

Comprehensive Annual Financial Report



**County of Tulare
State of California**

**For the Fiscal Year
Ended June 30, 2008**

COUNTY OF TULARE STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Prepared for the Board of Supervisors By

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

**Under the Direction of:
Carol Pightling, CPA, Chief Accountant**

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INTRODUCTORY SECTION

AUDITOR-CONTROLLER



COUNTY OF TULARE

221 South Mooney Blvd., Room 101-E □ Visalia, Ca 93291-4593 □ FAX (559) 730-2547

RITA A. WOODARD
Auditor-Controller/
Treasurer-Tax Collector
(559) 733-6345

REBECCA K. CARR, CPA
Assistant Auditor-Controller
(559) 733-6345

December 23, 2008

The Honorable Board of Supervisors
The County of Tulare
Administration Building
Visalia, California 93291-4582

Dear Board Members:

The comprehensive annual financial report for the County of Tulare ("the County") for the year ended June 30, 2008, is hereby submitted in accordance with Section 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and changes in financial position of the various funds and component units of the County of Tulare. All disclosures necessary for an understanding of the County's financial activities have been included. Dollar amounts are expressed in thousands, unless otherwise noted.

This comprehensive annual financial report has been prepared by the Department of the Auditor-Controller in accordance with generally accepted accounting principles (GAAP), as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) through November 30, 1989. Responsibility for the accuracy of the data, including all disclosures, rests with the County. To provide a reasonable basis for making these representations, management of the County of Tulare has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the County of Tulare's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County of Tulare's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe that the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the County as measured by the financial activity of the various funds, and that all disclosures necessary to enable the reader to gain a full understanding of the County's financial affairs have been included.

The financial reporting entity includes all of the funds of the County of Tulare, as well as its component units, including the Tulare County Redevelopment Agency, the Terra Bella Sewer Maintenance District, the Tulare County Flood Control District, the Tulare County Public Facilities Corporation, the Tulare County Public Financing Authority, the Tulare County In-Home Supportive Services Public Authority, and the First 5 Tulare County. Component units are legally separate entities for which the County is financially accountable

The County provides a full range of services, including police and fire protection; health and sanitation services; social services; construction and maintenance of highways, streets and infrastructures; recreational activities and cultural events.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County of Tulare's MD&A can be found immediately following the report of the independent auditor.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The County of Tulare is a general law county created by the State Legislature in 1852. The County is located in the San Joaquin Valley. The Sierra Nevada provides its eastern boundary line. The County ranks seventh among California counties in land area. The City of Visalia is the County seat with a population of approximately 121,498. The County has a population of approximately 429,006 residents with nearly 1.6 million acres under cultivation.

The County is the number one producer of dairy products in the United States, and is the nation's second highest-ranking county with regard to total agriculture and livestock production. The climate of the County is such that it produces outstanding citrus crops. Among these crops, oranges are the most prominent, with large acreage also devoted to lemons. Thousands of acres of grapes are high on the list for cash income. Table grapes grown here are shipped worldwide, while other grapes are processed for wine making and raisins. The County is also famous for its olives, walnuts, plums, peaches and nectarines, which account for hundreds of millions of dollars in farm income each year. California produces 95 percent of the nation's olives, one-half of which are grown and packaged in the County. The beef industry is also an important component of the County's economy, as are turkey and hog production. The County's geographical location presents easy access to markets around the world for all commodities produced.

MAJOR INITIATIVES

For the year. The Board of Supervisors' commitment to effectively serving the residents of the County of Tulare is demonstrated by the following:

Initiated the creation of a comprehensive customer service center called the "311" system that would be the primary point of contact for County services and equally important a tool to assess the performance of the County as a public-service organization.

Finalized the review of the Draft Goals and Policies for a 2030 Update of the County's General Plan.

Created, developed and implemented the "Step Up" anti-gang initiative. The initiative partners constituents, businesses, schools, cities and community organizations with County officials to develop strategies that reduce gang violence and its influence on youth.

Established south valley gang unit.

Approved the transition from contracted information technology services to a new consolidated County Information Technology Department as of January 1, 2008.

Built and opened the Cutler-Orosi Sheriff's Substation.

Re-established the Tulare County Water Commission to address water quality issues for County residents.

For the Future. The Board of Supervisors continues to prioritize programs to effectively serve the needs of the residents of the County of Tulare, and the following projects are a demonstration of that commitment:

Continue to support the Step Up Program and the Sheriff's Department to expand anti-gang operations throughout the County.

Continue to study ways to adequately fund the future needs for public services.

Implement the "311" system that will provide a comprehensive customer service center as the primary point of contact for County services to make government services more accessible for the residents of the County.

Continue to develop the County Campus based on the Conceptual Master Plan.

Complete master plan for Mooney Grove Park to include construction of the Farm Labor/History of Agriculture Museum.

Continued to expand the Adult Literacy Program.

Continue to work on a Business License requirement for various businesses operating in the unincorporated areas of the County.

FINANCIAL INFORMATION

Management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse, and to ensure adequate accounting data are compiled to allow for the preparation of basic financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments of management.

As a recipient of federal, state and local financial assistance, the County is also responsible for maintaining an adequate internal control structure that will ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the County.

As part of the County's Single Audit, tests were made of the County's internal control structure and of its compliance with applicable laws and regulations, relating to federal awards. Although this testing was not sufficient to support an opinion on the County's internal control system or its compliance with laws and regulations related to non-major federal awards, the audit for the year ended June 30, 2008, disclosed no material internal control weaknesses or material violations of laws and regulations.

In addition, the County maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Supervisors. Activities of the general fund, special revenue funds, debt service funds, and capital projects funds are included in the annual appropriated budget. The legal level of budgetary control (that is, the level which cannot be exceeded without action by the Board of Supervisors) is the fund level, with the exception of the General Fund in which the legal level of control is the department level. The Administrative Officer may approve transfers of appropriations between expenditure appropriation classifications, within the same budget unit.

The County utilizes an automated accounting system (Advantage Financial) maintained on the County's Client Server computers. The system allows the County to restrict each department's expenditures to the amount of the budgeted appropriation. Changes in budget appropriation must be approved by the Board as a transfer from contingency reserve, transfer from another budget unit, or as an appropriation of unanticipated or over realized revenue. Any unencumbered appropriation balances remaining at the end of the fiscal year automatically lapse except by approval of the County Administrative Officer (CAO). The fund balances along with projected revenues become available for appropriation in the following year.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management.

EMPLOYEES' RETIREMENT PLAN

County employees' retirement is provided by the Tulare County Employees' Retirement Association (TCERA) which was established July 1, 1945, pursuant to the provisions of the County Employee Retirement Law of 1937. Substantially all employees are covered by this contributory plan. The Board of Retirement consists of nine people, four elected by employee members, both working and retired, four appointed by the Board of Supervisors and the County Treasurer. The Retirement Association is not considered a component unit of the County of Tulare because membership includes entities that are not part of the County.

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

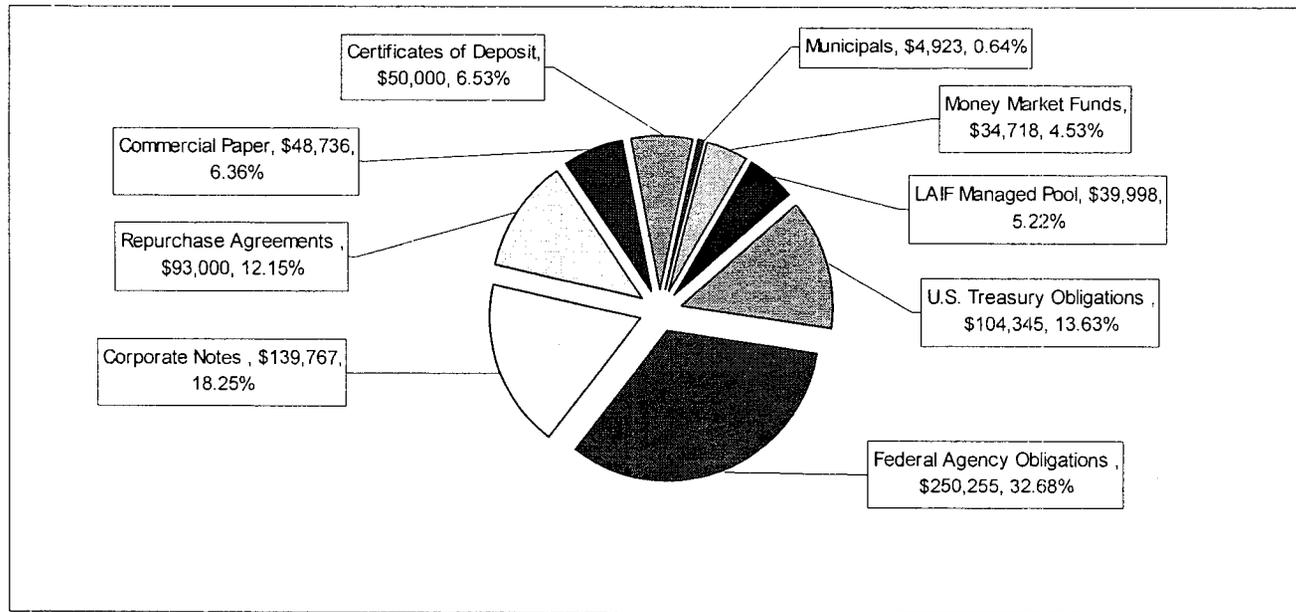
The Board of Supervisors adopted a second tier to the retirement plan in 1980 and added a third tier in January 1990 pursuant to Internal Revenue Code Section 415. Effective July 1, 2005 a benefit formula improvement was approved by the Board of Supervisors for all service earned on and after that date by General Members of the plan. A complete financial report is available from the Retirement Association.

TREASURY POOL CASH MANAGEMENT

The Treasury Pool investment policy's primary goal is the Safety and preservation of capital. The second goal is the continual maintenance of Liquidity (or always having the ability to convert sufficient securities to cash to cover the cash flow needs of the County and all its investing agencies and to meet any contingency needs). The third goal is Yield (or to earn a reasonable rate of return representative of current market conditions and the present phase of the market cycle, while remaining in compliance with all State laws and the Treasurer's formal investment policy).

All of the investments held by the County during the fiscal year ended June 30, 2008 are classified in the category of lowest custodial credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were held in the County's name either by the counterparty financial institution's trust department or by a Securities and Exchange Commission-registered brokerage firm. The earned yield (net of treasurer's fees) for the County of Tulare for fiscal year June 30, 2008 was 4.42%.

The County's investments as of June 30, 2008 are as follows:



RISK MANAGEMENT

The County is self-insured for Workers' Compensation. The SIR Program includes Excess Insurance at \$1 million. Rates have been established based on claim cost needs and IBNR (Incurred But Not Reported) estimates with credit for anticipated loss cost benefits of SB 899 and more aggressive claim management practices. The County maintains full statutory coverage for Workers' Compensation under the Excess Insurance policy. As of June 30, 2008, the County's workers' compensation fund has set aside \$20,770.

The County remained self-insured for general liability in the fiscal year ended June 30, 2008 at the \$250 SIR effective on July 1, 2003. Excess limits were, again, renewed at \$25,000. As of June 30, 2008, the County's general liability fund has set aside \$4,436.

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

Other coverage for property and employee dishonesty is provided under pooled insurance programs. A deductible of \$10 is applicable for Property and \$25 for Crime Bond.

Medical Malpractice is an insured program with a deductible of \$10, and limits of liability of \$10,000 per claim, and limits of liability of \$50,000 aggregate over two years.

INDEPENDENT AUDIT

The financial records and transactions of the County and its blended component units for the fiscal year ended June 30, 2008, have been audited by Brown Armstrong, Certified Public Accountants, and their opinion is included in the Financial section of this report.

In addition, the County of Tulare is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996, and the U.S. Office of Management and Budget's Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to the single audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal control and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Tulare for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the twelfth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENT

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Auditor-Controller's Office, as well as the efforts and input of every department of the County, and to Brown Armstrong, Certified Public Accountants for their professional assistance. Each participating member has our sincere appreciation for the contributions made in the preparation of this report. Finally, we would like to thank the Board for their continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully submitted,



JEAN M. ROUSSEAU
County Administrative Officer



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

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

County of Tulare
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

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

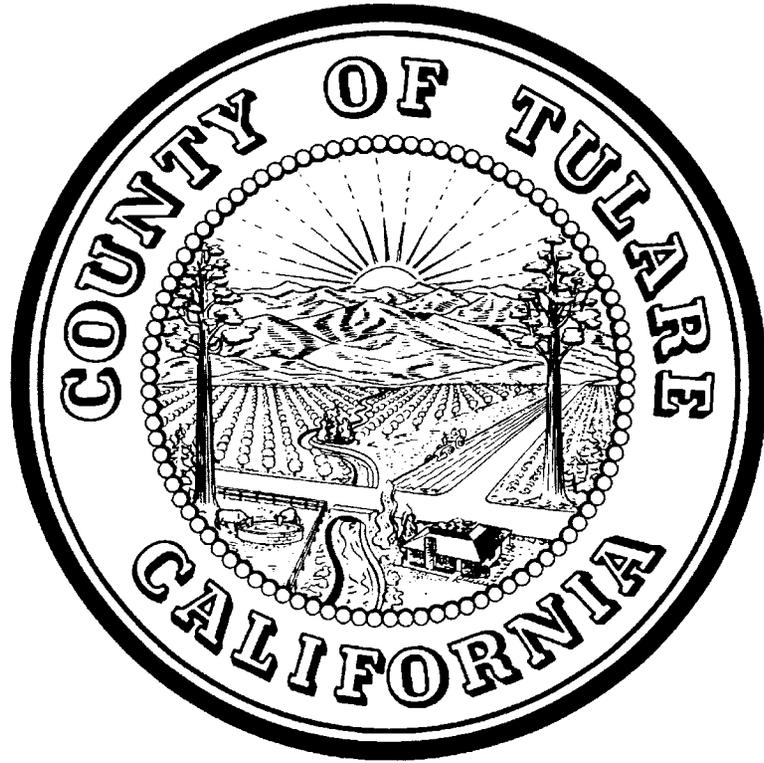


Charles S. Cox

President

Jeffrey R. Emer

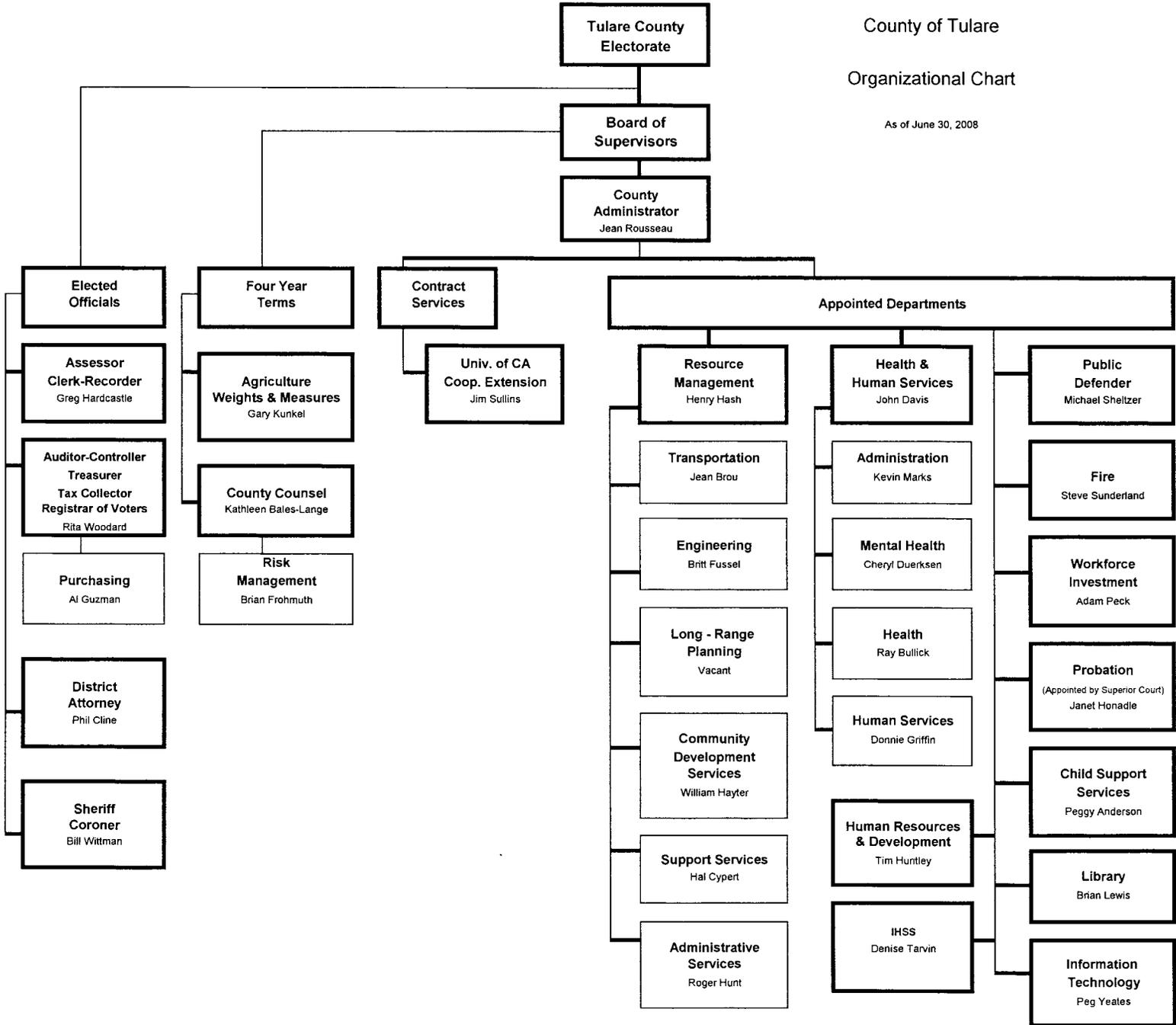
Executive Director



County of Tulare

Organizational Chart

As of June 30, 2008



**COUNTY OF TULARE
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2008**

<u>DEPARTMENT</u>	<u>OFFICIALS</u>	<u>POSITIONS</u>
Agricultural Commissioner	Gary Kunkel	58
* Assessor/Clerk-Recorder	Gregory B. Hardcastle	92
* Auditor-Controller/Treasurer-Tax Collector Elections Purchasing	Rita A. Woodard	65
Board of Supervisors		7
** District No. 1 – Three Rivers, Exeter, Lindsay, Farmersville	Allen Ishida	
** District No. 2 – Tulare, Alpaugh, Pixley	Connie Conway, Chairman	
** District No. 3 – Visalia	Phil Cox, Vice Chairman	
** District No. 4 – Dinuba, Goshen, Woodlake	J. Steven Worthley	
** District No. 5 – Porterville, Tule Reservation	Mike Ennis	
Child Support Services	Peggy Anderson	269
Cooperative Extension	Jim Sullins	8.5
County Administrative Office	Jean Rousseau	17
County Counsel Risk Management	Kathleen Bales-Lange	54
* District Attorney Public Administrator	Phillip J. Cline	210
Fire Protection Services	Steve Sunderland	111

Footnote:

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

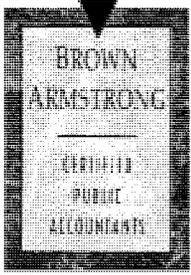
**COUNTY OF TULARE
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2008**

<u>DEPARTMENT</u>	<u>OFFICIALS</u>	<u>POSITIONS</u>
Health & Human Services Agency Administrative Services Human Services Primary Care Services Community Services	John Davis	2,252
Human Resources & Development	Tim Huntley	28
Information Services	Peg Yeates	125
Library	Brian G. Lewis	38
Probation Juvenile Detention Facility Probation Youth Facility Delinquency Prevention & Court Services Supervision Services Program Planning and Development Administrative Services	Janet M. Honadle	340
Law Library	Anne Bernardo	2.5
Public Defender	Michael Sheltzer	83
Resource Management Agency Engineering Services Transportation Services Long Range Planning Support Services Administration Community Development Services	Henry Hash	499
* Sheriff-Coroner	Bill Wittman	746
Workforce Investment	Adam Peck	42
TOTAL ALLOCATIONS		5,047

Footnote:

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

FINANCIAL SECTION



BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
Certified Public Accountants

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Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Steven R. Starbuck, CPA
Aileen K. Keeter, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, MBA, CPA
Richard L. Halle, CPA, MST

Harvey J. McCown, MBA, CPA
Lynn R. Krausse, CPA, MST
Rosalva Flores, CPA
Connie M. Perez, CPA
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Dias, CPA, MBA
Matthew R. Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan L. Nielsen, CPA
Jian Ou-Yang, CPA
Ryan S. Johnson, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA
Samuel O. Newland, CPA
Brooke N. DeCuir, CPA
Kenneth J. Witham, CPA
Clint W. Baird, CPA
Jose Garcia, CPA
Adrian Rich, CPA
Lance Larralde, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregated remaining fund information, of the County of Tulare, California, (the County), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of First 5 Tulare County, which represent 100 percent of the assets and revenues of the discretely presented component unit for the fiscal year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for First 5 Tulare County, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in the notes to the financial statements, the County adopted the provisions of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*.

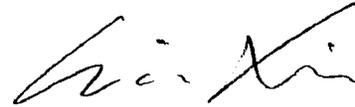
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, the aggregated remaining fund information of the County of Tulare, California, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The *management's discussion and analysis* as listed in the accompanying table of contents is not a required part of the County's basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section identified in the table of contents, where applicable, are presented for the purposes of additional analysis and are not a required part to the basic financial statements. The information in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on it. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2008, on our consideration of the County of Tulare's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
December 22, 2008

Management's Discussion and Analysis

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, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$1,648,407 (*net assets*). Of this amount, \$78,660 (*unrestricted net assets*) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's total net assets, which may serve as a useful indicator of financial position, increased by \$19,233.

As of the close of the current fiscal year, the County governmental funds reported combined ending fund balances of \$152,400, an increase of \$7,828 in comparison with the prior year. Approximately \$36,494 is available for spending at the government's discretion (*unreserved fund balance*).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$9,051 or 1.7% of total general fund expenditures.

The County's total debt decreased by \$10,699) during the current fiscal year.

Overview of Financial Statements

The Comprehensive Annual Financial Report for the County of Tulare consists of three parts - *Management's Discussion and Analysis* (this section), the *Basic Financial Statements*, and an optional section that presents *Combining and Individual Fund Statements and Schedules* for nonmajor governmental funds, nonmajor enterprise funds, and internal service funds. This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The two types of financial statements are designed to present two different views of the County.

Government-wide financial statements. The *government-wide financial statements* provide readers with a broad overview of both long-term and short-term information about the County's *overall* financial status in a manner similar to a private-sector business. The two government-wide statements report the County's *net assets* and how they have changed. Net assets are one way to measure the County's financial health or position.

The government-wide financial statements of the County are divided into two categories:

Governmental activities - most of the County's basic services are included here, such as fire, public works and general administration, which receive approximately 81.9% of their support from charges for services and operating grants and contributions. Property taxes, sales taxes, and other revenues covered the remaining costs.

Business-type activities - charge fees to users which are intended to recover all or a significant portion of their costs for certain services, such as water and sewer services and solid waste disposal. In the year ended June 30, 2008, 60.2% of costs were recovered through fees to users. Sales taxes, operating grants, and investment income covered the remaining costs.

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that are the result of cash flows in prior fiscal periods (e.g., prepayment of retirement contributions) or will result in cash flows in future fiscal periods (e.g., earned-but-unused vacation leave).

The government-wide financial statements include not only the County itself (known as the *primary government*), but also seven legally separate organizations for which the elected officials of the County are financially accountable. Financial information for six of these *blended component units* is combined with the financial information presented for the primary government itself. First 5 Tulare County is a *discretely presented component unit*.

The government-wide financial statements can be found in the Basic Financial Statements section following the Management's Discussion and Analysis.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Tulare County Public Facilities Corporation, and the Tulare County Public Financing Authority, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. Similar comparisons for all nonmajor governmental funds are provided in the form of *budget and actual schedules* elsewhere in this report.

The basic governmental fund financial statements can be found following the government-wide financial statements in the Basic Financial Statements section of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its Solid Waste, Transit, and many sewer and water operations. *Internal service funds* are used to accumulate and allocate costs internally. The County uses internal service funds to account for its central services, such as mailroom, print shop, and motorpool, and for insurance coverage. They have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Solid Waste, which is a major fund of the County. Data for all nonmajor enterprise funds are combined into a single, aggregated presentation. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements, as well. Individual fund data for the nonmajor enterprise funds and the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The basic proprietary fund financial statements can be found in the Fund Financial Statements section of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. They provide information about financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others, to whom the resources belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found in the Fund Financial Statements section of this report.

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

Other information. The combining statements and schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and capital assets used in the operation of governmental funds are presented immediately following the notes to the financial statements.

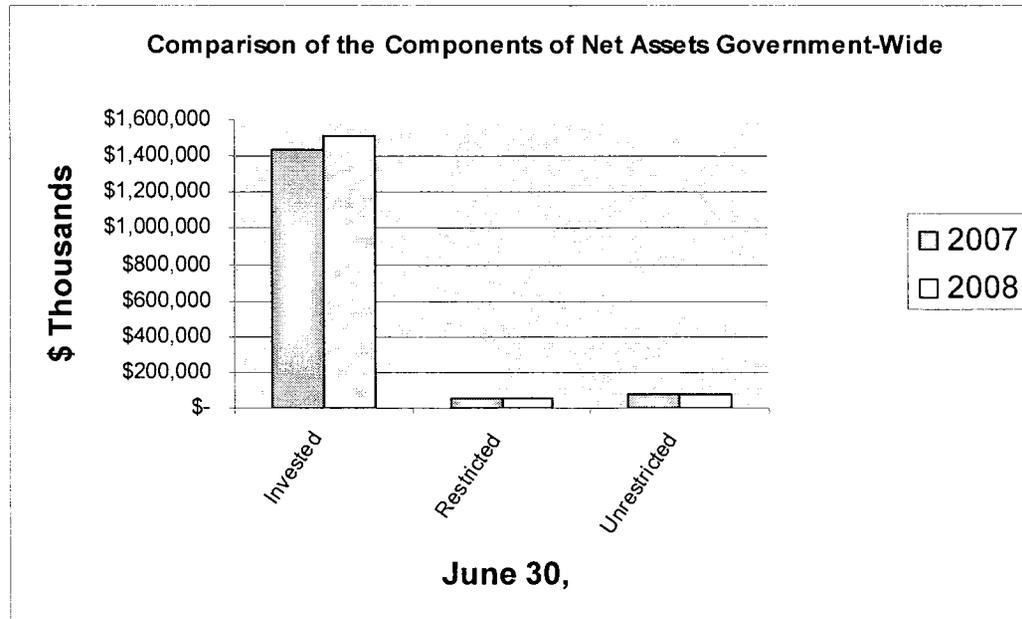
Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,648,407 at the close of the most recent fiscal year.

A portion (\$1,510,656) of the County's net assets (91.6%) for the current year reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and vehicles), less any related, outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (\$59,091) represents resources that are subject to external restrictions on how they may be used (*restricted net assets*). The remaining balance of *unrestricted net assets* (\$78,660) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County is able to report positive balances in all three categories of net assets for the County as a whole, as well as for its separate governmental and business-type activities.



Key elements of the County's calculation of net assets for both governmental activities and business-type activities for the fiscal years ended June 30, 2007 and 2008 are as follows:

County of Tulare's Net Assets (amounts expressed in thousands)						
As of June 30,	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 382,383	\$ 378,581	\$ 74,167	\$ 70,047	\$ 456,550	\$ 448,628
Capital assets	1,550,581	1,482,885	20,601	21,399	1,571,182	1,504,284
Total assets	<u>1,932,964</u>	<u>1,861,466</u>	<u>94,768</u>	<u>91,446</u>	<u>2,027,732</u>	<u>1,952,912</u>
Long-term liabilities outstanding	150,065	155,770	46,313	43,641	196,378	199,411
Other liabilities	181,381	185,225	1,566	740	182,947	185,965
Total liabilities	<u>331,446</u>	<u>340,995</u>	<u>47,879</u>	<u>44,381</u>	<u>379,325</u>	<u>385,376</u>
Invested in capital assets, net of related debt	1,491,566	1,417,765	19,090	19,860	1,510,656	1,437,625
Restricted	54,086	45,403	5,005	5,005	59,091	50,408
Unrestricted	55,866	57,303	22,794	22,200	78,660	79,503
Total net assets	<u>\$ 1,601,518</u>	<u>\$ 1,520,471</u>	<u>\$ 46,889</u>	<u>\$ 47,065</u>	<u>\$ 1,648,407</u>	<u>\$ 1,567,536</u>

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

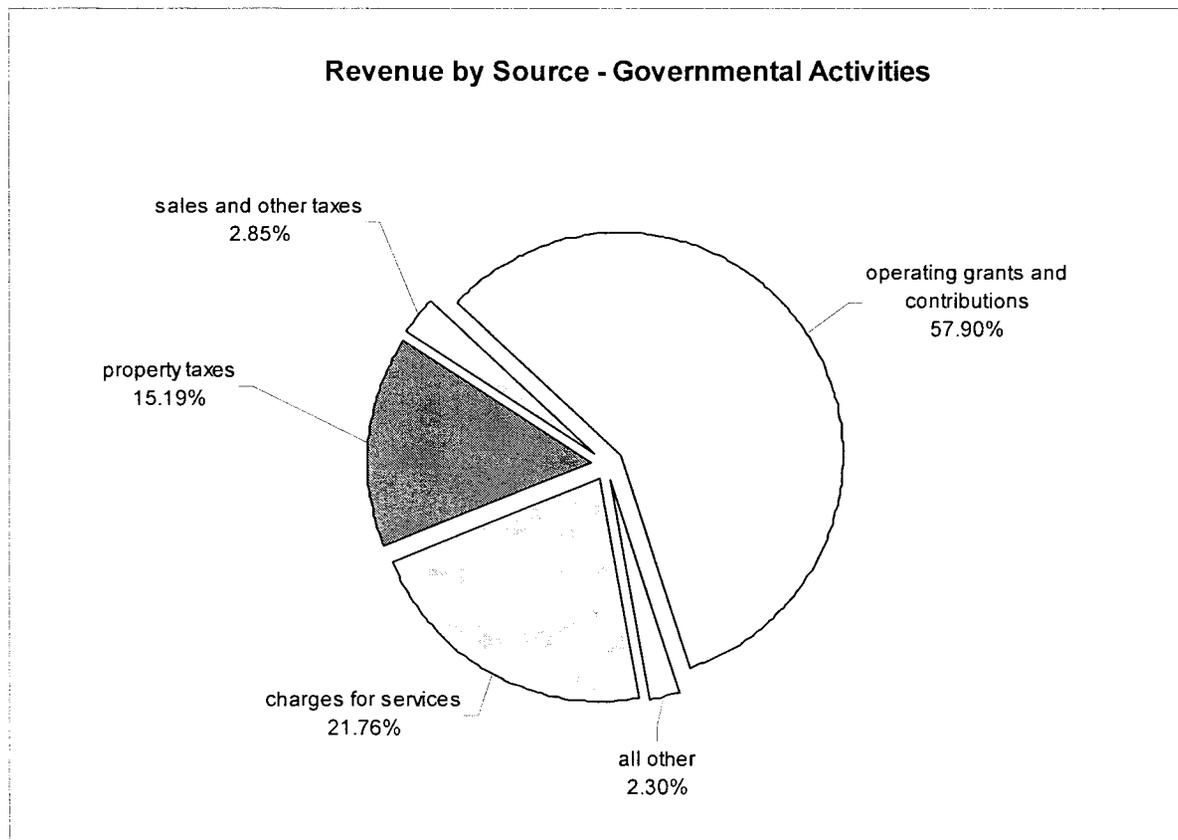
For the fiscal year ended June 30,	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Revenues:						
Program Revenues:						
Charges for services	\$ 146,385	\$ 125,672	\$ 10,036	\$ 10,985	\$ 156,421	\$ 136,657
Operating grants and contributions	389,524	389,177	1,475	276	390,999	389,453
General Revenues:						
Property taxes	102,198	91,367	-	-	102,198	91,367
Other taxes	19,188	13,262	1,628	1,033	20,816	14,295
Other	15,507	15,772	3,926	3,344	19,433	19,116
Total revenues	<u>672,802</u>	<u>635,250</u>	<u>17,065</u>	<u>15,638</u>	<u>689,867</u>	<u>650,888</u>
Expenses:						
General government	71,430	93,680	-	-	71,430	93,680
Public protection	187,299	162,837	-	-	187,299	162,837
Public ways and facilities	28,346	15,100	-	-	28,346	15,100
Health and sanitation	120,195	120,520	-	-	120,195	120,520
Public assistance	227,086	220,019	-	-	227,086	220,019
Education	4,287	3,722	-	-	4,287	3,722
Culture and recreation	3,552	1,842	-	-	3,552	1,842
Unallocated depreciation	510	588	-	-	510	588
Interest expense	11,244	11,038	-	-	11,244	11,038
Solid Waste	-	-	14,426	13,981	14,426	13,981
Water/Sewer services	-	-	956	940	956	940
Transit	-	-	1,285	1,160	1,285	1,160
Other business-type activities	-	-	18	20	18	20
Total expenses	<u>653,949</u>	<u>629,346</u>	<u>16,685</u>	<u>16,101</u>	<u>670,634</u>	<u>645,447</u>
Change in net assets before transfers	<u>18,853</u>	<u>5,904</u>	<u>380</u>	<u>(463)</u>	<u>19,233</u>	<u>5,441</u>
Transfers	556	713	(556)	(713)	-	-
Change in net assets	<u>19,409</u>	<u>6,617</u>	<u>(176)</u>	<u>(1,176)</u>	<u>19,233</u>	<u>5,441</u>
Net assets - July 1	1,582,109	1,513,854	47,065	48,241	1,629,174	1,562,095
Net assets - June 30	<u>\$ 1,601,518</u>	<u>\$ 1,520,471</u>	<u>\$ 46,889</u>	<u>\$ 47,065</u>	<u>\$ 1,648,407</u>	<u>\$ 1,567,536</u>

1 Presented as a combined amount (Other business-type activities) in prior year.

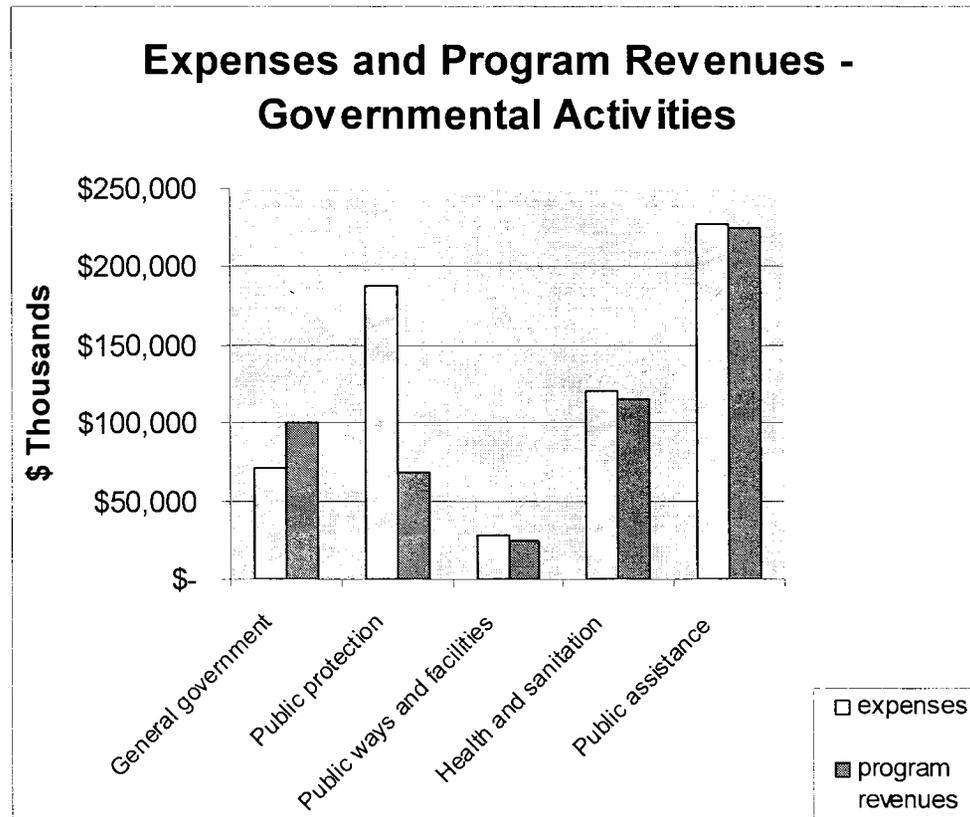
2 Net assets - July 1 has been restated to reflect a change in accounting principle as described in Note I.E.10.

The County's overall net assets increased \$22,224 during the year ended June 30, 2008. The dominant factor is an approximate \$17,352 (16.4%) increase in property and other tax revenues.

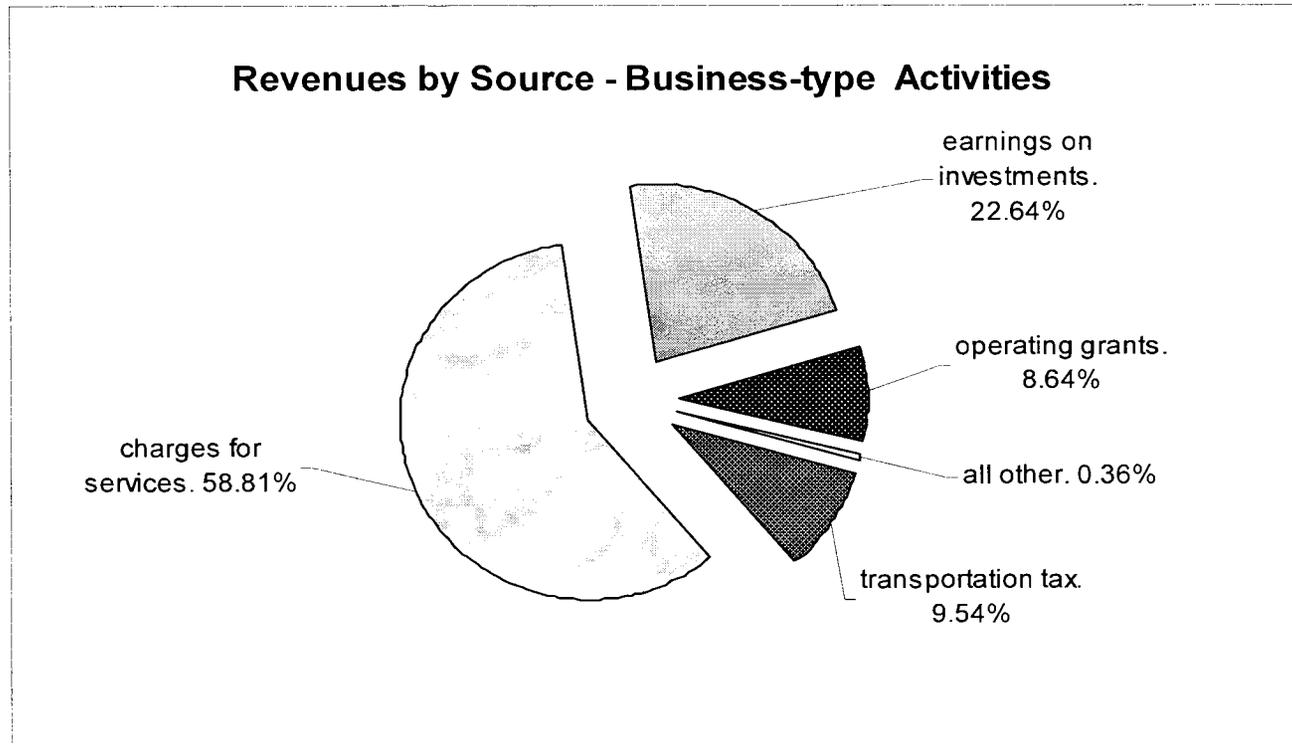
Governmental activities. Governmental activities increased the County's current year net assets by (\$22,400), which accounts for virtually 100.0% of the County's overall change in net assets. While the portion of governmental activities expenses which are not covered by charges for services and operating grants only increased by \$552 (0.5%), the increase in property and other tax revenues covered the remaining expenses and provided additional net assets available for governmental activities for future periods. The property taxes levied for fiscal year 2007/2008 were still based upon property values prior to the recent housing crises. With the increase in foreclosures and the downturn in economic conditions, the County has received numerous applications for a reduction in taxes levied which will impact fiscal years 2008/2009 and forward. In addition, local sales tax Measure R increased the local sales tax by 0.5% - revenues to be used for local road projects only. Key elements of revenues in governmental activities for the year ended June 30, 2008 are as follows:



Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, the largest segment of uncovered costs are in the area of public protection. The largest percentage increase in costs (over 50%) are in the Sheriff's and District Attorney's Offices. While the numbers of misdemeanor cases and juvenile felony cases have changed little over the past 5 year period, the number of adult felony cases has increased by well over 50%. A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2008 is as follows:

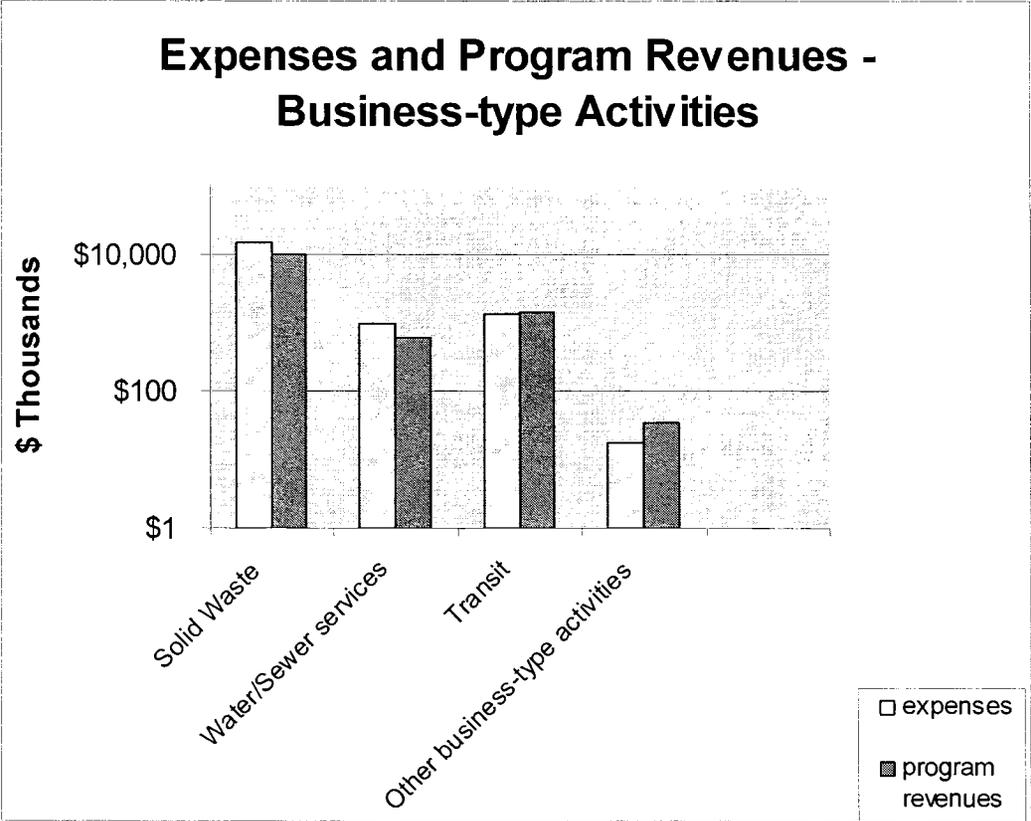


Business-type activities. Business-type activities remained stable with a small decrease to the County's net assets of \$176. Although business-type net assets experienced a minor decrease, it is important to note that unrestricted net assets continue to represent almost half (48.6%) of total net assets. Key elements of revenues in business-type activities for the fiscal year ended June 30, 2008 are as follows:



Total fee revenues for Solid Waste, which represents 92.1% of charges for services for business-type activities, represents a smaller percentage of expenses compared with the prior year – continuing a 4-year trend.

Solid Waste showed only a small increase of \$445 (or 3.2%) in overall expenses, but the decrease in fee revenues from charges for services (with no change in the fee structure) is the result of the loss of customer base, particularly the City of Visalia contract. A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2008 is as follows:



Financial Analysis of the County's Funds

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

Governmental funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financial requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$152,400, an increase of \$7,828 over the prior year. Approximately 23.8% of the total fund balances, or \$36,494, constitutes *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for future debt service payments (\$60,009); 2) for toxic cleanup at Harmon Field airstrip per contract with the California Environmental Protection Agency (\$5,000); 3) for future collections on long-term notes receivable (\$15,455); 4) for taxes receivable (\$26,459); or 5) for a variety of other restricted purposes (\$8,983).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$9,051, while total fund balance reached \$57,503. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 1.7% of total General Fund expenditures, while total fund balance represents 11.1% of that same amount.

For a third consecutive year, the fund balance of the County's General Fund has increased. The current year increased by \$165 over the prior year and by \$8,951 over two years ago. Key factors of this trend are as follows:

Total revenues of the General Fund increased by \$33,759 or 7.0%. Property tax revenues increased by \$9,358, but this is down more than 15.0% when compared to the increase experienced in the prior year. This slow-down is due to the decline in local building and in the real estate market. Intergovernmental support, mostly of Health and Human Service programs, increased a modest 5.6% over the prior year by \$13,212. This trend is, however, expected to turn around in the next few years due to budget cuts at the State level. Revenues from fees collected for services shows approximately an 11.0% increase over the prior year county-wide. With very few changes in the fees charged by the County, the increase in this revenue source indicates a greater level of services provided to taxpayers.

Spending from the General Fund increased by \$32,743 or 6.7%. Contributing factors include a 16.4% (\$22,007) increase in spending for public protection spread fairly evenly among the Sheriff's, District Attorney's, Public Defender's and Probation Offices. Public assistance spending increased by \$10,136 or 5.0% as local retail store closings and home mortgage foreclosures have left local residents in need of increased County support. General government one-time costs increased as the County transitioned from a contract with a third party for Information Technology services to a County IT Department.

Two major blended component units of the County are the Tulare County Public Facilities Corporation (TCPFC) and the Tulare County Public Financing Authority (TCPFA), which were established to assist with past and future acquisition and maintenance of County structures. Since both of these blended component units are related to capital assets and the financing thereof, the *total fund balances* of both TCPFC (\$5,787) and TCPFA (\$51,619) are restricted for future servicing of debt.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. *Total net assets* of all proprietary funds were \$61,624, with \$46,889 of that in enterprise funds and 83.9% (\$39,315) of the enterprise funds net assets in Solid Waste. *Unrestricted net assets* of Solid Waste at the end of the fiscal year amounted to \$20,092, which is a reduction in net assets for Solid Waste of \$1,753 or 4.3% of the prior year net assets. Other factors concerning the finances of this fund have already been addressed in the discussion of the County of Tulare's business-type activities.

General Fund Budgetary Highlights

The Board of Supervisors of the County made several supplemental budgetary expenditure appropriations totaling \$5,931 (1.0%) in the General Fund appropriations throughout the fiscal year, predominantly in the area of Public Protection, (particularly the Sheriff and Agriculture Commissioner) as a result of unanticipated increased intergovernmental support in those areas.

For the current fiscal year, \$20,328 was budgeted from beginning available fund balance. Actual revenues realized fell \$28,317 short of budgetary estimates. Although Health and Human Services programs received more revenue in the current fiscal year than in the prior year, it was still significantly less that was anticipated. Expenditures for the current fiscal year fell \$60,747 below budgetary estimates as well thereby offsetting the decline in revenues allowing the general fund to carry virtually the same fund balance into the coming fiscal year.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities at current year-end amounts to \$1,512,535 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, and some construction in progress and infrastructure in progress.

County of Tulare's Capital Assets (net of depreciation)						
As of June 30,	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Land	\$ 911,641	\$ 911,940	\$ 6,728	\$ 6,728	\$ 918,369	\$ 918,668
Infrastructure	470,684	412,543	-	-	470,684	412,543
Buildings and improvements	123,550	123,684	10,051	10,839	133,601	134,523
Equipment and vehicles	21,079	19,116	3,091	3,699	24,170	22,815
Construction in progress	9,582	5,853	731	133	10,313	5,986
Infrastructure in progress	14,045	9,749	-	-	14,045	9,749
Total	\$ 1,550,581	\$ 1,482,885	\$ 20,601	\$ 21,399	\$ 1,571,182	\$ 1,504,284

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

1. The Oroshi Sheriff's Substation and the Oat Mountain Tower Projects were completed at a final cost of \$2,023 and \$554, respectively.
2. An additional \$3,477 was added to energy conservation measures bringing the total expended as of June 30, 2008 to \$6,508.
3. An additional \$1,731 was added to the Visalia Library expansion project bringing the total expended as of June 30, 2008 to \$2,260.

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

Long-term debt. At the end of the current fiscal year, the County had total outstanding debt of \$125,122. Of this amount, 34.6% (\$43,293) comprises debt for Certificates of Participation (COP's) issued by the Tulare County Public Facilities Corporation for the acquisition or construction of major capital facilities. Approximately 17.1% of the outstanding debt of the County (\$21,345) represents Pension Obligation Bonds used to pay a previously unfunded actuarial accrued liability. Another 33.3% (\$41,673) is the outstanding balance of Variable Rate Demand Bonds issued by the Tulare County Public Financing Authority to provide financing for future acquisition and construction of major capital facilities. The remaining balance is for several capital leases and loans used for new equipment and vehicles (i.e., patrol vehicles for the Sheriff's department, and fire engines) used in the general operations of the County.

County of Tulare's Outstanding Debt						
As of June 30,	Governmental Activities		Business-type Activities		Total	
	2008	2007	2008	2007	2008	2007
Loans	\$ 17,219	\$ 18,927	\$ -	\$ -	\$ 17,219	\$ 18,927
Capital leases	6	38	-	-	6	38
Variable rate demand bonds	41,665	42,360	8	8	41,673	42,368
Pension obligation bonds	21,345	25,175	-	-	21,345	25,175
Tax allocation bond	1,586	1,627	-	-	1,586	1,627
Certificates of participation	41,790	46,155	1,503	1,531	43,293	47,686
Totals	<u>\$ 123,611</u>	<u>\$ 134,282</u>	<u>\$ 1,511</u>	<u>\$ 1,539</u>	<u>\$ 125,122</u>	<u>\$ 135,821</u>

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$10,699 (7.9%). The largest reductions occurred with payments of \$4,393 against the COP's and \$3,830 paid on Pension Obligation Bonds. There is no new debt.

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

Constitutional Amendment XIII A, passed by vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1% of full cash value. Thus, the legal debt margin (\$352,369) is 1.25% of assessed valuation (\$28,189,559). As of June 30, 2008, the County had no tax supported general obligation bonded debt outstanding.

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

Economic Factors and Next Year's Budgets

The County's economy continued to grow in Fiscal Year 2007-2008 although at a significantly slower pace due to the decline in the housing market and the closing of several local retail sales employers. The County's assessed valuation increased 14.9%, the sixth consecutive year of over 5% increase. The unprecedented rate of growth realized in the Assessment Roll during the past six years will not likely be sustained over the long term but will likely level off rather than collapse as the housing market stabilizes. The County's unemployment rate reached almost 10% in the prior year as the result of a large-scale freeze in January 2007 that seriously affected the County's agricultural crops and forced lay offs of many in the County's large agricultural workforce. Although the agricultural crops suffered no permanent damage and stabilized in 2008, the closing of several local retail sales establishments has prevented the local unemployment rate from improving.

The governor signed the State budget in September 2008, a record delay past the constitutional deadline. While the State budget continued to support and provide funding for many important County programs, including transportation, public safety, and the Williamson Act (State assistance to counties to help offset property tax reductions to farmers and ranchers who preserve their land as open space), it also contained additional cuts to some programs that undermine the County's ability to provide critical services to its citizens. For example:

- Continued suspension of the Property Tax Administration Program (PTAP) used to augment county assessors' budgets;

- Deferral of prepayment of fiscal year 2008-2009 mandates that force the County to provide additional unfunded services;

- Cuts to Adult Protective Services funding that leaves thousands of seniors and dependent adults vulnerable to victimization;

- Elimination of the Integrated Services for Homeless Adults grant funding that hinders County mental health programs; and

- Elimination of funding for local assistance grants to support the transfer of juvenile offenders from state to county facilities that hampers the County's ability to successfully deliver needed rehabilitative services and supervision to youthful offenders.

These cuts come at a time when critical State policies are being reformed, including health care and corrections, which will no doubt have extensive financial and other impacts on counties.

The County's fiscal year 2008-2009 budget addresses these and other concerns. It has a \$22,732 unreserved fund balance in the General Fund that is appropriated for spending.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 221 S. Mooney Blvd., Suite 101-E, Visalia, CA 93291.

The Comprehensive Annual Financial Report of the County of Tulare for the fiscal year ended June 30, 2008 can also be found at the County's website www.co.tulare.ca.us/government/auditor/finrpt.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

County of Tulare
Statement of Net Assets
June 30, 2008
(amounts expressed in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Assets				
Current assets:				
Cash in banks	\$ -	\$ 187	\$ 187	\$ 61
Investment in treasury pool	134,785	24,022	158,807	16,775
Investments	64,581	-	64,581	-
Cash on hand	390	34	424	-
Imprest cash	326	2	328	-
Accounts receivable, net	5,589	1,030	6,619	1,389
Taxes receivable	27,958	-	27,958	-
Deposits with others	11	56	67	515
Due from other governments	48,631	-	48,631	-
Inventories	444	-	444	-
Prepaid items	3,230	-	3,230	15
Lease payments receivable, net of interest	177	-	177	-
Notes Receivable	1,248	-	1,248	-
Total current assets	<u>287,370</u>	<u>25,331</u>	<u>312,701</u>	<u>18,755</u>
Noncurrent assets:				
Pension assets	22,923	-	22,923	-
Notes receivable	15,455	-	15,455	-
Advances to Agency funds	3,100	-	3,100	-
Restricted assets - noncurrent	53,535	48,836	102,371	-
Capital assets:				
Land and other assets not being depreciated	935,268	7,459	942,727	-
Buildings, equipment, and infrastructure, net	615,313	13,142	628,455	-
Total capital assets, net	<u>1,550,581</u>	<u>20,601</u>	<u>1,571,182</u>	<u>-</u>
Total noncurrent assets	<u>1,645,594</u>	<u>69,437</u>	<u>1,715,031</u>	<u>-</u>
Total assets	<u>1,932,964</u>	<u>94,768</u>	<u>2,027,732</u>	<u>18,755</u>

Liabilities				
Current liabilities:				
Accounts payable	35,178	1,184	36,362	1,104
Due to other governments	11,100	-	11,100	-
Deposits from others	128	8	136	-
Salaries and benefits payable	17,553	278	17,831	24
Interest payable	1,725	-	1,725	-
Unearned revenue	40,979	-	40,979	-
Tax and revenue anticipation note	55,000	-	55,000	-
Liability claims payable	5,299	-	5,299	-
Compensated absences	3,301	68	3,369	-
Leases payable	6	-	6	-
Loans payable	1,488	-	1,488	-
Bonds payable	5,044	-	5,044	-
COP's payable	4,580	28	4,608	-
Total current liabilities	<u>181,381</u>	<u>1,566</u>	<u>182,947</u>	<u>1,128</u>
Noncurrent liabilities:				
Liability claims payable	19,907	-	19,907	-
Net OPEB obligation	1,650	-	1,650	-
Compensated absences	16,011	304	16,315	18
Advances from Agency funds	4	690	694	-
Closure/postclosure costs payable	-	43,836	43,836	-
Loans payable	15,731	-	15,731	-
Bonds payable	59,552	8	59,560	-
COP's payable	37,210	1,475	38,685	-
Total noncurrent liabilities	<u>150,065</u>	<u>46,313</u>	<u>196,378</u>	<u>18</u>
Total liabilities	<u>331,446</u>	<u>47,879</u>	<u>379,325</u>	<u>1,146</u>
Net assets				
Invested in capital assets, net of related debt	1,491,566	19,090	1,510,656	-
Restricted for:				
Capital projects	14,579	-	14,579	-
Debt service	20,593	-	20,593	-
Roads projects	4,390	-	4,390	-
Redevelopment	7,370	-	7,370	-
Public protection	4,320	-	4,320	-
Education	2,726	-	2,726	-
Landfill ground water contingencies	-	5,000	5,000	-
Other purposes	108	5	113	-
Unrestricted	55,866	22,794	78,660	17,609
Total net assets	<u>\$ 1,601,518</u>	<u>\$ 46,889</u>	<u>\$ 1,648,407</u>	<u>\$ 17,609</u>

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

County of Tulare
Statement of Activities
For the Year Ended June 30, 2008
(amounts expressed in thousands)

Functions / Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Governmental activities:							
General government	\$ 71,430	\$ 62,391	\$ 37,705	\$ 28,666		\$ 28,666	
Public protection	187,299	28,291	40,186	(118,822)		(118,822)	
Public ways and facilities	28,346	2,028	21,901	(4,417)		(4,417)	
Health and sanitation	120,195	45,659	69,794	(4,742)		(4,742)	
Public assistance	227,086	7,496	217,710	(1,880)		(1,880)	
Education	4,287	188	438	(3,661)		(3,661)	
Culture and recreation	3,552	332	1,790	(1,430)		(1,430)	
Capital projects costs	-	-	-	-		-	
Unallocated depreciation	510	-	-	(510)		(510)	
Interest expense	11,244	-	-	(11,244)		(11,244)	
Total governmental activities	653,949	146,385	389,524	(118,040)		(118,040)	
Business-type activities:							
Solid Waste	14,426	9,244	231		\$ (4,951)	(4,951)	
Water/Sewer services	956	591	-		(365)	(365)	
Transit	1,285	167	1,244		126	126	
Other business-type activities	18	34	-		16	16	
Total business-type activities	16,685	10,036	1,475		(5,174)	(5,174)	
Total Primary Government	\$ 670,634	\$ 156,421	\$ 390,999	(118,040)	(5,174)	(123,214)	
Component unit:							
First 5 Tulare County	\$ 8,394	-	\$ 8,066				\$ (328)
Total component unit	\$ 8,394	-	\$ 8,066				(328)
General revenues:							
Taxes:							
Property taxes, levied for general purposes				88,244	-	88,244	-
Property taxes, levied for flood control				525	-	525	-
Property taxes, levied for redevelopment				3,603	-	3,603	-
Property taxes, levied for fire protection				6,637	-	6,637	-
Property taxes, levied for library				3,189	-	3,189	-
Sales and other taxes				19,188	1,628	20,816	-
Earnings on investments				11,439	3,864	15,303	930
Tobacco Settlement revenues				4,068	-	4,068	-
Gain on sale of capital assets				-	62	62	-
Transfers				556	(556)	-	-
Total general revenues and transfers				137,449	4,998	142,447	930
Change in net assets				19,409	(176)	19,233	602
Net assets - July 1				1,582,109	¹ 47,065	1,629,174	17,007
Net assets - June 30				\$ 1,601,518	\$ 46,889	\$ 1,648,407	\$ 17,609

1 Net assets - July 1 has been restated to reflect a change in accounting principle as described in Note I.E.10

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

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

County of Tulare
Balance Sheet
Governmental Funds
June 30, 2008
(amounts expressed in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Investment in treasury pool	\$ 64,001	\$ 82	\$ -	\$ 34,903	\$ 98,986
Investments	55,715	5,761	3,084	21	64,581
Cash on hand	54	-	-	275	329
Imprest cash	74	-	-	2	76
Receivables, net					
Accounts	3,212	-	-	2,261	5,473
Taxes	27,958	-	-	-	27,958
Deposits with others	-	-	-	11	11
Due from other County funds	833	-	-	632	1,465
Due from other governments	39,828	-	-	8,721	48,549
Inventories	-	-	-	444	444
Prepaid items	2,438	-	-	792	3,230
Advances to other County funds	459	-	-	-	459
Advances to Agency funds	3,060	-	-	40	3,100
Lease payments receivable, net of interest	-	-	-	1,248	1,248
Notes receivable	14,097	-	-	1,358	15,455
Restricted assets	-	-	48,535	5,000	53,535
Total assets	<u>\$ 211,729</u>	<u>\$ 5,843</u>	<u>\$ 51,619</u>	<u>\$ 55,708</u>	<u>\$ 324,899</u>

Liabilities and fund balances

Liabilities:

Accounts payable	\$ 24,810	\$ -	\$ -	\$ 7,749	\$ 32,559
Due to other County funds	52	-	-	1,250	1,302
Due to other governments	11,100	-	-	-	11,100
Deposits from others	72	56	-	-	128
Salaries and benefits payable	15,059	-	-	1,891	16,950
Deferred revenue	44,127	-	-	6,866	50,993
Advances from other County funds	4,004	-	-	459	4,463
Advances from Agency funds	2	-	-	2	4
Tax revenue anticipation notes payable	55,000	-	-	-	55,000
Total liabilities	<u>154,226</u>	<u>56</u>	<u>-</u>	<u>18,217</u>	<u>172,499</u>

Fund balances:

Reserved for:

Imprest cash	74	-	-	2	76
Inventories	-	-	-	444	444
Prepaid items	839	-	-	792	1,631
Advances to others	3,519	-	-	40	3,559
Taxes receivable	26,459	-	-	-	26,459
Notes receivable	14,097	-	-	1,358	15,455
Harmon Field cleanup	-	-	-	5,000	5,000
Debt service	191	5,787	51,619	2,412	60,009
Property tax delinquencies	3,273	-	-	-	3,273
Unreserved	9,051	-	-	-	9,051
Unreserved, reported in nonmajor:					
Special revenue funds	-	-	-	17,864	17,864
Capital projects funds	-	-	-	9,579	9,579
Total fund balances	<u>57,503</u>	<u>5,787</u>	<u>51,619</u>	<u>37,491</u>	<u>152,400</u>
Total liabilities and fund balances	<u>\$ 211,729</u>	<u>\$ 5,843</u>	<u>\$ 51,619</u>	<u>\$ 55,708</u>	<u>\$ 324,899</u>

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

County of Tulare
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Assets
 June 30, 2008
 (amounts expressed in thousands)

Total fund balances for governmental funds (Exhibit 3) \$ 152,400

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets, including those reported in Internal Service Funds, consist of:

Land	\$	911,641	
Buildings and improvements, net of \$54,779 accumulated depreciation		123,550	
Equipment and vehicles, net of \$38,193 accumulated depreciation		21,079	
Infrastructure, net of \$189,815 accumulated depreciation		470,684	
Construction in progress		9,582	
Infrastructure in progress		14,045	
Total capital assets		1,550,581	1,550,581

The future revenue resulting from a direct financing lease between the County (as lessor) and the City of Dinuba for the Courthouse/Police Station is categorized as deferred for the fund statements, but is recognized for the government-wide statements. 2,201

The future revenue resulting from the delay in reimbursements from the State for mandated programs (SB-90) is categorized as deferred for fund statements because the funds will not be available for more than one year. 2,112

Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines are categorized as deferred for fund statements because the revenues will not be available to liquidate liabilities of the current period. However, the revenue is recognized for the government-wide statements. 5,701

Accounts receivable deemed to be uncollectible

Long-term liabilities applicable to the County's governmental funds are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities are reported in the statement of net assets. Balances, including those reported in Internal Service Funds, at June 30 are:

Accrued interest on debt	\$	(1,725)	
Capital leases payable		(6)	
Loans payable		(17,219)	
Bonds payable		(64,596)	
COP's payable		(41,790)	
Claims payable		(25,206)	
Net OPEB obligation		(1,650)	
Compensated absences		(19,312)	
Total long-term liabilities		(171,504)	(171,504)

Issuance costs related to long-term debt are reported as current costs in the fund financial statements. In the government-wide financial statements, issuance costs are deferred and amortized over the life of the debt. The unamortized amount is:

Original issuance costs	\$	191	
Amount amortized to date		(14)	177

The pension assets resulting from contributions in excess of the Annual Required Contribution in FYE June 30, 1997 are not financial resources and therefore are not reported in the funds. 22,923

Internal service funds (See Exhibit 6) are used by the County to charge the costs of various central services to individual funds. The assets (except capital assets included above) and liabilities (except long term liabilities included above) of the internal service funds are included in governmental activities in the statement of net assets. 36,927

Total net assets of governmental activities (Exhibit 1) \$ 1,601,518

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

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes and special assessments	\$ 100,128	\$ -	\$ -	\$ 21,269	\$ 121,397
Licenses and permits	8,981	-	-	29	9,010
Fines, forfeitures, and penalties	7,056	-	-	3,162	10,218
Interest, rents, and concessions	7,649	396	1,967	2,081	12,093
Intergovernmental revenues	310,518	-	-	79,006	389,524
Charges for services	73,553	-	-	6,635	80,188
Other revenues	6,799	-	-	4,643	11,442
Total revenues	<u>514,684</u>	<u>396</u>	<u>1,967</u>	<u>116,825</u>	<u>633,872</u>
Expenditures:					
Current:					
General government	19,848	-	-	5,773	25,621
Public protection	156,556	-	-	27,453	184,009
Public ways and facilities	-	-	-	12,498	12,498
Health and sanitation	117,899	-	-	1,670	119,569
Public assistance	213,192	-	-	13,035	226,227
Education	973	-	-	3,356	4,329
Culture and recreation	3,361	-	-	-	3,361
Debt service:					
Principal retirement	23	4,365	695	4,654	9,737
Interest and fiscal charges	4,551	2,293	2,057	1,877	10,778
Capital outlay	4,410	-	-	24,569	28,979
Total expenditures	<u>520,813</u>	<u>6,658</u>	<u>2,752</u>	<u>94,885</u>	<u>625,108</u>
Excess (deficiency) of revenues over (under) expenditures	(6,129)	(6,262)	(785)	21,940	8,764
Other financing sources (uses):					
Sale of general capital assets	176	-	-	121	297
Direct financing lease	-	-	-	128	128
Transfers in	46,827	6,376	4,068	43,654	100,925
Transfers (out)	(40,709)	-	(3,500)	(58,077)	(102,286)
Total other financing sources (uses)	<u>6,294</u>	<u>6,376</u>	<u>568</u>	<u>(14,174)</u>	<u>(936)</u>
Net change in fund balances	165	114	(217)	7,766	7,828
Fund balances, July 1	57,338	5,673	51,836	29,725	144,572
Fund balances, June 30	<u>\$ 57,503</u>	<u>\$ 5,787</u>	<u>\$ 51,619</u>	<u>\$ 37,491</u>	<u>\$ 152,400</u>

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

County of Tulare
 Reconciliation of the Statement of Revenues,
 Expenditures, and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

Net change in fund balances - total governmental funds (Exhibit 4) \$ 7,828

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

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

Capital outlay expenditures	\$	28,979	
Depreciation expense		(22,802)	
Combined adjustment			6,177

Governmental funds report proceeds from the sale of capital assets as revenues when received. However, in the statement of activities, proceeds of the sale must be offset by the book value of the asset sold (or otherwise disposed of) to determine a gain or loss on the disposition. This is the book value of the capital assets sold in the current period. (3,546)

Governmental funds report the future resources as the result of a direct financing lease between the County (as lessor) and the City of Dinuba for the Courthouse/Police Station as deferred revenue until received. However, for the government-wide statements, the revenue was recognized upon the signing of the direct financing lease agreement. Therefore, subsequent receipt of previously recognized revenue is not recognized in the government-wide statements. (128)

Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines are categorized as deferred for fund statements because the revenues will not be available to liquidate liabilities of the current period. However, for government-wide statements, the revenue is recognized when earned. 593

Governmental funds report the principal portion of debt service payments as expenditures. However, repayment of principal reduces long-term liabilities on the statement of net assets and has no effect on the statement of activities. 9,737

Issuance costs related to long-term debt are reported as current costs in the fund financial statements. In the government-wide financial statements, issuance costs are deferred and amortized over the life of the debt. The current portion of the original costs are expensed for government-wide statements.

Amortized to date	\$	(14)	
Portion previously expensed		7	
			(7)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported when amounts are due and payable. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes of three balances for the current period.

Compensated absences	\$	(800)	
Amortization of pension assets		(3,701)	
Amortization of net OPEB obligation		(1,650)	
Accrued interest on debt		198	
Combined adjustment			(5,953)

Internal service funds (See Exhibit 7) are used by the County to charge the costs of various insurance coverages and central services to individual funds. The net cost of internal service funds is reported with the governmental funds. 4,708

Changes in net assets (Exhibit 2) \$ 19,409

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

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments:					
Assessor	\$ 1,600	\$ 1,600	\$ -	\$ 1,270	\$ (330)
General County Revenues	88,146	88,146	-	98,858	10,712
Total taxes and special assessments	89,746	89,746	-	100,128	10,382
Licenses and permits:					
Agriculture Commissioner	143	143	-	145	2
Assessor	60	60	-	64	4
Auditor - Treasurer - Tax Collector	-	-	-	8	8
County Counsel	170	170	-	159	(11)
General County Revenues	4,250	4,250	-	4,142	(108)
Health & Human Services	2,492	2,492	-	2,493	1
Resource Management	2,305	2,305	-	1,941	(364)
Sheriff - Coroner	13	13	-	19	6
Trial Courts	10	10	-	10	-
Total licenses and permits	9,443	9,443	-	8,981	(462)
Fines, forfeitures, and penalties:					
Agriculture Commissioner	13	13	-	71	58
Auditor - Treasurer - Tax Collector	180	180	-	231	51
District Attorney	218	218	-	80	(138)
General County Revenues	200	200	-	227	27
Health & Human Services	37	37	-	88	51
Probation	41	41	-	9	(32)
Resource Management Agency	337	337	-	277	(60)
Sheriff - Coroner	24	24	-	7	(17)
TRAN/Teeter	-	-	-	3,384	3,384
Trial Courts	2,457	2,457	-	2,682	225
Total fines, forfeitures, and penalties	3,507	3,507	-	7,056	3,549
Interest, rents, and concessions:					
CPA 2000	40	40	-	282	242
General County Revenues	2,200	2,200	-	3,005	805
Human Resources & Development	1	1	-	-	(1)
Miscellaneous Administration	31	31	-	32	1
Resource Management Agency	137	137	-	160	23
TRAN / Teeter	-	-	-	4,170	4,170
Total interest, rents, and concessions	2,409	2,409	-	7,649	5,240

Cont.

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Intergovernmental revenues:					
Action Project	539	539	-	341	(198)
Agriculture Commissioner	4,417	5,960	1,543	4,066	(1,894)
Assessor	276	276	-	67	(209)
Auditor - Treasurer - Tax Collector	262	262	-	661	399
Cooperative Extension		21	21	-	(21)
County Administrative	12	12	-	11	(1)
CPA 2000	1,343	1,352	9	1,436	84
District Attorney	2,183	2,444	261	2,438	(6)
General County Revenues	34,099	34,099	-	34,189	90
Health & Human Services	276,123	277,578	1,455	248,770	(28,808)
Local Law Enforcement	568	568	-	635	67
Miscellaneous Administration	250	250	-	-	(250)
Multi-Agcy. Gang Violence Program	82	82	-	82	-
Probation	6,838	7,115	277	6,282	(833)
Public Defender	27	27	-	44	17
Purchasing	75	75	-	152	77
Resource Management Agency	14,255	15,638	1,383	4,784	(10,854)
Rural Crime	685	685	-	626	(59)
Sheriff - Coroner	4,654	7,179	2,525	5,934	(1,245)
Total intergovernmental revenues	346,688	354,162	7,474	310,518	(43,644)
Charges for services:					
Agriculture Commissioner	1,315	1,303	(12)	1,289	(14)
Assessor	2,759	2,759	-	1,662	(1,097)
Auditor - Treasurer - Tax Collector	1,818	1,818	-	2,070	252
Capital Acquisitions	246	246	-	276	30
Central Telephone	542	542	-	-	(542)
Cooperative Extension	6	6	-	3	(3)
County Administrative	130	130	-	119	(11)
County Counsel	2,273	2,273	-	2,340	67
District Attorney	1,154	1,154	-	869	(285)
General County Revenues	2,044	# 2,044	-	2,774	730
Health & Human Services	40,738	40,602	(136)	41,386	784
Human Resources & Development	624	624	-	575	(49)
Miscellaneous Administration	87	87	-	85	(2)
Probation	2,002	2,045	43	1,307	(738)
Public Defender	60	60	-	40	(20)
Purchasing	103	102	(1)	99	(3)
Resource Management Agency	11,098	11,270	172	8,641	(2,629)
Sheriff - Coroner	7,987	# 7,986	(1)	7,565	(421)
Telephone	-	-	-	506	506
Trial Courts	2,273	2,273	-	1,947	(326)
Total charges for services	77,259	77,324	65	73,553	(3,771)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Other revenues:					
Agriculture Commissioner	160	160	-	114	(46)
Assessor	40	40	-	35	(5)
Auditor - Treasurer - Tax Collector	143	143	-	178	35
Board of Supervisors			-	2	2
Capital Acquisitions	100	102	2	138	36
Cooperative Extension	6	6	-	32	26
County Counsel	2	2	-	2	-
District Attorney	180	180	-	180	-
General County Revenues	700	700	-	832	132
Health & Human Services	3,351	3,376	25	3,560	184
Human Resources & Development			-	35	35
Miscellaneous Administration	3	3	-	90	87
Probation	116	116	-	117	1
Public Defender			-	2	2
Purchasing	122	122	-	174	52
Resource Management Agency	132	160	28	65	(95)
Sheriff - Coroner	1,082	1,164	82	1,183	19
Trial Courts			-	60	60
Total other revenues	6,137	6,274	137	6,799	525
Total revenues	535,189	542,865	7,676	514,684	(28,181)

Expenditures:

Current:

General government:

Assessor	5,837	5,837	-	5,469	368
Auditor - Treasurer - Tax Collector	6,384	6,384	-	5,685	699
Board of Supervisors	1,104	1,104	-	1,126	(22)
Capital Acquisitions	(4,658)	(4,658)	-	(4,628)	(30)
Central Telephone	542	542	-	-	542
Contingencies	4,500	4,175	325	-	4,175
County Administrative	1,367	1,367	-	1,183	184
County Counsel	2,787	2,787	-	2,627	160
Human Resources & Development	1,076	1,096	(20)	941	155
Miscellaneous Administration	6,766	4,371	2,395	3,350	1,021
Purchasing	472	471	1	380	91
Resource Management Agency	3,244	3,336	(92)	3,150	186
Telephone	-	-	-	565	(565)
Total general government	29,421	26,812	2,609	19,848	6,964

Cont.

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Public protection:					
Action Project	518	518	-	481	37
Agriculture Commissioner	7,544	8,991	(1,447)	6,995	1,996
Assessor	2,430	2,430	-	1,230	1,200
CPA 2000	1,358	1,366	(8)	1,368	(2)
District Attorney	16,995	17,253	(258)	16,529	724
Health & Human Services	7,749	7,749	-	7,041	708
Local Law Enforcement	744	744	-	719	25
Multi-Agcy. Gang Violence Program	977	977	-	935	42
Probation	23,148	23,454	(306)	21,254	2,200
Public Defender	8,314	8,299	15	7,838	461
Purchasing	100	100	-	14	86
Resource Management Agency	12,258	12,390	(132)	10,007	2,383
Rural Crime	671	671	-	613	58
Sheriff - Coroner	71,861	76,662	(4,801)	74,459	2,203
Trial Courts	7,997	# 7,997	-	7,073	924
Total public protection	162,664	169,601	(6,937)	156,556	13,045
Health and sanitation:					
CPA 2000	(2)	(2)	-	(2)	-
District Attorney	-	-	-	-	-
Health & Human Services	136,669	138,001	(1,332)	117,949	20,052
Resource Management Agency	705	705	-	(48)	753
Total health and sanitation	137,372	138,704	(1,332)	117,899	20,805
Public assistance:					
Health & Human Services	222,947	222,955	(8)	210,113	12,842
Probation	498	509	(11)	444	65
Resource Management Agency	12,075	12,229	(154)	2,635	9,594
Total public assistance	235,520	235,693	(173)	213,192	22,501
Education:					
Cooperative Extension	857	878	(21)	830	48
Miscellaneous Administration	142	142	-	143	(1)
Total education	999	1,020	(21)	973	47
Culture and recreation:					
Resource Management	3,648	4,904	(1,256)	3,361	1,543
Total culture and recreation	3,648	4,904	(1,256)	3,361	1,543

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Principal retirement:					
Probation	4	4	-	-	4
Resource Management Agency	6	6	-	6	-
Sheriff - Coroner	17	17	-	17	-
Total principal retirement	27	27	-	23	4
Interest and fiscal charges:					
Auditor - Treasurer - Tax Collector	-	-	-	144	(144)
Miscellaneous Administration	530	617	(87)	668	(51)
Probation	2	2	-	-	2
Resource Management Agency	103	51	52	48	3
Sheriff - Coroner	2	2	-	2	-
TRAN/Teeter	-	-	-	3,689	(3,689)
Total interest and fiscal charges	637	672	(35)	4,551	(3,879)
Capital outlay:					
Agriculture Commissioner		-	-	6	(6)
Auditor - Treasurer - Tax Collector		-	-	13	(13)
CPA 2000		#	-	-	-
Capital Acquisitions	5,224	4,010	1,214	3,484	526
District Attorney		-	-	43	(43)
Health & Human Services		-	-	791	(791)
Resource Management Agency		-	-	63	(63)
Sheriff - Coroner		-	-	10	(10)
Total capital outlay	5,224	4,010	1,214	4,410	(400)
Total expenditures	<u>575,512</u>	<u>581,443</u>	<u>(5,931)</u>	<u>520,813</u>	<u>60,630</u>
Excess (deficiency) of revenues over (under) expenditures	(40,323)	(38,578)	1,745	(6,129)	32,449

Cont.

County of Tulare
 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 General Fund
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Other financing sources (uses):					
Sale of general capital assets:					
General County Revenues	-	-	-	2	2
Purchasing	184	184	-	174	(10)
Total sale of general capital assets	184	184	-	176	(8)
Capital lease proceeds					
Capital Acquisitions	46	46	-	-	(46)
Total capital lease proceeds	46	46	-	-	(46)
Transfers in:					
Capital Acquisitions	5,079	3,864	(1,215)	401	(3,463)
Health & Human Services	56,336	56,336	-	45,616	(10,720)
Probation	1,297	1,297	-	810	(487)
Total transfers in	62,712	61,497	(1,215)	46,827	(14,670)
Transfers (out):					
Action Project	(21)	(21)	-	(6)	15
Agriculture Commissioner	(184)	(268)	(84)	(258)	10
Assessor	(180)	(180)	-	(172)	8
Auditor - Treasurer - Tax Collector	(110)	(110)	-	(111)	(1)
Board of Supervisors	(17)	(17)	-	(19)	(2)
Cooperative Extension	(53)	(53)	-	(46)	7
County Administrative	(34)	(34)	-	(34)	-
County Counsel	(90)	(90)	-	(95)	(5)
CPA 2000	(27)	(28)	(1)	(26)	2
Capital Acquisitions	(4,905)	(4,907)	(2)	(3,562)	1,345
District Attorney	(507)	(510)	(3)	(496)	14
Health & Human Services	(25,701)	(25,704)	(3)	(21,489)	4,215
Human Resources & Development	(38)	(38)	-	(41)	(3)
Local Law Enforcement	(17)	(17)	-	(17)	-
Miscellaneous Administration	(10,948)	# (11,501)	(553)	(9,848)	1,653
Multi-Agency Gang Violence	(22)	(22)	-	(22)	-
Personnel	-	-	-	-	-
Probation	(629)	(632)	(3)	(629)	3
Public Defender	(220)	(235)	(15)	(232)	3
Purchasing	(11)	(11)	-	(10)	1
Resource Management Agency	(338)	(340)	(2)	(320)	20
Rural Crime Program	(15)	(14)	1	(12)	2
Sheriff - Coroner	(3,208)	(3,271)	(63)	(3,060)	211
Trial Courts	(203)	(203)	-	(204)	(1)
Total transfers (out)	(47,478)	(48,206)	(728)	(40,709)	7,497
Total other financing sources (uses)	<u>15,464</u>	<u>13,521</u>	<u>(1,943)</u>	<u>6,294</u>	<u>(7,227)</u>
Change in fund balance	(24,859)	(25,057)	(198)	165	25,222
Fund balance, July 1	<u>20,328</u>	<u>20,328</u>	<u>-</u>	<u>57,338</u>	<u>37,010</u>
Fund balance, June 30	<u>\$ (4,531)</u>	<u>\$ (4,729)</u>	<u>\$ (198)</u>	<u>\$ 57,503</u>	<u>\$ 62,232</u>

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

Concluded



County of Tulare
Statement of Fund Net Assets
Proprietary Funds
June 30, 2008
(amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Solid Waste</u>	<u>Nonmajor Enterprise</u>	<u>Total</u>	
Assets				
Current assets:				
Cash in banks	\$ 178	\$ 9	\$ 187	\$ -
Investment in treasury pool	20,652	3,370	24,022	35,799
Cash on hand	26	8	34	61
Imprest cash	2	-	2	250
Accounts receivable, net	943	87	1,030	116
Deposits with TCPFC	-	56	56	-
Due from other County funds	-	-	-	3
Due from other governments	-	-	-	82
Total current assets	<u>21,801</u>	<u>3,530</u>	<u>25,331</u>	<u>36,311</u>
Noncurrent assets:				
Advances to other County Funds	-	-	-	4,004
Restricted assets	48,836	-	48,836	-
Capital assets:				
Land	6,116	612	6,728	-
Buildings and improvements, net	4,610	5,441	10,051	10,101
Equipment and vehicles, net	2,766	325	3,091	1,781
Construction in progress	731	-	731	6,785
Total capital assets	<u>14,223</u>	<u>6,378</u>	<u>20,601</u>	<u>18,667</u>
Total noncurrent assets	<u>63,059</u>	<u>6,378</u>	<u>69,437</u>	<u>22,671</u>
Total assets	<u>84,860</u>	<u>9,908</u>	<u>94,768</u>	<u>58,982</u>

Liabilities

Current liabilities:

Accounts payable	1,073	111	1,184	2,620
Due to other County funds	-	-	-	166
Deposits from others	-	8	8	-
Salaries and benefits payable	264	14	278	603
Interest payable	-	-	-	97
Compensated absences payable	68	-	68	242
Claims payable	-	-	-	5,299
Loans payable	-	-	-	1,025
COPs payable	-	28	28	-
Total current liabilities	<u>1,405</u>	<u>161</u>	<u>1,566</u>	<u>10,052</u>

Noncurrent liabilities:

Compensated absences payable	304	-	304	431
Advances from Agency funds	-	690	690	-
Closure/postclosure costs payable	43,836	-	43,836	-
Claims payable	-	-	-	19,907
Loans payable	-	-	-	13,857
Bonds payable	-	8	8	-
COPs payable	-	1,475	1,475	-
Total noncurrent liabilities	<u>44,140</u>	<u>2,173</u>	<u>46,313</u>	<u>34,195</u>
Total liabilities	<u>45,545</u>	<u>2,334</u>	<u>47,879</u>	<u>44,247</u>

Net assets

Invested in capital assets, net of related debt	14,223	4,867	19,090	3,785
Restricted for:				
Landfill ground water contingencies	5,000	-	5,000	-
Other purposes	-	5	5	-
Unrestricted	<u>20,092</u>	<u>2,702</u>	<u>22,794</u>	<u>10,950</u>
Total net assets	<u>\$ 39,315</u>	<u>\$ 7,574</u>	<u>\$ 46,889</u>	<u>\$ 14,735</u>

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

County of Tulare
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Operating revenues:				
Charges for services	\$ 9,113	\$ 777	\$ 9,890	\$ 43,385
Rents and concessions	17	3	20	9
Other revenues	114	12	126	380
Total operating revenues	<u>9,244</u>	<u>792</u>	<u>10,036</u>	<u>43,774</u>
Operating expenses:				
Salaries and benefits	3,952	-	3,952	7,668
Services and supplies	6,686	1,778	8,464	25,955
Insurance premiums paid	-	-	-	2,435
Landfill closure and postclosure costs	2,715	-	2,715	-
Depreciation	1,073	328	1,401	678
Claims incurred	-	-	-	5,610
Total operating expenses	<u>14,426</u>	<u>2,106</u>	<u>16,532</u>	<u>42,346</u>
Operating income (loss)	<u>(5,182)</u>	<u>(1,314)</u>	<u>(6,496)</u>	<u>1,428</u>
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	62	-	62	(6)
Intergovernmental revenues	231	1,244	1,475	-
Taxes and special assessments	-	1,628	1,628	-
Investment earnings	3,695	169	3,864	1,974
Interest expense	-	(153)	(153)	(664)
Total nonoperating revenues (expenses)	<u>3,988</u>	<u>2,888</u>	<u>6,876</u>	<u>1,304</u>
Income (loss) before contributions and transfers	<u>(1,194)</u>	<u>1,574</u>	<u>380</u>	<u>2,732</u>
Capital contributions	-	-	-	59
Transfers in	-	3	3	2,155
Transfers (out)	(559)	-	(559)	(238)
Change in net assets	<u>(1,753)</u>	<u>1,577</u>	<u>(176)</u>	<u>4,708</u>
Net assets, July 1	41,068	5,997	47,065	10,027
Net assets, June 30	<u>\$ 39,315</u>	<u>\$ 7,574</u>	<u>\$ 46,889</u>	<u>\$ 14,735</u>

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



County of Tulare
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Cash flows from operating activities:				
Receipts from customers and users	\$ 8,274	\$ 772	\$ 9,046	\$ 39,301
Receipts from interfund services provided	1,008	-	1,008	-
Receipts from rents and concessions	17	3	20	9
Other revenues	114	12	126	401
Payments (to) employees	(3,939)	-	(3,939)	(7,783)
Payments (to) suppliers	(3,225)	(1,679)	(4,904)	(21,489)
Payments (for) interfund services used	(2,961)	(83)	(3,044)	(7,473)
Payments (for) claims	-	-	-	(1,834)
Net cash provided (used) by operating activities	<u>(712)</u>	<u>(975)</u>	<u>(1,687)</u>	<u>1,132</u>
Cash flows from noncapital financing activities:				
Subsidy from intergovernmental entities	231	1,244	1,475	-
Receipts from taxes and assessments	-	1,628	1,628	-
Transfers from other funds	-	12	12	2,431
Transfers (to) other funds	(329)	(3)	(332)	(530)
Advance from other funds	-	49	49	2,337
Net cash provided (used) by noncapital financing activities	<u>(98)</u>	<u>2,930</u>	<u>2,832</u>	<u>4,238</u>
Cash flows from capital and related financing activities:				
Sales (purchases) of capital assets	(541)	-	(541)	(4,105)
Principal (paid) on capital debt	-	(28)	(28)	(934)
Interest (paid) on capital debt	-	(154)	(154)	(664)
Net cash provided (used) by capital and related financing activities	<u>(541)</u>	<u>(182)</u>	<u>(723)</u>	<u>(5,703)</u>
Cash flows from investing activities:				
Interest and dividends received	3,695	169	3,864	1,974
Net cash provided by investing activities	<u>3,695</u>	<u>169</u>	<u>3,864</u>	<u>1,974</u>
Net increase (decrease) in cash and cash equivalents	2,344	1,942	4,286	1,641
Cash and cash equivalents, July 1	67,350	1,445	68,795	34,469
Cash and cash equivalents, June 30	<u>\$ 69,694</u>	<u>\$ 3,387</u>	<u>\$ 73,081</u>	<u>\$ 36,110</u>

Displayed as:				
Cash in banks	\$ 178	\$ 9	\$ 187	\$ -
Investment in treasury pool	20,652	3,370	24,022	35,799
Cash on hand	26	8	34	61
Imprest cash	2	-	2	250
Restricted assets which are cash equivalents	48,836	-	48,836	-
Total cash displayed	<u>\$ 69,694</u>	<u>\$ 3,387</u>	<u>\$ 73,081</u>	<u>\$ 36,110</u>
Reconciliation of operating income (loss) to net cash				
provided (used) by operating activities:	-			
Operating income (loss)	\$ (5,182)	\$ (1,314)	\$ (6,496)	\$ 1,428
Adjustments to reconcile operating income				
(loss) to net cash provided (used) by				
operating activities:				
Landfill closure and postclosure costs	2,715	-	2,715	-
Depreciation	1,073	328	1,401	678
(Increase) decrease in accounts receivable	169	(5)	164	(4,084)
Increase (decrease) in accounts payable	500	16	516	(1,116)
Increase (decrease) in amounts payable for				
equipment purchases	-	-	-	(6)
Increase (decrease) in salaries and				
benefits payable and compensated absences	13	-	13	456
Increase (decrease) in claims payable	-	-	-	3,776
Total adjustments	<u>4,470</u>	<u>339</u>	<u>4,809</u>	<u>(296)</u>
Net cash provided (used) by operating activities	<u>\$ (712)</u>	<u>\$ (975)</u>	<u>\$ (1,687)</u>	<u>\$ 1,132</u>

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

County of Tulare
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008
(amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
Assets		
Cash in banks	\$ -	\$ 5,984
Investment in treasury pool	531,631	25,280
Advances to County funds	-	694
Total assets	531,631	\$ 31,958
Liabilities		
Warrants payable	780	\$ 737
Advances from County funds	-	3,100
Agency obligations		28,122
Total liabilities	780	\$ 31,958
Net assets		
Held in trust for treasury pool participants	\$ 530,851	

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

County of Tulare
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	<u>Investment Trust Funds</u>
Additions	
Contributions	
To pooled investments	\$ 4,183,710
Total contributions	<u>4,183,710</u>
Investment income	<u>28,683</u>
Total additions	<u>4,212,393</u>
Deductions	
Distributions from pooled investments	<u>4,179,249</u>
Total deductions	<u>4,179,249</u>
Change in net assets held in trust	33,144
Net assets, July 1	<u>497,707</u>
Net assets, June 30	<u>\$ 530,851</u>

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



BASIC FINANCIAL STATEMENTS

Notes to the Financial Statements

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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 and as such can exercise the powers specified by the Constitution and laws of the State of California. An elected five member Board of Supervisors governs the County. As required by generally accepted accounting principles, the accompanying financial statements present the County and its component units.

Component Units Legally separate organizations for which the elected officials of the County are either financially accountable or for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the County's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

In conformity with generally accepted accounting principles, the financial statements of seven component units have been included and combined with financial data of the County. Six component units have an integral relationship with and serve as an extension of the County. Using the criteria of Government Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, management has determined that each entity is presented as a blended component unit due to the composition of each Governing Board and the control of the day-to-day activities through the budget process. One component unit is presented discretely.

Blended Component Units The Tulare County Redevelopment Agency, the Terra Bella Sewer Maintenance District, the Tulare County Flood Control District, the Tulare County Public Facilities Corporation, the Tulare County Public Financing Authority, and the Tulare County In-Home Supportive Services Public Authority are entities legally separate from the County of Tulare. For financial reporting purposes, these entities are considered component units and their individual financial information is presented as part of the County's operations. The blended component units discussed herein have a June 30 year-end.

Tulare County Redevelopment Agency The governing board of the Tulare County Redevelopment Agency (TCRA), an entity legally separate from the County of Tulare, is the County's Board of Supervisors and has control over day-to-day operations of TCRA through budget approvals. For financial reporting purposes, the TCRA is reported as if it were part of the County's operations. The scope of activities of this agency includes capital improvement projects for sewer and storm-drainage systems, community improvements such as youth and community facilities, sidewalks, and graffiti abatement. The communities served include Earlimart, Cutler-Orosi, Goshen, Ivanhoe, Pixley, Poplar/Cotton Center, Lindsay, Richgrove, and Traver. This component unit is reported as Special Revenue Funds where Redevelopment Agency Low-Moderate Housing funds are shown as revenues with expenditures related to the low-and moderate-income housing set-aside program as well as tax increment revenues used to pay principal and interest for Redevelopment Agency Tax Allocation Bonds.

Terra Bella Sewer Maintenance District Terra Bella Sewer Maintenance District (TBSMD) is an entity legally separate from the County. However, the Tulare County Board of Supervisors serves as the Board of the District and has control over the day-to-day operations of TBSMD through budget approvals. For financial reporting purposes, the TBSMD is reported as if it were part of the County's operations. The District is operated by the County's Resource Management Agency and its Engineering Division. The purpose of the District is to develop, expand, and maintain the TBSMD Wastewater Treatment and Disposal facility. This component unit's financial information is included as an enterprise fund.

Tulare County Flood Control District The members of the governing board of the Tulare County Flood Control District (TCFCD), an entity legally separate from the County of Tulare, are the County's Board of Supervisors and have control over the day-to-day operations of TCFCD through budget approvals. For financial reporting purposes, the TCFCD is reported as if it were part of the County's operations. The District's primary responsibility is to provide flood control related services to the residents of Tulare County. The component unit's financial information is included as a special revenue fund accounting for reimbursement for flood control related services and projects within the County.

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Tulare County Public Facilities Corporation The Board members of the Tulare County Public Facilities Corporation (TCPFC), a nonprofit public benefit corporation, which is legally separate from the County of Tulare, are appointees of the County's Board of Supervisors who can impose their will upon TCPFC by their authority to remove TCPFC Board members. For financial reporting purposes, the TCPFC is reported as if it were part of the County's operations as it serves to assist the County by acquiring equipment and facilities financed by the proceeds of borrowings. The equipment and facilities are then leased to the County. This component unit's financial information is included as a major governmental fund.

Tulare County Public Financing Authority The Tulare County Public Financing Authority (TCPFA), which is legally separate from the County of Tulare, was established through a Joint Exercise of Powers Agreement between the County of Tulare and the Tulare County Redevelopment Agency. The Tulare County Board of Supervisors serves as the Board of the TCPFA. For financial reporting purposes, TCPFA is reported as if it were part of the County's operations as it serves to assist the County of Tulare through borrowings, which are used for the acquisition and construction of public capital improvements and the repair and maintenance thereof. Lease payments to TCPFA are payable through the County. This component unit's financial information is included as a major governmental fund.

Tulare County In-Home Supportive Services Public Authority The Tulare County In-Home Supportive Services Public Authority (TCIHSSPA), which is legally separate from the County of Tulare, was established according to the provisions of Welfare and Institutions Code Section 12301.6 to serve as the employer of record of Providers of in-home supportive services for purposes of the Meyers-Milias-Brown Act. The Tulare County Board of Supervisors serves as the Board of TCIHSSPA and has control over the day-to-day operations of TCIHSSPA through budget approvals, and the hiring or dismissal of management. For financial reporting purposes, TCIHSSPA is reported as if it were part of the County's operations. The component unit's financial information is included as a special revenue fund.

Complete financial statements for the Tulare County Redevelopment Agency, Tulare County Public Facilities Corporation, and the Tulare County Public Financing Authority are available at the County of Tulare's Administrative Office, 2800 W. Burrel Avenue, Visalia, California. The other blended component units do not issue separate financial statements.

Discretely Presented Component Unit The governing board of the First 5 Tulare County (F5TC), an entity legally separate from the County of Tulare, are appointees of the County's Board of Supervisors, who can impose their will upon F5TC through the approval of the Commission's annual budget, by their authority to remove F5TC Board members, and the hiring or dismissal of management. The Commission was created by Tulare County Ordinance No. 3217 on December 8, 1998. The purpose of the F5TC is to develop, promote, and implement local early childhood development programs administered by the California Children and Families First Commission. For financial reporting purposes, the F5TC is discretely presented because the resources of the Commission are not used to support County operations. Complete audited financial statements for First 5 Tulare County are available at the County of Tulare Auditor-Controller's Office, 221 S. Mooney Boulevard, Room 101-E, Visalia, California.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the County and its component units. The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Some functions include expenses that are, in essence, *indirect expenses* of other functions resulting from charges among funds or programs for centralized services. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

1. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The basis of accounting determines when transactions and economic events are reflected in financial statements. Measurement focus identifies which transactions and events should be recorded.

The County of Tulare legally adopts an annual budget for the General Fund and all of its Special Revenue Funds, Debt Service Funds, and Capital Projects Funds. Component units Tulare County Redevelopment Agency, Tulare County Flood Control District, and the Tulare County In-Home Supportive Services Public Authority each adopt an annual budget. Tulare County Public Facilities Corporation and Tulare County Public Financing Authority do not adopt budgets.

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

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Property tax revenues recognized are only those levied for the current fiscal year, which have been collected or expect to be collected within sixty days after fiscal year-end. Sales taxes collected and held by the State at year-end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grant revenues are recognized when the qualifying expenditures have been incurred, all other grant requirements have been met, and reimbursement is expected within one year.

The County reports the following major individual governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The **Public Facilities Corporation** accounts for the activities of the TCPFC that assists the County of Tulare by acquiring equipment and facilities financed from the proceeds of borrowing. Such equipment and facilities are leased to the County.

The **Public Financing Authority** accounts for the activities of the TCPFA, which assists the County of Tulare through borrowings, which are used for construction, acquisition, and/or maintenance of capital assets.

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Additionally, the County reports the following governmental fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including private purpose funds or major capital projects).

The **Debt Service Funds** account for the servicing of general long-term debt not being financed by proprietary or permanent funds.

The **Capital Projects Funds** account for all major maintenance, improvements, acquisition or construction of capital assets not being financed by proprietary or permanent funds.

Proprietary Funds are accounted for on the *economic resources measurement focus* and use the *accrual basis of accounting*. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The County applies all applicable FASB pronouncements in accounting and reporting for its enterprise operations, including FASB Statements and Interpretations issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

The County reports the Solid Waste Fund as its only major individual proprietary fund.

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

Additionally, the County reports the following proprietary fund types:

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

The **Internal Service Funds** are used to account for operations that provide mailroom, motor pool, print shop, utilities, custodial and maintenance, data processing, telecommunications, and insurance services to other funds, departments, or agencies of the County and its component units, or to other governments, on a cost-reimbursement basis. An Internal Service fund operates in a manner similar to an enterprise fund, but is used when the reporting government itself is the predominant participant in the fund.

Fiduciary Funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the County under the terms of a formal trust agreement.

The County reports the following fiduciary fund types:

The **Investment Trust Funds** are used to account for assets held for external investment pool participants, such as schools and local special districts, and do present changes in financial position. Investment Trust Funds are accounted for on the *economic resources measurement focus* and use the *accrual basis of accounting*.

The **Agency Funds** are custodial in nature and do not present changes in financial position or have a measurement focus. Agency funds are accounted for using *the accrual basis of accounting*. These funds are used to account for assets that the government holds for individuals, private organizations, or other governments.

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2. Financial Statement Presentation

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements in order to remove the "doubling-up" effect of internal service activities, reciprocal interfund activity, and nonreciprocal interfund activity.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than program revenues and include by definition, all locally imposed taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste, Transit, Terra Bella Sewer Maintenance District, Assessment Districts, County Service Area #1, County Service Area #2 enterprise funds and the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Implementation of New Accounting Principles

1. Governmental Accounting Standards Board Statement No 45

The County adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in fiscal year ended June 30, 2008. This statement requires the presentation of annual costs for, and any unfunded actuarially required contributions related to OPEB in the same manner as retirement pensions. The Statement does not require that the County fund the OPEB obligation. OPEB generally consists of health, dental, vision or other healthcare benefits made available to eligible retirees. This statement is effective for fiscal periods beginning after December 15, 2006. The County has had an actuarial study performed as of June 2006 for fiscal year ended June 30, 2008. (See Note V.H.)

2. Governmental Accounting Standards Board Statement No 50

The County adopted the provisions of GASB Statement No. 50, *Pension Disclosures* in fiscal year ended June 30, 2008. This statement is intended to more closely align the financial reporting requirements for pensions with those for other postemployment benefits to improve the information disclosed in notes to financial statements by employers that provide pension benefits. Accordingly, the County has reviewed its presentation of the Employee Retirement System to ensure compliance. (See Note V.G.)

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E. Assets, Liabilities, and Equity

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in Treasury pool, and other short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County and the Districts to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

The County Treasurer's Office administers a pooled investment program for the County and for certain special purpose authorities including school districts. As of June 30, 2008, the special purpose authorities' cash and pooled investments were approximately 73.0% of the County Treasurer's Office pooled investment portfolio.

Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, require governmental entities, including governmental external investment pools, to report certain investments at fair value in the balance sheet / statement of net assets and recognize the corresponding change in the fair value of investments in the year in which the change occurred. The fair value of pooled investments is determined annually and is based on current market prices received from the County's securities custodian. The Local Agency Investment Fund (LAIF) is required to invest in accordance with State statutes. No investments are reported at amortized cost.

The value of the deposits of the County's pooled investment program is equal to the dollars deposited in the program, plus increases and less decreases (unrealized gains and losses) required to record investments at their fair market value as of June 30, 2008. The dollars deposited in the program have been increased by \$4,959 to reflect the increase in the fair value of the Investment in the Treasury Pool at June 30, 2008.

In addition, investments outside the Investment Pool were adjusted to fair market value as of June 30, 2008 resulting in a decrease of \$539.

2. Receivables and Payables

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

All trade and property taxes receivables are shown net of an allowance for uncollectible accounts. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectible accounts.

The County is responsible for the assessment, collection and apportionment of property taxes for all jurisdictions, including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 for property values assessed on July 1. Secured property tax payments are due in two equal installments.

The first property tax installment is due November 1 and delinquent with penalties after December 10, and the second property tax installment is due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid after August 31. Property taxes are accounted for in the Unapportioned

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Tax Collection Fund, an agency fund, until apportionment and disbursement to taxing jurisdictions. As of fiscal year ended June 30, 1994, the County adopted the alternative method of secured property tax apportionment available under the Revenue and Taxation Code of the State of California (also known as the "Teeter Plan") whereby secured property taxes are distributed to participating taxing entities (including the County and related Component Units) on the basis of the tax levy, including any uncollected amounts at fiscal year end. The County, as administrator, benefits from future collections of penalties and interest on delinquent taxes. Transactions of the Teeter Plan (including outstanding debt borrowed for the annual Teeter buyout) are accounted for in the General Fund. Taxes receivable are recorded as of the date levied.

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes.

3. Inventories, Prepaid Items, and Deferred Charges

Governmental fund type *inventories* not held for resale are valued at cost using the first-in / first-out (FIFO) method. The costs of most governmental fund type inventories are recorded as expenditures when purchased rather than when consumed except for the Roads Fund, which uses the consumption method. Inventories held for governmental activities are recorded using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are regularly recurring costs of operations recorded as *prepaid items* (e.g., prepaid rent and prepaid employee retirement contributions).

The costs associated with debt issuance are reported as an expenditure of the period in which they are incurred in governmental funds. However, such *deferred charges* are not reported as an expense of the period in which they are incurred in governmental or business-type activities, but instead are reported as an adjustment to income throughout the period during which the related debt is outstanding.

4. Restricted Assets

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

5. Capital Assets

Capital assets, which include land, buildings and improvements, equipment, vehicles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined as assets with an initial, individual cost of more than \$5 and an estimated useful life in excess of one year. Land and buildings are recorded at cost, regardless of the minimum. The County reports infrastructure assets on an individual asset basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. Where historical cost information was unavailable, the County was able to estimate the historical cost for the initial reporting of these assets by estimating the current replacement cost of the infrastructure and using an Engineering News-Record (ENR) construction cost index to deflate the cost to the estimated acquisition year.

As the County constructs or acquires additional capital assets, including infrastructure assets, they are capitalized and reported at historical cost, except for pavement which is an estimated replacement cost using average cost per square foot. The reported value excludes normal maintenance and repairs which are amounts essentially spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

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

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

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

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

Capital outlay is recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the government-wide financial statements to the extent the County's capitalization threshold is met. Interest incurred during the construction phase of the capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Amortization of assets acquired under capital leases is included in depreciation and amortization.

6. Compensated Absences

Employees are granted vacations and sick leave and are permitted to accumulate earned but unused vacation and sick leave benefits. The portion relating to the proprietary funds is expensed as salaries in the year earned. The benefit amounts relating to governmental funds, which will be paid from future resources, are recorded in the government-wide financial statements. Benefit amounts due and payable at year-end are recorded in the governmental funds as part of salaries and benefits payable.

In the event of termination or death, an employee, or the employee's estate, is compensated for 100% of accumulated vacation.

Employees in Bargaining Units 1, 3, 6 & 7 who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in these same Units leaving County service in good standing, other than by retirement, after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 20 converted hours.

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Unrepresented employees in Units 5, 9, 10, 11, 17, 18, 19, 20, 21, 22, 30, 34, 35, 36, 37, 38, 39, 40, 45, & 56 who leave County service by retirement after ten years of service, may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in these same Units leaving County service in good standing, other than by retirement, after five years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 40 converted hours.

Bargaining Units 4, 8, 13, 14, 15, 55, 60, 61, 62, 63, 64, 65, 82 & 83 employees who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 176 converted hours. Bargaining Units 2, 12, & 16 employees who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in Bargaining Unit 23 who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 350 converted hours. Employees in this same Unit leaving County service in good standing, other than by retirement, after five years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 56 converted hours.

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

The County has a sick leave buy back program that allows employees to be compensated on the first pay date in December for a portion of their unused sick leave based on their years of service and usage in the prior year. Employees with three to five years' service may convert up to 40 hours of sick leave. Employees with over five years may convert up to 60 hours. The amount available for conversion is reduced by the sick leave used in the year ending the 1st of October just prior to the December pay out.

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

Each fiscal year, the County issues Tax and Revenue Anticipation Notes to provide money to meet the General Fund's current year expenditures and to discharge its obligations and indebtedness. The principal of the notes and the interest thereon is paid from pledged property taxes and other revenues the County expects to receive during the fiscal year.

8. Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. Change in Accounting Principle

The County has previously depreciated the Roads network of the infrastructure assets without a salvage value. The County has now assigned a salvage value of one-third of the acquisition cost to the Roads network. Many sections of road had previously been depreciated below the salvage value. Restoring the net book value of those sections has resulted in an increase of \$61,638 to the previously reported value of Infrastructure, net of depreciation.

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II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A reconciliation of the total fund balances for governmental funds to the total net assets of governmental activities has been prepared as part of the basic financial statements, including explanations of differences in Exhibit 3.1.

A reconciliation of the total net change in fund balances for governmental funds to the total changes in net assets of governmental activities has been prepared as part of the basic financial statements including explanations of differences in Exhibit 4.1.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the provision of Sections 29000 through 29132, inclusive, of the Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and adopts a final budget on or before October 2 for each fiscal year. Until the adoption of this final balanced budget, operations are governed by a proposed budget approved by the Board of Supervisors.

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 Tulare County Redevelopment Agency, the Tulare County Flood Control District and the Tulare County In-Home Supportive Services Public Authority (blended component units), which are governed by the Board of Supervisors and of which the Auditor-Controller is the ex-officio Finance Officer. The Tulare County Public Financing Authority and the Tulare County Public Facilities Corporation do not adopt a budget.

A spending plan is adopted each fiscal year for the County's Enterprise Funds and Internal Service Funds, as well as the Terra Bella Sewer Maintenance District (blended component unit) which is governed by the Board of Supervisors and of which the Auditor-controller is the ex-officio Finance Officer.

Public hearings are conducted on the proposed adopted budget and spending plans to review all appropriations and the sources of financing. Because the adopted budget for governmental fund types must be balanced, any shortfall in revenue requires an equal reduction in appropriations. All appropriations lapse at year-end.

All governmental fund type budgets and the spending plans for proprietary fund types are adopted on the modified accrual basis of accounting. County department heads, with the approval of the County Administrative Officer, may make transfers of appropriations within a department without the approval of the Board of Supervisors. Amendments or transfers between departments within the General Fund are approved by the Board of Supervisors. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must be approved by the Board of Supervisors. The legal level of budgetary control is the fund level, with the exception of the General Fund in which the legal level of budgetary control is the department level. Budgeted amounts are reported both as originally adopted and as amended.

The Board of Supervisors made several supplemental budgetary appropriations throughout the fiscal year, including additional appropriations for new programs, additional positions, and unanticipated obligations. For the fiscal year ended June 30, 2008, appropriations in the General Fund were increased by \$5,844.

B. Excess of Expenditures over Appropriations

For the fiscal year, ended June 30, 2008, expenditures did not exceed appropriations in any fund at the legal level of control.

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C. Deficit Fund Equity

For the year, ended June 30, 2008, one fund had a deficit fund equity. The Aviation special revenue fund was expected to receive Federal grant money, but only received 15% of the expected revenues causing the a deficit fund balance of (\$7).

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

As provided by Government Code §53600, the cash balances of substantially all county funds and participating county schools and agencies are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. Interest earned on the pooled funds is apportioned quarterly based on the average daily balance of each participating fund. Certain funds, which have deposits in the County's pooled investment program, do not receive the interest earnings on their deposits. The earnings on the investments related to those funds are assigned to the County's General Fund, as permitted by Government Code. "Investments" in the governmental funds balance sheet (Exhibit 3) represent the investment of assets associated with the Tulare County Public Facilities Corporation (TCPFC), the Tulare County Public Financing Authority (TCPFA), , which are not invested by the County Treasurer but are held by fiscal agents.

Cash Deposits As of June 30, 2008, the County's bank deposits had a carrying amount of \$92,271 and the balance per the financial institutions totaled \$97,314. All pooled cash deposits and non-negotiable Certificates of Deposit are entirely insured (\$50,666) or collateralized (\$46,648). The California Government Code requires California banks and savings and loan associations to secure the County's deposits by pledging government securities or first trust deed mortgage notes. The market value of the pledged government securities and first trust deed mortgage notes must be a least 110% and 150% of the County's deposits, respectively. The collateral is held by the pledging financial institutions trust department or its agent and is considered to be held in the County's name.

Investments The pool's cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer. The objectives of the policy are, in order of priority: preservation of capital, liquidity, and yield. The Treasurer reports on a monthly basis to the Tulare County Board of Supervisors. Additionally, there is an Oversight Committee established under California Code §27130 to §27137 comprised of Tulare County Officials, representatives from various pool participants, and members of the public, whose function is to monitor compliance with the County's Investment Policy. Investments made outside the County Treasury are invested pursuant to governing bond covenants or California Government Code provisions.

The County's Investment Policy, in compliance with California Government Code §53601 and §53635, authorizes the Treasurer to invest in the following:

- (A) Obligations issued by the County of Tulare
- (B) Obligations of the U.S. Treasury
- (C) Obligations of the State of California and municipalities
- (D) Obligations of Federal Agencies or U.S. Government-sponsored enterprises
- (E) Bankers Acceptances eligible for purchase by the Federal Reserve System
- (F) Commercial Paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record
- (G) Negotiable Certificates of Deposit
- (H) Medium-Term Corporate Notes rated "A" or better
- (I) Mutual Funds
- (J) Repurchase and Reverse Repurchase Agreements
- (K) Local Agency Investment Fund (LAIF)

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Custodial Credit Risk – Investments For an investment, *custodial credit risk* is the risk that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Treasury has limited its custodial credit risk on investments by having all investments in the name of the County. In accordance with the Governmental Accounting Standards Board Statement 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the County's investments have been classified into the following three categories of custodial credit risk:

- (1) Insured or registered, or securities held by the County or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by the counterparty's trust department or agent, but not in the County's name.

As of June 30, 2008, the entire portfolio is under category (1) except for Money Market Funds, which do not fall under any of the above categories of credit risk as the investments in these funds are not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk This is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. The Treasury mitigates this risk by investing, per County investment policy, in longer-term securities only with funds that are not needed for current cash flow purposes and generally holding these securities to maturity.

Credit Risk and Concentration of Credit Risk *Credit risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Concentration of credit risk* is the risk of loss attributed to the magnitude of an investment with a single issuer. The Treasury mitigates these risks by holding a diversified portfolio of high quality investments and limits the percentage of the total investments to the type of investment and to any one issuer by type of allowable investment instrument. State law also limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The NRSRO's used by the County are listed in the County's investment policy and are Standard and Poor's, and Moody's. Securities that are fully guaranteed as to payment by an agency, or government sponsored enterprise of the US Government were rated AAA by a nationally recognized statistical-rating organization. As of June 30, 2008, the County invested in primarily high quality investments as shown below:

Credit Ratings	
U.S. Treasury	12%
AAA	37%
A-1+ (short-term rating)	16%
A-1 (Short-term rating)	2%
AA	9%
AA-	1%
A+	1%
A	5%
FDIC Insured	6%
Not Rated**	11%
Total	100%

** The portion of the portfolio that is not rated represent the \$95,639 deposit in LAIF, the State of California Investment Fund

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The County's investments as of June 30, 2008 are as follows:

	<u>Carrying Value</u>	<u>Reported Amount/ Fair Value</u>	<u>Weighted Average Maturity (days)</u>	<u>Stated Interest Rate</u>	<u>Maturity Range</u>
U.S. Treasury Obligations	\$ 101,215	\$ 104,345	1281	2.750% - 5.750%	08/15/2010 - 04/30/2013
Federal Agency Obligations	245,408	253,009	888	2.232% - 7.125%	07/17/2009 - 02/12/2013
Corporate Notes/Bonds	171,152	171,540	738	3.875% - 8.750%	01/15/2009 - 10/23/2012
Municipal Obligations	5,235	4,923	875	3.390% - 4.510%	08/15/2010 - 04/01/2011
Repurchase Agreements	93,000	93,000	1	2.12%	07/01/2008
Commercial Paper (Discount)	65,956	65,687	62	0%	07/01/2008 - 01/02/2009
	<u>681,966</u>	<u>692,504</u>			
Other investments:					
Money Market Funds	12,750	12,750			
Guaranteed Investment Contract	5,325	5,325			
LAIF Managed Pool	95,639	95,634			
Total other investments	<u>113,714</u>	<u>113,709</u>			
Total Investments	<u>\$ 795,680</u>	<u>\$ 806,213</u>			

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

<u>Issuer</u>	<u>Amount</u>	<u>Percentage</u>
Bank of America	\$ 111,453	12.7%
Federal Home Loan Bank	72,195	8.2%
Federal Home Loan Mortgage Corporation	67,770	7.7%
Federal National Mortgage Association	70,967	8.1%
RaboBank	55,639	6.3%
United States Treasury	413,763	11.9%
<p>Note: The \$111,453 obligation from Bank of America includes a \$93,000 collateralized repurchase agreement.</p>		

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Investments in the Money Market Funds and LAIF Managed Pool are not categorized, in accordance with GASB No. 3, because they are not evidenced by securities that exist in physical or book entry form.

California Local Agency Investment Fund (LAIF) The State Treasurer's Local Agency Investment Fund (LAIF) is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without penalty or loss of interest. The value of the County's shares in LAIF that may be withdrawn is determined on an amortized cost basis, which may be different from the fair value of the County's position in the pool. As of June 30, 2008, the County's investment in LAIF is \$95,634. The total amount recorded by all public agencies in LAIF at that date is \$25,160,913. Of that amount, 85.28% is invested in non-derivative financial products and 14.72% of the portfolio is invested in Medium-term and Short-term Structured notes and Asset-backed securities.

Repurchase Agreements Repurchase Agreements are contracts in which a broker/dealer sells securities to the Investment Pool with an agreement to repurchase those securities for a fixed price at an agreed-upon date. Government Code requires that California public entities that utilize repurchase agreements collateralize the investments that underlay the repurchase agreements with amounts that exceed cost. The market value of the securities underlying the repurchase agreements must be valued at 102% or greater. The Pool's Investment Policy reflects this requirement.

Treasury Pool Income and Participant Withdrawals Treasury Pool investments are accounted for in accordance with the provisions of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires governmental entities to report certain investments at fair market value in the balance sheet and the statement of net assets and recognize the corresponding change in value of investments in the year in which the change occurred. The value of the participant's shares in the pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair market value of the participant's position in the Pool. The fair market value fluctuates with interest rates, and increasing rates could cause the value to decline below original cost; however, County management believes the liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude the County from having to sell investments below original cost for that purpose.

As of June 30, 2008, the investment income is comprised of the following:

Investment Income	
Interest and Dividends	\$ 31,242
Net Increase in the Fair Value	11,765
Less: Investment Expenses	(1,098)
Total Treasury Pool Income	\$ 41,909

The net increase in the fair market value of investments during fiscal year 2007-2008 was \$11,765. This amount takes into account all changes in fair value (including sales resulting in a net gain of \$2,004) 1) that occurred during the year. The fair value gain on investments held as of June 30, 2008 was \$4,959.

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Summary of Cash and Investments Balances Following is a reconciliation of the County's cash and investment balances to the balance sheets/statements of net assets for the Governmental, Enterprise, Internal Service, Fiduciary Funds, and the discretely presented component unit as of June 30, 2008:

	Governmental Funds (Exhibit 3)	Enterprise Funds (Exhibit 6)	Internal Service Funds (Exhibit 6)	Fiduciary Funds (Exhibit 9)	Total	Component Unit - First 5 Tulare County
Cash in Banks	\$ -	\$ 187	\$ -	\$ 5,984	\$ 6,171	\$ 61
Investment in Treasury Pool	98,986	24,022	35,799	556,911	715,718	16,775
Restricted Investments in Pool	5,000	48,836	-	-	53,836	-
Investments	64,581	-	-	-	64,581	-
Restricted Investments	48,549	-	-	-	48,549	-
Imprest Cash	74	2	250	-	326	-
Deposits with Others	-	-	-	-	-	-
Cash on hand	329	34	61	-	424	-
	<u>\$ 217,519</u>	<u>\$ 73,081</u>	<u>\$ 36,110</u>	<u>\$ 562,895</u>	<u>\$ 889,605</u>	<u>\$ 16,836</u>

Summary of total cash investments is as follows:

	Investment in Treasury Pool	Other	Total
Cash and Bank Deposits	\$ 87,560	\$ 7,056	\$ 94,616
Interest Receivable	5,600	-	5,600
Investments	693,169	113,044	806,213
Total	<u>\$ 786,329</u>	<u>\$ 120,100</u>	<u>\$ 906,429</u>

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The following represents a condensed statement of net assets and changes in net assets for the Treasury Pool as of June 30, 2008:

Statement of Net Assets		Statement of Changes in Net Assets	
Net assets held in trust for all pool participants	\$ <u>786,329</u>	Net assets	\$ 748,717
Equity of internal pool participants	229,417	Net Additions/Withdrawals by pool participants	(5,395)
Equity of external pool participants	<u>556,912</u>	Net Decrease in the investment Fair Value	-
Total Equity	\$ <u>786,329</u>	Realized Gains/losses from Sales	2,004
		Market Value Loss on Investments held at year-end	9,761
		Interest and Dividends Earned	<u>31,242</u>
		Net Assets as of June 30,	\$ <u>786,329</u>

B. Receivables

Receivables as of the fiscal year-end for the County's individual major funds and for non-major and internal service funds are as follows:

	General	Solid Waste	Nonmajor and other funds	Total	Noncurrent portion
Receivables:					
Accounts, net	\$ 3,212	\$ 943	\$ 2,464	\$ 6,619	\$ 2,793
Property taxes, net	27,958	-	-	27,958	27,958
Lease payments	-	-	1,248	1,248	1,112
Notes	14,097	-	1,358	15,455	15,455
Due from other governments	<u>39,828</u>	-	8,803	<u>48,631</u>	-
Total Receivables	\$ <u>85,095</u>	\$ <u>943</u>	\$ <u>13,873</u>	\$ <u>99,911</u>	\$ <u>47,318</u>

C. Restricted Assets

Restricted assets in the governmental funds include \$48,535 in the Tulare County Public Financing Authority for future debt service and \$5,000 in a capital projects fund for the future clean up of toxic ground at the Harmon Field airstrip. Restricted assets in the business-type funds include \$48,836 in the Solid Waste fund for future closure/postclosure expenses for disposal sites and landfill groundwater contingencies.

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D. Deferred Revenue

Deferred revenue consists of two categories of revenue including 1) resources received before their use is permitted (*unearned*) or, 2) amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met, in that the amounts are measurable, but not available within the current period or soon enough thereafter to pay liabilities of the current period (*unavailable*).

		Unearned		Unavailable	
General Fund	\$	37,757	\$	6,370	
Nonmajor Governmental Funds		3,370		3,496	
Total Unavailable/Unearned Revenue	\$	41,127	\$	9,866	

E. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

Capital Assets - Primary Government	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Governmental activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 911,940	\$ -	\$ -	\$ (299)	\$ 911,641
Construction in Progress	5,853	6,466	(2,737)	-	9,582
Infrastructure in Progress	9,749	4,296	-	-	14,045
Total capital assets, not being depreciated	927,542	10,762	(2,737)	(299)	935,268
	-	-	-	-	-
<i>Capital assets, being depreciated:</i>					
Infrastructure	658,755	11,711	(192)	(9,775)	660,499
Buildings and Improvements	174,988	3,342	-	-	178,330
Equipment / Vehicles	55,188	7,210	(3,865)	735	59,268
Total capital assets being depreciated	888,931	22,263	(4,057)	(9,040)	898,097
<i>Less accumulated depreciation for:</i>					
Infrastructure	(246,212)	(15,153)	137	71,413	(189,815)
Buildings and Improvements	(51,304)	(3,476)	-	-	(54,780)
Equipment / Vehicles	(36,072)	(4,854)	3,758	(1,021)	(38,189)
Total accumulated depreciation	(333,588)	(23,483)	3,895	70,392	(282,784)
Total capital assets, being depreciated, net	555,343	(1,220)	(162)	61,352	615,313
Governmental activities capital assets, net:	\$ 1,482,885	\$ 9,542	\$ (2,899)	\$ 61,053	\$ 1,550,581

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Capital Assets - Primary Government	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Business-type activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 6,728	\$ -	\$ -	\$ -	\$ 6,728
Construction in Progress	133	598	-	-	731
Total capital assets, not being depreciated	6,861	598	-	-	7,459
	-	-	-	-	-
<i>Capital assets, being depreciated:</i>					
Buildings and Improvements	18,274	-	-	3	18,277
Equipment / Vehicles	11,868	6	(274)	-	11,600
Total capital assets being depreciated	30,142	6	(274)	3	29,877
<i>Less accumulated depreciation for:</i>					
Buildings and Improvements	(7,435)	(788)	-	(3)	(8,226)
Equipment / Vehicles	(8,169)	(613)	274	(1)	(8,509)
Total accumulated depreciation	(15,604)	(1,401)	274	(4)	(16,735)
Total capital assets, being depreciated, net	14,538	(1,395)	-	(1)	13,142
Business-type activities capital assets, net:	\$ 21,399	\$ (797)	\$ -	\$ (1)	\$ 20,601

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

Depreciation - Governmental activities:		Depreciation - Business-type activities:	
General government	\$ 950	Solid Waste	\$ 1,073
Public protection	4,715	Water/Sewer services	328
Public ways and facilities	15,949		
Health and sanitation	612		
Public assistance	473		
Education	110		
Culture and recreation	161		
Unallocated depreciation expense	510		
Total depreciation expense - governmental activities	\$ 23,480	Total depreciation expense - business-type activities	\$ 1,401

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The County has active construction and other projects as of June 30, 2008 including the new Oroshi Sheriff's Substation, remodeling of the Visalia Library, the Oat Mountain radio tower project, upgrading security and facilities, rehabilitation of the airport, energy conservation projects, and various infrastructure projects.

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

<u>Capital Project - Active Construction</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Lindsay Library (030)	\$ 7	\$ 743
Motorpool Relocation (030)	1	999
Visalia Library (030)	2,660	4,034
Woodland Avenue Project (030)	9	250
Three Rivers Rest Stop (001) (Abandoned Project)		
Airport - Rehabilitation of Facilities (012)	24	6
Airport - Runway Reconstruction (012)	96	1,325
Landfill Site Improvements (045)	731	
SAN Expansion Unit Project (071)	230	
911 Reliability Project (071)	47	
Energy Conservation Measures (081)	6,508	
Roads (014):		
Environmental review of existing roads	10,624	315
Turnouts	205	-
Shoulder Stabilization	659	-
Other Improvements	2,482	-
Bridges (014):		
Repair or Replace bridge	69	-
Review of existing bridge for possible replacement	6	-
Total Construction in Progress	\$ <u>24,358</u>	\$ <u>7,672</u>

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

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F. Interfund Receivables and Payables

1. Advances to / from other County funds

Advances to / from other County funds are representative of non-current lending / borrowing arrangements outstanding at the end of the fiscal year.

The composition of advances to / from other County funds balances as of June 30, 2008, is as follows:

<u>Advances - Receivable Fund</u>	<u>Advances - Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 459
Internal Service	General	4,004
	Total	\$ <u>4,463</u>

2. Advances to / from Agency funds

Advances to / from Agency funds represent non-current lending / borrowing arrangements for cash flow purposes. Amounts due from Agency funds to governmental funds will not be returned to the County until such time as the program is discontinued or concluded. Amounts due to Agency funds by nonmajor CSA enterprise funds will be paid off by small assessments to utility users over the life of the water / sewer systems.

The composition of advances to / from Agency funds balances as of June 30, 2008 is as follows:

<u>Advances - Receivable Fund</u>	<u>Advances - Payable Fund</u>	<u>Amount</u>
General	Employee Health Benefits	\$ 2,133
	CSA#1 Revolving	690
	Treasurer's Agency	237
	Sub-total	<u>3,060</u>
Nonmajor governmental	Child Support Federal Agency	40
	Sub-total	<u>3,100</u>
Probation Officers Restitution Agency	General	2
Healthy Kids Agency	Nonmajor governmental	2
CSA#1 Revolving	Nonmajor enterprise	690
	Sub-total	<u>694</u>
	Total	\$ <u>3,794</u>

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3. Due to / from other County funds

Due to / from other County funds represents current outstanding balances between funds at the end of the fiscal reporting period. The County's computerized general ledger only allows for the transfer of cash between funds until mid July following the end of the fiscal year. Therefore, the recording of interfund activity which occurred during the fiscal year, but which is entered to the system after mid-July, results in an interfund payable / receivable.

The composition of due to / from other County fund balances as of June 30, 2008, is as follows:

Due To / From County Funds		
Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 670
	Internal service	163
	Sub-total	<u>833</u>
Nonmajor governmental	General	52
	Nonmajor governmental	580
	Sub-total	<u>632</u>
Internal service	Internal service	3
	Sub-total	<u>3</u>
	Total	<u><u>\$ 1,468</u></u>

G. Transfers

Transfers to / from other County funds for the fiscal year ended June 30, 2008 consist of transfers for normal operations, including the accumulation of debt service payments and support of other funds resources.

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The schedule of transfers to / from other County funds for the fiscal year ended June 30, 2008 is as follows:

Transfers out:	Transfers In:						
	General	PFC	PFA	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total Transfers
General	\$ -	\$ -	\$ -	\$ 38,709	\$ 3	\$ 1,997	\$ 40,709
PFA	-	-	-	3,500	-	-	3,500
Nonmajor governmental	46,342	6,376	4,068	1,239	-	52	58,077
Solid Waste	485	-	-	70	-	4	559
Internal service	-	-	-	136	-	102	238
Total transfers out	\$ 46,827	\$ 6,376	\$ 4,068	\$ 43,654	\$ 3	\$ 2,155	\$ 103,083

H. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage regulations and restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage rebate requirements stipulate, in general, that the excess of earnings from the investment of tax-exempt bond proceeds over related interest expenditures on the bonds must be remitted to the Federal government on every fifth anniversary of each bond issue. The County has evaluated each outstanding debt obligation that is subject to the arbitrage rebate requirements and deferred interest income for future payment on two of the County's Bond issues.

I. Leases

Operating Leases (County as Lessor) The County, as the lessor, has entered into long-term operating lease agreements leasing land and buildings to others. Leased assets represent \$608 net of \$1,399 accumulated depreciation of the capital assets of governmental activities. The revenues realized for the fiscal year ended June 30, 2008 were \$816. The minimum future rentals for noncancellable operating leases are as follows:

Future Rentals	
Fiscal Year Ending June 30,	Amount
2009	\$ 311
2010	275
2011	184
2012	44
2013	4
2014-2018	14
Total	\$ 832

Operating Leases (County as Lessee) The County has commitments under long-term operating lease agreements for facilities used in operations. These lease agreements

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provide for cancellation in the event the Board of the respective entity does not appropriate funding in subsequent fiscal years. The expenses for the fiscal year ended June 30, 2008 were \$6,617. The future minimum lease payments for these leases are as follows:

Operating Leases	
Fiscal Year Ending June 30,	Amount
2009	\$ 6,382
2010	3,782
2011	2,604
2012	1,997
2013	1,546
2014-2018	4,796
2019-2023	1,857
2024-2028	578
Total	\$ <u>23,542</u>

In addition to real property leases, the County has also entered into long-term leases for personal property, the majority of which is leased by Roads, Solid Waste, the District Attorney's Office, and the General Services division of the Resource Management Agency. Most of these leases also provide for cancellation in the event that the Board of Supervisors does not appropriate funding, and are subject to annual adjustments based upon negotiations. Total rent and lease expense for these operating leases for the fiscal year ended June 30, 2008, was approximately \$185.

Capital Leases The County has entered into lease agreements as lessee for financing the acquisition of police communications equipment and other non-capitalized items; and printing equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The assets acquired through capital leases are as follows:

Assets Aquired Through Capital Leases	
Fiscal Year Ending June 30, 2007	Governmental Activities
Equipment	\$ 378
Less: Accumulated depreciation	(312)
Total	\$ <u>66</u>

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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, are as follows:

Capital Leases	
Fiscal Year Ending June 30,	Governmental Activities
2009	\$ 6
Total minimum lease payments	6
Less: amount representing interest	-
Present value of minimum lease payments	\$ 6

Direct Financing Lease The County has entered into a lease agreement as lessor for the lease purchase of the Dinuba Courthouse / Police Station by the City of Dinuba in March 1997. This lease agreement qualifies as a direct financing lease for accounting purposes and, therefore, has been recorded as lease payments receivable with no allowance for uncollectible payments and net of interest. The net investment in this direct financing lease as of June 30, 2008 is \$1,248. Minimum lease payments receivable for each of the five succeeding fiscal years and thereafter are as follows:

Direct Financing Lease Receivable		
Fiscal Year Ending June 30, 2008	Principal	Interest
2009	\$ 136	\$ 74
2010	144	65
2011	153	56
2012	163	47
2013	173	37
2014-2016	479	44
	\$ 1,248	\$ 323

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J. Short-term Debt

Tax and Revenue Anticipation Notes Payable In accordance with the Resolution of Issuance, the 2007-2008 Tax and Revenue Anticipation Note (TRAN) of \$55,000 was issued on July 2, 2007 at 4.5% with a re-offering yield of 3.64%. This \$55,000 Tran will mature on July 31, 2008.

Short-term Debt Activity				
	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	\$ 55,000	\$ 55,000	\$ (55,000)	\$ 55,000

K. Long-term Debt

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

COP's are obligations of the County's component units. However, the County is indirectly obligated under lease agreements it has signed with its component units. The County's obligation is limited to including in its annual budget, lease payments called for in the lease agreements. These COP's generally are issued as 20 to 40-year certificates with increasing amounts of principal maturing each year.

Certificates of Participation currently outstanding are as follows:

Outstanding Certificates of Participation			
Date Issued	Purpose of Debt	Interest Rates	Amount
July 23, 1996	Governmental activities	4.30% - 6.00%	\$ 3,360
October 8, 1998	Governmental activities - Refunding	3.35% - 5.00%	38,430
	Subtotal		41,790
September 2, 1993	Business-type activities	5.00%	488
February 23, 1994	Business-type activities	5.00%	72
August 16, 1994	Business-type activities	4.50%	51
September 14, 1994	Business-type activities	4.50%	42
May 28, 1996	Business-type activities	4.50%	850
	Subtotal		1,503
	Total		\$ 43,293

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

Fiscal Year Ending June 30,	Certificates of Participation			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 4,580	\$ 2,072	\$ 28	\$ 70
2010	4,920	1,734	29	69
2011	5,235	1,480	30	68
2012	5,495	1,212	35	66
2013	4,470	963	36	65
2014-2018	16,830	1,453	198	298
2019-2023	260	6	250	246
2024-2028	-	-	307	182
2029-2033	-	-	397	102
2034-2035	-	-	193	17
Total	\$ 41,790	\$ 8,920	\$ 1,503	\$ 1,183

Variable Rate Demand Bonds On December 17, 1999, the Tulare County Public Financing Authority (TCPFA) issued Variable Rate Demand Bonds of \$45,000 with a variable rate not to exceed 12%. Each fiscal year up to \$3,000 will be transferred to the County to provide financing for the acquisition and construction of public capital assets and repair and maintenance costs related thereto. A lease agreement in which the County is leasing four existing buildings to TCPFA is used as security for the bonds. On December 1 2006, these bonds were refunded with private placement Tobacco Settlement Asset Backed Bonds of \$42,360, which will mature on August 1, 2034.

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

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

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

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

TCPFA Variable Rate Demand Bonds			
Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	
2009	\$ 615	\$	2,469
2010	615		2,432
2011	715		2,390
2012	715		2,347
2013	815		2,300
2014-2018	4,765		10,688
2019-2023	6,535		8,976
2024-2028	8,880		6,628
2029-2033	12,095		3,446
2034-2035	5,915		242
Total	\$ 41,665	\$	41,919

Pension Obligation Bonds The County issued Pension Obligation Bonds (POB's) of \$41,460 on May 22, 1997, to pay the unfunded actuarial accrued liability at June 30, 1996. The interest rates on these bonds range from 6.2% to 7.35%.

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

Pension Obligation Bonds			
Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	
2009	\$ 4,390	\$	1,399
2010	5,000		1,058
2011	5,685		669
2012	6,270		230
Total	\$ 21,345	\$	3,356

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Tax Allocation Bonds The Tulare County Redevelopment Agency issued Tax Allocation Bonds, 2007 Series A of \$1,627 on January 24, 2007 at 4.125% and mature on January 1, 2032. These bonds were issued to finance the Richgrove Redevelopment project

Annual debt service requirements to maturity for these Tax Allocation Bonds are as follows:

Tax Allocation Bonds			
Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	
2009	\$ 39	\$	66
2010	41		64
2011	43		62
2012	45		60
2013	46		59
2014-2018	263		262
2019-2023	325		203
2024-2028	400		130
2029-2032	384		40
Total	\$ 1,586	\$	946

Loans Payable The County has borrowed funds for the acquisition of fire trucks, vehicles, computers and other equipment each year since 1996. The magnitude of these loans varies from \$993 to \$1,778 and the interest rates range from 3.1% to 5.06%. In September 2002, the County borrowed \$10,920 at 4.49% for energy improvement projects. This loan extends to November 2017. In 2006, an additional loan of \$7,084 was taken at 3.9% to fund energy improvement projects. This loan extends to September 2022. A tax allocation loan agreement dated November 1, 2002 was entered into between the California Infrastructure and Economic Development Bank and Goshen Redevelopment. In January 2004, Goshen Redevelopment received this loan of \$1,914 at 3.07%. This loan extends to August 2032.

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

Fiscal Year Ending June 30,	Loans Payable	
	Governmental Activities	
	Principal	Interest
2009	\$ 1,488	\$ 692
2010	1,379	633
2011	1,163	579
2012	1,213	529
2013	1,264	477
2014-2018	7,176	1,533
2019-2023	2,722	354
2024-2028	376	97
2029-2033	438	34
Total	\$ <u>17,219</u>	\$ <u>4,928</u>

Prior-Year Defeasance of Debt. In prior years, the County defeased certain Certificates of Participation (COP) by placing the proceeds of new COP's in an irrevocable trust to provide for all future debt service payments on the old COP's. Accordingly, the trust account assets and the liability for the defeased COP's are not included in the County's financial statements. At June 30, 2008, there are no longer any bonds outstanding considered to be defeased.

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Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2008 was as follows:

Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
COP's payable	\$ 46,155	\$ -	\$ (4,365)	\$ 41,790	\$ 4,580
Variable rate demand bonds	42,360	-	(695)	41,665	615
Pension obligation bonds	25,175	-	(3,830)	21,345	4,390
Tax allocation bonds	1,627	-	(41)	1,586	39
Loans payable	18,927	-	(1,708)	17,219	1,488
Leases payable	38	-	(32)	6	6
Net OPEB obligation	-	2,385	(735)	1,650	-
Compensated absences	18,361	4,252	(3,301)	19,312	3,301
Liability claims payable	21,430	5,611	(1,835)	25,206	5,299
Governmental activities Long-term liabilities	\$ 174,073	\$ 12,248	\$ (16,542)	\$ 169,779	\$ 19,718

Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
COP's payable	\$ 1,531	\$ -	\$ (28)	\$ 1,503	\$ 28
Bonds payable	8	-	-	8	-
Closure/postclosure costs payable	41,121	2,715	-	43,836	-
Compensated absences	405	-	(33)	372	28
Business-type activities Long-term liabilities	\$ 43,065	\$ 2,715	\$ (61)	\$ 45,719	\$ 56

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The liability for compensated absences has typically been liquidated using the primary government's governmental funds and the Solid Waste fund. The value of accumulated vacation at June 30, 2008 was \$15,613. Of this amount, \$245 is recorded in business-type funds. The value of accumulated sick leave at June 30, 2008 was calculated using a termination payment method and is accrued at \$2,482. Of this amount, \$62 is recorded in business-type funds. The value of accumulated CTO at June 30, 2008 was \$1,589. Of this amount, \$64 is recorded in the business-type funds. The value of sick leave buy backs for future years cannot be accurately estimated, but for the fiscal year ended June 30, 2008, the County paid \$1,024 to employees through this program.

The liabilities for claims and judgments payable include both General Liability and Workers' Compensation Liability and have been liquidated using the General Liability Insurance Internal Service fund and the Workers' Compensation Insurance Internal Service fund.

Other Payables El Rancho Sewer District, which is part of County Service Area #1, issued revenue bonds during the fiscal year ended June 30, 1988. Farmers Home Administration purchased the bonds. The proceeds of the loan were used for a sewer construction project. The original bonds payable of \$11 have a current principal balance of \$8 and bears interest at 5% per annum. This matures in 2027, a 40-year period. The bonds were issued under Health & Safety Code §49000. The bonds will be redeemed with monies raised from service charges associated with the sewer system operation.

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

Fiscal Year Ending June 30,	El Rancho Sewer Bond Business-type Activities	
	Principal	Interest
2009	\$ -	\$ -
2010	-	-
2011	1	1
2012	-	-
2013	1	1
2014-2018	2	1
2019-2023	2	1
2024-2027	2	-
Total	\$ <u>8</u>	\$ <u>4</u>

L. Special Assessment Debt

The County of Tulare is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$322,833 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2008. The Tulare County Auditor-Controller acts as an agent for the Property Owners / Bond Holders in collecting and forwarding the special assessments, with the exception of the Kaweah Delta Hospital Bond. The School Bonds totaling \$181,940 include bonds for Buena Vista, Burton, Earlimart, Liberty, Kings River, Richgrove, Stone Corral, Sundale, Traver, and Woodlake Elementary Schools, Exeter, Strathmore, Tulare Joint Union, and Woodlake High Schools, Cutler-Orosi, Dinuba, Farmersville, Lindsay, Porterville, and Visalia Unified Schools. The 1915 Improvement Act Bonds totaling \$89 include bonds for Ducor Community Service District, and Ducor CSD Supplemental. The Special Districts GO Bonds totaling \$135,676 are for Kaweah Delta Hospital Bond and Woodville Public Utility District Sewer.

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M. Landfills

State and Federal laws and regulations require that Tulare County Solid Waste Fund place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfills used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$43,836 as of June 30, 2008, which is based on an average of 33% usage (filled) of all landfill sites (remaining capacity since August 18, 1989). It is estimated that an additional \$47,710 will be recognized as closure and post closure care expenses between the date of the statement of net assets and the date the landfills are currently expected to be filled to capacity. The estimated remaining life of landfill sites ranges from 1.6 years for Teapot Dome to 181.8 years for the Visalia site. The estimated total current cost of the landfill closure and post closure care (\$91,546) 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, 2008. 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, 2008, investments of \$39,007 are part of the pooled funds held by the Tulare County Treasurer. It is anticipated that future inflation costs will be financed in part from earnings on investments held by the Treasurer. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill site users, taxpayers, or both.

The State Water Resources Control Board through the Regional Water Quality Control Board under California Code Regulations, title 27, subchapter 2, Article 4, and Sections 22220 through 22222. The funds are the financial assurance mechanism for corrective actions and are there to be used to clean up or otherwise remediate a release (a.k.a. plume of groundwater contamination) from the County's landfills. The California Integrated Waste Management Board (CIWMB) specifies what annual inflation rate should be applied to the amount required for corrective action along with closure and postclosure maintenance at the landfills. The County is in compliance with these requirements and, at June 30, 2008, investments of \$4,828 are part of the pooled funds held by the Tulare County Treasurer.

N. Restricted Net Assets

Net assets invested in capital assets, net of related debt is computed as follows:

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Total capital assets, net of accumulated depreciation	\$ 1,550,581	\$ 20,601	\$ 1,571,182
Less related debt:			
COP's	(41,790)	(1,503)	(43,293)
Capital leases	(6)	-	(6)
Loans	(17,219)	-	(17,219)
Bonds	-	(8)	(8)
Total	<u>\$ 1,491,566</u>	<u>\$ 19,090</u>	<u>\$ 1,510,656</u>

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Net assets of capital projects funds (\$14,579) are restricted by the State for the future clean up of toxic ground at the Harmon Field airstrip (\$5,000), and by the Joint Powers Agreement governing the disbursement and use of proceeds of the variable rate demand bonds (\$9,579). Net assets of special revenue funds (\$18,914) are restricted by the funding source, usually State and Federal, for specific functions such as Education (\$2,726), Public Protection (\$4,320), Roads (\$4,390), Redevelopment (\$7,370), and others (\$108).

Net assets of debt service funds (\$20,593) are restricted by lenders COP's (\$5,787), or by contractual agreements with trustees and bond holders (\$12,394), or others (\$2,412).

Net assets of business-type activities are restricted by State landfill post closure contingency requirements (\$5,000) or by contractual agreements with bondholders (CSA - \$5).

O. Condensed Financial Statements

The Tulare County Public Facilities Corporation issued Certificates of Participation to finance its sewage and water projects. Both the water and sewer projects are accounted for in three single funds. However, investors in the Certificates of Participation rely solely on the revenue generated by the individual activities for repayment. Summary financial information for these funds is presented below:

CONDENSED STATEMENT OF NET ASSETS	Terra Bella Sewer		
	<u>Maintenance</u>	<u>CSA #1</u>	<u>CSA #2</u>
Assets:			
Current assets	\$ 772	\$ 366	\$ 114
Capital assets	1,357	4,305	408
Total assets	<u>2,129</u>	<u>4,671</u>	<u>522</u>
Liabilities:			
Current liabilities	35	25	2
Noncurrent liabilities	835	1,296	42
Total liabilities	<u>870</u>	<u>1,321</u>	<u>44</u>
Net Assets:			
Invested in capital assets, net of related debt	507	3,687	365
Unrestricted (deficit)	752	(337)	113
Total net assets	<u>\$ 1,259</u>	<u>\$ 3,350</u>	<u>\$ 478</u>

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CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS	Terra Bella Sewer		
	<u>Maintenance</u>	<u>CSA #1</u>	<u>CSA #2</u>
Water and Sewer charges	\$ 141	\$ 394	\$ 53
Other operating revenues	-	3	-
Depreciation expense	(70)	(197)	(15)
Other operating expenses	(103)	(379)	(39)
Operating Income (loss)	<u>(32)</u>	<u>(179)</u>	<u>(1)</u>
Nonoperating revenues (expenses):			
Investment earnings	95	20	6
Special assessments	31	-	-
Interest expense	(93)	(58)	(2)
Change in net assets	<u>1</u>	<u>(217)</u>	<u>3</u>
Beginning net assets	<u>1,258</u>	<u>3,567</u>	<u>475</u>
Ending net assets	<u>\$ 1,259</u>	<u>\$ 3,350</u>	<u>\$ 478</u>

CONDENSED STATEMENT OF CASH FLOWS	Terra Bella Sewer		
	<u>Maintenance</u>	<u>CSA #1</u>	<u>CSA #2</u>
Net cash provided (used) by:			
Operating activities	\$ 35	\$ 11	\$ 11
Noncapital financing activities	28	50	-
Capital and related financing activities	(108)	(71)	(3)
Investing activities	95	20	6
Net increase (decrease)	<u>50</u>	<u>10</u>	<u>14</u>
Beginning cash and cash equivalents	<u>706</u>	<u>244</u>	<u>88</u>
Ending cash and cash equivalents	<u>\$ 756</u>	<u>\$ 254</u>	<u>\$ 102</u>

The County maintains three non-major enterprise funds that account for the maintenance and operations of a sewer system (Terra Bella Sewer Maintenance District) and clean and safe water systems (County Service Areas 1 & 2).

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V. OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to tort claims from automobile losses, operations losses, and professional errors and omissions; damage to and destruction of assets from theft, natural disasters, and other occurrences; and job related injuries to County employees. The County uses a combination of self-insurance, commercial insurance, and insurance pools with other counties to provide protection from loss. Premiums are paid into the insurance funds by all other funds and are available to pay claims, build reserves, pay insurance premiums, and pay the administrative costs associated with risk and claim administration.

Losses and incidents of potential loss are reported to Risk Management. After an initial assessment, a claim is established that includes a reasonable estimate of the ultimate cost of the claim to the County. Excess liability coverage is maintained for automobile, general liability, and non-medical. The self-insured retention for the Liability Program effective July 1, 2003 is \$250 and continues at this level. The self-insured retention of \$250 applies to general liability, and non-medical errors and omission's claims. Excess Limits of Liability were maintained at \$25,000 for the fiscal year 2007/08. The purchased insurance for automobiles, aviation, water craft and medical malpractice claims pays for all claim and expense costs, with deductibles that apply as follows: automobiles-\$10, aviation-\$1; water craft-\$5 and medical malpractice-\$10.

Liability costs/settlements have occasionally exceeded the self-insured retention. . For fiscal year ending June 30, 2008 no payments were made that exceeded the self insured retention.

:

<u>Type of Event</u>	For the fiscal year ended June 30,		
	<u>2008</u> <u>Total</u>	<u>2007</u> <u>Total</u>	<u>2006</u> <u>Total</u>
Harassment Litigation	\$ -	\$ -	\$ 203
Total Reimbursements	\$ -	\$ -	\$ 203

Liabilities include an amount for estimated claims payable, including expenses and an accrual for claims incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and the amount of payouts as well as economic and social factors affecting claim values. The liability for claims and judgments is reported in the insurance internal service funds

Property coverage is insured with a \$10 deductible applying to real property and contents, including automobiles, and includes replacement cost limits of liability. The Crime Bond deductible is \$25 and the Boiler and Machinery deductible is \$10 with coverage under the basic Property Program coverage. Workers' compensation is a full statutory program and includes the funding for a Safety Officer and safety programs.

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

Claims Liability	For the fiscal year ended June 30,		
	2008 Total	2007 Total	2006 Total
Unpaid claims	\$ 4,400	\$ 6,506	\$ 4,845
Claims incurred	955	(1,341)	3,836
Claims paid	(919)	(765)	(2,175)
Total unpaid claims	<u>\$ 4,436</u>	<u>\$ 4,400</u>	<u>\$ 6,506</u>

The County returned to a Self-Insured Worker's Compensation Program during fiscal year 2004/05. AIG had provided a fully insured Workers' Compensation policy for the previous six years.

Effective July 1, 2007, the County entered into a worker's compensation administration service agreement with Intercare Insurance Services for claim services. Intercare Insurance Services staff handles claims with claim payments from a \$250 revolving fund, which is reconciled at least monthly by the County. The County employs a Safety and Claims Officer and self-administers the Safety and Loss Control Program.

During the year, 448 claims were reported to Intercare Insurance Services. As of June 30, 2008, 177 claims remained open and benefit payments totaled \$715. Outstanding reserves for recorded claims are valued at \$5,744, while incurred but not recorded (IBNR) is reserved at \$12,367 for future development of accident fiscal year.

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

Workers' Compensation Claims Liability	For the fiscal year ended June 30,		
	2008 Total	2007 Total	2006 Total
Unpaid claims	\$ 17,030	\$ 13,930	\$ 7,200
Claims incurred	4,655	4,103	8,447
Claims paid	(915)	(1,003)	(1,717)
Total unpaid claims	<u>\$ 20,770</u>	<u>\$ 17,030</u>	<u>\$ 13,930</u>

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

General Liability and Workers' Compensation Unpaid Claims Liability	For the fiscal year ended June 30,		
	2008 Total	2007 Total	2006 Total
Claims payable - current	\$ 5,299	\$ 5,991	\$ 5,964
Claims payable - noncurrent	19,907	15,439	14,472
Total unpaid claims liability	<u>\$ 25,206</u>	<u>\$ 21,430</u>	<u>\$ 20,436</u>

B. Risk Pool

The County is a member of the California State Association of Counties Excess Insurance Authority (CSAC EIA), a California Joint Powers Authority. The purpose of the Authority is to develop and fund insurance programs for California Counties, Cities and other public agencies. CSAC EIA was formed in October 1979 and has operated without interruption since that time. In 2001, the California Public entities Insurance Authority was formed to allow other California public entities access to CSAC EIA's programs and services. In 2006, the Joint Powers Agreement was amended to allow public entities to join CSAC EIA directly. Through the restructure, two categories of membership were established; Counties and Public entities. CSAC EIA's Board of Directors consists of one representative from each of the 54 County members and seven elected representatives from the other public entities. County and public entity members serve together on the Executive and other committees that support CSAC EIA.

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

The County participates in the following CSAC Excess Insurance programs. The current County self-insured retention level for each program is as follows:

Excess Insurance Program	Self-Insurance Retention	Coverage Limits
General Liability Program I	\$ 250	\$ 1,000
General Liability Program II	-	15,000
Optional Excess General Liability	-	10,000
Crime Bond	25	10,000
Property	10	600,000
Medical Malpractice	10	11,505
EIA-Health	-	6,000

The County's claims did not exceed the self insurance retention in Fiscal Year 2007-2008. No claims have exceeded the County's total insurance coverage. The relationship between the County and the CSAC Excess Insurance Authority is such that the CSAC Excess Insurance Authority is not a component unit of the County for financial reporting purposes.

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Condensed financial information for CSAC Excess Insurance Authority as of and for the fiscal year ended June 30, 2008, is as follows:

CSAC Excess Insurance Authority Condensed Statement of Net Assets June 30, 2008 (amounts expressed in thousands)		
Total Assets	\$	539,919
Total Liabilities		
Claim Liabilities		377,122
All Other Liabilities		25,086
Net Assets	\$	<u>137,711</u>

CSAC Excess Insurance Authority Condensed Statement of Revenues, Expenses, and Changes in Net Assets For fiscal year ended June 30, 2008 (amounts expressed in thousands)		
Total Revenue	\$	407,691
Total Expenses		<u>381,084</u>
Changes in Net Assets		26,607
Beginning Net Assets		<u>111,104</u>
Ending Net Assets	\$	<u>137,711</u>

CSAC Excess Insurance Authority owns its office building. The building was purchased with assessments from the member counties. Each county shares in the equity of the building in proportion to the assessment contributed. Tulare County's percentage equity in the CSAC EIA building fund at June 30, 2008 is 1.8073% of \$1,819 for a total of \$33.

C. Joint Ventures

A joint venture is defined by Governmental Accounting Standards Board Statement No. 14 The Financial Reporting Entity as "a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain either (a) an ongoing financial interest, or (b) an ongoing financial responsibility." Aside from the County's membership in the California State Association of Counties (CSAC) as described in Note V. B., the County also participates in other joint ventures as follows:

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

Central Valley Immunization Information System (CVIIS) On January 1, 2001, the Counties of Fresno, Kern, Kings, Madera, Mono, and Tulare entered into a Joint Exercise of Powers Agreement by which they created and established CVIIS as a separate public Agency. This Agency was created to provide a client-oriented, automated immunization system so that residents of member counties will have access to and receive age appropriate immunizations pursuant to health and Safety Code Section 120440 (b) (1)1. The County acts as its own fiscal agent with respect to funds provided to it directly from the State. The County's financial interest is based upon joint ownership of money and property owned by CVIIS.

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
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Consolidated Waste Management Authority (CWMA) On December 14, 1999, the cities of Visalia, Porterville, Lindsay, Dinuba, and Tulare entered into a Joint Powers Agreement by which was created and established the CWMA as an independent public Agency to comprehensively plan, develop, operate, and manage the transformation, recycling, processing and disposal of solid waste within the members' jurisdictions per AB939. In November 2002, the cities of Exeter and Farmersville were added as members of the CWMA. In April 2006, the County was added as a member. Aside from annual membership dues, the County has no financial responsibilities. Independently audited financial statements can be obtained from Consolidated Waste Management Authority, 707 W. Acequia, Visalia, California.

Goshen Public Financing Authority (GPFA) On September 17, 1996, the Tulare County Redevelopment Agency (a blended component unit of the County) and the Goshen Community Services District formed the legally-separate GPFA as a result of a joint powers agreement. The County has pledged \$53 each year for 40 years against U.S.D.A. bonds secured by GPFA for a sewer project in Goshen.

Kings/Tulare Area Agency on Aging KTAAA was established in 1980 as a result of a joint powers agreement between Kings and Tulare Counties for the purpose of spending Older Americans Act and Older Californians Act monies in support of seniors. The County is responsible for a minimum of 79% of the required administrative match each year, but all resources would revert to the California Department of Aging. Independently audited financial statements can be obtained from the County Health and Human Services Agency, 5957 South Mooney Boulevard, Visalia, California.

Lake Kaweah Enlargement Project The Project was established in 1999 as a result of a joint powers agreement between the Kaweah Delta Water Conservation District and the County for the purpose of constructing a spillway at Lake Kaweah in order to provide greater flood protection. The County is responsible for 12% of non-federally-supported costs of the Project and retains a 12% interest in the completed Project. Independently audited financial statements can be obtained from the Kaweah Delta Water Conservation District, 2975 Farmersville Boulevard, Farmersville, California.

San Joaquin Valley Library System The entity was established in 1970 as a result of a joint powers agreement among library jurisdictions in the San Joaquin Valley for the purpose of reducing the costs of operations and improving services to the public. The County is responsible for staffing and minor purchases in support of the System. The County's financial interest is based upon its percentage of contributions to the System. Independently audited financial statements can be obtained from the Fresno County Library, 2420 Mariposa Street, Fresno, California.

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

Tulare County Association of Governments TCAG was established in 1971 as a result of a joint powers agreement among incorporated Cities and the County for the purpose of providing a forum for the coordination of transportation and air quality maintenance programs. The County is responsible for staffing and for a pro rata share of operating costs. Independently audited financial statements can be obtained from the County Resource Management Agency, 5961 South Mooney Boulevard, Visalia, California.

Tulare County Service Authority for the Abatement of Abandoned Vehicles The Authority was established in 1991 as a result of a joint powers agreement among incorporated Cities and the County for the purpose of removing and disposing of abandoned vehicles deemed to be public nuisances. The County is responsible for the collection and disbursement of authorized funds and meeting State reporting requirements for which the County receives 1% of the annual funds collected. The Authority has no resources other than cash, which is distributed immediately upon receipt. Independently audited financial statements can be obtained from the State of California Controller's Office, Sacramento, California.

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Tule River Improvement Project The Project was established in 1998 as a result of a joint powers agreement between the Lower Tule River Irrigation District and the County for the purpose of acquiring and maintaining entrance facilities and channels in order to provide flood control and water conservation. The Project's support costs are shared equally among participants with specific project costs shared according to separate agreements per project. The County's interest in the Project is calculated based on contributions to individual projects. Independently audited financial statements can be obtained from the Lower Tule River Irrigation District, 357 East Olive Avenue, Tipton, California.

D. Subsequent Events

1. On July 2008, \$ 55,000 Tax Revenue Anticipation Notes (TRAN) 2008-2009 were issued at 3.66%, maturing on July 31, 2009. In November 2008, the County was notified that the credit rating of the bank with which the proceeds were deposited fell below the minimum credit rating required for investments. The principal plus interest earned to date was returned to the Treasury Pool on November 25, 2008.

2. On July 2008, \$20,195 representing a prepayment of the employer's annual retirement contribution was paid to Tulare County Employees' Retirement Association.

3. Significant Recent Market Events - The past financial year has been an exceptionally difficult one. The unprecedented financial market crisis of the past several months has created turmoil that has swept the markets. We have seen:

- The Federal Government take on direct responsibility for Fannie Mae and Freddie Mac, the two housing giants that collectively under-pin the housing market;
- Lehman Brothers file for bankruptcy after failing to find a buyer or persuade the Federal Government to intervene on its behalf;
- Bank of America agree to acquire Merrill Lynch after the nation's largest brokerage firm was weakened by the crisis;
- AIG, a worldwide insurance company, arrange an \$85 billion bridge loan from the Federal Reserve and give up 80% of its ownership in return;
- The Federal Reserve inject cash into money markets in the largest amounts since December 11, 2001 to maintain stability;
- Washington Mutual, the largest U.S thrift, seized by the Federal Government in the largest domestic bank failure after \$16.7 billion in recent withdrawals from customers. All bank assets were sold to JP Morgan.

The purpose of this note is to provide assurance that the Investment Portfolio remains strong and stable in the face of these events. The Tulare County Treasurer's Investment Pool did not have investments in Lehman Brothers, Merrill Lynch, or Washington Mutual, and only minimal exposure to AIG. The conservative investment management approach by the Treasurer's Office and their Investment Advisors, having successfully navigated through the crisis of the past year by putting safety and liquidity first, remains in place.

E. Contingent Liabilities

Litigation The County is a defendant in various lawsuits although the outcome of these lawsuits is not presently determinable, in the opinion of the County Counsel, (other than the claims included in section V. Other Information, sub-section A. Risk Management), even resolution of these matters would not have a material adverse effect on the financial condition of the County.

In the opinion of the County Counsel, a large majority of tax assessment appeals will be withdrawn by the applicants or settled by a stipulation of value and the County's Tax Assessor will prevail in the majority of appeals.

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
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Termination Fee Presently, the County is not engaged in any contracts containing contingent liability for an early termination.

Program Compliance Requirements The County participates in a number of Federal and State assisted grant programs, principal of which are the Family Support Payments, Child Support Enforcement, Community Development Block Grants, Workforce Investment Act, Justice Subvention programs and Local Public Works programs. These programs are subject to program compliance audits by the grantors and audits conducted under the Single Audit Act Amendments of 1996. The amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time, although the County expects amounts, if any, to be immaterial.

F. Deferred Compensation Plan

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available for distribution until termination, retirement, death, or unforeseeable emergency.

The assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Since an outside party in accordance with Governmental Accounting Standards Board Statement No. 32 *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, administers the plan assets, these assets are not included in the financial statements of the County.

G. Employee Retirement System

Plan Description The Tulare County Employees' Retirement Association was established July 1, 1945; under the provisions of the County Employees Retirement Act of 1937, (Government Code sections 31450 et seq.). The Association operates as a cost-sharing multiple-employer defined benefit plan with special funding circumstances and provides retirement, disability and death benefits for qualified employees of Tulare County, the Tulare County Courts, First 5 Tulare County, and the Strathmore Public Utility District. The Association was integrated with Social Security in 1956. The Association is administered by a nine-member Board of Retirement. The Association issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from the Tulare County Employees' Retirement Association.

Funding Policy Active plan members in the Association are required to contribute a percentage of their annual covered salary based upon age at entry into the plan and plan Tier. Currently, General Tier I members contribute between 3.9% and 7.91% of salary. General members of Tiers II and III contribute between 5.59% and 11.79% of covered salary. Safety Tier I members contribute between 5.69% and 8.18% of salary. Safety Tier II and III members contribute 8.38% and 12.56% of covered salary. Due to a collective bargaining agreement, the County has a legal obligation to contribute 50% of the contributions required for active Tier I plan members. The rates reflected above for Tier I members do not reflect the County "pickup". The required employer aggregate contribution rate for all members combined in fiscal 2006-07 was 8.76% for General employees and 15.94% for Safety employees of total payroll.

Annual Pension Cost (APC) For fiscal year 2007-08, the County's annual pension cost for the Association was projected to be \$20,617, and the County actually contributed \$21,807. The projected contribution for fiscal year 2007-08 was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of pay as projected by the County. The actuarial assumption included (a) 7.9% investment rate of return (net of administrative expenses), (b) projected salary increases of 4%, and (c) 3% cost-of-living adjustment. Both (a) and (b) include an inflation component of 4%. The actuarial value of the Association's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a five-year period. The Association's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payrolls on a rolling fifteen-year basis.

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
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The County's annual pension cost and pension assets for the fiscal year ended June 30, 2008, were as follows:

Annual Pension Costs and Pension Assets		
Annual required contribution	\$	21,808
Interest on pension assets		9,531
Adjustment to the annual required contribution		<u>(5,830)</u>
Annual pension cost		25,509
Contributions made		<u>21,808</u>
Decrease in pension assets		(3,701)
Pension assets, July 1		<u>26,624</u>
Pension assets, June 30	\$	<u><u>22,923</u></u>

Schedule of Funding Progress (dollars expressed in thousands)							
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) - Entry Age (B)	Unfunded Actuarial Liability/(Surplus) (UAAL/S) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL/S as a % of Covered Payroll (B-A)/C	
6/30/05	\$ 681,618	\$ 714,656	\$ 33,038	95.38%	\$ 164,777	20.1%	
6/30/06	729,898	792,843	62,945	92.06%	186,949	33.7%	
6/30/07	800,967	846,030	45,063	94.67%	204,803	22.0%	
6/30/08*	*Current information for the fiscal year ended June 30, 2008 is unavailable.						

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008
(amounts expressed in thousands)

Three Year Trend Information						
Year Ended June 30		Annual Pension Cost		Required Annual Contribution	Percentage Contributed	Pension Assets
2006	\$	14,424	\$	11,979	83.05%	\$ 29,755
2007		20,396		17,265	84.65%	26,624
2008		25,509		21,808	85.49%	22,923

H. Other Post Employment Benefits (OPEB)

The County allows retirees who participate in the County administered medical plan and retire directly from active service under the Tulare County Employees' Retirement Association to continue to participate in the County administered medical plan at the retirees expense. The same premiums are charged to both active employees and retirees. Although the County does not explicitly subsidize retirees medical plan premiums, allowing retirees to participate in the same plan at the same premium rate results in an "implied subsidy". Including the "implied subsidy" on the government-wide statements is done solely for purposes of complying with accounting standards and is not an admission by the County of Tulare that the benefit is in any way a vested benefit to which any current or former employee is or will be entitled. Under Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the value of this implied subsidy must be included in the employer's ARC and AAL to the extent that the employer pays at least that amount in active employee premiums.

Using a 4.75% discount rate, the actuarial values are as follows:

<u>As of June 30, 2006</u>	
Present Value of Projected Benefits (PVPB)	\$ 33,799
Actuarial Accrued Liability (AAL)	\$ 13,744
Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 13,744</u>

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2008
(amounts expressed in thousands)

Plan cost for the year ended June 30, 2008 are as follows:

Plan Cost for the year ended June 30, 2008	
Normal Cost (NC)	\$ 1,786
Annual Required Contribution (ARC)	\$ 2,385
Annual OPEB Cost (AOC)	\$ 2,385
Estimated Benefit Payments	735
Current Year Expense	\$ 1,650

I. Trial Court Funding

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

The County will continue to be obligated to provide court facilities for all judicial officers and support positions authorized prior to July 1, 1996. This includes those judicial officers and positions, which replace those officers and positions created prior to July 1, 1996. However, AB 233 does not require that the County finance new capital facility expenditures related to judicial officers and support staff required for any judgeships authorized during the period from January 1, 1998 to June 30, 2003. The County remained obligated to fund capital expenditures with respect to capital needs of existing judicial officers and support positions located in several of its courthouse facilities until an agreement can be reached for each specific facility.

In fiscal year 2006-07, the County began negotiations with the State of California Judicial Council for individual facilities. Per the agreements, the County would be obligated to contribute an ongoing quarterly Court Facilities Payment to the State which will be adjusted annually.

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

As of June 30, 2008, agreements have been signed for the Tulare Courthouse (in which the County is a 40% occupant) and the Porterville Courthouse (in which the County is a 70% occupant). Negotiations are under way for the Visalia Courthouse and the Courtroom in the Juvenile Hall.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

County of Tulare
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008
(amounts expressed in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Funds
Assets				
Investment in treasury pool	\$ 23,482	\$ 2,095	\$ 9,326	\$ 34,903
Investments	1	20	-	21
Cash on hand	275	-	-	275
Imprest cash	2	-	-	2
Receivables (net, where applicable, of allowances for uncollectibles):	2,261	-	-	2,261
Deposits with others	11	-	-	11
Due from other County funds	36	-	596	632
Due from other governments	7,494	1,227	-	8,721
Inventories	444	-	-	444
Prepaid items	792	-	-	792
Advances to Agency funds	40	-	-	40
Lease payments receivable, net of interest	-	1,248	-	1,248
Notes receivable	1,358	-	-	1,358
Restricted assets	-	-	5,000	5,000
Total assets	<u>\$ 36,196</u>	<u>\$ 4,590</u>	<u>\$ 14,922</u>	<u>\$ 55,708</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 7,399	\$ 20	\$ 330	\$ 7,749
Due to other County funds	619	631	-	1,250
Salaries and benefits payable	1,878	-	13	1,891
Deferred revenue	5,339	1,527	-	6,866
Advances from other County funds	459	-	-	459
Advances from Agency funds	2	-	-	2
Total liabilities	<u>15,696</u>	<u>2,178</u>	<u>343</u>	<u>18,217</u>
Fund balances:				
Reserved for:				
Imprest cash	2	-	-	2
Inventories	444	-	-	444
Prepaid items	792	-	-	792
Advances to Agency funds	40	-	-	40
Notes receivable	1,358	-	-	1,358
Harmon Field cleanup	-	-	5,000	5,000
Debt service	-	2,412	-	2,412
Unreserved, reported in nonmajor:				
Special revenue funds	17,864	-	-	17,864
Capital projects funds	-	-	9,579	9,579
Total fund balances	<u>20,500</u>	<u>2,412</u>	<u>14,579</u>	<u>37,491</u>
Total liabilities and fund balances	<u>\$ 36,196</u>	<u>\$ 4,590</u>	<u>\$ 14,922</u>	<u>\$ 55,708</u>

County of Tulare
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Funds
Revenues:				
Taxes and special assessments	\$ 21,269	\$ -	\$ -	\$ 21,269
Licenses and permits	29	-	-	29
Fines, forfeitures and penalties	762	2,400	-	3,162
Interest, rents, and concessions	1,670	101	310	2,081
Intergovernmental revenues	76,232	341	2,433	79,006
Charges for services	6,635	-	-	6,635
Other revenues	4,605	38	-	4,643
Total revenues	<u>111,202</u>	<u>2,880</u>	<u>2,743</u>	<u>116,825</u>
Expenditures:				
Current:				
General government	3,888	-	1,885	5,773
Public protection	27,453	-	-	27,453
Public ways and facilities	12,498	-	-	12,498
Health and sanitation	1,670	-	-	1,670
Public assistance	13,035	-	-	13,035
Education	3,356	-	-	3,356
Debt service:				
Principal retirement	85	4,569	-	4,654
Interest and fiscal charges	115	1,762	-	1,877
Capital outlay	19,149	-	5,420	24,569
Total expenditures	<u>81,249</u>	<u>6,331</u>	<u>7,305</u>	<u>94,885</u>
Excess (deficiency) of revenues over (under) expenditures	29,953	(3,451)	(4,562)	21,940
Other financing sources (uses):				
Sale of general capital assets	121	-	-	121
Direct financing lease	-	128	-	128
Transfers in	24,709	11,074	7,871	43,654
Transfers (out)	(51,697)	(6,376)	(4)	(58,077)
Total other financing sources (uses)	<u>(26,867)</u>	<u>4,826</u>	<u>7,867</u>	<u>(14,174)</u>
Net change in fund balances	3,086	1,375	3,305	7,766
Fund balances, July 1	17,414	1,037	11,274	29,725
Fund balances, June 30	<u>\$ 20,500</u>	<u>\$ 2,412</u>	<u>\$ 14,579</u>	<u>\$ 37,491</u>

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Indigent Health Fund - This fund is used to account for monies paid to hospitals and doctors for services rendered to individuals who cannot pay. This fund was established in 1989-90 to receive the County's share of Proposition 99 monies per AB75.

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

Library Fund - This fund is used to account for informational, cultural and recreational services to the public through library outlets. The primary sources of revenue are charges for services, ad valorem property taxes, and State funds.

Fish and Game Fund - This fund is used to account for improving the habitat for wildlife propagation and for incidental administrative matters. The primary source of revenue is the County's share of fines levied for violations of fish and game laws within its boundaries.

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

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

Roads Fund - This fund is used to account for the maintenance and construction of roadways and for specialized engineering services to other governmental units and the public. The primary sources of revenue are the County's share of State highway users taxes, Transportation Development Act and Intermodal Surface Transportation Efficiency Act revenues.

Workforce Investment Fund - This fund is used to account for services providing training and employment opportunities for the public. The primary sources of revenue are State/Federal Grants.

Child Support Services Fund - This fund is used to account for the costs of administering Child Support services to families in the County.

Mental Health Realignment Fund - These State mandated funds were established to account for County match, sales tax revenues, and transfers to/from the General Fund for certain mental health program expenditures.

Health Realignment Fund - These State mandated funds were established to account for County match, sales tax revenues, and transfers to/from the General Fund for certain health program expenditures.

Social Services Realignment Fund - These State mandated funds were established to account for County match, sales tax revenues, and transfers to/from the General Fund for certain welfare program expenditures.

Tobacco Settlement Revenue Fund - This fund was established to receive the County's share of the Tobacco Settlement litigation proceeds.

Tulare County In-Home Supportive Services Public Authority Fund (TCIHSSPA) - TCIHSSPA was established according to the provisions of the Welfare and Institutions code Section 12301.6 to serve as employer of record of providers of in-home supportive services for purposes of the Meyers-Milias-Brown Act.

Flood Control Fund - This fund is used to account for flood control services provided in the County. The primary sources of revenue are ad valorem property taxes, assessments, and State funds.

Redevelopment Funds (Earlmar, Ivanhoe, Lindsay, Goshen, Orosi, Pixley, Traver, Richgrove, and Poplar) - These funds were established to account for revenues and expenditures related to the low-and-moderate-income-housing-set-aside program. Twenty percent of the tax increments allocated to the Redevelopment Agency are required to be placed in these funds. Eighty percent of the tax increments are used to build reserves for the future and to match funds to federal and state grant/loan funding programs, which are used for infrastructure and other public service projects within the redevelopment area.

County of Tulare
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2008
 (amounts expressed in thousands)

	Indigent Health	Children and Health	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment
Assets								
Investment in treasury pool	\$ 742	\$ 2	\$ 3,099	\$ 31	\$ 16	\$ 3,299	\$ 1,372	\$ 337
Investments	-	-	-	-	-	-	-	-
Cash on hand	-	-	-	-	-	-	275	-
Imprest cash	-	-	1	-	-	-	-	-
Receivables, net								
Accounts	-	-	-	-	-	11	1	-
Deposits with others	-	-	-	-	-	-	-	-
Due from other County funds	-	-	-	-	-	-	35	-
Due from other governments	451	-	-	-	30	20	5,992	630
Inventories	-	-	-	-	-	-	444	-
Prepaid items	77	-	-	-	-	-	-	-
Advances to Agency funds	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	<u>\$ 1,270</u>	<u>\$ 2</u>	<u>\$ 3,100</u>	<u>\$ 31</u>	<u>\$ 46</u>	<u>\$ 3,330</u>	<u>\$ 8,119</u>	<u>\$ 967</u>
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ 1,132	\$ -	\$ 117	\$ -	\$ 53	\$ 383	\$ 3,251	\$ 839
Due to other County funds	-	-	131	-	-	450	35	-
Salaries and benefits payable	3	-	107	-	-	473	462	126
Deferred revenue	22	-	19	-	-	-	(19)	-
Advances from other County funds	-	-	-	-	-	-	-	-
Advances from Agency funds	-	2	-	-	-	-	-	-
Total liabilities	<u>1,157</u>	<u>2</u>	<u>374</u>	<u>-</u>	<u>53</u>	<u>1,306</u>	<u>3,729</u>	<u>965</u>
Fund balances:								
Reserved for:								
Imprest cash	-	-	1	-	-	-	275	-
Inventories	-	-	-	-	-	-	444	-
Prepaid items	77	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:								
Special revenue funds	36	-	2,725	31	(7)	2,024	3,671	2
Total fund balances	<u>113</u>	<u>-</u>	<u>2,726</u>	<u>31</u>	<u>(7)</u>	<u>2,024</u>	<u>4,390</u>	<u>2</u>
Total liabilities and fund balances	<u>\$ 1,270</u>	<u>\$ 2</u>	<u>\$ 3,100</u>	<u>\$ 31</u>	<u>\$ 46</u>	<u>\$ 3,330</u>	<u>\$ 8,119</u>	<u>\$ 967</u>

Cont.

County of Tulare
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2008
 (amounts expressed in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Redevelopment Earlmarkt
Assets								
Investment in treasury pool	\$ 4,334	\$ -	\$ -	\$ -	\$ -	\$ 182	\$ 2,257	\$ 1,074
Investments	-	-	-	-	-	-	-	-
Cash on hand	-	-	-	-	-	-	-	-
Imprest cash	1	-	-	-	-	-	-	-
Receivables, net								
Accounts	-	-	-	-	2,249	-	-	-
Deposits with others	-	-	-	-	-	-	-	-
Due from other County funds	-	-	-	-	-	1	-	-
Due from other governments	11	-	-	-	-	360	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	715	-	-	-	-	-	-	-
Advances to Agency funds	40	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	147
Total assets	<u>\$ 5,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,249</u>	<u>\$ 543</u>	<u>\$ 2,257</u>	<u>\$ 1,221</u>
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ 1,326	\$ -	\$ -	\$ -	\$ -	\$ 77	\$ 5	\$ -
Due to other County funds	-	-	-	-	-	3	-	-
Salaries and benefits payable	694	-	-	-	-	13	-	-
Deferred revenue	3,068	-	-	-	2,249	-	-	-
Advances from other County funds	-	-	-	-	-	450	-	-
Advances from Agency funds	-	-	-	-	-	-	-	-
Total liabilities	<u>5,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,249</u>	<u>543</u>	<u>5</u>	<u>-</u>
Fund balances:								
Reserved for:								
Imprest cash	1	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	715	-	-	-	-	-	-	-
Advances to other funds	40	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	147
Unreserved, reported in nonmajor:								
Special revenue funds	(743)	-	-	-	-	-	2,252	1,074
Total fund balances	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,252</u>	<u>1,221</u>
Total liabilities and fund balances	<u>\$ 5,101</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,249</u>	<u>\$ 543</u>	<u>\$ 2,257</u>	<u>\$ 1,221</u>

Cont.

County of Tulare
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2008
 (amounts expressed in thousands)

	Redevelopment Ivanhoe	Redevelopment Lindsay	Redevelopment Goshen	Redevelopment Orosi	Redevelopment Pixley	Redevelopment Traver	Redevelopment Richgrove	Redevelopment Poplar	Total Special Revenue Funds
Assets									
Investment in treasury pool	\$ 421	\$ 17	\$ 1,818	\$ 1,470	\$ 952	\$ 1,324	\$ 536	\$ 199	\$ 23,482
Investments	-	-	-	-	-	-	1	-	1
Cash on hand	-	-	-	-	-	-	-	-	275
Imprest cash	-	-	-	-	-	-	-	-	2
Receivables, net									
Accounts	-	-	-	-	-	-	-	-	2,261
Deposits with others	-	-	-	-	-	-	11	-	11
Due from other County funds	-	-	-	-	-	-	-	-	36
Due from other governments	-	-	-	-	-	-	-	-	7,494
Inventories	-	-	-	-	-	-	-	-	444
Prepaid items	-	-	-	-	-	-	-	-	792
Advances to Agency funds	-	-	-	-	-	-	-	-	40
Notes receivable	8	-	387	605	10	80	111	10	1,358
Total assets	\$ 429	\$ 17	\$ 2,205	\$ 2,075	\$ 962	\$ 1,404	\$ 659	\$ 209	\$ 36,196
Liabilities and fund balances									
Liabilities:									
Accounts payable	\$ 44	\$ -	\$ 38	\$ 77	\$ -	\$ 10	\$ 23	\$ 24	\$ 7,399
Due to other County funds	-	-	-	-	-	-	-	-	619
Salaries and benefits payable	-	-	-	-	-	-	-	-	1,878
Deferred revenue	-	-	-	-	-	-	-	-	5,339
Advances from other County funds	-	-	9	-	-	-	-	-	459
Advances from Agency funds	-	-	-	-	-	-	-	-	2
Total liabilities	44	-	47	77	-	10	23	24	15,696
Fund balances:									
Reserved for:									
Imprest cash	-	-	-	-	-	-	-	-	277
Inventories	-	-	-	-	-	-	-	-	444
Prepaid items	-	-	-	-	-	-	-	-	792
Advances to other funds	-	-	-	-	-	-	-	-	40
Notes receivable	8	-	387	605	10	80	111	10	1,358
Unreserved, reported in nonmajor:									
Special revenue funds	377	17	1,771	1,393	952	1,314	525	175	17,589
Total fund balances	385	17	2,158	1,998	962	1,394	636	185	20,500
Total liabilities and fund balances	\$ 429	\$ 17	\$ 2,205	\$ 2,075	\$ 962	\$ 1,404	\$ 659	\$ 209	\$ 36,196

Concluded

County of Tulare
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Indigent Health	Children and Health	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment
Revenues:								
Taxes and special assessments	\$ -	\$ -	\$ 3,190	\$ -	\$ -	\$ 6,639	\$ 7,313	\$ -
Licenses and permits	-	-	-	-	-	17	8	-
Fines, forfeitures and penalties	744	-	-	18	-	-	-	-
Interest, rents, and concessions	42	-	147	-	24	289	58	359
Intergovernmental revenues	591	297	438	-	241	583	21,623	8,497
Charges for services	-	-	108	-	-	553	1,923	4,040
Other revenues	2	-	45	-	1	51	68	78
Total revenues	<u>1,379</u>	<u>297</u>	<u>3,928</u>	<u>18</u>	<u>266</u>	<u>8,132</u>	<u>30,993</u>	<u>12,974</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public protection	-	-	-	20	-	10,006	-	-
Public ways and facilities	-	-	-	-	233	-	12,265	-
Health and sanitation	1,369	297	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	13,035
Education	-	-	3,356	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	73	1,920	17,041	-
Total expenditures	<u>1,369</u>	<u>297</u>	<u>3,356</u>	<u>20</u>	<u>306</u>	<u>11,926</u>	<u>29,306</u>	<u>13,035</u>
Excess (deficiency) of revenues over (under) expenditures	10	-	572	(2)	(40)	(3,794)	1,687	(61)
Other financing sources (uses):								
Sale of general capital assets	-	-	-	-	-	-	111	5
Transfers in	-	-	-	-	-	5,039	356	100
Transfers (out)	(1)	-	(197)	-	(1)	(1,091)	(133)	(42)
Total other financing sources (uses)	<u>(1)</u>	<u>-</u>	<u>(197)</u>	<u>-</u>	<u>(1)</u>	<u>3,948</u>	<u>334</u>	<u>63</u>
Net change in fund balances	9	-	375	(2)	(41)	154	2,021	2
Fund balances, July 1	104	-	2,351	33	34	1,870	2,369	-
Fund balances, June 30	<u>\$ 113</u>	<u>\$ -</u>	<u>\$ 2,726</u>	<u>\$ 31</u>	<u>\$ (7)</u>	<u>\$ 2,024</u>	<u>\$ 4,390</u>	<u>\$ 2</u>

Cont.

County of Tulare
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Redevelopment Earlmar
Revenues:								
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525	\$ 410
Licenses and permits	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-
Interest, rents, and concessions	196	-	-	-	-	-	110	60
Intergovernmental revenues	15,849	8,220	3,810	14,700	-	1,273	37	9
Charges for services	-	-	-	-	-	-	-	-
Other revenues	275	-	-	-	4,068	-	-	-
Total revenues	<u>16,320</u>	<u>8,220</u>	<u>3,810</u>	<u>14,700</u>	<u>4,068</u>	<u>1,273</u>	<u>672</u>	<u>479</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	395
Public protection	15,989	-	-	-	-	1,269	169	-
Public ways and facilities	-	-	-	-	-	-	-	-
Health and sanitation	-	4	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	95	-	-	-	-	-	-	-
Total expenditures	<u>16,084</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,269</u>	<u>169</u>	<u>395</u>
Excess (deficiency) of revenues over (under) expenditures	236	8,216	3,810	14,700	4,068	4	503	84
Other financing sources (uses):								
Sale of general capital assets	5	-	-	-	-	-	-	-
Transfers in	-	5,996	12,308	910	-	-	-	-
Transfers (out)	(220)	(14,212)	(16,118)	(15,610)	(4,068)	(4)	-	-
Total other financing sources (uses)	<u>(215)</u>	<u>(8,216)</u>	<u>(3,810)</u>	<u>(14,700)</u>	<u>(4,068)</u>	<u>(4)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	21	-	-	-	-	-	503	84
Fund balances, July 1	(8)	-	-	-	-	-	1,749	1,137
Fund balances, June 30	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,252</u>	<u>\$ 1,221</u>

Cont.

County of Tulare
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Redevelopment Ivanhoe	Redevelopment Lindsay	Redevelopment Goshen	Redevelopment Orosi	Redevelopment Pixley	Redevelopment Traver	Redevelopment Richgrove	Redevelopment Poplar	Total Special Revenue Funds
Revenues:									
Taxes and special assessments	\$ 279	\$ 11	\$ 1,037	\$ 862	\$ 402	\$ 226	\$ 212	\$ 163	\$ 21,269
Licenses and permits	4	-	-	-	-	-	-	-	29
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	762
Interest, rents, and concessions	25	-	93	89	48	74	37	19	1,670
Intergovernmental revenues	-	-	18	14	6	4	20	2	76,232
Charges for services	11	-	-	-	-	-	-	-	6,635
Other revenues	-	-	-	17	-	-	-	-	4,605
Total revenues	<u>319</u>	<u>11</u>	<u>1,148</u>	<u>982</u>	<u>456</u>	<u>304</u>	<u>269</u>	<u>184</u>	<u>111,202</u>
Expenditures:									
Current:									
General government	337	-	604	1,301	226	242	501	282	3,888
Public protection	-	-	-	-	-	-	-	-	27,453
Public ways and facilities	-	-	-	-	-	-	-	-	12,498
Health and sanitation	-	-	-	-	-	-	-	-	1,670
Public assistance	-	-	-	-	-	-	-	-	13,035
Education	-	-	-	-	-	-	-	-	3,356
Debt service:									
Principal retirement	-	-	44	-	-	-	41	-	85
Interest and fiscal charges	-	-	51	-	-	-	64	-	115
Capital outlay	-	-	-	20	-	-	-	-	19,149
Total expenditures	<u>337</u>	<u>-</u>	<u>699</u>	<u>1,321</u>	<u>226</u>	<u>242</u>	<u>606</u>	<u>282</u>	<u>81,249</u>
Excess (deficiency) of revenues over (under) expenditures	(18)	11	449	(339)	230	62	(337)	(98)	29,953
Other financing sources (uses):									
Sale of general capital assets	-	-	-	-	-	-	-	-	121
Transfers in	-	-	-	-	-	-	-	-	24,709
Transfers (out)	-	-	-	-	-	-	-	-	(51,697)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,867)</u>
Net change in fund balances	(18)	11	449	(339)	230	62	(337)	(98)	3,086
Fund balances, July 1	403	6	1,709	2,337	732	1,332	973	283	17,414
Fund balances, June 30	<u>\$ 385</u>	<u>\$ 17</u>	<u>\$ 2,158</u>	<u>\$ 1,998</u>	<u>\$ 962</u>	<u>\$ 1,394</u>	<u>\$ 636</u>	<u>\$ 185</u>	<u>\$ 20,500</u>

Concluded

County of Tulare
 Nonmajor Special Revenue Fund - Indigent Health Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Fines, forfeitures, and penalties	\$ 413	\$ 753	\$ 340	\$ 744	\$ (9)
Interest, rents, and concessions	24	24	-	42	18
Intergovernmental revenues	633	651	18	591	(60)
Other revenues	-	-	-	2	2
Total revenues	<u>1,070</u>	<u>1,428</u>	<u>358</u>	<u>1,379</u>	<u>(49)</u>
Expenditures:					
Current:					
Health and sanitation	<u>1,070</u>	<u>1,428</u>	<u>(358)</u>	<u>1,369</u>	<u>59</u>
Total expenditures	<u>1,070</u>	<u>1,428</u>	<u>(358)</u>	<u>1,369</u>	<u>59</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	10	10
Other financing sources (uses):					
Transfers (out)	-	-	-	(1)	(1)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net change in fund balance	-	-	-	9	9
Fund balance, July 1	-	-	-	104	104
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ 113</u>

County of Tulare
 Nonmajor Special Revenue Fund - Children and Health Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 297	\$ 297
Other revenues	457	457	-	-	(457)
Total revenues	<u>457</u>	<u>457</u>	<u>-</u>	<u>297</u>	<u>(160)</u>
Expenditures:					
Current:					
Health and sanitation	457	457	-	297	160
Total expenditures	<u>457</u>	<u>457</u>	<u>-</u>	<u>297</u>	<u>160</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Library Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 2,713	\$ 2,713	\$ -	\$ 3,190	\$ 477
Interest, rents, and concessions	40	40	-	147	107
Intergovernmental revenues	344	344	-	438	94
Charges for services	80	80	-	108	28
Other revenues	120	121	1	45	(76)
Total revenues	<u>3,297</u>	<u>3,298</u>	<u>1</u>	<u>3,928</u>	<u>630</u>
Expenditures:					
Current:					
Education	5,296	5,297	(1)	3,356	1,941
Capital Outlay	200	200	-	-	200
Total expenditures	<u>5,496</u>	<u>5,497</u>	<u>(1)</u>	<u>3,356</u>	<u>2,141</u>
Excess (deficiency) of revenues over (under) expenditures	(2,199)	(2,199)	-	572	2,771
Other financing sources (uses):					
Transfers (out)	(167)	(167)	-	(197)	(30)
Total other financing sources (uses)	<u>(167)</u>	<u>(167)</u>	<u>-</u>	<u>(197)</u>	<u>(30)</u>
Net change in fund balance	(2,366)	(2,366)	-	375	2,741
Fund balance, July 1	2,366	2,366	-	2,351	(15)
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,726</u>	<u>\$ 2,726</u>

County of Tulare
 Nonmajor Special Revenue Fund - Fish and Game Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Fines, forfeitures and penalties	\$ 20	\$ 20	-	\$ 18	\$ (2)
Total revenues	<u>20</u>	<u>20</u>	<u>-</u>	<u>18</u>	<u>(2)</u>
Expenditures:					
Current:					
Public protection	<u>21</u>	<u>21</u>	<u>-</u>	<u>20</u>	<u>1</u>
Total expenditures	<u>21</u>	<u>21</u>	<u>-</u>	<u>20</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(1)	(1)	-	(2)	(1)
Net change in fund balance	(1)	(1)	-	(2)	(1)
Fund balance, July 1	<u>1</u>	<u>1</u>	<u>-</u>	<u>33</u>	<u>32</u>
Fund balance, June 30	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>31</u></u>	<u><u>31</u></u>

County of Tulare
 Nonmajor Special Revenue Fund - Aviation Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ 32	\$ 32	\$ -	\$ 24	\$ (8)
Intergovernmental revenues	1,634	1,711	77	241	(1,470)
Other revenues	-	-	-	1	1
Total revenues	<u>1,666</u>	<u>1,743</u>	<u>77</u>	<u>266</u>	<u>(1,477)</u>
Expenditures:					
Current:					
Public ways and facilities	132	209	(77)	233	(24)
Capital Outlay	1,567	1,567	-	73	1,494
Total expenditures	<u>1,699</u>	<u>1,776</u>	<u>(77)</u>	<u>306</u>	<u>1,470</u>
Excess (deficiency) of revenues over (under) expenditures	(33)	(33)	-	(40)	(7)
Other financing sources (uses):					
Transfers (out)	(1)	(1)	-	(1)	-
Total other financing sources (uses)	<u>(1)</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Net change in fund balance	(34)	(34)	-	(41)	(7)
Fund balance, July 1	34	34	-	34	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ (7)</u>

County of Tulare
 Nonmajor Special Revenue Fund - Structural Fire Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 5,904	\$ 5,904	\$ -	\$ 6,639	\$ 735
Licenses and permits	18	18	-	17	(1)
Interest, rents, and concessions	105	105	-	289	184
Intergovernmental revenues	387	447	60	583	136
Charges for services	359	553	194	553	-
Other revenues	24	24	-	51	27
Total revenues	<u>6,797</u>	<u>7,051</u>	<u>254</u>	<u>8,132</u>	<u>1,081</u>
Expenditures:					
Current:					
Public protection	10,648	11,691	(1,043)	10,006	1,685
Capital outlay	1,945	1,145	800	1,920	(775)
Total expenditures	<u>12,593</u>	<u>12,836</u>	<u>(243)</u>	<u>11,926</u>	<u>910</u>
Excess (deficiency) of revenues over (under) expenditures	(5,796)	(5,785)	11	(3,794)	1,991
Other financing sources (uses):					
Transfers in	5,169	5,169	-	5,039	(130)
Transfers (out)	(909)	(920)	(11)	(1,091)	(171)
Total other financing sources (uses)	<u>4,260</u>	<u>4,249</u>	<u>(11)</u>	<u>3,948</u>	<u>(301)</u>
Net change in fund balance	(1,536)	(1,536)	-	154	1,690
Fund balance, July 1	-	-	-	1,870	1,870
Fund balance, June 30	<u>\$ (1,536)</u>	<u>\$ (1,536)</u>	<u>\$ -</u>	<u>\$ 2,024</u>	<u>\$ 3,560</u>

County of Tulare
 Nonmajor Special Revenue Fund - Roads Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 8,689	\$ 8,689	\$ -	\$ 7,313	\$ (1,376)
Licenses and permits	7	7	-	8	1
Interest, rents, and concessions	103	103	-	58	(45)
Intergovernmental revenues	29,423	34,355	4,932	21,623	(12,732)
Charges for services	1,956	1,956	-	1,923	(33)
Other revenues	108	108	-	68	(40)
Total revenues	<u>40,286</u>	<u>45,218</u>	<u>4,932</u>	<u>30,993</u>	<u>(14,225)</u>
Expenditures:					
Current:					
Public ways and facilities	41,049	45,981	(4,932)	12,265	33,716
Capital outlay	1,617	1,617	-	17,041	(15,424)
Total expenditures	<u>42,666</u>	<u>47,598</u>	<u>(4,932)</u>	<u>29,306</u>	<u>18,292</u>
Excess (deficiency) of revenues over (under) expenditures	(2,380)	(2,380)	-	1,687	4,067
Other financing sources (uses):					
Sale of general capital assets	-	-	-	111	111
Transfers in	356	356	-	356	-
Transfers (out)	(5)	(5)	-	(133)	(128)
Total other financing sources (uses)	<u>351</u>	<u>351</u>	<u>-</u>	<u>334</u>	<u>(17)</u>
Net change in fund balance	(2,029)	(2,029)	-	2,021	4,050
Fund balance, July 1	-	-	-	2,369	2,369
Fund balance, June 30	<u>\$ (2,029)</u>	<u>\$ (2,029)</u>	<u>\$ -</u>	<u>\$ 4,390</u>	<u>\$ 6,419</u>

County of Tulare
 Nonmajor Special Revenue Fund - Workforce Investment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ 345	\$ 345	\$ -	\$ 359	\$ 14
Intergovernmental revenues	12,119	12,119	-	8,497	(3,622)
Charges for services	3,000	3,000	-	4,040	1,040
Other revenues	10	10	-	78	68
Total revenues	<u>15,474</u>	<u>15,474</u>	<u>-</u>	<u>12,974</u>	<u>(2,500)</u>
Expenditures:					
Current:					
Public assistance	15,574	15,574	-	13,035	2,539
Total expenditures	<u>15,574</u>	<u>15,574</u>	<u>-</u>	<u>13,035</u>	<u>2,539</u>
Excess (deficiency) of revenues over (under) expenditures	(100)	(100)	-	(61)	39
Other financing sources (uses):					
Sale of general capital assets	-	-	-	5	5
Transfers in	100	100	-	100	-
Transfers (out)	-	-	-	(42)	(42)
Total other financing sources (uses)	<u>100</u>	<u>100</u>	<u>-</u>	<u>63</u>	<u>(37)</u>
Net change in fund balance	-	-	-	2	2
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

County of Tulare
 Nonmajor Special Revenue Fund - Child Support Services Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ 196	\$ 196
Intergovernmental revenues	16,844	16,844	-	15,849	(995)
Other revenues	160	160	-	275	115
Total revenues	<u>17,004</u>	<u>17,004</u>	<u>-</u>	<u>16,320</u>	<u>(684)</u>
Expenditures:					
Current:					
Public protection	16,964	16,863	101	15,989	874
Capital outlay	40	141	(101)	95	46
Total expenditures	<u>17,004</u>	<u>17,004</u>	<u>-</u>	<u>16,084</u>	<u>920</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	236	236
Other financing sources (uses):					
Sale of general capital assets	-	-	-	5	5
Transfers (out)	-	-	-	(220)	(220)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(215)</u>	<u>(215)</u>
Net change in fund balance	-	-	-	21	21
Fund balance, July 1	-	-	-	(8)	(8)
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 13</u>

County of Tulare
 Nonmajor Special Revenue Fund - Mental Health Realignment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 10,838	\$ 10,838	\$ -	\$ 8,220	\$ (2,618)
Total revenues	<u>10,838</u>	<u>10,838</u>	<u>-</u>	<u>8,220</u>	<u>(2,618)</u>
Expenditures:					
Current:					
Health and sanitation	-	-	-	4	(4)
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>(4)</u>
Excess (deficiency) of revenues over (under) expenditures	10,838	10,838	-	8,216	(2,622)
Other financing sources (uses):					
Transfers in	7,575	7,575	-	5,996	(1,579)
Transfers (out)	<u>(18,413)</u>	<u>(18,413)</u>	<u>-</u>	<u>(14,212)</u>	<u>4,201</u>
Total other financing sources (uses)	<u>(10,838)</u>	<u>(10,838)</u>	<u>-</u>	<u>(8,216)</u>	<u>2,622</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Health Realignment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 4,416	\$ 4,416	\$ -	\$ 3,810	\$ (606)
Total revenues	<u>4,416</u>	<u>4,416</u>	<u>-</u>	<u>3,810</u>	<u>(606)</u>
Other financing sources (uses):					
Transfers in	14,495	14,495	-	12,308	(2,187)
Transfers (out)	<u>(18,911) #</u>	<u>(18,911)</u>	<u>-</u>	<u>(16,118)</u>	<u>2,793</u>
Total other financing sources (uses)	<u>(4,416)</u>	<u>(4,416)</u>	<u>-</u>	<u>(3,810)</u>	<u>606</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Social Services Realignment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 18,681	\$ 18,681	\$ -	\$ 14,700	\$ (3,981)
Total revenues	<u>18,681</u>	<u>18,681</u>	<u>-</u>	<u>14,700</u>	<u>(3,981)</u>
Other financing sources (uses):					
Transfers in	986	986	-	910	(76)
Transfers (out)	<u>(19,667)</u>	<u>(19,667)</u>	<u>-</u>	<u>(15,610)</u>	<u>4,057</u>
Total other financing sources (uses)	<u>(18,681)</u>	<u>(18,681)</u>	<u>-</u>	<u>(14,700)</u>	<u>3,981</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Tobacco Settlement Revenue Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Other revenues	\$ 4,804	\$ 4,804	\$ -	\$ 4,068	\$ (736)
Total revenues	<u>4,804</u>	<u>4,804</u>	<u>-</u>	<u>4,068</u>	<u>(736)</u>
Other financing sources (uses):					
Transfers (out)	(4,804)	(4,804)	-	(4,068)	736
Total other financing sources (uses)	<u>(4,804)</u>	<u>(4,804)</u>	<u>-</u>	<u>(4,068)</u>	<u>736</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Tulare County In-Home Supportive Services Public Authority
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 1,362	\$ 1,362	\$ -	\$ 1,273	\$ (89)
Total revenues	<u>1,362</u>	<u>1,362</u>	<u>-</u>	<u>1,273</u>	<u>(89)</u>
Expenditures:					
Current:					
Public protection	1,362	1,362	-	1,269	93
Total expenditures	<u>1,362</u>	<u>1,362</u>	<u>-</u>	<u>1,269</u>	<u>93</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	4	4
Other financing sources (uses):					
Transfers (out)	-	-	-	(4)	(4)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(4)</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Flood Control Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 402	\$ 402	\$ -	\$ 525	\$ 123
Interest, rents, and concessions	55	55	-	110	55
Intergovernmental revenues	11	11	-	37	26
Total revenues	<u>468</u>	<u>468</u>	<u>-</u>	<u>672</u>	<u>204</u>
Expenditures:					
Current:					
Public protection	468	468	-	169	299
Total expenditures	<u>468</u>	<u>468</u>	<u>-</u>	<u>169</u>	<u>299</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	503	503
Net change in fund balance	-	-	-	503	503
Fund balance, July 1	-	-	-	1,749	1,749
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,252</u>	<u>\$ 2,252</u>

County of Tulare
 Nonmajor Special Revenue Fund - Earlimart Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 313	\$ 313	\$ -	\$ 410	\$ 97
Interest, rents, and concessions	5	5	-	60	55
Intergovernmental revenues	1	1	-	9	8
Total revenues	<u>319</u>	<u>319</u>	<u>-</u>	<u>479</u>	<u>160</u>
Expenditures:					
Current:					
General government	1,251	1,251	-	395	856
Capital Outlay	65	65	-	-	65
Total expenditures	<u>1,316</u>	<u>1,316</u>	<u>-</u>	<u>395</u>	<u>921</u>
Excess (deficiency) of revenues over (under) expenditures	(997)	(997)	-	84	1,081
Other financing sources (uses):					
Transfers in	232	232	-	-	(232)
Transfers (out)	(232)	(232)	-	-	232
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(997)	(997)	-	84	1,081
Fund balance, July 1	-	-	-	1,137	1,137
Fund balance, June 30	<u>\$ (997)</u>	<u>\$ (997)</u>	<u>\$ -</u>	<u>\$ 1,221</u>	<u>\$ 2,218</u>

County of Tulare
 Nonmajor Special Revenue Fund - Ivanhoe Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 172	\$ 172	\$ -	\$ 279	\$ 107
Licenses and permits	-	-	-	4	4
Interest, rents, and concessions	2	2	-	25	23
Intergovernmental revenues	86	86	-	-	(86)
Charges for services	-	-	-	11	11
Total revenues	<u>260</u>	<u>260</u>	<u>-</u>	<u>319</u>	<u>59</u>
Expenditures:					
Current:					
General government	597	597	-	337	260
Capital Outlay	60	60	-	-	60
Total expenditures	<u>657</u>	<u>657</u>	<u>-</u>	<u>337</u>	<u>320</u>
Excess (deficiency) of revenues over (under) expenditures	(397)	(397)	-	(18)	379
Other financing sources (uses):					
Transfers in	131	131	-	-	(131)
Transfers (out)	(131)	(131)	-	-	131
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(397)	(397)	-	(18)	379
Fund balance, July 1	-	-	-	403	403
Fund balance, June 30	<u>\$ (397)</u>	<u>\$ (397)</u>	<u>\$ -</u>	<u>\$ 385</u>	<u>\$ 782</u>

County of Tulare
 Nonmajor Special Revenue Fund - Lindsay Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 6	\$ 6	\$ -	\$ 11	\$ 5
Total revenues	<u>6</u>	<u>6</u>	<u>-</u>	<u>11</u>	<u>5</u>
Excess (deficiency) of revenues over (under) expenditures	6	6	-	11	5
Net change in fund balance	6	6	-	11	5
Fund balance, July 1	-	-	-	6	6
Fund balance, June 30	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 11</u>

County of Tulare
 Nonmajor Special Revenue Fund - Goshen Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 751	\$ 1,674	\$ 923	\$ 1,037	\$ (637)
Interest, rents, and concessions	15	15	-	93	78
Intergovernmental revenues	4	235	231	18	(217)
Total revenues	<u>770</u>	<u>1,924</u>	<u>1,154</u>	<u>1,148</u>	<u>(776)</u>
Expenditures:					
Current:					
General government	1,685	2,844	(1,159)	604	2,240
Debt service:					
Principal retirement	95	90	5	44	46
Interest and fiscal charges	53	53	-	51	2
Capital Outlay	231	231	-	-	231
Total expenditures	<u>2,064</u>	<u>3,218</u>	<u>(1,154)</u>	<u>699</u>	<u>2,519</u>
Excess (deficiency) of revenues over (under) expenditures	(1,294)	(1,294)	-	449	1,743
Other financing sources (uses):					
Transfers in	420	367	(53)	-	(367)
Transfers (out)	(420)	(367)	53	-	367
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,294)	(1,294)	-	449	1,743
Fund balance, July 1	-	-	-	1,709	1,709
Fund balance, June 30	<u>\$ (1,294)</u>	<u>\$ (1,294)</u>	<u>\$ -</u>	<u>\$ 2,158</u>	<u>\$ 3,452</u>

County of Tulare
 Nonmajor Special Revenue Fund - Orosi Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 715	\$ 715	\$ -	\$ 862	\$ 147
Interest, rents, and concessions	19	19	-	89	70
Intergovernmental revenues	3,403	3,403	-	14	(3,389)
Other revenues	-	-	-	17	17
Total revenues	<u>4,137</u>	<u>4,137</u>	<u>-</u>	<u>982</u>	<u>(3,155)</u>
Expenditures:					
Current:					
General government	5,494	5,481	13	1,301	4,180
Debt service:					
Principal retirement	120	120	-	-	120
Capital outlay	265	278	(13)	20	258
Total expenditures	<u>5,879</u>	<u>5,879</u>	<u>-</u>	<u>1,321</u>	<u>4,558</u>
Excess (deficiency) of revenues over (under) expenditures	(1,742)	(1,742)	-	(339)	1,403
Other financing sources (uses):					
Transfers in	416	416	-	-	(416)
Transfers (out)	<u>(416)</u>	<u>(416)</u>	<u>-</u>	<u>-</u>	<u>416</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,742)	(1,742)	-	(339)	1,403
Fund balance, July 1	-	-	-	2,337	2,337
Fund balance, June 30	<u>\$ (1,742)</u>	<u>\$ (1,742)</u>	<u>\$ -</u>	<u>\$ 1,998</u>	<u>\$ 3,740</u>

County of Tulare
 Nonmajor Special Revenue Fund - Pixley Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 321	\$ 321	\$ -	\$ 402	\$ 81
Interest, rents, and concessions	8	8	-	48	40
Intergovernmental revenues	1	1	-	6	5
Total revenues	<u>330</u>	<u>330</u>	<u>-</u>	<u>456</u>	<u>126</u>
Expenditures:					
Current:					
General government	995	995	-	226	769
Capital Outlay	60	60	-	-	60
Total expenditures	<u>1,055</u>	<u>1,055</u>	<u>-</u>	<u>226</u>	<u>829</u>
Excess (deficiency) of revenues over (under) expenditures	(725)	(725)	-	230	955
Other financing sources (uses):					
Transfers in	247	247	-	-	(247)
Transfers (out)	(247)	(247)	-	-	247
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(725)	(725)	-	230	955
Fund balance, July 1	-	-	-	732	732
Fund balance, June 30	<u>\$ (725)</u>	<u>\$ (725)</u>	<u>\$ -</u>	<u>\$ 962</u>	<u>\$ 1,687</u>

County of Tulare
 Nonmajor Special Revenue Fund - Traver Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 227	\$ 227	\$ -	\$ 226	\$ (1)
Interest, rents, and concessions	8	8	-	74	66
Intergovernmental revenues	<u>1</u>	<u>1</u>	-	<u>4</u>	<u>3</u>
Total revenues	<u>236</u>	<u>236</u>	<u>-</u>	<u>304</u>	<u>68</u>
Expenditures:					
Current:					
General government	1,312	1,312	-	242	1,070
Capital Outlay	<u>170</u>	<u>170</u>	-	<u>-</u>	<u>170</u>
Total expenditures	<u>1,482</u>	<u>1,482</u>	<u>-</u>	<u>242</u>	<u>1,240</u>
Excess (deficiency) of revenues over (under) expenditures	(1,246)	(1,246)	-	62	1,308
Other financing sources (uses):					
Transfers in	175	175	-	-	(175)
Transfers (out)	<u>(175)</u>	<u>(175)</u>	-	<u>-</u>	<u>175</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,246)	(1,246)	-	62	1,308
Fund balance, July 1	-	-	-	1,332	1,332
Fund balance, June 30	<u>\$ (1,246)</u>	<u>\$ (1,246)</u>	<u>\$ -</u>	<u>\$ 1,394</u>	<u>\$ 2,640</u>

County of Tulare
 Nonmajor Special Revenue Fund - Richgrove Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 193	\$ 193	\$ -	\$ 212	\$ 19
Interest, rents, and concessions	10	10	-	37	27
Intergovernmental revenues	2,182	2,182	-	20	(2,162)
Total revenues	<u>2,385</u>	<u>2,385</u>	<u>-</u>	<u>269</u>	<u>(2,116)</u>
Expenditures:					
Current:					
General government	3,125	3,020	105	501	2,519
Debt service:					
Principal retirement	-	41	(41)	41	-
Interest and fiscal charges	-	64	(64)	64	-
Capital outlay	103	103	-	-	103
Total expenditures	<u>3,228</u>	<u>3,228</u>	<u>-</u>	<u>606</u>	<u>2,622</u>
Excess (deficiency) of revenues over (under) expenditures	(843)	(843)	-	(337)	506
Other financing sources (uses):					
Transfers in	136	29	-	-	(29)
Transfers (out)	(136)	(29)	107	-	29
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>107</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(843)	(843)	107	(337)	506
Fund balance, July 1	-	-	-	973	973
Fund balance, June 30	<u>\$ (843)</u>	<u>\$ (843)</u>	<u>\$ 107</u>	<u>\$ 636</u>	<u>\$ 1,479</u>

County of Tulare
 Nonmajor Special Revenue Fund - Poplar Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 145	\$ 145	\$ -	\$ 163	\$ 18
Interest, rents, and concessions	4	4	-	19	15
Intergovernmental revenues	300	300	-	2	(298)
Total revenues	<u>449</u>	<u>449</u>	<u>-</u>	<u>184</u>	<u>(265)</u>
Expenditures:					
Current:					
General government	623	623	-	282	341
Capital Outlay	100	100	-	-	100
Total expenditures	<u>723</u>	<u>723</u>	<u>-</u>	<u>282</u>	<u>441</u>
Excess (deficiency) of revenues over (under) expenditures	(274)	(274)	-	(98)	176
Other financing sources (uses):					
Transfers in	110	110	-	-	(110)
Transfers (out)	(110)	(110)	-	-	110
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(274)	(274)	-	(98)	176
Fund balance, July 1	-	-	-	283	283
Fund balance, June 30	<u>\$ (274)</u>	<u>\$ (274)</u>	<u>\$ -</u>	<u>\$ 185</u>	<u>\$ 459</u>

Nonmajor Governmental Funds

Debt Service Funds

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

Pension Obligation Fund - This fund accumulates resources from other County funds for the payment of principal and interest on Pension Obligation Bonds; the proceeds of which were used to pay an unfunded actuarially accrued liability for the fiscal year ended June 30, 1996.

Equipment Loans Fund - This fund receives transfers of resources from other County funds for principal and interest payments on various loans which financed the acquisition of vehicles and equipment used in daily operations.

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

County of Tulare
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2008
(amounts expressed in thousands)

	<u>Pension Obligation</u>	<u>Equipment Loans</u>	<u>Building Loans</u>	<u>Total Debt Service Funds</u>
Assets				
Investment in treasury pool	\$ 1	\$ 55	\$ 2,039	\$ 2,095
Investments	20	-	-	20
Due from other governments	1,227	-	-	1,227
Lease payments receivable, net of interest	-	-	1,248	1,248
Total assets	<u>\$ 1,248</u>	<u>\$ 55</u>	<u>\$ 3,287</u>	<u>\$ 4,590</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 20	\$ 20
Due to other County funds	631	-	-	631
Deferred revenue	-	-	1,527	1,527
Total liabilities	<u>631</u>	<u>-</u>	<u>1,547</u>	<u>2,178</u>
Fund balances:				
Reserved, reported in nonmajor				
Debt service funds	<u>617</u>	<u>55</u>	<u>1,740</u>	<u>2,412</u>
Total fund balances	<u>617</u>	<u>55</u>	<u>1,740</u>	<u>2,412</u>
Total liabilities and fund balances	<u>\$ 1,248</u>	<u>\$ 55</u>	<u>\$ 3,287</u>	<u>\$ 4,590</u>

County of Tulare
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Pension Obligation	Equipment Loans	Building Loans	Total Debt Service Funds
Revenues:				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 2,400	\$ 2,400
Interest, rents, and concessions	24	-	77	101
Intergovernmental revenues	341	-	-	341
Other revenues	-	38	-	38
Total revenues	<u>365</u>	<u>38</u>	<u>2,477</u>	<u>2,880</u>
Expenditures:				
Debt service:				
Principal retirement	3,830	739	-	4,569
Interest and fiscal charges	1,699	42	21	1,762
Total expenditures	<u>5,529</u>	<u>781</u>	<u>21</u>	<u>6,331</u>
Excess (deficiency) of revenues over (under) expenditures	(5,164)	(743)	2,456	(3,451)
Other financing sources (uses):				
Direct financing lease	-	-	128	128
Transfers in	5,434	735	4,905	11,074
Transfers (out)	-	-	(6,376)	(6,376)
Total other financing sources (uses)	<u>5,434</u>	<u>735</u>	<u>(1,343)</u>	<u>4,826</u>
Net change in fund balance	270	(8)	1,113	1,375
Fund balance, July 1	347	63	627	1,037
Fund balance, June 30	<u>\$ 617</u>	<u>\$ 55</u>	<u>\$ 1,740</u>	<u>\$ 2,412</u>

County of Tulare
 Nonmajor Debt Service Fund - Pension Obligation Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ 24	\$ 24
Intergovernmental revenues	-	-	-	341	341
Other revenues	5,629	5,629	-	-	(5,629)
Total revenues	<u>5,629</u>	<u>5,629</u>	<u>-</u>	<u>365</u>	<u>(5,264)</u>
Expenditures:					
Debt service:					
Principal retirement	4,030	4,030	-	3,830	200
Interest and fiscal charges	1,946	1,946	-	1,699	247
Total expenditures	<u>5,976</u>	<u>5,976</u>	<u>-</u>	<u>5,529</u>	<u>447</u>
Excess (deficiency) of revenues over (under) expenditures	(347)	(347)	-	(5,164)	(4,817)
Other financing sources (uses):					
Transfers in	-	-	-	5,434	5,434
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,434</u>	<u>5,434</u>
Net change in fund balance	(347)	(347)	-	270	617
Fund balance, July 1	-	-	-	347	347
Fund balance, June 30	<u>\$ (347)</u>	<u>\$ (347)</u>	<u>\$ -</u>	<u>\$ 617</u>	<u>\$ 964</u>

County of Tulare
 Nonmajor Debt Service Fund - Equipment Loans Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Other revenues	\$ -	\$ -	\$ -	\$ 38	\$ 38
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 38</u>
Expenditures:					
Debt service:					
Principal retirement	739	739	-	739	-
Interest and fiscal charges	<u>43</u>	<u>43</u>	<u>-</u>	<u>42</u>	<u>1</u>
Total expenditures	<u>782</u>	<u>782</u>	<u>-</u>	<u>781</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	(782)	(782)	-	(743)	39
Other financing sources (uses):					
Transfers in	<u>719</u>	<u>719</u>	<u>-</u>	<u>735</u>	<u>16</u>
Total other financing sources (uses)	<u>719</u>	<u>719</u>	<u>-</u>	<u>735</u>	<u>16</u>
Net change in fund balance	(63)	(63)	-	(8)	55
Fund balance, July 1	-	-	-	63	63
Fund balance, June 30	<u>\$ (63)</u>	<u>\$ (63)</u>	<u>\$ -</u>	<u>\$ 55</u>	<u>\$ 118</u>

County of Tulare
 Nonmajor Debt Service Fund - Building Loans Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Fines, forfeitures, and penalties	\$ 949	\$ 949	\$ -	\$ 2,400	\$ 1,451
Interest, rents, and concessions	82	82	-	77	(5)
Other revenues	128	128	-	-	(128)
Total revenues	<u>1,159</u>	<u>1,159</u>	<u>-</u>	<u>2,477</u>	<u>1,318</u>
Expenditures:					
Debt service:					
Principal retirement	4,365	4,365	-	-	4,365
Interest and fiscal charges	2,325	2,325	-	21	2,304
Total expenditures	<u>6,690</u>	<u>6,690</u>	<u>-</u>	<u>21</u>	<u>6,669</u>
Excess (deficiency) of revenues over (under) expenditures	(5,531)	(5,531)	-	2,456	7,987
Other financing sources (uses):					
Direct financing lease	-	-	-	128	128
Transfers in	4,904	4,904	-	4,905	1
Transfers (out)	-	-	-	(6,376)	(6,376)
Total other financing sources (uses)	<u>4,904</u>	<u>4,904</u>	<u>-</u>	<u>(1,343)</u>	<u>(6,247)</u>
Net change in fund balance	(627)	(627)	-	1,113	1,740
Fund balance, July 1	1,250	1,250	-	627	(623)
Fund balance, June 30	<u>\$ 623</u>	<u>\$ 623</u>	<u>\$ -</u>	<u>\$ 1,740</u>	<u>\$ 1,117</u>

Nonmajor Governmental Funds

Capital Projects Fund

Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Capital Projects Fund - This fund is used to finance the acquisition and construction of public buildings, including major maintenance and improvements. Revenues are obtained from State funding and from other funds when allocated by the Board of Supervisors.

County of Tulare
 Balance Sheet
 Nonmajor Capital Projects Fund
 June 30, 2008
 (amounts expressed in thousands)

		Capital Projects
Assets		
Investment in treasury pool	\$	9,326
Due from other County funds		596
Restricted assets		5,000
Total assets	\$	14,922
Liabilities and fund balance		
Liabilities:		
Accounts payable	\$	330
Salaries and benefits payable		13
Total liabilities		343
Fund balance:		
Reserved for:		
Harmon Field cleanup		5,000
Unreserved, reported in nonmajor:		
Capital projects fund		9,579
Total fund balance		14,579
Total liabilities and fund balance	\$	14,922

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects Fund
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Capital Projects
Revenues:	
Interest, rents, and concessions	\$ 310
Intergovernmental revenues	2,433
Total revenues	2,743
Expenditures:	
Current:	
General government	1,885
Capital outlay	5,420
Total expenditures	7,305
Excess (deficiency) of revenues over (under) expenditures	(4,562)
Other financing sources (uses):	
Transfers in	7,871
Transfers (out)	(4)
Total other financing sources (uses)	7,867
Net change in fund balance	3,305
Fund balance, July 1	11,274
Fund balance, June 30	\$ 14,579

County of Tulare
 Nonmajor Capital Projects Fund - Capital Projects Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$	\$ -	\$ -	\$ 310	\$ 310
Intergovernmental revenues	3,865	3,865	-	2,433	(1,432)
Other revenues	<u>6,963</u>	<u>6,972</u>	<u>9</u>	<u>-</u>	<u>(6,972)</u>
Total revenues	<u>10,828</u>	<u>10,837</u>	<u>9</u>	<u>2,743</u>	<u>(8,094)</u>
Expenditures:					
Current:					
General government	913	1,187	(274)	1,885	(698)
Capital outlay	<u>23,855</u>	<u>23,604</u>	<u>251</u>	<u>5,420</u>	<u>18,184</u>
Total expenditures	<u>24,768</u>	<u>24,791</u>	<u>(23)</u>	<u>7,305</u>	<u>17,486</u>
Excess (deficiency) of revenues over (under) expenditures	(13,940)	(13,954)	(14)	(4,562)	9,392
Other financing sources (uses):					
Transfers in	7,857	7,871	14	7,871	-
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>(4)</u>
Total other financing sources (uses)	<u>7,857</u>	<u>7,871</u>	<u>14</u>	<u>7,867</u>	<u>(4)</u>
Net change in fund balance	(6,083)	(6,083)	-	3,305	9,388
Fund balance, July 1	<u>6,083</u>	<u>6,083</u>	<u>-</u>	<u>11,274</u>	<u>5,191</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,579</u>	<u>\$ 14,579</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 of Supervisors is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Board of Supervisors has decided that periodic determination of net income is appropriate for accountability purposes.

Transit Fund - This fund is used to account for the operation, maintenance, and development of a rural transit system and transit related projects.

Terra Bella Sewer Maintenance Fund - This fund is used to account for the operation, maintenance, and development of the Terra Bella Sanitation District governed by the County Board of Supervisors.

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

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

County of Tulare
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
June 30, 2008
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Assets						
Current assets:						
Cash in banks	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ 9
Investment in treasury pool	2,041	744	234	250	101	3,370
Cash on hand	-	3	-	4	1	8
Accounts receivable	3	16	-	60	8	87
Deposits with others	-	-	-	52	4	56
Total current assets	<u>2,044</u>	<u>772</u>	<u>234</u>	<u>366</u>	<u>114</u>	<u>3,530</u>
Noncurrent assets:						
Capital assets:						
Land	-	68	-	503	41	612
Buildings and improvements, net	-	1,289	-	3,785	367	5,441
Equipment and vehicles, net	308	-	-	17	-	325
Total capital assets (net of accumulated depreciation)	<u>308</u>	<u>1,357</u>	<u>-</u>	<u>4,305</u>	<u>408</u>	<u>6,378</u>
Total noncurrent assets	<u>308</u>	<u>1,357</u>	<u>-</u>	<u>4,305</u>	<u>408</u>	<u>6,378</u>
Total assets	<u>2,352</u>	<u>2,129</u>	<u>234</u>	<u>4,671</u>	<u>522</u>	<u>9,908</u>
Liabilities						
Current liabilities:						
Accounts payable	90	20	1	-	-	111
Deposits from others	-	-	8	-	-	8
Interest payable	-	-	-	13	1	14
COP's payable	-	15	-	12	1	28
Total current liabilities	<u>90</u>	<u>35</u>	<u>9</u>	<u>25</u>	<u>2</u>	<u>161</u>
Noncurrent liabilities:						
Advances due to Agency funds	-	-	-	690	-	690
Bonds payable	-	-	-	8	-	8
COP's payable	-	835	-	598	42	1,475
Total noncurrent liabilities	<u>-</u>	<u>835</u>	<u>-</u>	<u>1,296</u>	<u>42</u>	<u>2,173</u>
Total liabilities	<u>90</u>	<u>870</u>	<u>9</u>	<u>1,321</u>	<u>44</u>	<u>2,334</u>
Net assets						
Invested in capital assets, net of related debt	308	507	-	3,687	365	4,867
Restricted for other purposes	-	-	-	-	5	5
Unrestricted	1,954	752	225	(337)	108	2,702
Total net assets	<u>\$ 2,262</u>	<u>\$ 1,259</u>	<u>\$ 225</u>	<u>\$ 3,350</u>	<u>\$ 478</u>	<u>\$ 7,574</u>

County of Tulare
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Operating revenues:						
Charges for services	\$ 155	\$ 141	\$ 34	\$ 394	\$ 53	\$ 777
Rents and concessions	-	-	-	3	-	3
Other revenues	12	-	-	-	-	12
Total operating revenues	<u>167</u>	<u>141</u>	<u>34</u>	<u>397</u>	<u>53</u>	<u>792</u>
Operating expenses:						
Services and supplies	1,239	103	18	379	39	1,778
Depreciation	46	70	-	197	15	328
Total operating expenses	<u>1,285</u>	<u>173</u>	<u>18</u>	<u>576</u>	<u>54</u>	<u>2,106</u>
Operating income (loss)	<u>(1,118)</u>	<u>(32)</u>	<u>16</u>	<u>(179)</u>	<u>(1)</u>	<u>(1,314)</u>
Nonoperating revenues (expenses):						
Intergovernmental revenues	1,244	-	-	-	-	1,244
Taxes and special assessments	1,597	31	-	-	-	1,628
Investment earnings	37	95	11	20	6	169
Interest expense	-	(93)	-	(58)	(2)	(153)
Total nonoperating revenues (expenses)	<u>2,878</u>	<u>33</u>	<u>11</u>	<u>(38)</u>	<u>4</u>	<u>2,888</u>
Net income (loss) before contributions and transfers	<u>1,760</u>	<u>1</u>	<u>27</u>	<u>(217)</u>	<u>3</u>	<u>1,574</u>
Transfers in	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Change in net assets	<u>1,763</u>	<u>1</u>	<u>27</u>	<u>(217)</u>	<u>3</u>	<u>1,577</u>
Net assets, July 1	499	1,258	198	3,567	475	5,997
Net assets, June 30	<u>\$ 2,262</u>	<u>\$ 1,259</u>	<u>\$ 225</u>	<u>\$ 3,350</u>	<u>\$ 478</u>	<u>\$ 7,574</u>

County of Tulare
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 154	\$ 141	\$ 34	\$ 391	\$ 52	\$ 772
Receipts from rents and concessions	-	-	-	3	-	3
Other revenues	12	-	-	-	-	12
Payments (to) suppliers	(1,214)	(77)	(12)	(341)	(35)	(1,679)
Payments (for) interfund services used	-	(29)	(6)	(42)	(6)	(83)
Net cash provided (used) by operating activities	<u>(1,048)</u>	<u>35</u>	<u>16</u>	<u>11</u>	<u>11</u>	<u>(975)</u>
Cash flows from noncapital financing activities:						
Subsidy from intergovernmental entities	1,244	-	-	-	-	1,244
Receipts from taxes and assessments	1,597	31	-	-	-	1,628
Transfers from other funds	3	-	8	1	-	12
Transfers (to) other funds	-	(3)	-	-	-	(3)
Advance from other funds	-	-	-	49	-	49
Net cash provided (used) by noncapital financing activities	<u>2,844</u>	<u>28</u>	<u>8</u>	<u>50</u>	<u>-</u>	<u>2,930</u>
Cash flows from capital and related financing activities:						
Principal (paid) on capital debt	-	(15)	-	(12)	(1)	(28)
Interest (paid) on capital debt	-	(93)	-	(59)	(2)	(154)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(108)</u>	<u>-</u>	<u>(71)</u>	<u>(3)</u>	<u>(182)</u>
Cash flows from investing activities:						
Interest and dividends received	37	95	11	20	6	169
Net cash provided (used) by investing activities	<u>37</u>	<u>95</u>	<u>11</u>	<u>20</u>	<u>6</u>	<u>169</u>
Net increase (decrease) in cash and cash equivalents	1,833	50	35	10	14	1,942
Cash and cash equivalents, July 1	208	706	199	244	88	1,445
Cash and cash equivalents, June 30	<u>\$ 2,041</u>	<u>\$ 756</u>	<u>\$ 234</u>	<u>\$ 254</u>	<u>\$ 102</u>	<u>\$ 3,387</u>
Displayed as:						
Cash in banks	\$ -	\$ 9	\$ -	\$ -	\$ -	\$ 9
Investment in treasury pool	2,041	744	234	250	101	3,370
Cash on hand	-	3	-	4	1	8
Total cash as displayed	<u>\$ 2,041</u>	<u>\$ 756</u>	<u>\$ 234</u>	<u>\$ 254</u>	<u>\$ 102</u>	<u>\$ 3,387</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (1,118)	\$ (32)	\$ 16	\$ (179)	\$ (1)	\$ (1,314)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	46	70	-	197	15	328
(Increase) decrease in accounts receivable	(1)	-	-	(3)	(1)	(5)
(Increase) decrease in customers deposits	-	-	-	-	-	-
Increase (decrease) in accounts payable	25	(3)	-	(4)	(2)	16
Total adjustments	<u>70</u>	<u>67</u>	<u>-</u>	<u>190</u>	<u>12</u>	<u>339</u>
Net cash provided (used) by operating activities	<u>\$ (1,048)</u>	<u>\$ 35</u>	<u>\$ 16</u>	<u>\$ 11</u>	<u>\$ 11</u>	<u>\$ (975)</u>



Internal Service Funds

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

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

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

County of Tulare
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2008
(amounts expressed in thousands)

	<u>Insurance</u>	<u>Central Services</u>	<u>Total</u>
Assets			
Current assets:			
Investment in treasury pool	\$ 32,852	\$ 2,947	\$ 35,799
Cash on hand	-	61	61
Imprest cash	250	-	250
Accounts receivable, net	-	116	116
Due from other County funds	-	3	3
Due from other governments	-	82	82
Total current assets	<u>33,102</u>	<u>3,209</u>	<u>36,311</u>
Noncurrent assets:			
Advances to other County Funds	4,004	-	4,004
Capital assets:			
Buildings and improvements, net	-	10,101	10,101
Equipment and vehicles, net	6	1,775	1,781
Construction in progress	-	6,785	6,785
Total capital assets (net of accumulated depreciation)	<u>6</u>	<u>18,661</u>	<u>18,667</u>
Total noncurrent assets	<u>4,010</u>	<u>18,661</u>	<u>22,671</u>
Total assets	<u>37,112</u>	<u>21,870</u>	<u>58,982</u>
Liabilities			
Current liabilities:			
Accounts payable	468	2,152	2,620
Due to other County funds	12	154	166
Salaries and benefits payable	-	603	603
Interest payable	-	242	242
Compensated absences payable	-	97	97
Claims payable	5,299	-	5,299
Loans payable	-	1,025	1,025
Total current liabilities	<u>5,779</u>	<u>4,273</u>	<u>10,052</u>
Noncurrent liabilities:			
Compensated absences payable	-	431	431
Claims payable	19,907	-	19,907
Loans payable	-	13,857	13,857
Total noncurrent liabilities	<u>19,907</u>	<u>14,288</u>	<u>34,195</u>
Total liabilities	<u>25,686</u>	<u>18,561</u>	<u>44,247</u>
Net assets			
Invested in capital assets, net of related debt	6	3,779	3,785
Unrestricted	11,420	(470)	10,950
Total net assets	<u>\$ 11,426</u>	<u>\$ 3,309</u>	<u>\$ 14,735</u>

County of Tulare
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Insurance	Central Services	Total
Operating revenues:			
Charges for services	\$ 16,324	\$ 27,061	\$ 43,385
Rents and concessions	-	9	9
Other revenues	106	274	380
Total operating revenues	16,430	27,344	43,774
Operating expenses:			
Salaries and benefits	-	7,668	7,668
Services and supplies	5,882	20,073	25,955
Insurance premiums paid	2,435	-	2,435
Depreciation	-	678	678
Claims incurred	5,610	-	5,610
Total operating expenses	13,927	28,419	42,346
Operating income (loss)	2,503	(1,075)	1,428
Nonoperating revenues (expenses):			
Gain (loss) on sale of capital assets	-	(6)	(6)
Investment earnings	1,831	143	1,974
Interest expense	-	(664)	(664)
Total nonoperating revenues (expenses)	1,831	(527)	1,304
Income (loss) before contributions and transfers	4,334	(1,602)	2,732
Capital contributions	-	59	59
Transfers in	-	2,155	2,155
Transfers (out)	(99)	(139)	(238)
Change in net assets	4,235	473	4,708
Net assets, July 1	7,191	2,836	10,027
Net assets, June 30	\$ 11,426	\$ 3,309	\$ 14,735

County of Tulare
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2008
(amounts expressed in thousands)

	Insurance	Central Services	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 12,320	\$ 26,981	\$ 39,301
Receipts from rents and concessions	-	9	9
Other revenues	106	295	401
Payments (to) employees	-	(7,783)	(7,783)
Payments (to) suppliers	(3,529)	(17,960)	(21,489)
Payments (for) interfund services used	(4,586)	(2,887)	(7,473)
Payments (for) claims	(1,834)	-	(1,834)
Net cash provided (used) by operating activities	<u>2,477</u>	<u>(1,345)</u>	<u>1,132</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	-	2,431	2,431
Transfers (to) other funds	(99)	(431)	(530)
Advance from other funds	<u>2,337</u>	-	<u>2,337</u>
Net cash provided (used) by noncapital financing activities	<u>2,238</u>	<u>2,000</u>	<u>4,238</u>
Cash flows from capital and related financing activities:			
Sales (purchases) of capital assets	-	(4,105)	(4,105)
Principal (paid) on capital debt	-	(934)	(934)
Interest (paid) on capital debt	-	(664)	(664)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(5,703)</u>	<u>(5,703)</u>
Cash flows from investing activities:			
Interest and dividends received	<u>1,831</u>	<u>143</u>	<u>1,974</u>
Net cash provided by investing activities	<u>1,831</u>	<u>143</u>	<u>1,974</u>
Net increase (decrease) in cash and cash equivalents	6,546	(4,905)	1,641
Cash and cash equivalents, July 1	26,556	7,913	34,469
Cash and cash equivalents, June 30	<u>\$ 33,102</u>	<u>\$ 3,008</u>	<u>\$ 36,110</u>
Displayed as:			
Investment in treasury pool	\$ 32,852	\$ 2,947	\$ 35,799
Imprest cash	<u>250</u>	<u>61</u>	<u>311</u>
Total cash displayed	<u>\$ 33,102</u>	<u>\$ 3,008</u>	<u>\$ 36,110</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 2,503	\$ (1,075)	\$ 1,428
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	678	678
(Increase) decrease in accounts receivable	(4,004)	(80)	(4,084)
Increase (decrease) in accounts payable	208	(1,324)	(1,116)
Increase (decrease) in amounts payable to equipment purchases	(6)	-	(6)
Increase (decrease) in salaries and benefits payable and compensated absences	-	456	456
Increase (decrease) in claims payable	<u>3,776</u>	<u>-</u>	<u>3,776</u>
Total adjustments	<u>(26)</u>	<u>(270)</u>	<u>(296)</u>
Net cash provided (used) by operating activities	<u>\$ 2,477</u>	<u>\$ (1,345)</u>	<u>\$ 1,132</u>

Fiduciary Funds

Fiduciary Funds include all Investment Trust and Agency Funds.

Investment Trust Funds are used to account for assets held by the County in a trustee capacity. External pool participants include local School Districts, Special Districts not included as component units of the County, and the Tulare County Employee Retirement Agency which maintains a check-clearing account in the Treasury Pool.

Agency funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, and other governments.

Property Tax Collection and Apportionment Funds - These funds account for property taxes collected and for the apportionment of taxes to the State and others.

State Fines Agency Funds - These funds are used as a clearing fund for penalties, fines, and assessments collected and payable to the State.

Transportation Tax Funds - These funds account for the one-quarter of one percent sales tax collected by the State Board of Equalization and deposited with the County of origin for local transportation support.

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

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

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

County of Tulare
Combining Statement of Fiduciary Net Assets - Agency Funds
Fiduciary Funds
June 30, 2008
(amounts expressed in thousands)

	Property Tax Collection and Apportionment Funds	State Fines Agency Fund	Transportation Tax Funds	Employee Health Benefits Fund	Education Revenue Augmentation Fund	Other Agency Funds	Total
Assets							
Cash in banks	\$ 2,291	\$ -	\$ -	\$ -	\$ -	\$ 3,694	\$ 5,984
Investment in treasury pool	4,586	95	3,089	448	-	17,062	25,280
Advances to County funds	-	-	-	-	-	694	694
Total assets	<u>\$ 6,877</u>	<u>\$ 95</u>	<u>\$ 3,089</u>	<u>\$ 448</u>	<u>\$ -</u>	<u>\$ 21,450</u>	<u>\$ 31,958</u>
Liabilities							
Warrants payable	\$ 140	\$ -	\$ -	\$ 118	\$ -	\$ 479	\$ 737
Advances from County funds	-	-	-	2,133	-	967	3,100
Agency obligations	6,737	95	3,089	(1,803)	-	20,004	28,122
Total liabilities	<u>\$ 6,877</u>	<u>\$ 95</u>	<u>\$ 3,089</u>	<u>\$ 448</u>	<u>\$ -</u>	<u>\$ 21,450</u>	<u>\$ 31,958</u>

County of Tulare
 Combining Statement of Changes in Assets and Liabilities - Agency Funds
 Fiduciary Funds
 June 30, 2008
 (amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Property Tax Collection and Apportionment Funds				
Assets				
Cash in banks	\$ 2,088	\$ 2,291	\$ (2,088)	\$ 2,291
Investment in treasury pool	3,480	536,498	(535,392)	4,586
Total assets	\$ 5,568	\$ 538,789	\$ (537,480)	\$ 6,877
Liabilities				
Warrants payable	\$ 753	\$ 111,929	\$ (112,542)	\$ 140
Agency obligations	4,815	426,860	(424,938)	6,737
Total liabilities	\$ 5,568	\$ 538,789	\$ (537,480)	\$ 6,877
 State Fines Agency Fund				
Assets				
Investment in treasury pool	\$ 113	\$ 582	\$ (600)	\$ 95
Total assets	\$ 113	\$ 582	\$ (600)	\$ 95
Liabilities				
Agency obligations	\$ 113	\$ 582	\$ (600)	\$ 95
Total liabilities	\$ 113	\$ 582	\$ (600)	\$ 95

Cont.

County of Tulare
 Combining Statement of Changes in Assets and Liabilities - Agency Funds
 Fiduciary Funds
 June 30, 2008
 (amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Transportation Tax Funds				
Assets				
Investment in treasury pool	\$ 2,391	\$ 13,600	\$ (12,901)	\$ 3,089
Total assets	\$ 2,391	\$ 13,600	\$ (12,901)	\$ 3,089
Liabilities				
Agency obligations	\$ 2,391	\$ 13,600	\$ (12,901)	\$ 3,089
Total liabilities	\$ 2,391	\$ 13,600	\$ (12,901)	\$ 3,089
 Employee Health Benefits Fund				
Assets				
Investment in treasury pool	\$ 119	\$ 30,156	\$ (29,827)	\$ 448
Total assets	\$ 119	\$ 30,156	\$ (29,827)	\$ 448
Liabilities				
Warrants payable	\$ 75	\$ 2,574	\$ (2,531)	\$ 118
Advances from County funds	1,777	356	-	2,133
Agency obligations	(1,733)	27,226	(27,296)	(1,803)
Total liabilities	\$ 119	\$ 30,156	\$ (29,827)	\$ 448

Cont.

County of Tulare
 Combining Statement of Changes in Assets and Liabilities - Agency Funds
 Fiduciary Funds
 June 30, 2008
 (amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Education Revenue Augmentation Fund				
Assets				
Investment in treasury pool	\$ -	\$ 91,275	\$ (91,275)	\$ -
Total assets	\$ -	\$ 91,275	\$ (91,275)	\$ -
Liabilities				
Agency obligations	\$ -	\$ 91,275	\$ (91,275)	\$ -
Total liabilities	\$ -	\$ 91,275	\$ (91,275)	\$ -
 Other Agency Funds				
Assets				
Cash in banks	\$ 4,910	\$ 3,694	\$ (4,910)	\$ 3,694
Investment in treasury pool	17,472	61,127	(61,537)	17,062
Advances to County funds	635	59	-	694
Total assets	\$ 23,017	\$ 64,880	\$ (66,447)	\$ 21,450
Liabilities				
Warrants payable	\$ 208	\$ 8,129	\$ (7,858)	\$ 479
Advances from County funds	675	292	-	967
Agency obligations	22,134	56,458	(58,589)	20,004
Total liabilities	\$ 23,017	\$ 64,880	\$ (66,447)	\$ 21,450

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Cont.

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
June 30, 2008
(amounts expressed in thousands)

	<u>Balance July 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30</u>
Total Agency Funds				
Assets				
Cash in banks	\$ 6,998	\$ 5,984	\$ (6,998)	\$ 5,984
Investment in treasury pool	23,575	733,238	(731,533)	25,280
Advances to County funds	635	59	-	694
Total assets	<u>\$ 31,208</u>	<u>\$ 739,281</u>	<u>\$ (738,531)</u>	<u>\$ 31,958</u>
Liabilities				
Warrants payable	\$ 1,036	\$ 122,632	\$ (122,931)	\$ 737
Advances from County funds	2,452	648	-	3,100
Agency obligations	27,720	616,001	(615,599)	28,122
Total liabilities	<u>\$ 31,208</u>	<u>\$ 739,281</u>	<u>\$ (738,531)</u>	<u>\$ 31,958</u>

Concluded

Capital Assets Used in the Operation of Governmental Funds

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

County of Tulare
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedule by Source
 June 30, 2008 and 2007
 (amounts expressed in thousands)

	<u>2008</u>	<u>2007</u>
Governmental funds capital assets:		
Land	\$ 911,641	\$ 911,940
Infrastructure	660,499	658,755
Structures and improvements	167,410	164,068
Machinery and equipment	11,220	11,675
Vehicles	43,914	39,534
Construction in progress	2,797	2,822
Infrastructure in progress	14,045	9,749
Total governmental funds capital assets	\$ <u>1,811,526</u>	\$ <u>1,798,543</u>
 Investment in governmental funds capital assets by source:		
General fund	\$ 202,073	\$ 196,174
Federal revenue sharing fund	5,531	5,465
Special revenue funds	1,601,026	1,594,471
Capital projects funds	2,677	2,060
Redevelopment funds	-	299
Donations	219	74
Total governmental funds capital assets	\$ <u>1,811,526</u>	\$ <u>1,798,543</u>

County of Tulare
 Capital Assets Used in the Operation of Governmental Funds
 Schedule by Function and Activity
 June 30, 2008
 (amounts expressed in thousands)

Function and Activity	Land	Infrastructure	Structures and Improvements	Machinery and Equipment	Vehicles	Total
General government:						
Administrative	\$ -	\$ -	\$ 25	\$ 10	\$ -	\$ 35
Finance	-	-	-	325	323	648
County Counsel	-	-	1,663	38	-	1,701
Personnel	-	-	25	-	-	25
Elections	-	-	-	1,501	-	1,501
Property management	-	-	2,762	14	15	2,791
Other general	3,136	-	924	86	128	4,274
Total general government	<u>3,136</u>	<u>-</u>	<u>5,399</u>	<u>1,974</u>	<u>466</u>	<u>10,975</u>
Public protection:						
Judicial	-	-	38,395	662	1,815	40,872
Sheriff	639	-	4,296	1,090	7,974	13,999
Other protection	-	-	90	509	1,396	1,995
Total public protection	<u>639</u>	<u>-</u>	<u>42,781</u>	<u>2,261</u>	<u>11,185</u>	<u>56,866</u>
Detention and correction:						
Detention	-	-	71,278	786	2,383	74,447
Fire	146	-	3,149	377	9,396	13,068
Inspection	210	-	4,685	104	1,685	6,684
Total detention and correction	<u>356</u>	<u>-</u>	<u>79,112</u>	<u>1,267</u>	<u>13,464</u>	<u>94,199</u>
Public ways and facilities	903,556	660,499	2,259	2,011	12,700	1,581,025
Public health	2,640	-	26,575	2,022	2,743	33,980
Public assistance	226	-	3,505	1,216	2,278	7,225
Education	122	-	3,527	107	646	4,402
Recreation and cultural services	966	-	4,252	362	432	6,012
	<u>907,510</u>	<u>660,499</u>	<u>40,118</u>	<u>5,718</u>	<u>18,799</u>	<u>1,632,644</u>
Total governmental funds capital assets	<u>\$ 911,641</u>	<u>\$ 660,499</u>	<u>\$ 167,410</u>	<u>\$ 11,220</u>	<u>\$ 43,914</u>	<u>1,794,684</u>
Construction projects in progress	\$ -	\$ -	\$ 2,797	\$ -	\$ -	2,797
Infrastructure projects in progress	-	14,045	-	-	-	14,045
						<u>\$ 1,811,526</u>

County of Tulare
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 For the Year Ended June 30, 2008
 (amounts expressed in thousands)

Function and Activity	Governmental Fund Capital Assets July 1	Additions	Deletions	Adjustments	Governmental Fund Capital Assets June 30
General government:					
Administrative	\$ 35	\$ -	\$ -	\$ -	\$ 35
Finance	660	50	(62)	-	648
County Counsel	1,701	-	-	-	1,701
Personnel	25	-	-	-	25
Elections	1,495	6	-	-	1,501
Property management	3,090	-	-	(299)	2,791
Other general	3,989	279	-	6	4,274
Total general government	<u>10,995</u>	<u>335</u>	<u>(62)</u>	<u>(293)</u>	<u>10,975</u>
Public protection:					
Judicial	41,745	104	(966)	(11)	40,872
Sheriff	11,090	3,634	(765)	40	13,999
Other protection	1,473	674	(145)	(7)	1,995
Total public protection	<u>54,308</u>	<u>4,412</u>	<u>(1,876)</u>	<u>22</u>	<u>56,866</u>
Detention and correction:					
Detention	74,062	448	(63)	-	74,447
Fire	11,523	1,920	(375)	-	13,068
Inspection	6,527	255	(98)	-	6,684
Total detention and correction	<u>92,112</u>	<u>2,623</u>	<u>(536)</u>	<u>-</u>	<u>94,199</u>
Public ways and facilities					
Public ways and facilities	1,578,656	12,746	(1,228)	(9,149)	1,581,025
Public health	32,604	1,385	(76)	67	33,980
Public assistance	6,908	430	-	(113)	7,225
Education	4,405	21	(24)	-	4,402
Recreation and cultural services	5,984	20	(19)	27	6,012
	<u>1,628,557</u>	<u>14,602</u>	<u>(1,347)</u>	<u>(9,168)</u>	<u>1,632,644</u>
Construction projects in progress					
Construction projects in progress	2,822	2,712	(2,737)	-	2,797
Infrastructure projects in progress	9,749	4,296	-	-	14,045
Total governmental funds capital assets	\$ <u>1,798,543</u>	\$ <u>28,980</u>	\$ <u>(6,558)</u>	\$ <u>(9,439)</u>	\$ <u>1,811,526</u>

STATISTICAL SECTION (UNAUDITED)

The statistical section of the Comprehensive Annual Financial Report is the chief source of information regarding a government's economic condition. All of the information presented is organized around five specific objectives:

Provide Information on Financial Trends - Information needed to understand and assess how the County's financial position has changed over time.

Provide Information on Revenue Capacity - Information needed to understand and assess the County's ability to generate own-source revenues.

Provide Information on Debt Capacity - Information needed to understand and assess the County's debt burden and its ability to issue new debt.

Provide Demographic and Economic Information - Information needed to understand the County's socio-economic environment and to facilitate comparisons of financial statement information over time and among governments.

Provide Operating Information - Information needed to understand the County's operations and resources as well as to assess its economic condition.

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

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Governmental activities							
Invested in capital assets, net of related debt	\$ 77,558 *	\$ 83,862 *	\$ 1,461,647 **	\$ 1,450,065	\$ 1,425,580	\$ 1,417,765	\$ 1,491,566
Restricted	75,598 *	45,532	41,803	40,051	44,553	45,403	54,086
Unrestricted	(21,431)	16,373	31,685	35,459	43,721	57,303	55,866
Total governmental activities net assets	\$ <u>131,725</u>	\$ <u>145,767</u>	\$ <u>1,535,135</u> **	\$ <u>1,525,575</u>	\$ <u>1,513,854</u>	\$ <u>1,520,471</u>	\$ <u>1,601,518</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 16,998	\$ 16,386	\$ 19,396	\$ 20,010	\$ 20,322	\$ 19,860	\$ 19,090
Restricted	5,005	5,005	5,005	5,005	5,005	5,005	5,005
Unrestricted	32,851	33,580	25,613	24,886	22,914	22,200	22,794
Total business-type activities net assets	\$ <u>54,854</u>	\$ <u>54,971</u>	\$ <u>50,014</u>	\$ <u>49,901</u>	\$ <u>48,241</u>	\$ <u>47,065</u>	\$ <u>46,889</u>
Primary government							
Invested in capital assets, net of related debt	\$ 94,556 *	\$ 100,248 *	\$ 1,481,043 **	\$ 1,470,075	\$ 1,445,902	\$ 1,437,625	\$ 1,510,656
Restricted	80,603 *	50,537	46,808	45,056	49,558	50,408	59,091
Unrestricted	11,420	49,953	57,298	60,345	66,635	79,503	78,660
Total primary government net assets	\$ <u>186,579</u>	\$ <u>200,738</u>	\$ <u>1,585,149</u> **	\$ <u>1,575,476</u>	\$ <u>1,562,095</u>	\$ <u>1,567,536</u>	\$ <u>1,648,407</u>

* Prior periods are restated for subsequent Prior Period Adjustments.
 Discretely presented Component Unit is not included.

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

*** Tables begin with the implementation of GASB-34 and, therefore, display less than 10 years.

Table 2

County of Tulare
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Expenses							
Governmental activities:							
General government	\$ 25,529	\$ 37,912	\$ 32,816	\$ 25,312	\$ 44,550	\$ 93,680	\$ 71,430
Public protection	132,758	130,282	145,513	148,459	155,626	162,837	187,299
Public ways and facilities	18,321	18,699	19,411	35,404	26,701	15,100	28,346
Health and sanitation	82,382	87,856	86,955	99,669	104,035	120,520	120,195
Public assistance	201,975	202,308	202,481	215,275	225,735	220,019	227,086
Education	3,380	3,481	3,356	3,384	3,241	3,722	4,287
Culture and recreation	1,661	1,839	1,949	1,631	1,468	1,842	3,552
Unallocated depreciation	571	627	589	589	589	588	510
Unallocated interest expense	9,933	9,023	8,220	8,642	9,713	11,038	11,244
Total governmental activities expenses	<u>476,510</u>	<u>492,027</u>	<u>501,290</u>	<u>538,365</u>	<u>571,658</u>	<u>629,346</u>	<u>653,949</u>
Business-type activities:							
Solid Waste	8,980	10,361	12,967	10,249	12,004	13,981	14,426
Other business-type activities	1,543	1,873	1,839	1,708	1,872	2,120	2,259
Total business-type activities expenses	<u>10,523</u>	<u>12,234</u>	<u>14,806</u>	<u>11,957</u>	<u>13,876</u>	<u>16,101</u>	<u>16,685</u>
Total primary government expenses	<u>\$ 487,033</u>	<u>\$ 504,261</u>	<u>\$ 516,096</u>	<u>\$ 550,322</u>	<u>\$ 585,534</u>	<u>\$ 645,447</u>	<u>\$ 670,634</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 23,524	\$ 28,653	\$ 31,895	\$ 28,181	\$ 21,838	\$ 50,015	\$ 62,391
Public protection	17,812	24,314	19,635	22,015	22,179	25,846	28,291
Public ways and facilities	1,335	1,636	1,109	1,468	2,783	2,209	2,028
Health and sanitation	25,943	9,998	11,365	12,430	11,653	16,103	45,659
Public assistance	2,835	21,147	25,499	29,244	26,348	30,161	7,496
Education	143	227	112	245	289	334	188
Culture and recreation	347	710	1,012	1,101	848	1,004	332
Operating grants and contributions	358,518	353,679	355,940	349,248	371,869	389,177	389,524
Total governmental activities program revenues	<u>430,457</u>	<u>440,364</u>	<u>446,567</u>	<u>443,932</u>	<u>457,807</u>	<u>514,849</u>	<u>535,909</u>
Business-type activities:							
Charges for services::							
Solid Waste	8,462	8,886	8,878	9,053	9,705	10,247	9,244
Other business-type activities	682	642	631	670	696	738	792
Operating grants and contributions	-	135	40	373	42	276	1,475
Total business-type activities program revenues	<u>9,144</u>	<u>9,663</u>	<u>9,549</u>	<u>10,096</u>	<u>10,443</u>	<u>11,261</u>	<u>11,511</u>
Total primary government program revenues	<u>\$ 439,601</u>	<u>\$ 450,027</u>	<u>\$ 456,116</u>	<u>\$ 454,028</u>	<u>\$ 468,250</u>	<u>\$ 526,110</u>	<u>\$ 547,420</u>

	Fiscal Year						
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Net (expense)/revenue							
Governmental activities	\$ (46,053)	\$ (51,663)	\$ (54,723)	\$ (94,433)	\$ (113,851)	\$ (114,497)	\$ (118,040)
Business-type activities	(1,379)	(2,571)	(5,257)	(1,861)	(3,433)	(4,840)	(5,174)
Total primary government net expense	\$ <u>(47,432)</u>	\$ <u>(54,234)</u>	\$ <u>(59,980)</u>	\$ <u>(96,294)</u>	\$ <u>(117,284)</u>	\$ <u>(119,337)</u>	\$ <u>(123,214)</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes	\$ 34,981	\$ 37,394	\$ 40,342	\$ 66,738	\$ 78,583	\$ 91,367	\$ 102,198
Sales and other taxes	7,231	6,694	7,632	8,032	12,311	13,262	19,188
Earnings on investments	7,462	6,710	2,880	5,402	7,034	11,950	11,439
Miscellaneous	1,256	-	5,321	-	-	-	-
Tobacco settlement revenues	4,447	4,636	5,929	4,010	3,651	3,822	4,068
Gain on sale of fixed assets	-	-	63	29	-	-	-
Transfers	642	677	892	662	551	713	556
Total governmental activities	<u>56,019</u>	<u>56,111</u>	<u>63,059</u>	<u>84,873</u>	<u>102,130</u>	<u>121,114</u>	<u>137,449</u>
Business-type activities:							
Sales and other taxes	294	815	658	855	512	1,033	1,628
Earnings on investments	3,948	2,550	503	1,555	1,651	3,342	3,864
Gain on sale of fixed assets	5	-	31	-	161	2	62
Transfers	(642)	(677)	(892)	(662)	(551)	(713)	(556)
Total business-type activities	<u>3,605</u>	<u>2,688</u>	<u>300</u>	<u>1,748</u>	<u>1,773</u>	<u>3,664</u>	<u>4,998</u>
Total primary government	\$ <u>59,624</u>	\$ <u>58,799</u>	\$ <u>63,359</u>	\$ <u>86,621</u>	\$ <u>103,903</u>	\$ <u>124,778</u>	\$ <u>142,447</u>
Change in Net Assets							
Governmental activities	\$ 9,966	\$ 4,448	\$ 8,336	\$ (9,560)	\$ (11,721)	\$ 6,617	\$ 19,409
Business-type activities	2,226	117	(4,957)	(113)	(1,660)	(1,176)	(176)
Total primary government	\$ <u>12,192</u>	\$ <u>4,565</u>	\$ <u>3,379</u>	\$ <u>(9,673)</u>	\$ <u>(13,381)</u>	\$ <u>5,441</u>	\$ <u>19,233</u>

* Tables begin with the implementation of GASB-34 and, therefore, display less than 10 years.

County of Tulare
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Fund										
Reserved	\$ 2,583	\$ 2,000	\$ 1,704	\$ 2,995	\$ 4,247	\$ 19,030	\$ 27,300	\$ 16,899	\$ 36,756	\$ 48,452
Unreserved	29,987	26,324	30,198	27,800	32,932	17,124	15,147	31,653	20,582	9,051
Total General Fund	<u>\$ 32,570</u>	<u>\$ 28,324</u>	<u>\$ 31,902</u>	<u>\$ 30,795</u>	<u>\$ 37,179</u>	<u>\$ 36,154</u>	<u>\$ 42,447</u>	<u>\$ 48,552</u>	<u>\$ 57,338</u>	<u>\$ 57,503</u>
All other governmental funds *										
Reserved	\$ 16,760	\$ 57,021	\$ 61,855	\$ 64,772	\$ 64,257	\$ 67,015	\$ 68,720	\$ 66,913	\$ 66,173	\$ 67,454
Unreserved, reported in:										
Special revenue funds	7,274	7,442	12,972	13,550	13,328	11,678	7,891	12,220	14,787	17,864
Capital projects funds	5,665	2,805	2,723	3,377	4,919	3,926	4,696	6,143	6,274	9,579
Total all other governmental funds	<u>\$ 29,699</u>	<u>\$ 67,268</u>	<u>\$ 77,550</u>	<u>\$ 81,699</u>	<u>\$ 82,504</u>	<u>\$ 82,619</u>	<u>\$ 81,307</u>	<u>\$ 85,276</u>	<u>\$ 87,234</u>	<u>\$ 94,897</u>
All governmental funds										
Reserved	\$ 19,343	\$ 59,021	\$ 63,559	\$ 67,767	\$ 68,504	\$ 86,045	\$ 96,020	\$ 83,812	\$ 102,929	\$ 115,906
Unreserved, reported in:										
General fund	29,987	26,324	30,198	27,800	32,932	17,124	15,147	31,653	20,582	9,051
Special revenue funds	7,274	7,442	12,972	13,550	13,328	11,678	7,891	12,220	14,787	17,864
Capital projects funds	5,665	2,805	2,723	3,377	4,919	3,926	4,696	6,143	6,274	9,579
Total all governmental funds	<u>\$ 62,269</u>	<u>\$ 95,592</u>	<u>\$ 109,452</u>	<u>\$ 112,494</u>	<u>\$ 119,683</u>	<u>\$ 118,773</u>	<u>\$ 123,754</u>	<u>\$ 133,828</u>	<u>\$ 144,572</u>	<u>\$ 152,400</u>

* Includes all special revenue, debt service, and capital projects funds, including blended component units.

Table 4

County of Tulare
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Revenues										
Taxes and special assessments	\$ 43,098	\$ 41,123	\$ 42,599	\$ 45,113	\$ 46,500	\$ 50,450	\$ 78,982	\$ 94,401	\$ 108,216	\$ 121,397
Licenses and permits	5,836	5,561	6,096	6,843	6,920	7,214	8,550	8,480	9,060	9,010
Fines, forfeitures, and penalties	6,725	7,138	5,234	6,528	14,029	7,968	8,124	8,764	4,219	10,218
Interest, rents, and concessions	5,417	4,780	9,235	7,109	6,163	2,979	5,294	7,146	11,389	12,093
Intergovernmental revenues	277,867	304,807	335,763	355,617	349,650	350,762	346,736	368,768	385,590	389,524
Charges for services	57,920	55,851	59,415	52,025	53,662	57,450	64,196	61,772	71,922	80,188
Other revenues	10,229	5,298	9,547	9,890	10,970	10,484	12,034	11,492	10,965	11,442
Total revenues	<u>407,092</u>	<u>424,558</u>	<u>467,889</u>	<u>483,125</u>	<u>487,894</u>	<u>487,307</u>	<u>523,916</u>	<u>560,823</u>	<u>601,361</u>	<u>633,872</u>
Expenditures										
General government	19,275	16,241	12,257	22,224	23,609	23,164	17,575	17,549	24,318	25,621
Public protection	112,997	121,120	136,160	127,337	123,937	139,512	144,136	153,259	162,811	184,009
Public ways and facilities	15,172	14,868	19,617	20,229	17,958	18,764	14,086	9,890	7,920	(738)
Health and sanitation	61,646	66,650	76,596	80,812	86,567	86,165	98,477	103,075	120,723	119,569
Public assistance	175,251	177,934	191,993	200,765	201,211	201,839	213,979	224,438	219,376	226,227
Education	2,728	3,473	3,439	3,129	3,200	3,370	3,462	3,289	3,831	4,329
Culture and recreation	1,390	1,448	1,507	1,578	1,759	1,831	1,524	1,323	1,740	3,361
Capital outlay	27,447	6,815	3,687	4,604	6,419	4,018	7,630	14,611	29,581	42,215
Debt service										
Principal	14,502	16,603	12,388	11,427	11,101	11,259	11,443	11,936	51,711	9,737
Interest and fiscal charges	9,541	10,228	10,524	10,040	8,413	7,926	8,388	9,421	10,763	10,778
Total expenditures	<u>439,949</u>	<u>435,380</u>	<u>468,168</u>	<u>482,145</u>	<u>484,174</u>	<u>497,848</u>	<u>520,700</u>	<u>548,791</u>	<u>632,774</u>	<u>625,108</u>
Excess of revenues over (under) expenditures	(32,857)	(10,822)	(279)	980	3,720	(10,541)	3,216	12,032	(31,413)	8,764
Other financing sources (uses)										
Sale of general capital assets	-	199	1,082	367	251	177	148	497	1,468	297
Sale of note receivable	-	-	-	-	-	5,321	-	-	-	-
Bond proceeds	46,438	49,938	-	-	-	-	-	-	43,987	-
Capital lease proceeds	-	-	-	-	394	30	-	44	-	-
Contribution to Retirement Association	-	-	-	-	-	-	-	-	-	-
Payment to Escrow Agent	(41,875)	-	-	-	-	-	-	-	-	-
Payment of defeance costs	(4,347)	-	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Direct financing lease	-	-	-	-	-	101	105	114	121	128
Loan proceeds	5,200	2,500	1,530	1,053	2,147	2,906	1,775	-	-	-
Transfers in	85,468	83,146	92,258	98,306	97,791	101,557	102,141	116,185	114,577	100,925
Transfers (out)	(85,362)	(83,146)	(91,609)	(97,664)	(97,114)	(100,461)	(102,404)	(118,798)	(117,996)	(102,286)
Total other financing sources (uses)	<u>5,522</u>	<u>52,637</u>	<u>3,261</u>	<u>2,062</u>	<u>3,469</u>	<u>9,631</u>	<u>1,765</u>	<u>(1,958)</u>	<u>42,157</u>	<u>(936)</u>
Net change in fund balances	<u>\$ (27,335)</u>	<u>\$ 41,815</u>	<u>\$ 2,982</u>	<u>\$ 3,042</u>	<u>\$ 7,189</u>	<u>\$ (910)</u>	<u>\$ 4,981</u>	<u>\$ 10,074</u>	<u>\$ 10,744</u>	<u>\$ 7,828</u>
Debt service as a percentage of noncapital expenditures	5.83%	6.26%	4.93%	4.50%	4.08%	3.88%	3.87%	4.00%	10.36%	3.52%

County of Tulare
 General Governmental Tax Revenues By Source - Table
 Last Ten Fiscal Years
 (modified accrual basis of accounting)
 (amounts expressed in thousands)

Fiscal Year	Property	Sales and Use	Transient Occupancy	Property Transfer	Timber	Aircraft	Other	Total
1998 - 99	\$ 31,625	\$ 8,080	\$ 598	\$ 713	\$ 67	\$ 129	\$ 1,886	\$ 43,098
1999 - 2000	31,725	7,885	682	661	49	121	-	41,123
2000 - 01	32,894	8,016	743	747	34	165	-	42,599
2001 - 02	34,162	9,179	819	777	15	161	-	45,113
2002 - 03	35,380	8,973	877	1,075	29	166	-	46,500
2003 - 04	37,802	10,108	986	1,349	39	166	-	50,450
2004 - 05	64,879	10,804	986	2,113	49	131	-	78,962
2005 - 06	78,579	12,122	1,069	2,407	42	182	-	94,401
2006 - 07	91,361	13,518	1,125	1,933	86	193	-	108,216
2007 - 08	102,205	16,718	899	1,270	90	215	-	121,397
Percentage Growth Earliest to Current	223.2%	106.9%	50.3%	78.1%	34.3%	66.7%	0.0%	181.7%

Table 6

County of Tulare
 Equalized Roll Assessed Value of Taxable Property
 Last Ten Fiscal Years
 (amounts expressed in thousands)

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value
1998-99	\$ 13,646,997	\$ 917,125	\$ 14,564,122
1999-00	14,154,136	941,827	15,095,963
2000-01	14,731,050	1,065,525	15,796,575
2001-02	15,232,365	1,064,889	16,297,254
2002-03	16,004,259	1,150,562	17,154,821
2003-04	16,984,360	1,051,432	18,035,792
2004-05	17,971,651	1,087,362	19,059,013
2005-06	19,714,530	1,174,747	20,889,277
2006-07	22,463,149	1,142,461	23,605,610
2007-08	25,190,040	1,522,742	26,712,782

Due to Constitutional Amendment, Section 13A, property is assessed at Full Cash Value as of 1975-76 with a maximum increase of 2% permitted each year. New construction and property sold are reassessed at Full Cash Value in the year the transaction occurs.

Table 7

County of Tulare
Direct Overlapping Property Tax Rates
Last Ten Years (Per \$100 of Assessed Values)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
County Wide Rates										
General	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School District Rates										
Allensworth Elementary	0.056	0.051	0.051	0.050	0.043	0.041	0.044	0.044	0.044	0.018
Alta Vista Elementary	0.080	0.066	0.072	0.072	0.075	0.066	0.048	-	-	-
Buena Vista Elementary	-	0.075	0.049	0.048	0.033	0.035	0.031	0.026	0.031	0.027
Burton Elementary *	0.063	-	-	-	-	0.030	0.022	0.023	0.021	0.018
COS - Hanford SFID										0.025
Cutler-Orosi Unified *	-	-	-	-	-	-	0.060	0.060	0.060	0.050
Delano Joint High			0.053	0.053	0.159	0.090	0.097	0.097	0.163	0.117
Dinuba Unified	-	-	-	-	-	0.051	0.055	0.074	0.057	0.060
Earlimart Elementary	0.050	0.054	0.051	0.041	0.045	0.050	0.048	0.039	0.035	0.031
Exeter High	-	-	-	0.028	0.031	0.037	0.038	0.034	0.030	0.049
Farmersville Elementary	0.077	-	-	-	-	-	-	-	-	-
Farmersville Unified *	0.132	0.094	0.100	0.160	0.162	0.170	0.148	0.133	0.095	0.074
Hanford Joint High *			0.023	0.027	0.032	0.030	0.033	0.039	0.058	0.049
Kern Community College SFID *	-	-	-	-	-	0.012	0.009	0.010	0.005	0.008
Kings Canyon Joint Unified *	-	-	-	-	0.043	0.051	0.058	0.035	0.045	0.082
Kings River Elementary	-	-	-	-	-	-	-	-	-	0.030
Kingsburg Joint Elementary			0.020	0.012	0.014	0.018	0.065	0.013	0.054	0.072
Kingsburg Joint High			0.052	0.065	0.054	0.050	0.050	0.059	0.089	0.625
Liberty Elementary	-	-	-	0.083	0.074	0.090	0.084	0.057	0.054	0.044
Lindsay Unified	-	-	-	-	0.044	0.052	0.060	0.060	0.060	0.055
Linns Valley Poso-Flat Joint Elementary	-	-	-	-	-	0.019	0.026	0.025	0.016	0.015
Porterville SFID *	-	-	-	-	-	0.055	0.056	0.060	0.052	0.055
Richgrove Elementary	0.060	0.049	0.042	0.046	0.045	0.036	0.051	0.043	0.038	0.004
State Center Comm College SFID *	-	-	-	-	-	0.016	0.014	0.006	0.005	0.016
Strathmore High	-	-	-	-	0.085	0.078	0.086	0.070	0.062	0.052
Sundale Elementary	0.082	0.072	0.062	0.041	0.046	0.043	0.040	0.039	0.034	0.027
Three Rivers Elementary	0.002	-	-	-	-	-	-	-	-	-
Traver Elementary *	-	-	-	-	-	-	0.028	0.057	0.053	0.060
Tulare High *	-	-	-	-	-	-	0.053	0.060	0.047	0.043

Visalia Unified *	-	0.068	0.068	0.062	0.070	0.063	0.050	0.042	0.034	0.028
Woodlake Elementary	0.087	0.070	0.079	0.053	0.054	0.051	0.049	0.046	0.040	0.036
Woodlake High	0.063	0.058	0.057	0.044	0.038	0.037	0.037	0.034	0.030	0.027
Special District Rates										
Kaweah Delta Healthcare District	-	-	-	-	-	-	0.040	0.040	0.035	0.031
Kaweah Delta Water Conservation	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.001	0.000
Patterson Tract CSD	0.046	0.029	0.024	0.024	0.000	-	-	-	-	-
Tulare County Pest Control	3.658	0.000	0.000	0.000	0.000	0.000	1.250	1.250	1.250	1.250 **
Tulare Healthcare District	-	-	-	-	-	-	-	-	-	0.019
South Tulare County Citrus Pest	13.656	13.656	12.680	12.680	12.320	11.423	11.423	11.423	11.423	11.423 **
Woodville Public Utility	0.036	0.031	0.031	0.036	0.038	0.036	0.029	0.025	0.025	-

* School rates have been combined with educational facilities.

** Trees Per Acres

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

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

**County of Tulare
Principal Property Taxpayers
Current Fiscal Year and Nine Fiscal Years Ago
(amounts expressed in thousands)**

Fiscal year 2007-08				Fiscal year 1998-99			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southern California Edison Company	\$ 298,393,280	1	1.12%	Southern California Edison	\$ 237,851,712	1	1.51%
Land O' Lakes, Inc/Cheese & Protein Intl, LLC	284,551,148	2	1.07%	Pacific Bell Telephone	147,270,845	2	0.93%
Wal-Mart Stores Inc	123,740,138	3	0.46%	Dairyman's Creamery	111,992,624	3	0.71%
VF Outdoor (Cottonwood Fresno Holding)	114,474,930	4	0.43%	Wal- Mart Stores/ Retail Trust	93,728,502	4	0.59%
California Dairies/Milk Producers	112,340,359	5	0.42%	Oscar Mayer Food Corporation/ Kraft	85,903,382	5	0.54%
Kraft Foods Inc	82,807,748	6	0.31%	Southern California Gas Company	74,688,631	6	0.47%
Southern California Gas Company	72,505,055	7	0.27%	Recot, Inc / Frito-Lay	50,655,390	7	0.32%
SBC California	59,348,332	8	0.22%	Haagen-Dazs	42,455,520	8	0.27%
Ruiz Foods Products Inc	58,958,505	9	0.22%	Price Development Co LTD Partnership	42,289,584	9	0.27%
Best Buy Stores, LP	58,399,534	10	0.22%	Pacific Gas & Electric	41,057,929	10	0.26%
Totals	\$ 1,265,519,029		4.74%	Totals	\$ 927,894,119		5.87%

Table 9

County of Tulare
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998-99	\$ 135,775	\$ 131,534	96.88%		\$ 131,534	96.88%
1999-2000	140,642	136,380	96.97%		136,380	96.97%
2000-01	149,307	144,161	96.55%		144,161	96.55%
2001-02	154,682	149,897	96.91%		149,897	96.91%
2002-03	162,726	157,372	96.71%		157,372	96.71%
2003-04	173,386	168,089	96.94%	\$ 5,221	173,310	99.96%
2004-05	183,896	178,233	96.92%	4,905	183,138	99.59%
2005-06	202,601	195,336	96.41%	5,666	201,002	99.21%
2006-07	231,424	221,428	95.68%	5,616	227,044	98.11%
2007-08	261,193	245,387	93.95%	7,022	252,409	96.64%

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

County of Tulare
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities							Business-Type Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Certificates of Participation	Variable Rate Demand Bonds	Pension Obligation Bonds	Health Insurance Revenue Bond	Tax Allocation Bonds	Loans and Notes	Leases	Certificates of Participation	Bonds			
1998-99	\$ 88,748	-	\$ 41,075	\$ 12,530	-	\$ 942	\$ 11,401	\$ 1,714	\$ 10	\$ 156,420	2.36%	429
1999-2000	85,183	45,000	40,175	3,200	-	12,332	86	1,695	10	187,681	2.69%	508
2000-01	80,377	45,000	39,025	-	-	10,716	-	1,676	9	176,803	2.39%	471
2001-02	74,880	44,600	37,600	-	-	7,664	-	1,656	9	166,409	2.15%	434
2002-03	63,131	44,200	35,870	-	-	17,555	359	1,637	9	162,761	2.03%	414
2003-04	63,133	43,800	33,800	-	-	17,281	287	1,610	8	159,919	1.91%	400
2004-05	56,870	43,300	31,355	-	-	16,352	133	1,584	8	149,602	1.72%	365
2005-06	50,300	42,800	28,495	-	-	20,954	68	1,558	8	144,183	1.59%	343
2006-07	46,165	42,360	25,175	-	1,627	18,927	38	1,531	8	135,831	1.44%	317
2007-08	41,790	41,665	21,345	-	1,586	17,219	6	1,503	8	125,122	1.28%	286

County of Tulare
 Computation of Direct and Overlapping Debt
 June 30, 2008
 (amounts expressed in thousands)

Jurisdiction	Outstanding Debt	Percentage Applicable to the County of Tulare	Amount Applicable to the County of Tulare
Special Districts	\$ 181,940	100%	\$ 181,940
School Districts	140,893	100%	140,893
County of Tulare	125,122	100%	125,122
Total	\$ 447,955		\$ 447,955

Outstanding debt for the County of Tulare includes all Certificates of Participation, Leases, Loans, and Bonds outstanding for both governmental and business-type activities for the County and blended component units.

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

Legal Debt Margin Calculation for Fiscal Year 2007-08	
Net Assessed Value	\$ 28,189,559
Debt Limit - 1.25 Percent of Taxable Property (1)	352,369
Amount of Debt Applicable to Debt Limit (2)	-
Legal Debt Margin (3)	<u>\$ 352,369</u>

	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Debt limit	\$ 182,052	\$ 188,700	\$ 196,849	\$ 203,716	\$ 214,435	\$ 237,711	\$ 260,486	\$ 296,389	\$ 333,044	\$ 352,369
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 182,052</u>	<u>\$ 188,700</u>	<u>\$ 196,849</u>	<u>\$ 203,716</u>	<u>\$ 214,435</u>	<u>\$ 237,711</u>	<u>\$ 260,486</u>	<u>\$ 296,389</u>	<u>\$ 333,044</u>	<u>\$ 352,369</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

- (1) Constitutional Amendment XIII A, passed by vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1% of full cash value. Thus, the legal debt is 1.25% of assessed valuation.
- (2) As of 6/30/08 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.

County of Tulare
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (Calculated)	Personal Income (amounts expressed in millions) (1)(5)	Median Age (1)(3)	School Enrollment (4)	Unemployment Rate (2)
1998-99	364,300	\$ 18,202.03	\$ 6,631.00	29	84,723	15.2%
1999-00	369,300	18,878.96	6,972.00	29	84,938	13.4%
2000-01	375,200	19,712.15	7,396.00	29	85,664	14.0%
2001-02	383,100	20,159.23	7,723.00	29	86,952	14.0%
2002-03	392,900	20,386.87	8,010.00	29	88,341	13.6%
2003-04	400,123	20,906.07	8,365.00	29	90,230	14.5%
2004-05	409,871	21,274.99 (5)	8,720.00 (5)	29	92,126	9.0%
2005-06	420,131	21,595.65 (5)	9,073.00 (5)	29	93,424	7.9%
2006-07	429,006	21,995.03 (5)	9,436.00 (5)	29	94,407	8.6%
2007-08	436,839	22,463.66 (5)	9,813.00 (5)	29	95,344	9.8%

(1) Source: California Department of Finance, Demographic Research Unit; Census every 10 years.

(2) Source: State Department of Employment Development

(3) Median age is the age at which there are as many residents older as there are younger.

(4) California Department of Education, Educational Demographics Unit

(5) Amounts are estimated based on historical percentages

County of Tulare
Principal Employers
Current Year and Nine Years Ago

Table 14

2007-08				1998-99			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,320	1	2.70%	County of Tulare	3,605	1	2.25%
Porterville Development Center	2,014	2	1.26%	Wal-Mart Distribution Center	1,350	2	0.69%
Kaweah Delta Healthcare District	2,000	3	1.25%	Ruiz Food Products	1,100	3	0.84%
Wal-Mart Distribution Center	1,692	4	1.06%	Jostens	980	4	0.61%
Ruiz Food Products	1,800	5	0.73%	Nash De Camp	800	5	0.50%
College of The Sequoias	1,160	6	1.13%	Land O'Lakes	650	6	0.41%
CIGNA HealthCare	900	7	0.56%	CIGNA HealthCare	600	7	0.38%
Jostens	720	8	0.38%	Monrovia Nursery	500	8	0.31%
Dairyman's/Land O'Lakes	600	9	0.38%	Kraft Foods	400	9	0.25%
Monrovia Nursery	600	10	0.38%	Waterman Industries	366	10	0.23%

Source: Tulare County Economic Development Corporation. Website: www.sequoiavalley.com

Table 15

County of Tulare
Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
General Government										
Administration	35	36	38	42	40	42	45	48	50	53
Retirement	7	7	7	-	-	-	-	-	-	-
County Counsel	31	35	40	40	37	37	38	39	41	45
Risk Management	5	4	4	4	4	5	8	8	9	9
Elections	8	8	8	7	7	7	7	7	8	7
Finance	118	118	122	127	122	123	126	130	133	144
Purchasing	6	7	7	7	6	5	5	5	6	6
Planning and Development	49	59	60	50	50	58	61	64	61	78
Other General	80	85	153	170	166	160	163	165	204	322
Public Protection										
Child Support Services	189	216	315	311	316	316	269	269	269	269
District Attorney	151	153	176	175	188	169	178	165	175	196
Fire Protection	19	21	21	23	23	23	24	20	27	111
Probation	277	282	354	304	313	300	302	309	315	327
Public Defender	60	61	62	66	66	66	69	71	75	83
Sheriff / Coroner	614	669	773	839	654	650	662	710	748	772
Trial Courts	164	178	199	-	-	-	-	-	-	-
Other Protection	55	54	58	57	53	57	57	57	57	58
Public Ways and Facilities	149	147	133	133	133	132	133	133	133	134
Health and Sanitation	504	603	630	624	618	544	581	625	650	575
Public Assistance	1,149	1,185	1,559	1,621	1,454	1,538	1,618	1,623	1,687	1,721
Education	44	45	52	52	37	38	38	38	41	45
Culture and Recreation	21	23	15	19	19	15	15	15	15	16
Solid Waste Management	66	68	72	72	72	72	72	72	75	76
Total Number of Employees by Function	3,801	4,064	4,858	4,743	4,378	4,357	4,471	4,573	4,779	5,047
Total Gross Salaries *	\$ -	\$133,189	\$138,547	\$142,713	\$150,544	\$152,349	\$156,554	\$162,093	\$172,488	\$192,779

*Gross Salaries Rounded to Thousands

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
PUBLIC PROTECTION										
Child Support Services										
Number of Caseloads	-	-	-	-	38,800	37,298	36,712	35,687	35,678	34,960
Number of Orders established	-	-	-	-	2,516	1,951	2,009	2,085	1,810	2,211
Distributed Collections	\$ -	\$ -	\$ 36,136,482	\$ 37,608,967	\$ 39,459,603	\$ 40,480,568	\$ 39,825,831	\$ 40,639,624	\$ 39,001,365	\$ 40,832,921
District Attorney										
Number of Adult Felony Cases Processed (Reviewed and Evaluated)	-	-	-	5,795	4,770	6,195	6,444	7,131	9,160	8,419
Number of Adult Felony Cases Filed	-	-	-	3,772	4,341	4,282	4,474	4,960	5,702	5,547
Number of Adult Misdemeanors Cases Processed (Reviewed and Evaluated)	-	-	-	13,357	11,388	13,815	15,309	15,571	15,727	18,058
Number of Adult Misdemeanors Cases Filed	-	-	-	10,438	10,768	12,828	12,437	12,747	12,943	14,192
Total Juvenile Felony & Misdemeanors Cases Processed	-	-	-	2,715	2,766	3,079	3,556	14,893	2,954	2,771
Number of Juvenile Misdemeanors Cases Filed	-	-	-	1,303	1,823	1,355	1,390	1,196	886	877
Number of Juvenile Felony Cases Filed	-	-	-	752	943	866	1,268	754	829	733
Total Cases Tried (Excluded Juvenile Trials)	-	-	-	222	170	216	186	196	207	173
Total Number of Estates Opened	37	40	45	27	31	9	28	28	24	15
Total Number of Estates Closed	30	36	50	29	15	22	7	7	21	18
Total Amount of Fees Collected	\$ 17,495	\$ 25,544	\$ 42,808	\$ 45,533	\$ 12,021	\$ 36,307	\$ 89,447	\$ 89,447	\$ 111,449	\$ 117,659
Total Amount of Bond Fees	\$ 817	\$ 1,289	\$ 1,634	\$ 2,957	\$ 708	\$ 1,635	\$ 2,040	\$ 2,041	\$ 10,238	\$ 11,647
Fire Protection										
Number of Fires	1,968	2,223	2,066	2,138	2,227	2,285	2,492	2,383	3,156	3,227
Medical Aids	6,170	6,262	6,616	6,965	7,353	7,673	8,298	8,330	8,997	7,408
Assist other Agencies	689	647	741	802	1,025	1,413	1,534	1,622	1,204	1,383
Public Defender										
Felony New Cases Opened	3,507	3,345	3,785	4,204	4,763	4,957	5,066	6,074	6,274	5,526
Misdemeanor New Cases Opened	5,255	4,935	5,284	6,113	6,276	6,340	6,055	6,457	9,251	8,620
Juvenile Delinquency New Cases Opened	1,828	2,522	2,451	2,425	2,526	2,304	2,629	2,451	2,170	1,879
Sheriff/Coroner										
Homicide	11	10	10	12	12	11	9	-	20	13
Rape	31	42	37	29	36	33	28	30	38	29
Robbery	81	53	73	68	75	68	68	86	92	78
Aggravated Assault	505	-	-	308	450	518	470	-	854	388
Burglary	1,055	845	975	999	1,141	1,045	1,219	1,328	1,017	906
Larceny Theft	1,833	1,540	1,924	1,686	1,668	2,066	2,071	2,117	2,173	2,247
Warrants Processed	13,196	11,401	13,642	14,761	18,054	19,336	19,916	22,743	19,813	21,195
Jail Population-Admissions	22,246	18,951	19,868	19,561	20,689	20,394	20,943	22,675	29,241	26,183
Other Protection - Auto Theft										
Number of Vehicles Recovered	-	-	-	76	81	32	92	73	68	96
Total Value of Recovered Vehicles	\$ -	\$ -	\$ -	\$ 1,014,915	\$ 1,003,500	\$ 300,000	\$ 960,500	\$ 508,000	\$ 609,885	\$ 1,216,500

Cont.

Table 16 (Cont.)

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Other Protection - Environmental Health										
Small Water System Inspections	345	169	329	237	336	221	280	240	59	18
Food Facility Inspections	2,082	605	1,975	1,822	1,175	1,402	1,647	1,620	2,337	1,403
Swimming Pool Inspections	377	145	366	321	61	108	113	134	114	126
Dairy Inspections	1,058	954	956	906	971	996	999	1,014	952	952
Hazardous Materials Inspections	-	-	-	203	94	272	247	308	379	414
Hazardous Waste Inspections	-	-	-	102	53	133	139	156	225	214
Underground Tank Inspections	-	-	-	273	249	270	255	277	316	269
Animal Control Field Calls	-	-	-	3,356	4,919	5,258	5,246	4,899	4,239	4,022
Rabies Investigations	-	150	155	134	124	123	143	105	148	112
Animal Control Intake	-	-	-	6,967	8,245	8,031	8,453	8,829	9,172	9,151
Solid Waste Inspections	-	-	-	262	296	282	275	277	293	237
Liquid Waste Inspections	-	-	-	37	68	44	51	54	47	60
Tire Facility Inspections	-	-	-	123	128	172	265	181	222	0
Illegal Tire Pile Inspections	-	-	-	31	76	48	29	23	24	0
Medical Waste Inspections	-	-	-	24	24	24	25	25	25	25
PUBLIC WAYS AND FACILITIES										
Roads										
Total Maintained Mileage	3,081	3,078	3,077	3,078	3,072	3,065	3,057	3,048	3,008	3,006
Miles of Road Re-oiled	55	55	55	55	55	55	55	45	52	68
Miles of Chip Seals	100	100	100	100	125	100	94	75	113	105
Miles of Surface Seals	-	60	60	70	70	70	70	70	62	57
Miles of Shoulders	200	400	400	200	200	200	200	200	120	250
Bridges over 20 feet	-	-	-	-	-	366	362	360	360	360
Bridges less than 20 feet	32	32	32	32	32	32	32	32	34	34
Numbers of Installed Traffic Signs	-	-	-	-	-	-	-	17,282	17,300	17,475
Miles of Road Striped	-	-	-	-	-	-	-	1,276	1,758	1,758
Number of Traffic Signal Locations	-	-	-	-	-	-	-	8	8	8
Number of Streetlights	-	-	-	-	-	-	-	1,384	1,459	1,468
Number of Traffic Collisions	-	-	1,781	1,734	1,884	1,846	1,915	1,879	1,720	1,468
HEALTH AND SANITATION										
Childhood Dental Disease Prevention Program										
Number of Children Receiving Oral Health Education	-	-	-	-	7,561	7,487	7,564	7,789	11,752	6,899
Number of Children Receiving Dental Screening	-	-	-	-	2,615	2,370	2,761	3,571	1,500	1,712
Number of Children Receiving Sealants	-	-	-	-	5,615	2,370	1,851	3,571	305	218
TeenSMART										
Number of Presentations	-	-	-	-	-	33	75	105	150	84
Number of Participants Reached	-	-	-	-	-	1,895	1,126	1,415	1,910	9,831
Teen Pregnancy Prevention Program Clients Served										
Adolescence Family Life Program (AFLP)	600	629	603	567	607	633	613	652	641	659
Adolescence Siblings Preventive Parenting Program	887	756	703	657	633	597	611	507	-	-
Cal-Learn Program	96	109	114	110	164	151	153	127	550	544

Cont.

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Unduplicated Number of Mental Health Clients Served										
Outpatient	6,470	7,457	7,782	7,798	7,455	8,021	8,511	8,870	9,343	9,530
Inpatient	496	563	619	706	566	540	675	613	558	579
Conserved	246	273	291	311	322	266	277	278	264	229
Day Treatment	252	272	264	267	135	13	4	5	8	8
Tulare County Clinic Encounters	-	-	97,210	108,719	101,233	102,930	104,080	115,285	105,667	-
HIV Annual Statistics										
Monthly Caseloads	79	96	95	132	182	215	318	352	62	66
Number of New Clients	25	17	26	28	25	32	11	15	13	34
PUBLIC ASSISTANCE										
Indigent Patient Count										
Total Inpatient Services Unduplicated Count	7,570	8,185	4,190	6,447	5,369	3,904	-	-	370	-
Total Outpatient Services Unduplicated Count	5,985	7,254	3,701	5,805	4,253	4,052	-	-	2,864	-
Total Emergency Services Patients Unduplicated Count	2,243	1,647	1,483	3,782	3,101	2,994	-	-	1,855	-
Welfare Fraud										
Major Fraud Cases Completed	-	-	-	2,015	2,464	2,095	1,363	1,072	752	1,968
Persons Convicted	-	-	-	218	158	136	87	104	76	99
Court Ordered Restitution	\$ -	\$ -	\$ -	\$ -	\$ 499,987	\$ 424,443	\$ 424,443	\$ 300,422	\$ 397,627	\$ 446,587
Community Based Programs										
Congregate Meals Served	-	-	-	113,419	138,486	127,347	121,932	125,007	125,167	107,509
Home Delivered Meals	-	-	-	62,998	90,798	83,333	94,026	108,794	121,672	99,140
Information & Assistance Contacts	-	-	-	23,850	56,152	64,983	49,692	52,346	49,607	72,148
Health Insurance Counseling and Advocacy Program (HICAP)	-	-	-	1,280	607	410	359	297	363	259
Number of People Served through Area Agency on Aging Funds	-	-	-	201,547	286,043	276,073	266,009	286,444	296,809	217,876
Number of Adult Protective Services Cases Opened	-	-	-	811	843	828	930	976	784	942
Number of Enrolled Participants in Cal Works	8,075	8,558	8,381	7,996	7,511	7,341	7,198	-	5,243	6,274
CULTURE AND RECREATION										
Parks and Recreation										
Total Number of Cars Entered Parks	-	-	-	-	-	32,680	29,066	22,266	20,393	20,351
Total Amount of Park Reservations	-	-	-	-	-	2,070	1,529	1,697	1,902	1,735
SOLID WASTE MANAGEMENT										
Sanitation-Land Fills										
Landfill Tonnage Gross Total	-	-	278,437	245,877	252,039	269,401	250,254	281,830	310,099	271,245
Landfill Tonnage Recycled Total	-	-	17,370	17,461	20,653	19,457	20,680	26,408	36,181	48,892
OTHER ENTERPRISES										
Transit										
Total Route Miles	-	257,260	418,071	363,067	382,787	409,323	410,767	444,855	441,358	517,947
Number of Passengers	-	62,385	75,392	75,334	74,615	90,128	86,828	89,952	105,715	130,266

Concluded

Table 17

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

Function	Fiscal Year									
	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Public Protection										
Sheriff/Coroner										
Stations	4	4	4	4	4	4	4	4	4	4
Sworn Deputies & Officers	546	551	555	578	578	448	467	448	504	523
Non-sworn Personnel	208	212	211	223	223	184	191	181	195	198
Fire Protection										
Stations	31	38	35	36	29	27	28	29	28	28
Firefighters & Officers	110	71	71	71	70	71	57	69	58	70
Volunteer Firefighters	440	450	440	440	440	425	440	440	440	440
Building Permits Issued	2,005	2,204	2,172	3,194	3,790	2,163	3,643	6,428	5,847	5,118
Public Ways and Facilities										
Roads (miles)	3,082	3,077	3,077	3,077	3,072	3,072	3,072	3,048	3,008	3,006
Streetslights	1,445	1,445	1,384	1,384	1,295	1,295	1,454	1,384	1,459	1,468
Culture and Recreation										
Libraries	15	16	16	15	15	15	15	15	15	15
DVD Books	-	-	-	-	-	-	-	-	-	1,502
Bookmobiles	-	2	2	2	2	2	2	2	2	2
Volumes	399,556	397,151	389,348	388,909	364,325	366,018	352,184	372,000	317,532	288,035
Available Computers										123
Park acreage	610	610	464	592	685	685	604	688	688	688
Parks	14	14	10	10	10	10	10	11	11	11
Museum (square feet)	23,618	23,618	25,919	25,919	25,919	25,919	25,919	25,919	25,919	25,919
Lake Success Capacity (acre feet)	82,000	82,000	82,000	82,000	82,000	82,000	82,300	29,000*	29,000*	29,000
Lake Kaweah Capacity (acre feet)	142,000	142,000	143,000	143,000	143,000	143,000	185,600	185,600	185,600	185,600
Solid Waste Management										
Landfill Sites	6	7	7	7	7	7	7	7	7	7
Transfer Stations	7	7	7	7	7	7	7	7	7	7

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

County of Tulare
 Summary of Financing Requirements
 By Fund and Function
 For Fiscal Years 2006-07, 2007-08, 2008-09
 (amounts expressed in thousands)

Summary by fund	Actual Expenditures and Transfers 2006-2007 (1)	Actual Expenditures and Transfers 2007-2008 (1)	Budgeted Expenditures and Transfers 2008-2009 (2)	Summary by function	Actual Expenditures and Transfers 2006-2007 (1)	Actual Expenditures and Transfers 2007-2008 (1)	Budgeted Expenditures and Transfers 2008-2009 (2)
General	\$ 531,079	\$ 561,522	\$ 613,856	General government	\$ 20,790	\$ 21,733	\$ 43,360
Indigent Health	1,018	1,370	1,019	Public protection	161,553	182,571	205,541
Children & Health	630	297	399	Public ways and facilities	12,845	(738)	65,736
Library	3,004	3,553	4,776	Health and sanitation	120,723	119,569	129,939
Fish and Game	9	20	27	Public assistance	219,376	226,227	241,410
Aviation	263	307	1,829	Education	3,831	4,329	5,726
Structural Fire	12,700	13,017	13,040	Culture and Recreation	1,740	3,361	2,105
Roads	28,920	29,439	67,246	Debt service	9,961	10,905	7,591
Workforce Investment Act	16,386	13,077	14,939	Capital outlay	24,656	42,215	25,386
Child Support Services	15,436	16,304	16,186	Transfers out	114,487	98,762	95,309
Realignment	58,337	45,944	53,618				
Tobacco Settlement Revenue	3,822	4,068	4,373				
Debt service	13,051	12,707	14,800				
Capital Projects	5,307	7,309	15,995				
Total by fund	<u>\$ 689,962</u>	<u>\$ 708,934</u>	<u>\$ 822,103</u>	Total by function	<u>\$ 689,962</u>	<u>\$ 708,934</u>	<u>\$ 822,103</u>

(1) Actual amounts from CAFR basic financial statements for governmental fund types not including component units.

(2) Adopted budget amounts from the BOS Adopted Budget for governmental fund types not including component units.

COUNTY OF TULARE
Insurance Policies in Force During Fiscal Year Ended June 30, 2008
(amounts expressed in whole dollars)

Company	Policy #	Policy Period From	Policy Period To	Self Insured Retention/ Deductible (SIR)	Limits	Premium Costs	Coverage	Fund
Buchman-Mitchell	11 WCX59400 00	7/1/2007	7/1/2008	\$1,000,000	Statutory, including defense for Serious and Willful Actions	\$586,217	Worker's Compensation - CIGA Fee	061
GL-I CSAC/EIA	EIA 08 EL-50	7/1/2007	7/1/2008	\$250,000 per occurrence	\$1,000,000 per occurrence	\$775,056	First Layer Liability - Excess liability coverage - applies above SIR for liability claims by third parties	062
GL-II CSAC/EIA	EIA 08 GL2-12	7/1/2007	7/1/2008	None	\$15,000,000 excess of first layer above	\$389,262	Second Layer Liability - Excess liability coverage - applies above first layer	062
Optional Excess Liability CSAC/EIA	EIA 08 EL-50	7/1/2007	7/1/2008	None	\$10,000,000 excess \$15,000,000	\$0	Optional Excess Liability Excess Limits of Liability	062
Brown & Associates Aviation	NAC 3049603	7/1/2007	7/1/2008	\$1,000 each aircraft	\$10,000,000 per occurrence plus \$1,000,000 for hanger keeper liability	\$17,000	Aviation Liability and Aviation Commercial Liability for County owned Airports	062
Brown & Associates Aviation Hull	NAC 3049604	7/1/2007	7/1/2008	\$1,000 Liability, \$100 Hull Damage, \$250 Non-motion Damage	\$1,000,000 Liability and \$83,000 Hull Damage	\$24,400	Aircraft Property Hull	062
Property CSAC/EIA	PPR 06-09-RKS106900562	3/31/2007	3/31/2008	\$10,000	Replacement costs including Vehicles	\$262,436	Real and Personal Property Including Vehicles	063
Crime Bond CSAC/EIA	6299364	7/1/2007	7/1/2008	\$25,000	\$10,000,000	\$17,943	Crime Bond covers losses as a result of employee dishonesty, theft, robbery, and burglary	063
Fireman's Fund - Water Craft Liability	OHL98120317	7/1/2007	7/1/2008	\$5,000	\$2,000,000 CLS	\$2,200	Water Craft Primary and Excess Liability	062
Fireman's Fund - Water Craft Hull	OHL98120317	7/1/2007	7/1/2008	\$500 - \$5,000 Variable	\$175,500 TIV	\$5,090	Hull Coverage per boat Values	063
CSAC/ EIA	EIA 07 M2-12	10/1/2007	10/1/2009	\$10,000 per claim	\$10,000,000 per claim	\$333,659	Medical Malpractice	064

