Interest, rents and concessions
14,985	2,134	34,957	-	-	90	1,527	10	103,346	Intergovernmental revenues
-	-	-	-	-	-	1	-	3,938	Charges for services
-	-	-	3,894	-	-	25	-	4,392	Other revenues
14,985	2,134	34,957	3,894	-	660	1,617	27	136,907	Total revenues
EXPENDITURES									
Current:									
-	-	-	-	-	-	1,581	9	1,596	General government
-	-	-	-	32	450	-	-	26,773	Public protection
-	-	-	-	-	-	-	-	22,167	Public ways and facilities
-	-	-	-	-	-	-	-	1,116	Health and sanitation
-	-	-	-	-	-	-	-	8,020	Public assistance
-	-	-	-	-	-	-	-	4,079	Education
-	-	-	-	-	18	-	-	15,984	Capital outlay
-	-	-	-	32	468	1,581	9	79,735	Total expenditures
14,985	2,134	34,957	3,894	(32)	192	36	18	57,172	Excess (deficiency) of revenues over (under) expenditures
OTHER FINANCING SOURCES (USES)									
683	11,040	1,669	-	-	10	-	12	18,847	Transfers in
(19,143)	(13,460)	(35,965)	(3,893)	-	-	-	-	(72,640)	Transfers (out)
(18,460)	(2,420)	(34,296)	(3,893)	-	10	-	12	(53,793)	Total other financing sources (uses)
(3,475)	(286)	661	1	(32)	202	36	30	3,379	Net change in fund balances
8,616	4,391	6,247	-	32	3,518	33	(29)	50,136	Fund balances, July 1
\$ 5,141	\$ 4,105	\$ 6,908	\$ 1	\$ -	\$ 3,720	\$ 69	\$ 1	\$ 53,515	Fund balances, June 30
Concluded									

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Indigent Health Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ 936	\$ 936	\$ 899	\$ (37)
Interest, rents and concessions	37	37	13	(24)
Intergovernmental revenues	151	151	144	(7)
Other revenues	-	-	52	52
Total revenues	1,124	1,124	1,108	(16)
EXPENDITURES				
Current:				
Health and sanitation	1,133	1,133	1,116	17
Total expenditures	1,133	1,133	1,116	17
Excess (deficiency) of revenues				
over (under) expenditures	(9)	(9)	(8)	1
OTHER FINANCING SOURCES (USES)				
Transfers in	9	9	13	4
Total other financing sources (uses)	9	9	13	4
Net change in fund balance	-	-	5	5
Fund balance, July 1	58	58	58	-
Fund balance, June 30	\$ 58	\$ 58	\$ 63	\$ 5

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
RDA Successor Agency Housing Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 45	\$ 45	\$ 38	\$ (7)
Interest, rents and concessions	-	-	1	1
Other revenues	-	-	39	39
Total revenues	45	45	78	33
EXPENDITURES				
Current:				
General government	96	96	6	90
Total expenditures	96	96	6	90
Excess (deficiency) of revenues over (under) expenditures	(51)	(51)	72	123
Net change in fund balance	(51)	(51)	72	123
Fund balance, July 1	(53)	(53)	(53)	-
Fund balance, June 30	\$ (104)	\$ (104)	\$ 19	\$ 123

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Library Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 3,618	\$ 3,618	\$ 3,735	\$ 117
Interest, rents and concessions	26	26	24	(2)
Intergovernmental revenues	83	83	113	30
Charges for services	150	150	136	(14)
Other revenues	99	99	50	(49)
Total revenues	<u>3,976</u>	<u>3,976</u>	<u>4,058</u>	<u>82</u>
EXPENDITURES				
Current:				
Education	6,022	6,023	4,079	1,944
Total expenditures	<u>6,022</u>	<u>6,023</u>	<u>4,079</u>	<u>1,944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,046)</u>	<u>(2,047)</u>	<u>(21)</u>	<u>2,026</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(159)	(159)	(159)	-
Total other financing sources (uses)	<u>(159)</u>	<u>(159)</u>	<u>(159)</u>	<u>-</u>
Net change in fund balance	(2,205)	(2,206)	(180)	2,026
Fund balance, July 1	2,849	2,849	2,849	-
Fund balance, June 30	<u>\$ 644</u>	<u>\$ 643</u>	<u>\$ 2,669</u>	<u>\$ 2,026</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fish and Game Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 8	\$ 8
Total revenues	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
EXPENDITURES				
Current:				
Public protection	12	12	8	4
Total expenditures	<u>12</u>	<u>12</u>	<u>8</u>	<u>4</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12)</u>	<u>(12)</u>	<u>-</u>	<u>12</u>
Net change in fund balance	(12)	(12)	-	12
Fund balance, July 1	12	12	12	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 12</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Aviation Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ 5	\$ 5	\$ 28	\$ 23
Intergovernmental revenues	1,286	1,286	902	(384)
Other revenues	-	-	1	1
Total revenues	<u>1,291</u>	<u>1,291</u>	<u>931</u>	<u>(360)</u>
EXPENDITURES				
Current:				
Public ways and facilities	73	84	70	14
Capital outlay	1,350	1,339	920	419
Total expenditures	<u>1,423</u>	<u>1,423</u>	<u>990</u>	<u>433</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(132)</u>	<u>(132)</u>	<u>(59)</u>	<u>73</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	51	51	101	50
Total other financing sources (uses)	<u>51</u>	<u>51</u>	<u>101</u>	<u>50</u>
Net change in fund balance	(81)	(81)	42	123
Fund balance, July 1	80	80	80	-
Fund balance, June 30	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 122</u>	<u>\$ 123</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Structural Fire Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 7,095	\$ 7,095	\$ 7,762	\$ 667
Licenses and permits	15	15	14	(1)
Interest, rents and concessions	62	62	56	(6)
Intergovernmental revenues	508	645	833	188
Charges for services	299	299	409	110
Other revenues	100	100	136	36
Total revenues	<u>8,079</u>	<u>8,216</u>	<u>9,210</u>	<u>994</u>
EXPENDITURES				
Current:				
Public protection	13,968	13,978	13,651	327
Capital outlay	963	1,090	342	748
Total expenditures	<u>14,931</u>	<u>15,068</u>	<u>13,993</u>	<u>1,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,852)</u>	<u>(6,852)</u>	<u>(4,783)</u>	<u>2,069</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,811	4,811	4,811	-
Total other financing sources (uses)	<u>4,811</u>	<u>4,811</u>	<u>4,811</u>	<u>-</u>
Net change in fund balance	<u>(2,041)</u>	<u>(2,041)</u>	<u>28</u>	<u>2,069</u>
Fund balance, July 1	2,042	2,042	2,042	-
Fund balance, June 30	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2,070</u>	<u>\$ 2,069</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Roads Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 19,467	\$ 19,467	\$ 11,359	\$ (8,108)
Licenses and permits	5	5	5	-
Interest, rents and concessions	2	2	215	213
Intergovernmental revenues	28,666	28,666	27,706	(960)
Charges for services	2,658	2,657	3,392	735
Other revenues	1	1	171	170
Total revenues	<u>50,799</u>	<u>50,798</u>	<u>42,848</u>	<u>(7,950)</u>
EXPENDITURES				
Current:				
Public ways and facilities	63,966	63,933	22,097	41,836
Capital outlay	5,886	5,951	14,660	(8,709)
Total expenditures	<u>69,852</u>	<u>69,884</u>	<u>36,757</u>	<u>33,127</u>
Excess (deficiency) of revenues over (under) expenditures	(19,053)	(19,086)	6,091	25,177
OTHER FINANCING SOURCES (USES)				
Transfers in	84	116	408	292
Transfers (out)	(10)	(10)	(20)	(10)
Total other financing sources (uses)	<u>74</u>	<u>106</u>	<u>388</u>	<u>282</u>
Net change in fund balance	(18,979)	(18,980)	6,479	25,459
Fund balance, July 1	19,621	19,621	19,621	-
Fund balance, June 30	<u>\$ 642</u>	<u>\$ 641</u>	<u>\$ 26,100</u>	<u>\$ 25,459</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Workforce Investment Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ 616	\$ 616	\$ 374	\$ (242)
Intergovernmental revenues	9,075	9,075	7,546	(1,529)
Other revenues	232	549	-	(549)
Total revenues	<u>9,923</u>	<u>10,240</u>	<u>7,920</u>	<u>(2,320)</u>
EXPENDITURES				
Current:				
Public assistance	10,014	10,331	8,020	2,311
Total expenditures	<u>10,014</u>	<u>10,331</u>	<u>8,020</u>	<u>2,311</u>
Excess (deficiency) of revenues over (under) expenditures	(91)	(91)	(100)	(9)
OTHER FINANCING SOURCES (USES)				
Transfers in	100	100	100	-
Total other financing sources (uses)	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Net change in fund balance	9	9	-	(9)
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ 9</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ (9)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Child Support Services Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ 60	\$ 60	\$ 49	\$ (11)
Intergovernmental revenues	16,152	16,152	12,399	(3,753)
Other revenues	12	12	24	12
Total revenues	<u>16,224</u>	<u>16,224</u>	<u>12,472</u>	<u>(3,752)</u>
EXPENDITURES				
Current:				
Public protection	16,170	16,171	12,632	3,539
Capital outlay	50	50	44	6
Total expenditures	<u>16,220</u>	<u>16,221</u>	<u>12,676</u>	<u>3,545</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4</u>	<u>3</u>	<u>(204)</u>	<u>(207)</u>
Net change in fund balance	4	3	(204)	(207)
Fund balance, July 1	2,719	2,719	2,719	-
Fund balance, June 30	<u>\$ 2,723</u>	<u>\$ 2,722</u>	<u>\$ 2,515</u>	<u>\$ (207)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Mental Health Realignment Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 18,579	\$ 18,579	\$ 14,985	\$ (3,594)
Total revenues	<u>18,579</u>	<u>18,579</u>	<u>14,985</u>	<u>(3,594)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	18,579	18,579	14,985	(3,594)
OTHER FINANCING SOURCES (USES)				
Transfers in	683	683	683	-
Transfers (out)	(19,292)	(19,292)	(19,143)	149
Total other financing sources (uses)	<u>(18,609)</u>	<u>(18,609)</u>	<u>(18,460)</u>	<u>149</u>
Net change in fund balance	(30)	(30)	(3,475)	(3,445)
Fund balance, July 1	8,616	8,616	8,616	-
Fund balance, June 30	<u>\$ 8,586</u>	<u>\$ 8,586</u>	<u>\$ 5,141</u>	<u>\$ (3,445)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Health Realignment Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 5,356	\$ 5,356	\$ 2,134	\$ (3,222)
Total revenues	<u>5,356</u>	<u>5,356</u>	<u>2,134</u>	<u>(3,222)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>5,356</u>	<u>5,356</u>	<u>2,134</u>	<u>(3,222)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	10,749	10,749	11,040	291
Transfers (out)	(16,165)	(16,165)	(13,460)	2,705
Total other financing sources (uses)	<u>(5,416)</u>	<u>(5,416)</u>	<u>(2,420)</u>	<u>2,996</u>
Net change in fund balance	(60)	(60)	(286)	(226)
Fund balance, July 1	4,391	4,391	4,391	-
Fund balance, June 30	<u>\$ 4,331</u>	<u>\$ 4,331</u>	<u>\$ 4,105</u>	<u>\$ (226)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Social Services Realignment Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 30,053	\$ 34,653	\$ 34,957	\$ 304
Total revenues	30,053	34,653	34,957	304
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	30,053	34,653	34,957	304
OTHER FINANCING SOURCES (USES)				
Transfers in	810	1,810	1,669	(141)
Transfers (out)	(30,923)	(36,523)	(35,965)	558
Total other financing sources (uses)	(30,113)	(34,713)	(34,296)	417
Net change in fund balance	(60)	(60)	661	721
Fund balance, July 1	6,247	6,247	6,247	-
Fund balance, June 30	\$ 6,187	\$ 6,187	\$ 6,908	\$ 721

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Tobacco Settlement Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other revenues	\$ 4,768	\$ 4,768	\$ 3,894	\$ (874)
Total revenues	<u>4,768</u>	<u>4,768</u>	<u>3,894</u>	<u>(874)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	4,768	4,768	3,894	(874)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(4,768)	(4,768)	(3,893)	875
Total other financing sources (uses)	<u>(4,768)</u>	<u>(4,768)</u>	<u>(3,893)</u>	<u>875</u>
Net change in fund balance	-	-	1	1
Fund balance, July 1	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Tulare County In-Home Supportive Services Public Authority Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Public protection	30	30	32	(2)
Total expenditures	30	30	32	(2)
Excess (deficiency) of revenues over (under) expenditures	(30)	(30)	(32)	(2)
Net change in fund balance	(30)	(30)	(32)	(2)
Fund balance, July 1	32	32	32	-
Fund balance, June 30	\$ 2	\$ 2	\$ -	\$ (2)

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Flood Control Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 494	\$ 494	\$ 525	\$ 31
Interest, rents and concessions	31	31	45	14
Intergovernmental revenues	85	85	90	5
Total revenues	<u>610</u>	<u>610</u>	<u>660</u>	<u>50</u>
EXPENDITURES				
Current:				
Public protection	3,364	3,354	450	2,904
Capital outlay	-	18	18	-
Total expenditures	<u>3,364</u>	<u>3,372</u>	<u>468</u>	<u>2,904</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,754)</u>	<u>(2,762)</u>	<u>192</u>	<u>2,954</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1	10	10	-
Total other financing sources (uses)	<u>1</u>	<u>10</u>	<u>10</u>	<u>-</u>
Net change in fund balance	(2,753)	(2,752)	202	2,954
Fund balance, July 1	<u>3,518</u>	<u>3,518</u>	<u>3,518</u>	<u>-</u>
Fund balance, June 30	<u>\$ 765</u>	<u>\$ 766</u>	<u>\$ 3,720</u>	<u>\$ 2,954</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ 64	\$ 64
Intergovernmental revenues	1,355	1,568	1,527	(41)
Charges for services	-	1	1	-
Other revenues	71	71	25	(46)
Total revenues	<u>1,426</u>	<u>1,640</u>	<u>1,617</u>	<u>(23)</u>
EXPENDITURES				
Current:				
General government	1,427	1,640	1,581	59
Total expenditures	<u>1,427</u>	<u>1,640</u>	<u>1,581</u>	<u>59</u>
Excess (deficiency) of revenues over (under) expenditures				
	(1)	-	36	36
Net change in fund balance	(1)	-	36	36
Fund balance, July 1	33	33	33	-
Fund balance, June 30	<u>\$ 32</u>	<u>\$ 33</u>	<u>\$ 69</u>	<u>\$ 36</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HOME Program Fund
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ 17	\$ 17
Intergovernmental revenues	492	492	10	(482)
Total revenues	<u>492</u>	<u>492</u>	<u>27</u>	<u>(465)</u>
EXPENDITURES				
Current:				
General government	492	492	9	483
Total expenditures	<u>492</u>	<u>492</u>	<u>9</u>	<u>483</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12	12	12	-
Total other financing sources (uses)	<u>12</u>	<u>12</u>	<u>12</u>	<u>-</u>
Net change in fund balance	12	12	30	18
Fund balance, July 1	(29)	(29)	(29)	-
Fund balance, June 30	<u>\$ (17)</u>	<u>\$ (17)</u>	<u>\$ 1</u>	<u>\$ 18</u>

**NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUND**

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.

Building Loans Fund - This fund receives transfers of resources from County building occupants for the payment of the County's lease obligations to Tulare County Public Facilities Corporation (TCPFC).

COUNTY OF TULARE
Debt Service Fund
Balance Sheet
June 30, 2014 (in thousands)

	<u>Building Loans</u>
ASSETS	
Investment in treasury pool	\$ 5,998
Lease payments receivable, net of interest	297
Total assets	\$ 6,295
 LIABILITIES	
Total liabilities	\$ -
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-special assessments	296
Total deferred inflows of resources	296
 FUND BALANCE	
Restricted	5,980
Assigned	19
Total fund balance	5,999
Total liabilities, deferred inflows of resources and fund balances	\$ 6,295

COUNTY OF TULARE
Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2014 (in thousands)

	Building Loans
REVENUES	
Fines, forfeitures and penalties	\$ 1,639
Interest, rents and concessions	216
Other revenues	21
Total revenues	1,876
EXPENDITURES	
Debt service:	
Principal retirement	5,117
Interest and fiscal charges	925
Total expenditures	6,042
Excess (deficiency) of revenues	
over (under) expenditures	(4,166)
OTHER FINANCING SOURCES (USES)	
Transfers in	8,268
Transfers (out)	(8,127)
Total other financing sources (uses)	141
Net change in fund balance	(4,025)
Fund balance, July 1	10,024
Fund balance, June 30	\$ 5,999

COUNTY OF TULARE
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ 1,500	\$ 1,500	\$ 1,639	\$ 139
Interest, rents and concessions	209	209	216	7
Other revenues	-	-	21	21
Total revenues	1,709	1,709	1,876	167
EXPENDITURES				
Debt service:				
Principal retirement	5,319	5,319	5,117	202
Interest and fiscal charges	1,011	1,011	925	86
Total expenditures	6,330	6,330	6,042	288
Excess (deficiency) of revenues				
over (under) expenditures	(4,621)	(4,621)	(4,166)	455
OTHER FINANCING SOURCES (USES)				
Transfers in	8,268	8,268	8,268	-
Transfers (out)	(5,522)	(8,122)	(8,127)	(5)
Total other financing sources (uses)	2,746	146	141	(5)
Net change in fund balance	(1,875)	(4,475)	(4,025)	450
Fund balance, July 1	10,024	10,024	10,024	-
Fund balance, June 30	\$ 8,149	\$ 5,549	\$ 5,999	\$ 450

**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 trust 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. There are no combining statements because the County uses one capital projects fund, which is reported on the nonmajor combining financial statements.

COUNTY OF TULARE
Capital Projects Fund
Balance Sheet
June 30, 2014 (in thousands)

	Capital Projects
ASSETS	
Investment in treasury pool	\$ 18,619
Restricted assets	4,715
Total assets	\$ 23,334
LIABILITIES	
Accounts payable	\$ 414
Due to other funds	2
Salaries and benefits payable	19
Total liabilities	435
FUND BALANCE	
Restricted	4,715
Committed	4,100
Assigned	14,084
Total fund balance	22,899
Total liabilities and fund balance	\$ 23,334

COUNTY OF TULARE
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2014 (in thousands)

	<u>Capital Projects</u>
REVENUES	
Interest, rents and concessions	\$ 236
Intergovernmental revenues	15
Other revenues	214
Total revenues	465
EXPENDITURES	
Current:	
General government	2,988
Capital outlay	4,812
Total expenditures	7,800
Excess (deficiency) of revenues over (under) expenditures	(7,335)
OTHER FINANCING SOURCES (USES)	
Transfers in	10,097
Transfers (out)	(1,871)
Total other financing sources (uses)	8,226
Net change in fund balance	891
Fund balance, July 1	22,008
Fund balance, June 30	\$ 22,899

COUNTY OF TULARE
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2014 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ 236	\$ 236
Intergovernmental revenues	388	388	15	(373)
Other revenues	-	-	214	214
Total revenues	<u>388</u>	<u>388</u>	<u>465</u>	<u>77</u>
EXPENDITURES				
Current:				
General government	8,491	12,234	2,988	9,246
Capital outlay	13,263	18,146	4,812	13,334
Total expenditures	<u>21,754</u>	<u>30,380</u>	<u>7,800</u>	<u>22,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,366)</u>	<u>(29,992)</u>	<u>(7,335)</u>	<u>22,657</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,075	16,075	10,097	(5,978)
Transfers (out)	-	(3,372)	(1,871)	1,501
Total other financing sources (uses)	<u>4,075</u>	<u>12,703</u>	<u>8,226</u>	<u>(4,477)</u>
Net change in fund balance	(17,291)	(17,289)	891	18,180
Fund balance, July 1	22,008	22,008	22,008	-
Fund balance, June 30	<u>\$ 4,717</u>	<u>\$ 4,719</u>	<u>\$ 22,899</u>	<u>\$ 18,180</u>

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 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 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 Board.

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
Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2014 (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	\$ 1	\$ 2	\$ -	\$ 6	\$ -	\$ 9
Investment in treasury pool Receivable (net of allowance for uncollectibles)	5,781	825	580	527	113	7,826
Accounts	1	79	-	138	10	228
Due from other governments	287	-	-	53	4	344
Total current assets	<u>6,070</u>	<u>906</u>	<u>580</u>	<u>724</u>	<u>127</u>	<u>8,407</u>
Noncurrent assets:						
Capital assets:						
Land	-	67	-	503	41	611
Buildings and improvements, net	168	946	-	2,690	272	4,076
Equipment and vehicles, net	2,063	-	-	-	-	2,063
Total capital assets	<u>2,231</u>	<u>1,013</u>	<u>-</u>	<u>3,193</u>	<u>313</u>	<u>6,750</u>
Total noncurrent assets	<u>2,231</u>	<u>1,013</u>	<u>-</u>	<u>3,193</u>	<u>313</u>	<u>6,750</u>
Total assets	<u>8,301</u>	<u>1,919</u>	<u>580</u>	<u>3,917</u>	<u>440</u>	<u>15,157</u>
LIABILITIES						
Current liabilities:						
Accounts payable	131	18	-	58	15	222
Due to other funds	1	-	-	-	-	1
Deposits from others	-	-	8	-	-	8
Salaries and benefits payable	5	-	-	-	-	5
Bonds payable	-	-	-	1	-	1
COP Payable	-	20	-	16	1	37
Total current liabilities	<u>137</u>	<u>38</u>	<u>8</u>	<u>75</u>	<u>16</u>	<u>274</u>
Noncurrent liabilities:						
Compensated absences payable	20	-	-	-	-	20
Advances from other funds	-	-	-	805	75	880
Bonds payable	-	-	-	6	-	6
COP payable	-	725	-	512	36	1,273
Total noncurrent liabilities	<u>20</u>	<u>725</u>	<u>-</u>	<u>1,323</u>	<u>111</u>	<u>2,179</u>
Total liabilities	<u>157</u>	<u>763</u>	<u>8</u>	<u>1,398</u>	<u>127</u>	<u>2,453</u>
NET POSITION						
Net investment in capital assets	2,231	268	-	2,658	276	5,433
Restricted for:						
Landfill ground water contingencies	-	-	-	-	16	16
Unrestricted	5,913	888	572	(139)	21	7,255
Total net position	<u>\$ 8,144</u>	<u>\$ 1,156</u>	<u>\$ 572</u>	<u>\$ 2,519</u>	<u>\$ 313</u>	<u>\$ 12,704</u>

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2014 (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	\$ 467	\$ 165	\$ 109	\$ 512	\$ 64	\$ 1,317
Interest, rents and concessions	-	-	-	3	-	3
Other revenues	12	1	-	1	-	14
Total operating revenues	<u>479</u>	<u>166</u>	<u>109</u>	<u>516</u>	<u>64</u>	<u>1,334</u>
Operating expenses:						
Salaries and benefits	141	-	-	-	-	141
Services and supplies	2,412	158	80	499	105	3,254
Depreciation	476	53	-	170	15	714
Total operating expenses	<u>3,029</u>	<u>211</u>	<u>80</u>	<u>669</u>	<u>120</u>	<u>4,109</u>
Operating income (loss)	<u>(2,550)</u>	<u>(45)</u>	<u>29</u>	<u>(153)</u>	<u>(56)</u>	<u>(2,775)</u>
Nonoperating revenues (expenses):						
Intergovernmental revenues	3,224	-	-	-	-	3,224
Taxes and special assessments	2,053	31	-	-	-	2,084
Investment earnings	57	10	4	3	1	75
Interest expense	-	(34)	-	(11)	(1)	(46)
Total nonoperating revenues (expenses)	<u>5,334</u>	<u>7</u>	<u>4</u>	<u>(8)</u>	<u>-</u>	<u>5,337</u>
Change in net position	2,784	(38)	33	(161)	(56)	2,562
Net position, July 1	5,360	1,194	539	2,680	369	10,142
Net position, June 30	<u>\$ 8,144</u>	<u>\$ 1,156</u>	<u>\$ 572</u>	<u>\$ 2,519</u>	<u>\$ 313</u>	<u>\$ 12,704</u>

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2014 (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	\$ 1,047	\$ 140	\$ 109	\$ 514	\$ 65	\$ 1,875
Receipts from interfund services provided	(15)	-	-	-	-	(15)
Receipts from rents and concessions	-	-	-	3	-	3
Other revenues	(275)	1	-	1	-	(273)
Payments to employees	(139)	-	-	-	-	(139)
Payments to suppliers	(2,294)	(116)	(31)	(368)	(77)	(2,886)
Payments for interfund services used	(249)	(30)	(68)	(113)	(20)	(480)
Net cash provided by (used for) operating activities	<u>(1,925)</u>	<u>(5)</u>	<u>10</u>	<u>37</u>	<u>(32)</u>	<u>(1,915)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Subsidy from intergovernmental entities	3,224	-	-	-	-	3,224
Receipts from taxes and assessments	2,053	31	-	-	-	2,084
Advance from other funds	-	-	-	20	35	55
Net cash provided by noncapital financing activities	<u>5,277</u>	<u>31</u>	<u>-</u>	<u>20</u>	<u>35</u>	<u>5,363</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Sales of capital assets	-	1	-	-	1	2
Purchases of capital assets	(743)	-	-	(4)	-	(747)
Principal paid on capital debt	-	(20)	-	(15)	(1)	(36)
Interest paid on capital debt	-	(34)	-	(24)	(2)	(60)
Net cash provided by (used for) capital and related financing activities	<u>(743)</u>	<u>(53)</u>	<u>-</u>	<u>(43)</u>	<u>(2)</u>	<u>(841)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends received	57	10	4	3	1	75
Net cash provided by investing activities	<u>57</u>	<u>10</u>	<u>4</u>	<u>3</u>	<u>1</u>	<u>75</u>
Net increase (decrease) in cash and cash equivalents	2,666	(17)	14	17	2	2,682
Cash and cash equivalents, July 1	3,116	844	566	516	111	5,153
Cash and cash equivalents, June 30	<u>\$ 5,782</u>	<u>\$ 827</u>	<u>\$ 580</u>	<u>\$ 533</u>	<u>\$ 113</u>	<u>\$ 7,835</u>
Displayed as:						
Cash in banks	\$ 1	\$ 2	\$ -	\$ 6	\$ -	\$ 9
Investment in treasury pool	5,781	825	580	527	113	7,826
Total cash displayed	<u>\$ 5,782</u>	<u>\$ 827</u>	<u>\$ 580</u>	<u>\$ 533</u>	<u>\$ 113</u>	<u>\$ 7,835</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	<u>\$ (2,550)</u>	<u>\$ (45)</u>	<u>\$ 29</u>	<u>\$ (153)</u>	<u>\$ (56)</u>	<u>\$ (2,775)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	476	53	-	170	15	714
(Increase) decrease in accounts receivable	588	(25)	-	2	1	566
(Increase) decrease in due to other funds	(23)	-	-	-	-	(23)
Increase (decrease) in accounts payable	(131)	12	(19)	18	8	(112)
Increase (decrease) in salaries and benefits payable and compensated absences	2	-	-	-	-	2
Total adjustments	<u>625</u>	<u>40</u>	<u>(19)</u>	<u>190</u>	<u>24</u>	<u>860</u>
Net cash provided by (used for) operating activities	<u>\$ (1,925)</u>	<u>\$ (5)</u>	<u>\$ 10</u>	<u>\$ 37</u>	<u>\$ (32)</u>	<u>\$ (1,915)</u>
Schedule of non-cash capital and related finance activities:						
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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
Internal Service Funds
Combining Statement of Net Position
June 30, 2014 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
ASSETS			
Current assets:			
Investment in treasury pool	\$ 33,624	\$ 11,271	\$ 44,895
Imprest cash	500	-	500
Receivable (net of allowance for uncollectibles)			
Accounts	-	11	11
Prepaid items	-	50	50
Due from other funds	-	600	600
Total current assets	<u>34,124</u>	<u>12,041</u>	<u>46,165</u>
Noncurrent assets:			
Advances to other funds	2,360	-	2,360
Capital assets:			
Equipment and vehicles, net	-	2,333	2,333
Construction in progress	-	509	509
Total capital assets	<u>-</u>	<u>2,842</u>	<u>2,842</u>
Total noncurrent assets	<u>2,360</u>	<u>2,842</u>	<u>5,202</u>
Total assets	<u>36,484</u>	<u>14,883</u>	<u>51,367</u>
LIABILITIES			
Current liabilities:			
Accounts payable	614	1,498	2,112
Due to other funds	-	654	654
Salaries and benefits payable	-	639	639
Compensated absences payable	-	108	108
Claims payable	7,099	-	7,099
Total current liabilities	<u>7,713</u>	<u>2,899</u>	<u>10,612</u>
Noncurrent liabilities:			
Compensated absences payable	-	1,145	1,145
Claims payable	28,510	-	28,510
Total noncurrent liabilities	<u>28,510</u>	<u>1,145</u>	<u>29,655</u>
Total liabilities	<u>36,223</u>	<u>4,044</u>	<u>40,267</u>
NET POSITION			
Net investment in capital assets	-	2,842	2,842
Unrestricted	261	7,997	8,258
Total net position	<u>\$ 261</u>	<u>\$ 10,839</u>	<u>\$ 11,100</u>

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2014 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 13,651	\$ 35,998	\$ 49,649
Other revenues	1,009	234	1,243
Total operating revenues	<u>14,660</u>	<u>36,232</u>	<u>50,892</u>
Operating expenses:			
Salaries and benefits	-	15,953	15,953
Services and supplies	8,586	19,328	27,914
Insurance premiums paid	5,891	-	5,891
Depreciation	1	506	507
Claims incurred	9,050	-	9,050
Total operating expenses	<u>23,528</u>	<u>35,787</u>	<u>59,315</u>
Operating income (loss)	<u>(8,868)</u>	<u>445</u>	<u>(8,423)</u>
Nonoperating revenues (expenses):			
Gain (loss) on sale of capital assets	-	(1)	(1)
Intergovernmental revenues	28	7	35
Investment earnings	460	8	468
Total nonoperating revenues (expenses)	<u>488</u>	<u>14</u>	<u>502</u>
Income (loss) before contributions and transfers	<u>(8,380)</u>	<u>459</u>	<u>(7,921)</u>
Capital contributions	-	44	44
Transfers in	-	20	20
Transfers (out)	-	(145)	(145)
Change in net position	<u>(8,380)</u>	<u>378</u>	<u>(8,002)</u>
Net position, July 1	8,641	10,461	19,102
Net position, June 30	<u>\$ 261</u>	<u>\$ 10,839</u>	<u>\$ 11,100</u>

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2014 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ -	\$ 652	\$ 652
Receipts from interfund services provided	13,651	35,473	49,124
Other revenues	1,009	125	1,134
Payments to employees	-	(16,007)	(16,007)
Payments to suppliers	(12,205)	(14,975)	(27,180)
Payments for interfund services used	(2,591)	(3,649)	(6,240)
Payments for claims	(3,288)	-	(3,288)
Net cash provided by (used for) operating activities	<u>(3,424)</u>	<u>1,619</u>	<u>(1,805)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	28	7	35
Transfers to other funds	-	(125)	(125)
Advance to other funds	(816)	-	(816)
Net cash (used for) noncapital financing activities	<u>(788)</u>	<u>(118)</u>	<u>(906)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(892)	(892)
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(892)</u>	<u>(892)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	460	8	468
Net cash provided by investing activities	<u>460</u>	<u>8</u>	<u>468</u>
Net increase (decrease) in cash and cash equivalents	(3,752)	617	(3,135)
Cash and cash equivalents, July 1	37,876	10,654	48,530
Cash and cash equivalents, June 30	<u>\$ 34,124</u>	<u>\$ 11,271</u>	<u>\$ 45,395</u>
Displayed as:			
Investment in treasury pool	\$ 33,624	\$ 11,271	\$ 44,895
Imprest cash	500	-	500
Total cash displayed	<u>\$ 34,124</u>	<u>\$ 11,271</u>	<u>\$ 45,395</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (8,868)</u>	<u>\$ 445</u>	<u>\$ (8,423)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	1	506	507
(Increase) decrease in accounts receivable	-	116	116
(Increase) decrease in due from other funds	-	(600)	(600)
(Increase) decrease in due to other funds	-	611	611
(Increase) decrease in prepaid items	-	150	150
Increase (decrease) in accounts payable	(319)	554	235
Increase (decrease) in salaries and benefits payable and compensated absences	-	(54)	(54)
Increase (decrease) in claims payable	5,762	-	5,762
Total adjustments	<u>5,444</u>	<u>1,174</u>	<u>6,618</u>
Net cash provided by (used for) operating activities	<u>\$ (3,424)</u>	<u>\$ 1,619</u>	<u>\$ (1,805)</u>
Schedule of non-cash capital and related finance activities:			
Contributions of capital assets	\$ -	\$ 44	\$ 44

FIDUCIARY FUNDS

Fiduciary Funds include all Investment Trust, Private-Purpose 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 Employees' Retirement Association, which maintains a check-clearing account in the Treasury Pool.

The Private-Purpose Trust Fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Tulare County Redevelopment Successor Agency (Successor Agency).

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 and others.

State Fines Agency Fund - 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 0.25% sales tax collected by the State Board of Equalization and deposited with the County of origin for local transportation support.

Employee Health Benefits Funds - 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 Funds (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
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2014 (in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Property Tax Collection and Apportionment Funds				
ASSETS				
Investment in treasury pool	\$ 14,503	\$ 864,796	\$ (860,014)	\$ 19,285
Total assets	<u>\$ 14,503</u>	<u>\$ 864,796</u>	<u>\$ (860,014)</u>	<u>\$ 19,285</u>
LIABILITIES				
Accounts payable	\$ 9,551	\$ 235,779	\$ (235,630)	\$ 9,700
Due to other governments	-	5,432	-	5,432
Agency obligations	4,952	405,111	(405,910)	4,153
Total liabilities	<u>\$ 14,503</u>	<u>\$ 646,322</u>	<u>\$ (641,540)</u>	<u>\$ 19,285</u>
State Fines Agency Fund				
ASSETS				
Investment in treasury pool	\$ 89	\$ 624	\$ (616)	\$ 97
Total assets	<u>\$ 89</u>	<u>\$ 624</u>	<u>\$ (616)</u>	<u>\$ 97</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,230	\$ (1,180)	\$ 50
Due to other governments	89	(89)	-	-
Agency obligations	-	615	(568)	47
Total liabilities	<u>\$ 89</u>	<u>\$ 1,756</u>	<u>\$ (1,748)</u>	<u>\$ 97</u>
Transportation Tax Funds				
ASSETS				
Investment in treasury pool	\$ 1,523	\$ 14,752	\$ (10,639)	\$ 5,636
Total assets	<u>\$ 1,523</u>	<u>\$ 14,752</u>	<u>\$ (10,639)</u>	<u>\$ 5,636</u>
LIABILITIES				
Agency obligations	\$ 1,523	\$ 4,133	\$ (20)	\$ 5,636
Total liabilities	<u>\$ 1,523</u>	<u>\$ 4,133</u>	<u>\$ (20)</u>	<u>\$ 5,636</u>
Employee Health Benefits Funds				
ASSETS				
Investment in treasury pool	\$ 1,380	\$ 35,451	\$ (35,292)	\$ 1,539
Accounts receivable (net of allowance for uncollectibles)	1,946	37,555	(39,406)	95
Prepaid items	1,947	-	(1,947)	-
Due from other governments	3	-	(3)	-
Total assets	<u>\$ 5,276</u>	<u>\$ 73,006</u>	<u>\$ (76,648)</u>	<u>\$ 1,634</u>
LIABILITIES				
Accounts payable	\$ 2,028	\$ 65,067	\$ (66,991)	\$ 104
Due to other governments	-	47	-	47
Agency obligations	3,248	959	(2,724)	1,483
Total liabilities	<u>\$ 5,276</u>	<u>\$ 66,073</u>	<u>\$ (69,715)</u>	<u>\$ 1,634</u>

Continued

COUNTY OF TULARE
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities (continued)
For the Fiscal Year Ended June 30, 2014 (in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Education Revenue Augmentation Funds				
ASSETS				
Investment in treasury pool	\$ 286	\$ 104,268	\$ (104,550)	\$ 4
Total assets	<u>\$ 286</u>	<u>\$ 104,268</u>	<u>\$ (104,550)</u>	<u>\$ 4</u>
LIABILITIES				
Agency obligations	\$ 286	\$ 126,486,316	\$ (126,486,598)	\$ 4
Total liabilities	<u>\$ 286</u>	<u>\$ 126,486,316</u>	<u>\$ (126,486,598)</u>	<u>\$ 4</u>
Other Agency Funds				
ASSETS				
Cash in bank	\$ 3,786	\$ -	\$ 796	\$ 4,582
Investment in treasury pool	16,662	45,952	(45,344)	17,270
Accounts receivable (net of allowance for uncollectibles)	2	-	(2)	-
Due from other governments	41	-	(41)	-
Total assets	<u>\$ 20,491</u>	<u>\$ 45,952</u>	<u>\$ (44,591)</u>	<u>\$ 21,852</u>
LIABILITIES				
Accounts payable	\$ 452	\$ 4,988	\$ (5,223)	\$ 217
Due to other governments	8,081	6,812	(12,849)	2,044
Agency obligations	11,958	48,124	(40,491)	19,591
Total liabilities	<u>\$ 20,491</u>	<u>\$ 59,924</u>	<u>\$ (58,563)</u>	<u>\$ 21,852</u>
Total Agency Funds				
ASSETS				
Cash in bank	\$ 3,786	\$ -	\$ 796	\$ 4,582
Investment in treasury pool	34,443	1,065,843	(1,056,455)	43,831
Accounts receivable (net of allowance for uncollectibles)	1,948	37,555	(39,408)	95
Prepaid items	1,947	-	(1,947)	-
Due from other governments	44	-	(44)	-
Total assets	<u>\$ 42,168</u>	<u>\$ 1,103,398</u>	<u>\$ (1,097,058)</u>	<u>\$ 48,508</u>
LIABILITIES				
Accounts payable	\$ 12,031	\$ 307,064	\$ (309,024)	\$ 10,071
Due to other governments	8,170	12,202	(12,849)	7,523
Agency obligations	21,967	126,945,258	(126,936,311)	30,914
Total liabilities	<u>\$ 42,168</u>	<u>\$ 127,264,524</u>	<u>\$ (127,258,184)</u>	<u>\$ 48,508</u>

Concluded

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

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

COUNTY OF TULARE
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
June 30, 2014 (in thousands)

Function and Activity	2014	2013
Governmental funds capital assets:		
Land	\$ 934,604	\$ 911,450
Infrastructure	689,001	659,376
Buildings and improvements	206,859	206,752
Machinery and equipment	29,418	27,662
Vehicles	51,934	49,084
Construction in progress	6,808	744
Infrastructure in progress	98,275	139,236
Total governmental funds capital assets	<u>\$ 2,016,899</u>	<u>\$ 1,994,304</u>
Investment in governmental funds capital assets by source:		
General Fund	\$ 233,254	\$ 230,066
Federal revenue sharing fund	11,242	11,242
Special revenue funds	1,765,554	1,750,889
Capital projects fund	6,831	2,089
Donations	18	18
Total governmental funds capital assets	<u>\$ 2,016,899</u>	<u>\$ 1,994,304</u>

COUNTY OF TULARE
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2014 (in thousands)

Function and Activity	Land	Infrastructure	Buildings and Improvements	Machinery and Equipment	Vehicles	Total
General government						
Administrative	\$ -	\$ -	\$ 25	\$ 29	\$ -	\$ 54
Finance	-	-	-	104	470	574
County Counsel	-	-	1,663	11	-	1,674
Personnel	-	-	25	-	-	25
Elections	-	-	-	1,040	-	1,040
Property management	-	-	22,089	251	15	22,355
Other general	3,135	-	924	4,956	1,980	10,995
Total general government	<u>3,135</u>	<u>-</u>	<u>24,726</u>	<u>6,391</u>	<u>2,465</u>	<u>36,717</u>
Public protection						
Judicial	-	-	38,395	898	2,004	41,297
Sheriff	2,369	-	4,296	2,576	10,123	19,364
Other protection	-	-	90	234	463	787
Total public protection	<u>2,369</u>	<u>-</u>	<u>42,781</u>	<u>3,708</u>	<u>12,590</u>	<u>61,448</u>
Detention and correction						
Detention	-	-	73,944	1,415	2,893	78,252
Fire	433	-	3,581	387	10,747	15,148
Inspection	210	-	4,685	141	1,872	6,908
Total detention and correction	<u>643</u>	<u>-</u>	<u>82,210</u>	<u>1,943</u>	<u>15,512</u>	<u>100,308</u>
Public ways and facilities	924,503	689,001	5,908	5,228	13,931	1,638,571
Public health	2,640	-	26,979	7,433	3,570	40,622
Public assistance	226	-	3,505	3,934	2,302	9,967
Education	122	-	10,227	239	672	11,260
Culture and recreation	966	-	10,523	542	892	12,923
	<u>928,457</u>	<u>689,001</u>	<u>57,142</u>	<u>17,376</u>	<u>21,367</u>	<u>1,713,343</u>
Construction projects in progress	-	-	6,299	509	-	6,808
Infrastructure projects in progress	-	98,275	-	-	-	98,275
	<u>-</u>	<u>98,275</u>	<u>6,299</u>	<u>509</u>	<u>-</u>	<u>105,083</u>
Total governmental funds capital assets	<u>\$ 934,604</u>	<u>\$ 787,276</u>	<u>\$ 213,158</u>	<u>\$ 29,927</u>	<u>\$ 51,934</u>	<u>\$ 2,016,899</u>

COUNTY OF TULARE
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended June 30, 2014 (in thousands)

Function and Activity	Governmental Funds Capital Assets July 1	Additions	Deletions	Adjustments	Governmental Funds Capital Assets June 30
General government					
Administrative	\$ 25	\$ 29	\$ -	\$ -	\$ 54
Finance	349	121	(16)	120	574
County Counsel	1,674	-	-	-	1,674
Personnel	25	-	-	-	25
Elections	1,040	-	-	-	1,040
Property management	22,355	6	(6)	-	22,355
Other general	10,765	448	(219)	1	10,995
Total general government	<u>36,233</u>	<u>604</u>	<u>(241)</u>	<u>121</u>	<u>36,717</u>
Public protection					
Judicial	41,260	258	(221)	-	41,297
Sheriff	17,967	2,435	(1,038)	-	19,364
Other protection	723	118	(54)	-	787
Total public protection	<u>59,950</u>	<u>2,811</u>	<u>(1,313)</u>	<u>-</u>	<u>61,448</u>
Detention and correction					
Detention	77,998	440	(106)	(80)	78,252
Fire	14,863	342	(57)	-	15,148
Inspection	6,866	234	(170)	(22)	6,908
Total detention and correction	<u>99,727</u>	<u>1,016</u>	<u>(333)</u>	<u>(102)</u>	<u>100,308</u>
Public ways and facilities	1,584,990	54,927	(1,345)	(2)	1,638,570
Public health	39,332	1,624	(333)	-	40,623
Public assistance	10,329	4	(366)	-	9,967
Education	11,149	136	(25)	-	11,260
Culture and recreation	12,614	318	(9)	-	12,923
	<u>1,658,414</u>	<u>57,009</u>	<u>(2,078)</u>	<u>(2)</u>	<u>1,713,343</u>
Construction projects in progress	744	6,111	(34)	(13)	6,808
Infrastructure projects in progress	139,236	10,875	(51,124)	(712)	98,275
	<u>139,980</u>	<u>16,986</u>	<u>(51,158)</u>	<u>(725)</u>	<u>105,083</u>
Total governmental funds capital assets	<u>\$ 1,994,304</u>	<u>\$ 78,426</u>	<u>\$ (55,123)</u>	<u>\$ (708)</u>	<u>\$ 2,016,899</u>

Statistical Section

The information in this section is not covered by the Independent Auditor's Report, but is presented as supplemental data for the benefit of the readers of the Comprehensive Annual Financial Report. The objectives of statistical section information are to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the County's economic condition.

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Revenue Capacity Information needed to understand and assess the County's ability to generate own-source revenues.	134-137
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Operating Information Information needed to understand the County's operations and resources as well as to assess its economic condition.	143-148

COUNTY OF TULARE
Statistical Section
Net Position By Component (unaudited)
Last 10 Fiscal Years (in thousands)

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
Governmental activities					
Net investment in capital assets	\$ 1,450,065 **	\$ 1,425,580	\$ 1,417,765	\$ 1,491,566	\$ 1,524,380
Restricted	40,051	44,553	45,403	54,086	57,079
Unrestricted	35,459	43,721	57,303	55,866	56,992
Total governmental activities net position	<u>\$ 1,525,575 **</u>	<u>\$ 1,513,854</u>	<u>\$ 1,520,471</u>	<u>\$ 1,601,518</u>	<u>\$ 1,638,451</u>
Business-type activities					
Net investment in capital assets	\$ 20,010	\$ 20,322	\$ 19,860	\$ 19,090	\$ 28,811
Restricted	5,005	5,005	5,005	5,005	5,005
Unrestricted	24,886	22,914	22,200	22,794	9,363
Total business-type activities net position	<u>\$ 49,901</u>	<u>\$ 48,241</u>	<u>\$ 47,065</u>	<u>\$ 46,889</u>	<u>\$ 43,179</u>
Primary government					
Net investment in capital assets	\$ 1,470,075 **	\$ 1,445,902	\$ 1,437,625	\$ 1,510,656	\$ 1,553,191
Restricted	45,056	49,558	50,408	59,091	62,084
Unrestricted	60,345	66,635	79,503	78,660	66,355
Total primary government net position	<u>\$ 1,575,476 **</u>	<u>\$ 1,562,095</u>	<u>\$ 1,567,536</u>	<u>\$ 1,648,407</u>	<u>\$ 1,681,630</u>
Fiscal Year					
	2009-10	2010-11	2011-12	2012-13	2013-14
Governmental activities					
Net investment in capital assets	\$ 1,541,360	\$ 1,576,213	\$ 1,558,744	\$ 1,584,261	\$ 1,798,998
Restricted	61,880	57,762	102,657	134,870	0
Unrestricted	63,537	74,420	83,404	65,066	-
Total governmental activities net position	<u>\$ 1,666,777</u>	<u>\$ 1,708,395</u>	<u>\$ 1,744,805</u>	<u>\$ 1,784,197</u>	<u>\$ 1,798,998</u>
Business-type activities					
Net investment in capital assets	\$ 28,172	\$ 27,463	\$ 29,728	\$ 27,357	\$ 41,559
Restricted	5,005	5,005	5,005	5,016	-
Unrestricted	6,792	7,002	7,999	8,140	-
Total business-type activities net position	<u>\$ 39,969</u>	<u>\$ 39,470</u>	<u>\$ 42,732</u>	<u>\$ 40,513</u>	<u>\$ 41,559</u>
Primary government					
Net investment in capital assets	\$ 1,569,532	\$ 1,603,676	\$ 1,588,472	\$ 1,611,618	\$ 1,840,557
Restricted	66,885	62,767	107,662	139,886	0
Unrestricted	70,329	81,422	91,403	73,206	-
Total primary government net position	<u>\$ 1,706,746</u>	<u>\$ 1,747,865</u>	<u>\$ 1,787,537</u>	<u>\$ 1,824,710</u>	<u>\$ 1,840,557</u>

**Beginning balances of capital assets restated to include infrastructure assets.
Discretely presented Component Unit is not included.

COUNTY OF TULARE
Statistical Section
Changes in Net Position (unaudited)
Last 10 Fiscal Years (in thousands)

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
Expenses					
Governmental activities:					
General government	\$ 25,312	\$ 44,550	\$ 93,680	\$ 71,430	\$ 28,459
Public protection	148,459	155,626	162,837	187,299	197,905
Public ways and facilities	35,404	26,701	15,100	28,346	32,342
Health and sanitation	99,669	104,035	120,520	120,195	122,853
Public assistance	215,275	225,735	220,019	227,086	234,329
Education	3,384	3,241	3,722	4,287	5,033
Culture and recreation	1,631	1,468	1,842	3,552	2,136
Unallocated depreciation	589	589	588	510	791
Unallocated interest expense	8,642	9,713	11,038	11,244	5,993
Total governmental activities expenses	<u>538,365</u>	<u>571,658</u>	<u>629,346</u>	<u>653,949</u>	<u>629,841</u>
Business-type activities:					
Solid Waste	10,249	12,004	13,981	14,426	14,138
Other business-type activities	1,708	1,872	2,120	2,259	2,452
Total business-type activities expenses	<u>11,957</u>	<u>13,876</u>	<u>16,101</u>	<u>16,685</u>	<u>16,590</u>
Total primary government expenses	<u>\$ 550,322</u>	<u>\$ 585,534</u>	<u>\$ 645,447</u>	<u>\$ 670,634</u>	<u>\$ 646,431</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 28,181	\$ 21,838	\$ 50,015	\$ 62,391	\$ 28,860
Public protection	22,015	22,179	25,846	28,291	29,368
Public ways and facilities	1,468	2,783	2,209	2,028	1,782
Health and sanitation	12,430	11,653	16,103	45,659	46,523
Public assistance	29,244	26,348	30,161	7,496	5,823
Education	245	289	334	188	162
Culture and recreation	1,101	848	1,004	332	287
Operating grants and contributions	349,248	371,869	389,177	389,524	403,891
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>443,932</u>	<u>457,807</u>	<u>514,849</u>	<u>535,909</u>	<u>516,696</u>
Business-type activities:					
Charges for services:					
Solid Waste	9,053	9,705	10,247	9,244	8,284
Other business-type activities	670	696	738	792	925
Operating grants and contributions	373	42	276	1,475	813
Total business-type activities program revenues	<u>10,096</u>	<u>10,443</u>	<u>11,261</u>	<u>11,511</u>	<u>10,022</u>
Total primary government program revenues	<u>\$ 454,028</u>	<u>\$ 468,250</u>	<u>\$ 526,110</u>	<u>\$ 547,420</u>	<u>\$ 526,718</u>
Net (expense)/revenue					
Governmental activities	\$ (94,433)	\$ (113,851)	\$ (114,497)	\$ (118,040)	\$ (113,145)
Business-type activities	(1,861)	(3,433)	(4,840)	(5,174)	(6,568)
Total primary government net expense	<u>\$ (96,294)</u>	<u>\$ (117,284)</u>	<u>\$ (119,337)</u>	<u>\$ (123,214)</u>	<u>\$ (119,713)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 66,738	\$ 78,583	\$ 91,367	\$ 102,198	\$ 105,400
Sales and other taxes	8,032	12,311	13,262	19,188	21,299
Earnings on investments	5,402	7,034	11,950	11,439	13,003
Tobacco settlement revenues	4,010	3,651	3,822	4,068	4,471
Extinguishment of debt	-	-	-	-	-
Gain (loss) on sale of capital assets	29	-	-	-	-
Extraordinary item RDA dissolution	-	-	-	-	-
Transfers	662	551	713	556	583
Total governmental activities	<u>84,873</u>	<u>102,130</u>	<u>121,114</u>	<u>137,449</u>	<u>144,756</u>
Business-type activities:					
Sales and other taxes	855	512	1,033	1,628	379
Earnings on investments	1,555	1,651	3,342	3,864	3,062
Gain on sale of capital assets	-	161	2	62	-
Transfers	(662)	(551)	(713)	(556)	(583)
Total business-type activities	<u>1,748</u>	<u>1,773</u>	<u>3,664</u>	<u>4,998</u>	<u>2,858</u>
Total primary government	<u>\$ 86,621</u>	<u>\$ 103,903</u>	<u>\$ 124,778</u>	<u>\$ 142,447</u>	<u>\$ 147,614</u>
Change in Net Position					
Governmental activities	\$ (9,560)	\$ (11,721)	\$ 6,617	\$ 19,409	\$ 31,611
Business-type activities	(113)	(1,660)	(1,176)	(176)	(3,710)
Total primary government	<u>\$ (9,673)</u>	<u>\$ (13,381)</u>	<u>\$ 5,441</u>	<u>\$ 19,233</u>	<u>\$ 27,901</u>

Continued

COUNTY OF TULARE
Statistical Section
Changes in Net Position (unaudited) (continued)
Last 10 Fiscal Years (in thousands)

Fiscal Year					
2009-10	2010-11	2011-12	2012-13	2013-2014	
					Expenses
					Governmental activities:
\$ 26,587	\$ 39,515	\$ 42,590	\$ 42,343	\$ 39,432	General government
192,533	182,316	190,402	190,904	202,075	Public protection
29,120	25,485	38,295	33,767	37,155	Public ways and facilities
120,796	117,572	122,305	124,681	129,190	Health and sanitation
236,861	235,547	224,139	228,148	242,378	Public assistance
5,027	5,412	5,020	5,112	5,470	Education
2,095	310	371	329	431	Culture and recreation
953	520	520	520	511	Unallocated depreciation
5,806	3,137	2,259	1,990	1,940	Unallocated interest expense
619,778	609,814	625,901	627,794	658,582	Total governmental activities expenses
					Business-type activities:
13,144	10,847	7,365	10,812	10,873	Solid Waste
2,710	2,856	3,579	3,844	4,155	Other business-type activities
15,854	13,703	10,944	14,656	15,028	Total business-type activities expenses
\$ 635,632	\$ 623,517	\$ 636,845	\$ 642,450	\$ 673,610	Total primary government expenses
					Program Revenues
					Governmental activities:
					Charges for services:
\$ 26,601	\$ 24,375	\$ 31,271	\$ 24,259	\$ 24,138	General government
23,883	26,349	21,558	21,683	23,741	Public protection
1,971	3,406	6,700	5,083	3,599	Public ways and facilities
47,938	52,666	43,479	40,554	42,588	Health and sanitation
3,324	4,299	6,687	6,717	8,566	Public assistance
161	222	209	210	202	Education
293	283	288	292	306	Culture and recreation
418,780	406,398	419,570	421,514	424,721	Operating grants and contributions
-	-	-	6	424,721	Capital grants and contributions
522,951	517,998	529,762	520,318	952,582	Total governmental activities program revenues
					Business-type activities:
					Charges for services:
8,206	8,130	8,525	8,568	8,991	Solid Waste
955	1,064	1,224	1,252	1,334	Other business-type activities
844	1,270	2,222	504	3,270	Operating grants and contributions
10,005	10,464	11,971	10,324	13,595	Total business-type activities program revenues
\$ 532,956	\$ 528,462	\$ 541,733	\$ 530,642	\$ 966,177	Total primary government program revenues
					Net (expense)/revenue
\$ (96,827)	\$ (91,816)	\$ (96,139)	\$ (107,476)	\$ (130,721)	Governmental activities
(5,849)	(3,239)	1,027	(4,332)	(1,433)	Business-type activities
\$ (102,676)	\$ (95,055)	\$ (95,112)	\$ (111,808)	\$ (132,154)	Total primary government net expense
					General Revenues and Other Changes in Net Position
					Governmental activities:
\$ 99,991	\$ 101,519	\$ 105,604	\$ 107,101	\$ 109,266	Property taxes
17,783	31,937	23,472	31,951	30,524	Sales and other taxes
7,236	2,536	4,324	1,307	1,517	Earnings on investments
3,728	3,854	3,930	5,923	3,894	Tobacco settlement revenues
-	-	-	-	(183)	Extinguishment of debt
(6,180)	(2,640)	191	208	239	Gain (loss) on sale of capital assets
-	-	(2,658)	-	-	Extraordinary item RDA dissolution
531	515	466	378	265	Transfers
123,089	137,721	135,329	146,868	145,522	Total governmental activities
					Business-type activities:
943	2,486	1,842	2,328	2,084	Sales and other taxes
2,104	863	857	163	660	Earnings on investments
123	1	2	-	-	Gain on sale of capital assets
(531)	(515)	(466)	(378)	(265)	Transfers
2,639	2,835	2,235	2,113	2,479	Total business-type activities
\$ 125,728	\$ 140,556	\$ 137,564	\$ 148,981	\$ 148,001	Total primary government
					Change in Net Position
\$ 26,262	\$ 45,905	\$ 39,190	\$ 39,392	\$ 14,801	Governmental activities
(3,210)	(404)	3,262	(2,219)	1,046	Business-type activities
\$ 23,052	\$ 45,501	\$ 42,452	\$ 37,173	\$ 15,847	Total primary government

Concluded

COUNTY OF TULARE
Statistical Section
Fund Balances of Governmental Funds (unaudited)
Last 10 Fiscal Years (in thousands)

	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
General Fund										
Nonspendable	\$ 81	\$ 70	\$ 839	\$ 839	\$ 839	\$ 1,173	\$ 439	\$ 1,596	\$ 3,244	\$ 395
Restricted	14,263	13,751	13,890	14,288	19,596	30	844	22,790	28,863	34,147
Committed	18,575	21,246	25,091	25,163	25,414	25,612	22,101	1,833	1,668	880
Assigned	-	-	-	-	-	-	-	1,081	-	-
Unassigned	9,528	13,485	17,518	17,213	12,228	31,713	27,146	61,448	62,710	76,284
Subtotal general fund	42,447	48,552	57,338	57,503	58,077	58,528	50,530	88,748	96,485	111,706
PFC and PFA Major Funds										
Restricted	57,080	54,391	53,963	56,670	55,355	56,400	57,249	58,327	60,442	61,059
Assigned	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,501
Unassigned	-	-	-	-	-	-	-	-	-	-
Subtotal PFC and PFA major funds	60,580	57,891	57,463	60,170	58,855	59,900	60,749	61,827	63,942	64,560
All Other Governmental Funds										
Nonspendable	1,089	1,149	1,154	1,236	2,206	2,044	1,123	1,162	1,025	1,024
Restricted	15,294	20,119	22,189	26,079	28,880	46,742	56,822	76,400	77,102	64,174
Committed	5,576	5,559	5,572	4,118	3,858	210	3,232	4,000	6,000	4,100
Assigned	334	1,306	1,623	4,044	3,197	10,534	11,727	17,987	17,583	15,712
Unassigned	(1,566)	(748)	(767)	(750)	(752)	(12,733)	(19,429)	(20,971)	(19,542)	(2,597)
Subtotal all other governmental funds	20,727	27,385	29,771	34,727	37,389	46,797	53,475	78,578	82,168	82,413
Total governmental fund balance	\$ 123,754	\$ 133,828	\$ 144,572	\$ 152,400	\$ 154,321	\$ 165,225	\$ 164,754	\$ 229,153	\$ 242,595	\$ 258,679

COUNTY OF TULARE
Statistical Section
Changes in Fund Balances of Governmental Funds (unaudited)
Last 10 Fiscal Years (in thousands)

	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUES										
Taxes and special assessments	\$ 78,982	\$ 94,401	\$ 108,216	\$ 121,397	\$ 126,699	\$ 117,774	\$ 133,456	\$ 129,076	\$ 139,052	\$ 139,790
Licenses and permits	8,550	8,480	9,060	9,010	9,939	8,355	8,764	8,780	9,191	10,514
Fines, forfeitures, and penalties	8,124	8,764	4,219	10,218	13,031	12,429	13,020	15,257	10,364	9,201
Interest, rents, and concessions	5,294	7,146	11,389	12,093	12,177	8,474	3,722	7,239	3,076	5,351
Intergovernmental revenues	346,736	368,768	385,590	389,524	404,262	414,234	401,376	423,230	424,213	426,487
Charges for services	64,196	61,772	71,922	80,188	77,496	70,321	81,196	69,970	65,289	63,214
Other revenues	12,034	11,492	10,965	11,442	14,685	15,205	13,035	15,776	18,253	20,427
Total revenues	<u>523,916</u>	<u>560,823</u>	<u>601,361</u>	<u>633,872</u>	<u>658,289</u>	<u>646,792</u>	<u>654,569</u>	<u>669,328</u>	<u>669,438</u>	<u>674,984</u>
EXPENDITURES										
General government	17,575	17,549	24,318	25,621	29,713	25,525	34,433	36,138	42,838	28,892
Public protection	144,136	153,259	162,811	184,009	189,989	184,477	174,320	183,352	184,406	195,560
Public ways and facilities	14,086	9,890	7,920	12,498	15,489	12,986	8,714	23,711	19,164	22,167
Health and sanitation	98,477	103,075	120,723	119,569	121,340	118,919	114,136	118,063	122,115	127,612
Public assistance	213,979	224,438	219,376	226,227	232,527	234,642	233,388	221,539	226,442	240,838
Education	3,462	3,289	3,831	4,329	4,855	4,722	5,109	4,673	4,875	5,188
Culture and recreation	1,524	1,323	1,740	3,361	1,968	1,920	38	59	-	-
Capital outlay	7,630	14,611	29,581	28,979	36,704	37,634	56,075	42,776	46,006	26,341
Debt service:										
Principal	11,443	11,936	51,711	9,737	10,103	11,624	11,726	13,173	6,515	10,772
Interest and fiscal charges	8,388	9,421	10,763	10,778	8,954	5,566	3,096	3,060	2,081	2,159
Total expenditures	<u>520,700</u>	<u>548,791</u>	<u>632,774</u>	<u>625,108</u>	<u>651,642</u>	<u>638,015</u>	<u>641,035</u>	<u>646,544</u>	<u>654,442</u>	<u>659,529</u>
Excess (deficiency) of revenues										
over (under) expenditures	3,216	12,032	(31,413)	8,764	6,647	8,777	13,534	22,784	14,996	15,455
OTHER FINANCING SOURCES (USES)										
Sale of general capital assets	148	497	1,468	297	169	107	158	191	208	239
Bond proceeds	-	-	43,987	-	231	1,669	-	-	-	-
Capital lease proceeds	-	44	-	-	-	-	-	-	-	-
Direct financing lease	105	114	121	128	-	-	-	-	-	-
Loan proceeds	1,775	-	-	-	-	-	-	-	-	-
Transfers in	102,141	116,185	114,577	100,925	102,189	96,795	76,575	108,739	104,796	117,341
Transfers (out)	(102,404)	(118,798)	(117,996)	(102,286)	(103,720)	(97,392)	(77,105)	(107,764)	(106,558)	(116,951)
Total other financing sources (uses)	<u>1,765</u>	<u>(1,958)</u>	<u>42,157</u>	<u>(936)</u>	<u>(1,131)</u>	<u>1,179</u>	<u>(372)</u>	<u>1,166</u>	<u>(1,554)</u>	<u>629</u>
Extraordinary Items										
RDA dissolution assets transfers	-	-	-	-	-	-	-	(5,726)	-	-
RDA dissolution liability transfers	-	-	-	-	-	-	-	74	-	-
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,652)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 4,981</u>	<u>\$ 10,074</u>	<u>\$ 10,744</u>	<u>\$ 7,828</u>	<u>\$ 5,516</u>	<u>\$ 9,956</u>	<u>\$ 13,162</u>	<u>\$ 18,298</u>	<u>\$ 13,442</u>	<u>\$ 16,084</u>
Debt service as a percentage										
of noncapital expenditures	3.87%	4.00%	10.36%	3.44%	3.10%	2.86%	2.53%	2.69%	1.41%	2.04%

COUNTY OF TULARE
Statistical Section
Equalized Roll Assessed Value of Taxable Property (unaudited)
Last 10 Fiscal Years (in thousands)

Fiscal Year	Real Property Assessed Value *	Personal Property Assessed Value	Total Assessed Value	Total Direct Tax Rate (%)
2004-05	\$ 17,971,651	\$ 1,087,362	\$ 19,059,013	1.00000
2005-06	19,714,530	1,174,747	20,889,277	1.00000
2006-07	22,463,149	1,142,461	23,605,610	1.00000
2007-08	25,190,040	1,522,742	26,712,782	1.00000
2008-09	26,632,559	1,616,099	28,248,658	1.00000
2009-10	26,317,008	1,692,118	28,009,126	1.00000
2010-11	26,525,428	1,516,586	28,042,014	1.00000
2011-12	26,377,210	1,596,844	27,974,054	1.00000
2012-13	26,186,643	1,628,687	27,815,330	1.00000
2013-14	27,022,893	1,655,360	28,678,253	1.00000

* Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the Consumer Price Index (CPI) on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: County of Tulare / Property Tax

COUNTY OF TULARE
Statistical Section
Direct Overlapping Property Tax Rates (unaudited)
Last 10 Fiscal Years

	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
County-Wide Rates										
General	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
School District Rates										
Allensworth Elementary	0.044	0.044	0.044	0.018	-	-	-	-	-	-
Alta Vista Elementary	0.048	-	-	-	-	-	-	-	-	-
Buena Vista Elementary	0.031	0.026	0.031	0.027	0.027	0.025	0.016	0.010	0.008	0.008
Burton Elementary *	0.022	0.023	0.021	0.018	0.019	0.023	0.023	0.024	0.026	0.026
College of the Sequoias - Hanford Schools Facility Improvement District	-	-	-	0.025	0.020	0.012	0.025	0.014	0.019	0.024
College of the Sequoias - Tulare Schools Facility Improvement District	-	-	-	-	-	0.012	0.025	0.028	0.028	0.023
College of the Sequoias - Visalia Schools Facility Improvement District	-	-	-	-	-	0.005	0.013	0.025	0.025	0.015
Cutler - Orosi Unified *	0.060	0.060	0.060	0.050	0.040	0.011	0.035	0.040	0.055	0.060
Delano Joint High	0.097	0.097	0.163	0.117	0.100	0.119	0.155	0.133	0.121	0.106
Dimuba Unified	0.055	0.074	0.057	0.060	0.151	0.107	0.151	0.116	0.107	0.101
Earlhart Elementary	0.048	0.039	0.035	0.031	0.032	0.034	0.030	0.025	0.020	0.044
Exeter Elementary	-	-	-	-	0.029	0.028	0.032	0.037	0.034	0.030
Exeter High	0.038	0.034	0.030	0.049	0.040	0.037	0.040	0.042	0.046	0.057
Farmersville Elementary	-	-	-	-	-	-	-	-	-	-
Farmersville Unified *	0.148	0.133	0.095	0.074	0.072	0.098	0.090	0.080	0.076	0.076
Hanford Joint High *	0.033	0.039	0.058	0.049	0.054	0.053	0.055	0.054	0.060	0.060
Kern Community College Schools Facility Improvement District *	0.009	0.010	0.005	0.008	0.009	0.009	0.010	0.009	0.009	0.013
Kings Canyon Joint Unified *	0.058	0.035	0.045	0.082	0.064	0.091	0.109	0.103	0.097	0.159
Kings River Elementary	-	-	-	0.030	0.052	0.053	0.060	0.077	0.064	0.063
Kingsburg Joint Elementary	0.065	0.013	0.054	0.072	-	0.022	0.056	0.032	0.049	0.067
Kingsburg Joint High	0.050	0.059	0.089	0.625	0.009	0.074	0.068	0.060	0.056	0.066
Liberty Elementary	0.084	0.057	0.054	0.044	0.041	0.054	0.050	0.040	0.030	0.034
Lindsay Unified	0.060	0.060	0.060	0.055	0.055	0.092	0.122	0.125	0.120	0.165
Linns Valley Poso - Flat Joint Elementary	0.026	0.025	0.016	0.015	-	0.015	0.017	0.010	0.010	0.010
Porterville Elementary	-	-	-	-	-	-	-	-	-	-
Porterville Schools Facility Improvement District *	0.056	0.060	0.052	0.055	0.050	0.005	0.052	0.047	0.057	0.060
Richgrove Elementary	0.051	0.043	0.038	0.004	0.038	0.041	0.038	0.028	0.038	0.028
State Center Comm College Schools Facility Improvement District *	0.014	0.006	0.005	0.016	-	0.010	0.010	0.007	0.009	0.010
Stone Corral	-	-	-	-	0.030	0.022	0.025	0.025	0.015	0.015
Strathmore High	0.086	0.070	0.062	0.052	0.053	0.055	0.050	0.040	0.040	0.050
Sundale Elementary	0.040	0.039	0.034	0.027	0.031	0.026	0.024	0.020	0.020	0.013
Terra Bella	-	-	-	-	-	0.034	0.030	0.030	0.030	0.025
Three Rivers Elementary	-	-	-	-	-	-	-	-	-	-
Traver Elementary *	0.028	0.057	0.053	0.060	0.051	0.049	0.052	0.058	0.058	0.050
Tulare High *	0.053	0.060	0.047	0.043	0.020	0.039	0.039	0.053	0.058	0.069
Visalia Unified *	0.050	0.042	0.034	0.028	0.030	0.036	0.030	0.030	0.030	0.030
Woodlake Elementary	0.049	0.046	0.040	0.036	0.035	0.043	0.035	0.033	0.029	0.029
Woodlake High	0.037	0.034	0.030	0.027	0.056	0.066	0.060	0.055	0.052	0.040
Special District Rates										
Kaweah Delta Healthcare District	0.040	0.040	0.035	0.031	-	0.028	0.029	0.027	0.025	0.028
Kaweah Delta Water Conservation	0.001	0.001	0.001	0.000	-	-	0.001	0.001	-	0.001
Kings Joint Mosquito Abatement	-	-	-	-	0.005	-	-	-	-	-
Lindsay Hospital	-	-	-	-	-	-	-	-	-	-
Patterson Tract Community Service Districts	-	-	-	-	-	-	-	-	-	-
Tulare County Pest Control	1.250	1.250	1.250	1.250	5.000	5.000	5.000	5.000	5.000	5.000 **
Tulare Healthcare District	-	-	-	0.019	0.039	0.083	0.113	0.113	0.082	0.082
South Tulare County Citrus Pest Control District	11.423	11.423	11.423	11.423	11.423	11.423	11.423	11.423	11.423	11.423 **
Woodville Public Utility	0.029	0.025	0.025	-	-	-	-	-	-	-

* School rates have been combined with educational facilities.

** Trees Per Acre

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 (KDWC) and South Tulare County Citrus Pest Control District tax rates. KDWC tax rates are levied and collected upon each \$100.00 valuation of land and improvement assessed valuation of taxable property. South Tulare County 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.

Note 3: Method used to Calculate Overlapping- The amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction.

Source: County of Tulare / Property Tax

COUNTY OF TULARE
Statistical Section
Principal Property Taxpayers (unaudited)
June 30, 2014 and June 30, 2005 (in thousands)

Fiscal Year 2013-14

Taxpayer	Taxable Assessed		Percentage of Total
	Value	Rank	Value
Southern California Edison Company	\$ 635,583	1	2.22%
California Dairies/Milk Producers	263,640	2	0.92%
Saputo Cheese USA Inc	245,954	3	0.86%
Land O' Lakes	162,036	4	0.57%
Wal-Mart Stores/Retail Trust	155,369	5	0.54%
Imperial Bondware	95,668	6	0.33%
Southern California Gas Company	88,256	7	0.31%
Pacific Bell Telephone Company	85,865	8	0.30%
Oscar Mayer Food Corp	80,782	9	0.28%
Target Corporation	77,608	10	0.27%
Total	<u>\$ 1,890,761</u>		<u>6.60%</u>

Fiscal Year 2004-05

Taxpayer	Taxable Assessed		Percentage of Total
	Value	Rank	Value
Land O' Lakes, Inc./Cheese & Protein Intl, LLC	\$ 261,999	1	1.37%
Southern California Edison Company	220,334	2	1.16%
Kraft Foods, Inc.	95,627	3	0.50%
Wal-Mart Stores, Inc.	88,357	4	0.46%
Southern California Gas Company	68,311	5	0.36%
SBC California	64,790	6	0.34%
Recot, Inc.	63,149	7	0.33%
California Milk Producers	62,000	8	0.33%
Best Buy Stores, LP	59,528	9	0.31%
Ruiz Foods Products, Inc.	46,206	10	0.24%
Total	<u>\$ 1,030,301</u>		<u>5.40%</u>

Source: County of Tulare / Property Tax

COUNTY OF TULARE
Statistical Section
Property Tax Levies and Collections (unaudited)
Last 10 Fiscal Years (in thousands)

Fiscal Year	Collected within the Fiscal Year of			Collection in Subsequent Years*	Total Collections to Date	
	Taxes Levied	Amount	Percentage of Levy		Amount	Percentage of Levy
2004-05	\$ 183,896	\$ 178,233	96.92%	\$ 4,905	\$ 183,138	99.59%
2005-06	202,601	195,336	96.41%	5,666	201,002	99.21%
2006-07	231,424	221,428	95.68%	5,616	227,044	98.11%
2007-08	261,193	245,387	93.95%	7,022	252,409	96.64%
2008-09	279,176	260,262	93.23%	11,208	271,470	97.24%
2009-10	276,919	259,724	93.79%	12,440	272,164	98.28%
2010-11	275,625	258,384	93.74%	9,766	268,150	97.29%
2011-12	268,816	258,049	95.99%	10,406	268,455	99.87%
2012-13	261,866	251,629	96.09%	10,237	261,866	100.00%
2013-14	275,497	268,255	97.37%	11,189	279,444	101.43%

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

Source: County of Tulare / Property Tax

COUNTY OF TULARE
Statistical Section
Ratios of Outstanding Debt by Type (unaudited)
Last 10 Fiscal Years (in thousands)

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	Tax Allocation Bonds	Loans and Notes	Capital Leases	Certificates of Participation	Bonds				
2004-05	\$ 56,870	\$ 43,300	\$ 31,355	\$ -	\$ 16,352	\$ 133	\$ 1,584	\$ 8	\$ 149,602	1.72%	365	
2005-06	50,300	42,800	28,495	-	20,954	68	1,558	8	144,183	1.59%	343	
2006-07	46,165	42,360	25,175	1,627	18,927	38	1,531	8	135,831	1.44%	317	
2007-08	41,790	41,665	21,345	1,586	17,219	6	1,503	8	125,122	1.28%	286	
2008-09	37,210	41,050	16,955	1,778	15,730	-	1,476	8	114,207	1.05%	272	
2009-10	32,290	40,435	11,955	1,689	14,351	-	1,474	7	102,201	0.86%	228	
2010-11	26,315	49,260	6,313	-	13,199	-	1,416	7	96,510	1.38%	235	
2011-12	20,820	39,005	-	-	10,544	654	1,382	7	72,412	0.98%	177	
2012-13	16,350	38,190	-	-	9,332	-	1,346	7	65,225	0.43%	143	
2013-14	11,525	37,375	-	-	4,399	-	1,310	7	54,616	0.35%	119	

* Personal income and populations used for these calculations appear in the Demographic Statistics section.

Source: County of Tulare/Auditor-Controller

COUNTY OF TULARE
Statistical Section
Computation of Direct and Overlapping Debt (unaudited)
June 30, 2014 (in thousands)

2013-14 Assessed Valuation:	\$ 28,678,253	(includes unitary utility valuation)
Redevelopment Incremental Valuation:	<u>(2,851,226)</u>	
Adjusted Assessed Valuation:	<u>\$ 25,827,027</u>	

OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt
College of the Sequoias Hanford School Facilities Improvement District	0.991%	\$ 210
College of the Sequoias Tulare School Facilities Improvement District	88.447	27,653
College of the Sequoias Visalia School Facilities Improvement District	100.000	26,714
Other Community College District	2.259-7.190	9,892
Dinuba Joint Unified School District	99.142	24,913
Lindsay Unified School District	100.000	18,739
Porterville Unified School District School Facilities Improvement District	100.000	19,550
Visalia Unified School District	100.000	34,000
Other Unified School Districts	10.398-100.000	12,377
Delano Joint Union High School District	26.512	14,822
Exeter Union High School District	100.000	7,961
Tulare Joint Union High School District	99.830	34,996
Other Union High School Districts	1.166-100.000	10,598
Exeter Union School District	100.000	5,985
Other School Districts	7.434-100.000	13,815
Kaweah Delta Hospital District	100.000	49,636
Tulare Local Healthcare District	100.000	84,955
Special District 1915 Act Bonds	100.000	141
Special District Revenue Bonds	100.000	3,741
City 1915 Act Bonds	100.000	352
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>401,050</u>
OVERLAPPING GENERAL FUND DEBT:		
Tulare County General Fund Obligations	100.000	72,412
College of Sequoias Community College District General Fund Obligations	76.799	6,958
Kern Community College District General Fund and Benefit Obligations	6.920	12,279
Dinuba Joint Unified School District Certificates of Participation	98.781	8,061
Lindsay Unified School District General Fund Obligations	100.000	13,655
Porterville Unified School District Certificates of Participation	100.000	32,275
Visalia Unified School District Certificates of Participation	100.000	7,750
Other Unified School District Certificates of Participation	92.593-100.000	5,138
Union High School District Certificates of Participation	1.166-100.000	1,808
School District Certificates of Participation	7.434-100.000	13,657
City of Porterville Certificates of Participation	100.000	21,300
City of Dinuba General Fund Obligations	100.000	21,295
City of Tulare General Fund Obligations	100.000	31,530
City of Visalia Certificates of Participation	100.000	13,595
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>261,713</u>
DIRECT GENERAL FUND DEBT:		
Tulare County General Fund Obligations	100.000%	53,299
TOTAL DIRECT GENERAL FUND DEBT		<u>53,299</u>
TOTAL GROSS DIRECT AND OVERLAPPING DEBT		<u>\$ 716,062 (1)</u>

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Note 1: During bond issuance the County receives a repayment schedule from the entities and allocates the overlapping debt based on the percentage of the assessed values.

Ratio to Adjusted Assessed Valuation:	
Combined Direct Debt (\$72,412)	0.21%
Combined Total Debt	2.77%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/14: \$0

Sources: California Municipal Statistics, Inc. and Tulare County Auditor/Property Tax

COUNTY OF TULARE
Statistical Section
Legal Debt Margin Information (unaudited)
Last 10 Fiscal Years (in thousands)

Legal Debt Margin Calculation for Fiscal Year 2013-14

Net Assessed Value	<u>\$ 28,609,710</u>
Debt Limit - 1.25 Percent of Taxable Property (1)	\$ 357,621
Amount of Debt Applicable to Debt Limit (2)	<u>-</u>
Legal Debt Margin (3)	<u><u>\$ 357,621</u></u>

	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
Debt limit	\$ 260,486	\$ 296,389	\$ 333,044	\$ 352,369	\$ 340,733
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 260,486</u>	<u>\$ 296,389</u>	<u>\$ 333,044</u>	<u>\$ 352,369</u>	<u>\$ 340,733</u>
Total debt limit as a percentage of the legal debt margin	100%	100%	100%	100%	100%

	Fiscal Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
Debt limit	\$ 337,442	\$ 341,335	\$ 338,976	\$ 346,886	\$ 357,621
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 337,442</u>	<u>\$ 341,335</u>	<u>\$ 338,976</u>	<u>\$ 346,886</u>	<u>\$ 357,621</u>
Total debt limit as a percentage of the legal debt margin	100%	100%	100%	100%	100%

- (1) Constitutional Amendment XIII A, passed by a 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.
(2) As of 6/30/14, the County had no tax supported general obligation bonded debt outstanding.
(3) Legal debt margin is computed by subtracting the County legal general obligation bonded debt from the legal debt limit.

Source: County of Tulare / Property Tax

COUNTY OF TULARE
Statistical Section
Demographics and Economic Statistics (unaudited)
Last 10 Fiscal Years (in thousands)

Fiscal Year	Population (1)	Per Capita Personal Income (1)(5)	Personal Income (in millions) (1)(5)	Median Age (1)(3)	School Enrollment (4)(5)	Unemployment Rate (2)
2004-05	409,871	\$ 21,275	\$ 8,720	29	92,126	9.0%
2005-06	420,131	21,596	9,073	29	93,424	7.9%
2006-07	429,006	21,995	9,436	29	94,407	8.6%
2007-08	436,839	22,464	9,813	29	95,344	9.8%
2008-09	441,481	25,920	10,865	29	96,811	14.7%
2009-10	447,814	26,545	11,887	29	97,321	14.7%
2010-11	436,946	16,999	6,973	29.6	97,889	15.9%
2011-12	449,253	17,966	7,370	29.6	98,831	15.2%
2012-13	455,599	33,648	15,330	29	99,964	12.8%
2013-14	459,446	33,495	15,389	29	101,099	11.6%

(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.

COUNTY OF TULARE
Statistical Section
Principal Employers (unaudited)
June 30, 2014 and June 30, 2005

2013-2014				2004-2005			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,800	1	2.72%	County of Tulare	4,320	1	2.63%
Kaweah Delta Healthcare District	2,000	2	1.13%	Porterville Development Center	2,014	2	1.23%
Ruiz Food Products	1,800	3	1.02%	Kaweah Delta Healthcare District	2,000	3	1.22%
Wal-Mart Distribution Center	1,692	4	0.96%	Ruiz Food Products	1,800	4	1.10%
Porterville Development Center	1,300	5	0.74%	Wal-Mart Distribution Center	1,692	5	1.03%
College of the Sequoias	1,160	6	0.66%	College of the Sequoias	1,160	6	0.71%
Sierra View District Hospital	725	7	0.41%	CIGNA HealthCare	900	7	0.55%
Jostens	720	8	0.41%	Sierra View District Hospital	724	8	0.44%
CIGNA HealthCare	700	9	0.40%	Jostens	720	9	0.44%
Land O'Lakes	600	10	0.34%	Land O'Lakes	600	10	0.37%
Total	<u>15,497</u>		<u>8.79%</u>	Total	<u>15,930</u>		<u>9.72%</u>

COUNTY OF TULARE
Statistical Section
Employees by Function (unaudited)
Last 10 Fiscal Years

Function	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
General Government										
Administration	45	48	50	53	52	49	51	50	50	50
County Counsel	38	39	41	45	48	48	50	50	52	50
Risk Management	8	8	9	9	6	4	6	4	6	11
Elections	7	7	8	7	7	7	5	4	7	5
Finance	126	130	133	144	144	143	157	148	146	152
Purchasing	5	5	6	6	6	7	5	8	8	8
Planning and Development	61	64	61	78	77	67	54	75	85	81
Other General	163	165	204	322	297	257	254	231	244	255
Public Protection										
Child Support Services	269	269	269	269	269	226	194	212	211	211
District Attorney	178	165	175	196	201	215	233	194	205	212
Fire Protection	24	20	27	111	114	114	122	117	114	114
Probation	302	309	315	327	335	348	345	340	377	377
Public Defender	69	71	75	83	83	83	78	83	89	89
Sheriff / Coroner	662	710	748	772	751	733	743	721	799	811
Trial Courts	-	-	-	-	-	-	1	2	2	2
Other Protection	57	57	57	58	58	60	102	93	94	87
Public Ways and Facilities	133	133	133	134	134	149	200	151	156	157
Health and Sanitation	581	625	650	575	475	443	439	483	488	477
Public Assistance	1,618	1,623	1,687	1,721	1,366	1,404	1,392	1,564	1,574	1,559
Education	38	38	41	45	45	47	59	47	45	45
Culture and Recreation	15	15	15	16	15	18	19	9	9	-
Solid Waste Management	72	72	75	76	75	64	66	61	52	47
Total Number of Employees	4,471	4,573	4,779	5,047	4,558	4,486	4,575	4,647	4,813	4,800
Total Gross Salaries*	152,349	156,554	162,093	172,488	192,779	205,703	192,090	190,554	202,177	204,484

*Gross Salaries Rounded to Thousands

Source: County of Tulare / Auditor-Controller

COUNTY OF TULARE
Statistical Section
Operating Indicators by Function (unaudited)
Last 10 Fiscal Years

Function	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
PUBLIC PROTECTION					
Child Support Services					
Number of Caseloads	36,712	35,687	35,678	34,960	37,498
Number of Orders Established	2,009	2,085	1,810	2,211	2,347
District Attorney					
Number of Adult Felony Cases Filed	4,474	4,960	5,702	5,547	4,742
Number of Adult Misdemeanor Cases Filed	12,437	12,747	12,943	14,192	14,028
Number of Juvenile Misdemeanor Cases Filed	1,390	1,196	886	877	640
Number of Juvenile Felony Cases Filed	1,268	754	829	733	719
Total Cases Tried (Excluding Juvenile Trials)	186	196	207	173	217
Fire Protection					
Number of Fires	2,492	2,383	3,156	3,227	1,890
Medical Aids	8,298	8,330	8,997	7,408	7,395
Assist Other Agencies	1,534	1,622	1,204	1,383	597
Public Defender					
Felony New Cases Opened	5,066	6,074	6,274	5,526	5,549
Misdemeanor New Cases Opened	6,055	6,457	9,251	8,620	7,638
Juvenile Delinquency New Cases Opened	2,629	2,451	2,170	1,879	1,904
Other New Cases	-	-	-	-	585
Sheriff/Coroner					
Homicide	9	-	20	13	28
Rape	28	30	38	29	31
Robbery	68	86	92	78	92
Aggravated Assault	470	-	854	388	369
Burglary	1,219	1,328	1,017	906	1,076
Larceny Theft	2,071	2,117	2,173	2,247	2,106
Warrants Processed	19,916	22,743	19,813	21,195	22,761
Jail Population - Admissions	20,943	22,675	29,241	26,183	25,376
Other Protection - Auto Theft					
Number of Vehicles Recovered	92	73	68	96	116
Other Protection - Environmental Health					
Small Water System Inspections	280	240	59	18	50
Food Facility Inspections	1,647	1,620	2,337	1,403	2,415
Swimming Pool Inspections	113	134	114	126	345
Dairy Inspections	999	1,014	952	952	1,043
Hazardous Materials Inspections	247	308	379	414	427
Hazardous Waste Inspections	139	156	225	214	201
Underground Tank Inspections	255	277	316	269	274
Animal Control Field Calls	5,246	4,899	4,239	4,022	4,199
Rabies Investigations	143	105	148	112	156
Animal Control Intake	8,453	8,829	9,172	9,151	9,221
Solid Waste Inspections	275	277	293	237	263
Liquid Waste Inspections	51	54	47	60	63
Tire Facility Inspections	265	181	222	-	-
Illegal Tire Pile Inspections	29	23	24	-	-
Medical Waste Inspections	25	25	25	25	25
Body Arts	-	-	-	-	-

Continued

COUNTY OF TULARE
Statistical Section
Operating Indicators by Function (unaudited) (continued)
Last 10 Fiscal Years

Fiscal Year					Function
2009-10	2010-11	2011-12	2012-13	2013-14	
PUBLIC PROTECTION					
Child Support Services					
36,109	31,621	29,055	27,633	26,136	Number of Caseloads
3,972	1,638	1,277	1,185	1,167	Number of Orders Established
District Attorney					
4,074	4,085	4,275	5,374	5,481	Number of Adult Felony Cases Filed
11,606	10,228	10,511	10,272	9,966	Number of Adult Misdemeanor Cases Filed
526	364	288	205	242	Number of Juvenile Misdemeanor Cases Filed
674	607	629	505	544	Number of Juvenile Felony Cases Filed
175	137	139	124	138	Total Cases Tried (Excluded Juvenile Trials)
Fire Protection					
4,429	1,735	3,292	4,647	1,280	Number of Fires
6,949	7,529	6,927	7,235	7,336	Medical Aids
861	512	361	277	268	Assist Other Agencies
Public Defender					
4,767	4,663	5,339	6,758	8,380	Felony New Cases Opened
6,911	7,374	7,409	7,224	7,649	Misdemeanor New Cases Opened
1,443	1,214	1,095	993	1,004	Juvenile Delinquency New Cases Opened
990	827	828	855	993	Other New Cases
Sheriff/Coroner					
12	21	19	22	13	Homicide
26	32	37	31	17	Rape
90	91	72	96	90	Robbery
415	398	441	511	391	Aggravated Assault
1,186	1,132	1,272	1,109	1,010	Burglary
2,041	2,164	1,964	1,799	1,401	Larceny Theft
19,079	22,548	17,079	17,538	19,650	Warrants Processed
24,348	23,444	22,251	22,660	22,563	Jail Population - Admissions
Other Protection - Auto Theft					
133	72	34	62	44	Number of Vehicles Recovered
Other Protection - Environmental Health					
94	98	125	55	33	Small Water System Inspections
2,916	3,156	2,924	2,526	2,631	Food Facility Inspections
485	462	279	382	335	Swimming Pool Inspections
1,027	1,065	1,013	1,025	988	Dairy Inspections
386	387	427	358	339	Hazardous Materials Inspections
212	221	233	218	181	Hazardous Waste Inspections
263	256	272	268	254	Underground Tank Inspections
3,876	3,843	4,530	4,955	5,184	Animal Control Field Calls
238	205	257	210	230	Rabies Investigations
8,787	9,316	9,269	9,269	8,945	Animal Control Intake
282	251	266	272	263	Solid Waste Inspections
74	84	80	88	84	Liquid Waste Inspections
-	-	-	-	-	Tire Facility Inspections
-	-	-	-	-	Illegal Tire Pile Inspections
44	39	41	40	42	Medical Waste Inspections
-	-	-	-	77	Body Arts

Continued

COUNTY OF TULARE
Statistical Section
Operating Indicators by Function (unaudited) (continued)
Last 10 Fiscal Years

Function	Fiscal Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
PUBLIC WAYS AND FACILITIES					
Roads					
Total Maintained Mileage	3,057	3,048	3,008	3,006	3,046
Miles of Road Re-oiled	55	45	52	68	74
Miles of Chip Seals	94	75	113	105	105
Miles of Surface Seals	70	70	62	57	-
Miles of Road Striped	-	1,276	1,758	1,758	1,650
HEALTH AND SANITATION					
Mental Health Clients Served					
Outpatient	8,511	8,870	9,343	9,530	9,568
Inpatient	675	613	558	579	365
Conserved	277	278	264	229	180
Day Treatment	4	5	8	8	2
PUBLIC ASSISTANCE					
Community Based Programs					
Congregate Meals Served	121,932	125,007	125,167	107,509	82,240
Home Delivered Meals	94,026	108,794	121,672	99,140	47,953
Information & Assistance Contacts	49,692	52,346	49,607	72,148	61,389
Health Insurance Counseling and Advocacy Program	359	297	363	259	318
Number of People Served through Area Agency on Aging Funds	266,009	286,444	296,809	217,876	182,252
Number of Adult Protective Services Cases Opened	930	976	784	942	916
Number of Enrolled Participants in Cal Works	7,198	-	5,243	6,274	6,452
CULTURE AND RECREATION					
Library					
DVD Books	-	-	-	1,502	-
Volumes	352,184	372,000	317,532	288,035	-
Parks and Recreation					
Total Number of Cars Entered Parks	29,066	22,266	20,393	20,351	19,511
Total Amount of Park Reservations	1,529	1,697	1,902	1,735	1,636
SOLID WASTE MANAGEMENT					
Sanitation-Landfills					
Landfill Tonnage Gross Total	250,254	281,830	310,099	271,245	235,162
Landfill Tonnage Recycled Total	20,680	26,408	36,181	48,892	50,117
OTHER ENTERPRISES					
Transit					
Total Route Miles	410,767	444,855	441,358	517,947	631,960
Number of Passengers	86,828	89,952	105,715	130,266	155,151

Continued

COUNTY OF TULARE
Statistical Section
Operating Indicators by Function (unaudited) (continued)
Last 10 Fiscal Years

Fiscal Year					Function
2009-10	2010-11	2011-12	2012-13	2013-14	
PUBLIC WAYS AND FACILITIES					
Roads					
3,046	3,041	3,041	3,039	3,038	Total Maintained Mileage
91	53	52	30	12	Miles of Road Re-oiled
94	69	80	80	114	Miles of Chip Seals
-	3,540	-	-	1	Miles of Surface Seals
500	750	1000	1,011	1,125	Miles of Road Striped
HEALTH AND SANITATION					
Mental Health Clients Served					
9,757	9,652	9,427	9,637	10,577	Outpatient
671	772	608	710	812	Impatient
186	178	184	199	190	Conserved
1	5	5	2	2	Day Treatment
PUBLIC ASSISTANCE					
Community Based Programs					
69,851	71,261	70,150	60,743	60,890	Congregate Meals Served
51,692	65,260	59,460	63,089	64,470	Home Delivered Meals
9,182	10,802	10,710	9,497	15,179	Information & Assistance Contacts
348	351	575	1,156	974	Health Insurance Counseling and Advocacy Program
184,815	133,068	137,104	137,104	110,992	Number of People Served through Area Agency on Aging Funds
893	768	1,249	1,198	1,423	Number of Adult Protective Services Cases Opened
6,519	7,335	7,686	7,843	8,370	Number of Enrolled Participants in Cal Works
CULTURE AND RECREATION					
Library					
1,100	2,100	3,400	4,215	5,988	DVD Books
341,774	343,928	285,915	294,513	289,830	Volumes
Parks and Recreation					
17,639	25,702	19,234	13,963	17,297	Total Number of Cars Entered Parks
1,036	837	1,095	789	734	Total Amount of Park Reservations
SOLID WASTE MANAGEMENT					
Sanitation-Landfills					
225,337	246,965	261,828	257,262	251,826	Landfill Tonnage Gross Total
49,207	56,128	54,712	43,171	46,301	Landfill Tonnage Recycled Total
OTHER ENTERPRISES					
Transit					
676,359	794,963	842,636	929,804	1,009,061	Total Route Miles
188,999	244,500	308,293	351,697	356,560	Number of Passengers

Concluded

Source: County of Tulare / Auditor-Controller

COUNTY OF TULARE
Statistical Section
Capital Asset Statistics by Function (unaudited)
Last 10 Fiscal Years

Function	Fiscal Year									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Public Protection										
Sheriff/Coroner										
Stations	4	4	4	4	4	4	4	4	4	4
Fire Protection										
Stations	28	29	28	28	29	26	27	27	27	27
Building Permits Issued	3,643	6,428	5,847	5,118	3,925	3,353	3,494	3,333	3,581	3,474
Public Ways and Facilities										
Roads (miles)	3,072	3,048	3,008	3,006	3,046	3,540	3,041	3,041	3,041	3,038
Streetlights	1,454	1,384	1,459	1,468	1,384	1,472	1,537	1,541	1,542	1,471
Culture and Recreation										
Park acreage	604	688	688	688	688	688	628	628	628	628
Parks	10	11	11	11	11	11	10	10	10	10
Museum (square feet)	25,919	25,919	25,919	25,919	25,919	42,919	42,919	42,919	42,919	42,919
Lake Success Capacity (acre feet)	82,300	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
Lake Kaweah Capacity (acre feet)	185,600	185,600	185,600	185,600	165,600	185,600	185,600	185,600	185,600	185,600
Solid Waste Management										
Landfill Sites	7	7	7	7	7	7	7	7	3	3
Transfer Stations	7	7	7	7	7	7	7	7	7	6

Source: County of Tulare / Auditor-Controller

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