

COUNTY OF TULARE | STATE OF CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



Prepared Under the Direction of

Cass Cook, Auditor-Controller/Treasurer-Tax Collector



**Cover:** Agricultural workers pick Valencia oranges in a grove located in Cutler-Orosi, California. Photo rights were obtained from the Associated Press in May 2022.

**Photographer:** Melanie Stetson Freeman.

**County of Tulare  
State of California**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2023**



**Prepared Under the Direction of**

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

**Justin Avila  
Assistant Auditor-Controller**

**COUNTY OF TULARE**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2023**

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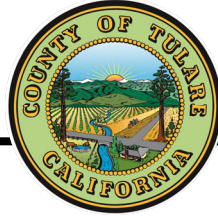
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# **Introductory Section**

# AUDITOR-CONTROLLER/ TREASURER-TAX COLLECTOR



# CASS COOK COUNTY OF TULARE

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December 28, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the County of Tulare (the County) for the fiscal year ended June 30, 2023, 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, 2023. 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 steadily grown over the past 10 years, with an increase of 3.4% since fiscal year 2014. However, according to the State Department of Finance, the number of residents in the County for the current fiscal year is approximately 475,064, an increase of 0.01% 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 first in the State 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 State for citrus production, with over 140,000 acres dedicated to citrus alone. Tree nut acreage continues to expand, with over 95,000 acres of almonds and over 92,000 acres of pistachios. The top million-dollar commodities produced in the County are milk, oranges, and grapes. Milk production maintains the top spot as the highest valued commodity, grossing over \$2.67 billion annually. The beef industry is also an important component of the County’s



bustling economy, as are poultry 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.

California State Route 99 is a north-south highway that runs the length of the Central Valley and crosses through the western side of the County. Because it is a major commerce thoroughfare, distribution centers and warehouses are becoming more prevalent, diversifying the County's economy. Several large companies have built distribution centers in the County, including Amazon, Best Buy, Jo-Ann Stores, UPS, and Wal-Mart.

**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 County-wide 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 funds, and capital projects fund are included in the annual appropriated budget. The legal level of budgetary control (that is, the level which cannot be exceeded without action by the Board) is the fund level, with the exception of the General Fund in which the legal level of control is the department level.

## **LOCAL ECONOMY**

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

**Employment** According to the State Employment Development Department, the County's total labor force as of the end of the current fiscal year is 212,900, of which 191,400 are employed and 21,500 are unemployed. As a result, the County's unemployment rate is 10.1%, an increase of 2.7% in comparison with the prior fiscal year and a decrease of 1.5% in the last ten years. The increase from the prior year is mainly attributable to the labor force increasing at a faster rate than the number of individuals employed.

**Income** The County's per capita personal income has been progressively rising over the past decade. For the current fiscal year, the County's per capita personal income is \$49,390, an increase of 4.7% in comparison with the prior fiscal year.

**Infrastructure** According to the Tulare County Association of Governments (TCAG), the County contains 3,050 miles of County roads which ranks fourth in the State, 930 miles of city streets, and 350 miles of State highways. The State highways have a predominant role within the County's transportation system with citizens and travelers using the highways for farm-to-market, commuter, business, and recreational trips. As the population grows, so does the use of highways and the need for improvements. Some of the significant projects completed in recent years include the widening and rehabilitation of California State Route (SR) 99 and SR 198, electric bus procurements and electric vehicle fueling stations in Visalia and Porterville, traffic signal maintenance across various cities, and multiple bicycle and pedestrian projects.

**Real Estate** According to the California Association of Realtors, the County's median home value is \$375,000, a decrease of 0.79% since the prior year.

**Retail** In 2022, the County had \$11.7 billion in retail sales, an increase of 4.4% over the prior year. This increase is partly attributable to an increase in retail prices.

**Tourism** For the current fiscal year, the dollar amount of the Transient Occupancy Tax (TOT) collected was \$3.6 million, an increase of 18.1% in comparison with the prior fiscal year. This increase in TOT is attributable to rising prices of short-term rentals and 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 2023, over 931 thousand people visited the Sequoia National Park.

## **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 7.1% in comparison with the prior fiscal year.

The County provides property tax abatements through the Agricultural Preserve Program. Land enrolled in the program is restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. The Agricultural Preserve Program benefits local agriculture by assessing the land at a rate consistent with its actual use, rather than the potential market value of the property. Agriculture plays a large part in the local economy, and the tax abatements encourage owners of land to continue using it for agricultural purposes. For the current fiscal year, the tax abatements resulted in a net revenue reduction of \$2,414.

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 2023/24, the Capital Projects fund requested budget is \$117.8 million.

Significant projects included in the budget for fiscal year 2023/24 include:

- \$11.2 million for the purchase of office and warehouse space for the Department of Child Support Services and the Health and Human Services Agency (total estimated project cost of \$11.3 million).
- \$10.6 million for the Mental Health Supportive Housing Facility (total estimated project cost of \$10.6 million).
- \$9.2 million for the Behavioral Health Urgent Care Facility at the Hillman Campus (total estimated project cost of \$9.2 million).
- \$8.0 million for the Sheriff's Office Training Facility (total estimated project cost of \$8.0 million).
- \$6.5 million for park improvement projects using American Rescue Plan Act (ARPA) funds (total estimated project cost of \$8.2 million).
- \$6.1 million for the relocation of the Assessor/Clerk-Recorder's offices (total estimated project cost of \$6.1 million).
- \$5.7 million for the Sheriff's Morgue Construction Project (total estimated project cost \$6.0 million).
- \$5.3 million for the Main Jail Demolition Project (total estimated project cost of \$8.4 million).
- \$4.9 million for the new Goshen Fire Station (total estimated project cost of \$5.0 million).
- \$4.8 million for the Tulare District Health Care Office Remodel Project (total estimated project cost of \$5.0 million).

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

## **MAJOR INITIATIVES**

**Current Initiatives** In December 2016, the Board approved an update to the Strategic Management System, 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 overlap among categories):

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

- Complete the relocation of the Sheriff's Substation for the Porterville area.
- Approved the purchase and financing of forty Sheriff and one Public Defender replacement vehicles with the General Fund through the Vehicle Internal Borrowing Program.
- Awarded the contract to remodel the Terra Bella Fire Station and add a three-bay fire apparatus garage. The project is estimated to be completed in November 2023.
- Approved an agreement with the Sierra Nevada Conservancy which will improve overall forest and watershed health by reducing the risk of catastrophic wildfire and building resilience against major disturbances.

### ***Economic Well-Being***

- Approved the County of Tulare American Rescue Plan Act (ARPA) Final Recovery Plan which outlined the County's use of \$90.6 million of ARPA funds to support the County in responding to the economic and public health impacts of the COVID-19 pandemic.
- Approved a program to support the Tourism, Travel, and Hospitality sectors negatively impacted by the pandemic in the unincorporated and disadvantaged areas of the County.
- Launched a new economic development website which includes an Economic Gateway allowing developers to access tools, available site information, and support. The site also includes community profiles, which highlight that the County is open for business.

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

- Executed agreements with Community Services Districts to fund construction projects to provide adequate water supply for local communities.
- Improved County residents' access and usage of library and literacy services, resources, and programs through the approval of a remodel for the Dinuba Library and the construction of a new library in Springville.
- Approved park improvement projects to enhance outdoor and green space areas for residents and communities.
- Approved a program to aid local businesses impacted by the historic March 2023 floods.

### ***Organizational Performance***

- The County has been working on a multi-year space planning project since 2015. Multiple County departments and a variety of sites have been involved in this project. The aim of this project is to update and modernize County facilities and optimize organizational performance.
- Approved an agreement with Graviton Consulting and Mythics, Inc. to replace the County's outdated Human Capital Management software with Oracle Cloud Solution. The new cloud-based software will streamline and automate processes.
- Upgraded the County's financial system to improve performance and increase efficiencies.

**Future Initiatives** For the future, to serve 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 overlap among categories):

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

- The Board approved a Master Stewardship Agreement with the United States Department of Agriculture Forest Service to begin collaborating on projects to improve forest health.
- Invest in new substations for the Tulare County Sheriff's Office in the community of Earlimart.
- Invest in a new morgue for the Tulare County Sheriff's Office.
- Invest in a new fire station in the community of Goshen.

### ***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.
- Monitor impacts of the adoption of Sustainable Groundwater Plans as local Groundwater Sustainability Agencies begin to implement plans to reduce the pumping of groundwater.
- Continue investing in the Economic Development Business Response Team to facilitate development opportunities such as Sequoia Gateway.

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

- Continue working with the Park Advisory Committee as it meets to review and evaluate the Conceptual Master Plan to begin working on the plan to finalize future projects for the parks.
- Continue to seek new funding sources to protect against homelessness and seek solutions to mitigate this devastating social issue.
- Continue to seek State and federal funding to assist communities and farms to secure a sustainable and affordable water supply.

### ***Organizational Performance***

- Work with the Tulare County Regional Transit Agency to improve transit service delivery and provide the public with convenient access to transit information and services.
- Continue to seek operational efficiencies by upgrading the County-wide Human Resources and Payroll system.
- The Board will work with the County Administrative Office and County departments to update the Strategic Management Plan.

### **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 ACFR for the fiscal year ended June 30, 2022. This was the 29th consecutive year that the County has achieved this prestigious award. To receive this award, a government must publish an easily readable and efficiently organized ACFR 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 ACFR 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  
Auditor-Controller/Treasurer-Tax Collector





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

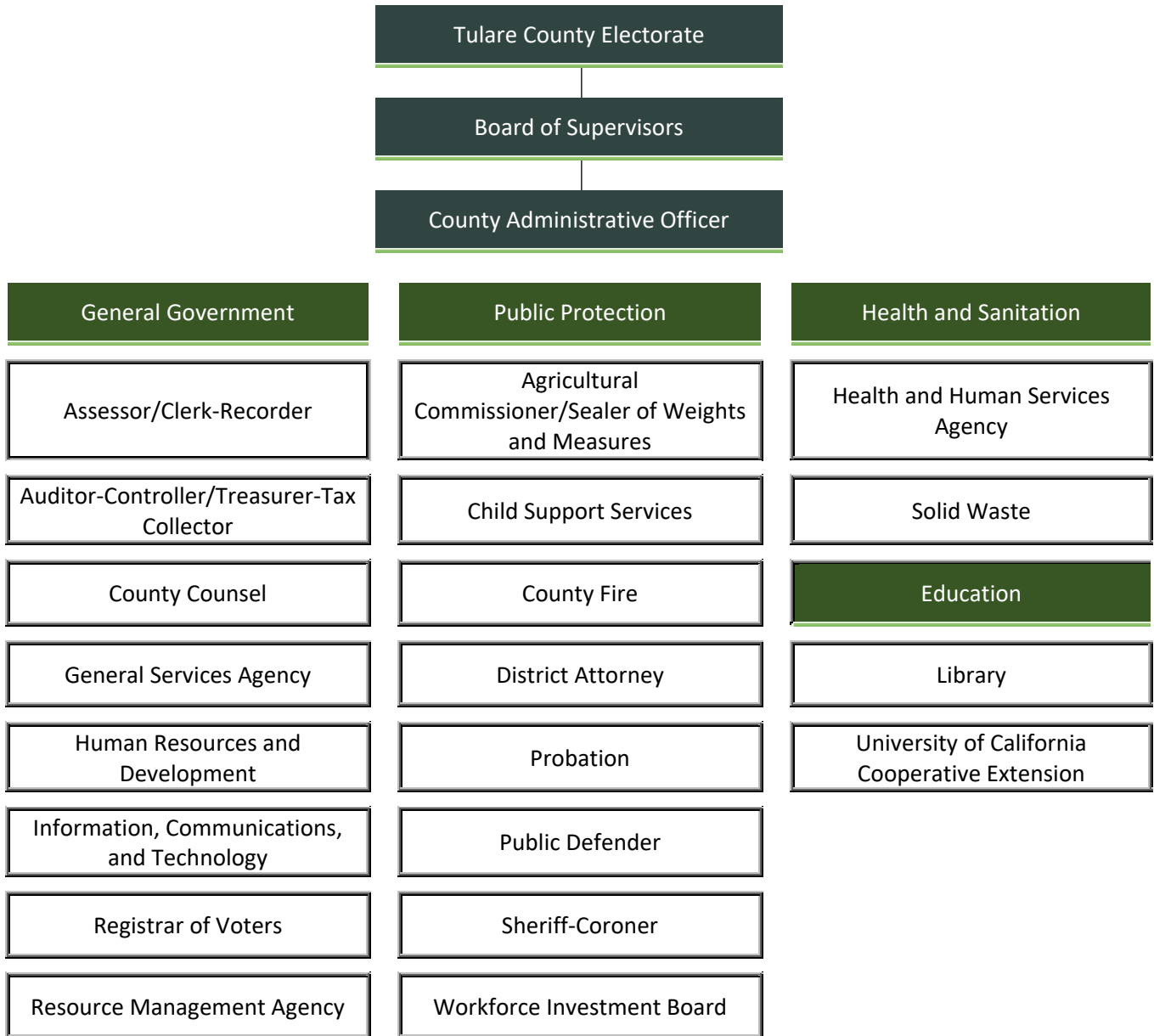
**County of Tulare  
California**

For its Annual Comprehensive  
Financial Report  
for the Fiscal Year Ended

**June 30, 2022**

*Christopher P. Morill*  
Executive Director/CEO

**COUNTY OF TULARE**  
**Organizational Chart**  
**June 30, 2023**



**COUNTY OF TULARE**  
**List of Elected and Appointed Officials**  
**June 30, 2023**

<b>District/Department</b>	<b>Elected Official</b>
Board of Supervisors District No. 1 .....	Larry Micari
<i>Exeter, Farmersville, Lemon Cove, Lindcove, Lindsay, Plainview, Poplar-Cotton Center, Strathmore, Tonyville, Tooleville, Visalia (Part), and Woodville</i>	
Board of Supervisors District No. 2 .....	Pete Vander Poel
<i>Allensworth, Alpaugh, Earlimart, Mathney Tract, Pixley, Teviston, Tipton, Tulare, and Waukena</i>	
Board of Supervisors District No. 3 .....	Amy Shuklian
<i>Visalia (Part)</i>	
Board of Supervisors District No. 4 .....	Eddie Valero, Chair
<i>Badger, Cutler, Dinuba, Elderwood, Goshen, Ivanhoe, London, Monson, Orosi, Seville, Sultana, Three Rivers, Traver, Visalia (Part), Woodlake, and Yettem</i>	
Board of Supervisors District No. 5 .....	Dennis Townsend, Vice Chair
<i>California Hot Springs, Camp Nelson, Ducor, Kennedy Meadows, Pondersosa, Porterville, Posey, Richgrove, Springville, and Terra Bella</i>	
Assessor/Clerk-Recorder.....	Tara K. Freitas
Auditor-Controller/Treasurer-Tax Collector.....	Cass Cook
District Attorney .....	Tim Ward
Sheriff-Coroner.....	Mike Boudreaux

<b>Department/Agency</b>	<b>Appointed Official</b>
Agricultural Commissioner/Sealer of Weights and Measures .....	Tom Tucker
Child Support Services .....	Roger Dixon
County Administrative Office.....	Jason T. Britt
County Counsel.....	Jennifer M. Flores
County Fire .....	Charles Norman
General Services Agency .....	Brooke Sisk
Grand Jury .....	Nicholas Sherwood, Foreman
Health and Human Services Agency .....	Donna Ortiz
Human Resources and Development .....	Lupe Garza
Information, Communications, and Technology .....	Joseph Halford
Law Library .....	Anne Bernardo
Library.....	Darla Wegener
Probation .....	Kelly Vernon
Public Defender .....	Erin Brooks
Registrar of Voters .....	Michelle Baldwin
Resource Management Agency .....	Reed Schenke
Solid Waste.....	Bryce Howard
University of California Cooperative Extension .....	Karmjot Randhawa
Workforce Investment Board.....	Adam Peck

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# **Financial Section**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

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, California (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the governmental funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

---

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- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the 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 year ended June 30, 2023. 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.

***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 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.

***Supplementary 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 accompanying combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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



Bakersfield, California  
December 28, 2023

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited)**  
**June 30, 2023 (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, 2023. 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 – 5 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 fiscal year by \$1,967,855 (net position).
- The County's total net position increased by \$109,441 from the prior fiscal year, which was mainly due to an increase in operating grants and contributions.
- At the close of the fiscal year, the County's governmental funds reported a combined fund balance of \$721,803, an increase of \$67,035 in comparison with the prior year. Approximately \$46,559, or 6.5%, of this amount is available for spending at the County's discretion (unassigned fund balance).
- At the end of the fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$194,463, or approximately 22.0% of total General Fund expenditures.
- The County's total outstanding long-term debt had a net decrease of \$14,637 during the fiscal year, which was attributable to payments made on existing long-term debt.

**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 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 government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and 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 23 – 25 of this report.

**Fund Financial Statements** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to



**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

ensure and demonstrate compliance with finance-related legal requirements. 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 County'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-two 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 Financing Authority, the Realignment-Social Services fund, and the American Rescue Plan Act fund, all of which are considered major funds. Data from the other eighteen *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 26 – 32 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 motorpool. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

The proprietary fund financial statements provide the same information as the government-wide financial statements. The proprietary fund financial statements provide separate information for Solid Waste, which is considered 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 33 – 35 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 two different types of fiduciary funds: a private-purpose trust fund and custodial funds. The *private-purpose trust fund* is used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Tulare County Redevelopment Successor Agency (Successor Agency). The *custodial funds* are custodial in nature and all assets are due to individuals or entities at some future time. The external portion of the County Treasurer's investment pool is reported as a custodial fund, representing the assets of school districts and special districts within the County. Individual fund data for other custodial funds are provided in the form of combining statements in the Combining and Individual Fund Statements and Schedules section of this report.

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

The fiduciary fund financial statements can be found on pages 36 – 37 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 38 – 84 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 to the County's pension plan for its employees. RSI can be found on pages 85 – 86 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 custodial funds are presented immediately following the RSI. Combining and individual fund statements and schedules can be found on pages 87 – 135 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, 2023 and June 30, 2022 are as follows:

**Summary of Net Position**  
**For the Fiscal Years Ended June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percentage Change
	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>		
<b>ASSETS</b>								
Current and other assets	\$ 1,089,406	\$ 996,999	\$ 92,564	\$ 85,898	\$ 1,181,970	\$ 1,082,897	\$ 99,073	9.2%
Capital assets, net of depreciation/amortization	1,816,835	1,784,288	40,411	45,004	1,857,246	1,829,292	27,954	1.5%
Total assets	2,906,241	2,781,287	132,975	130,902	3,039,216	2,912,189	127,027	4.4%
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Deferred pensions	194,158	148,659	1,612	1,180	195,770	149,839	45,931	30.7%
Deferred OPEB	6,373	7,426	73	78	6,446	7,504	(1,058)	(14.1%)
Deferred other	8,747	8,747	-	-	8,747	8,747	-	100.0%
Total deferred outflows of resources	209,278	164,832	1,685	1,258	210,963	166,090	44,873	27.0%
<b>LIABILITIES</b>								
Current and other liabilities	253,980	294,124	2,132	3,346	256,112	297,470	(41,358)	(13.9%)
Long-term liabilities	830,103	665,835	45,649	41,237	875,752	707,072	168,680	23.9%
Total liabilities	1,084,083	959,959	47,781	44,583	1,131,864	1,004,542	127,322	12.7%
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Deferred revenue	14,200	14,764	-	-	14,200	14,764	(564)	(3.8%)
Deferred pensions	107,571	179,986	894	1,429	108,465	181,415	(72,950)	(40.2%)
Deferred OPEB	14,776	4,989	169	53	14,945	5,042	9,903	196.4%
Deferred lease proceeds	12,774	14,023	76	79	12,850	14,102	(1,252)	100.0%
Total deferred inflows of resources	149,321	213,762	1,139	1,561	150,460	215,323	(64,863)	(30.1%)
<b>NET POSITION</b>								
Net investment in capital assets	1,705,998	1,690,170	39,538	44,076	1,745,536	1,734,246	11,290	0.7%
Restricted	403,910	369,430	23,524	25,106	427,434	394,536	32,898	8.3%
Unrestricted	(227,793)	(287,202)	22,678	16,834	(205,115)	(270,368)	65,253	24.1%
Total net position	\$ 1,882,115	\$ 1,772,398	\$ 85,740	\$ 86,016	\$ 1,967,855	\$ 1,858,414	\$ 109,441	5.9%

<sup>(1)</sup> Fiscal year 2021/22 has not been restated for GASB Statement No. 96 implementation.

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

**Analysis of Net Position** As noted earlier, changes in net position over time may serve as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,967,855 at the close of the fiscal year. As described below, the County experienced a net increase of \$109,441, or 5.9%, from the prior fiscal year primarily as a result of an increase in State of California (the State) and Federal funding related to general government.

**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 \$11,290, or 0.7%, increase in net position from the net investment in capital assets represents capital asset acquisitions and deletions, less current year depreciation/amortization, and the addition and/or retirement of related long-term debt and deferred inflows of resources. Capital asset additions were related primarily to right-to-use assets, buildings and improvements, and the acquisition of equipment and vehicles. The County recorded accumulated depreciation/amortization of \$645,615 against its assets.

**Restricted Net Position** Restricted net position of \$427,434 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:

- \$123,224, or 28.8%, for health and sanitation, including mental health care programs, alcohol and drug programs, environmental programs, social services realignment, and mental health realignment.
- \$178,651, or 41.8%, for Federal and State allocations for public protection, including local community corrections, local safety and protection, juvenile justice, and jail inmate welfare.
- \$44,016, or 10.3%, to be spent on future roads projects.
- \$22,666, or 5.3%, for a debt service bond agreement for the acquisition and construction of public capital improvements and the repair and maintenance thereof.
- \$58,877, or 13.8%, for various other Federal, State, or County imposed purposes.

Restricted net position increased \$32,898, or 8.3%, in comparison with the prior fiscal year. Significant changes to restricted net position include:

- Public protection increased by \$27,714, or 29.0%, predominantly as a result of unspent reimbursements from the State for public safety realignment set aside for future local community corrections, safety, and protection.
- Health and sanitation restrictions increased by \$11,026, or 6.6%, primarily due to unspent allocations from the State for local health and welfare realignment.
- The restricted amount for roads projects decreased by \$9,887, or 18.3%, mainly due to an increase in capital outlay for roads projects.

**Unrestricted Net Position** The remaining balance of net position is unrestricted, which may be used to meet the County's ongoing obligations to citizens and creditors. The unrestricted net position is negative \$205,115, an increase of \$65,253, or 24.1%, from the prior fiscal year. The negative unrestricted net position is primarily the result of the County's unfunded pension and OPEB obligations.

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

Changes in net position for both governmental activities and business-type activities for the fiscal years ended June 30, 2023 and June 30, 2022 are as follows:

**Changes in Net Position**  
**For the Fiscal Years Ended June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>		
<b>REVENUES</b>								
Program revenues								
Charges for services	\$ 161,284	\$ 113,971	\$ 21,196	\$ 20,991	\$ 182,480	\$ 134,962	\$ 47,518	35.2%
Operating grants and contributions	760,598	675,762	2,794	2,142	763,392	677,904	85,488	12.6%
General revenues								
Property taxes	170,504	159,735	-	-	170,504	159,735	10,769	6.7%
Sales and other taxes	49,118	52,905	69	4,476	49,187	57,381	(8,194)	(14.3%)
Other	4,615	5,087	1,360	(2,470)	5,975	2,617	3,358	128.3%
Total revenues	<u>1,146,119</u>	<u>1,007,460</u>	<u>25,419</u>	<u>25,139</u>	<u>1,171,538</u>	<u>1,032,599</u>	<u>138,939</u>	<u>13.5%</u>
<b>EXPENSES</b>								
General government	62,933	107,078	-	-	62,933	107,078	(44,145)	(41.2%)
Public protection	319,016	303,215	-	-	319,016	303,215	15,801	5.2%
Public ways and facilities	56,358	47,582	-	-	56,358	47,582	8,776	18.4%
Health and sanitation	576,699	209,355	-	-	576,699	209,355	367,344	175.5%
Public assistance	646	283,772	-	-	646	283,772	(283,126)	(99.8%)
Education	7,223	6,683	-	-	7,223	6,683	540	8.1%
Culture and recreation	-	2,246	-	-	-	2,246	(2,246)	(100.0%)
Interest expense	13,386	9,560	-	-	13,386	9,560	3,826	40.0%
Solid waste	-	-	18,841	15,626	18,841	15,626	3,215	20.6%
Water/Sewer services	-	-	1,241	1,130	1,241	1,130	111	9.8%
Transit	-	-	5,732	4,793	5,732	4,793	939	19.6%
Other business-type activities	-	-	22	23	22	23	(1)	(4.4%)
Total expenses	<u>1,036,261</u>	<u>969,491</u>	<u>25,836</u>	<u>21,572</u>	<u>1,062,097</u>	<u>991,063</u>	<u>71,034</u>	<u>7.2%</u>
Change in net position before transfers	109,858	37,969	(417)	3,567	109,441	41,536	67,905	163.5%
Transfers	(141)	560	141	(560)	-	-	-	0.0%
Change in net position	109,717	38,529	(276)	3,007	109,441	41,536	67,905	163.5%
Net position - beginning	1,772,398	1,733,869	86,016	83,009	1,858,414	1,816,878	41,536	2.3%
Net position - ending	<u>\$ 1,882,115</u>	<u>\$ 1,772,398</u>	<u>\$ 85,740</u>	<u>\$ 86,016</u>	<u>\$ 1,967,855</u>	<u>\$ 1,858,414</u>	<u>\$ 109,441</u>	<u>5.9%</u>

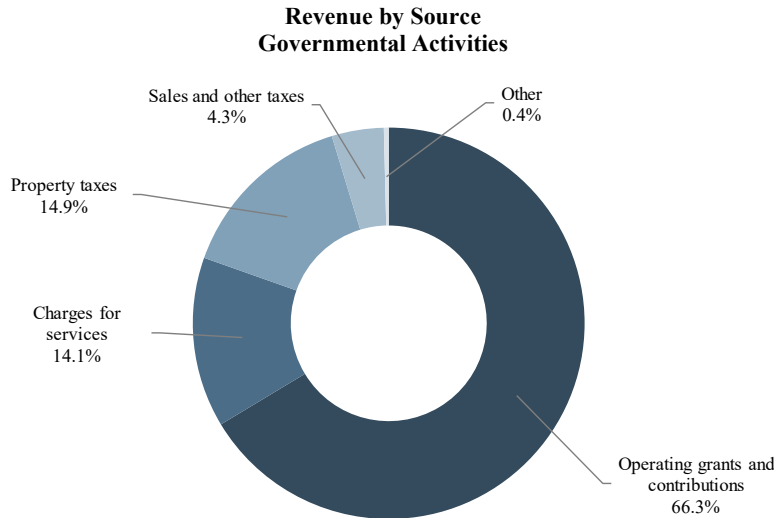
<sup>(1)</sup> Fiscal year 2021/22 has not been restated for GASB Statement No. 96 implementation.

In the current fiscal year, there appear to be large variances in expenses for general government, health and sanitation, public assistance, and culture and recreation. However, this is due to a change in functional grouping effective with the fiscal year 2022/23 financial statements, to better align the County's financial reporting with budgetary procedures.

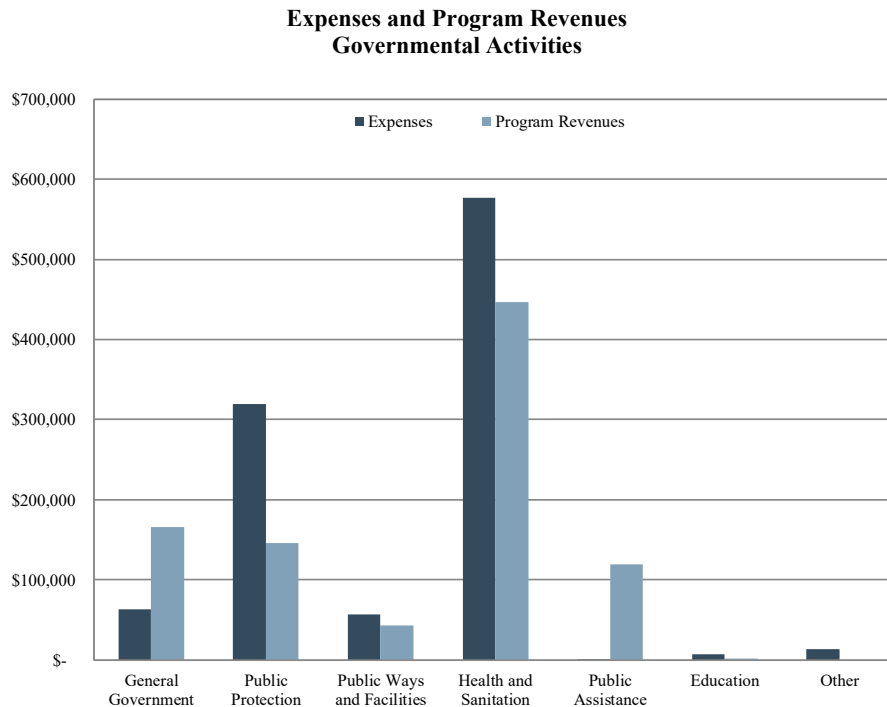
**COUNTY OF TULARE**  
**Management’s Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

**Governmental Activities** Governmental activities increased the County’s net position by \$109,717 to \$1,882,115 for the fiscal year ended June 30, 2023, which indicates these activities generated revenues sufficient to cover the cost of operations. Contributing factors are an increase in operating grants and contributions of \$84,836 and a decrease in public assistance expenses of \$283,126. The largest source of governmental revenue continues to be operating grants and contributions, which represents 66.3% of all governmental activities revenue.

Key elements of revenues in governmental activities for the fiscal year ended June 30, 2023 are as follows:



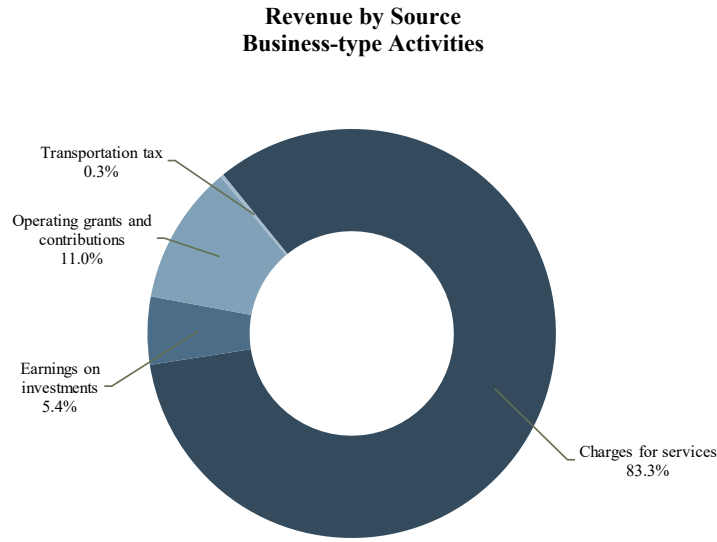
A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2023 is shown below. Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, the largest segment of uncovered costs is in the area of public protection.



**COUNTY OF TULARE**  
**Management’s Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

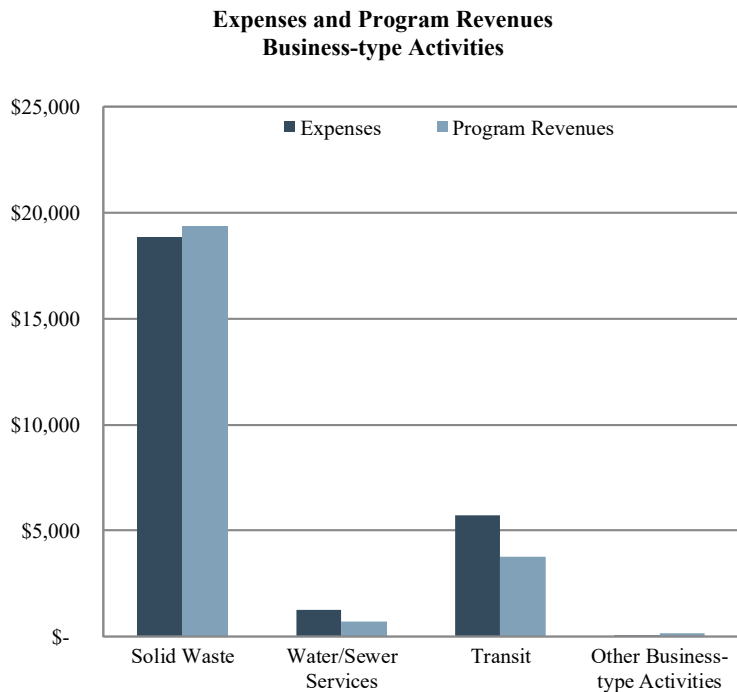
**Business-type Activities** For the County’s business-type activities, the results for the current fiscal year were negative in that overall net position decreased to reach an ending balance of \$85,740. The total decrease in net position for business-type activities was \$276, or 0.3%, from the prior fiscal year. The decline is largely attributable to a \$4,407 decrease in sales and other tax revenue and a \$3,215 increase in expenses for Solid Waste. The largest source of business-type revenue continues to be charges for services, which represents 83.3% of all business-type activities revenue.

Key elements of revenues in business-type activities for the fiscal year ended June 30, 2023 are as follows:



Total fee revenues for solid waste represents 84.7% of charges for services for business-type activities. Solid waste’s program revenues of \$19,293 exceeded its expenses of \$18,841. The same situation held true for the prior fiscal year. The primary cause of solid waste generating excess revenue was an increase in disposal tons.

A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2023 is as follows:



**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (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 is not limited to use for a particular purpose by an external party, the County itself, or otherwise authorized group or individual.

As of the end of the fiscal year, the County's *governmental funds* reported a combined ending fund balance of \$721,803, an increase of \$67,035 in comparison with the prior year. Approximately 6.5% of the total fund balance, or \$46,559, 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 (\$10,641), (2) restricted for particular purposes (\$426,092), (3) committed for particular purposes (\$62,482), or (4) assigned for particular purposes (\$176,029).

The *General Fund* is the primary operating fund of the County. At the end of the fiscal year, unassigned fund balance of the General Fund was \$46,622, while total fund balance reached \$371,468. 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 5.3% of total General Fund expenditures, while total fund balance represents 42.0% of that same amount.

Spending from the General Fund increased by \$36,556, or 4.3%. Contributing factors include a \$355,724, or 176.3%, increase in health and sanitation mainly as a result of reclassification of functions and programs for public assistance governmental activities. There was also an increase of \$13,444, or 28.4%, in general government spending primarily due to the response to the local emergency for 2023 winter storms and flooding. In addition, there was an increase of \$1,814, or 24.7%, in debt service payments for principal retirement and related interest charges primarily due to lease payments made under Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-based Information Technology Arrangements*.

The *Public Financing Authority (PFA)* fund is used to account for borrowings to finance construction, acquisition, and/or maintenance of public capital improvements and the repair and maintenance thereof. The PFA is a blended component unit of the County. At the end of the fiscal year, restricted fund balance in the PFA fund was \$55,441, a \$154 increase from the previous fiscal year. Spending increased by \$1,098, or 71.6%, primarily due to an increase of \$998, or 773.6%, in interest charges on variable rate demand bonds.

The *Realignment-Social Services* fund is used to account for the County match, sales tax revenues, and transfers to/from the General Fund for certain welfare program expenditures. At the end of the fiscal year, restricted fund balance in the Realignment-Social Services fund was \$75,366, a \$2,178 increase from the previous year. The Realignment-Social Services fund revenues increased by \$3,649, or 3.2%, primarily due to an increase in amounts received from the State for family support assistance.

The *American Rescue Plan Act* fund is used to account for the funds received by the County from the federal government as part of the American Rescue Plan Act passed in March 2021. The use of the funds is restricted to respond to the COVID-19 public health emergency or its negative economic impacts; to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay or grants; and to make necessary investments in water, sewer, or broadband infrastructure. The County must return funds not obligated by December 31, 2024 and expended by December 31, 2026, and thus the amount received was recorded as an advance. At the end of the fiscal year, the balance of advances in the fund was \$34,499.

**Proprietary Funds** Total net position of all proprietary funds was \$106,362, with \$85,740 of that in enterprise funds. Of the \$85,740 in enterprise funds, 76.3%, or \$65,431, was in Solid Waste. There was an increase of \$1,194, or 1.9%, 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.



**COUNTY OF TULARE**  
**Management’s Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

**Original Budget Compared to Final Budget** The total change between the original budget and the final amended budget was a decrease of \$3, or less than 1%. The most notable change was an increase in intergovernmental revenues primarily due to greater than expected revenue from the State for various public assistance programs.

**Final Budget Compared to Actual Results** The variance between the final budget and actual revenue resulted in an increase of \$92,828. 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	\$ 155,756	\$ 184,844	\$ 29,088
Interest, rents, and concessions	5,153	11,706	6,553
Charges for services	91,511	85,265	(6,246)
Intergovernmental revenues	476,492	530,800	54,308

- Taxes and special assessments revenues were greater than anticipated largely due to an increase in assessed property values and sales and use tax.
- Interest, rents, and concessions revenue was more than expected primarily due to an increased return on investments.
- Charges for services were less than projected primarily due to a decrease in Medi-Cal payments from the State.
- Intergovernmental revenues were more than projected mostly due to welfare advances from the State for child services, foster care, nutrition programs, and in-home supportive services.

The variance between the final budget and actual expenditures resulted in \$121,697 of unspent appropriations. The most significant differences are as follows:

- Health and sanitation expenditures were \$73,694 less than projected, which was largely attributable to costs related to assistance programs.
- General government expenditures were \$36,334 lower than projected mainly due to a reduction in professional costs for various projects.
- Public protection expenditures were \$34,444 less than projected mainly due to unfilled positions in the Probation Department and Sheriff’s Office.
- Capital outlay expenditures were \$13,772 greater than projected mainly due to the recognition of right-to-use assets due to the implementation of GASB Statements No. 87, *Leases* and No. 96, *Subscription-Based Information Technology Arrangements*.

The General Fund budget and actual statement can be found on page 30 of this report.

**COUNTY OF TULARE**  
**Management’s Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** The County’s investment in capital assets for its governmental and business-type activities at year-end amounted to \$1,857,246 (net of accumulated depreciation and amortization). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, construction in progress, infrastructure in progress, and right-to-use lease and subscription assets. The total increase in capital assets for the fiscal year was \$27,954, or 1.5%.

**Capital Assets**  
**(net of depreciation and amortization)**

	Governmental Activities		Business-type Activities		Total	
	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>	2023	2022 <sup>(1)</sup>
Land	\$ 937,746	\$ 935,197	\$ 6,720	\$ 6,720	\$ 944,466	\$ 941,917
Infrastructure	496,508	506,618	-	-	496,508	506,618
Buildings and improvements	207,744	194,958	26,273	28,372	234,017	223,330
Equipment and vehicles	33,700	27,725	7,418	9,912	41,118	37,637
Construction in progress	33,085	30,567	-	-	33,085	30,567
Right-to-use assets in progress	2,562	-	-	-	2,562	-
Right-to-use assets	105,490	89,223	-	-	105,490	89,223
Total	<u>\$ 1,816,835</u>	<u>\$ 1,784,288</u>	<u>\$ 40,411</u>	<u>\$ 45,004</u>	<u>\$ 1,857,246</u>	<u>\$ 1,829,292</u>

<sup>(1)</sup> Fiscal year 2021/22 has not been restated for GASB Statement No. 96 implementation.

Some of the major capital projects completed during the fiscal year are as follows:

- Energy efficiency projects, with a current fiscal year expense of \$3,421.
- Construction of the Museum Ag Equipment Building, with a current fiscal year expense of \$838.

**Construction in Progress** The County both purchases and constructs capital assets throughout the year. When a capital project is 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 \$2,518. CIP increases of \$36,410 were offset by project completions or disposals of \$33,892.

Some of the major project costs that make up the \$36,410 increase in CIP are as follows:

- Terra Bella Fire Station, with a current fiscal year expense of \$1,443.
- Sheriff Morgue, with a current fiscal year expense of \$200.
- Public Health Lab expansion, with a current fiscal year expense of \$152.

**Right-to-use Assets** The County’s investment in right-to-use assets for its governmental and business-type activities at current year-end amounts to \$105,490 (net of accumulated amortization). This investment in right-to-use assets includes land, buildings and improvements, equipment and vehicles, and subscription assets. The total increase in right-to-use assets for the current fiscal year was \$16,267, or 18.2%. The increase was mainly due to the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

**Buildings and Improvements** The County capitalized \$20,009 of buildings and improvements, net of \$9,322 in related depreciation, for a total increase of \$10,687, or 4.8%.

**Infrastructure** The County capitalized \$6,059 in infrastructure, net of \$16,169 in related depreciation, for a total decrease of \$10,110, or 2.0%.

Additional information on the County’s capital assets can be found in Note IV.E on pages 56 – 57 of this report.

**COUNTY OF TULARE**  
**Management’s Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

**Long-term Debt** At the end of the fiscal year, the County had total outstanding debt of \$242,889. Of this amount, \$201,020, or 82.8%, comprises debt for pension obligation bonds issued by the County to reduce its pension unfunded accrued actuarial liability. Another \$26,890, or 11.1%, 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 \$8,796, or 3.6% is the outstanding balance of public lease revenue bonds issued by the County to provide financing for various energy efficiency projects at County facilities. The remaining balance is for a loan to finance the purchase of fire engines, the outstanding debt for certificates of participation issued by the Tulare County Public Facilities Corporation for the acquisition or construction of major capital facilities, and a bond to fund a sewer construction project.

**Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Financed purchase	\$ -	\$ 23	\$ -	\$ -	\$ -	\$ 23
Loans payable	5,310	7,038	-	-	5,310	7,038
Certificates of participation	-	-	871	925	871	925
Bonds payable	35,686	37,457	2	3	35,688	37,460
Pension obligation bonds	201,020	212,080	-	-	201,020	212,080
Total outstanding debt	<u>\$ 242,016</u>	<u>\$ 256,598</u>	<u>\$ 873</u>	<u>\$ 928</u>	<u>\$ 242,889</u>	<u>\$ 257,526</u>

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$14,637, or 5.7%. The largest reductions occurred with payments of \$11,060 against pension obligation bonds and \$1,771 paid against bonds.

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 \$564,519 is 1.25% of the net assessed valuation of \$45,161,489. As of June 30, 2023, the County had no tax supported general obligation bonded debt outstanding. The County maintains a long-term credit rating of A1 Issuer (General Obligation equivalent) by Moody’s Investors Service.

Additional information on the County’s long-term debt can be found in Note IV.J on pages 60 – 64 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 2023/24 fiscal year budget:

As a result of greater-than-anticipated general revenue, departmental savings, and the temporary infusion of federal relief funds, the County realized a higher-than-expected unassigned fund balance at the close of fiscal year 2022/23. Despite its larger fund balance at the start of this fiscal year, the General Fund has been cautiously budgeted in fiscal year 2023/24 in recognition of the growing economic uncertainty caused by supply-chain irregularities, exceptionally high inflation, and the risk of a recession.

In future years, it is anticipated that the County will encounter significant financial challenges as operational costs grow. Rising operational costs include labor; law enforcement and fire services; jail medical and mental health care; Internal Service Funds working capital reserves; Zones of Benefits; and the uncertain impacts of the Sustainable Groundwater Management Act implementation and damage caused by historic flooding on our agricultural economy. The overall uncertainty in the economy coupled with growing operational costs, and state-imposed obligations to general county revenue will limit the County’s capacity to fund new ongoing commitments in future years.

To maintain the County’s financial stability and enjoy balanced budgets in future years, the Board of Supervisors should maintain the following budget philosophy and strategies: fund only mandated services, negotiate financially sustainable labor agreements, limit the issuance of debt, use one-time funds for one-time expenses, strive to fund the Strategic Reserve to the stated reserve ratio reflected in the Reserve Policy, collaborate with Tulare County Employees’ Retirement Association (TCERA) to minimize significant retirement cost increases, continue utilizing conservative revenue estimating practices, encourage departments to maximize the use of non-General Fund revenues to minimize the burden on the General Fund, and encourage departments to adopt more efficient business practices.

**COUNTY OF TULARE**  
**Management's Discussion and Analysis (unaudited) (continued)**  
**June 30, 2023 (in thousands)**

For the calendar year 2022, the County is among the top agriculture producing counties in the nation with \$8.6 billion in gross production, an increase of 6.5% compared to the prior year. Milk continues to be the leading agricultural commodity in the County, with a gross value of over \$2.6 billion. Milk represents 31% of the total crop and livestock value for 2022. 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 ninety countries throughout the world.

On June 27, 2023, Governor Newsom signed California's fiscal year 2023/24 Budget Act into law. This act put in place a \$310.8 billion spending plan for fiscal year 2023/24. Additionally, it also closes an estimated \$32 billion budget deficit while setting aside about \$37.8 billion in reserves. Notable State Budget Act impacts on the County include the following:

- \$1 billion for Round Five of the Homeless Housing Assistance and Prevention (HHAP) Program, but no ongoing funding commitment. The budget also significantly modifies the HHAP program in ways that are consistent with the AT HOME plan including required collaboration, regional plans, and defined roles and responsibilities.
- Renewal of the Managed Care Organization (MCO) provider tax to maintain the Medi-Cal program and support increased investments, including Medi-Cal provider rate increases and additional support for the Distressed Hospital Loan Program.
- Transfer \$11.1 billion to the Medi-Cal Provider Payment Reserve Fund for investments in the Medi-Cal program, including provider reimbursement rate increases, support for financially distressed hospitals, workforce development programs, and other investments.
- In addition to the \$150 million one-time General Fund provided for the Distressed Hospital Loan Program by Assembly Bill (AB) 112 (Chapter 6, Statutes of 2023), the budget authorizes the transfer of up to \$150 million from the Medi-Cal Provider Payment Reserve Fund (to be supported by MCO provider tax revenue) to the Program in fiscal year 2023/24.
- Maintaining \$2.7 billion in funding to advance critical investments in forest health and fire prevention and includes \$116 million for increased seasonal firefighters in the June to December months.
- An increase in the In Home Supportive Services (IHSS) collective bargaining penalty from seven percent one-time to ten percent applied annually until a collective bargaining agreement is reached, which is opposed by California State Association of Counties (CSAC) and was included in the budget agreement with no public input.
- The budget includes \$25 million to expand the current California Small Agriculture Business Drought and Flood Relief Grant Program and extends the program through January 1, 2027. This program provides direct assistance to farmers and far businesses that have been affected by the 2023 storms.
- \$7.2 million to support statewide enforcement to combat organized crime, prioritizing the disruption of the production, supply, and distribution of fentanyl, opioid, and narcotic operations by the Department of Justice in coordination with local agencies.

The County's fiscal year 2023/24 Recommended Budget for all funds totals \$2.0 billion, an increase of \$154.4 million, or 8.5%, when compared to the fiscal year 2022/23 Adopted Budget. The budget supports a total workforce of five thousand fifty-one full-time positions and reflects a net increase of twenty-nine 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 County'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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023, can also be found at the County's website: <https://tularecounty.ca.gov/auditorcontroller/auditor-controller/financial-reports1/annual-comprehensive-financial-report/>.

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# Basic Financial Statements



**COUNTY OF TULARE**  
**Statement of Net Position**  
**June 30, 2023 (in thousands)**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
<b>ASSETS</b>				
Cash in banks	\$ 637	\$ 47	\$ 684	\$ 642
Investment in treasury pool	932,531	24,667	957,198	5,598
Investments	2,445	-	2,445	-
Imprest cash	615	6	621	-
Accounts receivable (net of allowance for uncollectibles)	11,611	2,475	14,086	1,205
Deposits with others	-	-	-	98
Due from other governments	43,714	2,205	45,919	-
Internal balances	1,388	(1,388)	-	-
Prepaid items	4,149	-	4,149	22
Advances to fiduciary funds	1,916	-	1,916	-
Notes receivable	14,060	-	14,060	-
Inventories	221	-	221	-
Lease payments receivable, net of interest	13,145	78	13,223	-
Restricted assets	62,974	64,474	127,448	-
Capital assets, not being depreciated/amortized	973,393	6,720	980,113	441
Capital and right-to-use assets, net of accumulated depreciation/amortization	843,442	33,691	877,133	327
Total assets	<u>2,906,241</u>	<u>132,975</u>	<u>3,039,216</u>	<u>8,333</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	194,158	1,612	195,770	-
Deferred OPEB	6,373	73	6,446	-
Deferred other	8,747	-	8,747	-
Total deferred outflows of resources	<u>209,278</u>	<u>1,685</u>	<u>210,963</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	56,090	569	56,659	1,106
Due to other governments	88,849	1,322	90,171	-
Deposits from others	440	61	501	-
Salaries and benefits payable	15,989	179	16,168	9
Advances	91,299	1	91,300	-
Interest payable	1,313	-	1,313	-
Long-term liabilities				
Due within one year				
Compensated absences	2,788	19	2,807	-
Claims payable	11,486	-	11,486	-
Lease liability	7,605	-	7,605	-
Subscription liability	5,675	-	5,675	-
Loans payable	1,749	-	1,749	-
Certificates of participation payable	-	55	55	-
Bonds payable	1,853	-	1,853	-
Pension obligation bonds	11,435	-	11,435	-
Due in more than one year				
Compensated absences	28,355	378	28,733	105
Claims payable	33,701	-	33,701	-
Lease liability	76,993	-	76,993	-
Subscription liability	15,254	-	15,254	-
Loans payable	3,561	-	3,561	-
Certificates of participation payable	-	816	816	-
Bonds payable	33,833	2	33,835	-
Pension obligation bonds	189,585	-	189,585	-
Closure/post closure costs payable	-	40,950	40,950	-
Net pension liability	388,084	3,222	391,306	-
Total OPEB liability	18,146	207	18,353	-
Total liabilities	<u>1,084,083</u>	<u>47,781</u>	<u>1,131,864</u>	<u>1,220</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	14,200	-	14,200	-
Deferred pensions	107,571	894	108,465	-
Deferred OPEB	14,776	169	14,945	-
Deferred lease proceeds	12,774	76	12,850	-
Total deferred inflows of resources	<u>149,321</u>	<u>1,139</u>	<u>150,460</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, 2023 (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	1,705,998	39,538	1,745,536	768
Restricted for				
Debt service	22,666	-	22,666	-
Roads projects	44,016	-	44,016	-
Low and moderate income housing	316	-	316	-
Public protection	123,224	-	123,224	-
Education	5,462	-	5,462	-
Health and sanitation	178,651	-	178,651	-
Landfill ground water contingencies	-	5,000	5,000	-
Acquisition of future disposal site	-	18,524	18,524	-
Other purposes	29,575	-	29,575	-
Unrestricted	(227,793)	22,678	(205,115)	6,345
Total net position	\$ 1,882,115	\$ 85,740	\$ 1,967,855	\$ 7,113

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, 2023 (in thousands)**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Expenses	Program Revenues		Primary Government			Component Unit
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
<b>Governmental activities</b>							
General government	\$ 62,933	\$ 76,985	\$ 88,475	\$ 102,527	\$ -	\$ 102,527	\$ -
Public protection	319,016	14,076	131,563	(173,377)	-	(173,377)	-
Public ways and facilities	56,358	4,880	37,681	(13,797)	-	(13,797)	-
Health and sanitation	576,699	64,508	382,424	(129,767)	-	(129,767)	-
Public assistance	646	662	118,897	118,913	-	118,913	-
Education	7,223	173	1,558	(5,492)	-	(5,492)	-
Interest expense	13,386	-	-	(13,386)	-	(13,386)	-
Total governmental activities	<u>1,036,261</u>	<u>161,284</u>	<u>760,598</u>	<u>(114,379)</u>	<u>-</u>	<u>(114,379)</u>	<u>-</u>
<b>Business-type activities</b>							
Solid waste	18,841	19,293	34	-	486	486	-
Water/Sewer services	1,241	704	-	-	(537)	(537)	-
Transit	5,732	1,013	2,760	-	(1,959)	(1,959)	-
Other business-type activities	22	186	-	-	164	164	-
Total business-type activities	<u>25,836</u>	<u>21,196</u>	<u>2,794</u>	<u>-</u>	<u>(1,846)</u>	<u>(1,846)</u>	<u>-</u>
Total primary government	<u>\$ 1,062,097</u>	<u>\$ 182,480</u>	<u>\$ 763,392</u>	<u>\$ (114,379)</u>	<u>\$ (1,846)</u>	<u>\$ (116,225)</u>	<u>\$ -</u>
<b>Component unit</b>							
First 5 Tulare County	\$ 5,739	\$ -	\$ 5,897				\$ 158
Total component unit	<u>\$ 5,739</u>	<u>\$ -</u>	<u>\$ 5,897</u>				<u>158</u>
General revenues							
Taxes							
Property taxes, levied for general purposes				152,169	-	152,169	-
Property taxes, levied for flood control				857	-	857	-
Property taxes, levied for fire protection				11,405	-	11,405	-
Property taxes, levied for library				6,073	-	6,073	-
Sales and other taxes				49,118	69	49,187	-
Earnings on investments				-	1,360	1,360	67
Miscellaneous				-	-	-	1
Tobacco settlement revenues				4,615	-	4,615	-
Transfers				(141)	141	-	-
Total general revenues and transfers				<u>224,096</u>	<u>1,570</u>	<u>225,666</u>	<u>68</u>
Change in net position				<u>109,717</u>	<u>(276)</u>	<u>109,441</u>	<u>226</u>
Net position - beginning				<u>1,772,398</u>	<u>86,016</u>	<u>1,858,414</u>	<u>6,887</u>
Net position - ending				<u>\$ 1,882,115</u>	<u>\$ 85,740</u>	<u>\$ 1,967,855</u>	<u>\$ 7,113</u>

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

**COUNTY OF TULARE**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2023 (in thousands)**

	General	Public Financing Authority	Realignment- Social Services	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash in banks	\$ 635	\$ -	\$ -	\$ -	\$ 2	\$ 637
Investment in treasury pool	493,113	-	75,366	34,831	246,742	850,052
Investments	-	2,445	-	-	-	2,445
Imprest cash	114	-	-	-	1	115
Accounts receivable (net of allowance for uncollectibles)	7,593	280	-	-	3,683	11,556
Due from other governments	34,630	-	-	-	8,987	43,617
Prepaid items	3,709	-	-	-	340	4,049
Advances to other funds	6,371	-	-	-	-	6,371
Notes receivable	-	-	-	-	14,060	14,060
Inventories	-	-	-	-	221	221
Lease payments receivable, net of interest	13,145	-	-	-	-	13,145
Restricted assets	7,258	55,716	-	-	-	62,974
Total assets	<u>\$ 566,568</u>	<u>\$ 58,441</u>	<u>\$ 75,366</u>	<u>\$ 34,831</u>	<u>\$ 274,036</u>	<u>\$ 1,009,242</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 19,788	\$ -	\$ -	\$ -	\$ 32,469	\$ 52,257
Due to other governments	85,994	-	-	-	2,855	88,849
Deposits from others	440	-	-	-	-	440
Salaries and benefits payable	13,234	-	-	-	1,927	15,161
Advances	55,590	-	-	34,499	1,210	91,299
Advances from other funds	-	-	-	-	2,316	2,316
Total liabilities	<u>175,046</u>	<u>-</u>	<u>-</u>	<u>34,499</u>	<u>40,777</u>	<u>250,322</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue - special assessments	7,280	-	-	-	17,063	24,343
Deferred lease proceeds	12,774	-	-	-	-	12,774
Total deferred inflows of resources	<u>20,054</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,063</u>	<u>37,117</u>
<b>FUND BALANCES</b>						
Nonspendable	10,080	-	-	-	561	10,641
Restricted	166,925	55,441	75,366	332	128,028	426,092
Committed	62,394	-	-	-	88	62,482
Assigned	85,447	3,000	-	-	87,582	176,029
Unassigned	46,622	-	-	-	(63)	46,559
Total fund balances	<u>371,468</u>	<u>58,441</u>	<u>75,366</u>	<u>332</u>	<u>216,196</u>	<u>721,803</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 566,568</u>	<u>\$ 58,441</u>	<u>\$ 75,366</u>	<u>\$ 34,831</u>	<u>\$ 274,036</u>	<u>\$ 1,009,242</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, 2023 (in thousands)**

Total fund balances for governmental funds \$ 721,803

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	\$ 937,746	
Buildings and improvements, net of \$127,980 accumulated depreciation	207,744	
Equipment and vehicles, net of \$90,582 accumulated depreciation	33,700	
Infrastructure, net of \$403,783 accumulated depreciation	496,508	
Construction in progress	33,085	
Subscriptions in progress	2,562	
Right-to-use assets, net of \$23,270 accumulated amortization	105,490	
Total capital assets		1,816,835

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 the governmental fund statements because the funds will not be available for more than one year. 2,346

Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines are categorized as deferred inflows of resources for the governmental 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. 4,215

Agricultural Commissioner deferred inflows of resources from farmer fees; revenues were already recognized in the government-wide statements in prior year. 3,582

The future interest revenue on lease payments is categorized as deferred inflows of resources for the governmental 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. 20

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 the 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	(1,313)	
Compensated absences	(31,143)	
Claims payable	(45,187)	
Leases payable	(84,598)	
Loans payable	(5,310)	
Subscription liability	(20,929)	
Bonds payable	(35,686)	
Pension obligation bonds	(201,020)	
Net pension liability and related deferred inflows/outflows of resources	(301,497)	
Total OPEB liability and related deferred inflows/outflows of resources	(26,549)	
Total long-term liabilities		(753,232)

Governmental funds report the effect of premiums, discounts, refundings, and other similar items when debt is first issued, whereas these amounts are deferred in the statement of activities. 8,747

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. 77,799

Net position of governmental activities \$ 1,882,115

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, 2023 (in thousands)**

	General	Public Financing Authority	Realignment- Social Services	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes and special assessments	\$ 184,844	\$ -	\$ -	\$ -	\$ 34,778	\$ 219,622
Licenses and permits	16,351	-	-	-	1,018	17,369
Fines, forfeitures, and penalties	5,494	-	-	-	1,463	6,957
Interest, rents, and concessions	11,706	671	-	502	2,076	14,955
Intergovernmental revenues	530,800	-	118,840	-	110,819	760,459
Charges for services	85,265	-	-	-	4,835	90,100
Other revenues	9,672	-	-	-	25,527	35,199
Total revenues	<u>844,132</u>	<u>671</u>	<u>118,840</u>	<u>502</u>	<u>180,516</u>	<u>1,144,661</u>
<b>EXPENDITURES</b>						
Current						
General government	60,745	-	-	-	20,203	80,948
Public protection	232,321	-	-	-	63,347	295,668
Public ways and facilities	-	-	-	-	36,972	36,972
Health and sanitation	557,544	-	-	-	-	557,544
Public assistance	-	-	-	-	642	642
Education	940	-	-	-	5,786	6,726
Debt service						
Principal retirement	7,594	1,505	-	-	14,824	23,923
Interest and fiscal charges	1,571	1,127	-	-	9,230	11,928
Capital outlay	22,691	-	-	-	60,712	83,403
Total expenditures	<u>883,406</u>	<u>2,632</u>	<u>-</u>	<u>-</u>	<u>211,716</u>	<u>1,097,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,274)</u>	<u>(1,961)</u>	<u>118,840</u>	<u>502</u>	<u>(31,200)</u>	<u>46,907</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of general capital assets	224	-	-	-	58	282
Transfers in	144,384	4,615	1,733	-	70,578	221,310
Transfers (out)	(66,461)	(3,000)	(118,395)	-	(33,450)	(221,306)
Leases issued	6,759	-	-	-	60	6,819
Subscription financing	10,870	-	-	-	2,153	13,023
Total other financing sources (uses)	<u>95,776</u>	<u>1,615</u>	<u>(116,662)</u>	<u>-</u>	<u>39,399</u>	<u>20,128</u>
Net change in fund balances	56,502	(346)	2,178	502	8,199	67,035
Fund balances - beginning	314,966	58,787	73,188	(170)	207,997	654,768
Fund balances - ending	<u>\$ 371,468</u>	<u>\$ 58,441</u>	<u>\$ 75,366</u>	<u>\$ 332</u>	<u>\$ 216,196</u>	<u>\$ 721,803</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, 2023 (in thousands)**

Net change in fund balances - total governmental funds \$ 67,035

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 or amortization expense. This is the amount by which depreciation and amortization expense differs from capital outlay expenditures in the current period.

Capital outlay expenditures	\$ 83,403	
Depreciation expense	(31,329)	
Amortization expense	(10,946)	
Combined adjustment	<u>41,128</u>	41,128

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. (18,458)

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. (26)

Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines are categorized as deferred inflows of resources for the governmental 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. 174

Current year collections of previously delayed reimbursements for Agricultural Commissioner programs are reported as current year revenue for the governmental funds. However, revenues were already recognized in the government-wide statements in prior year. 222

Interest receivable on lease payments is categorized as deferred inflows of resources for the governmental 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. 20

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. 4,057

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.

Compensated absences	(1,354)	
Accrued net pension liability	(23,956)	
Accrued total OPEB liability	(2,239)	
Accrued interest on debt	(1,128)	
Combined adjustment	<u>(28,677)</u>	(28,677)

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. 44,242

Changes in net position of governmental activities \$ 109,717

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, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes and special assessments	\$ 154,206	\$ 155,756	\$ 184,844	\$ 29,088
Licenses and permits	12,153	12,153	16,351	4,198
Fines, forfeitures, and penalties	4,599	4,599	5,494	895
Interest, rents, and concessions	5,153	5,153	11,706	6,553
Intergovernmental revenues	451,976	476,492	530,800	54,308
Charges for services	91,340	91,511	85,265	(6,246)
Other revenues	5,373	5,640	9,672	4,032
Total revenues	<u>724,800</u>	<u>751,304</u>	<u>844,132</u>	<u>92,828</u>
<b>EXPENDITURES</b>				
Current				
General government				
Assessor	15,611	15,609	10,701	4,908
Auditor-Controller	8,498	7,847	7,040	807
Board of Supervisors	2,329	2,349	2,291	58
Capital Acquisitions	(3,130)	(3,130)	(3,130)	-
Central Telephone	599	673	350	323
Contingency-Appropriation for	5,000	5,000	-	5,000
County Administrative	1,363	1,054	987	67
County Counsel	6,071	5,639	5,581	58
General Services	6,782	8,010	7,883	127
Human Resources & Development	1,644	1,244	1,126	118
Miscellaneous Administration	7,515	5,261	5,258	3
Purchasing	1,061	1,017	992	25
Registrar of Voters	3,948	3,948	3,420	528
Resource Management Agency	25,050	42,558	18,246	24,312
Total general government	<u>82,341</u>	<u>97,079</u>	<u>60,745</u>	<u>36,334</u>
Public protection				
Agriculture Commissioner	10,373	10,338	9,620	718
CPA 2000 (AB 1913)	1,896	1,896	658	1,238
District Attorney	29,649	29,581	25,497	4,084
Local Law Enforcement	1,208	1,208	967	241
Miscellaneous Criminal Justice	8,238	9,136	7,823	1,313
Probation	58,422	57,264	41,770	15,494
Public Defender	15,652	15,840	13,924	1,916
Rural Crime	740	740	596	144
Sheriff-Coroner	143,924	140,762	131,466	9,296
Total public protection	<u>270,102</u>	<u>266,765</u>	<u>232,321</u>	<u>34,444</u>
Health and sanitation				
Health & Human Services	618,440	631,238	557,544	73,694
Total health and sanitation	<u>618,440</u>	<u>631,238</u>	<u>557,544</u>	<u>73,694</u>
Education				
Cooperative Extension	973	988	940	48
Total education	<u>973</u>	<u>988</u>	<u>940</u>	<u>48</u>
Debt service				
Principal retirement	-	-	7,594	(7,594)
Interest and fiscal charges	90	90	1,571	(1,481)
Capital outlay	6,829	8,919	22,691	(13,772)
Total expenditures	<u>978,775</u>	<u>1,005,079</u>	<u>883,406</u>	<u>121,673</u>
Deficiency of revenues under expenditures	<u>(253,975)</u>	<u>(253,775)</u>	<u>(39,274)</u>	<u>214,501</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	206	141	224	83
Transfers in	267,808	291,570	144,384	(147,186)
Transfers (out)	(71,149)	(95,049)	(66,461)	28,588
Leases issued	-	-	6,759	6,759
Subscription financing	-	-	10,870	10,870
Total other financing sources (uses)	<u>196,865</u>	<u>196,662</u>	<u>95,776</u>	<u>(100,886)</u>
Net change in fund balance	(57,110)	(57,113)	56,502	113,615
Fund balance - beginning	314,966	314,966	314,966	-
Fund balance - ending	<u>\$ 257,856</u>	<u>\$ 257,853</u>	<u>\$ 371,468</u>	<u>\$ 113,615</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, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 122,419	\$ 122,419	\$ 118,840	\$ (3,579)
Total revenues	<u>122,419</u>	<u>122,419</u>	<u>118,840</u>	<u>(3,579)</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>122,419</u>	<u>122,419</u>	<u>118,840</u>	<u>(3,579)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,708	1,708	1,733	25
Transfers (out)	<u>(132,710)</u>	<u>(151,244)</u>	<u>(118,395)</u>	<u>32,849</u>
Total other financing sources (uses)	<u>(131,002)</u>	<u>(149,536)</u>	<u>(116,662)</u>	<u>32,874</u>
Net change in fund balance	(8,583)	(27,117)	2,178	29,295
Fund balance - beginning	73,188	73,188	73,188	-
Fund balance - ending	<u>\$ 64,605</u>	<u>\$ 46,071</u>	<u>\$ 75,366</u>	<u>\$ 29,295</u>

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

**COUNTY OF TULARE**  
**American Rescue Plan Act Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ 502	\$ 502
Total revenues	<u>-</u>	<u>-</u>	<u>502</u>	<u>502</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>502</u>	<u>502</u>
Net change in fund balance	-	-	502	502
Fund balance - beginning	(170)	(170)	(170)	-
Fund balance - ending	<u>\$ (170)</u>	<u>\$ (170)</u>	<u>\$ 332</u>	<u>\$ 502</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, 2023 (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	\$ 43	\$ 4	\$ 47	\$ -
Investment in treasury pool	17,701	6,966	24,667	82,479
Imprest cash	6	-	6	500
Accounts receivable (net of allowance for uncollectibles)	2,193	282	2,475	35
Leases receivable, net of interest	-	78	78	-
Prepaid items	-	-	-	100
Due from other governments	-	2,205	2,205	97
Total current assets	<u>19,943</u>	<u>9,535</u>	<u>29,478</u>	<u>83,211</u>
Noncurrent assets				
Restricted assets	64,474	-	64,474	-
Capital assets				
Land	6,116	604	6,720	-
Buildings and improvements, net	12,408	13,865	26,273	2
Equipment and vehicles, net	7,235	183	7,418	3,657
Right-to-use assets, net	-	-	-	12,392
Right-to-use assets in progress	-	-	-	2,416
Total capital assets	<u>25,759</u>	<u>14,652</u>	<u>40,411</u>	<u>18,467</u>
Total noncurrent assets	<u>90,233</u>	<u>14,652</u>	<u>104,885</u>	<u>18,467</u>
Total assets	<u>110,176</u>	<u>24,187</u>	<u>134,363</u>	<u>101,678</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pensions	1,506	106	1,612	9,661
Deferred OPEB	69	4	73	381
Total deferred outflows of resources	<u>1,575</u>	<u>110</u>	<u>1,685</u>	<u>10,042</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	395	174	569	3,833
Due to other governments	199	1,123	1,322	-
Deposits from others	-	61	61	-
Salaries and benefits payable	179	-	179	828
Compensated absences payable	19	-	19	233
Claims payable	-	-	-	11,486
Leases payable	-	-	-	349
Certificates of participation payable	-	55	55	-
Subscription liability	-	-	-	3,184
Total current liabilities	<u>792</u>	<u>1,413</u>	<u>2,205</u>	<u>19,913</u>
Noncurrent liabilities				
Advances	-	1	1	-
Advances from other funds	-	1,388	1,388	751
Compensated absences payable	378	-	378	1,692
Claims payable	-	-	-	33,701
Leases payable	-	-	-	1,409
Certificates of participation payable	-	816	816	-
Bonds payable	-	2	2	-
Closure/post closure costs payable	40,950	-	40,950	-
Subscription liability	-	-	-	6,997
Net pension liability	3,011	211	3,222	19,311
Total OPEB liability	<u>195</u>	<u>12</u>	<u>207</u>	<u>1,087</u>
Total noncurrent liabilities	<u>44,534</u>	<u>2,430</u>	<u>46,964</u>	<u>64,948</u>
Total liabilities	<u>45,326</u>	<u>3,843</u>	<u>49,169</u>	<u>84,861</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pensions	835	59	894	5,352
Deferred OPEB	159	10	169	885
Deferred lease proceeds	-	76	76	-
Total deferred inflows of resources	<u>994</u>	<u>145</u>	<u>1,139</u>	<u>6,237</u>
<b>NET POSITION</b>				
Net investment in capital assets	25,759	13,779	39,538	6,528
Restricted for				
Landfill ground water contingencies	5,000	-	5,000	-
Acquisition of future disposal site	18,524	-	18,524	-
Unrestricted	16,148	6,530	22,678	14,094
Total net position	<u>\$ 65,431</u>	<u>\$ 20,309</u>	<u>\$ 85,740</u>	<u>\$ 20,622</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, 2023 (in thousands)**

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 17,949	\$ 884	\$ 18,833	\$ 96,849
Interest, rents, and concessions	124	6	130	-
Other revenues	1,220	1,013	2,233	36,988
Total operating revenues	<u>19,293</u>	<u>1,903</u>	<u>21,196</u>	<u>133,837</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	4,679	61	4,740	22,383
Services and supplies	7,239	4,471	11,710	45,480
Insurance premiums paid	-	-	-	13,711
Landfill closure and post closure costs	2,970	-	2,970	-
Depreciation and amortization	3,953	1,366	5,319	4,598
Claims incurred	-	-	-	6,974
Total operating expenses	<u>18,841</u>	<u>5,898</u>	<u>24,739</u>	<u>93,146</u>
Operating income (loss)	<u>452</u>	<u>(3,995)</u>	<u>(3,543)</u>	<u>40,691</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Loss on sale of capital assets	-	(1,018)	(1,018)	-
Intergovernmental revenues	34	2,760	2,794	34
Penalties collected	-	11	11	-
Taxes and special assessments	-	58	58	-
Investment earnings	1,232	128	1,360	1,068
Interest expense	-	(79)	(79)	(306)
Total nonoperating revenues (expenses)	<u>1,266</u>	<u>1,860</u>	<u>3,126</u>	<u>796</u>
Income (loss) before capital contributions and transfers	<u>1,718</u>	<u>(2,135)</u>	<u>(417)</u>	<u>41,487</u>
Capital contributions	-	-	-	2,900
Transfers in	-	665	665	255
Transfers (out)	<u>(524)</u>	<u>-</u>	<u>(524)</u>	<u>(400)</u>
Change in net position	1,194	(1,470)	(276)	44,242
Net position - beginning	64,237	21,779	86,016	(23,620)
Net position - ending	<u>\$ 65,431</u>	<u>\$ 20,309</u>	<u>\$ 85,740</u>	<u>\$ 20,622</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, 2023 (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	\$ 17,892	\$ 883	\$ 18,775	\$ 1,048
Receipts from interfund services provided	9	-	9	95,743
Receipts from rents and concessions	124	6	130	-
Other receipts	1,220	425	1,645	37,147
Payments to employees	(4,240)	(92)	(4,332)	(22,275)
Payments to suppliers	(5,385)	(5,887)	(11,272)	(79,741)
Payments for interfund services used	(2,032)	(700)	(2,732)	(11,218)
Payments for claims	-	-	-	(4,376)
Net cash provided by (used for) operating activities	<u>7,588</u>	<u>(5,365)</u>	<u>2,223</u>	<u>16,328</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Subsidy from intergovernmental entities	34	2,760	2,794	34
Receipts from taxes and assessments	-	69	69	-
Transfers from other funds	2,971	665	3,636	255
Transfers to other funds	(3,494)	-	(3,494)	(400)
Advances from (to) other funds	199	663	862	(909)
Net cash provided by (used for) noncapital financing activities	<u>(290)</u>	<u>4,157</u>	<u>3,867</u>	<u>(1,020)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Sales of capital assets	-	3	3	1
Purchases of capital assets	(1,742)	(5)	(1,747)	(17,417)
Principal collected (paid) on capital debt	-	(58)	(58)	10,115
Interest paid on capital debt	-	(79)	(79)	(306)
Net cash (used for) capital and related financing activities	<u>(1,742)</u>	<u>(139)</u>	<u>(1,881)</u>	<u>(7,607)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment earnings	1,232	128	1,360	1,068
Net cash provided by investing activities	<u>1,232</u>	<u>128</u>	<u>1,360</u>	<u>1,068</u>
Net increase (decrease) in cash and cash equivalents	6,788	(1,219)	5,569	8,769
Cash and cash equivalents - beginning	75,436	8,189	83,625	74,210
Cash and cash equivalents - ending	<u>\$ 82,224</u>	<u>\$ 6,970</u>	<u>\$ 89,194</u>	<u>\$ 82,979</u>
Displayed as				
Cash in banks	\$ 43	\$ 4	\$ 47	\$ -
Investment in treasury pool	17,701	6,966	24,667	82,479
Imprest cash	6	-	6	500
Restricted assets which are cash equivalents	64,474	-	64,474	-
Total cash displayed	<u>\$ 82,224</u>	<u>\$ 6,970</u>	<u>\$ 89,194</u>	<u>\$ 82,979</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>				
Operating income (loss)	\$ 452	\$ (3,995)	\$ (3,543)	\$ 40,691
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities				
Landfill closure and post closure costs	2,970	-	2,970	-
Depreciation and amortization expense	3,953	1,366	5,319	4,598
(Increase) in accounts receivable	(48)	(1)	(49)	(15)
(Increase) decrease in intergovernmental receivables	-	(588)	(588)	159
(Increase) in due to other funds	-	-	-	(43)
(Increase) in prepaid items	-	-	-	(50)
(Decrease) in accounts payable	(178)	(2,116)	(2,294)	(31,718)
(Decrease) in deferred pensions	(902)	(65)	(967)	(5,990)
Increase in deferred OPEB	114	7	121	664
Increase in net pension liability	1,198	70	1,268	6,102
(Decrease) in total OPEB liability	(68)	(8)	(76)	(671)
Increase (decrease) in salaries and benefits payable and compensated absences	97	(35)	62	3
Increase in claims payable	-	-	-	2,598
Total adjustments	<u>7,136</u>	<u>(1,370)</u>	<u>5,766</u>	<u>(24,363)</u>
Net cash provided by (used for) operating activities	<u>\$ 7,588</u>	<u>\$ (5,365)</u>	<u>\$ 2,223</u>	<u>\$ 16,328</u>
<b>Schedule of non-cash capital and related finance activities</b>				
Contributions of capital assets	\$ -	\$ (1,018)	\$ (1,018)	\$ 2,900
Lease proceeds - deferred inflows of resources	\$ -	\$ (3)	\$ (3)	\$ -

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, 2023 (in thousands)**

	Custodial Funds		
	Private- Purpose Trust Fund	External Investment Pool	Other
<b>ASSETS</b>			
Cash in bank	\$ -	\$ -	\$ 6,210
Investment in treasury pool	318	2,054,617	64,502
Accounts receivable (net of allowance for uncollectibles)	-	9,501	1,930
Notes receivable	-	535	-
Prepaid items	-	14	-
Deposits with others	338	32,575	-
Due from other governments	655	-	2,559
Other assets	-	-	38,731
Capital assets			
Infrastructure, net	1,711	-	-
Total capital assets	1,711	-	-
Total assets	3,022	2,097,242	113,932
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	-	1,127	-
Total deferred outflows of resources	-	1,127	-
<b>LIABILITIES</b>			
Accounts payable	-	12,935	25,625
Due to local governments	654	7,707	52,471
Advances from other funds	-	1,916	-
Note payable	3,418	100	-
Net pension liability	-	2,252	-
Other liabilities	-	-	795
Total liabilities	4,072	24,910	78,891
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	288	-	-
Deferred pensions	-	624	-
Total deferred inflows of resources	288	624	-
<b>NET POSITION</b>			
Restricted for			
Pool participants	-	2,072,835	-
Individuals, organizations, and other governments	(1,338)	-	35,041
Total net position	\$ (1,338)	\$ 2,072,835	\$ 35,041

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



**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Custodial Funds		
	Private- Purpose Trust Fund	External Investment Pool	Other
<b>ADDITIONS</b>			
Contributions to pooled investments	\$ -	\$ 9,628,747	\$ -
Investment income	11	17,428	1,174
Taxes, fees, and special assessments	401	252,603	439,776
Interest, rents, and concessions	-	471	-
Other	3	59,427	65,400
Total additions	415	9,958,676	506,350
<b>DEDUCTIONS</b>			
Distributions from pooled investments	-	9,374,481	-
Salaries and benefits	-	15,352	-
Taxes and fees distributed to other governments	-	-	379,530
Services and supplies	7	79,501	123,358
Debt service - interest and fiscal charges	83	-	-
Depreciation	95	-	-
Other	-	3,086	-
Total deductions	185	9,472,420	502,888
Net increase in fiduciary net position	230	486,256	3,462
Net position - beginning	(1,568)	1,586,579	-
Prior period adjustments	-	-	31,579
Net position - beginning, as restated	(1,568)	1,586,579	31,579
Net position - ending	\$ (1,338)	\$ 2,072,835	\$ 35,041

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, 2023 (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 Engineering division of the County's Resource Management Agency. 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 members of the governing board of the Public Facilities Corporation (PFC), a nonprofit public benefit corporation 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.
- *Public Financing Authority* – The Public Financing Authority (PFA), an entity legally separate from the County, was established through a Joint Exercise of Powers Agreement between the County and the County Redevelopment Agency. The County's 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, 2023 (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 South 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. 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 primary government column. The statement of activities presents program or function revenues and expenses of governmental activities and business-type activities. 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. As a general rule, interfund activities have been eliminated from the government-wide financial statements, with the exception of interfund services provided and used between functions.

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and 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, bad debt 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 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

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

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. 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.

*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 the qualifying expenditures have been incurred, all other grant requirements have been met, and reimbursement is expected within one year. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. All other revenues are considered available if they are collected within ninety days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt and lease liabilities, which is recognized when due, and certain compensated absences, claims, and judgments, which are recognized when the obligations are due and payable. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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 sixty days after fiscal year-end. Sales taxes collected and held by the State at year-end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

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 Financing Authority (PFA)* fund accounts for its own activities which assist 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.
- The *American Rescue Plan Act* fund accounts for resources received from the American Rescue Plan Act of 2021 to provide support to local governments in responding to the economic and public health impacts of COVID-19.

Additionally, the County reports the following governmental fund types:

- The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including private-purpose funds or major capital projects).
- The *debt service funds* account for the servicing of general long-term debt not being financed by proprietary funds.
- The *capital projects fund* accounts for all major maintenance, improvements, acquisition, or construction of capital assets not being financed by proprietary funds.

*Proprietary funds* are accounted for using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The County reports the Solid Waste fund as its only major individual proprietary fund.

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

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

Additionally, the County reports the following proprietary fund types:

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

The County reports the following fiduciary fund types:

- The *private-purpose trust fund* is used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Tulare County Redevelopment Successor Agency (Successor Agency).
- The *external investment pool* accounts for the external portion of the County Treasurer's investment pool, which commingles resources of legally separate local governments within the County in an investment portfolio for the benefit of all participants. The external investment pool represents the assets, primarily cash and investments, of school districts and local special districts.
- The *custodial funds* account for monies held by the County in an agency capacity for individuals, private organizations, or other governments that are not held in a trust. They are accounted for using the accrual basis of accounting. Custodial funds include the Property Tax Collection and Apportionment, State Fines Agency, Transportation Tax, Employee Health Benefits, Education Revenue Augmentation, and other funds, which have an economic resources measurement focus.

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

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

- **GASB Statement No. 91 – Conduit Debt Obligations.** The provisions of GASB Statement No. 91 are effective for financial statements beginning after December 15, 2021. The County implemented this change for the fiscal year ended June 30, 2023.
- **GASB Statement No. 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements.** The provisions of GASB Statement No. 94 are effective for financial statements beginning after June 15, 2022. The County implemented this change for the fiscal year ended June 30, 2023.
- **GASB Statement No. 96 – Subscription-Based Information Technology Arrangements.** The provisions of GASB No. 96 are effective for financial statements beginning after June 15, 2022. The County implemented this change for the fiscal year ended June 30, 2023.
- **GASB Statement No. 99 – Omnibus 2022.** The provisions of GASB Statement No. 99 related to leases, public-public and public-private partnerships (PPPs), and subscription-based technology arrangements (SBITAs) are effective for financial statements beginning after June 15, 2022. The provisions related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for financial statements beginning after June 15, 2022. The County implemented this change for the fiscal year ended June 30, 2023.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

The following GASB Statements will be implemented in future financial statements. The County has not fully judged the impact of implementation of these GASB Statements on the financial statements:

- **GASB Statement No. 100** – *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62*. The provisions of GASB Statement No. 100 are effective for financial statements beginning after June 15, 2023.
- **GASB Statement No. 101** – *Compensated Absences*. The provisions of GASB Statement No. 101 are effective for financial statements beginning after December 15, 2023.

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

**Deposits and Investments** The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments held by the County Treasurer in a cash management investment pool (the Pool).

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, 2023, the special purpose authorities' cash and pooled investments were approximately 64.2% 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 on 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, 2023. The dollars deposited in the program have been decreased by \$106,225 to reflect the loss in the fair value of the investment in the Pool at June 30, 2023.

In addition, investments outside the Pool were adjusted to fair value as of June 30, 2023, resulting in a decrease of \$2,923.

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

All trade and property tax receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of one hundred eighty 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, a custodial fund, until apportionment and disbursement to taxing jurisdictions.

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.



**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

**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 when consumed rather than when purchased (i.e., Consumption Method). The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources; therefore, an equivalent portion of fund balance is 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 cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased (i.e., Consumption Method).

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, with the exception of intangible right-to-use leased assets. 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 \$0 for land and buildings, \$5 for equipment and vehicles, and \$100 for land improvements, buildings improvements, infrastructure, and computer software. Donated capital assets, donated works of art and similar items, and capital assets received in a Service Concession Arrangement are recorded at the estimated acquisition value at the date of donation.

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.

Capital assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

Land improvements	5 to 15 years
Buildings and improvements	20 to 50 years
Vehicles and equipment	3 to 20 years
Intangible assets	2 to 40 years
Infrastructure	10 to 50 years

Capital outlays are capitalized as projects are constructed in accordance with the County's capitalization policy. Depreciation and amortization expense are allocated to functions and included as a direct expense in the statement of activities. Capital assets that are under construction and have not been completed are put into Construction in Progress and are presented as capital assets not being depreciated on the statement of net position.

Right-to-use assets are capitalized as described in the Leases and Subscriptions sections below.

**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 three hundred hours of accumulated vacation at the employee's current payroll rate.

Most covered employees (eligible for overtime compensation) receive compensatory time off (CTO) 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.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

Employees in Bargaining Units 1, 2, 3, 4, 6, 7, 8, 9, 10 (executive management), 11, 12, 13, 14, 15, 16, 19, 20, 21, 22, and 23 (non-shift personnel only), who leave County service by retirement after ten 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 two hundred fifty converted hours.

Fire shift personnel in Bargaining Unit 23 who leave County service by retirement after ten 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 three hundred fifty converted hours.

Employees in Tiers I-III in Bargaining Units 1, 2, 3, 4, 6, and 7 who leave the County in good standing, other than by retirement, after ten 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 twenty converted hours.

Employees in Tiers I-III in Bargaining Units 9, 10 (executive management), 11, 19, 20, and 21 who leave the County 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 forty converted hours.

**Pension Plan** For purposes of measuring the net pension liability and deferred outflows of resources and deferred inflows of resources relating to pensions and pension expense, information about the fiduciary net position of the County's pension plan 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 and 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 County. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market 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, discounts, and issuance costs during the current period. The face amount of debt issued and premiums received on debt issuance 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.

**Leases** For leases in which the County is the lessee, the County recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the County measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-to-use leased asset is measured as the initial amount of the lease liability, adjusted for lease payments made and lease incentives received from the lessor at or before the commencement of the lease term, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset, as defined in the Capital Assets section above. Leased assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The County uses the interest rate charged by the lessor as the discount rate, or if not provided, an estimated incremental borrowing rate is used as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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For leases in which the County is the lessor, the County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources, or the lease asset and liability, as needed.

**Subscriptions** The County recognizes a subscription liability and a right-to-use subscription asset in the government-wide financial statements for subscription-based information technology arrangements. The County recognizes subscriptions with an initial asset value of \$100,000 or more. At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The County uses the interest rate charged by the lessor as the discount rate, or, if not provided, an estimated incremental borrowing rate is used as the discount rate. The subscription term includes the non-cancellable period of the subscription.

The subscription asset is initially measured as the amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, and including capitalizable implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset, as defined in the Capital Assets section above. Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

The County monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability as needed.

**Deferred Outflows of Resources and Deferred Inflows of Resources** The County recognizes deferred outflows of resources and/or deferred inflows of resources in the statement of net position and balance sheet. Deferred outflows of resources represent a consumption of net assets that applies to future reporting periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until that time.

**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 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 Officer (CAO).

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- *Unassigned fund balance* – the residual classification for the County’s General Fund that includes amounts not contained in the other classifications. 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 GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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

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

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

**A. Budgetary Information**

In accordance with the provision of Sections 29000 through 29132, inclusive, of the 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 funds, 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 Administrative Regulation 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 or under-filled. Budgeted amounts are reported both as adopted and as amended. As such, County department heads

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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 legal level of budgetary control (that is, the level which cannot be exceeded without action by the Board) is the fund level, with the exception of the General Fund in which the legal level of control is the department level. The CAO may approve transfers of appropriations between expenditure appropriation classifications within the same budget unit. 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.

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, 2023, appropriations in the General Fund were increased by \$50,204.

**B. Individual Fund Deficits**

At June 30, 2023, the following nonmajor enterprise, internal service, and special revenue funds reported fund deficits:

	<u>Deficit Balance</u>
Nonmajor Enterprise Fund	
County Service Area #2	\$ (375)
Internal Service Fund	
Central Services	\$ (4,608)
Special Revenue Funds	
Workforce Investment	\$ (20)
Housing Opportunities Made Equal	\$ (43)

The County Service Area #2 fund retained a negative fund balance due to the continuing cost of maintenance exceeding revenues generated.

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

Pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investment and External Investment Pools*, the fund deficit balances for the Housing Opportunities Made Equal (HOME) Fund and the Workforce Investment Fund are due to the recognized change in the fair value of the funds' respective investment within the County's Treasury Pool.

**C. Excess of Expenditures Over Appropriations**

For the fiscal year ended June 30, 2023, expenditures in the General Fund related to principal retirement exceeded appropriations by \$7,594, and interest and fiscal charges exceeded appropriations by \$1,481. This is partially attributed to the County budgeting payments for Certificates of Participation (COPs) issued by the Public Facilities Corporation (PFC) for business-type activities in the proprietary funds, rather than in the governmental activities pass-through funds since COPs are expected to be repaid from proprietary fund revenues. The amounts recorded in the principal retirement function for fiscal year 2022/23 reflect the PFC loan repayments recorded for the COPs.

Additionally, principal retirement and interest charges exceeded appropriations due to GASB Statements No. 87, *Leases*, and No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), because lease and subscription payments are recorded as a reduction of the lease or subscription liability with an interest portion. Likewise, expenditures for capital outlay exceeded appropriations by \$13,772, due to the implementation of GASB Statement No. 96. The capital outlay required to record SBITAs per GASB Statement No. 96 was not included in the fiscal year 2022/23 budget.

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**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, 2023, the County's bank deposits had a carrying amount of \$18,609 and the balance per the financial institutions totaled \$25,677. 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, \$4,175 was covered by the Federal Deposit Insurance Corporation (FDIC), \$20,808 was collateralized pursuant to California Government Code, and the remaining \$611 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 California Government Code Sections 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 Sections 53601 and 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
- Asset-backed securities rated AA or better
- Commercial paper rated A-1 by Standard & Poor's (S&P) or P-1 by Moody's Investors Services (Moody's)
- Negotiable certificates of deposit rated A-1 by S&P or P-1 by Moody's
- 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

**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.

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As of June 30, 2023, the County invested in primarily high-quality investments as shown below:

Credit Rating	Percentage of Investment Portfolio
A-1+	3.8%
A-1	6.4%
AAA <sub>m</sub>	9.0%
AAA	51.9%
AA1	1.2%
AA2	3.5%
AA3	4.4%
A1	7.8%
A2	6.2%
A3	2.3%
Not Rated**	3.5%
Total	100.0%

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

- A \$224 deposit in LAIF.
- A \$7,258 deposit with Public Agency Retirement Services associated with the Internal Revenue Code Section 115 irrevocable trust.
- A \$83 deposit into the Great West Portfolio Fund associated with the County’s Deferred Compensation forfeiture/asset holding account.
- Various individual securities totaling \$103,425 which were not rated by S&P, however, were rated A or better by Moody’s.

**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	\$ 715,508	23.0%
Federal Home Loan Banks	426,387	13.7%
California Asset Management Program (CAMP)	266,500	8.6%
Federal National Mortgage Association	173,758	5.6%
Total	\$ 1,582,153	50.9%

**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, 2023, 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, consists 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.

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**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, 2023 is six hundred seventy-two days (1.84 years).

The County's investments as of June 30, 2023 are as follows:

Investments	Carrying Value	Reported Amount/Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury obligations	\$ 755,815	\$ 715,507	899	0.250% - 5.449%	07/31/2023 - 05/31/2028
Federal agency obligations	908,907	868,612	676	0.160% - 5.400%	07/05/2023 - 05/03/2028
Supranational obligations	67,242	64,160	863	0.250% - 4.000%	11/24/2023 - 09/09/2027
Corporate notes/bonds	788,019	766,452	899	0.270% - 7.250%	07/30/2023 - 05/10/2028
Municipal obligations	140,330	136,787	878	0.685% - 5.720%	07/01/2023 - 09/15/2027
Commercial paper	90,612	90,520	91	4.764% - 5.501%	07/03/2023 - 12/22/2023
Negotiable time deposits	237,889	237,631	91	3.620% - 5.590%	07/03/2023 - 04/15/2024
	<u>2,988,814</u>	<u>2,879,669</u>			
Other investments					
Money market funds	64,866	64,866			
LAIF managed pool	227	224			
CAMP managed pool	266,500	266,500			
Total other investments	<u>331,593</u>	<u>331,590</u>			
Total investments	<u>\$ 3,320,407</u>	<u>\$ 3,211,259</u>			

As of June 30, 2023, the County's investments totaled \$3,211,259 and there was no investment in Structured Notes nor any derivative products as defined by Financial Accounting Standards Board Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*.

**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, 2023, the County's investments in mortgage and asset-backed securities represented 0.79% of the total portfolio and are rated AAA or better.

Issuer	Amount	Percentage of Portfolio	Rating <sup>(1)</sup>
Federal Home Loan Mortgage Corporation	\$ 2,553	0.08%	AAA
Federal National Mortgage Association	2,252	0.07%	AAA
Honda Auto Receivables Trust	2,112	0.07%	AAA
Hyundai Auto Receivables Trust	3,112	0.10%	AAA
CarMax Auto Owner Trust	7,905	0.25%	AAA
Discover Card Execution Note Trust	3,247	0.10%	AAA
Nissan Auto Receivables Trust	16	<0.01%	AAA
Toyota Auto Receivables Trust	3,821	0.12%	AAA

<sup>(1)</sup> Composite Rating (an equally weighted blend of the ratings of the securities by Moody's, S&P, and Fitch).



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**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 twenty-four hours without penalty or loss of interest. The value of the County’s shares in LAIF that may be withdrawn is determined on an amortized cost basis, which may be different from the fair value of the County’s position in the LAIF pool. As of June 30, 2023, the County’s investment in LAIF is \$224. The total amount recorded by all public agencies in LAIF at that date was \$25,677,325. Of that amount, 2.78% 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 sixty 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, 2023, 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* – Investments reflect prices quoted in active markets.
- *Level 2* – Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.
- *Level 3* – Investments reflect prices based upon unobservable sources.

The County has the following recurring fair value measurements as of June 30, 2023:

Investments	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
U.S. Treasury obligations	\$ -	\$ 715,507	\$ -	\$ 715,507
Federal agency obligations	-	868,612	-	868,612
Supranational obligations	-	64,160	-	64,160
Corporate notes/bonds	-	766,452	-	766,452
Municipal obligations	-	127,187	9,600	136,787
Commercial paper	-	90,520	-	90,520
Negotiable time deposits	-	237,631	-	237,631
	<u>\$ -</u>	<u>\$ 2,870,069</u>	<u>\$ 9,600</u>	<u>2,879,669</u>
Other investments				
Money market funds				64,866
LAIF managed pool				224
CAMP managed pool				266,500
Total other investments				<u>331,590</u>
Total investments				<u>\$ 3,211,259</u>

The County obtains its fair values from its safekeeping agent who utilizes a pricing vendor. The pricing vendor uses numerous inputs to obtain its 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.

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**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 on 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, 2023, the Pool's investment income was comprised of the following:

Investment Income	Amount
Interest and dividends	\$ 63,650
Net decrease in fair value	(28,486)
Investment expenses	(1,471)
Total Treasury Pool investment income	\$ 33,693

The net decrease in the fair value of investments within the Pool during fiscal year 2022/23 was \$28,486. This amount takes into account all changes in fair value (including sales resulting in a net loss of \$2,268) that occurred during the year. In accordance with GASB Statement No. 31, the net fair value adjustment on investments held as of June 30, 2023 was a decrease of \$26,218.

**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, 2023 are as follows:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total	Component Unit First 5 Tulare County
Cash in banks	\$ 637	\$ 47	\$ 6,210	\$ 6,894	\$ 642
Investment in treasury pool	932,531	24,667	2,119,437	3,076,635	5,598
Investments	2,445	-	-	2,445	-
Imprest cash	615	6	-	621	-
Deposits with others	-	-	32,913	32,913	98
Restricted assets	62,974	64,474	-	127,448	-
Total cash and investments	\$ 999,202	\$ 89,194	\$ 2,158,560	\$ 3,246,956	\$ 6,338

The condensed statements of net position and changes in net position for the Pool as of June 30, 2023 are as follows:

Statement of Net Position	
Net position held in trust for all pool participants	\$ 3,146,707
Equity of internal pool (County) participants	\$ 1,126,521
Equity of external pool (Non-County) participants	2,020,186
Total equity	\$ 3,146,707
Statement of Changes in Net Position	
Net position as of July 1, 2022	\$ 2,614,125
Net additions by pool participants	497,418
Net increase (decrease) in investment fair value	
Realized loss from sales	(2,268)
Fair value loss on investments held at year-end	(26,218)
Interest and dividends earned	63,650
Net position as of June 30, 2023	\$ 3,146,707

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**B. Receivables**

Amounts other than leases receivable are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the County’s individual major funds, nonmajor funds, and internal service funds as of June 30, 2023:

<u>Receivables</u>	<u>General</u>	<u>Public Financing Authority</u>	<u>Nonmajor Governmental</u>	<u>Internal Service Funds</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>
Accounts	\$ 7,593	\$ 280	\$ 3,683	\$ 35	\$ 2,193	\$ 282	\$ 14,066
Lease payments	13,145	-	-	-	-	78	13,223
Due from other governments	34,630	-	8,987	97	-	2,205	45,919
Notes receivable	-	-	14,060	-	-	-	14,060
Total receivables	<u>\$ 55,368</u>	<u>\$ 280</u>	<u>\$ 26,730</u>	<u>\$ 132</u>	<u>\$ 2,193</u>	<u>\$ 2,565</u>	<u>\$ 87,268</u>

**C. Restricted Assets**

Restricted assets in the governmental funds include \$55,716 in the PFA for future debt service and \$7,258 in the General Fund for future employer contributions of the pension plan. Restricted assets in the Solid Waste fund include \$40,950 for future closure/post closure expenses, \$5,000 for landfill ground water contingencies, and \$18,524 for acquisition of a future disposal site.

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

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

Deferred outflows of resources balances for the fiscal year ended June 30, 2023 are as follows:

Government-wide Deferred Outflows of Resources	
Governmental Activities	
Pensions	\$ 194,158
OPEB	6,373
Other	8,747
Total Governmental Activities	<u>209,278</u>
Business-type Activities	
Pensions	1,612
OPEB	73
Total Business-type Activities	<u>1,685</u>
Total Government-wide Deferred Outflows of Resources	<u>\$ 210,963</u>
Proprietary Funds Deferred Outflows of Resources	
Business-type Activities	
Solid Waste Fund	
Pensions	\$ 1,506
OPEB	69
Total Solid Waste Fund	<u>1,575</u>
Nonmajor Enterprise Fund	
Transit	
Pensions	106
OPEB	4
Total Nonmajor Enterprise Fund	<u>110</u>
Total Business-type Activities	<u>\$ 1,685</u>
Internal Service Funds	
Central Services	
Pensions	\$ 9,661
OPEB	381
Total Internal Service Funds	<u>10,042</u>
Total Governmental Activities	<u>\$ 10,042</u>
Total Proprietary Funds Deferred Outflows of Resources	<u>\$ 11,727</u>

**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 assets 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.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

Deferred inflows of resources balances for the fiscal year ended June 30, 2023 are as follows:

Government-wide Deferred Inflows of Resources	
Governmental Activities	
Community Development Block Grant (CDBG)	\$ 3,404
HOME	10,796
Pensions	107,571
OPEB	14,776
Lease proceeds	12,774
Total Governmental Activities	<u>149,321</u>
Business-type Activities	
Pensions	894
OPEB	169
Lease proceeds	76
Total Business-type Activities	<u>1,139</u>
Total Government-wide Deferred Inflows of Resources	<u>\$ 150,460</u>
Governmental Funds Deferred Inflows of Resources	
General Fund	
Senate Bill (SB) 90	\$ 2,346
Agricultural Commissioner - Mill Tax	2,477
Agricultural Commissioner - Other	1,105
Lease proceeds	12,774
Other	1,352
Total General Fund	<u>20,054</u>
Nonmajor Special Revenue Funds	
Tobacco Settlement	2,863
CDBG	3,404
HOME	10,796
Total Nonmajor Special Revenue Funds	<u>17,063</u>
Total Nonmajor Funds Deferred Inflows of Resources	<u>17,063</u>
Total Governmental Funds Deferred Inflows of Resources	<u>\$ 37,117</u>
Proprietary Funds Deferred Inflows of Resources	
Business-type Activities	
Solid Waste Fund	
Pensions	\$ 835
OPEB	159
Total Solid Waste Fund	<u>994</u>
Nonmajor Enterprise Funds	
Transit	
Pensions	59
OPEB	10
Central Service Area #1	
Lease proceeds	76
Total Nonmajor Enterprise Funds	<u>145</u>
Total Business-type Activities	<u>\$ 1,139</u>
Internal Service Funds	
Central Services Funds	
Pensions	\$ 5,352
OPEB	885
Total Internal Service Funds	<u>\$ 6,237</u>
Total Governmental Activities	<u>6,237</u>
Total Proprietary Funds Deferred Inflows of Resources	<u>\$ 7,376</u>

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

**E. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Additions	Retirements	Transfers and Adjustments, net	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated/amortized:					
Land	\$ 935,197	\$ 2,628	\$ (79)	\$ -	\$ 937,746
Construction in progress	30,567	36,410	(3,349)	(30,543)	33,085
Right-to-use assets in progress	-	2,562	-	-	2,562
Total capital assets, not being depreciated	<u>965,764</u>	<u>41,600</u>	<u>(3,428)</u>	<u>(30,543)</u>	<u>973,393</u>
Capital assets, being depreciated/amortized:					
Infrastructure	894,232	21,888	(716)	(15,113)	900,291
Buildings and improvements	315,854	15,456	-	4,414	335,724
Equipment and vehicles	112,911	6,983	(3,877)	8,265	124,282
Right-to-use leased land	723	-	-	-	723
Right-to-use leased buildings and improvements	95,622	6,851	(6,036)	-	96,437
Right-to-use leased equipment and vehicles	1,415	-	-	-	1,415
Right-to-use subscription assets	-	10,176	-	20,009	30,185
Total capital assets, being depreciated/amortized	<u>1,420,757</u>	<u>61,354</u>	<u>(10,629)</u>	<u>17,575</u>	<u>1,489,057</u>
Less accumulated depreciation/amortization for:					
Infrastructure	(387,614)	(16,557)	450	(62)	(403,783)
Buildings and improvements	(120,896)	(7,084)	-	-	(127,980)
Equipment and vehicles	(85,186)	(8,764)	5,538	(2,170)	(90,582)
Right-to-use leased land	(35)	(33)	-	-	(68)
Right-to-use leased buildings and improvements	(8,344)	(8,561)	534	-	(16,371)
Right-to-use leased equipment and vehicles	(158)	(328)	-	-	(486)
Right-to-use subscription assets	-	(6,345)	-	-	(6,345)
Total accumulated depreciation/amortization	<u>(602,233)</u>	<u>(47,672)</u>	<u>6,522</u>	<u>(2,232)</u>	<u>(645,615)</u>
Total capital assets, being depreciated/amortized, net	<u>818,524</u>	<u>13,763</u>	<u>(7,708)</u>	<u>15,442</u>	<u>843,442</u>
Total governmental activities capital assets	<u>\$ 1,784,288</u>	<u>\$ 55,363</u>	<u>\$ (11,136)</u>	<u>\$ (15,101)</u>	<u>\$ 1,816,835</u>
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 6,720	\$ -	\$ -	\$ -	\$ 6,720
Construction in progress	-	-	-	-	-
Total capital assets, not being depreciated	<u>6,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,720</u>
Capital assets, being depreciated:					
Buildings and improvements	56,219	139	-	-	56,358
Equipment and vehicles	27,242	1,606	(4,010)	19	24,857
Total capital assets, being depreciated	<u>83,461</u>	<u>1,745</u>	<u>(4,010)</u>	<u>19</u>	<u>81,215</u>
Less accumulated depreciation for:					
Buildings and improvements	(27,847)	(2,238)	-	-	(30,085)
Equipment and vehicles	(17,330)	(3,081)	2,991	(19)	(17,439)
Total accumulated depreciation	<u>(45,177)</u>	<u>(5,319)</u>	<u>2,991</u>	<u>(19)</u>	<u>(47,524)</u>
Total capital assets, being depreciated, net	<u>38,284</u>	<u>(3,574)</u>	<u>(1,019)</u>	<u>-</u>	<u>33,691</u>
Total business-type activities capital assets	<u>\$ 45,004</u>	<u>\$ (3,574)</u>	<u>\$ (1,019)</u>	<u>\$ -</u>	<u>\$ 40,411</u>

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

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

<b>Governmental activities</b>	
General government	\$ 19,008
Public protection	8,134
Public ways and facilities	18,450
Health and sanitation	1,834
Public assistance	4
Education	242
Total depreciation and amortization expense	<u>\$ 47,672</u>
<b>Business-type activities</b>	
Solid Waste	\$ 3,953
Nonmajor enterprise funds	1,366
Total depreciation expense	<u>\$ 5,319</u>

Construction in progress at June 30, 2023 consists of the following projects for the primary government:

<b>Governmental activities</b>	
Fire Apparatuses	\$ 3,604
Goshen Fire Station	85
Government Plaza Parking Lot	1,527
Juvenile Detention Facility Landscaping	667
Public Health Lab Expansion	212
Sheriff Morgue Project	244
Springville Library	84
Terra Bella Fire Station	1,606
Roads	
Repair or bridge replacement	11,081
Other improvements	13,975
Right-to-use assets in progress	
CGI Software	2,416
Just Appraised, Inc.	146
Total construction and right-to-use assets in progress	<u>\$ 35,647</u>

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

**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, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 2,316
	Nonmajor Enterprise	1,388
	Internal Service	751
	Fiduciary	1,916
	Total	<u>\$ 6,371</u>

**G. Transfers**

Transfers to/from other County funds for the fiscal year ended June 30, 2023 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, 2023 is as follows:

Transfers From	Transfers To						
General	Public Financing Authority	Realignment- Social Services	Nonmajor Governmental	Nonmajor Enterprise	Internal Service Funds	Total	
General	\$ -	\$ -	\$ 1,733	\$ 63,808	\$ 665	\$ 255	\$ 66,461
Public Financing Authority	-	-	-	3,000	-	-	3,000
Realignment-Social Services	118,395	-	-	-	-	-	118,395
Nonmajor Governmental	25,469	4,615	-	3,366	-	-	33,450
Solid Waste	520	-	-	4	-	-	524
Internal Service Funds	-	-	-	400	-	-	400
Total transfers	<u>\$ 144,384</u>	<u>\$ 4,615</u>	<u>\$ 1,733</u>	<u>\$ 70,578</u>	<u>\$ 665</u>	<u>\$ 255</u>	<u>\$ 222,230</u>

**H. Leases**

**County as Lessee** During fiscal year 2022/23, the County entered into six lease agreements and two agreements terminated early, for a total of thirty-seven agreements for right-to-use buildings and structures, land, or equipment as of June 30, 2023.

The leases include a range of options to extend the lease term for a period of one to twenty-five years with the final extension period ending June 30, 2066. The County is required to make monthly principal and interest payments between \$0 and \$108, subject to annual rent increases ranging from 0% to 3%. The County is utilizing a range of incremental borrowing rates between 0.5% and 3.3%.

All leases were classified as governmental activities. As of June 30, 2023, the value of the lease liability was \$84,598. The difference of \$6,021 from the prior year represents the addition of new leases, reductions due to the early termination of leases, changes from lease remeasurements, and the reduction of the principal portion of lease payments made in the current year.



**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

Annual principal and interest payment requirements for the leases are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 7,605	\$ 1,628
2025	7,257	1,517
2026	7,226	1,402
2027	6,961	1,286
2028	5,739	1,180
2029-2033	20,069	4,602
2034-2038	10,187	2,948
2039-2043	4,151	2,272
2044-2048	5,340	1,665
2049-2053	6,754	887
2054-2058	3,206	103
2059-2063	62	9
2064-2066	41	2
Total	<u>\$ 84,598</u>	<u>\$ 19,501</u>

**County as Lessor** The County has entered into four lease agreements as a lessor for right-to-use buildings and structures and one lease agreement as a lessor for land. For lessor leases, the County utilizes an incremental borrowing rate between 1.5% and 2.5%. The leases include a range of options to extend the lease term for a period of three to fifteen years with the final extension period ending November 25, 2047.

**Governmental Activities** The County receives monthly principal and interest payments between \$4 and \$70, where one lease is subject to a \$1 annual rent increase; one lease is subject to a 2% annual rent increase; and one lease is subject to annual rent increases of 2.5%, beginning in the fourth year of the lease. The current year revenue was \$1,321, with \$249 attributable to interest income, resulting in a principal reduction of \$1,072. As of June 30, 2023, the balance of the deferred inflow of resources related to the leases was \$12,774.

**Business-Type Activities** The County receives \$3 annually, and the lease is subject to a three hundred sixty dollar increase every five years. The current year revenue was \$4, with \$3 attributable to interest income, resulting in a principal reduction of \$1. As of June 30, 2023, the balance of the deferred inflow of resources related to the lease was \$76.

Expected future payments that are included in the measurement of the lease receivable are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,113	\$ 229	\$ 2	\$ 2
2025	1,155	209	2	2
2026	1,198	188	2	2
2027	1,235	167	2	2
2028	1,263	145	2	2
2029-2033	5,629	385	13	8
2034-2038	1,552	49	16	6
2039-2043	-	-	20	4
2044-2048	-	-	19	1
Total	<u>\$ 13,145</u>	<u>\$ 1,372</u>	<u>\$ 78</u>	<u>\$ 29</u>

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

**I. Subscription-Based Information Technology Arrangements**

The financial statements for fiscal year 2022/23 include the adoption of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA). This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. The statement requires the recognition of a subscription liability and an intangible right-to-use subscription asset.

All twelve SBITAs in effect prior to July 1, 2022 were recognized as having a commencement date as of July 1, 2022. The County entered into six SBITAs during fiscal year 2022/23, with a total of eighteen SBITAs as of June 30, 2023, all of which were classified as governmental activities. The SBITAs include a range of options to extend the subscription term for a period of one to five years with the final extension period ending March 31, 2033. The County is required to make annual principal and interest payments between \$43 and \$1,913. The County is utilizing a range of incremental borrowing rates between 2.0% and 3.4%.

As of June 30, 2023, the value of right-to-use subscription assets was \$30,185 with related accumulated amortization of \$6,345. Additionally, two agreements were in the implementation stage as of June 30, 2023, resulting in a value of \$2,562 of subscriptions-in-progress and a remaining commitment of \$6,589.

An initial subscription liability was recorded in the amount of \$18,445 as of July 1, 2022. As of June 30, 2023, the value of the subscription liability was \$20,929. The difference of \$2,484 represents the addition of new SBITAs and the reduction of the principal portion of subscription payments.

As of June 30, 2023, the County had minimum principal and interest payment requirements for its SBITA activities as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 5,675	\$ 531
2025	4,546	387
2026	4,171	273
2027	4,080	167
2028	2,116	65
2029-2033	341	17
Total	\$ 20,929	\$ 1,440

**J. Long-term Debt**

**Certificates of Participation** The PFC and TBSMD, two of the County’s blended component units, issued Certificates of Participation (COPs) to provide funds for the acquisition, construction, and repair and maintenance of equipment and major capital facilities. COPs have been issued for business-type activities and 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 blended component units. However, the County is obligated under rental agreements it has signed to include in its annual budget the lease payments called for in the rental agreements. These COPs were issued as 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 <sup>1</sup>	Business-type activities	5.0%	\$ 281
February 23, 1994 <sup>1</sup>	Business-type activities	5.0%	40
August 16, 1994 <sup>1</sup>	Business-type activities	4.5%	30
May 28, 1996 <sup>2</sup>	Business-type activities	4.5%	520
	Total		\$ 871

<sup>1</sup> Issued by the PFC.

<sup>2</sup> Issued by the TBSMD.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

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

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2024	\$ 55	\$ 41
2025	56	39
2026	62	36
2027	63	34
2028	64	31
2029-2033	384	103
2034-2036	187	21
Total	\$ 871	\$ 305

**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 TCERA 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 in the fiscal year of issue. 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
2024	\$ 11,435	\$ 8,397
2025	11,840	7,990
2026	12,280	7,550
2027	12,755	7,077
2028	13,260	6,572
2029-2033	74,950	24,197
2034-2037	64,500	6,886
Total	\$ 201,020	\$ 68,669

**Bonds Payable**

**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. At issuance, the variable interest rate was based on the London Interbank Offered Rate (LIBOR), which is no longer used, and the rate is now based on the Secured Overnight Financing Rate (SOFR).

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

These bonds are the obligation of the 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
2024	\$ 1,500	\$ 945
2025	1,700	882
2026	1,795	815
2027	1,895	744
2028	1,990	670
2029-2033	12,095	2,063
2034-2035	5,915	114
Total	<u>\$ 26,890</u>	<u>\$ 6,233</u>

**Public Lease Revenue Bonds** On October 14, 2021, the County issued taxable Public Lease Revenue Bonds (PLRB) in the amount of \$9,062 with a fixed interest rate of 2.886%. Interest on the bonds is payable semiannually, and the final maturity date is August 1, 2041. \$8,971 of the bond proceeds will be used to finance energy projects at County facilities, including LED lighting, HVAC upgrades, and solar installation. The remaining \$91 was paid as bond issuance expenses.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 353	\$ 249
2025	363	238
2026	374	228
2027	385	217
2028	396	206
2029-2033	2,159	847
2034-2038	2,494	512
2039-2042	2,272	134
Total	<u>\$ 8,796</u>	<u>\$ 2,631</u>

**Revenue Bonds** 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 \$2 and bear interest at 5.0% per annum. This will mature on July 1, 2027, a forty-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**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

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

<u>Year Ending June 30,</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ -	\$ -
2025	1	-
2026	-	-
2027	1	-
Total	<u>\$ 2</u>	<u>\$ -</u>

**Loan Payable**

**Fire Equipment** In May 2021, the County borrowed \$8,746 with an interest rate of 1.18% to finance the acquisition of fire vehicles and equipment. Six fire vehicles are completely built and five are approximately twenty-five percent complete. The loan is set to mature in June 2026.

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,749	\$ 57
2025	1,770	37
2026	1,791	16
Total	<u>\$ 5,310</u>	<u>\$ 110</u>

**Financed Purchase**

**Mainframe** In November 2019, the County entered into an agreement to finance the acquisition of a mainframe, with the final payment due on November 30, 2022. The liability was recorded at the present value of future minimum payments as of the agreement inception date, \$129,269, with a 3.9% interest rate. The agreement was previously reported as a capital lease but does not meet the definition of a lease with the implementation of GASB Statement No. 87, *Leases*. This agreement was fully paid off in December 2022.

**COUNTY OF TULARE**  
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**Changes in Long-term Liabilities** The long-term liability activity for the fiscal year ended June 30, 2023 is as follows:

	Beginning Balance	Adjustments	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>						
Financed purchase	\$ 23	\$ -	\$ -	\$ (23)	\$ -	\$ -
Compensated absences	29,927	-	4,004	(2,788)	31,143	2,788
Claims payable	42,589	-	13,948	(11,350)	45,187	11,486
Lease liability	90,619	-	6,851	(12,872)	84,598	7,605
Subscription liability	-	18,445	8,415	(5,931)	20,929	5,675
Loan payable	7,038	-	-	(1,728)	5,310	1,749
Bonds payable	37,457	-	-	(1,771)	35,686	1,853
Pension obligation bonds	212,080	-	-	(11,060)	201,020	11,435
Net pension liability	246,102	-	141,982	-	388,084	-
Total OPEB liability	26,754	-	-	(8,608)	18,146	-
Total governmental activities	<u>\$ 692,589</u>	<u>\$ 18,445</u>	<u>\$ 175,200</u>	<u>\$ (56,131)</u>	<u>\$ 830,103</u>	<u>\$ 42,591</u>
<b>Business-type activities</b>						
Compensated absences	\$ 376	\$ -	\$ 40	\$ (19)	\$ 397	\$ 19
Certificates of participation payable	925	-	-	(54)	871	55
Bonds payable	3	-	-	(1)	2	-
Closure/post closure costs payable	37,979	-	2,971	-	40,950	-
Net pension liability	1,954	-	1,268	-	3,222	-
Total OPEB liability	283	-	-	(76)	207	-
Total business-type activities	<u>\$ 41,520</u>	<u>\$ -</u>	<u>\$ 4,279</u>	<u>\$ (150)</u>	<u>\$ 45,649</u>	<u>\$ 74</u>

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, 2023 was \$24,058. Of this amount, \$268 is recorded in enterprise funds. The value of accumulated sick leave at June 30, 2023 was calculated using a termination payment method and is accrued at \$4,813. Of this amount, \$58 is recorded in enterprise funds. The value of accumulated CTO at June 30, 2023 was \$2,669. Of this amount, \$71 is recorded in enterprise funds.

The liabilities for claims and judgments payable include 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.

**K. Special Assessment Debt**

The County is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$448,061 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2023. 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 \$348,285 include bonds for Burton, Earlimart, Exeter, Liberty, Kings River, Pixley Union, Richgrove, Stone Corral, Springville, Terra Bella, Three Rivers, Tipton, Traver, and Waukena Joint Union 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 \$22 include bonds for Ducor Community Service District (CSD) and Ducor CSD Supplemental. The Special Districts General Obligation Bonds totaling \$99,754 are for the Kaweah Delta Hospital Bond and the Tulare Healthcare Bond.

**L. 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 thirty years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfills used to date.

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The County currently owns and operates three landfill sites: Woodville, Visalia, and Teapot Dome. The estimated liability for landfill closure and post closure care costs has a balance of \$34,330 as of June 30, 2023, which is based on an average of 42.0% usage (filled) of all landfill sites (remaining capacity determined annually via aerial flight calculation). It is estimated that an additional \$35,207 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 capacity used, remaining life, and post closure years, if applicable, for the landfill sites are as follows:

<u>Landfill</u>	<u>Capacity Used</u>	<u>Remaining Years</u>	<u>Remaining Post Closure Years</u>
Woodville	14%	74.81	Open
Visalia	44%	22.59	Open
Teapot Dome	94%	1.65	Open

The estimated total current cost of the landfill closure and post closure care of \$69,537 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, 2023. 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, 2023, investments of \$34,330 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, 2023, investments of \$6,619 are part of the pooled funds held by the County Treasurer.

As of June 30, 2023, the pooled funds held by the County Treasurer for financial assurance and closure and post closure maintenance total \$40,950 to offset the total liability.

**M. Remediation Contingencies**

The Harmon Field Remediation activities were concluded in 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 rodent control, weed control, fencing repairs, maintaining fire breaks, DTSC fees, fees from Geologist of Record for the site, and ongoing property maintenance costs. For the fiscal year ended June 30, 2023, the County spent \$15 on maintaining and monitoring the post remediation site.

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

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

Recorder micrographics and modernization	\$ 10,963
Pension	7,258
Advances to others	6,371
Prepaid items	3,709
Assessor Assembly Bill (AB) 818	428
Social Security Truncation Program	369
American Rescue Plan Act	332
Deferred compensation	83
Community Development Block Grant	62
Total Net Position Restricted: Other Purposes	<u><u>\$ 29,575</u></u>

**O. 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	\$ 1,020	\$ 504	\$ 47
Capital assets	619	1,748	187
Total assets	<u>1,639</u>	<u>2,252</u>	<u>234</u>
Liabilities			
Current liabilities	112	127	15
Noncurrent liabilities	490	1,122	594
Total liabilities	<u>602</u>	<u>1,249</u>	<u>609</u>
Deferred Inflows of Resources			
Deferred lease proceeds	-	76	-
Total deferred inflows of resources	<u>-</u>	<u>76</u>	<u>-</u>
Net Position			
Net investment in capital assets	99	1,420	162
Unrestricted (deficit)	938	(493)	(537)
Total net position	<u><u>\$ 1,037</u></u>	<u><u>\$ 927</u></u>	<u><u>\$ (375)</u></u>



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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
Operating revenues (expenses)			
Water and sewer charges	\$ 144	\$ 486	\$ 68
Other operating revenues	-	6	-
Depreciation expense	(39)	(138)	(14)
Other operating expenses	(163)	(671)	(137)
Operating loss	(58)	(317)	(83)
Nonoperating revenues (expenses)			
Investment revenues (expenses)	16	(1)	(2)
Penalties collected	1	9	1
Taxes and special assessments	49	-	-
Interest expense	(24)	(43)	(12)
Transfers in	-	650	15
Total nonoperating revenues (expenses)	42	615	2
Change in net position	(16)	298	(81)
Net position - beginning	1,053	629	(294)
Net position - ending	\$ 1,037	\$ 927	\$ (375)

**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	\$ 2	\$ (108)	\$ (65)
Noncapital financing activities	50	159	56
Capital and related financing activities	(54)	(73)	(13)
Investing activities	16	(1)	(2)
Net increase (decrease)	14	(23)	(24)
Cash and cash equivalents - beginning	913	222	53
Cash and cash equivalents - ending	\$ 927	\$ 199	\$ 29

**COUNTY OF TULARE**  
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**P. 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, 2023 is as follows:

	General	Public Financing Authority	Realignment- Social Services	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable						
Advances to other funds	\$ 6,371	\$ -	\$ -	\$ -	\$ -	\$ 6,371
Inventories	-	-	-	-	221	221
Prepaid items	3,709	-	-	-	340	4,049
Nonspendable subtotal	<u>10,080</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>561</u>	<u>10,641</u>
Restricted for						
Alcohol and drug programs	5,215	-	-	-	-	5,215
Assessor AB 818	428	-	-	-	-	428
Child abuse prevention programs	211	-	-	-	-	211
Child seat loaner program	95	-	-	-	-	95
Child support services	3,666	-	-	-	2,940	6,606
COVID-19 relief	-	-	-	332	-	332
Debt service bond agreement	45	55,441	-	-	-	55,486
Debt service	-	-	-	-	3	3
Deferred compensation	83	-	-	-	-	83
Education programs	-	-	-	-	5,143	5,143
Environmental programs	1,474	-	-	-	-	1,474
Fraud prevention programs	283	-	-	-	-	283
Fire department programs	-	-	-	-	5,670	5,670
Flood control	-	-	-	-	4,614	4,614
Health care programs	503	-	75,366	-	65,485	141,354
Hold advance lump sum payments	22	-	-	-	-	22
Law enforcement	54,235	-	-	-	-	54,235
Local Realignment 2011	12,029	-	-	-	-	12,029
Mental health care programs	18,484	-	-	-	-	18,484
Other purposes	-	-	-	-	621	621
Pension	7,258	-	-	-	-	7,258
Probation programs	17,498	-	-	-	-	17,498
Public ways and facilities programs	-	-	-	-	43,552	43,552
Recorder micrographics and modernization	10,963	-	-	-	-	10,963
Social Security number truncation program	369	-	-	-	-	369
Youthful Offender Block Grant	34,064	-	-	-	-	34,064
Restricted subtotal	<u>166,925</u>	<u>55,441</u>	<u>75,366</u>	<u>332</u>	<u>128,028</u>	<u>426,092</u>
Committed to						
Building and property improvement	4,542	-	-	-	-	4,542
Dairy inspection program	230	-	-	-	-	230
Environmental programs	28	-	-	-	-	28
Health enhancement services	8,483	-	-	-	-	8,483
Impact fees	118	-	-	-	-	118
Information technology projects	3,004	-	-	-	-	3,004
Monument survey fees	-	-	-	-	88	88
Other purposes	1,144	-	-	-	-	1,144
Property tax system replacement	8,196	-	-	-	-	8,196
Recorder micrographics and modernization	137	-	-	-	-	137
Sheriff projects	512	-	-	-	-	512
Strategic reserve	36,000	-	-	-	-	36,000
Committed subtotal	<u>62,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>88</u>	<u>62,482</u>

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
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A detailed schedule of fund balances at June 30, 2023 (continued):

	General	Public Financing Authority	Realignment- Social Services	American Rescue Plan Act	Nonmajor Governmental Funds	Total Governmental Funds
Assigned to						
Capital projects	-	3,000	-	-	60,546	63,546
Conflict defender	4,000	-	-	-	-	4,000
Construction of criminal justice facilities	-	-	-	-	5	5
Environmental programs	2	-	-	-	-	2
Equipment and vehicle replacement	8,881	-	-	-	-	8,881
Financial system project	9,533	-	-	-	-	9,533
Flood control	-	-	-	-	1,529	1,529
Future economic development	8,038	-	-	-	-	8,038
Homelessness and community activities	4,207	-	-	-	-	4,207
Imprest cash	114	-	-	-	1	115
Jail medical costs	14,783	-	-	-	-	14,783
Litigation	12,548	-	-	-	-	12,548
Natural resources	11,310	-	-	-	-	11,310
One-time funding for special projects	88	-	-	-	-	88
Other purposes	-	-	-	-	25,501	25,501
Registrar of voters	8,969	-	-	-	-	8,969
Step up and community outreach	629	-	-	-	-	629
Substandard housing abatement	498	-	-	-	-	498
Vehicle internal borrowing	1,847	-	-	-	-	1,847
Assigned subtotal	<u>85,447</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>87,582</u>	<u>176,029</u>
Unassigned	46,622	-	-	-	(63)	46,559
Total fund balances	<u>\$ 371,468</u>	<u>\$ 58,441</u>	<u>\$ 75,366</u>	<u>\$ 332</u>	<u>\$ 216,196</u>	<u>\$ 721,803</u>

**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 are 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 limits for the fiscal year 2022/23 was \$35,000. Liability costs and settlements have occasionally exceeded the SIR. During the 2022/23 fiscal year there were two settlements exceeding the SIR. There are currently sixteen 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 \$250,000 flood limits with a \$25 deductible for real and personal property. The property insurance program includes boiler and machinery coverage with a \$5 deductible. The vehicle deductible is \$15. 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 \$1,000 or more at no cost to the County and every 10 years for properties valued between \$250 and under \$1,000. An appraisal of the County's buildings was completed in August of 2019, and the next full County appraisal will be in 2024. The total annual insured value of

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the County's property assets is \$952,765. 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 \$250. 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 \$25. 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 Public Risk Innovation Solutions and Management Risk (PRISM), a California Joint Powers Authority (JPA). Membership includes approximately 95% of counties, 70% of cities, educational organizations, special districts, housing authorities, fire districts, and 27 other Joint Powers Authorities.

PRISM's board of directors consists of one representative from each of the fifty-four 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 PRISM. PRISM issues its own audited Annual Comprehensive Financial Report, which can be obtained from them at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

The purpose of PRISM is to develop and fund insurance programs for California counties, cities, and other public agencies. PRISM operates public entity risk pools for workers' compensation, comprehensive liability, property, medical malpractice, and other insurance programs. PRISM 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.

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	35,000
Property	25	600,000
Medical Malpractice	25	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 December 2022 for a two-year agreement effective April 1, 2023, through March 31, 2025.

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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, 2021	\$ 35,589	\$ 5,344	\$ 40,933
Claims incurred	9,825	32,792	42,617
Claims payments	<u>(8,149)</u>	<u>(32,812)</u>	<u>(40,961)</u>
Liability - June 30, 2022	37,265	5,324	42,589
Claims incurred	8,585	5,363	13,948
Claims payments	<u>(7,953)</u>	<u>(3,397)</u>	<u>(11,350)</u>
Liability - June 30, 2023	<u>\$ 37,897</u>	<u>\$ 7,290</u>	<u>\$ 45,187</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 PRISM as described in Note V.A, the County also participates in other joint ventures as follows:

**California Mental Health Services Authority (CalMHSA)** On January 24, 2012, the County became a participating member of the CalMHSA, a Joint Powers Authority established by counties throughout the State to work on collaborative, multi-county programs that improve behavioral health care for Californians. CalMHSA is comprised of sixty members, including fifty-eight counties and two cities. Independently audited financial statements can be obtained from CalMHSA’s website at: <https://calmhsa.org/members/finance/>.

**California Statewide Automated Welfare System (CalSAWS)** On June 28, 2019, the County became a participating member of the CalSAWS Consortium, a Joint Powers Authority established to collectively govern and oversee mission-critical systems, projects, and operations that support the automation of public assistance programs and the delivery of social services to people living in the State of California. The Joint Powers Authority oversees and controls the budgets, investments, contracts, and resources of the CalSAWS portfolio on behalf of the fifty-eight counties. The CalSAWS portfolio currently includes three Statewide Automated Welfare Systems (SAWS) that support California’s public assistance programs in which each of the fifty-eight counties locally administer and deliver benefits and services by providing eligibility determination and benefit calculation for applicants and recipients of such programs. These systems include CalWIN (CalWORKs Information Network) system, wLRS (LEADER Replacement System), and C-IV (Consortium IV) System. Independently audited financial statements can be obtained at CalSAWS.org (<https://www.calsaws.org/about-us/public-information/>) or 11290 Pyrites Way, Suite 150, Gold River, California 95670.

**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 five hundred thirty 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: <https://cscda.org/resources/>.

**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

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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, operations 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 the governance portion 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 West Morton Avenue, Suite D, Porterville, California 93257.

**Goshen Public Financing Authority (GPFA)** On September 17, 1996, the Tulare County Redevelopment Successor Agency (Successor Agency), formerly known as 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 Successor Agency entered into a pledge agreement to pay a portion of the debt service on bonds issued by the GPFA to finance improvements made in the Goshen Redevelopment Area by legislative authority ABX126. The County has pledged fifty-three dollars each year for forty years against the United States Department of Agriculture (USDA) for bonds secured by GPFA. The Successor Agency's pledge is secured by the Successor Agency's property tax revenue. Independently audited financial statements can be obtained from the Goshen Community Service District, 6678 Avenue 308, Visalia, California 93291.

**Greater Kaweah Groundwater Sustainability Agency (GKGSA)** The GKGSA 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 GKGSA, invests funds held in the County Treasury, issues checks at GKGSA's request, provides periodical expenditure and revenue reports, and arranges with a Certified Public Accounting firm to perform yearly audits of the GKGSA. For all of the listed services, the County charges a quarterly administrative fee, which is dependent upon the number of transactions. Independently audited financial statements can be obtained at 2975 Farmersville Road, Farmersville, California 93223.

**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 portion of the required administrative match each year, determined by the senior population rates in Kings and Tulare Counties, 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.

**North Tulare County Regional Water Alliance (NCRWA)** The NCRWA is a California Joint Exercise of Powers Authority between the County, East Oroqui 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 NCRWA. For all of the listed services, the County will charge a quarterly administrative fee, which is dependent upon the

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number of transactions. Due to its zero budget and lack of financial transactions, the NTCRWA does not have independently audited financial statements.

**San Joaquin Valley Insurance Authority (SJVIA)** On October 6, 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 nine 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 (SJVLS)** Established under the California Library Services Act in 1970, on November 20, 1979, the system created 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 SJVLS is responsible for providing staff support and purchases, primarily technology, in support of the system jurisdictions. The County's financial interest is based upon its percentage of contributions to the system and direct costs for telecommunication. Independently audited financial statements are available at SJVLS' website: [https://www.sjvls.org/about/guiding\\_documents](https://www.sjvls.org/about/guiding_documents).

**San Joaquin Valley Water Infrastructure Authority (SJVWIA)** The SJVWIA is a California Joint Exercise of Powers Authority organized to promote local water 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)** The TCAG was established in 1971 as a result of a Joint Exercise of Powers Agreement between 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 Regional Transit Agency (TCRTA)** The TCRTA was established on August 11, 2020, with full power and authority to own, operate, and administer a public transportation system within the jurisdictions of the Member Agencies, which consist of the Cities of Exeter, Farmersville, Lindsay, Porterville, Tulare, and Woodlake; and the County. Due to its recent establishment, the TCRTA does not have independently audited financial statements at this time.

**Tulare County Service Authority for the Abatement of Abandoned Vehicles (TCSAAAV)** The TCSAAAV was established in 1991 as a result of a Joint Exercise of Powers Agreement between the Cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia, and Woodlake; the County; and the Tulare County Association of Governments for the purpose of developing a program and plan for the abatement of abandoned vehicles in the County. The Abandoned Vehicle Abatement (AVA) program provides funding specifically for the abatement of recognized hazards and nuisance of abandoned, wrecked, inoperative, and dismantled vehicles. The AVA program is funded by a one-dollar service fee collected by the Department of Motor Vehicles at the time of registration. Funds are distributed to the cities and the County each quarter based on population and the number of vehicles abated by the TCSAAAV. 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 thirty dollars plus annual dues of seven dollars. 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 \$69,000 of funding to the region for planning and expanding local multi-benefit projects. Independently audited financial statements can be obtained from the Kings River Conservation District, 4886 East Jensen Avenue, Fresno, California 93725.

### **C. Contingent Liabilities**

Three actions for refunds of unitary taxes paid by Southern California Edison for 2020/21, 2021/22, and 2022/23 tax years alleging the State Board of Equalization failed to consider the impact of wildfires on the value of property in the State, and so overvalued its unitary property. If successful, the County could owe refunds of approximately \$600 for each tax year.

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Refund claims are being made or anticipated from railroads and utilities based on the court's ruling in BNSF Railway Co. v. Alameda County et al., U.S. District Court Northern District of California Case No. 4:19-cv-07230-HSG. The portion of the unitary taxes at issue was paid to other local public entities, so any refunds required would be recoverable from those entities. The dollar amounts could not be reasonably estimated by the County Tax Collector's office at this time.

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.

**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, Tulare 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 \$4,145 over the remaining life of the Successor Agency (fourteen 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 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 the potential market value of the property. Contracts under the Williamson Act are voluntary and automatically renew every nine years. The Farmland Security Zone is established by the Board within the agricultural preserve at the request of the property owner. Contracts under the Farmland Security Zone are voluntary and automatically renew every eighteen years. Exit from these voluntary contracts can be accomplished by ceasing the automatic renewal and waiting for the contractual years to expire. Immediate cancellation of contracts is allowed with some conditions and requires a cancellation fee equal to 12.5% of the current market value for Williamson Act contracts or a fee equal to 25% of the current market value for Farmland Security Zone contracts. Assessed values under the contract are typically the result of a lawfully mandated income approach to value calculation.

The County made no other commitments as part of the Williamson Act or Farmland Security Zone contracts. For the fiscal year ended June 30, 2023, the Agricultural Preserve Program tax abatements are \$7,397.



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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, 2023, the County collected \$4,983 under AB 1265, for a net revenue reduction due to tax abatements through the Agricultural Preserve Program of \$2,414.

**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 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, Tulare County Superior 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 Annual Comprehensive Financial Report (ACFR) which may be obtained from TCERA at 136 North Akers Street, Visalia, California 93291 or by going to their website at <https://tcera.org/news-publications/financial-reports/>.

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 & Safety - Tier 4	General and 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.
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**Closed to New Enrollment:**

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

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- 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 members. 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.

***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 ten years of service and a minimum age of fifty in order to receive a lifetime monthly retirement benefit. General members with thirty years of service and safety members with twenty years of service are eligible for retirement benefits at any age. Members who reach age seventy, 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 fifty-two for general members and fifty 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:

<u>Years of Service</u>	<u>Percentage of Final Compensation</u>
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).

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- **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 five-thousand dollars is paid to the beneficiary or estate.

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

**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.

- **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 nineteen-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, 2023 were \$41,240.

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

At June 30, 2023, the County reported a liability of \$391,306 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 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, 2022, the County's proportion was 91.6370%, which was an increase of 0.2863% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the County recognized a pension expense of \$24,369. 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.

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At June 30, 2023, 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	\$ 46,995	\$ 71,669
Changes in assumptions	27,557	36,796
Net difference between projected and actual earnings on retirement plan investments	79,978	-
County contributions subsequent to the measurement date	41,240	-
	<u>\$ 195,770</u>	<u>\$ 108,465</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.

\$41,240 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date of the net pension liability but before the end of the reporting period will be recognized as a reduction of the net pension liability in the subsequent reporting period rather than the current reporting period.

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

Measurement Year Ending June 30,	Amount
2023	\$ 12,600
2024	15,557
2025	(7,718)
2026	25,626
Total	<u>\$ 46,065</u>

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**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, 2022 is provided below (Note: These assumptions may differ from those used and reported in TCERA’s ACFR due to different reporting requirements).

Inflation	2.75%
Expected Return on Assets	7.15% 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 general members and 1.0% to 9.0% for safety members
Post Retirement COLA	Benefits are assumed to increase after retirement at the rate of 2.6% per year for Tier 1 and 2.0% per year for Tiers 2-4
Mortality Rates - Healthy Lives	General Members: Based on the sex distinct Retired Pensioner (RP) 2014 Combined Healthy Tables, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2019, increased by 2.2% for males and 8.0% for females to reflect plan experience  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-2019, increased by 4.5% for males to reflect plan experience
Mortality Rates - Disabled Lives	All Members: Based on the sex distinct RP 2014 Disabled Retiree Mortality Table, published by the Society of Actuaries, with Generational improvement using Projection Scale MP-2019
Discount Rate	7.09% blended discount rate, net of pension plan investment expense, including inflation
Municipal Bond Rate	3.54% net of investment expenses
Date of Last Experience Study	July 1, 2017 through June 30, 2020

Between the June 30, 2021 and June 30, 2022 measurement dates, the rate of inflation did not change as measured by the Consumer Price Index (CPI). The expected return on assets remained at 7.15%. The blended discount rate increased from 6.95% to 7.09% due to the results of the crossover test. The municipal bond rate increased from 2.16% to 3.54% and is based on the Bond Buyer 20-year Bond GO Index as of June 30, 2022. The last date of the experience study was updated to July 1, 2017 through June 30, 2020. There were no other assumption changes as of the June 30, 2022 valuation date.

The long-term expected rate of return, measured as of June 30, 2022, on pension plan investments (7.15%) 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 weighing the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

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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	
Large cap equity	20.0%	3.7%	
Small mid cap equity	6.0%	2.7%	
Non-U.S. equity (developed and emerging)	16.0%	5.3%	
Global equity	3.0%	4.4%	
U.S. fixed income	17.0%	1.4%	
Emerging market debt	3.0%	3.7%	
Core real estate	3.0%	3.4%	
Value-add real estate	4.0%	5.3%	
Opportunistic real estate	4.0%	6.3%	*
Infrastructure	4.0%	3.8%	*
Real estate debt	3.0%	-0.5%	
Private credit	5.0%	4.3%	
Private equity	12.0%	6.9%	
Total	<u>100.0%</u>		

\* Indicates new asset class for the fiscal year.

**Discount Rate** At June 30, 2022, the discount rate used to measure the total pension liability was 7.09%. 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 2089, 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 7.15% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 3.54% to the extent they are not available. The single equivalent rate used to determine the total pension liability as of June 30, 2022 was 7.09%. 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 ACFR.

**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 7.09%, as well as the County's proportionate share of the net pension liability if it were calculated using a discount rate that is one-percentage point lower (6.09%) or one-percentage point higher (8.09%) than the current rate:

	1% Decrease (6.09%)	Discount Rate (7.09%)	1% Increase (8.09%)
County's proportionate share of the net pension liability	\$ 683,238	\$ 391,306	\$ 153,527

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

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**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*. The Plan does not prepare separate audited financial statements.

**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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	277
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	4,084
Total	4,361

**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 \$18,353 was measured as of June 30, 2022, and was determined by an actuarial valuation as of June 30, 2022.

**Actuarial Assumptions and Other Inputs** The total OPEB liability measured as of June 30, 2022 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, 2022
Contribution Policy	No pre-funding
Discount Rate	June 30, 2022: 3.54% June 30, 2021: 2.16% Bond Buyer 20-Bond Index
General Inflation	June 30, 2022: 2.50%
Retirement, Disability, Termination	TCERA 2017-2020 Experience Study
Post-Retirement Mortality	Mortality projected fully generational with Scale MP-2021
Expected Long-Term Rate of Return on Investments	N/A
Salary Increases	Aggregate: 2.75% Merit: TCERA 2017-2020 Experience Study
Medical Trend	Non-Medicare: 8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare: 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076
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, 2023 (in thousands)**

**Changes in Total OPEB Liability**

	Total OPEB liability
Balance at June 30, 2022*	\$ 27,037
Changes for the year:	
Service cost	3,116
Interest	643
Changes of benefit terms	-
Differences between expected and actual experience	(1,205)
Assumption changes	(10,473)
Benefit payments**	(765)
Net changes	(8,684)
Balance at June 30, 2023***	\$ 18,353

\*Measurement date June 30, 2021.

\*\*Due to implied subsidy.

\*\*\*Measurement date June 30, 2022.

**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 3.54%, 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 (2.54%) or one-percentage point higher (4.54%) than the current discount rate.

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB liability	\$ 19,305	\$ 18,353	\$ 17,247

**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 8.50% Non-Medicare/7.50% Medicare decreasing to 3.45% Non-Medicare/3.45% 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 (7.50% Non-Medicare/6.50% Medicare decreasing to 2.45% Non-Medicare/2.45% Medicare) or one-percentage-point higher (9.50% Non-Medicare/8.50% Medicare decreasing to 4.45% Non-Medicare/4.45% Medicare) than the current healthcare cost trend rates.

	1% Decrease (7.50% Non-Medicare/6.50% Medicare decreasing to 2.45% Non-Medicare/2.45% Medicare)	Current Healthcare Cost Trend Rate (8.50% Non-Medicare/7.50% Medicare decreasing to 3.45% Non-Medicare/3.45% Medicare)	1% Increase (9.50% Non-Medicare/8.50% Medicare decreasing to 4.45% Non-Medicare/4.45% Medicare)
Total OPEB liability	\$16,421	\$18,353	\$20,479

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$2,277. At June 30, 2023, 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	\$ 2,149	\$ 4,788
Changes of assumptions	3,611	10,157
Employer contributions made subsequent to the measurement date*	686	-
	\$ 6,446	\$ 14,945

\* Due to implied subsidy



**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

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

Measurement Year	Amount
<u>Ending June 30,</u>	<u>                    </u>
2024	\$ (796)
2025	(796)
2026	(796)
2027	(718)
2028	(838)
Thereafter	(5,241)
	<u>\$ (9,185)</u>

**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 the 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 63.48% occupant), the William Silveira Jr. Juvenile Justice Center (in which the County is a 87.0% occupant), and the Dinuba Courthouse (in which the County does not occupy).

As of June 29, 2021, the Joint Occupancy Agreement was amended to transfer a total of eight thousand eight hundred sq. ft. of County space from the Visalia Courthouse to the Courts. In exchange for the transfer, an Equity Rights Purchase Agreement was approved to transfer the Court's 70% equity share of the Tulare Courthouse to the County. The County declared its intent to sell the vacant Tulare Courthouse. On September 28, 2021, the County and the City of Tulare entered into a purchase agreement for the Tulare Courthouse and the property closed escrow on December 23, 2021.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2023 (in thousands)**

**I. Prior Period Adjustment**

A prior period adjustment to other custodial funds was required to recognize liabilities and record net position in accordance with GASB Statement No. 84, *Fiduciary Activities*.

A summary of the restatements as of July 1, 2022 are as follows:

Fiduciary Fund Statement	Other Custodial Funds
Net position at July 1, 2022, as previously stated	\$ -
GASB Statement No. 84 adjustment	31,579
Net position at July 1, 2022, as restated	\$ 31,579

**J. Commitments and Contingencies**

The County has entered into solar power purchase agreements in which solar panels were built on seven County sites. Under these agreements, the County will purchase the energy generated for a period of twenty-five years following the activation of each site. Three of the sites were activated in fiscal year 2019/20 and the remaining four sites were activated in fiscal year 2020/21. The expected future cost of these agreements is \$38,959.

On May 2, 2023, the County signed a five-year purchase agreement for a new payroll and human resources software system. Implementation will begin in fiscal year 2023/24 and the software is expected to be placed in service during fiscal year 2024/25. The total cost of the agreement is \$4,611.

# 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, 2023 (in thousands)**

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

Measurement Date Fiscal Year	6/30/2022 2023	6/30/2021 2022	6/30/2020 2021	6/30/2019 2020	6/30/2018 2019	6/30/2017 2018	6/30/2016 2017*	6/30/2015 2016*	6/30/2014 2015	6/30/2013 2014
County's proportion of the net pension liability	91.6370%	91.3507%	91.0394%	91.2940%	89.6928%	94.7143%	95.0296%	95.2063%	94.5629%	95.5672%
County's proportionate share of the net pension liability	\$ 391,306	\$ 248,056	\$ 399,700	\$ 271,696	\$ 271,484	\$ 450,586	\$ 398,539	\$ 292,497	\$ 148,162	\$ 222,006
County's covered payroll	\$ 270,630	\$ 259,048	\$ 265,770	\$ 248,151	\$ 241,200	\$ 229,523	\$ 225,139	\$ 216,688	\$ 222,683	\$ 218,323
County's proportionate share of the net pension liability as a % of its covered payroll	144.6%	95.8%	150.4%	109.5%	112.6%	196.3%	177.0%	135.0%	66.5%	101.7%
Plan fiduciary net position as a % of the total pension liability	81.0%	87.9%	78.7%	84.7%	84.0%	86.1%	73.5%	79.8%	87.6%	80.4%

\*County's Covered Payroll amount for fiscal years 2016 and 2017 were 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\***

Measurement Date Fiscal Year	6/30/2022 2023	6/30/2021 2022	6/30/2020 2021	6/30/2019 2020	6/30/2018 2019	6/30/2017 2018	6/30/2016 2017***	6/30/2015 2016***	6/30/2014 2015***
Actuarially determined contribution	\$ 37,014	\$ 33,586	\$ 32,146	\$ 30,578	\$ 284,216	\$ 31,839	\$ 29,742	\$ 29,506	\$ 24,641
Contributions in relation to the actuarially determined contribution	37,014	33,586	32,146	30,578	284,216	31,839	29,742	29,506	24,641
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll**	\$ 287,818	\$ 270,630	\$ 259,048	\$ 265,770	\$ 248,151	\$ 239,079	\$ 229,523	\$ 225,139	\$ 216,688
Contributions as a % of covered payroll	12.9%	12.4%	12.4%	11.5%	114.5%	13.3%	13.0%	13.1%	11.4%

\*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.

\*\*\*County's Covered Payroll amount for fiscal years 2015 through 2017 were 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, 2021 and June 30, 2022 measurement dates, the rate of inflation remained at 2.75% as measured by the Consumer Price Index (CPI). The expected return on assets remained at 7.15%. The blended discount rate increased from 6.95% to 7.09% due to the results of the crossover test. The municipal bond rate (net of investment expenses) increased from 2.16% to 3.54% and is based on the Bond Buyer 20-year Bond GO Index as of June 30, 2022. There were no other assumption changes as of the June 30, 2022 valuation date.

**Changes of Benefit Terms** None.

**COUNTY OF TULARE**  
**Tulare County Employees' Other Postemployment Benefits (OPEB) Plan**  
**Schedule of the Changes in the County's Total OPEB Liability and Related Ratios (unaudited)**  
**June 30, 2023 (in thousands)**

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

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Changes in total OPEB liability						
Service cost	\$ 3,116	\$ 2,996	\$ 2,342	\$ 2,123	\$ 1,891	\$ 2,167
Interest	643	589	863	822	571	420
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(1,205)	-	(5,214)	-	4,484	-
Assumption changes	(10,473)	156	4,090	988	(465)	(1,212)
Benefit payments**	(765)	(741)	(712)	(780)	(585)	(685)
Net changes	(8,684)	3,000	1,369	3,153	5,896	690
Total OPEB liability (beginning of year)	27,037	24,037	22,668	19,515	13,619	12,929
Total OPEB liability (end of year)	<u>\$ 18,353</u>	<u>\$ 27,037</u>	<u>\$ 24,037</u>	<u>\$ 22,668</u>	<u>\$ 19,515</u>	<u>\$ 13,619</u>
Covered-employee payroll	\$ 314,821	\$ 296,820	\$ 273,846	\$ 264,409	\$ 258,638	\$ 250,246
Total OPEB liability as a percentage of covered-employee payroll	5.8%	9.1%	8.8%	8.6%	7.5%	5.4%
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	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, 2021 and June 30, 2022 measurement dates, the discount rate increased from 2.16% to 3.54%. The assumption of the rate of inflation decreased from 2.75% to 2.50%. The non-Medicare rate cost increased from 7.0% to 8.50% and the Medicare rate increased from 6.1% to 7.50%. The Post-Retirement Mortality assumptions were updated to Scale MP-2021. The assumption of aggregate salary increases decreased from 3.00% to 2.75%. There were no other assumption changes as of the June 30, 2022 valuation date.

**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, 2023 (in thousands)**

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash in banks	\$ 2	\$ -	\$ -	\$ 2
Investment in treasury pool	142,963	23,932	79,847	246,742
Imprest cash	1	-	-	1
Accounts receivable (net of allowance for uncollectibles)	3,683	-	-	3,683
Due from other governments	8,987	-	-	8,987
Prepaid items	340	-	-	340
Notes receivable	14,060	-	-	14,060
Inventories	221	-	-	221
Total assets	<u>\$ 170,257</u>	<u>\$ 23,932</u>	<u>\$ 79,847</u>	<u>\$ 274,036</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,470	\$ -	\$ 18,999	\$ 32,469
Due to other governments	2,576	-	279	2,855
Salaries and benefits payable	1,904	-	23	1,927
Advances	1,210	-	-	1,210
Advances from other funds	2,316	-	-	2,316
Total liabilities	<u>21,476</u>	<u>-</u>	<u>19,301</u>	<u>40,777</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - special assessments	17,063	-	-	17,063
Total deferred inflows of resources	<u>17,063</u>	<u>-</u>	<u>-</u>	<u>17,063</u>
<b>FUND BALANCES</b>				
Nonspendable	561	-	-	561
Restricted	128,025	3	-	128,028
Committed	88	-	-	88
Assigned	3,107	23,929	60,546	87,582
Unassigned	(63)	-	-	(63)
Total fund balances	<u>131,718</u>	<u>23,932</u>	<u>60,546</u>	<u>216,196</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 170,257</u>	<u>\$ 23,932</u>	<u>\$ 79,847</u>	<u>\$ 274,036</u>



**COUNTY OF TULARE**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes and special assessments	\$ 34,778	\$ -	\$ -	\$ 34,778
Licenses and permits	1,018	-	-	1,018
Fines, forfeitures, and penalties	617	846	-	1,463
Interest, rents, and concessions	1,964	8	104	2,076
Intergovernmental revenues	101,952	-	8,867	110,819
Charges for services	4,835	-	-	4,835
Other revenues	5,556	19,823	148	25,527
Total revenues	<u>150,720</u>	<u>20,677</u>	<u>9,119</u>	<u>180,516</u>
<b>EXPENDITURES</b>				
Current				
General government	-	-	20,203	20,203
Public protection	63,347	-	-	63,347
Public ways and facilities	36,972	-	-	36,972
Public assistance	642	-	-	642
Education	5,786	-	-	5,786
Debt service				
Principal retirement	1,430	13,054	340	14,824
Interest and fiscal charges	-	9,178	52	9,230
Capital outlay	34,914	-	25,798	60,712
Total expenditures	<u>143,091</u>	<u>22,232</u>	<u>46,393</u>	<u>211,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,629</u>	<u>(1,555)</u>	<u>(37,274)</u>	<u>(31,200)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	23	-	35	58
Transfers in	24,104	6,212	40,262	70,578
Transfers (out)	(33,450)	-	-	(33,450)
Leases issued	60	-	-	60
Subscription financing	-	-	2,153	2,153
Total other financing sources (uses)	<u>(9,263)</u>	<u>6,212</u>	<u>42,450</u>	<u>39,399</u>
Net change in fund balances	(1,634)	4,657	5,176	8,199
Fund balances - beginning	133,352	19,275	55,370	207,997
Fund balances - ending	<u>\$ 131,718</u>	<u>\$ 23,932</u>	<u>\$ 60,546</u>	<u>\$ 216,196</u>

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## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are legally restricted, committed, or assigned to expenditures for particular purposes.

**Indigent Health Care** – This fund is used to support emergency medical services. The primary sources of revenue are fines and penalties collected by the Tulare County Superior Courts and the County's Probation Office for all criminal offenses, including violations of the Vehicle Code, pursuant to the provisions of the California Government Code Section 76000.

**Redevelopment Successor Agency Housing** – 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** – 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** – 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** – 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** – 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** – 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** – 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** – 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** – 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** – 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** – 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** – 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)** – 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** – 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, 2023 (in thousands)**

	Indigent Health Care	Redevelopment Successor Agency Housing	Library	Fish and Game
<b>ASSETS</b>				
Cash in banks	\$ -	\$ -	\$ -	\$ -
Investment in treasury pool	377	316	6,903	4
Imprest cash	-	-	1	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	319	-
Notes receivable	-	1,596	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 377</u>	<u>\$ 1,912</u>	<u>\$ 7,223</u>	<u>\$ 4</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 317	\$ -	\$ 61	\$ 1
Due to other governments	-	-	-	-
Salaries and benefits payable	-	-	127	-
Advances	-	1,596	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>317</u>	<u>1,596</u>	<u>188</u>	<u>1</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	319	-
Restricted	60	316	5,143	-
Committed	-	-	-	-
Assigned	-	-	1,573	3
Unassigned	-	-	-	-
Total fund balances	<u>60</u>	<u>316</u>	<u>7,035</u>	<u>3</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 377</u>	<u>\$ 1,912</u>	<u>\$ 7,223</u>	<u>\$ 4</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (continued)**  
**June 30, 2023 (in thousands)**

	Aviation	Structural Fire	Roads	Workforce Investment
<b>ASSETS</b>				
Cash in banks	\$ -	\$ -	\$ 1	\$ -
Investment in treasury pool	102	6,497	50,454	602
Imprest cash	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	757	-
Due from other governments	20	1,553	6,486	-
Prepaid items	21	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	221	-
Total assets	<u>\$ 143</u>	<u>\$ 8,050</u>	<u>\$ 57,919</u>	<u>\$ 602</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,612	\$ 10,870	\$ 313
Due to other governments	-	-	2,379	197
Salaries and benefits payable	-	768	536	112
Advances	-	-	30	-
Advances from other funds	120	-	-	-
Total liabilities	<u>120</u>	<u>2,380</u>	<u>13,815</u>	<u>622</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Nonspendable	21	-	221	-
Restricted	-	5,670	43,795	-
Committed	-	-	88	-
Assigned	2	-	-	-
Unassigned	-	-	-	(20)
Total fund balances	<u>23</u>	<u>5,670</u>	<u>44,104</u>	<u>(20)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 143</u>	<u>\$ 8,050</u>	<u>\$ 57,919</u>	<u>\$ 602</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (continued)**  
**June 30, 2023 (in thousands)**

	Child Support Services	Mental Health Realignment	Health Realignment	Tobacco Settlement
<b>ASSETS</b>				
Cash in banks	\$ -	\$ -	\$ -	\$ -
Investment in treasury pool	2,441	43,985	21,440	-
Imprest cash	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	2,863
Due from other governments	385	-	-	-
Prepaid items	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 2,826</u>	<u>\$ 43,985</u>	<u>\$ 21,440</u>	<u>\$ 2,863</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 19	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Salaries and benefits payable	361	-	-	-
Advances	(494)	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>(114)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - special assessments	-	-	-	2,863
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,863</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	2,940	43,985	21,440	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,940</u>	<u>43,985</u>	<u>21,440</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,826</u>	<u>\$ 43,985</u>	<u>\$ 21,440</u>	<u>\$ 2,863</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (continued)**  
**June 30, 2023 (in thousands)**

	Flood Control	Community Development Block Grant	Housing Opportunities Made Equal	Total Special Revenue Funds
<b>ASSETS</b>				
Cash in banks	\$ -	\$ 1	\$ -	\$ 2
Investment in treasury pool	6,129	2,438	1,275	142,963
Imprest cash	-	-	-	1
Accounts receivable (net of allowance for uncollectibles)	63	-	-	3,683
Due from other governments	-	532	11	8,987
Prepaid items	-	-	-	340
Notes receivable	-	2,950	9,514	14,060
Inventories	-	-	-	221
Total assets	<u>\$ 6,192</u>	<u>\$ 5,921</u>	<u>\$ 10,800</u>	<u>\$ 170,257</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 49	\$ 217	\$ 11	\$ 13,470
Due to other governments	-	-	-	2,576
Salaries and benefits payable	-	-	-	1,904
Advances	-	42	36	1,210
Advances from other funds	-	2,196	-	2,316
Total liabilities	<u>49</u>	<u>2,455</u>	<u>47</u>	<u>21,476</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue - special assessments	-	3,404	10,796	17,063
Total deferred inflows of resources	<u>-</u>	<u>3,404</u>	<u>10,796</u>	<u>17,063</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	561
Restricted	4,614	62	-	128,025
Committed	-	-	-	88
Assigned	1,529	-	-	3,107
Unassigned	-	-	(43)	(63)
Total fund balances	<u>6,143</u>	<u>62</u>	<u>(43)</u>	<u>131,718</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,192</u>	<u>\$ 5,921</u>	<u>\$ 10,800</u>	<u>\$ 170,257</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, 2023 (in thousands)**

	Indigent Health Care	Redevelopment Successor Agency Housing	Library	Fish and Game
<b>REVENUES</b>				
Taxes and special assessments	\$ -	\$ -	\$ 6,073	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures, and penalties	615	-	-	2
Interest, rents, and concessions	16	-	94	-
Intergovernmental revenues	57	-	1,558	-
Charges for services	-	-	86	-
Other revenues	13	34	60	-
Total revenues	<u>701</u>	<u>34</u>	<u>7,871</u>	<u>2</u>
<b>EXPENDITURES</b>				
Current				
Public protection	-	-	-	3
Public ways and facilities	-	-	-	-
Public assistance	636	6	-	-
Education	-	-	5,786	-
Debt service				
Principal retirement	-	-	11	-
Capital outlay	-	-	60	-
Total expenditures	<u>636</u>	<u>6</u>	<u>5,857</u>	<u>3</u>
Excess (deficiency) of revenues over (under) expenditures	<u>65</u>	<u>28</u>	<u>2,014</u>	<u>(1)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	21	-	-
Transfers in	-	-	-	-
Transfers (out)	(169)	-	(1,551)	-
Leases issued	-	-	60	-
Total other financing sources (uses)	<u>(169)</u>	<u>21</u>	<u>(1,491)</u>	<u>-</u>
Net change in fund balances	(104)	49	523	(1)
Fund balances - beginning	164	267	6,512	4
Fund balances - ending	<u>\$ 60</u>	<u>\$ 316</u>	<u>\$ 7,035</u>	<u>\$ 3</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, 2023 (in thousands)**

	Aviation	Structural Fire	Roads	Workforce Investment
<b>REVENUES</b>				
Taxes and special assessments	\$ -	\$ 11,405	\$ 16,443	\$ -
Licenses and permits	-	15	1,003	-
Fines, forfeitures, and penalties	-	-	-	-
Interest, rents, and concessions	19	231	1,057	370
Intergovernmental revenues	10	13,248	37,679	12,052
Charges for services	-	946	3,432	371
Other revenues	-	10	463	42
Total revenues	<u>29</u>	<u>25,855</u>	<u>60,077</u>	<u>12,835</u>
<b>EXPENDITURES</b>				
Current				
Public protection	-	33,932	-	13,864
Public ways and facilities	52	-	36,920	-
Public assistance	-	-	-	-
Education	-	-	-	-
Debt service				
Principal retirement	-	-	-	731
Capital outlay	-	1,811	33,038	-
Total expenditures	<u>52</u>	<u>35,743</u>	<u>69,958</u>	<u>14,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23)</u>	<u>(9,888)</u>	<u>(9,881)</u>	<u>(1,760)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	-	2	-
Transfers in	24	10,826	-	1,754
Transfers (out)	-	(1,815)	-	-
Leases issued	-	-	-	-
Total other financing sources (uses)	<u>24</u>	<u>9,011</u>	<u>2</u>	<u>1,754</u>
Net change in fund balances	1	(877)	(9,879)	(6)
Fund balances - beginning	<u>22</u>	<u>6,547</u>	<u>53,983</u>	<u>(14)</u>
Fund balances - ending	<u>\$ 23</u>	<u>\$ 5,670</u>	<u>\$ 44,104</u>	<u>\$ (20)</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, 2023 (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	69	-	(1)	-
Intergovernmental revenues	13,894	20,583	914	-
Charges for services	-	-	-	-
Other revenues	319	-	-	4,615
Total revenues	<u>14,282</u>	<u>20,583</u>	<u>913</u>	<u>4,615</u>
<b>EXPENDITURES</b>				
Current				
Public protection	13,259	-	-	-
Public ways and facilities	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Debt service				
Principal retirement	688	-	-	-
Capital outlay	5	-	-	-
Total expenditures	<u>13,952</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>330</u>	<u>20,583</u>	<u>913</u>	<u>4,615</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	-	-	-
Transfers in	2	694	10,804	-
Transfers (out)	-	(10,239)	(15,061)	(4,615)
Leases issued	-	-	-	-
Total other financing sources (uses)	<u>2</u>	<u>(9,545)</u>	<u>(4,257)</u>	<u>(4,615)</u>
Net change in fund balances	332	11,038	(3,344)	-
Fund balances - beginning	2,608	32,947	24,784	-
Fund balances - ending	<u>\$ 2,940</u>	<u>\$ 43,985</u>	<u>\$ 21,440</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, 2023 (in thousands)**

	Flood Control	Community Development Block Grant	Housing Opportunities Made Equal	Total Special Revenue Funds
<b>REVENUES</b>				
Taxes and special assessments	\$ 857	\$ -	\$ -	\$ 34,778
Licenses and permits	-	-	-	1,018
Fines, forfeitures, and penalties	-	-	-	617
Interest, rents, and concessions	89	15	5	1,964
Intergovernmental revenues	195	1,762	-	101,952
Charges for services	-	-	-	4,835
Other revenues	-	-	-	5,556
Total revenues	<u>1,141</u>	<u>1,777</u>	<u>5</u>	<u>150,720</u>
<b>EXPENDITURES</b>				
Current				
Public protection	526	1,763	-	63,347
Public ways and facilities	-	-	-	36,972
Public assistance	-	-	-	642
Education	-	-	-	5,786
Debt service				
Principal retirement	-	-	-	1,430
Capital outlay	-	-	-	34,914
Total expenditures	<u>526</u>	<u>1,763</u>	<u>-</u>	<u>143,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>615</u>	<u>14</u>	<u>5</u>	<u>7,629</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	-	-	23
Transfers in	-	-	-	24,104
Transfers (out)	-	-	-	(33,450)
Leases issued	-	-	-	60
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,263)</u>
Net change in fund balances	615	14	5	(1,634)
Fund balances - beginning	<u>5,528</u>	<u>48</u>	<u>(48)</u>	<u>133,352</u>
Fund balances - ending	<u>\$ 6,143</u>	<u>\$ 62</u>	<u>\$ (43)</u>	<u>\$ 131,718</u>

Concluded

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Indigent Health Care Fund**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ 1,009	\$ 1,009	\$ 615	\$ (394)
Interest, rents, and concessions	43	43	16	(27)
Intergovernmental revenues	-	-	57	57
Other revenues	30	30	13	(17)
Total revenues	<u>1,082</u>	<u>1,082</u>	<u>701</u>	<u>(381)</u>
<b>EXPENDITURES</b>				
Current				
Public assistance	1,080	1,080	636	444
Total expenditures	<u>1,080</u>	<u>1,080</u>	<u>636</u>	<u>444</u>
Excess of revenues over expenditures	<u>2</u>	<u>2</u>	<u>65</u>	<u>63</u>
<b>OTHER FINANCING USES</b>				
Transfers (out)	-	-	(169)	(169)
Total other financing uses	<u>-</u>	<u>-</u>	<u>(169)</u>	<u>(169)</u>
Net change in fund balance	2	2	(104)	(106)
Fund balance - beginning	164	164	164	-
Fund balance - ending	<u>\$ 166</u>	<u>\$ 166</u>	<u>\$ 60</u>	<u>\$ (106)</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, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 3	\$ 3	\$ -	\$ (3)
Other revenues	29	29	34	5
Total revenues	<u>32</u>	<u>32</u>	<u>34</u>	<u>2</u>
<b>EXPENDITURES</b>				
Current				
Public assistance	4	4	6	(2)
Capital outlay	301	301	-	301
Total expenditures	<u>305</u>	<u>305</u>	<u>6</u>	<u>299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(273)</u>	<u>(273)</u>	<u>28</u>	<u>301</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of general capital assets	-	-	21	21
Total other financing sources	<u>-</u>	<u>-</u>	<u>21</u>	<u>21</u>
Net change in fund balance	(273)	(273)	49	322
Fund balance - beginning	267	267	267	-
Fund balance - ending	<u>\$ (6)</u>	<u>\$ (6)</u>	<u>\$ 316</u>	<u>\$ 322</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, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes and special assessments	\$ 5,826	\$ 5,826	\$ 6,073	\$ 247
Interest, rents, and concessions	75	75	94	19
Intergovernmental revenues	452	452	1,558	1,106
Charges for services	100	100	86	(14)
Other revenues	52	52	60	8
Total revenues	<u>6,505</u>	<u>6,505</u>	<u>7,871</u>	<u>1,366</u>
<b>EXPENDITURES</b>				
Current				
Education	6,458	6,460	5,786	674
Debt service				
Principal retirement	-	-	11	(11)
Capital outlay	-	-	60	(60)
Total expenditures	<u>6,458</u>	<u>6,460</u>	<u>5,857</u>	<u>603</u>
Excess of revenues over expenditures	<u>47</u>	<u>45</u>	<u>2,014</u>	<u>1,969</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5	5	-	(5)
Transfers (out)	(2,051)	(2,051)	(1,551)	500
Leases issued	-	-	60	60
Total other financing sources (uses)	<u>(2,046)</u>	<u>(2,046)</u>	<u>(1,491)</u>	<u>555</u>
Net change in fund balance	(1,999)	(2,001)	523	2,524
Fund balance - beginning	6,512	6,512	6,512	-
Fund balance - ending	<u>\$ 4,513</u>	<u>\$ 4,511</u>	<u>\$ 7,035</u>	<u>\$ 2,524</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, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 2	\$ 2
Total revenues	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
<b>EXPENDITURES</b>				
Current				
Public protection	4	4	3	1
Total expenditures	<u>4</u>	<u>4</u>	<u>3</u>	<u>1</u>
Net change in fund balance	(4)	(4)	(1)	3
Fund balance - beginning	4	4	4	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 3</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, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 18	\$ 18	\$ 19	\$ 1
Intergovernmental revenues	10	10	10	-
Total revenues	28	28	29	1
<b>EXPENDITURES</b>				
Current				
Public ways and facilities	77	86	52	34
Capital outlay	21	21	-	21
Total expenditures	98	107	52	55
Deficiency of revenues under expenditures	(70)	(79)	(23)	56
<b>OTHER FINANCING SOURCES</b>				
Transfers in	69	78	24	(54)
Total other financing sources	69	78	24	(54)
Net change in fund balance	(1)	(1)	1	2
Fund balance - beginning	22	22	22	-
Fund balance - ending	\$ 21	\$ 21	\$ 23	\$ 2



**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, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes and special assessments	\$ 10,646	\$ 10,946	\$ 11,405	\$ 459
Licenses and permits	11	11	15	4
Interest, rents, and concessions	60	60	231	171
Intergovernmental revenues	7,231	14,172	13,248	(924)
Charges for services	1,206	1,206	946	(260)
Other revenues	-	-	10	10
Total revenues	<u>19,154</u>	<u>26,395</u>	<u>25,855</u>	<u>(540)</u>
<b>EXPENDITURES</b>				
Current				
Public protection	25,288	35,245	33,932	1,313
Capital outlay	2,878	2,974	1,811	1,163
Total expenditures	<u>28,166</u>	<u>38,219</u>	<u>35,743</u>	<u>2,476</u>
Deficiency of revenues under expenditures	<u>(9,012)</u>	<u>(11,824)</u>	<u>(9,888)</u>	<u>1,936</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,826	10,826	10,826	-
Transfers (out)	(1,815)	(1,815)	(1,815)	-
Total other financing sources (uses)	<u>9,011</u>	<u>9,011</u>	<u>9,011</u>	<u>-</u>
Net change in fund balance	(1)	(2,813)	(877)	1,936
Fund balance - beginning	6,547	6,547	6,547	-
Fund balance - ending	<u>\$ 6,546</u>	<u>\$ 3,734</u>	<u>\$ 5,670</u>	<u>\$ 1,936</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, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 17,156	\$ 17,156	\$ 16,443	\$ (713)
Licenses and permits	12	12	1,003	991
Interest, rents, and concessions	351	351	1,057	706
Intergovernmental revenues	51,663	51,663	37,679	(13,984)
Charges for services	2,934	2,934	3,432	498
Other revenues	721	721	463	(258)
Total revenues	<u>72,837</u>	<u>72,837</u>	<u>60,077</u>	<u>(12,760)</u>
<b>EXPENDITURES</b>				
Current				
Public ways and facilities	116,490	116,442	36,920	79,522
Capital outlay	6,504	6,554	33,038	(26,484)
Total expenditures	<u>122,994</u>	<u>122,996</u>	<u>69,958</u>	<u>53,038</u>
Deficiency of revenues under expenditures	<u>(50,157)</u>	<u>(50,159)</u>	<u>(9,881)</u>	<u>40,278</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of general capital assets	-	-	2	2
Transfers in	21	21	-	(21)
Total other financing sources	<u>21</u>	<u>21</u>	<u>2</u>	<u>(19)</u>
Net change in fund balance	(50,136)	(50,138)	(9,879)	40,259
Fund balance - beginning	53,983	53,983	53,983	-
Fund balance - ending	<u>\$ 3,847</u>	<u>\$ 3,845</u>	<u>\$ 44,104</u>	<u>\$ 40,259</u>

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Workforce Investment Fund**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 205	\$ 205	\$ 370	\$ 165
Intergovernmental revenues	14,095	14,279	12,052	(2,227)
Charges for services	555	705	371	(334)
Other revenues	5	5	42	37
Total revenues	<u>14,860</u>	<u>15,194</u>	<u>12,835</u>	<u>(2,359)</u>
<b>EXPENDITURES</b>				
Current				
Public protection	17,056	17,566	13,864	3,702
Debt service				
Principal retirement	-	-	731	(731)
Total expenditures	<u>17,056</u>	<u>17,566</u>	<u>14,595</u>	<u>2,971</u>
Deficiency of revenues under expenditures	<u>(2,196)</u>	<u>(2,372)</u>	<u>(1,760)</u>	<u>612</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	2,364	2,364	1,754	(610)
Total other financing sources	<u>2,364</u>	<u>2,364</u>	<u>1,754</u>	<u>(610)</u>
Net change in fund balance	168	(8)	(6)	2
Fund balance - beginning	(14)	(14)	(14)	-
Fund balance - ending	<u>\$ 154</u>	<u>\$ (22)</u>	<u>\$ (20)</u>	<u>\$ 2</u>

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Child Support Services Fund**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 29	\$ 29	\$ 69	\$ 40
Intergovernmental revenues	14,997	14,997	13,894	(1,103)
Other revenues	564	564	319	(245)
Total revenues	15,590	15,590	14,282	(1,308)
<b>EXPENDITURES</b>				
Current				
Public protection	15,583	15,583	13,259	2,324
Debt service				
Principal retirement	-	-	688	(688)
Capital outlay	14	14	5	9
Total expenditures	15,597	15,597	13,952	1,645
Excess (deficiency) of revenues over (under) expenditures	(7)	(7)	330	337
<b>OTHER FINANCING SOURCES</b>				
Transfers in	6	6	2	(4)
Total other financing sources	6	6	2	(4)
Net change in fund balance	(1)	(1)	332	333
Fund balance - beginning	2,608	2,608	2,608	-
Fund balance - ending	\$ 2,607	\$ 2,607	\$ 2,940	\$ 333

**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, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental revenues	\$ 16,467	\$ 16,467	\$ 20,583	\$ 4,116
Total revenues	16,467	16,467	20,583	4,116
<b>EXPENDITURES</b>				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	16,467	16,467	20,583	4,116
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,159	2,159	694	(1,465)
Transfers (out)	(22,458)	(22,458)	(10,239)	12,219
Total other financing sources (uses)	(20,299)	(20,299)	(9,545)	10,754
Net change in fund balance	(3,832)	(3,832)	11,038	14,870
Fund balance - beginning	32,947	32,947	32,947	-
Fund balance - ending	\$ 29,115	\$ 29,115	\$ 43,985	\$ 14,870

**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, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ (1)	\$ (1)
Intergovernmental revenues	-	-	914	914
Total revenues	<u>-</u>	<u>-</u>	<u>913</u>	<u>913</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>913</u>	<u>913</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	10,565	10,565	10,804	239
Transfers (out)	<u>(15,750)</u>	<u>(15,750)</u>	<u>(15,061)</u>	<u>689</u>
Total other financing sources (uses)	<u>(5,185)</u>	<u>(5,185)</u>	<u>(4,257)</u>	<u>928</u>
Net change in fund balance	(5,185)	(5,185)	(3,344)	1,841
Fund balance - beginning	24,784	24,784	24,784	-
Fund balance - ending	<u>\$ 19,599</u>	<u>\$ 19,599</u>	<u>\$ 21,440</u>	<u>\$ 1,841</u>

**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, 2023 (in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Other revenues	\$ 5,656	\$ 5,656	\$ 4,615	\$ (1,041)
Total revenues	<u>5,656</u>	<u>5,656</u>	<u>4,615</u>	<u>(1,041)</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>5,656</u>	<u>5,656</u>	<u>4,615</u>	<u>(1,041)</u>
<b>OTHER FINANCING USES</b>				
Transfers (out)	<u>(5,656)</u>	<u>(5,656)</u>	<u>(4,615)</u>	<u>1,041</u>
Total other financing uses	<u>(5,656)</u>	<u>(5,656)</u>	<u>(4,615)</u>	<u>1,041</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 545	\$ 545	\$ 857	\$ 312
Interest, rents, and concessions	50	50	89	39
Intergovernmental revenues	53	53	195	142
Total revenues	648	648	1,141	493
<b>EXPENDITURES</b>				
Current				
Public protection	6,347	6,347	526	5,821
Total expenditures	6,347	6,347	526	5,821
Net change in fund balance	(5,699)	(5,699)	615	6,314
Fund balance - beginning	5,528	5,528	5,528	-
Fund balance - ending	\$ (171)	\$ (171)	\$ 6,143	\$ 6,314



**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, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ 15	\$ 15
Intergovernmental revenues	3,246	3,246	1,762	(1,484)
Total revenues	3,246	3,246	1,777	(1,469)
<b>EXPENDITURES</b>				
Current				
Public protection	3,244	3,244	1,763	1,481
Total expenditures	3,244	3,244	1,763	1,481
Net change in fund balance	2	2	14	12
Fund balance - beginning	48	48	48	-
Fund balance - ending	\$ 50	\$ 50	\$ 62	\$ 12

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Housing Opportunities Made Equal Fund**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ 5	\$ 5
Intergovernmental revenues	965	965	-	(965)
Total revenues	965	965	5	(960)
<b>EXPENDITURES</b>				
Current				
Public protection	964	964	-	964
Total expenditures	964	964	-	964
Net change in fund balance	1	1	5	4
Fund balance - beginning	(48)	(48)	(48)	-
Fund balance - ending	\$ (47)	\$ (47)	\$ (43)	\$ 4

## **DEBT SERVICE FUNDS**

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

**Pension Obligation Bond** – This fund accumulates the amounts assessed to departments for the payment of principal and interest of the County’s Pension Obligation Bonds, the proceeds of which were used to pay a portion of the County’s unfunded accrued actuarial liability as of June 2017.

**Building Loans** – This fund receives transfers of resources from County building occupants for the payment of the County’s lease obligations to the Public Facilities Corporation.

**COUNTY OF TULARE**  
**Debt Service Funds**  
**Combining Balance Sheet**  
**June 30, 2023 (in thousands)**

	Pension Obligation Bond	Building Loans	Total Debt Service
<b>ASSETS</b>			
Investment in treasury pool	\$ 3	\$ 23,929	\$ 23,932
Total assets	<u>\$ 3</u>	<u>\$ 23,929</u>	<u>\$ 23,932</u>
<b>LIABILITIES</b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>FUND BALANCES</b>			
Restricted	3	-	3
Assigned	-	23,929	23,929
Total fund balances	<u>3</u>	<u>23,929</u>	<u>23,932</u>
Total liabilities and fund balances	<u>\$ 3</u>	<u>\$ 23,929</u>	<u>\$ 23,932</u>

**COUNTY OF TULARE**  
**Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Pension Obligation Bond	Building Loans	Total Debt Service
<b>REVENUES</b>			
Fines, forfeitures, and penalties	\$ -	\$ 846	\$ 846
Interest, rents, and concessions	-	8	8
Other revenues	19,823	-	19,823
Total revenues	<u>19,823</u>	<u>854</u>	<u>20,677</u>
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	11,059	1,995	13,054
Interest and fiscal charges	8,765	413	9,178
Total expenditures	<u>19,824</u>	<u>2,408</u>	<u>22,232</u>
Deficiency of revenues under expenditures	<u>(1)</u>	<u>(1,554)</u>	<u>(1,555)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	6,212	6,212
Total other financing sources	<u>-</u>	<u>6,212</u>	<u>6,212</u>
Net change in fund balances	(1)	4,658	4,657
Fund balances - beginning	4	19,271	19,275
Fund balances - ending	<u>\$ 3</u>	<u>\$ 23,929</u>	<u>\$ 23,932</u>

**COUNTY OF TULARE**  
**Debt Service Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Pension Obligation Bond Fund**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other revenues	\$ 19,829	\$ 19,829	\$ 19,823	\$ (6)
Total revenues	19,829	19,829	19,823	(6)
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	11,060	11,060	11,059	1
Interest and fiscal charges	8,769	8,769	8,765	4
Total expenditures	19,829	19,829	19,824	5
Net change in fund balance	-	-	(1)	(1)
Fund balance - beginning	4	4	4	-
Fund balance - ending	\$ 4	\$ 4	\$ 3	\$ (1)

**COUNTY OF TULARE**  
**Debt Service Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual**  
**Building Loans Fund**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 846	\$ 846
Interest, rents, and concessions	-	-	8	8
Total revenues	<u>-</u>	<u>-</u>	<u>854</u>	<u>854</u>
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	1,995	1,995	1,995	-
Interest and fiscal charges	413	413	413	-
Total expenditures	<u>2,408</u>	<u>2,408</u>	<u>2,408</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(2,408)</u>	<u>(2,408)</u>	<u>(1,554)</u>	<u>854</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	7,462	7,462	6,212	(1,250)
Total other financing sources	<u>7,462</u>	<u>7,462</u>	<u>6,212</u>	<u>(1,250)</u>
Net change in fund balance	5,054	5,054	4,658	(396)
Fund balance - beginning	19,271	19,271	19,271	-
Fund balance - ending	<u>\$ 24,325</u>	<u>\$ 24,325</u>	<u>\$ 23,929</u>	<u>\$ (396)</u>

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## **CAPITAL PROJECTS FUND**

Capital projects funds are used to account for and report financial resources to be used for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

**Capital Projects** – This 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 governmental funds combining financial statements.

**COUNTY OF TULARE**  
**Capital Projects Fund**  
**Balance Sheet**  
**June 30, 2023 (in thousands)**

	<u>Capital Projects</u>
<b>ASSETS</b>	
Investment in treasury pool	\$ 79,847
Total assets	<u>\$ 79,847</u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 18,999
Due to other governments	279
Salaries and benefits payable	<u>23</u>
Total liabilities	<u>19,301</u>
 <b>FUND BALANCE</b>	
Assigned	<u>60,546</u>
Total fund balance	<u>60,546</u>
Total liabilities and fund balance	<u>\$ 79,847</u>

**COUNTY OF TULARE**  
**Capital Projects Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Capital Projects
<b>REVENUES</b>	
Interest, rents, and concessions	\$ 104
Intergovernmental revenues	8,867
Other revenues	148
Total revenues	9,119
 <b>EXPENDITURES</b>	
Current	
General government	20,203
Debt service	
Principal retirement	340
Interest and fiscal charges	52
Capital outlay	25,798
Total expenditures	46,393
Deficiency of revenues under expenditures	(37,274)
 <b>OTHER FINANCING SOURCES</b>	
Sale of general capital assets	35
Transfers in	40,262
Subscription financing	2,153
Total other financing sources	42,450
Net change in fund balance	5,176
Fund balance - beginning	55,370
Fund balance - ending	\$ 60,546

**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, 2023 (in thousands)**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ 104	\$ 104
Intergovernmental revenues	54,543	57,346	8,867	(48,479)
Other revenues	-	-	148	148
Total revenues	<u>54,543</u>	<u>57,346</u>	<u>9,119</u>	<u>(48,227)</u>
<b>EXPENDITURES</b>				
Current				
General government	2,641	2,652	20,203	(17,551)
Debt service				
Principal retirement	-	-	340	(340)
Interest and fiscal charges	-	-	52	(52)
Capital outlay	<u>129,098</u>	<u>150,118</u>	<u>25,798</u>	<u>124,320</u>
Total expenditures	<u>131,739</u>	<u>152,770</u>	<u>46,393</u>	<u>106,377</u>
Deficiency of revenues under expenditures	<u>(77,196)</u>	<u>(95,424)</u>	<u>(37,274)</u>	<u>58,150</u>
<b>OTHER FINANCING SOURCES</b>				
Sale of general capital assets	-	-	35	35
Transfers in	37,217	49,230	40,262	(8,968)
Subscription financing	-	-	2,153	2,153
Total other financing sources	<u>37,217</u>	<u>49,230</u>	<u>42,450</u>	<u>(6,780)</u>
Net change in fund balance	(39,979)	(46,194)	5,176	51,370
Fund balance - beginning	<u>55,370</u>	<u>55,370</u>	<u>55,370</u>	<u>-</u>
Fund balance - ending	<u>\$ 15,391</u>	<u>\$ 9,176</u>	<u>\$ 60,546</u>	<u>\$ 51,370</u>

## **NONMAJOR ENTERPRISE FUNDS**

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

**Transit** – 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** – 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** – These funds are used to account for the costs of maintenance and improvement of the Landscaping Assessment Districts.

**County Service Area #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, 2023 (in thousands)**

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
<b>ASSETS</b>			
Current assets			
Cash in banks	\$ -	\$ 1	\$ -
Investment in treasury pool	4,185	926	1,630
Accounts receivable (net of allowance for uncollectibles)	3	93	-
Lease payments receivable, net of interest	-	-	-
Due from other governments	2,146	-	-
Total current assets	<u>6,334</u>	<u>1,020</u>	<u>1,630</u>
Noncurrent assets			
Capital assets			
Land	-	68	-
Buildings and improvements, net	11,915	551	-
Equipment and vehicles, net	183	-	-
Total capital assets	<u>12,098</u>	<u>619</u>	<u>-</u>
Total noncurrent assets	<u>12,098</u>	<u>619</u>	<u>-</u>
Total assets	<u>18,432</u>	<u>1,639</u>	<u>1,630</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	106	-	-
Deferred OPEB	4	-	-
Total deferred outflows of resources	<u>110</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	15	29	13
Due to other governments	1,123	-	-
Deposits from others	-	53	8
Certificates of participation payable	-	30	-
Total current liabilities	<u>1,138</u>	<u>112</u>	<u>21</u>
Noncurrent liabilities			
Advances	1	-	-
Advances from other funds	-	-	-
Certificates of participation payable	-	490	-
Bonds payable	-	-	-
Net pension liability	211	-	-
Total OPEB liability	12	-	-
Total noncurrent liabilities	<u>224</u>	<u>490</u>	<u>-</u>
Total liabilities	<u>1,362</u>	<u>602</u>	<u>21</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	59	-	-
Deferred OPEB	10	-	-
Deferred lease proceeds	-	-	-
Total deferred inflows of resources	<u>69</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	12,098	99	-
Unrestricted	5,013	938	1,609
Total net position	<u>\$ 17,111</u>	<u>\$ 1,037</u>	<u>\$ 1,609</u>

Continued

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Net Position (continued)**  
**June 30, 2023 (in thousands)**

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current assets			
Cash in banks	\$ 3	\$ -	\$ 4
Investment in treasury pool	196	29	6,966
Accounts receivable (net of allowance for uncollectibles)	174	12	282
Lease payments receivable, net of interest	78	-	78
Due from other governments	53	6	2,205
Total current assets	<u>504</u>	<u>47</u>	<u>9,535</u>
Noncurrent assets			
Capital assets			
Land	495	41	604
Buildings and improvements, net	1,253	146	13,865
Equipment and vehicles, net	-	-	183
Total capital assets	<u>1,748</u>	<u>187</u>	<u>14,652</u>
Total noncurrent assets	<u>1,748</u>	<u>187</u>	<u>14,652</u>
Total assets	<u>2,252</u>	<u>234</u>	<u>24,187</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	-	-	106
Deferred OPEB	-	-	4
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>110</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	104	13	174
Due to other governments	-	-	1,123
Deposits from others	-	-	61
Certificates of participation payable	23	2	55
Total current liabilities	<u>127</u>	<u>15</u>	<u>1,413</u>
Noncurrent liabilities			
Advances	-	-	1
Advances from other funds	817	571	1,388
Certificates of participation payable	303	23	816
Bonds payable	2	-	2
Net pension liability	-	-	211
Total OPEB liability	-	-	12
Total noncurrent liabilities	<u>1,122</u>	<u>594</u>	<u>2,430</u>
Total liabilities	<u>1,249</u>	<u>609</u>	<u>3,843</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	-	-	59
Deferred OPEB	-	-	10
Deferred lease proceeds	76	-	76
Total deferred inflows of resources	<u>76</u>	<u>-</u>	<u>145</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,420	162	13,779
Unrestricted	(493)	(537)	6,530
Total net position	<u>\$ 927</u>	<u>\$ (375)</u>	<u>\$ 20,309</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, 2023 (in thousands)**

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 144	\$ 186
Interest, rents, and concessions	-	-	-
Other revenues	1,013	-	-
Total operating revenues	<u>1,013</u>	<u>144</u>	<u>186</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	61	-	-
Services and supplies	3,478	163	22
Depreciation	1,175	39	-
Total operating expenses	<u>4,714</u>	<u>202</u>	<u>22</u>
Operating income (loss)	<u>(3,701)</u>	<u>(58)</u>	<u>164</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Loss on sale of capital assets	(1,018)	-	-
Intergovernmental revenues	2,760	-	-
Penalties collected	-	1	-
Taxes and special assessments	-	49	9
Investment earnings (expenses)	102	16	13
Interest expense	-	(24)	-
Total nonoperating revenues (expenses)	<u>1,844</u>	<u>42</u>	<u>22</u>
Income (loss) before transfers	<u>(1,857)</u>	<u>(16)</u>	<u>186</u>
Transfers in	-	-	-
Change in net position	<u>(1,857)</u>	<u>(16)</u>	<u>186</u>
Net position - beginning	18,968	1,053	1,423
Net position - ending	<u>\$ 17,111</u>	<u>\$ 1,037</u>	<u>\$ 1,609</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, 2023 (in thousands)**

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 486	\$ 68	\$ 884
Interest, rents, and concessions	6	-	6
Other revenues	-	-	1,013
Total operating revenues	<u>492</u>	<u>68</u>	<u>1,903</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	-	-	61
Services and supplies	671	137	4,471
Depreciation	138	14	1,366
Total operating expenses	<u>809</u>	<u>151</u>	<u>5,898</u>
Operating income (loss)	<u>(317)</u>	<u>(83)</u>	<u>(3,995)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Loss on sale of capital assets	-	-	(1,018)
Intergovernmental revenues	-	-	2,760
Penalties collected	9	1	11
Taxes and special assessments	-	-	58
Investment earnings (expenses)	(1)	(2)	128
Interest expense	(43)	(12)	(79)
Total nonoperating revenues (expenses)	<u>(35)</u>	<u>(13)</u>	<u>1,860</u>
Income (loss) before transfers	<u>(352)</u>	<u>(96)</u>	<u>(2,135)</u>
Transfers in	<u>650</u>	<u>15</u>	<u>665</u>
Change in net position	298	(81)	(1,470)
Net position - beginning	<u>629</u>	<u>(294)</u>	<u>21,779</u>
Net position - ending	<u>\$ 927</u>	<u>\$ (375)</u>	<u>\$ 20,309</u>

Concluded

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 6	\$ 143	\$ 186
Receipts from rents and concessions	-	-	-
Other receipts	425	-	-
Payments from employees	(92)	-	-
Payments to suppliers	(5,286)	(104)	(14)
Payments for interfund services used	(411)	(37)	(8)
Net cash provided by (used for) operating activities	<u>(5,358)</u>	<u>2</u>	<u>164</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidy from intergovernmental entities	2,760	-	-
Receipts from taxes and assessments	-	50	9
Transfers from other funds	-	-	-
Advances from (to) other funds	1,123	-	-
Net cash provided by noncapital financing activities	<u>3,883</u>	<u>50</u>	<u>9</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales of capital assets	1	-	-
Purchases of capital assets	-	-	-
Principal paid on capital debt	-	(30)	-
Interest paid on capital debt	-	(24)	-
Net cash provided by (used for) capital and related financing activities	<u>1</u>	<u>(54)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings (expenses)	<u>102</u>	<u>16</u>	<u>13</u>
Net cash provided by (used for) investing activities	<u>102</u>	<u>16</u>	<u>13</u>
Net increase (decrease) in cash and cash equivalents	(1,372)	14	186
Cash and cash equivalents - beginning	5,557	913	1,444
Cash and cash equivalents - ending	<u>\$ 4,185</u>	<u>\$ 927</u>	<u>\$ 1,630</u>
Displayed as			
Cash in banks	\$ -	\$ 1	\$ -
Investment in treasury pool	4,185	926	1,630
Total cash displayed	<u>\$ 4,185</u>	<u>\$ 927</u>	<u>\$ 1,630</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities</b>			
Operating income (loss)	<u>\$ (3,701)</u>	<u>\$ (58)</u>	<u>\$ 164</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation expense	1,175	39	-
(Increase) decrease in accounts receivable	6	(1)	-
(Increase) in intergovernmental receivables	(588)	-	-
Increase (decrease) in accounts payable	(2,219)	22	-
(Decrease) in deferred pensions	(65)	-	-
Increase in deferred OPEB	7	-	-
Increase in net pension liability	70	-	-
(Decrease) in total OPEB liability	(8)	-	-
(Decrease) in salaries and benefits payable and compensated absences	(35)	-	-
Total adjustments	<u>(1,657)</u>	<u>60</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ (5,358)</u>	<u>\$ 2</u>	<u>\$ 164</u>
<b>Schedule of non-cash capital and related finance activities</b>			
Contributions of capital assets	\$ (1,018)	\$ -	\$ -
Lease proceeds - deferred inflows of resources	\$ -	\$ -	\$ -

Continued

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows (continued)**  
**For the Fiscal Year Ended June 30, 2023 (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	\$ 481	\$ 67	\$ 883
Receipts from rents and concessions	6	-	6
Other receipts	-	-	425
Payments from employees	-	-	(92)
Payments to suppliers	(393)	(90)	(5,887)
Payments for interfund services used	(202)	(42)	(700)
Net cash provided by (used for) operating activities	<u>(108)</u>	<u>(65)</u>	<u>(5,365)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidy from intergovernmental entities	-	-	2,760
Receipts from taxes and assessments	9	1	69
Transfers from other funds	650	15	665
Advances from (to) other funds	(500)	40	663
Net cash provided by noncapital financing activities	<u>159</u>	<u>56</u>	<u>4,157</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales of capital assets	1	1	3
Purchases of capital assets	(4)	(1)	(5)
Principal paid on capital debt	(27)	(1)	(58)
Interest paid on capital debt	(43)	(12)	(79)
Net cash provided by (used for) capital and related financing activities	<u>(73)</u>	<u>(13)</u>	<u>(139)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings (expenses)	(1)	(2)	128
Net cash provided by (used for) investing activities	<u>(1)</u>	<u>(2)</u>	<u>128</u>
Net increase (decrease) in cash and cash equivalents	(23)	(24)	(1,219)
Cash and cash equivalents - beginning	222	53	8,189
Cash and cash equivalents - ending	<u>\$ 199</u>	<u>\$ 29</u>	<u>\$ 6,970</u>
Displayed as			
Cash in banks	\$ 3	\$ -	\$ 4
Investment in treasury pool	196	29	6,966
Total cash displayed	<u>\$ 199</u>	<u>\$ 29</u>	<u>\$ 6,970</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ (317)	\$ (83)	\$ (3,995)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	138	14	1,366
(Increase) decrease in accounts receivable	(5)	(1)	(1)
(Increase) in intergovernmental receivables	-	-	(588)
Increase (decrease) in accounts payable	76	5	(2,116)
(Decrease) in deferred pensions	-	-	(65)
Increase in deferred OPEB	-	-	7
Increase in net pension liability	-	-	70
(Decrease) in total OPEB liability	-	-	(8)
(Decrease) in salaries and benefits payable and compensated absences	-	-	(35)
Total adjustments	<u>209</u>	<u>18</u>	<u>(1,370)</u>
Net cash provided by (used for) operating activities	<u>\$ (108)</u>	<u>\$ (65)</u>	<u>\$ (5,365)</u>
<b>Schedule of non-cash capital and related finance activities</b>			
Contributions of capital assets	\$ -	\$ -	\$ (1,018)
Lease proceeds - deferred inflows of resources	\$ (3)	\$ -	\$ (3)

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## **INTERNAL SERVICE FUNDS**

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

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

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

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**COUNTY OF TULARE**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2023 (in thousands)**

	Insurance	Central Services	Total Internal Service Funds
<b>ASSETS</b>			
Current assets			
Investment in treasury pool	\$ 71,247	\$ 11,232	\$ 82,479
Imprest cash	500	-	500
Accounts receivable (net of allowance for uncollectibles)	-	35	35
Prepaid items	-	100	100
Due from other governments	-	97	97
Total current assets	<u>71,747</u>	<u>11,464</u>	<u>83,211</u>
Noncurrent assets			
Capital assets			
Buildings and improvements, net	-	2	2
Equipment and vehicles, net	-	3,657	3,657
Right-to-use assets, net	-	12,392	12,392
Right-to-use assets in progress	-	2,416	2,416
Total capital assets	<u>-</u>	<u>18,467</u>	<u>18,467</u>
Total noncurrent assets	<u>-</u>	<u>18,467</u>	<u>18,467</u>
Total assets	<u>71,747</u>	<u>29,931</u>	<u>101,678</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	-	9,661	9,661
Deferred OPEB	-	381	381
Total deferred outflows of resources	<u>-</u>	<u>10,042</u>	<u>10,042</u>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	1,330	2,503	3,833
Salaries and benefits payable	-	828	828
Compensated absences payable	-	233	233
Claims payable	11,486	-	11,486
Leases payable	-	349	349
Subscription liability	-	3,184	3,184
Total current liabilities	<u>12,816</u>	<u>7,097</u>	<u>19,913</u>
Noncurrent liabilities			
Advances from other funds	-	751	751
Compensated absences payable	-	1,692	1,692
Claims payable	33,701	-	33,701
Leases payable	-	1,409	1,409
Subscription liability	-	6,997	6,997
Net pension liability	-	19,311	19,311
Total OPEB liability	-	1,087	1,087
Total noncurrent liabilities	<u>33,701</u>	<u>31,247</u>	<u>64,948</u>
Total liabilities	<u>46,517</u>	<u>38,344</u>	<u>84,861</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	-	5,352	5,352
Deferred OPEB	-	885	885
Total deferred inflows of resources	<u>-</u>	<u>6,237</u>	<u>6,237</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	6,528	6,528
Unrestricted	25,230	(11,136)	14,094
Total net position	<u>\$ 25,230</u>	<u>\$ (4,608)</u>	<u>\$ 20,622</u>

**COUNTY OF TULARE**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Insurance	Central Services	Total Internal Service Funds
<b>OPERATING REVENUES</b>			
Charges for services	\$ 30,345	\$ 66,504	\$ 96,849
Other revenues	36,847	141	36,988
Total operating revenues	<u>67,192</u>	<u>66,645</u>	<u>133,837</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	-	22,383	22,383
Services and supplies	12,737	32,743	45,480
Insurance premiums paid	13,711	-	13,711
Depreciation and amortization	-	4,598	4,598
Claims incurred	6,974	-	6,974
Total operating expenses	<u>33,422</u>	<u>59,724</u>	<u>93,146</u>
Operating income	<u>33,770</u>	<u>6,921</u>	<u>40,691</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental revenues	25	9	34
Investment earnings (expenses)	1,128	(60)	1,068
Interest expense	-	(306)	(306)
Total nonoperating revenues (expenses)	<u>1,153</u>	<u>(357)</u>	<u>796</u>
Income before capital contributions and transfers	<u>34,923</u>	<u>6,564</u>	<u>41,487</u>
Capital contributions	-	2,900	2,900
Transfers in	-	255	255
Transfers (out)	-	(400)	(400)
Change in net position	<u>34,923</u>	<u>9,319</u>	<u>44,242</u>
Net position - beginning	<u>(9,693)</u>	<u>(13,927)</u>	<u>(23,620)</u>
Net position - ending	<u>\$ 25,230</u>	<u>\$ (4,608)</u>	<u>\$ 20,622</u>



**COUNTY OF TULARE**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Insurance	Central Services	Total Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 73	\$ 975	\$ 1,048
Receipts from interfund services provided	30,272	65,471	95,743
Other receipts	36,847	300	37,147
Payments to employees	-	(22,275)	(22,275)
Payments to suppliers	(53,890)	(25,851)	(79,741)
Payments for interfund services used	(3,886)	(7,332)	(11,218)
Payments for claims	(4,376)	-	(4,376)
Net cash provided by operating activities	<u>5,040</u>	<u>11,288</u>	<u>16,328</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Subsidy from intergovernmental entities	25	9	34
Transfers from other funds	-	255	255
Transfers to other funds	-	(400)	(400)
Advances to other funds	-	(909)	(909)
Net cash provided by (used for) noncapital financing activities	<u>25</u>	<u>(1,045)</u>	<u>(1,020)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales of capital assets	-	1	1
Purchases of capital assets	-	(17,417)	(17,417)
Principal collected on capital debt	-	10,115	10,115
Interest paid on capital debt	-	(306)	(306)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(7,607)</u>	<u>(7,607)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment earnings (expenses)	<u>1,128</u>	<u>(60)</u>	<u>1,068</u>
Net cash provided by (used for) investing activities	<u>1,128</u>	<u>(60)</u>	<u>1,068</u>
Net increase in cash and cash equivalents	6,193	2,576	8,769
Cash and cash equivalents - beginning	65,554	8,656	74,210
Cash and cash equivalents - ending	<u>\$ 71,747</u>	<u>\$ 11,232</u>	<u>\$ 82,979</u>
Displayed as			
Investment in treasury pool	\$ 71,247	\$ 11,232	\$ 82,479
Imprest cash	500	-	500
Total cash displayed	<u>\$ 71,747</u>	<u>\$ 11,232</u>	<u>\$ 82,979</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>			
Operating income	<u>\$ 33,770</u>	<u>\$ 6,921</u>	<u>\$ 40,691</u>
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation and amortization expense	-	4,598	4,598
(Increase) in accounts receivable	-	(15)	(15)
Decrease in intergovernmental receivables	-	159	159
(Increase) in due to other funds	-	(43)	(43)
(Increase) in prepaid items	-	(50)	(50)
(Decrease) in accounts payable	(31,328)	(390)	(31,718)
(Decrease) in deferred pensions	-	(5,990)	(5,990)
Increase in deferred OPEB	-	664	664
Increase in net pension liability	-	6,102	6,102
(Decrease) in total OPEB liability	-	(671)	(671)
Increase in salaries and benefits payable and compensated absences	-	3	3
Increase in claims payable	2,598	-	2,598
Total adjustments	<u>(28,730)</u>	<u>4,367</u>	<u>(24,363)</u>
Net cash provided by operating activities	<u>\$ 5,040</u>	<u>\$ 11,288</u>	<u>\$ 16,328</u>
<b>Schedule of non-cash capital and related finance activities</b>			
Contributions of capital assets	\$ -	\$ 2,900	\$ 2,900
Lease proceeds - deferred inflows of resources	\$ -	\$ -	\$ -

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## **CUSTODIAL FUNDS**

Custodial 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 Fund** – This fund accounts for property taxes collected and for the apportionment of taxes to the State and others.

**State Fines Custodial Fund** – This fund is used as a clearing fund for penalties, fines, and assessments collected and payable to the State.

**Transportation Tax Fund** – This fund accounts 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 Custodial Fund** – This fund accounts for monies held as an agent for a variety of purposes.

**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Property Tax Collection and Apportionment Fund	State Fines Custodial Fund	Transportation Tax Fund	Employee Health Benefits Fund	Education Revenue Augmentation Fund	Other	Total Other Custodial Funds
<b>ASSETS</b>							
Cash in bank	\$ 322	\$ -	\$ -	\$ -	\$ -	\$ 5,888	\$ 6,210
Investment in treasury pool	28,751	54	7,369	5,834	45	22,449	64,502
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	1,930	1,930
Due from other governments	-	-	2,559	-	-	-	2,559
Other assets	38,731	-	-	-	-	-	38,731
Total assets	<u>67,804</u>	<u>54</u>	<u>9,928</u>	<u>5,834</u>	<u>45</u>	<u>30,267</u>	<u>113,932</u>
<b>LIABILITIES</b>							
Accounts payable	23,377	24	-	942	-	1,282	25,625
Due to local governments	43,151	-	-	876	-	8,444	52,471
Other liabilities	-	-	-	795	-	-	795
Total liabilities	<u>66,528</u>	<u>24</u>	<u>-</u>	<u>2,613</u>	<u>-</u>	<u>9,726</u>	<u>78,891</u>
<b>NET POSITION</b>							
Net position held in trust	<u>\$ 1,276</u>	<u>\$ 30</u>	<u>\$ 9,928</u>	<u>\$ 3,221</u>	<u>\$ 45</u>	<u>\$ 20,541</u>	<u>\$ 35,041</u>

**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2023 (in thousands)**

	Property Tax Collection and Apportionment Fund	State Fines Custodial Fund	Transportation Tax Fund	Employee Health Benefits Fund	Education Revenue Augmentation Fund	Other	Total Other Custodial Funds
<b>ADDITIONS</b>							
Investment income	\$ 34	\$ -	\$ 460	\$ 98	\$ 254	\$ 328	\$ 1,174
Taxes, fees, and special assessments	294,083	236	28,580	-	106,547	10,330	439,776
Other	24,037	236	-	41,127	-	-	65,400
Total additions	<u>318,154</u>	<u>472</u>	<u>29,040</u>	<u>41,225</u>	<u>106,801</u>	<u>10,658</u>	<u>506,350</u>
<b>DEDUCTIONS</b>							
Taxes and fees distributed to other governments	272,266	500	-	-	106,764	-	379,530
Services and supplies	42,570	-	31,787	41,096	-	7,905	123,358
Total deductions	<u>314,836</u>	<u>500</u>	<u>31,787</u>	<u>41,096</u>	<u>106,764</u>	<u>7,905</u>	<u>502,888</u>
Net increase (decrease) in fiduciary net position	3,318	(28)	(2,747)	129	37	2,753	3,462
Net position - beginning	-	-	-	-	-	-	-
Prior period adjustments	(2,042)	58	12,675	3,092	8	17,788	31,579
Net position - beginning, as restated	<u>(2,042)</u>	<u>58</u>	<u>12,675</u>	<u>3,092</u>	<u>8</u>	<u>17,788</u>	<u>31,579</u>
Net position - ending	<u>\$ 1,276</u>	<u>\$ 30</u>	<u>\$ 9,928</u>	<u>\$ 3,221</u>	<u>\$ 45</u>	<u>\$ 20,541</u>	<u>\$ 35,041</u>

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# Statistical Section

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## STATISTICAL SECTION

The information in this section is not covered by the Independent Auditor's Report but is presented as supplemental data for the benefit of the readers of the Annual Comprehensive 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				
	2014	2015	2016	2017	2018
<b>Governmental activities</b>					
Net investment in capital assets	\$ 1,584,261	\$ 1,798,998	\$ 1,590,015	\$ 1,614,927	\$ 1,636,514
Restricted	134,870	-	141,900	153,860	180,978
Unrestricted	65,066	-	(87,606)	(94,026)	(151,683)
Total governmental activities net position	<u>\$ 1,784,197</u>	<u>\$ 1,798,998</u>	<u>\$ 1,644,309</u>	<u>\$ 1,674,761</u>	<u>\$ 1,665,809</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 27,357	\$ 41,559	\$ 23,607	\$ 21,172	\$ 20,420
Restricted	5,016	-	5,016	10,445	9,088
Unrestricted	8,140	-	9,107	11,637	16,756
Total business-type activities net position	<u>\$ 40,513</u>	<u>\$ 41,559</u>	<u>\$ 37,730</u>	<u>\$ 43,254</u>	<u>\$ 46,264</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 1,611,618	\$ 1,840,557	\$ 1,613,622	\$ 1,636,099	\$ 1,656,934
Restricted	139,886	-	146,916	164,305	190,066
Unrestricted	73,206	-	(78,499)	(82,389)	(134,927)
Total primary government net position	<u>\$ 1,824,710</u>	<u>\$ 1,840,557</u>	<u>\$ 1,682,039</u>	<u>\$ 1,718,015</u>	<u>\$ 1,712,073</u>

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Governmental activities</b>					
Net investment in capital assets	\$ 1,677,361	\$ 1,685,044	\$ 1,682,401	\$ 1,690,170	\$ 1,705,998
Restricted	249,262	269,296	328,633	369,430	403,910
Unrestricted	(218,677)	(257,552)	(277,165)	(287,202)	(227,793)
Total governmental activities net position	<u>\$ 1,707,946</u>	<u>\$ 1,696,788</u>	<u>\$ 1,733,869</u>	<u>\$ 1,772,398</u>	<u>\$ 1,882,115</u>
<b>Business-type activities</b>					
Net investment in capital assets	\$ 30,583	\$ 35,888	\$ 42,903	\$ 44,076	\$ 39,538
Restricted	14,544	19,607	26,735	25,106	23,524
Unrestricted	21,283	24,200	13,371	16,834	22,678
Total business-type activities net position	<u>\$ 66,410</u>	<u>\$ 79,695</u>	<u>\$ 83,009</u>	<u>\$ 86,016</u>	<u>\$ 85,740</u>
<b>Primary government</b>					
Net investment in capital assets	\$ 1,707,944	\$ 1,720,932	\$ 1,725,304	\$ 1,734,246	\$ 1,745,536
Restricted	263,806	288,903	355,368	394,536	427,434
Unrestricted	(197,394)	(233,352)	(263,794)	(270,368)	(205,115)
Total primary government net position	<u>\$ 1,774,356</u>	<u>\$ 1,776,483</u>	<u>\$ 1,816,878</u>	<u>\$ 1,858,414</u>	<u>\$ 1,967,855</u>

**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				
	2014	2015	2016	2017	2018
<b>Expenses</b>					
Governmental activities					
General government	\$ 42,343	\$ 39,432	\$ 41,610	\$ 39,542	\$ 53,525
Public protection	190,904	202,075	199,878	221,740	246,602
Public ways and facilities	33,767	37,155	36,722	47,021	36,004
Health and sanitation	124,681	129,190	132,566	143,286	143,652
Public assistance	228,148	242,378	240,562	248,368	260,405
Education	5,112	5,470	5,353	5,300	5,521
Culture and recreation	329	431	2,176	2,266	2,428
Unallocated depreciation	520	511	-	-	-
Interest expense	1,990	1,940	1,320	744	449
Total governmental activities expenses	<u>627,794</u>	<u>658,582</u>	<u>660,187</u>	<u>708,267</u>	<u>748,586</u>
Business-type activities					
Solid Waste	10,812	10,873	10,410	9,067	11,426
Other business-type activities	3,844	4,155	4,410	4,633	4,568
Total business-type activities expenses	<u>14,656</u>	<u>15,028</u>	<u>14,820</u>	<u>13,700</u>	<u>15,994</u>
Total primary government expenses	<u>\$ 642,450</u>	<u>\$ 673,610</u>	<u>\$ 675,007</u>	<u>\$ 721,967</u>	<u>\$ 764,580</u>
<b>Program Revenues</b>					
Governmental activities					
Charges for services					
General government	\$ 24,259	\$ 24,138	\$ 30,244	\$ 33,186	\$ 30,514
Public protection	21,683	23,741	19,650	19,342	19,429
Public ways and facilities	5,083	3,599	3,340	3,101	3,506
Health and sanitation	40,554	42,588	41,652	52,471	36,499
Public assistance	6,717	8,566	11,892	11,242	7,606
Education	210	202	233	197	186
Culture and recreation	292	306	255	302	296
Operating grants and contributions	421,514	424,721	444,945	456,543	477,539
Capital grants and contributions	6	-	-	-	-
Total governmental activities program revenues	<u>520,318</u>	<u>527,861</u>	<u>552,211</u>	<u>576,384</u>	<u>575,575</u>
Business-type activities					
Charges for services					
Solid Waste	8,568	8,991	11,538	13,522	14,973
Other business-type activities	1,252	1,334	1,238	1,274	1,327
Operating grants and contributions	504	3,270	625	736	1,172
Total business-type activities program revenues	<u>10,324</u>	<u>13,595</u>	<u>13,401</u>	<u>15,532</u>	<u>17,472</u>
Total primary government program revenues	<u>\$ 530,642</u>	<u>\$ 541,456</u>	<u>\$ 565,612</u>	<u>\$ 591,916</u>	<u>\$ 593,047</u>
Net (expense)/revenue					
Governmental activities	\$ (107,476)	\$ (130,721)	\$ (107,976)	\$ (131,883)	\$ (173,011)
Business-type activities	(4,332)	(1,433)	(1,419)	1,832	1,478
Total primary government net expense	<u>\$ (111,808)</u>	<u>\$ (132,154)</u>	<u>\$ (109,395)</u>	<u>\$ (130,051)</u>	<u>\$ (171,533)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities					
Property taxes	\$ 107,101	\$ 109,266	\$ 112,026	\$ 119,331	\$ 123,861
Sales and other taxes	31,951	30,524	29,690	41,300	35,976
Earnings on investments	1,307	1,517	-	-	-
Tobacco settlement revenues	5,923	3,894	3,856	3,811	3,920
Bond issuance cost	-	(183)	-	-	-
Gain on sale of capital assets	208	239	-	-	-
Transfers	378	265	305	305	302
Total governmental activities	<u>146,868</u>	<u>145,522</u>	<u>145,877</u>	<u>164,747</u>	<u>164,059</u>
Business-type activities					
Sales and other taxes	2,328	2,084	2,344	2,709	1,704
Earnings on investments	163	660	515	1,256	130
Transfers	(378)	(265)	(305)	(305)	(302)
Total business-type activities	<u>2,113</u>	<u>2,479</u>	<u>2,554</u>	<u>3,660</u>	<u>1,532</u>
Total primary government	<u>\$ 148,981</u>	<u>\$ 148,001</u>	<u>\$ 148,431</u>	<u>\$ 168,407</u>	<u>\$ 165,591</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 39,392	\$ 14,801	\$ 37,901	\$ 32,864	\$ (8,952)
Business-type activities	(2,219)	1,046	1,135	5,492	3,010
Total primary government	<u>\$ 37,173</u>	<u>\$ 15,847</u>	<u>\$ 39,036</u>	<u>\$ 38,356</u>	<u>\$ (5,942)</u>

Continued

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

		Fiscal Year							
		2019	2020	2021	2022	2023			
\$	57,712	\$	61,607	\$	81,086	\$	107,078	\$	62,933
	297,285		296,133		307,737		303,215		319,016
	45,273		43,483		43,280		47,582		56,358
	172,915		179,569		220,928		209,355		576,699
	288,866		296,432		285,953		283,772		646
	6,082		5,991		6,371		6,683		7,223
	2,509		2,327		2,122		2,246		-
	-		-		-		-		-
	10,609		10,808		10,324		9,560		13,386
	<u>881,251</u>		<u>896,350</u>		<u>957,801</u>		<u>969,491</u>		<u>1,036,261</u>
	10,838		12,391		14,499		15,626		18,841
	5,553		5,076		5,270		5,946		6,995
	16,391		17,467		19,769		21,572		25,836
\$	<u>897,642</u>	\$	<u>913,817</u>	\$	<u>977,570</u>	\$	<u>991,063</u>	\$	<u>1,062,097</u>
\$	79,815	\$	77,525	\$	51,141	\$	35,111	\$	76,985
	19,758		20,391		21,052		20,705		14,076
	4,233		5,948		5,181		3,443		4,880
	46,106		48,707		51,670		50,657		64,508
	9,616		14,753		16,451		3,591		662
	264		210		74		222		173
	224		186		167		242		-
	544,015		539,943		641,741		675,762		760,598
	-		-		-		-		-
	<u>704,031</u>		<u>707,663</u>		<u>787,477</u>		<u>789,733</u>		<u>921,882</u>
	15,806		17,286		18,582		19,901		19,293
	1,563		1,454		1,117		1,090		1,903
	5,640		3,085		2,480		2,142		2,794
	<u>23,009</u>		<u>21,825</u>		<u>22,179</u>		<u>23,133</u>		<u>23,990</u>
\$	<u>727,040</u>	\$	<u>729,488</u>	\$	<u>809,656</u>	\$	<u>812,866</u>	\$	<u>945,872</u>
\$	(177,220)	\$	(188,687)	\$	(170,324)	\$	(179,758)	\$	(114,379)
	6,618		4,358		2,410		1,561		(1,846)
\$	<u>(170,602)</u>	\$	<u>(184,329)</u>	\$	<u>(167,914)</u>	\$	<u>(178,197)</u>	\$	<u>(116,225)</u>
\$	136,706	\$	142,535	\$	151,960	\$	159,735	\$	170,504
	39,440		30,406		50,116		52,905		49,118
	-		-		-		-		-
	4,536		4,349		4,909		5,087		4,615
	-		-		-		-		-
	-		-		-		-		-
	304		239		420		560		(141)
	<u>180,986</u>		<u>177,529</u>		<u>207,405</u>		<u>218,287</u>		<u>224,096</u>
	3,893		5,069		1,643		4,476		69
	2,891		3,507		(319)		(2,470)		1,360
	(304)		(239)		(420)		(560)		141
	<u>6,480</u>		<u>8,337</u>		<u>904</u>		<u>1,446</u>		<u>1,570</u>
\$	<u>187,466</u>	\$	<u>185,866</u>	\$	<u>208,309</u>	\$	<u>219,733</u>	\$	<u>225,666</u>
\$	3,766	\$	(11,158)	\$	37,081	\$	38,529	\$	109,717
	13,098		12,695		3,314		3,007		(276)
\$	<u>16,864</u>	\$	<u>1,537</u>	\$	<u>40,395</u>	\$	<u>41,536</u>	\$	<u>109,441</u>

<b>Expenses</b>
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
<b>Program Revenues</b>
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
<b>General Revenues and Other Changes in Net Position</b>
Governmental activities
Property taxes
Sales and other taxes
Earnings on investments
Tobacco settlement revenues
Bond issuance cost
Gain on sale of capital assets
Transfers
Total governmental activities
Business-type activities
Sales and other taxes
Earnings on investments
Transfers
Total business-type activities
Total primary government
<b>Change in Net Position</b>
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				
	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>

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>General Fund</b>					
Nonspendable	\$ 13,543	\$ 12,034	\$ 11,767	\$ 7,757	\$ 10,080
Restricted	84,545	102,448	114,579	134,431	166,925
Committed	57,394	57,962	58,984	61,805	62,394
Assigned	37,631	41,119	50,213	61,340	85,447
Unassigned	42,267	42,977	50,146	49,633	46,622
Subtotal General Fund	<u>235,380</u>	<u>256,540</u>	<u>285,689</u>	<u>314,966</u>	<u>371,468</u>
<b>All Other Governmental Funds</b>					
Nonspendable	647	606	582	579	561
Restricted <sup>(1)</sup>	180,114	182,553	228,713	261,292	259,167
Committed	473	261	75	80	88
Assigned	31,545	52,827	65,607	78,459	90,582
Unassigned <sup>(1)</sup>	(1,051)	-	-	(608)	(63)
Subtotal all other governmental funds	<u>211,728</u>	<u>236,247</u>	<u>294,977</u>	<u>339,802</u>	<u>350,335</u>
Total governmental fund balance	<u>\$ 447,108</u>	<u>\$ 492,787</u>	<u>\$ 580,666</u>	<u>\$ 654,768</u>	<u>\$ 721,803</u>

<sup>(1)</sup> For the years 2020 and 2021, amounts previously reported as unassigned were reclassified to restricted fund balance.

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

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>REVENUES</b>					
Taxes and special assessments	\$ 139,052	\$ 139,790	\$ 141,716	\$ 160,631	\$ 159,837
Licenses and permits	9,191	10,514	10,894	11,294	10,943
Fines, forfeitures, and penalties	10,364	9,201	9,966	8,648	7,517
Interest, rents, and concessions	3,076	5,351	4,649	7,655	3,350
Intergovernmental revenues	424,213	426,487	446,953	457,163	477,911
Charges for services	65,289	63,214	61,635	76,159	63,609
Other revenues	18,253	20,427	24,705	19,370	16,216
Total revenues	<u>669,438</u>	<u>674,984</u>	<u>700,518</u>	<u>740,920</u>	<u>739,383</u>
<b>EXPENDITURES</b>					
General government	42,838	28,892	41,220	37,139	44,218
Public protection	184,406	195,560	199,028	209,822	215,616
Public ways and facilities	19,164	22,167	21,576	31,199	17,405
Health and sanitation	122,115	127,612	132,489	140,044	136,396
Public assistance	226,442	240,838	241,178	245,432	251,404
Education	4,875	5,188	5,149	4,969	4,890
Culture and recreation	-	-	1,616	1,571	1,658
Capital outlay	46,006	26,341	16,847	43,124	50,367
Debt service					
Principal	6,515	10,772	6,459	7,875	1,529
Interest and fiscal charges	2,081	2,159	1,276	553	544
Total expenditures	<u>654,442</u>	<u>659,529</u>	<u>666,838</u>	<u>721,728</u>	<u>724,027</u>
Excess (deficiency) of revenues over (under) expenditures	14,996	15,455	33,680	19,192	15,356
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of general capital assets	208	239	275	250	296
Transfers in	104,796	117,341	144,696	145,268	142,429
Transfers (out)	(106,558)	(116,951)	(144,392)	(144,561)	(141,935)
Leases issued	-	-	-	-	-
Subscription financing	-	-	-	-	-
Total other financing sources (uses)	<u>(1,554)</u>	<u>629</u>	<u>579</u>	<u>957</u>	<u>790</u>
Net change in fund balances	<u>\$ 13,442</u>	<u>\$ 16,084</u>	<u>\$ 34,259</u>	<u>\$ 20,149</u>	<u>\$ 16,146</u>
Debt service as a percentage of noncapital expenditures	1.4%	2.0%	1.2%	1.2%	0.3%

Continued



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

		Fiscal Year								
		2019	2020	2021	2022	2023				
\$	176,146	\$	172,941	\$	202,076	\$	212,640	\$	219,622	<b>REVENUES</b>
	11,472		11,766		12,678		14,004		17,369	Taxes and special assessments
	6,687		7,479		6,161		6,575		6,957	Licenses and permits
	22,496		27,072		2,551		(24,507)		14,955	Fines, forfeitures, and penalties
	543,953		539,996		641,346		675,314		760,459	Interest, rents, and concessions
	86,681		78,523		79,208		81,043		90,100	Intergovernmental revenues
	35,507		44,647		49,697		43,537		35,199	Charges for services
	882,942		882,424		993,717		1,008,606		1,144,661	Other revenues
										Total revenues
	49,442		49,203		64,778		63,374		80,948	<b>EXPENDITURES</b>
	244,976		252,865		266,565		282,075		295,668	General government
	24,403		24,135		23,916		28,295		36,972	Public protection
	158,022		167,586		209,903		201,830		557,544	Public ways and facilities
	267,988		279,692		271,796		273,422		642	Health and sanitation
	5,298		5,388		5,795		6,438		6,726	Public assistance
	1,603		1,666		1,538		1,738		-	Education
	33,313		36,972		40,583		143,536		83,403	Culture and recreation
	10,774		11,033		12,708		21,143		23,923	Capital outlay
	10,307		10,502		9,640		10,749		11,928	Debt service
	806,126		839,042		907,222		1,032,600		1,097,754	Principal
										Interest and fiscal charges
										Total expenditures
	76,816		43,382		86,495		(23,994)		46,907	Excess of revenues over (under) expenditures
	2,565		1,696		450		506		282	<b>OTHER FINANCING SOURCES (USES)</b>
	153,310		165,741		147,063		181,423		221,310	Sale of general capital assets
	(152,457)		(165,140)		(146,129)		(181,086)		(221,306)	Transfers in
	-		-		-		97,253		6,819	Transfers (out)
	-		-		-		-		13,023	Leases issued
	3,418		2,297		1,384		98,096		20,128	Subscription financing
										Total other financing sources (uses)
\$	80,234	\$	45,679	\$	87,879	\$	74,102	\$	67,035	Net change in fund balances
	2.7%		2.7%		2.6%		3.6%		3.5%	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<sup>(1)</sup></b>	<b>Personal Property Assessed Value</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>
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%
2019	34,378,570	2,046,893	36,425,463	1.000%
2020	36,157,346	2,079,681	38,237,027	1.000%
2021	38,130,224	2,150,588	40,280,812	1.000%
2022	39,980,023	2,405,109	42,385,132	1.000%
2023	42,692,479	2,692,531	45,385,010	1.000%

(1) 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.

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

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

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>County-wide Rates</b>					
General	1.000%	1.000%	1.000%	1.000%	1.000%
<b>School District Rates</b>					
Buena Vista Elementary	0.008%	0.008%	0.008%	0.008%	0.006%
Burton Elementary <sup>(1)</sup>	0.026%	0.026%	0.026%	0.025%	0.032%
College of the Sequoias - Hanford Schools Facility Improvement District	0.019%	0.024%	0.024%	0.020%	0.030%
College of the Sequoias - Tulare Schools Facility Improvement District	0.028%	0.023%	0.025%	0.017%	0.024%
College of the Sequoias - Visalia Schools Facility Improvement District	0.025%	0.015%	0.015%	0.012%	0.013%
Cutler - Orosi Unified <sup>(1)</sup>	0.055%	0.060%	0.060%	0.090%	0.095%
Delano Joint High	0.121%	0.106%	0.068%	0.077%	0.081%
Dinuba Unified	0.107%	0.101%	0.104%	0.120%	0.120%
Earlimart Elementary	0.020%	0.044%	0.044%	0.049%	0.076%
Exeter Elementary	0.034%	0.030%	0.030%	0.030%	0.030%
Exeter High	0.046%	0.057%	0.055%	0.030%	0.040%
Farmersville Unified <sup>(1)</sup>	0.076%	0.076%	0.076%	0.090%	0.119%
Hanford Joint High <sup>(1)</sup>	0.060%	0.060%	0.061%	0.054%	0.052%
Kern Community College Schools Facility Improvement District <sup>(1)</sup>	0.009%	0.013%	0.010%	0.013%	0.036%
Kings Canyon Joint Unified <sup>(1)</sup>	0.097%	0.159%	0.163%	0.149%	0.137%
Kings River Elementary	0.064%	0.063%	0.063%	0.056%	0.056%
Kingsburg Joint Elementary	0.049%	0.067%	0.058%	0.032%	0.047%
Kingsburg Joint High	0.056%	0.066%	0.088%	0.062%	0.083%
Liberty Elementary	0.030%	0.034%	0.033%	0.030%	0.030%
Lindsay Unified	0.120%	0.165%	0.188%	0.117%	0.140%
Linns Valley Poso - Flat Joint Elementary	0.010%	0.010%	0.012%	0.018%	0.016%
Pixley Union Elementary	0.000%	0.000%	5.000%	8.500%	0.080%
Porterville Schools Facility Improvement District <sup>(1)</sup>	0.057%	0.060%	0.060%	0.062%	0.062%
Richgrove Elementary	0.038%	0.028%	0.010%	0.000%	0.000%
Springville Union Elementary	0.000%	0.000%	2.000%	2.300%	0.020%
State Center Comm College Schools Facility Improvement District <sup>(1)</sup>	0.009%	0.010%	0.009%	0.008%	0.026%
Stone Corral	0.015%	0.015%	0.020%	0.021%	0.018%
Strathmore High	0.040%	0.050%	0.055%	0.048%	0.040%
Sundale Elementary	0.020%	0.013%	0.013%	0.010%	0.004%
Sunnyside Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
Terra Bella	0.030%	0.025%	0.030%	0.045%	0.050%
Tipton	0.000%	0.000%	0.000%	2.900%	2.900%
Three Rivers Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
Traver Elementary <sup>(1)</sup>	0.058%	0.050%	0.053%	0.053%	0.053%
Tulare High <sup>(1)</sup>	0.058%	0.069%	0.063%	0.066%	0.074%
Visalia Unified <sup>(1)</sup>	0.030%	0.030%	0.030%	0.027%	0.018%
Waukena Joint Union Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
Woodlake Elementary	0.029%	0.029%	0.028%	0.022%	0.020%
Woodlake High	0.052%	0.040%	0.040%	0.050%	0.050%
<b>Special District Rates</b>					
Kaweah Delta Healthcare District	0.025%	0.028%	0.021%	0.021%	0.020%
Kaweah Delta Water Conservation	0.000%	0.000%	0.001%	0.000%	0.000%
Tulare County Pest Control	5.000%	5.000%	5.000%	5.000%	5.000%
Tulare Healthcare District	0.082%	0.082%	0.082%	0.086%	0.100%
South Tulare County Citrus Pest Control District	11.423%	11.423%	11.423%	11.423%	11.423%

Continued

(1) 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					
2019	2020	2021	2022	2023	
1.000%	1.000%	1.000%	1.000%	1.000%	<b>County-wide Rates</b>
					General
					<b>School District Rates</b>
0.006%	0.006%	0.000%	0.000%	0.000%	Buena Vista Elementary
0.059%	0.037%	0.041%	0.044%	0.042%	Burton Elementary (1)
0.030%	0.020%	0.015%	0.015%	0.015%	College of the Sequoias - Hanford Schools Facility Improvement District
0.020%	0.020%	0.010%	0.013%	0.014%	College of the Sequoias - Tulare Schools Facility Improvement District
0.007%	0.005%	0.003%	0.003%	0.005%	College of the Sequoias - Visalia Schools Facility Improvement District
0.065%	0.050%	0.045%	0.045%	0.050%	Cutler - Orosi Unified (1)
0.065%	0.073%	0.040%	0.052%	0.462%	Delano Joint High
0.120%	0.095%	0.060%	0.061%	0.094%	Dinuba Unified
0.072%	0.050%	0.050%	0.047%	0.057%	Earlimart Elementary
0.046%	0.070%	0.065%	0.055%	0.056%	Exeter Elementary
0.050%	0.048%	0.048%	0.044%	0.042%	Exeter High
0.100%	0.080%	0.070%	0.070%	0.131%	Farmersville Unified (1)
0.054%	0.052%	0.046%	0.109%	0.042%	Hanford Joint High (1)
0.033%	0.034%	0.039%	0.031%	0.054%	Kern Community College Schools Facility Improvement District (1)
0.139%	0.143%	0.136%	0.127%	0.120%	Kings Canyon Joint Unified (1)
0.040%	0.040%	0.042%	0.042%	0.041%	Kings River Elementary
0.042%	0.048%	0.046%	0.043%	0.041%	Kingsburg Joint Elementary
0.073%	0.078%	0.075%	0.073%	0.035%	Kingsburg Joint High
0.010%	0.008%	0.008%	0.010%	0.011%	Liberty Elementary
0.133%	0.120%	0.107%	0.160%	0.166%	Lindsay Unified
0.014%	0.013%	0.016%	0.017%	0.014%	Linns Valley Poso - Flat Joint Elementary
0.040%	0.030%	0.025%	0.020%	0.020%	Pixley Union Elementary
0.069%	0.066%	0.061%	0.060%	0.050%	Porterville Schools Facility Improvement District (1)
0.000%	0.000%	0.000%	0.000%	0.000%	Richgrove Elementary
0.010%	0.015%	0.017%	0.015%	0.015%	Springville Union Elementary
0.026%	0.026%	0.018%	0.029%	0.021%	State Center Comm College Schools Facility Improvement District (1)
0.054%	0.063%	0.057%	0.040%	0.050%	Stone Corral
0.035%	0.030%	0.030%	0.030%	0.030%	Strathmore High
0.002%	0.001%	0.000%	0.000%	0.000%	Sundale Elementary
0.000%	0.000%	0.010%	0.012%	0.024%	Sunnyside Elementary
0.030%	0.020%	0.015%	0.010%	0.010%	Terra Bella
0.029%	0.030%	0.020%	0.024%	0.023%	Tipton
0.030%	0.035%	0.038%	0.023%	0.024%	Three Rivers Elementary
0.050%	0.040%	0.045%	0.046%	0.048%	Traver Elementary (1)
0.062%	0.060%	0.060%	0.060%	0.060%	Tulare High (1)
0.023%	0.043%	0.035%	0.030%	0.040%	Visalia Unified (1)
0.000%	0.010%	0.011%	0.029%	0.026%	Waukena Joint Union Elementary
0.015%	0.013%	0.013%	0.000%	0.000%	Woodlake Elementary
0.049%	0.040%	0.040%	0.030%	0.030%	Woodlake High
					<b>Special District Rates</b>
0.018%	0.017%	0.018%	0.016%	0.016%	Kaweah Delta Healthcare District
0.000%	0.000%	0.000%	0.000%	0.000%	Kaweah Delta Water Conservation
5.000%	5.000%	5.000%	5.000%	5.000%	Tulare County Pest Control
0.100%	0.050%	0.030%	0.020%	0.029%	Tulare Healthcare District
11.423%	11.423%	11.423%	11.423%	11.423%	South Tulare County Citrus Pest Control District
					Concluded

(1) 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, 2023 and June 30, 2014 (in thousands)**

Fiscal Year 2023			
Rank	Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value <sup>(1)</sup>
1	Southern California Edison Company	\$ 1,422,850	3.14%
2	Southern California Gas Company	270,317	0.60%
3	California Dairies/Milk Producers	253,477	0.56%
4	Saputo Cheese USA Inc	232,862	0.51%
5	Wal-Mart Stores, Inc./ Retail Trust	211,089	0.47%
6	Land O' Lakes	167,412	0.37%
7	Setton Pistachio	164,920	0.36%
8	Ventura Coastal	143,499	0.32%
9	3315 Kelsey LLC	128,224	0.28%
10	Pacific Gas Electric Company	103,742	0.23%
	Total	<u>\$ 3,098,392</u>	<u>6.84%</u>

<sup>(1)</sup> The percentage of total taxable assessed value is calculated using the certified tax roll as of July 1, 2022.

Fiscal Year 2014			
Rank	Taxpayer	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
1	Southern California Edison Company	\$ 635,583	2.22%
2	California Dairies, Inc./Milk Producers	263,640	0.92%
3	Saputo Cheese USA Inc	245,954	0.86%
4	Land O' Lakes	162,036	0.57%
5	Wal-Mart Stores, Inc./ Retail Trust	155,369	0.54%
6	Imperial Bondware	95,668	0.33%
7	Southern California Gas Company	88,256	0.31%
8	Pacific Bell Telephone Company	85,865	0.30%
9	Oscar Mayer Food Corp	80,782	0.28%
10	Target Corporation	77,608	0.27%
	Total	<u>\$ 1,890,761</u>	<u>6.60%</u>

Source: Property Tax Division, County of Tulare

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

Fiscal Year	Taxes Levied <sup>(1)</sup>	Collected within the Fiscal Year of the Levy <sup>(2)</sup>		Collections in Subsequent Years <sup>(3)</sup>	Total Collections
		Amount	Percentage of Levy		Amount
2014	\$ 275,497	\$ 268,255	97.37%	\$ 11,189	\$ 279,444
2015	289,784	281,415	97.11%	10,624	292,039
2016	304,998	296,878	97.34%	10,784	307,662
2017	316,810	308,417	97.35%	7,048	315,465
2018	335,548	327,661	97.65%	7,116	334,777
2019	353,290	344,865	97.62%	7,909	352,774
2020	368,782	359,840	97.58%	7,948	367,788
2021	387,900	379,748	97.90%	7,918	387,666
2022	407,670	400,240	98.18%	7,604	407,844
2023	437,212	424,575	97.11%	7,135	431,710
Total	\$ 3,477,491	\$ 3,391,894		\$ 85,275	\$ 3,477,169

<sup>(1)</sup> Secured and unitary tax levy for the County itself, school districts, cities, and special districts under the supervision of their own governing boards.

<sup>(2)</sup> Included are amounts collected by the County on behalf of itself, school districts, cities, and special districts under the supervision of their own governing boards.

<sup>(3)</sup> 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, except per capita)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Governmental Activities</b>					
Certificates of participation	\$ 11,525	\$ 6,460	\$ -	\$ -	\$ -
Lease liability <sup>(3)</sup>	-	-	36	27	17
Subscription liability <sup>(4)</sup>	-	-	-	-	-
Bonds payable	37,375	36,460	35,545	34,535	33,425
Pension obligation bonds	-	-	-	-	251,220
Loans and notes	4,399	3,938	3,459	2,960	2,442
Financed purchase	-	-	36	27	17
<b>Total Governmental Activities</b>	<b>53,299</b>	<b>46,858</b>	<b>39,040</b>	<b>37,522</b>	<b>287,104</b>
<b>Business-type Activities</b>					
Certificates of participation	1,310	1,273	1,236	1,192	1,147
Bonds payable	7	6	5	5	5
<b>Total Business-type Activities</b>	<b>1,317</b>	<b>1,279</b>	<b>1,241</b>	<b>1,197</b>	<b>1,152</b>
<b>Total Primary Government</b>	<b>\$ 54,616</b>	<b>\$ 48,137</b>	<b>\$ 40,281</b>	<b>\$ 38,719</b>	<b>\$ 288,256</b>
Percentage of personal income <sup>(1)</sup>	0.35%	0.30%	0.24%	0.22%	1.55%
Outstanding debt Per Capita <sup>(1)(2)</sup>	\$ 119	\$ 104	\$ 86	\$ 82	\$ 606

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Governmental Activities</b>					
Certificates of participation	\$ -	\$ -	\$ -	\$ -	\$ -
Lease liability <sup>(3)</sup>	9	109	67	90,619	84,598
Subscription liability <sup>(4)</sup>	-	-	-	-	20,929
Bonds payable	32,315	31,105	29,800	37,457	35,686
Pension obligation bonds	242,115	232,875	222,800	212,080	201,020
Loans and notes	1,903	1,343	1,363	7,038	5,310
Financed purchase	9	109	67	23	-
<b>Total Governmental Activities</b>	<b>276,342</b>	<b>265,432</b>	<b>254,030</b>	<b>256,598</b>	<b>347,543</b>
<b>Business-type Activities</b>					
Certificates of participation	1,102	1,025	978	925	871
Bonds payable	5	4	3	3	2
<b>Total Business-type Activities</b>	<b>1,107</b>	<b>1,029</b>	<b>981</b>	<b>928</b>	<b>873</b>
<b>Total Primary Government</b>	<b>\$ 277,449</b>	<b>\$ 266,461</b>	<b>\$ 255,011</b>	<b>\$ 257,526</b>	<b>\$ 348,416</b>
Percentage of personal income <sup>(1)</sup>	1.43%	1.31%	1.19%	1.15%	1.48%
Outstanding debt Per Capita <sup>(1)(2)</sup>	\$ 579	\$ 555	\$ 529	\$ 542	\$ 733

<sup>(1)</sup> Personal income and populations used for these calculations appear in the Demographics and Economic Statistics section.

<sup>(2)</sup> Prior year outstanding debt per capita totals have been updated to reflect a change in calculation.

<sup>(3)</sup> GASB Statement No. 87 was implemented for leases in fiscal year 2021/22. Prior years recognize capital leases pre-GASB Statement No. 87.

<sup>(4)</sup> GASB Statement No. 96 was implemented for subscription-based information technology arrangements in fiscal year 2022/23.

Source: Auditor-Controller, County of Tulare



**COUNTY OF TULARE**  
**Statistical Section**  
**Computation of Direct and Overlapping Debt (unaudited)**  
**June 30, 2023 (in thousands)**

Fiscal Year 2023 Assessed Valuation	\$ 45,385,010 (includes unitary utility valuation)
Redevelopment Incremental Valuation	<u>(3,847,199)</u>
Adjusted Assessed Valuation	<u>\$ 41,537,811</u>

<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>% Applicable <sup>(1)</sup></b>	<b>Debt</b>
College of the Sequoias Hanford School Facilities Improvement District	0.933%	\$ 123
College of the Sequoias Tulare School Facilities Improvement District	89.318%	48,466
College of the Sequoias Visalia School Facilities Improvement District	100%	24,039
Other Community College District	2.861-8.041%	44,460
Dinuba Joint Unified School District	99.192%	27,651
Lindsay Unified School District	100%	27,867
Porterville Unified School District School Facilities Improvement District	100%	17,757
Visalia Unified School District	100%	82,120
Other Unified School Districts	9.852-100.0%	21,976
Delano Joint Union High School District	24.923%	8,326
Exeter Union High School District	100%	4,990
Tulare Joint Union High School District	99.88%	11,276
Other Union High School Districts	1.172-26.505%	2,394
Exeter Union School District	100%	22,521
Other School Districts	9.120-100.0%	43,196
Kaweah Delta Hospital District	100%	34,984
Tulare Local Healthcare District	100%	64,770
Special District 1915 Act Bonds	100%	22
Special District Revenue Bonds	100%	2,359
City 1915 Act Bonds	100%	254
Total overlapping tax and assessment debt		<u>489,551</u>
 <b>OVERLAPPING GENERAL FUND DEBT <sup>(3)</sup></b>		
Tulare County Board of Education Certificates of Participation	100%	\$ 34,365
Kern Community College District General Fund and Benefit Obligations	7.248%	6,973
Cutler Orosi Joint Unified School District General Fund Obligations	93.747%	7,922
Dinuba Joint Unified School District General Fund Obligations	98.911%	6,756
Porterville Unified School District General Fund Obligations	100%	31,697
Visalia Unified School District Certificates of Participation	100%	30,570
Other Unified School District General Fund Obligations	15.424-100.0%	10,890
Hanford Joint Union High School District General Fund Obligations	1.172%	216
Tulare Joint Union High School District General Fund Obligations	99.877%	211
School District General Fund Obligations	9.120-100.0%	26,902
City of Porterville Certificates of Participation	100%	16,597
City of Dinuba General Fund Obligations	100%	20,143
City of Lindsay General Fund Obligations	100%	680
City of Tulare General Fund Obligations	100%	21,015
City of Visalia General Fund Obligations	100%	12,010
City of Woodlake Certificates of Participation	100%	2,739
Total overlapping general fund debt		<u>229,686</u>
 <b>OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCIES) <sup>(3)</sup></b>		<u>73,135</u>
 <b>DIRECT GOVERNMENTAL ACTIVITIES DEBT</b>		
Tulare County Governmental Activities Obligations	100%	347,543
Total direct governmental activities debt		<u>347,543 <sup>(4)</sup></u>
Total combined debt		<u>\$ 1,139,915 <sup>(2)</sup></u>
 <b>RATIOS TO ADJUSTED ASSESSED VALUATION</b>		
Total overlapping tax and assessment debt .....	1.2%	
Total direct debt .....	0.8%	
Combined total debt .....	2.7%	

**STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/23: \$0**

(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.

(3) Amounts are based on the fiscal year ended June 30, 2023.

(4) Governmental activities debt excluding compensated absences, estimated claims, pension, and postemployment benefits.

**Note:** 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 2023:**

Net assessed value	<u>\$ 45,161,489</u>
Debt limit - 1.25% of taxable property <sup>(1)</sup>	\$ 564,519
Amount of debt applicable to debt limit <sup>(2)</sup>	<u>-</u>
Legal debt margin <sup>(3)</sup>	<u>\$ 564,519</u>

	<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%
--	------	------	------	------	------

	<b>Fiscal Year</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Debt limit	\$ 452,498	\$ 475,206	\$ 500,644	\$ 527,177	\$ 564,519
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 452,498</u>	<u>\$ 475,206</u>	<u>\$ 500,644</u>	<u>\$ 527,177</u>	<u>\$ 564,519</u>

Total debt limit as a percentage of the legal debt margin	100%	100%	100%	100%	100%
--	------	------	------	------	------

(1) Constitutional Amendment XIII A, passed by a vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1.00% of full cash value. Thus, the legal debt is 1.25% of assessed valuation.

(2) As of 6/30/2023 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</b>	<b>Per Capita Personal Income</b>	<b>Personal Income<sup>(1)(3)</sup></b>	<b>Median Age<sup>(3)</sup></b>	<b>School Enrollment</b>	<b>Unemployment Rate</b>
2014	459,446	\$ 33,495 <sup>(2)</sup>	\$ 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%
2019	479,112	40,542	19,424,178	32	103,939	9.1%
2020	479,977	42,394	20,347,906	32	105,038	17.1%
2021	481,733	44,479	21,426,891	32	103,592	11.1%
2022	475,014	47,165	22,404,123	32	103,621	7.4%
2023	475,064	49,390	23,463,838	32	103,289	10.1%

<sup>(1)</sup> Amounts expressed in thousands.

<sup>(2)</sup> Per capita personal income totals have been updated to reflect a change in calculation.

<sup>(3)</sup> Amounts are estimates based on historical percentages or other pertinent information.

**Sources:**

State of California, Department of Finance; Census every 10 years

State of California, Employment Development Department

U.S. Census Bureau; Median age is the age at which there are as many residents older as there are younger

California Department of Education, Educational Demographics Unit

U.S. Department of Commerce, Bureau of Economic Analysis

**COUNTY OF TULARE**  
**Statistical Section**  
**Principal Employers (unaudited)**  
**June 30, 2023 and June 30, 2014**

**Fiscal Year 2023**

Rank	Employer	Employees	Percentage of Total County Employment
1	County of Tulare	5,022	2.62%
2	Kaweah Delta Urgent Care	3,768	1.97%
3	Visalia Unified School District	3,545	1.85%
4	Walmart Regional General Merchandise Distribution Center	1,495	0.78%
5	Porterville Developmental Center	1,105	0.58%
6	Amazon Fulfillment Center	1,100	0.57%
7	Wawona Packing Co.	990	0.52%
8	Mark Zaninovich Inc.	980	0.51%
9	Best Buy Distribution Center	850	0.44%
10	College of the Sequoias	828	0.43%
Total		19,683	10.27%

**Fiscal Year 2014**

Rank	Employer	Employees	Percentage of Total County Employment
1	County of Tulare	4,800	2.72%
2	Kaweah Delta Healthcare District	2,000	1.13%
3	Ruiz Food Products	1,800	1.02%
4	Wal-Mart Distribution Center	1,692	0.96%
5	Porterville Development Center	1,300	0.74%
6	College of the Sequoias	1,160	0.66%
7	Sierra View District Hospital	725	0.41%
8	Jostens	720	0.41%
9	CIGNA HealthCare	700	0.40%
10	Land O'Lakes	600	0.34%
Total		15,497	8.79%

**Sources:**

County of Tulare  
Visalia Unified School District  
Tulare County Economic Development Corporation  
Porterville Developmental Center  
College of the Sequoias  
City of Visalia

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

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Government					
Legislative and Administrative	49	49	49	51	54
Counsel	61	61	57	57	63
Elections	5	7	7	7	11
Finance	160	159	160	162	163
Planning and Development	81	81	71	69	72
Other General	255	258	268	278	279
Public Protection					
Child Support Services	211	206	204	201	201
District Attorney	212	212	204	210	204
Fire Protection	114	113	117	116	117
Detention and Correction	391	393	399	409	411
Police Protection	817	840	846	863	876
Judicial	91	91	93	94	95
Other Protection	67	67	67	67	67
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	46	49	51	50	49
Solid Waste Management	47	33	36	40	46
Total Number of Employees	<u>4,800</u>	<u>4,776</u>	<u>4,849</u>	<u>4,944</u>	<u>5,003</u>

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
General Government					
Legislative and Administrative	51	53	52	54	53
Counsel	64	63	61	61	62
Elections	11	11	11	11	11
Finance	164	163	159	159	161
Planning and Development	72	75	72	76	79
Other General	291	289	283	287	289
Public Protection					
Child Support Services	202	202	193	129	129
District Attorney	202	205	208	213	215
Fire Protection	121	121	125	127	127
Detention and Correction	411	415	400	399	385
Police Protection	875	876	854	856	858
Judicial	91	91	92	92	96
Other Protection	70	72	74	73	73
Public Ways and Facilities	175	178	178	184	184
Health and Sanitation	497	510	498	507	510
Public Assistance	1,642	1,687	1,649	1,674	1,688
Education	50	50	50	50	50
Solid Waste Management	45	45	47	51	52
Total Number of Employees	<u>5,034</u>	<u>5,106</u>	<u>5,006</u>	<u>5,003</u>	<u>5,022</u>

**Source:** County Administrative Office, County of Tulare

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

Function	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Public Protection</b>					
Child Support Services					
Number of Caseloads	26,136	25,066	24,250	23,587	22,892
Number of Orders Established	1,167	1,456	1,161	961	797
<b>District Attorney</b>					
Number of Adult Felony Cases Filed	5,481	5,729	4,160	4,496	4,149
Number of Adult Misdemeanor Cases Filed	9,966	12,055	13,763	12,674	10,855
Number of Juvenile Felony Cases Filed	544	462	391	403	366
Number of Juvenile Misdemeanor Cases Filed	242	349	398	342	274
Total Cases Tried (Excluding Juvenile Trials)	91	82	81	79	69
<b>Environmental Health</b>					
Animal Control Field Calls	5,184	5,115	5,267	6,891	7,282
Animal Control Intake	8,945	8,348	7,684	7,917	7,192
Hazardous Materials Inspections	339	333	424	420	615
Hazardous Waste Inspections	181	196	198	218	309
Solid Waste Inspections	263	237	321	316	341
<b>Fire Protection</b>					
Assist Other Agencies	268	509	545	398	527
Medical Aids	7,336	8,077	7,305	7,570	7,950
Number of Fires	4,745	4,654	4,707	1,450	1,565
<b>Public Defender</b>					
Felony New Cases Opened	8,380	9,058	7,597	6,056	5,854
Juvenile Delinquency New Cases Opened	1,004	1,208	1,182	999	946
Misdemeanor New Cases Opened	7,649	8,645	8,913	9,251	13,997
<b>Sheriff-Coroner</b>					
Aggravated Assault	391	328	217	247	256
Burglary	1,010	686	813	686	635
Homicide	13	26	14	19	14
Jail Population - Admissions	22,563	22,881	21,301	19,204	21,446
Larceny Theft	1,401	1,251	1,274	1,310	1,349
Number of Auto Theft Vehicles Recovered	44	76	162	151	198
Rape	17	32	25	35	39
Robbery	90	76	46	75	63
Warrants Processed	19,650	22,071	23,042	24,648	23,521
<b>Public Ways and Facilities</b>					
Roads					
Total Maintained Mileage	3,038	3,035	3,031	3,031	2,974
<b>Public Assistance</b>					
<b>Mental Health Clients Served</b>					
Conserved	190	156	157	146	151
Inpatient	812	802	776	762	857
Outpatient	10,577	11,417	11,691	11,516	11,708
<b>Community Based Programs</b>					
Congregate Meals Served	60,890	69,200	66,192	61,672	63,012
Home Delivered Meals	64,470	79,271	69,185	71,318	75,461
Health Insurance Counseling and Advocacy Program	974	1,114	1,073	1,131	1,599
Number of People Served through Area Agency on Aging Funds	110,992	103,127	55,269	54,365	42,302
Number of Adult Protective Services Cases Opened	1,423	1,656	1,563	1,526	1,262
Number of Enrolled Participants in Cal Works	8,370	8,308	8,142	6,928	6,693
<b>Welfare Fraud</b>					
Court Ordered Restitution	-	279,920	139,787	351,630	173,887
Major Fraud Cases Completed	-	4,351	2,279	1,731	2,517
Persons Convicted	-	97	18	149	114
<b>Culture and Recreation</b>					
<b>Library</b>					
eBooks, eAudiobooks, Audiobooks and Music CDs	26,412	29,709	20,722	26,713	26,576
Volumes in collection	289,830	304,912	306,860	301,971	275,290
<b>Parks and Recreation</b>					
Number of Park Reservations	734	709	624	746	748
Number of Cars that Entered Parks	17,297	15,364	19,038	22,340	24,802
<b>Other Enterprises</b>					
<b>Solid Waste</b>					
Landfill Tonnage Gross Total	251,826	345,633	417,252	466,650	496,269
Landfill Tonnage Recycled Total	46,301	37,824	37,995	46,927	69,814

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
2019	2020	2021	2022	2023	
					Public Protection
					Child Support Services
22,450	22,012	22,041	22,331	24,682	Number of Caseloads
1,040	1,153	864	1,148	1,372	Number of Orders Established
					District Attorney
4,390	3,789	3,426	3,156	2,347	Number of Adult Felony Cases Filed
10,885	13,173	11,014	13,107	8,893	Number of Adult Misdemeanor Cases Filed
304	351	261	262	281	Number of Juvenile Felony Cases Filed
244	107	142	190	197	Number of Juvenile Misdemeanor Cases Filed
75	46	39	36	54	Total Cases Tried (Excluding Juvenile Trials)
					Environmental Health
6,575	5,210	4,786	5,825	6,781	Animal Control Field Calls
7,514	5,557	3,287	3,879	4,998	Animal Control Intake
588	609	577	Not Available	340	Hazardous Materials Inspections
294	307	284	Not Available	59	Hazardous Waste Inspections
322	334	290	Not Available	280	Solid Waste Inspections
					Fire Protection
506	548	557	497	314	Assist Other Agencies
8,806	7,968	8,496	10,340	11,281	Medical Aids
1,659	1,857	1,945	1,893	1,599	Number of Fires
					Public Defender
5,410	4,474	3,810	4,070	4,662	Felony New Cases Opened
692	589	499	521	578	Juvenile Delinquency New Cases Opened
13,405	12,076	10,244	10,184	8,920	Misdemeanor New Cases Opened
					Sheriff-Coroner
257	236	700	365	399	Aggravated Assault
617	647	444	278	316	Burglary
9	7	16	9	19	Homicide
19,370	19,951	19,233	19,050	23,263	Jail Population - Admissions
1,244	1,322	1,055	1,154	1,031	Larceny Theft
208	148	157	176	73	Number of Auto Theft Vehicles Recovered
33	27	26	13	41	Rape
67	57	50	44	101	Robbery
27,104	8,660	18,789	24,823	23,102	Warrants Processed
					Public Ways and Facilities
					Roads
2,973	2,973	2,965	2,965	2,965	Total Maintained Mileage
					Public Assistance
					Mental Health Clients Served
152	148	151	157	150	Conserved
949	1,032	1,153	1,147	1,162	Inpatient
10,821	10,692	10,545	11,354	12,731	Outpatient
					Community Based Programs
67,350	49,956	399,325	284,264	203,093	Congregate Meals Served
80,301	91,873	86,260	97,025	86,161	Home Delivered Meals
1,754	1,391	664	622	692	Health Insurance Counseling and Advocacy Program
45,942	150,868	45,532	42,167	42,973	Number of People Served through Area Agency on Aging Funds
1,517	1,558	1,656	1,820	2,078	Number of Adult Protective Services Cases Opened
6,105	5,792	4,796	5,434	7,447	Number of Enrolled Participants in Cal Works
					Welfare Fraud
373,000	347,125	424,084	735,106	370,929	Court Ordered Restitution
2,266	2,896	1,223	73	2,095	Major Fraud Cases Completed
123	74	121	53	51	Persons Convicted
					Culture and Recreation
					Library
10,053	28,298	21,177	21,172	21,088	eBooks, eAudiobooks, Audiobooks and Music CDs
276,247	273,465	208,111	213,537	217,367	Volumes in collection
					Parks and Recreation
643	387	163	11,619	8,685	Number of Park Reservations
14,723	3,343	6,601	13,166	25,767	Number of Cars that Entered Parks
					Other Enterprises
					Solid Waste
500,477	523,537	563,407	568,381	561,887	Landfill Tonnage Gross Total
45,251	44,273	45,613	42,352	35,446	Landfill Tonnage Recycled Total
					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>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

<b>Function</b>	<b>Fiscal Year</b>				
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Public Protection					
Sheriff-Coroner					
Stations	5	5	4	4	4
Fire Protection					
Stations	27	27	27	27	27
Building Permits Issued	4,042	4,104	4,674	5,008	4,232
Public Ways and Facilities					
Roads					
Roads (miles)	2,973	2,973	2,965	2,965	2,965
Streetlights	1,182	1,166	1,172	1,172	1,172
Culture and Recreation					
Library					
Number of Branches	17	17	17	18	18
Volumes in Collection	276,247	273,465	208,111	213,537	217,367
Parks and Recreation					
Park Acreage	639	639	639	639	639
Parks	11	11	11	11	11
Museum (square feet)	42,919	42,919	42,919	42,919	42,919
Other Enterprises					
Solid Waste					
Landfill Sites	2	2	2	2	3
Transfer Stations	6	6	6	6	6

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