

Comprehensive Annual Financial Report CAFR



**County of Tulare
State of California**

**For the Fiscal Year
Ended June 30, 2016**

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COUNTY OF TULARE STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Prepared for the Board of Supervisors by:

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

**Under the Direction of:
Tara Freitas, CPA
Chief of Financial Reporting and Audits**

COUNTY OF TULARE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2016

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Introductory Section



AUDITOR-CONTROLLER/ TREASURER-TAX COLLECTOR



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December 21, 2016

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

The Comprehensive Annual Financial Report (CAFR) of the County of Tulare (the County) for the fiscal year ended June 30, 2016, is hereby submitted in accordance with Section 25250 and 25253 of the Government Code of the State of California (the State). Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. 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 throughout the CAFR, with the exception of this letter of transmittal, are expressed in thousands, unless otherwise noted.

This CAFR has been prepared by the Auditor-Controller's Office 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 the benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. 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 Flood Control District, the Public Facilities Corporation, the Public Financing 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 independent auditor's report.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The County, located in the San Joaquin Valley, is a general law county created by the State Legislature in 1852. It ranks seventh among California counties in land area and has a population of approximately 466,339 residents, with its County Seat, the City of Visalia, having a population of approximately 131,299. The County is the nation's number one ranking County with regard to total agriculture value, primarily due to its Mediterranean climate that is conducive to growing specialty crops such as pistachios and walnuts, citrus and grapes, as well as a variety of grains.

The County's total harvested acreage is over 1.7 million with a mild climate, allowing production of outstanding citrus varieties. Navel oranges are the most prevalent, with a total bearing acreage of 72,700 and a value exceeding \$614 million. The next highest acreage crop, in the fruit and nut crop category, are pistachios totaling just over 51,700 acres, closely followed by grapes at 51,160 acres. Table grapes grown here are shipped worldwide, while other grapes are processed for wine and raisins. The County is also famous for its olives, almonds, pecans, plums, peaches, and nectarines, which account for hundreds of millions of dollars in farm income each year. The beef industry is also an important component of the County's bustling 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 serve the residents of the County effectively is demonstrated by the following:

- The County's space planning process was initiated in February 2015 through the release of a Request for Proposals. The County selected an architect and contracts were executed in fiscal year 2015/16. Multiple County departments and a variety of sites will be involved in the space planning process as it continues.
- The Board approved a reorganization of the County Administrative Office (CAO) in March of 2016 encompassing a Strategic Management System and Economic Development Strategy.
- Construction began on the South County Detention Facility in early 2016. The project will continue to move forward with a targeted completion date of August 2018.
- Executed agreements with the State Water Resources Control Board and Department of Water Resources to bring safe and reliable drinking water to disadvantaged communities.
- Collaborated with Tulare County Health and Human Services to expand the Step Up Youth Leadership Program (#LEAD) to at-risk youth in the Cities of Visalia, Tulare and Porterville.
- Executed agreements with Tulare County Animal Services to renovate the animal shelter and offer the residents and animals of the County expanded services, with a greater emphasis on community engagement.
- Established the Tree Mortality Task Force to assist with combatting the number of dying trees in our County.
- The Board executed an agreement for the Tulare County Park Advisory Committee to review and evaluate the physical conditions of all the County parks. The Board authorized recommended and prioritized repairs and improvements with a completion date of December 2016.
- Began the process of acquiring and/or developing property in Monson for a long-term solution to the local residents to bring relief to them as a result of the drought.

For the future, in order to serve the County residents effectively, the Board continues to prioritize programs based on their needs. In no particular order, the following projects are a demonstration of that commitment:

- Work with state and federal government officials to maintain local land use authority concerning marijuana grow sites.
- Monitor and provide feedback, as needed, on all state and federal legislative proposals and promote the County's business growth and development.
- Work closely with the Tulare County Park Advisory Committee as they meet to review and evaluate the Conceptual Master Plan to begin working on the plan to finalize future projects for the parks by June 2017.

- Continue to seek state and federal funding to assist communities and farms to secure a sustainable and affordable water supply.
- Work with local water agencies to implement the provisions of the Sustainable Groundwater Management Act.
- Begin the process of planning and designing the Property and Evidence Building for a long-term solution to the County's criminal justice needs.
- Finalize the scope of work with the State of California Board of State and Community Corrections for the County's Sequoia Field Program Facility in the amount of \$40 million funded by the Senate Bill (SB) 1022 Jail Construction Program.
- The Board will work closely with the Tree Mortality Task Force to determine guidelines for handling the tree mortality in the County effectively and efficiently.
- Execute agreements with public water agencies for the establishment of Groundwater Sustainability Agencies covering the Tule, Kaweah, and Kings sub-basins, to implement the Sustainable Groundwater Management Act.
- Execute an agreement to form the San Joaquin Valley Water Infrastructure Authority to begin identifying viable water storage projects to bring relief to the San Joaquin Valley as a result of the drought and to provide better water supply reliability.

LONG - TERM FINANCIAL PLANNING

Local assessed property values for fiscal year 2016/17 increased 4.6 percent above fiscal year 2015/16; this will increase property tax revenues in the County. The budget was adopted reflecting an increase in property taxes when compared against fiscal year 2015/16 actual revenues.

The County's Capital Improvement Plan is a five-year plan that identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the plan. For fiscal year 2016/17, the Capital Projects Fund requested budget is \$55.3 million. Significant projects for fiscal year 2016/17 include the South County Detention Facility at \$30.0 million, the Sequoia Field Program Facility at \$3.0 million, the Vocational Education Building at \$700,000, the Space Planning and Improvement Project at \$5.5 million, the Cutler Park well at \$500,000, the Assessor's Office remodel at \$300,000, the Civic Center Colling Tower at \$450,000 and the Mental Health Wellness Center at \$500,000. All projects and project funding are subject to the approval of the Board.

FINANCIAL INFORMATION

County management 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 GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments of management.

As a recipient of federal, state and local financial assistance, the County is 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 performed on the County's internal control structure and 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 fiscal year ended June 30, 2016 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 fund, 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 CAO 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 servers. 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 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, 2016, 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2015. This was the twenty-second consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized CAFR. The report must satisfy both GAAP and applicable legal requirements.

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

ACKNOWLEDGMENTS

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,



Rita A. Woodard
Auditor-Controller/Treasurer-Tax Collector



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

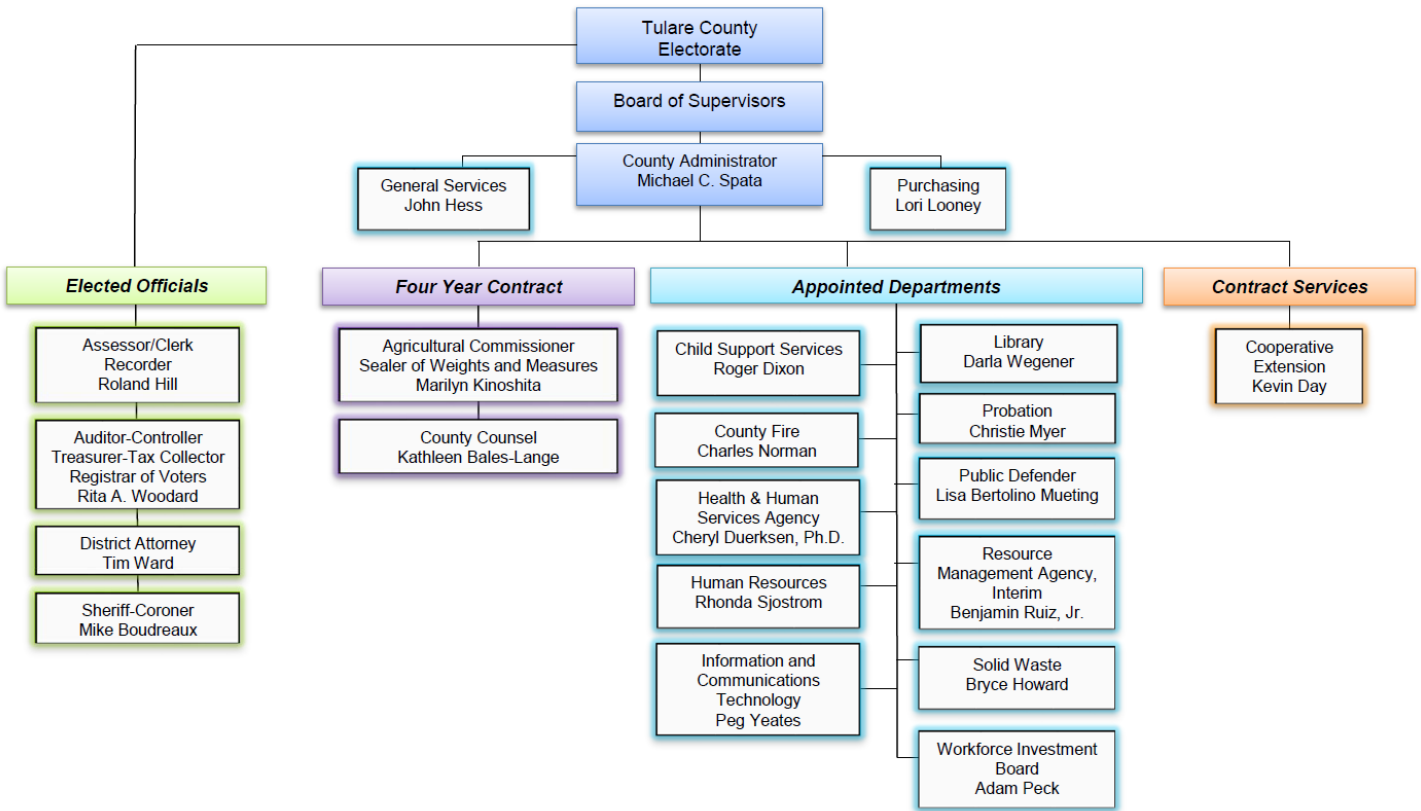
County of Tulare
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

**COUNTY OF TULARE
Organizational Chart
June 30, 2016**



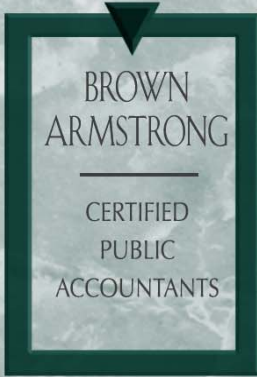
COUNTY OF TULARE
List of Elected and Appointed Officials
June 30, 2016

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

<u>Department/Agency</u>	<u>Appointed Official</u>
Agricultural Commissioner/Sealer of Weights and Measures.....	Marilyn Kinoshita
Child Support Services.....	Roger Dixon
Capital Projects and Facilities.....	John Hess
Cooperative Extension.....	Kevin Day
County Administrative Office.....	Michael C. Spata
County Counsel	Kathleen Bales-Lange
Fire Protection Services.....	Charles Norman
General Services.....	John Hess
Grand Jury.....	Chuck White, Foreman
Health and Human Services Agency.....	Dr. Cheryl L. Duerksen, Ph.D.
Human Resources and Development.....	Rhonda Sjostrom
Information and Communications Technology.....	Peg Yeates
Law Library.....	Anne Bernardo
Library.....	Darla Wegener
Probation.....	Christie Myer
Public Defender	Lisa Bertolino Mueiting
Purchasing.....	Lori Looney
Solid Waste.....	Bryce Howard
Resource Management Agency.....	Benjamin Ruiz, Jr. - Interim
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 the County of Tulare (the County), as of and for the year ended June 30, 2016, 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; 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, 2016, 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 described in Note 1 to the financial statements, in 2016, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement No. 68*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of net pension liability, schedule of the County's pension contributions, and schedule of funding progress for the County's other postemployment benefit plan 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 GASB, 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.

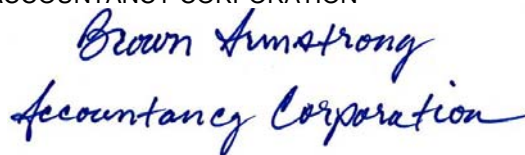
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing 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 21, 2016, 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

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California
December 21, 2016

COUNTY OF TULARE
Management's Discussion and Analysis
June 30, 2016 (in thousands)

As management of the County of Tulare (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, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

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) notes to the 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, liabilities, and deferred inflows/outflows of resources, 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 five legally separate organizations for which the elected officials of the County are financially accountable. Financial information for one of the component units, First 5 Tulare County, is reported separately from the financial information presented for the primary government itself. The remaining four component units, also legally separate, function for all practical purposes as departments of the County, and therefore have been included as integral parts of the primary government.

The government-wide financial statements can be found in the basic financial statements section following the Management's Discussion and Analysis of this report.

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.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

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 21 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 Public Facilities Corporation, the Public Financing Authority, and the Realignment-Social Services fund which are considered to be major funds. Data from the other 17 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 insurance coverage and central services, such as mailroom, print shop, and motor pool. 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 nonmajor enterprise funds and 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 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 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 financial statements can be found following the fund financial statements of this report.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

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 Other Postemployment Benefits (OPEB) to its employees. Also, included in RSI are 1) the Schedule of the County's Proportionate Share of Net Pension Liability and 2) the Schedule of the County's Contributions for the County's Pension Plan 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 and schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and capital assets used in the operation of governmental funds are presented immediately following the RSI of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,718,015 (*net position*).
- The County's total net position increased by \$38,356, which was mainly due to an increase in charges for services and sales tax and other tax revenue from the prior fiscal year.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$320,277, an increase of \$26,302 in comparison with the prior year. Approximately 26.5% of this amount, \$84,868, 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 \$99,392, or approximately 16.7% of total General Fund expenditures.
- The County's total outstanding long-term debt decreased by \$7,856 during the current fiscal year, which was attributable to payments made on existing long-term debt.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,718,015 at the close of the most recent fiscal year.

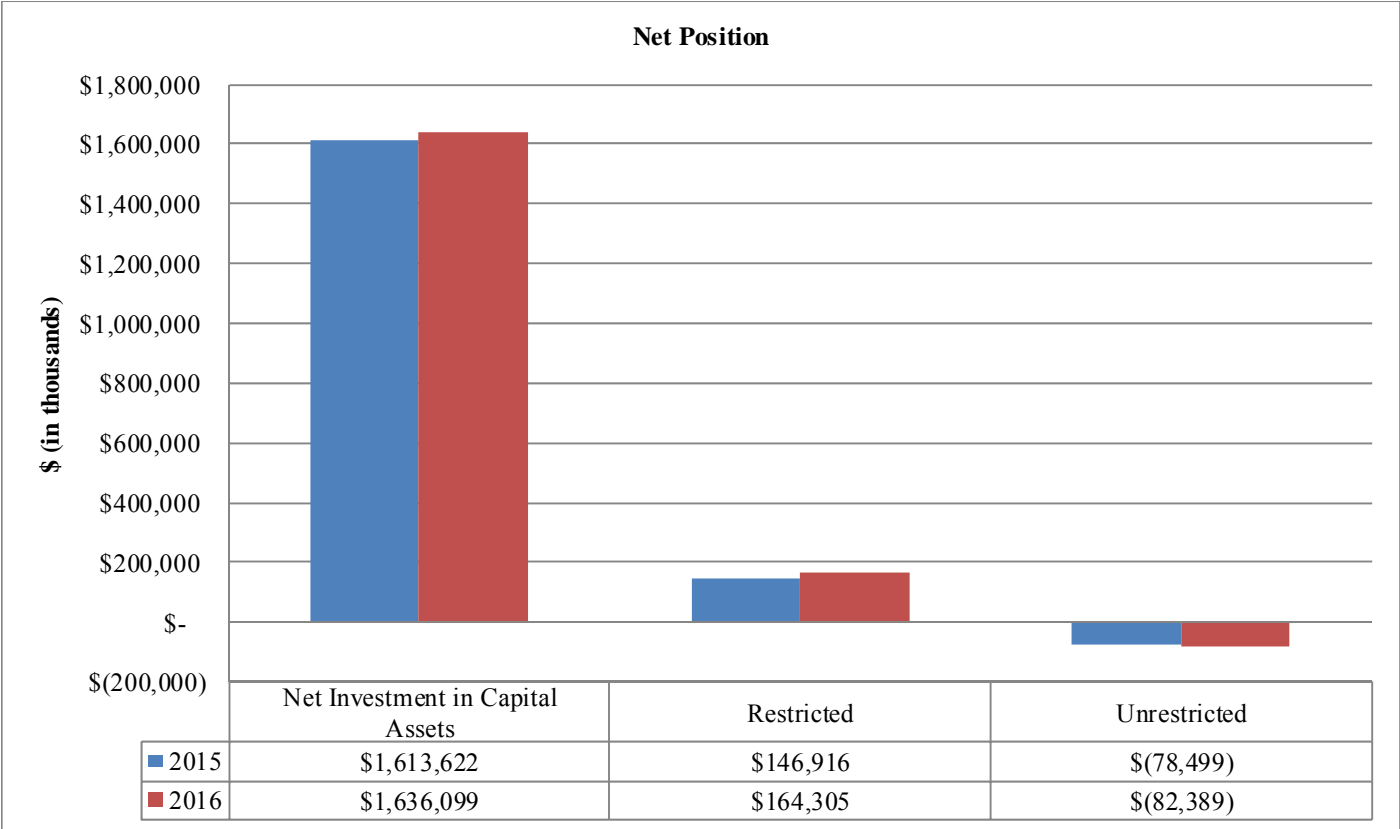
By far, the largest portion (95.2%) of the County's net position (\$1,636,099) for the current year reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and vehicles), less any related, outstanding debt used to acquire those assets. The County uses these capital assets to provide a variety of services to its 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 (\$164,305) represents resources that are subject to external restrictions on how they may be used (*restricted net position*).

At the end of the current fiscal year, the County reported positive balances in all reported categories of net position except unrestricted net position for the governmental funds. For business-type activities, the County reported positive balances in all reported categories of net position. The same situation held true for the prior fiscal year.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

A comparison of net position for the fiscal years ended June 30, 2016 and 2015 is as follows:



COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (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, 2016 and 2015 are as follows:

Net Position
June 30, 2016 and 2015 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and other assets	\$ 501,294	\$ 473,951	\$ 73,295	\$ 66,100	\$ 574,589	\$ 540,051
Capital assets	1,618,422	1,600,413	22,413	24,886	1,640,835	1,625,299
Total assets	2,119,716	2,074,364	95,708	90,986	2,215,424	2,165,350
Deferred outflow of resources:						
Deferred pensions	96,643	40,024	443	259	97,086	40,283
Total deferred outflows of resources:	96,643	40,024	443	259	97,086	40,283
Liabilities:						
Long-term liabilities	398,377	264,219	42,654	44,333	441,031	308,552
Other liabilities	125,426	112,172	10,232	8,682	135,658	120,854
Total liabilities	523,803	376,391	52,886	53,015	576,689	429,406
Deferred inflows of resources:						
Unavailable revenue	16,074	16,441	-	-	16,074	16,441
Deferred pensions	1,721	77,247	11	500	1,732	77,747
Total deferred inflows of resources:	17,795	93,688	11	500	17,806	94,188
Net position:						
Net investment in capital assets	1,614,927	1,590,015	21,172	23,607	1,636,099	1,613,622
Restricted	153,860	141,900	10,445	5,016	164,305	146,916
Unrestricted	(94,026)	(87,606)	11,637	9,107	(82,389)	(78,499)
Total net position	\$ 1,674,761	\$ 1,644,309	\$ 43,254	\$ 37,730	\$ 1,718,015	\$ 1,682,039

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

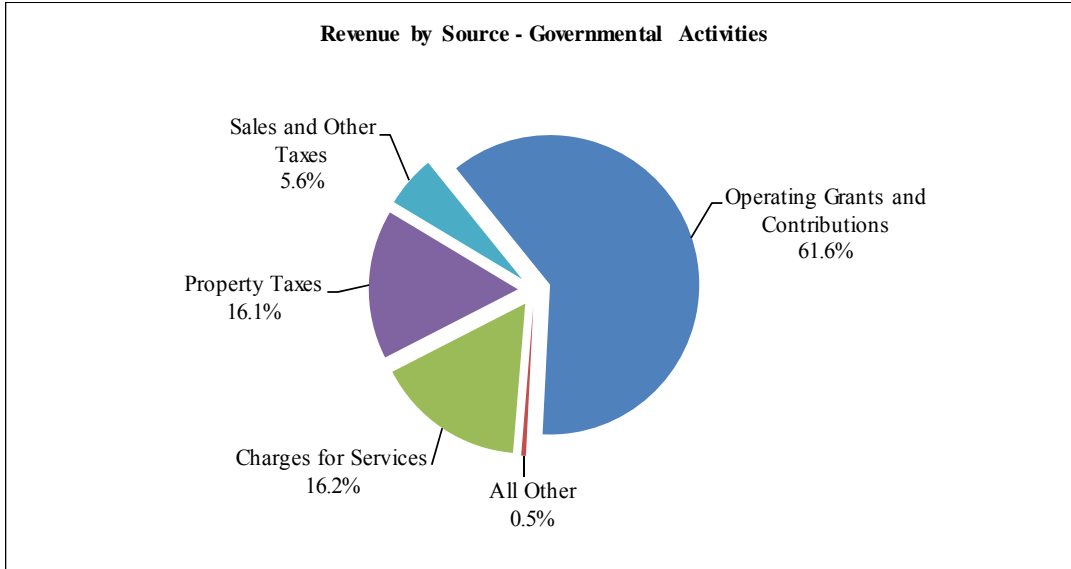
Changes in Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 119,841	\$ 107,266	\$ 14,796	\$ 12,776	\$ 134,637	\$ 120,042
Operating grants and contributions	456,543	444,945	736	625	457,279	445,570
General Revenues:						
Property taxes	119,331	112,026	-	-	119,331	112,026
Sales and other taxes	41,300	29,690	2,709	2,344	44,009	32,034
Other	3,811	3,856	1,256	515	5,067	4,371
Total revenues	<u>740,826</u>	<u>697,783</u>	<u>19,497</u>	<u>16,260</u>	<u>760,323</u>	<u>714,043</u>
Expenses:						
General government	39,542	41,610	-	-	39,542	41,610
Public protection	221,740	199,878	-	-	221,740	199,878
Public ways and facilities	47,021	36,722	-	-	47,021	36,722
Health and sanitation	143,286	132,566	-	-	143,286	132,566
Public assistance	248,368	240,562	-	-	248,368	240,562
Education	5,300	5,353	-	-	5,300	5,353
Culture and recreation	2,266	2,176	-	-	2,266	2,176
Interest expense	744	1,320	-	-	744	1,320
Solid waste	-	-	9,067	10,410	9,067	10,410
Water/Sewer services	-	-	1,162	1,039	1,162	1,039
Transit	-	-	3,454	3,322	3,454	3,322
Other business-type activities	-	-	17	49	17	49
Total expenses	<u>708,267</u>	<u>660,187</u>	<u>13,700</u>	<u>14,820</u>	<u>721,967</u>	<u>675,007</u>
Change in net position before transfers						
	<u>32,559</u>	<u>37,596</u>	<u>5,797</u>	<u>1,440</u>	<u>38,356</u>	<u>39,036</u>
Transfers	<u>305</u>	<u>305</u>	<u>(305)</u>	<u>(305)</u>	<u>-</u>	<u>-</u>
Change in net position	32,864	37,901	5,492	1,135	38,356	39,036
Net position - beginning	1,644,309	1,798,998	37,730	41,559	1,682,039	1,840,557
Prior period adjustment	(2,412)	(192,590)	32	(4,964)	(2,380)	(197,554)
Net position - beginning, as restated	<u>1,641,897</u>	<u>1,606,408</u>	<u>37,762</u>	<u>36,595</u>	<u>1,679,659</u>	<u>1,643,003</u>
Net position - ending	<u>\$ 1,674,761</u>	<u>\$ 1,644,309</u>	<u>\$ 43,254</u>	<u>\$ 37,730</u>	<u>\$ 1,718,015</u>	<u>\$ 1,682,039</u>

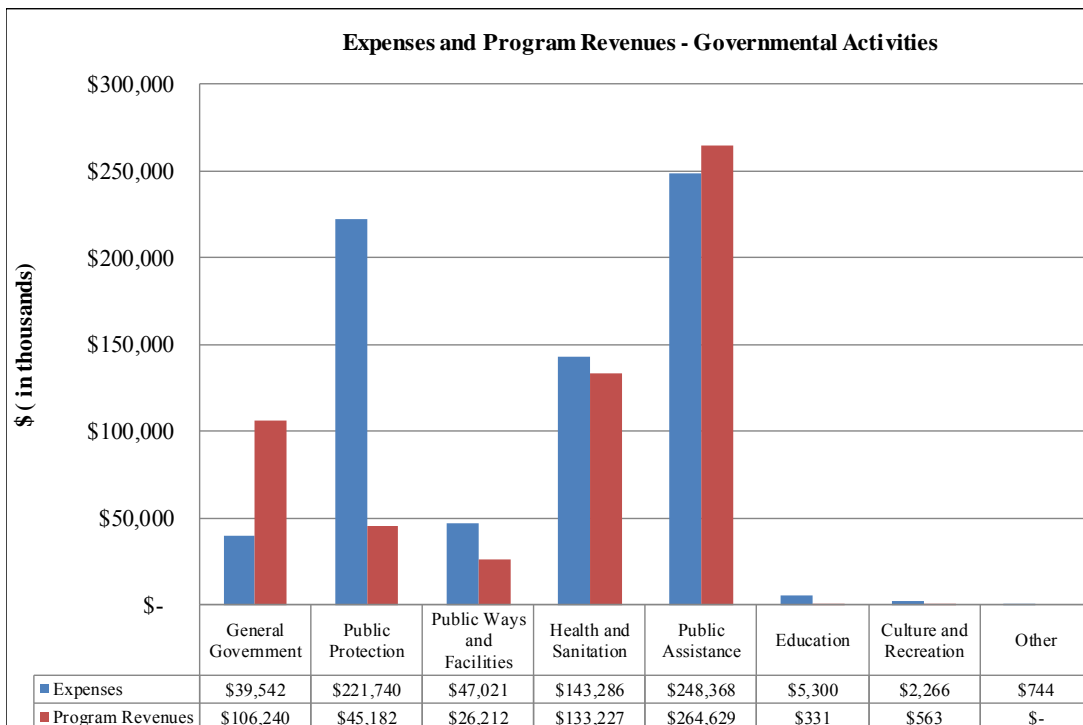
The County's overall net position increased by \$38,356 during the fiscal year ended June 30, 2016. The dominant factor was an approximate \$14,595 increase in charges for services.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

Governmental Activities. Governmental activities increased the County's net position by \$32,864 to \$1,674,761 for the fiscal year ended June 30, 2016, which indicates these activities did generate revenues sufficient to cover the cost of operations. Contributing factors are an increase in charges for services revenue of \$12,575 and an increase in sales and other taxes revenue of \$11,610. The largest source of governmental revenue continues to be operating grants and contributions, which represents 61.6% of all governmental activities revenue. Key elements of revenues in governmental activities for the fiscal year ended June 30, 2016 are as follows:

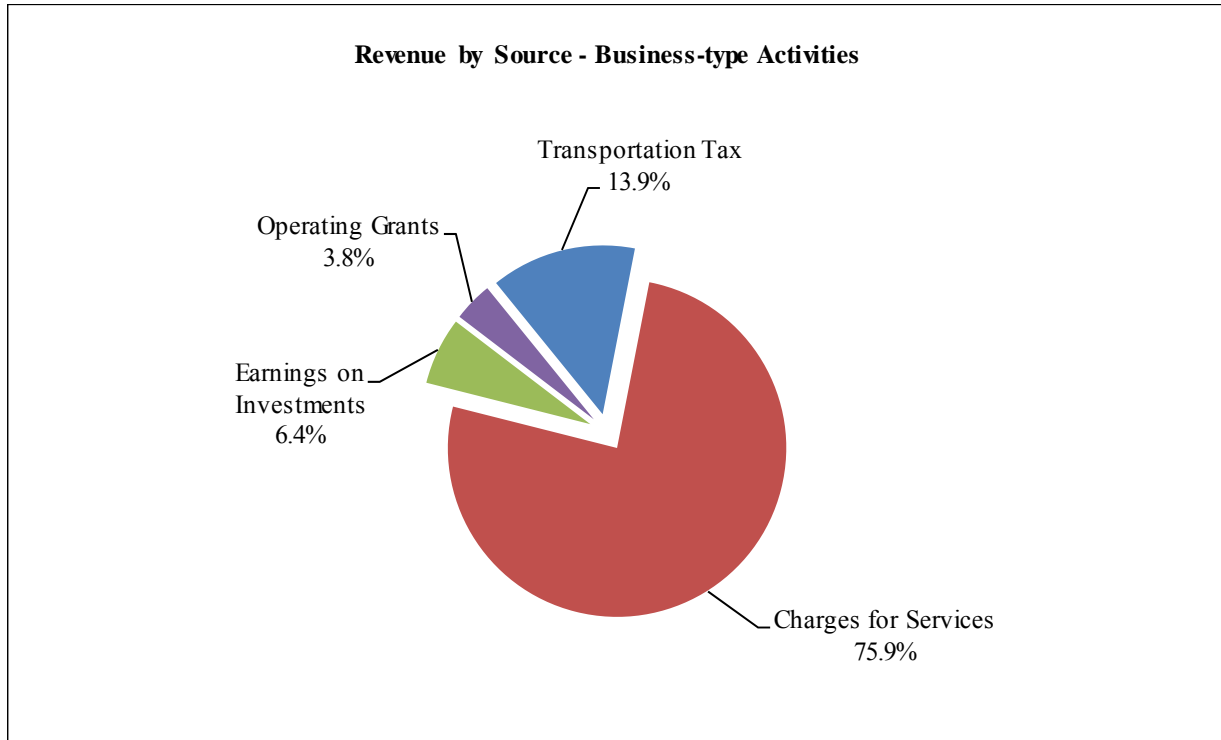


Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, the largest segment of uncovered costs is in the area of public protection. A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2016 is as follows:



COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

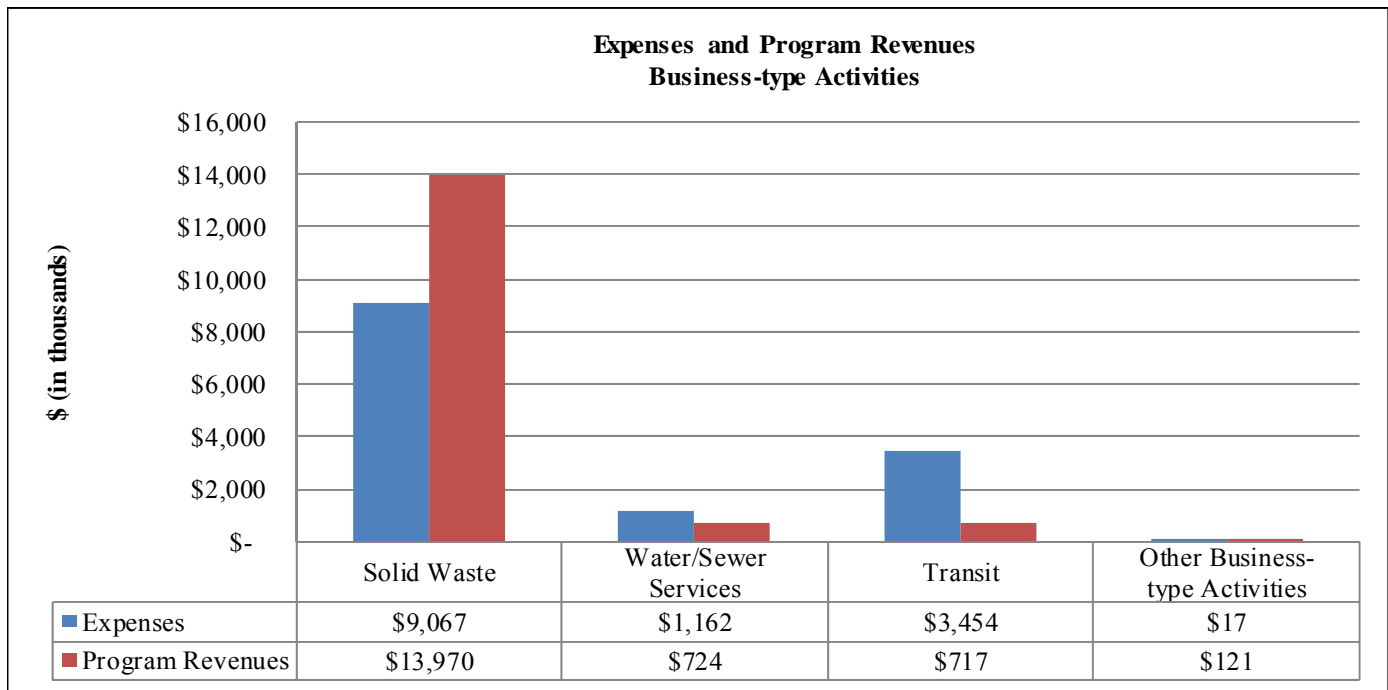
Business-type Activities. For the County's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$43,254. The total increase in net position for business-type activities was \$5,492, or 12.7% from the prior fiscal year. The growth is largely attributable to a \$2,020 increase in charges for services revenue and a \$1,343 decrease in Solid Waste expenses. The largest source of business-type revenue continues to be charges for services, which represents 75.9% of all business-type activities revenue. Key elements of revenues in business-type activities for the fiscal year ended June 30, 2016 are as follows:



Total fee revenues for Solid Waste represents 91.4% of charges for services for business-type activities. Solid Waste's revenues of \$13,522 exceeded its expenses of \$9,067. The same situation held true for the prior fiscal year. The primary cause of Solid Waste generating excess revenue was due to a change in the fee structure.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2016 is as follows:



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 and outflows of spendable resources, as well as 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 it represents 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 of Retirement.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$320,277, an increase of \$26,302 in comparison with the prior year. Approximately 26.5% of the total fund balances, or \$84,868, 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 (\$2,521), 2) restricted for particular purposes (\$184,415), 3) committed for particular purposes (\$21,669), or 4) assigned for particular purposes (\$26,804).

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 \$84,868, while total fund balance reached \$146,511. 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 14.2% of total General Fund expenditures, while total fund balance represents 24.6% of that same amount.

Spending from the General Fund increased by \$21,730, or 3.8%. Contributing factors include a 5.0%, or \$8,613, increase in public protection spending primarily due to an increase of salaries spread fairly evenly among the Sheriff's, District Attorney's, Public Defender's, and Probation Offices. There was also a 5.7%, or \$7,582, increase in health and sanitation spending due to medical services provided. In addition, there was a 6.0%, or \$1,969, increase in general government spending primarily due to salary increases as a result of both merit increases and cost of living adjustments (COLAs).

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

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 \$34,851, with \$34,761 of that in Solid Waste. There was an increase of \$5,724, or 19.7% in total 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 a decrease of \$6,262, or 23.9%. The most notable change was a decrease of \$10,238 in the transfers in function from the Realignment-Social Services fund.

Final budget compared to actual results. The variance between the final budget and actual revenue resulted in an increase of \$33,735. 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	\$ 116,847	\$ 127,792	\$ 10,945
Interest, rents and concessions	949	5,931	4,982
Intergovernmental revenues	315,972	321,142	5,170
Other revenues	8,087	14,737	6,650

- Taxes and special assessments revenues were higher than anticipated largely due to an increase in assessed property values and sales and use tax.
- Interest, rents and concessions revenues were more than expected, which was mainly attributable to an increase in quarterly interest revenue.
- Intergovernmental revenues were more than anticipated primarily as a result of money received from the California State Controller's Office to fund the Local Law Enforcement Services Account, as required by Assembly Bill 118 (AB 118) as part of the State realignment. The money received is derived from a combination of vehicle license fees paid on automobile registrations and a Special Fund Sales Tax.
- Other revenues were higher than projected mostly due to welfare advances from the State.

The variance between the final budget and actual expenditures resulted in \$62,608 of unspent appropriations. The most significant differences are as follows:

- Public protection expenditures were \$11,685 less than anticipated, which was largely attributable to unfilled positions in the Sheriff's, District Attorney's, and Probation Offices.
- Health and sanitation expenditures were \$19,523 lower than projected mainly due to providing medical services to fewer clients than anticipated, as well as unfilled positions related to health and sanitation.
- Public assistance expenditures were \$22,565 less than expected predominantly as a result of a reduced need for public support, as well as unfilled positions in the area of public assistance.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

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 \$1,640,835 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, and construction in progress and infrastructure in progress. The total increase in capital assets for the current fiscal year was \$15,536, or less than 1%.

Capital Assets
(net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 940,050	\$ 935,562	\$ 6,728	\$ 6,728	\$ 946,778	\$ 942,290
Infrastructure	472,151	425,315	-	-	472,151	425,315
Buildings and improvements	143,310	127,158	12,771	14,238	156,081	141,396
Equipment and vehicles	23,795	22,144	2,710	3,736	26,505	25,880
Construction in progress	8,338	8,249	204	184	8,542	8,433
Infrastructure in progress	30,778	81,985	-	-	30,778	81,985
Total	\$ 1,618,422	\$ 1,600,413	\$ 22,413	\$ 24,886	\$ 1,640,835	\$ 1,625,299

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

- Building purchased at 5300 W. Tulare Avenue from Weingart Foundation, which totaled \$15,316.
- Emergency well projects for Bob Wiley Detention Facility, Tulare County Sheriff's Office Agriculture Unit, and Mooney Grove Park, which totaled \$1,475 for the year.
- Purchased infrastructure equipment, such as tractors, for a total of \$512.
- Purchased vehicles for public safety departments at a cost of \$2,656.

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

Long-term Debt. At the end of the current fiscal year, the County had total outstanding debt of \$40,281. Of this amount, 3.1% (\$1,236) comprises debt for Certificates of Participation (COPs) issued by the Public Facilities Corporation for the acquisition or construction of major capital facilities. Another 88.2% (\$35,545) is the outstanding balance of Variable Rate Demand Bonds issued by the Public Financing Authority to provide financing for future acquisition and construction of major capital facilities. The remaining balance is for the acquisition of a copier accounted for as a capital lease, and a loan to fund an energy improvement project.

Outstanding Debt
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Loans	\$ 3,459	\$ 3,938	\$ -	\$ -	\$ 3,459	\$ 3,938
Capital Leases	36	-	-	-	36	-
Bonds payable	-	-	5	6	5	6
Variable Rate Demand Bonds	35,545	36,460	-	-	35,545	36,460
Certificates of Participation	-	6,460	1,236	1,273	1,236	7,733
Total	\$ 39,040	\$ 46,858	\$ 1,241	\$ 1,279	\$ 40,281	\$ 48,137

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$7,856 (16.3%). The largest reductions occurred with payments of \$6,497 against the COPs and \$915 paid against Variable Rate Demand Bonds.

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 (\$394,278) is 1.25% of assessed valuation (\$31,542,207). As of June 30, 2016, 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 2016/17 fiscal year budget:

- Overall, uncertainties continue to linger in today's economic environment as the rate of economic growth remains sluggish, although the Nation's recovery is incrementally moving in a positive direction. In this regard, the Nation's economic expansion, as evidenced by the annual growth rate, has reached an average of 2.1% growth from 2009 through 2015. This growth rate is less than prior expansions periods, which range from 3.6% to 5.6% prior to 2007.

According to the Federal Reserve Bank, the U.S. Stock Market may be overvalued. This is noted in the Monetary Policy Report that valuations for stocks "have increased to a level well above their median of the past three decades" (Monetary Policy Report, p. 21).

With the U.S. economy entering its eighth year of economic expansion, federal and state policy makers are planning for the next "downturn" that has historically presented itself in five-year cycles. California is planning for the next recession as well. For example, to prepare for the next recession, the State of California in its fiscal year 2016/17 Budget has placed ten percent (10%) or \$12.5 billion of tax revenues in the "Rainy Day Fund," has also paid down debts and liabilities, and has limited new ongoing spending obligations.

As such, California counties should respond to these economic indicators by implementing prudent financial budgeting strategies. Although the economic downturn is not in the immediate horizon, there are enough indicators to warrant government entities to proceed with caution when making ongoing spending obligations. In doing so, the County continues to prepare for this downturn by increasing reserves by \$1 million dollars totaling \$26 million, maintaining its County contingency reserves in the amount of \$5 million and is proposing a budget which is sustainable.

According to the Crop and Livestock Report for calendar year 2015, the County continues to lead the Nation for agricultural production with a total gross of over \$6.9 billion, a decrease of 13.7% below the prior year. Dairy milk and milk products had a total gross value of \$1.7 billion, making the County the top dairy producer in the Nation. The County's agricultural strength is based on the diversity of the crops produced. Although individual commodities may experience difficulties from year to year, the County continues to produce high-quality crops that provide food and fiber to more than 90 countries throughout the world. In 2015, it was the fifth year of a sustained drought and future years' crop values may reflect the impact of inadequate water supplies.

On June 27, 2016, the Governor signed the balanced fiscal year 2016/17 Budget Act into law, spending \$170.9 billion from the General Fund and other State funds. State General Fund appropriations total \$122.5 billion, \$7.1 million higher than the enacted fiscal year 2015/16 budget. In addition, it supports new spending commitments aimed at expanding health care and social safety net programs such as In-Home Supportive Services, Medi-Cal expansion, CalWORKS, workforce development, and drought assistance. The Governor has also allocated one-time funding for infrastructure and reserves. For example, the budget places an additional \$1.8 billion into the "Rainy Day Fund."

The fiscal year 2016/17 Recommended Budget for all funds totals \$1.18 billion, an increase of \$18.8 million, or 1.6%, when compared to the fiscal year 2015/16 Adopted Budget. The budget supports a workforce of 4,944 positions and reflects a net increase of 96 positions. The fiscal year 2016/17 Recommended Budget continues the restoration of actions

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2016 (in thousands)

taken to address the Great Recession. Workers' compensation increased by \$2 million to \$13.2 million. The County is in the second year of the negotiated two (2) year labor agreements with its employees, providing cost of living increases, restoring the Sick Leave Buy Back program with specific Bargaining Units, and restoring the Deferred Compensation Match program for all unrepresented employees. The Recommended Budget provides funding for mandated and essential services, County programs, infrastructure and capital needs, equipment maintenance and replacement, building County reserves, and maintaining a contingency fund; and adheres to the County Budget Act, County Administrative Regulations, and the County's financial policies.

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 Boulevard, Suite 101-E, Visalia, California 93291. The County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016, can also be found at the County's website: <http://tularecounty.ca.gov/auditorcontroller/>.

Basic Financial Statements



COUNTY OF TULARE
Statement of Net Position
June 30, 2016 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
ASSETS				
Cash in banks	\$ 191	\$ 263	\$ 454	\$ 351
Investment in treasury pool	378,340	21,364	399,704	6,460
Investments	3,092	-	3,092	-
Imprest cash	577	3	580	-
Receivable (net of allowance for uncollectibles)				
Accounts	6,331	2,012	8,343	977
Taxes	454	-	454	-
Deposits with others	-	-	-	158
Due from other governments	35,794	452	36,246	-
Internal balances	555	(555)	-	-
Prepaid items	2,378	-	2,378	13
Notes receivable	16,855	-	16,855	-
Inventories	143	-	143	-
Restricted assets	56,584	49,756	106,340	-
Capital assets, not being depreciated/amortized	979,166	6,932	986,098	-
Capital assets, net of accumulated depreciation/amortization	639,256	15,481	654,737	11
Total assets	<u>2,119,716</u>	<u>95,708</u>	<u>2,215,424</u>	<u>7,970</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	96,643	443	97,086	-
Total deferred outflows of resources	<u>96,643</u>	<u>443</u>	<u>97,086</u>	<u>-</u>
LIABILITIES				
Accounts payable	27,844	1,821	29,665	1,242
Due to other governments	40,298	-	40,298	-
Deposits from others	226	8	234	-
Salaries and benefits payable	16,726	168	16,894	15
Advances	39,991	8,235	48,226	-
Interest payable	341	-	341	-
Total current liabilities	<u>125,426</u>	<u>10,232</u>	<u>135,658</u>	<u>1,257</u>
Noncurrent liabilities - Due within one year:				
Claims payable	6,158	-	6,158	-
Compensated absences	2,599	10	2,609	-
Loans payable	499	-	499	-
Bonds payable	1,010	-	1,010	-
Certificates of participation (COPs) payable	-	44	44	-
Capital lease	9	-	9	-
Noncurrent liabilities - Due in more than one year:				
Claims payable	25,230	-	25,230	-
Net other postemployment benefit (OPEB) obligation	15,793	-	15,793	-
Compensated absences	18,941	211	19,152	21
Closure/post closure costs payable	-	39,311	39,311	-
Loans payable	2,960	-	2,960	-
Bonds payable	34,535	5	34,540	-
Certificates of participation (COPs) payable	-	1,192	1,192	-
Capital lease	27	-	27	-
Net pension liability	290,616	1,881	292,497	-
Total noncurrent liabilities	<u>398,377</u>	<u>42,654</u>	<u>441,031</u>	<u>21</u>
Total liabilities	<u>523,803</u>	<u>52,886</u>	<u>576,689</u>	<u>1,278</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	16,074	-	16,074	-
Deferred pensions	1,721	11	1,732	-
Total deferred inflows of resources	<u>17,795</u>	<u>11</u>	<u>17,806</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, 2016 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
NET POSITION				
Net investment in capital assets	1,614,927	21,172	1,636,099	11
Restricted for:				
Debt service	23,136	-	23,136	-
Roads projects	29,291	-	29,291	-
Low and moderate income housing	32	-	32	-
Public protection	21,984	-	21,984	-
Education	2,189	-	2,189	-
Health and sanitation	62,062	-	62,062	-
Public assistance	7,909	-	7,909	-
Landfill ground water contingencies	-	5,016	5,016	-
Acquisition of future disposal site	-	5,429	5,429	-
Other purposes	7,257	-	7,257	-
Unrestricted	(94,026)	11,637	(82,389)	6,681
Total net position	<u>\$ 1,674,761</u>	<u>\$ 43,254</u>	<u>\$ 1,718,015</u>	<u>\$ 6,692</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, 2016 (in thousands)

Functions / Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Governmental activities:							
General government	\$ 39,542	\$ 33,186	\$ 73,054	\$ 66,698	\$ -	\$ 66,698	\$ -
Public protection	221,740	19,342	25,840	(176,558)	-	(176,558)	-
Public ways and facilities	47,021	3,101	23,111	(20,809)	-	(20,809)	-
Health and sanitation	143,286	52,471	80,756	(10,059)	-	(10,059)	-
Public assistance	248,368	11,242	253,387	16,261	-	16,261	-
Education	5,300	197	134	(4,969)	-	(4,969)	-
Culture and recreation	2,266	302	261	(1,703)	-	(1,703)	-
Interest expense	744	-	-	(744)	-	(744)	-
Total governmental activities	<u>708,267</u>	<u>119,841</u>	<u>456,543</u>	<u>(131,883)</u>	<u>-</u>	<u>(131,883)</u>	<u>-</u>
Business-type activities:							
Solid waste	9,067	13,522	448	-	4,903	4,903	-
Water/Sewer services	1,162	724	-	-	(438)	(438)	-
Transit	3,454	429	288	-	(2,737)	(2,737)	-
Other business-type activities	17	121	-	-	104	104	-
Total business-type activities	<u>13,700</u>	<u>14,796</u>	<u>736</u>	<u>-</u>	<u>1,832</u>	<u>1,832</u>	<u>-</u>
Total primary government	<u>\$ 721,967</u>	<u>\$ 134,637</u>	<u>\$ 457,279</u>	<u>\$ (131,883)</u>	<u>\$ 1,832</u>	<u>\$ (130,051)</u>	<u>\$ -</u>
Component unit:							
First 5 Tulare County	\$ 6,247	\$ -	\$ 5,430				(817)
Total component unit	<u>\$ 6,247</u>	<u>\$ -</u>	<u>\$ 5,430</u>				<u>(817)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes				106,252	-	106,252	-
Property taxes, levied for flood control				591	-	591	-
Property taxes, levied for redevelopment				8,370	-	8,370	-
Property taxes, levied for fire protection				4,118	-	4,118	-
Sales and other taxes				41,300	2,709	44,009	-
Earnings on investments				-	1,256	1,256	122
Tobacco settlement revenues				3,811	-	3,811	-
Transfers				305	(305)	-	-
Total general revenues and transfers				<u>164,747</u>	<u>3,660</u>	<u>168,407</u>	<u>122</u>
Change in net position				<u>32,864</u>	<u>5,492</u>	<u>38,356</u>	<u>(695)</u>
Net position - beginning				1,644,309	37,730	1,682,039	7,387
Prior period adjustments				(2,412)	32	(2,380)	-
Net position - beginning, as restated				<u>1,641,897</u>	<u>37,762</u>	<u>1,679,659</u>	<u>7,387</u>
Net position - ending				<u>\$ 1,674,761</u>	<u>\$ 43,254</u>	<u>\$ 1,718,015</u>	<u>\$ 6,692</u>

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

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COUNTY OF TULARE
Governmental Funds
Balance Sheet
June 30, 2016 (in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Realignment- Social Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash in banks	\$ 188	\$ -	\$ -	\$ -	\$ 3	\$ 191
Investment in treasury pool	240,571	93	-	26,738	77,340	344,742
Investments	-	-	3,092	-	-	3,092
Imprest cash	76	-	-	-	1	77
Receivable (net of allowance for uncollectibles)						
Accounts	3,755	-	-	-	2,561	6,316
Taxes	454	-	-	-	-	454
Due from other funds	-	-	-	-	5,440	5,440
Due from other governments	19,283	-	-	-	16,381	35,664
Prepaid items	1,849	-	-	-	529	2,378
Advances to other funds	1,159	-	-	-	-	1,159
Notes receivable	-	-	-	-	16,855	16,855
Inventories	-	-	-	-	143	143
Restricted assets	-	-	56,584	-	-	56,584
Total assets	<u>\$ 267,335</u>	<u>\$ 93</u>	<u>\$ 59,676</u>	<u>\$ 26,738</u>	<u>\$ 119,253</u>	<u>\$ 473,095</u>
LIABILITIES						
Accounts payable	\$ 20,392	\$ -	\$ -	\$ -	\$ 5,318	\$ 25,710
Due to other funds	5,707	-	-	-	352	6,059
Due to other governments	37,465	-	-	-	2,833	40,298
Deposits from others	169	57	-	-	-	226
Salaries and benefits payable	13,854	-	-	-	1,927	15,781
Advances	37,247	-	-	-	2,744	39,991
Advances from other funds	531	-	-	-	220	751
Total liabilities	<u>115,365</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>13,394</u>	<u>128,816</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-special assessments	5,459	-	-	-	18,543	24,002
Total deferred inflows of resources	<u>5,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,543</u>	<u>24,002</u>
FUND BALANCES						
Nonspendable	1,849	-	-	-	672	2,521
Restricted	45,270	36	56,176	26,738	56,195	184,415
Committed	14,524	-	-	-	7,145	21,669
Assigned	-	-	3,500	-	23,304	26,804
Unassigned	84,868	-	-	-	-	84,868
Total fund balances	<u>146,511</u>	<u>36</u>	<u>59,676</u>	<u>26,738</u>	<u>87,316</u>	<u>320,277</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 267,335</u>	<u>\$ 93</u>	<u>\$ 59,676</u>	<u>\$ 26,738</u>	<u>\$ 119,253</u>	<u>\$ 473,095</u>

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

COUNTY OF TULARE
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2016 (in thousands)

Total fund balances for governmental funds \$ 320,277

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	\$ 940,050	
Buildings and improvements, net of \$87,907 accumulated depreciation	143,310	
Equipment and vehicles, net of \$65,427 accumulated depreciation	23,795	
Infrastructure, net of \$296,097 accumulated depreciation	472,151	
Construction in progress	8,338	
Infrastructure in progress	30,778	
Total capital assets	1,618,422	1,618,422

The future revenue resulting from the delay in reimbursements from the State for mandated programs (Senate Bill-90) is categorized as deferred for fund statements because the funds will not be available for more than one year. 2,624

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. 3,287

Agriculture Commissioner deferred inflows of resources from farmer fees; revenues were already recognized in government-wide statements in prior year. 2,017

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	(341)	
Capital leases payable	(36)	
Loans payable	(3,459)	
Bonds payable	(35,545)	
Claims payable	(31,388)	
Net other postemployment benefit (OPEB) obligation	(15,793)	
Compensated absences	(21,540)	
Net pension liability and related deferred inflows/outflows of resources	(195,694)	
Total long-term liabilities	(303,796)	(303,796)

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. 31,930

Total net position of governmental activities \$ 1,674,761

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, 2016 (in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Realignment- Social Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 127,792	\$ -	\$ -	\$ -	\$ 32,839	\$ 160,631
Licenses and permits	11,280	-	-	-	14	11,294
Fines, forfeitures and penalties	6,405	-	-	-	2,243	8,648
Interest, rents and concessions	5,931	47	245	-	1,432	7,655
Intergovernmental revenues	321,142	-	-	75,608	60,413	457,163
Charges for services	72,024	-	-	-	4,135	76,159
Other revenues	14,737	-	-	-	4,633	19,370
Total revenues	<u>559,311</u>	<u>47</u>	<u>245</u>	<u>75,608</u>	<u>105,709</u>	<u>740,920</u>
EXPENDITURES						
Current:						
General government	34,704	-	-	-	2,435	37,139
Public protection	179,711	-	-	-	30,111	209,822
Public ways and facilities	101	-	-	-	31,098	31,199
Health and sanitation	140,042	-	-	-	2	140,044
Public assistance	234,049	-	-	-	11,383	245,432
Education	812	-	-	-	4,157	4,969
Culture and recreation	1,571	-	-	-	-	1,571
Debt service:						
Principal retirement	-	6,479	915	-	481	7,875
Interest and fiscal charges	23	189	197	-	144	553
Capital outlay	5,454	-	-	-	37,670	43,124
Total expenditures	<u>596,467</u>	<u>6,668</u>	<u>1,112</u>	<u>-</u>	<u>117,481</u>	<u>721,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(37,156)</u>	<u>(6,621)</u>	<u>(867)</u>	<u>75,608</u>	<u>(11,772)</u>	<u>19,192</u>
OTHER FINANCING SOURCES (USES)						
Sale of general capital assets	250	-	-	-	-	250
Transfers in	88,261	1,011	3,832	946	51,218	145,268
Transfers (out)	(38,554)	(21)	(2,500)	(66,176)	(37,310)	(144,561)
Total other financing sources (uses)	<u>49,957</u>	<u>990</u>	<u>1,332</u>	<u>(65,230)</u>	<u>13,908</u>	<u>957</u>
Net change in fund balances	12,801	(5,631)	465	10,378	2,136	20,149
Fund balances - beginning	127,616	5,667	59,211	16,360	85,121	293,975
Prior period adjustment	6,094	-	-	-	59	6,153
Fund balances - beginning, as restated	<u>133,710</u>	<u>5,667</u>	<u>59,211</u>	<u>16,360</u>	<u>85,180</u>	<u>300,128</u>
Fund balances - ending	<u>\$ 146,511</u>	<u>\$ 36</u>	<u>\$ 59,676</u>	<u>\$ 26,738</u>	<u>\$ 87,316</u>	<u>\$ 320,277</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 to the
Statement of Activities
For the Year Ended June 30, 2016 (in thousands)**

Net change in fund balances - total governmental funds \$ 20,149

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense differs from capital outlay expenditures in the current period.

Capital outlay expenditures	\$ 43,124	
Depreciation expense	<u>(24,758)</u>	
Combined adjustment		18,366

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. (472)

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 inflow 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. (102)

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 inflow of resources because the delay will exceed one year. However, for government-wide statements, the revenue is recognized when earned. (222)

To account for the remediation cost for Harmon. 271

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. (590)

Current year collections of previously delayed reimbursements for Agricultural 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. 181

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. 7,854

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.

Compensated absences	(575)	
Amortization of pension assets	(9,363)	
Amortization of net OPEB obligation	(1,004)	
Accrued interest on debt	<u>(75)</u>	
Combined adjustment		(11,017)

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. (1,554)

Changes in net position \$ 32,864

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, 2016 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes and special assessments	\$ 116,847	\$ 116,847	\$ 127,792	\$ 10,945
Licenses and permits	9,783	9,783	11,280	1,497
Fines, forfeitures and penalties	4,442	4,442	6,405	1,963
Interest, rents and concessions	949	949	5,931	4,982
Intergovernmental revenues	323,133	315,972	321,142	5,170
Charges for services	69,962	69,496	72,024	2,528
Other revenues	8,186	8,087	14,737	6,650
Total revenues	<u>533,302</u>	<u>525,576</u>	<u>559,311</u>	<u>33,735</u>
EXPENDITURES				
Current:				
General government	44,977	45,059	34,704	10,355
Public protection	192,036	191,396	179,711	11,685
Public ways and facilities	-	-	101	(101)
Health and sanitation	162,250	159,565	140,042	19,523
Public assistance	258,189	256,614	234,049	22,565
Education	850	844	812	32
Culture and recreation	1,619	1,666	1,571	95
Debt service:				
Interest and fiscal charges	45	200	23	177
Capital outlay	5,541	3,731	5,454	(1,723)
Total expenditures	<u>665,507</u>	<u>659,075</u>	<u>596,467</u>	<u>62,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(132,205)</u>	<u>(133,499)</u>	<u>(37,156)</u>	<u>96,343</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	225	225	250	25
Transfers in	179,152	168,914	88,261	(80,653)
Transfers (out)	(73,322)	(68,052)	(38,554)	29,498
Total other financing sources (uses)	<u>106,055</u>	<u>101,087</u>	<u>49,957</u>	<u>(51,130)</u>
Net change in fund balance	(26,150)	(32,412)	12,801	45,213
Fund balance - beginning	127,616	127,616	127,616	-
Prior period adjustment	-	-	6,094	6,094
Fund balances - beginning, as restated	<u>127,616</u>	<u>127,616</u>	<u>133,710</u>	<u>6,094</u>
Fund balance - ending	<u>\$ 101,466</u>	<u>\$ 95,204</u>	<u>\$ 146,511</u>	<u>\$ 51,307</u>

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

COUNTY OF TULARE
Realignment – Social Services Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 72,677	\$ 72,677	\$ 75,608	\$ 2,931
Total revenues	<u>72,677</u>	<u>72,677</u>	<u>75,608</u>	<u>2,931</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>72,677</u>	<u>72,677</u>	<u>75,608</u>	<u>2,931</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,057	7,057	946	(6,111)
Transfers (out)	(81,336)	(81,336)	(66,176)	15,160
Total other financing sources (uses)	<u>(74,279)</u>	<u>(74,279)</u>	<u>(65,230)</u>	<u>9,049</u>
Net change in fund balance	(1,602)	(1,602)	10,378	11,980
Fund balance - beginning	16,360	16,360	16,360	-
Fund balance - ending	<u>\$ 14,758</u>	<u>\$ 14,758</u>	<u>\$ 26,738</u>	<u>\$ 11,980</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, 2016 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
ASSETS				
Current assets:				
Cash in banks	\$ 255	\$ 8	\$ 263	\$ -
Investment in treasury pool	8,690	12,674	21,364	33,598
Imprest cash	3	-	3	500
Accounts receivable (net of allowance for uncollectibles)	1,836	176	2,012	15
Due from other funds	30	354	384	235
Due from other governments	-	452	452	130
Total current assets	<u>10,814</u>	<u>13,664</u>	<u>24,478</u>	<u>34,478</u>
Noncurrent assets:				
Advances to other funds	-	-	-	531
Restricted assets	49,740	16	49,756	-
Capital assets:				
Land	6,116	612	6,728	-
Buildings and improvements, net	9,200	3,571	12,771	-
Equipment and vehicles, net	1,342	1,368	2,710	2,959
Construction in progress	-	204	204	222
Total capital assets	<u>16,658</u>	<u>5,755</u>	<u>22,413</u>	<u>3,181</u>
Total noncurrent assets	<u>66,398</u>	<u>5,771</u>	<u>72,169</u>	<u>3,712</u>
Total assets	<u>77,212</u>	<u>19,435</u>	<u>96,647</u>	<u>38,190</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	412	31	443	3,300
Total deferred outflows of resources	<u>412</u>	<u>31</u>	<u>443</u>	<u>3,300</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,433	388	1,821	2,134
Deposits from others	-	8	8	-
Salaries and benefits payable	141	27	168	945
Compensated absences payable	6	4	10	84
Claims payable	-	-	-	6,158
Certificates of participation (COPs) payable	-	44	44	-
Total current liabilities	<u>1,580</u>	<u>471</u>	<u>2,051</u>	<u>9,321</u>
Noncurrent liabilities:				
Compensated absences payable	211	-	211	1,250
Advances	-	8,235	8,235	-
Advances from other funds	-	939	939	-
Closure/post closure costs payable	39,311	-	39,311	-
Claims payable	-	-	-	25,230
Bonds payable	-	5	5	-
Certificates of participation (COPs) payable	-	1,192	1,192	-
Net pension liability	1,751	130	1,881	14,009
Total noncurrent liabilities	<u>41,273</u>	<u>10,501</u>	<u>51,774</u>	<u>40,489</u>
Total liabilities	<u>42,853</u>	<u>10,972</u>	<u>53,825</u>	<u>49,810</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	10	1	11	83
Total deferred inflows of resources	<u>10</u>	<u>1</u>	<u>11</u>	<u>83</u>
NET POSITION				
Net investment in capital assets	16,658	4,514	21,172	3,181
Restricted for:				
Landfill ground water contingencies	5,000	16	5,016	-
Acquisition of future disposal site	5,429	-	5,429	-
Unrestricted	7,674	3,963	11,637	(11,584)
Total net position	<u>\$ 34,761</u>	<u>\$ 8,493</u>	<u>\$ 43,254</u>	<u>\$ (8,403)</u>

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, 2016 (in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Operating revenues:				
Charges for services	\$ 12,793	\$ 1,244	\$ 14,037	\$ 56,027
Interest, rents and concessions	22	3	25	-
Other revenues	707	27	734	1,995
Total operating revenues	<u>13,522</u>	<u>1,274</u>	<u>14,796</u>	<u>58,022</u>
Operating expenses:				
Salaries and benefits	2,663	223	2,886	19,746
Services and supplies	5,273	3,570	8,843	32,652
Insurance premiums paid	-	-	-	6,156
Landfill closure and post closure costs	(661)	-	(661)	-
Depreciation	1,793	770	2,563	478
Claims incurred	-	-	-	25
Total operating expenses	<u>9,068</u>	<u>4,563</u>	<u>13,631</u>	<u>59,057</u>
Operating income (loss)	<u>4,454</u>	<u>(3,289)</u>	<u>1,165</u>	<u>(1,035)</u>
Nonoperating revenues (expenses):				
Gain on sale of capital assets	1	-	1	-
Intergovernmental revenues	448	288	736	31
Penalties collected	-	4	4	-
Taxes and special assessments	-	2,705	2,705	-
Investment earnings	1,093	163	1,256	639
Interest expense	-	(70)	(70)	(95)
Total nonoperating revenues (expenses)	<u>1,542</u>	<u>3,090</u>	<u>4,632</u>	<u>575</u>
Income (loss) before contributions and transfers	<u>5,996</u>	<u>(199)</u>	<u>5,797</u>	<u>(460)</u>
Capital contributions	-	-	-	(692)
Transfers in	-	-	-	114
Transfers (out)	<u>(302)</u>	<u>(3)</u>	<u>(305)</u>	<u>(516)</u>
Change in net position	5,694	(202)	5,492	(1,554)
Net position - beginning	29,037	8,693	37,730	1,716
Prior period adjustment	30	2	32	(8,565)
Net position - beginning, as restated	<u>29,067</u>	<u>8,695</u>	<u>37,762</u>	<u>(6,849)</u>
Net position - ending	<u>\$ 34,761</u>	<u>\$ 8,493</u>	<u>\$ 43,254</u>	<u>\$ (8,403)</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, 2016 (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	\$ 12,043	\$ 1,252	\$ 13,295	\$ 1,691
Receipts from interfund services provided	7	(326)	(319)	54,939
Receipts from rents and concessions	22	3	25	-
Other receipts (payments)	707	(102)	605	2,013
Payments to employees	(2,348)	(201)	(2,549)	(26,212)
Payments to suppliers	(3,281)	(2,325)	(5,606)	(32,371)
Payments for interfund services used	(1,175)	(562)	(1,737)	(6,193)
Payments for claims	-	-	-	(2,789)
Net cash provided by (used for) operating activities	<u>5,975</u>	<u>(2,261)</u>	<u>3,714</u>	<u>(8,922)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from intergovernmental entities	448	288	736	31
Receipts from taxes and assessments	-	2,709	2,709	-
Transfers from other funds	(2,569)	-	(2,569)	114
Transfers to other funds	359	(3)	356	(516)
Advance from other funds	-	80	80	-
Advance to other funds	-	-	-	1,535
Net cash provided by (used for) noncapital financing activities	<u>(1,762)</u>	<u>3,074</u>	<u>1,312</u>	<u>1,164</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sales of capital assets	-	13	13	(574)
Purchases of capital assets	(77)	(25)	(102)	(675)
Principal paid on capital debt	-	(38)	(38)	-
Interest paid on capital debt	-	(70)	(70)	(95)
Net cash (used for) capital and related financing activities	<u>(77)</u>	<u>(120)</u>	<u>(197)</u>	<u>(1,344)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	1,093	163	1,256	639
Net cash provided by investing activities	<u>1,093</u>	<u>163</u>	<u>1,256</u>	<u>639</u>
Net increase (decrease) in cash and cash equivalents	5,229	856	6,085	(8,463)
Cash and cash equivalents - beginning	53,459	11,842	65,301	42,561
Cash and cash equivalents - ending	<u>\$ 58,688</u>	<u>\$ 12,698</u>	<u>\$ 71,386</u>	<u>\$ 34,098</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, 2016 (in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Displayed as:				
Cash in banks	\$ 255	\$ 8	\$ 263	\$ -
Investment in treasury pool	8,690	12,674	21,364	33,598
Imprest cash	3	-	3	500
Restricted assets which are cash equivalents	49,740	16	49,756	-
Total cash displayed	<u>\$ 58,688</u>	<u>\$ 12,698</u>	<u>\$ 71,386</u>	<u>\$ 34,098</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 4,454	\$ (3,289)	\$ 1,165	\$ (1,035)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Landfill closure and post closure costs	(661)	-	(661)	-
Depreciation expense	1,793	770	2,563	478
(Increase) decrease in accounts receivable	(713)	30	(683)	973
(Increase) decrease in intergovernmental receivables	-	(129)	(129)	18
(Increase) decrease in due from other funds	(30)	(348)	(378)	(235)
(Increase) decrease in due to other funds	-	-	-	(135)
(Increase) decrease in prepaid items	-	-	-	100
Increase (decrease) in accounts payable	817	683	1,500	144
Increase (decrease) in deferred pension	(626)	(47)	(673)	(5,013)
Increase (decrease) in net pension liability	864	64	928	6,912
Increase (decrease) in salaries and benefits payable and compensated absences	77	5	82	(8,365)
Increase (decrease) in claims payable	-	-	-	(2,764)
Total adjustments	<u>1,521</u>	<u>1,028</u>	<u>2,549</u>	<u>(7,887)</u>
Net cash provided by (used for) operating activities	<u>\$ 5,975</u>	<u>\$ (2,261)</u>	<u>\$ 3,714</u>	<u>\$ (8,922)</u>
Schedule of non-cash capital and related finance activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ (692)
				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, 2016 (in thousands)

	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash in bank	\$ 1	\$ -	\$ 5,388
Investment in treasury pool	843,556	750	43,939
Accounts receivable (net of allowance for uncollectibles)	931	-	792
Notes receivable	852	-	-
Prepaid items	25	-	-
Deposits with others	-	190	-
Due from other governments	1,933	654	1,123
Capital assets:			
Infrastructure	-	2,377	-
Equipment and vehicles, net	-	94	-
Total capital assets (net of accumulated depreciation)	-	2,471	-
Total assets	<u>847,298</u>	<u>4,065</u>	<u>51,242</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	263	-	-
Total deferred outflows of resources	<u>263</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts payable	14,610	-	16,712
Due to other governments	1,553	654	5,486
Note payable	3,075	5,132	-
Agency obligations	-	-	29,044
Net pension liability	1,173	-	-
Total liabilities	<u>20,411</u>	<u>5,786</u>	<u>\$ 51,242</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	7	-	-
Total deferred inflows of resources	<u>7</u>	<u>-</u>	<u>\$ -</u>
NET POSITION			
Net position held in trust for pension benefits and other purposes	<u>\$ 827,143</u>	<u>\$ (1,721)</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, 2016 (in thousands)

	Investment Trust Funds	Private- Purpose Trust Funds
ADDITIONS		
Contributions to pooled investments	\$ 5,056,370	\$ 270
Investment income	14,260	15
Total additions	5,070,630	285
DEDUCTIONS		
Distributions from pooled investments	4,967,569	596
Total deductions	4,967,569	596
Change in net position	103,061	(311)
Net position - beginning	724,082	(1,410)
Net position - ending	\$ 827,143	\$ (1,721)

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

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Notes to the Financial Statements



COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (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 five component units have been included and combined with financial data of the County. Four 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. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34*, 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 Flood Control District, the Public Facilities Corporation, and the Public Financing 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. *Flood Control District* - The members of the governing board of the Flood Control District (FCD), an entity legally separate from the County, are members of the County's Board and have control over the day-to-day operations of FCD through budget approvals. For financial reporting purposes, the FCD is reported as if it were part of the County's operations. The FCD'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. *Public Facilities Corporation* - The board members of the Public Facilities Corporation (PFC), 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 PFC by its authority to remove PFC board members. For financial reporting purposes, the PFC 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.
4. *Public Financing Authority* - The Public Financing Authority (PFA), 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 PFA. For financial reporting purposes, PFA 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 PFA are payable through the County. This component unit's financial information is included in the General Fund.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

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 to hire or dismiss 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 and transit.

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 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.

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

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

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 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 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, with the exception of agency funds, which have no measurement focus. 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 County legally adopts an annual budget for the General Fund and all of its special revenue funds, debt service fund, and its capital projects fund. Component units TBSMD, and FCD each adopt an annual budget. PFC and PFA do not adopt budgets.

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

Property taxes, franchise taxes, licenses, interest, and special assessments are susceptible to accrual. Property tax revenues recognized are only those levied for the current fiscal year 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 PFC 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 PFA, which assists the County through borrowings, which are used for construction, acquisition, and/or maintenance of capital assets.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

The *Realignment-Social Services Fund* is a state mandated fund that accounts for the County match, sales tax revenues, and transfer to/from the General Fund for certain welfare program expenditures. The primary source of revenue are state funds.

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 fund* accounts 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 using the economic resources measurement focus and 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.

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 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).

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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

D. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

The following GASB Statements have been implemented in the current financial statements:

- **GASB Statement No. 72** – *Fair Value Measurement and Application*. The provisions of GASB Statement No. 72 are effective for financial statements beginning after June 15, 2015. The County implemented this change for the fiscal year ended June 30, 2016.
- **GASB Statement No. 73** – *Accounting and Financial Reporting for Pensions and Related Assets That are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The provisions of GASB Statement No. 73 are effective for financial statements beginning after June 15, 2015 – except those provisions that address employers and governmental nonemployer contributing entities for pensions that are within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. The County implemented this change for the fiscal year ended June 30, 2016.
- **GASB Statement No. 76** – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions of GASB Statement No. 76 are effective for financial statements beginning after June 15, 2015. The County implemented this change for the fiscal year ended June 30, 2016.
- **GASB Statement No. 79** – *Certain External Investment Pools and Pool Participants*. The provisions of GASB Statement No. 79 are effective for financial statements beginning after June 15, 2015 – except for the provisions in paragraphs 18, 19, 23–26, and 40, which are effective for reporting periods beginning after December 15, 2015. The County implemented this change for the fiscal year ended June 30, 2016.

The following GASB Statements will be implemented in future financial statements:

- **GASB Statement No. 74** – *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The provisions of GASB Statement No. 74 are effective for financial statements beginning after June 15, 2016. The County has not fully judged the impact of implementation of GASB Statement No. 74 on the financial statements.
- **GASB Statement No. 75** – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions of GASB Statement No. 75 are effective for financial statements beginning after June 15, 2017. The County has not fully judged the impact of implementation of GASB Statement No. 75 on the financial statements.
- **GASB Statement No. 77** – *Tax Abatement Disclosures*. The provisions of GASB Statement No. 77 are effective for financial statements beginning after December 15, 2015. The County has not fully judged the impact of implementation of GASB Statement No. 77 on the financial statements.
- **GASB Statement No. 78** – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The provisions of GASB Statement No. 78 are effective for financial statements beginning after December 15, 2015. The County has not fully judged the impact of implementation of GASB Statement No. 78 on the financial statements.
- **GASB Statement No. 80** – *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*. The provisions of GASB Statement No. 80 are effective for financial statements beginning after June 15, 2016. The County has not fully judged the impact of implementation of GASB Statement No. 80 on the financial statements.
- **GASB Statement No. 81** – *Irrevocable Split-Interest Agreements*. The provisions of GASB Statement No. 81 are effective for financial statements beginning after December 15, 2016. The County has not fully judged the impact of implementation of GASB Statement No. 81 on the financial statements.
- **GASB Statement No. 82** – *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The provisions of GASB Statement No. 82 are effective for financial statements beginning after June 15, 2016 – except for the requirements of paragraph 7 in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The County has not fully judged the impact of implementation of GASB Statement No. 82 on the financial statements.

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 held by the County Treasurer in a cash management investment pool (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 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.

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, 2016, the special purpose authorities' cash and pooled investments were approximately 68.9% of the County Treasurer's Office pooled investment portfolio.

GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, requires 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 value as of June 30, 2016. The dollars deposited in the program have been increased by \$11,347 to reflect the increase in the fair value of the investment in the Treasury Pool at June 30, 2016.

In addition, investments outside the Investment Pool were adjusted to fair value as of June 30, 2016, resulting in an increase of \$8.

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 October 3 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 (also known as the "Teeter Plan") whereby secured property taxes were distributed to participating taxing entities (including the County and related

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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 on 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.

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.

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

Assets	Years
Buildings	50
Building improvements	20-50
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.

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 5, 8, 12, 13, 14, 15, 16 and 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, 2, 3, 4, 6 and 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 Bargaining 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 and 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

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converted hours. Employees in these same Bargaining 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.

The County has a sick leave buyback program that allows employees to be compensated on the second pay date in February for a portion of their unused sick leave based on their years of service and usage in the prior year. Employees with three to five years of service may convert up to 40 hours of sick leave (up to 56 hours for employees on a 56 hour work schedule). Employees with over five years may convert up to 60 hours (up to 84 hours for employees on a 56 hour work schedule). The amount available for conversion is reduced by the sick leave used in the year ending the 26th of December just prior to the February pay out.

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

During most fiscal years, the County issues Tax and Revenue Anticipation Notes (TRANs) 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. However, the County did not issue nor have any outstanding TRANs during the year ended June 30, 2016.

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 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 position that applies to a future period 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.

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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 County Administrative Office (CAO).

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. These accounting principles require 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 31.

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 33.

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 fund, and capital projects fund. A balanced operating budget is adopted each fiscal year for the FCD, which is governed by the Board and of which the Auditor-Controller is the ex-officio Finance Officer. The PFA and the PFC 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 TBSMD (blended component unit), which is governed by the Board and of which the Auditor-Controller is the ex-officio Finance Officer.

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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.

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 County Administrative Officer, 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 Section 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, 2016, appropriations in the General Fund were increased by \$9,147.

B. INDIVIDUAL FUND DEFICITS

At June 30, 2016, the following internal service funds reported fund deficits:

Funds	Deficit Balance
Insurance Fund	\$ (4,045)
Central Services Fund	\$ (4,358)

Funding for workers' compensation insurance and general liability insurance, in part, comprise the balance of the insurance fund. In prior fiscal years, the deficit balance in the area of workers' compensation insurance was offset by the balance for general liability insurance. In connection with the 2016/17 Cost Plan Negotiation Agreement between the State Controller's Office and the County, the excess funds designated for general liability insurance were transferred to a trust fund and then rebated to the affected fund participants during the 2015/16 fiscal year. Since this rebate depleted the balance in the general liability insurance reserve, it did not offset the deficit balance for workers' compensation insurance, thereby causing a deficit balance in the aggregated insurance fund.

The balance in the central services fund is designated for internal services within the County, such as building and grounds maintenance, custodial services, print and copier costs, utilities, and data processing. In relation to the 2016/17 Cost Plan Negotiation Agreement, the unreserved earnings designated for custodial services, print and copier costs, and utilities were rebated to the affected fund participants during the 2015/16 fiscal year. This rebate activity within the central services fund caused the fund to have a deficit balance.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2016, expenditures appear to have exceeded appropriations by \$266 in the capital outlay function of the Structural Fire fund. However, this is attributed to a timing issue related to the purchase of four fire trucks. The amounts recorded in the capital outlay function for fiscal year 2016 reflect the total cost of the four fire trucks.

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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 the Government Code. "Investments" in the governmental funds' balance sheet represent the investment of assets associated with the PFC and the PFA, 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 deposit. As of June 30, 2016, the County's bank deposits had a carrying amount of \$207,393 and the balance per the financial institutions totaled \$201,064. 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, \$5,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$195,737 was collateralized pursuant to California Government Code and the remaining \$327 was unsecured. The collateral is held by the pledging financial institution's trust department or its agent and is considered to be held in the County's name.

Investments. The Pool's cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer. The objectives of the policy are, in order of priority: preservation of capital, liquidity, and yield. The Treasurer reports on a monthly basis to the Board. Additionally, there is an Oversight Committee established under California 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 of California and local agencies
- (D) Obligations of Federal Agencies or U.S. Government-sponsored enterprises
- (E) Obligations of Supranationals rated "AA" or better
- (F) Bankers Acceptances eligible for purchase by the Federal Reserve System
- (G) Commercial Paper rated A-1 by Standard & Poor's Corporation (S&P) or, P-1 by Moody's Commercial Paper Record (Moody's)
- (H) Negotiable Certificates of Deposit
- (I) Medium-Term Corporate Notes rated "A" or better
- (J) Money Market Funds
- (K) Repurchase and Reverse Repurchase Agreements
- (L) Local Agency Investment Fund (LAIF)
- (M) Managed Investment Pools pursuant to §53601
- (N) Asset Backed Securities rated "AA" or better

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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, 2016, the County invested in primarily high quality investments as shown below:

Credit Ratings	
AAA	14%
A-1 (short-term rating)	7%
AA	62%
A	9%
SP-1+	1%
Not Rated**	7%
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 represents the following:

- A \$65,040 deposit in LAIF, the State of California Investment Fund.
- A \$134 deposit into the Great-West Portfolio Fund associated with the County’s Deferred Compensation Forfeiture/Asset Holding Account.
- Various individual securities totaling \$88,515 which were not rated by S&P, however, they were rated by Moody’s and Fitch with an A or better.

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, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, the County held investments (excluding deposit accounts) in excess of 5% of the total year-end investments for the following issuers:

Issuer	Amount	Percentage
U.S. Treasury	\$ 258,826	21.6%
Federal National Mortgage Association	172,285	14.4%
Federal Home Loan Mortgage Corporation	86,347	7.2%
California Local Agency Investment Fund	65,040	5.4%
Total	\$ 582,498	48.6%

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. 40, the County is required to disclose custodial credit risk for investment securities that are uninsured and unregistered in the County’s name, and are held by either (a) the counterparty or (b) the counterparty’s trust department or agent but not in the County’s name.

As of June 30, 2016, none of the investments in the County’s portfolio meet the custodial credit risk disclosure requirement. The entire portfolio, with the exception of Money Market Funds, consist of investment securities that are insured or registered, or securities held by the County or its agent in the County’s name. The investment in Money Market 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.

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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 by 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 weighted average maturity of the Treasurer's Investment Pool as of June 30, 2016 is 699 days (1.92 years).

The County's investments as of June 30, 2016 are as follows:

	Carrying Value	Reported Amount/Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury Obligations	\$ 254,480	\$ 258,826	1,348	0.750% - 3.500%	11/30/2016 - 04/30/2021
Federal Agency Obligations	318,175	322,241	926	0.450% - 1.898%	12/16/2016 - 02/18/2021
Supranational Obligations	33,503	33,673	762	0.625% - 1.000%	10/14/2016 - 05/13/2019
Corporate Notes/Bonds	289,304	291,801	878	0.480% - 6.000%	08/18/2016 - 03/01/2021
Municipal Obligations	16,085	16,185	538	1.472% - 2.054%	07/01/2017 - 10/01/2019
Commercial Paper	18,746	18,774	118	0.740% - 1.040%	07/25/2016 - 03/13/2017
Negotiable Time Deposits	92,018	92,075	396	1.000% - 1.700%	04/06/2017 - 03/09/2018
	<u>1,022,311</u>	<u>1,033,575</u>			
Other Investments:					
Money Market Funds	46,360	46,360			
LAIF Managed Pool	65,000	65,040			
Other Managed Pool	55,296	55,296			
Total Other Investments	<u>166,656</u>	<u>166,696</u>			
Total Investments	<u>\$ 1,188,967</u>	<u>\$ 1,200,271</u>			

As of June 30, 2016, the County's investments totaled \$1,200,271 and there was not an investment in Structured Notes nor any derivative products as defined by Financial Accounting Standards Board (FASB) Statement No. 133.

Mortgage and Asset-Backed Securities. Mortgage and asset-backed securities entitle the County to receive a share of the cash flows (principal and interest repayments) associated with a pool of loans, leases, credit card debt, or other receivables. As of June 30, 2016, 6.26% of the County's investments is invested in mortgage and asset-backed securities rated AA or better.

Issuer	Amount	Percentage of Portfolio	S&P Rating
Ally Auto Receivables Trust	\$ 974	0.08%	AAA
Chase Issuance Trust	3,562	0.30%	AAA
Citibank Credit Card Issuance Trust	3,073	0.26%	AAA
Federal Home Loan Mortgage Corporation	8,217	0.68%	AA+
Federal National Mortgage Association	17,614	1.47%	AA+
Honda Auto Receivables Trust	14,895	1.24%	AAA
John Deere Owner Trust	10,061	0.84%	NR ¹
Nissan Auto Receivables Trust	8,696	0.72%	NR ¹
Toyota Auto Receivables Trust	8,000	0.67%	AAA

¹ These securities are not rated by Standard & Poor's, however are rated Aaa by Moody's.

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, 2016, the County's investment in LAIF is \$65,040. The total amount recorded by all

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public agencies in LAIF at that date was \$22,712,085. Of that amount, 2.81% of the portfolio is invested in medium-term and short-term structured notes and asset-backed securities.

California Asset Management Program (CAMP). The CAMP Pool is a short-term money market portfolio and cash management vehicle managed to maintain a dollar-weighted average portfolio maturity of 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1.00. The Pool invests in obligation of the United States Government and its agencies, high quality, short-term debt obligations of U.S. companies and financial institutions and is AAA rated by Standard & Poor's.

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 fair value of the securities underlying the repurchase agreements must be valued at 102% or greater. The Investment Pool's Investment Policy reflects this requirement. As of June 30, 2016, the County had no outstanding repurchase agreements.

Fair Value Measurements. The County categorizes its fair value measurements within the framework established by GASB Statement No. 72, *Fair Value Measurements and Application*. That framework provides a three-tiered fair value hierarchy as follows:

- Level 1 – reflect unadjusted quoted prices in active markets for identical assets.
- Level 2 – reflect inputs that are based on a similar observable asset either directly or indirectly.
- Level 3 – reflect unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2016:

	Fair Value Measurements			Total
	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	
U.S. Treasury Obligations	\$ -	\$ 258,826	\$ -	\$ 258,826
Federal Agency Obligations	-	322,241	-	322,241
Supranational Obligations	-	33,673	-	33,673
Corporate Notes/Bonds	-	291,801	-	291,801
Municipal Obligations	-	6,185	10,000	16,185
Commercial Paper	-	18,774	-	18,774
Negotiable Time Deposits	-	92,075	-	92,075
Total Investments Measured at Fair Value	\$ -	\$ 1,023,575	\$ 10,000	1,033,575
Other Investments:				
Money Market Funds				46,360
LAIF Managed Pool				65,040
CAMP Managed Pool				55,296
Total Other Investments				166,696
Total Investments				\$ 1,200,271

The County obtains its fair values from its Safekeeping Agent who utilize a pricing vendor. The pricing vendor uses numerous inputs to obtain their fair value measurements including pricing feeds, broker pricing information, matrix pricing, and other market data. All prices were obtained from the Safekeeping Agent and were considered Level 2, with the exception of a short-term loan agreement/promissory note with the Tulare County Transportation Authority which was considered Level 3.

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 value in the balance sheet and the statement of net position and

COUNTY OF TULARE
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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 value of the participant's position in the Pool. The fair 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, 2016, the Treasury Pool investment income was comprised of the following:

Investment Income	Amount
Interest and Dividends	\$ 13,951
Net Increase in the Fair Value	10,561
Less: Investment Expenses	(1,528)
Total Treasury Pool Income	\$ 22,984

The net increase in the fair value of investments during fiscal year 2015/16 was \$10,561. This amount takes into account all changes in fair value (including sales resulting in a net gain of \$1,538) that occurred during the year. In accordance with GASB Statement No. 31, the net fair value adjustment on investments held as of June 30, 2016 was an increase of \$9,023.

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, and fiduciary funds, as well as the discretely presented component unit as of June 30, 2016:

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total	Component Unit - First 5 Tulare County
Cash in Banks	\$ 191	\$ 263	\$ -	\$ 5,389	\$ 5,843	\$ 351
Investment in Treasury Pool	344,742	21,364	33,598	888,245	1,287,949	6,460
Restricted Investments in Pool	-	49,756	-	-	49,756	-
Investments	3,092	-	-	-	3,092	-
Restricted Investments	56,584	-	-	-	56,584	-
Imprest Cash	77	3	500	-	580	-
Deposits with Others	-	-	-	190	190	158
	\$ 404,686	\$ 71,386	\$ 34,098	\$ 893,824	\$ 1,403,994	\$ 6,969

The following represents a condensed statement of net position and changes in net position for the Treasury Pool as of June 30, 2016:

Statement of Net Position	
Net position held in trust for all pool participants	\$ 1,344,165
Equity of internal pool (County) participants	\$ 417,605
Equity of external pool (Non-County) participants	926,560
Total Equity	\$ 1,344,165
Statement of Changes in Net Position	
Net position as of July 1, 2015	\$ 1,206,273
Net additions/withdrawals by pool participants	113,380
Net increase in the investment fair value:	
Realized gains/losses from sales	1,538
Market value gain on investments held at year-end	9,023
Interest and dividends earned	13,951
Net Position as of June 30, 2016	\$ 1,344,165

COUNTY OF TULARE
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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	Nonmajor Governmental	ISF	Solid Waste	Nonmajor Enterprise	Total
Receivables:						
Accounts	\$ 3,755	\$ 2,561	\$ 15	\$ 1,836	\$ 176	\$ 8,343
Property taxes	454	-	-	-	-	454
Notes	-	16,855	-	-	-	16,855
Due from other governments	19,283	16,381	130	-	452	36,246
Total Receivables	<u>\$ 23,492</u>	<u>\$ 35,797</u>	<u>\$ 145</u>	<u>\$ 1,836</u>	<u>\$ 628</u>	<u>\$ 61,898</u>

C. RESTRICTED ASSETS

Restricted assets in the governmental funds include \$56,584 in the PFA for future debt service. Restricted assets in the business-type funds include \$49,740 in the Solid Waste fund for future closure/post closure expenses for disposal sites and \$16 for landfill groundwater contingencies.

D. DEFERRED OUTFLOWS AND 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 outflows of resources in the government-wide and proprietary fund statements. These items are a consumption 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. Deferred outflows of resources that are reported in the proprietary funds are included in the government-wide statement of net position.

Deferred outflows of resources balances for the year ended June 30, 2016 are as follows:

Government-wide Deferred Outflows of Resources		
Governmental Activities		
Pensions	\$ 96,643	
Total Governmental Activities	<u>96,643</u>	
Business-type Activities		
Pensions	443	
Total Business-type Activities	<u>443</u>	
Total Government-wide Deferred Outflows of Resources	<u>\$ 97,086</u>	
Proprietary Funds Deferred Outflows of Resources		
Solid Waste		
Pensions	\$ 412	
Total Major Enterprise Funds Deferred Outflows of Resources	<u>412</u>	
Nonmajor Enterprise Deferred Outflows of Resources		
Transit Fund		
Pensions	31	
Total Nonmajor Enterprise Funds Deferred Outflows of Resources	<u>31</u>	
Total Enterprise Funds Deferred Outflows of Resources	<u>\$ 443</u>	
Internal Service Funds Deferred Outflows of Resources		
Central Services		
Pensions	\$ 3,300	
Total Internal Service Funds Deferred Outflows of Resources	<u>\$ 3,300</u>	

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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, 2016 are as follows:

Government-wide Deferred Inflows of Resources	
Governmental Activities	
Community Development Block Grant (CDBG)	\$ 4,906
HOME Program Grant	11,168
Pensions	1,721
Total Governmental Activities	<u>17,795</u>
Business-type Activities	
Pensions	11
Total Business-type Activities	<u>11</u>
Total Government-wide Deferred Inflows of Resources	<u>\$ 17,806</u>
Governmental Funds Deferred Inflows of Resources	
General Fund:	
Senate Bill (SB) 90	\$ 2,622
Agricultural Commissioner - Mill Tax	1,365
Agricultural Commissioner - Other	652
Tax Apportionment	454
General Fund - Other	366
Total General Fund	<u>5,459</u>
Special Revenue Funds:	
Tobacco Settlement	2,469
CDBG	4,906
HOME Program Grant	11,168
Total Special Revenue Funds	<u>18,543</u>
Total Nonmajor Funds Deferred Inflows of Resources	<u>18,543</u>
Total Governmental Funds Deferred Inflows of Resources	<u>\$ 24,002</u>
Proprietary Funds Deferred Inflows of Resources	
Solid Waste	
Pensions	\$ 10
Total Major Enterprise Funds Deferred Inflows of Resources	<u>10</u>
Nonmajor Enterprise Deferred Inflows of Resources	
Transit Fund	
Pensions	1
Total Nonmajor Enterprise Funds Deferred Inflows of Resources	<u>1</u>
Total Enterprise Funds Deferred Inflows of Resources	<u>\$ 11</u>
Internal Service Funds Deferred Inflows of Resources	
Central Services	
Pensions	\$ 83
Total Internal Service Funds Deferred Inflows of Resources	<u>\$ 83</u>

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E. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 is as follows:

<u>Capital Assets - Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 935,562	\$ 4,488	\$ -	\$ 940,050
Construction in Progress	8,249	2,937	(2,848)	8,338
Infrastructure in Progress	81,985	10,073	(61,280)	30,778
Total capital assets, not being depreciated	<u>1,025,796</u>	<u>17,498</u>	<u>(64,128)</u>	<u>979,166</u>
<i>Capital assets, being depreciated:</i>				
Infrastructure	707,288	61,282	(322)	768,248
Buildings and Improvements	210,080	21,137	-	231,217
Equipment/Vehicles	83,623	7,849	(2,250)	89,222
Total capital assets being depreciated	<u>1,000,991</u>	<u>90,268</u>	<u>(2,572)</u>	<u>1,088,687</u>
<i>Less accumulated depreciation for:</i>				
Infrastructure	(281,973)	(14,157)	33	(296,097)
Buildings and Improvements	(82,922)	(4,985)	-	(87,907)
Equipment/Vehicles	(61,479)	(6,094)	2,146	(65,427)
Total accumulated depreciation	<u>(426,374)</u>	<u>(25,236)</u>	<u>2,179</u>	<u>(449,431)</u>
Total capital assets, being depreciated, net	<u>574,617</u>	<u>65,032</u>	<u>(393)</u>	<u>639,256</u>
Governmental activities capital assets, net:	<u>\$ 1,600,413</u>	<u>\$ 82,530</u>	<u>\$ (64,521)</u>	<u>\$ 1,618,422</u>
Business-type activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,728	\$ -	\$ -	\$ 6,728
Construction in Progress	184	20	-	204
Total capital assets, not being depreciated	<u>6,912</u>	<u>20</u>	<u>-</u>	<u>6,932</u>
<i>Capital assets, being depreciated:</i>				
Buildings and Improvements	31,599	-	-	31,599
Equipment/Vehicles	15,584	78	(111)	15,551
Total capital assets being depreciated	<u>47,183</u>	<u>78</u>	<u>(111)</u>	<u>47,150</u>
<i>Less accumulated depreciation for:</i>				
Buildings and Improvements	(17,361)	(1,467)	-	(18,828)
Equipment/Vehicles	(11,848)	(1,096)	103	(12,841)
Total accumulated depreciation	<u>(29,209)</u>	<u>(2,563)</u>	<u>103</u>	<u>(31,669)</u>
Total capital assets, being depreciated, net	<u>17,974</u>	<u>(2,485)</u>	<u>(8)</u>	<u>15,481</u>
Business-type activities capital assets, net:	<u>\$ 24,886</u>	<u>\$ (2,465)</u>	<u>\$ (8)</u>	<u>\$ 22,413</u>

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

Depreciation	
Governmental activities:	
General government	\$ 1,779
Public protection	4,999
Public ways and facilities	15,508
Health and sanitation	1,426
Public assistance	605
Education	263
Culture and recreation	655
Total depreciation expense - governmental activities	\$ 25,235
Business-type activities:	
Solid Waste	\$ 1,793
Nonmajor enterprise funds	770
Total depreciation expense - business-type activities	\$ 2,563

The County has active construction and other projects as of June 30, 2016, including improvements to Fire Station #1, rehabilitation of the airport, construction of the South County Detention Facility, building of the Porterville Mental Health Services Administration Facility, and various other infrastructure projects.

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

	Spent-to-Date	Remaining Commitment
Capital Project - Active Construction		
Governmental Funds		
Fire Station #1	\$ 350	\$ 2,857
Porterville Mental Health Services Administration Facility	104	2,722
South County Detention Facility	5,665	11,643
Sequoia Field Program Facility	170	4,063
Vocational Education Building	31	664
Simulcast Communications System	222	-
Blue Ridge Tower	466	-
Probation Camera Project	995	5
Property and Evidence (Architecture/Engineering Costs)	63	187
London Library	272	119
Roads:		
Environmental Review of Existing Roads	20,943	-
Repair or Bridge Replacement	8,588	-
Other Improvements	1,247	-
Total Governmental Funds	39,116	22,260
Enterprise Funds		
Transit Operations and Maintenance Facility	204	-
Total Enterprise Funds	204	-
Total Construction and Infrastructure in Progress	\$ 39,320	\$ 22,260

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (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 fund balances as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 220
	Nonmajor Enterprise	939
Internal Service Fund	General	531
	Total	<u><u>\$ 1,690</u></u>

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 that 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, 2016 is as follows:

<u>Due To/From Other Funds</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor Governmental	General	<u>\$ 5,440</u>
Nonmajor Enterprise	General	\$ 2
	Nonmajor Governmental	352
	Subtotal	<u>\$ 354</u>
Solid Waste	General	<u>\$ 30</u>
Internal Service	General	<u>\$ 235</u>
	Total	<u><u>\$ 6,059</u></u>

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G. TRANSFERS

Transfers to/from other County funds for the fiscal year ended June 30, 2016, 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, 2016 is as follows:

	Transfers From:			Transfers To:			
	General	Public Facilities Corporation	Public Financing Authority	Realignment-Social Services Fund	Nonmajor Governmental	Internal Service Fund	Total Transfers
General	\$ -	\$ -	\$ -	\$ 946	\$ 37,494	\$ 114	\$ 38,554
Public Facilities Corporation	-	-	21	-	-	-	21
Public Financing Authority	-	-	-	-	2,500	-	2,500
Realignment-Social Services Fund	66,176	-	-	-	-	-	66,176
Nonmajor Governmental	21,280	1,011	3,811	-	11,208	-	37,310
Solid Waste	302	-	-	-	-	-	302
Nonmajor Enterprise	3	-	-	-	-	-	3
Internal Service Fund	500	-	-	-	16	-	516
Total transfers	<u>\$ 88,261</u>	<u>\$ 1,011</u>	<u>\$ 3,832</u>	<u>\$ 946</u>	<u>\$ 51,218</u>	<u>\$ 114</u>	<u>\$ 145,382</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 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 \$1,719 of accumulated depreciation for a net carrying amount of \$288. The revenues realized for the fiscal year ended June 30, 2016 were \$1,277. The minimum future rentals for non-cancellable operating leases are as follows:

Future Rentals	
Year Ending June 30,	Amount
2017	\$ 1,721
2018	1,690
2019	1,688
2020	1,688
2021	1,578
2022-2026	1,157
2027-2031	15
2032-2036	4
Total	<u>\$ 9,541</u>

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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, 2016 were \$8,430. The future minimum lease payments for these leases are as follows:

Operating Leases	
Year Ending June 30,	Amount
2017	\$ 5,577
2018	4,878
2019	4,240
2020	4,057
2021	3,336
2022-2026	6,937
2027-2031	139
2032-2036	131
2037-2041	33
Total	\$ 29,328

In addition to real property leases, the County has also entered into long-term leases for personal property, the majority of which are 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, 2016 was approximately \$145.

Capital Lease (County as Lessee) The County entered into a lease agreement as lessee for financing the acquisition of a copier with a five-year estimated useful life. The lease agreement qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The future minimum lease payments for the lease are as follows:

Capital Lease		
Year Ending June 30,	Governmental Activities	
	Principal	Interest
2017	\$ 9	\$ 2
2018	9	1
2019	9	1
2020	9	1
Total	\$ 36	\$ 5

J. SHORT-TERM DEBT

Tax and Revenue Anticipation Notes During most fiscal years, the County issues 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 is paid from pledged property taxes and revenues the County receives during the fiscal year. However, the County did not issue or have any outstanding TRANs during the fiscal year ended June 30, 2016.

K. LONG-TERM DEBT

Certificates of Participation The PFC 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 fund activities.

COUNTY OF TULARE
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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.

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 Certificates of Participation			
Date Issued	Purpose of Debt	Interest Rates	Amount
September 2, 1993	Business-type activities	5.00%	\$ 396
February 23, 1994	Business-type activities	5.00%	57
August 16, 1994	Business-type activities	4.50%	43
September 14, 1994	Business-type activities	4.50%	34
May 28, 1996	Business-type activities	4.50%	706
		Total	\$ 1,236

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

Certificates of Participation		
Year Ending June 30,	Business-type Activities	
	Principal	Interest
2017	\$ 44	\$ 58
2018	45	57
2019	46	54
2020	46	52
2021	48	50
2022-2026	286	212
2027-2031	358	141
2032-2036	363	53
Total	\$ 1,236	\$ 677

Variable Rate Demand Bonds On December 17, 1999, the PFA 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 PFA 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.

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

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

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

Public Financing Authority Variable Rate Demand Bonds		
Year Ending June 30,	Governmental Activities	
	Principal	Interest
2017	\$ 1,010	\$ 189
2018	1,110	183
2019	1,110	177
2020	1,210	170
2021	1,305	163
2022-2026	7,905	692
2027-2031	10,635	432
2032-2035	11,260	97
Total	\$ 35,545	\$ 2,103

Loans Payable In 2006, the County borrowed \$7,084 with an interest rate 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:

Loans Payable		
Year Ending June 30,	Governmental Activities	
	Principal	Interest
2017	\$ 499	\$ 126
2018	518	106
2019	539	86
2020	560	64
2021	583	42
2022-2023	760	20
Total	\$ 3,459	\$ 444

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, 2016, 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 \$5 and bear interest at 5% per annum. This matures in 2027, a 40-year period. The bonds were issued under Health and Safety Code Section 49000. The bonds will be redeemed with monies raised from service charges associated with the sewer system operation.

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

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2017	\$ -	\$ -
2018	-	-
2019	-	-
2020	-	-
2021	1	-
2022-2026	3	1
2027	1	-
Total	<u>\$ 5</u>	<u>\$ 1</u>

Changes in Long-term Liabilities The long-term liability activity for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
COPs payable	\$ 6,460	\$ -	\$ (6,460)	\$ -	\$ -
Variable rate demand bonds	36,460	-	(915)	35,545	1,010
Capital lease	-	45	(9)	36	9
Loans payable	3,938	-	(479)	3,459	499
Net OPEB obligation	14,789	1,319	(315)	15,793	-
Compensated absences	20,940	3,199	(2,599)	21,540	2,599
Liability claims payable	34,152	5,802	(8,566)	31,388	6,158
Accrued remediation cost	271	-	(271)	-	-
Net pension liability	147,209	143,407	-	290,616	-
Total Governmental activities	<u>\$ 264,219</u>	<u>\$ 153,772</u>	<u>\$ (19,614)</u>	<u>\$ 398,377</u>	<u>\$ 10,275</u>
<u>Business-type activities:</u>					
COPs payable	\$ 1,273	\$ -	\$ (37)	\$ 1,236	\$ 44
Bonds payable	6	-	(1)	5	-
Closure/post closure costs payable	41,880	-	(2,569)	39,311	-
Compensated absences	221	17	(17)	221	17
Net pension liability	953	928	-	1,881	-
Total Business-type activities	<u>\$ 44,333</u>	<u>\$ 945</u>	<u>\$ (2,624)</u>	<u>\$ 42,654</u>	<u>\$ 61</u>

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, 2016 was \$17,050. Of this amount, \$145 is recorded in enterprise funds. The value of accumulated sick leave at June 30, 2016 was calculated using a termination payment method and is accrued at \$3,174. Of this amount, \$44 is recorded in enterprise funds. The value of accumulated CTO at June 30, 2016 was \$1,537. Of this amount, \$32 is recorded in enterprise funds. The value of sick leave buy backs for future years cannot be accurately estimated, but for the fiscal year ended June 30, 2016, the County paid \$867 to employees through this program.

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 \$420,663 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2016. 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 \$284,747 include bonds for Buena Vista, Burton, Earlimart, Exeter, Liberty, Kings River, Pixley Union, Richgrove, Stone Corral, Sundale, Terra Bella, Traver, and Woodlake

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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 \$107 include bonds for Ducor Community Service District (CSD) and Ducor CSD Supplemental. The Special Districts General Obligation Bonds totaling \$132,342 are for the Kaweah Delta Hospital Bond and the Tulare Healthcare Bond.

M. LANDFILLS

State and federal laws and regulations require that the 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 \$32,415 as of June 30, 2016, which is based on an average of 39% usage (filled) of all landfill sites (remaining capacity determined as of August 18, 1989). It is estimated that an additional \$37,250 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 4.9 years for the Teapot Dome site, to 33.5 years for the Visalia site, to 74.8 years for the Woodville site. The estimated total current cost of the landfill closure and post closure care of \$69,666 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, 2016. 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, 2016, investments of \$32,415 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.

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, 2016, investments of \$5,455 are part of the pooled funds held by the County Treasurer.

As of June 30, 2016, the pooled funds held by the County Treasurer for financial assurance and closure/post closure maintenance total \$39,311 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) completed construction of the final remediation phase with a total cost of \$5,259; (2) construction and maintenance of a site perimeter fence; (3) maintenance of a surface soil sealant over affected soils; (4) periodic inspections by both County and DTSC staff; (5) maintenance of a liner system over the former pond area; and (6) removal and proper closure of underground storage tanks and concrete sumps. 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 the County in writing to discontinue or modify some or all of the interim remedial measures. Once the final report is approved, an Operations and Maintenance agreement will be negotiated with the DTSC. The agreement will specify the future site monitoring requirements. The County has spent \$530 on the final remediation phase for the fiscal year ended June 30, 2016.

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O. RESTRICTED NET POSITION

The County's Net Position Restricted for Laws or Regulations of Other Governments is as follows:

County Children's Trust	\$	87
Compliance Ordinance		11
Social Security Truncation Program		222
Title IV-E Federal		198
Memo Trust Deferred Compensation		134
Child Seat Loaner		81
Public Guardian		352
Children Wraparound Plan		604
Community Corrections Performance Incentive		37
State Narcotic Task Force		75
Local Revenue Fund 2011 (Assembly Bill 118)		3,604
Retirement Contributions		1,849
Various Others		3
Total Net Position Restricted for Laws or Regulations of Other Governments	<u>\$</u>	<u>7,257</u>

P. CONDENSED FINANCIAL STATEMENTS

The PFC 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 Maintenance District	County Service Area #1	County Service Area #2
Assets:			
Current assets	\$ 923	\$ 522	\$ 95
Restricted assets	-	-	16
Capital assets	908	2,854	281
Total assets	<u>1,831</u>	<u>3,376</u>	<u>392</u>
Liabilities:			
Current liabilities	30	81	8
Noncurrent liabilities	681	1,265	190
Total liabilities	<u>711</u>	<u>1,346</u>	<u>198</u>
Net Position:			
Net investment in capital assets	202	2,354	246
Restricted	-	-	16
Unrestricted (deficit)	918	(324)	(68)
Total net position	<u>\$ 1,120</u>	<u>\$ 2,030</u>	<u>\$ 194</u>

COUNTY OF TULARE
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Condensed Statement of Revenues, Expenses, and Changes in Net Position

	Terra Bella Sewer Maintenance District	County Service Area #1	County Service Area #2
Water and sewer charges	\$ 143	\$ 511	\$ 65
Other operating revenues	-	3	2
Depreciation expense	(53)	(165)	(14)
Other operating expenses	(127)	(624)	(109)
Operating income (loss)	(37)	(275)	(56)
Nonoperating revenues (expenses):			
Taxes and special assessments	38	-	-
Penalties collected	1	3	-
Investment earnings (expenses)	16	(2)	-
Interest expense	(33)	(34)	(3)
Change in net position	(15)	(308)	(59)
Beginning net position	1,135	2,338	253
Ending net position	\$ 1,120	\$ 2,030	\$ 194

Condensed Statement of Cash Flows

	Terra Bella Sewer Maintenance District	County Service Area #1	County Service Area #2
Net cash provided (used) by:			
Operating activities	\$ 19	\$ (56)	\$ (51)
Noncapital financing activities	39	43	40
Capital and related financing activities	(52)	(46)	(1)
Investing activities	16	(2)	-
Net increase (decrease)	22	(61)	(12)
Beginning cash and cash equivalents	840	426	109
Ending cash and cash equivalents	\$ 862	\$ 365	\$ 97

The County maintains three nonmajor enterprise funds that account for the maintenance and operations of a sewer system (TBSMD) and clean and safe water systems (County Service Areas #1 and #2).

COUNTY OF TULARE
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Q. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note I.E.10 for a description of these categories). A detailed schedule of fund balances at June 30, 2016 is as follows:

	Major Special Revenue Funds					Total
	General Fund	Public Facilities Corporation Fund	Public Financing Authority Fund	Realignment-Social Services Fund	Nonmajor Funds	
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 143	\$ 143
Prepaid items	1,849	-	-	-	529	2,378
Nonspendable subtotal	<u>1,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>672</u>	<u>2,521</u>
Restricted for:						
Alcohol and drug programs	5,105	-	-	-	-	5,105
Child support services	-	-	-	-	2,440	2,440
County clerk	7,909	-	-	-	-	7,909
Debt service bond agreement	-	36	56,176	-	-	56,212
Education programs	-	-	-	-	1,660	1,660
Environmental programs	1,162	-	-	-	-	1,162
Fire department programs	-	-	-	-	1,247	1,247
Health care programs	492	-	-	26,738	17,795	45,025
Law enforcement	14,427	-	-	-	-	14,427
Mental health care programs	10,770	-	-	-	-	10,770
Other purposes	5,405	-	-	-	3,905	9,310
Public ways and facilities programs	-	-	-	-	29,148	29,148
Restricted subtotal	<u>45,270</u>	<u>36</u>	<u>56,176</u>	<u>26,738</u>	<u>56,195</u>	<u>184,415</u>
Committed to:						
Advances to others	1,159	-	-	-	-	1,159
Ag commissioner improvements	-	-	-	-	195	195
Local youth offender rehabilitation facilities	-	-	-	-	650	650
Property Tax Aumentum System	13,365	-	-	-	-	13,365
Sequoia Field Program Facility	-	-	-	-	2,200	2,200
South County Detention Facility	-	-	-	-	4,100	4,100
Committed subtotal	<u>14,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,145</u>	<u>21,669</u>
Assigned to:						
Imprest cash	-	-	-	-	1	1
Other capital projects	-	-	3,500	-	21,880	25,380
Other purposes	-	-	-	-	1,423	1,423
Assigned subtotal	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>23,304</u>	<u>26,804</u>
Unassigned:	<u>84,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,868</u>
Total fund balances	<u>\$ 146,511</u>	<u>\$ 36</u>	<u>\$ 59,676</u>	<u>\$ 26,738</u>	<u>\$ 87,316</u>	<u>\$ 320,277</u>

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Notes to the Financial Statements
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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, and 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 exposed to workers' compensation claims arising out of job related injuries to County employees. The County uses a combination of self-insurance, pooled retentions with other counties, and commercial excess insurance to provide protection from loss. Premium is collected from County departments and deposited into the internal service funds to establish reserves to pay workers' compensation and general liability claims, 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 that may become claims are reported to the Risk Management Division for investigation, claim administration, and settlement. Incidents are immediately investigated and, when appropriate, a claim file is opened and reserves established to fund the value of the ultimate cost of the loss. In July of 2003, the County established a \$250 self-insured retention (SIR) for the general liability program and the retention remains at that value. The County purchases excess liability limits above its SIR to cover general liability, auto liability, and error and omissions claims. Total liability coverage limits for the fiscal year 2015/16 were \$35,000. Liability costs and settlements have occasionally exceeded the SIR. No settlements have exceeded the SIR during fiscal year 2015/16. There are currently seven open claims with reserves that exceed the SIR.

The property insurance program is a fully insured program and provides all risk coverage limits of \$600,000 and \$400,000 flood limits with a \$10 deductible for real and personal property. The property insurance program includes boiler and machinery coverage with a \$5 deductible. The vehicle deductible is \$20. Other property insurance program deductibles apply based on the loss type. The property insurance program covers the cost of an appraisal every five years for buildings valued at \$250 or more at no cost to the County. An appraisal of the County's buildings was completed in August of 2014 and the total insured value of the County's property assets is \$585,000. Insurance premium costs are collected from County agencies to cover individual claim deductibles and program administration expense.

The County purchases cyber liability coverage to protect against the release of personal or private information into the internet. The County purchases insurance coverage for aviation, watercraft, and medical malpractice liability exposures. The watercraft program deductible is \$5 and the medical malpractice program deductible is \$10. The County purchases a crime bond to protect against employee theft or dishonesty. The crime bond deductible is \$25 and coverage limits are \$15,000.

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. Approximately 58 counties and many municipalities and special districts participate in the program.

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 Committee 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, medical malpractice, and other insurance programs. CSAC-EIA provides primary and excess insurance, subsidizes the cost of actuarial services for its members, performs loss prevention services, and contracts with consultants to conduct claim administration audits of its members.

COUNTY OF TULARE
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Self-insured retention and coverage limits are as follows:

<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	10,000
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.

The County returned to a self-insured workers' compensation program on July 1, 2004. American International Group (AIG) provided a fully insured workers' compensation insurance policy for the previous six years. The workers' compensation program currently utilizes a \$125 SIR and includes statutory coverage limits. The workers' compensation fund covers the cost of the County safety analysts and County safety programs. The Risk Management Division self-administers the County safety program.

Effective April 2012, the County entered into a workers' compensation administration service agreement with third party claim administrator CorVel Corporation. CorVel Corporation performs claim administration on behalf of the County and makes claim payments from a joint revolving bank account of \$500. The revolving fund is reconciled at least monthly by the County. The County renewed its claim administration agreement with CorVel in April 2014 for one three-year term.

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

	<u>Workers' Compensation</u>	<u>General and Property Damage</u>	<u>Total</u>
Liability - June 30, 2014	\$ 29,316	\$ 6,293	\$ 35,609
Claims incurred	7,451	2,338	9,789
Claims payments	<u>(8,977)</u>	<u>(2,269)</u>	<u>(11,246)</u>
Liability - June 30, 2015	27,790	6,362	34,152
Claims incurred	5,749	53	5,802
Claims payments	<u>(6,376)</u>	<u>(2,190)</u>	<u>(8,566)</u>
Liability - June 30, 2016	<u>\$ 27,163</u>	<u>\$ 4,225</u>	<u>\$ 31,388</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-EIA 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 more than 500 California cities,

COUNTY OF TULARE
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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.

Consolidated Waste Management Authority (CWMA) On December 14, 1999, the cities of Visalia, Porterville, Lindsay, Dinuba, and Tulare entered into a Joint Powers Agreement which was created and established by 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 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. In December 2015, CWMA ceased operations. 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.

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 93223.

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.

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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 at 210 North Church Street, Visalia, California 93291.

Tulare County Service Authority for the Abatement of Abandoned Vehicles (TCSAAAV) The TCSAAAV 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 TCSAAAV 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, California 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’s Office, 2281 Tulare Street #105, Fresno, California 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. CONTINGENT LIABILITIES

As of June 30, 2016, the County was a defendant in a lawsuit with one of its unions, the Service Employees International Union (SEIU). The dispute is regarding the County’s frozen merits and promotions for SEIU members for the period of July 31, 2011 through July 28, 2012. The County received an unfavorable ruling on July 11, 2016 from the Court of Appeal of the State of California Fifth Appellate District. As a result of the ruling, the County has been ordered to pay back wages to some of the SEIU members, along with seven percent interest on the wages. The following table presents the liability of the County as of June 30, 2016 for past wages and interest:

	General Fund	Nonmajor Governmental Funds	Internal Service Funds	Fiduciary Funds	Total
Salary Expense	\$ 2,415	\$ 158	\$ 227	\$ 38	\$ 2,838
Benefit Expense	507	33	48	8	596
Interest Expense	1,021	67	95	16	1,199
Total Contingent Liability	<u>\$ 3,943</u>	<u>\$ 258</u>	<u>\$ 370</u>	<u>\$ 62</u>	<u>\$ 4,633</u>

Furthermore, 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.

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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.

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 (18 years).

D. 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.

E. EMPLOYEE RETIREMENT SYSTEM

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, the Strathmore Public Utility District, and Tulare County Association of Governments. 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 <http://www.tcera.org/Investment-Financial/>.

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TCERA oversees four County pension plans, which provide retirement, disability and death benefits. The passage of the California Public Employees' Pension Reform Act (PEPRA) of 2012 resulted in the establishment of Tier 4 which has two rate tiers for both general and safety members. The PEPRA created limits on pensionable compensation tied to Social Security taxable wage base for Tier 4 members. The aggregate effect of the PEPRA will ultimately decrease the County's retirement cost. The eligibility of membership for the four tiers is as follows:

Summary of Plans and Eligible Participants

Open for New Enrollment:

General Tier 4	General members who have a membership date on or after January 1, 2013, and who are not eligible for reciprocity with another qualified pension plan, may continue in plan.
Safety Tier 4	Safety members who have a membership date on or after January 1, 2013, and who are not eligible for reciprocity with another qualified pension plan, may continue in plan.

Closed to New Enrollment:

General Tier 3	General members who have a membership date on or between January 1, 1990 through December 31, 2012, may continue in plan.
Safety Tier 3	Safety members who have a membership date on or between January 1, 1990 through December 31, 2012, may continue in plan.
General Tier 2	General members who have a membership date on or between January 1, 1980 through December 31, 1989, may continue in plan.
Safety Tier 2	Safety members who have a membership date on or between January 1, 1980 through December 31, 1989, may continue in plan.
General Tier 1	General members who have a membership date on or before December 31, 1979, may continue in plan.
Safety Tier 1	Safety members who have a membership date on or before December 31, 1979, may continue in plan.

Tier 1 - Benefits are calculated using the highest average one-year salary. Tier 1 members receive a maximum of 3% cost-of-living annually after retirement. Tier 1 general members with service earned on or after July 1, 2005 are now subject to Internal Revenue Service (IRS) Section 415 limits due to the implementation of a new benefit formula. Only Tier 1 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 1 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 2 - Benefits are calculated using the highest average three-year salary. Tier 2 members receive a maximum of 2% cost-of-living annually after retirement. Tier 2 general members with service earned on or after July 1, 2005 are now subject to IRS Section 415 limits due to the implementation of a new benefit formula. Only Tier 2 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 2 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 3 - Benefits are calculated using the highest average three-year salary. Tier 3 members receive a maximum of 2% cost-of-living annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRS Section 415 limits. All Tier 3 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 4 - Benefits are calculated using the highest average three-year salary. Tier 4 members receive a maximum of 2% cost-of-living annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRS Section 415 limits. Tier 4 members are not subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Benefits Provided

Tiers 1, 2, and 3

The benefit is a percentage of monthly final average salary per year of service, depending on age at retirement. Due to the fact that TCERA is integrated with Social Security, the benefit is reduced by one-third of the percentage multiplied by the first \$350 of monthly final average salary per year of service credited after January 1, 1956. Benefits partially vest at five years of service and full vesting requires ten years of service and a minimum age of 50 in order to receive a lifetime monthly retirement benefit. General

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

members with 30 years of service and safety members with 20 years of service, are eligible for retirement benefits at any age. Members who reach age 70, regardless of years of service, are eligible for retirement benefits.

Tier 4

The benefit is a percentage of monthly final average salary per year of service, depending on the age at retirement. Benefits fully vest at five years of service and at a minimum age of 52 for general members and 50 for safety members.

Disability Benefit

Service related disability benefits are based upon the greater amount of 50% of final average salary, or service retirement benefit, if the member is eligible.

Non-service connected disability, in accordance with Section 31727.7, in lieu of any other allowance, a member who has five years or more of credited service shall receive a disability allowance equal to the percentage of final compensation set forth opposite the member's number of years in the following table:

Years of Service	Percentage of Final Compensation
Five years, but less than six years	20.0%
Six years, but less than seven years	22.0%
Seven years, but less than eight years	24.0%
Eight years, but less than nine years	26.0%
Nine years, but less than ten years	28.0%
Ten years, but less than eleven years	30.0%
Eleven years, but less than twelve years	32.0%
Twelve years, but less than thirteen years	34.0%
Thirteen years, but less than fourteen years	36.0%
Fourteen years, but less than fifteen years	38.0%
Fifteen or more years	40.0%

Termination Benefit

Upon termination, members' accumulated contributions are refundable with interest accrued through the prior interest crediting period (June 30 and December 31).

Death Benefit

If a member dies before retirement, the return of contributions with interest, along with a death benefit, is payable to the member's beneficiary or estate in the amount of one month's salary for each completed year of service under the retirement system, but not to exceed six (6) months' salary. In lieu of the basic death benefit, if a member dies after becoming eligible for service retirement or non-service connected disability, an eligible spouse or minor child may elect to receive 60% of the allowance that the member would have received for retirement as of the day of their death. If the member dies in the performance of duty, an eligible spouse or minor child receives 50% of the member's final average salary.

If the member dies after retirement, then the benefits depend upon the type of retirement, the member's employment status at retirement, and the retirement option selected. If the retirement was for service connected disability, 100% of the member's basic allowance as it was at death is continued to the surviving spouse for life. If the retirement was for other than service connected disability, and the unmodified option was selected at the time of retirement, 60% of the member's allowance is continued to an eligible spouse for life. If the deceased member retired directly from active employment with a TCERA employer, a lump sum burial benefit of \$5,000 is paid to the beneficiary or estate.

Specific details for the retirement benefit calculations for each tier, including benefit factors, can be found in TCERA's Comprehensive Annual Financial Report, which is available at TCERA's website: <http://www.tcera.org/Investment-Financial/>.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

Contributions

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the TCERA's Board of Retirement.

Member

The basic member rates are based on a formula reflecting the member's age of entry into TCERA. The rates are set to provide a retirement amount that is equal to a fractional part of the highest year(s) salary, based on membership and tier. For members integrated with Social Security, the contributions are reduced by one-third of such contribution payable with respect to the first \$350 of monthly salary. Due to a collective bargaining agreement, the County has a legal obligation to contribute 50% of the contributions required for active Tier 1 plan members. The rates reflected for Tier 1 members do not reflect the County "pickup."

Employer

The employer rates are actuarially determined annually to provide for the balance of the contributions needed to fund the promised benefits as set forth in the County Employees Retirement Act of 1937. Employer contribution rates consist of two components: the normal cost and the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is being amortized over a declining 19-year period. The amortization method is level percentage of payroll. Contribution levels are recommended by the actuary and adopted by the Board each year. Employees contribute 5% to 20% of their annual pay based on their date of entrance into the plan, age at entry and membership type (General or Safety). The County's contribution to the plan for the year ended June 30, 2016 was \$29,506, which was 12.9% of covered-employee payroll. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of members.

Net Pension Liability

On June 30, 2016, the County reported a liability of \$292,497 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2016, the County's proportion was 95.2063%, which was an increase of 0.6434% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the County recognized pension expense of \$39,705. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,781	\$ -
Changes in assumptions	61,318	-
Net difference between projected and actual earnings on retirement plan investments	-	1,732
County contributions subsequent to the measurement date	29,987	-
	<u>\$ 97,086</u>	<u>\$ 1,732</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The deferred outflows of resources in the amount of \$29,987, related to pensions resulting from County contributions subsequent to the actuary measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2016	\$ 11,406
2017	11,406
2018	11,406
2019	29,915
2020	1,070
Thereafter	164
	<u>\$ 65,367</u>

Actuarial Assumptions

The total pension liability as of June 30, 2016, was determined by rolling forward the plan's total pension liability as of June 30, 2015 to June 30, 2016, and adjusting for the change in discount rate and other actuarial assumptions as of June 30, 2016.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

At June 30, 2016, the plan's long-term expected rate of return on pension plan investments was 7.70%, which was a decrease of 0.05% from the long-term expected rate of return, by the election of the Retirement Board. In future fiscal years the investment rate of return will be reduced by 0.05% until the rate reaches 7.00%.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

The mortality rates used by the actuary are as follows:

	2015	2014
Mortality – Healthy Lives	General Members: RP-2014 Sex Distinct Combined Healthy Tables with Generational Improvement Using Projections Scale MP-2015, increased by 12.1% to reflect plan experience.	General Members: RP-2014 Generational Mortality Table for Males/Females, with MP-2014 projection.
	Safety Members: RP-2014 Sex Distinct Combined Healthy Tables with Blue-collar Adjustment and Generational Improvement using Projections Scale MP-2015, increased by 4.5% to reflect plan experience.	Safety Members: RP-2014 Generational Mortality Table for Males, with blue-collar adjustment and MP-2014 projection.
		Mortality rates increased by 12.1% for General and 4.5% for Safety to reflect TCERA experience.
Mortality – Disabled Lives	All Members: RP-2014 Sex Distinct Generational Disabled Annuitant Mortality Table with Generational Improvement Using Projection Scale MP-2015.	RP-2014 Generational Mortality Table for Males/Females, with MP-2014 projection.
Mortality for Member Contribution Rate Purposes	RP-2014 Mortality Tables with Generational Improvement Using Projection Scale MP-2015.	RP-2014 Generational Mortality Table for Males/Females, with MP-2014 projection.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

The actuary salary increase assumptions are as follows:

Years of Service	General Members	Safety Members
0	5.00%	6.00%
1	4.50%	5.75%
2	4.00%	5.50%
3	2.50%	4.50%
4	2.25%	4.25%
5	2.00%	4.00%
6	1.75%	3.50%
7	1.50%	3.00%
8	1.00%	2.50%
9	0.50%	2.00%
10	0.50%	1.50%
11	0.50%	1.00%
12	0.50%	0.50%
13	0.50%	0.50%
14	0.50%	0.50%
15	0.50%	0.50%
16	0.50%	0.50%
17	0.50%	0.50%
18	0.50%	0.50%
19	0.50%	0.50%
20 or more	0.50%	0.50%

The investment ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	23.50%	3.50%
Non-U.S. Equity (developed and emerging)	23.50%	7.80%
Global Equity	3.00%	5.30%
Fixed Income	25.00%	1.00%
TIPS	5.00%	0.50%
Commodities	5.00%	2.00%
Real Estate	5.00%	3.00%
Private Equity	5.00%	5.60%
Hedge Funds	5.00%	3.90%
Total	<u>100.00%</u>	<u>4.30%</u>

Discount rate: At June 30, 2015, the discount rate (actuarially determined) used to measure the total pension liability was 7.70%, which was a decrease of 0.09% from the discount rate used as of June 30, 2014. The projection of cash flows used to determine the discount rate assumed that TCERA contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members until 2079. A municipal bond rate of 3.80% was used in the development of the blended GASB discount rate after that point. Based on the June 30, 2015 assumption rate of 7.80% and the municipal bond rate of 3.80%, the blended GASB

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

discount rate is 7.70%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statements No. 67 and 68.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the June 30, 2015 discount rate of 7.70%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.70%) or 1-percentage-point higher (8.70%) than the current rate:

	1% Decrease 6.70%	Discount Rate 7.70%	1% Increase 8.70%
County's proportionate share of the net pension plan liability	\$ 497,033	\$ 292,497	\$ 126,075

Pension Fund Fiduciary Net Position

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the TCERA and additions to/deductions from Tulare Pension Plan's fiduciary net position have been determined on the same basis as they are reported by TCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due in accordance with the benefit terms. The Board has adopted an actuarial value of assets method that recognizes the difference between expected and actual market returns, net of expenses, over a 10-year period (starting in 2008).

Benefit changes since June 30, 2013: None.

Changes of assumptions since June 30, 2014: The investment rate of return assumption was changed from 7.79% as of June 30, 2014 to 7.70 % as of June 30, 2015. In addition, the Board adopted the mortality improvement scale used to anticipate future improvements in mortality, which was changed from the MP-2014 scale to the MP-2015 scale. Finally, the total pension liability as computed by the prior actuary at the beginning of the measurement year (June 30, 2014) did not include any expected benefit payments from the Supplemental Retiree Benefit Reserve (SRBR). The June 30, 2015 total pension liability measurement does include the accrued portion of expected benefit payments associated with the current SRBR assets, as well as the accrued portion of expected benefit payments associated with future anticipated SRBR transfers (as determined using a stochastic model).

Detailed information about the pension fund's fiduciary net position is available in the separately issued TCERA's Comprehensive Annual Financial Report, which is available at TCERA's website: <http://www.tcera.org/Investment-Financial/>.

F. 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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

In the County's June 30, 2016 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of investment expenses) and an annual healthcare cost trend of 7.2%, which will decline to 5.0% over nine years. Both rates include an inflation assumption of 3.0%. 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, 2016 there are 21 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 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.

Using a 4.0% discount rate, the actuarial values are as follows:

<u>As of June 30, 2014</u>	
Present Value of Projected Benefits (PVPB)	\$ 18,728
Actuarial Accrued Liability (AAL)	\$ 4,350
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 4,350
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 205,198
UAAL as a percentage of covered payroll	2.1%

<u>Plan Cost for the Year Ended June 30, 2016</u>	
Normal Cost (NC)	\$ 1,225
UAAL amortization	281
Annual Required Contribution (ARC)	\$ 1,506
Projected payroll	\$ 211,354
ARC as a percentage of payroll	0.7%

<u>OPEB Cost for the Year Ended June 30, 2016</u>	
Annual Required Contribution (ARC)	\$ 1,506
Interest on net OPEB obligation	585
Adjustment to ARC	(772)
Annual OPEB cost	1,319
Contributions made	(315)
Increase in net OPEB obligation	1,004
Net OPEB obligation - beginning of year	14,789
Net OPEB obligation - end of year	\$ 15,793

3 Year OPEB Trend

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2014	\$ 4,007	21%	\$ 13,851
6/30/2015	\$ 1,260	26%	\$ 14,789
6/30/2016	\$ 1,319	24%	\$ 15,793

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

G. TRIAL COURT FUNDING

Assembly Bill (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.

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 evaluating its options with regard to the now vacant Tulare Courthouse and is coordinating with the Administrative Office of the Courts.

H. PRIOR PERIOD ADJUSTMENT

The County's beginning fund balance and net position have been restated to reflect the cumulative effect of prior year adjustments and reclassifications. A summary of the restatements as of July 1, 2015 is as follows:

	Governmental Activities	Business-type Activities
<u>Government-wide Financial Statement Activities:</u>		
Net position at June 30, 2015, as previously reported	\$ 1,644,309	\$ 37,730
Special revenue roads fund adjustment	(2,379)	-
Internal service fund excess fund balance adjustment	(33)	32
Net position at June 30, 2015, as restated	<u>\$ 1,641,897</u>	<u>\$ 37,762</u>

	General Fund	Nonmajor Governmental	Internal Service Fund	Solid Waste	Nonmajor Enterprise
<u>Fund Financial Statement Activities:</u>					
Fund balance and net position at June 30, 2015, as previously stated	\$ 127,616	\$ 85,121	\$ 1,716	\$ 29,037	\$ 8,693
Special revenue roads fund adjustment	-	(2,379)	-	-	-
Internal service fund excess fund balance adjustment	6,094	2,438	(8,565)	30	2
Fund balance and net position at June 30, 2015, as restated	<u>\$ 133,710</u>	<u>\$ 85,180</u>	<u>\$ (6,849)</u>	<u>\$ 29,067</u>	<u>\$ 8,695</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2016 (in thousands)

I. SUBSEQUENT EVENTS

On July 19, 2016, the Board approved the short-term advance of cash up to the amount of \$2,000 from the County General Fund to the San Joaquin Valley Insurance Authority (SJVIA) as needed until December 31, 2016 to assist with cash flow needs. The borrowed funds, including accrued interest at the County Treasury pooled rate, are to be repaid no later than December 30, 2017.

Required Supplementary Information (RSI)



COUNTY OF TULARE
Tulare County Employees' Retirement Association (TCERA)
Schedule of the County's Contributions and Schedule of the County's Proportionate Share of Net Pension Liability
June 30, 2016 (in thousands)

Last 10 Fiscal Years*

	2015	2014	2013
Actuarially determined contribution for the fiscal year	\$ 29,506	\$ 24,641	\$ 28,642
Less the contributions in relation to the actuarially determined contribution	(29,506)	(24,641)	(28,642)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
County's covered-employee payroll	\$ 229,431	\$ 222,683	\$ 218,323
Contributions as a percentage of covered-employee payroll	12.9%	11.1%	13.1%

*Amounts presented above were determined as of June 30, 2015. Additional years will be presented as they become available.

Last 10 Fiscal Years*

	2015	2014	2013
County's proportion of the net pension liability (asset)	95.2063%	94.5629%	95.5672%
County's proportionate share of the net pension liability (asset)	\$ 292,497	\$ 148,162	\$ 222,006
County's covered-employee payroll	\$ 229,431	\$ 222,683	\$ 218,323
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	127.5%	66.5%	101.7%
Plan fiduciary net position as a percentage of the total pension liability	79.8%	87.6%	80.4%

*Amounts presented above were determined as of June 30, 2015. Additional years will be presented as they become available.

Notes to Required Supplementary Information

Changes in assumptions: At June 30, 2015, the plan's long-term expected rate of return on pension plan investments was 7.70%, which was a decrease of 0.05% from the long-term expected rate of return by the election of the Board of Retirement. In future fiscal years the investment rate of return will be reduced by 0.05% until the rate reaches 7.00%.

COUNTY OF TULARE
Tulare County Employees' Other Postemployment Benefits (OPEB)
Schedule of Funding Progress
June 30, 2016 (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
6/30/2006	\$ -	\$ 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%
6/30/2014	*	-	4,350	0.00%	205,198	2.12%

* Data provided by Bartel Associates, LLC. "County of Tulare Retiree Healthcare Plan Actuarial Valuation as of June 30, 2014"

Note to Required Supplementary Information

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

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Combining and Individual Fund Statements and Schedules



COUNTY OF TULARE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016 (in thousands)

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash in banks	\$ 3	\$ -	\$ -	\$ 3
Investment in treasury pool	49,336	226	27,778	77,340
Imprest cash	1	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	2,561	-	-	2,561
Due from other funds	2,432	-	3,008	5,440
Due from other governments	16,381	-	-	16,381
Prepaid items	529	-	-	529
Notes receivable	16,855	-	-	16,855
Inventories	143	-	-	143
Total assets	<u>\$ 88,241</u>	<u>\$ 226</u>	<u>\$ 30,786</u>	<u>\$ 119,253</u>
LIABILITIES				
Accounts payable	\$ 3,853	\$ -	\$ 1,465	\$ 5,318
Due to other funds	352	-	-	352
Due to other governments	2,554	-	279	2,833
Salaries and benefits payable	1,910	-	17	1,927
Advances	2,744	-	-	2,744
Advances from other funds	220	-	-	220
Total liabilities	<u>11,633</u>	<u>-</u>	<u>1,761</u>	<u>13,394</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	18,543	-	-	18,543
Total deferred inflows of resources	<u>18,543</u>	<u>-</u>	<u>-</u>	<u>18,543</u>
FUND BALANCES				
Nonspendable	672	-	-	672
Restricted	56,195	-	-	56,195
Committed	-	-	7,145	7,145
Assigned	1,198	226	21,880	23,304
Total fund balances	<u>58,065</u>	<u>226</u>	<u>29,025</u>	<u>87,316</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 88,241</u>	<u>\$ 226</u>	<u>\$ 30,786</u>	<u>\$ 119,253</u>

COUNTY OF TULARE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016 (in thousands)

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes and special assessments	\$ 32,839	\$ -	\$ -	\$ 32,839
Licenses and permits	14	-	-	14
Fines, forfeitures and penalties	895	1,348	-	2,243
Interest, rents and concessions	1,316	105	11	1,432
Intergovernmental revenues	60,413	-	-	60,413
Charges for services	4,135	-	-	4,135
Other revenues	4,568	-	65	4,633
Total revenues	<u>104,180</u>	<u>1,453</u>	<u>76</u>	<u>105,709</u>
EXPENDITURES				
Current:				
General government	26	-	2,409	2,435
Public protection	29,062	-	1,049	30,111
Public ways and facilities	31,098	-	-	31,098
Health and sanitation	2	-	-	2
Public assistance	11,383	-	-	11,383
Education	4,157	-	-	4,157
Debt service:				
Principal retirement	-	481	-	481
Interest and fiscal charges	-	144	-	144
Capital outlay	16,618	-	21,052	37,670
Total expenditures	<u>92,346</u>	<u>625</u>	<u>24,510</u>	<u>117,481</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,834</u>	<u>828</u>	<u>(24,434)</u>	<u>(11,772)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	17,910	4,010	29,298	51,218
Transfers (out)	(25,168)	(12,012)	(130)	(37,310)
Total other financing sources (uses)	<u>(7,258)</u>	<u>(8,002)</u>	<u>29,168</u>	<u>13,908</u>
Net change in fund balances	4,576	(7,174)	4,734	2,136
Fund balances - beginning	53,437	7,400	24,284	85,121
Prior period adjustment	52	-	7	59
Fund balances - beginning, as restated	<u>53,489</u>	<u>7,400</u>	<u>24,291</u>	<u>85,180</u>
Fund balances - ending	<u>\$ 58,065</u>	<u>\$ 226</u>	<u>\$ 29,025</u>	<u>\$ 87,316</u>

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**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 Successor Agency (RDA) 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 - This state mandated fund was established to account for the 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 - This state mandated fund was established to account for the 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.

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.

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 Grant (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, 2016 (in thousands)

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game
ASSETS				
Cash in banks	\$ -	\$ -	\$ -	\$ -
Investment in treasury pool	957	32	1,740	14
Imprest cash	-	-	1	-
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	-
Due from other funds	1	-	175	-
Due from other governments	-	-	-	-
Prepaid items	-	-	529	-
Notes receivable	-	1,927	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 958</u>	<u>\$ 1,959</u>	<u>\$ 2,445</u>	<u>\$ 14</u>
LIABILITIES				
Accounts payable	\$ 862	\$ -	\$ 30	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Salaries and benefits payable	-	-	105	-
Advances	-	1,927	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>862</u>	<u>1,927</u>	<u>135</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	529	-
Restricted	89	32	1,660	-
Assigned	7	-	121	14
Total fund balances	<u>96</u>	<u>32</u>	<u>2,310</u>	<u>14</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 958</u>	<u>\$ 1,959</u>	<u>\$ 2,445</u>	<u>\$ 14</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2016 (in thousands)

	Aviation	Structural Fire	Roads	Workforce Investment
ASSETS				
Cash in banks	\$ -	\$ 2	\$ 1	\$ -
Investment in treasury pool	18	1,655	17,702	541
Imprest cash	-	-	-	-
Receivable (net of allowance for uncollectibles)				
Accounts	41	45	6	-
Due from other funds	-	337	1,793	11
Due from other governments	169	33	15,627	9
Prepaid items	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	143	-
Total assets	<u>\$ 228</u>	<u>\$ 2,072</u>	<u>\$ 35,272</u>	<u>\$ 561</u>
LIABILITIES				
Accounts payable	\$ 75	\$ 117	\$ 2,049	\$ 463
Due to other funds	-	-	352	-
Due to other governments	-	-	2,554	-
Salaries and benefits payable	-	749	494	82
Advances	-	-	16	-
Advances from other funds	120	-	-	-
Total liabilities	<u>195</u>	<u>866</u>	<u>5,465</u>	<u>545</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	143	-
Restricted	33	1,206	29,148	-
Assigned	-	-	516	16
Total fund balances	<u>33</u>	<u>1,206</u>	<u>29,807</u>	<u>16</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 228</u>	<u>\$ 2,072</u>	<u>\$ 35,272</u>	<u>\$ 561</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2016 (in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Tobacco Settlement
ASSETS				
Cash in banks	\$ -	\$ -	\$ -	\$ -
Investment in treasury pool	3,288	6,576	11,130	-
Imprest cash	-	-	-	-
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	2,469
Due from other funds	114	-	-	-
Due from other governments	532	-	-	-
Prepaid items	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 3,934</u>	<u>\$ 6,576</u>	<u>\$ 11,130</u>	<u>\$ 2,469</u>
LIABILITIES				
Accounts payable	\$ 245	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Salaries and benefits payable	480	-	-	-
Advances	769	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>1,494</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	-	-	-	2,469
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,469</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,440	6,576	11,130	-
Assigned	-	-	-	-
Total fund balances	<u>2,440</u>	<u>6,576</u>	<u>11,130</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,934</u>	<u>\$ 6,576</u>	<u>\$ 11,130</u>	<u>\$ 2,469</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2016 (in thousands)

	Flood Control	Community Development Block Grant	HOME Program	Total Special Revenue Funds
ASSETS				
Cash in banks	\$ -	\$ -	\$ -	\$ 3
Investment in treasury pool	4,357	766	560	49,336
Imprest cash	-	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	2,561
Due from other funds	1	-	-	2,432
Due from other governments	-	11	-	16,381
Prepaid items	-	-	-	529
Notes receivable	-	4,284	10,644	16,855
Inventories	-	-	-	143
Total assets	<u>\$ 4,358</u>	<u>\$ 5,061</u>	<u>\$ 11,204</u>	<u>\$ 88,241</u>
LIABILITIES				
Accounts payable	\$ 12	\$ -	\$ -	\$ 3,853
Due to other funds	-	-	-	352
Due to other governments	-	-	-	2,554
Salaries and benefits payable	-	-	-	1,910
Advances	-	-	32	2,744
Advances from other funds	-	100	-	220
Total liabilities	<u>12</u>	<u>100</u>	<u>32</u>	<u>11,633</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - special assessments	-	4,906	11,168	18,543
Total deferred inflows of resources	<u>-</u>	<u>4,906</u>	<u>11,168</u>	<u>18,543</u>
FUND BALANCES				
Nonspendable	-	-	-	672
Restricted	3,878	3	-	56,195
Assigned	468	52	4	1,198
Total fund balances	<u>4,346</u>	<u>55</u>	<u>4</u>	<u>58,065</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,358</u>	<u>\$ 5,061</u>	<u>\$ 11,204</u>	<u>\$ 88,241</u>

Concluded

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016 (in thousands)

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ 4,118	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	886	-	-	9
Interest, rents and concessions	22	-	25	-
Intergovernmental revenues	150	-	101	-
Charges for services	-	-	150	-
Other revenues	41	2	25	-
Total revenues	<u>1,099</u>	<u>2</u>	<u>4,419</u>	<u>9</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	-	-	-	7
Public ways and facilities	-	-	-	-
Health and sanitation	2	-	-	-
Public assistance	1,078	-	1	-
Education	-	-	4,157	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,080</u>	<u>-</u>	<u>4,158</u>	<u>7</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19</u>	<u>2</u>	<u>261</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2	-	-	-
Transfers (out)	-	-	(200)	-
Total other financing sources (uses)	<u>2</u>	<u>-</u>	<u>(200)</u>	<u>-</u>
Net change in fund balances	21	2	61	2
Fund balances - beginning	74	30	2,074	12
Prior period adjustment	1	-	175	-
Fund balances - beginning, as restated	<u>75</u>	<u>30</u>	<u>2,249</u>	<u>12</u>
Fund balances - ending	<u>\$ 96</u>	<u>\$ 32</u>	<u>\$ 2,310</u>	<u>\$ 14</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, 2016 (in thousands)

	Aviation	Structural Fire	Roads	Workforce Investment
REVENUES				
Taxes and special assessments	\$ -	\$ 8,370	\$ 19,760	\$ -
Licenses and permits	-	14	-	-
Fines, forfeitures and penalties	-	-	-	-
Interest, rents and concessions	7	58	342	706
Intergovernmental revenues	169	1,055	22,951	6,574
Charges for services	-	362	3,039	584
Other revenues	-	79	94	513
Total revenues	<u>176</u>	<u>9,938</u>	<u>46,186</u>	<u>8,377</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	-	15,539	-	-
Public ways and facilities	194	-	30,889	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	10,188
Education	-	-	-	-
Capital outlay	-	1,371	15,229	-
Total expenditures	<u>194</u>	<u>16,910</u>	<u>46,118</u>	<u>10,188</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18)</u>	<u>(6,972)</u>	<u>68</u>	<u>(1,811)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,765	-	1,814
Transfers (out)	-	-	(7)	-
Total other financing sources (uses)	<u>-</u>	<u>5,765</u>	<u>(7)</u>	<u>1,814</u>
Net change in fund balances	(18)	(1,207)	61	3
Fund balances - beginning	51	2,076	30,333	2
Prior period adjustment	-	337	(587)	11
Fund balances - beginning, as restated	<u>51</u>	<u>2,413</u>	<u>29,746</u>	<u>13</u>
Fund balances - ending	<u>\$ 33</u>	<u>\$ 1,206</u>	<u>\$ 29,807</u>	<u>\$ 16</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, 2016 (in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Tobacco Settlement
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Interest, rents and concessions	67	-	1	-
Intergovernmental revenues	12,810	16,123	281	-
Charges for services	-	-	-	-
Other revenues	3	-	-	3,811
Total revenues	<u>12,880</u>	<u>16,123</u>	<u>282</u>	<u>3,811</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	13,048	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Capital outlay	18	-	-	-
Total expenditures	<u>13,066</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(186)</u>	<u>16,123</u>	<u>282</u>	<u>3,811</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2	683	9,615	-
Transfers (out)	-	(14,732)	(6,385)	(3,811)
Total other financing sources (uses)	<u>2</u>	<u>(14,049)</u>	<u>3,230</u>	<u>(3,811)</u>
Net change in fund balances	(184)	2,074	3,512	-
Fund balances - beginning	2,510	4,502	7,618	-
Prior period adjustment	114	-	-	-
Fund balances - beginning, as restated	<u>2,624</u>	<u>4,502</u>	<u>7,618</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,440</u>	<u>\$ 6,576</u>	<u>\$ 11,130</u>	<u>\$ -</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, 2016 (in thousands)

	Flood Control	Community Development Block Grant	HOME Program	Total Special Revenue Funds
REVENUES				
Taxes and special assessments	\$ 591	\$ -	\$ -	\$ 32,839
Licenses and permits	-	-	-	14
Fines, forfeitures and penalties	-	-	-	895
Interest, rents and concessions	77	7	4	1,316
Intergovernmental revenues	94	105	-	60,413
Charges for services	-	-	-	4,135
Other revenues	-	-	-	4,568
Total revenues	<u>762</u>	<u>112</u>	<u>4</u>	<u>104,180</u>
EXPENDITURES				
Current:				
General government	16	10	-	26
Public protection	468	-	-	29,062
Public ways and facilities	15	-	-	31,098
Health and sanitation	-	-	-	2
Public assistance	-	116	-	11,383
Education	-	-	-	4,157
Capital outlay	-	-	-	16,618
Total expenditures	<u>499</u>	<u>126</u>	<u>-</u>	<u>92,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>263</u>	<u>(14)</u>	<u>4</u>	<u>11,834</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6	23	-	17,910
Transfers (out)	-	(33)	-	(25,168)
Total other financing sources (uses)	<u>6</u>	<u>(10)</u>	<u>-</u>	<u>(7,258)</u>
Net change in fund balances	269	(24)	4	4,576
Fund balances - beginning	4,076	79	-	53,437
Prior period adjustment	1	-	-	52
Fund balances - beginning, as restated	<u>4,077</u>	<u>79</u>	<u>-</u>	<u>53,489</u>
Fund balances - ending	<u>\$ 4,346</u>	<u>\$ 55</u>	<u>\$ 4</u>	<u>\$ 58,065</u>

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, 2016 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Fines, forfeitures and penalties	\$ 1,038	\$ 1,038	\$ 886	\$ (152)
Interest, rents and concessions	39	39	22	(17)
Intergovernmental revenues	177	177	150	(27)
Other revenues	24	24	41	17
Total revenues	<u>1,278</u>	<u>1,278</u>	<u>1,099</u>	<u>(179)</u>
EXPENDITURES				
Current:				
Health and sanitation	29	29	2	27
Public assistance	1,259	1,259	1,078	181
Total expenditures	<u>1,288</u>	<u>1,288</u>	<u>1,080</u>	<u>208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10)</u>	<u>(10)</u>	<u>19</u>	<u>29</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9	9	2	(7)
Total other financing sources (uses)	<u>9</u>	<u>9</u>	<u>2</u>	<u>(7)</u>
Net change in fund balance	(1)	(1)	21	22
Fund balances - beginning	74	74	74	-
Prior period adjustment	-	-	1	1
Fund balances - beginning, as restated	<u>74</u>	<u>74</u>	<u>75</u>	<u>1</u>
Fund balances - ending	<u>\$ 73</u>	<u>\$ 73</u>	<u>\$ 96</u>	<u>\$ 23</u>

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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 1	\$ 1	\$ -	\$ (1)
Other revenues	-	-	2	2
Total revenues	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1	1	2	1
Fund balances - beginning	30	30	30	-
Fund balances - ending	<u>\$ 31</u>	<u>\$ 31</u>	<u>\$ 32</u>	<u>\$ 1</u>

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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 3,961	\$ 3,961	\$ 4,118	\$ 157
Interest, rents and concessions	12	12	25	13
Intergovernmental revenues	85	84	101	17
Charges for services	175	175	150	(25)
Other revenues	58	58	25	(33)
Total revenues	<u>4,291</u>	<u>4,290</u>	<u>4,419</u>	<u>129</u>
EXPENDITURES				
Current:				
Public assistance	1	-	1	(1)
Education	4,580	4,580	4,157	423
Capital outlay	15	15	-	15
Total expenditures	<u>4,596</u>	<u>4,595</u>	<u>4,158</u>	<u>437</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(305)</u>	<u>(305)</u>	<u>261</u>	<u>566</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(200)	(200)	(200)	-
Total other financing sources (uses)	<u>(200)</u>	<u>(200)</u>	<u>(200)</u>	<u>-</u>
Net change in fund balance	(505)	(505)	61	566
Fund balances - beginning	2,074	2,074	2,074	-
Prior period adjustment	-	-	175	175
Fund balances - beginning, as restated	<u>2,074</u>	<u>2,074</u>	<u>2,249</u>	<u>175</u>
Fund balances - ending	<u>\$ 1,569</u>	<u>\$ 1,569</u>	<u>\$ 2,310</u>	<u>\$ 741</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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 9	\$ 9
Total revenues	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
EXPENDITURES				
Current:				
Public protection	11	11	7	4
Total expenditures	<u>11</u>	<u>11</u>	<u>7</u>	<u>4</u>
Net change in fund balance	(11)	(11)	2	13
Fund balances - beginning	12	12	12	-
Fund balances - ending	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 14</u>	<u>\$ 13</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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ 6	\$ 6	\$ 7	\$ 1
Intergovernmental revenues	158	158	169	11
Total revenues	<u>164</u>	<u>164</u>	<u>176</u>	<u>12</u>
EXPENDITURES				
Current:				
Public ways and facilities	65	50	194	(144)
Capital outlay	152	167	-	167
Total expenditures	<u>217</u>	<u>217</u>	<u>194</u>	<u>23</u>
Net change in fund balance	(53)	(53)	(18)	35
Fund balances - beginning	51	51	51	-
Fund balances - ending	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ 33</u>	<u>\$ 35</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, 2016 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes and special assessments	\$ 8,032	\$ 8,032	\$ 8,370	\$ 338
Licenses and permits	15	15	14	(1)
Interest, rents and concessions	45	45	58	13
Intergovernmental revenues	877	772	1,055	283
Charges for services	455	367	362	(5)
Other revenues	84	65	79	14
Total revenues	<u>9,508</u>	<u>9,296</u>	<u>9,938</u>	<u>642</u>
EXPENDITURES				
Current:				
Public protection	16,014	15,769	15,539	230
Capital outlay	1,080	1,105	1,371	(266)
Total expenditures	<u>17,094</u>	<u>16,874</u>	<u>16,910</u>	<u>(36)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,586)</u>	<u>(7,578)</u>	<u>(6,972)</u>	<u>606</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,766	5,761	5,765	4
Total other financing sources (uses)	<u>5,766</u>	<u>5,761</u>	<u>5,765</u>	<u>4</u>
Net change in fund balance	(1,820)	(1,817)	(1,207)	610
Fund balances - beginning	2,076	2,076	2,076	-
Prior period adjustment	-	-	337	337
Fund balances - beginning, as restated	<u>2,076</u>	<u>2,076</u>	<u>2,413</u>	<u>337</u>
Fund balances - ending	<u>\$ 256</u>	<u>\$ 259</u>	<u>\$ 1,206</u>	<u>\$ 947</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, 2016 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes and special assessments	\$ 29,627	\$ 29,627	\$ 19,760	\$ (9,867)
Licenses and permits	5	5	-	(5)
Interest, rents and concessions	102	102	342	240
Intergovernmental revenues	26,927	26,927	22,951	(3,976)
Charges for services	2,117	1,985	3,039	1,054
Other revenues	26	13	94	81
Total revenues	<u>58,804</u>	<u>58,659</u>	<u>46,186</u>	<u>(12,473)</u>
EXPENDITURES				
Current:				
Public ways and facilities	71,861	71,995	30,889	41,106
Capital outlay	13,584	13,306	15,229	(1,923)
Total expenditures	<u>85,445</u>	<u>85,301</u>	<u>46,118</u>	<u>39,183</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,641)</u>	<u>(26,642)</u>	<u>68</u>	<u>26,710</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	361	361	-	(361)
Transfers (out)	(1)	-	(7)	(7)
Total other financing sources (uses)	<u>360</u>	<u>361</u>	<u>(7)</u>	<u>(368)</u>
Net change in fund balance	(26,281)	(26,281)	61	26,342
Fund balances - beginning	30,333	30,333	30,333	-
Prior period adjustment	-	-	(587)	(587)
Fund balances - beginning, as restated	<u>30,333</u>	<u>30,333</u>	<u>29,746</u>	<u>(587)</u>
Fund balances - ending	<u>\$ 4,052</u>	<u>\$ 4,052</u>	<u>\$ 29,807</u>	<u>\$ 25,755</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, 2016 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Interest, rents and concessions	\$ 594	\$ 594	\$ 706	\$ 112
Intergovernmental revenues	8,034	8,020	6,574	(1,446)
Charges for services	607	607	584	(23)
Other revenues	46	46	513	467
Total revenues	<u>9,281</u>	<u>9,267</u>	<u>8,377</u>	<u>(890)</u>
EXPENDITURES				
Current:				
Public assistance	12,168	10,317	10,188	129
Total expenditures	<u>12,168</u>	<u>10,317</u>	<u>10,188</u>	<u>129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,887)</u>	<u>(1,050)</u>	<u>(1,811)</u>	<u>(761)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,895	1,057	1,814	757
Total other financing sources (uses)	<u>2,895</u>	<u>1,057</u>	<u>1,814</u>	<u>757</u>
Net change in fund balance	8	7	3	(4)
Fund balances - beginning	2	2	2	-
Prior period adjustment	-	-	11	11
Fund balances - beginning, as restated	<u>2</u>	<u>2</u>	<u>13</u>	<u>11</u>
Fund balances - ending	<u>\$ 10</u>	<u>\$ 9</u>	<u>\$ 16</u>	<u>\$ 7</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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ 46	\$ 46	\$ 67	\$ 21
Intergovernmental revenues	16,232	16,232	12,810	(3,422)
Other revenues	2	2	3	1
Total revenues	<u>16,280</u>	<u>16,280</u>	<u>12,880</u>	<u>(3,400)</u>
EXPENDITURES				
Current:				
Public protection	16,207	16,227	13,048	3,179
Capital outlay	81	61	18	43
Total expenditures	<u>16,288</u>	<u>16,288</u>	<u>13,066</u>	<u>3,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8)</u>	<u>(8)</u>	<u>(186)</u>	<u>(178)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7	7	2	(5)
Total other financing sources (uses)	<u>7</u>	<u>7</u>	<u>2</u>	<u>(5)</u>
Net change in fund balance	(1)	(1)	(184)	(183)
Fund balances - beginning	2,510	2,510	2,510	-
Prior period adjustment	-	-	114	114
Fund balances - beginning, as restated	<u>2,510</u>	<u>2,510</u>	<u>2,624</u>	<u>114</u>
Fund balances - ending	<u>\$ 2,509</u>	<u>\$ 2,509</u>	<u>\$ 2,440</u>	<u>\$ (69)</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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 14,998	\$ 14,998	\$ 16,123	\$ 1,125
Total revenues	<u>14,998</u>	<u>14,998</u>	<u>16,123</u>	<u>1,125</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,998</u>	<u>14,998</u>	<u>16,123</u>	<u>1,125</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	831	831	683	(148)
Transfers (out)	(17,534)	(17,534)	(14,732)	2,802
Total other financing sources (uses)	<u>(16,703)</u>	<u>(16,703)</u>	<u>(14,049)</u>	<u>2,654</u>
Net change in fund balance	(1,705)	(1,705)	2,074	3,779
Fund balances - beginning	4,502	4,502	4,502	-
Fund balances - ending	<u>\$ 2,797</u>	<u>\$ 2,797</u>	<u>\$ 6,576</u>	<u>\$ 3,779</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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental revenues	-	-	281	281
Total revenues	-	-	282	282
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	282	282
OTHER FINANCING SOURCES (USES)				
Transfers in	8,681	8,681	9,615	934
Transfers (out)	(8,589)	(8,589)	(6,385)	2,204
Total other financing sources (uses)	92	92	3,230	3,138
Net change in fund balance	92	92	3,512	3,420
Fund balances - beginning	7,618	7,618	7,618	-
Fund balances - ending	\$ 7,710	\$ 7,710	\$ 11,130	\$ 3,420

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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other revenues	\$ 4,878	\$ 4,878	\$ 3,811	\$ (1,067)
Total revenues	<u>4,878</u>	<u>4,878</u>	<u>3,811</u>	<u>(1,067)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,878</u>	<u>4,878</u>	<u>3,811</u>	<u>(1,067)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(4,878)	(4,878)	(3,811)	1,067
Total other financing sources (uses)	<u>(4,878)</u>	<u>(4,878)</u>	<u>(3,811)</u>	<u>1,067</u>
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 485	\$ 485	\$ 591	\$ 106
Interest, rents and concessions	36	36	77	41
Intergovernmental revenues	53	53	94	41
Total revenues	<u>574</u>	<u>574</u>	<u>762</u>	<u>188</u>
EXPENDITURES				
Current:				
General government	19	19	16	3
Public protection	3,820	3,819	468	3,351
Public ways and facilities	25	25	15	10
Total expenditures	<u>3,864</u>	<u>3,863</u>	<u>499</u>	<u>3,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,290)</u>	<u>(3,289)</u>	<u>263</u>	<u>3,552</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1	1	6	5
Total other financing sources (uses)	<u>1</u>	<u>1</u>	<u>6</u>	<u>5</u>
Net change in fund balance	(3,289)	(3,288)	269	3,557
Fund balances - beginning	4,076	4,076	4,076	-
Prior period adjustment	-	-	1	1
Fund balances - beginning, as restated	<u>4,076</u>	<u>4,076</u>	<u>4,077</u>	<u>1</u>
Fund balances - ending	<u>\$ 787</u>	<u>\$ 788</u>	<u>\$ 4,346</u>	<u>\$ 3,558</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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ 7	\$ 7
Intergovernmental revenues	4,000	2,000	105	(1,895)
Total revenues	<u>4,000</u>	<u>2,000</u>	<u>112</u>	<u>(1,888)</u>
EXPENDITURES				
Current:				
General government	80	80	10	70
Public assistance	4,130	2,130	116	2,014
Capital outlay	285	285	-	285
Total expenditures	<u>4,495</u>	<u>2,495</u>	<u>126</u>	<u>2,369</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(495)</u>	<u>(495)</u>	<u>(14)</u>	<u>481</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	494	494	23	(471)
Transfers (out)	-	-	(33)	(33)
Total other financing sources (uses)	<u>494</u>	<u>494</u>	<u>(10)</u>	<u>(504)</u>
Net change in fund balance	(1)	(1)	(24)	(23)
Fund balances - beginning	79	79	79	-
Fund balances - ending	<u>\$ 78</u>	<u>\$ 78</u>	<u>\$ 55</u>	<u>\$ (23)</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, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ 4	\$ 4
Total revenues	-	-	4	4
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	4	4
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 4	\$ 4

**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 Public Facilities Corporation (PFC).

COUNTY OF TULARE
Debt Service Fund
Balance Sheet
June 30, 2016 (in thousands)

	Building Loans
ASSETS	
Investment in treasury pool	\$ 226
Total assets	\$ 226
 LIABILITIES	
Total liabilities	\$ -
 FUND BALANCE	
Assigned	226
Total fund balance	226
Total liabilities, deferred inflows of resources and fund balance	\$ 226

COUNTY OF TULARE
Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2016 (in thousands)

	Building Loans
REVENUES	
Fines, forfeitures and penalties	\$ 1,348
Interest, rents and concessions	105
Total revenues	1,453
EXPENDITURES	
Debt service:	
Principal retirement	481
Interest and fiscal charges	144
Total expenditures	625
Excess (deficiency) of revenues over (under) expenditures	828
OTHER FINANCING SOURCES (USES)	
Transfers in	4,010
Transfers (out)	(12,012)
Total other financing sources (uses)	(8,002)
Net change in fund balance	(7,174)
Fund balance - beginning	7,400
Fund balance - ending	\$ 226

COUNTY OF TULARE
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ 31	\$ 31	\$ 1,348	\$ 1,317
Interest, rents and concessions	105	105	105	-
Total revenues	<u>136</u>	<u>136</u>	<u>1,453</u>	<u>1,317</u>
EXPENDITURES				
Debt service:				
Principal retirement	481	481	481	-
Interest and fiscal charges	248	248	144	104
Total expenditures	<u>729</u>	<u>729</u>	<u>625</u>	<u>104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(593)</u>	<u>(593)</u>	<u>828</u>	<u>1,421</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,260	5,260	4,010	(1,250)
Transfers (out)	(12,037)	(12,037)	(12,012)	25
Total other financing sources (uses)	<u>(6,777)</u>	<u>(6,777)</u>	<u>(8,002)</u>	<u>(1,225)</u>
Net change in fund balances	(7,370)	(7,370)	(7,174)	196
Fund balances - beginning	7,400	7,400	7,400	-
Fund balances - ending	<u>\$ 30</u>	<u>\$ 30</u>	<u>\$ 226</u>	<u>\$ 196</u>

**NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECTS FUND**

Capital projects fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and 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, 2016 (in thousands)

	Capital Projects
ASSETS	
Investment in treasury pool	\$ 27,778
Due from other funds	3,008
Total assets	\$ 30,786
 LIABILITIES	
Accounts payable	\$ 1,465
Due to other governments	279
Salaries and benefits payable	17
Total liabilities	1,761
 FUND BALANCE	
Committed	7,145
Assigned	21,880
Total fund balance	29,025
Total liabilities, deferred inflows of resources and fund balance	\$ 30,786

COUNTY OF TULARE
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2016 (in thousands)

	Capital Projects
REVENUES	
Interest, rents and concessions	\$ 11
Other revenues	65
Total revenues	76
EXPENDITURES	
Current:	
General government	2,409
Public protection	1,049
Capital outlay	21,052
Total expenditures	24,510
Excess (deficiency) of revenues over (under) expenditures	(24,434)
OTHER FINANCING SOURCES (USES)	
Transfers in	29,298
Transfers (out)	(130)
Total other financing sources (uses)	29,168
Net change in fund balance	4,734
Fund balance - beginning	24,284
Prior period adjustment	7
Fund balance - beginning, as restated	24,291
Fund balance - ending	\$ 29,025

COUNTY OF TULARE
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2016 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ 11	\$ 11
Intergovernmental revenues	9,000	9,000	-	(9,000)
Other revenues	358	-	65	65
Total revenues	<u>9,358</u>	<u>9,000</u>	<u>76</u>	<u>(8,924)</u>
EXPENDITURES				
Current:				
General government	997	764	2,409	(1,645)
Public protection	3,578	3,567	1,049	2,518
Capital outlay	63,414	62,801	21,052	41,749
Total expenditures	<u>67,989</u>	<u>67,132</u>	<u>24,510</u>	<u>42,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(58,631)</u>	<u>(58,132)</u>	<u>(24,434)</u>	<u>33,698</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	34,990	34,331	29,298	(5,033)
Transfers (out)	(164)	-	(130)	(130)
Total other financing sources (uses)	<u>34,826</u>	<u>34,331</u>	<u>29,168</u>	<u>(5,163)</u>
Net change in fund balances	(23,805)	(23,801)	4,734	28,535
Fund balances - beginning	24,284	24,284	24,284	-
Prior period adjustment	-	-	7	7
Fund balances - beginning, as restated	<u>24,284</u>	<u>24,284</u>	<u>24,291</u>	<u>7</u>
Fund balances - ending	<u>\$ 479</u>	<u>\$ 483</u>	<u>\$ 29,025</u>	<u>\$ 28,542</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 District 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, 2016 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
ASSETS			
Current assets:			
Cash in banks	\$ 4	\$ 2	\$ -
Investment in treasury pool	10,637	860	733
Accounts receivable (net of allowance for uncollectibles)	3	61	-
Due from other funds	354	-	-
Due from other governments	393	-	-
Total current assets	<u>11,391</u>	<u>923</u>	<u>733</u>
Noncurrent assets:			
Restricted assets	-	-	-
Capital assets:			
Land	-	68	-
Buildings and improvements, net	140	840	-
Equipment and vehicles, net	1,368	-	-
Construction in progress	204	-	-
Total capital assets	<u>1,712</u>	<u>908</u>	<u>-</u>
Total noncurrent assets	<u>1,712</u>	<u>908</u>	<u>-</u>
Total assets	<u>13,103</u>	<u>1,831</u>	<u>733</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	31	-	-
Total deferred outflows of resources	<u>31</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	313	5	-
Deposits from others	-	-	8
Salaries and benefits payable	27	-	-
Compensated absences payable	4	-	-
Certificates of participation (COPs) payable	-	25	-
Total current liabilities	<u>344</u>	<u>30</u>	<u>8</u>
Noncurrent liabilities:			
Advances	8,235	-	-
Advances from other funds	-	-	-
Bonds payable	-	-	-
Certificates of participation (COPs) payable	-	681	-
Net pension liability	130	-	-
Total noncurrent liabilities	<u>8,365</u>	<u>681</u>	<u>-</u>
Total liabilities	<u>8,709</u>	<u>711</u>	<u>8</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	1	-	-
Total deferred inflows of resources	<u>1</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	1,712	202	-
Restricted for:			
Landfill ground water contingencies	-	-	-
Unrestricted	2,712	918	725
Total net position	<u>\$ 4,424</u>	<u>\$ 1,120</u>	<u>\$ 725</u>

Continued

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Net Position (continued)
June 30, 2016 (in thousands)

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash in banks	\$ 2	\$ -	\$ 8
Investment in treasury pool	363	81	12,674
Accounts receivable (net of allowance for uncollectibles)	104	8	176
Due from other funds	-	-	354
Due from other governments	53	6	452
Total current assets	<u>522</u>	<u>95</u>	<u>13,664</u>
Noncurrent assets:			
Restricted assets	-	16	16
Capital assets:			
Land	503	41	612
Buildings and improvements, net	2,351	240	3,571
Equipment and vehicles, net	-	-	1,368
Construction in progress	-	-	204
Total capital assets	<u>2,854</u>	<u>281</u>	<u>5,755</u>
Total noncurrent assets	<u>2,854</u>	<u>297</u>	<u>5,771</u>
Total assets	<u>3,376</u>	<u>392</u>	<u>19,435</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	-	-	31
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>31</u>
LIABILITIES			
Current liabilities:			
Accounts payable	63	7	388
Deposits from others	-	-	8
Salaries and benefits payable	-	-	27
Compensated absences payable	-	-	4
Certificates of participation (COPs) payable	18	1	44
Total current liabilities	<u>81</u>	<u>8</u>	<u>471</u>
Noncurrent liabilities:			
Advances	-	-	8,235
Advances from other funds	783	156	939
Bonds payable	5	-	5
Certificates of participation (COPs) payable	477	34	1,192
Net pension liability	-	-	130
Total noncurrent liabilities	<u>1,265</u>	<u>190</u>	<u>10,501</u>
Total liabilities	<u>1,346</u>	<u>198</u>	<u>10,972</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	-	-	1
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1</u>
NET POSITION			
Net investment in capital assets	2,354	246	4,514
Restricted for:			
Landfill ground water contingencies	-	16	16
Unrestricted	(324)	(68)	3,963
Total net position	<u>\$ 2,030</u>	<u>\$ 194</u>	<u>\$ 8,493</u>
			Concluded

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
Operating revenues:			
Charges for services	\$ 404	\$ 143	\$ 121
Interest, rents and concessions	-	-	-
Other revenues	25	-	-
Total operating revenues	<u>429</u>	<u>143</u>	<u>121</u>
Operating expenses:			
Salaries and benefits	223	-	-
Services and supplies	2,693	127	17
Depreciation	538	53	-
Total operating expenses	<u>3,454</u>	<u>180</u>	<u>17</u>
Operating income (loss)	<u>(3,025)</u>	<u>(37)</u>	<u>104</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	288	-	-
Penalties collected	-	1	-
Taxes and special assessments	2,667	38	-
Investment earnings (expenses)	142	16	7
Interest expense	-	(33)	-
Total nonoperating revenues (expenses)	<u>3,097</u>	<u>22</u>	<u>7</u>
Income (loss) before contributions and transfers	<u>72</u>	<u>(15)</u>	<u>111</u>
Transfers (out)	-	-	(3)
Change in net position	<u>72</u>	<u>(15)</u>	<u>108</u>
Net position - beginning	4,350	1,135	617
Prior period adjustment	2	-	-
Net position - beginning, as restated	<u>4,352</u>	<u>1,135</u>	<u>617</u>
Net position - ending	<u>\$ 4,424</u>	<u>\$ 1,120</u>	<u>\$ 725</u>

Continued

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
For the Year Ended June 30, 2016 (in thousands)

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 511	\$ 65	\$ 1,244
Interest, rents and concessions	3	-	3
Other revenues	-	2	27
Total operating revenues	<u>514</u>	<u>67</u>	<u>1,274</u>
Operating expenses:			
Salaries and benefits	-	-	223
Services and supplies	624	109	3,570
Depreciation	165	14	770
Total operating expenses	<u>789</u>	<u>123</u>	<u>4,563</u>
Operating income (loss)	<u>(275)</u>	<u>(56)</u>	<u>(3,289)</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	-	-	288
Penalties collected	3	-	4
Taxes and special assessments	-	-	2,705
Investment earnings (expenses)	(2)	-	163
Interest expense	(34)	(3)	(70)
Total nonoperating revenues (expenses)	<u>(33)</u>	<u>(3)</u>	<u>3,090</u>
Income (loss) before contributions and transfers	<u>(308)</u>	<u>(59)</u>	<u>(199)</u>
Transfers (out)	-	-	(3)
Change in net position	<u>(308)</u>	<u>(59)</u>	<u>(202)</u>
Net position - beginning	2,338	253	8,693
Prior period adjustment	-	-	2
Net position - beginning, as restated	<u>2,338</u>	<u>253</u>	<u>8,695</u>
Net position - ending	<u>\$ 2,030</u>	<u>\$ 194</u>	<u>\$ 8,493</u>
			Concluded

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2016 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 381	\$ 162	\$ 121
Receipts from interfund services provided	(326)	-	-
Receipts from rents and concessions	-	-	-
Other receipts (payments)	(102)	-	-
Payments to employees	(201)	-	-
Payments to suppliers	(1,666)	(115)	(1)
Payments for interfund services used	(363)	(28)	(16)
Net cash provided by (used for) operating activities	<u>(2,277)</u>	<u>19</u>	<u>104</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	288	-	-
Receipts from taxes and assessments	2,667	39	-
Transfers to other funds	-	-	(3)
Advance from other funds	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>2,955</u>	<u>39</u>	<u>(3)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sales of capital assets	-	-	-
Purchases of capital assets	(21)	-	-
Principal paid on capital debt	-	(19)	-
Interest paid on capital debt	-	(33)	-
Net cash (used for) capital and related financing activities	<u>(21)</u>	<u>(52)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	142	16	7
Net cash provided by investing activities	<u>142</u>	<u>16</u>	<u>7</u>
Net increase (decrease) in cash and cash equivalents	799	22	108
Cash and cash equivalents - beginning	9,842	840	625
Cash and cash equivalents - ending	<u>\$ 10,641</u>	<u>\$ 862</u>	<u>\$ 733</u>
Displayed as:			
Cash in banks	\$ 4	\$ 2	\$ -
Investment in treasury pool	10,637	860	733
Restricted assets which are cash equivalents	-	-	-
Total cash displayed	<u>\$ 10,641</u>	<u>\$ 862</u>	<u>\$ 733</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (3,025)	\$ (37)	\$ 104
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	538	53	-
(Increase) decrease in accounts receivable	(1)	19	-
(Increase) decrease in intergovernmental receivables	(127)	-	-
(Increase) decrease in due from other funds	(348)	-	-
Increase (decrease) in accounts payable	664	(16)	-
Increase (decrease) in deferred pension	(47)	-	-
Increase (decrease) in net pension liability	64	-	-
Increase (decrease) in salaries and benefits payable and compensated absences	5	-	-
Total adjustments	<u>748</u>	<u>56</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ (2,277)</u>	<u>\$ 19</u>	<u>\$ 104</u>
Schedule of non-cash capital and related finance activities:			
Contributions of capital assets	\$ -	\$ -	\$ -

Continued

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Cash Flows (continued)
For the Year Ended June 30, 2016 (in thousands)

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 522	\$ 66	\$ 1,252
Receipts from interfund services provided	-	-	(326)
Receipts from rents and concessions	3	-	3
Other receipts (payments)	-	-	(102)
Payments to employees	-	-	(201)
Payments to suppliers	(452)	(91)	(2,325)
Payments for interfund services used	(129)	(26)	(562)
Net cash provided by (used for) operating activities	<u>(56)</u>	<u>(51)</u>	<u>(2,261)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	-	-	288
Receipts from taxes and assessments	3	-	2,709
Transfers to other funds	-	-	(3)
Advance from other funds	40	40	80
Net cash provided by (used for) noncapital financing activities	<u>43</u>	<u>40</u>	<u>3,074</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sales of capital assets	10	3	13
Purchases of capital assets	(4)	-	(25)
Principal paid on capital debt	(18)	(1)	(38)
Interest paid on capital debt	(34)	(3)	(70)
Net cash (used for) capital and related financing activities	<u>(46)</u>	<u>(1)</u>	<u>(120)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	(2)	-	163
Net cash provided by investing activities	<u>(2)</u>	<u>-</u>	<u>163</u>
Net increase (decrease) in cash and cash equivalents	(61)	(12)	856
Cash and cash equivalents - beginning	426	109	11,842
Cash and cash equivalents - ending	<u>\$ 365</u>	<u>\$ 97</u>	<u>\$ 12,698</u>
Displayed as:			
Cash in banks	\$ 2	\$ -	\$ 8
Investment in treasury pool	363	81	12,674
Restricted assets which are cash equivalents	-	16	16
Total cash displayed	<u>\$ 365</u>	<u>\$ 97</u>	<u>\$ 12,698</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (275)	\$ (56)	\$ (3,289)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	165	14	770
(Increase) decrease in accounts receivable	11	1	30
(Increase) decrease in intergovernmental receivables	-	(2)	(129)
(Increase) decrease in due from other funds	-	-	(348)
Increase (decrease) in accounts payable	43	(8)	683
Increase (decrease) in deferred pension	-	-	(47)
Increase (decrease) in net pension liability	-	-	64
Increase (decrease) in salaries and benefits payable and compensated absences	-	-	5
Total adjustments	<u>219</u>	<u>5</u>	<u>1,028</u>
Net cash provided by (used for) operating activities	<u>\$ (56)</u>	<u>\$ (51)</u>	<u>\$ (2,261)</u>
Schedule of non-cash capital and related finance activities:			
Contributions of capital assets	\$ -	\$ -	\$ -
			Concluded

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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, 2016 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
ASSETS			
Current assets:			
Investment in treasury pool	\$ 26,799	\$ 6,799	\$ 33,598
Imprest cash	500	-	500
Accounts receivable (net of allowance for uncollectibles)	-	15	15
Due from other funds	-	235	235
Due from other governments	-	130	130
Total current assets	<u>27,299</u>	<u>7,179</u>	<u>34,478</u>
Noncurrent assets:			
Advances to other funds	531	-	531
Capital assets:			
Equipment and vehicles, net	-	2,959	2,959
Construction in progress	-	222	222
Total capital assets	<u>-</u>	<u>3,181</u>	<u>3,181</u>
Total noncurrent assets	<u>531</u>	<u>3,181</u>	<u>3,712</u>
Total assets	<u>27,830</u>	<u>10,360</u>	<u>38,190</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	-	3,300	3,300
Total deferred outflows of resources	<u>-</u>	<u>3,300</u>	<u>3,300</u>
LIABILITIES			
Current liabilities:			
Accounts payable	487	1,647	2,134
Salaries and benefits payable	-	945	945
Compensated absences payable	-	84	84
Claims payable	6,158	-	6,158
Total current liabilities	<u>6,645</u>	<u>2,676</u>	<u>9,321</u>
Noncurrent liabilities:			
Compensated absences payable	-	1,250	1,250
Claims payable	25,230	-	25,230
Net pension liability	-	14,009	14,009
Total noncurrent liabilities	<u>25,230</u>	<u>15,259</u>	<u>40,489</u>
Total liabilities	<u>31,875</u>	<u>17,935</u>	<u>49,810</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	-	83	83
Total deferred inflows of resources	<u>-</u>	<u>83</u>	<u>83</u>
NET POSITION			
Net investment in capital assets	-	3,181	3,181
Unrestricted	(4,045)	(7,539)	(11,584)
Total net position	<u>\$ (4,045)</u>	<u>\$ (4,358)</u>	<u>\$ (8,403)</u>

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 18,240	\$ 37,787	\$ 56,027
Other revenues	1,784	211	1,995
Total operating revenues	<u>20,024</u>	<u>37,998</u>	<u>58,022</u>
Operating expenses:			
Salaries and benefits	-	19,746	19,746
Services and supplies	9,905	22,747	32,652
Insurance premiums paid	6,156	-	6,156
Depreciation	-	478	478
Claims incurred	25	-	25
Total operating expenses	<u>16,086</u>	<u>42,971</u>	<u>59,057</u>
Operating income (loss)	<u>3,938</u>	<u>(4,973)</u>	<u>(1,035)</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	31	-	31
Investment earnings	613	26	639
Interest expense	-	(95)	(95)
Total nonoperating revenues (expenses)	<u>644</u>	<u>(69)</u>	<u>575</u>
Income (loss) before contributions and transfers	<u>4,582</u>	<u>(5,042)</u>	<u>(460)</u>
Capital contributions	-	(692)	(692)
Transfers in	-	114	114
Transfers (out)	(500)	(16)	(516)
Change in net position	<u>4,082</u>	<u>(5,636)</u>	<u>(1,554)</u>
Net position - beginning	673	1,043	1,716
Prior period adjustment	(8,800)	235	(8,565)
Net position - beginning, as restated	<u>(8,127)</u>	<u>1,278</u>	<u>(6,849)</u>
Net position - ending	<u>\$ (4,045)</u>	<u>\$ (4,358)</u>	<u>\$ (8,403)</u>

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2016 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,015	\$ 676	\$ 1,691
Receipts from interfund services provided	18,066	36,873	54,939
Other receipts	1,784	229	2,013
Payments to employees	(8,800)	(17,412)	(26,212)
Payments to suppliers	(13,639)	(18,732)	(32,371)
Payments for interfund services used	(2,577)	(3,616)	(6,193)
Payments for claims	(2,789)	-	(2,789)
Net cash provided by (used for) operating activities	<u>(6,940)</u>	<u>(1,982)</u>	<u>(8,922)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	31	-	31
Transfers from other funds	-	114	114
Transfers to other funds	(500)	(16)	(516)
Advance to other funds	1,535	-	1,535
Net cash provided by (used for) noncapital financing activities	<u>1,066</u>	<u>98</u>	<u>1,164</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sales of capital assets	-	(574)	(574)
Purchases of capital assets	-	(675)	(675)
Interest paid on capital debt	-	(95)	(95)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(1,344)</u>	<u>(1,344)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	613	26	639
Net cash provided by investing activities	<u>613</u>	<u>26</u>	<u>639</u>
Net increase (decrease) in cash and cash equivalents	(5,261)	(3,202)	(8,463)
Cash and cash equivalents - beginning	32,560	10,001	42,561
Cash and cash equivalents - ending	<u>\$ 27,299</u>	<u>\$ 6,799</u>	<u>\$ 34,098</u>
Displayed as:			
Investment in treasury pool	\$ 26,799	\$ 6,799	\$ 33,598
Imprest cash	500	-	500
Total cash displayed	<u>\$ 27,299</u>	<u>\$ 6,799</u>	<u>\$ 34,098</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ 3,938</u>	<u>\$ (4,973)</u>	<u>\$ (1,035)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	478	478
(Increase) decrease in accounts receivable	976	(3)	973
(Increase) decrease in intergovernmental receivables	-	18	18
(Increase) decrease in due from other funds	-	(235)	(235)
(Increase) decrease in due to other funds	(135)	-	(135)
(Increase) decrease in prepaid items	-	100	100
Increase (decrease) in accounts payable	(155)	299	144
Increase (decrease) in deferred pension	-	(5,013)	(5,013)
Increase (decrease) in net pension liability	-	6,912	6,912
benefits payable and compensated absences	(8,800)	435	(8,365)
Increase (decrease) in claims payable	(2,764)	-	(2,764)
Total adjustments	<u>(10,878)</u>	<u>2,991</u>	<u>(7,887)</u>
Net cash provided by (used for) operating activities	<u>\$ (6,940)</u>	<u>\$ (1,982)</u>	<u>\$ (8,922)</u>
Schedule of non-cash capital and related finance activities:			
Contributions of capital assets	\$ -	\$ (692)	\$ (692)

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 Year Ended June 30, 2016 (in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Property Tax Collection and Apportionment Funds				
ASSETS				
Cash in bank	\$ -	\$ 207	\$ -	\$ 207
Investment in treasury pool	27,372	958,393	(958,046)	27,719
Accounts receivable (net of allowance for uncollectibles)	-	71	-	71
Deposits with others	182	-	(182)	-
Total assets	<u>\$ 27,554</u>	<u>\$ 958,671</u>	<u>\$ (958,228)</u>	<u>\$ 27,997</u>
LIABILITIES				
Accounts payable	\$ 16,768	\$ 248,355	\$ (249,316)	\$ 15,807
Due to other governments	4,952	-	(1,448)	3,504
Agency obligations	5,834	428,442	(425,590)	8,686
Total liabilities	<u>\$ 27,554</u>	<u>\$ 676,797</u>	<u>\$ (676,354)</u>	<u>\$ 27,997</u>
State Fines Agency Fund				
ASSETS				
Investment in treasury pool	\$ 85	\$ 718	\$ (691)	\$ 112
Total assets	<u>\$ 85</u>	<u>\$ 718</u>	<u>\$ (691)</u>	<u>\$ 112</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,267	\$ (1,267)	\$ -
Agency obligations	85	664	(637)	112
Total liabilities	<u>\$ 85</u>	<u>\$ 1,931</u>	<u>\$ (1,904)</u>	<u>\$ 112</u>
Transportation Tax Funds				
ASSETS				
Investment in treasury pool	\$ 1,548	\$ 16,133	\$ (14,101)	\$ 3,580
Accounts receivable (net of allowance for uncollectibles)	-	211	-	211
Due from other governments	1,112	1,124	(1,113)	1,123
Total assets	<u>\$ 2,660</u>	<u>\$ 17,468</u>	<u>\$ (15,214)</u>	<u>\$ 4,914</u>
LIABILITIES				
Accounts payable	\$ -	\$ 564	\$ (282)	\$ 282
Agency obligations	2,660	1,972	-	4,632
Total liabilities	<u>\$ 2,660</u>	<u>\$ 2,536</u>	<u>\$ (282)</u>	<u>\$ 4,914</u>
Employee Health Benefits Funds				
ASSETS				
Investment in treasury pool	\$ 1,666	\$ 37,043	\$ (37,025)	\$ 1,684
Accounts receivable (net of allowance for uncollectibles)	308	26,580	(26,378)	510
Total assets	<u>\$ 1,974</u>	<u>\$ 63,623</u>	<u>\$ (63,403)</u>	<u>\$ 2,194</u>
LIABILITIES				
Accounts payable	\$ 49	\$ 74,606	\$ (74,194)	\$ 461
Due to other governments	494	2,215	(2,470)	239
Agency obligations	1,431	63	-	1,494
Total liabilities	<u>\$ 1,974</u>	<u>\$ 76,884</u>	<u>\$ (76,664)</u>	<u>\$ 2,194</u>

Continued

COUNTY OF TULARE
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities (continued)
For the Year Ended June 30, 2016 (in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Education Revenue Augmentation Funds				
ASSETS				
Investment in treasury pool	\$ 7	\$ 92,892	\$ (92,515)	\$ 384
Total assets	<u>\$ 7</u>	<u>\$ 92,892</u>	<u>\$ (92,515)</u>	<u>\$ 384</u>
LIABILITIES				
Agency obligations	\$ 7	\$ 18,528	\$ (18,151)	\$ 384
Total liabilities	<u>\$ 7</u>	<u>\$ 18,528</u>	<u>\$ (18,151)</u>	<u>\$ 384</u>
Other Agency Funds				
ASSETS				
Cash in bank	\$ 4,268	\$ 913	\$ -	\$ 5,181
Investment in treasury pool	10,026	43,443	(43,009)	10,460
Due from other governments	673	-	(673)	-
Total assets	<u>\$ 14,967</u>	<u>\$ 44,356</u>	<u>\$ (43,682)</u>	<u>\$ 15,641</u>
LIABILITIES				
Accounts payable	\$ 838	\$ 4,080	\$ (4,756)	\$ 162
Due to other governments	1,875	1,346	(1,478)	1,743
Agency obligations	12,254	42,748	(41,266)	13,736
Total liabilities	<u>\$ 14,967</u>	<u>\$ 48,174</u>	<u>\$ (47,500)</u>	<u>\$ 15,641</u>
Total Agency Funds				
ASSETS				
Cash in bank	\$ 4,268	\$ 1,120	\$ -	\$ 5,388
Investment in treasury pool	40,704	1,148,622	(1,145,387)	43,939
Accounts receivable (net of allowance for uncollectibles)	308	26,862	(26,378)	792
Deposits with others	182	-	(182)	-
Due from other governments	1,785	1,124	(1,786)	1,123
Total assets	<u>\$ 47,247</u>	<u>\$ 1,177,728</u>	<u>\$ (1,173,733)</u>	<u>\$ 51,242</u>
LIABILITIES				
Accounts payable	\$ 17,655	\$ 328,872	\$ (329,815)	\$ 16,712
Due to other governments	7,321	3,561	(5,396)	5,486
Agency obligations	22,271	492,417	(485,644)	29,044
Total liabilities	<u>\$ 47,247</u>	<u>\$ 824,850</u>	<u>\$ (820,855)</u>	<u>\$ 51,242</u>
				Concluded

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Governmental activities					
Net investment in capital assets*	\$ 1,417,765	\$ 1,491,566	\$ 1,524,380	\$ 1,541,360	\$ 1,576,213
Restricted	45,403	54,086	57,079	61,880	57,762
Unrestricted	57,303	55,866	56,992	63,537	74,420
Total governmental activities net position	<u>\$ 1,520,471</u>	<u>\$ 1,601,518</u>	<u>\$ 1,638,451</u>	<u>\$ 1,666,777</u>	<u>\$ 1,708,395</u>
Business-type activities					
Net investment in capital assets	\$ 19,860	\$ 19,090	\$ 28,811	\$ 28,172	\$ 27,463
Restricted	5,005	5,005	5,005	5,005	5,005
Unrestricted	22,200	22,794	9,363	6,792	7,002
Total business-type activities net position	<u>\$ 47,065</u>	<u>\$ 46,889</u>	<u>\$ 43,179</u>	<u>\$ 39,969</u>	<u>\$ 39,470</u>
Primary government					
Net investment in capital assets	\$ 1,437,625	\$ 1,510,656	\$ 1,553,191	\$ 1,569,532	\$ 1,603,676
Restricted	50,408	59,091	62,084	66,885	62,767
Unrestricted	79,503	78,660	66,355	70,329	81,422
Total primary government net position	<u>\$ 1,567,536</u>	<u>\$ 1,648,407</u>	<u>\$ 1,681,630</u>	<u>\$ 1,706,746</u>	<u>\$ 1,747,865</u>
Fiscal Year					
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets*	\$ 1,558,744	\$ 1,584,261	\$ 1,798,998	\$ 1,590,015	\$ 1,614,927
Restricted	102,657	134,870	-	141,900	153,860
Unrestricted	83,404	65,066	-	(87,606)	(94,026)
Total governmental activities net position	<u>\$ 1,744,805</u>	<u>\$ 1,784,197</u>	<u>\$ 1,798,998</u>	<u>\$ 1,644,309</u>	<u>\$ 1,674,761</u>
Business-type activities					
Net investment in capital assets	\$ 29,728	\$ 27,357	\$ 41,559	\$ 23,607	\$ 21,172
Restricted	5,005	5,016	-	5,016	10,445
Unrestricted	7,999	8,140	-	9,107	11,637
Total business-type activities net position	<u>\$ 42,732</u>	<u>\$ 40,513</u>	<u>\$ 41,559</u>	<u>\$ 37,730</u>	<u>\$ 43,254</u>
Primary government					
Net investment in capital assets	\$ 1,588,472	\$ 1,611,618	\$ 1,840,557	\$ 1,613,622	\$ 1,636,099
Restricted	107,662	139,886	-	146,916	164,305
Unrestricted	91,403	73,206	-	(78,499)	(82,389)
Total primary government net position	<u>\$ 1,787,537</u>	<u>\$ 1,824,710</u>	<u>\$ 1,840,557</u>	<u>\$ 1,682,039</u>	<u>\$ 1,718,015</u>

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

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

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses					
Governmental activities:					
General government	\$ 93,680	\$ 71,430	\$ 28,459	\$ 26,587	\$ 39,515
Public protection	162,837	187,299	197,905	192,533	182,316
Public ways and facilities	15,100	28,346	32,342	29,120	25,485
Health and sanitation	120,520	120,195	122,853	120,796	117,572
Public assistance	220,019	227,086	234,329	236,861	235,547
Education	3,722	4,287	5,033	5,027	5,412
Culture and recreation	1,842	3,552	2,136	2,095	310
Unallocated depreciation	588	510	791	953	520
Unallocated interest expense	11,038	11,244	5,993	5,806	3,137
Total governmental activities expenses	<u>629,346</u>	<u>653,949</u>	<u>629,841</u>	<u>619,778</u>	<u>609,814</u>
Business-type activities:					
Solid Waste	13,981	14,426	14,138	13,144	10,847
Other business-type activities	2,120	2,259	2,452	2,710	2,856
Total business-type activities expenses	<u>16,101</u>	<u>16,685</u>	<u>16,590</u>	<u>15,854</u>	<u>13,703</u>
Total primary government expenses	<u>\$ 645,447</u>	<u>\$ 670,634</u>	<u>\$ 646,431</u>	<u>\$ 635,632</u>	<u>\$ 623,517</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 50,015	\$ 62,391	\$ 28,860	\$ 26,601	\$ 24,375
Public protection	25,846	28,291	29,368	23,883	26,349
Public ways and facilities	2,209	2,028	1,782	1,971	3,406
Health and sanitation	16,103	45,659	46,523	47,938	52,666
Public assistance	30,161	7,496	5,823	3,324	4,299
Education	334	188	162	161	222
Culture and recreation	1,004	332	287	293	283
Operating grants and contributions	389,177	389,524	403,891	418,780	406,398
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>514,849</u>	<u>535,909</u>	<u>516,696</u>	<u>522,951</u>	<u>517,998</u>
Business-type activities:					
Charges for services:					
Solid Waste	10,247	9,244	8,284	8,206	8,130
Other business-type activities	738	792	925	955	1,064
Operating grants and contributions	276	1,475	813	844	1,270
Total business-type activities program revenues	<u>11,261</u>	<u>11,511</u>	<u>10,022</u>	<u>10,005</u>	<u>10,464</u>
Total primary government program revenues	<u>\$ 526,110</u>	<u>\$ 547,420</u>	<u>\$ 526,718</u>	<u>\$ 532,956</u>	<u>\$ 528,462</u>
Net (expense)/revenue					
Governmental activities	\$ (114,497)	\$ (118,040)	\$ (113,145)	\$ (96,827)	\$ (91,816)
Business-type activities	(4,840)	(5,174)	(6,568)	(5,849)	(3,239)
Total primary government net expense	<u>\$ (119,337)</u>	<u>\$ (123,214)</u>	<u>\$ (119,713)</u>	<u>\$ (102,676)</u>	<u>\$ (95,055)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 91,367	\$ 102,198	\$ 105,400	\$ 99,991	\$ 101,519
Sales and other taxes	13,262	19,188	21,299	17,783	31,937
Earnings on investments	11,950	11,439	13,003	7,236	2,536
Tobacco settlement revenues	3,822	4,068	4,471	3,728	3,854
Extinguishment of debt	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	(6,180)	(2,640)
Extraordinary item RDA dissolution	-	-	-	-	-
Transfers	713	556	583	531	515
Total governmental activities	<u>121,114</u>	<u>137,449</u>	<u>144,756</u>	<u>123,089</u>	<u>137,721</u>
Business-type activities:					
Sales and other taxes	1,033	1,628	379	943	2,486
Earnings on investments	3,342	3,864	3,062	2,104	863
Gain on sale of capital assets	2	62	-	123	1
Transfers	(713)	(556)	(583)	(531)	(515)
Total business-type activities	<u>3,664</u>	<u>4,998</u>	<u>2,858</u>	<u>2,639</u>	<u>2,835</u>
Total primary government	<u>\$ 124,778</u>	<u>\$ 142,447</u>	<u>\$ 147,614</u>	<u>\$ 125,728</u>	<u>\$ 140,556</u>
Change in Net Position					
Governmental activities	\$ 6,617	\$ 19,409	\$ 31,611	\$ 26,262	\$ 45,905
Business-type activities	(1,176)	(176)	(3,710)	(3,210)	(404)
Total primary government	<u>\$ 5,441</u>	<u>\$ 19,233</u>	<u>\$ 27,901</u>	<u>\$ 23,052</u>	<u>\$ 45,501</u>

Continued

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

Fiscal Year					
2012	2013	2014	2015	2016	
\$ 42,590	\$ 42,343	\$ 39,432	\$ 41,610	\$ 39,542	Expenses
190,402	190,904	202,075	199,878	221,740	Governmental activities:
38,295	33,767	37,155	36,722	47,021	General government
122,305	124,681	129,190	132,566	143,286	Public protection
224,139	228,148	242,378	240,562	248,368	Public ways and facilities
5,020	5,112	5,470	5,353	5,300	Health and sanitation
371	329	431	2,176	2,266	Public assistance
520	520	511	-	-	Education
2,259	1,990	1,940	1,320	744	Culture and recreation
625,901	627,794	658,582	660,187	708,267	Unallocated depreciation
					Unallocated interest expense
					Total governmental activities expenses
7,365	10,812	10,873	10,410	9,067	Business-type activities:
3,579	3,844	4,155	4,410	4,633	Solid Waste
10,944	14,656	15,028	14,820	13,700	Other business-type activities
\$ 636,845	\$ 642,450	\$ 673,610	\$ 675,007	\$ 721,967	Total business-type activities expenses
					Total primary government expenses
\$ 31,271	\$ 24,259	\$ 24,138	\$ 30,244	\$ 33,186	Program Revenues
21,558	21,683	23,741	19,650	19,342	Governmental activities:
6,700	5,083	3,599	3,340	3,101	Charges for services:
43,479	40,554	42,588	41,652	52,471	General government
6,687	6,717	8,566	11,892	11,242	Public protection
209	210	202	233	197	Public ways and facilities
288	292	306	255	302	Health and sanitation
419,570	421,514	424,721	444,945	456,543	Public assistance
-	6	-	-	-	Education
					Culture and recreation
529,762	520,318	527,861	552,211	576,384	Operating grants and contributions
					Capital grants and contributions
					Total governmental activities program revenues
8,525	8,568	8,991	11,538	13,522	Business-type activities:
1,224	1,252	1,334	1,238	1,274	Charges for services:
2,222	504	3,270	625	736	Solid Waste
					Other business-type activities
					Operating grants and contributions
11,971	10,324	13,595	13,401	15,532	Total business-type activities program revenues
\$ 541,733	\$ 530,642	\$ 541,456	\$ 565,612	\$ 591,916	Total primary government program revenues
\$ (96,139)	\$ (107,476)	\$ (130,721)	\$ (107,976)	\$ (131,883)	Net (expense)/revenue
1,027	(4,332)	(1,433)	(1,419)	-	Governmental activities
\$ (95,112)	\$ (111,808)	\$ (132,154)	\$ (109,395)	\$ (131,883)	Business-type activities
					Total primary government net expense
\$ 105,604	\$ 107,101	\$ 109,266	\$ 112,026	\$ 119,331	General Revenues and Other Changes in Net Position
23,472	31,951	30,524	29,690	41,300	Governmental activities:
4,324	1,307	1,517	-	-	Property taxes
3,930	5,923	3,894	3,856	3,811	Sales and other taxes
-	-	(183)	-	-	Earnings on investments
191	208	239	-	-	Tobacco settlement revenues
(2,658)	-	-	-	-	Extinguishment of debt
466	378	265	305	305	Gain (loss) on sale of capital assets
135,329	146,868	145,522	145,877	164,747	Extraordinary item RDA dissolution
					Transfers
					Total governmental activities
1,842	2,328	2,084	2,344	2,709	Business-type activities:
857	163	660	515	1,256	Sales and other taxes
2	-	-	-	-	Earnings on investments
(466)	(378)	(265)	(305)	(305)	Gain on sale of capital assets
2,235	2,113	2,479	2,554	3,660	Transfers
\$ 137,564	\$ 148,981	\$ 148,001	\$ 148,431	\$ 168,407	Total business-type activities
					Total primary government
\$ 39,190	\$ 39,392	\$ 14,801	\$ 37,901	\$ 32,864	Change in Net Position
3,262	(2,219)	1,046	1,135	5,492	Governmental activities
\$ 42,452	\$ 37,173	\$ 15,847	\$ 39,036	\$ 38,356	Business-type activities
					Total primary government

Concluded

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

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund					
Nonspendable	\$ 839	\$ 839	\$ 839	\$ 1,173	\$ 439
Restricted	13,890	14,288	19,596	30	844
Committed	25,091	25,163	25,414	25,612	22,101
Assigned	-	-	-	-	-
Unassigned	17,518	17,213	12,228	31,713	27,146
Subtotal general fund	<u>57,338</u>	<u>57,503</u>	<u>58,077</u>	<u>58,528</u>	<u>50,530</u>
All Other Governmental Funds					
Nonspendable	1,154	1,236	2,206	2,044	1,123
Restricted	76,152	82,749	84,235	103,142	114,071
Committed	5,572	4,118	3,858	210	3,232
Assigned	5,123	7,544	6,697	14,034	15,227
Unassigned	(767)	(750)	(752)	(12,733)	(19,429)
Subtotal all other governmental funds	<u>87,234</u>	<u>94,897</u>	<u>96,244</u>	<u>106,697</u>	<u>114,224</u>
Total governmental fund balance	<u>\$ 144,572</u>	<u>\$ 152,400</u>	<u>\$ 154,321</u>	<u>\$ 165,225</u>	<u>\$ 164,754</u>

Continued

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

		Fiscal Year					
2012	2013	2014	2015	2016			
						General Fund	
\$ 1,596	\$ 3,244	\$ 395	\$ 1,672	\$ 1,849		Nonspendable	
22,790	28,863	34,147	37,189	45,270		Restricted	
1,833	1,668	880	15,430	14,524		Committed	
1,081	-	-	-	-		Assigned	
61,448	62,710	76,284	73,325	84,868		Unassigned	
<u>88,748</u>	<u>96,485</u>	<u>111,706</u>	<u>127,616</u>	<u>146,511</u>		Subtotal general fund	
						All Other Governmental Funds	
1,162	1,025	1,024	700	672		Nonspendable	
134,727	137,544	125,233	136,631	139,145		Restricted	
4,000	6,000	4,100	6,950	7,145		Committed	
21,487	21,083	19,213	22,078	26,804		Assigned	
(20,971)	(19,542)	(2,597)	-	-		Unassigned	
<u>140,405</u>	<u>146,110</u>	<u>146,973</u>	<u>166,359</u>	<u>173,766</u>		Subtotal all other governmental funds	
<u>\$ 229,153</u>	<u>\$ 242,595</u>	<u>\$ 258,679</u>	<u>\$ 293,975</u>	<u>\$ 320,277</u>		Total governmental fund balance	
						Concluded	

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

	Fiscal Year				
	2007	2008	2009	2010	2011
REVENUES					
Taxes and special assessments	\$ 108,216	\$ 121,397	\$ 126,699	\$ 117,774	\$ 133,456
Licenses and permits	9,060	9,010	9,939	8,355	8,764
Fines, forfeitures, and penalties	4,219	10,218	13,031	12,429	13,020
Interest, rents, and concessions	11,389	12,093	12,177	8,474	3,722
Intergovernmental revenues	385,590	389,524	404,262	414,234	401,376
Charges for services	71,922	80,188	77,496	70,321	81,196
Other revenues	10,965	11,442	14,685	15,205	13,035
Total revenues	<u>601,361</u>	<u>633,872</u>	<u>658,289</u>	<u>646,792</u>	<u>654,569</u>
EXPENDITURES					
General government	24,318	25,621	29,713	25,525	34,433
Public protection	162,811	184,009	189,989	184,477	174,320
Public ways and facilities	7,920	12,498	15,489	12,986	8,714
Health and sanitation	120,723	119,569	121,340	118,919	114,136
Public assistance	219,376	226,227	232,527	234,642	233,388
Education	3,831	4,329	4,855	4,722	5,109
Culture and recreation	1,740	3,361	1,968	1,920	38
Capital outlay	29,581	28,979	36,704	37,634	56,075
Debt service:					
Principal	51,711	9,737	10,103	11,624	11,726
Interest and fiscal charges	10,763	10,778	8,954	5,566	3,096
Total expenditures	<u>632,774</u>	<u>625,108</u>	<u>651,642</u>	<u>638,015</u>	<u>641,035</u>
Excess (deficiency) of revenues over (under) expenditures	(31,413)	8,764	6,647	8,777	13,534
OTHER FINANCING SOURCES (USES)					
Sale of general capital assets	1,468	297	169	107	158
Bond proceeds	43,987	-	231	1,669	-
Direct financing lease	121	128	-	-	-
Transfers in	114,577	100,925	102,189	96,795	76,575
Transfers (out)	(117,996)	(102,286)	(103,720)	(97,392)	(77,105)
Total other financing sources (uses)	<u>42,157</u>	<u>(936)</u>	<u>(1,131)</u>	<u>1,179</u>	<u>(372)</u>
EXTRAORDINARY ITEMS					
RDA dissolution assets transfers	-	-	-	-	-
RDA dissolution liability transfers	-	-	-	-	-
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 10,744</u>	<u>\$ 7,828</u>	<u>\$ 5,516</u>	<u>\$ 9,956</u>	<u>\$ 13,162</u>
Debt service as a percentage of noncapital expenditures	10.36%	3.44%	3.10%	2.86%	2.53%

Continued

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

		Fiscal Year								
		2012	2013	2014	2015	2016				
\$	129,076	\$	139,052	\$	139,790	\$	141,716	\$	160,631	REVENUES
	8,780		9,191		10,514		10,894		11,294	Taxes and special assessments
	15,257		10,364		9,201		9,966		8,648	Licenses and permits
	7,239		3,076		5,351		4,649		7,655	Fines, forfeitures, and penalties
	423,230		424,213		426,487		446,953		457,163	Interest, rents, and concessions
	69,970		65,289		63,214		61,635		76,159	Intergovernmental revenues
	15,776		18,253		20,427		24,705		19,370	Charges for services
	669,328		669,438		674,984		700,518		740,920	Other revenues
										Total revenues
	36,138		42,838		28,892		41,220		37,139	EXPENDITURES
	183,352		184,406		195,560		199,028		209,822	General government
	23,711		19,164		22,167		21,576		31,199	Public protection
	118,063		122,115		127,612		132,489		140,044	Public ways and facilities
	221,539		226,442		240,838		241,178		245,432	Health and sanitation
	4,673		4,875		5,188		5,149		4,969	Public assistance
	59		-		-		1,616		1,571	Education
	42,776		46,006		26,341		16,847		43,124	Culture and recreation
										Capital outlay
	13,173		6,515		10,772		6,459		7,875	Debt service:
	3,060		2,081		2,159		1,276		553	Principal
	646,544		654,442		659,529		666,838		721,728	Interest and fiscal charges
										Total expenditures
	22,784		14,996		15,455		33,680		19,192	Excess (deficiency) of revenues over (under) expenditures
	191		208		239		275		250	OTHER FINANCING SOURCES (USES)
	-		-		-		-		-	Sale of general capital assets
	-		-		-		-		-	Bond proceeds
	108,739		104,796		117,341		144,696		145,268	Direct financing lease
	(107,764)		(106,558)		(116,951)		(144,392)		(144,561)	Transfers in
	1,166		(1,554)		629		579		957	Transfers (out)
										Total other financing sources (uses)
	(5,726)		-		-		-		-	EXTRAORDINARY ITEMS
	74		-		-		-		-	RDA dissolution assets transfers
	(5,652)		-		-		-		-	RDA dissolution liability transfers
										Total extraordinary items
\$	18,298	\$	13,442	\$	16,084	\$	34,259	\$	20,149	Net change in fund balances
	2.69%		1.41%		2.04%		1.19%		1.24%	Debt service as a percentage of noncapital expenditures
										Concluded

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 (%)
2007	\$ 22,463,149	\$ 1,142,461	\$ 23,605,610	1.000%
2008	25,190,040	1,522,742	26,712,782	1.000%
2009	26,632,559	1,616,099	28,248,658	1.000%
2010	26,317,008	1,692,118	28,009,126	1.000%
2011	26,525,428	1,516,586	28,042,014	1.000%
2012	26,377,210	1,596,844	27,974,054	1.000%
2013	26,186,643	1,628,687	27,815,330	1.000%
2014	27,022,893	1,655,360	28,678,253	1.000%
2015	28,209,818	1,856,188	30,066,006	1.000%
2016	29,892,545	1,885,794	31,778,339	1.000%

* 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

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

	Fiscal Year				
	2007	2008	2009	2010	2011
County-Wide Rates					
General	1.000%	1.000%	1.000%	1.000%	1.000%
School District Rates					
Allensworth Elementary	0.044%	0.018%	0.000%	0.000%	0.000%
Buena Vista Elementary	0.031%	0.027%	0.027%	0.025%	0.016%
Burton Elementary *	0.021%	0.018%	0.019%	0.023%	0.023%
College of the Sequoias - Hanford Schools Facility Improvement District	0.000%	0.025%	0.020%	0.012%	0.025%
College of the Sequoias - Tulare Schools Facility Improvement District	0.000%	0.000%	0.000%	0.012%	0.025%
College of the Sequoias - Visalia Schools Facility Improvement District	0.000%	0.000%	0.000%	0.005%	0.013%
Cutler - Orsi Unified *	0.060%	0.050%	0.040%	0.011%	0.035%
Delano Joint High	0.163%	0.117%	0.100%	0.119%	0.155%
Dinuba Unified	0.057%	0.060%	0.151%	0.107%	0.151%
Earlmarl Elementary	0.035%	0.031%	0.032%	0.034%	0.030%
Exeter Elementary	0.000%	0.000%	0.029%	0.028%	0.032%
Exeter High	0.030%	0.049%	0.040%	0.037%	0.040%
Farmersville Unified *	0.095%	0.074%	0.072%	0.098%	0.090%
Hanford Joint High *	0.058%	0.049%	0.054%	0.053%	0.055%
Kern Community College Schools Facility Improvement District *	0.005%	0.008%	0.009%	0.009%	0.010%
Kings Canyon Joint Unified *	0.045%	0.082%	0.064%	0.091%	0.109%
Kings River Elementary	0.000%	0.030%	0.052%	0.053%	0.060%
Kingsburg Joint Elementary	0.054%	0.072%	0.000%	0.022%	0.056%
Kingsburg Joint High	0.089%	0.625%	0.009%	0.074%	0.068%
Liberty Elementary	0.054%	0.044%	0.041%	0.054%	0.050%
Lindsay Unified	0.060%	0.055%	0.055%	0.092%	0.122%
Linns Valley Poso - Flat Joint Elementary	0.016%	0.015%	0.000%	0.015%	0.017%
Pixley Union Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
Porterville Schools Facility Improvement District *	0.052%	0.055%	0.050%	0.005%	0.052%
Richgrove Elementary	0.038%	0.004%	0.038%	0.041%	0.038%
Springville Union Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
State Center Comm College Schools Facility Improvement District *	0.005%	0.016%	0.000%	0.010%	0.010%
Stone Corral	0.000%	0.000%	0.030%	0.022%	0.025%
Strathmore High	0.062%	0.052%	0.053%	0.055%	0.050%
Sundale Elementary	0.034%	0.027%	0.031%	0.026%	0.024%
Terra Bella	0.000%	0.000%	0.000%	0.034%	0.030%
Tipton	0.000%	0.000%	0.000%	0.000%	0.000%
Traver Elementary *	0.053%	0.060%	0.051%	0.049%	0.052%
Tulare High *	0.047%	0.043%	0.020%	0.039%	0.039%
Visalia Unified *	0.034%	0.028%	0.030%	0.036%	0.030%
Woodlake Elementary	0.040%	0.036%	0.035%	0.043%	0.035%
Woodlake High	0.030%	0.027%	0.056%	0.066%	0.060%
Special District Rates					
Kaweah Delta Healthcare District	0.035%	0.031%	0.000%	0.028%	0.029%
Kaweah Delta Water Conservation	0.001%	0.000%	0.000%	0.000%	0.000%
Kings Joint Mosquito Abatement	0.000%	0.000%	0.005%	0.000%	0.000%
Tulare County Pest Control	1.250%	1.250%	5.000%	5.000%	5.000%
Tulare Healthcare District	0.000%	0.019%	0.039%	0.083%	0.113%
South Tulare County Citrus Pest Control District	11.423%	11.423%	11.423%	11.423%	11.423%
Woodville Public Utility	0.025%	0.000%	0.000%	0.000%	0.000%

Continued

* School rates have been combined with educational facilities.

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
Direct Overlapping Property Tax Rates (unaudited) (continued)
Last 10 Fiscal Years

Fiscal Year					
2012	2013	2014	2015	2016	
1.000%	1.000%	1.000%	1.000%	1.000%	County-Wide Rates
					General
					School District Rates
0.000%	0.000%	0.000%	0.000%	0.000%	Allensworth Elementary
0.010%	0.008%	0.008%	0.008%	0.008%	Buena Vista Elementary
0.024%	0.026%	0.026%	0.026%	0.025%	Burton Elementary *
0.014%	0.019%	0.024%	0.024%	0.020%	College of the Sequoias - Hanford Schools Facility Improvement District
0.028%	0.028%	0.023%	0.025%	0.017%	College of the Sequoias - Tulare Schools Facility Improvement District
0.025%	0.025%	0.015%	0.015%	0.012%	College of the Sequoias - Visalia Schools Facility Improvement District
0.040%	0.055%	0.060%	0.060%	0.090%	Cutler - Orosi Unified *
0.133%	0.121%	0.106%	0.068%	0.077%	Delano Joint High
0.116%	0.107%	0.101%	0.104%	0.120%	Dinuba Unified
0.025%	0.020%	0.044%	0.044%	0.049%	Earlmar Elementary
0.037%	0.034%	0.030%	0.030%	0.030%	Exeter Elementary
0.042%	0.046%	0.057%	0.055%	0.030%	Exeter High
0.080%	0.076%	0.076%	0.076%	0.090%	Farmersville Unified *
0.054%	0.060%	0.060%	0.061%	0.054%	Hanford Joint High *
0.009%	0.009%	0.013%	0.010%	0.013%	Kern Community College Schools Facility Improvement District *
0.103%	0.097%	0.159%	0.163%	0.149%	Kings Canyon Joint Unified *
0.077%	0.064%	0.063%	0.063%	0.056%	Kings River Elementary
0.032%	0.049%	0.067%	0.058%	0.032%	Kingsburg Joint Elementary
0.060%	0.056%	0.066%	0.088%	0.062%	Kingsburg Joint High
0.040%	0.030%	0.034%	0.033%	0.030%	Liberty Elementary
0.125%	0.120%	0.165%	0.188%	0.117%	Lindsay Unified
0.010%	0.010%	0.010%	0.012%	0.018%	Linns Valley Poso - Flat Joint Elementary
0.000%	0.000%	0.000%	0.050%	0.085%	Pixley Union Elementary
0.047%	0.057%	0.060%	0.060%	0.062%	Porterville Schools Facility Improvement District *
0.028%	0.038%	0.028%	0.010%	0.000%	Richgrove Elementary
0.000%	0.000%	0.000%	0.020%	0.023%	Springville Union Elementary
0.007%	0.009%	0.010%	0.009%	0.008%	State Center Comm College Schools Facility Improvement District *
0.025%	0.015%	0.015%	0.020%	0.021%	Stone Corral
0.040%	0.040%	0.050%	0.055%	0.048%	Strathmore High
0.020%	0.020%	0.013%	0.013%	0.010%	Sundale Elementary
0.030%	0.030%	0.025%	0.030%	0.045%	Terra Bella
0.000%	0.000%	0.000%	0.000%	0.029%	Tipton
0.058%	0.058%	0.050%	0.053%	0.053%	Traver Elementary *
0.053%	0.058%	0.069%	0.063%	0.066%	Tulare High *
0.030%	0.030%	0.030%	0.030%	0.027%	Visalia Unified *
0.033%	0.029%	0.029%	0.028%	0.022%	Woodlake Elementary
0.055%	0.052%	0.040%	0.040%	0.050%	Woodlake High
0.027%	0.025%	0.028%	0.021%	0.021%	Special District Rates
0.000%	0.000%	0.000%	0.001%	0.000%	Kaweah Delta Healthcare District
0.000%	0.000%	0.000%	0.000%	0.000%	Kaweah Delta Water Conservation
0.000%	0.000%	0.000%	0.000%	0.000%	Kings Joint Mosquito Abatement
5.000%	5.000%	5.000%	5.000%	5.000%	Tulare County Pest Control
0.113%	0.082%	0.082%	0.082%	0.086%	Tulare Healthcare District
11.423%	11.423%	11.423%	11.423%	11.423%	South Tulare County Citrus Pest Control District
0.000%	0.000%	0.000%	0.000%	0.000%	Woodville Public Utility
					Concluded

* School rates have been combined with educational facilities.

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, 2016 and June 30, 2007 (in thousands)

Fiscal Year 2016

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southern California Edison Company	\$ 802,583	1	2.67%
Saputo Cheese USA, Inc.	264,832	2	0.88%
California Dairies, Inc./Milk Producers	253,529	3	0.84%
Wal-Mart Stores, Inc./Retail Trust	179,229	4	0.60%
Land O'Lakes, Inc.	178,991	5	0.60%
Southern California Gas Company	117,446	6	0.39%
Ventura Coastal, LLC	102,574	7	0.34%
Pacific Bell Telephone Company	94,960	8	0.32%
Imperial Bondware Corporation	92,735	9	0.31%
Target Corporation	77,692	10	0.26%
Total	<u>\$ 2,164,571</u>		<u>7.21%</u>

Fiscal Year 2007

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southern California Edison Company	\$ 291,049	1	1.22%
Land O'Lakes, Inc./Cheese & Protein Intl., LLC	288,503	2	1.21%
Wal-Mart Stores, Inc.	117,172	3	0.49%
Kraft Foods, Inc.	91,628	4	0.39%
California Dairies, Inc./Milk Producers	85,485	5	0.36%
Southern California Gas Company	72,661	6	0.31%
Best Buy Stores, LP	61,320	7	0.26%
Ruiz Foods Products, Inc.	59,414	8	0.25%
SBC California	54,736	9	0.23%
Visalia Mall, LP (Price Development)	45,459	10	0.19%
Total	<u>\$ 1,167,427</u>		<u>4.91%</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	Taxes Levied	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years*	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2007	\$ 231,424	\$ 221,428	95.68%	\$ 5,616	\$ 227,044	98.11%
2008	261,193	245,387	93.95%	6,722	252,109	96.52%
2009	279,176	260,262	93.23%	11,208	271,470	97.24%
2010	276,919	259,724	93.79%	12,440	272,164	98.28%
2011	275,625	258,384	93.74%	9,766	268,150	97.29%
2012	268,816	258,049	95.99%	10,406	268,455	99.87%
2013	261,866	251,629	96.09%	11,133	262,762	100.34%
2014	275,497	268,255	97.37%	11,189	279,444	101.43%
2015	289,784	281,415	97.11%	10,624	292,039	100.78%
2016	304,998	296,878	97.34%	10,784	307,662	100.87%
Total	<u>\$ 2,725,298</u>	<u>\$ 2,601,411</u>		<u>\$ 99,888</u>	<u>\$ 2,701,299</u>	

*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			
2007	\$ 46,165	\$ 42,360	\$ 25,175	\$ 1,627	\$ 18,927	\$ 38	\$ 1,531	\$ 8	\$ 135,831	1.44%	317
2008	41,790	41,665	21,345	1,586	17,219	6	1,503	8	125,122	1.28%	286
2009	37,210	41,050	16,955	1,778	15,730	-	1,476	8	114,207	1.05%	272
2010	32,290	40,435	11,955	1,689	14,351	-	1,474	7	102,201	0.86%	228
2011	26,315	49,260	6,313	-	13,199	-	1,416	7	96,510	1.38%	235
2012	20,820	39,005	-	-	10,544	654	1,382	7	72,412	0.98%	177
2013	16,350	38,190	-	-	9,332	-	1,346	7	65,225	0.43%	143
2014	11,525	37,375	-	-	4,399	-	1,310	7	54,616	0.35%	119
2015	6,460	36,460	-	-	3,938	-	1,273	6	48,137	0.30%	104
2016	-	35,545	-	-	3,459	36	1,236	5	40,281	0.24%	86

* 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, 2016 (in thousands)

Fiscal Year 2016 Assessed Valuation:	\$ 31,778,339	(includes unitary utility valuation)
Redevelopment Incremental Valuation:	<u>(3,247,296)</u>	
Adjusted Assessed Valuation:	<u>\$ 28,531,043</u>	

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt</u>
College of the Sequoias Hanford School Facilities Improvement District	0.956%	\$ 195
College of the Sequoias Tulare School Facilities Improvement District	88.658%	30,696
College of the Sequoias Visalia School Facilities Improvement District	100.000%	26,090
Other Community College District	2.259% - 7.190%	9,892
Dinuba Joint Unified School District	99.814%	23,101
Lindsay Unified School District	100.000%	43,681
Porterville Unified School District School Facilities Improvement District	100.000%	12,651
Visalia Unified School District	100.000%	59,250
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%	4,582
Tulare Joint Union High School District	99.830%	28,855
Other Union High School Districts	1.166% - 100.000%	10,598
Exeter Union School District	100.000%	4,099
Other School Districts	7.434% - 100.000%	13,815
Kaweah Delta Hospital District	100.000%	47,817
Tulare Local Healthcare District	100.000%	84,525
Special District 1915 Act Bonds	100.000%	107
Special District Revenue Bonds	100.000%	3,468
City 1915 Act Bonds	100.000%	352
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u><u>430,973</u></u>

<u>OVERLAPPING GENERAL FUND DEBT:</u>	<u>% Applicable</u>	<u>Debt</u>
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><u>189,301</u></u>

<u>DIRECT GENERAL FUND DEBT:</u>	<u>% Applicable</u>	<u>Debt</u>
Tulare County General Fund Obligations	100.000%	39,040
TOTAL DIRECT GENERAL FUND DEBT		<u>39,040</u>
TOTAL GROSS DIRECT AND OVERLAPPING DEBT		<u><u>\$ 659,314</u></u> (1)

(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.

<u>RATIO TO ADJUST ASSESSED VALUATION:</u>	
Combined Direct Debt	0.14%
Combined Total Debt	2.31%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/16: \$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 2016:

Net assessed value	\$ 31,542,207
Debt limit - 1.25 percent of taxable property (1)	\$ 394,278
Amount of debt applicable to debt limit (2)	-
Legal debt margin (3)	<u>\$ 394,278</u>

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	\$ 352,369	\$ 340,733	\$ 337,442	\$ 337,442	\$ 341,335
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 352,369</u>	<u>\$ 340,733</u>	<u>\$ 337,442</u>	<u>\$ 337,442</u>	<u>\$ 341,335</u>
Total debt limit as a percentage of the legal debt margin	100%	100%	100%	100%	100%

	Fiscal Year				
	2012	2013	2014	2015	2016
Debt limit	\$ 338,976	\$ 346,886	\$ 357,621	\$ 374,972	\$ 394,278
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 338,976</u>	<u>\$ 346,886</u>	<u>\$ 357,621</u>	<u>\$ 374,972</u>	<u>\$ 394,278</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 6/30/2016 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	Personal Income (in millions) (5)(6)	Median Age (3)(6)	School Enrollment (4)	Unemployment Rate (2)
2007	429,006	\$ 21,995	\$ 9,436	29	94,407	8.6%
2008	436,839	22,464	9,813	29	95,344	9.8%
2009	441,481	25,920	10,865	29	96,811	14.7%
2010	447,814	26,545	11,887	29	97,321	14.7%
2011	436,946	16,999	6,973	30	97,889	15.9%
2012	449,253	17,966	7,370	30	98,831	15.2%
2013	455,599	33,648	15,330	29	99,964	12.8%
2014	459,446	33,495	15,389	29	101,099	11.6%
2015	462,189	35,221	16,279	31	102,206	11.0%
2016	466,339	36,631	17,083	31	102,703	9.5%

(1) **Source:** State of California, Department of Finance; Census every 10 years

(2) **Source:** State of California, Employment Development Department

(3) **Source:** U.S. Census Bureau; Median age is the age at which there are as many residents older as there are younger.

(4) **Source:** California Department of Education, Educational Demographics Unit

(5) **Source:** U.S. Department of Commerce, Bureau of Economic Analysis

(6) Amounts are estimates based on historical percentages or other pertinent information.

COUNTY OF TULARE
Statistical Section
Principal Employers (unaudited)
June 30, 2016 and June 30, 2007

Fiscal Year 2016				Fiscal Year 2007			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,849	1	2.61%	County of Tulare	4,779	1	3.33%
Kaweah Delta Health Care District	2,000	2	1.08%	Kaweah Delta Health Care District	2,540	2	1.77%
Sierra View District Hospital	1,800	3	0.97%	Porterville Development Center	2,077	3	1.45%
Ruiz Foods Products, Inc.	1,800	3	0.97%	Wal-Mart Distribution Center	1,527	4	1.06%
Walmart Distribution Center	1,692	4	0.91%	College of the Sequoias	1,106	5	0.77%
Porterville Development Center	1,398	5	0.75%	Ruiz Foods Products, Inc.	1,100	6	0.77%
College of the Sequoias	1,160	6	0.63%	CIGNA HealthCare	1,000	7	0.70%
Jostens	720	7	0.39%	Jostens	720	8	0.50%
CIGNA HealthCare	700	8	0.38%	Dairyman's/Land O'Lakes, Inc.	650	9	0.45%
Monrovia Nursery Company	600	9	0.32%	Monrovia Nursery Company	600	10	0.42%
Land O'Lakes, Inc.	600	9	0.32%	Total	<u>16,099</u>		<u>11.22%</u>
Saputo Cheese USA, Inc.	530	10	0.29%				
Total	<u>17,849</u>		<u>9.62%</u>				

Source: Tulare County Economic Development Corporation

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

Function	Fiscal Year				
	2007	2008	2009	2010	2011
General Government					
Administration	50	53	52	49	51
County Counsel	41	45	48	48	50
Risk Management	9	9	6	4	6
Elections	8	7	7	7	5
Finance	133	144	144	143	157
Purchasing	6	6	6	7	5
Planning and Development	61	78	77	67	54
Other General	204	322	297	257	254
Public Protection					
Child Support Services	269	269	269	226	194
District Attorney	175	196	201	215	233
Fire Protection	27	111	114	114	122
Probation	315	327	335	348	345
Public Defender	75	83	83	83	78
Sheriff / Coroner	748	772	751	733	743
Trial Courts	-	-	-	-	1
Other Protection	57	58	58	60	102
Public Ways and Facilities	133	134	134	149	200
Health and Sanitation	650	575	475	443	439
Public Assistance	1,687	1,721	1,366	1,404	1,392
Education	41	45	45	47	59
Culture and Recreation	15	16	15	18	19
Solid Waste Management	75	76	75	64	66
Total Number of Employees	<u>4,779</u>	<u>5,047</u>	<u>4,558</u>	<u>4,486</u>	<u>4,575</u>
Total Gross Salaries*	<u>\$ 162,093</u>	<u>\$ 172,488</u>	<u>\$ 192,779</u>	<u>\$ 205,703</u>	<u>\$ 192,090</u>

Continued

*Gross Salaries Rounded to Thousands

Source: County of Tulare / Auditor-Controller

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

Fiscal Year					Function
2012	2013	2014	2015	2016	
					General Government
50	50	50	50	50	Administration
50	52	50	50	46	County Counsel
4	6	11	11	11	Risk Management
4	7	5	7	7	Elections
148	146	152	151	151	Finance
8	8	8	8	9	Purchasing
75	85	81	81	71	Planning and Development
231	244	255	258	268	Other General
					Public Protection
212	211	211	206	204	Child Support Services
194	205	212	212	204	District Attorney
117	114	114	113	117	Fire Protection
340	377	377	379	385	Probation
83	89	89	89	91	Public Defender
721	799	811	832	840	Sheriff / Coroner
2	2	2	2	3	Trial Courts
93	94	87	89	87	Other Protection
151	156	157	154	156	Public Ways and Facilities
483	488	477	469	480	Health and Sanitation
1,564	1,574	1,559	1,534	1,584	Public Assistance
47	45	45	48	50	Education
9	9	-	-	-	Culture and Recreation
61	52	47	33	36	Solid Waste Management
<u>4,647</u>	<u>4,813</u>	<u>4,800</u>	<u>4,776</u>	<u>4,850</u>	Total Number of Employees
<u>\$ 190,554</u>	<u>\$ 202,177</u>	<u>\$ 204,484</u>	<u>\$ 208,899</u>	<u>\$ 217,152</u>	Total Gross Salaries*
				Concluded	

*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				
	2007	2008	2009	2010	2011
Public Protection					
<i>Child Support Services</i>					
Number of Caseloads	35,678	34,960	37,498	36,109	31,621
Number of Orders Established	1,810	2,211	2,347	3,972	1,638
<i>District Attorney</i>					
Number of Adult Felony Cases Filed	5,702	5,547	4,742	4,074	4,085
Number of Adult Misdemeanor Cases Filed	12,943	14,192	14,028	11,606	10,228
Number of Juvenile Misdemeanor Cases Filed	886	877	640	526	364
Number of Juvenile Felony Cases Filed	829	733	719	674	607
Total Cases Tried (Excluding Juvenile Trials)	207	173	217	175	137
<i>Fire Protection</i>					
Number of Fires	3,156	3,227	1,890	4,429	1,735
Medical Aids	8,997	7,408	7,395	6,949	7,529
Assist Other Agencies	1,204	1,383	597	861	512
<i>Sheriff/Coroner</i>					
Warrants Processed	19,813	21,195	22,761	19,079	22,548
Jail Population - Admissions	29,241	26,183	25,376	24,348	23,444
<i>Environmental Health</i>					
Hazardous Materials Inspections	379	414	427	386	387
Hazardous Waste Inspections	225	214	201	212	221
Animal Control Field Calls	4,239	4,022	4,199	3,876	3,843
Animal Control Intake	9,172	9,151	9,221	8,787	9,316
Solid Waste Inspections	293	237	263	282	251
Public Ways and Facilities					
<i>Roads</i>					
Total Maintained Mileage	3,008	3,006	3,046	3,046	3,041
Public Assistance					
<i>Mental Health Clients Served</i>					
Outpatient	9,343	9,530	9,568	9,757	9,652
Inpatient	558	579	365	671	772
Conserved	264	229	180	186	178
Day Treatment	8	8	2	1	5
<i>Community Based Programs</i>					
Congregate Meals Served	125,167	107,509	82,240	69,851	71,261
Home Delivered Meals	121,672	99,140	47,953	51,692	65,260
Health Insurance Counseling and Advocacy Program	363	259	318	348	351
Number of People Served through Area Agency on Aging Funds	296,809	217,876	182,252	184,815	133,068
Number of Adult Protective Services Cases Opened	784	942	916	893	768
Number of Enrolled Participants in Cal Works	5,243	6,274	6,452	6,519	7,335
Culture and Recreation					
<i>Library</i>					
Volumes	317,532	288,035	-	341,774	343,928
<i>Parks and Recreation</i>					
Total Number of Cars Entered Parks	20,393	20,351	19,511	17,639	25,702
Total Amount of Park Reservations	1,902	1,735	1,636	1,036	837
Other Enterprises					
<i>Solid Waste</i>					
Landfill Tonnage Gross Total	310,099	271,245	235,162	225,337	246,965
Landfill Tonnage Recycled Total	36,181	48,892	50,117	49,207	56,128
<i>Transit</i>					
Total Route Miles	441,358	517,947	631,960	676,359	794,963
Number of Passengers	105,715	130,266	155,151	188,999	244,500

Continued

Source: County of Tulare / Auditor-Controller

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

Fiscal Year					Function
2012	2013	2014	2015	2016	
					Public Protection
					<i>Child Support Services</i>
29,055	27,633	26,136	25,066	24,250	Number of Caseloads
1,277	1,185	1,167	1,456	1,161	Number of Orders Established
					<i>District Attorney</i>
4,275	5,374	5,481	5,729	4,160	Number of Adult Felony Cases Filed
10,511	10,272	9,966	12,055	13,763	Number of Adult Misdemeanor Cases Filed
288	205	242	349	398	Number of Juvenile Misdemeanor Cases Filed
629	505	544	462	391	Number of Juvenile Felony Cases Filed
139	124	138	114	126	Total Cases Tried (Excluding Juvenile Trials)
					<i>Fire Protection</i>
3,292	4,647	4,745	4,654	4,707	Number of Fires
6,927	7,235	7,336	8,077	7,305	Medical Aids
361	277	268	509	545	Assist Other Agencies
					<i>Sheriff/Coroner</i>
17,079	17,538	19,650	22,071	23,042	Warrants Processed
22,251	22,660	22,563	22,881	21,301	Jail Population - Admissions
					<i>Environmental Health</i>
427	358	339	333	424	Hazardous Materials Inspections
233	218	181	196	198	Hazardous Waste Inspections
4,530	4,955	5,184	5,115	5,267	Animal Control Field Calls
9,269	9,269	8,945	8,348	7,684	Animal Control Intake
266	272	263	237	321	Solid Waste Inspections
					Public Ways and Facilities
					<i>Roads</i>
3,041	3,039	3,038	3,035	3,031	Total Maintained Mileage
					Public Assistance
					<i>Mental Health Clients Served</i>
9,427	9,637	10,577	11,417	11,691	Outpatient
608	710	812	802	776	Impatient
184	199	190	156	157	Conserved
5	2	2	2	2	Day Treatment
					<i>Community Based Programs</i>
70,150	60,743	60,890	69,200	66,192	Congregate Meals Served
59,460	63,089	64,470	79,271	69,185	Home Delivered Meals
575	1,156	974	1,114	1,073	Health Insurance Counseling and Advocacy Program
137,104	137,104	110,992	103,127	55,269	Number of People Served through Area Agency on Aging Funds
1,249	1,198	1,423	1,656	1,563	Number of Adult Protective Services Cases Opened
7,686	7,843	8,370	8,308	8,142	Number of Enrolled Participants in Cal Works
					Culture and Recreation
					<i>Library</i>
285,915	294,513	289,830	304,912	306,860	Volumes
					<i>Parks and Recreation</i>
19,234	13,963	17,297	15,364	19,038	Total Number of Cars Entered Parks
1,095	789	734	709	624	Total Amount of Park Reservations
					Other Enterprises
					<i>Solid Waste</i>
261,828	257,262	251,826	345,633	417,252	Landfill Tonnage Gross Total
54,712	43,171	46,301	37,824	37,995	Landfill Tonnage Recycled Total
					<i>Transit</i>
842,636	929,804	1,009,061	999,663	1,039,336	Total Route Miles
308,293	351,697	356,560	374,312	348,737	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				
	2007	2008	2009	2010	2011
Public Protection					
<i>Sheriff/Coroner</i>					
Stations	4	4	4	4	4
<i>Fire Protection</i>					
Stations	28	28	29	26	27
Building Permits Issued	5,847	5,118	3,925	3,353	3,494
Public Ways and Facilities					
<i>Roads</i>					
Roads (miles)	3,008	3,006	3,046	3,540	3,041
Streetlights	1,459	1,468	1,384	1,472	1,537
Culture and Recreation					
<i>Library</i>					
Number of Branches	15	15	15	15	15
Volumes	317,532	288,035	-	341,774	343,928
<i>Parks and Recreation</i>					
Park Acreage	688	688	688	688	628
Parks	11	11	11	11	10
Museum (square feet)	25,919	25,919	25,919	42,919	42,919
Lake Success Capacity (acre feet)	29,000	29,000	29,000	29,000	29,000
Lake Kaweah Capacity (acre feet)	185,600	185,600	165,600	185,600	185,600
Other Enterprises					
<i>Solid Waste</i>					
Landfill Sites	7	7	7	7	7
Transfer Stations	7	7	7	7	7

Continued

Source: County of Tulare / Auditor-Controller

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

Fiscal Year					Function
2012	2013	2014	2015	2016	
					Public Protection
					<i>Sheriff/Coroner</i>
4	4	4	4	4	Stations
					<i>Fire Protection</i>
27	27	27	27	27	Stations
3,333	3,581	3,474	3,639	4,617	Building Permits Issued
					Public Ways and Facilities
					<i>Roads</i>
3,041	3,041	3,038	3,035	3,031	Roads (miles)
1,541	1,542	1,471	1,471	1,157	Streetlights
					Culture and Recreation
					<i>Library</i>
15	15	15	15	15	Number of Branches
285,915	285,915	285,915	304,912	306,860	Volumes
					<i>Parks and Recreation</i>
628	628	628	628	628	Park Acreage
10	10	10	10	10	Parks
42,919	42,919	42,919	42,919	42,919	Museum (square feet)
29,000	29,000	29,000	29,000	29,000	Lake Success Capacity (acre feet)
185,600	185,600	185,600	185,600	185,600	Lake Kaweah Capacity (acre feet)
					Other Enterprises
					<i>Solid Waste</i>
7	7	3	2	2	Landfill Sites
7	7	7	6	6	Transfer Stations
					Concluded

Source: County of Tulare / Auditor-Controller