



**COUNTY OF TULARE  
STATE OF CALIFORNIA**



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Prepared Under the Direction of**

**Cass Cook, CFIP**

**Auditor-Controller/Treasurer-Tax Collector**

**Cover:** Earlimart Community Park, completed in October of 2017, was built on a vacant four-acre site located at the southeast corner of the Earlimart Elementary School property bound by School Avenue and Elm Road. The Earlimart Community Park Improvement Project, which cost \$3.2 million, was constructed using Proposition 84 grant funds and County of Tulare funds and includes a soccer field, basketball courts, playground area, pathways, landscaping, and flood control improvements.

**Photographer:** Johanna Coyne

**County of Tulare  
State of California**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2018**



**Prepared Under the Direction of**

**Cass Cook, CFIP  
Auditor-Controller/Treasurer-Tax Collector**

**Tara Freitas, CPA  
Assistant Auditor-Controller**

**COUNTY OF TULARE**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2018**

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# **Introductory Section**



# AUDITOR-CONTROLLER/ TREASURER-TAX COLLECTOR



# CASS COOK COUNTY OF TULARE

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December 27, 2018

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

The Comprehensive Annual Financial Report (CAFR) of the County of Tulare (the County) for the fiscal year ended June 30, 2018, is hereby submitted in accordance with Sections 25250 and 25253 of the Government Code of the State of California (the State). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Brown Armstrong Accountancy Corporation has issued an unmodified (“clean”) opinion on the County’s financial statements for the fiscal year ended June 30, 2018. The independent auditor’s report is located at the front of the financial section of this report. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

## PROFILE OF THE GOVERNMENT

The County is a General Law county created by the State Legislature in 1852 and the City of Visalia is the County Seat. The function of the County is to provide services to its residents as requested by them through laws enacted at the federal, State, and local level and through the election process. The number of residents in the County has been steadily growing over the past 10 years, with an increase of 7.8% since fiscal year 2009. According to the State Department of Finance, the number of residents in the County for the current fiscal year is approximately 475,834, an increase of 0.8% in comparison with the prior fiscal year.

The County is divided into five Supervisorial Districts (District) based on population as required by State statute. Members of the Board of Supervisors (the Board) are elected from each District by the voters of that District to serve staggered four-year terms – two Supervisors are elected in one general election, and three Supervisors in the next. The Board is vested with the legislative authority and responsibility to set County policy. The Board members hire the County Administrative Officer to carry out the policy decisions they make and to be responsible for day-to-day operations of the County. They also hire County Counsel, the County’s legal advisor. Voters elect other officials, including the Assessor/Clerk-Recorder, Auditor-Controller/Treasurer-Tax Collector, District Attorney, and Sheriff-Coroner, each to four-year terms.

**Geography and Industry** The County is located in the southern region of California’s San Joaquin Valley between San Francisco and Los Angeles, less than a three hour drive from California’s central coast, and a short distance from Sequoia and Kings Canyon National Parks, Sequoia National Monument and Forest, and Inyo National Forest. The County is situated in a geographically diverse region. Mountain peaks of the Sierra Nevada range rise to more than 14,000 feet in its Eastern half, comprised primarily of public lands within the Sequoia National Park, National Forest, and the Mineral King, Golden Trout, and Domelands Wilderness areas. The County’s central California location, family-oriented lifestyle, and affordable housing contribute to its growing population and business community.

The geographical location of the County presents easy access to markets around the world for all commodities produced. The County ranks second in the Nation with regard to total agriculture value. This is 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 row crops. The mild climate allows the County to be number one in the Nation for citrus production, with almost 95,000 acres dedicated to oranges alone. Tree nut acreage continues to expand, with over 72,000 acres of almonds and over 69,000 acres of pistachios. The top million dollar commodities produced in the County are milk, cattle, and citrus. Milk production maintains the top spot as the



highest valued commodity, grossing over \$1.7 billion annually. The beef industry is also an important component of the County's bustling economy, as are turkey and hog production. The County is also famous for its olives, pecans, plums, peaches, and nectarines, which account for hundreds of millions of dollars in farm income each year.

**Component Units** 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. Included in operations are various component units that provide specific services Countywide or to distinct geographic areas within the County. These component units include the Terra Bella Sewer Maintenance District, the Flood Control District, the Public Facilities Corporation, the Public Financing Authority, and the First 5 Tulare County. The financial reporting entity includes all of the funds of the County, as well as its component units, which are legally separate entities for which the County is financially accountable.

**Budget** The County is required by the State to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. This requires balancing incoming revenue (from property taxes, sales and other taxes, federal and State funding, fees, and other funds) with outgoing expenses. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The County utilizes an automated accounting system (Advantage Financial). This 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. The fund balances along with projected revenues become available for appropriation in the following year.

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 County Administrative Officer may approve transfers of appropriations between expenditure appropriation classifications within the same budget unit. A budget unit classifies a budget expenditure into the appropriate accounting or organizational unit, thereby enhancing the necessary or desirable control of the financial operation or program.

## **LOCAL ECONOMY**

The following highlights are evidence of the economic condition of the County:

**Employment** According to the State of California Employment Development Department, the County's total labor force as of the end of the current fiscal year is 211,300, of which 190,900 are employed and 20,400 are unemployed. As a result, the County's unemployment rate is 9.6%, a decrease of 0.3% in comparison with the prior fiscal year and a decrease of 6.3% since fiscal year 2011, which was the year that the County experienced the highest unemployment rate following the peak of the recession.

**Income** The County's average annual wages have been progressively rising over the past decade. For the current fiscal year, the County's average annual wages are \$39,148, an increase of 4.0% in comparison with the prior fiscal year.

**Tourism** For the current fiscal year, the dollar amount of the Transient Occupancy Tax (TOT) collected was \$2.3 million, an increase of 13.4% in comparison with the prior fiscal year. This increase in TOT is attributable to the growing number of people who visit the County each year to experience its National Parks, historic downtowns, agricultural-based events, and much more. Arguably one of the greatest assets of the County is the Sequoia National Park, which attracts thousands of visitors from all over the world every day. In fiscal year 2018, nearly 1.3 million people visited the Sequoia National Park, hitting an all-time record high.

## **LONG-TERM FINANCIAL PLANNING**

Property taxes are a major source of local governmental revenues and are determined by assessed values of real and personal property. The County's local assessed property values increased 5.0% in comparison with the prior fiscal year.

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 2018/19, the Capital Projects Fund requested budget is \$28.9 million.

Significant projects included in the budget for fiscal year 2018/19 include:

- \$5 million for the South County Detention Facility (total estimated project cost of \$72 million).
- \$5 million for the Sequoia Field Program Facility (total estimated project cost of \$43 million).
- \$3 million for the construction of Fire Station No. 1 (total estimated project cost of \$3 million).
- \$1 million for the Vocational Education Building (total estimated project cost of \$1 million).
- \$1 million for the Space Planning and Improvement project (total estimated project cost of \$17 million).

All projects and project funding are subject to the approval of the Board.

## **MAJOR INITIATIVES**

**Current Initiatives** The Board approved an update to the Strategic Management System 2016-2020 emphasizing that the County is “Open for Business” using a business model to provide public value when implementing the Strategic Goals of Public Safety and Security, Economic Well-Being, Quality of Life, and Organizational Performance. For the year, the Board’s commitment to serve the residents of the County effectively is demonstrated by the following initiatives (which are presented in no particular order and may have overlap among the categories):

### ***Public Safety and Security***

- Construction began on the South County Detention Facility in early 2016. The project will continue to move forward with a targeted completion date of October 2018. This new inmate facility will ease the burden facing the County with the inmate population that has doubled since the inception of Proposition 57.
- Established the Tree Mortality Task Force to assist with combatting the number of dying trees in the County. As of June 2018, the County has completed removal of 4,126 hazard trees.

### ***Quality of Life***

- 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 the County’s Health and Human Services Agency to expand the Step Up #LEAD (Leading, Educating, Advocating, and Dedication) program to at-risk youth in the Cities of Visalia, Tulare, and Porterville.
- Executed agreements with 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.
- Executed an agreement for the County Park Advisory Committee to review and evaluate the physical conditions of all the County parks. The Board approved the fiscal year 2017/18 Parks and Recreation Maintenance Improvement Program in August 2017.

### ***Organizational Performance***

- The Board approved a reorganization of the County Administrative Office in March of 2016, encompassing a Strategic Management System and Economic Development Strategy.
- 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. The first phase of construction was completed and construction began on the second phase in fiscal year 2017/18. Phase two construction will continue into fiscal year 2019/20. The County is exploring a third phase to include further construction in Visalia and Porterville.

**Future Initiatives** For the future, in order to serve the County residents effectively, the Board continues to prioritize programs based on their needs and anticipates taking on the following initiatives to achieve this goal (which are presented in no particular order and may have overlap among the categories):

### ***Public Safety and Security***

- 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 Board of State and Community Corrections for the County's Sequoia Field Program Facility in the amount of \$40 million funded by Senate Bill (SB) 1022 Jail Construction Program.
- The Board will work closely with the newly created Tree Mortality Task Force to determine guidelines for effectively and efficiently handling tree mortality in the County.

***Economic Well-Being***

- 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.

***Quality of Life***

- Work closely with the 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.
- 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, including executing agreements with public water agencies for the establishment of Groundwater Sustainability Agencies covering the Tule, Kaweah, and Kings sub-basins.
- 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.

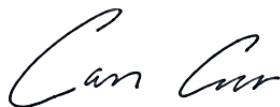
**AWARDS AND ACKNOWLEDGMENTS**

**Certificate of Achievement for Excellence in Financial Reporting** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County's CAFR for the fiscal year ended June 30, 2017. This was the 24th consecutive year that the County has achieved this prestigious award. In order to receive this award, a government must publish an easily readable and efficiently organized CAFR that satisfies 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,



Cass Cook, CFIP  
Auditor-Controller/Treasurer-Tax Collector



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

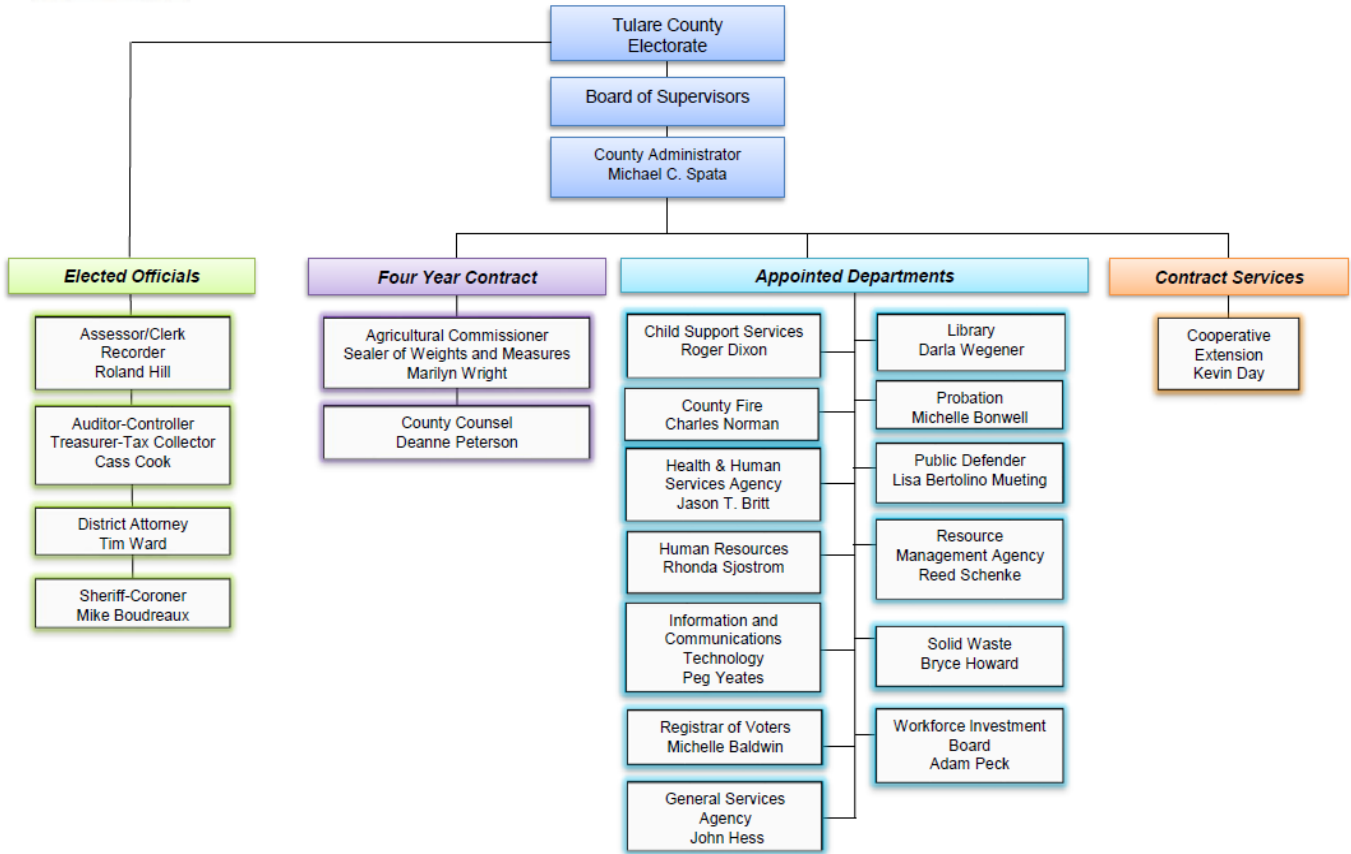
**County of Tulare  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*  
Executive Director/CEO

**COUNTY OF TULARE**  
**Organizational Chart**  
**June 30, 2018**



**COUNTY OF TULARE**  
**List of Elected and Appointed Officials**  
**June 30, 2018**

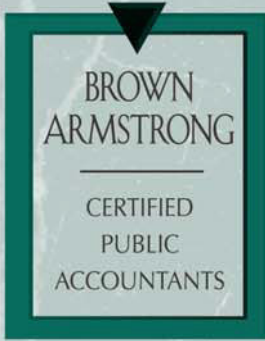
<b>Department/Agency/District</b>	<b>Elected Official</b>
Assessor/Clerk-Recorder .....	Roland P. Hill
Auditor-Controller/Treasurer-Tax Collector .....	Cass Cook
Board of Supervisors District No. 1 .....	Kuyler Crocker, Vice Chairman
<i>Exeter, Farmersville, Lindcove, Lindsay, Lemoncove, Strathmore,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

<b>Department/Agency</b>	<b>Appointed Official</b>
Agricultural Commissioner/Sealer of Weights and Measures .....	Marilyn Wright
Child Support Services .....	Roger Dixon
Cooperative Extension .....	Kevin Day
County Administrative Office.....	Michael C. Spata
County Counsel.....	Deanne H. Peterson
County Fire .....	Charles Norman
General Services Agency.....	John Hess
Grand Jury .....	Howard Stroman, Foreman
Health and Human Services Agency .....	Jason T. Britt
Human Resources and Development.....	Rhonda Sjostrom
Information and Communications Technology .....	Peg Yeates
Law Library .....	Anne Bernardo
Library .....	Darla Wegener
Probation .....	Michelle Bonwell
Public Defender .....	Lisa Bertolino Mueting
Registrar of Voters .....	Michelle Baldwin
Resource Management Agency.....	Reed Schenke
Solid Waste.....	Bryce Howard
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, 2018, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the general fund and the realignment-social services fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## 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 changes in the County's total other postemployment benefit (OPEB) liability and related ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (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 27, 2018, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

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

Bakersfield, California  
December 27, 2018

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2018 (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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 – 4 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 \$1,742,008 (*net position*).
- The County's total net position increased by \$29,935 from the prior fiscal year, which was mainly due to an increase in grant revenue from the prior fiscal year.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$366,874, an increase of \$30,451 in comparison with the prior year. Approximately \$50,120, or 13.7%, of this amount 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 \$108,045, or approximately 17.1% of total General Fund expenditures.
- The County's total outstanding long-term debt increased by \$249,537 during the current fiscal year, which was attributable to the issuance of pension obligation bonds and their associated cost.

**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, culture and recreation, and interest expense. 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 on pages 22 – 24 of this report.

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

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

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

Because the focus of *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds 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 twenty-one individual *governmental funds*. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds 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; all of which are considered to be major funds. Data from the other seventeen *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 on pages 25 – 30 of this report.

**Proprietary Funds** The County maintains two different types of proprietary funds: enterprise and internal service 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 on pages 31 – 34 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: investment trust funds, private-purpose trust funds, and agency funds. The *investment trust funds* are used to account for assets held by the County in a trustee capacity. The *private-purpose trust funds* are used by the County to report trust arrangements under which principal and income benefit other governments.



**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

These funds report 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 on pages 35 – 36 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 on pages 37 – 78 of this report.

**Other Information** In addition to the basic financial statements and accompanying notes, this report also presents *Required Supplementary Information* (RSI) concerning the County's progress in funding its obligation to provide other post-employment benefits 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 on pages 79 – 80 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 fiduciary funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 81 – 128 of this report.

**GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS**

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, 2018 and June 30, 2017 are as follows:

**Summary of Net Position**  
**For the Fiscal Years Ended June 30, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percentage Change
	2018	2017	2018	2017	2018	2017		
<b>ASSETS</b>								
Current and other assets	\$ 593,367	\$ 530,160	\$ 72,254	\$ 73,432	\$ 665,621	\$ 603,592	\$ 62,029	10.3%
Capital assets, net of depreciation	1,678,086	1,639,501	25,572	21,617	1,703,658	1,661,118	42,540	2.6%
Total assets	<u>2,271,453</u>	<u>2,169,661</u>	<u>97,826</u>	<u>95,049</u>	<u>2,369,279</u>	<u>2,264,710</u>	<u>104,569</u>	4.6%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred pensions	428,145	187,623	1,310	1,228	429,455	188,851	240,604	127.4%
Deferred OPEB	579	-	5	-	584	-	584	100%
Total deferred outflows of resources	<u>428,724</u>	<u>187,623</u>	<u>1,315</u>	<u>1,228</u>	<u>430,039</u>	<u>188,851</u>	<u>241,188</u>	127.7%
<b>LIABILITIES</b>								
Current and other liabilities	163,804	138,668	8,504	10,508	172,308	149,176	23,132	15.5%
Long-term liabilities	806,298	506,801	39,130	39,305	845,428	546,106	299,322	54.8%
Total liabilities	<u>970,102</u>	<u>645,469</u>	<u>47,634</u>	<u>49,813</u>	<u>1,017,736</u>	<u>695,282</u>	<u>322,454</u>	46.4%
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unearned revenue	15,421	15,341	-	-	15,421	15,341	80	0.5%
Deferred pensions	22,903	30,665	168	200	23,071	30,865	(7,794)	(25.3%)
Deferred OPEB	1,073	-	9	-	1,082	-	1,082	100%
Total deferred inflows of resources	<u>39,397</u>	<u>46,006</u>	<u>177</u>	<u>200</u>	<u>39,574</u>	<u>46,206</u>	<u>(6,632)</u>	(14.4%)
<b>NET POSITION</b>								
Net investment in capital assets	1,675,627	1,636,514	24,420	20,420	1,700,047	1,656,934	43,113	2.6%
Restricted	208,166	180,978	11,647	9,088	219,813	190,066	29,747	15.7%
Unrestricted	(193,115)	(151,683)	15,263	16,756	(177,852)	(134,927)	(42,925)	31.8%
Total net position	<u>\$ 1,690,678</u>	<u>\$ 1,665,809</u>	<u>\$ 51,330</u>	<u>\$ 46,264</u>	<u>\$ 1,742,008</u>	<u>\$ 1,712,073</u>	<u>\$ 29,935</u>	1.8%



**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

**Analysis of Net Position** 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 \$1,742,008 at the close of the most recent fiscal year. As described below, the County experienced a net increase of \$29,935, or 1.8%, from the prior fiscal year primarily as a result of an increase in revenue received from the State for various criminal justice programs.

**Net Investment in Capital Assets** The largest portion of the County's net position is invested in capital assets (e.g., land, buildings, roads, bridges, machinery, equipment, and intangible assets), less the related and outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The \$43,113, or 2.6%, increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt and deferred inflows of resources. Capital additions were related primarily to infrastructure (roads and road improvements), construction in progress, and the acquisition of equipment and vehicles. The County recorded accumulated depreciation of \$535,370 against its assets.

**Restricted Net Position** Restricted net position of \$219,813 represents resources that are subject to external restrictions on how they may be used. Due to the unique nature of funding sources, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- \$84,792, or 38.6%, for health and sanitation, including mental health care programs, alcohol and drug programs, environmental programs, social services realignment, and mental health realignment.
- \$38,091, or 17.3%, of federal and State allocations for public protection, including local community corrections, local safety and protection, juvenile justice, and jail inmate welfare.
- \$30,920, or 14.0%, for future roads projects.
- \$24,522, or 11.2%, for a debt service bond agreement for the acquisition and construction of public capital improvements and the repair and maintenance thereof.
- \$41,488, or 18.9%, for various other federal, State, or County imposed purposes.

Restricted net position increased \$29,747, or 15.7%, in comparison with the prior fiscal year. Significant changes to restricted net position include:

- Health and sanitation restrictions increased by \$10,736, or 14.5%, primarily due to unspent reimbursements from the State for social services and mental health realignment.
- Public protection increased by \$11,507, or 43.3%, predominantly as a result of unspent reimbursements from the State for public safety realignment set aside for future local community corrections, safety, and protection.
- The restricted amount for roads projects decreased by \$3,309, or 9.7%, mainly due to an increase in infrastructure in progress.

**Unrestricted Net Position** The remaining balance of net position is unrestricted, which may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position is negative \$177,852, a decrease of \$42,925, or 31.8%, from the prior fiscal year. The negative unrestricted net position is primarily the result of the County's unfunded pension obligation.

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

Changes in net position for both governmental activities and business-type activities for the fiscal years ended June 30, 2018 and June 30, 2017 are as follows:

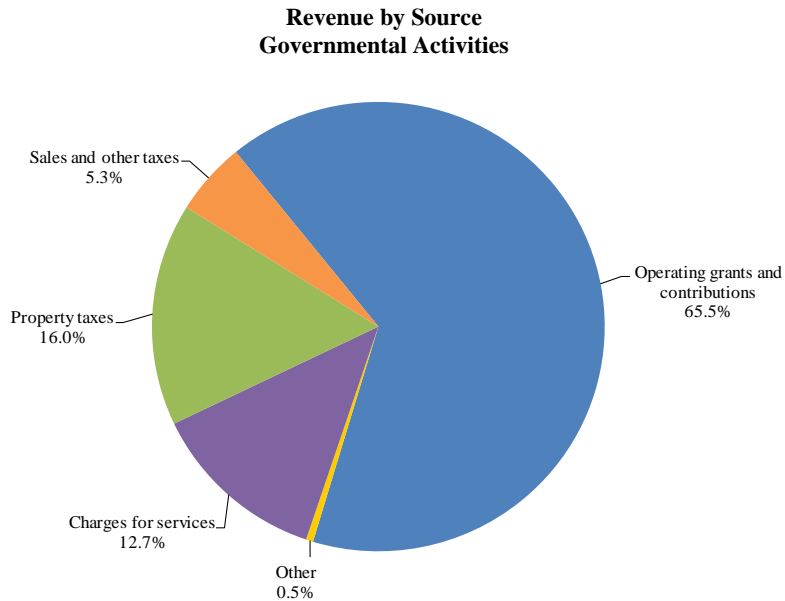
**Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2018 and 2017**

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2018	2017	2018	2017	2018	2017		
<b>REVENUES</b>								
Program Revenues								
Charges for services	\$ 103,525	\$ 98,036	\$ 16,775	\$ 16,300	\$ 120,300	\$ 114,336	\$ 5,964	5.2%
Operating grants and contributions	533,034	477,539	892	1,172	533,926	478,711	55,215	11.5%
General Revenues								
Property taxes	130,346	123,861	-	-	130,346	123,861	6,485	5.2%
Sales and other taxes	42,811	35,976	2,393	1,704	45,204	37,680	7,524	20.0%
Other	4,680	3,920	64	130	4,744	4,050	694	17.1%
Total revenues	<u>814,396</u>	<u>739,332</u>	<u>20,124</u>	<u>19,306</u>	<u>834,520</u>	<u>758,638</u>	<u>75,882</u>	<u>10.0%</u>
<b>EXPENSES</b>								
General government	59,867	53,525	-	-	59,867	53,525	6,342	11.9%
Public protection	262,931	246,602	-	-	262,931	246,602	16,329	6.6%
Public ways and facilities	39,093	36,004	-	-	39,093	36,004	3,089	8.6%
Health and sanitation	148,328	143,652	-	-	148,328	143,652	4,676	3.3%
Public assistance	274,833	260,405	-	-	274,833	260,405	14,428	5.5%
Education	5,878	5,521	-	-	5,878	5,521	357	6.5%
Culture and recreation	2,462	2,428	-	-	2,462	2,428	34	1.4%
Interest expense	751	449	-	-	751	449	302	67.4%
Solid waste	-	-	11,336	11,426	11,336	11,426	(90)	(0.8%)
Water/Sewer services	-	-	1,568	1,213	1,568	1,213	355	29.3%
Transit	-	-	3,266	3,340	3,266	3,340	(74)	(2.2%)
Other business-type activities	-	-	12	15	12	15	(3)	(20.0%)
Total expenses	<u>794,143</u>	<u>748,586</u>	<u>16,182</u>	<u>15,994</u>	<u>810,325</u>	<u>764,580</u>	<u>45,745</u>	<u>6.0%</u>
Change in net position before transfers	<u>20,253</u>	<u>(9,254)</u>	<u>3,942</u>	<u>3,312</u>	<u>24,195</u>	<u>(5,942)</u>	<u>30,137</u>	<u>(507.2%)</u>
Transfers	<u>26</u>	<u>302</u>	<u>(26)</u>	<u>(302)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0%</u>
Change in net position	<u>20,279</u>	<u>(8,952)</u>	<u>3,916</u>	<u>3,010</u>	<u>24,195</u>	<u>(5,942)</u>	<u>30,137</u>	<u>(507.2%)</u>
Net position - beginning	1,665,809	1,674,761	46,264	43,254	1,712,073	1,718,015	(5,942)	(0.4%)
Prior period adjustment	4,590	-	1,150	-	5,740	-	5,740	100%
Net position - beginning, as restated	<u>1,670,399</u>	<u>1,674,761</u>	<u>47,414</u>	<u>43,254</u>	<u>1,717,813</u>	<u>1,718,015</u>	<u>(202)</u>	<u>(0.0%)</u>
Net position - ending	<u>\$ 1,690,678</u>	<u>\$ 1,665,809</u>	<u>\$ 51,330</u>	<u>\$ 46,264</u>	<u>\$ 1,742,008</u>	<u>\$ 1,712,073</u>	<u>\$ 29,935</u>	<u>1.8%</u>

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

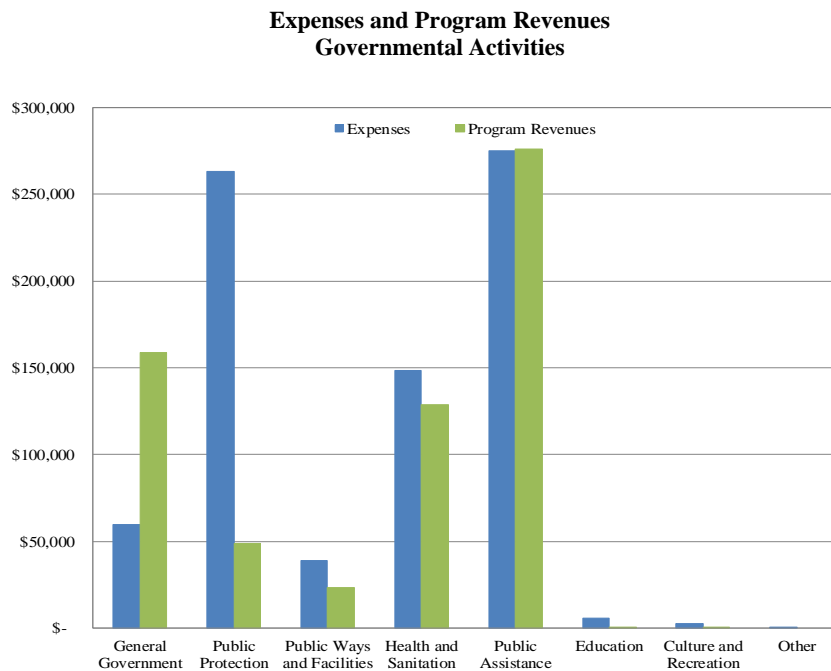
**Governmental Activities** Governmental activities increased the County's net position by \$20,279 to \$1,690,678 for the fiscal year ended June 30, 2018, which indicates these activities did generate revenues sufficient to cover the cost of operations. Contributing factors are an increase in operating grants and contributions revenue of \$55,495 and an increase in public protection expenses of \$16,329. The largest source of governmental revenue continues to be operating grants and contributions, which represents 65.5% of all governmental activities revenue.

Key elements of revenues in governmental activities for the fiscal year ended June 30, 2018 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.

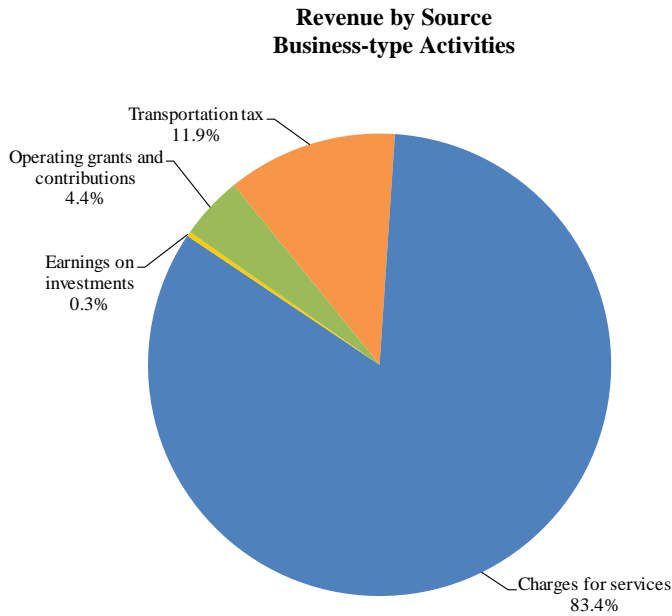
A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2018 is as follows:



**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

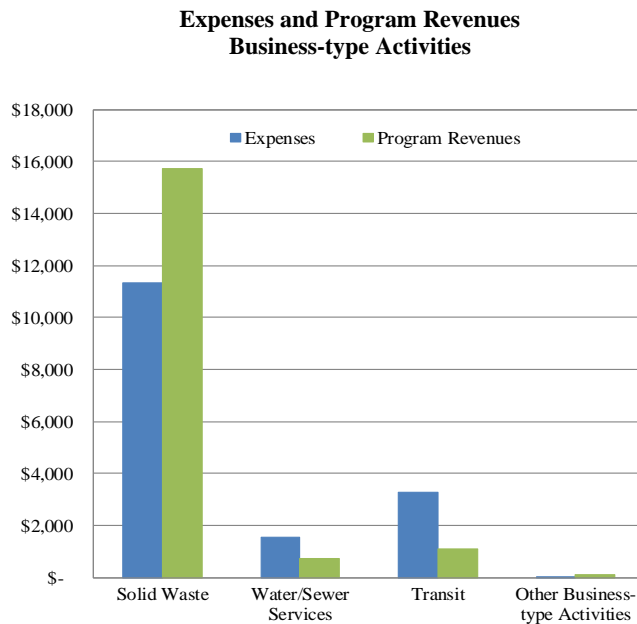
**Business-type Activities** For the County's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$51,330. The total increase in net position for business-type activities was \$3,916, or 9.1% from the prior fiscal year. The growth is largely attributable to a \$689 increase sales and other taxes revenue and a \$475 increase in charges for service revenue. The largest source of business-type revenue continues to be charges for services, which represents 83.4% of all business-type activities revenue.

Key elements of revenues in business-type activities for the fiscal year ended June 30, 2018 are as follows:



Total fee revenues for solid waste represents 92.6% of charges for services for business-type activities. Solid waste's program revenues of \$15,537 exceeded its expenses of \$11,336. 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.

A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2018 is as follows:



**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

**FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS**

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

**Governmental Funds** The focus of the County's *governmental funds* is to provide information on near-term inflows 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 \$366,874, an increase of \$30,451 in comparison with the prior year. Approximately 13.7% of the total fund balances, or \$50,120, 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 (\$9,471), (2) restricted for particular purposes (\$230,642), (3) committed for particular purposes (\$45,346), or (4) assigned for particular purposes (\$31,295).

The General Fund is the primary operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$50,137, while total fund balance reached \$191,430. 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 8.0% of total General Fund expenditures, while total fund balance represents 30.4% of that same amount.

Spending from the General Fund increased by \$23,025, or 3.8%. Contributing factors include an increase of \$11,791, or 6.4%, in public protection spending primarily due to an increase in general liability insurance premiums and salaries spread fairly evenly among the Sheriff, District Attorney, Public Defender, and Probation departments. There was also an increase of \$11,658, or 4.9%, in public assistance spending mainly as a result of an increase in social services, including cash assistance and foster care. In addition, there was an increase of \$1,426, or 3.9%, in general government spending primarily due to salary increases as a result of both merit increases and cost of living adjustments.

On April 1, 2018, the Board authorized the establishment of an Internal Revenue Code Section 115 irrevocable trust (the Trust) with Public Agencies Retirement Services to fund pension expenses. Initial funding was provided by transferring the remaining funds of \$3,000 from the General Fund pension stabilization reserve to the Trust.

**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 \$40,661. There was an increase of \$4,031, or 10.5%, in total net position for Solid Waste. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**Original Budget Compared to Final Budget** The total change between the original budget and the final amended budget was an increase of \$4, or less than 1%. The most notable change was an increase in intergovernmental revenues of \$3,112 primarily due to greater than expected revenue from the State for various public assistance programs. This increase was offset by a decrease in general government expenditures of \$3,467 mainly due to professional services for attorney fees related to general government less than anticipated.

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

**Final Budget Compared to Actual Results** The variance between the final budget and actual revenue resulted in an increase of \$23,955. The most significant differences between estimated revenues and actual revenues were as follows:

<u>Revenues Source</u>	<u>Final Budget</u>	<u>Actual Revenue</u>	<u>Difference</u>
Taxes and special assessments	\$ 121,325	\$ 138,266	\$ 16,941
Other revenues	4,228	13,352	9,124
Charges for services	68,396	63,100	(5,296)
Intergovernmental revenues	341,033	343,858	2,825

- Taxes and special assessments revenues were higher than anticipated largely due to an increase in assessed property values and sales and use tax.
- Other revenues were higher than projected mostly due to welfare advances from the State.
- Charges for services revenues were less than expected primarily due to less money received from the State Department of Mental Health Care Services for Medi-Cal.
- Intergovernmental revenues were more than anticipated primarily as a result of money received from the State Controller's Office to fund the Local Law Enforcement Services Account, as required by Assembly Bill (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.

The variance between the final budget and actual expenditures resulted in \$86,475 of unspent appropriations. The most significant differences are as follows:

- Health and sanitation expenditures were \$28,361 less than projected mainly due to providing medical services to fewer clients than anticipated, as well as unfilled positions in the Health and Human Services Agency (HHSA) related to health and sanitation.
- General government expenditures were \$20,522 lower than expected primarily as a result of unspent appropriations for contingencies, and services and supplies.
- Public assistance expenditures were \$18,472 less than expected predominantly as a result of unfilled positions in the HHSA related to providing public assistance.
- Public protection expenditures were \$16,960 less than anticipated, which was largely attributable to unfilled positions in the Sheriff and Probation departments.

**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 \$1,703,658 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, construction in progress, and infrastructure in progress. The total increase in capital assets for the current fiscal year was \$42,540, or 2.6%.

**Capital Assets  
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 940,966	\$ 942,165	\$ 6,728	\$ 6,728	\$ 947,694	\$ 948,893
Infrastructure	472,345	478,110	-	-	472,345	478,110
Buildings and improvements	133,953	139,398	14,104	11,370	148,057	150,768
Equipment and vehicles	27,243	27,769	3,633	2,560	30,876	30,329
Construction in progress	71,211	34,480	1,107	959	72,318	35,439
Infrastructure in progress	32,368	17,579	-	-	32,368	17,579
Total	<u>\$ 1,678,086</u>	<u>\$ 1,639,501</u>	<u>\$ 25,572</u>	<u>\$ 21,617</u>	<u>\$ 1,703,658</u>	<u>\$ 1,661,118</u>



**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

**Construction in Progress** The County both purchases and constructs capital assets throughout the year. When a capital project will be completed in a subsequent fiscal year, related project costs are recorded as construction in progress (CIP). In the year of completion, a project's CIP is allocated to the appropriate capital asset classification(s). In the current fiscal year, CIP had a net increase of \$36,879. CIP increases of \$36,915 were offset by project completions/disposals of \$36.

Some of the major project costs that make up the \$36,915 increase in CIP are as follows:

- Construction of the South County Detention Facility, with a current fiscal year expense of \$30,967.
- Construction of the Property and Evidence Storage Facility, with a current fiscal year expense of \$3,150.
- Construction of the Sequoia Field Program Facility, with a current fiscal year expense of \$1,371.

**Infrastructure in Progress** Similar to CIP, when an infrastructure project will be completed in a subsequent fiscal year, related project costs are recorded as infrastructure in progress. In the year of completion, a project's infrastructure in progress is allocated to the appropriate capital asset classification(s). In the current fiscal year, infrastructure in progress had a net increase of \$14,789. Infrastructure in progress increases of \$25,381 were offset by project completions/disposals of \$10,592.

Some of the major project costs that make up the \$25,381 increase in infrastructure in progress are as follows:

- Caldwell Avenue to Avenue 280 road widening project, with a current fiscal year expense of \$5,754.
- Avenue 416 road widening project, with a current fiscal year expense of \$5,515.
- Avenue 144 road rehabilitation project, with a current fiscal year expense of \$3,049.

**Buildings and Improvements** The County capitalized \$4,138 of buildings and improvements, net of \$6,849 in related depreciation, for a total decrease of \$2,711, or 1.8%.

**Infrastructure** The County capitalized \$10,592 in infrastructure, net of \$16,357 in related depreciation, for a total increase of \$5,765, or 1.2%.

Additional information on the County's capital assets can be found in Note IV.E on pages 54 – 55 of this report.

**Long-term Debt** At the end of the current fiscal year, the County had total outstanding debt of \$288,256. Of this amount, \$1,147, or 0.4%, comprises debt for certificates of participation issued by the Tulare County Public Facilities Corporation for the acquisition or construction of major capital facilities. Another \$33,425, or 11.6%, is the outstanding balance of variable rate demand bonds issued by the Tulare County Public Financing Authority to provide financing for future acquisition and construction of major capital facilities. An additional \$251,220, or 87.2%, is the debt for pension obligation bonds issued by the County to reduce its pension unfunded accrued actuarial liability. 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**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Capital leases	17	27	-	-	17	27
Certificates of participation	-	-	1,147	1,192	1,147	1,192
Variable rate demand bonds	33,425	34,535	-	-	33,425	34,535
Pension obligation bonds	251,220	-	-	-	251,220	-
Bonds payable	-	-	5	5	5	5
Loans payable	2,442	2,960	-	-	2,442	2,960
Total outstanding debt	\$ 287,104	\$ 37,522	\$ 1,152	\$ 1,197	\$ 288,256	\$ 38,719

The overall increase of current fiscal year outstanding debt of the County over the prior fiscal year is \$249,537. This increase to debt is due to the issuance of \$251,220 Series 2018 Taxable Pension Obligation Bonds. The largest reductions occurred with payments of \$1,110 against variable rate demand bonds and \$518 paid against loans.

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

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 1.0% of full cash value. Thus, the legal debt margin of \$430,925 is 1.25% of the net assessed valuation of \$34,473,990. As of June 30, 2018, 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.I on pages 57 – 60 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 2018/19 fiscal year budget:

Today's economic environment continues to expand at a moderate pace. For example, the Nation's economic expansion – based on the annual growth rate of real Gross Domestic Product (GDP) – has reached an average of 2.2% growth from 2012 through 2017. The current growth rate of 2.2% demonstrates the economy growing slowly but steadily. Economic growth is projected to be strong this year and possibly the next. For example, according to the "advance" estimate released by the Bureau of Economic Analysis, real GDP increased at an annual rate of 4.1% in the second quarter of 2018. As a counterpoint, the Congressional Budget Office's projections for real GDP growth average 1.9% over the 2018 – 2028 period.

The United States (U.S.) stock market has exhibited solid gains since the November 2016 presidential elections partly stemming from a reduction in federal income tax rates. The economic data in the first two quarters of 2018 was mixed with strong job growth supported by relatively low unemployment rates (U.S. – 4.0%; State – 4.3%; the County – 10.2%). In June 2018, the Nation's housing market showed an increase in sales activity, notably, 631 new single-family homes were sold (2.4% above June 2017) and \$302 was the median sales price. The inflation rate is 2.0% (the Federal Reserve's target) and it is expected to remain steady for the next year.

The Federal Reserve raised interest rates in June 2018, setting the federal funds target rate in a range of 1.75% to 2.0%. Two additional rate hikes are projected for this year. The Federal Reserve Open Market Committee determines the federal funds rate, which helps determine rates for mortgages, credit cards and other borrowing. In the financial crisis of 2007 – 2008, the federal funds rate decreased to a range of 0.00% to 0.25%; however, the rate has been rising gradually. On June 13, 2018, Federal Reserve Chairman, Jerome Powell stated that the Federal Reserve would gradually return interest rates to a more normal level as the economy strengthens. Historically, the Federal Reserve increased rates six times during the current economic recovery, namely, December 2015, December 2016, March 2017, June 2017, December 2017, and March 2018.

The other message is that of caution. With the U.S. economy entering its tenth year of economic expansion, State policy-makers are planning for the next recession. An economic downturn has historically presented itself in five-year cycles. Thus, at the state level, California continues to plan for the next recession by enhancing reserve accounts for future uncertainties. Consequently, the State Budget for fiscal year 2018/19 has focused on creating two savings accounts, robust reserves, paying down debts and liabilities, and investing in programs serving working families.

Economic challenges for future years continue to loom over federal, state, and local governments. For example, the list of uncertainties affecting the County's budget include (1) volatile federal and state revenues; (2) federal and state policy decisions involving healthcare and tax reform; (3) worldwide national security challenges; (4) the rising federal budget deficit; (5) the ever increasing national debt, approaching \$21,000,000,000 at this time; (6) adverse fluctuations in the stock and securities markets which are currently at an all-time high; (7) likely increasing natural disasters and emergencies such as floods and wildfires; and (8) future financial challenges as considered by the County's Strategic Financing Plan Ad Hoc Committee involving increasing costs for criminal detention facilities, health and mental health care, fire departmental needs, and zones of benefit for water and wastewater systems.

Sketched along this economic, financial and regulatory landscape, the County continues to implement prudent financial budget strategies by formulating an annual spending plan (budget) that follows the principles of (1) fiscal sustainability; (2) revenue-generating opportunities embracing entrepreneurial government; (3) financial feasibility of departmental budget requests by emphasizing one-time spending allocations; (4) strategic alignment of budgetary spending with articulated goals and objectives in departmental budgets; (5) estimating budget revenue within reasonable limits; and (6) bolstering reserves and contingencies.

For calendar year 2017, the County continues to be a leader in national agricultural production with a total gross value of over \$7,000,000, an increase of 10.5% above the prior year. Dairy milk and milk products had a total gross value of over \$1,700,000,

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2018 (in thousands)**

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 eighty countries throughout the world.

On June 27, 2018, the Governor of California, Edmund G. Brown Jr. signed the balanced fiscal year 2018/19 Budget Act into law, spending \$201,300,000 from the General Fund, special funds, and bond funds. State General Fund appropriations total \$138,600,000, \$11,600 higher than the enacted fiscal year 2017/18 budget. As such, the State Budget addresses the Governor's key priorities: maintaining fiscal prudence; paying down debts and liabilities; investing in education; counteracting the effects of poverty and homelessness; and strengthening roads and infrastructure statewide.

The State Budget allocated significant funding to counties in the following areas:

- Over \$700,000 to assist local government to address homelessness and build affordable housing.
- Over \$280,000 to repay counties for debt related to repealed mandates owed for nearly a decade.
- Almost \$40,000 in additional funding to cover administrative costs for California Work Opportunity and Responsibility to Kids (CalWORKs) and In-Home Supportive Service.

Notably, the State Budget increased the Rainy Day Fund by \$4,400,000 to a total \$13,800,000, or 100.0% of its constitutional target. In doing so, the State is preparing for the next recession.

In addition to the standard budget bill, over twenty-two trailer bills were signed by the Governor addressing significant policies including budget deficit savings accounts, safety net reserve funds, public safety, health and human services, Medi-Cal, housing for homeless, education, transportation and infrastructure, public employment, and taxation.

The State's fiscal year 2018/19 Recommended Budget for all funds total \$1,260,000, an increase of \$29,600, or 2.4%, when compared to the fiscal year 2018/19 Adopted Budget. The budget supports a total workforce of 5 positions and reflects a net increase of thirty positions.

## **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 South Mooney Boulevard, Room 101-E, Visalia, California 93291. The County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018, can also be found at the County's website: <http://tularecounty.ca.gov/auditorcontroller/index.cfm/auditor-controller/financial-reports1/>.

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# Basic Financial Statements



**COUNTY OF TULARE**  
**Statement of Net Position**  
**June 30, 2018 (in thousands)**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
<b>ASSETS</b>				
Cash in banks	\$ 201	\$ 357	\$ 558	\$ 540
Investment in treasury pool	471,191	24,879	496,070	3,905
Investments	1,654	-	1,654	-
Imprest cash	606	3	609	-
Receivable (net of allowance for uncollectibles)				
Accounts	7,305	2,316	9,621	848
Taxes	35	-	35	-
Deposits with others	-	-	-	37
Due from other funds	9	-	9	-
Due from other governments	25,498	431	25,929	-
Internal balances	1,649	(1,649)	-	-
Prepaid items	3,228	-	3,228	19
Advances to other funds	361	-	361	-
Notes receivable	20,238	-	20,238	-
Inventories	215	-	215	-
Restricted assets	61,177	45,917	107,094	-
Capital assets, not being depreciated/amortized	1,044,545	7,835	1,052,380	-
Capital assets, net of accumulated depreciation/amortization	633,541	17,737	651,278	5
Total assets	<u>2,271,453</u>	<u>97,826</u>	<u>2,369,279</u>	<u>5,354</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	428,145	1,310	429,455	-
Deferred OPEB	579	5	584	-
Total deferred outflows of resources	<u>428,724</u>	<u>1,315</u>	<u>430,039</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	33,014	1,208	34,222	945
Due to other governments	72,779	-	72,779	-
Deposits from others	297	61	358	-
Salaries and benefits payable	10,331	192	10,523	18
Advances	47,088	7,043	54,131	-
Interest payable	295	-	295	-
Total current liabilities	<u>163,804</u>	<u>8,504</u>	<u>172,308</u>	<u>963</u>
Noncurrent liabilities - Due within one year				
Capital lease	8	-	8	-
Certificates of participation payable	-	46	46	-
Bonds payable	1,110	-	1,110	-
Pension obligation bonds	9,105	-	9,105	-
Compensated absences	2,098	12	2,110	-
Loans payable	539	-	539	-
Claims payable	8,314	-	8,314	-
Noncurrent liabilities - Due in more than one year				
Capital lease	9	-	9	-
Certificates of participation payable	-	1,101	1,101	-
Bonds payable	32,315	5	32,320	-
Pension obligation bonds	242,115	-	242,115	-
Compensated absences	22,303	281	22,584	35
Loans payable	1,903	-	1,903	-
Closure/post closure costs payable	-	34,270	34,270	-
Claims payable	25,689	-	25,689	-
Net pension liability	447,295	3,291	450,586	-
Total OPEB liability	13,495	124	13,619	-
Total noncurrent liabilities	<u>806,298</u>	<u>39,130</u>	<u>845,428</u>	<u>35</u>
Total liabilities	<u>970,102</u>	<u>47,634</u>	<u>1,017,736</u>	<u>998</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue	15,421	-	15,421	-
Deferred pensions	22,903	168	23,071	-
Deferred OPEB	1,073	9	1,082	-
Total deferred inflows of resources	<u>39,397</u>	<u>177</u>	<u>39,574</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, 2018 (in thousands)**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
<b>NET POSITION</b>				
Net investment in capital assets	1,675,627	24,420	1,700,047	5
Restricted for				
Debt service	24,522	-	24,522	-
Roads projects	30,920	-	30,920	-
Low and moderate income housing	112	-	112	-
Public protection	38,091	-	38,091	-
Education	2,996	-	2,996	-
Health and sanitation	84,792	-	84,792	-
Public assistance	1,186	-	1,186	-
Landfill ground water contingencies	-	5,016	5,016	-
Acquisition of future disposal site	-	6,631	6,631	-
Other purposes	25,547	-	25,547	-
Unrestricted	(193,115)	15,263	(177,852)	4,351
Total net position	<u>\$ 1,690,678</u>	<u>\$ 51,330</u>	<u>\$ 1,742,008</u>	<u>\$ 4,356</u>
				Concluded

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

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**COUNTY OF TULARE**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2018 (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
<b>Governmental activities</b>							
General government	\$ 59,867	\$ 31,532	\$ 127,427	\$ 99,092	\$ -	\$ 99,092	\$ -
Public protection	262,931	19,049	29,702	(214,180)	-	(214,180)	-
Public ways and facilities	39,093	3,382	20,114	(15,597)	-	(15,597)	-
Health and sanitation	148,328	39,204	89,665	(19,459)	-	(19,459)	-
Public assistance	274,833	9,847	266,017	1,031	-	1,031	-
Education	5,878	257	109	(5,512)	-	(5,512)	-
Culture and recreation	2,462	254	-	(2,208)	-	(2,208)	-
Interest expense	751	-	-	(751)	-	(751)	-
Total governmental activities	794,143	103,525	533,034	(157,584)	-	(157,584)	-
<b>Business-type activities</b>							
Solid waste	11,336	15,537	188	-	4,389	4,389	-
Water/Sewer services	1,568	723	-	-	(845)	(845)	-
Transit	3,266	390	704	-	(2,172)	(2,172)	-
Other business-type activities	12	125	-	-	113	113	-
Total business-type activities	16,182	16,775	892	-	1,485	1,485	-
Total primary government	\$ 810,325	\$ 120,300	\$ 533,926	\$ (157,584)	\$ 1,485	\$ (156,099)	\$ -
<b>Component unit</b>							
First 5 Tulare County	\$ 5,420	\$ -	\$ 4,308				(1,112)
Total component unit	\$ 5,420	\$ -	\$ 4,308				(1,112)
General revenues							
Taxes							
Property taxes, levied for general purposes				116,181	-	116,181	-
Property taxes, levied for flood control				652	-	652	-
Property taxes, levied for fire protection				8,984	-	8,984	-
Property taxes, levied for library				4,529	-	4,529	-
Sales and other taxes				42,811	2,393	45,204	-
Earnings on investments				-	64	64	33
Miscellaneous				-	-	-	11
Tobacco settlement revenues				4,680	-	4,680	-
Transfers				26	(26)	-	-
Total general revenues and transfers				177,863	2,431	180,294	44
Change in net position				20,279	3,916	24,195	(1,068)
Net position - beginning				1,665,809	46,264	1,712,073	5,424
Prior period adjustments				4,590	1,150	5,740	-
Net position - beginning, as restated				1,670,399	47,414	1,717,813	5,424
Net position - ending				\$ 1,690,678	\$ 51,330	\$ 1,742,008	\$ 4,356

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

**COUNTY OF TULARE**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2018 (in thousands)**

	General	Public Facilities Corporation	Public Financing Authority	Realignment- Social Services	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash in banks	\$ 201	\$ -	\$ -	\$ -	\$ -	\$ 201
Investment in treasury pool	303,217	94	-	26,935	99,144	429,390
Investments	-	-	1,654	-	-	1,654
Imprest cash	105	-	-	-	1	106
Receivable (net of allowance for uncollectibles)						
Accounts	4,397	-	104	-	2,789	7,290
Taxes	35	-	-	-	-	35
Due from other funds	273	-	-	-	-	273
Due from other governments	16,237	-	-	-	8,544	24,781
Prepaid items	2,659	-	-	-	469	3,128
Advances to other funds	2,096	-	-	-	32	2,128
Notes receivable	4,000	-	-	-	16,238	20,238
Inventories	-	-	-	-	215	215
Restricted assets	3,003	-	58,174	-	-	61,177
Total assets	<u>\$ 336,223</u>	<u>\$ 94</u>	<u>\$ 59,932</u>	<u>\$ 26,935</u>	<u>\$ 127,432</u>	<u>\$ 550,616</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 18,009	\$ -	\$ -	\$ -	\$ 13,423	\$ 31,432
Due to other funds	-	-	-	-	32	32
Due to other governments	70,121	-	-	-	2,658	72,779
Deposits from others	240	57	-	-	-	297
Salaries and benefits payable	7,043	-	-	-	2,169	9,212
Advances	44,141	-	-	-	2,371	46,512
Advances from other funds	-	-	-	-	120	120
Total liabilities	<u>139,554</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>20,773</u>	<u>160,384</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unearned revenue-special assessments	5,239	-	-	-	18,119	23,358
Total deferred inflows of resources	<u>5,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,119</u>	<u>23,358</u>
<b>FUND BALANCES</b>						
Nonspendable	8,755	-	-	-	716	9,471
Restricted	74,630	37	56,432	26,935	72,608	230,642
Committed	44,446	-	-	-	900	45,346
Assigned	13,462	-	3,500	-	14,333	31,295
Unassigned	50,137	-	-	-	(17)	50,120
Total fund balances	<u>191,430</u>	<u>37</u>	<u>59,932</u>	<u>26,935</u>	<u>88,540</u>	<u>366,874</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 336,223</u>	<u>\$ 94</u>	<u>\$ 59,932</u>	<u>\$ 26,935</u>	<u>\$ 127,432</u>	<u>\$ 550,616</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, 2018 (in thousands)**

Total fund balances for governmental funds \$ 366,874

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	\$ 940,966	
Buildings and improvements, net of \$98,759 accumulated depreciation	133,953	
Equipment and vehicles, net of \$72,693 accumulated depreciation	27,243	
Infrastructure, net of \$328,633 accumulated depreciation	472,345	
Construction in progress	71,211	
Infrastructure in progress	<u>32,368</u>	
Total capital assets		1,678,086

The future revenue resulting from the delay in reimbursements from the State for mandated programs (Senate Bill 90) is categorized as deferred inflows of resources for fund statements because the funds will not be available for more than one year. 2,703

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. 3,059

Agricultural Commissioner deferred inflows of resources from farmer fees; revenues were already recognized in government-wide statements in prior year. 2,175

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, instead it 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	(295)	
Capital leases payable	(17)	
Bonds payable	(33,425)	
Pension obligation bonds	(251,220)	
Compensated absences	(24,401)	
Loans payable	(2,442)	
Claims payable	(34,003)	
Net pension liability and related deferred inflows/outflows of resources	(42,053)	
Total OPEB liability and related deferred inflows/outflows of resources	<u>(13,989)</u>	
Total long-term liabilities		(401,845)

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. 39,626

Net position of governmental activities \$ 1,690,678

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 Fiscal Year Ended June 30, 2018 (in thousands)**

	General	Public Facilities Corporation	Public Financing Authority	Realignment- Social Services	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes and special assessments	\$ 138,266	\$ -	\$ -	\$ -	\$ 34,891	\$ 173,157
Licenses and permits	11,389	-	-	-	22	11,411
Fines, forfeitures, and penalties	5,301	-	-	-	1,814	7,115
Interest, rents, and concessions	1,552	46	934	-	423	2,955
Intergovernmental revenues	343,858	-	-	80,607	108,654	533,119
Charges for services	63,100	-	-	-	4,419	67,519
Other revenues	13,352	-	-	-	5,522	18,874
Total revenues	<u>576,818</u>	<u>46</u>	<u>934</u>	<u>80,607</u>	<u>155,745</u>	<u>814,150</u>
<b>EXPENDITURES</b>						
Current						
General government	37,783	-	-	-	14,776	52,559
Public protection	195,631	-	-	-	34,461	230,092
Public ways and facilities	92	-	-	-	19,984	20,076
Health and sanitation	139,497	-	-	-	1	139,498
Public assistance	251,607	-	-	-	11,658	263,265
Education	825	-	-	-	4,316	5,141
Culture and recreation	1,611	-	-	-	-	1,611
Debt service						
Principal retirement	-	20	1,110	-	520	1,650
Interest and fiscal charges	-	25	625	-	105	755
Capital outlay	3,508	-	-	-	65,843	69,351
Total expenditures	<u>630,554</u>	<u>45</u>	<u>1,735</u>	<u>-</u>	<u>151,664</u>	<u>783,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(53,736)</u>	<u>1</u>	<u>(801)</u>	<u>80,607</u>	<u>4,081</u>	<u>30,152</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of general capital assets	282	-	-	-	3	285
Transfers in	105,267	-	4,680	1,581	30,302	141,830
Transfers (out)	(28,589)	-	(3,500)	(82,621)	(27,106)	(141,816)
Total other financing sources (uses)	<u>76,960</u>	<u>-</u>	<u>1,180</u>	<u>(81,040)</u>	<u>3,199</u>	<u>299</u>
Net change in fund balances	23,224	1	379	(433)	7,280	30,451
Fund balances - beginning	168,206	36	59,553	27,368	81,260	336,423
Fund balances - ending	<u>\$ 191,430</u>	<u>\$ 37</u>	<u>\$ 59,932</u>	<u>\$ 26,935</u>	<u>\$ 88,540</u>	<u>\$ 366,874</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 Fiscal Year Ended June 30, 2018 (in thousands)**

Net change in fund balances - total governmental funds \$ 30,451

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	\$ 69,351	
Depreciation expense	(27,968)	
Combined adjustment		41,383

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. (2,076)

Governmental funds report the future resources as the result of delayed collection of reimbursements from the State for mandated programs (Senate Bill 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. 101

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, for government-wide statements, the revenue is recognized when earned. (54)

Current year collections of previously delayed reimbursements for Agricultural Commissioner programs are reported as current year revenue for governmental funds. However, revenues were already recognized in government-wide statements in prior year. 119

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. 1,628

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. However, in the statement of activities, 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.

Bond issuance costs	(1,220)	
Compensated absences	(1,436)	
Accrued net pension liability	(49,062)	
Accrued total OPEB liability	(1,107)	
Accrued interest on debt	26	
Combined adjustment		(52,799)

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. 1,526

Changes in net position of governmental activities \$ 20,279

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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes and special assessments	\$ 121,297	\$ 121,325	\$ 138,266	\$ 16,941
Licenses and permits	10,291	10,266	11,389	1,123
Fines, forfeitures, and penalties	4,395	4,395	5,301	906
Interest, rents, and concessions	3,220	3,220	1,552	(1,668)
Intergovernmental revenues	337,921	341,033	343,858	2,825
Charges for services	68,954	68,396	63,100	(5,296)
Other revenues	4,231	4,228	13,352	9,124
Total revenues	<u>550,309</u>	<u>552,863</u>	<u>576,818</u>	<u>23,955</u>
<b>EXPENDITURES</b>				
Current				
General government	61,772	58,305	37,783	20,522
Public protection	209,638	212,591	195,631	16,960
Public ways and facilities	110	110	92	18
Health and sanitation	166,834	167,858	139,497	28,361
Public assistance	270,099	270,079	251,607	18,472
Education	903	903	825	78
Culture and recreation	1,510	1,512	1,611	(99)
Capital outlay	4,118	5,671	3,508	2,163
Total expenditures	<u>714,984</u>	<u>717,029</u>	<u>630,554</u>	<u>86,475</u>
Deficiency of revenues under expenditures	<u>(164,675)</u>	<u>(164,166)</u>	<u>(53,736)</u>	<u>110,430</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	225	225	282	57
Transfers in	179,093	180,787	105,267	(75,520)
Transfers (out)	(55,187)	(57,386)	(28,589)	28,797
Total other financing sources (uses)	<u>124,131</u>	<u>123,626</u>	<u>76,960</u>	<u>(46,666)</u>
Net change in fund balance	(40,544)	(40,540)	23,224	63,764
Fund balance - beginning	168,206	168,206	168,206	-
Fund balance - ending	<u>\$ 127,662</u>	<u>\$ 127,666</u>	<u>\$ 191,430</u>	<u>\$ 63,764</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 78,427	\$ 79,533	\$ 80,607	\$ 1,074
Total revenues	<u>78,427</u>	<u>79,533</u>	<u>80,607</u>	<u>1,074</u>
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	<u>78,427</u>	<u>79,533</u>	<u>80,607</u>	<u>1,074</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	942	1,304	1,581	277
Transfers (out)	(82,877)	(84,260)	(82,621)	1,639
Total other financing sources (uses)	<u>(81,935)</u>	<u>(82,956)</u>	<u>(81,040)</u>	<u>1,916</u>
Net change in fund balance	(3,508)	(3,423)	(433)	2,990
Fund balance - beginning	27,368	27,368	27,368	-
Fund balance - ending	<u>\$ 23,860</u>	<u>\$ 23,945</u>	<u>\$ 26,935</u>	<u>\$ 2,990</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, 2018 (in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
<b>ASSETS</b>				
Current assets				
Cash in banks	\$ 354	\$ 3	\$ 357	\$ -
Investment in treasury pool	11,357	13,522	24,879	41,801
Imprest cash	3	-	3	500
Accounts receivable (net of allowance for uncollectibles)	2,023	293	2,316	15
Prepaid items	-	-	-	100
Due from other governments	-	431	431	717
Total current assets	<u>13,737</u>	<u>14,249</u>	<u>27,986</u>	<u>43,133</u>
Noncurrent assets				
Restricted assets	45,901	16	45,917	-
Capital assets				
Land	6,116	612	6,728	-
Buildings and improvements, net	10,978	3,126	14,104	9
Equipment and vehicles, net	3,072	561	3,633	1,933
Construction in progress	-	1,107	1,107	-
Total capital assets	<u>20,166</u>	<u>5,406</u>	<u>25,572</u>	<u>1,942</u>
Total noncurrent assets	<u>66,067</u>	<u>5,422</u>	<u>71,489</u>	<u>1,942</u>
Total assets	<u>79,804</u>	<u>19,671</u>	<u>99,475</u>	<u>45,075</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	1,253	57	1,310	9,648
Deferred OPEB	5	-	5	34
Total deferred outflows of resources	<u>1,258</u>	<u>57</u>	<u>1,315</u>	<u>9,682</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	649	559	1,208	1,582
Due to other funds	2	-	2	230
Deposits from others	-	61	61	-
Salaries and benefits payable	179	13	192	1,119
Compensated absences payable	12	-	12	64
Claims payable	-	-	-	8,314
Certificates of participation payable	-	46	46	-
Total current liabilities	<u>842</u>	<u>679</u>	<u>1,521</u>	<u>11,309</u>
Noncurrent liabilities				
Compensated absences payable	271	10	281	1,516
Advances	-	7,043	7,043	576
Advances from other funds	-	1,647	1,647	-
Closure/post closure costs payable	34,270	-	34,270	-
Claims payable	-	-	-	25,689
Bonds payable	-	5	5	-
Certificates of participation payable	-	1,101	1,101	-
Net pension liability	3,147	144	3,291	24,227
Total OPEB liability	<u>118</u>	<u>6</u>	<u>124</u>	<u>806</u>
Total noncurrent liabilities	<u>37,806</u>	<u>9,956</u>	<u>47,762</u>	<u>52,814</u>
Total liabilities	<u>38,648</u>	<u>10,635</u>	<u>49,283</u>	<u>64,123</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pensions	161	7	168	1,239
Deferred OPEB	9	-	9	64
Total deferred inflows of resources	<u>170</u>	<u>7</u>	<u>177</u>	<u>1,303</u>
<b>NET POSITION</b>				
Net investment in capital assets	20,166	4,254	24,420	1,942
Restricted for				
Landfill ground water contingencies	5,000	16	5,016	-
Acquisition of future disposal site	6,631	-	6,631	-
Unrestricted	10,447	4,816	15,263	(12,611)
Total net position	<u>\$ 42,244</u>	<u>\$ 9,086</u>	<u>\$ 51,330</u>	<u>\$ (10,669)</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 14,354	\$ 1,042	\$ 15,396	\$ 66,973
Interest, rents, and concessions	29	3	32	-
Other revenues	1,154	193	1,347	4,824
Total operating revenues	<u>15,537</u>	<u>1,238</u>	<u>16,775</u>	<u>71,797</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	3,555	175	3,730	23,752
Services and supplies	5,163	4,098	9,261	35,509
Insurance premiums paid	-	-	-	6,903
Landfill closure and post closure costs	1,124	-	1,124	-
Depreciation	1,440	507	1,947	415
Claims incurred	-	-	-	3,373
Total operating expenses	<u>11,282</u>	<u>4,780</u>	<u>16,062</u>	<u>69,952</u>
Operating income (loss)	<u>4,255</u>	<u>(3,542)</u>	<u>713</u>	<u>1,845</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Loss on sale of capital assets	(54)	-	(54)	(465)
Intergovernmental revenues	188	704	892	54
Penalties collected	-	55	55	-
Taxes and special assessments	-	2,338	2,338	-
Investment earnings (expenses)	154	(90)	64	80
Interest expense	-	(66)	(66)	-
Total nonoperating revenues (expenses)	<u>288</u>	<u>2,941</u>	<u>3,229</u>	<u>(331)</u>
Income (loss) before transfers	<u>4,543</u>	<u>(601)</u>	<u>3,942</u>	<u>1,514</u>
Transfers in	-	374	374	76
Transfers (out)	(400)	-	(400)	(64)
Change in net position	4,143	(227)	3,916	1,526
Net position - beginning	38,213	8,051	46,264	(11,429)
Prior period adjustment	(112)	1,262	1,150	(766)
Net position - beginning, as restated	<u>38,101</u>	<u>9,313</u>	<u>47,414</u>	<u>(12,195)</u>
Net position - ending	<u>\$ 42,244</u>	<u>\$ 9,086</u>	<u>\$ 51,330</u>	<u>\$ (10,669)</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 14,052	\$ 992	\$ 15,044	\$ 3,556
Receipts from interfund services provided	53	-	53	66,299
Receipts from rents and concessions	29	3	32	-
Other receipts	1,154	365	1,519	4,838
Payments from (to) employees	(2,881)	1,069	(1,812)	(19,455)
Payments to suppliers	(3,800)	(4,879)	(8,679)	(39,065)
Payments for interfund services used	(1,820)	(781)	(2,601)	(6,917)
Payments for claims	-	-	-	(2,487)
Net cash provided (used) by operating activities	<u>6,787</u>	<u>(3,231)</u>	<u>3,556</u>	<u>6,769</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Subsidy from intergovernmental entities	188	704	892	54
Receipts from taxes and assessments	-	2,393	2,393	-
Transfers from other funds	-	374	374	76
Transfers to other funds	(2,517)	-	(2,517)	(64)
Advance from other funds	-	558	558	-
Net cash provided (used) by noncapital financing activities	<u>(2,329)</u>	<u>4,029</u>	<u>1,700</u>	<u>66</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Sales of capital assets	(54)	6	(48)	(1)
Purchases of capital assets	(5,755)	(153)	(5,908)	(167)
Principal paid on capital debt	-	(45)	(45)	-
Interest paid on capital debt	-	(66)	(66)	-
Net cash used by capital and related financing activities	<u>(5,809)</u>	<u>(258)</u>	<u>(6,067)</u>	<u>(168)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment earnings (expenses)	154	(90)	64	80
Net cash provided (used) by investing activities	<u>154</u>	<u>(90)</u>	<u>64</u>	<u>80</u>
Net increase (decrease) in cash and cash equivalents	(1,197)	450	(747)	6,747
Cash and cash equivalents - beginning	58,812	13,091	71,903	35,554
Cash and cash equivalents - ending	<u>\$ 57,615</u>	<u>\$ 13,541</u>	<u>\$ 71,156</u>	<u>\$ 42,301</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Displayed as				
Cash in banks	\$ 354	\$ 3	\$ 357	\$ -
Investment in treasury pool	11,357	13,522	24,879	41,801
Imprest cash	3	-	3	500
Restricted assets which are cash equivalents	45,901	16	45,917	-
Total cash displayed	<u>\$ 57,615</u>	<u>\$ 13,541</u>	<u>\$ 71,156</u>	<u>\$ 42,301</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	<u>\$ 4,255</u>	<u>\$ (3,542)</u>	<u>\$ 713</u>	<u>\$ 1,845</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Landfill closure and post closure costs	1,124	-	1,124	-
Depreciation expense	1,440	507	1,947	415
(Increase) decrease in accounts receivable	(251)	(50)	(301)	2,752
(Increase) decrease in intergovernmental receivables	-	172	172	14
(Increase) decrease in due to other funds	2	-	2	130
(Increase) decrease in prepaid items	-	-	-	(30)
Increase (decrease) in accounts payable	(457)	(1,562)	(2,019)	(3,540)
Increase (decrease) in deferred pensions	(149)	35	(114)	(648)
Increase (decrease) in deferred OPEB	4	-	4	30
Increase (decrease) in net pension liability	768	(69)	699	4,650
Increase (decrease) in total OPEB liability	118	6	124	806
Increase (decrease) in salaries and benefits payable and compensated absences	(67)	1,272	1,205	(541)
Increase (decrease) in claims payable	-	-	-	886
Total adjustments	<u>2,532</u>	<u>311</u>	<u>2,843</u>	<u>4,924</u>
Net cash provided (used) by operating activities	<u>\$ 6,787</u>	<u>\$ (3,231)</u>	<u>\$ 3,556</u>	<u>\$ 6,769</u>

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, 2018 (in thousands)**

	Investment Trust Funds	Private- Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Cash in bank	\$ -	\$ -	\$ 4,093
Investment in treasury pool	939,502	278	42,768
Accounts receivable (net of allowance for uncollectibles)	1,627	-	88
Notes receivable	760	-	-
Prepaid items	26	-	-
Deposits with others	-	243	-
Due from other governments	2,385	1,061	1,541
Capital assets			
Infrastructure	-	2,186	-
Total capital assets (net of accumulated depreciation)	-	2,186	-
Total assets	<u>944,300</u>	<u>3,768</u>	<u>48,490</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	922	-	-
Total deferred outflows of resources	<u>922</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Accounts payable	6,367	-	17,544
Due to other funds	9	-	-
Due to other governments	1,335	1,060	3,511
Advances from other funds	329	32	-
Note payable	-	4,679	-
Agency obligations	-	-	27,435
Net pension liability	2,290	-	-
Total liabilities	<u>10,330</u>	<u>5,771</u>	<u>\$ 48,490</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	117	-	-
Total deferred inflows of resources	<u>117</u>	<u>-</u>	<u>\$ -</u>
<b>NET POSITION</b>			
Net position held in trust	<u>\$ 934,775</u>	<u>\$ (2,003)</u>	

**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Investment Trust Funds	Private- Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions to pooled investments	\$ 5,529,353	\$ 376
Investment income	785	-
Total additions	5,530,138	376
<b>DEDUCTIONS</b>		
Distributions from pooled investments	5,477,855	324
Total deductions	5,477,855	324
Change in net position	52,283	52
Net position - beginning	882,492	(2,055)
Net position - ending	\$ 934,775	\$ (2,003)

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, 2018 (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 Generally Accepted Accounting Principles (GAAP) 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 GAAP, 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. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, 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.

- *Terra Bella Sewer Maintenance District* – The members of the governing board of the Terra Bella Sewer Maintenance District (TBSMD), an entity legally separate from the County, are members of the County's Board and have control over the day-to-day operations of the 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. The TBSMD's financial information is included as an enterprise fund.
- *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 the 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 FCD's financial information is included as a special revenue fund accounting for reimbursement for flood control related services and projects within the County.
- *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 which can impose its will upon the PFC by its authority to remove the 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. The PFC's financial information is included as a major governmental fund.
- *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, the 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 the PFA are payable through the County. The PFA's financial information is included as a major governmental fund.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2018 (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, which can impose its will upon the F5TC through the approval of the F5TC's annual budget and by its authority to remove the F5TC board members and to hire or dismiss management. The 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 the F5TC are not used to support County operations. Complete audited financial statements for the F5TC are available at the County Auditor-Controller's Office, 221 S. Mooney Boulevard, Room 101-E, Visalia, California 93291 or by going to F5TC's website at <https://www.first5tc.org/organizationalreports>.

**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:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

**Government-wide 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 program or function revenues 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 significantly on fees and charges for services. In the statement of activities, internal service funds' revenues and expenses related to interfund services have been eliminated. Revenues 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 general government, public protection, public ways and facilities, health and sanitation, public assistance, education, culture and recreation, and interest expense. The business-type activities of the County include solid waste, water and sewer services, transit, and other business-type activities.

**Fund Financial Statements** 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 service funds are charges to customers for sales and services; interest, rents, and concessions; and other revenues. Operating expenses for enterprise funds and internal service funds include salaries and benefits, services and supplies, insurance premiums paid, landfill closure and post closure costs, depreciation of capital assets, and claims incurred. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**C. Measurement Focus and 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

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aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained, consistent with legal and managerial requirements. The basis of accounting determines when transactions and economic events are reflected in the 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, special revenue, debt service, and capital projects funds. The TBSMD and FCD each adopt an annual budget. The 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 (PFC)* 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 (PFA)* 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.
- The *Realignment-Social Services Fund* is a state mandated fund that accounts for the County match, sales tax revenues, and transfers to/from the General Fund for certain welfare program expenditures. The primary source of revenue is 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 funds.

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*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 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 funds* are used by the County to report trust arrangements under which principal and income benefit other governments. These funds report 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, including Property Tax Collection and Apportionment, State Fines Agency, Transportation Tax, Employee Health Benefits, Education Revenue Augmentation, and Other Agency, account for assets held by the County in an agency capacity for individuals, private organizations, or other governments.

#### **D. Implementation of New Accounting Principles**

The following GASB Statements have been implemented in the current 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.
- **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.
- **GASB Statement No. 85** – *Omnibus 2017*. The provisions of GASB Statement No. 85 are effective for financial statements beginning after June 15, 2017.
- **GASB Statement No. 86** – *Certain Debt Extinguishment Issues*. The provisions of GASB Statement No. 86 are effective for financial statements beginning after June 15, 2017.

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

- **GASB Statement No. 83** – *Certain Asset Retirement Obligations*. The provisions of GASB Statement No. 83 are effective for financial statements beginning after June 15, 2018. The County has not fully judged the impact of implementation of GASB Statement No. 83 on the financial statements.
- **GASB Statement No. 84** – *Fiduciary Activities*. The provisions of GASB Statement No. 84 are effective for financial statements beginning after December 15, 2018. The County has not fully judged the impact of implementation of GASB Statement No. 84 on the financial statements.
- **GASB Statement No. 87** – *Leases*. The provisions of GASB Statement No. 87 are effective for financial statements beginning after December 15, 2019. The County has not fully judged the impact of implementation of GASB Statement No. 87 on the financial statements.
- **GASB Statement No. 88** – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The provisions of GASB Statement No. 88 are effective for financial statements beginning after June 15, 2018. The County has not fully judged the impact of implementation of GASB Statement No. 88 on the financial statements.
- **GASB Statement No. 89** – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The provisions of GASB Statement No. 89 are effective for financial statements beginning after December 15, 2019. The County has not fully judged the impact of implementation of GASB Statement No. 89 on the financial statements.
- **GASB Statement No. 90** – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*. The provisions of GASB Statement No. 90 are effective for financial statements beginning after December 15, 2018. The County has not fully judged the impact of implementation of GASB Statement No. 90 on the financial statements.

**E. Assets, Liabilities, and Equity**

**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 (the Pool), and other short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the United States (U.S.) Treasury, federal agencies, supranationals, municipal securities, commercial paper, corporate notes and bonds, repurchase agreements, certificates of deposit, and the State Treasurer's Investment Pool.

The Treasury division of the Auditor-Controller's Office administers a pooled investment program for the County and for certain special purpose authorities including school districts. As of June 30, 2018, the special purpose authorities' cash and pooled investments were approximately 61.7% of the Pool's 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 and the statement of net position and to 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 State of California 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, 2018. The dollars deposited in the program have been decreased by \$20,938 to reflect the decline in the fair value of the investment in the Pool at June 30, 2018.

In addition, investments outside the Pool were adjusted to fair value as of June 30, 2018, resulting in an increase of \$73.

**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

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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, delinquent with penalties after December 10, and the second property tax installment is due on February 1 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 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 California Government Codes and Revenue and Taxation Codes.

**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.

**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.

**Capital Assets** Capital assets include land, land improvements, buildings and improvements (e.g., office buildings and building improvements), equipment (e.g., vehicles, machinery, and computers), infrastructure (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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition 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 over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	20-50
Infrastructure roadway	
Pavement	10-40
Bridges	50
Pipe crossings	30
Traffic control devices	25
Signs	10
Sewer/water systems	7-20
Landfill site improvements	15
Vehicles/heavy equipment	3-20
Office equipment	3-16

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

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.

**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 typically compensated for up to 300 hours 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 8, 12, 13, 14, 15, 16 and 22 who leave County service by retirement after 10 years of service may convert 20.0% 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 10 years of service may convert 20.0% 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 10 years of service may convert 20.0% 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 10 years of service may convert 20.0% 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 (executive management), 11, 19, 20, and 21 who leave County service by retirement after 10 years of service may convert 20.0% 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 five years of service may convert 20.0% 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



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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 during the sick leave buy back usage review period.

**Pension Plan** For purposes of measuring the net pension liability and deferred outflows/inflows of resources relating to pensions, and pension expense, information about the fiduciary net position of the County's plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by Tulare County Employees' Retirement Association (TCERA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Postemployment Benefits (OPEB)** For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by TCERA. For this purpose, the OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments and participating interest-earning investment contracts that have a maturity at the time of the purchase of one year or less, which are reported at cost.

**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.

**Deferred Outflows/Inflows of Resources** In addition to assets, the statement of net position or balance sheet 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 or fund balance 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 net position or balance sheet 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 or fund balance 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.

**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 (1) not spendable in form or (2) legally or contractually required to be maintained intact.
- *Restricted fund balance* – amounts with constraints placed on their use that are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) 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 authority, or by a body or an official designated for that

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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. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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.

**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 resources (committed, assigned, and unassigned) as they are needed.

**Use of Estimates** The preparation of the basic financial statements is in conformity with GAAP. 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 26.

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 28.

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

### **A. Budgetary Information**

In accordance with the provision of Sections 29000 through 29132, inclusive, of the California 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.

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. The Board, per California Government Code Section 29125, has legally delegated authority under AR No. 4 to the County Administrative Officer (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 10.0%, 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

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or under-filled. Budgeted amounts are reported both as adopted and as amended. As such, County department heads may make transfers of appropriations within a department with the approval of the CAO under the aforementioned restrictions. Transfers of appropriations to or from any budget unit, between funds, and 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 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, 2018, appropriations in the General Fund were increased by \$4,244.

**B. Individual Fund Deficits**

At June 30, 2018, the following special revenue funds and internal service fund reported fund deficits:

	<u>Deficit Balance</u>
Special revenue funds	
Aviation	\$ (1)
Housing Opportunities Made Equal (HOME)	(9)
Workforce Investment	(7)
Internal service fund	
Central Services	\$ (11,437)

Pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, the fund deficit balance for the Aviation Fund, the HOME Fund, and the Workforce Investment Fund is due to the recognized change in the fair value of the funds' respective investment within the County's Treasury Pool.

The Central Services fund deficit balance constitutes its proportionate share of net pension liability pursuant to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

As provided by California 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 California 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, 2018, the County's bank deposits had a carrying amount of \$155,634 and the balance per the financial institutions totaled \$157,654. 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, \$3,600 was covered by the Federal Deposit Insurance Corporation (FDIC), \$153,870 was collateralized pursuant to California Government Code, and the remaining \$184 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 the County's 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 County Treasurer reports on a monthly basis to the Board. Additionally, there is an Oversight Committee established under

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California Government Code Section 27130 through 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 County Treasurer to invest in permissible types of instruments. These include:

- Obligations issued by the County
- Obligations of the U.S. Treasury
- Obligations of the State of California and local agencies
- Obligations of Federal Agencies or U.S. government-sponsored enterprises
- Obligations of supranationals rated AA or better
- Bankers acceptances eligible for purchase by the Federal Reserve System
- Commercial paper rated A-1 by Standard & Poor's Corporation (S&P) or P-1 by Moody's Commercial Paper Record (Moody's)
- Negotiable certificates of deposit
- Medium-term corporate notes rated A or better
- Money market funds
- Repurchase and reverse repurchase agreements
- Local Agency Investment Fund (LAIF)
- Managed investment pools pursuant to California Government Code Section 53601
- Asset-backed securities rated AA or better

**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 County's Investment Policy, which is more restrictive than the California Government Code, places a minimum standard on the rating of investments held in the 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 nationally recognized statistical-rating organizations. As of June 30, 2018, the County invested in primarily high quality investments as shown below:

S&P Rating	Percentage of Investment Portfolio
AAA	20.0%
A-1 (short-term rating)	5.0%
AA	48.0%
A	19.0%
BBB	1.0%
Not Rated**	7.0%
Total	100.0%

\*\* The portion of the portfolio that is "Not Rated" represents the following:

- A \$64,878 deposit in LAIF.
- A \$3,003 deposit with Public Agency Retirement Services associated with the Internal Revenue Code Section 115 irrevocable trust.
- A \$199 deposit into the Great West Portfolio Fund associated with the County's Deferred Compensation forfeiture/asset holding account.
- Various individual securities totaling \$35,131 which were not rated by S&P, however were rated A or better by Moody's.

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**Concentration of Credit Risk** Concentration of credit risk is the risk of loss attributed to the magnitude of an investment with a single issuer. The Treasury mitigates these risks by holding a diversified portfolio of high quality investments and limits the percentage of the total investments to the type of investment and to any one issuer by type of allowable investment instrument.

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, the County held investments (excluding deposit accounts) in excess of 5.0% of the total year-end investments for the following issuers:

Issuer	Amount	Percentage
U.S. Treasury	\$ 304,673	21.2%
Federal National Mortgage Association	161,431	11.2%
CAMP	151,139	10.5%
Total	<u>\$ 617,243</u>	<u>42.9%</u>

**Custodial Credit Risk** Custodial credit risk for an investment exists when, in the event of failure of the counterparty to a transaction, the County will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Treasury has limited its custodial credit risk on investments by having all investments in the name of the County. In accordance with GASB Statement No. 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 (1) the counterparty or (2) the counterparty's trust department or agent but not in the County's name.

As of June 30, 2018, 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.

**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 Pool as of June 30, 2018 is 711 days (1.95 years).

The County's investments as of June 30, 2018 are as follows:

Investments	Carrying Value	Reported Amount/Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury obligations	\$ 311,541	\$ 304,673	1,143	1.125% - 3.500%	01/31/2020 - 12/31/2022
Federal agency obligations	249,621	243,394	1,011	1.250% - 3.560%	07/06/2018 - 01/19/2023
Supranational obligations	79,519	78,453	800	1.000% - 2.250%	10/05/2018 - 01/18/2022
Corporate notes/bonds	416,378	410,483	922	1.040% - 6.000%	10/10/2018 - 04/01/2023
Municipal obligations	12,540	12,522	700	1.472% - 2.290%	10/01/2018 - 08/31/2020
Commercial paper	33,142	33,175	105	2.200% - 2.230%	07/23/2018 - 01/11/2019
Negotiable time deposits	128,257	127,554	427	1.510% - 3.080%	07/20/2018 - 11/16/2020
	<u>1,230,998</u>	<u>1,210,254</u>			
Other investments					
Money market funds	8,685	8,685			
LAIF managed pool	65,000	64,878			
CAMP managed pool	151,139	151,139			
Total other investments	<u>224,824</u>	<u>224,702</u>			
Total investments	<u>\$ 1,455,822</u>	<u>\$ 1,434,956</u>			

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As of June 30, 2018, the County's investments totaled \$1,434,956 and there was not an investment in Structured Notes nor any derivative products as defined by Financial Accounting Standards Board 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, 2018, the County's investments in mortgage and asset-backed securities represented 7.85% of the total portfolio and are rated AA or better.

Issuer	Amount	Percentage of Portfolio	S&P Rating
Toyota Auto Receivables Trust	\$ 20,113	1.40%	AAA
Federal Home Loan Mortgage Corporation	18,560	1.30%	AA+
Honda Auto Receivables Trust	11,635	0.81%	AAA
Hyundai Auto Receivables Trust	10,689	0.75%	AAA
John Deere Owner Trust	9,837	0.69%	NR <sup>1</sup>
Honda Auto Receivables Trust	7,466	0.52%	NR <sup>1</sup>
Federal National Mortgage Association	7,279	0.51%	AA+
Nissan Auto Receivables Trust	6,487	0.45%	NR <sup>1</sup>
Ally Auto Receivables Trust	5,938	0.41%	NR <sup>1</sup>
American Express Credit Master Trust	5,404	0.38%	NR <sup>1</sup>
Ally Auto Receivables Trust	4,684	0.33%	AAA
Citibank Credit Card Issuance Trust	4,252	0.30%	AAA

<sup>1</sup> These securities are not rated by S&P, however they are rated Aaa by Moody's.

**California Local Agency Investment Fund (LAIF)** 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 24 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 LAIF pool. As of June 30, 2018, the County's investment in LAIF is \$64,878. The total amount recorded by all public agencies in LAIF at that date was \$22,548,942. Of that amount, 2.67% of the LAIF portfolio is invested in medium-term and short-term structured notes and asset-backed securities.

**California Asset Management Program (CAMP)** The CAMP 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 of one dollar per share. CAMP invests in obligations of the U.S. Government and its agencies, high quality, short-term debt obligations of U.S. companies and financial institutions and is AAAM rated by S&P.

**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. The California Government Code requires that 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 102.0% or greater. The Investment Policy reflects this requirement. As of June 30, 2018, 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.

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The County has the following recurring fair value measurements as of June 30, 2018:

<u>Investments</u>	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
U.S. Treasury obligations	\$ -	\$ 304,673	\$ -	\$ 304,673
Federal agency obligations	-	243,394	-	243,394
Supranational obligations	-	78,453	-	78,453
Corporate notes/bonds	-	410,483	-	410,483
Municipal obligations	-	2,522	10,000	12,522
Commercial paper	-	33,175	-	33,175
Negotiable time deposits	-	127,554	-	127,554
	<u>\$ -</u>	<u>\$ 1,200,254</u>	<u>\$ 10,000</u>	<u>1,210,254</u>
Other investments				
Money market funds				8,685
LAIF managed pool				64,878
CAMP managed pool				151,139
Total other investments				<u>224,702</u>
Total investments				<u>\$ 1,434,956</u>

The County obtains its fair values from its safekeeping agent who utilizes 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** 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 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 fiscal year ended June 30, 2018, the Pool's investment income was comprised of the following:

<u>Investment Income</u>	<u>Amount</u>
Interest and dividends	\$ 23,123
Net decrease in fair value	(19,814)
Investment expenses	(1,608)
Total Treasury Pool investment income	<u>\$ 1,701</u>

The net decrease in the fair value of investments within the Pool during fiscal year 2017/18 was \$19,814. This amount takes into account all changes in fair value (including sales resulting in a net loss of \$1,254) that occurred during the year. In accordance with GASB Statement No. 31, the net fair value adjustment on investments held as of June 30, 2018 was a decrease of \$18,560.

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**Summary of Cash and Investments Balances** The County's cash and investment balances for the governmental activities, business-type activities, fiduciary funds, and the discretely presented component unit as of June 30, 2018 are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total	Component Unit First 5 Tulare County
Cash and Investments					
Cash in banks	\$ 201	\$ 357	\$ 4,093	\$ 4,651	\$ 540
Investment in treasury pool	471,191	24,879	982,548	1,478,618	3,905
Investments	1,654	-	-	1,654	-
Imprest cash	606	3	-	609	-
Deposits with others	-	-	243	243	37
Restricted assets	61,177	45,917	-	107,094	-
Total cash and investments	\$ 534,829	\$ 71,156	\$ 986,884	\$ 1,592,869	\$ 4,482

The condensed statements of net position and changes in net position for the Pool as of June 30, 2018 are as follows:

Statement of Net Position	
Net position held in trust for all pool participants	\$ 1,528,440
Equity of internal pool (County) participants	\$ 584,628
Equity of external pool (Non-County) participants	943,812
Total equity	\$ 1,528,440
Statement of Changes in Net Position	
Net position as of July 1, 2017	\$ 1,417,437
Net additions by pool participants	107,694
Net decrease in investment fair value	
Realized loss from sales	(1,254)
Fair value loss on investments held at year-end	(18,560)
Interest and dividends earned	23,123
Net position as of June 30, 2018	\$ 1,528,440

**B. Receivables**

Receivables for the County's individual major funds, nonmajor funds, and internal service funds as of June 30, 2018 are as follows:

Receivables	General	Public Financing Authority	Nonmajor Governmental	Internal Service Funds	Solid Waste	Nonmajor Enterprise	Total	Noncurrent Portion
Accounts	\$ 4,397	\$ 104	\$ 2,789	\$ 15	\$ 2,023	\$ 293	\$ 9,621	\$ -
Taxes	35	-	-	-	-	-	35	35
Due from other governments	16,237	-	8,544	717	-	431	25,929	-
Notes receivable	4,000	-	16,238	-	-	-	20,238	20,238
Total receivables	\$ 24,669	\$ 104	\$ 27,571	\$ 732	\$ 2,023	\$ 724	\$ 55,823	\$ 20,273

**C. Restricted Assets**

Restricted assets in the governmental funds include \$58,174 in the PFA and \$3,003 in the General Fund for future debt service. Restricted assets in the Solid Waste fund include \$34,270 for future closure/post closure expenses, \$5,000 for landfill ground water contingencies, and \$6,631 for acquisition of a future disposal site. In addition, \$16 is restricted for landfill ground water contingencies for County Service Area #2.



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**D. Deferred Outflows and Inflows of Resources**

**Deferred Outflows 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 recognizes 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 fiscal year ended June 30, 2018 are as follows:

Government-wide Deferred Outflows of Resources		
Governmental Activities		
Pensions	\$ 428,145	
OPEB	579	
Total Governmental Activities	428,724	
Business-type Activities		
Pensions	1,310	
OPEB	5	
Total Business-type Activities	1,315	
Total Government-wide Deferred Outflows of Resources	\$ 430,039	
Proprietary Funds Deferred Outflows of Resources		
Business-type Activities		
Solid Waste Fund		
Pensions	\$ 1,253	
OPEB	5	
Total Solid Waste Fund	1,258	
Nonmajor Enterprise Fund		
Transit		
Pensions	57	
Total Nonmajor Enterprise Fund	57	
Total Business-type Activities	1,315	
Governmental Activities		
Internal Service Funds		
Central Services		
Pensions	\$ 9,648	
OPEB	34	
Total Internal Service Funds	9,682	
Total Governmental Activities	9,682	
Total Proprietary Funds Deferred Outflows of Resources	\$ 10,997	

**Deferred Inflows of Resources** Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred inflows of resources in the government-wide and governmental and proprietary fund statements. These items are an acquisition of net position or fund balance 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.

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Deferred inflows of resources balances for the fiscal year ended June 30, 2018 are as follows:

Government-wide Deferred Inflows of Resources	
Governmental Activities	
Community Development Block Grant (CDBG)	\$ 4,341
HOME	11,080
Pensions	22,903
OPEB	1,073
Total Governmental Activities	<u>39,397</u>
Business-type Activities	
Pensions	168
OPEB	9
Total Business-type Activities	<u>177</u>
Total Government-wide Deferred Inflows of Resources	<u>\$ 39,574</u>
Governmental Funds Deferred Inflows of Resources	
General Fund	
Senate Bill (SB) 90	\$ 2,703
Agricultural Commissioner - Mill Tax	1,574
Agricultural Commissioner - Other	601
Tax Apportionment	36
Other	325
Total General Fund	<u>5,239</u>
Nonmajor Special Revenue Funds	
Tobacco Settlement	2,698
CDBG	4,341
HOME	11,080
Total Nonmajor Special Revenue Funds	<u>18,119</u>
Total Governmental Funds Deferred Inflows of Resources	<u>\$ 23,358</u>
Proprietary Funds Deferred Inflows of Resources	
Business-type Activities	
Solid Waste Fund	
Pensions	\$ 161
OPEB	9
Total Solid Waste Fund	<u>170</u>
Nonmajor Enterprise Fund	
Transit	
Pensions	7
Total Nonmajor Enterprise Fund	<u>7</u>
Total Business-type Activities	<u>177</u>
Governmental Activities	
Internal Service Funds	
Central Services Funds	
Pensions	1,239
OPEB	64
Total Internal Service Funds	<u>1,303</u>
Total Governmental Activities	<u>1,303</u>
Total Proprietary Funds Deferred Inflows of Resources	<u>\$ 1,480</u>

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**E. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2018 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated				
Land	\$ 942,165	\$ 884	\$ (2,083)	\$ 940,966
Construction in progress	34,480	36,767	(36)	71,211
Infrastructure in progress	17,579	25,381	(10,592)	32,368
Total capital assets, not being depreciated	<u>994,224</u>	<u>63,032</u>	<u>(12,711)</u>	<u>1,044,545</u>
Capital assets, being depreciated				
Infrastructure	790,386	10,592	-	800,978
Buildings and improvements	232,703	9	-	232,712
Equipment and vehicles	97,102	6,561	(3,727)	99,936
Total capital assets, being depreciated	<u>1,120,191</u>	<u>17,162</u>	<u>(3,727)</u>	<u>1,133,626</u>
Less accumulated depreciation for				
Infrastructure	(312,276)	(16,357)	-	(328,633)
Buildings and improvements	(93,305)	(5,454)	-	(98,759)
Equipment and vehicles	(69,333)	(6,651)	3,290	(72,693)
Total accumulated depreciation	<u>(474,914)</u>	<u>(28,462)</u>	<u>3,290</u>	<u>(500,085)</u>
Total capital assets, being depreciated, net	<u>645,277</u>	<u>(11,300)</u>	<u>(437)</u>	<u>633,541</u>
Governmental activities capital assets, net	<u>\$ 1,639,501</u>	<u>\$ 51,732</u>	<u>\$ (13,148)</u>	<u>\$ 1,678,086</u>
<b>Business-type activities</b>				
Capital assets, not being depreciated				
Land	\$ 6,728	\$ -	\$ -	\$ 6,728
Construction in progress	959	148	-	1,107
Total capital assets, not being depreciated	<u>7,687</u>	<u>148</u>	<u>-</u>	<u>7,835</u>
Capital assets, being depreciated				
Buildings and improvements	31,599	4,129	-	35,728
Equipment and vehicles	16,017	1,684	(407)	17,294
Total capital assets, being depreciated	<u>47,616</u>	<u>5,813</u>	<u>(407)</u>	<u>53,022</u>
Less accumulated depreciation for				
Buildings and improvements	(20,229)	(1,395)	-	(21,624)
Equipment and vehicles	(13,457)	(552)	348	(13,661)
Total accumulated depreciation	<u>(33,686)</u>	<u>(1,947)</u>	<u>348</u>	<u>(35,285)</u>
Total capital assets, being depreciated, net	<u>13,930</u>	<u>3,866</u>	<u>(59)</u>	<u>17,737</u>
Business-type activities capital assets, net	<u>\$ 21,617</u>	<u>\$ 4,014</u>	<u>\$ (59)</u>	<u>\$ 25,572</u>

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

<b>Governmental activities</b>	
General government	\$ 2,273
Public protection	5,671
Public ways and facilities	17,498
Health and sanitation	1,174
Public assistance	861
Education	293
Culture and recreation	692
Total depreciation expense - governmental activities	<u>\$ 28,462</u>
<b>Business-type activities</b>	
Solid Waste	\$ 1,440
Nonmajor enterprise funds	507
Total depreciation expense - business-type activities	<u>\$ 1,947</u>

The amounts spent-to-date and remaining commitments for construction and infrastructure in progress as of June 30, 2018 are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
<b>Governmental activities</b>		
Fire Station No. 1	\$ 441	\$ 2,937
South County Detention Facility	61,874	9,032
Sequoia Field Program Facility	2,697	2,125
Vocational Education Building	111	1,024
Probation Camera Project	375	-
Property and Evidence Facility	3,319	200
Visalia Wellness Center	1,373	1,088
Aumentum Project	1,021	-
Roads		
Environmental review of existing roads	21,266	-
Repair or bridge replacement	6,309	-
Other improvements	4,793	-
Total governmental activities	<u>103,579</u>	<u>16,406</u>
<b>Business-type activities</b>		
Transit Operations and Maintenance Facility	1,107	-
Total business-type activities	<u>1,107</u>	<u>-</u>
Total construction and infrastructure in progress	<u>\$ 104,686</u>	<u>\$ 16,406</u>

**F. Interfund Receivables and Payables**

**Advances To/From Other County Funds** Advances to/from other County funds are representative of noncurrent lending/borrowing arrangements outstanding at the end of the fiscal year.

The composition of advances to/from other County funds as of June 30, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 120
	Nonmajor Enterprise	1,647
	Fiduciary	329
Nonmajor Governmental	Fiduciary	32
Total		<u>\$ 2,128</u>

**COUNTY OF TULARE**  
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**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 funds as of June 30, 2018 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 32
	Internal Service	230
	Solid Waste	2
	Fiduciary	9
	Total	<u>\$ 273</u>

**G. Transfers**

Transfers to/from other County funds for the fiscal year ended June 30, 2018 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 as of June 30, 2018 is as follows:

<u>Transfers From</u>	<u>Transfers To</u>						
General	Public Financing Authority	Realignment- Social Services	Nonmajor Governmental	Nonmajor Enterprise	Internal Service Funds	Total	
General	\$ -	\$ -	\$ 1,581	\$ 26,558	\$ 374	\$ 76	\$ 28,589
Public Financing Authority	-	-	-	3,500	-	-	3,500
Realignment-Social Services	82,621	-	-	-	-	-	82,621
Nonmajor Governmental	22,246	4,680	-	180	-	-	27,106
Solid Waste	400	-	-	-	-	-	400
Internal Service Funds	-	-	-	64	-	-	64
Total transfers	<u>\$ 105,267</u>	<u>\$ 4,680</u>	<u>\$ 1,581</u>	<u>\$ 30,302</u>	<u>\$ 374</u>	<u>\$ 76</u>	<u>\$ 142,280</u>

**H. 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 \$46,463 with \$10,516 of accumulated depreciation for a net carrying amount of \$35,947. The revenues realized for the fiscal year ended June 30, 2018 were \$2,052.

The minimum future rentals for non-cancellable operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 1,901
2020	1,877
2021	1,689
2022	241
2023	220
2024-2028	533
2029-2033	14
Total	<u>\$ 6,475</u>

**COUNTY OF TULARE**  
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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, 2018 were \$9,131. The future minimum lease payments for these leases are as follows:

Year Ending June 30,	Amount
2019	\$ 7,664
2020	7,042
2021	6,109
2022	5,114
2023	4,071
2024-2028	5,453
2029-2033	145
2034-2038	109
2039	3
Total	\$ 35,710

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 the Solid Waste department, the Health and Human Services Agency, and 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, 2018 is approximately \$236.

**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 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:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2019	8	1
2020	9	1
Total	\$ 17	\$ 2

**I. 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. 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 PFC, one of the County's blended component units. However, the County is obligated under lease agreements it has signed with the PFC. 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:

Date Issued	Purpose of Debt	Interest Rates	Amount
September 2, 1993	Business-type activities	5.0%	\$ 367
February 23, 1994	Business-type activities	5.0%	53
August 16, 1994	Business-type activities	4.5%	40
September 14, 1994	Business-type activities	4.5%	32
May 28, 1996	Business-type activities	4.5%	655
	Total		\$ 1,147

**COUNTY OF TULARE**  
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Annual debt service requirements to maturity for COPs are as follows:

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2019	\$ 46	\$ 54
2020	46	52
2021	48	50
2022	54	48
2023	56	44
2024-2028	307	186
2029-2033	397	107
2034-2036	193	21
Total	<u>\$ 1,147</u>	<u>\$ 562</u>

**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 12.0%. 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. Per the trust indenture for these refunded bonds, each fiscal year up to \$3,500 will be transferred to the County to provide financing for the acquisition and construction of public capital assets, the repair and maintenance costs related thereto, and any other working capital needs of the County. A new lease agreement was established, superseding the terms of the initial lease agreement dated December 1, 1999. Pursuant to this new lease agreement, the County is leasing three buildings to the PFA used as security for the bonds, including the Juvenile Detention Facility, the Agriculture Commissioner building, and the Visalia Library building.

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

These bonds are the obligation of the PFA, one of the County's blended component units. However, the County is obligated under the leaseback agreement it has signed with the PFA. 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.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2019	\$ 1,110	\$ 544
2020	1,210	523
2021	1,305	501
2022	1,405	478
2023	1,505	453
2024-2028	8,880	1,834
2029-2033	12,095	933
2034-2035	5,915	51
Total	<u>\$ 33,425</u>	<u>\$ 5,317</u>

**COUNTY OF TULARE**  
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**Pension Obligation Bonds** In June 2018, the County issued \$251,220 Series 2018 Taxable Pension Obligation Bonds (POBs) as follows: (1) \$154,870 Taxable Serial bonds issued with a portion maturing every June and each maturity date carrying a different fixed interest rate beginning June 2019 at 2.691% and escalating each year until the final maturity date of June 2031 at 4.259%; (2) \$31,850 Taxable Term 2033 bonds issued at a fixed interest rate of 4.309% with maturity dates of June 2032 and June 2033; and (3) \$64,500 Taxable Term 2037 bonds issued at a fixed interest rate of 4.445% with maturity dates each June from 2034 through 2037. Interest on the POBs is payable semiannually, and the bonds are obligations of the General Fund.

\$250,000 of the bond proceeds were paid to Tulare County Employees' Retirement Association (TCERA) in order to reduce the outstanding unfunded accrued actuarial liability of the County's retirement plan, and to achieve interest rate savings by being issued at interest rates which are less than the assumed rate of return earned on proceeds placed in the TCERA pension plan. The remaining \$1,220 of the bond proceeds were paid as bond issuance expenses. Because current federal law restricts the investment of proceeds of tax-exempt bonds in higher-yielding taxable securities, POBs are issued on a taxable basis.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2019	\$ 9,105	\$ 9,268
2020	9,240	9,685
2021	10,075	9,418
2022	10,720	9,110
2023	11,060	8,767
2024-2028	61,570	37,586
2029-2033	74,950	24,197
2034-2037	64,500	6,886
Total	<u>\$ 251,220</u>	<u>\$ 114,917</u>

**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:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2019	\$ 539	\$ 86
2020	560	64
2021	583	42
2022	605	19
2023	155	1
Total	<u>\$ 2,442</u>	<u>\$ 212</u>

**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, 2018, 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 5.0% per annum. This matures in fiscal year 2027, a 40-year period. The bonds were issued under California Health and Safety Code Section 49000. The bonds will be redeemed with monies raised from service charges associated with the sewer system operation.



**COUNTY OF TULARE**  
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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
2019	\$ -	\$ -
2020	-	-
2021	1	-
2022	1	-
2023	1	1
2024-2027	2	-
Total	<u>\$ 5</u>	<u>\$ 1</u>

**Changes in Long-term Liabilities** The long-term liability activity for the fiscal year ended June 30, 2018 is as follows:

	Beginning Balance*	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Capital lease	\$ 27	\$ -	\$ (10)	\$ 17	\$ 8
Variable rate demand bonds	34,535	-	(1,110)	33,425	1,110
Pension obligation bonds	-	251,220	-	251,220	9,105
Compensated absences	22,813	3,686	(2,098)	24,401	2,098
Loans payable	2,960	-	(518)	2,442	539
Claims payable	33,117	8,660	(7,774)	34,003	8,314
Net pension liability	395,947	51,348	-	447,295	-
Total OPEB liability	12,812	683	-	13,495	-
Total governmental activities	<u>\$ 502,211</u>	<u>\$ 315,597</u>	<u>\$ (11,510)</u>	<u>\$ 806,298</u>	<u>\$ 21,174</u>
<b>Business-type activities</b>					
Certificates of participation payable	\$ 1,192	\$ -	\$ (45)	\$ 1,147	\$ 46
Bonds payable	5	-	-	5	-
Compensated absences	253	52	(12)	293	12
Closure/post closure costs payable	35,263	-	(993)	34,270	-
Net pension liability	2,592	699	-	3,291	-
Total OPEB liability	117	7	-	124	-
Total business-type activities	<u>\$ 39,422</u>	<u>\$ 758</u>	<u>\$ (1,050)</u>	<u>\$ 39,130</u>	<u>\$ 58</u>

\* The total OPEB liability is a new long-term liability in fiscal year 2017/18 which replaced the OPEB obligation reported at June 30, 2017 as a result of the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The prior year balance is the result of a prior period adjustment.

The liability for the majority of employee pension obligation bonds, compensated absences, net pension liability, and total OPEB liability are liquidated by the General Fund. The value of accumulated vacation at June 30, 2018 was \$18,949. Of this amount, \$187 is recorded in enterprise funds. The value of accumulated sick leave at June 30, 2018 was calculated using a termination payment method and is accrued at \$3,955. Of this amount, \$65 is recorded in enterprise funds. The value of accumulated CTO at June 30, 2018 was \$1,790. Of this amount, \$42 is recorded in enterprise funds. The value of sick leave buybacks for future years cannot be accurately estimated, but for the fiscal year ended June 30, 2018, the County paid \$931 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.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
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**J. Special Assessment Debt**

The County is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$415,837 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2018. 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 \$286,870 include bonds for Buena Vista, Burton, Earlimart, Exeter, Liberty, Kings River, Pixley Union, Richgrove, Stone Corral, Springville, Sundale, Terra Bella, Tipton, Traver, and Woodlake Elementary Schools; Exeter Union, 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 \$89 include bonds for Ducor Community Service District (CSD) and Ducor CSD Supplemental. The Special Districts General Obligation Bonds totaling \$128,878 are for the Kaweah Delta Hospital Bond and the Tulare Healthcare Bond.

**K. 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 \$28,644 as of June 30, 2018, which is based on an average of 42.0% usage (filled) of all landfill sites (remaining capacity determined as of August 18, 1989). It is estimated that an additional \$41,956 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 25.7 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 \$70,600 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, 2018. 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, 2018, investments of \$28,644 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 County 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, 2018, investments of \$5,625 are part of the pooled funds held by the County Treasurer.

As of June 30, 2018, the pooled funds held by the County Treasurer for financial assurance and closure and post closure maintenance total \$34,270 to offset the total liability.

**L. Remediation Contingencies**

The Harmon Field Remediation project was completed in September 2015. Upon completion, a final report was submitted to the Department of Toxic Substances Control (DTSC), which was approved in May 2016. The post remediation site will require ongoing maintenance, including fence and gate repairs, weed control, rodent control, biannual reports to the DTSC, and five-year review inspections by the DTSC. For the fiscal year ended June 30, 2018, the County spent \$4 on maintaining and monitoring the post remediation site.

**COUNTY OF TULARE**  
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**M. Restricted Net Position**

The County's net position restricted for laws or regulations of other governments is as follows:

Recorder micrographics and modernization	\$	8,596
San Joaquin Valley Insurance Authority Loan		4,000
Tax losses reserve		3,510
Pension		3,003
Retirement Contributions		2,659
Advances to others		2,096
Assessor AB 818		399
Social Security Truncation Program		343
Community Corrections Performance Incentive		325
Memo Trust Deferred Comp		199
Public Guardian		164
Child Seat Loaner		118
County Children's Trust		84
Housing		40
Compliance Ordinance		11
Total Net Position Restricted: Other Purposes	\$	<u>25,547</u>

**N. Condensed Financial Statements**

The Public Facilities Corporation (PFC) issued COPs to finance its sewage and water projects. These projects are accounted for in three separate nonmajor enterprise funds. Each fund accounts for the maintenance and operations of the Terra Bella Sewer Maintenance District and clean and safe water systems (County Service Areas #1 and #2). However, investors in the COPs rely solely on the revenue generated by the individual activities for repayment.

The following tables present summarized financial information for these funds.

**Condensed Statement of Net Position**

	Terra Bella Sewer Maintenance District	County Service Area #1	County Service Area #2
Assets			
Current assets	\$ 957	\$ 836	\$ 70
Restricted assets	-	-	16
Capital assets	816	2,552	255
Total assets	<u>1,773</u>	<u>3,388</u>	<u>341</u>
Liabilities			
Current liabilities	89	106	15
Noncurrent liabilities	630	1,833	290
Total liabilities	<u>719</u>	<u>1,939</u>	<u>305</u>
Net Position			
Net investment in capital assets	161	2,086	224
Restricted	-	-	16
Unrestricted (deficit)	893	(637)	(204)
Total net position	<u>\$ 1,054</u>	<u>\$ 1,449</u>	<u>\$ 36</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	\$ 66
Other operating revenues	-	3	-
Depreciation expense	(39)	(152)	(14)
Other operating expenses	(147)	(1,013)	(137)
Operating loss	(43)	(651)	(85)
Nonoperating revenues (expenses)			
Penalties collected	14	38	3
Taxes and special assessments	42	-	-
Investment earnings (expenses)	3	(8)	(1)
Interest expense	(30)	(35)	(1)
Transfers in	-	374	-
Change in net position	(14)	(282)	(84)
Net position - beginning	1,068	1,731	120
Net position - ending	\$ 1,054	\$ 1,449	\$ 36

**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	\$ (14)	\$ (551)	\$ (79)
Noncapital financing activities	56	910	63
Capital and related financing activities	(55)	(51)	(3)
Investing activities	3	(8)	(1)
Net increase (decrease)	(10)	300	(20)
Cash and cash equivalents - beginning	851	327	83
Cash and cash equivalents - ending	\$ 841	\$ 627	\$ 63

**COUNTY OF TULARE**  
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**O. Fund Balances**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note I.E for a description of these categories). A detailed schedule of fund balances at June 30, 2018 is as follows:

	General	Public Facilities Corporation	Public Financing Authority	Realignment- Social Services	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable</b>						
Advances to other funds	\$ 2,096	\$ -	\$ -	\$ -	\$ 32	\$ 2,128
Inventories	-	-	-	-	215	215
Prepaid items	2,659	-	-	-	469	3,128
San Joaquin Valley Insurance Authority Loan	4,000	-	-	-	-	4,000
Nonspendable subtotal	<u>8,755</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>716</u>	<u>9,471</u>
<b>Restricted for</b>						
Alcohol and drug programs	6,482	-	-	-	-	6,482
Assessor AB 818	399	-	-	-	-	399
Child support services	1,186	-	-	-	2,259	3,445
Debt service bond agreement	-	37	56,432	-	-	56,469
Education programs	-	-	-	-	2,527	2,527
Environmental programs	1,319	-	-	-	-	1,319
Fire department programs	-	-	-	-	540	540
Health care programs	509	-	-	26,935	31,834	59,278
Highways	-	-	-	-	45	45
Law enforcement	21,756	-	-	-	-	21,756
Local Realignment 2011	4,041	-	-	-	-	4,041
Mental health care programs	13,538	-	-	-	-	13,538
Other purposes	1,244	-	-	-	35,403	36,647
Pension	3,003	-	-	-	-	3,003
Probation programs	228	-	-	-	-	228
Recorder micographics and modernization	8,596	-	-	-	-	8,596
Tax losses reserve	3,510	-	-	-	-	3,510
Tobacco Control Prop 56	134	-	-	-	-	134
Youthful Offender Block Grant	8,685	-	-	-	-	8,685
Restricted subtotal	<u>74,630</u>	<u>37</u>	<u>56,432</u>	<u>26,935</u>	<u>72,608</u>	<u>230,642</u>
<b>Committed to</b>						
Ag commissioner improvements	-	-	-	-	135	135
Building and property improvement	2,419	-	-	-	-	2,419
Information technology projects	2,866	-	-	-	-	2,866
Local youth offender rehabilitation facilities	-	-	-	-	536	536
Other purposes	144	-	-	-	229	373
Property Tax Aumentum System	10,770	-	-	-	-	10,770
Sheriff projects	247	-	-	-	-	247
Strategic reserve	28,000	-	-	-	-	28,000
Committed subtotal	<u>44,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900</u>	<u>45,346</u>
<b>Assigned to</b>						
Capital projects	-	-	3,500	-	9,351	12,851
Future economic development	5,811	-	-	-	-	5,811
Imprest cash	105	-	-	-	1	106
Litigation	6,000	-	-	-	-	6,000
Other purposes	1,079	-	-	-	4,981	6,060
Step up	467	-	-	-	-	467
Assigned subtotal	<u>13,462</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>14,333</u>	<u>31,295</u>
<b>Unassigned</b>						
	<u>50,137</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17)</u>	<u>50,120</u>
Total fund balances	<u>\$ 191,430</u>	<u>\$ 37</u>	<u>\$ 59,932</u>	<u>\$ 26,935</u>	<u>\$ 88,540</u>	<u>\$ 366,874</u>

**COUNTY OF TULARE**  
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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 continues to remain 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 limit for the fiscal year 2017/18 was \$35,000. Liability costs and settlements have occasionally exceeded the SIR. There were five settlements that exceeded the SIR during fiscal year 2017/18. There are currently five 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 on 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 \$10. 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 \$591,000. The next full County appraisal will be in 2019. 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 program deductible is \$50. The County purchases insurance coverage for aviation, watercraft, and medical malpractice liability exposures. The watercraft program deductible is \$1 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. Fifty-five of the fifty-eight 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 55 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.

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Self-insured retention and coverage limits are as follows:

Excess Insurance Program	Self-Insured Retention	Coverage Limits
Excess Workers' Compensation	\$ 125	Statutory
General Liability Programs I	250	\$ 1,000
General Liability Programs II	1,000	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 CorVel Corporation, who is our current third party administrator. 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 2017 for another three-year term.

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

	Workers' Compensation	General and Property Damage	Total
Liability - June 30, 2016	\$ 27,163	\$ 4,225	\$ 31,388
Claims incurred	9,890	9,191	19,081
Claims payments	(8,233)	(9,119)	(17,352)
Liability - June 30, 2017	28,820	4,297	33,117
Claims incurred	7,651	1,009	8,660
Claims payments	(7,651)	(123)	(7,774)
Liability - June 30, 2018	<u>\$ 28,820</u>	<u>\$ 5,183</u>	<u>\$ 34,003</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, 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 unless the County authorizes and incurs a direct obligation with CSCDA. Independently audited financial statements are available at CSCDA's website: <http://cscda.org/Resources/Audits-Transaction-Reports.aspx>.

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**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. Support for CVIIS staffing and infrastructure was provided by the California Department of Public Health Immunization Branch (CDPH/IZB). In 2010, as a result of statewide budget cuts that prevented CDPH/IZB from continuing to provide financial support, patient data and supporting infrastructure for CVIIS and six other regional registries were moved to a single location where they were subsequently managed by CDPH/IZB technical staff. Beginning in late 2016, the seven separate CDPH/IZB-managed regional registries were consolidated into the single, statewide California Immunization Registry 2 (CAIR2) that continues to be managed by CDPH/IZB. Independently audited financial statements can be obtained from the County Health and Human Services Agency, 5957 South Mooney Boulevard, Visalia, California 93277.

**East Kaweah Groundwater Sustainability Agency (EKGSA)** The EKGSA is a California Joint Exercise of Powers Authority, organized to implement the Sustainable Groundwater Management Act in a portion of the Kaweah Sub-basin as defined by the California Department of Water Resources' Bulletin 118. The County is responsible for a pro rata share of operating costs. Independently audited financial statements can be obtained at 315 East Lindmore Street, Lindsay, California 93247.

**Eastern Tule Groundwater Sustainability Agency (ETGSA)** The ETGSA is a California Joint Exercise of Powers Authority, organized to implement the Sustainable Groundwater Management Act in a portion of the Tule Sub-basin as defined by the California Department of Water Resources' Bulletin 118. The County is responsible for a pro rata share of operating costs. Independently audited financial statements can be obtained at 881 W. Morton Avenue, Suite D, Porterville, California 93257.

**Goshen Public Financing Authority (GPFA)** On September 17, 1996, the Tulare County Redevelopment Agency (RDA) 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 Redevelopment Successor Agency (the Successor Agency) was formed because of the RDA dissolution and the pledge has transferred over to the Successor Agency. Independently audited financial statements can be obtained from the Goshen Community Services District, 6678 Avenue 308 and Road 67, Goshen, California 93227.

**Greater Kaweah Groundwater Sustainability Agency (GKGS)** The GKGS was established on August 23, 2016 as a result of a Joint Powers Agreement between the County, Kaweah Delta Water Conservation District, Lakeside Irrigation Water District, Kings County Water District, and St. Johns Water District for the purpose of meeting the sustainability goals and requirements for a portion of the Kaweah Sub-basin as mandated by the Sustainable Groundwater Management Act. In accordance with the Joint Powers Agreement, the County receipts deposits made by GKGS, invests funds held in the County Treasury, issues checks at GKGS's request, provides periodical expenditure and revenue reports, and arranges with a Certified Public Accounting firm to perform yearly audits of the agency. For all of the listed services, the County charges a quarterly administrative fee, which is dependent upon the number of transactions. Due to its recent establishment, the GKGS does not have independently audited financial statements at this time.

**Kings River East Groundwater Sustainability Agency (KREGSA)** The KREGSA is a Special Act District, organized to implement the Sustainable Groundwater Management Act in a portion of the Kings Sub-basin as defined by the California Department of Water Resources' Bulletin 118. The County is responsible for a pro rata share of operating costs. Independently audited financial statements can be obtained at 289 North L Street, Dinuba, California 93618.

**Kings/Tulare Area Agency on Aging (KTAAA)** The 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 78.0% 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, City of Visalia, County of Kings, Tulare Lake Bed Water Storage 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 12.0% of non-federally-supported costs of the project and retains a 12.0% 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.



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**North Tulare County Regional Water Alliance (NCRWA)** The NCRWA is a California Joint Exercise of Powers Authority between the County, East Orosi Community Services District, and Sultana Community Services District. NCRWA is organized to pursue a regional drinking water solution in Northern Tulare County. In accordance with the Joint Powers Agreement, the County will receipt deposits made by NCRWA, invest funds held in the County Treasury, issue checks at NCRWA's request, provide periodical expenditure and revenue reports, and arrange with a Certified Public Accounting firm to perform yearly audits of the agency. For all of the listed services, the County will charge a quarterly administrative fee, which is dependent upon the number of transactions. Due to its recent establishment and zero budget, the NCRWA does not have independently audited financial statements at this time.

**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 to 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.

**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 key 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 and direct costs for telecommunication. Independently audited financial statements can be obtained from the Fresno County Library, 2420 Mariposa Street, Fresno, California 93721.

**San Joaquin Valley Water Infrastructure Authority (SJVWIA)** The SJVWIA is a California Joint Exercise of Powers Authority, organized to promote local water storage projects that benefit the southern San Joaquin Valley. The County is responsible for annual membership dues. Any future projects support costs will be shared equally among participants with specific project costs shared according to separate agreements per project. Independently audited financial statements can be obtained from the Fresno County Auditor-Controller's Office, 2281 Tulare Street #105, Fresno, California 93721.

**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 (the Authority)** The Authority was established in 1991 as a result of a Joint Powers Agreement among incorporated cities and the County for the purpose of removing and disposing of abandoned vehicles deemed to be public nuisances. The Authority is responsible for the collection and disbursement of authorized funds and meeting State reporting requirements for which the Authority receives 1.0% of the annual funds collected. The Authority has no resources other than cash, which is distributed immediately upon receipt. Independently audited financial statements can be obtained from the State of California Controller's Office, Post Office Box 942850, Sacramento, California 94250.

**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 one-time cost of \$30 plus annual dues of \$7. 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 \$53,000 of funding to the region for planning and expanding local groundwater projects. Independently audited financial statements can be obtained from the Kings River Conservation District, 4886 East Jensen Avenue, Fresno, California 93725.

### **C. Contingent Liabilities**

As of June 30, 2018, the County was a defendant in an action brought by approximately fifty-one members of the Government Lawyers Association of Workers alleging that the County miscalculated vacation accruals for employees under various Memorandums of Understanding for each pay period from April 26, 2013 through June 30, 2017. If the plaintiffs prevail, a very rough estimate places the total amount recoverable at approximately \$450.

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 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 Assembly Bill (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 \$6,162 over the remaining life of the Successor Agency (19 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 a trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans — a rescission of GASB Statement No. 2 and an amendment of GASB Statement No. 31*, these assets are not included in the financial statements of the County since an outside party administers the plan assets.

#### **E. Tax Abatement**

The County provides property tax abatements through the Agricultural Preserve Program. The program enrolls land in Williamson Act or Farmland Security Zone contracts whereby the land is exclusively restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. The Williamson Act established a voluntary, nine-year contract for land owners that automatically renews. The Farmland Security Zone is established by the local Board member within the agricultural preserve at the request of the property owner. The compatibility of a particular use is determined by a combination of the Board's judgment, California Government Code, and Revenue and Taxation Code. Valuation still uses direct capitalization, but the land rents reflect a non-growing use.

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value of the property. Exit from this voluntary contract can be accomplished by ceasing the automatic renewal and waiting for the contractual years to expire. Immediate cancellation of the contract is allowed with some conditions and requires a cancellation fee equal to 12.5% of the current market value. Assessed values under the contract are typically the result of a lawfully mandated income approach to value calculation.

No other commitments were made by the County as part of the Williamson Act or Farmland Security Zone contracts. For the fiscal year ended June 30, 2018, the Agricultural Preserve Program tax abatements are \$4,936.

AB 1265 was passed by the State legislature in 2011 and allows counties to collect a calculated charge on each parcel in the Williamson Act. These are direct charges which go to the General Fund. For the fiscal year ended June 30, 2018, the County collected \$3,340 under AB 1265, for a net revenue reduction due to tax abatements through the Agricultural Preserve Program of \$1,596.

#### **F. Employee Retirement System**

##### **General Information about the Pension Plan**

**Plan Description** The Tulare County Employees' Retirement Association (TCERA) was established July 1, 1945 under the provisions of the County Employees Retirement Act of 1937 (California Government Code Sections 31450 et seq.). TCERA

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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, County Courts, 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 (CAFR) which may be obtained from TCERA at 136 North Akers Street, Visalia, California 93291 or by going to their website at <http://www.tcera.org/Investment-Financial/>.

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 3.0% cost-of-living adjustment (COLA) annually after retirement. Tier 1 general members with service earned on or after July 1, 2005 are now subject to Internal Revenue Code (IRC) 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 2.0% COLA annually after retirement. Tier 2 general members with service earned on or after July 1, 2005 are now subject to IRC 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 2.0% COLA annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRC 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. An earnings cap provision limits the benefits payable to some Tier 4 member. Tier 4 members receive a maximum of 2.0% COLA annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRC Section 415 limits. Tier 4 members are not subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

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**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 three-hundred and fifty dollars 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 10 years of service and a minimum age of 50 in order to receive a lifetime monthly retirement benefit. General 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 50.0% of final average salary or service retirement benefit if the member is eligible.

In accordance with Section 31727.7 of the County Employees Retirement Act of 1937, a member who has five years or more of credited service upon retirement for non-service connected disability, in lieu of any other allowance, shall receive a disability allowance equal to the percentage of final compensation set forth opposite the member's number of years of service 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 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 60.0% 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 50.0% 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, 60.0% 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 is paid to the beneficiary or estate.

Specific details for the retirement benefit calculations for each tier, including benefit factors, is available in TCERA's CAFR.

**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 Board of Retirement.

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- *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 (Tiers 1 - 3), the contributions are reduced by one-third of such contribution payable with respect to the first three-hundred and fifty dollars of monthly salary. Due to a collective bargaining agreement, the County has a legal obligation to contribute 50.0% of the contributions required for active Tier 1 plan members. The rates reflected for Tier 1 members do not reflect the County "pickup." Employees contribute 5.0% to 20.0% of their annual pay based on their date of entrance into the plan, age at entry, and membership type (general or safety).
- *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 Liability (UAL). The UAL is calculated using a layered approach with each new layer of UAL amortized over its own declining 19-year period. The amortization method is level percentage of payroll. Contribution levels are recommended by the actuary and adopted by the Board of Retirement each year. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of members. The County's contributions to the plan for the fiscal year ended June 30, 2018 were \$283,179, which was comprised of standard contributions of \$33,179 and an additional contribution from pension obligation bond (POB) proceeds of \$250,000.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2018, the County reported a liability of \$450,586 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the County's proportion was 94.7143%, which was a decrease of 0.3153% from its proportion measured as of June 30, 2016.

For the fiscal year ended June 30, 2018, the County recognized a pension expense of \$53,649. 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, 2018, 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	\$ 11,920	\$ 23,071
Changes in assumptions	97,240	-
Net difference between projected and actual earnings on retirement plan investments	37,116	-
County contributions subsequent to the measurement date	283,179	-
	<u>\$ 429,455</u>	<u>\$ 23,071</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.

\$283,179 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2019	\$ 35,386
2020	54,854
2021	25,103
2022	7,862
Total	<u>\$ 123,205</u>

**Actuarial Assumptions** The total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of employee service. A summary of the significant actuarial assumptions used to calculate the total pension liability measured as of June 30, 2017 is provided below (Note: These assumptions may differ from those used and reported in TCERA's CAFR due to different reporting requirements).

Inflation	3.0%
Expected Return on Assets	7.40% net of investment expenses
Salary Increases	3.0% plus promotion component based on employee classification and years of service, ranging from 0.5% to 8.0% for both general and safety members
Post Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.7% per year for Tier 1 and 2.0% per year for Tiers 2-4
Mortality Rates - Healthy Lives	<p>General Members: Based on sex distinct Retired Pensioner (RP) 2014 Combined Healthy Tables, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2016, and increased by 12.1% for males and 8.0% for females to reflect plan experience</p> <p>Safety Members: Based on the sex distinct RP 2014 Combined Healthy Tables with blue-collar adjustment, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2016, and increased by 4.5% for males to reflect plan experience</p>
Mortality Rates - Disabled Lives	All Members: Based on the sex distinct RP 2014 Generational Disabled Annuitant Mortality Table, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2016
Discount Rate	7.32% blended discount rate, net of pension plan investment expense, including inflation
Municipal Bond Rate	3.58% net of investment expenses
Date of Last Experience Study	July 1, 2014 through June 30, 2017

Between the June 30, 2016 and June 30, 2017 measurement dates, the blended discount rate decreased from 7.58% to 7.32% due to the results of the crossover test and a decrease in the assumed investment rate of return. The following assumptions were changed as a result of the recent June 30, 2017 Experience Study: COLA increases, percent married and spousal age difference, merit-based pay increases, termination rates, retirement rates, rates of deferred vested termination, adjustments to base mortality tables for healthy females, and mortality improvement scale for all members.

The long-term expected rate of return, measured as of June 30, 2017, on pension plan investments (7.40%) 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.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2018 (in thousands)**

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	20.0%	2.6%
Non-U.S. Equity (developed and emerging)	20.0%	7.3%
Global Equity	3.0%	4.9%
U.S. Fixed Income	27.0%	1.8%
Global Fixed Income	0.0%	-0.1%
Private Credit	5.0%	4.4%
Commodities	5.0%	2.2%
Real Estate	10.0%	2.5%
Private Equity	5.0%	5.7%
Hedge Funds	5.0%	2.9%
Total	100.0%	

**Discount Rate** At June 30, 2017, the discount rate used to measure the total pension liability was 7.32%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the County will be made at rates equal to the actuarially determined contribution rates. 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 2084, when only a portion of the projected benefit payments can be made from the projected fiduciary net position. Projected benefit payments are discounted at the long-term expected return on assets of 7.40% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.58% to the extent they are not available. The single equivalent rate used to determine the total pension liability as of June 30, 2017 was 7.32%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statements No. 67 and No. 68 and may differ from the methodology used and reported in TCERA’s CAFR.

**Sensitivity of the County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 7.32%, as well as the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.32%) or one-percentage point higher (8.32%) than the current rate:

	<b>1% Decrease (6.32%)</b>	<b>Discount Rate (7.32%)</b>	<b>1% Increase (8.32%)</b>
County's proportionate share of the net pension liability	\$ 688,746	\$ 450,586	\$ 256,976

**Pension Fund Fiduciary Net Position** Detailed information about the pension fund’s fiduciary net position is available in TCERA’s CAFR.

**G. Other Postemployment Benefits (OPEB)**

**General Information about the OPEB Plan**

**Plan Description** The County administers the County of Tulare Retiree Healthcare Plan (the Plan), an agent multiple-employer defined benefit medical plan. The Plan allows full-time general and safety employees who retire directly from service under the TCERA to continue to participate in their healthcare plans at their own 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.” The implied subsidy is valued as the difference between the value of expected claims during the retirement period and the value of premiums expected to be paid by retirees during that period. Because each of these numbers is large, relatively small percentage changes in either number can lead to large percentage changes in the value of the implied subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2018 (in thousands)**

**Benefits Provided** The Plan provides most postemployment benefits, other than pensions, that employees are entitled to after leaving employment, including medical, dental, prescription drug, vision, life insurance, outside group legal, long-term care, and disability benefits outside a pension plan. The County contracts with Kaiser Permanente and Anthem Blue Cross for medical benefits and Delta Dental for dental benefits.

**Employees Covered by Benefit Terms** At the OPEB measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	345
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>4,212</u>
Total	<u><u>4,557</u></u>

**Contributions** The County makes no direct contributions to fund the Plan. The implied subsidy is financed on a pay-as-you-go basis. The County does not intend to adopt a policy to pre-fund the implied subsidy to retirees.

**Total OPEB Liability**

The County's total OPEB liability of \$13,619 was measured as of June 30, 2017, and was determined by an actuarial valuation as of June 30, 2016.

**Actuarial Assumptions and Other Inputs** The total OPEB liability measured as of June 30, 2017 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2016
Contribution Policy	Pay-as-you-go
Discount Rate	June 30, 2017: 3.75% (rounded up from Bond Buyer rate of 3.58%) June 30, 2016: 2.85% Bond Buyer 20-Bond GO Index
General Inflation	2.75% per annum
Retirement, Disability, Termination	TCERA 2011-2014 Experience Study
Post-Retirement Mortality	California Public Employees' Retirement System 1997-2011 Experience Study assumptions projected fully generational with Scale MP-2016
Expected Long-Term Rate of Return on Investments	N/A
Salary Increases	Aggregate: 3.00% Merit and longevity: TCERA 2011-2014 Experience Study
Medical Trend	Non-Medicare: 7.5% for 2018, decreasing to 4% for 2076 and later Medicare: 6.5% for 2018, decreasing to 4% for 2076 and later
Healthcare Participation for Future Retirees	Currently covered: 40% pre-65, 15% post-65 Currently waived: 0%



**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2018 (in thousands)**

**Changes in Total OPEB Liability**

	Total OPEB Liability
Balance at June 30, 2017*	\$ 12,929
Changes for the Year:	
Service Cost	2,167
Interest	420
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Assumption Changes**	(1,212)
Benefit Payments***	(685)
Net Changes	690
Balance at June 30, 2018****	\$ 13,619

\* Measurement date June 30, 2016

\*\* Discount rate changed from 2.85% as of June 30, 2016 to 3.75% as of June 30, 2017

\*\*\* Due to implied subsidy

\*\*\*\* Measurement date June 30, 2017

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate** The following presents the total OPEB liability of the County using the discount rate of 3.75%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (2.75%) or one-percentage point higher (4.75%) than the current discount rate.

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Total OPEB Liability	\$ 14,976	\$ 13,619	\$ 12,420

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** The following presents the total OPEB liability of the County using healthcare cost trend rates of 7.5% Non-Medicare/6.5% Medicare decreasing to 4% Non-Medicare/4% Medicare, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage-point lower (6.5% Non-Medicare/5.5% Medicare decreasing to 3% Non-Medicare/3% Medicare) or one-percentage-point higher (8.5% Non-Medicare/7.5% Medicare decreasing to 5% Non-Medicare/5% Medicare) than the current healthcare cost trend rates.

	1% Decrease (6.5% Non-Medicare/5.5% Medicare decreasing to 3% Non-Medicare/3% Medicare)	Current Healthcare Cost Trend Rate (7.5% Non-Medicare/6.5% Medicare decreasing to 4% Non-Medicare/4% Medicare)	1% Increase (8.5% Non-Medicare/7.5% Medicare decreasing to 5% Non-Medicare/5% Medicare)
Total OPEB Liability	\$11,406	\$13,619	\$16,454

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2018 (in thousands)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the County recognized OPEB expense of \$1,188. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	1,082
Employer contributions made subsequent to the measurement date*	584	-
	\$ 584	\$ 1,082

\* Due to implied subsidy

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

Year Ending June 30,	Amount
2019	\$ (129)
2020	(129)
2021	(129)
2022	(129)
2023	(129)
Thereafter	(437)
	\$ (1,082)

**H. Trial Court Funding**

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

The County will continue to be obligated to provide court facilities for all judicial officers and support positions authorized prior to July 1, 1996. This includes those judicial officers and positions, which replace those 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 2006/07, 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 30.0% occupant but no longer occupies due to closure of the courthouse), the Porterville Courthouse (in which the County was originally a 46.0% occupant but now occupies approximately 23.0% due to the closure of the courthouse), the Visalia Courthouse (in which the County is a 68.0% occupant), the William Silveira Jr. Juvenile Justice Center (in which the County is a

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2018 (in thousands)**

87.0% occupant), and the Dinuba Courthouse (in 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.

**I. Prior Period Adjustment**

A prior period adjustment was made to governmental and business-type activities' beginning net positions to reflect the prior period costs related to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Additionally, an adjustment was made to increase the business-type activities' net position for Transit fund revenues that should have been recognized in prior periods.

A summary of the restatements as of July 1, 2017 is as follows:

<u>Government-wide Financial Statement Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>		
Net position at June 30, 2017, as previously stated	\$ 1,665,809	\$ 46,264		
Total OPEB liability adjustment	4,590	(117)		
Transit fund adjustment	-	1,267		
Net position at June 30, 2017, as restated	<u>\$ 1,670,399</u>	<u>\$ 47,414</u>		

<u>Fund Financial Statement Activities</u>	<u>Internal Service Funds</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise</u>
Net position at June 30, 2017, as previously stated	\$ (11,429)	\$ 38,213	\$ 8,051
Total OPEB liability adjustment	(766)	(112)	(5)
Transit fund adjustment	-	-	1,267
Net position at June 30, 2017, as restated	<u>\$ (12,195)</u>	<u>\$ 38,101</u>	<u>\$ 9,313</u>

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# Required Supplementary Information



**COUNTY OF TULARE**  
**Tulare County Employees' Retirement Association (TCERA)**  
**Schedule of the County's Proportionate Share of Net Pension Liability and Schedule of the County's**  
**Contributions (unaudited)**  
**June 30, 2018 (in thousands)**

**Schedule of the County's Proportionate Share of Net Pension Liability\***

Fiscal Year	County's Proportion of the Net Pension Liability (Asset)	County's Proportionate Share of the Net Pension Liability (Asset) (A)	County's Covered Payroll (B)	County's Proportionate Share of the Net Pension Liability (Asset) as a % of its Covered Payroll (A/B)	Plan Fiduciary Net Position as a % of the Total Pension Liability	Measurement Date
2014	95.5672%	\$ 222,006	\$ 218,323	101.7%	80.4%	June 30, 2013
2015	94.5629%	148,162	222,683	66.5%	87.6%	June 30, 2014
2016	95.2063%	292,497	216,688 **	135.0%	79.8%	June 30, 2015
2017	95.0296%	398,539	225,139 **	177.0%	73.5%	June 30, 2016
2018	94.7143%	450,586	229,523	196.3%	86.1%	June 30, 2017

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

\*\*Restated in accordance with GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73.*

**Schedule of the County's Contributions\***

Fiscal Year	Actuarially Determined Contribution (A)	Contributions in Relation to the Actuarially Determined Contribution (B)	Contribution Deficiency (Excess) (A-B)	County's Covered Payroll** (C)	Contributions as a % of Covered Payroll (B/C)	Measurement Date
2015	\$ 24,641	\$ 24,641	\$ -	\$ 216,688 ***	11.4%	June 30, 2014
2016	29,506	29,506	-	225,139 ***	13.1%	June 30, 2015
2017	29,742	29,742	-	229,523 ***	13.0%	June 30, 2016
2018	31,839	31,839	-	239,079	13.3%	June 30, 2017

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

\*\*Measured as of the respective reporting date.

\*\*\*Restated in accordance with GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73.*

**Notes to Required Supplementary Information (Pension)**

The pension schedules presented relate solely to the County and not TCERA as a whole.

**Changes of Assumptions** Between the June 30, 2016 and June 30, 2017 measurement dates, the blended discount rate decreased from 7.58% to 7.32% due to the results of the crossover test and a decrease in the assumed investment rate of return. The following assumptions were changed as a result of the recent June 30, 2017 Experience Study: COLA increases, percent married and spousal age difference, merit-based pay increases, termination rates, retirement rates, rates of deferred vested termination, adjustments to base mortality tables for healthy females, and mortality improvement scale for all members.

**Changes of Benefit Terms** None.

**COUNTY OF TULARE**  
**Tulare County Employees' Other Postemployment Benefits (OPEB) Plan**  
**Schedule of Changes in the County's Total OPEB Liability and Related Ratios (unaudited)**  
**June 30, 2018 (in thousands)**

**Schedule of Changes in the County's Total OPEB Liability and Related Ratios\***

	Fiscal Year 2018
Changes in Total OPEB Liability	
Service Cost	\$ 2,167
Interest	420
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	-
Assumption Changes	(1,212)
Benefit Payments**	(685)
Net Changes	690
Total OPEB Liability (beginning of year)	12,929
Total OPEB Liability (end of year)	\$ 13,619
Covered-Employee Payroll	\$ 250,246
Total OPEB Liability as a Percentage of Covered-Employee Payroll	5.4%
Measurement Date	June 30, 2017

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

\*\*Due to implied subsidy.

**Notes to Required Supplementary Information (OPEB)**

The OPEB schedule presented relates solely to the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Changes of Assumptions** Between the June 30, 2016 and June 30, 2017 measurement dates, the discount rate increased from 2.85% to 3.75%.

**Changes of Benefit Terms** None.

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# Combining and Individual Fund Statements and Schedules



**COUNTY OF TULARE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2018 (in thousands)**

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Investment in treasury pool	\$ 77,819	\$ 4,651	\$ 16,674	\$ 99,144
Imprest cash	1	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	2,789	-	-	2,789
Due from other governments	8,544	-	-	8,544
Prepaid items	469	-	-	469
Advances to other funds	32	-	-	32
Notes receivable	16,238	-	-	16,238
Inventories	215	-	-	215
Total assets	<u>\$ 106,107</u>	<u>\$ 4,651</u>	<u>\$ 16,674</u>	<u>\$ 127,432</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 7,030	\$ 52	\$ 6,341	\$ 13,423
Due to other funds	32	-	-	32
Due to other governments	2,379	-	279	2,658
Salaries and benefits payable	2,137	-	32	2,169
Advances	2,371	-	-	2,371
Advances from other funds	120	-	-	120
Total liabilities	<u>14,069</u>	<u>52</u>	<u>6,652</u>	<u>20,773</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - special assessments	18,119	-	-	18,119
Total deferred inflows of resources	<u>18,119</u>	<u>-</u>	<u>-</u>	<u>18,119</u>
<b>FUND BALANCES</b>				
Nonspendable	716	-	-	716
Restricted	72,608	-	-	72,608
Committed	229	-	671	900
Assigned	383	4,599	9,351	14,333
Unassigned	(17)	-	-	(17)
Total fund balances	<u>73,919</u>	<u>4,599</u>	<u>10,022</u>	<u>88,540</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 106,107</u>	<u>\$ 4,651</u>	<u>\$ 16,674</u>	<u>\$ 127,432</u>

**COUNTY OF TULARE**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes and special assessments	\$ 34,891	\$ -	\$ -	\$ 34,891
Licenses and permits	22	-	-	22
Fines, forfeitures, and penalties	753	1,061	-	1,814
Interest, rents, and concessions	405	16	2	423
Intergovernmental revenues	63,148	-	45,506	108,654
Charges for services	4,419	-	-	4,419
Other revenues	5,276	-	246	5,522
Total revenues	<u>108,914</u>	<u>1,077</u>	<u>45,754</u>	<u>155,745</u>
<b>EXPENDITURES</b>				
Current				
General government	29	-	14,747	14,776
Public protection	34,117	-	344	34,461
Public ways and facilities	19,984	-	-	19,984
Health and sanitation	1	-	-	1
Public assistance	11,658	-	-	11,658
Education	4,316	-	-	4,316
Debt service				
Principal retirement	-	520	-	520
Interest and fiscal charges	-	105	-	105
Capital outlay	28,575	-	37,268	65,843
Total expenditures	<u>98,680</u>	<u>625</u>	<u>52,359</u>	<u>151,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,234</u>	<u>452</u>	<u>(6,605)</u>	<u>4,081</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	3	-	-	3
Transfers in	18,840	625	10,837	30,302
Transfers (out)	(26,545)	-	(561)	(27,106)
Total other financing sources (uses)	<u>(7,702)</u>	<u>625</u>	<u>10,276</u>	<u>3,199</u>
Net change in fund balances	2,532	1,077	3,671	7,280
Fund balances - beginning	71,387	3,522	6,351	81,260
Fund balances - ending	<u>\$ 73,919</u>	<u>\$ 4,599</u>	<u>\$ 10,022</u>	<u>\$ 88,540</u>

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**COUNTY OF TULARE**  
**Nonmajor Governmental Funds**  
**Special Revenue 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 fiscal year 1989/90 to receive the County's share of Proposition 99 monies per Assembly Bill (AB) 75. The primary source of revenue is tobacco taxes.

**Redevelopment Successor Agency Housing Fund** – This 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 Tulare County Redevelopment Agency, along with the related rights, powers, liabilities, duties, and obligations. The primary source of revenue is 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 revenue is the County's share of fines levied for violations of fish and game laws within its boundaries.

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

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

**Roads Fund** – This fund is used to account for the maintenance and construction of roadways and for specialized engineering services to other governmental units and the public. The primary sources of revenue are the County's share of state highway user 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 source of revenue is 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 source of revenue is 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 is 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 source of revenue is federal grants.

**Housing Opportunities Made Equal Fund** – This fund is used to collect and recycle repayment of home loan funds. The primary source of revenue is federal grants.

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2018 (in thousands)**

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game
<b>ASSETS</b>				
Investment in treasury pool	\$ 870	\$ 80	\$ 2,889	\$ 7
Imprest cash	-	-	1	-
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	469	-
Advances to other funds	-	32	-	-
Notes receivable	-	1,833	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 870</u>	<u>\$ 1,945</u>	<u>\$ 3,359</u>	<u>\$ 7</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 725	\$ -	\$ 40	\$ -
Due to other funds	-	-	7	-
Due to other governments	-	-	-	-
Salaries and benefits payable	-	-	132	-
Advances	-	1,833	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>725</u>	<u>1,833</u>	<u>179</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	32	469	-
Restricted	145	80	2,527	-
Committed	-	-	-	-
Assigned	-	-	184	7
Unassigned	-	-	-	-
Total fund balances	<u>145</u>	<u>112</u>	<u>3,180</u>	<u>7</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 870</u>	<u>\$ 1,945</u>	<u>\$ 3,359</u>	<u>\$ 7</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (continued)**  
**June 30, 2018 (in thousands)**

	Aviation	Structural Fire	Roads	Workforce Investment
<b>ASSETS</b>				
Investment in treasury pool	\$ 61	\$ 992	\$ 32,088	\$ 441
Imprest cash	-	-	-	-
Receivable (net of allowance for uncollectibles)				
Accounts	41	13	35	-
Due from other governments	28	580	7,158	129
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	215	-
Total assets	<u>\$ 130</u>	<u>\$ 1,585</u>	<u>\$ 39,496</u>	<u>\$ 570</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 10	\$ 340	\$ 5,300	\$ 477
Due to other funds	-	5	-	-
Due to other governments	-	-	2,379	-
Salaries and benefits payable	-	700	638	100
Advances	1	-	30	-
Advances from other funds	120	-	-	-
Total liabilities	<u>131</u>	<u>1,045</u>	<u>8,347</u>	<u>577</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	215	-
Restricted	-	540	30,705	-
Committed	-	-	229	-
Assigned	-	-	-	-
Unassigned	(1)	-	-	(7)
Total fund balances	<u>(1)</u>	<u>540</u>	<u>31,149</u>	<u>(7)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 130</u>	<u>\$ 1,585</u>	<u>\$ 39,496</u>	<u>\$ 570</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (continued)**  
**June 30, 2018 (in thousands)**

	Child Support Services	Mental Health Realignment	Health Realignment	Tobacco Settlement
<b>ASSETS</b>				
Investment in treasury pool	\$ 2,811	\$ 7,960	\$ 23,729	\$ -
Imprest cash	-	-	-	-
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	2,698
Due from other governments	649	-	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 3,460</u>	<u>\$ 7,960</u>	<u>\$ 23,729</u>	<u>\$ 2,698</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 113	\$ -	\$ -	\$ -
Due to other funds	20	-	-	-
Due to other governments	-	-	-	-
Salaries and benefits payable	567	-	-	-
Advances	501	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>1,201</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - special assessments	-	-	-	2,698
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,698</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	2,259	7,960	23,729	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,259</u>	<u>7,960</u>	<u>23,729</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,460</u>	<u>\$ 7,960</u>	<u>\$ 23,729</u>	<u>\$ 2,698</u>

Continued



**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (continued)**  
**June 30, 2018 (in thousands)**

	Flood Control	Community Development Block Grant	Housing Opportunities Made Equal	Total Special Revenue Funds
<b>ASSETS</b>				
Investment in treasury pool	\$ 4,838	\$ 424	\$ 629	\$ 77,819
Imprest cash	-	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	2	-	-	2,789
Due from other governments	-	-	-	8,544
Prepaid items	-	-	-	469
Advances to other funds	-	-	-	32
Notes receivable	-	3,957	10,448	16,238
Inventories	-	-	-	215
Total assets	<u>\$ 4,840</u>	<u>\$ 4,381</u>	<u>\$ 11,077</u>	<u>\$ 106,107</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 25	\$ -	\$ -	\$ 7,030
Due to other funds	-	-	-	32
Due to other governments	-	-	-	2,379
Salaries and benefits payable	-	-	-	2,137
Advances	-	-	6	2,371
Advances from other funds	-	-	-	120
Total liabilities	<u>25</u>	<u>-</u>	<u>6</u>	<u>14,069</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenue - special assessments	-	4,341	11,080	18,119
Total deferred inflows of resources	<u>-</u>	<u>4,341</u>	<u>11,080</u>	<u>18,119</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	716
Restricted	4,623	40	-	72,608
Committed	-	-	-	229
Assigned	192	-	-	383
Unassigned	-	-	(9)	(17)
Total fund balances	<u>4,815</u>	<u>40</u>	<u>(9)</u>	<u>73,919</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,840</u>	<u>\$ 4,381</u>	<u>\$ 11,077</u>	<u>\$ 106,107</u>

Concluded

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game
<b>REVENUES</b>				
Taxes and special assessments	\$ -	\$ -	\$ 4,529	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures, and penalties	750	-	-	3
Interest, rents, and concessions	6	(1)	(1)	-
Intergovernmental revenues	150	-	109	-
Charges for services	-	-	172	-
Other revenues	23	72	50	-
Total revenues	<u>929</u>	<u>71</u>	<u>4,859</u>	<u>3</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public protection	-	-	-	9
Public ways and facilities	-	-	-	-
Health and sanitation	1	-	-	-
Public assistance	787	-	-	-
Education	-	-	4,316	-
Capital outlay	-	-	-	-
Total expenditures	<u>788</u>	<u>-</u>	<u>4,316</u>	<u>9</u>
Excess (deficiency) of revenues over (under) expenditures	<u>141</u>	<u>71</u>	<u>543</u>	<u>(6)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	(21)	-	-	-
Total other financing sources (uses)	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	120	71	543	(6)
Fund balances - beginning	25	41	2,637	13
Fund balances - ending	<u>\$ 145</u>	<u>\$ 112</u>	<u>\$ 3,180</u>	<u>\$ 7</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Aviation	Structural Fire	Roads	Workforce Investment
<b>REVENUES</b>				
Taxes and special assessments	\$ -	\$ 8,984	\$ 20,726	\$ -
Licenses and permits	-	12	10	-
Fines, forfeitures, and penalties	-	-	-	-
Interest, rents, and concessions	7	17	61	294
Intergovernmental revenues	34	2,969	20,089	8,297
Charges for services	-	577	2,984	686
Other revenues	-	19	423	7
Total revenues	<u>41</u>	<u>12,578</u>	<u>44,293</u>	<u>9,284</u>
<b>EXPENDITURES</b>				
Current				
General government	-	29	-	-
Public protection	-	18,932	-	660
Public ways and facilities	57	35	19,892	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	10,845
Education	-	-	-	-
Capital outlay	-	839	27,694	-
Total expenditures	<u>57</u>	<u>19,835</u>	<u>47,586</u>	<u>11,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16)</u>	<u>(7,257)</u>	<u>(3,293)</u>	<u>(2,221)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	-	-	-
Transfers in	6	6,038	-	2,216
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>6</u>	<u>6,038</u>	<u>-</u>	<u>2,216</u>
Net change in fund balances	(10)	(1,219)	(3,293)	(5)
Fund balances - beginning	9	1,759	34,442	(2)
Fund balances - ending	<u>\$ (1)</u>	<u>\$ 540</u>	<u>\$ 31,149</u>	<u>\$ (7)</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Child Support Services	Mental Health Realignment	Health Realignment	Tobacco Settlement
<b>REVENUES</b>				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-
Interest, rents, and concessions	17	-	1	-
Intergovernmental revenues	13,977	16,765	645	-
Charges for services	-	-	-	-
Other revenues	2	-	-	4,680
Total revenues	<u>13,996</u>	<u>16,765</u>	<u>646</u>	<u>4,680</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Public protection	14,059	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Capital outlay	42	-	-	-
Total expenditures	<u>14,101</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(105)</u>	<u>16,765</u>	<u>646</u>	<u>4,680</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	3	-	-	-
Transfers in	181	683	9,708	-
Transfers (out)	(179)	(16,241)	(5,312)	(4,680)
Total other financing sources (uses)	<u>5</u>	<u>(15,558)</u>	<u>4,396</u>	<u>(4,680)</u>
Net change in fund balances	(100)	1,207	5,042	-
Fund balances - beginning	2,359	6,753	18,687	-
Fund balances - ending	<u>\$ 2,259</u>	<u>\$ 7,960</u>	<u>\$ 23,729</u>	<u>\$ -</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Flood Control	Community Development Block Grant	Housing Opportunities Made Equal	Total Special Revenue Funds
<b>REVENUES</b>				
Taxes and special assessments	\$ 652	\$ -	\$ -	\$ 34,891
Licenses and permits	-	-	-	22
Fines, forfeitures, and penalties	-	-	-	753
Interest, rents, and concessions	13	(1)	(8)	405
Intergovernmental revenues	98	15	-	63,148
Charges for services	-	-	-	4,419
Other revenues	-	-	-	5,276
Total revenues	<u>763</u>	<u>14</u>	<u>(8)</u>	<u>108,914</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	29
Public protection	457	-	-	34,117
Public ways and facilities	-	-	-	19,984
Health and sanitation	-	-	-	1
Public assistance	-	26	-	11,658
Education	-	-	-	4,316
Capital outlay	-	-	-	28,575
Total expenditures	<u>457</u>	<u>26</u>	<u>-</u>	<u>98,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>306</u>	<u>(12)</u>	<u>(8)</u>	<u>10,234</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	-	-	3
Transfers in	-	8	-	18,840
Transfers (out)	(112)	-	-	(26,545)
Total other financing sources (uses)	<u>(112)</u>	<u>8</u>	<u>-</u>	<u>(7,702)</u>
Net change in fund balances	194	(4)	(8)	2,532
Fund balances - beginning	4,621	44	(1)	71,387
Fund balances - ending	<u>\$ 4,815</u>	<u>\$ 40</u>	<u>\$ (9)</u>	<u>\$ 73,919</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ 1,053	\$ 1,053	\$ 750	\$ (303)
Interest, rents, and concessions	42	42	6	(36)
Intergovernmental revenues	809	-	150	150
Other revenues	5	5	23	18
Total revenues	<u>1,909</u>	<u>1,100</u>	<u>929</u>	<u>(171)</u>
<b>EXPENDITURES</b>				
Current				
Health and sanitation	13	2	1	1
Public assistance	1,897	1,098	787	311
Total expenditures	<u>1,910</u>	<u>1,100</u>	<u>788</u>	<u>312</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1)</u>	<u>-</u>	<u>141</u>	<u>141</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2	-	-	-
Transfers (out)	-	-	(21)	(21)
Total other financing sources (uses)	<u>2</u>	<u>-</u>	<u>(21)</u>	<u>(21)</u>
Net change in fund balance	1	-	120	120
Fund balance - beginning	25	25	25	-
Fund balance - ending	<u>\$ 26</u>	<u>\$ 25</u>	<u>\$ 145</u>	<u>\$ 120</u>

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Redevelopment Successor Agency Housing Fund**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ (1)	\$ (1)
Other revenues	-	-	72	72
Total revenues	<u>-</u>	<u>-</u>	<u>71</u>	<u>71</u>
<b>EXPENDITURES</b>				
Current				
Public assistance	41	41	-	41
Total expenditures	<u>41</u>	<u>41</u>	<u>-</u>	<u>41</u>
Net change in fund balance	(41)	(41)	71	112
Fund balance - beginning	41	41	41	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112</u>	<u>\$ 112</u>

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Library Fund**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 4,302	\$ 4,302	\$ 4,529	\$ 227
Interest, rents, and concessions	12	12	(1)	(13)
Intergovernmental revenues	107	107	109	2
Charges for services	200	227	172	(55)
Other revenues	54	54	50	(4)
Total revenues	<u>4,675</u>	<u>4,702</u>	<u>4,859</u>	<u>157</u>
<b>EXPENDITURES</b>				
Current				
Education	4,676	4,702	4,316	386
Total expenditures	<u>4,676</u>	<u>4,702</u>	<u>4,316</u>	<u>386</u>
Net change in fund balance	(1)	-	543	543
Fund balance - beginning	2,637	2,637	2,637	-
Fund balance - ending	<u>\$ 2,636</u>	<u>\$ 2,637</u>	<u>\$ 3,180</u>	<u>\$ 543</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 3	\$ 3
Total revenues	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
<b>EXPENDITURES</b>				
Current				
Public protection	13	13	9	4
Total expenditures	<u>13</u>	<u>13</u>	<u>9</u>	<u>4</u>
Net change in fund balance	(13)	(13)	(6)	7
Fund balance - beginning	13	13	13	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ 7</u>

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Aviation Fund**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 6	\$ 6	\$ 7	\$ 1
Intergovernmental revenues	360	360	34	(326)
Total revenues	<u>366</u>	<u>366</u>	<u>41</u>	<u>(325)</u>
<b>EXPENDITURES</b>				
Current				
Public ways and facilities	51	53	57	(4)
Capital outlay	395	393	-	393
Total expenditures	<u>446</u>	<u>446</u>	<u>57</u>	<u>389</u>
Deficiency of revenues under expenditures	<u>(80)</u>	<u>(80)</u>	<u>(16)</u>	<u>64</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	70	70	6	(64)
Total other financing sources	<u>70</u>	<u>70</u>	<u>6</u>	<u>(64)</u>
Net change in fund balance	(10)	(10)	(10)	-
Fund balance - beginning	9	9	9	-
Fund balance - ending	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ -</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 8,397	\$ 8,442	\$ 8,984	\$ 542
Licenses and permits	16	16	12	(4)
Interest, rents, and concessions	45	45	17	(28)
Intergovernmental revenues	811	2,699	2,969	270
Charges for services	667	675	577	(98)
Other revenues	330	330	19	(311)
Total revenues	<u>10,266</u>	<u>12,207</u>	<u>12,578</u>	<u>371</u>
<b>EXPENDITURES</b>				
Current				
General government	-	29	29	-
Public protection	16,709	18,958	18,932	26
Public ways and facilities	47	47	35	12
Capital outlay	1,244	927	839	88
Total expenditures	<u>18,000</u>	<u>19,961</u>	<u>19,835</u>	<u>126</u>
Deficiency of revenues under expenditures	<u>(7,734)</u>	<u>(7,754)</u>	<u>(7,257)</u>	<u>497</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	5,965	5,985	6,038	53
Total other financing sources	<u>5,965</u>	<u>5,985</u>	<u>6,038</u>	<u>53</u>
Net change in fund balance	(1,769)	(1,769)	(1,219)	550
Fund balance - beginning	1,759	1,759	1,759	-
Fund balance - ending	<u>\$ (10)</u>	<u>\$ (10)</u>	<u>\$ 540</u>	<u>\$ 550</u>

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Roads Fund**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 24,614	\$ 24,614	\$ 20,726	\$ (3,888)
Licenses and permits	132	132	10	(122)
Interest, rents, and concessions	220	220	61	(159)
Intergovernmental revenues	26,304	26,304	20,089	(6,215)
Charges for services	3,032	3,032	2,984	(48)
Other revenues	-	120	423	303
Total revenues	54,302	54,422	44,293	(10,129)
<b>EXPENDITURES</b>				
Current				
Public ways and facilities	84,776	84,676	19,892	64,784
Capital outlay	3,535	3,755	27,694	(23,939)
Total expenditures	88,311	88,431	47,586	40,845
Net change in fund balance	(34,009)	(34,009)	(3,293)	30,716
Fund balance - beginning	34,442	34,442	34,442	-
Fund balance - ending	\$ 433	\$ 433	\$ 31,149	\$ 30,716

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Workforce Investment Fund**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 619	\$ 619	\$ 294	\$ (325)
Intergovernmental revenues	9,249	9,288	8,297	(991)
Charges for services	677	677	686	9
Other revenues	12	12	7	(5)
Total revenues	10,557	10,596	9,284	(1,312)
<b>EXPENDITURES</b>				
Current				
Public protection	568	568	660	(92)
Public assistance	10,750	12,354	10,845	1,509
Total expenditures	11,318	12,922	11,505	1,417
Deficiency of revenues under expenditures	(761)	(2,326)	(2,221)	105
<b>OTHER FINANCING SOURCES</b>				
Transfers in	760	2,328	2,216	(112)
Total other financing sources	760	2,328	2,216	(112)
Net change in fund balance	(1)	2	(5)	(7)
Fund balance - beginning	(2)	(2)	(2)	-
Fund balance - ending	\$ (3)	\$ -	\$ (7)	\$ (7)

**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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 49	\$ 49	\$ 17	\$ (32)
Intergovernmental revenues	16,247	16,247	13,977	(2,270)
Other revenues	6	6	2	(4)
Total revenues	<u>16,302</u>	<u>16,302</u>	<u>13,996</u>	<u>(2,306)</u>
<b>EXPENDITURES</b>				
Current				
Public protection	16,410	16,409	14,059	2,350
Public ways and facilities	25	25	-	25
Capital outlay	277	277	42	235
Total expenditures	<u>16,712</u>	<u>16,711</u>	<u>14,101</u>	<u>2,610</u>
Deficiency of revenues under expenditures	<u>(410)</u>	<u>(409)</u>	<u>(105)</u>	<u>304</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	-	3	3
Transfers in	412	412	181	(231)
Transfers (out)	-	-	(179)	(179)
Total other financing sources (uses)	<u>412</u>	<u>412</u>	<u>5</u>	<u>(407)</u>
Net change in fund balance	2	3	(100)	(103)
Fund balance - beginning	2,359	2,359	2,359	-
Fund balance - ending	<u>\$ 2,361</u>	<u>\$ 2,362</u>	<u>\$ 2,259</u>	<u>\$ (103)</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental revenues	\$ 15,309	\$ 15,309	\$ 16,765	\$ 1,456
Total revenues	<u>15,309</u>	<u>15,309</u>	<u>16,765</u>	<u>1,456</u>
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	<u>15,309</u>	<u>15,309</u>	<u>16,765</u>	<u>1,456</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,008	2,008	683	(1,325)
Transfers (out)	(18,318)	(18,318)	(16,241)	2,077
Total other financing sources (uses)	<u>(16,310)</u>	<u>(16,310)</u>	<u>(15,558)</u>	<u>752</u>
Net change in fund balance	(1,001)	(1,001)	1,207	2,208
Fund balance - beginning	6,753	6,753	6,753	-
Fund balance - ending	<u>\$ 5,752</u>	<u>\$ 5,752</u>	<u>\$ 7,960</u>	<u>\$ 2,208</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental revenues	-	-	645	645
Total revenues	-	-	646	646
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	646	646
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	9,527	9,527	9,708	181
Transfers (out)	(9,527)	(9,527)	(5,312)	4,215
Total other financing sources (uses)	-	-	4,396	4,396
Net change in fund balance	-	-	5,042	5,042
Fund balance - beginning	18,687	18,687	18,687	-
Fund balance - ending	\$ 18,687	\$ 18,687	\$ 23,729	\$ 5,042



**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Tobacco Settlement Fund**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Other revenues	\$ 5,334	\$ 5,334	\$ 4,680	\$ (654)
Total revenues	<u>5,334</u>	<u>5,334</u>	<u>4,680</u>	<u>(654)</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>5,334</u>	<u>5,334</u>	<u>4,680</u>	<u>(654)</u>
<b>OTHER FINANCING USES</b>				
Transfers (out)	(5,334)	(5,334)	(4,680)	654
Total other financing uses	<u>(5,334)</u>	<u>(5,334)</u>	<u>(4,680)</u>	<u>654</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - 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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 545	\$ 545	\$ 652	\$ 107
Interest, rents, and concessions	48	48	13	(35)
Intergovernmental revenues	1,413	1,413	98	(1,315)
Total revenues	<u>2,006</u>	<u>2,006</u>	<u>763</u>	<u>(1,243)</u>
<b>EXPENDITURES</b>				
Current				
Public protection	5,584	5,548	457	5,091
Total expenditures	<u>5,584</u>	<u>5,548</u>	<u>457</u>	<u>5,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,578)</u>	<u>(3,542)</u>	306	3,848
<b>OTHER FINANCING USES</b>				
Transfers (out)	(125)	(160)	(112)	48
Total other financing uses	<u>(125)</u>	<u>(160)</u>	<u>(112)</u>	<u>48</u>
Net change in fund balance	(3,703)	(3,702)	194	3,896
Fund balance - beginning	4,621	4,621	4,621	-
Fund balance - ending	<u>\$ 918</u>	<u>\$ 919</u>	<u>\$ 4,815</u>	<u>\$ 3,896</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 Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ (1)	\$ (1)
Intergovernmental revenues	124	124	15	(109)
Total revenues	<u>124</u>	<u>124</u>	<u>14</u>	<u>(110)</u>
<b>EXPENDITURES</b>				
Current				
Public assistance	307	137	26	111
Total expenditures	<u>307</u>	<u>137</u>	<u>26</u>	<u>111</u>
Deficiency of revenues under expenditures	<u>(183)</u>	<u>(13)</u>	<u>(12)</u>	<u>1</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	180	10	8	(2)
Total other financing sources	<u>180</u>	<u>10</u>	<u>8</u>	<u>(2)</u>
Net change in fund balance	(3)	(3)	(4)	(1)
Fund balance - beginning	44	44	44	-
Fund balance - ending	<u>\$ 41</u>	<u>\$ 41</u>	<u>\$ 40</u>	<u>\$ (1)</u>

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Housing Opportunities Made Equal Fund**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ (8)	\$ (8)
Total revenues	-	-	(8)	(8)
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	(8)	(8)
Fund balance - beginning	(1)	(1)	(1)	-
Fund balance - ending	\$ (1)	\$ (1)	\$ (9)	\$ (8)

**COUNTY OF TULARE**  
**Nonmajor Governmental Funds**  
**Debt Service Fund**

**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 the Public Facilities Corporation (PFC).

**COUNTY OF TULARE**  
**Debt Service Fund**  
**Balance Sheet**  
**June 30, 2018 (in thousands)**

	Building Loans
<b>ASSETS</b>	
Investment in treasury pool	\$ 4,651
Total assets	\$ 4,651
 <b>LIABILITIES</b>	
Accounts payable	\$ 52
Total liabilities	52
 <b>FUND BALANCE</b>	
Assigned	4,599
Total fund balance	4,599
Total liabilities and fund balance	\$ 4,651

**COUNTY OF TULARE**  
**Debt Service Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Building Loans
<b>REVENUES</b>	
Fines, forfeitures, and penalties	\$ 1,061
Interest, rents, and concessions	16
Total revenues	1,077
 <b>EXPENDITURES</b>	
Debt service	
Principal retirement	520
Interest and fiscal charges	105
Total expenditures	625
Excess of revenues over expenditures	452
 <b>OTHER FINANCING SOURCES</b>	
Transfers in	625
Total other financing sources	625
Net change in fund balance	1,077
Fund balance - beginning	3,522
Fund balance - ending	\$ 4,599

**COUNTY OF TULARE**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 1,061	\$ 1,061
Interest, rents, and concessions	-	-	16	16
Total revenues	-	-	1,077	1,077
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	520	520	520	-
Interest and fiscal charges	105	105	105	-
Total expenditures	625	625	625	-
Excess (deficiency) of revenues over (under) expenditures	(625)	(625)	452	1,077
<b>OTHER FINANCING SOURCES</b>				
Transfers in	625	625	625	-
Total other financing sources	625	625	625	-
Net change in fund balance	-	-	1,077	1,077
Fund balance - beginning	3,522	3,522	3,522	-
Fund balance - ending	\$ 3,522	\$ 3,522	\$ 4,599	\$ 1,077



**COUNTY OF TULARE**  
**Nonmajor Governmental Funds**  
**Capital Projects Fund**

**CAPITAL PROJECTS FUND**

The capital projects fund is used to finance the acquisition and construction of public buildings, including major maintenance and improvements, other than those financed by proprietary and trust funds. 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, 2018 (in thousands)**

	Capital Projects
<b>ASSETS</b>	
Investment in treasury pool	\$ 16,674
Total assets	\$ 16,674
 <b>LIABILITIES</b>	
Accounts payable	\$ 6,341
Due to other governments	279
Salaries and benefits payable	32
Total liabilities	6,652
 <b>FUND BALANCE</b>	
Committed	671
Assigned	9,351
Total fund balance	10,022
Total liabilities and fund balance	\$ 16,674

**COUNTY OF TULARE**  
**Capital Projects Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Capital Projects
<b>REVENUES</b>	
Interest, rents, and concessions	\$ 2
Intergovernmental revenues	45,506
Other revenues	246
Total revenues	45,754
<b>EXPENDITURES</b>	
Current	
General government	14,747
Public protection	344
Capital outlay	37,268
Total expenditures	52,359
Deficiency of revenues under expenditures	(6,605)
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	10,837
Transfers (out)	(561)
Total other financing sources (uses)	10,276
Net change in fund balance	3,671
Fund balance - beginning	6,351
Fund balance - ending	\$ 10,022

**COUNTY OF TULARE**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ 2	\$ 2
Intergovernmental revenues	51,460	51,460	45,506	(5,954)
Other revenues	-	-	246	246
Total revenues	51,460	51,460	45,754	(5,706)
<b>EXPENDITURES</b>				
Current				
General government	4,326	4,532	14,747	(10,215)
Public protection	3,258	3,259	344	2,915
Capital outlay	74,070	73,725	37,268	36,457
Total expenditures	81,654	81,516	52,359	29,157
Deficiency of revenues under expenditures	(30,194)	(30,056)	(6,605)	23,451
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	16,939	17,450	10,837	(6,613)
Transfers (out)	-	(698)	(561)	137
Total other financing sources (uses)	16,939	16,752	10,276	(6,476)
Net change in fund balance	(13,255)	(13,304)	3,671	16,975
Fund balance - beginning	6,351	6,351	6,351	-
Fund balance - ending	\$ (6,904)	\$ (6,953)	\$ 10,022	\$ 16,975

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**

**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 Sewer Maintenance 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, 2018 (in thousands)**

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
<b>ASSETS</b>			
Current assets			
Cash in banks	\$ 3	\$ -	\$ -
Investment in treasury pool	11,058	841	949
Accounts receivable (net of allowance for uncollectibles)	7	116	(3)
Due from other governments	372	-	-
Total current assets	<u>11,440</u>	<u>957</u>	<u>946</u>
Noncurrent assets			
Restricted assets	-	-	-
Capital assets			
Land	-	68	-
Buildings and improvements, net	115	748	-
Equipment and vehicles, net	561	-	-
Construction in progress	1,107	-	-
Total capital assets	<u>1,783</u>	<u>816</u>	<u>-</u>
Total noncurrent assets	<u>1,783</u>	<u>816</u>	<u>-</u>
Total assets	<u>13,223</u>	<u>1,773</u>	<u>946</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	57	-	-
Total deferred outflows of resources	<u>57</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	448	11	-
Deposits from others	-	53	8
Salaries and benefits payable	13	-	-
Certificates of participation payable	-	25	-
Total current liabilities	<u>461</u>	<u>89</u>	<u>8</u>
Noncurrent liabilities			
Compensated absences payable	10	-	-
Advances	7,043	-	-
Advances from other funds	-	-	-
Bonds payable	-	-	-
Certificates of participation payable	-	630	-
Net pension liability	144	-	-
Total OPEB liability	6	-	-
Total noncurrent liabilities	<u>7,203</u>	<u>630</u>	<u>-</u>
Total liabilities	<u>7,664</u>	<u>719</u>	<u>8</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	7	-	-
Total deferred inflows of resources	<u>7</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,783	161	-
Restricted for			
Landfill ground water contingencies	-	-	-
Unrestricted	3,826	893	938
Total net position	<u>\$ 5,609</u>	<u>\$ 1,054</u>	<u>\$ 938</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Net Position (continued)**  
**June 30, 2018 (in thousands)**

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current assets			
Cash in banks	\$ -	\$ -	\$ 3
Investment in treasury pool	627	47	13,522
Accounts receivable (net of allowance for uncollectibles)	156	17	293
Due from other governments	53	6	431
Total current assets	<u>836</u>	<u>70</u>	<u>14,249</u>
Noncurrent assets			
Restricted assets	-	16	16
Capital assets			
Land	503	41	612
Buildings and improvements, net	2,049	214	3,126
Equipment and vehicles, net	-	-	561
Construction in progress	-	-	1,107
Total capital assets	<u>2,552</u>	<u>255</u>	<u>5,406</u>
Total noncurrent assets	<u>2,552</u>	<u>271</u>	<u>5,422</u>
Total assets	<u>3,388</u>	<u>341</u>	<u>19,671</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	-	-	57
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>57</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	87	13	559
Deposits from others	-	-	61
Salaries and benefits payable	-	-	13
Certificates of participation payable	19	2	46
Total current liabilities	<u>106</u>	<u>15</u>	<u>679</u>
Noncurrent liabilities			
Compensated absences payable	-	-	10
Advances	-	-	7,043
Advances from other funds	1,386	261	1,647
Bonds payable	5	-	5
Certificates of participation payable	442	29	1,101
Net pension liability	-	-	144
Total OPEB liability	-	-	6
Total noncurrent liabilities	<u>1,833</u>	<u>290</u>	<u>9,956</u>
Total liabilities	<u>1,939</u>	<u>305</u>	<u>10,635</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	-	-	7
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>7</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,086	224	4,254
Restricted for			
Landfill ground water contingencies	-	16	16
Unrestricted	(637)	(204)	4,816
Total net position	<u>\$ 1,449</u>	<u>\$ 36</u>	<u>\$ 9,086</u>

Concluded

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
<b>OPERATING REVENUES</b>			
Charges for services	\$ 197	\$ 143	\$ 125
Interest, rents, and concessions	-	-	-
Other revenues	193	-	-
Total operating revenues	<u>390</u>	<u>143</u>	<u>125</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	175	-	-
Services and supplies	2,789	147	12
Depreciation	302	39	-
Total operating expenses	<u>3,266</u>	<u>186</u>	<u>12</u>
Operating income (loss)	<u>(2,876)</u>	<u>(43)</u>	<u>113</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenues	704	-	-
Penalties collected	-	14	-
Taxes and special assessments	2,296	42	-
Investment earnings (expenses)	(74)	3	(10)
Interest expense	-	(30)	-
Total nonoperating revenues (expenses)	<u>2,926</u>	<u>29</u>	<u>(10)</u>
Income (loss) before contributions and transfers	50	(14)	103
Transfers in	-	-	-
Change in net position	<u>50</u>	<u>(14)</u>	<u>103</u>
Net position - beginning	4,297	1,068	835
Prior period adjustment	1,262	-	-
Net position - beginning, as restated	<u>5,559</u>	<u>1,068</u>	<u>835</u>
Net position - ending	<u>\$ 5,609</u>	<u>\$ 1,054</u>	<u>\$ 938</u>

Continued



**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position (continued)**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 511	\$ 66	\$ 1,042
Interest, rents, and concessions	3	-	3
Other revenues	-	-	193
Total operating revenues	<u>514</u>	<u>66</u>	<u>1,238</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	-	-	175
Services and supplies	1,013	137	4,098
Depreciation	152	14	507
Total operating expenses	<u>1,165</u>	<u>151</u>	<u>4,780</u>
Operating income (loss)	<u>(651)</u>	<u>(85)</u>	<u>(3,542)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenues	-	-	704
Penalties collected	38	3	55
Taxes and special assessments	-	-	2,338
Investment earnings (expenses)	(8)	(1)	(90)
Interest expense	(35)	(1)	(66)
Total nonoperating revenues (expenses)	<u>(5)</u>	<u>1</u>	<u>2,941</u>
Income (loss) before contributions and transfers	<u>(656)</u>	<u>(84)</u>	<u>(601)</u>
Transfers in	374	-	374
Change in net position	<u>(282)</u>	<u>(84)</u>	<u>(227)</u>
Net position - beginning	1,731	120	8,051
Prior period adjustment	-	-	1,262
Net position - beginning, as restated	<u>1,731</u>	<u>120</u>	<u>9,313</u>
Net position - ending	<u>\$ 1,449</u>	<u>\$ 36</u>	<u>\$ 9,086</u>

Concluded

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 199	\$ 134	\$ 128
Receipts from rents and concessions	-	-	-
Other receipts	365	-	-
Payments to employees	1,069	-	-
Payments to suppliers	(3,928)	(94)	(1)
Payments for interfund services used	(408)	(54)	(11)
Net cash provided (used) by operating activities	<u>(2,703)</u>	<u>(14)</u>	<u>116</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidy from intergovernmental entities	704	-	-
Receipts from taxes and assessments	2,296	56	-
Transfers from other funds	-	-	-
Advance from other funds	-	-	-
Net cash provided by noncapital financing activities	<u>3,000</u>	<u>56</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales of capital assets	-	-	-
Purchases of capital assets	(149)	-	-
Principal paid on capital debt	-	(25)	-
Interest paid on capital debt	-	(30)	-
Net cash used by capital and related financing activities	<u>(149)</u>	<u>(55)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings (expenses)	(74)	3	(10)
Net cash provided (used) by investing activities	<u>(74)</u>	<u>3</u>	<u>(10)</u>
Net increase (decrease) in cash and cash equivalents	74	(10)	106
Cash and cash equivalents - beginning	10,987	851	843
Cash and cash equivalents - ending	<u>\$ 11,061</u>	<u>\$ 841</u>	<u>\$ 949</u>
Displayed as			
Cash in banks	\$ 3	\$ -	\$ -
Investment in treasury pool	11,058	841	949
Restricted assets which are cash equivalents	-	-	-
Total cash displayed	<u>\$ 11,061</u>	<u>\$ 841</u>	<u>\$ 949</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	<u>\$ (2,876)</u>	<u>\$ (43)</u>	<u>\$ 113</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	302	39	-
(Increase) decrease in accounts receivable	2	(9)	3
(Increase) decrease in intergovernmental receivables	172	-	-
Increase (decrease) in accounts payable	(1,547)	(1)	-
Increase (decrease) in deferred pensions	35	-	-
Increase (decrease) in net pension liability	(69)	-	-
Increase (decrease) in total OPEB liability	6	-	-
Increase (decrease) in salaries and benefits payable and compensated absences	1,272	-	-
Total adjustments	<u>173</u>	<u>29</u>	<u>3</u>
Net cash provided (used) by operating activities	<u>\$ (2,703)</u>	<u>\$ (14)</u>	<u>\$ 116</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows (continued)**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 470	\$ 61	\$ 992
Receipts from rents and concessions	3	-	3
Other receipts	-	-	365
Payments to employees	-	-	1,069
Payments to suppliers	(757)	(99)	(4,879)
Payments for interfund services used	(267)	(41)	(781)
Net cash provided (used) by operating activities	<u>(551)</u>	<u>(79)</u>	<u>(3,231)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidy from intergovernmental entities	-	-	704
Receipts from taxes and assessments	38	3	2,393
Transfers from other funds	374	-	374
Advance from other funds	498	60	558
Net cash provided by noncapital financing activities	<u>910</u>	<u>63</u>	<u>4,029</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales of capital assets	5	1	6
Purchases of capital assets	(4)	-	(153)
Principal paid on capital debt	(17)	(3)	(45)
Interest paid on capital debt	(35)	(1)	(66)
Net cash used by capital and related financing activities	<u>(51)</u>	<u>(3)</u>	<u>(258)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings (expenses)	(8)	(1)	(90)
Net cash provided (used) by investing activities	<u>(8)</u>	<u>(1)</u>	<u>(90)</u>
Net increase (decrease) in cash and cash equivalents	300	(20)	450
Cash and cash equivalents - beginning	327	83	13,091
Cash and cash equivalents - ending	<u>\$ 627</u>	<u>\$ 63</u>	<u>\$ 13,541</u>
Displayed as			
Cash in banks	\$ -	\$ -	\$ 3
Investment in treasury pool	627	47	13,522
Restricted assets which are cash equivalents	-	16	16
Total cash displayed	<u>\$ 627</u>	<u>\$ 63</u>	<u>\$ 13,541</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ (651)	\$ (85)	\$ (3,542)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	152	14	507
(Increase) decrease in accounts receivable	(41)	(5)	(50)
(Increase) decrease in intergovernmental receivables	-	-	172
Increase (decrease) in accounts payable	(11)	(3)	(1,562)
Increase (decrease) in deferred pensions	-	-	35
Increase (decrease) in net pension liability	-	-	(69)
Increase (decrease) in total OPEB liability	-	-	6
Increase (decrease) in salaries and benefits payable and compensated absences	-	-	1,272
Total adjustments	<u>100</u>	<u>6</u>	<u>311</u>
Net cash provided (used) by operating activities	<u>\$ (551)</u>	<u>\$ (79)</u>	<u>\$ (3,231)</u>

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**COUNTY OF TULARE**  
**Internal Service Funds**

**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, 2018 (in thousands)**

	Insurance	Central Services	Total Internal Service
<b>ASSETS</b>			
Current assets			
Investment in treasury pool	\$ 34,654	\$ 7,147	\$ 41,801
Imprest cash	500	-	500
Accounts receivable (net of allowance for uncollectibles)	-	15	15
Prepaid items	-	100	100
Due from other governments	-	717	717
Total current assets	<u>35,154</u>	<u>7,979</u>	<u>43,133</u>
Noncurrent assets			
Capital assets			
Buildings and improvements, net	-	9	9
Equipment and vehicles, net	-	1,933	1,933
Total capital assets	<u>-</u>	<u>1,942</u>	<u>1,942</u>
Total noncurrent assets	<u>-</u>	<u>1,942</u>	<u>1,942</u>
Total assets	<u>35,154</u>	<u>9,921</u>	<u>45,075</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	-	9,648	9,648
Deferred OPEB	-	34	34
Total deferred outflows of resources	<u>-</u>	<u>9,682</u>	<u>9,682</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	197	1,385	1,582
Due to other funds	186	44	230
Salaries and benefits payable	-	1,119	1,119
Compensated absences payable	-	64	64
Claims payable	8,314	-	8,314
Total current liabilities	<u>8,697</u>	<u>2,612</u>	<u>11,309</u>
Noncurrent liabilities			
Compensated absences payable	-	1,516	1,516
Advances	-	576	576
Claims payable	25,689	-	25,689
Net pension liability	-	24,227	24,227
Total OPEB liability	-	806	806
Total noncurrent liabilities	<u>25,689</u>	<u>27,125</u>	<u>52,814</u>
Total liabilities	<u>34,386</u>	<u>29,737</u>	<u>64,123</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	-	1,239	1,239
Deferred OPEB	-	64	64
Total deferred inflows of resources	<u>-</u>	<u>1,303</u>	<u>1,303</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	1,942	1,942
Unrestricted	768	(13,379)	(12,611)
Total net position	<u>\$ 768</u>	<u>\$ (11,437)</u>	<u>\$ (10,669)</u>

**COUNTY OF TULARE**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Insurance	Central Services	Total Internal Service
<b>OPERATING REVENUES</b>			
Charges for services	\$ 21,500	\$ 45,473	\$ 66,973
Other revenues	4,691	133	4,824
Total operating revenues	<u>26,191</u>	<u>45,606</u>	<u>71,797</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	-	23,752	23,752
Services and supplies	10,334	25,175	35,509
Insurance premiums paid	6,903	-	6,903
Depreciation	-	415	415
Claims incurred	3,373	-	3,373
Total operating expenses	<u>20,610</u>	<u>49,342</u>	<u>69,952</u>
Operating income (loss)	<u>5,581</u>	<u>(3,736)</u>	<u>1,845</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Loss on sale of capital assets	-	(465)	(465)
Intergovernmental revenues	37	17	54
Investment earnings	80	-	80
Total nonoperating revenues (expenses)	<u>117</u>	<u>(448)</u>	<u>(331)</u>
Income (loss) before transfers	<u>5,698</u>	<u>(4,184)</u>	<u>1,514</u>
Transfers in	-	76	76
Transfers (out)	(60)	(4)	(64)
Change in net position	<u>5,638</u>	<u>(4,112)</u>	<u>1,526</u>
Net position - beginning	(4,870)	(6,559)	(11,429)
Prior period adjustment	-	(766)	(766)
Net position - beginning, as restated	<u>(4,870)</u>	<u>(7,325)</u>	<u>(12,195)</u>
Net position - ending	<u>\$ 768</u>	<u>\$ (11,437)</u>	<u>\$ (10,669)</u>

**COUNTY OF TULARE**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Insurance	Central Services	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,828	\$ 728	\$ 3,556
Receipts from interfund services provided	21,508	44,791	66,299
Other receipts	4,691	147	4,838
Payments to employees	-	(19,455)	(19,455)
Payments to suppliers	(17,854)	(21,211)	(39,065)
Payments for interfund services used	(2,790)	(4,127)	(6,917)
Payments for claims	(2,487)	-	(2,487)
Net cash provided by operating activities	<u>5,896</u>	<u>873</u>	<u>6,769</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidy from intergovernmental entities	37	17	54
Transfers from other funds	-	76	76
Transfers to other funds	(60)	(4)	(64)
Net cash provided (used) by noncapital financing activities	<u>(23)</u>	<u>89</u>	<u>66</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales of capital assets	-	(1)	(1)
Purchases of capital assets	-	(167)	(167)
Net cash used by capital and related financing activities	<u>-</u>	<u>(168)</u>	<u>(168)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings	80	-	80
Net cash provided by investing activities	<u>80</u>	<u>-</u>	<u>80</u>
Net increase in cash and cash equivalents	5,953	794	6,747
Cash and cash equivalents - beginning	29,201	6,353	35,554
Cash and cash equivalents - ending	<u>\$ 35,154</u>	<u>\$ 7,147</u>	<u>\$ 42,301</u>
Displayed as			
Investment in treasury pool	\$ 34,654	\$ 7,147	\$ 41,801
Imprest cash	500	-	500
Total cash displayed	<u>\$ 35,154</u>	<u>\$ 7,147</u>	<u>\$ 42,301</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>			
Operating income	\$ 5,581	\$ (3,736)	\$ 1,845
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation expense	-	415	415
(Increase) decrease in accounts receivable	2,750	2	2,752
(Increase) decrease in intergovernmental receivables	-	14	14
(Increase) decrease in due to other funds	86	44	130
(Increase) decrease in prepaid items	-	(30)	(30)
Increase (decrease) in accounts payable	(3,407)	(133)	(3,540)
Increase (decrease) in deferred pensions	-	(648)	(648)
Increase (decrease) in deferred OPEB	-	30	30
Increase (decrease) in net pension liability	-	4,650	4,650
Increase (decrease) in total OPEB liability	-	806	806
Increase (decrease) in salaries and benefits payable and compensated absences	-	(541)	(541)
Increase (decrease) in claims payable	886	-	886
Total adjustments	<u>315</u>	<u>4,609</u>	<u>4,924</u>
Net cash provided by operating activities	<u>\$ 5,896</u>	<u>\$ 873</u>	<u>\$ 6,769</u>



## **COUNTY OF TULARE**

### **Fiduciary Funds**

#### **AGENCY FUNDS**

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** – This fund is 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 for local transportation support.

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

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

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

**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Balance July 1	Additions	Deductions	Balance June 30
<b>Property Tax Collection and Apportionment Funds</b>				
<b>ASSETS</b>				
Cash in bank	\$ 321	\$ 309	\$ (321)	\$ 309
Investment in treasury pool	22,954	1,037,571	(1,043,649)	16,876
Due from other governments	455	-	(455)	-
Total assets	<u>\$ 23,730</u>	<u>\$ 1,037,880</u>	<u>\$ (1,044,425)</u>	<u>\$ 17,185</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 12,533	\$ 264,708	\$ (269,058)	\$ 8,183
Due to other governments	2,733	-	(683)	2,050
Note payable	-	269,058	(269,058)	-
Agency obligations	8,464	500,443	(501,955)	6,952
Total liabilities	<u>\$ 23,730</u>	<u>\$ 1,034,209</u>	<u>\$ (1,040,754)</u>	<u>\$ 17,185</u>
<b>State Fines Agency Fund</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 113	\$ 549	\$ (567)	\$ 95
Total assets	<u>\$ 113</u>	<u>\$ 549</u>	<u>\$ (567)</u>	<u>\$ 95</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,054	\$ (1,054)	\$ -
Agency obligations	113	513	(531)	95
Total liabilities	<u>\$ 113</u>	<u>\$ 1,567</u>	<u>\$ (1,585)</u>	<u>\$ 95</u>
<b>Transportation Tax Funds</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 6,401	\$ 18,686	\$ (15,572)	\$ 9,515
Due from other governments	1,078	1,540	(1,077)	1,541
Total assets	<u>\$ 7,479</u>	<u>\$ 20,226</u>	<u>\$ (16,649)</u>	<u>\$ 11,056</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,038	\$ 11,978	\$ (7,508)	\$ 7,508
Agency obligations	4,441	-	(893)	3,548
Total liabilities	<u>\$ 7,479</u>	<u>\$ 11,978</u>	<u>\$ (8,401)</u>	<u>\$ 11,056</u>
<b>Employee Health Benefits Funds</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 1,822	\$ 44,924	\$ (44,853)	\$ 1,893
Accounts receivable (net of allowance for uncollectibles)	99	32,221	(32,232)	88
Due from other governments	-	2,386	(2,386)	-
Prepaid items	2,386	-	(2,386)	-
Total assets	<u>\$ 4,307</u>	<u>\$ 79,531</u>	<u>\$ (81,857)</u>	<u>\$ 1,981</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,453	\$ 77,254	\$ (79,634)	\$ 73
Due to other governments	341	2,265	(2,410)	196
Agency obligations	1,513	4,041	(3,842)	1,712
Total liabilities	<u>\$ 4,307</u>	<u>\$ 83,560</u>	<u>\$ (85,886)</u>	<u>\$ 1,981</u>

Continued

**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Combining Statement of Changes in Assets and Liabilities (continued)**  
**For the Fiscal Year Ended June 30, 2018 (in thousands)**

	Balance July 1	Additions	Deductions	Balance June 30
<b>Education Revenue Augmentation Funds</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 42	\$ 90,912	\$ (90,759)	\$ 195
Total assets	<u>\$ 42</u>	<u>\$ 90,912</u>	<u>\$ (90,759)</u>	<u>\$ 195</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 42	\$ 9,353	\$ (9,200)	\$ 195
Total liabilities	<u>\$ 42</u>	<u>\$ 9,353</u>	<u>\$ (9,200)</u>	<u>\$ 195</u>
<b>Other Agency Funds</b>				
<b>ASSETS</b>				
Cash in bank	\$ 3,968	\$ -	\$ (184)	\$ 3,784
Investment in treasury pool	10,522	48,300	(44,628)	14,194
Total assets	<u>\$ 14,490</u>	<u>\$ 48,300</u>	<u>\$ (44,812)</u>	<u>\$ 17,978</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 105	\$ 9,043	\$ (7,368)	\$ 1,780
Due to other governments	1,822	272	(829)	1,265
Agency obligations	12,563	48,465	(46,095)	14,933
Total liabilities	<u>\$ 14,490</u>	<u>\$ 57,780</u>	<u>\$ (54,292)</u>	<u>\$ 17,978</u>
<b>Total Agency Funds</b>				
<b>ASSETS</b>				
Cash in bank	\$ 4,289	\$ 309	\$ (505)	\$ 4,093
Investment in treasury pool	41,854	1,240,942	(1,240,028)	42,768
Accounts receivable (net of allowance for uncollectibles)	99	32,221	(32,232)	88
Prepaid items	2,386	-	(2,386)	-
Due from other governments	1,533	3,926	(3,918)	1,541
Total assets	<u>\$ 50,161</u>	<u>\$ 1,277,398</u>	<u>\$ (1,279,069)</u>	<u>\$ 48,490</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 18,129	\$ 364,037	\$ (364,622)	\$ 17,544
Due to other governments	4,896	2,537	(3,922)	3,511
Note payable	-	269,058	(269,058)	-
Agency obligations	27,136	562,815	(562,516)	27,435
Total liabilities	<u>\$ 50,161</u>	<u>\$ 1,198,447</u>	<u>\$ (1,200,118)</u>	<u>\$ 48,490</u>

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# **Statistical Section**

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# COUNTY OF TULARE

## Statistical Section

### 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.

**Financial Trends** – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time:

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

**Revenue Capacity** – These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax:

- Equalized Roll Assessed Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Principal Property Taxpayers
- Property Tax Levies and Collections

**Debt Capacity** – These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future:

- Ratios of Outstanding Debt by Type
- Computation of Direct and Overlapping Debt
- Legal Debt Margin Information

**Demographic and Economic Information** – These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place:

- Demographics and Economic Statistics
- Principal Employers

**Operating Information** – These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs:

- Employees by Function
- Operating Indicators by Function
- Capital Asset Statistics by Function

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Governmental activities</b>					
Net investment in capital assets*	\$ 1,524,380	\$ 1,541,360	\$ 1,576,213	\$ 1,558,744	\$ 1,584,261
Restricted	57,079	61,880	57,762	102,657	134,870
Unrestricted	56,992	63,537	74,420	83,404	65,066
Total governmental activities net position	<u>\$ 1,638,451</u>	<u>\$ 1,666,777</u>	<u>\$ 1,708,395</u>	<u>\$ 1,744,805</u>	<u>\$ 1,784,197</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 28,811	\$ 28,172	\$ 27,463	\$ 29,728	\$ 27,357
Restricted	5,005	5,005	5,005	5,005	5,016
Unrestricted	9,363	6,792	7,002	7,999	8,140
Total business-type activities net position	<u>\$ 43,179</u>	<u>\$ 39,969</u>	<u>\$ 39,470</u>	<u>\$ 42,732</u>	<u>\$ 40,513</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 1,553,191	\$ 1,569,532	\$ 1,603,676	\$ 1,588,472	\$ 1,611,618
Restricted	62,084	66,885	62,767	107,662	139,886
Unrestricted	66,355	70,329	81,422	91,403	73,206
Total primary government net position	<u>\$ 1,681,630</u>	<u>\$ 1,706,746</u>	<u>\$ 1,747,865</u>	<u>\$ 1,787,537</u>	<u>\$ 1,824,710</u>

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Governmental activities</b>					
Net investment in capital assets*	\$ 1,798,998	\$ 1,590,015	\$ 1,614,927	\$ 1,636,514	\$ 1,675,627
Restricted	-	141,900	153,860	180,978	208,166
Unrestricted	-	(87,606)	(94,026)	(151,683)	(193,115)
Total governmental activities net position	<u>\$ 1,798,998</u>	<u>\$ 1,644,309</u>	<u>\$ 1,674,761</u>	<u>\$ 1,665,809</u>	<u>\$ 1,690,678</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 41,559	\$ 23,607	\$ 21,172	\$ 20,420	\$ 24,420
Restricted	-	5,016	10,445	9,088	11,647
Unrestricted	-	9,107	11,637	16,756	15,263
Total business-type activities net position	<u>\$ 41,559</u>	<u>\$ 37,730</u>	<u>\$ 43,254</u>	<u>\$ 46,264</u>	<u>\$ 51,330</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 1,840,557	\$ 1,613,622	\$ 1,636,099	\$ 1,656,934	\$ 1,700,047
Restricted	-	146,916	164,305	190,066	219,813
Unrestricted	-	(78,499)	(82,389)	(134,927)	(177,852)
Total primary government net position	<u>\$ 1,840,557</u>	<u>\$ 1,682,039</u>	<u>\$ 1,718,015</u>	<u>\$ 1,712,073</u>	<u>\$ 1,742,008</u>

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

**Note:**

Discretely presented component unit, First 5 Tulare County, is not included.

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Expenses</b>					
Governmental activities					
General government	\$ 28,459	\$ 26,587	\$ 39,515	\$ 42,590	\$ 42,343
Public protection	197,905	192,533	182,316	190,402	190,904
Public ways and facilities	32,342	29,120	25,485	38,295	33,767
Health and sanitation	122,853	120,796	117,572	122,305	124,681
Public assistance	234,329	236,861	235,547	224,139	228,148
Education	5,033	5,027	5,412	5,020	5,112
Culture and recreation	2,136	2,095	310	371	329
Unallocated depreciation	791	953	520	520	520
Interest expense	5,993	5,806	3,137	2,259	1,990
Total governmental activities expenses	<u>629,841</u>	<u>619,778</u>	<u>609,814</u>	<u>625,901</u>	<u>627,794</u>
Business-type activities					
Solid Waste	14,138	13,144	10,847	7,365	10,812
Other business-type activities	2,452	2,710	2,856	3,579	3,844
Total business-type activities expenses	<u>16,590</u>	<u>15,854</u>	<u>13,703</u>	<u>10,944</u>	<u>14,656</u>
Total primary government expenses	<u>\$ 646,431</u>	<u>\$ 635,632</u>	<u>\$ 623,517</u>	<u>\$ 636,845</u>	<u>\$ 642,450</u>
<b>Program Revenues</b>					
Governmental activities					
Charges for services					
General government	\$ 28,860	\$ 26,601	\$ 24,375	\$ 31,271	\$ 24,259
Public protection	29,368	23,883	26,349	21,558	21,683
Public ways and facilities	1,782	1,971	3,406	6,700	5,083
Health and sanitation	46,523	47,938	52,666	43,479	40,554
Public assistance	5,823	3,324	4,299	6,687	6,717
Education	162	161	222	209	210
Culture and recreation	287	293	283	288	292
Operating grants and contributions	403,891	418,780	406,398	419,570	421,514
Capital grants and contributions	-	-	-	-	6
Total governmental activities program revenues	<u>516,696</u>	<u>522,951</u>	<u>517,998</u>	<u>529,762</u>	<u>520,318</u>
Business-type activities					
Charges for services					
Solid Waste	8,284	8,206	8,130	8,525	8,568
Other business-type activities	925	955	1,064	1,224	1,252
Operating grants and contributions	813	844	1,270	2,222	504
Total business-type activities program revenues	<u>10,022</u>	<u>10,005</u>	<u>10,464</u>	<u>11,971</u>	<u>10,324</u>
Total primary government program revenues	<u>\$ 526,718</u>	<u>\$ 532,956</u>	<u>\$ 528,462</u>	<u>\$ 541,733</u>	<u>\$ 530,642</u>
Net (expense)/revenue					
Governmental activities	\$ (113,145)	\$ (96,827)	\$ (91,816)	\$ (96,139)	\$ (107,476)
Business-type activities	(6,568)	(5,849)	(3,239)	1,027	(4,332)
Total primary government net expense	<u>\$ (119,713)</u>	<u>\$ (102,676)</u>	<u>\$ (95,055)</u>	<u>\$ (95,112)</u>	<u>\$ (111,808)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities					
Property taxes	\$ 105,400	\$ 99,991	\$ 101,519	\$ 105,604	\$ 107,101
Sales and other taxes	21,299	17,783	31,937	23,472	31,951
Earnings on investments	13,003	7,236	2,536	4,324	1,307
Tobacco settlement revenues	4,471	3,728	3,854	3,930	5,923
Bond issuance cost	-	-	-	-	-
Gain (loss) on sale of capital assets	-	(6,180)	(2,640)	191	208
Extraordinary item	-	-	-	(2,658)	-
Transfers	583	531	515	466	378
Total governmental activities	<u>144,756</u>	<u>123,089</u>	<u>137,721</u>	<u>135,329</u>	<u>146,868</u>
Business-type activities					
Sales and other taxes	379	943	2,486	1,842	2,328
Earnings on investments	3,062	2,104	863	857	163
Gain on sale of capital assets	-	123	1	2	-
Transfers	(583)	(531)	(515)	(466)	(378)
Total business-type activities	<u>2,858</u>	<u>2,639</u>	<u>2,835</u>	<u>2,235</u>	<u>2,113</u>
Total primary government	<u>\$ 147,614</u>	<u>\$ 125,728</u>	<u>\$ 140,556</u>	<u>\$ 137,564</u>	<u>\$ 148,981</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 31,611	\$ 26,262	\$ 45,905	\$ 39,190	\$ 39,392
Business-type activities	(3,710)	(3,210)	(404)	3,262	(2,219)
Total primary government	<u>\$ 27,901</u>	<u>\$ 23,052</u>	<u>\$ 45,501</u>	<u>\$ 42,452</u>	<u>\$ 37,173</u>

Continued

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

		Fiscal Year							
		2014	2015	2016	2017	2018			
\$	39,432	\$	41,610	\$	39,542	\$	53,525	\$	59,867
	202,075		199,878		221,740		246,602		262,931
	37,155		36,722		47,021		36,004		39,093
	129,190		132,566		143,286		143,652		148,328
	242,378		240,562		248,368		260,405		274,833
	5,470		5,353		5,300		5,521		5,878
	431		2,176		2,266		2,428		2,462
	511		-		-		-		-
	1,940		1,320		744		449		751
	<u>658,582</u>		<u>660,187</u>		<u>708,267</u>		<u>748,586</u>		<u>794,143</u>
	10,873		10,410		9,067		11,426		11,336
	4,155		4,410		4,633		4,568		4,846
	<u>15,028</u>		<u>14,820</u>		<u>13,700</u>		<u>15,994</u>		<u>16,182</u>
\$	<u>673,610</u>	\$	<u>675,007</u>	\$	<u>721,967</u>	\$	<u>764,580</u>	\$	<u>810,325</u>
\$	24,138	\$	30,244	\$	33,186	\$	30,514	\$	31,532
	23,741		19,650		19,342		19,429		19,049
	3,599		3,340		3,101		3,506		3,382
	42,588		41,652		52,471		36,499		39,204
	8,566		11,892		11,242		7,606		9,847
	202		233		197		186		257
	306		255		302		296		254
	424,721		444,945		456,543		477,539		533,034
	-		-		-		-		-
	<u>527,861</u>		<u>552,211</u>		<u>576,384</u>		<u>575,575</u>		<u>636,559</u>
	8,991		11,538		13,522		14,973		15,537
	1,334		1,238		1,274		1,327		1,238
	3,270		625		736		1,172		892
	<u>13,595</u>		<u>13,401</u>		<u>15,532</u>		<u>17,472</u>		<u>17,667</u>
\$	<u>541,456</u>	\$	<u>565,612</u>	\$	<u>591,916</u>	\$	<u>593,047</u>	\$	<u>654,226</u>
\$	(130,721)	\$	(107,976)	\$	(131,883)	\$	(173,011)	\$	(157,584)
	(1,433)		(1,419)		1,832		1,478		1,485
\$	<u>(132,154)</u>	\$	<u>(109,395)</u>	\$	<u>(130,051)</u>	\$	<u>(171,533)</u>	\$	<u>(156,099)</u>
\$	109,266	\$	112,026	\$	119,331	\$	123,861	\$	130,346
	30,524		29,690		41,300		35,976		42,811
	1,517		-		-		-		-
	3,894		3,856		3,811		3,920		4,680
	(183)		-		-		-		-
	239		-		-		-		-
	-		-		-		-		-
	265		305		305		302		26
	<u>145,522</u>		<u>145,877</u>		<u>164,747</u>		<u>164,059</u>		<u>177,863</u>
	2,084		2,344		2,709		1,704		2,393
	660		515		1,256		130		64
	-		-		-		-		-
	(265)		(305)		(305)		(302)		(26)
	<u>2,479</u>		<u>2,554</u>		<u>3,660</u>		<u>1,532</u>		<u>2,431</u>
\$	<u>148,001</u>	\$	<u>148,431</u>	\$	<u>168,407</u>	\$	<u>165,591</u>	\$	<u>180,294</u>
\$	14,801	\$	37,901	\$	32,864	\$	(8,952)	\$	20,279
	1,046		1,135		5,492		3,010		3,916
\$	<u>15,847</u>	\$	<u>39,036</u>	\$	<u>38,356</u>	\$	<u>(5,942)</u>	\$	<u>24,195</u>

**Expenses**

- Governmental activities
  - General government
  - Public protection
  - Public ways and facilities
  - Health and sanitation
  - Public assistance
  - Education
  - Culture and recreation
  - Unallocated depreciation
  - Interest expense
  - Total governmental activities expenses
- Business-type activities
  - Solid Waste
  - Other business-type activities
  - Total business-type activities expenses
- Total primary government expenses

**Program Revenues**

- Governmental activities
  - Charges for services
    - General government
    - Public protection
    - Public ways and facilities
    - Health and sanitation
    - Public assistance
    - Education
    - Culture and recreation
  - Operating grants and contributions
  - Capital grants and contributions
  - Total governmental activities program revenues
- Business-type activities
  - Charges for services
    - Solid Waste
    - Other business-type activities
  - Operating grants and contributions
  - Total business-type activities program revenues
- Total primary government program revenues
- Net (expense)/revenue
  - Governmental activities
  - Business-type activities
  - Total primary government net expense

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

- Governmental activities
  - Property taxes
  - Sales and other taxes
  - Earnings on investments
  - Tobacco settlement revenues
  - Bond issuance cost
  - Gain (loss) on sale of capital assets
  - Extraordinary item
  - Transfers
  - Total governmental activities
- Business-type activities
  - Sales and other taxes
  - Earnings on investments
  - Gain on sale of capital assets
  - Transfers
  - Total business-type activities
- Total primary government
- Change in Net Position**
  - Governmental activities
  - Business-type activities
  - Total primary government

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>General Fund</b>					
Nonspendable	\$ 839	\$ 1,173	\$ 439	\$ 1,596	\$ 3,244
Restricted	19,596	30	844	22,790	28,863
Committed	25,414	25,612	22,101	1,833	1,668
Assigned	-	-	-	1,081	-
Unassigned	12,228	31,713	27,146	61,448	62,710
Subtotal General Fund	<u>58,077</u>	<u>58,528</u>	<u>50,530</u>	<u>88,748</u>	<u>96,485</u>
<b>All Other Governmental Funds</b>					
Nonspendable	2,206	2,044	1,123	1,162	1,025
Restricted	84,235	103,142	114,071	134,727	137,544
Committed	3,858	210	3,232	4,000	6,000
Assigned	6,697	14,034	15,227	21,487	21,083
Unassigned	(752)	(12,733)	(19,429)	(20,971)	(19,542)
Subtotal all other governmental funds	<u>96,244</u>	<u>106,697</u>	<u>114,224</u>	<u>140,405</u>	<u>146,110</u>
Total governmental fund balance	<u>\$ 154,321</u>	<u>\$ 165,225</u>	<u>\$ 164,754</u>	<u>\$ 229,153</u>	<u>\$ 242,595</u>

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>General Fund</b>					
Nonspendable	\$ 395	\$ 1,672	\$ 1,849	\$ 6,805	\$ 8,755
Restricted	34,147	37,189	45,270	52,072	74,630
Committed	880	15,430	14,524	39,359	44,446
Assigned	-	-	-	20,732	13,462
Unassigned	76,284	73,325	84,868	49,238	50,137
Subtotal General Fund	<u>111,706</u>	<u>127,616</u>	<u>146,511</u>	<u>168,206</u>	<u>191,430</u>
<b>All Other Governmental Funds</b>					
Nonspendable	1,024	700	672	722	716
Restricted	125,233	136,631	139,145	153,247	156,012
Committed	4,100	6,950	7,145	6,332	900
Assigned	19,213	22,078	26,804	7,919	17,833
Unassigned	(2,597)	-	-	(3)	(17)
Subtotal all other governmental funds	<u>146,973</u>	<u>166,359</u>	<u>173,766</u>	<u>168,217</u>	<u>175,444</u>
Total governmental fund balance	<u>\$ 258,679</u>	<u>\$ 293,975</u>	<u>\$ 320,277</u>	<u>\$ 336,423</u>	<u>\$ 366,874</u>

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>REVENUES</b>					
Taxes and special assessments	\$ 126,699	\$ 117,774	\$ 133,456	\$ 129,076	\$ 139,052
Licenses and permits	9,939	8,355	8,764	8,780	9,191
Fines, forfeitures, and penalties	13,031	12,429	13,020	15,257	10,364
Interest, rents, and concessions	12,177	8,474	3,722	7,239	3,076
Intergovernmental revenues	404,262	414,234	401,376	423,230	424,213
Charges for services	77,496	70,321	81,196	69,970	65,289
Other revenues	14,685	15,205	13,035	15,776	18,253
Total revenues	<u>658,289</u>	<u>646,792</u>	<u>654,569</u>	<u>669,328</u>	<u>669,438</u>
<b>EXPENDITURES</b>					
General government	29,713	25,525	34,433	36,138	42,838
Public protection	189,989	184,477	174,320	183,352	184,406
Public ways and facilities	15,489	12,986	8,714	23,711	19,164
Health and sanitation	121,340	118,919	114,136	118,063	122,115
Public assistance	232,527	234,642	233,388	221,539	226,442
Education	4,855	4,722	5,109	4,673	4,875
Culture and recreation	1,968	1,920	38	59	-
Capital outlay	36,704	37,634	56,075	42,776	46,006
Debt service					
Principal	10,103	11,624	11,726	13,173	6,515
Interest and fiscal charges	8,954	5,566	3,096	3,060	2,081
Total expenditures	<u>651,642</u>	<u>638,015</u>	<u>641,035</u>	<u>646,544</u>	<u>654,442</u>
Excess of revenues over expenditures	6,647	8,777	13,534	22,784	14,996
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of general capital assets	169	107	158	191	208
Bond proceeds	231	1,669	-	-	-
Transfers in	102,189	96,795	76,575	108,739	104,796
Transfers (out)	(103,720)	(97,392)	(77,105)	(107,764)	(106,558)
Total other financing sources (uses)	<u>(1,131)</u>	<u>1,179</u>	<u>(372)</u>	<u>1,166</u>	<u>(1,554)</u>
<b>EXTRAORDINARY ITEMS</b>					
RDA dissolution assets transfers	-	-	-	(5,726)	-
RDA dissolution liability transfers	-	-	-	74	-
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,652)</u>	<u>-</u>
Net change in fund balances	<u>\$ 5,516</u>	<u>\$ 9,956</u>	<u>\$ 13,162</u>	<u>\$ 18,298</u>	<u>\$ 13,442</u>
Debt service as a percentage of noncapital expenditures	3.1%	2.9%	2.5%	2.7%	1.4%

Continued

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

		Fiscal Year								
		2014	2015	2016	2017	2018				
\$	139,790	\$	141,716	\$	160,631	\$	159,837	\$	173,157	<b>REVENUES</b>
	10,514		10,894		11,294		10,943		11,411	Taxes and special assessments
	9,201		9,966		8,648		7,517		7,115	Licenses and permits
	5,351		4,649		7,655		3,350		2,955	Fines, forfeitures, and penalties
	426,487		446,953		457,163		477,911		533,119	Interest, rents, and concessions
	63,214		61,635		76,159		63,609		67,519	Intergovernmental revenues
	20,427		24,705		19,370		16,216		18,874	Charges for services
	674,984		700,518		740,920		739,383		814,150	Other revenues
										Total revenues
	28,892		41,220		37,139		44,218		52,559	<b>EXPENDITURES</b>
	195,560		199,028		209,822		215,616		230,092	General government
	22,167		21,576		31,199		17,405		20,076	Public protection
	127,612		132,489		140,044		136,396		139,498	Public ways and facilities
	240,838		241,178		245,432		251,404		263,265	Health and sanitation
	5,188		5,149		4,969		4,890		5,141	Public assistance
	-		1,616		1,571		1,658		1,611	Education
	26,341		16,847		43,124		50,367		69,351	Culture and recreation
										Capital outlay
	10,772		6,459		7,875		1,529		1,650	Debt service
	2,159		1,276		553		544		755	Principal
	659,529		666,838		721,728		724,027		783,998	Interest and fiscal charges
										Total expenditures
	15,455		33,680		19,192		15,356		30,152	Excess of revenues over expenditures
	239		275		250		296		285	<b>OTHER FINANCING SOURCES (USES)</b>
	-		-		-		-		-	Sale of general capital assets
	117,341		144,696		145,268		142,429		141,830	Bond proceeds
	(116,951)		(144,392)		(144,561)		(141,935)		(141,816)	Transfers in
	629		579		957		790		299	Transfers (out)
										Total other financing sources (uses)
	-		-		-		-		-	<b>EXTRAORDINARY ITEMS</b>
	-		-		-		-		-	RDA dissolution assets transfers
	-		-		-		-		-	RDA dissolution liability transfers
	-		-		-		-		-	Total extraordinary items
\$	16,084	\$	34,259	\$	20,149	\$	16,146	\$	30,451	Net change in fund balances
	2.0%		1.2%		1.2%		0.3%		0.3%	Debt of service as a percentage of noncapital expenditures
										Concluded

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

<b>Fiscal Year</b>	<b>Real Property Assessed Value*</b>	<b>Personal Property Assessed Value</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>
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%
2017	31,321,975	1,972,354	33,294,329	1.000%
2018	32,708,033	1,992,432	34,700,465	1.000%

**Source:** Property tax division, County of Tulare

\* 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 2.0% 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 1.0% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

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

	Fiscal Year				
	2009	2010	2011	2012	2013
<b>County-wide Rates</b>					
General	1.000%	1.000%	1.000%	1.000%	1.000%
<b>School District Rates</b>					
Buena Vista Elementary	0.027%	0.025%	0.016%	0.010%	0.008%
Burton Elementary *	0.019%	0.023%	0.023%	0.024%	0.026%
College of the Sequoias - Hanford Schools Facility Improvement District	0.020%	0.012%	0.025%	0.014%	0.019%
College of the Sequoias - Tulare Schools Facility Improvement District	0.000%	0.012%	0.025%	0.028%	0.028%
College of the Sequoias - Visalia Schools Facility Improvement District	0.000%	0.005%	0.013%	0.025%	0.025%
Cutler - Orosi Unified *	0.040%	0.011%	0.035%	0.040%	0.055%
Delano Joint High	0.100%	0.119%	0.155%	0.133%	0.121%
Dinuba Unified	0.151%	0.107%	0.151%	0.116%	0.107%
Earlimart Elementary	0.032%	0.034%	0.030%	0.025%	0.020%
Exeter Elementary	0.029%	0.028%	0.032%	0.037%	0.034%
Exeter High	0.040%	0.037%	0.040%	0.042%	0.046%
Farmersville Unified *	0.072%	0.098%	0.090%	0.080%	0.076%
Hanford Joint High *	0.054%	0.053%	0.055%	0.054%	0.060%
Kern Community College Schools Facility Improvement District *	0.009%	0.009%	0.010%	0.009%	0.009%
Kings Canyon Joint Unified *	0.064%	0.091%	0.109%	0.103%	0.097%
Kings River Elementary	0.052%	0.053%	0.060%	0.077%	0.064%
Kingsburg Joint Elementary	0.000%	0.022%	0.056%	0.032%	0.049%
Kingsburg Joint High	0.009%	0.074%	0.068%	0.060%	0.056%
Liberty Elementary	0.041%	0.054%	0.050%	0.040%	0.030%
Lindsay Unified	0.055%	0.092%	0.122%	0.125%	0.120%
Linns Valley Poso - Flat Joint Elementary	0.000%	0.015%	0.017%	0.010%	0.010%
Pixley Union Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
Porterville Schools Facility Improvement District *	0.050%	0.005%	0.052%	0.047%	0.057%
Richgrove Elementary	0.038%	0.041%	0.038%	0.028%	0.038%
Springville Union Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
State Center Comm College Schools Facility Improvement District *	0.000%	0.010%	0.010%	0.007%	0.009%
Stone Corral	0.030%	0.022%	0.025%	0.025%	0.015%
Strathmore High	0.053%	0.055%	0.050%	0.040%	0.040%
Sundale Elementary	0.031%	0.026%	0.024%	0.020%	0.020%
Terra Bella	0.000%	0.034%	0.030%	0.030%	0.030%
Tipton	0.000%	0.000%	0.000%	0.000%	0.000%
Traver Elementary *	0.051%	0.049%	0.052%	0.058%	0.058%
Tulare High *	0.020%	0.039%	0.039%	0.053%	0.058%
Visalia Unified *	0.030%	0.036%	0.030%	0.030%	0.030%
Woodlake Elementary	0.035%	0.043%	0.035%	0.033%	0.029%
Woodlake High	0.056%	0.066%	0.060%	0.055%	0.052%
<b>Special District Rates</b>					
Kaweah Delta Healthcare District	0.000%	0.028%	0.029%	0.027%	0.025%
Kaweah Delta Water Conservation	0.000%	0.000%	0.000%	0.000%	0.000%
Kings Joint Mosquito Abatement	0.005%	0.000%	0.000%	0.000%	0.000%
Tulare County Pest Control	5.000%	5.000%	5.000%	5.000%	5.000%
Tulare Healthcare District	0.039%	0.083%	0.113%	0.113%	0.082%
South Tulare County Citrus Pest Control District	11.423%	11.423%	11.423%	11.423%	11.423%

Continued

\* School rates have been combined with educational facilities.

**Notes:**

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.

The County-wide tax rate is distributed to tax revenue districts according to California State law, specifically Assembly Bill (AB) 8. 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.

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:** Property tax division, County of Tulare

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

Fiscal Year					
2014	2015	2016	2017	2018	
					<b>County-wide Rates</b>
1.000%	1.000%	1.000%	1.000%	1.000%	General
					<b>School District Rates</b>
0.008%	0.008%	0.008%	0.006%	0.006%	Buena Vista Elementary
0.026%	0.026%	0.025%	0.032%	0.031%	Burton Elementary *
0.024%	0.024%	0.020%	0.030%	0.030%	College of the Sequoias - Hanford Schools Facility Improvement District
0.023%	0.025%	0.017%	0.024%	0.022%	College of the Sequoias - Tulare Schools Facility Improvement District
0.015%	0.015%	0.012%	0.013%	0.008%	College of the Sequoias - Visalia Schools Facility Improvement District
0.060%	0.060%	0.090%	0.095%	0.095%	Cutler - Orosi Unified *
0.106%	0.068%	0.077%	0.081%	0.071%	Delano Joint High
0.101%	0.104%	0.120%	0.120%	0.120%	Dinuba Unified
0.044%	0.044%	0.049%	0.076%	0.064%	Earlimart Elementary
0.030%	0.030%	0.030%	0.030%	0.041%	Exeter Elementary
0.057%	0.055%	0.030%	0.040%	0.034%	Exeter High
0.076%	0.076%	0.090%	0.119%	0.101%	Farmersville Unified *
0.060%	0.061%	0.054%	0.052%	0.055%	Hanford Joint High *
0.013%	0.010%	0.013%	0.036%	0.034%	Kern Community College Schools Facility Improvement District *
0.159%	0.163%	0.149%	0.137%	0.144%	Kings Canyon Joint Unified *
0.063%	0.063%	0.056%	0.056%	0.043%	Kings River Elementary
0.067%	0.058%	0.032%	0.047%	0.044%	Kingsburg Joint Elementary
0.066%	0.088%	0.062%	0.083%	0.078%	Kingsburg Joint High
0.034%	0.033%	0.030%	0.030%	0.020%	Liberty Elementary
0.165%	0.188%	0.117%	0.140%	0.125%	Lindsay Unified
0.010%	0.012%	0.018%	0.016%	0.015%	Linns Valley Poso - Flat Joint Elementary
0.000%	0.050%	0.085%	0.080%	0.080%	Pixley Union Elementary
0.060%	0.060%	0.062%	0.062%	0.070%	Porterville Schools Facility Improvement District *
0.028%	0.010%	0.000%	0.000%	0.000%	Richgrove Elementary
0.000%	0.020%	0.023%	0.020%	0.015%	Springville Union Elementary
0.010%	0.009%	0.008%	0.026%	0.023%	State Center Comm College Schools Facility Improvement District *
0.015%	0.020%	0.021%	0.018%	0.013%	Stone Corral
0.050%	0.055%	0.048%	0.040%	0.035%	Strathmore High
0.013%	0.013%	0.010%	0.004%	0.003%	Sundale Elementary
0.025%	0.030%	0.045%	0.050%	0.047%	Terra Bella
0.000%	0.000%	0.029%	0.029%	0.029%	Tipton
0.050%	0.053%	0.053%	0.053%	0.053%	Traver Elementary *
0.069%	0.063%	0.066%	0.074%	0.064%	Tulare High *
0.030%	0.030%	0.027%	0.018%	0.023%	Visalia Unified *
0.029%	0.028%	0.022%	0.020%	0.018%	Woodlake Elementary
0.040%	0.040%	0.050%	0.050%	0.055%	Woodlake High
					<b>Special District Rates</b>
0.028%	0.021%	0.021%	0.020%	0.018%	Kaweah Delta Healthcare District
0.000%	0.001%	0.000%	0.040%	0.040%	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
0.082%	0.082%	0.086%	0.100%	0.100%	Tulare Healthcare District
11.423%	11.423%	11.423%	11.423%	11.423%	South Tulare County Citrus Pest Control District
					Concluded

\* School rates have been combined with educational facilities.

**Notes:**

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.

The County-wide tax rate is distributed to tax revenue districts according to California State law, specifically Assembly Bill (AB) 8. 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.

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:** Property tax division, County of Tulare

**COUNTY OF TULARE**  
**Statistical Section**  
**Principal Property Taxpayers (unaudited)**  
**June 30, 2018 and June 30, 2009 (in thousands)**

**Fiscal Year 2018<sup>(1)</sup>**

<b>Rank</b>	<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>
1	Southern California Edison Company	\$ 896,758	2.58%
2	California Dairies, Inc./Milk Producers	236,014	0.68%
3	Saputo Cheese USA, Inc.	229,822	0.66%
4	Land O' Lakes, Inc.	176,689	0.51%
5	Wal-Mart Stores, Inc./ Retail Trust	174,677	0.50%
6	Oscar Mayer Food Corporation	154,367	0.44%
7	Southern California Gas Company	141,268	0.41%
8	Ventura Coastal, LLC	103,258	0.30%
9	Pacific Gas Electric Company	88,926	0.26%
10	Imperial Bondware Corporation	87,754	0.25%
	Total	\$ 2,289,533	6.59%

**Fiscal Year 2009<sup>(2)</sup>**

<b>Rank</b>	<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Percentage of Total Taxable Assessed Value</b>
1	Southern California Edison Company	\$ 350,792	1.24%
2	Saputo Cheese USA, Inc.	252,389	0.89%
3	California Dairies, Inc./Milk Producers	146,189	0.52%
4	Wal-Mart Stores, Inc.	146,097	0.52%
5	Land O' Lakes, Inc./Cheese & Protein Intl., LLC	96,724	0.34%
6	VF Outdoor (Cottonwood Fresno Holdings)	90,231	0.32%
7	Oscar Mayer Food Corporation	89,914	0.32%
8	Southern California Gas Company	83,456	0.30%
9	Pacific Bell Telephone Company	78,780	0.28%
10	Ruiz Foods Products, Inc.	58,841	0.21%
	Total	\$ 1,393,413	4.94%

**Sources:**

(1) Property tax division, County of Tulare

(2) County of Tulare Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009

**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		Collections in Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2017	316,810	308,417	97.35%	7,048	315,465	99.58%
2018	335,548	327,661	97.65%	7,116	334,777	99.77%
Total	<u>\$ 2,885,039</u>	<u>\$ 2,770,674</u>		<u>\$ 101,714</u>	<u>\$ 2,872,388</u>	

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

Source: Property tax division, County of Tulare

**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			
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
2017	-	34,535	-	-	2,960	27	1,192	5	38,719	0.22%	82
2018	-	33,425	251,220	-	2,442	17	1,147	5	288,256	1.55%	607

\*Personal income and populations used for these calculations appear in the Demographics and Economic Statistics section.

Source: Auditor-Controller, County of Tulare

**COUNTY OF TULARE**  
**Statistical Section**  
**Computation of Direct and Overlapping Debt (unaudited)**  
**June 30, 2018 (in thousands)**

Fiscal Year 2018 Assessed Valuation	\$ 34,700,465	(includes unitary utility valuation)
Redevelopment Incremental Valuation	<u>(3,518,676)</u>	
Adjusted Assessed Valuation	<u>\$ 31,181,789</u>	

<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<u>% Applicable (1)</u>	<u>Debt</u>
College of the Sequoias Hanford School Facilities Improvement District	0.956%	\$ 168
College of the Sequoias Tulare School Facilities Improvement District	88.658%	28,857
College of the Sequoias Visalia School Facilities Improvement District	100%	26,548
Other Community College District	2.878 - 8.152%	17,701
Dinuba Joint Unified School District	99.814%	20,584
Lindsay Unified School District	100%	20,474
Porterville Unified School District School Facilities Improvement District	100%	16,191
Visalia Unified School District	100%	55,560
Other Unified School Districts	8.527 - 100%	23,568
Delano Joint Union High School District	25.487%	11,267
Exeter Union High School District	100%	8,239
Tulare Joint Union High School District	99.830%	23,249
Other Union High School Districts	1.097 - 100%	11,226
Exeter Union School District	100%	14,686
Other School Districts	7.272 - 100%	32,899
Kaweah Delta Hospital District	100%	45,323
Tulare Local Healthcare District	100%	83,555
Special District 1915 Act Bonds	100%	89
Special District Revenue Bonds	100%	3,157
City 1915 Act Bonds	100%	<u>586</u>
Total overlapping tax and assessment debt		<u>443,928</u>
 <b>OVERLAPPING GENERAL FUND DEBT</b>		
Tulare County Office of Education Certificates of Participation	100%	\$ 34,660
College of Sequoias Community College District General Fund Obligations	78.163%	4,092
Kern Community College District General Fund and Benefit Obligations	7.372%	8,030
Cutler Orosi Joint Unified School District Certificates of Participation	93.973%	10,018
Dinuba Joint Unified School District Certificates of Participation	99.111%	4,847
Porterville Unified School District Certificates of Participation	100%	25,850
Visalia Unified School District Certificates of Participation	100%	76,545
Other Unified School District Certificates of Participation	16.578-100%	8,460
Union High School District Certificates of Participation	1.097-100%	330
School District Certificates of Participation	7.272-100%	22,635
City of Porterville Certificates of Participation and Pension Obligations	100%	22,635
City of Dinuba General Fund Obligations	100%	25,849
City of Lindsay General Fund Obligations	100%	1,335
City of Tulare General Fund Obligations	100%	26,675
City of Visalia Certificates of Participation	100%	20,470
City of Woodlake Certificates of Participation	100%	<u>3,000</u>
Total overlapping general fund debt		<u>295,431</u>
 <b>OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCIES)</b>		 <u>93,465</u>
 <b>DIRECT GENERAL FUND DEBT</b>		
Tulare County General Fund Obligations	100%	<u>287,104</u>
Total direct general fund debt		<u>287,104</u>
Total combined debt		<u>\$ 1,119,928 (2)</u>

<b>RATIOS TO ADJUSTED ASSESSED VALUATION</b>	
Total overlapping tax and assessment debt .....	1.4%
Total direct debt .....	0.9%
Combined total debt .....	3.6%

**STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/18: \$0**

**Notes:**

(1) The percentage of overlapping debt applicable to the County is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the County divided by the district's total taxable assessed value.

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

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.

**Sources:** California Municipal Statistics, Inc. and Property tax division, County of Tulare

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

**Legal Debt Margin Calculation for Fiscal Year 2018:**

Net assessed value	\$ 34,473,990
Debt limit - 1.25% of taxable property <sup>(1)</sup>	<u>\$ 430,925</u>
Amount of debt applicable to debt limit <sup>(2)</sup>	<u>-</u>
Legal debt margin <sup>(3)</sup>	<u>\$ 430,925</u>

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

	<b>Fiscal Year</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Debt limit	\$ 357,621	\$ 374,972	\$ 394,278	\$ 413,275	\$ 430,925
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 357,621</u>	<u>\$ 374,972</u>	<u>\$ 394,278</u>	<u>\$ 413,275</u>	<u>\$ 430,925</u>
 Total debt limit as a percentage of the legal debt margin	 100%	 100%	 100%	 100%	 100%

**Notes:**

(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 1.00% of full cash value. Thus, the legal debt is 1.25% of assessed valuation.

(2) As of 6/30/2018 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:** Property tax division, County of Tulare



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

<b>Fiscal Year</b>	<b>Population<sup>(1)</sup></b>	<b>Per Capita Personal Income</b>	<b>Personal Income<sup>(2)(3)</sup></b>	<b>Median Age<sup>(3)(4)</sup></b>	<b>School Enrollment<sup>(5)</sup></b>	<b>Unemployment Rate<sup>(6)</sup></b>
2009	441,481	\$ 25,920	\$ 10,864,847	29	96,811	14.7%
2010	447,814	26,545	11,887,222	29	97,321	14.7%
2011	436,946	16,999	6,972,784	30	97,889	15.9%
2012	449,253	17,966	7,369,546	30	98,831	15.2%
2013	455,599	33,648	15,329,995	29	99,964	12.8%
2014	459,446	33,495	15,389,143	29	101,099	11.6%
2015	462,189	35,221	16,278,758	31	102,206	11.0%
2016	466,339	36,631	17,082,463	31	102,703	9.5%
2017	471,842	37,642	17,761,195	31	103,599	9.9%
2018	475,834	39,148	18,627,941	31	104,049	9.6%

**Sources:**

- (1) State of California, Department of Finance; Census every 10 years.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis.
- (3) Amounts are estimates based on historical percentages or other pertinent information.
- (4) U.S. Census Bureau; Median age is the age at which there are as many residents older as there are younger.
- (5) California Department of Education, Educational Demographics Unit.
- (6) State of California, Employment Development Department.

**COUNTY OF TULARE**  
**Statistical Section**  
**Principal Employers (unaudited)**  
**June 30, 2018 and June 30, 2008**

**Fiscal Year 2018**

Rank	Employer	Employees	Percentage of Total County Employment
1	County of Tulare	5,003	(1) 2.62%
2	Visalia Unified School District	3,200	(2) 1.68%
3	Kaweah Delta Health Care	2,000	(3) 1.05%
4	Sierra View District Hospital	1,800	(3) 0.94%
5	Ruiz Food Production, Inc.	1,800	(3) 0.94%
6	Wal-Mart Distribution Center	1,692	(3) 0.89%
7	Porterville Development Center	1,343	(4) 0.70%
8	College of the Sequoias	838	(5) 0.44%
9	Jostens	720	(3) 0.38%
10	City of Visalia	605	(6) 0.32%
Total		<u>19,001</u>	<u>9.96%</u>

**Fiscal Year 2008\***

Rank	Employer	Employees <sup>(7)</sup>	Percentage of Total County Employment
1	County of Tulare	4,320	2.70%
2	Porterville Development Center	2,014	1.26%
3	Kaweah Delta Health Care District	2,000	1.25%
4	Ruiz Foods Products, Inc.	1,800	1.13%
5	Wal-Mart Distribution Center	1,692	1.06%
6	College of the Sequoias	1,160	0.73%
7	CIGNA HealthCare	900	0.56%
8	Jostens	720	0.45%
9	Dairyman's/Land O'Lakes, Inc.	600	0.38%
10	Monrovia Nursery Company	600	0.38%
Total		<u>15,806</u>	<u>9.90%</u>

\*The employee information for Fiscal Year 2008/09 is not available.

**Sources:**

- (1) County of Tulare
- (2) Visalia Unified School District
- (3) Tulare County Economic Development Corporation
- (4) Porterville Development Center
- (5) College of the Sequoias
- (6) City of Visalia
- (7) County of Tulare Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008

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

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>General Government</b>					
Administration	52	49	51	50	50
County Counsel	48	48	50	50	52
Risk Management	6	4	6	4	6
Elections	7	7	5	4	7
Finance	144	143	157	148	146
Purchasing	6	7	5	8	8
Planning and Development	77	67	54	75	85
Other General	297	257	254	231	244
<b>Public Protection</b>					
Child Support Services	269	226	194	212	211
District Attorney	201	215	233	194	205
Fire Protection	114	114	122	117	114
Probation	335	348	345	340	377
Public Defender	83	83	78	83	89
Sheriff-Coroner	751	733	743	721	799
Trial Courts	-	-	1	2	2
Other Protection	58	60	102	93	94
Public Ways and Facilities	134	149	200	151	156
Health and Sanitation	475	443	439	483	488
Public Assistance	1,366	1,404	1,392	1,564	1,574
Education	45	47	59	47	45
Culture and Recreation	15	18	19	9	9
Solid Waste Management	75	64	66	61	52
<b>Total Number of Employees</b>	<b>4,558</b>	<b>4,486</b>	<b>4,575</b>	<b>4,647</b>	<b>4,813</b>

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>General Government</b>					
Administration	50	50	50	52	55
County Counsel	50	50	46	46	52
Risk Management	11	11	11	11	11
Elections	5	7	7	7	11
Finance	152	151	151	152	153
Purchasing	8	8	9	10	10
Planning and Development	81	81	71	69	72
Other General	255	258	268	278	279
<b>Public Protection</b>					
Child Support Services	211	206	204	201	201
District Attorney	212	212	204	210	204
Fire Protection	114	113	117	116	117
Probation	377	379	385	395	397
Public Defender	89	89	91	92	93
Sheriff-Coroner	811	832	840	857	870
Trial Courts	2	2	3	2	2
Other Protection	87	89	87	87	87
Public Ways and Facilities	157	154	156	159	171
Health and Sanitation	477	469	480	492	494
Public Assistance	1,559	1,534	1,584	1,619	1,630
Education	45	48	50	49	48
Solid Waste Management	47	33	36	40	46
<b>Total Number of Employees</b>	<b>4,800</b>	<b>4,776</b>	<b>4,850</b>	<b>4,944</b>	<b>5,003</b>

**Sources:** Various departments, County of Tulare

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

Function	Fiscal Year				
	2009	2010	2011	2012	2013
<b>Public Protection</b>					
Child Support Services					
Number of Caseloads	37,498	36,109	31,621	29,055	27,633
Number of Orders Established	2,347	3,972	1,638	1,277	1,185
District Attorney					
Number of Adult Felony Cases Filed	4,742	4,074	4,085	4,275	5,374
Number of Adult Misdemeanor Cases Filed	14,028	11,606	10,228	10,511	10,272
Number of Juvenile Felony Cases Filed	719	674	607	629	505
Number of Juvenile Misdemeanor Cases Filed	640	526	364	288	205
Total Cases Tried (Excluding Juvenile Trials)	217	175	137	139	124
Environmental Health					
Animal Control Field Calls	4,199	3,876	3,843	4,530	4,955
Animal Control Intake	9,221	8,787	9,316	9,269	9,269
Hazardous Materials Inspections	427	386	387	427	358
Hazardous Waste Inspections	201	212	221	233	218
Solid Waste Inspections	263	282	251	266	272
Fire Protection					
Assist Other Agencies	597	861	512	361	277
Medical Aids	7,395	6,949	7,529	6,927	7,235
Number of Fires	1,890	4,429	1,735	3,292	4,647
Public Defender					
Felony New Cases Opened	5,549	4,767	4,663	5,339	6,758
Juvenile Delinquency New Cases Opened	7,638	1,443	1,214	1,095	993
Misdemeanor New Cases Opened	1,904	6,911	7,374	7,409	7,224
Sheriff-Coroner					
Aggravated Assault	369	415	398	441	511
Burglary	1,076	1,186	1,132	1,272	1,109
Homicide	28	12	21	19	22
Jail Population - Admissions	25,376	24,348	23,444	22,251	22,660
Larceny Theft	2,106	2,041	2,164	1,964	1,799
Number of Auto Theft Vehicles Recovered	116	37	47	34	62
Rape	31	26	32	37	31
Robbery	92	90	91	72	96
Warrants Processed	22,761	19,079	22,548	17,079	17,538
Public Ways and Facilities					
Roads					
Total Maintained Mileage	3,046	3,046	3,041	3,041	3,039
Public Assistance					
Mental Health Clients Served					
Conserved	180	186	178	184	199
Inpatient	365	671	772	608	710
Outpatient	9,568	9,757	9,652	9,427	9,637
Community Based Programs					
Congregate Meals Served	82,240	69,851	71,261	70,150	60,743
Home Delivered Meals	47,953	51,692	65,260	59,460	63,089
Health Insurance Counseling and Advocacy Program	318	348	351	575	1,156
Number of People Served through Area Agency on Aging Funds	182,252	184,815	133,068	137,104	137,104
Number of Adult Protective Services Cases Opened	916	893	768	1,249	1,198
Number of Enrolled Participants in Cal Works	6,452	6,519	7,335	7,686	7,843
Welfare Fraud					
Court Ordered Restitution	539,344	187,912	287,254	335,518	458,324
Major Fraud Cases Completed	2,325	3,700	3,675	2,960	4,195
Persons Convicted	131	227	103	81	142
Culture and Recreation					
Library					
eBooks, eAudiobooks, Audiobooks and Music CDs	5,600	9,800	12,500	18,994	24,221
Volumes in collection	321,197	341,774	343,928	285,915	294,513
Parks and Recreation					
Total Amount of Park Reservations	1,636	1,036	837	1,095	789
Total Number of Cars Entered Parks	19,511	17,639	25,702	19,234	13,963
Other Enterprises					
Solid Waste					
Landfill Tonnage Gross Total	235,162	225,337	246,965	261,828	257,262
Landfill Tonnage Recycled Total	50,117	49,207	56,128	54,712	43,171
Transit					
Number of Passengers	155,151	188,999	244,500	308,293	351,697
Total Route Miles	631,960	676,359	794,963	842,636	929,804

Continued

Sources: Various departments, County of Tulare

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

Fiscal Year					Function
2014	2015	2016	2017	2018	
					Public Protection
26,136	25,066	24,250	23,587	22,892	Child Support Services
1,167	1,456	1,161	961	797	Number of Caseloads
					Number of Orders Established
5,481	5,729	4,160	4,496	4,149	District Attorney
9,966	12,055	13,763	12,674	10,855	Number of Adult Felony Cases Filed
544	462	391	403	366	Number of Adult Misdemeanor Cases Filed
242	349	398	342	274	Number of Juvenile Felony Cases Filed
138	114	126	108	175	Number of Juvenile Misdemeanor Cases Filed
					Total Cases Tried (Excluding Juvenile Trials)
					Environmental Health
5,184	5,115	5,267	6,891	7,282	Animal Control Field Calls
8,945	8,348	7,684	7,917	7,192	Animal Control Intake
339	333	424	420	615	Hazardous Materials Inspections
181	196	198	218	309	Hazardous Waste Inspections
263	237	321	316	341	Solid Waste Inspections
					Fire Protection
268	509	545	398	527	Assist Other Agencies
7,336	8,077	7,305	7,570	7,950	Medical Aids
4,745	4,654	4,707	1,450	1,565	Number of Fires
					Public Defender
8,380	9,058	7,597	6,056	5,854	Felony New Cases Opened
1,004	1,208	1,182	999	946	Juvenile Delinquency New Cases Opened
7,649	8,645	8,913	9,251	13,997	Misdemeanor New Cases Opened
					Sheriff-Coroner
391	328	217	247	256	Aggravated Assault
1,010	686	813	686	635	Burglary
13	26	14	19	14	Homicide
22,563	22,881	21,301	19,204	21,446	Jail Population - Admissions
1,401	1,251	1,274	1,310	1,349	Larceny Theft
44	76	162	151	198	Number of Auto Theft Vehicles Recovered
17	32	25	35	39	Rape
90	76	46	75	63	Robbery
19,650	22,071	23,042	24,648	23,521	Warrants Processed
					Public Ways and Facilities
3,038	3,035	3,031	3,031	2,974	Roads
					Total Maintained Mileage
					Public Assistance
190	156	157	146	151	Mental Health Clients Served
812	802	776	762	857	Conserved
10,577	11,417	11,691	11,516	11,708	Inpatient
					Outpatient
60,890	69,200	66,192	61,672	63,012	Community Based Programs
64,470	79,271	69,185	71,318	75,461	Congregate Meals Served
974	1,114	1,073	1,131	1,599	Home Delivered Meals
110,992	103,127	55,269	54,365	42,302	Health Insurance Counseling and Advocacy Program
1,423	1,656	1,563	1,526	1,262	Number of People Served through Area Agency on Aging Funds
8,370	8,308	8,142	6,928	6,693	Number of Adult Protective Services Cases Opened
					Number of Enrolled Participants in Cal Works
					Welfare Fraud
-	279,920	139,787	351,630	173,887	Court Ordered Restitution
-	4,351	2,279	1,731	2,517	Major Fraud Cases Completed
-	97	18	149	114	Persons Convicted
					Culture and Recreation
26,412	29,709	20,722	26,713	26,576	Library
289,830	304,912	306,860	301,971	275,290	eBooks, eAudiobooks, Audiobooks and Music CDs
					Volumes in collection
734	709	624	746	748	Parks and Recreation
17,297	15,364	19,038	22,340	24,802	Total Amount of Park Reservations
					Total Number of Cars Entered Parks
					Other Enterprises
251,826	345,633	417,252	466,650	496,269	Solid Waste
46,301	37,824	37,995	46,927	69,814	Landfill Tonnage Gross Total
					Landfill Tonnage Recycled Total
356,560	374,312	348,737	301,666	297,243	Transit
1,009,061	999,663	1,039,336	1,033,941	1,010,078	Number of Passengers
					Total Route Miles
					Concluded

Sources: Various departments, County of Tulare

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

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Public Protection					
Sheriff-Coroner					
Stations	4	4	4	4	4
Fire Protection					
Stations	29	26	27	27	27
Building Permits Issued	3,925	3,353	3,494	3,333	3,581
Public Ways and Facilities					
Roads					
Roads (miles)	3,046	3,540	3,041	3,041	3,041
Streetlights	1,384	1,472	1,537	1,541	1,542
Culture and Recreation					
Library					
Number of Branches	15	15	15	15	15
Volumes in Collection	-	341,774	343,928	285,915	285,915
Parks and Recreation					
Park Acreage	688	688	628	628	628
Parks	11	11	10	10	10
Museum (square feet)	25,919	42,919	42,919	42,919	42,919
Other Enterprises					
Solid Waste					
Landfill Sites	7	7	7	7	7
Transfer Stations	7	7	7	7	7

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Public Protection					
Sheriff-Coroner					
Stations	4	4	4	4	5
Fire Protection					
Stations	27	27	27	27	27
Building Permits Issued	3,474	3,639	4,617	4,517	4,302
Public Ways and Facilities					
Roads					
Roads (miles)	3,038	3,035	3,031	3,495	2,974
Streetlights	1,471	1,471	1,157	1,157	1,182
Culture and Recreation					
Library					
Number of Branches	15	15	15	17	17
Volumes in Collection	285,915	304,912	306,860	301,971	275,290
Parks and Recreation					
Park Acreage	628	628	628	628	628
Parks	10	10	10	10	10
Museum (square feet)	42,919	42,919	42,919	42,919	42,919
Other Enterprises					
Solid Waste					
Landfill Sites	3	2	2	2	2
Transfer Stations	7	6	6	6	6

**Sources:** Various departments, County of Tulare