

COUNTY OF TULARE STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Prepared for the Board of Supervisors By

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

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

**COUNTY OF TULARE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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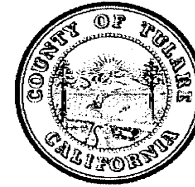
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INTRODUCTORY SECTION

AUDITOR-CONTROLLER

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



COUNTY OF TULARE

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

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

December 11, 2007

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 for the year ended June 30, 2007, is hereby submitted in accordance with Section 25253 of the Government Code of the State of California. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and changes in financial position of the various funds and component units of the County of Tulare. All disclosures necessary for an understanding of the County's financial activities have been included. Dollar amounts are expressed in thousands, unless otherwise noted.

The comprehensive annual financial report is presented in three sections: Introductory, Financial and Statistical. The Introductory section, which is unaudited, includes this letter of transmittal, an organizational chart, a list of the County of Tulare's principal elected and appointed officials and a reproduction of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The Financial section includes the unqualified opinion of our independent auditors, management's discussion and analysis, basic financial statements with accompanying notes, and the supplementary information consisting of the combining and individual fund financial statements and schedules. The Statistical section, which is unaudited, includes relevant financial and demographic information depicting the County's historical trends and other significant facts.

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

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

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

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

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The County of Tulare is a general law county created by the State Legislature in 1852. The County is located in the San Joaquin Valley. The Sierra Nevada provides its eastern boundary line. The County ranks seventh among California counties in land area. The City of Visalia is the County seat with a population of approximately 117,744. The County has a population of approximately 429,006 residents with nearly 1.6 million acres under cultivation.

The County is the number one producer of dairy products in the United States, and is the nation's second highest-ranking county with regard to total agriculture and livestock production. The climate of the County is such that it produces outstanding citrus crops. Among these crops, oranges are the most prominent, with large acreage also devoted to lemons. Thousands of acres of grapes are high on the list for cash income. Table grapes grown here are shipped worldwide, while other grapes are processed for wine making and raisins. The County is also famous for its olives, walnuts, plums, peaches and nectarines, which account for hundreds of millions of dollars in farm income each year. California produces 95 percent of the nation's olives, one-half of which are grown and packaged in the County. The southern San Joaquin Valley has always been famous for premium long staple cotton, which accounts for more than \$98 million of the agricultural income within 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:

Completed the transition from contracted fire services to County run fire services.

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

Teamed with members of the Tulare County Association of Governments and passed Measure R, the County's half cent sales tax transportation measure that will provide more resources to devote to road repair and improvement.

Re-established the Tulare County Water Commission to ensure an adequate water supply for our existing communities and any new developments.

Revisited the Master Plan for Mooney Grove Park, including the Museum design.

Developed Grant Guidelines for County Departments to improve efficiency by avoiding the two-step process of approving the application and the award for any continuing grants that have no significant changes.

Began construction of the restoration of the Visalia Library including a children's wing.

Initiated construction of Cutler-Orosi Sheriff Substation replacement project.

Vigorously pursued grant programs to expand revenue base and increase services.

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

Continue to improve the level of County's fire and safety services.

Revitalize and implement the County's Internship Program to address the issues of personnel retention and recruitment.

Finalize the 2030 Update of the County's General Plan.

Complete restoration of the Visalia Library including a children's wing in the summer of 2008.

Complete construction of the Cutler-Orosi Sheriff Substation replacement project.

Pursue Gang Deterrence Program.

Continue to pursue economic development.

Complete Mooney Grove Museum and Master Plan.

Continue with literacy programs.

Continue planning County Civic Center Project.

Continue planning South County Detention Facility.

FINANCIAL INFORMATION

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

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

As part of the County's Single Audit, tests were made of the County's internal control structure and of its compliance with applicable laws and regulations, relating to federal awards. Although this testing was not sufficient to support an opinion on the County's internal control system or its compliance with laws and regulations related to non-major federal awards, the audit for the year ended June 30, 2006, disclosed no material internal control weaknesses or material violations of laws and regulations.

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

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

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

EMPLOYEES' RETIREMENT PLAN

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

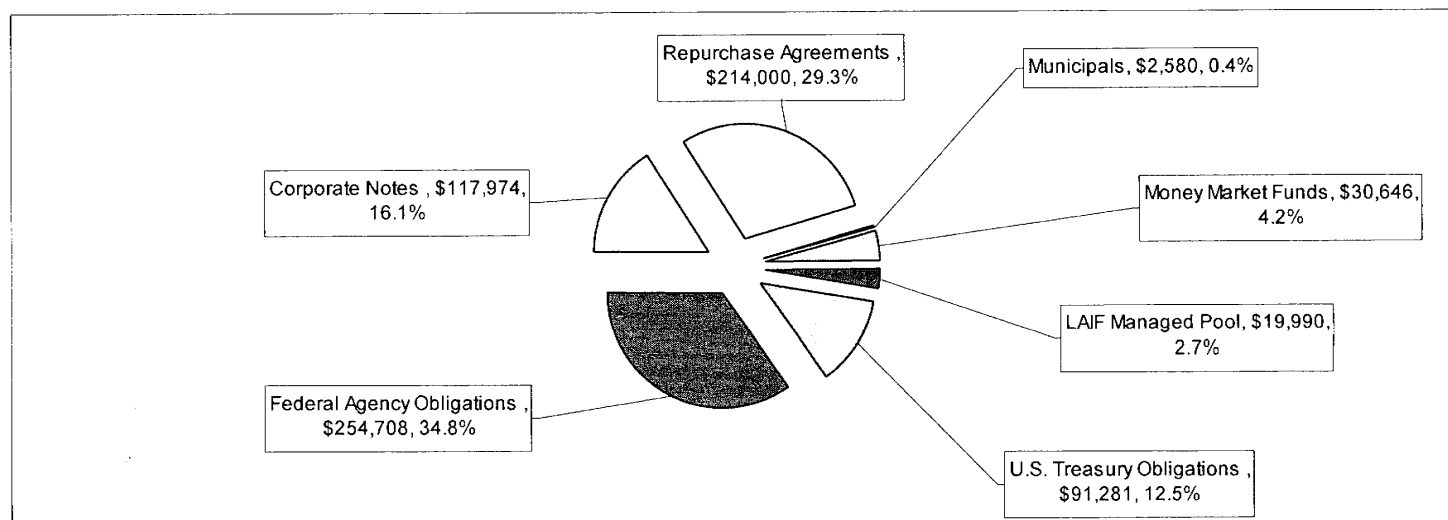
Contributions are made to the Employees' Retirement Association by both the County and members on amounts recommended by the TCERA's actuary. Five years of service is needed for a partial vested interest and ten years of membership and a minimum age of 50 is required for full vesting.

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

TREASURY POOL CASH MANAGEMENT

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

All of the investments, held by the County during the fiscal year ended June 30, 2007, are classified in the category of lowest custodial credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were held in the County's name either by the counterparty financial institution's trust department or by a Securities and Exchange Commission-registered brokerage firm. The earned yield (net of treasurer's fees) for the County of Tulare for fiscal year June 30, 2007 was 4.42%.



RISK MANAGEMENT

The County returned to a self-insured program in July 2004 for Workers' Compensation. All losses prior to July 1, 2004 remained the financial responsibility of AIG as insurer. The SIR Program includes Excess Insurance at \$1 million. Rates have been established based on claim cost needs and IBNR (Incurred but Not Reported) estimates with credit for anticipated loss cost benefits of SB 899 and more aggressive claim management practices. The County maintains full statutory coverage for Workers' Compensation under the Excess Insurance policy. As of June 30, 2007, the County's workers' compensation fund has set aside \$17,030.

The County remained self-insured for general liability in the fiscal year ended June 30, 2007 at the \$250 SIR effective on July 1, 2003. Excess limits were, again, renewed at \$25,000. As of June 30, 2007, the County's general liability fund has set aside \$4,400.

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

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

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

INDEPENDENT AUDIT

The financial records and transactions of the County and its blended component units for the fiscal year ended June 30, 2007, have been audited by M. Green and Company, L.L.P., a firm of certified public accountants, and their opinion is included in the Financial section of this report.

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

AWARDS

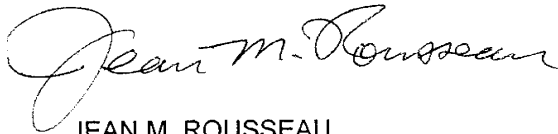
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Tulare for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the eleventh consecutive year that the government 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.

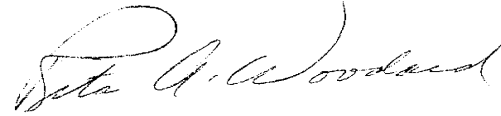
ACKNOWLEDGMENT

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 M. Green and Company 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

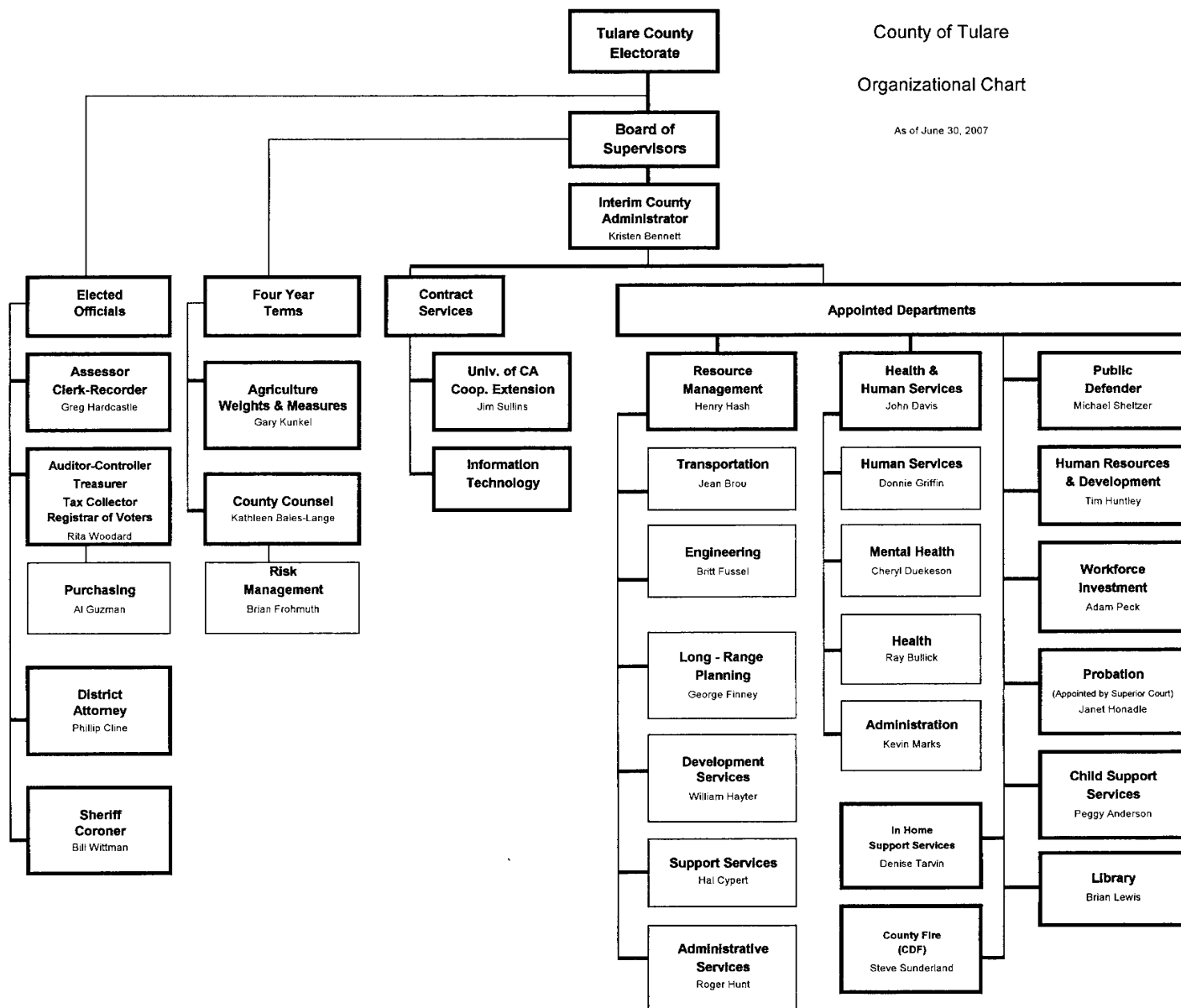
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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.



President

Executive Director



County of Tulare

Organizational Chart

As of June 30, 2007

COUNTY OF TULARE
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2007

<u>DEPARTMENT</u>	<u>OFFICIALS</u>	<u>POSITIONS</u>
Agricultural Commissioner	Gary Kunkel	57
* Assessor/Clerk-Recorder	Gregory B. Hardcastle	84
* Auditor-Controller/Treasurer-Tax Collector	Rita A. Woodard	63
Registrar of Voters		
Purchasing		
Board of Supervisors		7
** District No. 1	Allen Ishida, Chairman	
** District No. 2	Connie Conway, Vice Chairman	
** District No. 3	Phil Cox	
** District No. 4	J. Steven Worthley, Chairman	
** District No. 5	Mike Ennis	
Child Support Services	Peggy Anderson	269
Cooperative Extension	Jim Sullins	8
County Administrative Office	Kristin Bennett, Interim	15
County Counsel	Kathleen Bales-Lange	50
Risk Management		
* District Attorney	Phillip J. Cline	183
Public Administrator		
Fire Protection Services	Steve Sunderland	27

Footnote:

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

**COUNTY OF TULARE
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2007**

<u>DEPARTMENT</u>	<u>OFFICIALS</u>	<u>POSITIONS</u>
Health & Human Services Agency	John Davis	2,254
Administrative Services		
Human Services		
Primary Care Services		
Community Services		
Human Resources & Development	Tim Huntley	26
Library	Brian G. Lewis	33
Probation	Janet M. Honadle	315
Juvenile Detention Facility		
Probation Youth Facility		
Delinquency Prevention & Court Services		
Supervision Services		
Program Planning and Development		
Administrative Services		
Public Defender	Michael Sheltzer	75
Resource Management Agency	Henry Hash	486
Engineering Services		
Transportation Services		
Long Range Planning		
Support Services		
Administration		
* Sheriff-Coroner	Bill Wittman	746
Workforce Investment	Adam Peck	81
TOTAL ALLOCATED POSITIONS		4,779

Footnote:

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

FINANCIAL SECTION



M. Green and Company LLP

CERTIFIED PUBLIC ACCOUNTANTS

LARRY W. AYERS, C.P.A.
MARLA D. BORGES, C.P.A.
KEVIN M. GREEN, C.P.A.
WM. KENT JENSEN, C.P.A.
KATHLEEN M. LAMPE, C.P.A.
LYNN M. LAMPE, C.P.A.
ALAN S. MOORE, C.P.A.
KENNETH B. NUNES, C.P.A.
GIUSEPPE SCALIA, C.P.A.
KENNETH W. WHITE, JR., C.P.A.

REBECCA AGREDANO, C.P.A.
LYNDA S. ANDERSON, C.P.A.
ELAINE D. REULE, C.P.A.
NATALIE H. SIEGEL, C.P.A.
NANCY R. TUTSCHULTE, C.P.A.

ROBERT L. BANDY, C.P.A.
Consultant
JAMES G. DWYER, C.P.A.
Consultant
DONALD G. GORDON
Consultant
FOREST A. MCQUEEN, C.P.A.
Consultant
CHARLES L. SOUTHARD, C.P.A.
Consultant
KENT A. WOOLLEY, C.P.A.
Consultant

JOSEPH L. GRAY, C.P.A.
Independent Consultant

*Dinuba
Hanford
Tulare
Visalia*

Independent Auditors' Report

To the Board of Supervisors
County of Tulare

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Tulare, California (the County), as of and for the fiscal year ended June 30, 2007, 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 First 5 Tulare County, which represent 100 percent of the assets and revenues of the discretely presented component unit for the fiscal year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for First 5 Tulare County, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the fiscal 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 10, 2007 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 15 through 29 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. 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 express no opinion on them.

December 10, 2007
Visalia, CA

M. Green and Company LLP

Management's Discussion and Analysis

As management of the County of Tulare, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County of Tulare for the fiscal year ended June 30, 2007. 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 \$1,567,536 (*net assets*). Of this amount, \$79,503 (*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 \$5,441.

As of the close of the current fiscal year, the County governmental funds reported combined ending fund balances of \$144,572, an increase of \$10,744 in comparison with the prior year. Approximately \$41,643 is available for spending at the government's discretion (*unreserved fund balance*).

At the end of the current fiscal year, unreserved fund balance for the general fund was \$20,582 or 4.2% of total general fund expenditures.

The County's total debt decreased by \$8,362 (5.8%) 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 statements and schedules* for nonmajor governmental funds, nonmajor enterprise funds, and internal service funds. This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The two types of financial statements are designed to present two different views of the County.

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

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

Governmental activities - most of the County's basic services are included here, such as fire, public works and general administration, which receive approximately 81.8% of their support from charges for services and operating grants and contributions. Property taxes, sales taxes, and other revenues covered the remaining costs.

Business-type activities - charge fees to users which are intended to recover all or a significant portion of their costs for certain services, such as water and sewer services and solid waste disposal. In fiscal year ended June 30, 2007, 68.2% of costs were recovered through fees to users. Sales taxes, operating grants, and investment income covered the remaining costs.

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

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

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

The government-wide financial statements can be found in the basic financial statements section following the management's discussion and analysis.

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

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

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

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

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

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

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

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

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

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

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

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

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

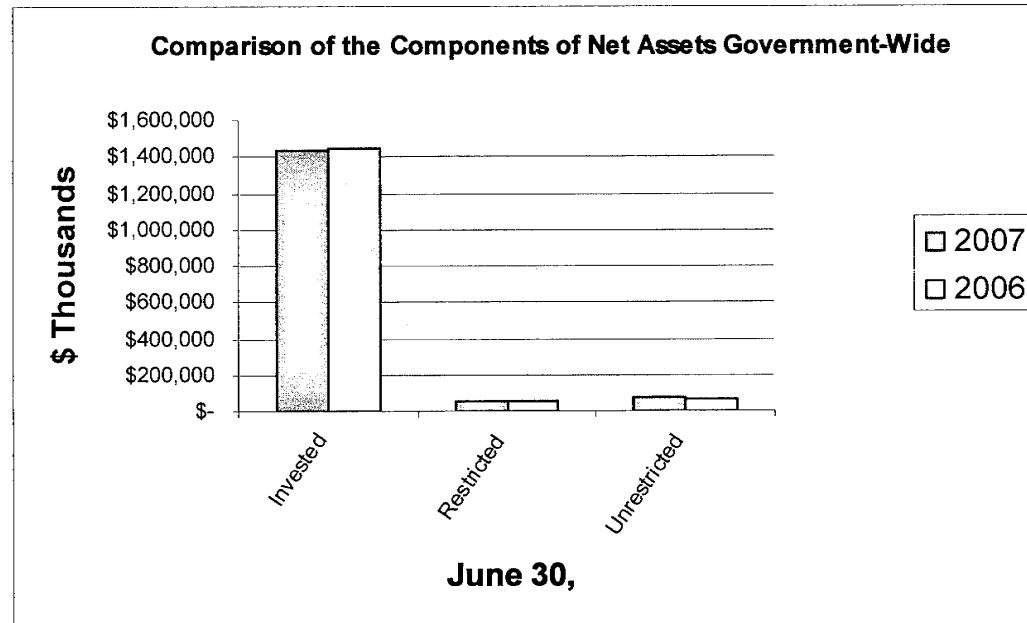
Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,567,536 at the close of the most recent fiscal year.

A portion (\$1,437,625) of the County's net assets (91.7%) 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 (\$50,408) represents resources that are subject to external restrictions on how they may be used (*restricted net assets*). The remaining balance of *unrestricted net assets* (\$79,503) may be used to meet the government's ongoing obligations to citizens and creditors.

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



Key elements of the County's calculation of net assets for both governmental activities and business-type activities for the fiscal years ended June 30, 2006 and 2007 are as follows:

County of Tulare's Net Assets (amounts expressed in thousands)						
As of June 30,	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 378,581	\$ 337,526	\$ 70,047	\$ 68,600	\$ 448,628	\$ 406,126
Capital assets	1,482,885	1,496,902	21,399	21,888	1,504,284	1,518,790
Total assets	<u>1,861,466</u>	<u>1,834,428</u>	<u>91,446</u>	<u>90,488</u>	<u>1,952,912</u>	<u>1,924,916</u>
Long-term liabilities outstanding	155,770	161,873	43,641	41,240	199,411	203,113
Other liabilities	185,225	158,701	740	1,007	185,965	159,708
Total liabilities	<u>340,995</u>	<u>320,574</u>	<u>44,381</u>	<u>42,247</u>	<u>385,376</u>	<u>362,821</u>
Invested in capital assets, net of related debt	1,417,765	1,425,580	19,860	20,322	1,437,625	1,445,902
Restricted	45,403	44,553	5,005	5,005	50,408	49,558
Unrestricted	57,303	43,721	22,200	22,914	79,503	66,635
Total net assets	<u>\$ 1,520,471</u>	<u>\$ 1,513,854</u>	<u>\$ 47,065</u>	<u>\$ 48,241</u>	<u>\$ 1,567,536</u>	<u>\$ 1,562,095</u>

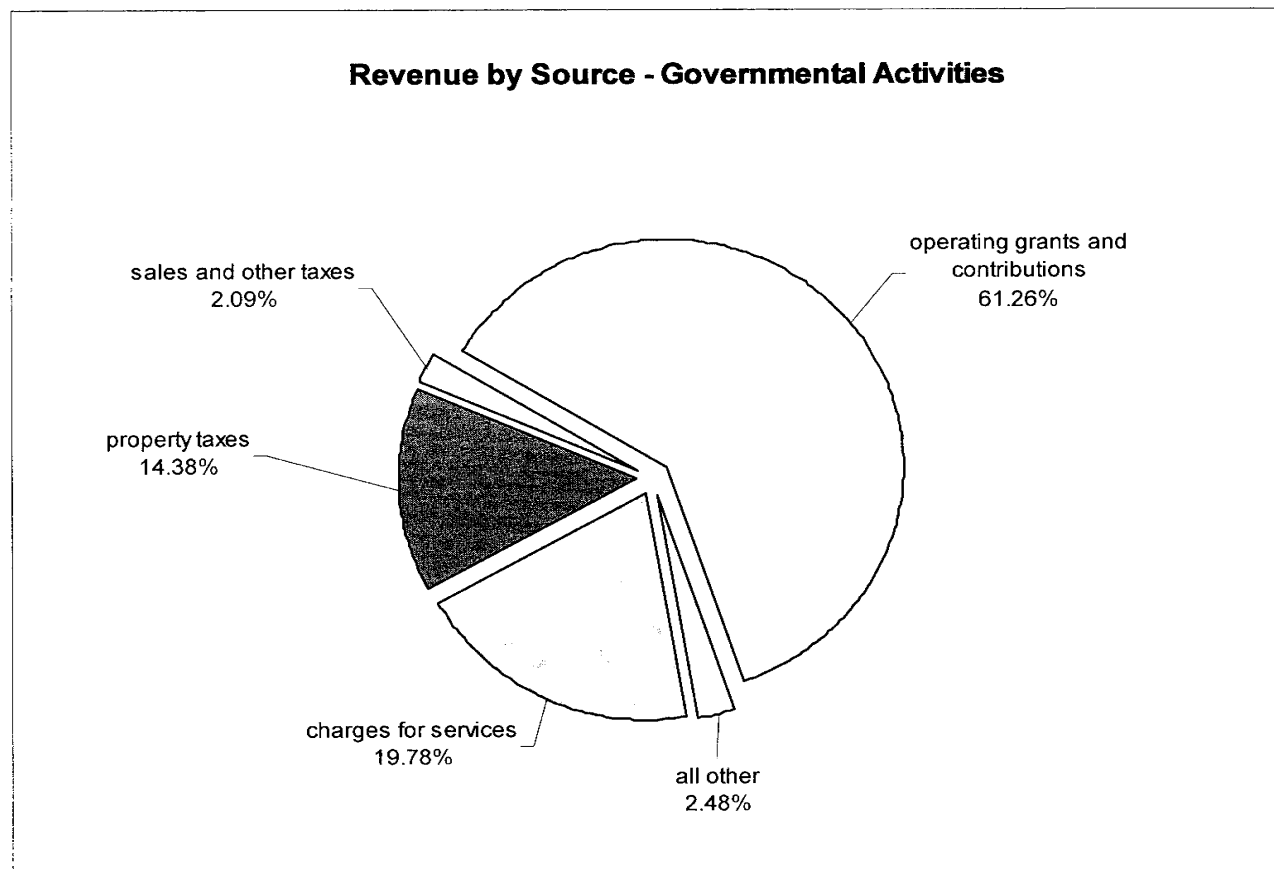
County of Tulare's Changes in Net Assets
(amounts expressed in thousands)

For the fiscal year ended June 30,	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues:						
Program Revenues:						
Charges for services	\$ 125,672	\$ 85,938	\$ 10,985	\$ 10,401	\$ 136,657	\$ 96,339
Operating grants and contributions	389,177	371,869	276	42	389,453	371,911
General Revenues:						
Property taxes	91,367	78,583	-	-	91,367	78,583
Other taxes	13,262	12,311	1,033	512	14,295	12,823
Other	15,772	10,685	3,344	1,812	19,116	12,497
Total revenues	<u>635,250</u>	<u>559,386</u>	<u>15,638</u>	<u>12,767</u>	<u>650,888</u>	<u>572,153</u>
Expenses:						
General government	93,680	44,550	-	-	93,680	44,550
Public protection	162,837	155,626	-	-	162,837	155,626
Public ways and facilities	15,100	26,701	-	-	15,100	26,701
Health and sanitation	120,520	104,035	-	-	120,520	104,035
Public assistance	220,019	225,735	-	-	220,019	225,735
Education	3,722	3,241	-	-	3,722	3,241
Culture and recreation	1,842	1,468	-	-	1,842	1,468
Unallocated depreciation	588	589	-	-	588	589
Interest expense	11,038	9,713	-	-	11,038	9,713
Solid Waste	-	-	13,981	12,004	13,981	12,004
Water/Sewer services	-	-	940	880	940	880
Transit	-	-	1,160	976	1,160	976
Other business-type activities	-	-	20	16	20	16
Total expenses	<u>629,346</u>	<u>571,658</u>	<u>16,101</u>	<u>13,876</u>	<u>645,447</u>	<u>585,534</u>
Change in net assets before transfers	<u>5,904</u>	<u>(12,272)</u>	<u>(463)</u>	<u>(1,109)</u>	<u>5,441</u>	<u>(13,381)</u>
Transfers	<u>713</u>	<u>551</u>	<u>(713)</u>	<u>(551)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>6,617</u>	<u>(11,721)</u>	<u>(1,176)</u>	<u>(1,660)</u>	<u>5,441</u>	<u>(13,381)</u>
Net assets - July 1	<u>1,513,854</u>	<u>1,525,575</u>	<u>48,241</u>	<u>49,901</u>	<u>1,562,095</u>	<u>1,575,476</u>
Net assets - June 30	<u>\$ 1,520,471</u>	<u>\$1,513,854</u>	<u>\$ 47,065</u>	<u>\$ 48,241</u>	<u>\$1,567,536</u>	<u>\$1,562,095</u>

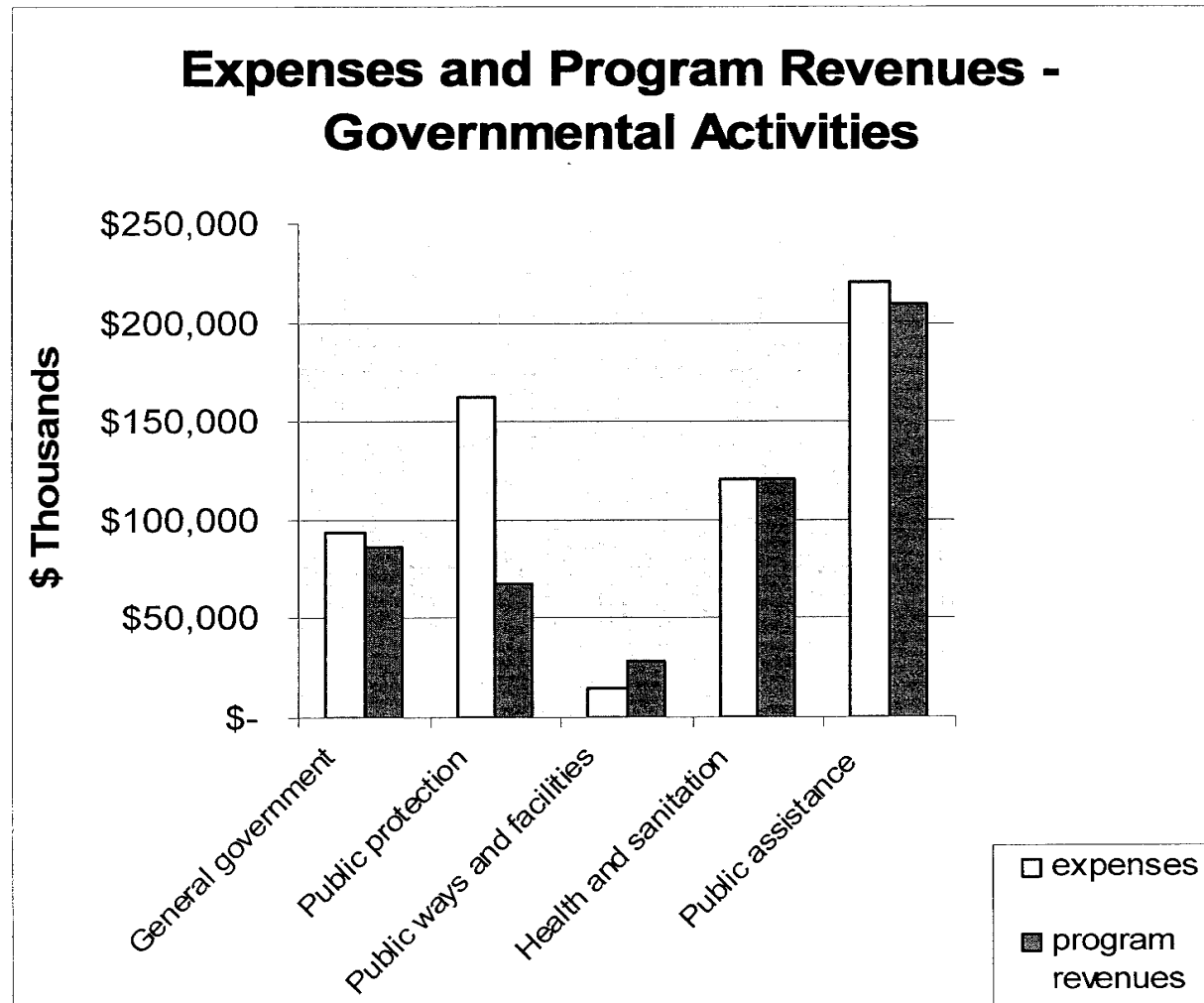
* Presented as a combined amount (Other business-type activities) in prior year.

The County's overall net assets increased \$5,441 during the current fiscal year. The dominant factor is an approximate \$20,863 (20.8%) increase in tax and investment revenues.

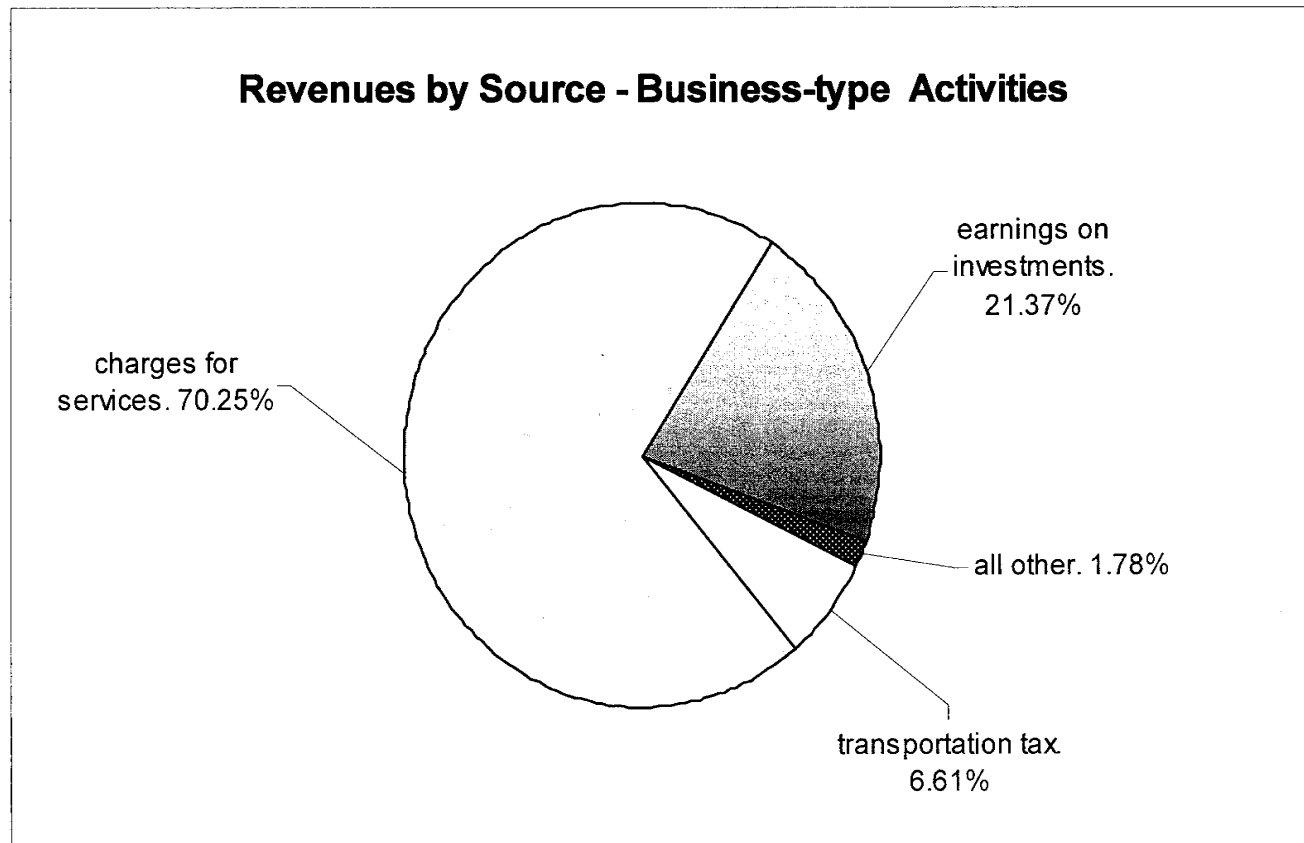
Governmental activities. Governmental activities increased the County's current year net assets by (\$6,617), which accounts for 121.6% of the County's overall change in net assets. While the portion of governmental activities expenses which are not covered by charges for services and operating grants was virtually the same as the prior year, the increase in tax and investment revenues not only covered the remaining expenses, but provided additional net assets available for governmental activities for future periods. Key elements of revenues in governmental activities for the fiscal year ended June 30, 2007 are as follows:



Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, public protection program revenues cover only 41.5% of program costs. Therefore, the largest portion of general revenues is used for public protection. A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2007 is as follows:

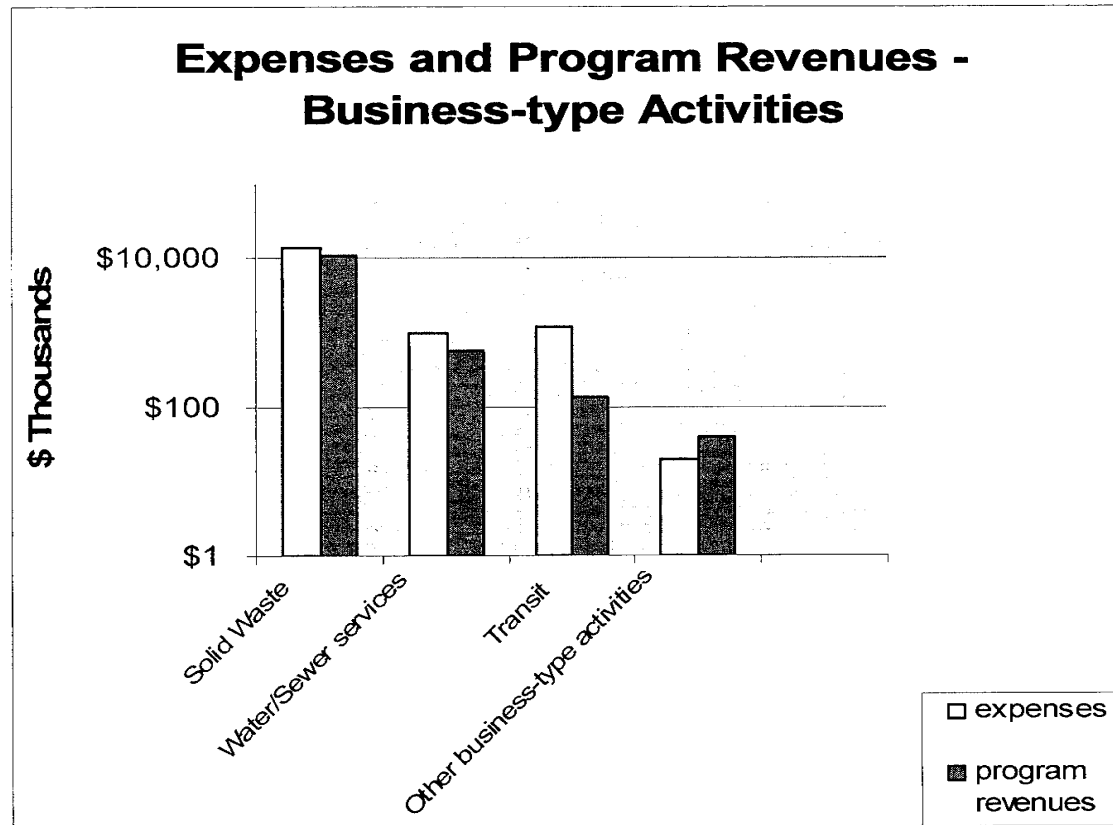


Business-type activities. Business-type activities decreased the County's net assets by \$1,176. Although business-type net assets were decreased, it is important to note that unrestricted net assets still represent a healthy portion of total assets. Key elements of revenues in business-type activities for the fiscal year ended June 30, 2007 are as follows:



Total revenues for Solid Waste, which represents over 90% of business-type activities, increased by 5.6%, but represents a smaller percentage of costs than in prior periods.

Solid Waste showed an increase of \$1,977 (or 16.5%) in overall expenses. A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2007 is as follows:



Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$144,572, an increase of \$10,744 over the prior year. Approximately 28.8% of the total fund balances, or \$41,643, constitutes *unreserved fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for future debt service payments (\$58,550); 2) for toxic cleanup at Harmon Field airstrip per contract with the California Environmental Protection Agency (\$5,000); 3) for future collections on long-term notes receivable (\$15,317); 4) for taxes receivable (\$16,429); or 5) for a variety of other restricted purposes (\$7,633).

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$20,582, while total fund balance reached \$57,338. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 4.2% of total General Fund expenditures, while total fund balance represents 11.8% of that same amount.

For a third consecutive year, the fund balance of the County's General Fund has increased. The current year increased by \$8,786 over the prior year and by \$14,891 over two years ago. Key factors of this trend are as follows:

Total revenues of the General Fund increased by \$31,099 or 6.9%. Taxes and special assessments increased \$12,219 due to the continuing increase in local building and a sharp increase in the real estate market. Intergovernmental support of Health and Redevelopment programs increased over the prior year (\$5,912), as did Medicare reimbursements for Health services (\$8,045).

Spending from the General Fund increased by \$31,480 or 6.9%. Contributing factors include an 6.2% (\$7,834) increase in spending for public protection – the largest portion of which (\$4,051) went to Redevelopment as a result of increased intergovernmental support, with lesser amounts to further enhance the District Attorney and Sheriff's offices. Health costs increased by \$17,343 (17.1%) in large part because of a winter freeze that left many local agricultural workers unemployed and in need of increased County support. General government one-time costs increased as the County transitioned from a contract with the State for fire protection services to a County Fire Department.

Two major blended component units of the County are the Tulare County Public Facilities Corporation (TCPFC) and the Tulare County Public Financing Authority (TCPFA), which were established to assist with past and future acquisition and maintenance of County structures. Since both of these blended component units are related to capital assets and the financing thereof, the *total fund balances* of both TCPFC (\$5,673) and TCPFA (\$51,836) are restricted for future servicing of debt.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. *Total net assets* of all proprietary funds were \$57,092, with \$47,065 of that in enterprise funds and 71.9% (\$41,068) of the enterprise funds net assets in Solid Waste. *Unrestricted net assets* of Solid Waste at the end of the fiscal year amounted to \$21,375, and the total reduction in net assets for Solid Waste was \$896. Other factors concerning the finances of this fund have already been addressed in the discussion of the County of Tulare's business-type activities.

General Fund Budgetary Highlights

The Board of Supervisors of the County made several supplemental budgetary expenditure appropriations totaling \$12,625 (2.4%) in the General Fund appropriations throughout the fiscal year, predominantly in the areas of Public Protection and Health, as a result of unanticipated increased intergovernmental support in those areas.

For the current fiscal year, \$17,933 was budgeted from beginning available fund balance. Actual revenues realized fell \$25,985 short of budgetary estimates while expenditures for the current fiscal year fell over double that amount (\$57,668) below budgetary estimates as well. As a consequence, the actual deficiency of revenues under expenditures was only about 18.4% of that budgeted.

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 \$1,504,284 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, and some construction in progress and infrastructure in progress. .

County of Tulare's Capital Assets (net of depreciation)							
As of June 30,	Governmental Activities		Business-type Activities		Total		
	2007	2006	2007	2006	2007	2006	
Land	\$ 911,940	\$ 941,247	\$ 6,728	\$ 6,728	\$ 918,668	\$ 947,975	
Infrastructure	412,543	404,115	-	-	412,543	404,115	
Buildings and improvements	123,684	127,031	10,839	11,638	134,523	138,669	
Equipment and vehicles	19,116	15,179	3,699	3,496	22,815	18,675	
Construction in progress	5,853	2,160	133	26	5,986	2,186	
Infrastructure in progress	9,749	7,170	-	-	9,749	7,170	
Total	<u>\$ 1,482,885</u>	<u>\$ 1,496,902</u>	<u>\$ 21,399</u>	<u>\$ 21,888</u>	<u>\$ 1,504,284</u>	<u>\$ 1,518,790</u>	

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

1. Approximately \$18,334 net improvements to roadways.
2. Continuing work on Oroqui Substation (\$942) and energy conservation measures (\$2,055).
3. Properties known at the Sequoia Dawn Housing Authority and the Dinuba Government Center were sold.
4. Approximately 40 miles of roadway with a value in excess of \$30,000 was annexed by local jurisdictions.
5. Vacant land adjacent to the Mooney Government Plaza was purchased for future expansion.

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

Long-term debt. At the end of the current fiscal year, the County had total outstanding debt of \$135,821. Of this amount, 35.1% (\$47,686) comprises debt for Certificates of Participation (COP's) issued by the Tulare County Public Facilities Corporation for the acquisition or construction of major capital facilities. Approximately 18.5% of the outstanding debt of the County (\$25,175) represents Pension Obligation Bonds used to pay a previously unfunded actuarial accrued liability. Another 31.2% (\$42,368) is the outstanding balance of Variable Rate Demand Bonds issued by the Tulare County Public Financing Authority to provide financing of future acquisition and construction of major capital facilities. The remaining balance is for several capital leases and loans used for new equipment and vehicles (i.e., patrol vehicles for the Sheriff's department, and fire engines) used in the general operations of the County.

County of Tulare's Outstanding Debt						
As of June 30,	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Loans	\$ 18,927	\$ 20,954	\$ -	\$ -	\$ 18,927	\$ 20,954
Capital leases	38	68	-	-	38	68
Variable rate demand bonds	42,360	42,800	8	8	42,368	42,808
Pension obligation bonds	25,175	28,495	-	-	25,175	28,495
Tax allocation bond	1,627	-	-	-	1,627	-
Certificates of participation	46,155	50,300	1,531	1,558	47,686	51,858
Totals	<u>\$ 134,282</u>	<u>\$ 142,617</u>	<u>\$ 1,539</u>	<u>\$ 1,566</u>	<u>\$ 135,821</u>	<u>\$ 144,183</u>

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$8,362 (5.8%). The largest reductions occurred with payments of \$4,172 against the COP's and \$3,320 paid on Pension Obligation Bonds. The Tulare County Redevelopment Agency issued \$1,627 of Tax Allocation Bonds for the Richgrove redevelopment project.

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

Constitutional Amendment XIII A, passed by vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1% of full cash value. Thus, the legal debt margin (\$333,044) is 1.25% of assessed valuation (\$26,643,501). As of June 30, 2007, the County had no tax supported general obligation bonded debt outstanding.

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

Economic Factors and Next Year's Budgets

The County's economy continued to grow in Fiscal Year 2006-2007 primarily due to a relatively strong housing market that nevertheless has begun to weaken. The County's assessed valuation increased 12.4%, the fifth consecutive year of over 5% increase. The unprecedented rate of growth realized in the Assessment Roll during the past five years will not likely be sustained over the long term but will likely level off rather than collapse as the housing market restabilizes. The County's unemployment rate rose to almost 10% as a result of a large-scale freeze in January 2007 that seriously affected the County's agricultural crops and forced lay offs of many in the County's large agricultural workforce.

The governor signed the State budget on August 24, 2007, 55 days past the constitutional deadline. While the State budget continued to support and provide funding for many important County programs, including transportation, public safety, and the Williamson Act (State assistance to counties to help offset property tax reductions to farmers and ranchers who preserve their land as open space), it also contained additional cuts to some programs that undermine the County's ability to provide critical services to its citizens. For example:

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

- Deferral of prepayment of Fiscal Year 2007-2008 mandates that force the County to provide additional unfunded services;

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

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

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

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

The County's Fiscal Year 2007-2008 budget addresses these and other concerns. It has a \$24,860 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, 2007 can also be found at the County's website www.co.tulare.ca.us/government/auditor/finrpt.

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements

County of Tulare
Statement of Net Assets
June 30, 2007
(amounts expressed in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Assets				
Current assets:				
Cash in banks	\$ -	\$ 20	\$ 20	\$ 457
Investment in treasury pool	136,648	22,652	159,300	16,635
Investments	64,908	-	64,908	-
Imprest cash	336	2	338	-
Accounts receivable, net	4,235	1,195	5,430	1,433
Taxes receivable	18,140	-	18,140	-
Interest receivable	55	-	55	-
Deposits with others	274	57	331	14
Due from other governments	51,505	-	51,505	-
Inventories	343	-	343	-
Pension assets	26,624	-	26,624	-
Prepaid items	2,604	-	2,604	16
Lease payments receivable, net of interest	1,376	-	1,376	-
Total current assets	307,048	23,926	330,974	18,555
Noncurrent assets:				
Deferred charges	184	-	184	-
Notes receivable	15,317	-	15,317	-
Advances to Agency funds	2,452	-	2,452	-
Restricted assets - noncurrent	53,580	46,121	99,701	-
Capital assets:				
Land and other assets not being depreciated	927,542	6,861	934,403	-
Buildings, equipment, and infrastructure, net	555,343	14,538	569,881	-
Total capital assets, net	1,482,885	21,399	1,504,284	-
Total noncurrent assets	1,554,418	67,520	1,621,938	-
Total assets	1,861,466	91,446	1,952,912	18,555

Liabilities

Current liabilities:				
Accounts payable	42,783	669	43,452	1,179
Due to other governments	9,774	-	9,774	-
Internal balances	221	(221)	-	-
Deposits from others	112	-	112	-
Salaries and benefits payable	14,779	218	14,997	23
Interest payable	1,923	15	1,938	-
Unearned revenue	42,330	-	42,330	334
Tax and revenue anticipation note	55,000	-	55,000	-
Claims payable	5,991	-	5,991	-
Compensated absences	1,641	32	1,673	-
Leases payable	32	-	32	-
Loans payable	1,708	-	1,708	-
Bonds payable	4,566	-	4,566	-
COP's payable	4,365	27	4,392	-
Total current liabilities	<u>185,225</u>	<u>740</u>	<u>185,965</u>	<u>1,536</u>
Noncurrent liabilities:				
Liability claims payable	15,439	-	15,439	-
Compensated absences	16,720	373	17,093	12
Advances from Agency funds	-	635	635	-
Closure/postclosure costs payable	-	41,121	41,121	-
Leases payable	6	-	6	-
Loans payable	17,219	-	17,219	-
Bonds payable	64,596	8	64,604	-
COP's payable	41,790	1,504	43,294	-
Total noncurrent liabilities	<u>155,770</u>	<u>43,641</u>	<u>199,411</u>	<u>12</u>
Total liabilities	<u>340,995</u>	<u>44,381</u>	<u>385,376</u>	<u>1,548</u>
Net assets				
Invested in capital assets, net of related debt	1,417,765	19,860	1,437,625	-
Restricted for:				
Capital projects	11,274	-	11,274	-
Debt service	18,342	-	18,342	-
Roads projects	2,369	-	2,369	-
Redevelopment	7,285	-	7,285	-
Public protection	2,885	-	2,885	-
Education	2,350	-	2,350	-
Landfill ground water contingencies	-	5,000	5,000	-
Other purposes	898	5	903	-
Unrestricted	57,303	22,200	79,503	17,007
Total net assets	<u>\$ 1,520,471</u>	<u>\$ 47,065</u>	<u>\$ 1,567,536</u>	<u>\$ 17,007</u>

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

County of Tulare
Statement of Activities
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

Functions / Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Governmental activities:							
General government	\$ 93,680	\$ 50,015	\$ 36,139	\$ (7,526)		\$ (7,526)	
Public protection	162,837	25,846	41,760	(95,231)		(95,231)	
Public ways and facilities	15,100	2,209	26,083	13,192		13,192	
Health and sanitation	120,520	16,103	104,723	306		306	
Public assistance	220,019	30,161	179,576	(10,282)		(10,282)	
Education	3,722	334	376	(3,012)		(3,012)	
Culture and recreation	1,842	1,004	520	(318)		(318)	
Unallocated depreciation	588	-	-	(588)		(588)	
Interest expense	11,038	-	-	(11,038)		(11,038)	
Total governmental activities	<u>629,346</u>	<u>125,672</u>	<u>389,177</u>	<u>(114,497)</u>		<u>(114,497)</u>	
Business-type activities:							
Solid Waste	13,981	10,247	276		\$ (3,458)	(3,458)	
Water/Sewer services	940	566	-		(374)	(374)	
Transit	1,160	133	-		(1,027)	(1,027)	
Other business-type activities	20	39	-		19	19	
Total business-type activities	<u>16,101</u>	<u>10,985</u>	<u>276</u>		<u>(4,840)</u>	<u>(4,840)</u>	
Total Primary Government	<u>\$ 645,447</u>	<u>\$ 136,657</u>	<u>\$ 389,453</u>	<u>(114,497)</u>	<u>(4,840)</u>	<u>(119,337)</u>	
Component unit:							
First 5 Tulare County	\$ 8,849	-	\$ 8,294				\$ (555)
Total component unit	<u>\$ 8,849</u>	<u>-</u>	<u>\$ 8,294</u>				<u>(555)</u>

General revenues:

Taxes:							
Property taxes, levied for general purposes	78,896	-	78,896	-			
Property taxes, levied for flood control	468	-	468	-			
Property taxes, levied for redevelopment	2,927	-	2,927	-			
Property taxes, levied for fire protection	6,165	-	6,165	-			
Property taxes, levied for library	2,911	-	2,911	-			
Sales and other taxes	13,262	1,033	14,295	-			
Earnings on investments	11,950	3,342	15,292	823			
Tobacco Settlement revenues	3,822	-	3,822	-			
Gain on sale of capital assets	-	2	2	-			
Transfers	713	(713)	-	-			
Total general revenues and transfers	<u>121,114</u>	<u>3,664</u>	<u>124,778</u>	<u>823</u>			
Change in net assets	6,617	(1,176)	5,441	268			
Net assets - July 1	1,513,854	48,241	1,562,095	16,739			
Net assets - June 30	<u>\$ 1,520,471</u>	<u>\$ 47,065</u>	<u>\$ 1,567,536</u>	<u>\$ 17,007</u>			

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

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

County of Tulare
Balance Sheet
Governmental Funds
June 30, 2007
(amounts expressed in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Investment in treasury pool	\$ 70,891	\$ 77	\$ -	\$ 31,461	\$ 102,429
Investments	56,029	5,652	3,202	25	64,908
Imprest cash	84	-	-	2	86
Receivables (net where applicable of allowances for uncollectibles):					
Accounts	2,043	-	-	2,156	4,199
Interest	-	1	54	-	55
Taxes	18,140	-	-	-	18,140
Deposits with others	-	-	-	274	274
Due from other County funds	7,590	-	-	1,607	9,197
Due from other governments	37,901	-	-	13,522	51,423
Inventories	-	-	-	343	343
Prepaid items	1,793	-	-	811	2,604
Advances to other County funds	546	-	-	-	546
Advances to Agency funds	2,412	-	-	40	2,452
Lease payments receivable, net of interest	-	-	-	1,376	1,376
Notes receivable	13,886	-	-	1,431	15,317
Restricted assets	-	-	48,580	5,000	53,580
Total assets	<u>\$ 211,315</u>	<u>\$ 5,730</u>	<u>\$ 51,836</u>	<u>\$ 58,048</u>	<u>\$ 326,929</u>

Liabilities

Accounts payable	\$ 27,259	\$ -	\$ -	\$ 11,343	\$ 38,602
Due to other County funds	1,408	-	-	7,784	9,192
Due to other governments	9,774	-	-	-	9,774
Due to others	445	-	-	-	445
Deposits from others	55	57	-	-	112
Salaries and benefits payable	12,777	-	-	1,705	14,482
Deferred revenue	44,934	-	-	6,945	51,879
Advances from other County funds	2,325	-	-	546	2,871
Tax revenue anticipation notes payable	55,000	-	-	-	55,000
Notes payable	-	-	-	-	-
Total liabilities	<u>153,977</u>	<u>57</u>	<u>-</u>	<u>28,323</u>	<u>182,357</u>

Fund balances

Reserved for imprest cash	84	-	-	2	86
Reserved for inventories	-	-	-	343	343
Reserved for prepaid items	839	-	-	811	1,650
Reserved for advances to others	2,958	-	-	40	2,998
Reserved for taxes receivable	16,429	-	-	-	16,429
Reserved for notes receivable	13,886	-	-	1,431	15,317
Reserved for Harmon Field cleanup	-	-	-	5,000	5,000
Reserved for debt service	4	5,673	51,836	1,037	58,550
Reserved for property tax delinquencies	2,556	-	-	-	2,556
Unreserved	20,582	-	-	-	20,582
Unreserved, reported in nonmajor:	-	-	-	-	-
Special revenue funds	-	-	-	14,787	14,787
Capital projects funds	-	-	-	6,274	6,274
Total fund balances	<u>57,338</u>	<u>5,673</u>	<u>51,836</u>	<u>29,725</u>	<u>144,572</u>
Total liabilities and fund balances	\$ <u>211,315</u>	\$ <u>5,730</u>	\$ <u>51,836</u>	\$ <u>58,048</u>	\$ <u>326,929</u>

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

County of Tulare
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2007
(amounts expressed in thousands)

Total fund balances for governmental funds (Exhibit 3) \$ 144,572

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

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

Land	\$	911,940	
Buildings and improvements, net of \$51,304 accumulated depreciation		123,684	
Equipment and vehicles, net of \$36,072 accumulated depreciation		19,116	
Infrastructure, net of \$246,212 accumulated depreciation		412,543	
Construction in progress		5,853	
Infrastructure in progress		9,749	
Total capital assets			1,482,885

The future revenue resulting from a direct financing lease between the County (as lessor) and the City of Dinuba for the Courthouse/Police Station is categorized as deferred for the fund statements, but is recognized for the government-wide statements. 2,329

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

Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines are categorized as deferred for fund statements because the revenues will not be available to liquidate liabilities of the current period. However, the revenue is recognized for the government-wide statements. 5,108

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

Accrued interest on debt	\$	(1,923)	
Capital leases payable		(38)	
Loans payable		(18,927)	
Bonds payable		(69,162)	
COP's payable		(46,155)	
Claims payable		(21,430)	
Compensated absences		(18,361)	
Total long-term liabilities			(175,996)

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

Original issuance costs	\$	191	
Amount amortized to date		(7)	
			184

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. 26,624

Internal service funds (See Exhibit 6) are used by the County to charge the costs of various central services to individual funds. The assets (except capital assets included above) and liabilities (except long term liabilities included above) of the internal service funds are included in governmental activities in the statement of net assets. 32,653

Total net assets of governmental activities (Exhibit 1) \$ 1,520,471

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

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes and special assessments	\$ 92,158	\$ -	\$ -	\$ 16,058	\$ 108,216
Licenses and permits	9,032	-	-	28	9,060
Fines, forfeitures, and penalties	3,891	-	-	328	4,219
Interest, rents, and concessions	6,614	403	2,463	1,909	11,389
Intergovernmental revenues	296,607	-	-	88,983	385,590
Charges for services	66,284	-	-	5,638	71,922
Other revenues	6,339	-	-	4,626	10,965
Total revenues	<u>480,925</u>	<u>403</u>	<u>2,463</u>	<u>117,570</u>	<u>601,361</u>
Expenditures:					
Current:					
General government	18,635	-	-	5,683	24,318
Public protection	134,549	-	-	28,262	162,811
Public ways and facilities	-	-	-	7,920	7,920
Health and sanitation	119,076	-	-	1,647	120,723
Public assistance	203,056	-	-	16,320	219,376
Education	903	-	-	2,928	3,831
Culture and recreation	1,740	-	-	-	1,740
Debt service:					
Principal retirement	173	4,145	42,800	4,593	51,711
Interest and fiscal charges	3,189	2,645	2,618	2,120	10,572
Issuance cost	-	-	168	23	191
Capital outlay	6,749	-	-	22,832	29,581
Total expenditures	<u>488,070</u>	<u>6,790</u>	<u>45,586</u>	<u>92,328</u>	<u>632,774</u>
Excess (deficiency) of revenues over (under) expenditures	(7,145)	(6,387)	(43,123)	25,242	(31,413)
Other financing sources (uses):					
Sale of general capital assets	1,461	-	-	7	1,468
Bond proceeds	-	-	42,360	1,627	43,987
Direct financing lease	-	-	-	121	121
Transfers in	57,479	6,452	3,822	46,824	114,577
Transfers (out)	(43,009)	(6)	(3,500)	(71,481)	(117,996)
Total other financing sources (uses)	<u>15,931</u>	<u>6,446</u>	<u>42,682</u>	<u>(22,902)</u>	<u>42,157</u>
Net change in fund balances	8,786	59	(441)	2,340	10,744
Fund balances, July 1	<u>48,552</u>	<u>5,614</u>	<u>52,277</u>	<u>27,385</u>	<u>133,828</u>
Fund balances, June 30	<u>\$ 57,338</u>	<u>\$ 5,673</u>	<u>\$ 51,836</u>	<u>\$ 29,725</u>	<u>\$ 144,572</u>

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

County of Tulare
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

Net change in fund balances - total governmental funds (Exhibit 4) \$ 10,744

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

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

Capital outlay expenditures	\$ 42,187	
Depreciation expense	(27,174)	
Combined adjustment		15,013

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

(31,467)

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.

(233)

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.

1,162

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

51,711

Similarly, loan and capital lease proceeds are reported as other financing sources by governmental funds. However, issuing debt in the statement of net assets increases long-term liabilities and has no effect on the statement of activities.

(43,987)

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 difference between the original costs and the portion amortized to date are:

Original issuance costs	\$ 191	
Amortized to date	(7)	
		184

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

Compensated absences	\$ (1,370)	
Amortization of pension assets	(3,131)	
Accrued interest on debt	195	
Combined adjustment		(4,306)

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

7,796

Changes in net assets (Exhibit 2) \$ 6,617

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

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments:					
Assessor	\$ 1,400	\$ 1,400	\$ -	\$ 1,932	\$ 532
General County Revenues	80,130	82,625	2,495	90,226	7,601
Total taxes and special assessments	81,530	84,025		92,158	
Licenses and permits:					
Agriculture Commissioner	143	143	-	140	(3)
Assessor	40	40	-	65	25
County Counsel	205	205	-	171	(34)
Auditor - Treasurer - Tax Collector	7	7	-	8	1
General County Revenues	3,800	3,800	-	4,249	449
Health & Human Services	2,285	2,285	-	2,239	(46)
Resource Management	2,338	2,338	-	2,137	(201)
Sheriff - Coroner	4	4	-	13	9
Trial Courts	10	10	-	10	-
Total licenses and permits	8,832	8,832		9,032	
Fines, forfeitures, and penalties:					
Agriculture Commissioner	12	12	-	43	31
Auditor - Treasurer - Tax Collector	150	150	-	201	51
District Attorney	141	141	-	2	(139)
General County Revenues	1,100	1,100	-	222	(878)
Health & Human Services	116	116	-	92	(24)
Probation	30	30	-	23	(7)
Resource Management Agency	199	199	-	177	(22)
Sheriff - Coroner	6	6	-	23	17
TRAN/Teeter	-	-	-	525	525
Trial Courts	2,491	2,491	-	2,583	92
Total fines, forfeitures, and penalties	4,245	4,245		3,891	
Interest, rents, and concessions:					
Capital Acquisitions	-	-	-	6	6
CPA 2000	23	23	-	36	13
General County Revenues	861	711	(150)	2,334	1,623
Human Resources & Development	1	1	-	1	-
Miscellaneous Administration	31	31	-	33	2
Resource Management Agency	126	126	-	137	11
TRAN / Teeter	-	-	-	4,067	4,067
Total interest, rents, and concessions	1,042	892		6,614	

Cont.

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Intergovernmental revenues:					
Action Project	2,149	2,149	-	1,052	(1,097)
Agriculture Commissioner	3,969	5,269	1,300	4,165	(1,104)
Assessor	221	221	-	25	(196)
Auditor - Treasurer - Tax Collector	1,048	1,103	55	790	(313)
County Administrative	-	-	-	235	235
County Counsel	-	-	-	7	7
CPA 2000	1,098	1,308	210	1,295	(13)
District Attorney	1,726	2,029	303	1,987	(42)
General County Revenues	32,011	32,011	-	33,518	1,507
Health & Human Services	254,258	259,459	5,201	235,558	(23,901)
Local Law Enforcement	519	519	-	585	66
Multi-Agcy. Gang Violence Program	77	77	-	77	-
Probation	6,115	6,359	244	6,058	(301)
Public Defender	25	25	-	57	32
Purchasing	75	75	-	-	(75)
Resource Management Agency	15,101	15,116	15	5,158	(9,958)
Rural Crime	693	685	(8)	666	(19)
Sheriff - Coroner	3,602	5,274	1,672	5,375	101
Trial Courts	-	-	-	(1)	(1)
Total intergovernmental revenues	322,687	331,679		296,607	
Charges for services:					
Agriculture Commissioner	1,306	1,306	-	1,070	(236)
Assessor	2,593	2,593	-	1,894	(699)
Auditor - Treasurer - Tax Collector	2,183	2,183	-	1,760	(423)
Capital Acquisitions	384	384	-	384	-
Cooperative Extension	6	6	-	10	4
County Administrative	367	367	-	367	-
County Counsel	1,617	1,631	14	1,686	55
District Attorney	935	935	-	897	(38)
General County Revenues	1,562	1,562	-	2,502	940
Health & Human Services	36,076	37,876	1,800	37,075	(801)
Human Resources & Development	614	614	-	616	2
Miscellaneous Administration	133	133	-	101	(32)
Probation	1,943	1,943	-	1,445	(498)
Public Defender	80	80	-	43	(37)
Purchasing	(19)	(19)	-	(18)	1
Resource Management Agency	9,338	9,338	-	6,789	(2,549)
Sheriff - Coroner	6,629	6,629	-	6,903	274
Telephone	547	547	-	553	6
Trial Courts	2,300	2,300	-	2,207	(93)
Total charges for services	68,594	70,408		66,284	

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Other revenues:					
Action Project	-	-	-	2	2
Agriculture Commissioner	136	148	12	188	40
Assessor	91	91	-	36	(55)
Auditor - Treasurer - Tax Collector	236	236	-	235	(1)
Board of Supervisors	-	-	-	1	1
Capital Purchases	100	100	-	61	(39)
Cooperative Extension	6	22	16	29	7
County Counsel	3	3	-	2	(1)
District Attorney	155	155	-	149	(6)
General County Revenues	840	840	-	895	55
Health & Human Services	3,275	3,275	-	3,279	4
Human Resources & Development	-	-	-	2	2
Miscellaneous Administration	3	3	-	2	(1)
Probation	115	115	-	203	88
Purchasing	56	56	-	154	98
Resource Management Agency	327	332	5	35	(297)
Rural Crime	-	-	-	1	1
Sheriff - Coroner	1,326	1,453	127	1,065	(388)
Total other revenues	6,669	6,829		6,339	
Total revenues	493,599	506,910	13,311	480,925	(25,985)

Expenditures:

Current:

General government:

Assessor	5,164	5,177	(13)	4,733	444
Auditor - Treasurer - Tax Collector	6,033	6,276	(243)	5,374	902
Board of Supervisors	1,377	1,384	(7)	1,359	25
Capital Acquisitions	331	928	(597)	(3,229)	4,157
Contingencies	4,062	3,281	781	-	3,281
County Administrative	1,317	1,611	(294)	1,252	359
County Counsel	2,070	2,084	(14)	1,721	363
Human Resources & Development	1,422	1,426	(4)	1,056	370
Miscellaneous Administration	1,414	2,370	(956)	2,041	329
Purchasing	559	559	-	382	177
Resource Management Agency	4,189	4,180	9	3,380	800
Telephone	547	547	-	566	(19)
Total general government	28,485	29,823		18,635	

Cont.

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Public protection:					
Action Project	2,145	2,145	-	1,037	1,108
Agriculture Commissioner	7,247	8,571	(1,324)	6,373	2,198
Assessor	2,234	2,234	-	1,126	1,108
CPA 2000	1,121	1,331	(210)	1,249	82
District Attorney	14,483	14,856	(373)	14,166	690
Health & Human Services	903	903	-	819	84
Local Law Enforcement	711	711	-	573	138
Multi-Agcy. Gang Violence Program	706	706	-	651	55
Probation	20,957	21,277	(320)	18,764	2,513
Public Defender	7,420	7,536	(116)	6,906	630
Resource Management Agency	24,190	24,208	(18)	12,138	12,070
Rural Crime	693	685	8	658	27
Sheriff - Coroner	66,814	68,635	(1,821)	63,489	5,146
Trial Courts	7,762	7,819	(57)	6,600	1,219
Total public protection	157,386	161,617		134,549	
Health and sanitation:					
CPA 2000	-	-	-	(2)	2
Health & Human Services	126,363	131,694	(5,331)	119,078	12,616
Total health and sanitation	126,363	131,694		119,076	
Public assistance:					
Health & Human Services	215,661	217,331	(1,670)	202,597	14,734
Probation	510	510	-	459	51
Total public assistance	216,171	217,841		203,056	
Education:					
Cooperative Extension	878	915	(37)	769	146
Miscellaneous Administration	133	133	-	134	(1)
Total education	1,011	1,048		903	
Culture and recreation:					
Resource Management	3,508	3,526	(18)	1,740	1,786
Total culture and recreation	3,508	3,526		1,740	

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Principal retirement:					
Auditor - Treasurer - Tax Collector	152	152	-	152	-
Resource Management Agency	6	6	-	6	-
Sheriff - Coroner	15	15	-	15	-
Total principal retirement	173	173		173	
Interest and fiscal charges:					
Auditor - Treasurer - Tax Collector	9	9	-	9	-
Resource Management Agency	1	1	-	1	-
Sheriff - Coroner	6	6	-	4	2
TRAN/Teeter	-	-	-	3,175	(3,175)
Total interest and fiscal charges	16	16		3,189	
Capital outlay:					
Agriculture Commissioner	-	-	-	247	(247)
Assessor	-	-	-	173	(173)
Auditor - Treasurer - Tax Collector	-	-	-	20	(20)
CPA 2000	-	-	-	69	(69)
Capital Purchases	-	-	-	1,397	(1,397)
Cooperative Extension	-	-	-	81	(81)
District Attorney	-	-	-	130	(130)
Health & Human Services	-	-	-	1,032	(1,032)
Probation	-	-	-	278	(278)
Public Defender	-	-	-	139	(139)
Resource Management Agency	-	-	-	502	(502)
Sheriff - Coroner	-	-	-	2,681	(2,681)
Total capital outlay	-	-		6,749	
Total expenditures	<u>533,113</u>	<u>545,738</u>	<u>(12,625)</u>	<u>488,070</u>	<u>57,668</u>
Excess (deficiency) of revenues over (under) expenditures	(39,514)	(38,828)	686	(7,145)	31,683

Cont.

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Other financing sources (uses):					
Sale of general capital assets:					
General County Revenues	-	-	-	1,340	1,340
Purchasing	184	184	-	121	(63)
Total sale of general capital assets	184	184	-	1,461	1,277
Transfers in:					
Capital Purchases	3,228	3,826	598	-	(3,826)
Health & Human Services	57,148	57,148	-	56,782	(366)
Probation	809	809	-	697	(112)
Resource Management Agency	57	57	-	-	(57)
Total transfers in	61,242	61,840		57,479	
Transfers (out):					
Action Project	(4)	(4)	-	(17)	(13)
Agriculture Commissioner	(47)	(74)	(27)	(142)	(68)
Assessor	(42)	(42)	-	(138)	(96)
Auditor - Treasurer - Tax Collector	(42)	(42)	-	(111)	(69)
Board of Supervisors	(4)	(4)	-	(17)	(13)
Cooperative Extension	(31)	(31)	-	(37)	(6)
County Administrative	(3)	(3)	-	(32)	(29)
County Counsel	(8)	(8)	-	(87)	(79)
CPA 2000	-	-	-	(15)	(15)
Capital Acquisitions	(5,089)	(5,089)	-	(4,719)	370
District Attorney	(130)	(131)	(1)	(416)	(285)
Health & Human Services	(23,504)	(23,509)	(5)	(24,776)	(1,267)
Human Resources & Development	(6)	(6)	-	(37)	(31)
Local Law Enforcement	-	-	-	(14)	(14)
Miscellaneous Administration	(8,946)	(10,202)	(1,256)	(8,952)	1,250
Multi-Agency Gang Violence	(4)	(4)	-	(18)	(14)
Probation	(207)	(235)	(28)	(526)	(291)
Public Defender	(69)	(70)	(1)	(192)	(122)
Purchasing	(3)	(3)	-	(11)	(8)
Resource Management Agency	(118)	(120)	(2)	(276)	(156)
Rural Crime Program	-	-	-	(14)	(14)
Sheriff - Coroner	(1,392)	(1,353)	39	(2,262)	(909)
Trial Courts	(196)	(199)	(3)	(200)	(1)
Total transfers (out)	(39,845)	(41,129)		(43,009)	
Total other financing sources (uses)	<u>21,581</u>	<u>20,895</u>	<u>(686)</u>	<u>15,931</u>	<u>(4,964)</u>
Change in fund balance	(17,933)	(17,933)	-	8,786	26,719
Fund balance, July 1	38,261	38,261	-	48,552	10,291
Prior period adjustments	-	-	-	-	-
Fund balance, June 30	<u>\$ 20,328</u>	<u>\$ 20,328</u>	<u>\$ -</u>	<u>\$ 57,338</u>	<u>\$ 37,010</u>

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

Concluded

County of Tulare
Statement of Fund Net Assets
Proprietary Funds
June 30 2007
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Assets				
Current assets:				
Cash in banks	\$ 20	\$ -	\$ 20	\$ -
Investment in treasury pool	21,207	1,445	22,652	34,219
Imprest cash	2	-	2	250
Accounts receivable, net	1,112	83	1,195	36
Deposits with TCPFC	-	57	57	-
Due from other County funds	230	-	230	-
Due from other governments	-	-	-	82
Total current assets	<u>22,571</u>	<u>1,585</u>	<u>24,156</u>	<u>34,587</u>
Noncurrent assets:				
Advances to other County Funds	-	-	-	2,325
Restricted assets	46,121	-	46,121	-
Capital assets:				
Land	6,116	612	6,728	-
Buildings and improvements, net	5,119	5,720	10,839	10,374
Equipment and vehicles, net	3,325	374	3,699	1,835
Construction in progress	133	-	133	3,031
Total capital assets	<u>14,693</u>	<u>6,706</u>	<u>21,399</u>	<u>15,240</u>
Total noncurrent assets	<u>60,814</u>	<u>6,706</u>	<u>67,520</u>	<u>17,565</u>
Total assets	<u>83,385</u>	<u>8,291</u>	<u>91,676</u>	<u>52,152</u>

Liabilities

Current liabilities:

Accounts payable	573	96	669	3,736
Due to other County funds	-	9	9	226
Salaries and benefits payable	218	-	218	297
Interest payable	-	15	15	242
Compensated absences payable	32	-	32	51
Claims payable	-	-	-	5,991
Loans payable	-	-	-	954
Capital lease payable	-	-	-	9
COPs payable	-	27	27	-
Total current liabilities	<u>823</u>	<u>147</u>	<u>970</u>	<u>11,506</u>

Noncurrent liabilities:

Compensated absences payable	373	-	373	327
Advances from Agency funds	-	635	635	-
Closure/postclosure costs payable	41,121	-	41,121	-
Claims payable	-	-	-	15,439
Loans payable	-	-	-	14,853
Bonds payable	-	8	8	-
COPs payable	-	1,504	1,504	-
Total noncurrent liabilities	<u>41,494</u>	<u>2,147</u>	<u>43,641</u>	<u>30,619</u>
Total liabilities	<u>42,317</u>	<u>2,294</u>	<u>44,611</u>	<u>42,125</u>

Net assets

Invested in capital assets, net of related debt	14,693	5,167	19,860	(567)
Restricted for:				
Landfill ground water contingencies	5,000	-	5,000	-
Other purposes	-	5	5	-
Unrestricted	<u>21,375</u>	<u>825</u>	<u>22,200</u>	<u>10,594</u>
Total net assets (deficit)	<u>\$ 41,068</u>	<u>\$ 5,997</u>	<u>\$ 47,065</u>	<u>\$ 10,027</u>

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

County of Tulare
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Operating revenues:				
Charges for services	\$ 10,116	\$ 735	\$ 10,851	\$ 41,562
Rents and concessions	19	3	22	8
Other revenues	112	-	112	429
Total operating revenues	<u>10,247</u>	<u>738</u>	<u>10,985</u>	<u>41,999</u>
Operating expenses:				
Salaries and benefits	3,674	-	3,674	4,844
Services and supplies	6,589	1,657	8,246	28,166
Insurance premiums paid	-	-	-	3,054
Landfill closure and postclosure costs	2,580	-	2,580	-
Depreciation	1,138	341	1,479	568
Claims incurred	-	-	-	2,762
Total operating expenses	<u>13,981</u>	<u>1,998</u>	<u>15,979</u>	<u>39,394</u>
Operating income (loss)	<u>(3,734)</u>	<u>(1,260)</u>	<u>(4,994)</u>	<u>2,605</u>
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	2	-	2	-
Intergovernmental revenues	276	-	276	-
Taxes and special assessments	-	1,033	1,033	-
Investment earnings	3,276	66	3,342	1,569
Interest expense	-	(122)	(122)	(661)
Total nonoperating revenues (expenses)	<u>3,554</u>	<u>977</u>	<u>4,531</u>	<u>908</u>
Income (loss) before contributions and transfers	<u>(180)</u>	<u>(283)</u>	<u>(463)</u>	<u>3,513</u>
Capital contributions	-	-	-	151
Transfers in	-	3	3	4,228
Transfers (out)	<u>(716)</u>	<u>-</u>	<u>(716)</u>	<u>(96)</u>
Change in net assets	<u>(896)</u>	<u>(280)</u>	<u>(1,176)</u>	<u>7,796</u>
Net assets, July 1	<u>41,964</u>	<u>6,277</u>	<u>48,241</u>	<u>2,231</u>
Net assets, June 30	<u>\$ 41,068</u>	<u>\$ 5,997</u>	<u>\$ 47,065</u>	<u>\$ 10,027</u>

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

County of Tulare
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Cash flows from operating activities:				
Receipts from customers and users	\$ 8,801	\$ 726	\$ 9,527	\$ 41,645
Receipts from interfund services provided	966	-	966	-
Receipts from rents and concessions	19	3	22	8
Other revenues	112	-	112	429
Payments to employees	(3,600)	-	(3,600)	(4,756)
Payments to suppliers	(4,487)	(965)	(5,452)	(28,490)
Payments for interfund services used	(2,248)	(670)	(2,918)	(1,394)
Payments for claims	-	-	-	(1,768)
Net cash provided (used) by operating activities	(437)	(906)	(1,343)	5,674
Cash flows from noncapital financing activities:				
Subsidy from intergovernmental entities	275	-	275	-
Receipts from taxes and assessments	-	1,033	1,033	-
Transfers from other funds	581	3	584	4,501
Transfers (to) other funds	(946)	-	(946)	(2,566)
Advances (to) other funds	-	84	84	-
Net cash provided (used) by noncapital financing activities	(90)	1,120	1,030	1,935
Cash flows from capital and related financing activities:				
Sales (purchases) of capital assets	(1,275)	-	(1,275)	(2,757)
Principal paid on capital debt	-	(27)	(27)	(611)
Interest paid on capital debt	-	(122)	(122)	(698)
Net cash provided (used) by capital and related financing activities	(1,275)	(149)	(1,424)	(4,066)
Cash flows from investing activities:				
Interest and dividends received	2,760	66	2,826	1,569
Net cash provided by investing activities	2,760	66	2,826	1,569
Net increase (decrease) in cash and cash equivalents	958	131	1,089	5,112
Cash and cash equivalents, July 1	66,392	1,314	67,706	29,357
Cash and cash equivalents, June 30	\$ 67,350	\$ 1,445	\$ 68,795	\$ 34,469

Displayed as:

Cash in banks	\$ 20	\$ -	\$ 20	\$ -
Investment in treasury pool	21,207	1,445	22,652	34,219
Imprest cash	2	-	2	250
Restricted assets which are cash equivalents	46,121	-	46,121	-
	<u>\$ 67,350</u>	<u>\$ 1,445</u>	<u>\$ 68,795</u>	<u>\$ 34,469</u>

Reconciliation of operating income (loss) to net cash
provided (used) by operating activities:

Operating income (loss)	\$ (3,734)	\$ (1,260)	\$ (4,994)	\$ 2,605
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Landfill closure and postclosure costs	2,580	-	2,580	-
Depreciation	1,138	341	1,479	568
(Increase) decrease in accounts receivable	(349)	(9)	(358)	84
(Increase) decrease in intergovernmental receivables	-	-	-	(1)
(Increase) decrease in customers deposits	-	(4)	(4)	-
Increase (decrease) in accounts payable	(146)	26	(120)	1,434
Increase (decrease) in amounts payable for equipment purchases	-	-	-	(98)
Increase (decrease) in salaries and benefits payable and compensated absences	74	-	74	88
Increase (decrease) in claims payable	-	-	-	994
Total adjustments	<u>3,297</u>	<u>354</u>	<u>3,651</u>	<u>3,069</u>
Net cash provided (used) by operating activities	<u>\$ (437)</u>	<u>\$ (906)</u>	<u>\$ (1,343)</u>	<u>\$ 5,674</u>

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

County of Tulare
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2007
(amounts expressed in thousands)

	Investment Trust Funds	Agency Funds
Assets		
Cash in banks	\$ -	\$ 6,998
Investment in treasury pool	498,092	23,575
Advances to County funds	-	635
Total assets	<u>498,092</u>	<u>\$ 31,208</u>
Liabilities		
Warrants payable	385	\$ 1,036
Advances from County funds	-	2,452
Agency obligations	<u>385</u>	<u>27,720</u>
Total liabilities	<u>385</u>	<u>\$ 31,208</u>
Net assets		
Held in trust for treasury pool participants	<u>\$ 497,707</u>	

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

County of Tulare
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	<u>Investment Trust Funds</u>
Additions	
Contributions	
To pooled investments	\$ 3,727,873
Total contributions	<u>3,727,873</u>
Investment income	<u>21,325</u>
Total additions	<u>3,749,198</u>
Deductions	
Distributions from pooled investments	<u>3,677,915</u>
Total deductions	<u>3,677,915</u>
Change in net assets held in trust	71,283
Net assets, July 1	<u>426,424</u>
Net assets, June 30	<u>\$ 497,707</u>

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

BASIC FINANCIAL STATEMENTS

Notes to the Financial Statements

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COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007
(amounts expressed in thousands)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

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

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

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

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

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

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

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

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

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

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

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. Burrell Avenue, Visalia, California. The other blended component units do not issue separate financial statements.

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

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B. Government-wide and Fund Financial Statements

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

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

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

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

1. Measurement Focus and Basis of Accounting

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

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

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

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

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

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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 expenditure for specific purposes (not including private purpose funds or major capital projects).

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

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

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

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

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

Additionally, the County reports the following proprietary fund types:

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

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

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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.

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

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

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

D. Implementation of New Accounting Principles

No new accounting principles were implemented during 2006-2007 fiscal year.

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E. Assets, Liabilities, and Equity

1. Deposits and Investments

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

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

The County Treasurer's Office administers a pooled investment program for the County and for certain special purpose authorities including school districts. As of June 30, 2007, the special purpose authorities' cash and pooled investments were approximately 69.7% of the County Treasurer's Office pooled investment portfolio.

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

The value of the deposits of the County's pooled investment program is equal to the dollars deposited in the program, plus increases and less decreases (unrealized gains and losses) required to record investments at their fair market value as of June 30, 2007. The dollars deposited in the program have been decreased by \$4,802 to reflect the decrease in the fair value of the Investment in the Treasury Pool at June 30, 2007.

In addition, investments outside the Investment Pool were adjusted to fair market value as of June 30, 2007 resulting in a decrease of \$31.

2. Receivables and Payables

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

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

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

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

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Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid after August 31. Property taxes are accounted for in the Unapportioned Tax Collection Fund, an agency fund, until apportionment and disbursement to taxing jurisdictions. As of fiscal year ended June 30, 1994, the County adopted the alternative method of secured property tax apportionment available under the Revenue and Taxation Code of the State of California (also known as the "Teeter Plan") whereby secured property taxes are distributed to participating taxing entities (including the County and related Component Units) on the basis of the tax levy, including any uncollected amounts at fiscal year end. The County, as administrator, benefits from future collections of penalties and interest on delinquent taxes. Transactions of the Teeter Plan (including outstanding debt borrowed for the annual Teeter buyout) are accounted for in the General Fund. Taxes receivable are recorded as of the date levied.

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

3. Inventories, Prepaid Items, and Deferred Charges

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

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

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

4. Restricted Assets

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

5. Capital Assets

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

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

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

Assets	Years
Buildings	50
Building improvements	20
Infrastructure roadway:	
Pavement	40
Bridges	50
Pipe crossings	30
Traffic control devices	25
Signs	10
Sewer/water systems	7-20
Landfill site improvements	15
Vehicles	2-20
Office equipment	3-16

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

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

6. Compensated Absences

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

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

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

Unrepresented employees in Units 9, 10, 11, 19, 20 & 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 converted hours. Employees in these same Units leaving County service in good standing, other than by retirement, after five years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 40 converted hours.

Bargaining Units 4, 8, 13, 14 & 15 employees who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 176 converted hours. Bargaining Units 2, 5, 12, 16 & 22 employees who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in Bargaining Unit 23 who leave County

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service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 350 converted hours. Employees in this same Unit leaving County service in good standing, other than by retirement, after five years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 56 converted hours.

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

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

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

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

8. Long-term Obligations

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

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

9. Fund Equity

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

A balanced operating budget is adopted each fiscal year for the County's General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund. A balanced operating budget is adopted each fiscal year for the Tulare County Redevelopment Agency, the Tulare County Flood Control District and the Tulare County In-Home Supportive Services Public Authority (blended component units), which are governed by the Board of Supervisors and of which the Auditor-Controller is the ex-officio Finance Officer.

The Tulare County Public Financing Authority and the Tulare County Public Facilities Corporation do not adopt a budget.

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

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

All governmental fund type budget units are adopted on the modified accrual basis of accounting. Spending plans for proprietary fund types are adopted on the accrual basis. 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, 2007, appropriations in the General Fund were increased by \$12,625.

B. Excess of Expenditures over Appropriations

For the fiscal year, ended June 30, 2007, expenditures did not exceed appropriations in any fund at the legal level of control.

C. Deficit Fund Equity

For the year, ended June 30, 2007, one fund had a deficit fund equity. The GASB Statement No. 31 requirement to record investments at market value resulted in special revenue fund, Child Support Services, showing a deficit fund balance of (\$8).

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IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

Cash Deposits As of June 30, 2007, the County's bank deposits had a carrying amount of \$16,779 and the balance per the financial institutions totaled \$20,321. All pooled cash deposits and non-negotiable Certificates of Deposit are entirely insured (\$591) or collateralized (\$19,730). 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 at least 110% and 150% of the County's deposits, respectively. The collateral is held by the pledging financial institutions trust department or its agent and is considered to be held in the County's name.

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

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

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

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

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

As of June 30, 2007, the entire portfolio is under category (1) except for Money Market Funds, which do not fall under any of the above categories of custodial credit risk as the investments in these funds are not evidenced by securities that exist in physical or book entry form.

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

Credit Risk and Concentration of Credit Risk *Credit risk* is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. *Concentration of credit risk* is the risk of loss attributed to the magnitude of an investment with a single issuer. The Treasury mitigates these risks by holding a diversified portfolio of high quality investments and limits the percentage of the total investments to the type of investment and to any one issuer by type of allowable investment instrument. State law also limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The NRSRO's used by the County are listed in the County's investment policy and are Standard and Poor's, and Moody's. Securities that are fully guaranteed as to payment by an agency, or government sponsored enterprise of the US Government were rated AAA by a nationally recognized statistical-rating organization. As of June 30, 2007, the County invested in primarily high quality investments as follows:

Credit Ratings	
U.S. Treasury	11%
AAA	45%
P-1 (short-term rating)	26%
AA	11%
A	2%
Not Rated*	5%
Total	<u>100%</u>
* The portion of the portfolio that is not rated represent the \$20,000 deposit in LAIF, the State of California Investment Fund	

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The County's investments as of June 30, 2007 are as follows:

	<u>Carrying Value</u>	<u>Reported Amount/ Fair Value</u>	<u>Weighted Average Maturity (days)</u>	<u>Stated Interest Rate</u>	<u>Maturity Range</u>
U.S. Treasury Obligations	\$ 92,079	\$ 91,281	933	3.0% - 6.5%	11/15/2007 - 04/30/2012
Federal Agency Obligations	287,142	284,295	792	3.0% - 7.25%	03/10/2007 - 05/18/2012
Corporate Notes/Bonds	123,115	121,972	894	3.375% - 7.8%	01/01/2008 - 01/15/2012
Municipal Obligations	2,610	2,580	1,141	4.51%	8/15/2010
Repurchase Agreements	214,000	214,000	3	5.26%	7/2/2007
Commercial Paper	14,543	14,536	-	0%	0
	<u>733,489</u>	<u>728,664</u>			
Other investments:					
Money Market Funds	34,697	34,699			
Guaranteed Investment Contract	61,263	61,263			
LAIF Managed Pool	20,000	19,990			
Total other investments	<u>115,960</u>	<u>115,952</u>			
Total Investments	\$ <u>849,449</u>	\$ <u>844,616</u>			

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

Issuer	Amount	Percentage
Federal Home Loan Bank	\$ 121,265	14.4%
Federal National Mortgage Corporation	66,395	7.9%
Federal National Mortgage Association	90,328	10.7%
Morgan Stanley - Dean Witter	227,261	26.9%
RaboBank	55,938	6.6%
United States Treasury	91,281	10.8%
Note: The \$227,261 obligation from Morgan Stanley-Dean Witter includes a \$214,000 collateralized repurchase agreement		

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

California Local Agency Investment Fund (LAIF) The State Treasurer's Local Agency Investment Fund (LAIF) is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provide oversight to the management of the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without penalty or loss of interest. The value of the County's shares in LAIF that may be withdrawn is determined on an amortized cost basis, which may be different from the fair value of the County's position in the pool. As of June 30, 2007, the County's investment in LAIF is \$19,990. The total amount recorded by all public agencies in LAIF at that date is \$19,736,253. Of that amount, 96.5% is invested in non-derivative financial products and 3.5% in structured notes and asset-backed securities.

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

Treasury Pool Income and Participant Withdrawals Treasury Pool investments are accounted for in accordance with the provisions of GASB 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This 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.

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As of June 30, 2007, the investment income is comprised of the following:

<u>Investment Income</u>	
Interest and Dividends	\$ 31,138
Net (Decrease) in the Fair Value	(1,462)
Less: Investment Expenses	(900)
Total Treasury Pool Income	<u>\$ 28,776</u>

The net decrease in fair market value of investments during fiscal year 2006-2007 was \$1,462. This amount takes into account all changes in fair value (including sales resulting in a net loss \$1,141) that occurred during the year. The fair value loss on investments held as of June 30, 2007 was \$4,802.

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, 2007:

	Governmental Funds (Exhibit 3)	Enterprise Funds (Exhibit 6)	Internal Service Funds (Exhibit 6)	Fiduciary Funds (Exhibit 9)	Total	Component Unit - First 5 Tulare County
Cash in Banks	\$ -	\$ 20	\$ -	\$ 6,998	\$ 7,018	\$ 457
Investment in Treasury	102,429	22,652	34,219	521,667	680,967	16,635
Investments	64,908	-	-	-	64,908	-
Imprest Cash	86	2	250	-	338	-
Restricted Assets	53,580	46,121	-	-	99,701	-
Deposits with Others	274	-	-	-	274	-
	<u>\$ 221,277</u>	<u>\$ 68,795</u>	<u>\$ 34,469</u>	<u>\$ 528,665</u>	<u>\$ 853,206</u>	<u>\$ 17,092</u>

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Summary of total cash investments is as follows:

	Investment in Treasury Pool	Other	Total
Bank Deposits	\$ 11,278	\$ 8,144	\$ 19,422
Interest Receivable	6,260	-	6,260
Investments	731,179	113,437	844,616
Total	<u>\$ 748,717</u>	<u>\$ 121,581</u>	<u>\$ 870,298</u>

The following represents a condensed statement of net assets and changes in net assets for the Treasury Pool as of June 30, 2007:

Statement of Net Assets		Statement of Changes in Net Assets	
Net assets held in trust for all pool participants	\$ <u>748,717</u>	Net assets	\$ 659,138
Equity of internal pool participants	227,050	Net Additions/Withdrawals by pool participants	59,903
Equity of external pool participants	521,667	Net Decrease in the investment Fair Value	
Total Equity	\$ <u>748,717</u>	Realized Gains/losses from Sales	(1,141)
		Market Value Loss on Investments held at year-end	(321)
		Interest and Dividends Earned	31,138
		Net Assets as of June 30,	\$ <u>748,717</u>

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B. Receivables

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

	General	Solid Waste	Nonmajor and other funds	Total	Noncurrent portion
Receivables:					
Accounts	\$ 2,043	\$ 1,112	\$ 2,275	\$ 5,430	\$ 1,366
Interest	-	-	55	55	-
Property taxes	18,140	-	-	18,140	18,140
Lease payments	-	-	1,376	1,376	1,248
Notes	13,886	-	1,431	15,317	15,317
Due from other governments	37,901	-	13,604	51,505	-
Total Receivables	<u>\$ 71,970</u>	<u>\$ 1,112</u>	<u>\$ 18,741</u>	<u>\$ 91,823</u>	<u>\$ 36,071</u>

C. Restricted Assets

Restricted assets in the governmental funds include \$48,580 in the Tulare County Public Financing Authority for future debt service and \$5,000 in a capital projects fund for the future clean up of toxic ground at the Harmon Field airstrip. Restricted assets in the business-type funds include \$46,121 in the Solid Waste fund for future closure/postclosure expenses for disposal sites and landfill groundwater contingencies.

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	\$ 38,914	\$ 6,020
Nonmajor Governmental Funds	3,416	3,529
Total Unavailable/Unearned Revenue	<u>\$ 42,330</u>	<u>\$ 9,549</u>

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E. Capital Assets

Capital asset activity for the year ended June 30, 2007 was as follows:

Capital Assets - Primary Government	Beginning Balance	Additions	Retirements	Transfers and Adjustments	Ending Balance
Governmental activities:					
<i>Capital assets, not being depreciated:</i>					
Land	\$ 941,247	\$ 1,397	\$ (31,897)	\$ 1,193	\$ 911,940
Construction in Progress	2,160	3,754	(40)	(21)	5,853
Infrastructure in Progress	7,170	2,580	(1)	-	9,749
Total capital assets, not being depreciated	<u>950,577</u>	<u>7,731</u>	<u>(31,938)</u>	<u>1,172</u>	<u>927,542</u>
<i>Capital assets, being depreciated:</i>					
Infrastructure	643,001	68,844	(53,090)	-	658,755
Buildings and Improvements	174,961	189	(161)	(1)	174,988
Equipment / Vehicles	48,069	8,930	(2,093)	282	55,188
Total capital assets being depreciated	<u>866,031</u>	<u>77,963</u>	<u>(55,344)</u>	<u>281</u>	<u>888,931</u>
<i>Less accumulated depreciation for:</i>					
Infrastructure	(238,886)	(19,781)	12,455	-	(246,212)
Buildings and Improvements	(47,930)	(3,500)	126	-	(51,304)
Equipment / Vehicles	(32,890)	(4,461)	1,929	(650)	(36,072)
Total accumulated depreciation	<u>(319,706)</u>	<u>(27,742)</u>	<u>14,510</u>	<u>(650)</u>	<u>(333,588)</u>
Total capital assets, being depreciated, net	<u>546,325</u>	<u>50,221</u>	<u>(40,834)</u>	<u>(369)</u>	<u>555,343</u>
Governmental activities capital assets, net:	<u>\$ 1,496,902</u>	<u>\$ 57,952</u>	<u>\$ (72,772)</u>	<u>\$ 803</u>	<u>\$ 1,482,885</u>

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Capital Assets - Primary Government	Beginning Balance	Additions	Retirements	Ending Balance
Business-type activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,728	\$ -	\$ -	\$ 6,728
Construction in Progress	26	107	-	133
Total capital assets, not being depreciated	<u>6,754</u>	<u>107</u>	<u>-</u>	<u>6,861</u>
<i>Capital assets, being depreciated:</i>				
Buildings and Improvements	18,274	-	-	18,274
Equipment / Vehicles	11,058	895	(85)	11,868
Total capital assets being depreciated	<u>29,332</u>	<u>895</u>	<u>(85)</u>	<u>30,142</u>
<i>Less accumulated depreciation for:</i>				
Buildings and Improvements	(6,636)	(799)	-	(7,435)
Equipment / Vehicles	(7,562)	(680)	73	(8,169)
Total accumulated depreciation	<u>(14,198)</u>	<u>(1,479)</u>	<u>73</u>	<u>(15,604)</u>
Total capital assets, being depreciated, net	<u>15,134</u>	<u>(584)</u>	<u>(12)</u>	<u>14,538</u>
Business-type activities capital assets, net:	<u>\$ 21,888</u>	<u>\$ (477)</u>	<u>\$ (12)</u>	<u>\$ 21,399</u>

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

Depreciation - Governmental activities:		Depreciation - Business-type activities:	
General government	\$ 851	Solid Waste	\$ 1,138
Public protection	4,555	Nonmajor enterprise funds	341
Public ways and facilities	20,402		
Health and sanitation	588		
Public assistance	499		
Education	106		
Culture and recreation	153		
Unallocated depreciation expense	<u>588</u>		
Total depreciation expense - governmental activities	<u>\$ 27,742</u>	Total depreciation expense - business-type activities	<u>\$ 1,479</u>

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The County has active construction and other projects as of June 30, 2007 including the new Orosi Sheriff's Substation, remodeling of the Visalia Library, the Oat Mountain radio tower project, upgrading security and facilities, rehabilitation of the airport, energy conservation projects, and various infrastructure projects.

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

<u>Capital Project - Active Construction</u>	<u>Spent-to- Date</u>	<u>Remaining Commitment</u>
Orosi Substation (030)	\$ 1,123	\$ 968
Visalia Library (030)	929	5,765
Woodland Avenue Project (030)	9	250
Oat Mountain Radio Tower Project (001)	527	15
Three Rivers Rest Stop (001) (Abandoned Project)	-	-
Airport Security Upgrade (012)	186	116
Airport - Rehabilitation of Facilities (012)	24	30
Airport - Runway Reconstruction (012)	24	1,421
Landfill Site Improvements (045)	133	-
Energy Conservation Measures (081)	3,031	-
Roads (014):		
Environmental review of existing roads	7,485	315
Turnouts	204	-
Shoulder Stabilization	118	-
Other Improvements	1,871	-
Bridges (014):		
Repair or Replace bridge	69	-
Review of existing bridge for possible replacement	2	-
Total Construction & Infrastructure in Progress	\$ <u>15,735</u>	\$ <u>8,880</u>

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

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F. Interfund Receivables and Payables

1. Advances to / from other County funds

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

The composition of advances to / from other County funds balances as of June 30, 2007, is as follows:

<u>Advances - Receivable Fund</u>	<u>Advances - Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 546
Internal Service	General	2,325
	Total	\$ 2,871

2. Advances to / from Agency funds

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

3. Due to / from other County funds

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

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The composition of due to / from other County fund balances as of June 30, 2007, is as follows:

Due To / From County Funds		
Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 7,585
	Nonmajor enterprise	5
	Sub-total	<u>7,590</u>
Nonmajor governmental	General	1,408
	Nonmajor governmental	199
	Sub-total	<u>1,607</u>
Solid Waste	Internal service	226
	Nonmajor enterprise	4
	Sub-total	<u>230</u>
	Total	<u>\$ 9,427</u>

G. Transfers

Transfers to / from other County funds for the fiscal year ended June 30, 2007 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, 2007 is as follows:

Transfers out:	Transfers In:						
	General	PFC	PFA	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	Total Transfers
General	\$ -	\$ -	\$ -	\$ 40,846	\$ 3	\$ 2,160	\$ 43,009
PFC	-	-	-	6	-	-	6
PFA	-	-	-	3,500	-	-	3,500
Nonmajor governmental	56,837	6,452	3,822	2,306	-	2,064	71,481
Solid Waste	642	-	-	70	-	4	716
Internal service	-	-	-	96	-	-	96
Total transfers out	\$ <u>57,479</u>	\$ <u>6,452</u>	\$ <u>3,822</u>	\$ <u>46,824</u>	\$ <u>3</u>	\$ <u>4,228</u>	\$ <u>118,808</u>

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H. Arbitrage

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

I. Leases

Operating Leases (County as Lessor) The County, as the lessor, has entered into long-term operating lease agreements leasing land and buildings to others. Leased assets represent \$648 net of \$1,358 accumulated depreciation of the capital assets of governmental activities. The revenues realized for the fiscal year ended June 30, 2007 were \$823. The minimum future rentals for noncancellable operating leases are as follows:

Future Rentals		
Fiscal Year Ending June 30,		Amount
2008	\$	320
2009		304
2010		299
2011		128
2012		44
2013-2017		153
2018-2022		-
Total	\$	1,248

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, 2007 were \$6,324. The future minimum lease payments for these leases are as follows:

Operating Leases		
Fiscal Year Ending June 30,		Amount
2008	\$	5,120
2009		4,248
2010		3,016
2011		1,798
2012		1,720
2013-2017		5,472
2018-2022		1,870
2023-2027		1,223
Total	\$	24,467

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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, 2007, was approximately \$156.

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

Assets Acquired Through Capital Leases	
Fiscal Year Ending June 30, 2007	Governmental Activities
Equipment	\$ 378
Less: Accumulated depreciation	(303)
Total	<u>\$ 75</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2007, are as follows:

Capital Leases	
Fiscal Year Ending June 30,	Governmental Activities
2008	\$ 35
2009	6
Total minimum lease payments	41
Less: amount representing interest	(3)
Present value of minimum lease payments	<u>\$ 38</u>

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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, 2007 is \$1,376. Minimum lease payments receivable for each of the five succeeding fiscal years and thereafter are as follows:

Direct Financing Lease Receivable			
Fiscal Year Ending June 30,		Principal	Interest
2008	\$	128	\$ 82
2009		136	74
2010		144	65
2011		153	56
2012		163	47
2013-2016		652	81
	\$	<u>1,376</u>	<u>\$ 405</u>

J. Short-term Debt

Tax and Revenue Anticipation Notes Payable In accordance with the Resolution of Issuance, the 2006-2007 Tax and Revenue Anticipation Note (TRAN) of \$55,000 was issued on July 5, 2006 at 4.5% with a re-offering yield of 3.59%. This \$55,000 Tran will mature on July 31, 2007.

Short-term Debt Activity				
	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	\$ <u>39,000</u>	\$ <u>55,000</u>	\$ <u>(39,000)</u>	\$ <u>55,000</u>

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K. Long-term Debt

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

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

Certificates of Participation currently outstanding are as follows:

Outstanding Certificates of Participation			
Date Issued	Purpose of Debt	Interest Rates	Amount
July 23, 1996	Governmental activities	4.30% - 6.00%	\$ 6,545
October 8, 1998	Governmental activities - Refunding	3.35% - 5.00%	39,610
	Subtotal		<u>46,155</u>
September 2, 1993	Business-type activities	5.00%	498
February 23, 1994	Business-type activities	5.00%	73
August 16, 1994	Business-type activities	4.50%	52
September 14, 1994	Business-type activities	4.50%	43
May 28, 1996	Business-type activities	4.50%	865
	Subtotal		<u>1,531</u>
	Total		<u>\$ 47,686</u>

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

Fiscal Year Ending June 30,	Certificates of Participation			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2008	\$ 4,365	\$ 2,298	\$ 27	\$ 72
2009	4,580	2,072	28	70
2010	4,920	1,734	29	69
2011	5,235	1,480	30	68
2012	5,495	1,212	35	66
2013-2017	21,055	2,398	189	307
2018-2022	505	23	239	258
2023-2027	-	-	297	195
2028-2032	-	-	377	120
2033-2035	-	-	280	30
Total	\$ 46,155	\$ 11,217	\$ 1,531	\$ 1,255

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

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

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

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

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

TCPFA Variable Rate Demand Bonds			
Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	
2008	\$ 695	\$	2,507
2009	615		2,469
2010	615		2,432
2011	715		2,390
2012	715		2,347
2013-2017	4,470		10,971
2018-2022	6,140		9,364
2023-2027	8,395		7,156
2028-2032	11,315		4,164
2033-2037	8,685		625
Total	\$ <u>42,360</u>	\$	<u>44,425</u>

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

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

Pension Obligation Bonds			
Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	
2008	\$ 3,830	\$ 1,696	
2009	4,390	1,399	
2010	5,000	1,058	
2011	5,685	669	
2012	6,270	230	
Total	\$ 25,175	\$ 5,052	

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

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

Tax Allocation Bonds			
Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	
2008	\$ 41	\$ 48	
2009	39	66	
2010	41	64	
2011	43	62	
2012	45	60	
2013-2017	252	273	
2018-2022	312	216	
2023-2027	383	146	
2028-2032	471	60	
Total	\$ 1,627	\$ 995	

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

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

Fiscal Year Ending June 30,	Loans Payable	
	Governmental Activities	
	Principal	Interest
2008	\$ 1,708	\$ 758
2009	1,488	692
2010	1,379	633
2011	1,163	579
2012	1,213	529
2013-2017	6,882	1,826
2018-2022	4,107	512
2023-2027	469	109
2028-2032	425	48
2033-2036	93	1
Total	\$ 18,927	\$ 5,687

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, 2007, \$105 of bonds outstanding are considered defeased.

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Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2007 was as follows:

Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
COP's Payable	\$ 50,300	\$ -	\$ (4,145)	\$ 46,155	\$ 4,365
Variable Rate demand Bonds	42,800	42,360	(42,800)	42,360	695
Pension Obligation Bonds	28,495	-	(3,320)	25,175	3,830
Tax Allocation Bonds	-	1,627	-	1,627	41
Loans Payable	20,954	-	(2,027)	18,927	1,708
Leases Payable	68	-	(30)	38	32
Compensated Absences	16,941	3,061	(1,641)	18,361	1,641
Claims Payable	20,436	1,439	(445)	21,430	5,991
Governmental activities					
Long-term liabilities	\$ 179,994	\$ 48,487	\$ (54,408)	\$ 174,073	\$ 18,303

Long-term Liabilities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
COP's Payable	\$ 1,558	\$ -	\$ (27)	\$ 1,531	\$ 27
Bonds Payable	8	-	-	8	-
Closure/postclosure costs Payable	38,829	2,580	(288)	41,121	-
Compensated Absences	346	67	(8)	405	32
Business-type activities					
Long-term liabilities	\$ 40,741	\$ 2,647	\$ (323)	\$ 43,065	\$ 59

The liability for compensated absences has typically been liquidated using the primary government's governmental funds and the Solid Waste fund. The value of accumulated vacation at June 30, 2007 was \$14,797. Of this amount, \$253 is recorded in business-type funds. The value of accumulated sick leave at June 30, 2007 was calculated using a termination payment method and is accrued at \$2,508. Of this amount, \$92 is recorded in business-type funds. The value of accumulated CTO at June 30, 2007 was \$1,461. Of this amount, \$60 is recorded in the business-type funds. The value of sick leave buy backs for future years cannot be accurately estimated, but for the fiscal year ended June 30, 2007, the County paid \$867 to employees through this program.

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

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

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

Fiscal Year Ending June 30,	El Rancho Sewer Bond Business-type Activities	
	Principal	Interest
2008	\$ -	\$ -
2009	-	-
2010	-	-
2011	-	-
2012	1	1
2013-2017	2	2
2018-2022	2	1
2023-2027	3	1
	-	-
Total	\$ 8	\$ 5

L. Special Assessment Debt

The County of Tulare is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$188,479 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2007. 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 \$132,415 include bonds for Buena Vista, Burton, Earlimart, Liberty Richgrove, Sundale, Traver, and Woodlake Elementary Schools, Exeter, Strathmore, Tulare Joint Union, and Woodlake High Schools, Cutler-Orosi, Dinuba, Farmersville, Lindsay, Porterville, and Visalia Unified Schools. The 1915 Improvement Act Bonds totaling \$183 include bonds for Ducor Community Service District, and Ducor CSD Supplemental. The Special Districts GO Bonds totaling \$50,877 are for Kaweah Delta Hospital Bond and Woodville Public Utility District Sewer.

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M. Landfills

State and Federal laws and regulations require that Tulare County Solid Waste Fund place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfills used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$41,121 as of June 30, 2007, which is based on an average of 31% usage (filled) of all landfill sites (remaining capacity since August 18, 1989). It is estimated that an additional \$47,730 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 3.0 years for Teapot Dome to 93.6 years for the Visalia site. The estimated total current cost of the landfill closure and post closure care (\$88,851) 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, 2007. 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, 2007, investments of \$36,708 are part of the pooled funds held by the Tulare County Treasurer. It is anticipated that future inflation costs will be financed in part from earnings on investments held by the Treasurer. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill site users, taxpayers, or both.

The State Water Resources Control Board through the Regional Water Quality Control Board under California Code Regulations, title 27, subchapter 2, Article 4, and Sections 22220 requires financial assurance for corrective action through 22222. The funds are the financial assurance mechanism for corrective actions and are there to be used to clean up or otherwise remediate a release (a.k.a. plume of groundwater contamination) from the County's landfills. The California Integrated Waste Management Board (CIWMB) specifies what annual inflation rate should be applied to the amount required for corrective action along with closure and postclosure maintenance at the landfills. The County is in compliance with these requirements and, at June 30, 2007, investments of \$4,701 are part of the pooled funds held by the Tulare County Treasurer.

N. Restricted Net Assets

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

	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Total capital assets, net of accumulated depreciation	\$ 1,482,885	\$ 21,399	\$ 1,504,284
Less related debt:			
COP's	(46,155)	(1,531)	(47,686)
Capital leases	(38)	-	(38)
Loans	(18,927)	-	(18,927)
Bonds	-	(8)	(8)
Total	\$ <u>1,417,765</u>	\$ <u>19,860</u>	\$ <u>1,437,625</u>

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Net assets of capital projects funds (\$11,274) are restricted by the State for the future clean up of toxic ground at the Harmon Field airstrip (\$5,000), and by the Joint Powers Agreement governing the disbursement and use of proceeds of the variable rate demand bonds (\$6,274). Net assets of special revenue funds (\$15,787) are restricted by the funding source, usually State and Federal, for specific functions such as Library (\$2,350), Structural Fire (\$1,870), Roads (\$2,369), Redevelopment (\$7,285), and others (\$1,913).

Net assets of debt service funds (\$18,342) are restricted by lenders COP's (\$5,673), or by contractual agreements with trustees and bond holders (\$11,632), or others (\$1,037).

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

O. Condensed Financial Statements

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

CONDENSED STATEMENT OF NET ASSETS	Terra Bella Sewer		
	<u>Maintenance</u>	<u>CSA #1</u>	<u>CSA #2</u>
Assets:			
Current assets	\$ 722	\$ 355	\$ 99
Capital assets	1,427	4,502	423
Total assets	<u>2,149</u>	<u>4,857</u>	<u>522</u>
Liabilities:			
Current liabilities	41	36	3
Noncurrent liabilities	850	1,254	44
Total liabilities	<u>891</u>	<u>1,290</u>	<u>47</u>
Net Assets:			
Invested in capital assets, net of related debt	562	3,872	379
Unrestricted (deficit)	696	(305)	96
Total net assets	<u>\$ 1,258</u>	<u>\$ 3,567</u>	<u>\$ 475</u>

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CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS	Terra Bella Sewer		
	Maintenance	CSA #1	CSA #2
Water and Sewer charges	\$ 142	\$ 371	\$ 50
Other operating revenues	-	3	-
Depreciation expense	(70)	(207)	(17)
Other operating expenses	(124)	(363)	(37)
Operating Income (loss)	(52)	(196)	(4)
Nonoperating revenues (expenses):			
Investment earnings	34	17	4
Special assessments	28	-	-
Interest expense	(39)	(81)	(2)
Change in net assets	(29)	(260)	(2)
Beginning net assets	1,287	3,827	477
Ending net assets	\$ 1,258	\$ 3,567	\$ 475

CONDENSED STATEMENT OF CASH FLOWS	Terra Bella Sewer		
	Maintenance	CSA #1	CSA #2
Net cash provided (used) by:			
Operating activities	\$ 12	\$ (9)	\$ 14
Noncapital financing activities	31	81	-
Capital and related financing activities	(54)	(92)	(3)
Investing activities	34	17	4
Net increase (decrease)	23	(3)	15
Beginning cash and cash equivalents	683	247	73
Ending cash and cash equivalents	\$ 706	\$ 244	\$ 88

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

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V. OTHER INFORMATION

A. Risk Management

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

Losses and incidents of potential loss are reported to Risk Management. After an initial assessment, a claim is established that includes a reasonable estimate of the ultimate cost of the claim to the County. Excess liability coverage is maintained for automobile, general liability, and non-medical. The self-insured retention for the Liability Program effective July 1, 2003 is \$250 and continues at this level. The self-insured retention of \$250 applies to general liability, and non-medical errors and omission's claims. Excess Limits of Liability were maintained at \$25 million for the fiscal year 2006/07. The purchased insurance for automobiles, aviation, water craft and medical malpractice claims pays for all claim and expense costs, with deductibles that apply as follows: automobiles-\$10, aviation-\$1; water craft-\$5 and medical malpractice-\$10.

Liability costs/settlements have occasionally exceeded the self-insured retention. The County recovered amounts paid in excess of the SIR from CSAC-EIA programs as follows:

<u>Type of Event</u>	<u>June 30, 2007 Total</u>	<u>June 30, 2006 Total</u>	<u>June 30, 2005 Total</u>
Mold Litigation	\$ -	\$ -	\$ 784
Vehicle Accident	-	-	221
Harassment Litigation	-	203	-
Total Reimbursements	\$ <u>-</u>	\$ <u>203</u>	\$ <u>1,005</u>

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

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

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

Claims Liability	June 30, 2007 Total	June 30, 2006 Total	June 30, 2005 Total
Unpaid claims	\$ 6,506	\$ 4,845	\$ 5,032
Claims incurred	(1,341)	3,836	4,044
Claims paid	(765)	(2,175)	(4,231)
Total unpaid claims	<u>\$ 4,400</u>	<u>\$ 6,506</u>	<u>\$ 4,845</u>

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

Effective July 1, 2004, the county entered into a workers' compensation administration service agreement with Keenan and Associates for claim and loss control services. Keenan staff handles claims with claim payments from a trust fund. A trust fund balance is maintained at \$250 through a monthly reconciliation performed by Risk Management and County Counsel.

During the year, 373 claims were reported to Keenan and Associates. As of June 30, 2007, 298 claims remained open and benefit payments totaled \$1,003. Outstanding reserves for recorded claims are valued at \$4,663, while incurred but not recorded (IBNR) is reserved at \$12,367 for future development of accident fiscal year.

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

Workers' Compensation Claims Liability	June 30, 2007 Total	June 30, 2006 Total	June 30, 2005 Total
Unpaid claims	\$ 13,930	\$ 7,200	\$ -
Claims incurred	4,103	8,447	7,527
Claims paid	(1,003)	(1,717)	(327)
Total unpaid claims	<u>\$ 17,030</u>	<u>\$ 13,930</u>	<u>\$ 7,200</u>

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

General Liability and Workers' Compensation Unpaid Claims Liability	June 30, 2007 Total	June 30, 2006 Total	June 30, 2005 Total
Claims payable - current	\$ 5,991	\$ 5,964	\$ 3,812
Claims payable - noncurrent	15,439	14,472	8,233
Total unpaid claims liability	<u>\$ 21,430</u>	<u>\$ 20,436</u>	<u>\$ 12,045</u>

B. Risk Pool

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

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

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

Excess Insurance Program	Self-Insurance Retention	Coverage Limits
General Liability Program I	\$250	\$ 1,000
General Liability Program II	\$1,000	\$ 54,400
Property	\$ 10	\$ 600,000
Medical Malpractice	\$ 10	\$ 11,510

The County's claims did not exceed the self insurance retention in Fiscal Year 2006-2007. No claims have exceeded the County's total insurance coverage. The relationship between the County and the CSAC Excess Insurance Authority is such that the CSAC Excess Insurance Authority is not a component unit of the County for financial reporting purposes.

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Condensed financial information for CSAC Excess Insurance Authority as of and for the fiscal year ended June 30, 2007, is as follows:

CSAC Excess Insurance Authority Condensed Statement of Net Assets June 30, 2007 (amounts expressed in thousands)		CSAC Excess Insurance Authority Condensed Statement of Revenues, Expenses, and Changes in Net Assets For fiscal year ended June 30, 2007 (amounts expressed in thousands)	
Total Assets	\$ 467,060	Total Revenue	\$ 339,468
Total Liabilities		Total Expenses	<u>286,118</u>
Claim Liabilities	329,127	Changes in Net Assets	53,350
All Other Liabilities	<u>26,828</u>	Beginning Net Assets	<u>57,755</u>
Net Assets	<u>\$ 111,105</u>	Ending Net Assets	<u>\$ 111,105</u>

CSAC Excess Insurance Authority owns its office building. The building was purchased with assessments from the member counties. Each county shares in the equity of the building in proportion to the assessment contributed. Tulare County's percentage equity in the CSAC EIA building fund at June 30, 2007 was 1.8073% of \$1,785 for a total of \$32.

C. Joint Ventures

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

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

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

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

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

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

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

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

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

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

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

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007
(amounts expressed in thousands)

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

D. Subsequent Events

1. On July 2, 2007, \$ 55,000 Tax Revenue Anticipation Notes (TRAN) 2007-2008 were issued at 4.5% with a re-offering yield of 3.64%, maturing on July 31, 2008.
2. On July 2, 2007, \$20,618 representing a prepayment of the employer's annual retirement contribution was paid to Tulare County Employees' Retirement Association.
3. Effective September 10, 2007, the Board of Supervisors voted unanimously to appointment Jean Rousseau to serve as the County Administrative Officer.

E. Contingent Liabilities

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

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

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

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

F. Deferred Compensation Plan

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

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

G. Employee Retirement System

Plan Description The Tulare County Employees' Retirement Association was established July 1, 1945; under the provisions of the County Employees Retirement Act of 1937, (Government Code sections 31450 et seq.). The Association operates as a cost-sharing multiple-employer defined benefit plan with special funding circumstances and provides

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007
(amounts expressed in thousands)

retirement, disability and death benefits for qualified employees of Tulare County, the Tulare County Courts, First 5 Tulare County, and the Strathmore Public Utility District. The Association was integrated with Social Security in 1956. The Association is administered by a nine-member Board of Retirement. The Association issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from the Tulare County Employees' Retirement Association.

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

Annual Pension Cost (APC) For fiscal year 2006-07, the County's annual pension cost for the Association was projected to be \$15,170, and the County actually contributed \$17,265. The projected contribution for fiscal year 2006-07 was determined as part of the June 30, 2005 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of pay. The actuarial assumption included (a) 7.9% investment rate of return (net of administrative expenses), (b) projected salary increases of 4%, and (c) 3% cost-of-living adjustment. Both (a) and (b) include an inflation component of 4%. The actuarial value of the Association's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a five-year period. The Association's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payrolls on a rolling fifteen-year basis.

The County's annual pension cost and pension assets for the fiscal year ended June 30, 2007, were as follows:

Annual Pension Costs and Pension Assets		
Annual required contribution	\$	17,265
Interest on pension assets		8,642
Adjustment to the annual required contribution		(5,511)
Annual pension cost		<u>20,396</u>
Contributions made		<u>17,265</u>
Decrease in pension assets		<u>(3,131)</u>
Pension assets, July 1		<u>29,755</u>
Pension assets, June 30	\$	<u><u>26,624</u></u>

COUNTY OF TULARE
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2007
(amounts expressed in thousands)

Schedule of Funding Progress (dollars expressed in thousands)						
Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Liability (AAL) - Entry Age (B)	Unfunded Actuarial Liability/(Surplus) (UAAL/S) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL/S as a % of Covered Payroll (B-A)/C
6/30/04	\$ 665,244	\$ 649,649	\$ (15,595)	102.40%	\$ 158,032	-9.9%
6/30/05	681,618	714,656	33,038	95.38%	164,777	20.1%
6/30/06	729,898	792,843	62,945	92.06%	186,949	33.7%
06/30/07*	*Current information for the fiscal year ended June 30, 2007 is unavailable.					

Three Year Trend Information				
Year Ended June 30	Annual Pension Cost	Required Annual Contribution	Percentage Contributed	Pension Assets
2005	\$ 11,967	\$ 9,788	81.79%	\$ 32,282
2006	14,424	11,979	83.05%	29,755
2007	20,396	17,265	84.65%	26,624

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 remains obligated to fund capital expenditures with respect to capital needs of existing judicial officers and support positions located in several of its courthouse facilities.

Combining and Individual Fund Statements and Schedules

County of Tulare
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007
(amounts expressed in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Funds
Assets				
Investment in treasury pool	\$ 22,318	\$ 1,954	\$ 7,189	\$ 31,461
Investments	-	25	-	25
Imprest cash	2	-	-	2
Receivables (net, where applicable, of allowances for uncollectibles):				
Accounts receivable, net	2,156	-	-	2,156
Deposits with others	274	-	-	274
Due from other County funds	1,415	-	192	1,607
Due from other governments	12,623	899	-	13,522
Inventories	343	-	-	343
Prepaid items	811	-	-	811
Advances to Agency funds	40	-	-	40
Lease payments receivable, net of interest	-	1,376	-	1,376
Notes receivable	1,431	-	-	1,431
Restricted assets	-	-	5,000	5,000
Total assets	\$ 41,413	\$ 4,254	\$ 12,381	\$ 58,048
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 10,473	\$ -	\$ 870	\$ 11,343
Due to other County funds	6,977	581	226	7,784
Salaries and benefits payable	1,694	-	11	1,705
Deferred revenue	4,309	2,636	-	6,945
Advances from other County funds	546	-	-	546
Total liabilities	23,999	3,217	1,107	28,323
Fund balances:				
Reserved for:				
Imprest cash	2	-	-	2
Inventories	343	-	-	343
Prepaid items	811	-	-	811
Advances to Agency funds	40	-	-	40
Notes receivable	1,431	-	-	1,431
Harmon Field cleanup	-	-	5,000	5,000
Debt service	-	1,037	-	1,037
Unreserved, reported in nonmajor:				
Special revenue funds	14,787	-	-	14,787
Capital projects funds	-	-	6,274	6,274
Total fund balances	17,414	1,037	11,274	29,725
Total liabilities and fund balances	\$ 41,413	\$ 4,254	\$ 12,381	\$ 58,048

County of Tulare
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Total Special Revenue Funds	Total Debt Service Funds	Total Capital Projects Funds	Total Nonmajor Funds
Revenues:				
Taxes and special assessments	\$ 16,058	\$ -	\$ -	\$ 16,058
Licenses and permits	28	-	-	28
Fines, forfeitures and penalties	328	-	-	328
Interest, rents, and concessions	1,496	154	259	1,909
Intergovernmental revenues	88,521	288	174	88,983
Charges for services	5,634	-	4	5,638
Other revenues	4,564	62	-	4,626
Total revenues	<u>116,629</u>	<u>504</u>	<u>437</u>	<u>117,570</u>
Expenditures:				
Current:				
General government	3,528	-	2,155	5,683
Public protection	28,262	-	-	28,262
Public ways and facilities	7,920	-	-	7,920
Health and sanitation	1,647	-	-	1,647
Public assistance	16,320	-	-	16,320
Education	2,928	-	-	2,928
Debt service:				
Principal retirement	42	4,551	-	4,593
Interest and fiscal charges	72	2,048	-	2,120
Issuance costs	23	-	-	23
Capital outlay	21,695	-	1,137	22,832
Total expenditures	<u>82,437</u>	<u>6,599</u>	<u>3,292</u>	<u>92,328</u>
Excess (deficiency) of revenues over (under) expenditures	34,192	(6,095)	(2,855)	25,242
Other financing sources (uses):				
Bond proceeds	1,627	-	-	1,627
Sale of general capital assets	7	-	-	7
Direct financing Lease	-	121	-	121
Transfers in	29,789	12,034	5,001	46,824
Transfers (out)	(63,014)	(6,452)	(2,015)	(71,481)
Total other financing sources (uses)	<u>(31,591)</u>	<u>5,703</u>	<u>2,986</u>	<u>(22,902)</u>
Net change in fund balances	2,601	(392)	131	2,340
Fund balances, July 1	14,813	1,429	11,143	27,385
Fund balances, June 30	<u>\$ 17,414</u>	<u>\$ 1,037</u>	<u>\$ 11,274</u>	<u>\$ 29,725</u>

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Redevelopment Funds (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. Twenty percent of the tax increments allocated to the Redevelopment Agency are required to be placed in these funds. Eighty percent of the tax increments are used to build reserves for the future and to match funds to federal and state grant/loan funding programs, which are used for infrastructure and other public service projects within the redevelopment area.

County of Tulare
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(amounts expressed in thousands)

	Indigent Health	Children and Health	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment
Assets								
Investment in treasury pool	\$ 635	\$ 112	\$ 2,530	\$ 34	\$ 27	\$ 5,249	\$ 553	\$ 29
Imprest cash	-	-	1	-	-	-	-	-
Accounts receivable	-	-	-	-	2	-	2	-
Deposits with others	-	-	-	-	-	-	-	-
Due from other County funds	-	-	-	-	-	-	23	-
Due from other governments	201	-	1	-	30	-	6,445	457
Inventories	-	-	-	-	-	-	343	-
Prepaid items	93	-	-	-	-	-	-	-
Advances to Agency funds	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Total assets	\$ 929	\$ 112	\$ 2,532	\$ 34	\$ 59	\$ 5,249	\$ 7,366	\$ 486
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ 810	\$ -	\$ 79	\$ 1	\$ 25	\$ 2,779	\$ 4,547	\$ 356
Due to other County funds	-	112	-	-	-	192	-	-
Salaries and benefits payable	6	-	84	-	-	408	404	130
Deferred revenue	9	-	18	-	-	-	46	-
Advances from other County funds	-	-	-	-	-	-	-	-
Total liabilities	825	112	181	1	25	3,379	4,997	486
Fund balances:								
Reserved for:								
Imprest cash	-	-	1	-	-	-	-	-
Inventories	-	-	-	-	-	-	343	-
Prepaid items	93	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Unreserved, reported in nonmajor:								
Special revenue funds	11	-	2,350	33	34	1,870	2,026	-
Total fund balances	104	-	2,351	33	34	1,870	2,369	-
Total liabilities and fund balances	\$ 929	\$ 112	\$ 2,532	\$ 34	\$ 59	\$ 5,249	\$ 7,366	\$ 486

Cont.

County of Tulare
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(amounts expressed in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Redevelopment Earlimart
Assets								
Investment in treasury pool	\$ 3,028	\$ -	\$ -	\$ -	\$ -	\$ 247	\$ 1,764	\$ 1,068
Imprest cash	1	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	2,152	-	-	-
Deposits with others	-	-	-	-	-	-	-	-
Due from other County funds	-	627	629	128	-	-	-	5
Due from other governments	-	1,704	747	2,824	-	214	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	718	-	-	-	-	-	-	-
Advances to Agency funds	40	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	147
Total assets	\$ 3,787	\$ 2,331	\$ 1,376	\$ 2,952	\$ 2,152	\$ 461	\$ 1,764	\$ 1,220
Liabilities and fund balances								
Liabilities:								
Accounts payable	\$ 1,681	\$ -	\$ -	\$ -	\$ -	\$ 3	\$ 15	\$ 1
Due to other County funds	-	2,135	1,123	2,777	-	-	-	82
Salaries and benefits payable	654	-	-	-	-	8	-	-
Deferred revenue	1,460	196	253	175	2,152	-	-	-
Advances from other County funds	-	-	-	-	-	450	-	-
Total liabilities	3,795	2,331	1,376	2,952	2,152	461	15	83
Fund balances:								
Reserved for:								
Imprest cash	1	-	-	-	-	-	-	-
Inventories	-	-	-	-	-	-	-	-
Prepaid items	718	-	-	-	-	-	-	-
Advances to other funds	40	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	147
Unreserved, reported in nonmajor:								
Special revenue funds	(767)	-	-	-	-	-	1,749	990
Total fund balances	(8)	-	-	-	-	-	1,749	1,137
Total liabilities and fund balances	\$ 3,787	\$ 2,331	\$ 1,376	\$ 2,952	\$ 2,152	\$ 461	\$ 1,764	\$ 1,220

Cont.

County of Tulare
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2007
(amounts expressed in thousands)

	Redevelopment Ivanhoe	Redevelopment Lindsay	Redevelopment Goshen	Redevelopment Orosi	Redevelopment Pixley	Redevelopment Traver	Redevelopment Richgrove	Redevelopment Poplar	Total Special Revenue Funds
Assets									
Investment in treasury pool	\$ 449	\$ 6	\$ 1,484	\$ 2,074	\$ 775	\$ 1,292	\$ 634	\$ 328	\$ 22,318
Imprest cash	-	-	-	-	-	-	-	-	2
Accounts receivable	-	-	-	-	-	-	-	-	2,156
Deposits with others	-	-	-	-	-	-	274	-	274
Due from other County funds	2	-	-	-	-	-	1	-	1,415
Due from other governments	-	-	-	-	-	-	-	-	12,623
Inventories	-	-	-	-	-	-	-	-	343
Prepaid items	-	-	-	-	-	-	-	-	811
Advances to Agency funds	-	-	-	-	-	-	-	-	40
Notes receivable	8	-	424	605	11	94	132	10	1,431
Total assets	<u>\$ 459</u>	<u>\$ 6</u>	<u>\$ 1,908</u>	<u>\$ 2,679</u>	<u>\$ 786</u>	<u>\$ 1,386</u>	<u>\$ 1,041</u>	<u>\$ 338</u>	<u>\$ 41,413</u>
Liabilities and fund balances									
Liabilities:									
Accounts payable	\$ 2	\$ -	\$ -	\$ 164	\$ -	\$ 9	\$ 1	\$ -	\$ 10,473
Due to other County funds	25	-	190	178	25	45	67	26	6,977
Salaries and benefits payable	-	-	-	-	-	-	-	-	1,694
Deferred revenue	-	-	-	-	-	-	-	-	4,309
Advances from other County funds	29	-	9	-	29	-	-	29	546
Total liabilities	<u>56</u>	<u>-</u>	<u>199</u>	<u>342</u>	<u>54</u>	<u>54</u>	<u>68</u>	<u>55</u>	<u>23,999</u>
Fund balances:									
Reserved for:									
Imprest cash	-	-	-	-	-	-	-	-	2
Inventories	-	-	-	-	-	-	-	-	343
Prepaid items	-	-	-	-	-	-	-	-	811
Advances to other funds	-	-	-	-	-	-	-	-	40
Notes receivable	8	-	424	605	11	94	132	10	1,431
Unreserved, reported in nonmajor:									
Special revenue funds	395	6	1,285	1,732	721	1,238	841	273	14,787
Total fund balances	<u>403</u>	<u>6</u>	<u>1,709</u>	<u>2,337</u>	<u>732</u>	<u>1,332</u>	<u>973</u>	<u>283</u>	<u>17,414</u>
Total liabilities and fund balances	<u>\$ 459</u>	<u>\$ 6</u>	<u>\$ 1,908</u>	<u>\$ 2,679</u>	<u>\$ 786</u>	<u>\$ 1,386</u>	<u>\$ 1,041</u>	<u>\$ 338</u>	<u>\$ 41,413</u>

Concluded

County of Tulare
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Indigent Health	Children and Health	Library	Fish and Game	Aviation	Structural Fire	Roads	Workforce Investment
Revenues:								
Taxes and special assessments	\$ -	\$ -	\$ 2,911	\$ -	\$ -	\$ 6,165	\$ 3,587	\$ -
Licenses and permits	-	-	-	-	-	19	9	-
Fines, forfeitures and penalties	302	-	-	26	-	-	-	-
Interest, rents, and concessions	30	1	91	-	27	332	157	380
Intergovernmental revenues	688	630	376	-	182	640	22,314	12,991
Charges for services	-	-	90	-	-	307	2,056	2,893
Other revenues	-	-	205	-	-	112	110	32
Total revenues	<u>1,020</u>	<u>631</u>	<u>3,673</u>	<u>26</u>	<u>209</u>	<u>7,575</u>	<u>28,233</u>	<u>16,296</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public protection	-	-	-	9	-	11,850	-	-
Public ways and facilities	-	-	-	-	90	-	7,830	-
Health and sanitation	1,017	630	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	16,320
Education	-	-	2,928	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-
Capital outlay	-	-	12	-	172	478	20,957	-
Total expenditures	<u>1,017</u>	<u>630</u>	<u>2,940</u>	<u>9</u>	<u>262</u>	<u>12,328</u>	<u>28,787</u>	<u>16,320</u>
Excess (deficiency) of revenues over (under) expenditures	3	1	733	17	(53)	(4,753)	(554)	(24)
Other financing sources (uses):								
Bond proceeds	-	-	-	-	-	-	-	-
Sale of general capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	5,339	444	100
Transfers (out)	(1)	-	(64)	-	(1)	(372)	(133)	(66)
Total other financing sources (uses)	<u>(1)</u>	<u>-</u>	<u>(64)</u>	<u>-</u>	<u>(1)</u>	<u>4,967</u>	<u>311</u>	<u>34</u>
Net change in fund balances	2	1	669	17	(54)	214	(243)	10
Fund balances, July 1	102	(1)	1,682	16	88	1,656	2,612	(10)
Fund balances, June 30	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 2,351</u>	<u>\$ 33</u>	<u>\$ 34</u>	<u>\$ 1,870</u>	<u>\$ 2,369</u>	<u>\$ -</u>

Cont.

County of Tulare
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Social Services Realignment	Tobacco Settlement	TCIHSS Public Authority	Flood Control	Redevelopment Earlmar
Revenues:								
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468	\$ 316
Licenses and permits	-	-	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-
Interest, rents, and concessions	72	-	-	-	-	-	72	46
Intergovernmental revenues	15,079	11,536	4,670	18,226	-	1,054	38	6
Charges for services	-	-	-	-	-	-	-	-
Other revenues	270	-	-	-	3,822	-	-	-
Total revenues	<u>15,421</u>	<u>11,536</u>	<u>4,670</u>	<u>18,226</u>	<u>3,822</u>	<u>1,054</u>	<u>578</u>	<u>368</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	205
Public protection	15,145	-	-	-	-	1,052	206	-
Public ways and facilities	-	-	-	-	-	-	-	-
Health and sanitation	-	-	-	-	-	-	-	-
Public assistance	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Issuance costs	-	-	-	-	-	-	-	-
Capital outlay	76	-	-	-	-	-	-	-
Total expenditures	<u>15,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,052</u>	<u>206</u>	<u>205</u>
Excess (deficiency) of revenues over (under) expenditures	200	11,536	4,670	18,226	3,822	2	372	163
Other financing sources (uses):								
Bond proceeds	-	-	-	-	-	-	-	-
Sale of general capital assets	7	-	-	-	-	-	-	-
Transfers in	-	7,552	15,144	1,209	-	-	1	-
Transfers (out)	(215)	(19,088)	(19,814)	(19,435)	(3,822)	(3)	-	-
Total other financing sources (uses)	<u>(208)</u>	<u>(11,536)</u>	<u>(4,670)</u>	<u>(18,226)</u>	<u>(3,822)</u>	<u>(3)</u>	<u>1</u>	<u>-</u>
Net change in fund balances	(8)	-	-	-	-	(1)	373	163
Fund balances, July 1	-	-	-	-	-	1	1,376	974
Fund balances, June 30	<u>\$ (8)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,749</u>	<u>\$ 1,137</u>

Cont.

County of Tulare
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Redevelopment Ivanhoe	Redevelopment Lindsay	Redevelopment Goshen	Redevelopment Orosi	Redevelopment Pixley	Redevelopment Traver	Redevelopment Richgrove	Redevelopment Poplar	Total Special Revenue Funds
Revenues:									
Taxes and special assessments	\$ 184	\$ 6	\$ 749	\$ 762	\$ 353	\$ 229	\$ 188	\$ 140	\$ 16,058
Licenses and permits	-	-	-	-	-	-	-	-	28
Fines, forfeitures and penalties	-	-	-	-	-	-	-	-	328
Interest, rents, and concessions	18	-	61	92	26	56	20	15	1,496
Intergovernmental revenues	3	-	53	13	5	4	4	9	88,521
Charges for services	-	-	-	-	-	-	288	-	5,634
Other revenues	-	-	-	13	-	-	-	-	4,564
Total revenues	<u>205</u>	<u>6</u>	<u>863</u>	<u>880</u>	<u>384</u>	<u>289</u>	<u>500</u>	<u>164</u>	<u>116,629</u>
Expenditures:									
Current:									
General government	115	-	680	827	92	136	1,341	132	3,528
Public protection	-	-	-	-	-	-	-	-	28,262
Public ways and facilities	-	-	-	-	-	-	-	-	7,920
Health and sanitation	-	-	-	-	-	-	-	-	1,647
Public assistance	-	-	-	-	-	-	-	-	16,320
Education	-	-	-	-	-	-	-	-	2,928
Debt service:									
Principal retirement	-	-	42	-	-	-	-	-	42
Interest and fiscal charges	-	-	58	-	-	-	14	-	72
Issuance costs	-	-	-	-	-	-	23	-	23
Capital outlay	-	-	-	-	-	-	-	-	21,695
Total expenditures	<u>115</u>	<u>-</u>	<u>780</u>	<u>827</u>	<u>92</u>	<u>136</u>	<u>1,378</u>	<u>132</u>	<u>82,437</u>
Excess (deficiency) of revenues over (under) expenditures	90	6	83	53	292	153	(878)	32	34,192
Other financing sources (uses):									
Bond proceeds	-	-	-	-	-	-	1,627	-	1,627
Sale of general capital assets	-	-	-	-	-	-	-	-	7
Transfers in	-	-	-	-	-	-	-	-	29,789
Transfers (out)	-	-	-	-	-	-	-	-	(63,014)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,627</u>	<u>-</u>	<u>(31,591)</u>
Net change in fund balances	90	6	83	53	292	153	749	32	2,601
Fund balances, July 1	313	-	1,626	2,284	440	1,179	224	251	14,813
Fund balances, June 30	<u>\$ 403</u>	<u>\$ 6</u>	<u>\$ 1,709</u>	<u>\$ 2,337</u>	<u>\$ 732</u>	<u>\$ 1,332</u>	<u>\$ 973</u>	<u>\$ 283</u>	<u>\$ 17,414</u>

Concluded

County of Tulare
Nonmajor Special Revenue Fund - Indigent Health Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Fines, forfeitures, and penalties	\$ 176	\$ 540	\$ 364	\$ 302	\$ (238)
Interest, rents, and concessions	12	12	-	30	18
Intergovernmental revenues	761	761	-	688	(73)
Total revenues	<u>949</u>	<u>1,313</u>	<u>364</u>	<u>1,020</u>	<u>(293)</u>
Expenditures:					
Current:					
Health and sanitation	949	1,313	(364)	1,017	296
Total expenditures	<u>949</u>	<u>1,313</u>	<u>(364)</u>	<u>1,017</u>	<u>296</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	3	3
Other financing sources (uses):					
Transfers (out)	-	-	-	(1)	(1)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net change in fund balance	-	-	-	2	2
Fund balance, July 1	-	-	-	102	102
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104</u>	<u>\$ 104</u>

County of Tulare
 Nonmajor Special Revenue Fund - Children and Health Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental revenues	-	850	850	630	(220)
Total revenues	-	850	850	631	(219)
Expenditures:					
Current:					
Health and sanitation	-	850	(850)	630	220
Total expenditures	-	850	(850)	630	220
Excess (deficiency) of revenues over (under) expenditures	-	-	-	1	1
Net change in fund balance	-	-	-	1	1
Fund balance, July 1	-	-	-	(1)	(1)
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

County of Tulare
 Nonmajor Special Revenue Fund - Library Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 2,454	\$ 2,454	\$ -	\$ 2,911	\$ 457
Interest, rents, and concessions	35	35	-	91	56
Intergovernmental revenues	318	318	-	376	58
Charges for services	76	76	-	90	14
Other revenues	170	170	-	205	35
Total revenues	<u>3,053</u>	<u>3,053</u>	<u>-</u>	<u>3,673</u>	<u>620</u>
Expenditures:					
Current:					
Education	4,721	4,721	-	2,928	1,793
Capital Outlay	-	-	-	12	(12)
Total expenditures	<u>4,721</u>	<u>4,721</u>	<u>-</u>	<u>2,940</u>	<u>1,781</u>
Excess (deficiency) of revenues over (under) expenditures	(1,668)	(1,668)	-	733	2,401
Other financing sources (uses):					
Transfers (out)	(35)	(35)	-	(64)	(29)
Total other financing sources (uses)	<u>(35)</u>	<u>(35)</u>	<u>-</u>	<u>(64)</u>	<u>(29)</u>
Net change in fund balance	(1,703)	(1,703)	-	669	2,372
Fund balance, July 1	1,703	1,703	-	1,682	(21)
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,351</u>	<u>\$ 2,351</u>

County of Tulare
 Nonmajor Special Revenue Fund - Fish and Game Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Fines, forfeitures and penalties	\$ 9	\$ 9	\$ -	\$ 26	\$ 17
Total revenues	<u>9</u>	<u>9</u>	<u>-</u>	<u>26</u>	<u>17</u>
Expenditures:					
Current:					
Public protection	9	9	-	9	-
Total expenditures	<u>9</u>	<u>9</u>	<u>-</u>	<u>9</u>	<u>-</u>
Net change in fund balance	-	-	-	17	17
Fund balance, July 1	-	-	-	16	16
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33</u>	<u>\$ 33</u>

County of Tulare
 Nonmajor Special Revenue Fund - Aviation Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ 25	\$ 25	\$ -	\$ 27	\$ 2
Intergovernmental revenues	918	918	-	182	(736)
Total revenues	<u>943</u>	<u>943</u>	<u>-</u>	<u>209</u>	<u>(734)</u>
Expenditures:					
Current:					
Public ways and facilities	347	317	30	90	227
Capital Outlay	<u>649</u>	<u>679</u>	<u>(30)</u>	<u>172</u>	<u>507</u>
Total expenditures	<u>996</u>	<u>996</u>	<u>-</u>	<u>262</u>	<u>734</u>
Excess (deficiency) of revenues over (under) expenditures	(53)	(53)	-	(53)	-
Other financing sources (uses):					
Transfers (out)	-	-	-	(1)	(1)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(1)</u>
Net change in fund balance	(53)	(53)	-	(54)	(1)
Fund balance, July 1	53	53	-	88	35
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 34</u>

County of Tulare
Nonmajor Special Revenue Fund - Structural Fire Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 5,825	\$ 5,825	\$ -	\$ 6,165	\$ 340
Licenses and permits	18	18	-	19	1
Interest, rents, and concessions	156	206	50	332	126
Intergovernmental revenues	565	627	62	640	13
Charges for services	488	547	59	307	(240)
Other revenues	51	248	197	112	(136)
Total revenues	<u>7,103</u>	<u>7,471</u>	<u>368</u>	<u>7,575</u>	<u>104</u>
Expenditures:					
Current:					
Public protection	14,059	14,044	15	11,850	2,194
Capital outlay	-	191	(191)	478	(287)
Total expenditures	<u>14,059</u>	<u>14,235</u>	<u>(176)</u>	<u>12,328</u>	<u>1,907</u>
Excess (deficiency) of revenues over (under) expenditures	(6,956)	(6,764)	192	(4,753)	2,011
Other financing sources (uses):					
Transfers in	5,469	5,469	-	5,339	(130)
Transfers (out)	(197)	(389)	(192)	(372)	17
Total other financing sources (uses)	<u>5,272</u>	<u>5,080</u>	<u>(192)</u>	<u>4,967</u>	<u>(113)</u>
Net change in fund balance	(1,684)	(1,684)	-	214	1,898
Fund balance, July 1	1,684	1,684	-	1,656	(28)
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,870</u>	<u>\$ 1,870</u>

County of Tulare
Nonmajor Special Revenue Fund - Roads Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 3,764	\$ 3,764	\$ -	\$ 3,587	\$ (177)
Licenses and permits	3	3	-	9	6
Interest, rents, and concessions	52	52	-	157	105
Intergovernmental revenues	24,563	24,563	-	22,314	(2,249)
Charges for services	1,874	1,959	85	2,056	97
Other revenues	104	104	-	110	6
Total revenues	<u>30,360</u>	<u>30,445</u>	<u>85</u>	<u>28,233</u>	<u>(2,212)</u>
Expenditures:					
Current:					
Public ways and facilities	29,939	30,018	(79)	7,830	22,188
Debt service:	-	-	-	-	-
Principal retirement	50	50	-	-	50
Interest and fiscal charges	4	4	-	-	4
Capital outlay	3,069	3,075	(6)	20,957	(17,882)
Total expenditures	<u>33,062</u>	<u>33,147</u>	<u>(85)</u>	<u>28,787</u>	<u>4,360</u>
Excess (deficiency) of revenues over (under) expenditures	(2,702)	(2,702)	-	(554)	2,148
Other financing sources (uses):					
Transfers in	444	444	-	444	-
Transfers (out)	(4)	(4)	-	(133)	(129)
Total other financing sources (uses)	<u>440</u>	<u>440</u>	<u>-</u>	<u>311</u>	<u>(129)</u>
Net change in fund balance	(2,262)	(2,262)	-	(243)	2,019
Fund balance, July 1	<u>2,262</u>	<u>2,262</u>	<u>-</u>	<u>2,612</u>	<u>350</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,369</u>	<u>\$ 2,369</u>

County of Tulare
 Nonmajor Special Revenue Fund - Workforce Investment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ 320	\$ 334	\$ 14	\$ 380	\$ 46
Intergovernmental revenues	19,411	19,311	(100)	12,991	(6,320)
Charges for services	2,000	2,000	-	2,893	893
Other revenues	50	50	-	32	(18)
Total revenues	<u>21,781</u>	<u>21,695</u>	<u>(86)</u>	<u>16,296</u>	<u>(5,399)</u>
Expenditures:					
Current:					
Public assistance	<u>21,781</u>	<u>21,795</u>	<u>(14)</u>	<u>16,320</u>	<u>5,475</u>
Total expenditures	<u>21,781</u>	<u>21,795</u>	<u>(14)</u>	<u>16,320</u>	<u>5,475</u>
Excess (deficiency) of revenues over (under) expenditures	-	(100)	(100)	(24)	76
Other financing sources (uses):					
Transfers in	-	100	100	100	-
Transfers (out)	-	-	-	(66)	(66)
Total other financing sources (uses)	<u>-</u>	<u>100</u>	<u>100</u>	<u>34</u>	<u>(66)</u>
Net change in fund balance	-	-	-	10	10
Fund balance, July 1	-	-	-	(10)	(10)
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
Nonmajor Special Revenue Fund - Child Support Services Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ 72	\$ 72
Intergovernmental revenues	16,795	16,795	-	15,079	(1,716)
Other revenues	160	160	-	270	110
Total revenues	<u>16,955</u>	<u>16,955</u>	<u>-</u>	<u>15,421</u>	<u>(1,534)</u>
Expenditures:					
Current:					
Public protection	16,915	16,819	96	15,145	1,674
Capital outlay	40	136	(96)	76	60
Total expenditures	<u>16,955</u>	<u>16,955</u>	<u>-</u>	<u>15,221</u>	<u>1,734</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	200	200
Other financing sources (uses):					
Sale of general capital assets	-	-	-	7	7
Transfers (out)	-	-	-	(215)	(215)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(208)</u>	<u>(208)</u>
Net change in fund balance	-	-	-	(8)	(8)
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ (8)</u>

County of Tulare
 Nonmajor Special Revenue Fund - Mental Health Realignment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 10,595	\$ 10,595	\$ -	\$ 11,536	\$ 941
Total revenues	<u>10,595</u>	<u>10,595</u>	<u>-</u>	<u>11,536</u>	<u>941</u>
Other financing sources (uses):					
Transfers in	6,781	6,781	-	7,552	771
Transfers (out)	<u>(17,376)</u>	<u>(17,376)</u>	<u>-</u>	<u>(19,088)</u>	<u>(1,712)</u>
Total other financing sources (uses)	<u>(10,595)</u>	<u>(10,595)</u>	<u>-</u>	<u>(11,536)</u>	<u>(941)</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Health Realignment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 8,299	\$ 8,299	\$ -	\$ 4,670	\$ (3,629)
Total revenues	<u>8,299</u>	<u>8,299</u>	<u>-</u>	<u>4,670</u>	<u>(3,629)</u>
Other financing sources (uses):					
Transfers in	15,543	15,543	-	15,144	(399)
Transfers (out)	(23,842)	(23,842)	-	(19,814)	4,028
Total other financing sources (uses)	<u>(8,299)</u>	<u>(8,299)</u>	<u>-</u>	<u>(4,670)</u>	<u>3,629</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Social Services Realignment Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 18,207	\$ 18,207	\$ -	\$ 18,226	\$ 19
Total revenues	<u>18,207</u>	<u>18,207</u>	<u>-</u>	<u>18,226</u>	<u>19</u>
Other financing sources (uses):					
Transfers in	915	915	-	1,209	294
Transfers (out)	<u>(19,122)</u>	<u>(19,122)</u>	<u>-</u>	<u>(19,435)</u>	<u>(313)</u>
Total other financing sources (uses)	<u>(18,207)</u>	<u>(18,207)</u>	<u>-</u>	<u>(18,226)</u>	<u>(19)</u>
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
 Nonmajor Special Revenue Fund - Tobacco Settlement Fund
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Other revenues	\$ -	\$ -	\$ -	\$ 3,822	\$ 3,822
Total revenues	-	-	-	3,822	3,822
Other financing sources (uses):					
Transfers in	4,654	4,654	-	-	(4,654)
Transfers (out)	(4,654)	(4,654)	-	(3,822)	832
Total other financing sources (uses)	-	-	-	(3,822)	(3,822)
Net change in fund balance	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

County of Tulare
 Nonmajor Special Revenue Fund - Tulare County In-Home Supportive Services Public Authority
 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Intergovernmental revenues	\$ 977	\$ 977	\$ -	\$ 1,054	\$ 77
Other revenues	311	311	-	-	(311)
Total revenues	<u>1,288</u>	<u>1,288</u>	<u>-</u>	<u>1,054</u>	<u>(234)</u>
Expenditures:					
Current:					
Public protection	1,288	1,288	-	1,052	236
Total expenditures	<u>1,288</u>	<u>1,288</u>	<u>-</u>	<u>1,052</u>	<u>236</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	2	2
Other financing sources (uses):					
Transfers (out)	-	-	-	(3)	(3)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
Net change in fund balance	-	-	-	(1)	(1)
Fund balance, July 1	-	-	-	1	1
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of Tulare
Nonmajor Special Revenue Fund - Flood Control Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 376	\$ 376	\$ -	\$ 468	\$ 92
Interest, rents, and concessions	31	31	-	72	41
Intergovernmental revenues	10	10	-	38	28
Total revenues	<u>417</u>	<u>417</u>	<u>-</u>	<u>578</u>	<u>161</u>
Expenditures:					
Current:					
Public protection	<u>417</u>	<u>417</u>	<u>-</u>	<u>206</u>	<u>211</u>
Total expenditures	<u>417</u>	<u>417</u>	<u>-</u>	<u>206</u>	<u>211</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	372	372
Other financing sources (uses):					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net change in fund balance	-	-	-	373	373
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,376</u>	<u>1,376</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,749</u>	<u>\$ 1,749</u>

County of Tulare
 Nonmajor Special Revenue Fund - Earlimart Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 250	\$ 250	\$ -	\$ 316	\$ 66
Interest, rents, and concessions	15	15	-	46	31
Intergovernmental revenues	<u>2</u>	<u>2</u>	<u>-</u>	<u>6</u>	<u>4</u>
Total revenues	<u>267</u>	<u>267</u>	<u>-</u>	<u>368</u>	<u>101</u>
Expenditures:					
Current:					
General government	<u>1,112</u>	<u>1,112</u>	<u>-</u>	<u>205</u>	<u>907</u>
Total expenditures	<u>1,112</u>	<u>1,112</u>	<u>-</u>	<u>205</u>	<u>907</u>
Excess (deficiency) of revenues over (under) expenditures	(845)	(845)	-	163	1,008
Other financing sources (uses):					
Transfers in	183	183	-	-	(183)
Transfers (out)	<u>(183)</u>	<u>(183)</u>	<u>-</u>	<u>-</u>	<u>183</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(845)	(845)	-	163	1,008
Fund balance, July 1	<u>845</u>	<u>845</u>	<u>-</u>	<u>974</u>	<u>129</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,137</u>	<u>\$ 1,137</u>

County of Tulare
 Nonmajor Special Revenue Fund - Ivanhoe Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 107	\$ 107	\$ -	\$ 184	\$ 77
Interest, rents, and concessions	6	6	-	18	12
Intergovernmental revenues	86	86	-	3	(83)
Total revenues	<u>199</u>	<u>199</u>	<u>-</u>	<u>205</u>	<u>6</u>
Expenditures:					
Current:					
General government	455	455	-	115	340
Capital Outlay	60	60	-	-	60
Total expenditures	<u>515</u>	<u>515</u>	<u>-</u>	<u>115</u>	<u>400</u>
Excess (deficiency) of revenues over (under) expenditures	(316)	(316)	-	90	406
Other financing sources (uses):					
Transfers in	79	79	-	-	(79)
Transfers (out)	<u>(79)</u>	<u>(79)</u>	<u>-</u>	<u>-</u>	<u>79</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(316)	(316)	-	90	406
Fund balance, July 1	316	316	-	313	(3)
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 403</u>	<u>\$ 403</u>

County of Tulare
 Nonmajor Special Revenue Fund - Lindsay Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 6	\$ 6
Total revenues	-	-	-	6	6
Net change in fund balance	-	-	-	6	6
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 6	\$ 6

County of Tulare
 Nonmajor Special Revenue Fund - Goshen Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 533	\$ 533	\$ -	\$ 749	\$ 216
Interest, rents, and concessions	22	22	-	61	39
Intergovernmental revenues	13	13	-	53	40
Total revenues	<u>568</u>	<u>568</u>	<u>-</u>	<u>863</u>	<u>295</u>
Expenditures:					
Current:					
General government	1,421	1,474	(53)	680	794
Debt service:					
Principal retirement	95	73	22	42	31
Interest and fiscal charges	53	21	32	58	(37)
Capital Outlay	190	190	-	-	190
Total expenditures	<u>1,759</u>	<u>1,758</u>	<u>1</u>	<u>780</u>	<u>978</u>
Excess (deficiency) of revenues over (under) expenditures	(1,191)	(1,190)	1	83	1,273
Other financing sources (uses):					
Transfers in	247	336	89	-	(336)
Transfers (out)	(246)	(336)	(90)	-	336
Total other financing sources (uses)	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,190)	(1,190)	-	83	1,273
Fund balance, July 1	1,190	1,190	-	1,626	436
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,709</u>	<u>\$ 1,709</u>

County of Tulare
Nonmajor Special Revenue Fund - Orosi Redevelopment Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 554	\$ 554	\$ -	\$ 762	\$ 208
Interest, rents, and concessions	38	38	-	92	54
Intergovernmental revenues	3,404	3,404	-	13	(3,391)
Other revenues	-	-	-	13	13
Total revenues	<u>3,996</u>	<u>3,996</u>	<u>-</u>	<u>880</u>	<u>(3,116)</u>
Expenditures:					
Current:					
General government	5,723	5,723	-	827	4,896
Capital outlay	<u>80</u>	<u>80</u>	<u>-</u>	<u>-</u>	<u>80</u>
Total expenditures	<u>5,803</u>	<u>5,803</u>	<u>-</u>	<u>827</u>	<u>4,976</u>
Excess (deficiency) of revenues over (under) expenditures	(1,807)	(1,807)	-	53	1,860
Other financing sources (uses):					
Transfers in	408	408	-	-	(408)
Transfers (out)	<u>(408)</u>	<u>(408)</u>	<u>-</u>	<u>-</u>	<u>408</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,807)	(1,807)	-	53	1,860
Fund balance, July 1	<u>1,807</u>	<u>1,807</u>	<u>-</u>	<u>2,284</u>	<u>477</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,337</u>	<u>\$ 2,337</u>

County of Tulare
 Nonmajor Special Revenue Fund - Pixley Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 188	\$ 188	\$ -	\$ 353	\$ 165
Interest, rents, and concessions	8	8	-	26	18
Intergovernmental revenues	1	1	-	5	4
Total revenues	<u>197</u>	<u>197</u>	<u>-</u>	<u>384</u>	<u>187</u>
Expenditures:					
Current:					
General government	571	571	-	92	479
Capital Outlay	60	60	-	-	60
Total expenditures	<u>631</u>	<u>631</u>	<u>-</u>	<u>92</u>	<u>539</u>
Excess (deficiency) of revenues over (under) expenditures	(434)	(434)	-	292	726
Other financing sources (uses):					
Transfers in	141	141	-	-	(141)
Transfers (out)	<u>(141)</u>	<u>(141)</u>	<u>-</u>	<u>-</u>	<u>141</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(434)	(434)	-	292	726
Fund balance, July 1	434	434	-	440	6
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 732</u>	<u>\$ 732</u>

County of Tulare
 Nonmajor Special Revenue Fund - Traver Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 206	\$ 206	\$ -	\$ 229	\$ 23
Interest, rents, and concessions	27	27	-	56	29
Intergovernmental revenues	1	1	-	4	3
Total revenues	<u>234</u>	<u>234</u>	<u>-</u>	<u>289</u>	<u>55</u>
Expenditures:					
Current:					
General government	1,159	1,159	-	136	1,023
Capital Outlay	170	170	-	-	170
Total expenditures	<u>1,329</u>	<u>1,329</u>	<u>-</u>	<u>136</u>	<u>1,193</u>
Excess (deficiency) of revenues over (under) expenditures	(1,095)	(1,095)	-	153	1,248
Other financing sources (uses):					
Transfers in	158	158	-	-	(158)
Transfers (out)	(158)	(158)	-	-	158
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(1,095)	(1,095)	-	153	1,248
Fund balance, July 1	1,095	1,095	-	1,179	84
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,332</u>	<u>\$ 1,332</u>

County of Tulare
 Nonmajor Special Revenue Fund - Richgrove Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 173	\$ 173	\$ -	\$ 188	\$ 15
Interest, rents, and concessions	5	5	-	20	15
Intergovernmental revenues	2,182	2,182	-	4	(2,178)
Charges for services	-	-	-	288	288
Total revenues	<u>2,360</u>	<u>2,360</u>	<u>-</u>	<u>500</u>	<u>(1,860)</u>
Expenditures:					
Current:					
General government	2,348	2,334	14	1,341	993
Debt service:					
Interest and fiscal charges	-	14	(14)	14	-
Issuance costs	-	-	-	23	(23)
Capital outlay	103	103	-	-	103
Total expenditures	<u>2,451</u>	<u>2,451</u>	<u>-</u>	<u>1,378</u>	<u>1,073</u>
Excess (deficiency) of revenues over (under) expenditures	(91)	(91)	-	(878)	(787)
Other financing sources (uses):					
Bond proceeds	-	-	-	1,627	1,627
Transfers in	121	121	-	-	(121)
Transfers (out)	<u>(121)</u>	<u>(121)</u>	<u>-</u>	<u>-</u>	<u>121</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,627</u>	<u>1,627</u>
Net change in fund balance	(91)	(91)	-	749	840
Fund balance, July 1	91	91	-	224	133
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 973</u>	<u>\$ 973</u>

County of Tulare
 Nonmajor Special Revenue Fund - Poplar Redevelopment Funds
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Taxes and special assessments	\$ 101	\$ 101	\$ -	\$ 140	\$ 39
Interest, rents, and concessions	5	5	-	15	10
Intergovernmental revenues	301	301	-	9	(292)
Total revenues	<u>407</u>	<u>407</u>	<u>-</u>	<u>164</u>	<u>(243)</u>
Expenditures:					
Current:					
General government	586	586	-	132	454
Capital Outlay	65	65	-	-	65
Total expenditures	<u>651</u>	<u>651</u>	<u>-</u>	<u>132</u>	<u>519</u>
Excess (deficiency) of revenues over (under) expenditures	(244)	(244)	-	32	276
Other financing sources (uses):					
Transfers in	76	76	-	-	(76)
Transfers (out)	(76)	(76)	-	-	76
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(244)	(244)	-	32	276
Fund balance, July 1	244	244	-	251	7
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 283</u>	<u>\$ 283</u>

Nonmajor Governmental Funds

Debt Service Funds

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

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

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

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

County of Tulare
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2007
(amounts expressed in thousands)

	Pension Obligation	Equipment Loans	Building Loans	Total Debt Service Funds
Assets				
Investment in treasury pool	\$ 4	\$ 63	\$ 1,887	\$ 1,954
Investments	25	-	-	25
Due from other governments	899	-	-	899
Lease payments receivable, net of interest	-	-	1,376	1,376
Total assets	<u>\$ 928</u>	<u>\$ 63</u>	<u>\$ 3,263</u>	<u>\$ 4,254</u>
Liabilities and fund balances				
Liabilities:				
Due to other County funds	\$ 581	\$ -	\$ -	\$ 581
Deferred revenue	-	-	2,636	2,636
Total liabilities	<u>581</u>	<u>-</u>	<u>2,636</u>	<u>3,217</u>
Fund balances:				
Reserved, reported in nonmajor				
Debt service funds	347	63	627	1,037
Total fund balances	<u>347</u>	<u>63</u>	<u>627</u>	<u>1,037</u>
Total liabilities and fund balances	<u>\$ 928</u>	<u>\$ 63</u>	<u>\$ 3,263</u>	<u>\$ 4,254</u>

County of Tulare
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Pension Obligation	Equipment Loans	Building Loans	Total Debt Service Funds
Revenues:				
Interest, rents, and concessions	\$ 28	\$ -	\$ 126	\$ 154
Intergovernmental revenues	288	-	-	288
Other revenues	14	48	-	62
Total revenues	<u>330</u>	<u>48</u>	<u>126</u>	<u>504</u>
Expenditures:				
Debt service:				
Principal retirement	3,320	1,231	-	4,551
Interest and fiscal charges	1,955	80	13	2,048
Total expenditures	<u>5,275</u>	<u>1,311</u>	<u>13</u>	<u>6,599</u>
Excess (deficiency) of revenues over (under) expenditures	(4,945)	(1,263)	113	(6,095)
Other financing sources (uses):				
Direct financing lease	-	-	121	121
Transfers in	5,098	1,091	5,845	12,034
Transfers (out)	-	-	(6,452)	(6,452)
Total other financing sources (uses)	<u>5,098</u>	<u>1,091</u>	<u>(486)</u>	<u>5,703</u>
Net change in fund balance	153	(172)	(373)	(392)
Fund balance, July 1	194	235	1,000	1,429
Fund balance, June 30	<u>\$ 347</u>	<u>\$ 63</u>	<u>\$ 627</u>	<u>\$ 1,037</u>

County of Tulare
Nonmajor Debt Service Fund - Pension Obligation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ 28	\$ 28
Intergovernmental revenues	-	-	-	288	288
Other revenues	5,375	5,375	-	14	(5,361)
Total revenues	<u>5,375</u>	<u>5,375</u>	<u>-</u>	<u>330</u>	<u>(5,045)</u>
Expenditures:					
Debt service:					
Principal retirement	3,320	3,320	-	3,320	-
Interest and fiscal charges	2,249	2,249	-	1,955	294
Issuance costs	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>5,569</u>	<u>5,569</u>	<u>-</u>	<u>5,275</u>	<u>294</u>
Excess (deficiency) of revenues over (under) expenditures	(194)	(194)	-	(4,945)	(4,751)
Other financing sources (uses):					
Transfers in	-	-	-	5,098	5,098
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,098</u>	<u>5,098</u>
Net change in fund balance	(194)	(194)	-	153	347
Fund balance, July 1	194	194	-	194	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 347</u>	<u>\$ 347</u>

County of Tulare
Nonmajor Debt Service Fund - Equipment Loans Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ -	-
Other revenues	-	-	-	48	48
Total revenues	-	-	-	48	48
Expenditures:					
Debt service:					
Principal retirement	1,229	1,229	-	1,231	(2)
Interest and fiscal charges	173	173	-	80	93
Total expenditures	1,402	1,402	-	1,311	91
Excess (deficiency) of revenues over (under) expenditures	(1,402)	(1,402)	-	(1,263)	139
Other financing sources (uses):					
Transfers in	1,216	1,216	-	1,091	(125)
Total other financing sources (uses)	1,216	1,216	-	1,091	(125)
Net change in fund balance	(186)	(186)	-	(172)	14
Fund balance, July 1	186	186	-	235	49
Fund balance, June 30	\$ -	\$ -	\$ -	\$ 63	\$ 63

County of Tulare
Nonmajor Debt Service Fund - Building Loans Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Fines, forfeitures, and penalties	\$ 1,053	\$ 1,053	\$ -	\$ -	\$ (1,053)
Interest, rents, and concessions	89	89	-	126	37
Other revenues	121	121	-	-	(121)
Total revenues	<u>1,263</u>	<u>1,263</u>	<u>-</u>	<u>126</u>	<u>(1,137)</u>
Expenditures:					
Debt service:					
Principal retirement	4,145	4,145	-	-	4,145
Interest and fiscal charges	2,707	2,707	-	13	2,694
Total expenditures	<u>6,852</u>	<u>6,852</u>	<u>-</u>	<u>13</u>	<u>6,839</u>
Excess (deficiency) of revenues over (under) expenditures	(5,589)	(5,589)	-	113	5,702
Other financing sources (uses):					
Direct financing lease	-	-	-	121	121
Transfers in	5,839	5,839	-	5,845	6
Transfers (out)	-	-	-	(6,452)	(6,452)
Total other financing sources (uses)	<u>5,839</u>	<u>5,839</u>	<u>-</u>	<u>(486)</u>	<u>(6,325)</u>
Net change in fund balance	250	250	-	(373)	(623)
Fund balance, July 1	1,000	1,000	-	1,000	-
Fund balance, June 30	<u>\$ 1,250</u>	<u>\$ 1,250</u>	<u>\$ -</u>	<u>\$ 627</u>	<u>\$ (623)</u>

Nonmajor Governmental Funds

Capital Projects Fund

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

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

County of Tulare
Balance Sheet
Nonmajor Capital Projects Fund
June 30, 2007
(amounts expressed in thousands)

	Capital Projects
Assets	
Investment in treasury pool	\$ 7,189
Due from other County funds	192
Restricted assets	5,000
Total assets	<u>\$ 12,381</u>
Liabilities and fund balance	
Liabilities:	
Accounts payable	\$ 870
Due to other County funds	226
Salaries and benefits payable	11
Total liabilities	<u>1,107</u>
Fund balance:	
Reserved for:	
Harmon Field cleanup	5,000
Unreserved, reported in nonmajor:	
Capital projects fund	6,274
Total fund balance	<u>11,274</u>
Total liabilities and fund balance	<u>\$ 12,381</u>

County of Tulare
Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Capital Projects
Revenues:	
Interest, rents, and concessions	\$ 259
Intergovernmental revenues	174
Charges for services	<u>4</u>
Total revenues	<u>437</u>
Expenditures:	
Current:	
General government	2,155
Capital outlay	<u>1,137</u>
Total expenditures	<u>3,292</u>
Excess (deficiency) of revenues over (under) expenditures	(2,855)
Other financing sources (uses):	
Transfers in	5,001
Transfers (out)	<u>(2,015)</u>
Total other financing sources (uses)	<u>2,986</u>
Net change in fund balance	131
Fund balance, July 1	<u>11,143</u>
Fund balance, June 30	<u>\$ 11,274</u>

County of Tulare
Nonmajor Capital Projects Fund - Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Budgeted Amounts		Variance with Original Budget - Positive (Negative)	Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final			
Revenues:					
Interest, rents, and concessions	\$ -	\$ -	\$ -	\$ 259	\$ 259
Intergovernmental revenues	3,339	3,539	200	174	(3,365)
Charges for services	-	-	-	4	4
Other revenues	6,011	7,463	1,452	-	(7,463)
Total revenues	<u>9,350</u>	<u>11,002</u>	<u>1,652</u>	<u>437</u>	<u>(10,565)</u>
Expenditures:					
Current:					
General government	528	628	(100)	2,155	(1,527)
Capital outlay	<u>16,373</u>	<u>19,116</u>	<u>(2,743)</u>	<u>1,137</u>	<u>17,979</u>
Total expenditures	<u>16,901</u>	<u>19,744</u>	<u>(2,843)</u>	<u>3,292</u>	<u>16,452</u>
Excess (deficiency) of revenues over (under) expenditures	(7,551)	(8,742)	(1,191)	(2,855)	5,887
Other financing sources (uses):					
Transfers in	3,809	5,000	1,191	5,001	1
Transfers (out)	<u>(2,141)</u>	<u>(2,141)</u>	<u>-</u>	<u>(2,015)</u>	<u>126</u>
Total other financing sources (uses)	<u>1,668</u>	<u>2,859</u>	<u>1,191</u>	<u>2,986</u>	<u>127</u>
Net change in fund balance	(5,883)	(5,883)	-	131	6,014
Fund balance, July 1	<u>5,883</u>	<u>5,883</u>	<u>-</u>	<u>11,143</u>	<u>5,260</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,274</u>	<u>\$ 11,274</u>

Nonmajor Enterprise Funds

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

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

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

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

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

County of Tulare
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
June 30, 2007
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Assets						
Current assets:						
Investment in treasury pool	\$ 208	\$ 706	\$ 199	\$ 244	\$ 88	\$ 1,445
Accounts receivable	2	16	-	58	7	83
Deposits with others	-	-	-	53	4	57
Total current assets	<u>210</u>	<u>722</u>	<u>199</u>	<u>355</u>	<u>99</u>	<u>1,585</u>
Noncurrent assets:						
Capital assets:						
Land	-	68	-	503	41	612
Buildings and improvements, net	-	1,359	-	3,979	382	5,720
Equipment and vehicles, net	<u>354</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>374</u>
Total capital assets (net of accumulated depreciation)	<u>354</u>	<u>1,427</u>	<u>-</u>	<u>4,502</u>	<u>423</u>	<u>6,706</u>
Total noncurrent assets	<u>354</u>	<u>1,427</u>	<u>-</u>	<u>4,502</u>	<u>423</u>	<u>6,706</u>
Total assets	<u>564</u>	<u>2,149</u>	<u>199</u>	<u>4,857</u>	<u>522</u>	<u>8,291</u>
Liabilities						
Current liabilities:						
Accounts payable	65	23	1	5	2	96
Due to other County funds	-	3	-	6	-	9
Interest payable	-	-	-	14	1	15
COP's payable	<u>-</u>	<u>15</u>	<u>-</u>	<u>11</u>	<u>1</u>	<u>27</u>
Total current liabilities	<u>65</u>	<u>41</u>	<u>1</u>	<u>36</u>	<u>4</u>	<u>147</u>
Noncurrent liabilities:						
Advances due to Agency funds	-	-	-	635	-	635
Bonds payable	-	-	-	8	-	8
COP's payable	<u>-</u>	<u>850</u>	<u>-</u>	<u>611</u>	<u>43</u>	<u>1,504</u>
Total noncurrent liabilities	<u>-</u>	<u>850</u>	<u>-</u>	<u>1,254</u>	<u>43</u>	<u>2,147</u>
Total liabilities	<u>65</u>	<u>891</u>	<u>1</u>	<u>1,290</u>	<u>47</u>	<u>2,294</u>
Net assets						
Invested in capital assets, net of related debt	354	562	-	3,872	379	5,167
Restricted for other purposes	-	-	-	-	5	5
Unrestricted	<u>145</u>	<u>696</u>	<u>198</u>	<u>(305)</u>	<u>91</u>	<u>825</u>
Total net assets	<u>\$ 499</u>	<u>\$ 1,258</u>	<u>\$ 198</u>	<u>\$ 3,567</u>	<u>\$ 475</u>	<u>\$ 5,997</u>

County of Tulare
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Operating revenues:						
Charges for services	\$ 133	\$ 142	\$ 39	\$ 371	\$ 50	\$ 735
Rents and concessions	-	-	-	3	-	3
Total operating revenues	<u>133</u>	<u>142</u>	<u>39</u>	<u>374</u>	<u>50</u>	<u>738</u>
Operating expenses:						
Services and supplies	1,113	124	20	363	37	1,657
Depreciation	<u>47</u>	<u>70</u>	<u>-</u>	<u>207</u>	<u>17</u>	<u>341</u>
Total operating expenses	<u>1,160</u>	<u>194</u>	<u>20</u>	<u>570</u>	<u>54</u>	<u>1,998</u>
Operating income (loss)	<u>(1,027)</u>	<u>(52)</u>	<u>19</u>	<u>(196)</u>	<u>(4)</u>	<u>(1,260)</u>
Nonoperating revenues (expenses):						
Taxes and special assessments	1,005	28	-	-	-	1,033
Investment earnings	3	34	8	17	4	66
Interest expense	<u>-</u>	<u>(39)</u>	<u>-</u>	<u>(81)</u>	<u>(2)</u>	<u>(122)</u>
Total nonoperating revenues (expenses)	<u>1,008</u>	<u>23</u>	<u>8</u>	<u>(64)</u>	<u>2</u>	<u>977</u>
Net income (loss) before contributions and transfers	<u>(19)</u>	<u>(29)</u>	<u>27</u>	<u>(260)</u>	<u>(2)</u>	<u>(283)</u>
Transfers in	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Total transfers	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
Change in net assets	<u>(16)</u>	<u>(29)</u>	<u>27</u>	<u>(260)</u>	<u>(2)</u>	<u>(280)</u>
Total net assets, July 1	515	1,287	171	3,827	477	6,277
Total net assets, June 30	<u>\$ 499</u>	<u>\$ 1,258</u>	<u>\$ 198</u>	<u>\$ 3,567</u>	<u>\$ 475</u>	<u>\$ 5,997</u>

County of Tulare
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Transit	Terra Bella Sewer Maintenance	Assessment Districts	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 132	\$ 137	\$ 39	\$ 368	\$ 50	\$ 726
Receipts from rents and concessions	-	-	-	3	-	3
Payments to suppliers	(734)	(43)	(24)	(149)	(15)	(965)
Payments for interfund services used	(336)	(82)	-	(231)	(21)	(670)
Net cash provided (used) by operating activities	(938)	12	15	(9)	14	(906)
Cash flows from noncapital financing activities:						
Receipts from taxes and assessments	1,005	28	-	-	-	1,033
Transfers from other funds	3	3	-	(3)	-	3
Advances (to) other funds	-	-	-	84	-	84
Net cash provided (used) by noncapital financing activities	1,008	31	-	81	-	1,120
Cash flows from capital and related financing activities:						
Principal paid on capital debt	-	(15)	-	(11)	(1)	(27)
Interest paid on capital debt	-	(39)	-	(81)	(2)	(122)
Net cash provided (used) by capital and related financing activities	-	(54)	-	(92)	(3)	(149)
Cash flows from investing activities:						
Interest and dividends received	3	34	8	17	4	66
Net cash provided (used) by investing activities	3	34	8	17	4	66
Net increase (decrease) in cash and cash equivalents	73	23	23	(3)	15	131
Cash and cash equivalents, July 1 (including \$ 5 for the County Service Area #2 reported in restricted accounts)	135	683	176	247	73	1,314
Cash and cash equivalents, June 30 (including \$ 5 for the County Service Area #2 reported in restricted accounts)	<u>\$ 208</u>	<u>\$ 706</u>	<u>\$ 199</u>	<u>\$ 244</u>	<u>\$ 88</u>	<u>\$ 1,445</u>

Reconciliation of operating income (loss) to net cash
provided (used) by operating activities:

Operating income (loss)	\$ (1,027)	\$ (52)	\$ 19	\$ (196)	\$ (4)	\$ (1,260)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	47	70	-	207	17	341
(Increase) decrease in accounts receivable	(1)	(5)	-	(3)	-	(9)
(Increase) decrease in customers deposits	-	-	(4)	-	-	(4)
Increase (decrease) in accounts payable	43	(1)	-	(17)	1	26
Total adjustments	<u>89</u>	<u>64</u>	<u>(4)</u>	<u>187</u>	<u>18</u>	<u>354</u>
Net cash provided (used) by operating activities	<u>\$ (938)</u>	<u>\$ 12</u>	<u>\$ 15</u>	<u>\$ (9)</u>	<u>\$ 14</u>	<u>\$ (906)</u>

Internal Service Funds

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

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

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

County of Tulare
Combining Statement of Fund Net Assets
Internal Service Funds
June 30, 2007
(amounts expressed in thousands)

	Insurance	Central Services	Total
Assets			
Current assets:			
Investment in treasury pool	\$ 26,306	\$ 7,913	\$ 34,219
Imprest cash	250	-	250
Accounts receivable, net	-	36	36
Due from other governments	-	82	82
Total current assets	<u>26,556</u>	<u>8,031</u>	<u>34,587</u>
Noncurrent assets:			
Advances to other County Funds	2,325	-	2,325
Capital assets:			
Buildings and improvements, net	-	10,374	10,374
Equipment and vehicles, net	-	1,835	1,835
Construction in progress	-	3,031	3,031
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>15,240</u>	<u>15,240</u>
Total noncurrent assets	<u>2,325</u>	<u>15,240</u>	<u>17,565</u>
Total assets	<u>28,881</u>	<u>23,271</u>	<u>52,152</u>
Liabilities			
Current liabilities:			
Accounts payable	260	3,476	3,736
Due to other County funds	-	226	226
Salaries and benefits payable	-	297	297
Interest payable	-	242	242
Compensated absences payable	-	51	51
Claims payable	5,991	-	5,991
Loans payable	-	954	954
Capital lease payable	-	9	9
Total current liabilities	<u>6,251</u>	<u>5,255</u>	<u>11,506</u>
Noncurrent liabilities:			
Compensated absences payable	-	327	327
Claims payable	15,439	-	15,439
Loans payable	-	14,853	14,853
Total noncurrent liabilities	<u>15,439</u>	<u>15,180</u>	<u>30,619</u>
Total liabilities	<u>21,690</u>	<u>20,435</u>	<u>42,125</u>
Net assets			
Invested in capital assets, net of related debt	-	(567)	(567)
Unrestricted	<u>7,191</u>	<u>3,403</u>	<u>10,594</u>
Total net assets	<u>\$ 7,191</u>	<u>\$ 2,836</u>	<u>\$ 10,027</u>

County of Tulare
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Insurance	Central Services	Total
Operating revenues:			
Charges for services - internal	\$ 16,055	\$ 25,507	\$ 41,562
Rents and concessions	-	8	8
Other revenues	181	248	429
Total operating revenues	16,236	25,763	41,999
Operating expenses:			
Salaries and benefits	-	4,844	4,844
Services and supplies	4,699	23,467	28,166
Insurance premiums paid	3,054	-	3,054
Depreciation	-	568	568
Claims incurred	2,762	-	2,762
Total operating expenses	10,515	28,879	39,394
Operating income (loss)	5,721	(3,116)	2,605
Nonoperating revenues (expenses):			
Investment earnings	1,278	291	1,569
Interest expense	-	(661)	(661)
Total nonoperating revenues (expenses)	1,278	(370)	908
Income (loss) before contributions and transfers	6,999	(3,486)	3,513
Capital contributions	-	151	151
Transfers in	-	4,228	4,228
Transfers (out)	-	(96)	(96)
Change in net assets	6,999	797	7,796
Net assets, July 1	192	2,039	2,231
Net assets, June 30	\$ 7,191	\$ 2,836	\$ 10,027

County of Tulare
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Insurance	Central Services	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 16,055	\$ 25,590	\$ 41,645
Receipts from rents and concessions	-	8	8
Other revenues	181	248	429
Payments to employees	-	(4,756)	(4,756)
Payments to suppliers	(6,440)	(22,050)	(28,490)
Payments for interfund services used	(1,394)	-	(1,394)
Payments for claims	(1,768)	-	(1,768)
Net cash provided (used) by operating activities	<u>6,634</u>	<u>(960)</u>	<u>5,674</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	-	4,501	4,501
Transfers (to) other funds	(2,325)	(241)	(2,566)
Net cash provided (used) by noncapital financing activities	<u>(2,325)</u>	<u>4,260</u>	<u>1,935</u>
Cash flows from capital and related financing activities:			
Sales (purchases) of capital assets	-	(2,757)	(2,757)
Principal paid on capital debt	-	(611)	(611)
Interest paid on capital debt	-	(698)	(698)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(4,066)</u>	<u>(4,066)</u>
Cash flows from investing activities:			
Interest and dividends received	1,278	291	1,569
Net cash provided by investing activities	<u>1,278</u>	<u>291</u>	<u>1,569</u>
Net increase (decrease) in cash and cash equivalents	5,587	(475)	5,112
Cash and cash equivalents, July 1	20,969	8,388	29,357
Cash and cash equivalents, June 30	<u>\$ 26,556</u>	<u>\$ 7,913</u>	<u>\$ 34,469</u>

Displayed as:

Investment in treasury pool	\$ 26,306	\$ 7,913	\$ 34,219
Imprest cash	<u>250</u>	<u>-</u>	<u>250</u>
Total displayed	<u>\$ 26,556</u>	<u>\$ 7,913</u>	<u>\$ 34,469</u>

Reconciliation of operating income (loss) to net cash
provided (used) by operating activities:

Operating income (loss)	\$ 5,721	\$ (3,116)	\$ 2,605
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	-	568	568
(Increase) decrease in accounts receivable	-	84	84
(Increase) decrease in intergovernmental receivables	-	(1)	(1)
Increase (decrease) in accounts payable	17	1,417	1,434
Increase (decrease) in amounts payable to equipment purchases	(98)	-	(98)
Increase (decrease) in salaries and benefits payable and compensated absences	-	88	88
Increase (decrease) in claims payable	<u>994</u>	<u>-</u>	<u>994</u>
Total adjustments	<u>913</u>	<u>2,156</u>	<u>3,069</u>
Net cash provided (used) by operating activities	<u>\$ 6,634</u>	<u>\$ (960)</u>	<u>\$ 5,674</u>

Fiduciary Funds

Fiduciary Funds include all Investment Trust and Agency Funds.

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

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

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

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

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

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

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

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

County of Tulare
Combining Statement of Fiduciary Net Assets - Agency Funds
Fiduciary Funds
June 30, 2007
(amounts expressed in thousands)

	Property Tax Collection and Apportionment Funds	State Fines Agency Fund	Transportation Tax Funds	Employee Health Benefits Fund	Education Revenue Augmentation Fund	Other Agency Funds	Total
Assets							
Cash in banks	\$ 2,088	\$ -	\$ -	\$ -	\$ -	\$ 4,910	\$ 6,998
Investment in treasury pool	3,480	113	2,391	119	-	17,472	23,575
Advances to County funds	-	-	-	-	-	635	635
Total assets	<u>\$ 5,568</u>	<u>\$ 113</u>	<u>\$ 2,391</u>	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 23,017</u>	<u>\$ 31,208</u>
Liabilities							
Warrants payable	\$ 753	\$ -	\$ -	\$ 75	\$ -	\$ 208	\$ 1,036
Advances from County funds	-	-	-	1,777	-	675	2,452
Agency obligations	4,815	113	2,391	(1,733)	-	22,134	27,720
Total liabilities	<u>\$ 5,568</u>	<u>\$ 113</u>	<u>\$ 2,391</u>	<u>\$ 119</u>	<u>\$ -</u>	<u>\$ 23,017</u>	<u>\$ 31,208</u>

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Property Tax Collection and Apportionment Funds				
Assets				
Cash in banks	\$ 1,273	\$ 2,088	\$ (1,273)	\$ 2,088
Investment in treasury pool	2,930	442,853	(442,303)	3,480
Total assets	<u>\$ 4,203</u>	<u>\$ 444,941</u>	<u>\$ (443,576)</u>	<u>\$ 5,568</u>
Liabilities				
Warrants payable	\$ 545	\$ 103,720	\$ (103,512)	\$ 753
Agency obligations	3,658	341,221	(340,064)	4,815
Total liabilities	<u>\$ 4,203</u>	<u>\$ 444,941</u>	<u>\$ (443,576)</u>	<u>\$ 5,568</u>
State Fines Agency Fund				
Assets				
Investment in treasury pool	\$ 33	\$ 570	\$ (490)	\$ 113
Total assets	<u>\$ 33</u>	<u>\$ 570</u>	<u>\$ (490)</u>	<u>\$ 113</u>
Liabilities				
Agency obligations	\$ 33	\$ 570	\$ (490)	\$ 113
Total liabilities	<u>\$ 33</u>	<u>\$ 570</u>	<u>\$ (490)</u>	<u>\$ 113</u>

Cont.

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Transportation Tax Funds				
Assets				
Investment in treasury pool	\$ 1,335	\$ 12,741	\$ (11,685)	\$ 2,391
Total assets	<u>\$ 1,335</u>	<u>\$ 12,741</u>	<u>\$ (11,685)</u>	<u>\$ 2,391</u>
Liabilities				
Agency obligations	\$ 1,335	\$ 12,741	\$ (11,685)	\$ 2,391
Total liabilities	<u>\$ 1,335</u>	<u>\$ 12,741</u>	<u>\$ (11,685)</u>	<u>\$ 2,391</u>
Employee Health Benefits Fund				
Assets				
Investment in treasury pool	\$ 1,050	\$ 29,798	\$ (30,729)	\$ 119
Total assets	<u>\$ 1,050</u>	<u>\$ 29,798</u>	<u>\$ (30,729)</u>	<u>\$ 119</u>
Liabilities				
Warrants payable	\$ 253	\$ 3,488	\$ (3,666)	\$ 75
Advances from County funds	-	1,777	-	1,777
Agency obligations	797	24,533	(27,063)	(1,733)
Total liabilities	<u>\$ 1,050</u>	<u>\$ 29,798</u>	<u>\$ (30,729)</u>	<u>\$ 119</u>

Cont.

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Education Revenue Augmentation Fund				
Assets				
Investment in treasury pool	\$ -	\$ 75,356	\$ (75,356)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 75,356</u>	<u>\$ (75,356)</u>	<u>\$ -</u>
Liabilities				
Agency obligations	\$ -	\$ 75,356	\$ (75,356)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 75,356</u>	<u>\$ (75,356)</u>	<u>\$ -</u>
Other Agency Funds				
Assets				
Cash in banks	\$ 4,442	\$ 4,910	\$ (4,442)	\$ 4,910
Investment in treasury pool	10,544	38,797	(31,869)	17,472
Due from County funds	-	-	-	-
Advances to County funds	560	75	-	635
Total assets	<u>\$ 15,546</u>	<u>\$ 43,782</u>	<u>\$ (36,311)</u>	<u>\$ 23,017</u>
Liabilities				
Warrants payable	\$ 738	\$ 9,617	\$ (10,147)	\$ 208
Advances from County funds	600	75	-	675
Agency obligations	14,208	34,090	(26,164)	22,134
Total liabilities	<u>\$ 15,546</u>	<u>\$ 43,782</u>	<u>\$ (36,311)</u>	<u>\$ 23,017</u>

-

Cont.

County of Tulare
Combining Statement of Changes in Assets and Liabilities - Agency Funds
Fiduciary Funds
For the Fiscal Year Ended June 30, 2007
(amounts expressed in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Total Agency Funds				
Assets				
Cash in banks	\$ 5,715	\$ 6,998	\$ (5,715)	\$ 6,998
Investment in treasury pool	15,892	600,115	(592,432)	23,575
Advances to County funds	560	75	-	635
Total assets	<u>\$ 22,167</u>	<u>\$ 607,188</u>	<u>\$ (598,147)</u>	<u>\$ 31,208</u>
Liabilities				
Warrants payable	\$ 1,536	\$ 116,825	\$ (117,325)	\$ 1,036
Advances from County funds	600	1,852	-	2,452
Agency obligations	20,031	488,511	(480,822)	27,720
Total liabilities	<u>\$ 22,167</u>	<u>\$ 607,188</u>	<u>\$ (598,147)</u>	<u>\$ 31,208</u>
				Concluded

Capital Assets Used in the Operation of Governmental Funds

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

County of Tulare
 Capital Assets Used in the Operation of Governmental Funds
 Comparative Schedule by Source
 June 30, 2007 and 2006
 (amounts expressed in thousands)

	2007	2006
Governmental funds capital assets:		
Land	\$ 911,940	\$ 941,247
Infrastructure	658,755	643,001
Structures and improvements	164,068	164,041
Machinery and equipment	11,675	10,395
Vehicles	39,534	34,477
Construction in progress	2,822	1,184
Infrastructure in progress	9,749	7,170
Total governmental funds capital assets	\$ <u>1,798,543</u>	\$ <u>1,801,515</u>
Investment in governmental funds capital assets by source:		
General fund	\$ 196,174	\$ 177,767
Federal revenue sharing fund	5,465	14,916
Special revenue funds	1,594,471	1,606,691
Capital projects funds	2,060	1,184
Redevelopment funds	299	428
Donations	74	529
Total governmental funds capital assets	\$ <u>1,798,543</u>	\$ <u>1,801,515</u>

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

Function and Activity	Land	Infrastructure	Structures and Improvements	Machinery and Equipment	Vehicles	Total
General government:						
Administrative	\$ -	\$ -	\$ 25	\$ 10	\$ -	\$ 35
Finance	-	-	-	319	341	660
County Counsel	-	-	1,663	38	-	1,701
Personnel	-	-	25	-	-	25
Elections	-	-	-	1,495	-	1,495
Property management	299	-	2,762	14	15	3,090
Other general	3,136	-	720	80	78	4,014
Total general government	3,435	-	5,195	1,956	434	11,020
Public protection:						
Judicial	-	-	38,395	1,201	2,149	41,745
Sheriff	639	-	1,719	1,200	7,500	11,058
Other protection	-	-	90	539	845	1,474
Total public protection	639	-	40,204	2,940	10,494	54,277
Detention and correction:						
Detention	-	-	71,278	786	1,998	74,062
Fire	146	-	3,149	370	7,858	11,523
Inspection	210	-	4,685	98	1,513	6,506
Total detention and correction	356	-	79,112	1,254	11,369	92,091
Public ways and facilities	903,556	658,755	2,259	2,066	12,020	1,578,656
Public health	2,640	-	26,014	1,850	2,100	32,604
Public assistance	226	-	3,505	1,160	2,044	6,935
Education	122	-	3,527	107	649	4,405
Recreation and cultural services	966	-	4,252	342	424	5,984
	907,510	658,755	39,557	5,525	17,237	1,628,584
Total governmental funds capital assets	\$ 911,940	\$ 658,755	\$ 164,068	\$ 11,675	\$ 39,534	1,785,972
Construction projects in progress	\$ -	\$ -	\$ 2,822	\$ -	\$ -	2,822
Infrastructure projects in progress	-	9,749	-	-	-	9,749
						\$ 1,798,543

County of Tulare
 Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes by Function and Activity
 For the Fiscal Year Ended June 30, 2007
 (amounts expressed in thousands)

Function and Activity	Governmental Fund Capital Assets July 1	Additions	Deletions	Adjustments	Governmental Fund Capital Assets June 30
General government:					
Administrative	\$ 35	\$ -	\$ -	\$ -	\$ 35
Finance	592	90	(48)	26	660
County Counsel	1,701	-	-	-	1,701
Personnel	25	-	-	-	25
Elections	1,481	14	-	-	1,495
Property management	3,219	-	-	(129)	3,090
Other general	3,125	1,429	(523)	(17)	4,014
Total general government	10,178	1,533	(571)	(120)	11,020
Public protection:					
Judicial	41,694	344	(345)	52	41,745
Sheriff	9,156	1,805	(849)	946	11,058
Other protection	932	494	(39)	87	1,474
Total public protection	51,782	2,643	(1,233)	1,085	54,277
Detention and correction:					
Detention	74,267	854	(165)	(894)	74,062
Fire	10,931	478	(203)	317	11,523
Inspection	6,414	223	(115)	(16)	6,506
Total detention and correction	91,612	1,555	(483)	(593)	92,091
Public ways and facilities	1,590,558	71,467	(84,585)	1,216	1,578,656
Public health	32,080	262	(46)	308	32,604
Public assistance	6,356	769	-	(190)	6,935
Education	4,371	93	(59)	-	4,405
Recreation and cultural services	6,224	91	(96)	(235)	5,984
	1,639,589	72,682	(84,786)	1,099	1,628,584
Construction projects in progress	1,184	1,678	(40)	-	2,822
Infrastructure projects in progress	7,170	2,580	(1)	-	9,749
Total governmental funds capital assets	\$ 1,801,515	\$ 82,671	\$ (87,114)	\$ 1,471	\$ 1,798,543

**STATISTICAL SECTION
(UNAUDITED)**

Table 1

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

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

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

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

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

Table 2

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

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

	Fiscal Year					
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Net (expense)/revenue						
Governmental activities	\$ (46,053)	\$ (51,663)	\$ (54,723)	\$ (94,433)	\$ (113,851)	\$ (114,497)
Business-type activities	(1,379)	(2,571)	(5,257)	(1,861)	(3,433)	(4,840)
Total primary government net expense	<u>\$ (47,432)</u>	<u>\$ (54,234)</u>	<u>\$ (59,980)</u>	<u>\$ (96,294)</u>	<u>\$ (117,284)</u>	<u>\$ (119,337)</u>
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes						
Property taxes	\$ 34,981	\$ 37,394	\$ 40,342	\$ 66,738	\$ 78,583	\$ 91,367
Sales and other taxes	7,231	6,694	7,632	8,032	12,311	13,262
Earnings on investments	7,462	6,710	2,880	5,402	7,034	11,950
Miscellaneous	1,256	-	5,321	-	-	-
Tobacco settlement revenues	4,447	4,636	5,929	4,010	3,651	3,822
Gain on sale of fixed assets	-	-	63	29	-	-
Total governmental activities	<u>55,377</u>	<u>55,434</u>	<u>62,167</u>	<u>84,211</u>	<u>101,579</u>	<u>120,401</u>
Business-type activities:						
Sales and other taxes	294	815	658	855	512	1,033
Earnings on investments	3,948	2,550	503	1,555	1,651	3,342
Gain on sale of fixed assets	5	-	31	-	161	2
Total business-type activities	<u>4,247</u>	<u>3,365</u>	<u>1,192</u>	<u>2,410</u>	<u>2,324</u>	<u>4,377</u>
Total primary government	<u>\$ 59,624</u>	<u>\$ 58,799</u>	<u>\$ 63,359</u>	<u>\$ 86,621</u>	<u>\$ 103,903</u>	<u>\$ 124,778</u>
Change in Net Assets						
Governmental activities	\$ 9,324	\$ 3,771	\$ 7,444	\$ (10,222)	\$ (12,272)	\$ 5,904
Business-type activities	2,868	794	(4,065)	549	(1,109)	(463)
Total primary government	<u>\$ 12,192</u>	<u>\$ 4,565</u>	<u>\$ 3,379</u>	<u>\$ (9,673)</u>	<u>\$ (13,381)</u>	<u>\$ 5,441</u>

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

Table 3

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

	Fiscal Year									
	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
General Fund										
Reserved	\$ 2,114	\$ 2,583	\$ 2,000	\$ 1,704	\$ 2,995	\$ 4,247	\$ 19,030	\$ 27,300	\$ 16,899	\$ 36,756
Unreserved	36,156	29,987	26,324	30,198	27,800	32,932	17,124	15,147	31,653	20,582
Total General Fund	<u>\$ 38,270</u>	<u>\$ 32,570</u>	<u>\$ 28,324</u>	<u>\$ 31,902</u>	<u>\$ 30,795</u>	<u>\$ 37,179</u>	<u>\$ 36,154</u>	<u>\$ 42,447</u>	<u>\$ 48,552</u>	<u>\$ 57,338</u>
 All other governmental funds										
Reserved	\$ 14,771	\$ 16,760	\$ 57,021	\$ 61,855	\$ 64,772	\$ 64,257	\$ 67,015	\$ 68,720	\$ 66,913	\$ 66,173
Unreserved, reported in:										
Special revenue funds	7,884	7,274	7,442	12,972	13,550	13,328	11,678	7,891	12,220	14,787
Capital projects funds	20,853	5,665	2,805	2,723	3,377	4,919	3,926	4,696	6,143	6,274
Total all other governmental funds	<u>\$ 43,508</u>	<u>\$ 29,699</u>	<u>\$ 67,268</u>	<u>\$ 77,550</u>	<u>\$ 81,699</u>	<u>\$ 82,504</u>	<u>\$ 82,619</u>	<u>\$ 81,307</u>	<u>\$ 85,276</u>	<u>\$ 87,234</u>

Table 4

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

	Fiscal Year									
	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Revenues										
Taxes and special assessments	\$ 45,705	\$ 43,098	\$ 41,123	\$ 42,599	\$ 45,113	\$ 46,500	\$ 50,450	\$ 78,982	\$ 94,401	\$ 108,216
Licenses and permits	5,474	5,836	5,561	6,096	6,843	6,920	7,214	8,550	8,480	9,060
Fines, forfeitures, and penalties	5,544	6,725	7,138	5,234	6,528	14,029	7,968	8,124	8,764	4,219
Interest, rents, and concessions	6,784	5,417	4,780	9,235	7,109	6,163	2,979	5,294	7,146	11,389
Intergovernmental revenues	267,658	277,867	304,807	335,763	355,617	349,650	350,762	346,736	368,768	385,590
Charges for services	47,944	57,920	55,851	59,415	52,025	53,662	57,450	64,196	61,772	71,922
Other revenues	6,978	10,229	5,298	9,547	9,890	10,970	10,484	12,034	11,492	10,965
Total revenues	<u>386,087</u>	<u>407,092</u>	<u>424,558</u>	<u>467,889</u>	<u>483,125</u>	<u>487,894</u>	<u>487,307</u>	<u>523,916</u>	<u>560,823</u>	<u>601,361</u>
Expenditures										
General government	21,394	19,275	16,241	12,257	22,224	23,609	23,164	17,575	17,549	24,318
Public protection	95,716	112,997	121,120	136,160	127,337	123,937	139,512	144,136	153,259	162,811
Public ways and facilities	13,780	15,172	14,868	19,617	20,229	17,958	18,764	14,086	9,890	7,920
Health and sanitation	67,732	61,646	66,650	76,596	80,812	86,567	86,165	98,477	103,075	120,723
Public assistance	158,622	175,251	177,934	191,993	200,765	201,211	201,839	213,979	224,438	219,376
Education	2,623	2,728	3,473	3,439	3,129	3,200	3,370	3,462	3,289	3,831
Culture and recreation	1,505	1,390	1,448	1,507	1,578	1,759	1,831	1,524	1,323	1,740
Capital outlay	28,421	27,447	6,815	3,687	4,604	6,419	4,018	7,630	14,611	29,581
Debt service										
Principal	12,830	14,502	16,603	12,388	11,427	11,101	11,259	11,443	11,936	51,711
Interest and fiscal charges	10,645	9,541	10,228	10,524	10,040	8,413	7,926	8,388	9,421	10,763
Total expenditures	<u>413,268</u>	<u>439,949</u>	<u>435,380</u>	<u>468,168</u>	<u>482,145</u>	<u>484,174</u>	<u>497,848</u>	<u>520,700</u>	<u>548,791</u>	<u>632,774</u>
Excess of revenues over (under) expenditures	(27,181)	(32,857)	(10,822)	(279)	980	3,720	(10,541)	3,216	12,032	(31,413)
	Fiscal Year									
	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Other financing sources (uses)										
Sale of general capital assets	-	-	199	1,082	367	251	177	148	497	1,468
Sale of note receivable	-	-	-	-	-	-	5,321	-	-	-
Bond proceeds	29,701	46,438	49,938	-	-	-	-	-	-	43,987
Capital lease proceeds	-	-	-	-	-	394	30	-	44	-
Payment to Escrow Agent	(29,701)	(41,875)	-	-	-	-	-	-	-	-
Payment of defeance costs	-	(4,347)	-	-	-	-	-	-	-	-
Direct financing lease	-	-	-	-	-	-	101	105	114	121
Loan proceeds	3,030	5,200	2,500	1,530	1,053	2,147	2,906	1,775	-	-
Transfers in	69,200	85,468	83,146	92,258	98,306	97,791	101,557	102,141	116,185	114,577
Transfers (out)	(66,808)	(85,362)	(83,146)	(91,609)	(97,664)	(97,114)	(100,461)	(102,404)	(118,798)	(117,996)
Total other financing sources (uses)	<u>5,422</u>	<u>5,522</u>	<u>52,637</u>	<u>3,261</u>	<u>2,062</u>	<u>3,469</u>	<u>9,631</u>	<u>1,765</u>	<u>(1,958)</u>	<u>42,157</u>
Net change in fund balances	<u>\$ (21,759)</u>	<u>\$ (27,335)</u>	<u>\$ 41,815</u>	<u>\$ 2,982</u>	<u>\$ 3,042</u>	<u>\$ 7,189</u>	<u>\$ (910)</u>	<u>\$ 4,981</u>	<u>\$ 10,074</u>	<u>\$ 10,744</u>
Debt service as a percentage of noncapital expenditures	6.10%	5.83%	6.26%	4.93%	4.50%	4.08%	3.88%	3.87%	4.00%	10.36%

Table 5

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

Fiscal Year	Property	Sales and Use	Transient Occupancy	Property Transfer	Timber	Aircraft	Other	Total
1997 - 98	\$ 29,472	\$ 14,831	\$ 586	\$ 637	\$ 42	\$ 137	\$ -	\$ 45,705
1998 - 99	31,625	8,080	598	713	67	129	1,886	43,098
1999 - 00	31,725	7,885	682	661	49	121	-	41,123
2000 - 01	32,894	8,016	743	747	34	165	-	42,599
2001 - 02	34,162	9,179	819	777	15	161	-	45,113
2002 - 03	35,380	8,973	877	1,075	29	166	-	46,500
2003 - 04	37,802	10,108	986	1,349	39	166	-	50,450
2004 - 05	64,879	10,804	986	2,113	49	131	-	78,962
2005 - 06	78,579	12,122	1,069	2,407	42	182	-	94,401
2006 - 07	91,361	13,518	1,125	1,933	86	193	-	108,216
Percentage Growth Earliest to Current	210.0%	-8.9%	92.0%	203.5%	104.8%	40.9%	0.0%	136.8%

Table 6

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

Fiscal Years	Real Property Assessed Value	Personal Property Assessed Value	Assessed Value
1997-98	\$13,220,599	\$859,125	\$14,079,724
1998-99	13,646,997	917,125	14,564,122
1999-00	14,154,136	941,827	15,095,963
2000-01	14,731,050	1,065,525	15,796,575
2001-02	15,232,365	1,064,889	16,297,254
2002-03	16,004,259	1,150,562	17,154,821
2003-04	16,984,360	1,051,432	18,035,792
2004-05	17,971,651	1,087,362	19,059,013
2005-06	19,714,530	1,174,747	20,889,277
2006-07	22,463,149	1,142,461	23,605,610

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

Table 7

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

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
County Wide Rates										
General	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
School District Rates										
Allensworth Elementary	0.030	0.056	0.051	0.051	0.050	0.043	0.041	0.044	0.044	0.044
Alta Vista Elementary	0.067	0.080	0.066	0.072	0.072	0.075	0.066	0.048	-	-
Buena Vista Elementary	-	-	0.075	0.049	0.048	0.033	0.035	0.031	0.026	0.031
Burton Elementary *	0.068	0.063	-	-	-	-	0.030	0.022	0.023	
Cutler-Orosi Unified *	-	-	-	-	-	-	-	0.060	0.060	0.060
Delano Joint High				0.053	0.053	0.159	0.090	0.097	0.097	0.163
Dinuba Unified	-	-	-	-	-	-	0.051	0.055	0.074	0.057
Earlimart Elementary	0.060	0.050	0.054	0.051	0.041	0.045	0.050	0.048	0.039	0.035
Exeter High	-	-	-	-	0.028	0.031	0.037	0.038	0.034	0.030
Farmersville Elementary	0.052	0.077	-	-	-	-	-	-	-	-
Farmersville Unified *	0.153	0.132	0.094	0.100	0.160	0.162	0.170	0.148	0.133	0.095
Hanford Joint High *				0.023	0.027	0.032	0.030	0.033	0.039	0.058
Kern Community College SFID *	-	-	-	-	-	-	0.012	0.009	0.010	0.005
Kings Canyon Joint Unified *	-	-	-	-	-	0.043	0.051	0.058	0.035	0.045
Kingsburg Joint Elementary				0.020	0.012	0.014	0.018	0.065	0.013	0.054
Kingsburg Joint High				0.052	0.065	0.054	0.050	0.050	0.059	0.089
Liberty Elementary	-	-	-	-	0.083	0.074	0.090	0.084	0.057	0.054
Lindsay Unified	-	-	-	-	-	0.044	0.052	0.060	0.060	0.060
Linns Valley Poso-Flat Joint Elementary	-	-	-	-	-	-	0.019	0.026	0.025	0.016
Porterville Elementary	-	-	-	-	-	-	-	-	-	-

Porterville SFID *	-	-	-	-	-	-	0.055	0.056	0.060	0.052
Richgrove Elementary	0.047	0.060	0.049	0.042	0.046	0.045	0.036	0.051	0.043	0.038
State Center Comm College SFID *	-	-	-	-	-	-	0.016	0.014	0.006	0.005
Strathmore High	-	-	-	-	-	0.085	0.078	0.086	0.070	0.062
Sundale Elementary	-	0.082	0.072	0.062	0.041	0.046	0.043	0.040	0.039	0.034
Three Rivers Elementary	0.004	0.002	-	-	-	-	-	-	-	-
Traver Elementary *	-	-	-	-	-	-	-	0.028	0.057	0.053
Tulare High *	-	-	-	-	-	-	-	0.053	0.060	0.047
Visalia Unified *	-	-	0.068	0.068	0.062	0.070	0.063	0.050	0.042	0.034
Woodlake Elementary	-	0.087	0.070	0.079	0.053	0.054	0.051	0.049	0.046	0.040
Woodlake High	-	0.063	0.058	0.057	0.044	0.038	0.037	0.037	0.034	0.030

Special District Rates

Kaweah Delta Healthcare District	-	-	-	-	-	-	-	0.040	0.040	0.035
Kaweah Delta Water Conservation	0.001	0.001	0.001	0.001	0.001	0.000	0.001	0.001	0.001	0.001
Lindsay Hospital	-	-	-	-	-	-	-	-	-	-
Patterson Tract CSD	0.047	0.046	0.029	0.024	0.024	0.000	-	-	-	-
Tulare County Pest Control	5.000	3.658	0.000	0.000	0.000	0.000	0.000	1.250	1.250	1.250 **
South Tulare County Citrus Pest	13.656	13.656	13.656	12.680	12.680	12.320	11.423	11.423	11.423	11.423 **
Woodville Public Utility	0.037	0.036	0.031	0.031	0.036	0.038	0.036	0.029	0.025	0.025

* School rates have been combined with educational facilities.

** Trees Per Acres

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

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

Table 8

COUNTY OF TULARE
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)

2006/2007				1997/1998			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southern California Edison Company	\$ 291,048,467	1	1.22%	Southern California Edison Company	\$ 227,772,325	1	1.62%
Land O' Lakes, Inc/Cheese & Protein Intl, LLC	288,503,027	2	1.21%	Pacific Bell Telephone Co	150,476,283	2	1.07%
Wal-Mart Stores Inc	117,171,800	3	0.49%	Dairyman's Cooperative Creamery Association	115,179,753	3	0.82%
Kraft Foods Inc	91,628,439	4	0.39%	Wal-Mart Stores Inc	96,460,600	4	0.69%
California Dairies/Milk Producers	85,484,569	5	0.36%	Oscar Mayer Food Corp	83,365,261	5	0.59%
Southern California Gas Company	72,661,335	6	0.31%	Southern California Gas Company	78,637,233	6	0.56%
Best Buy Stores, LP	61,320,305	7	0.26%	Haagen-Dazs	47,146,396	7	0.33%
Ruiz Foods Products Inc	59,414,246	8	0.25%	Pacific Gas and Electric	42,415,096	8	0.30%
SBC California	54,735,458	9	0.23%	Zaninovich	40,385,110	9	0.29%
Visalia Mall LP (Price Development)	45,459,306	10	0.19%	Recot, Inc	37,139,784	10	0.26%
Total	\$ 1,167,426,952		4.91%	Total	\$ 918,977,841		6.53%

Table 9

COUNTY OF TULARE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30th	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1998	\$ 130,632	\$ 126,442	96.79%		\$ 126,442	96.79%
1999	135,775	131,534	96.88%		131,534	96.88%
2000	140,642	136,380	96.97%		136,380	96.97%
2001	149,307	144,161	96.55%		144,161	96.55%
2002	154,682	149,897	96.91%		149,897	96.91%
2003	162,726	157,372	96.71%		157,372	96.71%
2004	173,386	168,089	96.94%	\$ 5,221	173,310	99.96%
2005	183,896	178,233	96.92%	4,905	183,138	99.59%
2006	202,601	195,336	96.41%	5,666	201,002	99.21%
2007	231,424	221,428	95.68%	5,616	227,044	98.11%

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

Table 10

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

Fiscal Year	Governmental Activities							Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Certificates of Participation	Variable Rate Demand Bonds	Pension Obligation Bonds	Health Insurance Revenue Bond	Tax Allocation Bonds	Loans and Notes	Leases	Certificates of Participation	Bonds			
1998	\$ 87,475	\$ -	\$ 41,460	\$ 21,500	\$ -	\$ 942	\$ 6,618	\$ 1,733	\$ 10	\$ 159,738	2.58%	444
1999	88,748	-	41,075	12,530	-	942	11,401	1,714	10	156,420	2.36%	429
2000	85,183	45,000	40,175	3,200	-	12,332	86	1,695	10	187,681	2.69%	508
2001	80,377	45,000	39,025	-	-	10,716	-	1,676	9	176,803	2.39%	471
2002	74,880	44,600	37,600	-	-	7,664	-	1,656	9	166,409	2.15%	434
2003	63,131	44,200	35,870	-	-	17,555	359	1,637	9	162,761	2.03%	414
2004	63,133	43,800	33,800	-	-	17,281	287	1,610	8	159,919	1.91%	400
2005	56,870	43,300	31,355	-	-	16,352	133	1,584	8	149,602	1.72%	365
2006	50,300	42,800	28,495	-	-	20,954	68	1,558	8	144,183	1.59%	343
2007	46,165	42,360	25,175	-	1,627	18,927	38	1,531	8	135,831	1.44%	317

Table 11

County of Tulare
 Computation of Direct and Overlapping Debt
 June 30, 2007
 (dollar values expressed in thousands)

Jurisdiction	Outstanding Debt	Percentage Applicable to the County of Tulare	Amount Applicable to the County of Tulare
Special Districts	\$ 56,065	100%	\$ 56,065
School Districts	132,415	100%	132,337
County of Tulare	135,831	100%	135,831
Total	<u>\$ 324,311</u>		<u>\$ 324,233</u>

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

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

Legal Debt Margin Calculation for Fiscal Year 2006-07	
Net Assessed Value	\$ 26,643,501
Debt Limit - 1.25 Percent of Taxable Property (A)	333,044
Amount of Debt Applicable to Debt Limit (B)	-
Legal Debt Margin (C)	<u>\$ 333,044</u>

	Fiscal Year									
	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Debt limit	\$ 175,997	\$ 182,052	\$ 188,700	\$ 196,849	\$ 203,716	\$ 214,435	\$ 237,711	\$ 260,486	\$ 296,389	\$ 333,044
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 175,997</u>	<u>\$ 182,052</u>	<u>\$ 188,700</u>	<u>\$ 196,849</u>	<u>\$ 203,716</u>	<u>\$ 214,435</u>	<u>\$ 237,711</u>	<u>\$ 260,486</u>	<u>\$ 296,389</u>	<u>\$ 333,044</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

- (A) Constitutional Amendment XIII A, passed by vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1% of full cash value. Thus, the legal debt is 1.25% of assessed valuation.
- (B) As of 6/30/06 the County had no tax supported general obligation bonded debt outstanding.
- (C) Legal debt margin is computed by subtracting the County legal general obligation bonded debt from the legal debt limit.

Table 13

County of Tulare
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (Calculated)	Personal Income (amounts expressed in millions) (1)(5)	Median Age (1)(3)	School Enrollment (4)	Unemployment Rate (2)
1997-98	360,100	\$17,167.45	\$6,182.00	29	83,875	15.6%
1998-99	364,300	18,202.03	6,631.00	29	84,723	15.2%
1999-00	369,300	18,878.96	6,972.00	29.2	84,938	13.4%
2000-01	375,200	19,712.15	7,396.00	29	85,664	14.0%
2001-02	383,100	20,159.23	7,723.00	29	86,952	14.0%
2002-03	392,900	20,386.87	8,010.00	29	88,341	13.6%
2003-04	400,123	20,906.07	8,365.00	29	90,230	14.5%
2004-05	409,871	21,274.99 (5)	8,720.00 (5)	29	92,126	9.0%
2005-06	420,131	21,595.65 (5)	9,073.00 (5)	29	93,424	7.9%
2006-07	429,006	21,995.03 (5)	9,436.00 (5)	29	94,407	8.6%

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

(2) Source: State Department of Employment Development

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

(4) California Department of Education, Educational Demographics Unit

(5) Amounts are estimated based on historical percentages

County of Tulare
Principal Employers
Current Year and Nine Years Ago

Table 14

Principal Employers 2007

Principal Employers 1998

Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,779	1	3.33%	County of Tulare	3,605	1	2.51%
Kaweah Delta Healthcare District	2,540	2	1.77%	Ruiz Food Products	1,100	2	0.77%
Porterville Development Center	2,077	3	1.45%	Wal-Mart Distribution Center	1,000	3	0.70%
Wal-Mart Distribution Center	1,527	4	1.06%	Jostens	980	4	0.68%
College of The Sequoias	1,106	5	0.77%	Nash De Camp	800	5	0.56%
Ruiz Food Products	1,100	6	0.77%	Dairyman's Cooperative	650	6	0.45%
CIGNA HealthCare	1,000	7	0.70%	CIGNA HealthCare	500	7	0.35%
Jostens	720	8	0.50%	Monrovia Nursery	420	8	0.29%
Dairyman's/Land O' Lakes	650	9	0.45%	Kraft Foods	400	9	0.28%
Monrovia Nursery	600	10	0.42%	USDA Cotton	350	10	0.24%

Source: Tulare County Economic Development Corporation

Table 15

County of Tulare
Employees by Function
Last Ten Fiscal Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Administration	34	35	36	38	42	40	42	45	48	50
Retirement	6	7	7	7	-	-	-	-	-	-
County Counsel	30	31	35	40	40	37	37	38	39	41
Risk Management	3	5	4	4	4	4	5	8	8	9
Elections	8	8	8	8	7	7	7	7	7	8
Finance	128	118	118	122	127	122	123	126	130	133
Purchasing	5	6	7	7	7	6	5	5	5	6
Planning and Development	48	49	59	60	50	50	58	61	64	61
Other General	85	80	85	153	170	166	160	163	165	204
Public Protection										
Child Support Services	188	189	216	315	311	316	316	269	269	269
District Attorney	143	151	153	176	175	188	169	178	165	175
Fire Protection	19	19	21	21	23	23	23	24	20	27
Probation	235	277	282	354	304	313	300	302	309	315
Public Defender	57	60	61	62	66	66	66	69	71	75
Sheriff / Coroner	514	614	669	773	839	654	650	662	710	748
Trial Courts	172	164	178	199	-	-	-	-	-	-
Other Protection	55	55	54	58	57	53	57	57	57	57
Public Ways and Facilities	155	149	147	133	133	133	132	133	133	133
Health and Sanitation	403	504	603	630	624	618	544	581	625	650
Public Assistance	1,189	1,149	1,185	1,559	1,621	1,454	1,538	1,618	1,623	1,687
Education	44	44	45	52	52	37	38	38	38	41
Culture and Recreation	21	21	23	15	19	19	15	15	15	15
Solid Waste Management	63	66	68	72	72	72	72	72	72	75
Total Number of Employees by Function	3,605	3,801	4,064	4,858	4,743	4,378	4,357	4,471	4,573	4,779
*Total Gross Salaries by Fiscal Year	\$ -	\$ -	\$133,189	\$138,547	\$142,713	\$150,544	\$152,349	\$156,554	\$162,093	\$172,488

*Gross Salaries Rounded to Thousands

Table 16 (Cont.)

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
PUBLIC PROTECTION										
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
Distributed Collections	\$ -	\$ -	\$ -	\$ 36,136,482	\$ 37,608,967	\$ 39,459,603	\$ 40,480,568	\$ 39,825,831	\$ 40,639,624	\$ 39,001,365
District Attorney										
Number of Adult Felony Cases Processed (Reviewed and Evaluated)	-	-	-	-	5,795	4,770	6,195	6,444	7,131	9,160
Number of Adult Felony Cases Filed	-	-	-	-	3,772	4,341	4,282	4,474	4,960	5,702
Number of Adult Misdemeanors Cases Processed (Reviewed and Evaluated)	-	-	-	-	13,357	11,388	13,815	15,309	15,571	15,727
Number of Adult Misdemeanors Cases Filed	-	-	-	-	10,438	10,768	12,828	12,437	12,747	12,943
Total Juvenile Felony & Misdemeanors Cases Processed	-	-	-	-	2,715	2,766	3,079	3,556	14,893	2,954
Number of Juvenile Misdemeanors Cases Filed	-	-	-	-	1,303	1,823	1,355	1,390	1,196	886
Number of Juvenile Felony Cases Filed	-	-	-	-	752	943	866	1,268	754	829
Total Cases Tried (Excluded Juvenile Trials)	-	-	-	-	222	170	216	186	196	207
Total Number of Estates Opened	23	37	40	45	27	31	9	28	28	24
Total Number of Estates Closed	10	30	36	50	29	15	22	7	7	21
Total Amount of Fees Collected	\$ 9,131	\$ 17,495	\$ 25,544	\$ 42,808	\$ 45,533	\$ 12,021	\$ 36,307	\$ 89,447	\$ 89,447	\$ 111,449
Total Amount of Bond Fees	\$ 234	\$ 817	\$ 1,289	\$ 1,634	\$ 2,957	\$ 708	\$ 1,635	\$ 2,040	\$ 2,041	\$ 10,238
Fire Protection										
Number of Fires	2,180	1,968	2,223	2,066	2,138	2,227	2,285	2,492	2,383	3,156
Medical Aids	6,251	6,170	6,262	6,616	6,965	7,353	7,673	8,298	8,330	8,997
Assist other Agencies	678	689	647	741	802	1,025	1,413	1,534	1,622	1,204
Public Defender										
Felony New Cases Opened	3,296	3,507	3,345	3,785	4,204	4,763	4,957	5,066	6,074	6,274
Misdemeanor New Cases Opened	6,360	5,255	4,935	5,284	6,113	6,276	6,340	6,055	6,457	9,251
Juvenile Delinquency New Cases Opened	2,938	1,828	2,522	2,451	2,425	2,526	2,304	2,629	2,451	2,170
Sheriff/Coroner										
Homicide	12	11	10	10	12	12	11	9	-	20
Rape	42	31	42	37	29	36	33	28	30	38
Robbery	81	81	53	73	68	75	68	68	86	92
Aggravated Assault	525	505	-	-	308	450	518	470	-	854
Burglary	1,197	1,055	845	975	999	1,141	1,045	1,219	1,328	1,017
Larceny Theft	1,901	1,833	1,540	1,924	1,686	1,668	2,066	2,071	2,117	2,173
Warrants Processed	16,015	13,196	11,401	13,642	14,761	18,054	19,336	19,916	22,743	19,813
Jail Population-Admissions	21,134	22,246	18,951	19,868	19,561	20,689	20,394	20,943	22,675	29,241
Other Protection - Auto Theft										
Number of Vehicles Recovered	-	-	-	-	76	81	32	92	73	68
Total Value of Recovered Vehicles	\$ -	\$ -	\$ -	\$ -	\$ 1,014,915	\$ 1,003,500	\$ 300,000	\$ 960,500	\$ 508,000	\$ 609,885

Cont.

Table 16 (Cont.)

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Other Protection - Environmental Health										
Small Water System Inspections	381	345	169	329	237	336	221	280	240	59
Food Facility Inspections	3,080	2,082	605	1,975	1,822	1,175	1,402	1,647	1,620	2,337
Swimming Pool Inspections	521	377	145	366	321	61	108	113	134	114
Dairy Inspections	938	1,058	954	956	906	971	996	999	1,014	952
Hazardous Materials Inspections	-	-	-	-	203	94	272	247	308	379
Hazardous Waste Inspections	-	-	-	-	102	53	133	139	156	225
Underground Tank Inspections	-	-	-	-	273	249	270	255	277	316
Animal Control Field Calls	-	-	-	-	3,356	4,919	5,258	5,246	4,899	4,239
Rabies Investigations	-	-	150	155	134	124	123	143	105	148
Animal Control Intake	-	-	-	-	6,967	8,245	8,031	8,453	8,829	9,172
Solid Waste Inspections	-	-	-	-	262	296	282	275	277	293
Liquid Waste Inspections	-	-	-	-	37	68	44	51	54	47
Tire Facility Inspections	-	-	-	-	123	128	172	265	181	222
Illegal Tire Pile Inspections	-	-	-	-	31	76	48	29	23	24
Medical Waste Inspections	-	-	-	-	24	24	24	25	25	25
PUBLIC WAYS AND FACILITIES										
Roads										
Total Maintained Mileage	3,081	3,081	3,078	3,077	3,078	3,072	3,065	3,057	3,048	3,008
Miles of Road Re-oiled	55	55	55	55	55	55	55	55	45	52
Miles of Chip Seals	75	100	100	100	100	125	100	94	75	113
Miles of Surface Seals	-	-	60	60	70	70	70	70	70	62
Miles of Shoulders	200	200	400	400	200	200	200	200	200	120
Bridges over 20 feet	-	-	-	-	-	-	366	362	360	360
Bridges less than 20 feet	32	32	32	32	32	32	32	32	32	34
Numbers of Installed Traffic Signs	-	-	-	-	-	-	-	-	17,282	17,300
Miles of Road Striped	-	-	-	-	-	-	-	-	1,276	1,758
Number of Traffic Signal Locations	-	-	-	-	-	-	-	-	8	8
Number of Streetlights	-	-	-	-	-	-	-	-	1,384	1,459
Number of Traffic Collisions	-	-	-	1,781	1,734	1,884	1,846	1,915	1,879	1,720
HEALTH AND SANITATION										
Childhood Dental Disease Prevention Program										
Number of Children Receiving Oral Health Education	-	-	-	-	-	7,561	7,487	7,564	7,789	11,752
Number of Children Receiving Dental Screening	-	-	-	-	-	2,615	2,370	2,761	3,571	1,500
Number of Children Receiving Sealants	-	-	-	-	-	5,615	2,370	1,851	3,571	305
TeensSMART										
Number of Presentations	-	-	-	-	-	-	33	75	105	150
Number of Participants Reached	-	-	-	-	-	-	1,895	1,126	1,415	1,910
Teen Pregnancy Prevention Program Clients Served										
Adolescence Family Life Program (AFLP)	609	600	629	603	567	607	633	613	652	641
Adolescence Siblings Preventive Parenting Program	964	887	756	703	657	633	597	611	507	-
Cal-Learn Program	101	96	109	114	110	164	151	153	127	550

Cont.

Table 16 (Cont.)

County of Tulare
Operating Indicators by Function
Last Ten Fiscal Years

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Unduplicated Number of Mental Health Clients Served										
Outpatient	5,746	6,470	7,457	7,782	7,798	7,455	8,021	8,511	8,870	9,343
Impatient	503	496	563	619	706	566	540	675	613	558
Conserved	244	246	273	291	311	322	266	277	278	264
Day Treatment	261	252	272	264	267	135	13	4	5	8
Tulare County Clinic Encounters	-	-	-	97,210	108,719	101,233	102,930	104,080	115,285	105,667
HIV Annual Statistics										
Monthly Caseloads	-	79	96	95	132	182	215	318	352	62/month
Number of New Clients	-	25	17	26	28	25	32	11	15	13
PUBLIC ASSISTANCE										
Indigent Patient Count										
Total Inpatient Services Unduplicated Count	-	7,570	8,185	4,190	6,447	5,369	3,904	-	-	370
Total Outpatient Services Unduplicated Count	-	5,985	7,254	3,701	5,805	4,253	4,052	-	-	2,864
Total Emergency Services Patients Unduplicated Count	-	2,243	1,647	1,483	3,782	3,101	2,994	-	-	1,855
Welfare Fraud										
Major Fraud Cases Completed	-	-	-	-	2,015	2,464	2,095	1,363	1,072	752
Persons Convicted	-	-	-	-	218	158	136	87	104	76
Court Ordered Restitution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 499,987	\$ 424,443	\$ 424,443	\$ 300,422	\$ 397,627
Community Based Programs										
Congregate Meals Served	-	-	-	-	113,419	138,486	127,347	121,932	125,007	125,167
Home Delivered Meals	-	-	-	-	62,998	90,798	83,333	94,026	108,794	121,672
Information & Assistance Contacts	-	-	-	-	23,850	56,152	64,983	49,692	52,346	49,607
Health Insurance Counseling and Advocacy Program (HICAP)	-	-	-	-	1,280	607	410	359	297	363
Number of People Served through Area Agency on Aging Funds	-	-	-	-	201,547	286,043	276,073	266,009	286,444	296,809
Number of Adult Protective Services Cases Opened	-	-	-	-	811	843	828	930	976	784
Number of Enrolled Participants in Cal Works	-	8,075	8,558	8,381	7,996	7,511	7,341	7,198		5,243
CULTURE AND RECREATION										
Parks and Recreation										
Total Number of Cars Entered Parks	-	-	-	-	-	-	32,680	29,066	22,266	310,099
Total Amount of Park Reservations	-	-	-	-	-	-	2,070	1,529	1,697	36,181
SOLID WASTE MANAGEMENT										
Sanitation-Land Fills										
Landfill Tonnage Gross Total	-	-	-	278,437	245,877	252,039	269,401	250,254	281,830	310,099
Landfill Tonnage Recycled Total	-	-	-	17,370	17,461	20,653	19,457	20,680	26,408	36,181
OTHER ENTERPRISES										
Transit										
Total Route Miles	-	-	257,260	418,071	363,067	382,787	409,323	410,767	444,855	441,358
Number of Passengers	-	-	62,385	75,392	75,334	74,615	90,128	86,828	89,952	105,715

Concluded

Table 17

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

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public Protection										
Sheriff/Coroner										
Stations	4	4	4	4	4	4	4	4	4	4
Sworn Deputies & Officers	484	546	551	555	578	578	448	467	448	504
Non-sworn Personnel	156	208	212	211	223	223	184	191	181	195
Fire Protection										
Stations	31	31	38	35	36	29	27	28	29	28
Firefighters & Officers	110	110	71	71	71	70	71	57	69	58
Volunteer Firefighters	440	440	450	440	440	440	425	440	440	440
Building Permits Issued	2,875	2,005	2,204	2,172	3,194	3,790	2,163	3,643	6,428	5,847
Public Ways and Facilities										
Roads (miles)	3,082	3,082	3,077	3,077	3,077	3,072	3,072	3,072	3,048	3,048
Streetlights	1,409	1,445	1,445	1,384	1,384	1,295	1,295	1,454	1,384	1,384
Culture and Recreation										
Libraries	16	15	16	16	15	15	15	15	15	15
Bookmobiles	-	-	2	2	2	2	2	2	2	2
Volumes	402,446	399,556	397,151	389,348	388,909	364,325	366,018	352,184	372,000	317,532
Park acreage	585	610	610	464	592	685	685	604	688	688
Parks	14	14	14	10	10	10	10	10	11	11
Museum (square feet)	23,000	23,618	23,618	25,919	25,919	25,919	25,919	25,919	25,919	25,919
Lake Success Capacity (acre feet)	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,300	29,000*	29,000*
Lake Kaweah Capacity (acre feet)	142,000	142,000	142,000	143,000	143,000	143,000	143,000	185,600	185,600	185,600
Solid Waste Management										
Landfill Sites	6	6	7	7	7	7	7	7	7	7
Transfer Stations	6	7	7	7	7	7	7	7	7	7

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

Table 18

County of Tulare
Summary of Financing Requirements
By Fund and Function
For Fiscal Years 2005-06, 2006-07, 2007-08
(amounts expressed in thousands)

	Actual Expenditures and Transfers 2005-2006	Actual Expenditures and Transfers 2006-2007	Budgeted Expenditures and Transfers 2007-2008		Actual Expenditures and Transfers 2005-2006	Actual Expenditures and Transfers 2006-2007	Budgeted Expenditures and Transfers 2007-2008
Summary by fund				Summary by function			
General	\$ 499,668	\$ 531,079	\$ 622,991	General government	\$ 12,256	\$ 20,790	\$ 36,925
Indigent Health	1,218	1,018	1,070	Public protection	152,680	161,553	197,840
Children & Health	126	630	457	Public ways and facilities	9,890	12,845	34,028
Library	2,620	3,004	5,662	Health and sanitation	103,075	120,723	171,677
Fish and Game	4	9	21	Public assistance	224,438	219,376	213,506
Aviation	100	263	1,701	Education	3,340	3,831	6,304
Structural Fire	11,449	12,700	13,502	Culture and Recreation	1,323	1,740	3,455
Roads	19,614	28,920	42,671	Debt service	9,253	9,961	13,448
Workforce Investment Act	17,425	16,386	15,574	Capital outlay	17,973	24,656	38,124
Child Support Services	15,634	15,436	17,004	Transfers out	113,759	114,487	105,359
Realignment	57,745	58,337	56,992				
Tobacco Settlement Revenue	3,651	3,822	4,804				
Debt service	15,113	13,051	13,448				
Capital Projects	3,620	5,307	24,769				
Total by fund	<u>\$ 647,987</u>	<u>\$ 689,962</u>	<u>\$ 820,666</u>	Total by function	<u>\$ 647,987</u>	<u>\$ 689,962</u>	<u>\$ 820,666</u>

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

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

COUNTY OF TULARE
Insurance Policies In Force During Fiscal Year Ended June 30, 2007
(amounts expressed in whole dollars)

Company	Policy #	Policy Period		Deductible SIR	Limits	Premium Costs	Coverage	Fund
		From	To					
ACE Excess WC	11WCX5940000	7/1/2006	7/1/2007	\$1,000,000	Statutory, including defense for Serious and Willful Actions	\$911,040 \$19,821	Worker's Compensation - Ciga Fee	061
GL-I CSAC / EIA	EIA 03 EL-50	07/12/2006	7/1/2007	\$250,000 per occurrence	\$1,000,000 per occurrence	\$819,540	1st Layer Liability Excess liability coverage - applies above SIR for liability claims by third parties	062
GL-II CSAC/ EIA	EIA 03 GL2-12	7/1/2006	7/1/2007	None	\$15,000,000 excess of first layer above	\$424,827	2nd Layer Liability Excess liability coverage - applies above first layer	062
Optional Excess Liability CSAC/EIA	164-4251	7/1/2006	7/1/2007	None	\$10,000,000 excess \$15,000,000	\$47,837	Optional Excess Liability Excess Limits of Liability	062
Brown & Associates Aviation	NAL3042350 NAC3042349	7/1/2006	7/1/2007	\$1,000 each aircraft	\$10,000,000 per occurrence \$1,000,000 for hanger keeper liability	\$17,000 \$7,865	Aviation Liability Aviation Commercial Liability for County owned airports	062
Brown & Associates Aviation Hull	NAC3042349	07/01/2006	7/1/2007	\$1,000 Liability \$100 Hull damage \$250 Non-motion	\$1,000,000 Liability \$83,000 Hull damage	\$17,000	Aircraft Property Hull	063
Property CSAC/ EIA	PPR04-07	3/31/2006	3/31/2007	\$10,000	Replacement costs Includes Vehicles	\$245,296	Property Real and Personal Property Includes vehicles	063
Crime Bond CSAC/ EIA	2824389	7/1/2006	6/30/2007	\$25,000	\$10,000,000	\$18,865	Crime Bond Covers losses as a result of employee dishonesty, theft, robbery and burglary.	063
Water Craft Liability Fireman's Fund	OHL98120317	7/1/2006	7/1/2007	\$5,000	\$2,000,000 CLS	Included in Water Craft Hull Coverage	Water Craft Primary and Excess Liability	063
Water Craft Hull Fireman's Fund	OHL98120317	7/1/2006	7/1/2007	\$500 - \$5,000 Variable	\$175,500 TIV	\$7,290	Hull Coverage per boat Values	063
CSAC/ EIA	EIA 04 M2-12	7/1/2006	7/1/2007	\$10,000 per Claim	\$10,000,000 per Claim	\$336,101	Medical Malpractice Claims Made	064