



# Comprehensive Annual Financial Report

## CAFR



**County of Tulare**  
**State of California**

**For the Fiscal Year**  
**Ended June 30, 2012**

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# **COUNTY OF TULARE STATE OF CALIFORNIA**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

**Prepared for the Board of Supervisors By**

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

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

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# Introductory Section



# AUDITOR-CONTROLLER/ TREASURER-TAX COLLECTOR



**Rita A. Woodard**  
**COUNTY OF TULARE**

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December 28, 2012

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, 2012, 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 is accurate in all material respects and is 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 (the County). All disclosures necessary for an understanding of the County's financial activities have been included. Dollar amounts are expressed in thousands, unless otherwise noted.

This comprehensive annual financial report has been prepared by the Department of the Auditor-Controller in accordance with generally accepted accounting principles (GAAP), as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB) 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 County has a population of approximately 449,253 residents, and its County Seat, The City of Visalia, has a population of approximately 124,442.

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 County's total crop acreage is over 1.6 million acres. The climate of the County is such that it produces outstanding citrus crops. Among these crops, oranges are the most prominent; however, the County also ranks 3<sup>rd</sup>. in the State with 5,678 acres devoted to lemons. Thousands of acres of grapes also generate significant revenue. Table grapes grown here are shipped worldwide, while other grapes are processed for wine making and raisins. The County is also famous for its olives, almonds, pistachio nuts, walnuts, plums, peaches and nectarines, which account for hundreds of millions of dollars in farm income each year. California produces 95 percent of the nation's olives, 54% 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:

Sponsored 13 Step Up community events in collaboration with the Tulare County Gang Prevention Task Force including first time events in Earlimart, Farmersville, and Traver.

Created the Step Up Youth Challenge, a Youth Activities Grant Program that targeted the involvement of Junior High schools throughout Tulare County. 16 schools participated and \$15,000 in grants were awarded.

Continued the Summer Night Lights Program aimed at curbing violence and other negative activities by keeping selected parks and recreational activities open on designated evenings throughout the summer. The program continued within the communities of Farmersville, Porterville, and Visalia and expanded to include Alpaugh, Allensworth, Cutler-Orosi, Dinuba, Richgrove, and Tulare.

Expanded the Tulare County Speakers Bureau which includes a diverse group of local government experts who are prepared to speak on a wide range of topics relating to local government issues. The Speakers Bureau served over 1,500 county residents at 34 different meeting contracted through organizations like Rotary Club, Kiwanis Club, Pro Youth Heart, and local high schools.

Completed the first phase of the Tulare Lake Basin Disadvantaged Community Water Study which included data collection, stakeholder outreach, and the selection of pilot projects and studies. The study is aimed at developing recommended solutions to water issues facing disadvantaged communities.

Implemented marketing and program support strategies to comply with the San Joaquin Valley Pollution Control District's Rule 9410. In addition, developed and implemented services and facilities strategies to comply with Rule 9410.

Finalized and approved the countywide customer service program, completed instructor training, and established training dates and times for the initial training sessions.

**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:

The Board of Supervisors will join and actively participate in the various Chambers of Commerce throughout the County in order to continue enhancing community relations.

Complete the first year of a two year program to provide customer service training to all County employees.

Advocate for the necessary funding for the County public safety/criminal justice departments and the Superior Court as they implement the requirements of Assembly Bill (AB) 109, the 2011 Realignment Legislation, which shifted responsibility for certain offenders and parolees from the State to local public safety and criminal justice departments.

Enhance enforcement of the Tulare County Ordinance Code pertaining to the cultivation and distribution of marijuana.

Investigate opportunities for collaboration with California State University, Fresno to support gang prevention activities.

Support improvements at Sequoia Field to facilitate future commercial development.

Support the Step Up Youth Activities Grant Program for youth throughout Tulare County.

## **LONG TERM FINANCIAL PLANNING**

Local assessed property values for FY 12/13 declined .687% below FY 11/12; this will decrease property tax revenues in the County. The budget was adopted reflecting a decrease in property taxes when compared against FY 11/12 actual revenues.

Tulare County's Capital Project Ten Year Capital Improvement Plan (CIP) identifies capital needs, as well as, funding sources and funding shortfalls. For FY2012/13, the Capital Projects Fund adopted budget is \$20,395,082. Significant projects for FY2012/13 include South County Detention Facility at \$2.6 million, Mental Health/Alcohol and Drug Office Relocation at \$4.5 million, Emergency Generators for the Visalia Courthouse and Government Plaza of \$2.4 million, Bob Wiley Detention Facility Boiler Replacement at \$625,000 and Library Projects of \$200,000.

## **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 nonmajor federal awards, the audit for the year ended June 30, 2012, 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 (the Board). Activities of the General Fund, special revenue funds, debt service funds, and capital projects fund are included in the annual appropriated budget. The legal level of budgetary control (that is, the level which cannot be exceeded without action by the Board 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.

## **INDEPENDENT AUDIT**

The financial records and transactions of the County and its blended component units for the fiscal year ended June 30, 2012, have been audited by Brown Armstrong, Accountancy Corporation, 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, 2011. 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, Accountancy Corporation for their professional assistance. Each participating member has our sincere appreciation for the contributions made in the preparation of this report. Finally, we would like to thank the Board for 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, 2011

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



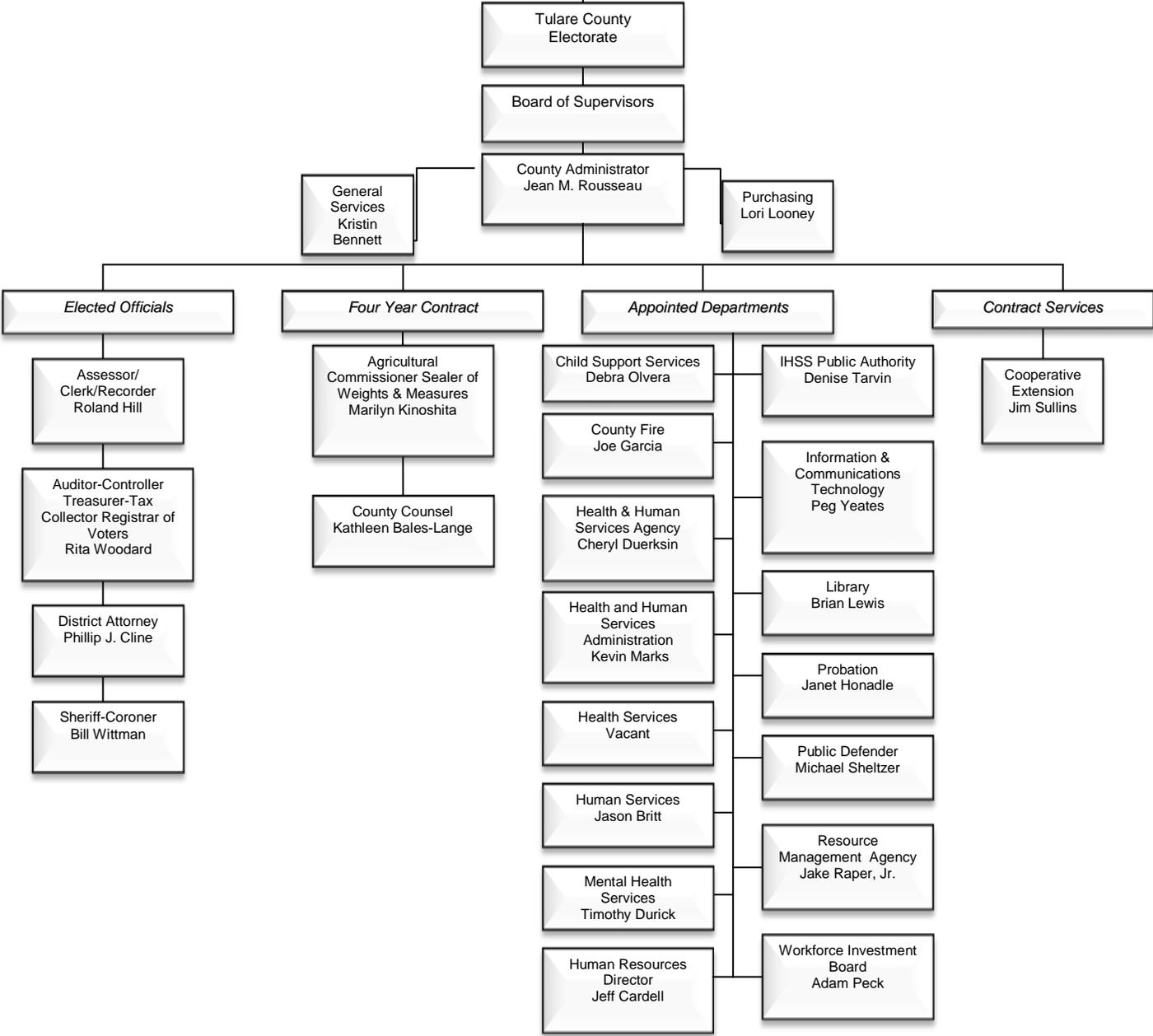
*Linda C. Dandison*

President

*Jeffrey R. Emer*

Executive Director

**COUNTY OF TULARE**  
**ORGANIZATIONAL CHART**  
 August 2012



**COUNTY OF TULARE**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**June 30, 2012**

DEPARTMENT	OFFICIALS	POSITIONS
Agricultural Commissioner	Marilyn Kinoshita	59
* Assessor/Clerk-Recorder	Roland Hill	94
* Auditor-Controller/ Treasurer-Tax Collector Elections	Rita Woodard	59
Board of Supervisors		7
** District No. 1 – Three Rivers, Exeter	Allen Ishida, Chairman	
** District No. 2 – Tulare, Alpaugh, Pixley	Pete Vander Poel, Vice Chairman	
** District No. 3 -- Visalia	Phillip Cox	
** District No. 4 – Dinuba, Goshen, Woodlake	J. Steven Worthley	
** District No. 5 – Porterville, Tule Reservation	Mike Ennis	
Child Support Services	Debra Olvera	212
Cooperative Extension	Jim Sullins	9
County Administrative Office	Jean M. Rousseau	178.50
General Services		
Capital Projects		
Purchasing		
County Counsel	Kathleen Bales-Lange	53.65
Risk Management		
* District Attorney	Phillip J. Cline	214
Public Administrator		
Fire Protection Services	Joe Garcia	114
Grand Jury	Annette Jones	0.48
Health & Human Services Agency	Dr. Cheryl Duerksen	2,003.71
Administrative Services		
Human Services		
Primary Care Services		
Community Services		
Human Resources & Development	Jeff Cardell	26
Information Technology	Peg Yeates	127
Law Library	Anne Bernardo	2
Library	Brian G. Lewis	37.80
Probation	Janet M. Honadle	367
Juvenile Detention Facility		
Probation Youth Facility		
Delinquency Prevention & Court Services		
Supervision Services		
Program Planning and Development		
Administrative Services		
Public Defender	Michael Sheltzer	90
*** Resource Management Agency	Jake Raper	297
Engineering Services		
Transportation Services		
Long Range Planning		
Support Services		
Administration		
* Sheriff-Coroner	Bill Wittman	799
Workforce Investment	Adam Peck	24
Total Allocations		4,774.14

AUD 192

- Unmarked - Appointed
- \* Elective - County at Large
- \*\* Elective - By District
- \*\*\* Interim Agency Director

# Financial Section



BROWN  
ARMSTRONG

CERTIFIED  
PUBLIC  
ACCOUNTANTS

BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Tulare, California (the County) as of and for the year ended June 30, 2012, 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 opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Tulare County, which represents 100 percent of the assets and revenues of the discretely presented component unit for the fiscal year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison information for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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REGISTERED with the Public Company  
Accounting Oversight Board and  
MEMBER of the American Institute of  
Certified Public Accountants

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 21 and schedules of funding progress on pages 78 and 79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 19, 2012

**COUNTY OF TULARE**  
**Management's Discussion and Analysis**  
**June 30, 2012**

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, 2012. 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 \$1,787,537 (*net assets*). Of this amount, \$91,403 (*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 \$39,672.

As of the close of the current fiscal year, the County governmental funds reported combined ending fund balances of \$229,153, an increase of \$64,399 in comparison with the prior year. Amounts available for spending include restricted, committed, assigned, and unassigned fund balances; these totaled \$226,395 or 99% of ending fund balance. Of this amount, \$157,517 is restricted by law or externally imposed requirements, and \$5,833 is committed for specific purposes.

At the end of the current fiscal year, unassigned fund balance for the General Fund was \$61,448 or 12% of total General Fund expenditures.

The County's total net debt decreased by \$17,808 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 basic 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 85.06% of their support from charges for services and operating grants and contributions. Property taxes, sales taxes, and other revenues cover 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, 2012, 81.59% 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

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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 33 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.

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**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 basic 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 basic financial statements can be found following the fund financial statements in this report.

**Other information.** The combining and individual fund statements and schedules 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**

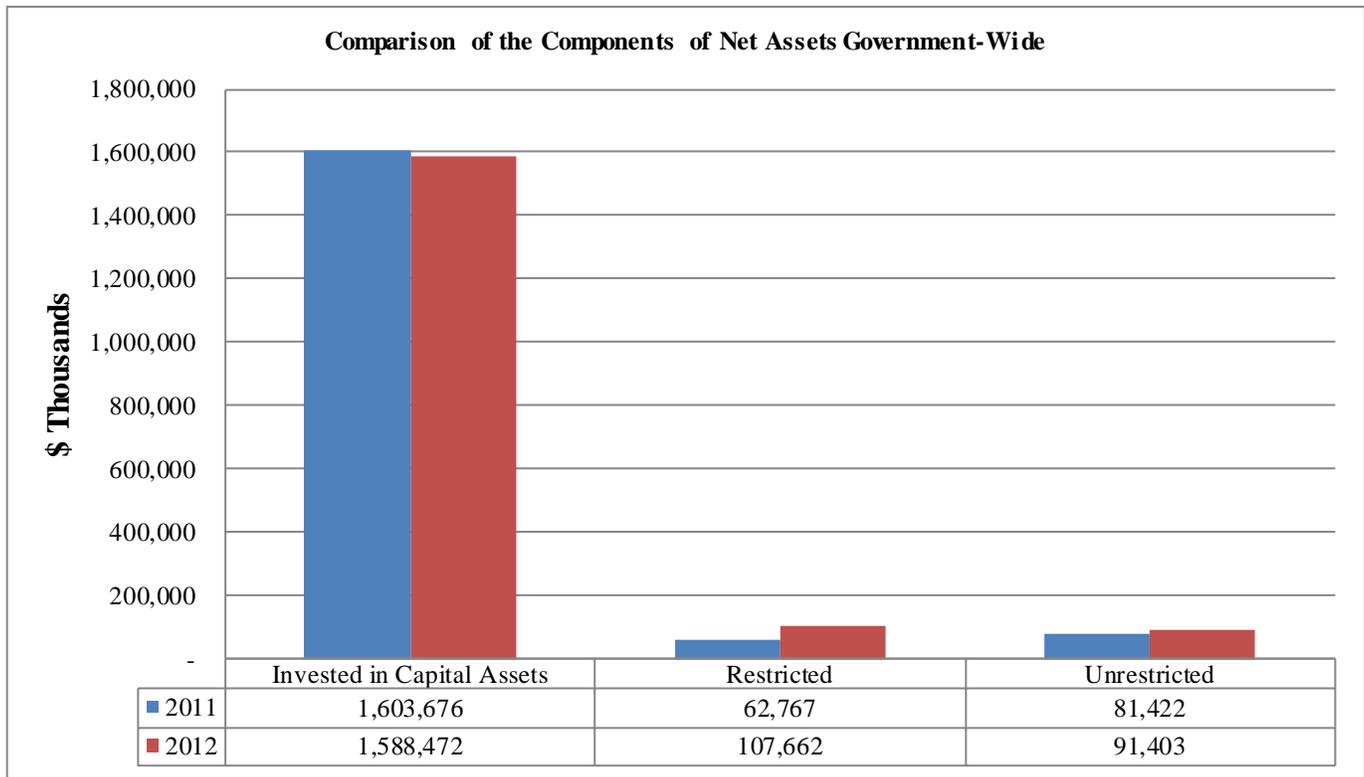
As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,787,537 at the close of the most recent fiscal year.

A portion (\$1,588,472) of the County's net assets (88.86%) 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 (\$107,662) represents resources that are subject to external restrictions on how they may be used (*restricted net assets*). The remaining balance of *unrestricted net assets* (\$91,403) 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.

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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, 2011 and 2012, are as follows:

**Summary of Net Assets**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Assets:</b>						
Current and other assets	\$ 467,543	\$ 416,240	\$ 53,997	\$ 59,699	\$ 521,540	\$ 475,939
Capital assets	1,590,762	1,615,750	31,117	28,886	1,621,879	1,644,636
Total assets	<u>2,058,305</u>	<u>2,031,990</u>	<u>85,114</u>	<u>88,585</u>	<u>2,143,419</u>	<u>2,120,575</u>
<b>Liabilities:</b>						
Long-term liabilities	136,067	156,303	41,400	46,878	177,467	203,181
Other liabilities	177,433	167,292	982	2,237	178,415	169,529
Total liabilities	<u>313,500</u>	<u>323,595</u>	<u>42,382</u>	<u>49,115</u>	<u>355,882</u>	<u>372,710</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt	1,558,744	1,576,213	29,728	27,463	1,588,472	1,603,676
Restricted	102,657	57,762	5,005	5,005	107,662	62,767
Unrestricted	83,404	74,420	7,999	7,002	91,403	81,422
<b>Total net assets</b>	<u>\$ 1,744,805</u>	<u>\$ 1,708,395</u>	<u>\$ 42,732</u>	<u>\$ 39,470</u>	<u>\$ 1,787,537</u>	<u>\$ 1,747,865</u>

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**Changes in Net Assets**  
(amounts expressed in thousands)

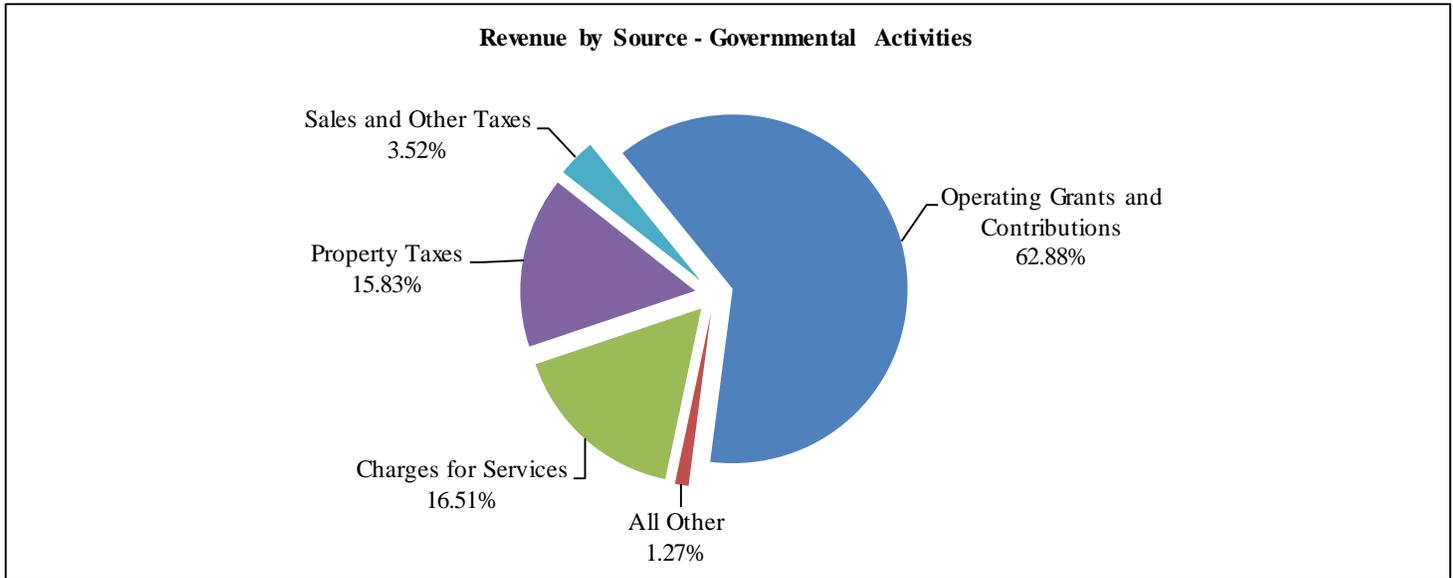
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 110,192	\$ 111,600	\$ 9,749	\$ 9,194	\$ 119,941	\$ 120,794
Operating grants and contributions	419,570	406,398	2,222	1,270	421,792	407,668
General Revenues:						
Property taxes	105,604	101,519	-	-	105,604	101,519
Sales and other taxes	23,472	31,937	1,842	2,486	25,314	34,423
Other	8,445	3,750	859	864	9,304	4,614
<b>Total revenues</b>	<b>667,283</b>	<b>655,204</b>	<b>14,672</b>	<b>13,814</b>	<b>681,955</b>	<b>669,018</b>
<b>Expenses:</b>						
General government	42,590	39,515	-	-	42,590	39,515
Public protection	190,402	182,316	-	-	190,402	182,316
Public ways and facilities	38,295	25,485	-	-	38,295	25,485
Health and sanitation	122,305	117,572	-	-	122,305	117,572
Public assistance	224,139	235,547	-	-	224,139	235,547
Education	5,020	5,412	-	-	5,020	5,412
Culture and recreation	371	310	-	-	371	310
Unallocated depreciation	520	520	-	-	520	520
Interest expense	2,259	3,137	-	-	2,259	3,137
Solid waste	-	-	7,365	10,847	7,365	10,847
Water/Sewer services	-	-	1,070	867	1,070	867
Transit	-	-	2,505	1,988	2,505	1,988
Other business-type activities	-	-	4	1	4	1
<b>Total expenses</b>	<b>625,901</b>	<b>609,814</b>	<b>10,944</b>	<b>13,703</b>	<b>636,845</b>	<b>623,517</b>
<b>Change in net assets before extraordinary items and transfers</b>	<b>41,382</b>	<b>45,390</b>	<b>3,728</b>	<b>111</b>	<b>45,110</b>	<b>45,501</b>
Extraordinary Items	(2,658)	-	-	-	(2,658)	-
Transfers	466	515	(466)	(515)	-	-
<b>Change in net assets</b>	<b>39,190</b>	<b>45,905</b>	<b>3,262</b>	<b>(404)</b>	<b>42,452</b>	<b>45,501</b>
<b>Net assets - July 1</b>	<b>1,708,395</b>	<b>1,666,777</b>	<b>39,470</b>	<b>39,969</b>	<b>1,747,865</b>	<b>1,706,746</b>
<b>Prior period adjustment</b>	<b>(2,780)</b>	<b>(4,287)</b>	<b>-</b>	<b>(95)</b>	<b>(2,780)</b>	<b>(4,382)</b>
<b>Net assets - June 30</b>	<b>\$ 1,744,805</b>	<b>\$ 1,708,395</b>	<b>\$ 42,732</b>	<b>\$ 39,470</b>	<b>\$ 1,787,537</b>	<b>\$ 1,747,865</b>

1 Net assets - July 1 has been restated to reflect a change in accounting principle as described in Note 5.

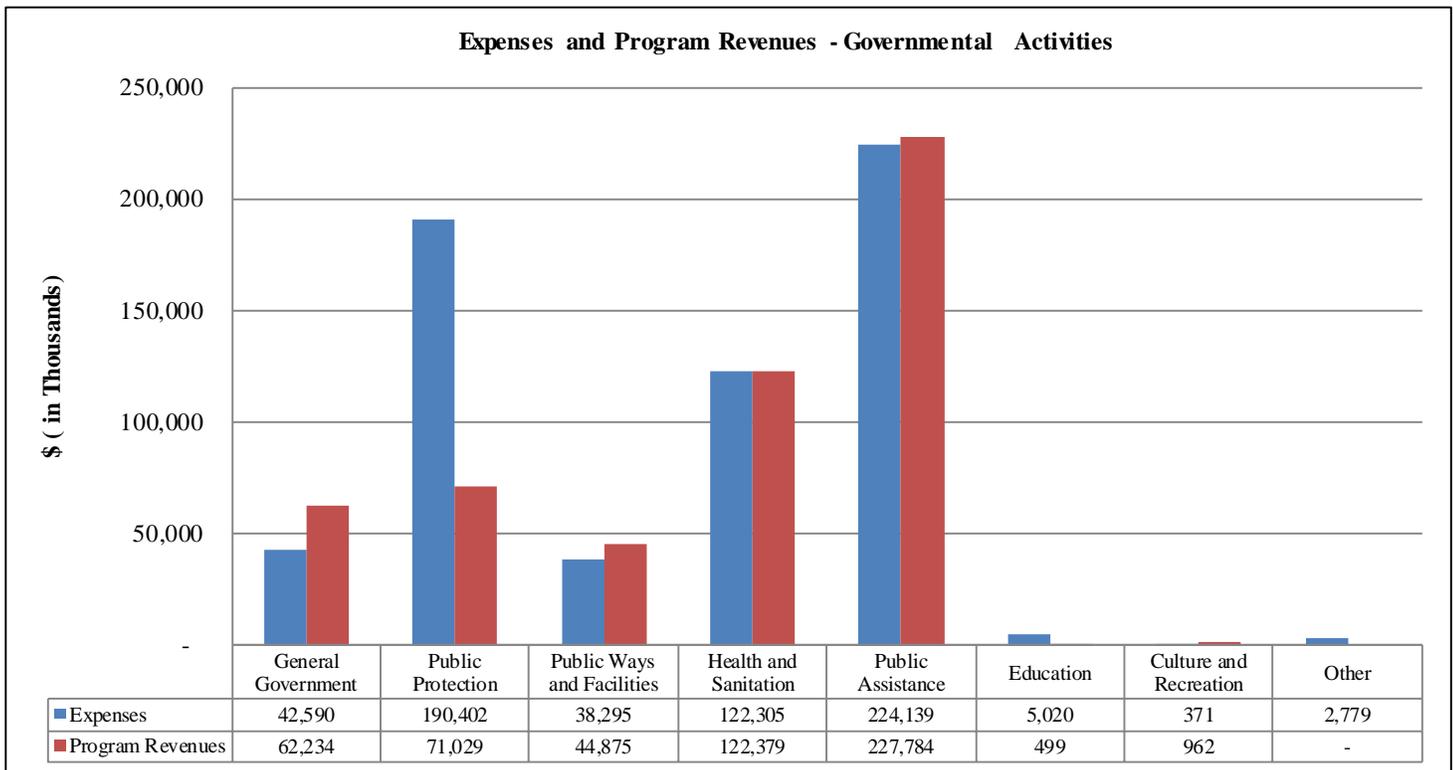
The County's overall net assets increased \$39,672 during the year ended June 30, 2012. The dominant factor was an approximate \$11,408 decrease in Public Assistance.

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**Governmental activities.** Governmental activities increased the County's current year net assets by \$36,410. Operating grants and contributions revenue increased by \$13,172, and Public Assistance expenses decreased by \$11,408. Also, due to contractions in the economy, the County has responded by cutting back on all other general expenses, which is why the reverse effect is realized on total net assets. Key elements of revenues in governmental activities for the year ended June 30, 2012, are as follows:

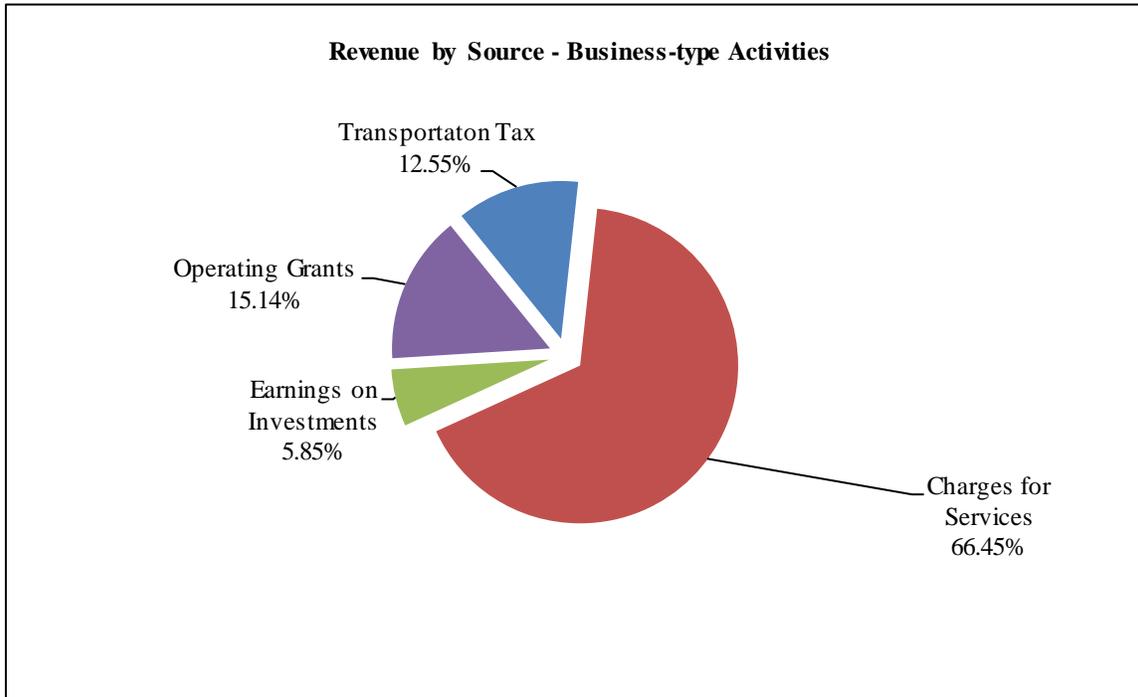


Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, the largest segment of uncovered costs are in the area of public protection. A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2012, is as follows:

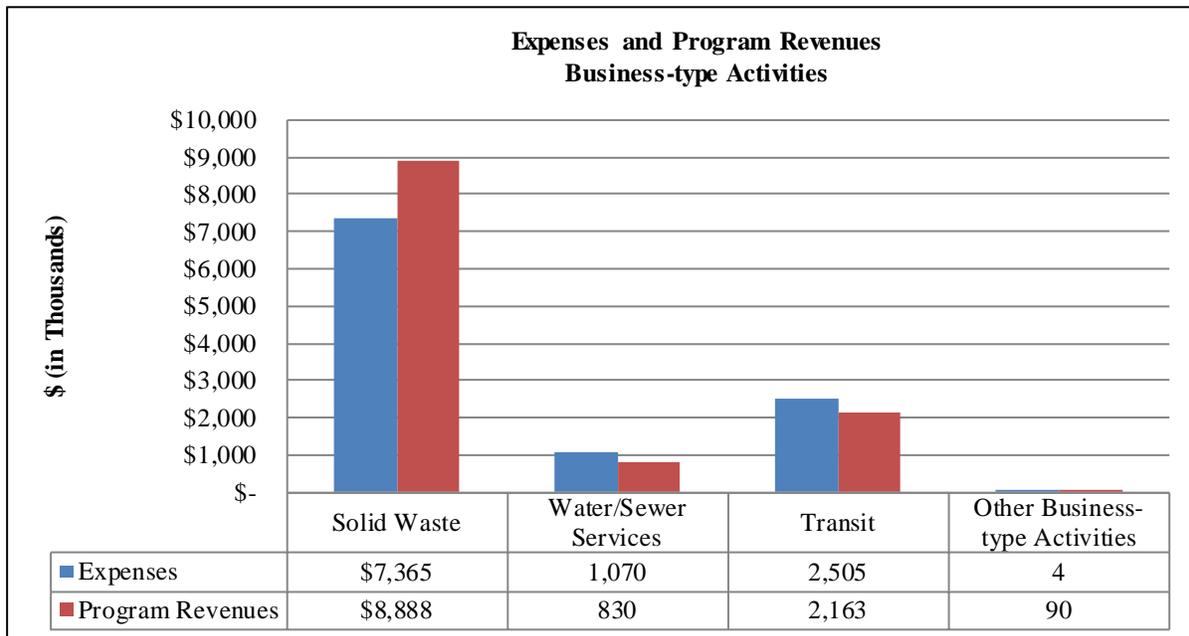


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**Business-type activities.** Business-type activities increased the County's overall net assets by \$3,262. Contributing factors are decreases in other sales and other taxes of \$644 and increase in transit expenses of \$517. The largest source of business-type revenue continues to be Charges for Services, which represents 66.45% of all business-type activities revenue.



Total fee revenues for Solid Waste, which represents 91.2% of charges for services for business-type activities, represents a smaller percentage of revenues compared with the prior year – continuing a 5-year trend. Solid Waste continues to have a disparity between expenses of \$7,365 and fee revenue of \$8,525, which is primarily due to no change in the fee structure, while expenses steadily rise. A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2012, is as follows:



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**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, *unassigned 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 \$229,513, an increase of \$64,399 over the prior year. Approximately 17.7% of the total fund balances, or \$40,477, constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is comprised of *Non Spendable, Restricted, Committed, or Assigned fund balance*.

*Nonspendable fund balance*, \$2,758, are amounts that are not spendable in form, or are legally or contractually required to be maintained intact, and are made up of inventory and prepaid items.

*Restricted fund balance*, \$157,517, consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for (1) purpose of fund (i.e., fire protection) \$122,597, (2) Remediation of Harmon Field \$5,000, (3) note receivable \$22,954, (4) Proposition 69 \$519, and (5) other purposes \$6,447. 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 *majority of fund balances* of both TCPFC \$6,228 or 100% and TCPFA \$52,099 or 93.7% are restricted for future servicing of debt.

*Committed fund balance*, \$5,833, are amounts for specific purposes determined by the Board of Supervisors, such as (1) advances to others \$1,270, (2) CalWORKs information network system \$344, (3) dairy \$156, (4) law enforcement \$46, (5) health care programs \$17, and (6) South County detention facility \$4,000.

*Assigned fund balance* of \$22,568 represents residual fund balance intended for use by special revenue funds.

*Unassigned fund balance*, \$40,477, represents the residual classification for the County's General Fund of \$61,448, as well as governmental funds where expenditures exceed other available fund balance (\$20,971).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$61,448 while total fund balance reached \$88,748. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 12.1% of total General Fund expenditures, while total fund balance represents 17.4% of that same amount.

Spending from the General Fund increased by \$1,188 or .23%. Contributing factors include a 8.4% or \$1,802 increase in general governmental spending. A 5.2% or \$8,119 increase in spending for public protection spread fairly evenly among the Sheriff's, District Attorney's, Public Defenders and Probation Offices. A \$3,892 or 3.4% increase in Health and sanitation. Public assistance spending decreased by \$10,511 or 4.8%, and a \$21 or 155% increase in culture and recreation spending.

**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 \$60,716, with \$42,732 of that in enterprise funds and 53.7% or \$32,579 of the enterprise fund's net assets in Solid Waste. *Unrestricted net assets* of Solid Waste at the end of the fiscal year amounted to \$3,708, which is an addition in net assets for Solid Waste of \$110 or .36% 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.

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**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 \$1,621,879 (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.

**Capital Assets**  
**(net of depreciation)**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 910,114	\$ 910,941	\$ 6,728	\$ 6,728	\$ 916,842	\$ 917,669
Infrastructure	415,260	468,783	-	-	415,260	468,783
Buildings and improvements	136,962	134,202	14,585	15,959	151,547	150,161
Equipment and vehicles	23,779	23,865	5,650	5,299	29,429	29,164
Construction in progress	454	2,189	4,154	922	4,608	3,111
Infrastructure in progress	104,193	75,770	-	-	104,193	75,770
<b>Total</b>	<b>\$ 1,590,762</b>	<b>\$ 1,615,750</b>	<b>\$ 31,117</b>	<b>\$ 28,908</b>	<b>\$ 1,621,879</b>	<b>\$ 1,644,658</b>

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

1. The Downtown Annex Remodel for the Probation Department \$2,113.
2. The Civic Center Parking Lot located by the courthouse in Visalia \$1,068.
3. Infrastructure Equipment such as Tractors for a total of \$599.
4. The County purchased vehicles for public safety departments at a cost of \$1,289.

Additional information on the County's capital assets can be found in Note 4 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total outstanding debt of \$72,412. Of this amount, 30.7% (\$22,202) 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. Another 53.9% (\$39,012) 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 used in the general operations of the County.

**Outstanding Debt**  
**(amounts expressed in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Loans	\$ 10,544	\$ 13,222	\$ -	\$ -	\$ 10,544	\$ 13,222
Capital Leases	654	-	-	-	654	-
Variable Rate Demand Bonds	39,005	39,720	7	7	39,012	39,727
Pension Obligation Bonds	-	6,270	-	-	-	6,270
Tax Allocation Bond	-	3,270	-	-	-	3,270
Certificates of Participation	20,820	26,315	1,382	1,416	22,202	27,731
<b>Totals</b>	<b>\$ 71,023</b>	<b>\$ 88,797</b>	<b>\$ 1,389</b>	<b>\$ 1,423</b>	<b>\$ 72,412</b>	<b>\$ 90,220</b>

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$17,808 (16.7%). The largest reductions occurred with payments of \$5,529 against the COP's and \$6,270 paid on Pension Obligation Bonds.

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

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Constitutional Amendment XIII A, passed by a vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1% of full cash value. Thus, the legal debt margin (\$338,976) is 1.25% of assessed valuation (\$27,118,117). As of June 30, 2012, 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 4 of this report.

### **Economic Factors and Next Year's Budget**

The County's economy has begun to stabilize since the downward spiral in Fiscal Year 2008-2009 due to the decline in the housing market and the closing of additional local retail businesses that reduced sales taxes and increased unemployment. The County's unemployment rate has now improved slightly and has decreased to 15.1% as of June 2012. The County's assessed valuation continues to remain virtually flat (-.687) for Fiscal Year 2011-2012 and the State's budget problems are still a concern to local governments.

The Governor's Fiscal Year 2011-2012 State Budget shortfall continues to plague California. This marks the fourth year in a row that necessary steps are needed to bring the State Budget into balance, to address the State's \$26.6 billion budget gap and makes progress in addressing the State's long-term structural budget deficit problem. The State has now pushed more authority and burden to local governments, coupled with deep spending reductions. The Budget Act closes an estimated budget gap with a combination of expenditure reductions, improved revenue outlook, and other solutions. These reductions include:

- Cuts in funding to various health and human services programs such as CalWORKS (welfare), Medi-Cal, Mental Health Services, Development Services, and In-Home Supportive Services would result in less services available to citizens;
- Implementation of the Community Corrections Grant Program by AB 109 moves program and fiscal responsibility to local governments. This significant realignment of public safety programs, which moves lower-level offenders and parole violators out of State prisons and into County detention facilities, has caused a great concern to the County;
- Continued suspension of various Fiscal Year 2011-2012 mandates that force the County to provide additional unfunded services;
- Eliminating Williamson Act subventions, under which the State reimburses the County for a portion of the property tax lost to agricultural landowners who reserve their land for agricultural use for at least 10 years, and receive property tax reductions during that period. Now a County run program;
- The County is beginning to stabilize overall and is moving forward cautiously. The County has negotiated MOU's lifting the furlough and catching up salary steps and merits. The County's general revenue, sometimes referred to as discretionary revenue has increased. Property and sales tax have slightly increased. Budgetary reductions and spending cuts by the State are still a concern for the County, which will impact and lower local County services.

The County's Fiscal Year 2012-2013 budget addresses these and other concerns. It has a \$19,043,250 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, 2012, can also be found at the County's website: [www.co.tulare.ca.us/government/auditor/finrpt](http://www.co.tulare.ca.us/government/auditor/finrpt).

# **Basic Financial Statements**

**COUNTY OF TULARE**  
**Statement of Net Assets**  
**June 30, 2012 (in thousands)**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
<b>ASSETS</b>				
Cash in banks	\$ 173	\$ 220	\$ 393	\$ -
Investment in treasury pool	313,117	7,971	321,088	7,847
Investments	9,317	-	9,317	-
Cash on hand	12	34	46	-
Imprest cash	577	2	579	-
Receivable (net of allowance for uncollectibles)				
Accounts	24,231	1,754	25,985	1,065
Taxes	6,370	-	6,370	-
Deposits with others	-	110	110	4
Due from other funds	5	-	5	-
Due from other governments	28,517	-	28,517	35
Inventories	497	-	497	-
Prepaid items	2,286	-	2,286	19
Lease payments receivable, net of interest	725	-	725	-
Pension assets	367	-	367	-
Bond issuance costs, net	164	-	164	-
Notes receivable	22,954	-	22,954	-
Advances to other County funds	820	-	820	-
Restricted assets	57,411	43,906	101,317	-
Capital assets, not being depreciated/amortized	1,014,761	10,882	1,025,643	-
Capital assets, net of accumulated depreciation/amortization	576,001	20,235	596,236	4
Total assets	<u>2,058,305</u>	<u>85,114</u>	<u>2,143,419</u>	<u>8,974</u>
<b>LIABILITIES</b>				
Accounts payable	41,631	762	42,393	1,158
Cash overdraft	110	-	110	-
Deposits from others	285	61	346	-
Due to other funds	-	5	5	-
Due to other governments	17,616	-	17,616	-
Salaries and benefits payable	10,271	140	10,411	9
Interest payable	592	14	606	-
Unearned revenue	61,545	-	61,545	-
Tax and revenue anticipation notes	45,383	-	45,383	-
Total current liabilities	<u>177,433</u>	<u>982</u>	<u>178,415</u>	<u>1,167</u>
Noncurrent liabilities - Due within one year:				
Liability claims payable	6,263	-	6,263	-
Compensated absences	1,598	33	1,631	-
Leases payable	85	-	85	-
Loans payable	1,212	-	1,212	-
Contractual obligations	-	-	-	-
Bonds payable	815	-	815	-
COP's payable	4,470	36	4,506	-
Noncurrent liabilities - Due in more than one year:				
Liability claims payable	25,356	-	25,356	-
Net OPEB obligation	7,769	-	7,769	-
Compensated absences	19,058	292	19,350	19
Advances from agency funds	-	780	780	-
Closure/postclosure costs payable	-	38,906	38,906	-
Leases payable	569	-	569	-
Accrued remediation costs	5,000	-	5,000	-
Loans payable	9,332	-	9,332	-
Contractual obligations	-	-	-	-
Bonds payable	38,190	7	38,197	-
COP's payable	16,350	1,346	17,696	-
Total noncurrent liabilities	<u>136,067</u>	<u>41,400</u>	<u>177,467</u>	<u>19</u>
Total liabilities	<u>313,500</u>	<u>42,382</u>	<u>355,882</u>	<u>1,186</u>

Continued

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

**COUNTY OF TULARE**  
**Statement of Net Assets (Continued)**  
**June 30, 2012 (in thousands)**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		First 5 Tulare County
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	1,558,744	29,728	1,588,472	4
Restricted for:				
Capital projects	5,000	-	5,000	-
Debt service	27,362	-	27,362	-
Roads projects	11,251	-	11,251	-
Low & moderate income housing	3,918	-	3,918	-
Public protection	9,747	-	9,747	-
Education	2,202	-	2,202	-
Health and sanitation	32,969	-	32,969	-
Public assistance	7,289	-	7,289	-
Landfill ground water contingencies	-	5,005	5,005	-
Other purposes	2,919	-	2,919	-
Unrestricted	83,404	7,999	91,403	7,784
Total net assets	<u>\$ 1,744,805</u>	<u>\$ 42,732</u>	<u>\$ 1,787,537</u>	<u>\$ 7,788</u>

Concluded

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

**COUNTY OF TULARE**  
**Statement of Activities**  
**For the Year Ended June 30, 2012 (in thousands)**

Functions / Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
<b>Governmental activities:</b>							
General government	\$ 42,590	\$ 31,271	\$ 30,963	\$ 19,644	\$ -	\$ 19,644	\$ -
Public protection	190,402	21,558	49,471	(119,373)	-	(119,373)	-
Public ways and facilities	38,295	6,700	38,175	6,580	-	6,580	-
Health and sanitation	122,305	43,479	78,900	74	-	74	-
Public assistance	224,139	6,687	221,097	3,645	-	3,645	-
Education	5,020	209	290	(4,521)	-	(4,521)	-
Culture and recreation	371	288	674	591	-	591	-
Unallocated depreciation	520	-	-	(520)	-	(520)	-
Interest expense	2,259	-	-	(2,259)	-	(2,259)	-
Total governmental activities	<u>625,901</u>	<u>110,192</u>	<u>419,570</u>	<u>(96,139)</u>	<u>-</u>	<u>(96,139)</u>	<u>-</u>
<b>Business-type activities:</b>							
Solid waste	7,365	8,525	363	-	1,523	1,523	-
Water/Sewer services	1,070	830	-	-	(240)	(240)	-
Transit	2,505	304	1,859	-	(342)	(342)	-
Other business-type activities	4	90	-	-	86	86	-
Total business-type activities	<u>10,944</u>	<u>9,749</u>	<u>2,222</u>	<u>-</u>	<u>1,027</u>	<u>1,027</u>	<u>-</u>
Total primary government	<u>\$ 636,845</u>	<u>\$ 119,941</u>	<u>\$ 421,792</u>	<u>(96,139)</u>	<u>1,027</u>	<u>(95,112)</u>	<u>-</u>
<b>Component unit:</b>							
First 5 Tulare County	\$ 7,052	\$ -	\$ 5,995				(1,057)
Total component unit	<u>\$ 7,052</u>	<u>\$ -</u>	<u>\$ 5,995</u>				<u>(1,057)</u>
General revenues:							
Taxes:							
Property taxes, Levied for general purposes				92,870	-	92,870	-
Property taxes, Levied for flood control				503	-	503	-
Property taxes, Levied for redevelopment				1,921	-	1,921	-
Property taxes, Levied for fire protection				7,028	-	7,028	-
Property taxes, Levied for library				3,282	-	3,282	-
Sales and other taxes				23,472	1,842	25,314	-
Grants and contributions not restricted to specific programs							
Earnings on investments				4,324	857	5,181	123
Miscellaneous				-	-	-	1
Tobacco settlement revenues				3,930	-	3,930	-
Gain on disposal of capital assets				191	2	193	-
Extraordinary item				-	-	-	-
RDA Dissolution				(2,658)	-	(2,658)	-
CA Assembly Bill 99 Judgement Gain				-	-	-	5,743
Transfers				466	(466)	-	-
Total general revenues and transfers				<u>135,329</u>	<u>2,235</u>	<u>137,564</u>	<u>5,867</u>
Change in net assets				39,190	3,262	42,452	4,810
Net assets July 1				<u>1,708,395</u>	<u>39,470</u>	<u>1,747,865</u>	<u>2,978</u>
Prior period adjustments				(2,780)	-	(2,780)	-
Net assets as restated July 1				<u>1,705,615</u>	<u>39,470</u>	<u>1,745,085</u>	<u>2,978</u>
Net assets June 30				<u>\$ 1,744,805</u>	<u>\$ 42,732</u>	<u>\$ 1,787,537</u>	<u>\$ 7,788</u>

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

**COUNTY OF TULARE**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2012 (in thousands)**

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash in banks	\$ 173	\$ -	\$ -	\$ -	\$ 173
Investment in treasury pool	203,492	89	-	60,776	264,357
Investments	-	6,202	3,115	-	9,317
Cash on hand	3	-	-	-	3
Imprest cash	75	-	-	2	77
Receivables, net:					
Accounts	2,319	-	-	21,748	24,067
Taxes	6,370	-	-	-	6,370
Deposits with others	-	-	-	-	-
Due from other County funds	48	-	-	7,025	7,073
Due from other governments	27,580	-	-	937	28,517
Inventories	-	-	-	497	497
Prepaid items	1,596	-	-	665	2,261
Advances to other funds	1,270	-	-	-	1,270
Lease payments receivable, net of interest	-	-	73	652	725
Notes receivable	-	-	-	22,954	22,954
Restricted investments	-	-	52,411	5,000	57,411
Total assets	<u>\$ 242,926</u>	<u>\$ 6,291</u>	<u>\$ 55,599</u>	<u>\$ 120,256</u>	<u>\$ 425,072</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 26,371	\$ -	\$ -	\$ 13,700	\$ 40,071
Cash overdraft	-	-	-	110	110
Due to other funds	7,356	-	-	24	7,380
Due to other governments	12,989	6	-	405	13,400
Deposits from others	228	57	-	-	285
Salaries and benefits payable	8,569	-	-	1,187	9,756
Deferred revenue	52,662	-	-	25,802	78,464
Advances from other funds	620	-	-	450	1,070
Tax and revenue anticipation notes payable	45,383	-	-	-	45,383
Total liabilities	<u>154,178</u>	<u>63</u>	<u>-</u>	<u>41,678</u>	<u>195,919</u>
<b>FUND BALANCES</b>					
Nonspendable	1,596	-	-	1,162	2,758
Restricted	22,790	6,228	52,099	76,400	157,517
Committed	1,833	-	-	4,000	5,833
Assigned	1,081	-	3,500	17,987	22,568
Unassigned	61,448	-	-	(20,971)	40,477
Total fund balances	<u>88,748</u>	<u>6,228</u>	<u>55,599</u>	<u>78,578</u>	<u>229,153</u>
Total liabilities and fund balances	<u>\$ 242,926</u>	<u>\$ 6,291</u>	<u>\$ 55,599</u>	<u>\$ 120,256</u>	<u>\$ 425,072</u>

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

**COUNTY OF TULARE**  
**Governmental Funds**  
**Reconciliation of the Balance Sheet**  
**June 30, 2012 (in thousands)**

Total fund balances for governmental funds	\$	229,153
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	\$	910,114
Buildings and improvements, net of \$69,553 accumulated depreciation		136,962
Equipment and vehicles, net of \$50,621 accumulated depreciation		23,779
Infrastructure, net of \$241,905 accumulated depreciation		415,260
Construction in progress		454
Infrastructure in progress		<u>104,193</u>
Total capital assets		1,590,762
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.		
		1,301
To account for the Property Tax Administration Fee (PTAF) expense that the County incurred based on the LA County court decision for past tax administration costs.		
		(4,216)
The future revenue resulting from the delay in reimbursements from the State for mandated programs (SB-90) is categorized as deferred for fund statements because the funds will not be available for more than one year.		
		5,260
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.		
		10,263
Ag. Commissioner deferred revenue from farmer fees; revenues was already recognized in government-wide statements in prior year.		
		200
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	\$	(592)
Capital leases payable		(654)
Loans payable		(10,544)
Bonds payable		(39,005)
COP's payable		(20,820)
Claims payable		(31,619)
Accrued remediation cost		(5,000)
Net OPEB obligation		(7,769)
Compensated absences		<u>(20,656)</u>
Total long-term liabilities		(136,659)
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	\$	213
Amount amortized to date		<u>(49)</u>
		164
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.		
		367
Internal service funds are used by the County to charge the costs of various central services to individual funds. The assets (except capital assets included above) and liabilities (except long-term liabilities included above) of the internal service funds are included in governmental activities in the statement of net assets.		
		48,210
Total net assets of governmental activities	\$	<u>1,744,805</u>

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

**COUNTY OF TULARE**  
**Governmental Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Balances**  
**For the Year Ended June 30, 2012 (in thousands)**

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes and special assessments	\$ 105,039	\$ -	\$ -	\$ 24,037	\$ 129,076
Licenses and permits	8,758	-	-	22	8,780
Fines, forfeitures, and penalties	12,473	-	-	2,784	15,257
Interest, rents, and concessions	4,993	519	228	1,499	7,239
Intergovernmental revenues	303,743	-	-	119,487	423,230
Charges for services	63,321	-	-	6,649	69,970
Other revenues	10,514	-	-	5,262	15,776
Total revenues	<u>508,841</u>	<u>519</u>	<u>228</u>	<u>159,740</u>	<u>669,328</u>
<b>EXPENDITURES</b>					
Current:					
General government	23,373	-	-	12,765	36,138
Public protection	155,589	-	-	27,763	183,352
Public ways and facilities	-	-	-	23,711	23,711
Health and sanitation	116,890	-	-	1,173	118,063
Public assistance	208,553	-	-	12,986	221,539
Education	1,002	-	-	3,671	4,673
Culture and recreation	59	-	-	-	59
Debt service:					
Principal retirement	-	5,509	815	6,849	13,173
Interest and fiscal charges	105	1,208	240	1,507	3,060
Capital outlay	3,948	-	-	38,828	42,776
Total expenditures	<u>509,519</u>	<u>6,717</u>	<u>1,055</u>	<u>129,253</u>	<u>646,544</u>
Excess (deficiency) of revenues over (under) expenditures	(678)	(6,198)	(827)	30,487	22,784
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	151	-	-	40	191
Transfers in	54,932	6,673	3,930	43,204	108,739
Transfers (out)	(39,456)	-	(2,500)	(65,808)	(107,764)
Total other financing sources (uses)	<u>15,627</u>	<u>6,673</u>	<u>1,430</u>	<u>(22,564)</u>	<u>1,166</u>
Net change in fund balances before extrordinary items	14,949	475	603	7,923	23,950
Extraordinary items:					
RDA dissolution asset transfers	-	-	-	(5,726)	(5,726)
RDA dissolution liability transfers	-	-	-	74	74
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,652)</u>	<u>(5,652)</u>
Net change in fund balances	14,949	475	603	2,271	18,298
Fund balances, July 1	50,530	5,753	54,996	53,475	164,754
Prior period adjustment	23,269	-	-	22,832	46,101
Fund balances, July 1, as restated	<u>73,799</u>	<u>5,753</u>	<u>54,996</u>	<u>76,307</u>	<u>210,855</u>
Fund balances, June 30	<u>\$ 88,748</u>	<u>\$ 6,228</u>	<u>\$ 55,599</u>	<u>\$ 78,578</u>	<u>\$ 229,153</u>

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

**COUNTY OF TULARE**  
**Governmental Funds**  
**Reconciliation of the Statement of Revenues, Expenses, and Changes in Fund Balances**  
**For the Year Ended June 30, 2012 (in thousands)**

Net change in fund balances - total governmental funds \$ 18,298

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 outlay expenditures in the current period.				
Capital outlay expenditures		\$ 42,776		
Depreciation expense		<u>(23,872)</u>		
Combined adjustment				18,904
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 disposition. This is the book value of the capital assets sold in the current period.				2,104
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.				(348)
Governmental funds report the future resources as the result of delayed collection of reimbursements from the State for mandated programs (SB-90) as deferred revenue because the delay will exceed one year. However, for government-wide statements, the revenue is recognized when earned.				892
To account for the extraordinary item caused by the RDA dissolution asset transfers to the private-purpose trust fund.				(2,969)
To account for the extraordinary item caused by the RDA dissolution liability transfers to the private-purpose trust fund.				5,963
To account for the Property Tax Administration Fee (PTAF) expense that the County incurred based on the LA County court decision for past tax administration costs.				(4,216)
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.				(3,633)
Current year collections of previously delayed reimbursements for Ag. Commissioner programs are reported as current year revenue for governmental funds. However, for government-wide statements, current year collections cannot be recognized a second time.				64
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 affect on the statement of activities.				13,835
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		\$ (49)		
Portion previously expensed		<u>40</u>		(9)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported when amounts are due and payable. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes for the current period.				
Compensated absences		\$ 1,239		
Amortization of pension assets		(7,136)		
Amortization of net OPEB obligation		(1,456)		
Accrued interest on debt		<u>402</u>		
Combined adjustment				(6,951)
Internal service funds 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.				(2,744)
Changes in net assets				<u>\$ 39,190</u>

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

**COUNTY OF TULARE**

**General Fund**

**Statement of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual  
For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 95,044	\$ 95,044	\$ 105,039	\$ 9,995
Licenses and permits	9,140	8,844	8,758	(86)
Fines, forfeitures, and penalties	6,457	6,456	12,473	6,017
Interest, rents, and concessions	1,211	1,212	4,993	3,781
Intergovernmental revenues	331,289	355,758	303,743	(52,015)
Charges for services	77,283	72,045	63,321	(8,724)
Other revenues	5,097	5,870	10,514	4,644
<b>Total revenues</b>	<b>525,521</b>	<b>545,229</b>	<b>508,841</b>	<b>(36,388)</b>
<b>EXPENDITURES</b>				
Current:				
General government	30,932	27,266	23,373	3,893
Public protection	165,343	169,724	155,589	14,135
Health and sanitation	126,232	145,386	116,890	28,496
Public assistance	229,398	232,461	208,553	23,908
Education	999	1,034	1,002	32
Culture and recreation	55	55	59	(4)
Debt Service:				
Interest and fiscal charges	105	105	105	-
Capital outlay	3,948	3,948	3,948	-
<b>Total expenditures</b>	<b>557,012</b>	<b>579,979</b>	<b>509,519</b>	<b>70,460</b>
Excess (deficiency) of revenues over (under) expenditures	(31,491)	(34,750)	(678)	(106,848)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets:	175	175	151	(24)
Transfers in	55,290	67,582	54,932	(12,650)
Transfers (out)	(39,781)	(44,977)	(39,456)	5,521
<b>Total other financing sources (uses)</b>	<b>15,684</b>	<b>22,780</b>	<b>15,627</b>	<b>(7,153)</b>
<b>Net change in fund balances</b>	<b>(15,807)</b>	<b>(11,970)</b>	<b>14,949</b>	<b>(114,001)</b>
Fund balances, July 1	50,530	50,530	50,530	-
Prior period adjustment	23,269	23,269	23,269	-
Fund balances, July 1, as restated	73,799	73,799	73,799	-
<b>Fund balances, June 30</b>	<b>\$ 57,992</b>	<b>\$ 61,829</b>	<b>\$ 88,748</b>	<b>\$ (114,001)</b>

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

**COUNTY OF TULARE**  
**Proprietary Funds**  
**Statement of Net Assets**  
**June 30, 2012 (in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
<b>ASSETS</b>				
Current assets:				
Cash in banks	\$ 217	\$ 3	\$ 220	\$ -
Investment in treasury pool	3,333	4,638	7,971	48,760
Cash on hand	28	6	34	9
Imprest cash	2	-	2	500
Accounts receivable, net	1,084	670	1,754	164
Prepaid Items	-	-	-	25
Deposits with others	-	110	110	-
Due from other funds	-	-	-	331
Total current assets	<u>4,664</u>	<u>5,427</u>	<u>10,091</u>	<u>49,789</u>
Noncurrent assets:				
Advances to other funds	-	-	-	620
Restricted assets	43,906	-	43,906	-
Capital assets:				
Land	6,116	612	6,728	-
Buildings and improvements, net	10,116	4,469	14,585	-
Equipment and vehicles, net	3,485	2,165	5,650	3,291
Construction in progress	4,154	-	4,154	-
Total capital assets	<u>23,871</u>	<u>7,246</u>	<u>31,117</u>	<u>3,291</u>
Total noncurrent assets	<u>67,777</u>	<u>7,246</u>	<u>75,023</u>	<u>3,911</u>
Total assets	<u>72,441</u>	<u>12,673</u>	<u>85,114</u>	<u>53,700</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	502	260	762	1,560
Due to other funds	5	-	5	19
Deposits from others	-	61	61	-
Salaries and benefits payable	137	3	140	515
Interest payable	-	14	14	-
Compensated absences payable	30	3	33	215
Deferred revenue	-	-	-	105
Claims payable	-	-	-	6,263
Capital lease payable	-	-	-	85
COP Payable	-	36	36	-
Total current liabilities	<u>674</u>	<u>377</u>	<u>1,051</u>	<u>8,762</u>
Noncurrent liabilities:				
Compensated absences payable	282	10	292	1,029
Advances from other funds	-	780	780	-
Closure/postclosure costs payable	38,906	-	38,906	-
Claims payable	-	-	-	25,356
Bonds payable	-	7	7	-
Capital lease payable	-	-	-	569
COP payable	-	1,346	1,346	-
Total noncurrent liabilities	<u>39,188</u>	<u>2,143</u>	<u>41,331</u>	<u>26,954</u>
Total liabilities	<u>39,862</u>	<u>2,520</u>	<u>42,382</u>	<u>35,716</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	23,871	5,857	29,728	3,291
Restricted for:				
Landfill ground water contingencies	5,000	5	5,005	-
Unrestricted	3,708	4,291	7,999	14,693
Total net assets	<u>\$ 32,579</u>	<u>\$ 10,153</u>	<u>\$ 42,732</u>	<u>\$ 17,984</u>

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

**COUNTY OF TULARE**  
**Proprietary Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2012 (in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
<b>Operating revenues:</b>				
Charges for services	\$ 8,440	\$ 1,217	\$ 9,657	\$ 45,526
Rents and concessions	13	-	13	-
Other revenues	72	7	79	3,708
Total operating revenues	<u>8,525</u>	<u>1,224</u>	<u>9,749</u>	<u>49,234</u>
<b>Operating expenses:</b>				
Salaries and benefits	3,345	69	3,414	13,224
Services and supplies	7,568	2,938	10,506	27,474
Insurance premiums paid	-	-	-	4,480
Landfill closure and postclosure costs	(5,432)	-	(5,432)	-
Depreciation	1,884	476	2,360	355
Claims incurred	-	-	-	3,584
Total operating expenses	<u>7,365</u>	<u>3,483</u>	<u>10,848</u>	<u>49,117</u>
Operating income (loss)	<u>1,160</u>	<u>(2,259)</u>	<u>(1,099)</u>	<u>117</u>
<b>Nonoperating revenues (expenses):</b>				
Gain (loss) on sale of capital assets	2	-	2	(4,402)
Intergovernmental revenues	363	1,859	2,222	293
Taxes and special assessments	-	1,842	1,842	-
Investment earnings	784	73	857	789
Interest expense	-	(96)	(96)	(40)
Total nonoperating revenues (expenses)	<u>1,149</u>	<u>3,678</u>	<u>4,827</u>	<u>(3,360)</u>
Income (loss) before contributions and transfers	<u>2,309</u>	<u>1,419</u>	<u>3,728</u>	<u>(3,243)</u>
Capital contributions	-	-	-	1,008
Transfers in	-	2	2	538
Transfers (out)	(466)	(2)	(468)	(1,047)
Change in net assets	<u>1,843</u>	<u>1,419</u>	<u>3,262</u>	<u>(2,744)</u>
Net assets, July 1	-	8,734	8,734	20,093
Prior period adjustment	30,736	-	30,736	635
Net assets, July 1, as restated	<u>30,736</u>	<u>8,734</u>	<u>39,470</u>	<u>20,728</u>
Net assets, June 30	<u>\$ 32,579</u>	<u>\$ 10,153</u>	<u>\$ 42,732</u>	<u>\$ 17,984</u>

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

**COUNTY OF TULARE**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2012 (in thousands)**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 8,320	\$ 874	\$ 9,194	\$ 12,350
Receipts from interfund services provided	260	-	260	33,837
Receipts from rents and concessions	13	-	13	-
Other revenues	72	7	79	3,731
Payments (to) employees	(3,374)	(68)	(3,442)	(13,260)
Payments (to) suppliers	(6,709)	(2,325)	(9,034)	(30,958)
Payments (for) interfund services used	(2,275)	(435)	(2,710)	(6,023)
Payments (for) claims	-	-	-	(4,807)
Net cash provided (used) by operating activities	<u>(3,693)</u>	<u>(1,947)</u>	<u>(5,640)</u>	<u>(5,130)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Subsidy from intergovernmental entities	361	1,859	2,220	293
Receipts from taxes and assessments	-	1,842	1,842	-
Due from other funds	3,668	-	3,668	-
Due (to) other funds	(3,628)	-	(3,628)	(510)
Transfers (to) other funds	(466)	(2)	(468)	-
Transfers from other funds	-	3	3	1
Advance from other funds	-	25	25	-
Advance (to) other funds	-	5	5	(579)
Net cash provided (used) by noncapital financing activities	<u>(65)</u>	<u>3,732</u>	<u>3,667</u>	<u>(795)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Sales (purchases) of capital assets	(3,615)	(974)	(4,589)	11,585
Principal (paid) on capital debt	-	(34)	(34)	(11,621)
Interest (paid) on capital debt	-	(94)	(94)	(263)
Net cash provided (used) by capital and related financing activities	<u>(3,615)</u>	<u>(1,102)</u>	<u>(4,717)</u>	<u>(299)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends received	784	72	856	789
Net cash provided by investing activities	<u>784</u>	<u>72</u>	<u>856</u>	<u>789</u>
<b>Net increase (decrease) in cash and cash equivalents</b>				
	(6,589)	755	(5,834)	(5,435)
Cash and cash equivalents, July 1	54,075	3,892	57,967	54,704
Cash and cash equivalents, June 30	<u>\$ 47,486</u>	<u>\$ 4,647</u>	<u>\$ 52,133</u>	<u>\$ 49,269</u>
<b>Displayed as:</b>				
Cash in banks	\$ 217	\$ 3	\$ 220	\$ -
Investment in treasury pool	3,333	4,638	7,971	48,760
Cash on hand	28	6	34	9
Imprest cash	2	-	2	500
Restricted assets which are cash equivalents	43,906	-	43,906	-
Total cash displayed	<u>\$ 47,486</u>	<u>\$ 4,647</u>	<u>\$ 52,133</u>	<u>\$ 49,269</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 1,160	\$ (2,259)	\$ (1,099)	\$ 117
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Landfill closure and postclosure costs	(5,432)	-	(5,432)	-
Depreciation	1,884	476	2,360	355
(Increase) decrease in accounts receivable	140	(343)	(203)	1,930
(Increase) decrease in intergovernmental	-	-	-	386
Increase (decrease) in due to other funds	-	(2)	(2)	(1,645)
(Increase) decrease in due from other funds	-	-	-	468
(Increase) decrease in prepaid items	-	-	-	500
(Increase) decrease in deposit with others	-	-	-	(518)
Increase (decrease) in accounts payable	(1,416)	178	(1,238)	(4,365)
Increase (decrease) in deferred revenue	-	-	-	(1,099)
Increase (decrease) in salaries and benefits payable and compensated absences	(29)	3	(26)	(36)
Increase (decrease) in claims payable	-	-	-	(1,223)
Total adjustments	<u>(4,853)</u>	<u>312</u>	<u>(4,541)</u>	<u>(5,247)</u>
Net cash provided (used) by operating activities	<u>\$ (3,693)</u>	<u>\$ (1,947)</u>	<u>\$ (5,640)</u>	<u>\$ (5,130)</u>
<b>Schedule of non-cash capital and related finance activities:</b>				
Contributions of capital assets				\$ 1,008

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

**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Assets**  
**June 30, 2012 (in thousands)**

	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Current assets:			
Cash in banks	\$ -	\$ -	\$ 4,174
Investment in treasury pool	506,658	5,550	26,323
Accounts receivable	24	-	419
Due from other governments	-	-	40
Advances to other funds	-	-	780
Deposits with others	-	92	-
Noncurrent assets:			
Capital assets:			
Buildings and improvements, net	-	2,757	-
Equipment and vehicles, net	-	157	-
Total capital assets (net of accumulated depreciation)	-	2,914	-
Total assets	<u>506,682</u>	<u>8,556</u>	<u>\$ 31,736</u>
<b>LIABILITIES</b>			
Accounts payable	2,890	41	\$ 1,028
Due to other governments	161	-	-
Advances from other funds	-	-	820
Note payable	20,000	5,963	-
Agency obligations	-	-	29,888
Total liabilities	<u>23,051</u>	<u>6,004</u>	<u>\$ 31,736</u>
<b>NET ASSETS</b>			
Net assets held in trust	<u>\$ 483,631</u>	<u>\$ 2,552</u>	

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

**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2012 (in thousands)**

	Investment Trust Funds	Private-Purpose Trust Funds
<b>Additions</b>		
Contributions to pooled investments	\$ 4,254,382	\$ 7,434
Investment income	3,250	-
Total additions	<u>4,257,632</u>	<u>7,434</u>
<b>Deductions</b>		
Distributions from pooled investments	4,310,572	7,540
Total deductions	<u>4,310,572</u>	<u>7,540</u>
Change in net assets before extraordinary items	(52,940)	(106)
<b>Extraordinary Items</b>		
Assets of Tulare County Redevelopment Agency	-	8,695
Liabilities of Tulare County Redevelopment Agency	-	(6,037)
Total extraordinary items	-	2,658
Change in net assets	(52,940)	2,552
Net assets, July 1	536,571	-
Net assets, June 30	<u>\$ 483,631</u>	<u>\$ 2,552</u>

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

# Notes to Basic Financial Statements



**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

**I. Summary of Significant Accounting Policies**

**A. The Financial Reporting Entity**

The County of Tulare (“the County”) is a general law political subdivision of the State of California 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 Component units are legally separate organizations for which the elected officials of the County are either financially accountable or for which the nature and significance of their relationship with the County are such that exclusion would cause the County’s financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the County’s operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

In conformity with 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 Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, management has determined that each entity is presented as a blended component unit due to the composition of each Governing Board and the control of the day-to-day activities through the budget process. One component unit is presented discretely.

Blended Component Units The 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.

1. *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 Income 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.
2. *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 TBSMD is operated by the County’s Resource Management Agency and its Engineering Division. The purpose of the TBSMD is to develop, expand, and maintain the TBSMD Wastewater Treatment and Disposal facility. This component unit’s financial information is included as an enterprise fund.
3. *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 TCFCD’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.
4. *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

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

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.

5. *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.
6. *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 93291. 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 F5TC's annual budget, by their authority to remove F5TC Board members, and the hiring or dismissal of management. F5TC 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 F5TC 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 93291.

## **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 segments 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, and (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. Internally dedicated resources are reported as general revenues rather than program revenues and include, by definition, all locally imposed taxes.

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.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

**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 numbers of funds are maintained consistent with legal and managerial requirements. The basis of accounting determines when transactions and economic events are reflected in financial statements. Measurement focus identifies which transactions and events should be recorded.

The County of Tulare legally adopts an annual budget for the General Fund and all of its Special Revenue Funds, Debt Service Funds, and its Capital Projects Fund. Component units 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.

Additionally, the County reports the following governmental fund types:

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

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

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

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

*Proprietary Funds* are accounted for on the economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The County applies all applicable Financial Accounting Standards Board (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 post closure expenses.

Additionally, the County reports the following proprietary fund types:

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

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

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

The County reports the following fiduciary fund types:

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

The *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.

## 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.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

Proprietary funds distinguish operating revenues and expenses from nonoperation items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste, Transit, Terra Bella Sewer Maintenance District, Assessment Districts, County Service Area #1, and County Service Area #2 enterprise funds and the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperation 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. 60*

*Accounting and Financial Reporting for Service Concession Arrangements* addresses accounting and financial reporting issues related to public-private and public-public partnerships. The statement is effective for periods beginning after December 15, 2011. The County has not fully judged the effect of the implementation of GASB Statement No. 60 as of the date of the basic financial statements.

*2. Governmental Accounting Standards Board Statement No. 61*

*The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34* modifies a number of provisions with regard to reporting of component units within a financial reporting entity. The statement is effective for periods beginning after June 15, 2012. As of the date of the basic financial statements, the County has not made an assessment of any changes that will occur upon this statement's implementation.

*3. Governmental Accounting Standards Board Statement No. 62*

*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements* incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: FASB Statements and Interpretations, APB Opinions, and ARBs of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The statement is effective for periods beginning after December 15, 2011. However, as the statement codifies what is in current practice, there is no net effect on the Company's accounting or financial reporting upon the statement's implementation.

*4. Governmental Accounting Standards Board Statement No. 63*

*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* modify current financial reporting of those elements. The largest change will be the replacement of the current Statement of Net (Plan if retirement entity) Assets with a Statement of Net (Plan) Position and a Statement of Changes in Net Position instead of the current Statement of Changes in (Plan) Net Assets upon implementation for periods beginning after December 15, 2011. The County will implement this change for the fiscal year ended June 30, 2013.

*5. Governmental Accounting Standards Board Statement No. 64*

*Derivative instruments: Application of Hedge Accounting Termination Provisions* amends current accounting and financial reporting related to terminations of swap agreements due to default or other termination events. In certain instances where swap counterparties or credit support providers are replaced, hedge accounting may continue, rather than cease. The provisions of GASB Statement No. 64 are effective for financial statements beginning after June 15, 2011. As of the date of the basic financial statements, the County has not made an assessment of any changes that will occur upon this statement's implementation.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

Additional standards were released by GASB during the year:

6. *Governmental Accounting Standards Board Statement No. 65*

*Items Previously Reported as Assets and Liabilities.* The provisions of GASB Statement No. 65 are effective for financial statements beginning after December 15, 2012. The County will implement this change for the fiscal year ended June 30, 2013.

7. *Governmental Accounting Standards Board Statement No. 66*

*Items Technical Corrections- 2012- and amendment of GASB Statements No. 10 and No. 62.* The provisions of GASB Statement No. 66 are effective for financial statements beginning after December 15, 2012. As of the date of the basic financial statements, the County has not made an assessment of any changes that will occur upon this statement's implementation.

8. *Governmental Accounting Standards Board Statement No. 67*

*Financial Reporting for Pension Plans- an amendment of GASB Statement No. 25.* The provisions of GASB Statement No. 67 are effective for financial statements beginning after June 15, 2013. The County has not fully judged the effect of the implementation of GASB Statement No. 67 as of the date of the basic financial statements.

9. *Governmental Accounting Standards Board Statement No. 68*

*Accounting and Financial Reporting for Pensions- an amendment of GASB Statement No. 27.* The provisions of GASB Statement No. 68 are effective for financial statements beginning after June 15, 2014. The County has not fully judged the effect of the implementation of GASB Statement No. 68 as of the date of the basic financial statements.

**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 the 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, 2012, the special purpose authorities' cash and pooled investments were approximately 63.8% 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*, requires 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, 2012. The dollars deposited in the program have been increased by \$10,845 to reflect the increase in the fair value of the investment in the Treasury Investment Pool at June 30, 2012.

In addition, investments outside the Investment Pool were adjusted to fair market value as of June 30, 2012, resulting in an increase of \$305.

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**2. *Receivables and Payables***

Transactions between funds that are representative of noncurrent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Advances to / from other County funds." All other outstanding balances between funds are reported as "Due to / from other County funds." Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable 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 Unapportion 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 noncurrent assets, or that are restricted for liquidation of long-term debt beyond the next year are restricted assets.

**5. *Capital Assets***

Capital assets include land, land improvements, buildings and improvements, equipment, vehicles, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (e.g., land easements and computer software).

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They are reported in the applicable governmental or business-type activities columns in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The capitalization thresholds are \$5 for equipment and vehicles, and \$100 for land improvements, buildings improvements, infrastructure, and computer software. Land and buildings are capitalized regardless of cost

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

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

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

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

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

**6. *Compensated Absences***

Employees are granted vacations and sick leave and are permitted to accumulate earned but unused vacation and sick leave benefits. The portion relating to the proprietary funds is expensed as salaries in the year earned. The benefit amounts relating to governmental funds, which will be paid from future resources, are recorded in the government-wide financial statements. Benefit amounts due and payable at year-end are recorded in the governmental funds as part of salaries and benefits payable. In the event of separation of employment or death, an employee, or the employee's estate, is compensated for 100% of accumulated vacation at the employee's current payroll rate.

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

Employees in units 1, 3, 4, 6, and 7 who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 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 hours.

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Employees in units 2, 5, 8, 12, 14, 16, 22, and 23 (40 hour 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 hours. Employees in Bargaining Unit 23 (56 hour 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 350 hours.

Employees in units 9, 10, 11, 19, 20, and 21 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 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 hours. Employees in units 13 and 15 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 hours.

The County's sick leave buy-back program is suspended for all employees. (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 twelve months. 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 number of sick leave hours used in the twelve month period 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. The County issued a Tax and Revenue Anticipation Note for the year ended June 30, 2012.

**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 Balance Policies***

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

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

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

*Committed fund balance* – amounts that can only be used for specific purposes determined by formal action of the County's highest level of decision-making authority (the Board of Supervisors) and that remain binding unless

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removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

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

*Unassigned fund balance* – the residual classification for the County’s General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Supervisors establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

#### *10. Fund Balance Flow Assumptions*

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

#### *11. Use of Estimates*

The preparation of the basic financial statements is in conformity with Generally Accepted Accounting Principles (GAAP). GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **II. Reconciliation of Government-Wide and Fund Financial Statements**

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

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

## **III. Stewardship, Compliance, and Accountability**

### **A. Budgetary Information**

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

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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, 2012, appropriations in the General Fund were increased by \$22,967.

**B. Individual Fund Deficits**

Deficit Fund Balances – Governmental Fund Type

Nonmajor Special Revenue Funds – HOME Program           \$12

The HOME Program Fund deficit is because of a timing difference between expenditures and State reimbursements.

**C. Excess of Expenditures over Appropriations**

For the fiscal year, ended June 30, 2012, expenditures exceeded appropriations in the following funds at the legal level of control:

Nonmajor Special Revenue Funds - Mental Health Realignment	\$ 1,112
Debt Service Funds - Building Loans	\$30

**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 the Government Code. "Investments" in the governmental funds' balance sheet represent the investment of assets associated with the Tulare County Public Facilities Corporation (TCPFC) and 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, 2012, the County's bank deposits had a carrying amount of \$90,865 and the balance per the financial institutions totaled \$90,923. All pooled cash deposits and non-negotiable Certificates of Deposit are entirely insured (\$80,828) or collateralized (\$10,095). 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

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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)

Custodial Credit Risk – Investments For an investment, this 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 No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, the County's investments have been classified into the following three categories of custodial credit risk:

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

As of June 30, 2012, the entire portfolio is under category (1) except for Money Market Funds, which do not fall under any of the above categories of credit risk as the investment in these funds 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 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 NRSROs 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 U.S. Government, were rated AAA by national recognized statistical rating organizations.

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As of June 30, 2012, the County invested in primarily high quality investments as shown below:

Credit Ratings	
AAA	6%
A-1 (short-term rating)	8%
AA	64%
A	14%
SP-1+	2%
Not Rated**	6%
Total	100%

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

\*\* The portion of the portfolio that is not rated represent the \$50,000 deposited in LAIF, the State of California Investment Fund.

The County's investments as of June 30, 2012, are as follows:

	Carrying Value	Reported Amount/Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury Obligations	\$ 137,028	\$ 138,761	1,215	0.375% - 5.125%	10/31/2012 - 01/31/2017
Federal Agency Obligations	313,899	318,873	1,029	0.300% - 6.000%	07/27/2012 - 06/21/2017
Corporate Notes/Bonds	214,195	218,463	842	0.550% - 6.125%	10/26/2012 - 06/26/2017
Corporate Notes (FDIC Insured)	13,246	13,358	11	2.125%	12/21/2012 - 12/26/2012
Municipal Obligations	20,000	20,000	427	2.340%	08/31/2013
Commercial Paper (Discount)	27,364	27,356	84	0.150% - 0.380%	08/01/2012 - 12/28/2012
Negotiable Time Deposits	46,749	46,760	408	0.248% - 1.617%	10/29/2012 - 01/14/2014
	772,481	783,571			
Other Investments:					
Money Market Funds	6,713	6,713			
LAIF Managed Pool	50,000	50,061			
Other Managed Pool	40,085	40,085			
Total Other Investments	96,798	96,859			
Total Investments	\$ 869,279	\$ 880,430			

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

Issuer	Amount	Percentage
United States Treasury	\$ 138,761	15.8%
Federal National Mortgage Association	123,286	14.0%
Federal Home Loan Mortgage Corporation	88,091	10.0%
Federal Home Loan Bank	58,628	6.7%
California Local Agency Investment Fund	50,061	5.7%
Total	\$ 458,827	52.2%

Investments in the Money Market Funds and LAIF Managed Pool are not categorized, in accordance with GASB Statement 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 provides

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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, 2012, the County's investment in LAIF is \$50,061. The total amount recorded by all public agencies in LAIF at that date was \$21,887,750. Of that amount, 96.53% is invested in non-derivative financial products and 3.47% 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. The Government Code requires that California public entities that utilize repurchase agreements collateralize the investments that underlay the repurchase agreements with amounts that exceed cost. The market value of the securities underlying the repurchase agreements must be valued at 102% or greater. The pool's Investment Policy reflects this requirement. As of June 30, 2012, the County had no outstanding repurchase agreements.

**Treasury Pool Income and Participant Withdrawals** Treasury Pool investments are accounted for in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires governmental entities to report certain investments at fair market value in the balance sheet and the statement of net 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.

For the year ended June 30, 2012, the Treasury Pool investment income was comprised of the following:

Investment Income	Amount
Interest and Dividends	\$ 12,825
Net Increase in the Fair Value	5,456
Less: Investment Expenses	(1,594)
Total Treasury Pool Income	\$ 16,687

The net increase in the fair market value of investments during fiscal year 2011-2012 was \$5,456. This amount takes into account all changes in fair value (including sales resulting in a net gain of \$5,124) that occurred during the year. The net fair value increase on investments held as of June 30, 2012, was \$332.

**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, 2012:

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total	Component Unit - First 5 Tulare County
Cash in Banks	\$ 173	\$ 220	\$ -	\$ 4,174	\$ 4,567	\$ 268
Investment in Treasury Pool	264,357	12,505	48,760	538,531	864,153	7,579
Restricted Investments in Pool	5,000	39,372	-	-	44,372	-
Investments	9,317	-	-	-	9,317	-
Restricted Investments	52,411	-	-	-	52,411	-
Imprest Cash	77	2	500	-	579	-
Deposits with Others	-	-	-	92	92	-
Cash on hand	3	34	9	-	46	-
Cash Overdraft	(110)	-	-	-	(110)	-
	\$ 331,228	\$ 52,133	\$ 49,269	\$ 542,797	\$ 975,427	\$ 7,847

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Summary of total cash investments is as follows:

	Investment in Treasury Pool	Other	Total
Cash and Bank Deposits	\$ 72,889	\$ 5,414	\$ 78,303
Cash in Transit	4,450	4,022	8,472
Interest Receivable	3,513	-	3,513
Investments	835,444	57,844	893,288
Due to Pool Participants	(302)	-	(302)
<b>Total</b>	<b>\$ 915,994</b>	<b>\$ 67,280</b>	<b>\$ 983,274</b>

The following represents a condensed statement of net assets and changes in net assets for the Treasury Pool as of June 30, 2012:

<u>Statement of Net Assets</u>	
Net assets held in trust for all pool participants	\$ 915,994
Equity of internal pool participants	\$ 331,812
Equity of external pool participants	584,182
<b>Total Equity</b>	<b>\$ 915,994</b>
<u>Statement of Changes in Net Assets</u>	
Net assets as of July 1,	\$ 897,856
Net Additions/Withdrawals by Pool Participants	(143)
Net Increase in the Investment Fair Value	
Realized Gains/Losses from Sales	5,124
Market Value Gain on Investments Held at Year-end	332
Interest and Dividends Earned	12,825
<b>Net Assets as of June 30,</b>	<b>\$ 915,994</b>

**B. Receivables**

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

	General	Solid Waste	Nonmajor Governmental	ISF	Nonmajor Enterprise	Total	Noncurrent Portion
Receivables:							
Accounts	\$ 2,319	\$ 1,084	\$ 21,748	\$ 164	\$ 670	\$ 25,985	\$ -
Property taxes	6,370	-	-	-	-	6,370	6,370
Lease payments	-	-	652	-	-	652	652
Notes	-	-	22,954	-	-	22,954	22,954
Due from other governments	27,580	-	937	-	-	28,517	-
<b>Total Receivables</b>	<b>\$ 36,269</b>	<b>\$ 1,084</b>	<b>\$ 46,291</b>	<b>\$ 164</b>	<b>\$ 670</b>	<b>\$ 84,478</b>	<b>\$ 29,976</b>

**C. Restricted Assets**

Restricted assets in the governmental funds include \$52,411 in the Tulare County Public Financing Authority for future debt service and \$5,000 in a capital projects fund for the future cleanup of toxic ground at the Harmon Field airstrip. Restricted assets in the business-type funds include \$43,906 in the Solid Waste fund for future closure/post closure expenses for disposal sites and landfill groundwater contingencies.

**COUNTY OF TULARE**  
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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	\$ 38,648	\$ 14,014
Nonmajor Governmental Funds	22,792	3,010
Proprietary Funds	105	-
Total Unavailable/Unearned Revenue	\$ 61,545	\$ 17,024

**E. Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning	Additions	Retirements	Current	Prior Period	RDA	Ending
Capital Assets - Primary Government	Balance	Additions	Retirements	Period	Adjustments	Extrodniary	Balance
Governmental activities:						Loss	
<i>Capital assets, not being depreciated:</i>							
Land	\$ 910,941	\$ 1,018	\$ (1,845)	\$ -	\$ -	\$ -	\$ 910,114
Construction in Progress	2,189	4,963	(6,819)	121	-	-	454
Infrastructure in Progress	75,770	31,523	(247)	-	-	(2,853)	104,193
Total capital assets, not being depreciated	988,900	37,504	(8,911)	121	-	(2,853)	1,014,761
<i>Capital assets, being depreciated:</i>							
Infrastructure	701,677	247	(447)	-	(44,312)	-	657,165
Buildings and Improvements	199,818	6,819	-	(122)	-	-	206,515
Equipment /Vehicles	70,458	7,234	(2,634)	(300)	-	(358)	74,400
Total capital assets being depreciated	971,953	14,300	(3,081)	(422)	(44,312)	(358)	938,080
<i>Less accumulated depreciation for:</i>							
Infrastructure	(232,894)	(13,300)	190	(54)	4,098	55	(241,905)
Buildings and Improvements	(65,616)	(4,029)	-	92	-	-	(69,553)
Equipment /Vehicles	(46,593)	(6,898)	2,582	101	-	187	(50,621)
Total accumulated depreciation	(345,103)	(24,227)	2,772	139	4,098	242	(362,079)
Total capital assets, being depreciated, net	626,850	(9,927)	(309)	(283)	(40,214)	(116)	576,001
Governmental activities capital assets, net:	\$ 1,615,750	\$ 27,577	\$ (9,220)	\$ (162)	\$ (40,214)	\$ (2,969)	\$ 1,590,762
<i>Business-type activities:</i>							
<i>Capital assets, not being depreciated:</i>							
Land	\$ 6,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,728
Construction in Progress	922	3,232	-	-	-	-	4,154
Total capital assets, not being depreciated	7,650	3,232	-	-	-	-	10,882
<i>Capital assets, being depreciated:</i>							
Buildings and Improvements	27,347	-	-	(1)	-	-	27,346
Equipment /Vehicles	13,551	1,384	(155)	(23)	-	-	14,757
Total capital assets being depreciated	40,898	1,384	(155)	(24)	-	-	42,103
<i>Less accumulated depreciation for:</i>							
Buildings and Improvements	(11,388)	(1,369)	-	(4)	-	-	(12,761)
Equipment /Vehicles	(8,252)	(991)	155	(19)	-	-	(9,107)
Total accumulated depreciation	(19,640)	(2,360)	155	(23)	-	-	(21,868)
Total capital assets, being depreciated, net	21,258	(976)	-	(47)	-	-	20,235
Business-type activities capital assets, net:	\$ 28,908	\$ 2,256	\$ -	\$ (47)	\$ -	\$ -	\$ 31,117

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

Governmental activities:	
General government	\$ 1,100
Public protection	4,496
Public ways and facilities	14,379
Health and sanitation	2,244
Public assistance	953
Education	238
Culture and recreation	306
Unallocated depreciation expense	511
Total depreciation expense - governmental activities	<u>\$ 24,227</u>
Business-type activities:	
Solid Waste	\$ 1,884
Nonmajor enterprise funds	476
Total depreciation expense - business-type activities	<u>\$ 2,360</u>

The County has active construction and other projects as of June 30, 2012, including the new Orosi Sheriff's Substation, Remodeling of the Downtown Annex, landfill site improvements, construction of the Ivanhoe Community Center, rehabilitation of the airport, improvements to Fire Station #1, and various infrastructure projects.

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

	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
Governmental Funds		
Badger Fire Station	\$ 85	\$ -
Fire Station #1	221	-
HHS A Porterville MHSA Facility	20	531
Sequoia Taxiway Reconstruction	128	-
Roads:		
Environmental review of existing roads	42,765	-
Turnouts	205	-
Shoulder Stabilization	660	-
Other Improvements	57,319	-
Repair or Replace bridge	3,244	-
Total Governmental Funds	<u>104,647</u>	<u>-</u>
Proprietary Funds		
Landfill Site Improvement (Solid Waste)	4,154	-
Total Construction in Progress	<u>\$ 108,801</u>	<u>\$ 531</u>

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**F. Interfund Receivables and Payables**

Advances to / from other County funds

Advances to / from other funds are representative of noncurrent lending / borrowing arrangements outstanding at the end of the fiscal year. 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 Community Service Area (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 other funds balances as of June 30, 2012, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Fiduciary CSA#1 Revolving Agency	\$ 820
	Nonmajor Governmental IHSS Public Authority	450
	Sub-total	<u>1,270</u>
Fiduciary CSA#1 Revolving Agency	Nonmajor Enterprise Fund	780
Internal Service Fund	General	620
	Total	<u><u>\$ 2,670</u></u>

Due to / from other County funds

Due to / from other County funds represents current outstanding balances between funds at the end of the fiscal reporting period. The County's computerized general ledger only allows for the transfer of cash between funds until mid-July following the end of the fiscal year. Therefore, the recording of interfund activity 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, 2012, is as follows:

<u>Due To / From Other Funds</u>		
<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 24
	Internal Service	19
	Solid Waste	5
	Sub-total	<u>48</u>
Nonmajor Governmental	General	7,025
Internal Service	General	331
	Total	<u><u>\$ 7,404</u></u>

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**G. Transfers**

Transfers to / from other County funds for the fiscal year ended June 30, 2012, consist of transfers for normal operations, including the accumulation of debt service payments and support of other funds resources.

The schedule of transfers to / from other County funds for the fiscal year ended June 30, 2012, is as follows:

	Transfers From:			Transfers To:			
	General	TCPFC	TCPFA	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total Transfers
General	\$ -	\$ -	\$ -	\$ 39,454	\$ 2	\$ -	\$ 39,456
TCPFA	-	-	-	2,500	-	-	2,500
Nonmajor Governmental	54,526	6,673	3,930	678	-	1	65,808
Solid Waste	394	-	-	72	-	-	466
Nonmajor Enterprise	-	-	-	2	-	-	2
Internal Service	12	-	-	498	-	537	1,047
Total transfers	<u>\$ 54,932</u>	<u>\$ 6,673</u>	<u>\$ 3,930</u>	<u>\$ 43,204</u>	<u>\$ 2</u>	<u>\$ 538</u>	<u>\$ 109,279</u>

**H. Arbitrage**

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

**I. Leases**

Operating Leases (County as Lessor) The County has entered into long-term operating lease agreements leasing land and buildings to others. Leased assets represent a cost of \$2,007 with \$1,519 of accumulated depreciation for a net carrying amount of \$488. The revenues realized for the fiscal year ended June 30, 2012, were \$1,713. The minimum future rentals for noncancellable operating leases are as follows:

Future Rentals	
Year Ending June 30,	Amount
2013	\$ 695
2014	568
2015	343
2016	343
2017	338
2018-2022	1,176
Total	<u>\$ 3,463</u>

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Operating Leases (County as Lessee) The County has commitments under long-term operating lease agreements for facilities used in operations. These lease agreements provide for cancellation in the event the Board of the respective entity does not appropriate funding in subsequent fiscal years. The expenses for the fiscal year ended June 30, 2012, were \$7,109. The future minimum lease payments for these leases are as follows:

Operating Leases	
Year Ending June 30,	Amount
2013	\$ 5,473
2014	5,240
2015	4,634
2016	2,506
2017	566
2018-2022	1,034
2023-2027	25
Total	\$ 19,478

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, 2012, was approximately \$131.

Capital Leases This year, the County entered into a lease agreement as lessee for financing the acquisition of 300 copiers to be deployed countywide, valued at \$672. The equipment has a five-year estimated useful life. The lease agreement was entered into in the latter half of the fiscal year, so there was no depreciation expense for 11/12. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the inception date.

Capital Leases		
Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities
2013	\$ 230	\$ -
2014	230	-
2015	230	-
2016	230	-
2017	174	-
Total minimum lease payments	1,094	-
Less: amount representing interest	(440)	-
Present value of minimum lease payments	\$ 654	\$ -

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, 2012, is \$652. Minimum lease payments receivable for each of the four succeeding fiscal years and thereafter are as follows:

Direct Financing Lease Receivable		
Year Ending June 30,	Principal	Interest
2013	\$ 173	\$ 37
2014	183	26
2015	194	15
2016	102	3
Total	\$ 652	\$ 81

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**J. Sort-term Debt**

Tax and Revenue Anticipation Note This fiscal year the County issued Tax and Revenue Anticipation Notes (TRANs) to provide financing of seasonal cash flow requirements for the General Fund's current year expenditures and to discharge its obligations and indebtedness during this period. The principal of the notes and the interest thereon are paid from pledged property taxes and revenues the County expects to receive during the fiscal year.

Short-term debt activity for the year ended June 30, 2012 was as follows:

	<b>Beginning Balance</b>	<b>Issued</b>	<b>Redeemed</b>	<b>Ending Balance</b>
Tax and Revenue Anticipation Notes	\$ -	\$ 45,562	\$ -	\$ 45,562

**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:

Date Issued	Purpose of Debt	Interest Rates	Amount
October 8, 1998	Governmental activities - Refunding	3.35% - 5.00%	\$ 20,820
September 2, 1993	Business-type activities	5.00%	446
February 23, 1994	Business-type activities	5.00%	65
August 16, 1994	Business-type activities	4.50%	47
September 14, 1994	Business-type activities	4.50%	38
May 28, 1996	Business-type activities	4.50%	786
		Subtotal	1,382
		Total	\$ 22,202

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

Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2013	\$ 4,470	\$ 929	\$ 36	\$ 65
2014	4,825	697	36	64
2015	5,065	450	37	62
2016	6,460	162	37	60
2017	-	-	43	58
2018-2022	-	-	239	261
2023-2027	-	-	297	199
2028-2032	-	-	377	124
2033-2037	-	-	280	35
Total	\$ 20,820	\$ 2,238	\$ 1,382	\$ 928

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

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

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

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

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 815	\$ 2,300
2014	815	2,251
2015	915	2,197
2016	915	2,142
2017	1,010	2,082
2017-2022	6,140	9,364
2023-2027	8,395	7,156
2028-2032	11,315	4,164
2033-2035	8,685	625
Total	<u>\$ 39,005</u>	<u>\$ 32,281</u>

Loans Payable 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.

While, this (California Infrastructure and Economic Development Bank) loan was formerly accounted for under the loans payable section it was moved to Note K (Successor Agency Trust for Assets of Former Redevelopment Agency) due to the RDA dissolution on February 1, 2012.

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

<u>Year Ending June 30,</u>	<u>Loans Payable</u>	
	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2013	\$ 1,212	\$ 435
2014	1,264	383
2015	1,319	328
2016	1,375	271
2017	1,435	212
2018-2022	3,784	361
2023	155	1
Total	<u>\$ 10,544</u>	<u>\$ 1,991</u>

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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, 2012, there are no longer any bonds outstanding considered to be defeased.

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 bonds were used for a sewer construction project. The original bonds payable of \$11 have a current principal balance of \$7 and bear interest at 5% per annum. This matures in 2027, a 40-year period. The bonds were issued under Health & Safety Code §49000. The bonds will be redeemed with monies raised from service charges associated with the sewer system operation.

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

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2013	\$ -	\$ -
2014	-	-
2015	1	1
2016	1	1
2017	-	-
2018-2022	2	1
2023-2027	3	-
Total	<u>\$ 7</u>	<u>\$ 3</u>

Changes in Long-term Liabilities Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	RDA Extraordinary Gain	Ending Balance	Due Within One Year
<u>Governmental activities:</u>						
COP's payable	\$ 26,315	\$ -	\$ (5,495)	\$ -	\$ 20,820	\$ 4,470
Variable rate demand bonds	39,720	-	(715)	-	39,005	815
Pension obligation bonds	6,270	-	(6,270)	-	-	-
Tax allocation bonds	3,270	-	(90)	(3,180)	-	-
Loans payable	13,222	-	(1,211)	(1,467)	10,544	1,212
Net OPEB obligation	6,313	2,264	(808)	-	7,769	-
Compensated absences	21,981	273	(1,598)	-	20,656	1,598
Liability claims payable	32,842	5,419	(6,642)	-	31,619	6,263
Leases payable	-	672	(18)	-	654	85
Contractual obligation	1,370	-	(54)	(1,316)	-	-
Accrued remediation cost	5,000	-	-	-	5,000	-
Total Governmental activities	<u>\$ 156,303</u>	<u>\$ 8,628</u>	<u>\$ (22,901)</u>	<u>\$ (5,963)</u>	<u>\$ 136,067</u>	<u>\$ 14,443</u>
<u>Business-type activities:</u>						
COP's payable	\$ 1,416	\$ -	\$ (34)	\$ -	\$ 1,382	\$ 36
Bonds payable	7	-	-	-	7	-
Closure/postclosure costs payable	44,340	354	(5,788)	-	38,906	-
Compensated absences	365	-	(40)	-	325	33
Total Business-type activities	<u>\$ 46,128</u>	<u>\$ 354</u>	<u>\$ (5,862)</u>	<u>\$ -</u>	<u>\$ 40,620</u>	<u>\$ 69</u>

The liability for compensated absences has typically been liquidated using the County's governmental funds and the Solid Waste Fund. The value of accumulated vacation at June 30, 2012, was \$16,983. Of this amount, \$224 is recorded in business-type funds. The value of accumulated sick leave at June 30, 2012, was calculated using a termination payment method and is accrued at \$2,646. Of this amount, \$53 is recorded in business-type funds. The value of accumulated CTO at June 30, 2012, was \$1,353. Of this amount \$48 is recorded in business-type funds. The value of sick leave buy-backs for future years cannot be accurately

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estimated, but for the fiscal year ended June 30, 2012, the County paid \$0 to employees through this program. The Tulare County Board of Supervisors approved the suspension of the sick leave buy-back program for the next two years.

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

**L. Special Assessment Debt**

The County of Tulare is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$384,619 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2012. 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 \$246,245 include bonds for Buena Vista, Burton, Earlimart, Exeter, Liberty, Kings River, Richgrove, Stone Corral, Sundale, Traver, and Woodlake Elementary Schools; Exeter, Strathmore, Tulare Joint Union, and Woodlake High Schools; Cutler-Orosi, Dinuba, Farmersville, Lindsay, Porterville, and Visalia Unified Schools; and College of the Sequoias Community College. The 1915 Improvement Act Bonds totaling \$157 include bonds for Ducor Community Service District (CSD) and Ducor CSD Supplemental. The Special Districts General Obligation Bonds totaling \$138,374 are for Kaweah Delta Hospital Bond and Tulare Healthcare Bond.

**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 \$38,906 as of June 30, 2012, which is based on an average of 35% usage (filled) of all landfill sites (remaining capacity since August 18, 1989). It is estimated that an additional \$42,693 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 17.3 years for Teapot Dome to 73.01 years for the Visalia site. The estimated total current cost of the landfill closure and post closure care \$76,449 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, 2012. 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, 2012, investments of \$38,756 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.

Funds are set aside in accordance with 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 post closure maintenance at the landfills. The County is in compliance with these requirements and, at June 30, 2012, investments of \$5,150 are part of the pooled funds held by the Tulare County Treasurer.

**N. Remediation Contingencies**

The County owns a 40 acre site used as a base for crop duster activities from 1952 to 1994. As a result of a site assessment, pesticides were identified at or near the surface. The County entered into an agreement with the State Department of Toxic Substances Control (DTSC) to perform interim remedial measures to comply with Health and Safety Code Section 25355.5

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(a)(1)(c). The County has performed the following: (1) construction and maintenance of a site perimeter fence; (2) maintenance of a surface soil sealant over affected soils; (3) periodic inspections by both the Tulare County and DTSC staff; (4) maintenance of a liner system over the former pond area; and (5) removal and proper closure of underground storage tanks and concrete sumps. As of June 30, 2012, the Governmental Activities reflects a \$5,000 accrued remediation liability. The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations, and other factors that could result in revisions to these estimates. The County continues to work with DTSC staff and provides them with semiannual summary reports of the tests performed at the site. The semiannual testing will continue until the full scale remediation commences or until DTSC authorizes Tulare County in writing to discontinue or modify some or all of the interim remedial measures. The County spent \$269 for the year ended June 30, 2012, and plans to spend approximately \$250 in each subsequent year during the interim remediation phase.

**O. 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	\$ 1,590,762	\$ 31,117	\$ 1,621,879
Less related debt:			
COP's	(20,820)	(1,382)	(22,202)
Loans	(11,198)	-	(11,198)
Bonds	-	(7)	(7)
Total	<u>\$ 1,558,744</u>	<u>\$ 29,728</u>	<u>\$ 1,588,472</u>

Net assets of capital projects funds are (\$5,000) are restricted for the Harmon Field remediation. Net assets of special revenue funds (\$45,909) are restricted by the funding source, usually State and Federal, for specific functions such as Education (\$2,202), Public Protection (\$6,653), Health and Sanitation (\$21,853), Roads (\$11,251), Redevelopment (\$3,918), and others (\$32).

Net assets of the General Fund (\$24,386) are restricted by the funding source, usually State and Federal, for specific functions such as Public Protection (\$3,094), Health and Sanitation (\$11,116), Public Assistance (\$7,289), and other (\$2,887).

Net assets of debt service funds (\$27,362) are restricted by lenders COP's (\$6,228), or by contractual agreements with trustees and bond holders (\$15,452), or others (\$5,682).

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).

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**P. 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 Maintenance	CSA #1	CSA #2
Assets:			
Current assets	\$ 947	\$ 706	\$ 127
Capital assets	1,120	3,532	345
Total assets	<u>2,067</u>	<u>4,238</u>	<u>472</u>
Liabilities:			
Current liabilities	86	129	12
Noncurrent liabilities	765	1,315	53
Total liabilities	<u>851</u>	<u>1,444</u>	<u>65</u>
Net Assets:			
Invested in capital assets, net of related debt	335	2,967	306
Restricted	-	-	5
Unrestricted (deficit)	881	(173)	96
Total net assets	<u>\$ 1,216</u>	<u>\$ 2,794</u>	<u>\$ 407</u>

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

	Terra Bella Sewer Maintenance	CSA #1	CSA #2
Water and sewer charges	\$ 143	\$ 621	\$ 66
Other operating revenues	-	-	-
Depreciation expense	(55)	(188)	(15)
Other operating expenses	(115)	(523)	(78)
Operating Income (loss)	<u>(27)</u>	<u>(90)</u>	<u>(27)</u>
Nonoperating revenues (expenses):			
Investment earnings	14	9	2
Special assessments	31	-	-
Interest expense	(36)	(58)	(2)
Capital contributions	-	-	-
Change in net assets	<u>(18)</u>	<u>(139)</u>	<u>(27)</u>
Beginning net assets	<u>1,234</u>	<u>2,933</u>	<u>434</u>
Ending net assets	<u>\$ 1,216</u>	<u>\$ 2,794</u>	<u>\$ 407</u>

**COUNTY OF TULARE**  
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Condensed Statement of Cash Flows

	Terra Bella Sewer Maintenance	CSA #1	CSA #2
Net cash provided (used) by:			
Operating activities	\$ 10	\$ 16	\$ (8)
Noncapital financing activities	31	25	5
Capital and related financing activities	(55)	(73)	(3)
Investing activities	14	9	2
Net increase (decrease)	<u>-</u>	<u>(23)</u>	<u>(4)</u>
Beginning cash and cash equivalents	<u>838</u>	<u>414</u>	<u>118</u>
Ending cash and cash equivalents	<u>\$ 838</u>	<u>\$ 391</u>	<u>\$ 114</u>

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

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**Q. Fund Balances**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balance at June 30, 2012, is as follows:

	General Fund	Major Special Revenue Funds		Nonmajor Funds	Total
		TCPFC Fund	TCPFA Fund		
<b>Nonspendable:</b>					
Inventory	\$ -	\$ -	\$ -	\$ 497	\$ 497
Prepaid items	1,596	-	-	665	2,261
Nonspendable subtotal	<u>1,596</u>	<u>-</u>	<u>-</u>	<u>1,162</u>	<u>2,758</u>
<b>Restricted for:</b>					
Alcohol and drug programs	1,966	-	-	-	1,966
Child support services	-	-	-	2,750	2,750
County clerk	7,289	-	-	-	7,289
Debt service	-	6,228	52,099	5,682	64,009
Education programs	-	-	-	1,553	1,553
Environmental programs	821	-	-	-	821
Fire department programs	-	-	-	701	701
Health care programs	1,201	-	-	21,837	23,038
Law enforcement	2,575	-	-	-	2,575
Mental health care programs	7,128	-	-	-	7,128
Notes receivable	-	-	-	22,954	22,954
Other purposes	1,291	-	-	5,156	6,447
Parks and recreation programs	-	-	-	13	13
Proposition 69	519	-	-	-	519
Public ways and facilities programs	-	-	-	10,754	10,754
Remediation of Harmon field	-	-	-	5,000	5,000
Restricted subtotal	<u>22,790</u>	<u>6,228</u>	<u>52,099</u>	<u>76,400</u>	<u>157,517</u>
<b>Committed to:</b>					
Advances to others	1,270	-	-	-	1,270
CalWORKs information network system	344	-	-	-	344
Dairy	156	-	-	-	156
Law enforcement	46	-	-	-	46
Health care programs	17	-	-	-	17
South County detention facility	-	-	-	4,000	4,000
Committed to subtotal	<u>1,833</u>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>5,833</u>
<b>Assigned to:</b>					
Imprest cash	-	-	-	2	2
Other capital projects	-	-	3,500	12,026	15,526
Other purposes	-	-	-	5,959	5,959
Property tax administration fees court case	1,081	-	-	-	1,081
Assigned subtotal	<u>1,081</u>	<u>-</u>	<u>3,500</u>	<u>17,987</u>	<u>22,568</u>
<b>Unassigned:</b>					
Unassigned subtotal	<u>61,448</u>	<u>-</u>	<u>-</u>	<u>(20,971)</u>	<u>40,477</u>
Total fund balances	<u>\$ 88,748</u>	<u>\$ 6,228</u>	<u>\$ 55,599</u>	<u>\$ 78,578</u>	<u>\$ 229,153</u>

**V. Other Information**

**A. Risk Management**

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

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The Risk Management Division self-administers the County’s liability claim program. Losses and incidents of potential loss are reported to Risk Management. If appropriate after initial evaluation, a claim is established that includes a reasonable estimate of the ultimate cost of the claim to the County. The County has and continues to utilize a \$250 self-insured retention (SIR) for its Liability Insurance Program since 2003. The County purchases Excess Insurance above the SIR to cover general liability, auto liability and error and omissions claims. Total liability coverage limits for the 2011/12 FY were \$35 million. Property coverage is fully insured with a \$10 deductible applying to real property and contents. Insurance coverage for automobiles, aviation, water craft and medical malpractice claims pays for all claim and expense costs, with deductibles that apply as follows: automobiles \$15, aviation \$1, water craft \$5, and medical malpractice \$10. The Crime Bond deductible is \$25 and the Boiler and Machinery deductible is \$10 with coverage under the basic Property Program coverage

Liability costs/settlements have occasionally exceeded the self-insured retention. For fiscal year 2012, the County exceeded the SIR by \$50 for a sexual harassment litigation settlement. This is the first time the County has exceeded the SIR in the past three fiscal years.

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

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

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

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

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

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

Effective April 2012, the County entered into a workers’ compensation administration service agreement with third party claim administrator CorVel Corporation. CorVel Corporation staff administers claims and payments are made from a \$500 revolving fund, which is reconciled at least monthly by the County.

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

	Workers' Compensation	General and Property Damage
Liability - June 30, 2010	\$ 21,419	\$ 4,569
Claims incurred	6,198	3,609
Claims payments	(2,005)	(1,855)
Liability - June 30, 2011	25,612	6,323
Claims incurred	5,857	(2,273)
Claims payments	(3,578)	(322)
Liability - June 30, 2012	\$ 27,891	\$ 3,728

**B. 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 5., the County also participates in other joint ventures as follows:

California Statewide Communities Development Authority (CSCDA) The CSCDA is a California joint exercise of powers authority, organized and existing under the California Government Code Section 6500 and following, and is sponsored by the League of California Cities and the California State Association of Counties. The CSCDA is comprised of nearly 500 California cities, counties, and special districts, including the County 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. CVIS was created to provide a client-oriented, automated immunization system so that residents of member counties will have access to and receive age appropriate immunizations pursuant to Health and Safety Code Section 120440 (b) (1)1. The County acts as its own fiscal agent with respect to funds provided to it directly from the State. The County’s financial interest is based upon joint ownership of money and property owned by CVIIS.

Consolidated Waste Management Authority (CWMA) On December 14, 1999, the cities of Visalia, Porterville, Lindsay, Dinuba, and Tulare entered into a Joint Powers Agreement by which was created and established the CWMA as an independent public agency to comprehensively plan, develop, operate, and manage the transformation, recycling, processing and disposal of solid waste within the members’ jurisdictions per Assembly Bill (AB) 939. In November 2002, the cities of Exeter and Farmersville were added as members of the CWMA. In April 2006, the County was added as a member. Aside from annual membership dues, the County has no financial responsibilities. Independently audited financial statements can be obtained from Consolidated Waste Management Authority, 707 W. Acequia, Visalia, California 93291.

Goshen Public Financing Authority (GPFA) On September 17, 1996, the Tulare County Redevelopment Agency (a blended component unit of the County) and the Goshen Community Services District formed the legally-separate GPFA as a result of a joint powers agreement. The County has pledged \$53 each year for 40 years against U.S.D.A. bonds secured by GPFA for a sewer project in Goshen. Tulare County Successor Agency was formed because of the RDA dissolution, the pledge has transferred over to the Successor Agency as detailed in Note 5.

Kings/Tulare Area Agency on Aging (KTAAA) KTAAA was established in 1980 as a result of a joint powers agreement between Kings and Tulare Counties for the purpose of spending Older Americans Act and Older Californians Act monies in support of seniors. The County is responsible for a minimum of 79% of the required administrative match each year, but all resources would

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revert to the California Department of Aging. Independently audited financial statements can be obtained from the County Health and Human Services Agency, 5957 South Mooney Boulevard, Visalia, California 93277.

Lake Kaweah Enlargement Project The Lake Kaweah Enlargement Project was established in 1999 as a result of a joint powers agreement between the Kaweah Delta Water Conservation District and the County for the purpose of constructing a spillway at Lake Kaweah in order to provide greater flood protection. The County is responsible for 12% of non-federally-supported costs of the project and retains a 12% interest in the completed project. Independently audited financial statements can be obtained from the Kaweah Delta Water Conservation District, 2975 Farmersville Boulevard, Farmersville, California 93292.

San Joaquin Valley Library System The entity was established in 1970 as a result of a joint powers agreement among library jurisdictions in the San Joaquin Valley for the purpose of reducing the costs of operations and improving services to the public. The County is responsible for staffing and minor purchases in support of the system. The County's financial interest is based upon its percentage of contributions to the system. Independently audited financial statements can be obtained from the Fresno County Library, 2420 Mariposa Street, Fresno, California 93721.

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

Tulare County Association of Governments (TCAG) TCAG was established in 1971 as a result of a joint powers agreement among incorporated Cities and the County for the purpose of providing a forum for the coordination of transportation and air quality maintenance programs. The County is responsible for staffing and for a pro rata share of operating costs. Independently audited financial statements can be obtained from the County Resource Management Agency, 5961 South Mooney Boulevard, Visalia, California 93277.

Tulare County Service Authority for the Abatement of Abandoned Vehicles The Tulare County Service Authority for the Abatement of Abandoned Vehicles was established in 1991 as a result of a joint powers agreement among incorporated Cities and the County for the purpose of removing and disposing of abandoned vehicles deemed to be public nuisances. The County is responsible for the collection and disbursement of authorized funds and meeting State reporting requirements for which the County receives 1% of the annual funds collected. The authority has no resources other than cash, which is distributed immediately upon receipt. Independently audited financial statements can be obtained from the State of California Controller's Office, P.O. Box 942850, Sacramento, CA 94250.

Tule River Improvement Project The Tule River Improvement Project was established in 1998 as a result of a joint powers agreement between the Lower Tule River Irrigation District and the County for the purpose of acquiring and maintaining entrance facilities and channels in order to provide flood control and water conservation. The project's support costs are shared equally among participants with specific project costs shared according to separate agreements per project. The County's interest in the project is calculated based on contributions to individual projects. Independently audited financial statements can be obtained from the Lower Tule River Irrigation District, 357 East Olive Avenue, Tipton, California 93272.

San Joaquin Valley Insurance Authority (SJVIA) On September 29, 2009, the Counties of Tulare and Fresno entered into a Joint Exercise of Powers Agreement by which they created the SJVIA as a separate public agency charged with the responsibility of providing health and medical benefits for over 10,000 Fresno and Tulare County employees. Independently audited financial statements can be obtained from the Fresno County Auditor-Controller at 2281 Tulare Street #105, Fresno, CA 93721-2134.

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

California Rural Home Mortgage Finance Authority (CRHMFA) On January 27, 2009, the County of Tulare became an associate member of the CRHMFA in order to meet the demand from mortgage consultants expressing interest in utilizing National

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Homebuyer Fund (NHF) loan programs. There are no annual membership dues, so the County has no financial responsibilities with respect to this organization.

**C. Subsequent Events**

On July 26, 2012, a \$53,000 2012-2013 Tax and Revenue Anticipation Note (TRAN) was issued at 2% with a 1 year maturity of July 25, 2013.

**D. Contingent Liabilities**

The County is a defendant in various lawsuits although the outcome of these lawsuits is not presently determinable, in the opinion of the County Counsel (other than the claims included in Note 5. Other Information, sub-section A. Risk Management), resolution of these matters would not have a material adverse effect on the financial condition of the County.

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

Property Tax Administration Fee On July 7, 2010, the Court of Appeal of the State of California issued a decision in favor of the cities and against the County of Los Angeles in a case brought by 47 cities regarding the calculation of Property Tax Administration Fees (PTAF). The legal issue in dispute is whether counties can include "flip" and "swap" revenues in the calculation of administrative costs that counties recover from cities. At the trial court level, the court-appointed Referee had concluded that the County of Los Angeles' calculation of the PTAF starting in 2006-07 comported with Section 97.75 of California's Revenue and Taxation Code. The Court of Appeal reversed the judgment and remanded for further proceedings, holding that the County of Los Angeles' method of calculating its fee under Section 97.75 was unlawful. It is expected that the County of Los Angeles will petition the California Supreme Court for review.

This decision is significant for the County of Tulare because of similar claims against this County. The potential financial impact to the County related to the outcome of this case averages approximately \$703 per year of tax administration fees. The estimated amount of PTAF for fiscal year 2006-07 through fiscal year 2011-12 that could be at issue is \$4,216 plus possible interest. This remains a statewide issue.

As a result of this decision, the County has booked a short-term liability and related expense in the Government-Wide Financial Statements of \$4,216.

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

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

Tulare County Redevelopment Successor Agency In accordance with Assembly Bill (AB) 1X 26 and AB 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012 (see Note 5-K for further disclosure and information regarding the dissolution). Prior to that date, the final seven months of activity for the Redevelopment Agency (RDA) are reported in the governmental funds of the County. After the date of dissolution, the assets, liabilities, and activities of the dissolved RDA, except for those of the Successor Agency Housing special revenue fund, are reported in the Successor Agency fiduciary fund (private-purpose trust fund) in the financial statements of the County. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule. The range of potential loss of revenue to pay these obligations is between \$0 and \$5,694 over the remaining life of the Successor Agency (24 years).

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**E. Deferred Compensation Plan**

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

The assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. Since an outside party in accordance with 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.

**F. Employee Retirement System**

Plan Description The Tulare County Employees' Retirement Association (TCERA) was established July 1, 1945 under the provisions of the County Employees Retirement Act of 1937 (Government Code sections 31450 et seq.). TCERA operates as a cost-sharing multiple-employer defined benefit plan with special funding circumstances and provides retirement, disability, and death benefits for qualified employees of Tulare County, the Tulare County Courts, and the Strathmore Public Utility District. TCERA was integrated with Social Security in 1956. TCERA is administered by a nine-member Board of Retirement. TCERA issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from TCERA, 136 N. Akers Street, Visalia, CA 93291.

Funding Policy Active plan members in TCERA are required to contribute a percentage of their annual covered salary based upon age at entry into the plan and plan Tier. Currently, General Tier I members contribute between 3.25% and 6.58% of salary. General members of Tiers II and III contribute between 5.33% and 11.24% of covered salary. Safety Tier I members contribute between 4.88% and 7.01% of salary. Safety Tier II and III members contribute 7.99% and 11.98% 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 year 2011-12 was 9.49% for General employees and 21.92% for Safety employees of total payroll.

Annual Pension Cost (APC) For fiscal year 2011-12, the County's annual pension cost for TCERA was projected to be \$26,992, and the County actually contributed \$24,197. The projected contribution for fiscal year 2011-12 was determined as part of the June 30, 2009, 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 5.5%, and (c) life expectancy – the employee portion of the cost-of-living provisions is expressed as a percentage of the employee's contribution rates, ignoring the cost-of-living provisions. Both (a) and (b) include an inflation component of 4%. The actuarial value of TCERA's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a ten-year period. TCERA unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payrolls on a rolling fifteen-year basis.

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The County's annual pension cost and pension assets for the fiscal year ended June 30, 2012, were as follows:

Annual required contribution	\$ 24,197
Interest on pension assets	14,874
Adjustment to the annual required contribution	<u>(7,737)</u>
Annual pension cost	31,334
Contributions made	<u>24,197</u>
Decrease in pension assets	<u>(7,137)</u>
Pension assets, July 1	<u>7,504</u>
Pension assets, June 30	<u><u>\$ 367</u></u>

Three Year Trend Information

Year Ended June 30	Annual Pension Cost	Required Annual Contribution	Percentage Contributed	Pension Assets
2010	\$ 29,334	\$ 24,240	82.63%	\$ 13,481
2011	28,166	22,189	78.78%	7,504
2012	31,334	24,197	77.22%	367

As of June 30, 2012, the most recent actuarial valuation date, the funded status of the plan was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,101,456
Actuarial Value of Plan Assets	<u>981,946</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u><u>\$ 119,511</u></u>
Funded Ratio	89.15%
Covered Payroll	\$ 222,635
UAAL as a percentage of covered payroll	53.68%

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

The County's postemployment benefit plan is an agent multiple-employer plan. The County allows retirees who participate in the County administered medical plan and retire directly from active service under the 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 No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the value of this implied subsidy must be included in the employer's Annual Required Contribution (ARC) and Actuarial Accrued Liability (AAL) to the extent that the employers pay at least that amount in active employee premiums.

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

In the County's June 30, 2010, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of investment expenses) and an annual healthcare cost trend of 8.3 percent and declines to 6.25 percent over nine years. Both rates include an inflation assumption of 4 percent. The Actuarial Accrued Liability (AAL) is the cumulative value of the projected benefits. The unfunded AAL is amortized over 29 years as a level percent of payroll on a closed basis.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

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

Using a 5.0% discount rate, the actuarial values are as follows:

As of June 30, 2010	
Present Value of Projected Benefits (PVPB)	\$ 27,400
Actuarial Accrued Liability (AAL)	12,596
Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 12,596

As of June 30, 2010	
Present Value of Projected Benefits (PVPB)	\$ 27,400
Actuarial Accrued Liability (AAL)	12,596
Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 12,596

Plan Cost for the year ended June 30, 2012	
Normal Cost (NC)	\$ 1,600
UAAL Amortization	635
Annual Required Contribution (ARC)	\$ 2,235
Projected Payroll	\$ 213,208
ARC as % Payroll	1%

OPEB Cost for the year ended June 30, 2012	
Annual required contribution (ARC)	\$ 2,235
Interest on net OPEB obligation	316
Adjustment to ARC	(287)
Annual OPEB cost (expense)	2,264
Contributions made	(808)
Increase in net OPEB obligation	1,456
Net OPEB obligation - beginning of year	6,313
Net OPEB obligation - end of year	\$ 7,769

3 year OPEB Trend			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 2,307	27.26%	\$ 4,953
6/30/2011	2,121	35.93%	6,313
6/30/2012	2,264	35.69%	7,769

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

**H. 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 the Judicial Council and the County. The primary occupant would be determined for each facility based upon square footage occupied. The responsibilities of each occupant would be outlined in the agreements and the secondary occupant would be required to reimburse the primary occupant a predetermined percentage of such expenses as utilities and repairs. The secondary occupant would be invoiced quarterly.

As of June 30, 2009, agreements have been signed for the Tulare Courthouse (in which the County is a 30% occupant), the Porterville Courthouse (in which the County is a 46% occupant), the Visalia Courthouse (in which the County is a 68% occupant), the William Silveira Jr. Juvenile Justice Center (in which the County is a 87% occupant), and the Dinuba Courthouse (which the County does not occupy).

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

**I. Prior Period Adjustments**

The County's beginning fund balances/net assets have been restated to reflect the cumulative effect of prior year adjustments and reclassifications. A summary of the restatements as of June 30, 2012, is as follows (in thousands):

<b>Government-wide:</b>  <u>Description</u>	<b>Primary Government</b>	
	Governmental Activities	Business Activities
Government-wide net assets, as of June 30, 2011, as previously reported.	\$ 1,708,395	\$ 39,470
Fund Financial Statements		
To record Health programs revenue previously recorded as deferred.	11,569	-
To record Assessor and Clerk Recorder revenue previously recorded as deferred.	7,577	-
To record law enforcement programs revenue previously recorded as deferred.	2,383	-
To record other revenue previously recorded as deferred.	1,740	-
Mental health realignment previously recorded as deferred instead of revenue.	11,384	-
Health realignment funds previously recorded as deferred instead of revenue.	3,283	-
Social service realignment revenue previously recorded as deferred instead of revenue.	2,768	-
To record child support revenues previously deferred.	2,787	-
To record other revenues previously deferred.	178	-
To clear prepaid for pension obligation bonds that were paid off.	630	-
To record revenues previously recorded as deferred in Fiduciary Fund.	1,802	-
To recognize revenue previously recognized as deferred.	635	-
Total Fund Financial Statement Adjustments	46,736	-
Government-wide Financial Statements		
To reclassify road overlays previously capitalized that do not meet the County Capitalization policy	(40,214)	-
To correct tax revenue adjustment posted to Government-Wide in prior year.	(9,302)	-
Total Government-wide Statement Adjustments	(49,516)	-
Net Assets as of June 30, 2011, as restated	\$ 1,705,615	\$ 39,470

<u>Description</u>	Major Fund	Non Major Funds			
	General Fund	Special Revenue	Debt Service	Capital Projects	Internal Service
Fund Balances and Net Assets as of June 30, 2011, as previously reported.	\$ 50,530	\$ 33,114	\$ 6,365	\$ 13,996	\$ 20,093
Prior Period Adjustments:					
To record revenue previously recorded as deferred.	23,269	20,400	-	-	635
To record revenues previously recorded as deferred in Fiduciary Fund.	-	-	-	1,802	-
To clear prepaid for pension obligation bonds that were paid off.	-	-	630	-	-
Fund Balances, as of June 30, 2011, as restated	\$ 73,799	\$ 53,514	\$ 6,995	\$ 15,798	\$ 20,728

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

**J. Proposition 1A Borrowing by the State of California**

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

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

**K. Successor Agency Trust for Assets of Former Redevelopment Agency**

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the County that previously had reported a redevelopment agency blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the county or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On September 27, 2011, the Tulare County Board of Supervisors met and created a Successor Agency in accordance with the Bill as part of County resolution number 2011-0750.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated tax increment revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the County are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The County’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the County.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entities as of February 1, 2012.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

Prior to that date, the final seven months of the activity of the RDA are reported in the governmental funds of the County. After the date of dissolution, as allowed under Section 34176(a) of the Bill, the County elected to retain the housing assets and functions previously performed by the former RDA. The assets and activities for the Successor Agency Housing fund continue to be reported in the County's governmental fund financial statements. The remaining assets, liabilities, and activities of the dissolved RDA are reported in the Successor Agency fiduciary fund (private-purpose trust fund) in the financial statements of the County.

The movement of the assets and liabilities of the former redevelopment agency as of February 1, 2012, (effectively the same date as January 31, 2012) from governmental funds of the County to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012, was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary loss (gain) recognized in the governmental funds will not be the same amount as the extraordinary gain (loss) that will be recognized in the fiduciary fund financial statements.

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds – increase to net assets of the Successor Agency Trust Fund	\$ 5,652
Capital assets recorded in the government-wide financial statements – increase to net assets of the Successor Agency Trust Fund	2,969
Long-term debt reported in the government-wide financial Statements – decrease to net assets of the Successor Agency Trust Fund	<u>(5,963)</u>
Net increase to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the County)	<u>\$ 2,658</u>

**Successor Agency Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

Capital Assets - Primary Government	Beginning Balance	Private Purpose Trust Fund Extraordinary Gain	Additions	Retirements	Current Period Adjustments	Ending Balance
Private Purpose Trust activities:						
<i>Capital assets, being depreciated:</i>						
Infrastructure	\$ -	\$ 2,853	\$ -	\$ -	\$ (1)	\$ 2,852
Buildings and Improvements	-	-			-	-
Equipment /Vehicles	-	358	-	-	-	358
Total capital assets being depreciated	-	3,211	-	-	-	3,210
<i>Less accumulated depreciation for:</i>						
Infrastructure	-	(55)	(40)	-	-	(95)
Buildings and Improvements	-	-		-	-	-
Equipment /Vehicles	-	(187)	(14)	-	-	(201)
Total accumulated depreciation	-	(242)	(54)	-	-	(296)
Private Purpose Trust activities capital assets, net:	\$ -	\$ 2,969	\$ (54)	\$ -	\$ -	\$ 2,914

**Successor Agency: Long-term Debt** In accordance with the provisions of the Bill and the court case, the obligations of the former Redevelopment Agency became vested with the funds established for the successor agency upon the date of dissolution, February 1, 2012. Tax increment revenue is pledged to fund the debts of the Successor Agency Trust subject to the reapportionment of such revenues as provided by the Bill.

**COUNTY OF TULARE**  
**Notes to the Financial Statements**  
**June 30, 2012 (in thousands)**

The debt of the Successor Agency Trust as of June 30, 2012, is as follows:

Year Ending June 30,	Successor Agency Trust	
	Principal	Interest
2013	\$ 199	\$ 179
2014	204	173
2015	211	167
2016	218	161
2017	223	155
2018-2022	1,223	668
2023-2027	1,426	465
2028-2031	1,673	217
2032-2036	586	12
Total	<u>\$ 5,963</u>	<u>\$ 2,197</u>

**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.

On January 20, 2009, the Tulare County Redevelopment Agency issued Tax Allocation Bonds, 2009 A Series of \$231 at 4.35% and mature on August 1, 2033. These bonds were issued to finance the Cutler-Orosi Public Utility District Sewer project. In 2010, the County issued an additional \$1,669 of Tax Allocation Bonds in addition to the original agreement of the 2009 A Series Tax Allocation Bonds.

A tax allocation loan agreement dated November 1, 2002, was entered into between the California Infrastructure and Economic Development Bank and Goshen Redevelopment Agency. In January 2004, Goshen Redevelopment Agency received this loan of \$1,914 at 3.07%. This loan extends to August 2032.

A contractual pledge agreement dated July 1, 1997, was entered into between Tulare County Redevelopment Agency and Goshen Public Financing Authority. In 1997, Tulare County Redevelopment Agency received this loan of \$2,112.

**Changes in Long-term Liabilities**

Successor Agency long-term liabilities activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reduction	Private Purpose Trust Fund Extradordinary Loss	Ending Balance	Due Within One Year
<b><u>Successor Agency Trust activities:</u></b>						
Tax allocation bonds	\$ -	\$ -	\$ -	\$ 3,180	\$ 3,180	\$ 95
Loans payable	-	-	-	1,467	1,467	51
Contractual obligation	-	-	-	1,316	1,316	53
Total Successor Agency Trust activities:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,963</u>	<u>\$ 5,963</u>	<u>\$ 199</u>

# **Required Supplementary Information (RSI)**

**COUNTY OF TULARE**  
**Tulare County Employees' Retirement Association (TCERA)**  
**Schedule of Funding Progress**  
**June 30, 2012 (in thousands)**

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

\*Data provided by Buck Consultants "Tulare County Employees' Retirement Association Report on the Actuarial Valuation as of June 30, 2012."

**Note to Required Supplementary Information**

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

**COUNTY OF TULARE**  
**Tulare County Employees' Other Postemployment Benefits (OPEB)**  
**Schedule of Funding Progress**  
**June 30, 2012 (in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued 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
6/30/2006	\$ -	\$ 13,744	\$ 13,744	0.00%	\$ 194,399	7.07%
6/30/2008	-	12,411	12,411	0.00%	214,673	5.78%
6/30/2010	-	12,596	12,596	0.00%	205,008	6.14%

\* Data provided by Bartel Associates, LLC. "County of Tulare Retiree Healthcare Plan Actuarial Valuation as of June 30, 2010"

**Note to Required Supplementary Information**

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

# **Combining and Individual Fund Statements and Schedules**

**COUNTY OF TULARE**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2012 (in thousands)**

	Total Special Revenue Funds	Total Debt Service Funds	Capital Projects Fund	Total Nonmajor Funds
<b>ASSETS</b>				
Investment in treasury pool	\$ 41,744	\$ 6,446	\$ 12,586	\$ 60,776
Imprest cash	2	-	-	2
Receivables (net, where applicable, of allowances for uncollectibles)	21,748	-	-	21,748
Due from other funds	3,025	-	4,000	7,025
Due from other governments	926	11	-	937
Inventories	497	-	-	497
Prepaid items	665	-	-	665
Lease payments receivable, net of interest	-	652	-	652
Notes receivable	22,954	-	-	22,954
Restricted assets	-	-	5,000	5,000
Total assets	<u>\$ 91,561</u>	<u>\$ 7,109</u>	<u>\$ 21,586</u>	<u>\$ 120,256</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 13,148	\$ -	\$ 552	\$ 13,700
Cash overdraft	110	-	-	110
Due to other County funds	12	12	-	24
Due to other governments	405	-	-	405
Salaries and benefits payable	1,179	-	8	1,187
Deferred revenue	25,146	656	-	25,802
Advances from other funds	450	-	-	450
Total liabilities	<u>40,450</u>	<u>668</u>	<u>560</u>	<u>41,678</u>
<b>FUND BALANCES</b>				
Nonspendable	1,162	-	-	1,162
Restricted	65,718	5,682	5,000	76,400
Committed	-	-	4,000	4,000
Assigned	5,202	759	12,026	17,987
Unassigned	(20,971)	-	-	(20,971)
Total fund balances	<u>51,111</u>	<u>6,441</u>	<u>21,026</u>	<u>78,578</u>
Total liabilities and fund balances	<u>\$ 91,561</u>	<u>\$ 7,109</u>	<u>\$ 21,586</u>	<u>\$ 120,256</u>

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

**COUNTY OF TULARE**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2012 (in thousands)**

	Total Special Revenue Funds	Total Debt Service Funds	Capital Projects Fund	Total Nonmajor Funds
<b>REVENUES</b>				
Taxes and special assessments	\$ 24,037	\$ -	\$ -	\$ 24,037
Licenses and permits	22	-	-	22
Fines, forfeitures, and penalties	980	1,804	-	2,784
Interest, rents, and concessions	1,162	209	128	1,499
Intergovernmental revenues	119,108	-	379	119,487
Charges for services	6,649	-	-	6,649
Other revenues	4,702	2	558	5,262
Total revenues	<u>156,660</u>	<u>2,015</u>	<u>1,065</u>	<u>159,740</u>
<b>EXPENDITURES</b>				
Current:				
General government	9,391	-	3,374	12,765
Public protection	27,763	-	-	27,763
Public ways and facilities	23,711	-	-	23,711
Health and sanitation	1,173	-	-	1,173
Public assistance	12,986	-	-	12,986
Education	3,671	-	-	3,671
Debt service:				
Principal retirement	94	6,755	-	6,849
Interest and fiscal charges	76	1,431	-	1,507
Capital outlay	34,140	-	4,688	38,828
Total expenditures	<u>113,005</u>	<u>8,186</u>	<u>8,062</u>	<u>129,253</u>
Excess (deficiency) of revenues over (under) expenditures	43,655	(6,171)	(6,997)	30,487
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	40	-	-	40
Transfers in	18,683	12,290	12,231	43,204
Transfers (out)	(59,129)	(6,673)	(6)	(65,808)
Total other financing sources (uses)	<u>(40,406)</u>	<u>5,617</u>	<u>12,225</u>	<u>(22,564)</u>
Net change in fund balances before extrordinary items	3,249	(554)	5,228	7,923
<b>EXTRAORDINARY ITEMS</b>				
RDA dissolution asset transfers	(5,726)	-	-	(5,726)
RDA dissolution liability transfers	74	-	-	74
Total extraordinary items	<u>(5,652)</u>	<u>-</u>	<u>-</u>	<u>(5,652)</u>
Net change in fund balances	(2,403)	(554)	5,228	2,271
Fund balances, July 1	33,114	6,365	13,996	53,475
Prior period adjustment	20,400	630	1,802	22,832
Fund balances, July 1, as restated	<u>53,514</u>	<u>6,995</u>	<u>15,798</u>	<u>76,307</u>
Fund balances, June 30	<u>\$ 51,111</u>	<u>\$ 6,441</u>	<u>\$ 21,026</u>	<u>\$ 78,578</u>

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

**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.

**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 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 (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.

**Community Development Block Grants (CDBG) Fund** - This fund was setup to collect and recycle repayment of CDBG loan funds.

**HOME Program Fund** - This fund is used to collect and recycle repayment of home loan funds.

**Redevelopment Agency (RDA) Funds (Redevelopment Admin, Earlimart, 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. Pursuant to the provisions of the Redevelopment Restructuring Act, the Tulare County Redevelopment Successor Agency (Successor Agency) was created to dissolve, in an orderly fashion, the former RDAs. As such, all of the assets, liabilities and obligations of the former RDAs were transferred to the Successor Agency on February 1, 2012.

**Redevelopment (RDA) Successor Agency Housing** - The Tulare County Redevelopment Successor Agency Housing Fund was created on February 1, 2012, pursuant to the provisions of the Redevelopment Restructuring Act. Under this act, the County

elected to assume the housing functions and take over the housing assets of the former RDAs, along with the related rights, powers, liabilities, duties, and obligations.

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet**  
**June 30, 2012 (in thousands)**

	Indigent Health	RDA Successor Agency Housing	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment
<b>ASSETS</b>								
Investment in treasury pool	\$ 1,026	\$ 3,987	\$ 2,166	\$ 13	\$ -	\$ 1,242	\$ 6,801	\$ 730
Imprest cash	-	-	1	-	-	-	-	-
Receivables, net								
Accounts	-	-	-	-	120	40	19,230	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	660
Inventories	-	-	-	-	-	-	497	-
Prepaid items	16	-	649	-	-	-	-	-
Notes receivable	-	1,995	-	-	-	-	-	-
Total assets	<u>\$ 1,042</u>	<u>\$ 5,982</u>	<u>\$ 2,816</u>	<u>\$ 13</u>	<u>\$ 120</u>	<u>\$ 1,282</u>	<u>\$ 26,528</u>	<u>\$ 1,390</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 960	\$ 35	\$ 29	\$ -	\$ 3	\$ 136	\$ 10,584	\$ 1,328
Cash overdraft	-	-	-	-	110	-	-	-
Due to other County funds	-	-	-	-	-	-	12	-
Due to other governments	-	31	-	-	-	-	-	-
Salaries and benefits payable	5	-	69	-	-	376	312	55
Deferred revenue	-	1,998	-	-	-	-	-	-
Advances from other County funds	-	-	-	-	-	-	-	-
Total liabilities	<u>965</u>	<u>2,064</u>	<u>98</u>	<u>-</u>	<u>113</u>	<u>512</u>	<u>10,908</u>	<u>1,383</u>
<b>FUND BALANCES</b>								
Nonspendable	16	-	649	-	-	-	497	-
Restricted	61	3,918	1,553	13	7	701	10,754	-
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	516	-	-	69	4,369	7
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>77</u>	<u>3,918</u>	<u>2,718</u>	<u>13</u>	<u>7</u>	<u>770</u>	<u>15,620</u>	<u>7</u>
Total liabilities and fund balances	<u>\$ 1,042</u>	<u>\$ 5,982</u>	<u>\$ 2,816</u>	<u>\$ 13</u>	<u>\$ 120</u>	<u>\$ 1,282</u>	<u>\$ 26,528</u>	<u>\$ 1,390</u>

Continued

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2012 (in thousands)**

Child Support Services	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	
						<b>ASSETS</b>
\$ 3,151	\$ 10,272	\$ 5,015	\$ 3,464	\$ -	\$ 228	Investment in treasury pool
1	-	-	-	-	-	Imprest cash
-	-	-	-	2,358	-	Receivables, net
-	-	-	3,025	-	-	Accounts
6	-	-	-	-	260	Due from other funds
-	-	-	-	-	-	Due from other governments
-	-	-	-	-	-	Inventories
-	-	-	-	-	-	Prepaid items
-	-	-	-	-	-	Notes receivable
<u>\$ 3,158</u>	<u>\$ 10,272</u>	<u>\$ 5,015</u>	<u>\$ 6,489</u>	<u>\$ 2,358</u>	<u>\$ 488</u>	Total assets
						<b>LIABILITIES</b>
\$ 52	\$ -	\$ -	\$ -	\$ -	\$ -	Accounts payable
-	-	-	-	-	-	Cash overdraft
-	-	-	-	-	-	Due to other County funds
-	-	-	-	-	-	Due to other governments
355	-	-	-	-	7	Salaries and benefits payable
-	-	-	-	2,358	-	Deferred revenue
-	-	-	-	-	450	Advances from other County funds
<u>407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,358</u>	<u>457</u>	Total liabilities
						<b>FUND BALANCES</b>
-	-	-	-	-	-	Nondispensible
2,750	10,272	5,015	6,489	-	31	Restricted
-	-	-	-	-	-	Committed
1	-	-	-	-	-	Assigned
-	-	-	-	-	-	Unassigned
<u>2,751</u>	<u>10,272</u>	<u>5,015</u>	<u>6,489</u>	<u>-</u>	<u>31</u>	Total fund balances
<u>\$ 3,158</u>	<u>\$ 10,272</u>	<u>\$ 5,015</u>	<u>\$ 6,489</u>	<u>\$ 2,358</u>	<u>\$ 488</u>	Total liabilities and fund balances

Continued

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2012 (in thousands)**

	Flood Control	CDBG Grants	HOME Program	RDA Admin	RDA Earlimart	RDA Ivanhoe	RDA Lindsay
<b>ASSETS</b>							
Investment in treasury pool	\$ 3,456	\$ 60	\$ 133	\$ -	\$ -	\$ -	\$ -
Imprest cash	-	-	-	-	-	-	-
Receivables, net							
Accounts	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Notes receivable	-	10,247	10,712	-	-	-	-
Total assets	<u>\$ 3,456</u>	<u>\$ 10,307</u>	<u>\$ 10,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash overdraft	-	-	-	-	-	-	-
Due to other County funds	-	-	-	-	-	-	-
Due to other governments	-	374	-	-	-	-	-
Salaries and benefits payable	-	-	-	-	-	-	-
Deferred revenue	-	9,933	10,857	-	-	-	-
Advances from other County funds	-	-	-	-	-	-	-
Total liabilities	<u>21</u>	<u>10,307</u>	<u>10,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	3,195	10,247	10,712	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	240	-	-	-	-	-	-
Unassigned	-	(10,247)	(10,724)	-	-	-	-
Total fund balances	<u>3,435</u>	<u>-</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 3,456</u>	<u>\$ 10,307</u>	<u>\$ 10,845</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Balance Sheet (Continued)**  
**June 30, 2012 (in thousands)**

RDA Goshen	RDA Orosi	RDA Pixley	RDA Traver	RDA Richgrove	RDA Poplar	Total Special Revenue Funds	
							<b>ASSETS</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,744	Investment in treasury pool
-	-	-	-	-	-	2	Imprest cash
-	-	-	-	-	-	-	Receivables, net
-	-	-	-	-	-	21,748	Accounts
-	-	-	-	-	-	3,025	Due from other funds
-	-	-	-	-	-	926	Due from other governments
-	-	-	-	-	-	497	Inventories
-	-	-	-	-	-	665	Prepaid items
-	-	-	-	-	-	22,954	Notes receivable
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,561</u>	Total assets
							<b>LIABILITIES</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,148	Accounts payable
-	-	-	-	-	-	110	Cash overdraft
-	-	-	-	-	-	12	Due to other County funds
-	-	-	-	-	-	405	Due to other governments
-	-	-	-	-	-	1,179	Salaries and benefits payable
-	-	-	-	-	-	25,146	Deferred revenue
-	-	-	-	-	-	450	Advances from other County funds
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,450</u>	Total liabilities
							<b>FUND BALANCES</b>
-	-	-	-	-	-	1,162	Nonspendable
-	-	-	-	-	-	65,718	Restricted
-	-	-	-	-	-	-	Committed
-	-	-	-	-	-	5,202	Assigned
-	-	-	-	-	-	(20,971)	Unassigned
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,111</u>	Total fund balances
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,561</u>	Total liabilities and fund balances

(Concluded)

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2012 (in thousands)**

	Indigent Health	RDA Successor Agency Housing	Library	Fish and Game	Aviation	Structural Fire	Roads
<b>REVENUES</b>							
Taxes and special assessments	\$ -	\$ -	\$ 3,282	\$ -	\$ -	\$ 7,028	\$ 11,300
Licenses and permits	-	-	-	-	-	14	7
Fines, forfeitures, and penalties	974	-	-	6	-	-	-
Interest, rents, and concessions	22	76	37	1	28	95	5
Intergovernmental revenues	160	-	249	-	326	261	37,849
Charges for services	-	-	136	-	15	307	6,191
Other revenues	11	-	67	1	-	105	501
Total revenues	<u>1,167</u>	<u>76</u>	<u>3,771</u>	<u>8</u>	<u>369</u>	<u>7,810</u>	<u>55,853</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	426	142	-	-	15	21
Public protection	-	-	-	11	-	12,526	-
Public ways and facilities	-	-	-	-	146	-	23,565
Health and sanitation	1,172	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-
Education	-	-	3,667	-	-	-	-
Debt service:							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	255	268	33,524
Total expenditures	<u>1,172</u>	<u>426</u>	<u>3,809</u>	<u>11</u>	<u>401</u>	<u>12,809</u>	<u>57,110</u>
Excess (deficiency) of revenues over (under) expenditures	(5)	(350)	(38)	(3)	(32)	(4,999)	(1,257)
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of general capital assets	-	-	-	-	-	40	-
Transfers in	-	-	-	-	-	4,930	-
Transfers (out)	(4)	-	(79)	-	(1)	(138)	(188)
Total other financing sources (uses)	<u>(4)</u>	<u>-</u>	<u>(79)</u>	<u>-</u>	<u>(1)</u>	<u>4,832</u>	<u>(188)</u>
Net change in fund balances before extraordinary items	(9)	(350)	(117)	(3)	(33)	(167)	(1,445)
<b>EXTRAORDINARY ITEMS</b>							
RDA dissolution asset transfers	-	4,299	-	-	-	-	-
RDA dissolution liability transfers	-	(31)	-	-	-	-	-
Total extraordinary items	<u>-</u>	<u>4,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(9)	3,918	(117)	(3)	(33)	(167)	(1,445)
Fund balances, July 1	59	-	2,815	16	40	937	16,934
Prior period adjustment	27	-	20	-	-	-	131
Fund balances, July 1, as restated	<u>86</u>	<u>-</u>	<u>2,835</u>	<u>16</u>	<u>40</u>	<u>937</u>	<u>17,065</u>
Fund balances, June 30	<u>\$ 77</u>	<u>\$ 3,918</u>	<u>\$ 2,718</u>	<u>\$ 13</u>	<u>\$ 7</u>	<u>\$ 770</u>	<u>\$ 15,620</u>

Continued

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2012 (in thousands)**

Workforce Investment	Child Support Services	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	
						<b>REVENUES</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	- Taxes and special assessments
-	-	-	-	-	-	- Licenses and permits
-	-	-	-	-	-	- Fines, forfeitures, and penalties
767	69	-	-	-	-	- Interest, rents, and concessions
12,334	12,937	13,931	3,731	28,654	-	- Intergovernmental revenues
-	-	-	-	-	-	- Charges for services
-	31	-	-	-	3,930	- Other revenues
<u>13,101</u>	<u>13,037</u>	<u>13,931</u>	<u>3,731</u>	<u>28,654</u>	<u>3,930</u>	Total revenues
						<b>EXPENDITURES</b>
						Current:
171	-	-	-	-	-	- General government
1	12,767	1,112	-	-	-	- Public protection
-	-	-	-	-	-	- Public ways and facilities
-	-	-	-	-	-	- Health and sanitation
12,986	-	-	-	-	-	- Public assistance
-	-	-	-	-	-	- Education
						Debt service:
-	-	-	-	-	-	- Principal retirement
-	-	-	-	-	-	- Interest and fiscal charges
-	93	-	-	-	-	- Capital outlay
<u>13,158</u>	<u>12,860</u>	<u>1,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total expenditures
(57)	177	12,819	3,731	28,654	3,930	Excess (deficiency) of revenues over (under) expenditures
						<b>OTHER FINANCING SOURCES (USES)</b>
-	-	-	-	-	-	- Sale of general capital assets
100	-	1,507	11,288	857	-	- Transfers in
(35)	(225)	(15,438)	(13,288)	(25,790)	(3,930)	- Transfers (out)
<u>65</u>	<u>(225)</u>	<u>(13,931)</u>	<u>(2,000)</u>	<u>(24,933)</u>	<u>(3,930)</u>	Total other financing sources (uses)
8	(48)	(1,112)	1,731	3,721	-	- Net change in fund balances before extraordinary items
						<b>EXTRAORDINARY ITEMS</b>
-	-	-	-	-	-	- RDA dissolution asset transfers
-	-	-	-	-	-	- RDA dissolution liability transfers
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Total extraordinary items
8	(48)	(1,112)	1,731	3,721	-	Net change in fund balances
(1)	12	-	1	-	-	- Fund balances, July 1
-	2,787	11,384	3,283	2,768	-	- Prior period adjustment
<u>(1)</u>	<u>2,799</u>	<u>11,384</u>	<u>3,284</u>	<u>2,768</u>	<u>-</u>	- Fund balances, July 1, as restated
<u>\$ 7</u>	<u>\$ 2,751</u>	<u>\$ 10,272</u>	<u>\$ 5,015</u>	<u>\$ 6,489</u>	<u>\$ -</u>	- Fund balances, June 30

Continued

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2012 (in thousands)**

	TCIHSS Public Authority	Flood Control	CDBG Grants	HOME Program	RDA Admin	RDA Earlimart	RDA Ivanhoe	RDA Lindsay
<b>REVENUES</b>								
Taxes and special assessments	\$ -	\$ 510	\$ -	\$ -	\$ -	\$ 201	\$ 96	\$ -
Licenses and permits	-	-	-	-	-	-	1	-
Fines, forfeitures, and penalties	-	-	-	-	-	-	-	-
Interest, rents, and concessions	-	56	-	-	-	-	-	-
Intergovernmental revenues	1,028	59	1,852	5,014	698	3	-	-
Charges for services	-	-	-	-	-	-	-	-
Other revenues	42	-	-	-	-	-	-	-
Total revenues	<u>1,070</u>	<u>625</u>	<u>1,852</u>	<u>5,014</u>	<u>698</u>	<u>204</u>	<u>97</u>	<u>-</u>
<b>EXPENDITURES</b>								
Current:								
General government	103	-	1,854	5,026	698	66	55	1
Public protection	931	415	-	-	-	-	-	-
Public ways and facilities	-	-	-	-	-	-	-	-
Health and sanitation	1	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	-
Education	4	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,039</u>	<u>415</u>	<u>1,854</u>	<u>5,026</u>	<u>698</u>	<u>66</u>	<u>55</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	31	210	(2)	(12)	-	138	42	(1)
<b>OTHER FINANCING SOURCES (USES)</b>								
Sale of general capital assets	-	-	-	-	-	-	-	-
Transfers in	-	1	-	-	-	-	-	-
Transfers (out)	(4)	-	-	-	(14)	-	3	-
Total other financing sources (uses)	<u>(4)</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>(14)</u>	<u>-</u>	<u>3</u>	<u>-</u>
Net change in fund balances before extraordinary items	27	211	(2)	(12)	(14)	138	45	(1)
<b>EXTRAORDINARY ITEMS</b>								
RDA dissolution asset transfers	-	-	-	-	-	(1,285)	(482)	(52)
RDA dissolution liability transfers	-	-	-	-	12	-	-	-
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>(1,285)</u>	<u>(482)</u>	<u>(52)</u>
Net change in fund balances	27	211	(2)	(12)	(2)	(1,147)	(437)	(53)
Fund balances, July 1	4	3,224	2	-	2	1,147	437	53
Prior period adjustment	-	-	-	-	-	-	-	-
Fund balances, July 1, as restated	<u>4</u>	<u>3,224</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>1,147</u>	<u>437</u>	<u>53</u>
Fund balances, June 30	<u>\$ 31</u>	<u>\$ 3,435</u>	<u>\$ -</u>	<u>\$ (12)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**For the Year Ended June 30, 2012 (in thousands)**

RDA Goshen	RDA Orosi	RDA Pixley	RDA Traver	RDA Richgrove	RDA Poplar	Total Special Revenue Funds	
							<b>REVENUES</b>
\$ 592	\$ 424	\$ 224	\$ 128	\$ 153	\$ 99	\$ 24,037	Taxes and special assessments
-	-	-	-	-	-	22	Licenses and permits
-	-	-	-	-	-	980	Fines, forfeitures, and penalties
-	1	1	4	-	-	1,162	Interest, rents, and concessions
8	6	3	2	2	1	119,108	Intergovernmental revenues
-	-	-	-	-	-	6,649	Charges for services
1	11	-	-	2	-	4,702	Other revenues
<u>601</u>	<u>442</u>	<u>228</u>	<u>134</u>	<u>157</u>	<u>100</u>	<u>156,660</u>	Total revenues
							<b>EXPENDITURES</b>
							Current:
176	255	102	37	39	204	9,391	General government
-	-	-	-	-	-	27,763	Public protection
-	-	-	-	-	-	23,711	Public ways and facilities
-	-	-	-	-	-	1,173	Health and sanitation
-	-	-	-	-	-	12,986	Public assistance
-	-	-	-	-	-	3,671	Education
							Debt service:
49	-	-	-	45	-	94	Principal retirement
46	-	-	-	30	-	76	Interest and fiscal charges
-	-	-	-	-	-	34,140	Capital outlay
<u>271</u>	<u>255</u>	<u>102</u>	<u>37</u>	<u>114</u>	<u>204</u>	<u>113,005</u>	Total expenditures
330	187	126	97	43	(104)	43,655	Excess (deficiency) of revenues over (under) expenditures
							<b>OTHER FINANCING SOURCES (USES)</b>
-	-	-	-	-	-	40	Sale of general capital assets
-	-	-	-	-	-	18,683	Transfers in
1	-	1	-	-	-	(59,129)	Transfers (out)
<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(40,406)</u>	Total other financing sources (uses)
331	187	127	97	43	(104)	3,249	Net change in fund balances before extraordinary items
							<b>EXTRAORDINARY ITEMS</b>
(2,426)	(1,697)	(1,646)	(1,623)	(599)	(215)	(5,726)	RDA dissolution asset transfers
31	-	-	9	53	-	74	RDA dissolution liability transfers
<u>(2,395)</u>	<u>(1,697)</u>	<u>(1,646)</u>	<u>(1,614)</u>	<u>(546)</u>	<u>(215)</u>	<u>(5,652)</u>	Total extraordinary items
(2,064)	(1,510)	(1,519)	(1,517)	(503)	(319)	(2,403)	Net change in fund balances
2,064	1,510	1,519	1,517	503	319	33,114	Fund balances, July 1
-	-	-	-	-	-	20,400	Prior period adjustment
<u>2,064</u>	<u>1,510</u>	<u>1,519</u>	<u>1,517</u>	<u>503</u>	<u>319</u>	<u>53,514</u>	Fund balances, July 1, as restated
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,111</u>	Fund balances, June 30				

Concluded

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Indigent Health Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ 936	\$ 936	\$ 974	\$ 38
Interest, rents, and concessions	37	37	22	(15)
Intergovernmental revenues	192	242	160	(82)
Other revenues	-	-	11	11
Total revenues	<u>1,165</u>	<u>1,215</u>	<u>1,167</u>	<u>(48)</u>
<b>EXPENDITURES</b>				
Current:				
Health and sanitation	1,162	1,212	1,172	40
Total expenditures	<u>1,162</u>	<u>1,212</u>	<u>1,172</u>	<u>40</u>
Excess (deficiency) of revenues over (under) expenditures	3	3	(5)	(8)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(4)	(4)	(4)	-
Total other financing sources (uses)	<u>(4)</u>	<u>(4)</u>	<u>(4)</u>	<u>-</u>
Net change in fund balance	(1)	(1)	(9)	(8)
Fund balance, July 1	-	-	59	59
Prior period adjustment	-	-	27	27
Fund balance, July 1, as restated	-	-	86	86
Fund balance, June 30	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 77</u>	<u>\$ 78</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Library Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 2,980	\$ 2,980	\$ 3,282	\$ 302
Interest, rents, and concessions	40	40	37	(3)
Intergovernmental revenues	531	559	249	(310)
Charges for services	79	79	136	57
Other revenues	137	137	67	(70)
Total revenues	<u>3,767</u>	<u>3,795</u>	<u>3,771</u>	<u>(24)</u>
<b>EXPENDITURES</b>				
Current:				
General government	236	373	142	231
Education	6,019	5,909	3,667	2,242
Capital outlay	65	65	-	65
Total expenditures	<u>6,320</u>	<u>6,347</u>	<u>3,809</u>	<u>2,538</u>
Excess (deficiency) of revenues over (under) expenditures	(2,553)	(2,552)	(38)	2,514
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(228)	(228)	(79)	149
Total other financing sources (uses)	<u>(228)</u>	<u>(228)</u>	<u>(79)</u>	<u>149</u>
Net change in fund balance	(2,781)	(2,780)	(117)	2,663
Fund balance, July 1	-	-	2,815	2,815
Prior period adjustment	-	-	20	20
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>2,835</u>	<u>2,835</u>
Fund balance, June 30	<u>\$ (2,781)</u>	<u>\$ (2,780)</u>	<u>\$ 2,718</u>	<u>\$ 5,498</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Fish and Game Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 6	\$ 6
Interest, rents, and concessions	-	-	1	1
Other revenues	-	-	1	1
Total revenues	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	17	17	11	6
Total expenditures	<u>17</u>	<u>17</u>	<u>11</u>	<u>6</u>
Excess (deficiency) of revenues over (under) expenditures	(17)	(17)	(3)	14
Net change in fund balance	(17)	(17)	(3)	14
Fund balance, July 1	-	-	16	16
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
Fund balance, June 30	<u>\$ (17)</u>	<u>\$ (17)</u>	<u>\$ 13</u>	<u>\$ 30</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Aviation Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 35	\$ 35	\$ 28	\$ (7)
Intergovernmental revenues	490	490	326	(164)
Charges for services	11	11	15	4
Total revenues	<u>536</u>	<u>536</u>	<u>369</u>	<u>(167)</u>
<b>EXPENDITURES</b>				
Current:				
General government	39	38	-	38
Public ways and facilities	534	289	146	143
Capital outlay	-	247	255	(8)
Total expenditures	<u>573</u>	<u>574</u>	<u>401</u>	<u>173</u>
Excess (deficiency) of revenues over (under) expenditures	(37)	(38)	(32)	6
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(1)	(1)	(1)	-
Total other financing sources (uses)	<u>(1)</u>	<u>(1)</u>	<u>(1)</u>	<u>-</u>
Net change in fund balance	(38)	(39)	(33)	6
Fund balance, July 1	-	-	40	40
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>40</u>	<u>40</u>
Fund balance, June 30	<u>\$ (38)</u>	<u>\$ (39)</u>	<u>\$ 7</u>	<u>\$ 46</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Structural Fire Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 6,696	\$ 6,696	\$ 7,028	\$ 332
Licenses and permits	15	15	14	(1)
Interest, rents, and concessions	62	62	95	33
Intergovernmental revenues	247	1,126	261	(865)
Charges for services	200	200	307	107
Other revenues	15	15	105	90
Total revenues	<u>7,235</u>	<u>8,114</u>	<u>7,810</u>	<u>(304)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	16	15	1
Public protection	12,654	13,522	12,526	996
Capital outlay	-	274	268	6
Total expenditures	<u>12,654</u>	<u>13,812</u>	<u>12,809</u>	<u>1,003</u>
Excess (deficiency) of revenues over (under) expenditures	(5,419)	(5,698)	(4,999)	699
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of general capital assets	-	-	40	40
Transfers in	4,711	4,930	4,930	-
Transfers (out)	(186)	(167)	(138)	29
Total other financing sources (uses)	<u>4,525</u>	<u>4,763</u>	<u>4,832</u>	<u>69</u>
Net change in fund balance	(894)	(935)	(167)	768
Fund balance, July 1	-	-	937	937
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>937</u>	<u>937</u>
Fund balance, June 30	<u>\$ (894)</u>	<u>\$ (935)</u>	<u>\$ 770</u>	<u>\$ 1,705</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Roads Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 20,772	\$ 21,471	\$ 11,300	\$ (10,171)
Licenses and permits	5	5	7	2
Interest, rents, and concessions	51	51	5	(46)
Intergovernmental revenues	38,187	38,187	37,849	(338)
Charges for services	2,884	3,009	6,191	3,182
Other revenues	-	5	501	496
Total revenues	<u>61,899</u>	<u>62,728</u>	<u>55,853</u>	<u>(6,875)</u>
<b>EXPENDITURES</b>				
Current:				
General government	21	21	21	-
Public ways and facilities	76,730	76,556	23,565	52,991
Capital outlay	2,158	3,213	33,524	(30,311)
Total expenditures	<u>78,909</u>	<u>79,790</u>	<u>57,110</u>	<u>22,680</u>
Excess (deficiency) of revenues over (under) expenditures	(17,010)	(17,062)	(1,257)	15,805
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(256)	(259)	(188)	71
Total other financing sources (uses)	<u>(256)</u>	<u>(259)</u>	<u>(188)</u>	<u>71</u>
Net change in fund balance	(17,266)	(17,321)	(1,445)	15,876
Fund balance, July 1	-	-	16,934	16,934
Prior period adjustment	-	-	131	-
Fund balance, July 1, as restated	-	-	17,065	16,934
Fund balance, June 30	<u>\$ (17,266)</u>	<u>\$ (17,321)</u>	<u>\$ 15,620</u>	<u>\$ 32,941</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Workforce Investment Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 174	\$ 174	\$ 767	\$ 593
Intergovernmental revenues	10,400	13,792	12,334	(1,458)
Other revenues	-	115	-	(115)
Total revenues	<u>10,574</u>	<u>14,081</u>	<u>13,101</u>	<u>(980)</u>
<b>EXPENDITURES</b>				
Current:				
General government	462	548	171	377
Public protection	188	104	1	103
Health and sanitation	-	(1)	-	(1)
Public assistance	9,785	13,287	12,986	301
Total expenditures	<u>10,435</u>	<u>13,938</u>	<u>13,158</u>	<u>780</u>
Excess (deficiency) of revenues over (under) expenditures	139	143	(57)	(200)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	100	100
Transfers (out)	(48)	(47)	(35)	12
Total other financing sources (uses)	<u>(48)</u>	<u>(47)</u>	<u>65</u>	<u>112</u>
Net change in fund balance	91	96	8	(88)
Fund balance, July 1	-	-	(1)	(1)
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Fund balance, June 30	<u>\$ 91</u>	<u>\$ 96</u>	<u>\$ 7</u>	<u>\$ (89)</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Child Support Services Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ 60	\$ 60	\$ 69	\$ 9
Intergovernmental revenues	16,920	16,920	12,937	(3,983)
Other revenues	21	21	31	10
Total revenues	<u>17,001</u>	<u>17,001</u>	<u>13,037</u>	<u>(3,964)</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	16,677	16,547	12,767	3,780
Capital outlay	-	130	93	37
Total expenditures	<u>16,677</u>	<u>16,677</u>	<u>12,860</u>	<u>3,817</u>
Excess (deficiency) of revenues over (under) expenditures	324	324	177	(147)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(326)	(326)	(225)	101
Total other financing sources (uses)	<u>(326)</u>	<u>(326)</u>	<u>(225)</u>	<u>101</u>
Net change in fund balance	(2)	(2)	(48)	(46)
Fund balance, July 1	-	-	12	12
Prior period adjustment	-	-	2,787	2,787
Fund balance, July 1, as restated	-	-	2,799	2,799
Fund balance, June 30	<u>\$ (2)</u>	<u>\$ (2)</u>	<u>\$ 2,751</u>	<u>\$ 2,753</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Mental Health Realignment Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 11,557	\$ 11,557	\$ 13,931	\$ 2,374
Total revenues	<u>11,557</u>	<u>11,557</u>	<u>13,931</u>	<u>2,374</u>
<b>EXPENDITURES</b>				
Current:				
Public protection	-	-	1,112	(1,112)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,112</u>	<u>(1,112)</u>
Excess (deficiency) of revenues over (under) expenditures	11,557	11,557	12,819	1,262
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,668	5,668	1,507	(4,161)
Transfers (out)	<u>(17,225)</u>	<u>(17,225)</u>	<u>(15,438)</u>	<u>1,787</u>
Total other financing sources (uses)	<u>(11,557)</u>	<u>(11,557)</u>	<u>(13,931)</u>	<u>(2,374)</u>
Net change in fund balance	-	-	(1,112)	(1,112)
Fund balance, July 1	-	-	-	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>11,384</u>	<u>11,384</u>
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>11,384</u>	<u>11,384</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,272</u>	<u>\$ 10,272</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Health Realignment Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 4,750	\$ 4,750	\$ 3,731	\$ (1,019)
Total revenues	<u>4,750</u>	<u>4,750</u>	<u>3,731</u>	<u>(1,019)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	4,750	4,750	3,731	(1,019)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,380	12,380	11,288	(1,092)
Transfers (out)	<u>(17,131)</u>	<u>(17,131)</u>	<u>(13,288)</u>	<u>3,843</u>
Total other financing sources (uses)	<u>(4,751)</u>	<u>(4,751)</u>	<u>(2,000)</u>	<u>2,751</u>
Net change in fund balance	(1)	(1)	1,731	1,732
Fund balance, July 1	-	-	1	1
Prior period adjustment	-	-	3,283	3,283
Fund balance, July 1, as restated	-	-	3,284	3,284
Fund balance, June 30	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 5,015</u>	<u>\$ 5,016</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Social Services Realignment Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 16,119	\$ 27,976	\$ 28,654	\$ 678
Total revenues	<u>16,119</u>	<u>27,976</u>	<u>28,654</u>	<u>678</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	16,119	27,976	28,654	678
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	857	857	857	-
Transfers (out)	(16,975)	(28,833)	(25,790)	3,043
Total other financing sources (uses)	<u>(16,118)</u>	<u>(27,976)</u>	<u>(24,933)</u>	<u>3,043</u>
Net change in fund balance	1	-	3,721	3,721
Fund balance, July 1	-	-	-	-
Prior period adjustment	-	-	2,768	2,768
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>2,768</u>	<u>2,768</u>
Fund balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 6,489</u>	<u>\$ 6,489</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Tobacco Settlement Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Other revenues	\$ 3,962	\$ 3,962	\$ 3,930	\$ (32)
Total revenues	<u>3,962</u>	<u>3,962</u>	<u>3,930</u>	<u>(32)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	3,962	3,962	3,930	(32)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(3,962)	(3,962)	(3,930)	32
Total other financing sources (uses)	<u>(3,962)</u>	<u>(3,962)</u>	<u>(3,930)</u>	<u>32</u>
Net change in fund balance	-	-	-	-
Fund balance, July 1	-	-	-	-
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Tulare County In-Home Supportive Services Public Authority Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,147	\$ 1,147	\$ 1,028	\$ (119)
Other revenues	34	34	42	8
Total revenues	1,181	1,181	1,070	(111)
<b>EXPENDITURES</b>				
Current:				
General government	29	116	103	13
Public protection	1,147	1,056	931	125
Health and sanitation	1	1	1	-
Education	-	4	4	-
Total expenditures	1,177	1,177	1,039	138
Excess (deficiency) of revenues over (under) expenditures	4	4	31	27
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(4)	(4)	(4)	-
Total other financing sources (uses)	(4)	(4)	(4)	-
Net change in fund balance	-	-	27	27
Fund balance, July 1	-	-	4	4
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	-	-	4	4
Fund balance, June 30	\$ -	\$ -	\$ 31	\$ 31

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Flood Control Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ 477	\$ 477	\$ 510	\$ 33
Interest, rents, and concessions	92	92	56	(36)
Intergovernmental revenues	32	32	59	27
Total revenues	<u>601</u>	<u>601</u>	<u>625</u>	<u>24</u>
<b>EXPENDITURES</b>				
Current:				
General government	1	1	-	1
Public protection	3,785	3,787	415	3,372
Total expenditures	<u>3,786</u>	<u>3,788</u>	<u>415</u>	<u>3,373</u>
Excess (deficiency) of revenues over (under) expenditures	(3,185)	(3,187)	210	3,397
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1	1	1	-
Total other financing sources (uses)	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net change in fund balance	(3,184)	(3,186)	211	3,397
Fund balance, July 1	-	-	3,224	3,224
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	-	-	3,224	3,224
Fund balance, June 30	<u>\$ (3,184)</u>	<u>\$ (3,186)</u>	<u>\$ 3,435</u>	<u>\$ 6,621</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Richgrove Redevelopment Funds**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ -	\$ -	\$ 153	\$ 153
Interest, rents, and concessions	-	4	-	(4)
Intergovernmental revenues	-	-	2	2
Other revenues	-	-	2	2
Total revenues	<u>-</u>	<u>4</u>	<u>157</u>	<u>153</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	10	39	(29)
Debt service:				
Principal retirement	-	-	45	(45)
Interest and fiscal charges	-	-	30	(30)
Total expenditures	<u>-</u>	<u>10</u>	<u>114</u>	<u>(104)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(6)	43	49
<b>OTHER FINANCING SOURCES (USES)</b>				
RDA dissolution asset transfers	-	-	(599)	(599)
RDA dissolution liability transfers	-	-	53	53
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(546)</u>	<u>(546)</u>
Net change in fund balance	-	(6)	(503)	(497)
Fund balance, July 1	-	-	503	503
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>503</u>	<u>503</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ (6)</u>	<u>\$ -</u>	<u>\$ 6</u>

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

**COUNTY OF TULARE**  
**Nonmajor Special Revenue Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Poplar Redevelopment Funds**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes and special assessments	\$ -	\$ 177	\$ 99	\$ (78)
Interest, rents, and concessions	-	4	-	(4)
Intergovernmental revenues	-	1	1	-
Total revenues	<u>-</u>	<u>182</u>	<u>100</u>	<u>(82)</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	590	204	386
Total expenditures	<u>-</u>	<u>590</u>	<u>204</u>	<u>386</u>
Excess (deficiency) of revenues over (under) expenditures	-	(408)	(104)	304
<b>OTHER FINANCING SOURCES (USES)</b>				
RDA dissolution asset transfers	-	-	(215)	(215)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(215)</u>	<u>(215)</u>
Net change in fund balance	-	(408)	(319)	89
Fund balance, July 1	-	-	319	319
Prior period adjustment	-	-	-	-
Fund balance, July 1, as restated	<u>-</u>	<u>-</u>	<u>319</u>	<u>319</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ (408)</u>	<u>\$ -</u>	<u>\$ 408</u>

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

**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.

**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**  
**Debt Service Funds**  
**Combining Balance Sheet**  
**June 30, 2012 (in thousands)**

	Pension Obligation	Building Loans	Total Debt Service Funds
<b>ASSETS</b>			
Investment in treasury pool	\$ 1	\$ 6,445	\$ 6,446
Due from other governments	11	-	11
Lease payments receivable, net of interest	-	652	652
Total assets	<u>\$ 12</u>	<u>\$ 7,097</u>	<u>\$ 7,109</u>
<b>LIABILITIES</b>			
Due to other County funds	\$ 12	\$ -	\$ 12
Deferred revenue	-	656	656
Total liabilities	<u>12</u>	<u>656</u>	<u>668</u>
<b>FUND BALANCES</b>			
Nonspendable			
Restricted	-	5,682	5,682
Committed	-	-	-
Assigned	-	759	759
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>6,441</u>	<u>6,441</u>
Total liabilities and fund balances	<u>\$ 12</u>	<u>\$ 7,097</u>	<u>\$ 7,109</u>

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

**COUNTY OF TULARE**  
**Debt Service Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Year Ended June 30, 2012 (in thousands)**

	Pension Obligation	Building Loans	Total Debt Service Funds
<b>REVENUES</b>			
Fines, forfeitures, and penalties	\$ -	\$ 1,804	\$ 1,804
Interest, rents, and concessions	-	209	209
Other revenues	-	2	2
Total revenues	<u>-</u>	<u>2,015</u>	<u>2,015</u>
<b>EXPENDITURES</b>			
Debt service:			
Principal retirement	6,271	484	6,755
Interest and fiscal charges	233	1,198	1,431
Total expenditures	<u>6,504</u>	<u>1,682</u>	<u>8,186</u>
Excess (deficiency) of revenues over (under) expenditures	(6,504)	333	(6,171)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	5,620	6,670	12,290
Transfers (out)	-	(6,673)	(6,673)
Total other financing sources (uses)	<u>5,620</u>	<u>(3)</u>	<u>5,617</u>
Net change in fund balance	(884)	330	(554)
Fund balance, July 1	254	6,111	6,365
Prior period adjustment	630	-	630
Fund balances, July 1, as restated	<u>884</u>	<u>6,111</u>	<u>6,995</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 6,441</u>	<u>\$ 6,441</u>

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

**COUNTY OF TULARE**  
**Debt Service Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Pension Obligation Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 286	\$ 286	\$ -	\$ (286)
Total revenues	<u>286</u>	<u>286</u>	<u>-</u>	<u>(286)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	6,270	6,270	6,271	(1)
Interest and fiscal charges	<u>236</u>	<u>236</u>	<u>233</u>	<u>3</u>
Total expenditures	<u>6,506</u>	<u>6,506</u>	<u>6,504</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures	(6,220)	(6,220)	(6,504)	(284)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>5,964</u>	<u>5,964</u>	<u>5,620</u>	<u>(344)</u>
Total other financing sources (uses)	<u>5,964</u>	<u>5,964</u>	<u>5,620</u>	<u>(344)</u>
Net change in fund balance	(256)	(256)	(884)	(628)
Fund balance, July 1	-	-	254	254
Prior period adjustment	<u>-</u>	<u>-</u>	<u>630</u>	<u>630</u>
Fund balances, July 1, as restated	<u>-</u>	<u>-</u>	<u>884</u>	<u>884</u>
Fund balance, June 30	<u>\$ (256)</u>	<u>\$ (256)</u>	<u>\$ -</u>	<u>\$ 256</u>

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

**COUNTY OF TULARE**  
**Debt Service Funds**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Building Loans Fund**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fines, forfeitures, and penalties	\$ 1,448	\$ 1,448	\$ 1,804	\$ 356
Interest, rents, and concessions	210	210	209	(1)
Other revenues	-	-	2	2
Total revenues	<u>1,658</u>	<u>1,658</u>	<u>2,015</u>	<u>357</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	-	484	484	-
Interest and fiscal charges	1,662	1,168	1,198	(30)
Total expenditures	<u>1,662</u>	<u>1,652</u>	<u>1,682</u>	<u>(30)</u>
Excess (deficiency) of revenues over (under) expenditures				
<b>OTHER FINANCING SOURCES (USES)</b>	(4)	6	333	327
Transfers in	6,667	6,667	6,670	3
Transfers (out)	(6,673)	(6,673)	(6,673)	-
Total other financing sources (uses)	<u>(6)</u>	<u>(6)</u>	<u>(3)</u>	<u>3</u>
Net change in fund balance	(10)	-	330	330
Fund balance, July 1	-	-	6,111	6,111
Prior period adjustment	-	-	-	-
Fund balances, July 1, as restated	<u>-</u>	<u>-</u>	<u>6,111</u>	<u>6,111</u>
Fund balance, June 30	<u>\$ (10)</u>	<u>\$ -</u>	<u>\$ 6,441</u>	<u>\$ 6,441</u>

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

**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. There are no combining statements because the County uses one Capital Projects Fund, which is reported on the nonmajor combining financial statements.

**COUNTY OF TULARE**  
**Capital Projects Fund**  
**Balance Sheet**  
**June 30, 2012 (in thousands)**

		Capital	
		Projects	
<b>ASSETS</b>			
Investment in treasury pool	\$	12,586	
Due from other County funds		4,000	
Restricted assets		5,000	
Total assets	\$	21,586	
Liabilities and fund balance			
<b>LIABILITIES</b>			
Accounts payable	\$	552	
Salaries and benefits payable		8	
Total liabilities		560	
<b>Fund balances</b>			
Nonspendable		-	
Restricted		5,000	
Committed		4,000	
Assigned		12,026	
Unassigned		-	
Total fund balance		21,026	
Total liabilities and fund balance	\$	21,586	

**COUNTY OF TULARE**  
**Capital Projects Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2012 (in thousands)**

	Capital Projects
<b>REVENUES</b>	
Interest, rents, and concessions	\$ 128
Intergovernmental revenues	379
Other revenues	558
Total revenues	1,065
<b>EXPENDITURES</b>	
Current:	
General government	3,374
Capital outlay	4,688
Total expenditures	8,062
Excess (deficiency) of revenues over (under) expenditures	(6,997)
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	12,231
Transfers (out)	(6)
Total other financing sources (uses)	12,225
Net change in fund balance	5,228
Fund balance, July 1	13,996
Prior Period Adjustment	1,802
Fund balances, July 1, as restated	15,798
Fund balance, June 30	\$ 21,026

**COUNTY OF TULARE**  
**Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended June 30, 2012 (in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest, rents, and concessions	\$ -	\$ -	\$ 128	\$ 128
Intergovernmental revenues	200	250	379	129
Other revenues	757	707	558	(149)
Total revenues	<u>957</u>	<u>957</u>	<u>1,065</u>	<u>108</u>
<b>EXPENDITURES</b>				
Current:				
General government	13,086	11,911	3,374	8,537
Capital outlay	1,785	4,959	4,688	271
Total expenditures	<u>14,871</u>	<u>16,870</u>	<u>8,062</u>	<u>8,808</u>
Excess (deficiency) of revenues over				
(under) expenditures	(13,914)	(15,913)	(6,997)	8,916
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,730	8,730	12,231	3,501
Transfers (out)	(1,008)	(1,008)	(6)	1,002
Total other financing sources (uses)	<u>5,722</u>	<u>7,722</u>	<u>12,225</u>	<u>4,503</u>
Net change in fund balance	(8,192)	(8,191)	5,228	13,419
Fund balance, July 1	-	-	13,996	13,996
Prior period adjustment	-	-	1,802	1,802
Fund balance, July 1, as restated	-	-	15,798	15,798
Fund balance, June 30	<u>\$ (8,192)</u>	<u>\$ (8,191)</u>	<u>\$ 21,026</u>	<u>\$ 29,217</u>

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

## 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**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Fund Net Assets**  
**June 30, 2012 (in thousands)**

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>ASSETS</b>						
Current assets:						
Cash in banks	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ 3
Investment in treasury pool	2,810	833	492	389	114	4,638
Cash on hand	2	2	-	2	-	6
Accounts receivable	343	56	-	262	9	670
Deposits with others	-	53	-	53	4	110
Total current assets	<u>3,155</u>	<u>947</u>	<u>492</u>	<u>706</u>	<u>127</u>	<u>5,427</u>
Noncurrent assets:						
Capital assets:						
Land	-	68	-	503	41	612
Buildings and improvements, net	84	1,052	-	3,029	304	4,469
Equipment and vehicles, net	2,165	-	-	-	-	2,165
Total capital assets (net of accumulated depreciation)	<u>2,249</u>	<u>1,120</u>	<u>-</u>	<u>3,532</u>	<u>345</u>	<u>7,246</u>
Total noncurrent assets	<u>2,249</u>	<u>1,120</u>	<u>-</u>	<u>3,532</u>	<u>345</u>	<u>7,246</u>
Total assets	<u>5,404</u>	<u>2,067</u>	<u>492</u>	<u>4,238</u>	<u>472</u>	<u>12,673</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	136	13	-	101	10	260
Deposits from others	-	53	8	-	-	61
Salaries and benefits payable	3	-	-	-	-	3
Interest payable	-	-	-	13	1	14
Compensated absences payable	3	-	-	-	-	3
COP's payable	-	20	-	15	1	36
Total current liabilities	<u>142</u>	<u>86</u>	<u>8</u>	<u>129</u>	<u>12</u>	<u>377</u>
Noncurrent liabilities:						
Advances due to other funds	-	-	-	765	15	780
Compensated absences payable	10	-	-	-	-	10
Bonds payable	-	-	-	7	-	7
COP's payable	-	765	-	543	38	1,346
Total noncurrent liabilities	<u>10</u>	<u>765</u>	<u>-</u>	<u>1,315</u>	<u>53</u>	<u>2,143</u>
Total liabilities	<u>152</u>	<u>851</u>	<u>8</u>	<u>1,444</u>	<u>65</u>	<u>2,520</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	2,249	335	-	2,967	306	5,857
Restricted for other purposes	-	-	-	-	5	5
Unrestricted	3,003	881	484	(173)	96	4,291
Total net assets	<u>\$ 5,252</u>	<u>\$ 1,216</u>	<u>\$ 484</u>	<u>\$ 2,794</u>	<u>\$ 407</u>	<u>\$ 10,153</u>

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

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2012 (in thousands)**

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>Operating revenues:</b>						
Charges for services	\$ 297	\$ 143	\$ 90	\$ 621	\$ 66	\$ 1,217
Other revenues	7	-	-	-	-	7
Total operating revenues	<u>304</u>	<u>143</u>	<u>90</u>	<u>621</u>	<u>66</u>	<u>1,224</u>
<b>Operating expenses:</b>						
Salaries and benefits	69	-	-	-	-	69
Services and supplies	2,218	115	4	523	78	2,938
Depreciation	218	55	-	188	15	476
Total operating expenses	<u>2,505</u>	<u>170</u>	<u>4</u>	<u>711</u>	<u>93</u>	<u>3,483</u>
Operating income (loss)	<u>(2,201)</u>	<u>(27)</u>	<u>86</u>	<u>(90)</u>	<u>(27)</u>	<u>(2,259)</u>
<b>Nonoperating revenues (expenses):</b>						
Intergovernmental revenues	1,859	-	-	-	-	1,859
Taxes and special assessments	1,811	31	-	-	-	1,842
Investment earnings	44	14	4	9	2	73
Interest expense	-	(36)	-	(58)	(2)	(96)
Total nonoperating revenues (expenses)	<u>3,714</u>	<u>9</u>	<u>4</u>	<u>(49)</u>	<u>-</u>	<u>3,678</u>
Net income (loss) before contributions and transfers	<u>1,513</u>	<u>(18)</u>	<u>90</u>	<u>(139)</u>	<u>(27)</u>	<u>1,419</u>
Transfers in	2	-	-	-	-	2
Transfers (out)	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>
Change in net assets	1,513	(18)	90	(139)	(27)	1,419
Net assets, July 1	<u>3,739</u>	<u>1,234</u>	<u>394</u>	<u>2,933</u>	<u>434</u>	<u>8,734</u>
Net assets, June 30	<u>\$ 5,252</u>	<u>\$ 1,216</u>	<u>\$ 484</u>	<u>\$ 2,794</u>	<u>\$ 407</u>	<u>\$ 10,153</u>

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

**COUNTY OF TULARE**  
**Nonmajor Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2012 (in thousands)**

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 121	\$ 120	\$ 90	\$ 478	\$ 65	\$ 874
Other revenues	7	-	-	-	-	7
Payments (to) employees	(68)	-	-	-	-	(68)
Payments (to) suppliers	(1,869)	(78)	-	(315)	(63)	(2,325)
Payments (for) interfund services used	(242)	(32)	(4)	(147)	(10)	(435)
Net cash provided (used) by operating activities	<u>(2,051)</u>	<u>10</u>	<u>86</u>	<u>16</u>	<u>(8)</u>	<u>(1,947)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Subsidy from intergovernmental entities	1,859	-	-	-	-	1,859
Receipts from taxes and assessments	1,811	31	-	-	-	1,842
Transfers from other funds	3	-	-	-	-	3
Transfers (to) other funds	(2)	-	-	-	-	(2)
Advance from other funds	-	-	-	25	-	25
Advance (to) other funds	-	-	-	-	5	5
Net cash provided (used) by noncapital financing activities	<u>3,671</u>	<u>31</u>	<u>-</u>	<u>25</u>	<u>5</u>	<u>3,732</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Sales (purchases) of capital assets	(971)	1	-	(4)	-	(974)
Principal (paid) on capital debt	-	(20)	-	(13)	(1)	(34)
Interest (paid) on capital debt	-	(36)	-	(56)	(2)	(94)
Net cash provided (used) by capital and related financing activities	<u>(971)</u>	<u>(55)</u>	<u>-</u>	<u>(73)</u>	<u>(3)</u>	<u>(1,102)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest and dividends received	43	14	4	9	2	72
Net cash provided (used) by investing activities	<u>43</u>	<u>14</u>	<u>4</u>	<u>9</u>	<u>2</u>	<u>72</u>
Net increase (decrease) in cash and cash equivalents	692	-	90	(23)	(4)	755
Cash and cash equivalents, July 1	2,120	838	402	414	118	3,892
Cash and cash equivalents, June 30	<u>\$ 2,812</u>	<u>\$ 838</u>	<u>\$ 492</u>	<u>\$ 391</u>	<u>\$ 114</u>	<u>\$ 4,647</u>
Displayed as:						
Cash in banks	\$ -	\$ 3	\$ -	\$ -	\$ -	\$ 3
Investment in treasury pool	2,810	833	492	389	114	4,638
Cash on hand	2	2	-	2	-	6
Total cash as displayed	<u>\$ 2,812</u>	<u>\$ 838</u>	<u>\$ 492</u>	<u>\$ 391</u>	<u>\$ 114</u>	<u>\$ 4,647</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (2,201)	\$ (27)	\$ 86	\$ (90)	\$ (27)	\$ (2,259)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	218	55	-	188	15	476
(Increase) decrease in accounts receivable	(176)	(23)	-	(143)	(1)	(343)
(Increase) decrease in due from other funds	(2)	-	-	-	-	(2)
Increase (decrease) in accounts payable	107	5	-	61	5	178
Increase (decrease) in salaries payable	1	-	-	-	-	1
Increase (decrease) in compensated absences payable	2	-	-	-	-	2
Total adjustments	<u>150</u>	<u>37</u>	<u>-</u>	<u>106</u>	<u>19</u>	<u>312</u>
Net cash provided (used) by operating activities	<u>\$ (2,051)</u>	<u>\$ 10</u>	<u>\$ 86</u>	<u>\$ 16</u>	<u>\$ (8)</u>	<u>\$ (1,947)</u>

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

## INTERNAL SERVICE FUNDS

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

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

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

**COUNTY OF TULARE**  
**Internal Service Funds**  
**Combining Statement of Fund Net Assets**  
**June 30, 2012 (in thousands)**

	Insurance	Central Services	Total
<b>ASSETS</b>			
Current assets:			
Investment in treasury pool	\$ 41,647	\$ 7,113	\$ 48,760
Cash on hand	-	9	9
Imprest cash	500	-	500
Accounts receivable, net	23	141	164
Due from other funds	331	-	331
Prepaid items	25	-	25
Total current assets	<u>42,526</u>	<u>7,263</u>	<u>49,789</u>
Noncurrent assets:			
Advances to other County Funds	620	-	620
Capital assets:			
Equipment and vehicles, net	7	3,284	3,291
Total noncurrent assets	<u>627</u>	<u>3,284</u>	<u>3,911</u>
Total assets	<u>43,153</u>	<u>10,547</u>	<u>53,700</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	549	1,011	1,560
Due to other funds	19	-	19
Salaries and benefits payable	-	515	515
Compensated absences payable	-	215	215
Claims payable	6,263	-	6,263
Capital lease payable	-	85	85
Deferred revenue	105	-	105
Total current liabilities	<u>6,936</u>	<u>1,826</u>	<u>8,762</u>
Noncurrent liabilities:			
Compensated absences payable	-	1,029	1,029
Claims payable	25,356	-	25,356
Capital lease payable	-	569	569
Total noncurrent liabilities	<u>25,356</u>	<u>1,598</u>	<u>26,954</u>
Total liabilities	<u>32,292</u>	<u>3,424</u>	<u>35,716</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	7	3,284	3,291
Unrestricted	10,854	3,839	14,693
Total net assets	<u>\$ 10,861</u>	<u>\$ 7,123</u>	<u>\$ 17,984</u>

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

**COUNTY OF TULARE**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2012 (in thousands)**

	Insurance	Central Services	Total
<b>Operating revenues:</b>			
Charges for services	\$ 12,204	\$ 33,322	\$ 45,526
Other revenues	2,898	810	3,708
Total operating revenues	<u>15,102</u>	<u>34,132</u>	<u>49,234</u>
<b>Operating expenses:</b>			
Salaries and benefits	-	13,224	13,224
Services and supplies	9,051	18,423	27,474
Insurance premiums paid	4,480	-	4,480
Depreciation	6	349	355
Claims incurred	3,584	-	3,584
Total operating expenses	<u>17,121</u>	<u>31,996</u>	<u>49,117</u>
Operating income (loss)	<u>(2,019)</u>	<u>2,136</u>	<u>117</u>
<b>Nonoperating revenues (expenses):</b>			
Gain (loss) on sale of capital assets	-	(4,402)	(4,402)
Intergovernmental revenues	27	266	293
Investment earnings	770	19	789
Interest expense	-	(40)	(40)
Total nonoperating revenues (expenses)	<u>797</u>	<u>(4,157)</u>	<u>(3,360)</u>
Income (loss) before contributions and transfers	<u>(1,222)</u>	<u>(2,021)</u>	<u>(3,243)</u>
Capital contributions	-	1,008	1,008
Transfers in	538	-	538
Transfers (out)	<u>(537)</u>	<u>(510)</u>	<u>(1,047)</u>
Change in net assets	(1,221)	(1,523)	(2,744)
Net assets, July 1	11,832	8,261	20,093
Prior period adjustment	250	385	635
Net assets, July 1, as restated	<u>12,082</u>	<u>8,646</u>	<u>20,728</u>
Net assets, June 30	<u>\$ 10,861</u>	<u>\$ 7,123</u>	<u>\$ 17,984</u>

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

**COUNTY OF TULARE**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2012 (in thousands)**

	Insurance	Central Services	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 5,756	\$ 6,594	\$ 12,350
Receipts from interfund services provided	6,830	27,007	33,837
Other revenues	2,898	833	3,731
Payments (to) employees	-	(13,260)	(13,260)
Payments (to) suppliers	(14,024)	(16,934)	(30,958)
Payments (for) interfund services used	(1,942)	(4,081)	(6,023)
Payments (for) claims	(4,807)	-	(4,807)
Net cash provided (used) by operating activities	<u>(5,289)</u>	<u>159</u>	<u>(5,130)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers from other funds	1	-	1
Due (to) other funds	-	(510)	(510)
Subsidy from intergovernmental entities	27	266	293
Advance (to) other funds	(579)	-	(579)
Net cash provided (used) by noncapital financing activities	<u>(551)</u>	<u>(244)</u>	<u>(795)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Sales (purchases) of capital assets	-	11,585	11,585
Principal (paid) on capital debt	-	(11,621)	(11,621)
Interest (paid) on capital debt	-	(263)	(263)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(299)</u>	<u>(299)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends received	770	19	789
Net cash provided by investing activities	<u>770</u>	<u>19</u>	<u>789</u>
Net increase (decrease) in cash and cash equivalents	(5,070)	(365)	(5,435)
Cash and cash equivalents, July 1	47,217	7,487	54,704
Cash and cash equivalents, June 30	<u>\$ 42,147</u>	<u>\$ 7,122</u>	<u>\$ 49,269</u>
Displayed as:			
Investment in treasury pool	\$ 41,647	\$ 7,113	\$ 48,760
Cash on hand	-	9	9
Imprest cash	500	-	500
Total cash displayed	<u>\$ 42,147</u>	<u>\$ 7,122</u>	<u>\$ 49,269</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	<u>\$ (2,019)</u>	<u>\$ 2,136</u>	<u>\$ 117</u>
Adjustments to reconcile operating income (loss) to			
Depreciation expense	6	349	355
(Increase) decrease in accounts receivable	1,334	596	1,930
(Increase) decrease in intergovernmental receivables	-	386	386
Increase (decrease) in due to other funds	(120)	(1,525)	(1,645)
(Increase) decrease in due from other funds	422	46	468
(Increase) decrease in deposits with others	-	(518)	(518)
(Increase) decrease in prepaid items	500	-	500
Increase (decrease) in accounts payable	(2,935)	(1,430)	(4,365)
Increase (decrease) in salaries and benefits payable and compensated absences	-	(36)	(36)
Increase (decrease) in deferred revenue	(1,254)	155	(1,099)
Increase (decrease) in claims payable	(1,223)	-	(1,223)
Total adjustments	<u>(3,270)</u>	<u>(1,977)</u>	<u>(5,247)</u>
Net cash provided (used) by operating activities	<u>\$ (5,289)</u>	<u>\$ 159</u>	<u>\$ (5,130)</u>
<b>Schedule of non-cash capital and related finance activities:</b>			
Contributions of capital assets		\$ 1,008	

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

## 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 Employees' Retirement Association 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**  
**Fiduciary Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the Fiscal Year Ended June 30, 2012 (in thousands)**

	Balance July 1	Additions	Deductions	Balance June 30
<b>Property Tax Collection and Apportionment Funds</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 10,675	\$ 543,144	\$ (543,938)	\$ 9,881
Total assets	<u>\$ 10,675</u>	<u>\$ 543,144</u>	<u>\$ (543,938)</u>	<u>\$ 9,881</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 691	\$ 241,102	\$ (241,361)	\$ 432
Agency obligations	9,984	107,348	(107,883)	9,449
Total liabilities	<u>\$ 10,675</u>	<u>\$ 348,450</u>	<u>\$ (349,244)</u>	<u>\$ 9,881</u>
<b>State Fines Agency Fund</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 98	\$ 595	\$ (609)	\$ 84
Total assets	<u>\$ 98</u>	<u>\$ 595</u>	<u>\$ (609)</u>	<u>\$ 84</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 1,216	\$ (1,216)	\$ -
Agency obligations	98	642	(656)	84
Total liabilities	<u>\$ 98</u>	<u>\$ 1,858</u>	<u>\$ (1,872)</u>	<u>\$ 84</u>
<b>Transportation Tax Funds</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 724	\$ 13,540	\$ (12,153)	\$ 2,111
Total assets	<u>\$ 724</u>	<u>\$ 13,540</u>	<u>\$ (12,153)</u>	<u>\$ 2,111</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 724	\$ 1,387	\$ -	\$ 2,111
Total liabilities	<u>\$ 724</u>	<u>\$ 1,387</u>	<u>\$ -</u>	<u>\$ 2,111</u>
<b>Employee Health Benefits Fund</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 247	\$ 32,508	\$ (31,412)	\$ 1,343
Accounts receivable	182	21,720	(21,486)	416
Due from other funds	139	-	(139)	-
Total assets	<u>\$ 568</u>	<u>\$ 54,228</u>	<u>\$ (53,037)</u>	<u>\$ 1,759</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 38	\$ 28,247	\$ (28,163)	\$ 122
Due to other funds	224	-	(224)	-
Agency obligations	306	2,957	(1,626)	1,637
Total liabilities	<u>\$ 568</u>	<u>\$ 31,204</u>	<u>\$ (30,013)</u>	<u>\$ 1,759</u>
<b>Education Revenue Augmentation Fund</b>				
<b>ASSETS</b>				
Investment in treasury pool	\$ 61	\$ 92,675	\$ (92,288)	\$ 448
Total assets	<u>\$ 61</u>	<u>\$ 92,675</u>	<u>\$ (92,288)</u>	<u>\$ 448</u>
<b>LIABILITIES</b>				
Agency obligations	\$ 61	\$ 92,413	\$ (92,026)	\$ 448
Total liabilities	<u>\$ 61</u>	<u>\$ 92,413</u>	<u>\$ (92,026)</u>	<u>\$ 448</u>

Continued

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

**COUNTY OF TULARE**  
**Fiduciary Funds**  
**Combining Statement of Changes in Assets and Liabilities (Continued)**  
**For the Fiscal Year Ended June 30, 2012 (in thousands)**

	Balance July 1	Additions	Deductions	Balance June 30
<b>Other Agency Funds</b>				
<b>ASSETS</b>				
Cash in banks	\$ 2,535	\$ -	\$ 1,639	4,174
Investment in treasury pool	13,094	127,836	(128,474)	12,456
Receivables	2	-	1	3
Due from other governments	40	-	-	40
Advances to County funds	755	-	25	780
Total assets	<u>\$ 16,426</u>	<u>\$ 127,836</u>	<u>\$ (126,809)</u>	<u>\$ 17,453</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 499	\$ 208	\$ (233)	\$ 474
Advances from County funds	830	(10)	-	820
Agency obligations	15,097	118,706	(117,644)	16,159
Total liabilities	<u>\$ 16,426</u>	<u>\$ 118,904</u>	<u>\$ (117,877)</u>	<u>\$ 17,453</u>
<b>Total Agency Funds</b>				
<b>ASSETS</b>				
Cash in banks	\$ 2,535	\$ -	\$ 1,639	\$ 4,174
Investment in treasury pool	24,899	810,298	(808,874)	26,323
Due from other funds	139	-	(139)	-
Receivables	184	21,720	(21,485)	419
Due from other governments	40	-	-	40
Advances to County funds	755	-	25	780
Total assets	<u>\$ 28,552</u>	<u>\$ 832,018</u>	<u>\$ (828,834)</u>	<u>\$ 31,736</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,228	\$ 270,773	\$ (270,973)	\$ 1,028
Due to other funds	224	-	(224)	-
Advances from County funds	830	(10)	-	820
Agency obligations	26,270	323,453	(319,835)	29,888
Total liabilities	<u>\$ 28,552</u>	<u>\$ 594,216</u>	<u>\$ (591,032)</u>	<u>\$ 31,736</u>

Concluded

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

## 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, 2012 (in thousands)**

Function and Activity	2012	2011
Governmental funds capital assets:		
Land	\$ 910,114	\$ 910,941
Infrastructure	657,165	701,677
Structures and improvements	206,515	199,818
Machinery and equipment	28,106	25,350
Vehicles	46,294	45,108
Construction in progress	454	2,189
Infrastructure in progress	104,193	75,770
Total governmental funds capital assets	<u>\$ 1,952,841</u>	<u>\$ 1,960,853</u>
Investment in governmental funds capital assets by source:		
General Fund	\$ 228,144	\$ 249,760
Federal revenue sharing fund	13,412	2,170
Special revenue funds	1,709,636	1,707,654
Capital projects fund	1,620	775
Donations	29	494
Total governmental funds capital assets	<u>\$ 1,952,841</u>	<u>\$ 1,960,853</u>

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

**COUNTY OF TULARE**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**June 30, 2012 (in thousands)**

Function and Activity	Land	Infrastructure	Structures and Improvements	Machinery and Equipment	Vehicles	Total
<b>General government</b>						
Administrative	\$ -	\$ -	\$ 25	\$ -	\$ -	25
Finance	-	-	-	92	325	417
County Counsel	-	-	1,663	11	-	1,674
Personnel	-	-	25	-	-	25
Elections	-	-	-	1,050	-	1,050
Property management	-	-	21,910	159	25	22,094
Other general	3,136	-	924	5,477	1,995	11,532
<b>Total general government</b>	<b>3,136</b>	<b>-</b>	<b>24,547</b>	<b>6,789</b>	<b>2,345</b>	<b>36,817</b>
<b>Public protection</b>						
Judicial	-	-	38,395	891	2,004	41,290
Sheriff	639	-	4,296	1,850	8,574	15,359
Other protection	-	-	90	221	403	714
<b>Total public protection</b>	<b>639</b>	<b>-</b>	<b>42,781</b>	<b>2,962</b>	<b>10,981</b>	<b>57,363</b>
<b>Detention and correction</b>						
Detention	-	-	73,944	1,085	2,895	77,924
Fire	433	-	3,581	1,891	8,873	14,778
Inspection	210	-	4,685	105	1,515	6,515
<b>Total detention and correction</b>	<b>643</b>	<b>-</b>	<b>82,210</b>	<b>3,081</b>	<b>13,283</b>	<b>99,217</b>
Public ways and facilities	901,731	657,165	5,908	4,454	12,788	1,582,046
Public health	2,640	-	26,979	6,328	3,263	39,210
Public assistance	237	-	3,505	3,798	2,399	9,939
Education	122	-	10,062	161	661	11,006
Recreation and cultural services	966	-	10,523	533	574	12,596
	<b>905,696</b>	<b>657,165</b>	<b>56,977</b>	<b>15,274</b>	<b>19,685</b>	<b>1,654,797</b>
Construction projects in progress	-	-	454	-	-	454
Infrastructure projects in progress	-	104,193	-	-	-	104,193
	<b>-</b>	<b>104,193</b>	<b>454</b>	<b>-</b>	<b>-</b>	<b>104,647</b>
<b>Total governmental funds capital assets</b>	<b>\$ 910,114</b>	<b>\$ 761,358</b>	<b>\$ 206,969</b>	<b>\$ 28,106</b>	<b>\$ 46,294</b>	<b>\$ 1,952,841</b>

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

**COUNTY OF TULARE**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**June 30, 2012 (in thousands)**

Function and Activity	Governmental Fund Capital Assets July 1	Additions	Deletions	Adjustments	Governmental Fund Capital Assets June 30
<b>General government</b>					
Administrative	\$ 23	\$ -	\$ -	\$ -	\$ 23
Finance	423	-	(6)	-	417
County Counsel	1,674	-	-	-	1,674
Personnel	25	-	-	-	25
Elections	1,040	15	(5)	-	1,050
Property management	2,960	1,201	(14)	17,947	22,094
Other general	27,545	1,972	(170)	(17,813)	11,534
Total general government	<u>33,690</u>	<u>3,188</u>	<u>(195)</u>	<u>134</u>	<u>36,817</u>
<b>Public protection</b>					
Judicial	41,149	268	(50)	(77)	41,290
Sheriff	14,050	1,847	(362)	(176)	15,359
Other protection	966	11	(37)	(226)	714
Total public protection	<u>56,165</u>	<u>2,126</u>	<u>(449)</u>	<u>(479)</u>	<u>57,363</u>
<b>Detention and correction</b>					
Detention	74,642	3,472	(173)	(17)	77,924
Fire	14,199	700	(23)	(98)	14,778
Inspection	6,550	86	(97)	(24)	6,515
Total detention and correction	<u>95,391</u>	<u>4,258</u>	<u>(293)</u>	<u>(139)</u>	<u>99,217</u>
Public ways and facilities	1,624,971	3,911	(2,412)	(44,424)	1,582,046
Public health	39,693	533	(1,095)	79	39,210
Public assistance	9,686	796	(432)	(111)	9,939
Education	11,011	28	(33)	-	11,006
Recreation and cultural services	12,287	478	(17)	(152)	12,596
	<u>1,697,648</u>	<u>5,746</u>	<u>(3,989)</u>	<u>(44,608)</u>	<u>1,654,797</u>
Construction projects in progress	2,189	4,963	(6,819)	121	454
Infrastructure projects in progress	75,770	31,523	(247)	(2,853)	104,193
Total governmental funds capital assets	<u>\$ 1,960,853</u>	<u>\$ 51,804</u>	<u>\$ (11,992)</u>	<u>\$ (47,824)</u>	<u>\$ 1,952,841</u>

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

# Statistical Section

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

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**COUNTY OF TULARE**  
**Statistical Section**  
**Net Assets By Component (Unaudited)**  
**Last 10 Fiscal Years (in thousands)**

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 83,862	\$ 1,461,647 *	\$ 1,450,065 **	\$ 1,425,580	\$ 1,417,765
Restricted	45,532	41,803	40,051	44,553	45,403
Unrestricted	16,373	31,685	35,459	43,721	57,303
Total governmental activities net assets	<u>\$ 145,767</u>	<u>\$ 1,535,135</u>	<u>\$ 1,525,575 **</u>	<u>\$ 1,513,854</u>	<u>\$ 1,520,471</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 16,386	\$ 19,396	\$ 20,010	\$ 20,322	\$ 19,860
Restricted	5,005	5,005	5,005	5,005	5,005
Unrestricted	33,580	25,613	24,886	22,914	22,200
Total business-type activities net assets	<u>\$ 54,971</u>	<u>\$ 50,014</u>	<u>\$ 49,901</u>	<u>\$ 48,241</u>	<u>\$ 47,065</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 100,248	\$ 1,481,043 *	\$ 1,470,075 **	\$ 1,445,902	\$ 1,437,625
Restricted	50,537	468,080	45,056	49,558	50,408
Unrestricted	49,953	57,298	60,345	66,635	79,503
Total primary government net assets	<u>\$ 200,738</u>	<u>\$ 1,585,149</u>	<u>\$ 1,575,476 **</u>	<u>\$ 1,562,095</u>	<u>\$ 1,567,536</u>
<b>Governmental activities</b>					
Fiscal Year					
	2007-08	2008-09	2009-10	2010-11	2011-12
Invested in capital assets, net of related debt	\$ 1,491,566	\$ 1,524,380	\$ 1,541,360	\$ 1,576,213	\$ 1,558,744
Restricted	54,086	57,079	61,880	57,762	102,657
Unrestricted	55,866	56,992	63,537	74,420	83,404
Total governmental activities net assets	<u>\$ 1,601,518</u>	<u>\$ 1,638,451</u>	<u>\$ 1,666,777</u>	<u>\$ 1,708,395</u>	<u>\$ 1,744,805</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 19,090	\$ 28,811	\$ 28,172	\$ 27,463	\$ 29,728
Restricted	5,005	5,005	5,005	5,005	5,005
Unrestricted	22,794	9,363	6,792	7,002	\$ 7,999
Total business-type activities net assets	<u>\$ 46,889</u>	<u>\$ 43,179</u>	<u>\$ 39,969</u>	<u>\$ 39,470</u>	<u>\$ 42,732</u>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 1,510,656	\$ 1,553,191	\$ 1,569,532	\$ 1,603,676	\$ 1,588,472
Restricted	59,091	62,084	66,885	62,767	107,662
Unrestricted	78,660	66,355	70,329	81,422	91,403
Total primary government net assets	<u>\$ 1,648,407</u>	<u>\$ 1,681,630</u>	<u>\$ 1,706,746</u>	<u>\$ 1,747,865</u>	<u>\$ 1,787,537</u>

\*Prior periods are restated for subsequent Prior Period Adjustments.  
\*\*Beginning balances of capital assets restated to include infrastructure assets.  
Discretely presented Component Unit is not included.

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

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Expenses</b>					
Governmental activities:					
General government	\$ 37,912	\$ 32,816	\$ 25,312	\$ 44,550	\$ 93,680
Public protection	130,282	145,513	148,459	155,626	162,837
Public ways and facilities	18,699	19,411	35,404	26,701	15,100
Health and sanitation	87,856	86,955	99,669	104,035	120,520
Public assistance	202,308	202,481	215,275	225,735	220,019
Education	3,481	3,356	3,384	3,241	3,722
Culture and recreation	1,839	1,949	1,631	1,468	1,842
Unallocated depreciation	627	589	589	589	588
Unallocated interest expense	9,023	8,220	8,642	9,713	11,038
Total governmental activities expenses	<u>492,027</u>	<u>501,290</u>	<u>538,365</u>	<u>571,658</u>	<u>629,346</u>
Business-type activities:					
Solid Waste	10,361	12,967	10,249	12,004	13,981
Other business-type activities	1,873	1,839	1,708	1,872	2,120
Total business-type activities expenses	<u>12,234</u>	<u>14,806</u>	<u>11,957</u>	<u>13,876</u>	<u>16,101</u>
Total primary government expenses	<u>\$ 504,261</u>	<u>\$ 516,096</u>	<u>\$ 550,322</u>	<u>\$ 585,534</u>	<u>\$ 645,447</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 28,653	\$ 31,895	\$ 28,181	\$ 21,838	\$ 50,015
Public protection	24,314	19,635	22,015	22,179	25,846
Public ways and facilities	1,636	1,109	1,468	2,783	2,209
Health and sanitation	9,998	11,365	12,430	11,653	16,103
Public assistance	21,147	25,499	29,244	26,348	30,161
Education	227	112	245	289	334
Culture and recreation	710	1,012	1,101	848	1,004
Operating grants and contributions	353,679	355,940	349,248	371,869	389,177
Total governmental activities program revenues	<u>440,364</u>	<u>446,567</u>	<u>443,932</u>	<u>457,807</u>	<u>514,849</u>
Business-type activities:					
Charges for services:					
Solid Waste	8,886	8,878	9,053	9,705	10,247
Other business-type activities	642	631	670	696	738
Operating grants and contributions	135	40	373	42	276
Total business-type activities program revenues	<u>9,663</u>	<u>9,549</u>	<u>10,096</u>	<u>10,443</u>	<u>11,261</u>
Total primary government program revenues	<u>\$ 450,027</u>	<u>\$ 456,116</u>	<u>\$ 454,028</u>	<u>\$ 468,250</u>	<u>\$ 526,110</u>
Net (expense)/revenue					
Governmental activities	\$ (51,663)	\$ (54,723)	\$ (94,433)	\$ (113,851)	\$ (114,497)
Business-type activities	(2,571)	(5,257)	(1,861)	(3,433)	(4,840)
Total primary government net expense	<u>\$ (54,234)</u>	<u>\$ (59,980)</u>	<u>\$ (96,294)</u>	<u>\$ (117,284)</u>	<u>\$ (119,337)</u>
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Property taxes	\$ 37,394	\$ 40,342	\$ 66,738	\$ 78,583	\$ 91,367
Sales and other taxes	6,694	7,632	8,032	12,311	13,262
Earnings on investments	6,710	2,880	5,402	7,034	11,950
Miscellaneous	-	5,321	-	-	-
Tobacco settlement revenues	4,636	5,929	4,010	3,651	3,822
Gain (loss) on sale of fixed assets	-	63	29	-	-
Extraordinary item RDA dissolution	-	-	-	-	-
Transfers	677	892	662	551	713
Total governmental activities	<u>56,111</u>	<u>63,059</u>	<u>84,873</u>	<u>102,130</u>	<u>121,114</u>
Business-type activities:					
Sales and other taxes	815	658	855	512	1,033
Earnings on investments	2,550	503	1,555	1,651	3,342
Gain on sale of fixed assets	-	31	-	161	2
Transfers	(677)	(892)	(662)	(551)	(713)
Total business-type activities	<u>2,688</u>	<u>300</u>	<u>1,748</u>	<u>1,773</u>	<u>3,664</u>
Total primary government	<u>\$ 58,799</u>	<u>\$ 63,359</u>	<u>\$ 86,621</u>	<u>\$ 103,903</u>	<u>\$ 124,778</u>
<b>Change in Net Assets</b>					
Governmental activities	\$ 4,448	\$ 8,336	\$ (9,560)	\$ (11,721)	\$ 6,617
Business-type activities	117	(4,957)	(113)	(1,660)	(1,176)
Total primary government	<u>\$ 4,565</u>	<u>\$ 3,379</u>	<u>\$ (9,673)</u>	<u>\$ (13,381)</u>	<u>\$ 5,441</u>

Continued

**COUNTY OF TULARE**  
**Statistical Section**  
**Changes in Net Assets-Continued (Unaudited)**  
**Last 10 Fiscal Years (in thousands)**

Fiscal Year					
2007-08	2008-09	2009-10	2010-11	2011-12	
					<b>Expenses</b>
					Governmental activities:
\$ 71,430	\$ 28,459	\$ 26,587	\$ 39,515	\$ 42,590	General government
187,299	197,905	192,533	182,316	190,402	Public protection
28,346	32,342	29,120	25,485	38,295	Public ways and facilities
120,195	122,853	120,796	117,572	122,305	Health and sanitation
227,086	234,329	236,861	235,547	224,139	Public assistance
4,287	5,033	5,027	5,412	5,020	Education
3,552	2,136	2,095	310	371	Culture and recreation
510	791	953	520	520	Unallocated depreciation
11,244	5,993	5,806	3,137	2,259	Unallocated interest expense
653,949	629,841	619,778	609,814	625,901	Total governmental activities expenses
					Business-type activities:
14,426	14,138	13,144	10,847	7,365	Solid Waste
2,259	2,452	2,710	2,856	3,579	Other business-type activities
16,685	16,590	15,854	13,703	10,944	Total business-type activities expenses
\$ 670,634	\$ 646,431	\$ 635,632	\$ 623,517	\$ 636,845	Total primary government expenses
					<b>Program Revenues</b>
					Governmental activities:
					Charges for services:
\$ 62,391	\$ 28,860	\$ 26,601	\$ 24,375	\$ 31,271	General government
28,291	29,368	23,883	26,349	21,558	Public protection
2,028	1,782	1,971	3,406	6,700	Public ways and facilities
45,659	46,523	47,938	52,666	43,479	Health and sanitation
7,496	5,823	3,324	4,299	6,687	Public assistance
188	162	161	222	209	Education
332	287	293	283	288	Culture and recreation
389,524	403,891	418,780	406,398	419,570	Operating grants and contributions
535,909	516,696	522,951	517,998	529,762	Total governmental activities program revenues
					Business-type activities:
					Charges for services:
9,244	8,284	8,206	8,130	8,525	Solid Waste
792	925	955	1,064	1,224	Other business-type activities
1,475	813	844	1,270	2,222	Operating grants and contributions
11,511	10,022	10,005	10,464	11,971	Total business-type activities program revenues
\$ 547,420	\$ 526,718	\$ 532,956	\$ 528,462	\$ 541,733	Total primary government program revenues
					Net (expense)/revenue
\$ (118,040)	\$ (113,145)	\$ (96,827)	\$ (91,816)	\$ (96,139)	Governmental activities
(5,174)	(6,568)	(5,849)	(3,239)	1,027	Business-type activities
\$ (123,214)	\$ (119,713)	\$ (102,676)	\$ (95,055)	\$ (95,112)	Total primary government net expense
					<b>General Revenues and Other Changes in Net Assets</b>
					Governmental activities:
\$ 102,198	\$ 105,400	\$ 99,991	\$ 101,519	\$ 105,604	Property taxes
19,188	21,299	17,783	31,937	23,472	Sales and other taxes
11,439	13,003	7,236	2,536	4,324	Earnings on investments
-	-	-	-	-	Miscellaneous
4,068	4,471	3,728	3,854	3,930	Tobacco settlement revenues
-	-	(6,180)	(2,640)	191	Gain (loss) on sale of fixed assets
-	-	-	-	(2,658)	Extraordinary item RDA dissolution
556	583	531	515	466	Transfers
137,449	144,756	123,089	137,721	135,329	Total governmental activities
					Business-type activities:
1,628	379	943	2,486	1,842	Sales and other taxes
3,864	3,062	2,104	863	857	Earnings on investments
62	-	123	1	2	Gain on sale of fixed assets
(556)	(583)	(531)	(515)	(466)	Transfers
4,998	2,858	2,639	2,835	2,235	Total business-type activities
\$ 142,447	\$ 147,614	\$ 125,728	\$ 140,556	\$ 137,564	Total primary government
					<b>Change in Net Assets</b>
\$ 19,409	\$ 31,611	\$ 26,262	\$ 45,905	\$ 39,190	Governmental activities
(176)	(3,710)	(3,210)	(404)	3,262	Business-type activities
\$ 19,233	\$ 27,901	\$ 23,052	\$ 45,501	\$ 42,452	Total primary government
					Concluded

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

	Fiscal Year									
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>General Fund</b>										
Nonspendable	\$ 749	\$ 551	\$ 81	\$ 70	\$ 839	\$ 839	\$ 839	\$ 1,173	\$ 439	\$ 1,596
Restricted	2,775	5,916	14,263	13,751	13,890	14,288	19,596	30	844	22,790
Committed	16,270	15,821	18,575	21,246	25,091	25,163	25,414	25,612	22,101	1,833
Assigned	-	-	-	-	-	-	-	-	-	1,081
Unassigned	11,918	13,866	9,528	13,485	17,518	17,213	12,228	31,713	27,146	61,448
	<u>\$ 31,712</u>	<u>\$ 36,154</u>	<u>\$ 42,447</u>	<u>\$ 48,552</u>	<u>\$ 57,338</u>	<u>\$ 57,503</u>	<u>\$ 58,077</u>	<u>\$ 58,528</u>	<u>\$ 50,530</u>	<u>\$ 88,748</u>
<b>PFC and PFA Major Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	54,159	56,197	57,080	54,391	53,963	56,670	55,355	56,400	57,249	58,327
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Unassigned	-	-	-	-	-	-	-	-	-	-
	<u>\$ 57,659</u>	<u>\$ 59,697</u>	<u>\$ 60,580</u>	<u>\$ 57,891</u>	<u>\$ 57,463</u>	<u>\$ 60,170</u>	<u>\$ 58,855</u>	<u>\$ 59,900</u>	<u>\$ 60,749</u>	<u>\$ 61,827</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 553	\$ 1,010	\$ 1,089	\$ 1,149	\$ 1,154	\$ 1,236	\$ 2,206	\$ 2,044	\$ 1,123	\$ 1,162
Restricted	17,814	18,158	15,294	20,119	22,189	26,079	28,880	46,742	56,822	76,400
Committed	1,045	4,989	5,576	5,559	5,572	4,118	3,858	210	3,232	4,000
Assigned	1,622	450	334	1,306	1,623	4,044	3,197	10,534	11,727	17,987
Unassigned	3,811	(1,685)	(1,566)	(748)	(767)	(750)	(752)	(12,733)	(19,429)	(20,971)
	<u>\$ 24,845</u>	<u>\$ 22,922</u>	<u>\$ 20,727</u>	<u>\$ 27,385</u>	<u>\$ 29,771</u>	<u>\$ 34,727</u>	<u>\$ 37,389</u>	<u>\$ 46,797</u>	<u>\$ 53,475</u>	<u>\$ 78,578</u>
<b>Total Governmental Funds</b>										
Nonspendable	\$ 1,302	\$ 1,561	\$ 1,170	\$ 1,219	\$ 1,993	\$ 2,075	\$ 3,045	\$ 3,217	\$ 1,562	\$ 2,758
Restricted	74,748	80,271	86,637	88,261	90,042	97,037	103,831	103,172	114,915	157,517
Committed	17,315	20,810	24,151	26,805	30,663	29,281	29,272	25,822	25,333	5,833
Assigned	5,122	3,950	3,834	4,806	5,123	7,544	6,697	14,034	15,227	22,568
Unassigned	15,729	12,181	7,962	12,737	16,751	16,463	11,476	18,980	7,717	40,477
	<u>\$ 114,216</u>	<u>\$ 118,773</u>	<u>\$ 123,754</u>	<u>\$ 133,828</u>	<u>\$ 144,572</u>	<u>\$ 152,400</u>	<u>\$ 154,321</u>	<u>\$ 165,225</u>	<u>\$ 164,754</u>	<u>\$ 229,153</u>

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

	Fiscal Year									
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>REVENUES</b>										
Taxes and special assessments	\$ 46,500	\$ 50,450	\$ 78,982	\$ 94,401	\$ 108,216	\$ 121,397	\$ 126,699	\$ 117,774	\$ 133,456	\$ 129,076
Licenses and permits	6,920	7,214	8,550	8,480	9,060	9,010	9,939	8,355	8,764	8,780
Fines, forfeitures, and penalties	14,029	7,968	8,124	8,764	4,219	10,218	13,031	12,429	13,020	15,257
Interest, rents, and concessions	6,163	2,979	5,294	7,146	11,389	12,093	12,177	8,474	3,722	7,239
Intergovernmental revenues	349,650	350,762	346,736	368,768	385,590	389,524	404,262	414,234	401,376	423,230
Charges for services	53,662	57,450	64,196	61,772	71,922	80,188	77,496	70,321	81,196	69,970
Other revenues	10,970	10,484	12,034	11,492	10,965	11,442	14,685	15,205	13,035	15,776
Total revenues	<u>487,894</u>	<u>487,307</u>	<u>523,916</u>	<u>560,823</u>	<u>601,361</u>	<u>633,872</u>	<u>658,289</u>	<u>646,792</u>	<u>654,569</u>	<u>669,328</u>
<b>EXPENDITURES</b>										
General government	23,609	23,164	17,575	17,549	24,318	25,621	29,713	25,525	34,433	36,138
Public protection	123,937	139,512	144,136	153,259	162,811	184,009	189,989	184,477	174,320	183,352
Public ways and facilities	17,958	18,764	14,086	9,890	7,920	12,498	15,489	12,986	8,714	23,711
Health and sanitation	86,567	86,165	98,477	103,075	120,723	119,569	121,340	118,919	114,136	118,063
Public assistance	201,211	201,839	213,979	224,438	219,376	226,227	232,527	234,642	233,388	221,539
Education	3,200	3,370	3,462	3,289	3,831	4,329	4,855	4,722	5,109	4,673
Culture and recreation	1,759	1,831	1,524	1,323	1,740	3,361	1,968	1,920	38	59
Capital outlay	6,419	4,018	7,630	14,611	29,581	28,979	36,704	37,634	56,075	42,776
Debt service:										
Principal	11,101	11,259	11,443	11,936	51,711	9,737	10,103	11,624	11,726	13,173
Interest and fiscal charges	8,413	7,926	8,388	9,421	10,763	10,778	8,954	5,566	3,096	3,060
Total expenditures	<u>484,174</u>	<u>497,848</u>	<u>520,700</u>	<u>548,791</u>	<u>632,774</u>	<u>625,108</u>	<u>651,642</u>	<u>638,015</u>	<u>641,035</u>	<u>646,544</u>
Excess (deficiency) of revenues over (under) expenditures	3,720	(10,541)	3,216	12,032	(31,413)	8,764	6,647	8,777	13,534	22,784
<b>OTHER FINANCING SOURCES (USES)</b>										
Sale of general capital assets	251	177	148	497	1,468	297	169	107	158	191
Sale of note receivable	-	5,321	-	-	-	-	-	-	-	-
Bond proceeds	-	-	-	-	43,987	-	231	1,669	-	-
Capital lease proceeds	394	30	-	44	-	-	-	-	-	-
Direct financing lease	-	101	105	114	121	128	-	-	-	-
Loan proceeds	2,147	2,906	1,775	-	-	-	-	-	-	-
Transfers in	97,791	101,557	102,141	116,185	114,577	100,925	102,189	96,795	76,575	108,739
Transfers (out)	(97,114)	(100,461)	(102,404)	(118,798)	(117,996)	(102,286)	(103,720)	(97,392)	(77,105)	(107,764)
Total other financing sources (uses)	<u>3,469</u>	<u>9,631</u>	<u>1,765</u>	<u>(1,958)</u>	<u>42,157</u>	<u>(936)</u>	<u>(1,131)</u>	<u>1,179</u>	<u>(372)</u>	<u>1,166</u>
<b>Extraordinary Items</b>										
RDA dissolution assets transfers	-	-	-	-	-	-	-	-	-	(5,726)
RDA dissolution liability transfers	-	-	-	-	-	-	-	-	-	74
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,652)</u>
Net change in fund balances	<u>\$ 7,189</u>	<u>\$ (910)</u>	<u>\$ 4,981</u>	<u>\$ 10,074</u>	<u>\$ 10,744</u>	<u>\$ 7,828</u>	<u>\$ 5,516</u>	<u>\$ 9,956</u>	<u>\$ 13,162</u>	<u>\$ 18,298</u>
Debt service as a percentage of noncapital expenditures	4.08%	3.88%	3.87%	4.00%	10.36%	3.44%	3.10%	2.86%	2.53%	2.69%

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

<b>Fiscal Year</b>	<b>Real Property Assessed Value *</b>	<b>Personal Property Assessed Value</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate (%)</b>
2002-03	16,004,259	1,150,562	17,154,821	1.00000
2003-04	16,984,360	1,051,432	18,035,792	1.00000
2004-05	17,971,651	1,087,362	19,059,013	1.00000
2005-06	19,714,530	1,174,747	20,889,277	1.00000
2006-07	22,463,149	1,142,461	23,605,610	1.00000
2007-08	25,190,040	1,522,742	26,712,782	1.00000
2008-09	26,632,559	1,616,099	28,248,658	1.00000
2009-10	26,317,008	1,692,118	28,009,126	1.00000
2010-11	26,525,428	1,516,586	28,042,014	1.00000
2011-12	26,377,210	1,596,844	27,974,054	1.00000

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

**Source:** County of Tulare / Property Tax

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

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>County-Wide Rates</b>										
General	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
<b>School District Rates</b>										
Allensworth Elementary	0.043	0.041	0.044	0.044	0.044	0.018	-	-	-	-
Alta Vista Elementary	0.075	0.066	0.048	-	-	-	-	-	-	-
Buena Vista Elementary	0.033	0.035	0.031	0.026	0.031	0.027	0.027	0.025	0.016	0.010
Burton Elementary *	-	0.030	0.022	0.023	0.021	0.018	0.019	0.023	0.023	0.024
College of the Sequoias - Hanford Schools Facility Improvement District	-	-	-	-	-	0.025	0.020	0.012	0.025	0.014
College of the Sequoias - Tulare Schools Facility Improvement District	-	-	-	-	-	-	-	0.012	0.025	0.028
College of the Sequoias - Visalia Schools Facility Improvement District	-	-	-	-	-	-	-	0.005	0.013	0.025
Cutler - Orosi Unified *	-	-	0.060	0.060	0.060	0.050	0.040	0.011	0.035	0.040
Delano Joint High	0.159	0.090	0.097	0.097	0.163	0.117	0.100	0.119	0.155	0.133
Dinuba Unified	-	0.051	0.055	0.074	0.057	0.060	0.151	0.107	0.151	0.116
Earlmarl Elementary	0.045	0.050	0.048	0.039	0.035	0.031	0.032	0.034	0.030	0.025
Exeter Elementary	-	-	-	-	-	-	0.029	0.028	0.032	0.037
Exeter High	0.031	0.037	0.038	0.034	0.030	0.049	0.040	0.037	0.040	0.042
Farmersville Elementary	-	-	-	-	-	-	-	-	-	-
Farmersville Unified *	0.162	0.170	0.148	0.133	0.095	0.074	0.072	0.098	0.090	0.080
Hanford Joint High *	0.032	0.030	0.033	0.039	0.058	0.049	0.054	0.053	0.055	0.054
Kern Community College Schools Facility Improvement District*	-	0.012	0.009	0.010	0.005	0.008	0.009	0.009	0.010	0.009
Kings Canyon Joint Unified *	0.043	0.051	0.058	0.035	0.045	0.082	0.064	0.091	0.109	0.103
Kings River Elementary	-	-	-	-	-	0.030	0.052	0.053	0.060	0.077
Kingsburg Joint Elementary	0.014	0.018	0.065	0.013	0.054	0.072	-	0.022	0.056	0.032
Kingsburg Joint High	0.054	0.050	0.050	0.059	0.089	0.625	0.009	0.074	0.068	0.060
Liberty Elementary	0.074	0.090	0.084	0.057	0.054	0.044	0.041	0.054	0.050	0.040
Lindsay Unified	0.044	0.052	0.060	0.060	0.060	0.055	0.055	0.092	0.122	0.125
Linns Valley Poso - Flat Joint Elementary	-	0.019	0.026	0.025	0.016	0.015	-	0.015	0.017	0.010
Porterville Elementary	-	-	-	-	-	-	-	-	-	-
Porterville Schools Facility Improvement District *	-	0.055	0.056	0.060	0.052	0.055	0.050	0.005	0.052	0.047
Richgrove Elementary	0.045	0.036	0.051	0.043	0.038	0.004	0.038	0.041	0.038	0.028
State Center Comm College Schools Facility Improvement District *	-	0.016	0.014	0.006	0.005	0.016	-	0.010	0.010	0.007
Stone Corral	-	-	-	-	-	-	0.030	0.022	0.025	0.025
Strathmore High	0.085	0.078	0.086	0.070	0.062	0.052	0.053	0.055	0.050	0.040
Sundale Elementary	0.046	0.043	0.040	0.039	0.034	0.027	0.031	0.026	0.024	0.020
Terra Bella	-	-	-	-	-	-	-	0.034	0.030	0.030
Three Rivers Elementary	-	-	-	-	-	-	-	-	-	-
Traver Elementary *	-	-	0.028	0.057	0.053	0.060	0.051	0.049	0.052	0.058
Tulare High *	-	-	0.053	0.060	0.047	0.043	0.020	0.039	0.039	0.053
Visalia Unified *	0.070	0.063	0.050	0.042	0.034	0.028	0.030	0.036	0.030	0.030
Woodlake Elementary	0.054	0.051	0.049	0.046	0.040	0.036	0.035	0.043	0.035	0.033
Woodlake High	0.038	0.037	0.037	0.034	0.030	0.027	0.056	0.066	0.060	0.055
<b>Special District Rates</b>										
Kaweah Delta Healthcare District	-	-	0.040	0.040	0.035	0.031	-	0.028	0.029	0.027
Kaweah Delta Water Conservation	0.000	0.001	0.001	0.001	0.001	0.000	-	-	0.001	0.001
Lindsay Hospital	-	-	-	-	-	-	-	-	-	-
Kings Joint Mosquito Abatement	-	-	-	-	-	-	0.005	-	-	-
Patterson Tract Community Service Districts	-	-	-	-	-	-	-	-	-	-
Tulare County Pest Control	-	-	1.250	1.250	1.250	1.250	5.000	5.000	5.000	5.000 **
Tulare Healthcare District	-	-	-	-	-	0.019	0.039	0.083	0.113	0.113
South Tulare County Citrus Pest Control District	12.320	11.423	11.423	11.423	11.423	11.423	11.423	11.423	11.423	11.423 **
Woodville Public Utility	0.038	0.036	0.029	0.025	0.025	-	-	-	-	-

\* School rates have been combined with educational facilities.

\*\* Trees Per Acre

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

Source: County of Tulare / Property Tax

**COUNTY OF TULARE**  
**Statistical Section**  
**Principal Property Taxpayers (Unaudited)**  
**June 30, 2012 and June 30, 2003 (in thousands)**

**Fiscal Year 2011-12**

<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Southern California Edison Company	\$ 513,350	1	1.84%
Saputo Cheese USA Inc	273,923	2	0.98%
California Dairies/Milk Producers	215,742	3	0.77%
Land O' Lakes	170,877	4	0.61%
Wal-Mart Stores/ Retail Trust	145,957	5	0.52%
Imperial Bondware	97,838	6	0.35%
Southern California Gas Company	92,191	7	0.33%
Pacific Bell Telephone Company	83,707	8	0.30%
Oscar Mayer Food Corp	82,559	9	0.30%
Best Buy Stores, LP	66,223	10	0.24%
Total	<u>\$ 1,742,367</u>		<u>6.23%</u>

**Fiscal Year 2002-03**

<b>Taxpayer</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Land O' Lakes, Inc/Cheese & Protein Intl, LLC	\$ 230,953	1	1.35%
So. Calif. Edison Company	164,853	2	0.96%
Pacific Bell	102,065	3	0.59%
Kraft Foods, Inc / Oscar Mayer	100,442	4	0.59%
Wal-Mart Stores, Inc	93,879	5	0.55%
California Milk Producers	65,908	6	0.38%
So. Calif. Gas Company	65,312	7	0.38%
Recot, Inc / Frito Lay, Inc	62,150	8	0.36%
Best Buy Stores, LP	39,035	9	0.23%
Haagen-Dazs/ Ice Cream Partners USA, LLC	38,532	10	0.22%
Total	<u>\$ 963,129</u>		<u>5.61%</u>

Source: County of Tulare / Property Tax

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

Fiscal Year	Collected within the Fiscal Year of the Levy				Total Collections to Date		
	Taxes Levied	Amount	Percentage of Levy	Collection in Subsequent Years*	Amount	Percentage of Levy	
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%	
2008-09	279,176	260,262	93.23%	11,208	271,470	97.24%	
2009-10	276,919	259,724	93.79%	12,440	272,164	98.28%	
2010-11	275,625	258,384	93.74%	9,766	268,150	97.29%	
2011-12	268,816	258,049	95.99%	10,406	268,455	99.87%	
Total	<u>\$ 2,315,762</u>	<u>\$ 2,202,264</u>		<u>\$ 72,250</u>	<u>\$ 2,274,514</u>		

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

Source: County of Tulare / Property Tax

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

Fiscal Year	Governmental Activities							Business-type Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Certificates of Participation	Variable Rate Demand Bonds	Pension Obligation Bonds	Health Insurance Revenue Bond	Tax Allocation Bonds	Loans and Notes	Capital Leases	Certificates of Participation	Bonds			
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
2008-09	37,210	41,050	16,955	-	1,778	15,730	-	1,476	8	114,207	1.05%	272
2009-10	32,290	40,435	11,955	-	1,689	14,351	-	1,474	7	102,201	0.86%	228
2010-11	26,315	49,260	6,313	-	-	13,199	-	1,416	7	96,510	1.38%	235
2011-12	20,820	39,005	-	-	-	10,544	654	1,382	7	72,412	0.98%	177

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

**COUNTY OF TULARE**  
**Statistical Section**  
**Computation of Direct and Overlapping Debt (Unaudited)**  
**June 30, 2012 (in thousands)**

2011-12 Assessed Valuation:	\$ 27,974,054	(includes unitary utility valuation)
Redevelopment Incremental Valuation:	<u>2,924,966</u>	
Adjusted Assessed Valuation:	<u>\$ 25,049,088</u>	

<b>OVERLAPPING TAX AND ASSESSMENT DEBT:</b>	<b>% Applicable</b>	<b>Debt</b>
College of the Sequoias Hanford School Facilities Improvement District	1.166%	\$ 246
College of the Sequoias Tulare School Facilities Improvement District	88.900	37,183
College of the Sequoias Visalia School Facilities Improvement District	100.000	27,364
Other Community College District	2.259-7.190	9,892
Dinuba Joint Unified School District	98.781	25,948
Lindsay Unified School District	100.000	14,243
Porterville Unified School District School Facilities Improvement District	100.000	21,055
Visalia Unified School District	100.000	13,425
Other Unified School Districts	10.398-100.000	10,515
Delano Joint Union High School District	26.512	14,822
Exeter Union High School District	100.000	8,378
Tulare Joint Union High School District	99.809	40,330
Other Union High School Districts	1.166-100.000	10,978
Exeter Union School District	100.000	6,210
Other School Districts	7.434-100.000	12,111
Kaweah Delta Hospital District	100.000	49,220
Tulare Local Healthcare District	100.000	85,000
Special District 1915 Act Bonds	100.000	157
Special District Revenue Bonds	100.000	3,997
City 1915 Act Bonds	100.000	352
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$ 391,426</b>

<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>		
Tulare County General Fund Obligations	100.000%	\$ 72,412
College of Sequoias Community College District General Fund Obligations	76.799	6,958
Kern Community College District General Fund and Benefit Obligations	6.920	12,279
Dinuba Joint Unified School District Certificates of Participation	98.781	8,061
Lindsay Unified School District General Fund Obligations	100.000	13,655
Porterville Unified School District Certificates of Participation	100.000	32,275
Visalia Unified School District Certificates of Participation	100.000	7,750
Other Unified School District Certificates of Participation	92.593-100.000	5,138
Union High School District Certificates of Participation	1.166-100.000	1,808
School District Certificates of Participation	7.434-100.000	13,657
City of Porterville Certificates of Participation	100.000	21,300
City of Dinuba General Fund Obligations	100.000	21,295
City of Tulare General Fund Obligations	100.000	31,530
City of Visalia Certificates of Participation	100.000	13,595
<b>TOTAL GROSS DIRECT AND OVERLAPPING DEBT</b>		<b>\$ 261,713</b>
<b>COMBINED TOTAL DEBT</b>		<b>\$ 653,139</b>

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

<u>Ratio to Adjusted Assessed Valuation:</u>	
Combined Direct Debt (\$73,880) .....	0.29%
Combined Total Debt .....	2.61%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12: \$0

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

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

**Legal Debt Margin Calculation for Fiscal Year 2011-12**

Net Assessed Value	\$27,118,117
Debt Limit - 1.25 Percent of Taxable Property (1)	338,976
Amount of Debt Applicable to Debt Limit (2)	<u>-</u>
Legal Debt Margin (3)	<u><u>\$ 338,976</u></u>

	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
Debt limit	\$ 214,435	\$ 237,711	\$ 260,486	\$ 296,389	\$ 333,044
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 214,435</u>	<u>\$ 237,711</u>	<u>\$ 260,486</u>	<u>\$ 296,389</u>	<u>\$ 333,044</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	Fiscal Year				
	2007-08	2008-09	2009-10	2010-11	2011-12
Debt limit	\$ 352,369	\$ 340,733	\$ 337,442	\$ 341,335	\$ 338,976
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 352,369</u>	<u>\$ 340,733</u>	<u>\$ 337,442</u>	<u>\$ 341,335</u>	<u>\$ 338,976</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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

(2) As of 6/30/12, the County had no tax supported general obligation bonded debt outstanding.

(3) Legal debt margin is computed by subtracting the County legal general obligation bonded debt from the legal debt limit.

Source: County of Tulare / Property Tax

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

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Per Capita Personal Income (1)(5)</b>	<b>Personal Income (in millions) (1)(5)</b>	<b>Median Age (1)(3)</b>	<b>School Enrollment (4)(5)</b>	<b>Unemployment Rate (2)</b>
2001-02	383,100	\$ 20,159	\$ 7,723	29	86,952	14.0%
2002-03	392,900	20,387	8,010	29	88,341	13.6%
2003-04	400,123	20,906	8,365	29	90,230	14.5%
2004-05	409,871	21,275	8,720	29	92,126	9.0%
2005-06	420,131	21,596	9,073	29	93,424	7.9%
2006-07	429,006	21,995	9,436	29	94,407	8.6%
2007-08	436,839	22,464	9,813	29	95,344	9.8%
2008-09	441,481	25,920	10,865	29	96,811	14.7%
2009-10	447,814	26,545	11,887	29	97,321	14.7%
2010-11	436,946	16,999	6,973	29.6	97,889	15.9%
2011-12	449,253	17,966	7,370	29.6	98,831	15.2%

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

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

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

(4) California Department of Education, Educational Demographics Unit

(5) Amounts are estimated based on historical percentages.

**COUNTY OF TULARE**  
**Statistical Section**  
**Principal Employers (Unaudited)**  
**June 30, 2012 and June 30, 2000**

2011-2012				1999-2000*			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,320	1	3.63%	County of Tulare	1,064	1	0.67%
Porterville Development Center	2,000	2	1.68%	Wal-Mart Distribution Center	1,350	2	0.84%
Kaweah Delta Healthcare District	2,000	3	1.68%	Ruiz Food Products	1,100	3	0.69%
Ruiz Food Products	1,800	4	1.51%	Jostens	980	4	0.61%
Wal-Mart Distribution Center	1,692	5	1.42%	Nash De Camp	800	5	0.50%
College of the Sequoias	1,160	6	0.98%	Land O'lakes	650	6	0.41%
Sierra View District Hospital	725	7	0.61%	CIGNA HealthCare	600	7	0.38%
Jostens	720	8	0.61%	Monrovia Nursery	500	8	0.31%
CIGNA HealthCare	700	9	0.59%	Kraft Foods	400	9	0.25%
Land O'lakes	600	10	0.50%	Waterman Industries	366	10	0.23%
Total	<u>15,717</u>		<u>13.22%</u>	Total	<u>7,810</u>		<u>4.89%</u>

\* The data for Fiscal Year 2001-2002 was not available, so the data for Fiscal Year 1999-2000 was used.

**Source:** Tulare County Economic Development Corporation

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

Function	Fiscal Year									
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>General Government</b>										
Administration	40	42	45	48	50	53	52	49	51	50
County Counsel	37	37	38	39	41	45	48	48	50	50
Risk Management	4	5	8	8	9	9	6	4	6	4
Elections	7	7	7	7	8	7	7	7	5	4
Finance	122	123	126	130	133	144	144	143	157	148
Purchasing	6	5	5	5	6	6	6	7	5	8
Planning and Development	50	58	61	64	61	78	77	67	54	75
Other General	166	160	163	165	204	322	297	257	254	231
<b>Public Protection</b>										
Child Support Services	316	316	269	269	269	269	269	226	194	212
District Attorney	188	169	178	165	175	196	201	215	233	194
Fire Protection	23	23	24	20	27	111	114	114	122	117
Probation	313	300	302	309	315	327	335	348	345	340
Public Defender	66	66	69	71	75	83	83	83	78	83
Sheriff / Coroner	654	650	662	710	748	772	751	733	743	721
Trial Courts	-	-	-	-	-	-	-	-	1	2
Other Protection	53	57	57	57	57	58	58	60	102	93
Public Ways and Facilities	133	132	133	133	133	134	134	149	200	151
Health and Sanitation	618	544	581	625	650	575	475	443	439	483
Public Assistance	1,454	1,538	1,618	1,623	1,687	1,721	1,366	1,404	1,392	1,564
Education	37	38	38	38	41	45	45	47	59	47
Culture and Recreation	19	15	15	15	15	16	15	18	19	9
Solid Waste Management	72	72	72	72	75	76	75	64	66	61
<b>Total Number of Employees</b>	<b>4,378</b>	<b>4,357</b>	<b>4,471</b>	<b>4,573</b>	<b>4,779</b>	<b>5,047</b>	<b>4,558</b>	<b>4,486</b>	<b>4,575</b>	<b>4,647</b>
<b>Total Gross Salaries*</b>	<b>\$ 142,713</b>	<b>\$ 150,544</b>	<b>\$ 152,349</b>	<b>\$ 156,554</b>	<b>\$ 162,093</b>	<b>\$ 172,488</b>	<b>\$ 192,779</b>	<b>\$ 205,703</b>	<b>\$ 192,090</b>	<b>\$ 190,554</b>

\*Gross Salaries Rounded to Thousands

Source: County of Tulare / Auditor-Controller

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

Function	Fiscal Year				
	2002-03	2003-04	2004-05	2005-06	2006-07
<b>PUBLIC PROTECTION</b>					
Child Support Services					
Number of Caseloads	38,800	37,298	36,712	35,687	35,678
Number of Orders Established	2,516	1,951	2,009	2,085	1,810
District Attorney					
Number of Adult Felony Cases Filed	4,341	4,282	4,474	4,960	5,702
Number of Adult Misdemeanors Cases Filed	10,768	12,828	12,437	12,747	12,943
Number of Juvenile Misdemeanors Cases Filed	1,823	1,355	1,390	1,196	886
Number of Juvenile Felony Cases Filed	943	866	1,268	754	829
Total Cases Tried (Excluding Juvenile Trials)	170	216	186	196	207
Fire Protection					
Number of Fires	2,227	2,285	2,492	2,383	3,156
Medical Aids	7,353	7,673	8,298	8,330	8,997
Assist Other Agencies	1,025	1,413	1,534	1,622	1,204
Public Defender					
Felony New Cases Opened	4,763	4,957	5,066	6,074	6,274
Misdemeanor New Cases Opened	6,276	6,340	6,055	6,457	9,251
Juvenile Delinquency New Cases Opened	2,526	2,304	2,629	2,451	2,170
Other New Cases	-	-	-	-	-
Sheriff/Coroner					
Homicide	12	11	9	-	20
Rape	36	33	28	30	38
Robbery	75	68	68	86	92
Aggravated Assault	450	518	470	-	854
Burglary	1,141	1,045	1,219	1,328	1,017
Larceny Theft	1,668	2,066	2,071	2,117	2,173
Warrants Processed	18,054	19,336	19,916	22,743	19,813
Jail Population-Admissions	20,689	20,394	20,943	22,675	29,241
Other Protection - Auto Theft					
Number of Vehicles Recovered	81	32	92	73	68
Other Protection - Environmental Health					
Small Water System Inspections					
Food Facility Inspections	1,175	1,402	1,647	1,620	2,337
Swimming Pool Inspections	61	108	113	134	114
Dairy Inspections	971	996	999	1,014	952
Hazardous Materials Inspections	94	272	247	308	379
Hazardous Waste Inspections	53	133	139	156	225
Underground Tank Inspections	249	270	255	277	316
Animal Control Field Calls	4,919	5,258	5,246	4,899	4,239
Rabies Investigations	124	123	143	105	148
Solid Waste Inspections	296	282	275	277	293
Liquid Waste Inspections	68	44	51	54	47
Tire Facility Inspections	128	172	265	181	222
Medical Waste Inspections	24	24	25	25	25
<b>PUBLIC WAYS AND FACILITIES</b>					
Roads					
Total Maintained Mileage	3,072	3,065	3,057	3,048	3,008
Miles of Road Re-oiled	55	55	55	45	52
Miles of Chip Seals	125	100	94	75	113
Miles of Surface Seals	70	70	70	70	62
Miles of Road Striped	-	-	-	1,276	1,758
<b>HEALTH AND SANITATION</b>					
Mental Health Clients Served					
Outpatient	7,455	8,021	8,511	8,870	9,343
Inpatient	566	540	675	613	558
Conserved	322	266	277	278	264
Day Treatment	135	13	4	5	8
<b>PUBLIC ASSISTANCE</b>					
Community Based Programs					
Congregate Meals Served	138,486	127,347	121,932	125,007	125,167
Home Delivered Meals	90,798	83,333	94,026	108,794	121,672
Information & Assistance Contacts	56,152	64,983	49,692	52,346	49,607
Health Insurance Counseling and Advocacy Program	607	410	359	297	363
Number of Adult Protective Services Cases Opened	843	828	930	976	784
Number of Enrolled Participants in Cal Works	7,511	7,341	7,198	-	5,243

Continued

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

Fiscal Year					Function
2007-08	2008-09	2009-10	2010-11	2011-12	
					<b>PUBLIC PROTECTION</b>
					Child Support Services
34,960	37,498	36,109	31,621	29,055	Number of Caseloads
2,211	2,347	3,972	1,638	1,277	Number of Orders Established
					District Attorney
5,547	4,742	4,074	4,085	4,275	Number of Adult Felony Cases Filed
14,192	14,028	11,606	10,228	10,511	Number of Adult Misdemeanors Cases Filed
877	640	526	364	288	Number of Juvenile Misdemeanors Cases Filed
733	719	674	607	629	Number of Juvenile Felony Cases Filed
173	217	175	137	139	Total Cases Tried (Excluded Juvenile Trials)
					Fire Protection
3,227	1,890	4,429	1,735	3,292	Number of Fires
7,408	7,395	6,949	7,529	6,927	Medical Aids
1,383	597	861	512	361	Assist Other Agencies
					Public Defender
5,526	5,549	4,767	4,663	5,339	Felony New Cases Opened
8,620	7,638	6,911	7,374	7,409	Misdemeanor New Cases Opened
1,879	1,904	1,443	1,214	1,095	Juvenile Delinquency New Cases Opened
-	585	990	827	828	Other New Cases
					Sheriff/Coroner
13	28	12	21	19	Homicide
29	31	26	32	37	Rape
78	92	90	91	72	Robbery
388	369	415	398	441	Aggravated Assault
906	1,076	1,186	1,132	1,272	Burglary
2,247	2,106	2,041	2,164	1,964	Larceny Theft
21,195	22,761	19,079	22,548	17,079	Warrants Processed
26,183	25,376	24,348	23,444	22,251	Jail Population-Admissions
					Other Protection - Auto Theft
96	116	133	72	34	Number of Vehicles Recovered
					Other Protection - Environmental Health
18	50	94	98	125	Small Water System Inspections
1,403	2,415	2,916	3,156	2,924	Food Facility Inspections
126	345	485	462	279	Swimming Pool Inspections
952	1,043	1,027	1,065	1,013	Dairy Inspections
414	427	386	387	427	Hazardous Materials Inspections
214	201	212	221	233	Hazardous Waste Inspections
269	274	263	256	272	Underground Tank Inspections
4,022	4,199	3,876	3,843	4,530	Animal Control Field Calls
112	156	238	205	257	Rabies Investigations
237	263	282	251	266	Solid Waste Inspections
60	63	74	84	80	Liquid Waste Inspections
-	-	-	-	-	Tire Facility Inspections
25	25	44	39	41	Medical Waste Inspections
					<b>PUBLIC WAYS AND FACILITIES</b>
					Roads
3,006	3,046	3,046	3,041	3,041	Total Maintained Mileage
68	74	91	53	52	Miles of Road Re-oiled
105	105	94	69	80	Miles of Chip Seals
57	-	-	3,540	-	Miles of Surface Seals
1,758	1,650	500	750	1,000	Miles of Road Striped
					<b>HEALTH AND SANITATION</b>
					Mental Health Clients Served
9,530	9,568	9,757	9,652	9,427	Outpatient
579	365	671	772	608	Impatient
229	180	186	178	184	Conserved
8	2	1	5	5	Day Treatment
					<b>PUBLIC ASSISTANCE</b>
					Community Based Programs
107,509	82,240	69,851	71,261	70,150	Congregate Meals Served
99,140	47,953	51,692	65,260	59,460	Home Delivered Meals
72,148	61,389	9,182	10,802	10,710	Information & Assistance Contacts
259	318	348	351	575	Health Insurance Counseling and Advocacy Program
942	916	893	768	1,249	Number of Adult Protective Services Cases Opened
6,274	6,452	6,519	7,335	7,686	Number of Enrolled Participants in Cal Works

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

<u>Function</u>	Fiscal Year				
	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
<b>CULTURE AND RECREATION</b>					
Library					
DVD Books	-	-	-	-	-
Volumes	364,325	366,018	352,184	372,000	317,532
Parks and Recreation					
Total Number of Cars Entered Parks	-	32,680	29,066	22,266	20,393
Total Amount of Park Reservations	-	2,070	1,529	1,697	1,902
<b>SOLID WASTE MANAGEMENT</b>					
Sanitation-Landfills					
Landfill Tonnage Gross Total	252,039	269,401	250,254	281,830	310,099
Landfill Tonnage Recycled Total	20,653	19,457	20,680	26,408	36,181
<b>OTHER ENTERPRISES</b>					
Transit					
Total Route Miles	382,787	409,323	410,767	444,855	441,358
Number of Passengers	74,615	90,128	86,828	89,952	105,715

Continued

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

Fiscal Year					<u>Function</u>
<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	
<b>CULTURE AND RECREATION</b>					
Library					
1,502	-	1,100	2,100	3,400	DVD Books
288,035	-	341,774	343,928	285,915	Volumes
Parks and Recreation					
20,351	19,511	17,639	25,702	19,234	Total Number of Cars Entered Parks
1,735	1,636	1,036	837	1,095	Total Amount of Park Reservations
<b>SOLID WASTE MANAGEMENT</b>					
Sanitation-Landfills					
271,245	235,162	225,337	246,965	261,828	Landfill Tonnage Gross Total
48,892	50,117	49,207	56,128	54,712	Landfill Tonnage Recycled Total
<b>OTHER ENTERPRISES</b>					
Transit					
517,947	631,960	676,359	794,963	842,636	Total Route Miles
130,266	155,151	188,999	244,500	308,293	Number of Passengers
Concluded					

**Source:** County of Tulare / Auditor-Controller

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

Function	Fiscal Year									
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Public Protection</b>										
Sheriff/Coroner										
Stations	4	4	4	4	4	4	4	4	4	4
Fire Protection										
Stations	29	27	28	29	28	28	29	26	27	27
Building Permits Issued	3,790	2,163	3,643	6,428	5,847	5,118	3,925	3,353	3,494	3,333
<b>Public Ways and Facilities</b>										
Roads (miles)	3,072	3,072	3,072	3,048	3,008	3,006	3,046	3,540	3,041	3,041
Streetlights	1,295	1,295	1,454	1,384	1,459	1,468	1,384	1,472	1,537	1,541
<b>Culture and Recreation</b>										
Park acreage	685	685	604	688	688	688	688	688	628	628
Parks	10	10	10	11	11	11	11	11	10	10
Museum (square feet)	25,919	25,919	25,919	25,919	25,919	25,919	25,919	42,919	42,919	42,919
Lake Success Capacity (acre feet)	82,000	82,000	82,300	29,000	29,000	29,000	29,000	29,000	29,000	29,000
Lake Kaweah Capacity (acre feet)	143,000	143,000	185,600	185,600	185,600	185,600	165,600	185,600	185,600	185,600
<b>Solid Waste Management</b>										
Landfill Sites	7	7	7	7	7	7	7	7	7	7
Transfer Stations	7	7	7	7	7	7	7	7	7	7

Source: County of Tulare / Auditor-Controller

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