



Comprehensive Annual Financial Report CAFR



**County of Tulare
State of California**

**For the Fiscal Year
Ended June 30, 2015**



COUNTY OF TULARE STATE OF CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Prepared for the Board of Supervisors by:

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

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

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Comprehensive Annual Financial Report
For the Year Ended June 30, 2015

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Introductory Section



AUDITOR-CONTROLLER/ TREASURER-TAX COLLECTOR



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December 18, 2015

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

The comprehensive annual financial report for the County of Tulare (the County) for the year ended June 30, 2015, is hereby submitted in accordance with Section 25253 of the Government Code of the State of California (the State). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and 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. All disclosures necessary for an understanding of the County's financial activities have been included. Dollar amounts are expressed in thousands, unless otherwise noted.

This comprehensive annual financial report (CAFR) has been prepared by the Office 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). 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 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's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County'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, are accurate in all material respects, that they are 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, as well as its component units, including 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's MD&A can be found immediately following the report of the independent auditor.

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

The County is a general law county created by the State Legislature in 1852. The County is located in the San Joaquin Valley. The Sierra Nevada mountain range provides its eastern boundary line. The County ranks seventh among California counties in land area. The County has a population of approximately 454,143 residents, and its County Seat, the City of Visalia, has a population of approximately 127,763.

California is the leader amongst the top 10 milk producing U.S. states, and Tulare County is the nation's number one ranking County with regard to total agriculture and livestock production. The County's total crop acreage is over 1.5 million acres. The climate of the County is such that it produces outstanding citrus crops. Among these crops, navel oranges are the most prominent with a total bearing acreage of 79,500. The next highest valued crop, in the fruit and nut crop category, are grapes totaling just over \$724,000. Table grapes grown here are shipped worldwide, while other grapes are processed for wine making and raisins. The County is also famous for its olives, almonds, pistachio nuts, walnuts, plums, peaches, and nectarines, which account for hundreds of millions of dollars in farm income each year. The beef industry is 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' (the Board) commitment to serve the residents of the County effectively is demonstrated by the following:

- In October 2014, the Board received a presentation and provided direction regarding space utilization of the buildings formally occupied by the Tulare Office of Education. The County's space planning process was initiated in February 2015 through the release of a Request for Proposals. The County selected an architect and anticipates contract execution in fiscal year 2015/16. Multiple county departments and a variety of sites will be involved in the space planning process.
- Began the process of acquiring and/or developing property in Porterville for a long-term solution to the County's criminal justice needs in that community by working with local property owners to identify possible purchase and development costs in addition to working with the property owner of the current leased facility to determine the possibility of acquiring the property. This project will be reviewed further to determine the most effective and efficient method of proceeding.
- Finalized funding approved by the State Board of State and Community Corrections for the County's Sequoia Field Program Facility in the amount of \$33,352 funded by the Senate Bill (SB) 1022 Jail Construction Program.
- A new Fire Station design contract was awarded in December 2014 for a new facility at the County's central yard facility south of Visalia. Design is pending utility infrastructure engineering in conjunction with the Transit Operation and Maintenance facility.
- Executed agreements with the State Water Resources Control Board and Department of Water Resources to bring safe and reliable drinking water to disadvantaged communities.
- Expanded the Summer Night Lights program to include the communities of Tipton, Pixley, Ducor, and London.
- Collaborated with Tulare County Health and Human Services to expand the Step Up Youth Leadership Program (#LEAD) to at-risk youth in the City of Tulare and surrounding communities.

For the future, in order to serve the County residents effectively, the Board continues to prioritize programs based on their needs. In no particular order, the following projects are a demonstration of that commitment:

- Begin construction on the South County Detention Facility by early spring 2016.
- Complete acquisition of additional office space to meet the County's current and future office space needs.
- Work with State and Federal government officials to maintain local land use authority concerning marijuana grow sites.
- Monitor and provide feedback, as needed, on all State and Federal legislative proposals and promote the County's business growth and development.
- Implement the goals as outlined in the adopted Strategic Plan for the Step Up Program. Seek a data and research consultant to assist in the implementation of goals 1-4 of the Strategic Plan by December 2015. Work with consultant to gather data and identify the next targeted area for the appropriate program efforts by June 2016.

- Direct the Tulare County Park Advisory Committee to review and evaluate the physical conditions of all the County Parks. Recommend and prioritize repairs and improvements along with costs analysis of future projects by December 2015. Assist the County in identifying community partners to help fund future park projects by June 2016.
- Continue to seek State and Federal funding to assist communities and farms to secure a sustainable and affordable water supply. Work with the Stakeholder Oversight Advisory Committee to identify and prioritize needs of various communities by June 2016.
- Review all County real property holdings and evaluate the future needs of County departments. Evaluate County real property holdings to determine the need for retention or sale by June 2016. Evaluate the need for additional structures and time frame for acquiring such structures by June 2016.
- Work with local water agencies to implement the provisions of the Sustainable Groundwater Management Act.
- Expand the Step Up Youth Leadership, #LEAD, program to include the community of Porterville.
- Identify a relocation site for the Sheriff Department's Property and Evidence facility and initiate necessary design.
- Establish the Sequoia Field Program Facility as a project through the State of California Board of State and Community Corrections.

LONG - TERM FINANCIAL PLANNING

Local assessed property values for fiscal year 2015-2016 increased 5.1 percent above fiscal year 2014-2015; this will increase property tax revenues in the County. The budget was adopted reflecting an increase in property taxes when compared against fiscal year 2014-2015 actual revenues.

The County's Capital Improvement Plan is a 5 year plan that identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the plan. For fiscal year 2015-2016, the Capital Projects Fund requested budget is \$30,511. Significant projects for fiscal year 2015-2016 include the South County Detention Facility at \$15,000, the Sequoia Field Program Facility at \$3,000, the Vocational Education Building at \$700, the Space Planning and Improvement Project at \$4,000, the Emergency Wells at \$1,500, Animal Control Improvements at \$700, the Mental Health Wellness Center at \$500, the Harmon Field Remediation at \$500, the Government Plaza Generator at \$500, and the Probation Camera Project at \$1,000. All projects and project funding are subject to the approval of the Board of Supervisors.

FINANCIAL INFORMATION

County management 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 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.

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

The County utilizes an automated accounting system (Advantage Financial) maintained on the County's client servers. 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 CAO. The fund balances along with projected revenues become available for appropriation in the following year.

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

INDEPENDENT AUDIT

The financial records and transactions of the County and its blended component units for the fiscal year ended June 30, 2015, have been audited by Brown Armstrong Accountancy Corporation and their opinion is included in the Financial Section of this report.

In addition, the County 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 for its CAFR for the fiscal year ended June 30, 2014. This was the nineteenth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. 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 CAFR 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 this report was made possible by the dedicated service of the entire staff of the Auditor-Controller's Office, as well as the efforts and input of every department of the County, and by Brown Armstrong Accountancy Corporation for their professional assistance. Each participating member has our sincere appreciation for the contributions made in the preparation of this report. Finally, we would like to thank the Board for its continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully submitted,



Rita A. Woodard
Auditor-Controller/Treasurer-Tax Collector



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

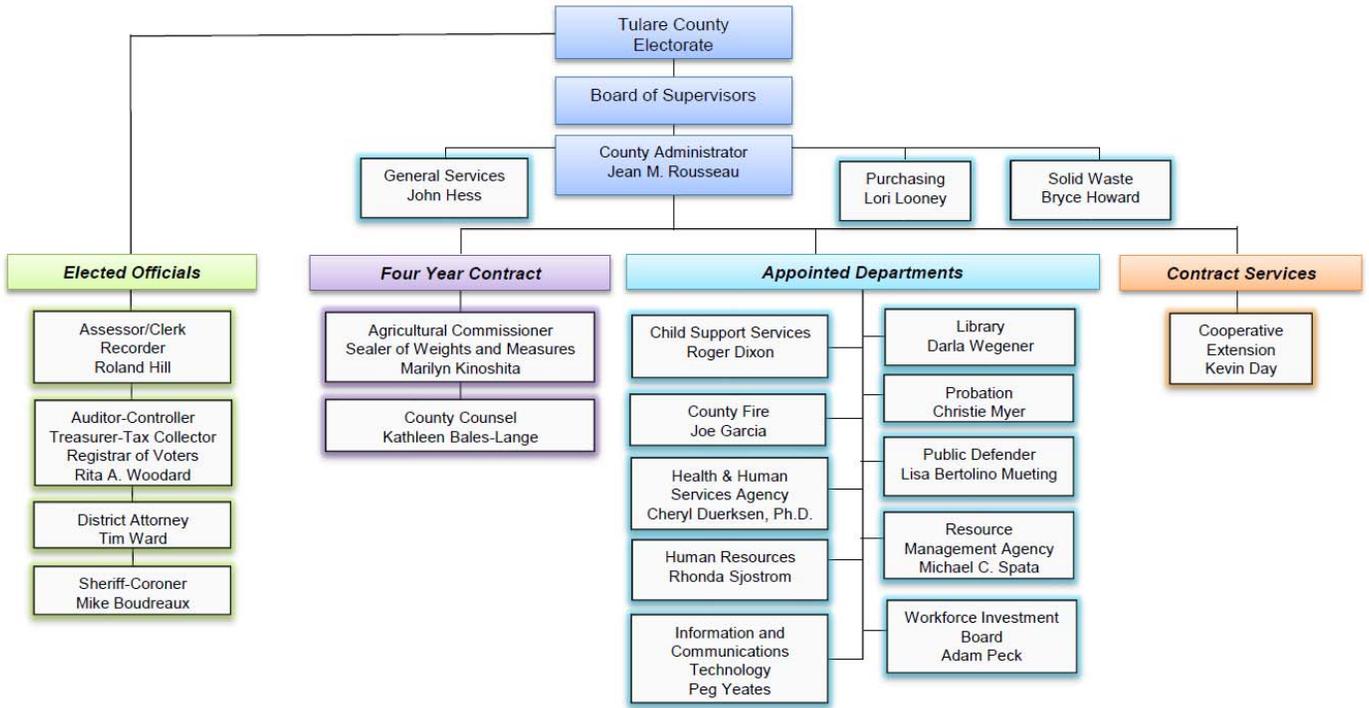
County of Tulare
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

COUNTY OF TULARE
Organizational Chart
June 30, 2015



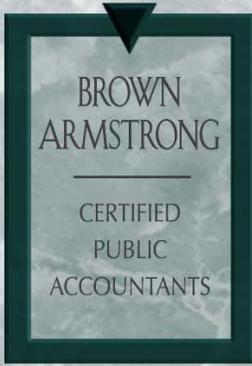
COUNTY OF TULARE
List of Elected and Appointed Officials
June 30, 2015

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

<u>Department/Agency</u>	<u>Appointed Official</u>
Agricultural Commissioner/Sealer	Marilyn Kinoshita
Child Support Services	Roger Dixon
Capital Projects and Facilities	Jean M. Rousseau
Cooperative Extension	Kevin Day
County Administrative Office	Jean M. Rousseau
County Counsel	Kathleen Bales-Lange
Fire Protection Services	Joe M. Garcia
General Services	Jean M. Rousseau
Grand Jury	Chuck White, Foreman
Health & Human Services Agency	Dr. Cheryl L. Duerksen, Ph.D.
Human Resources & Development	Rhonda Sjostrom
Information Technology	Peg Yeates
Law Library	Anne Bernardo
Library	Darla Wegener
Probation	Christie Myer
Public Defender	Lisa Bertolino Muetting
Purchasing	Lori Looney
Solid Waste	Bryce Howard
Resource Management Agency	Michael C. Spata
Workforce Investment Board	Adam Peck

Financial Section





BROWN ARMSTRONG

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Tulare (the County), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the First 5 Tulare County, which represents 100 percent of the assets and revenues of the discretely presented component unit for the fiscal year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the First 5 Tulare County, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis of Matter

As described in Note 1 to the financial statements, in 2015, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the County's proportionate share of net pension liability, schedule of the County's pension contributions, and schedule of funding progress for the County's other postemployment benefit plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

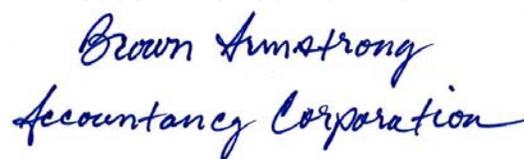
The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

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

Bakersfield, California
December 18, 2015

COUNTY OF TULARE
Management's Discussion and Analysis
June 30, 2015 (in thousands)

As management of the County of Tulare (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis provided here is intended to serve as an introduction to the County's Basic Financial Statements. The County's Basic Financial Statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the Basic Financial Statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include General Government, Public Protection, Public Ways and Facilities, Health and Sanitation, Public Assistance, Education, and Culture and Recreation. The business-type activities of the County include Solid Waste, Transit, and many sewer and water operations.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also six legally separate organizations for which the elected officials of the County are financially accountable. Financial information for five 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 of this report.

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

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

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 22 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, the Tulare County Public Financing Authority, and the Realignment-Social Services fund which are considered to be major funds. Data from the other 18 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found 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 an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its central services, such as mailroom, print shop, and motor pool and insurance coverage. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Solid Waste, which is considered to be a major fund of the County. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found 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 of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County maintains three different types of fiduciary funds. The *Investment trust funds* are used to account for assets held by the County in a trustee capacity. The *Private-Purpose trust fund* is used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Tulare County Redevelopment Successor Agency (Successor Agency). The *Agency funds* are custodial in nature and do not involve measurement of results of operations.

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

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

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

Other Information. In addition to the Basic Financial Statements and accompanying notes, this report also presents *Required Supplementary Information (RSI)* concerning the County's progress in funding its obligation to provide Other Postemployment Benefits (OPEB), and 1) the Schedule of the County's Proportionate Share of Net Pension Liability, 2) Schedule of the County's Contributions for the County's Pension Plan to its employees. RSI can be found immediately following the Notes to the Basic Financial Statements of this report.

The combining and individual fund statements 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 RSI of this report.

FINANCIAL HIGHLIGHTS

New Significant Accounting Standards Implemented

In fiscal year 2014-15, the County adopted two new statements of financial accounting standards issued by the Governmental Accounting Standards Board (GASB) that relate to pension activity:

- Statement No. 68, "Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27,"
- Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68"

Statement No. 68 (Statement) establishes standards of accounting and financial reporting, but not funding or budgetary standards, for the County's defined benefit pension plans. This Statement replaces the requirements of prior GASB statements impacting accounting and disclosure of pensions. The significant impact to the County of implementing Statement No. 68 is the reporting of the County's unfunded pension liability on the County's full accrual basis of accounting government-wide financial statements. There are also new note disclosure requirements and supplementary schedules required by the Statement. The measurement date for the pension liabilities is as of June 30, 2014. This date reflects a one year lag and was used so that these financial statements could be issued in an expedient manner. Activity (i.e., contributions made by the County) occurring during fiscal year 2014-15 are reported as deferred outflows of resources in accordance with Statement No. 71. In order to implement the Statement, a prior period adjustment was made to the County's July 1, 2014 net position. This prior period adjustment decreased the County's net position by \$197,553 from \$1,840,557 to \$1,643,004 and reflects the reporting of: 1) net pension liabilities of \$148,162, 2) deferred outflows of resources of \$40,284, and 3) deferred inflows for pensions of \$77,747. Please refer to Note V E. for more information regarding the County's pensions. The adoption of Statement No. 68 has no impact on the County's governmental fund financial statements, which continue to report expenditures equal to the amount of the County's actuarially determined contribution (formerly referred to as the "annual required contribution"). The calculation of pension contributions is also unaffected by this Statement.

- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$293,975, an increase of \$35,296 in comparison with the prior year. Approximately 24.9% of this amount, \$73,325, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$88,755, or approximately 15.4% of total general fund expenditures.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

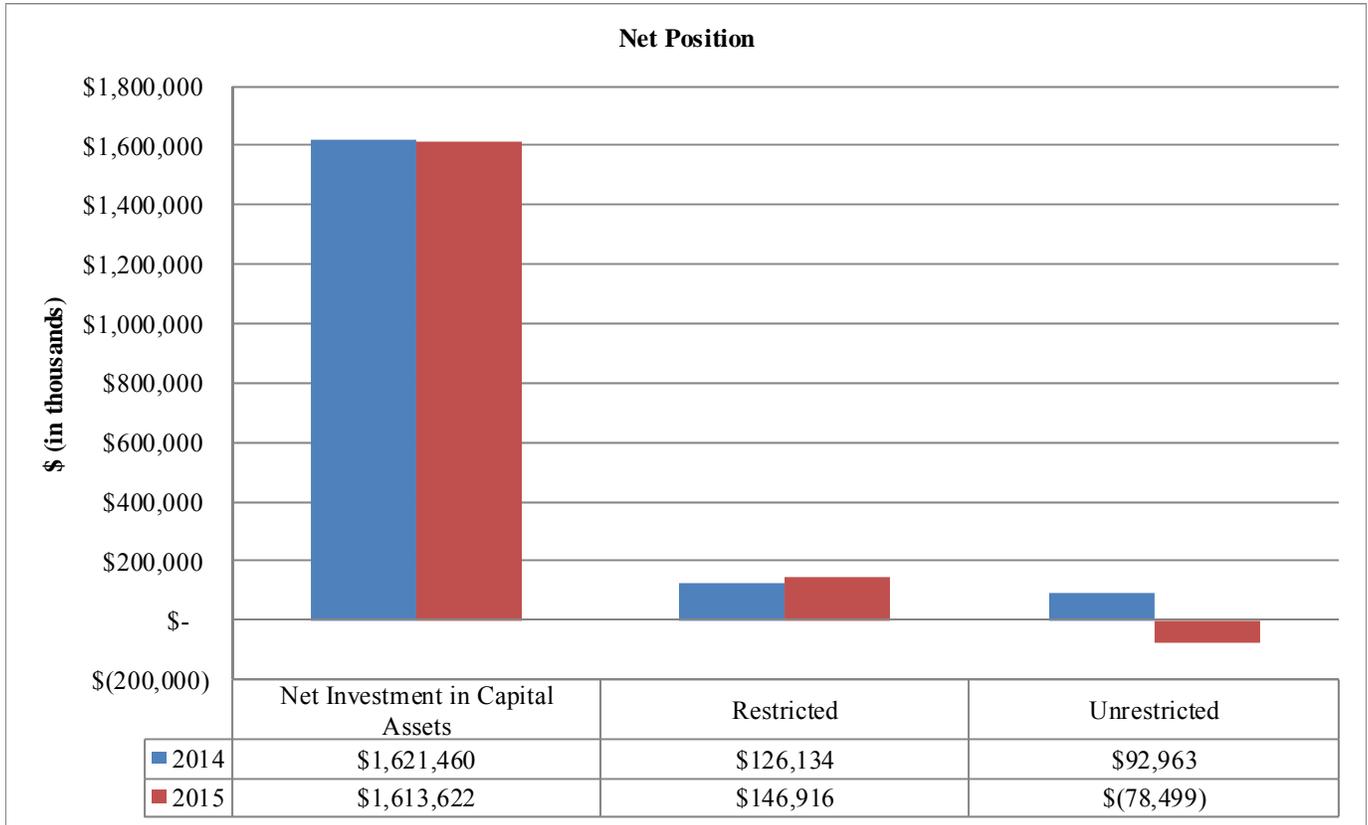
As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,681,987 at the close of the most recent fiscal year.

A portion (\$1,613,622) of the County's net position (95.9%) 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. Accordingly, 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.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

An additional portion of the County's net position (\$146,916) represents resources that are subject to external restrictions on how they may be used (*restricted net position*).

At the end of the current fiscal year, the County reported positive balances in all reported categories of net position except unrestricted net position for the governmental funds. For business-type activities, the County reported positive balances in all reported categories of net position. The change in unrestricted net position in governmental funds over the prior year is the result of the County's unfunded pension liability.



COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

Key elements of the County's calculation of net position for both governmental activities and business-type activities for the fiscal years ended June 30, 2015 and 2014 are as follows:

Net Position
June 30, 2015 and 2014 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	\$ 473,951	\$ 425,222	\$ 66,100	\$ 57,788	\$ 540,051	\$ 483,010
Capital assets	1,600,413	1,611,746	24,886	26,955	1,625,299	1,638,701
Total assets	2,074,364	2,036,968	90,986	84,743	2,165,350	2,121,711
Deferred outflow of resources:						
Deferred pensions	40,024	-	259	-	40,283	-
Total deferred outflows of resources:	40,024	-	259	-	40,283	-
Liabilities:						
Long-term liabilities	264,219	128,057	44,333	42,237	308,552	170,294
Other liabilities	112,172	92,896	8,682	947	120,854	93,843
Total liabilities	376,391	220,953	53,015	43,184	429,406	264,137
Deferred inflows of resources:						
Unavailable revenue	16,441	17,017	-	-	16,441	17,017
Deferred pensions	77,247	-	500	-	77,747	-
Total deferred inflows of resources:	93,688	17,017	500	-	94,188	17,017
Net position:						
Net investment in capital assets	1,590,015	1,595,822	23,607	25,638	1,613,622	1,621,460
Restricted	141,900	121,118	5,016	5,016	146,916	126,134
Unrestricted	(87,606)	82,058	9,107	10,905	(78,499)	92,963
Total net position	\$ 1,644,309	\$ 1,798,998	\$ 37,730	\$ 41,559	\$ 1,682,039	\$ 1,840,557

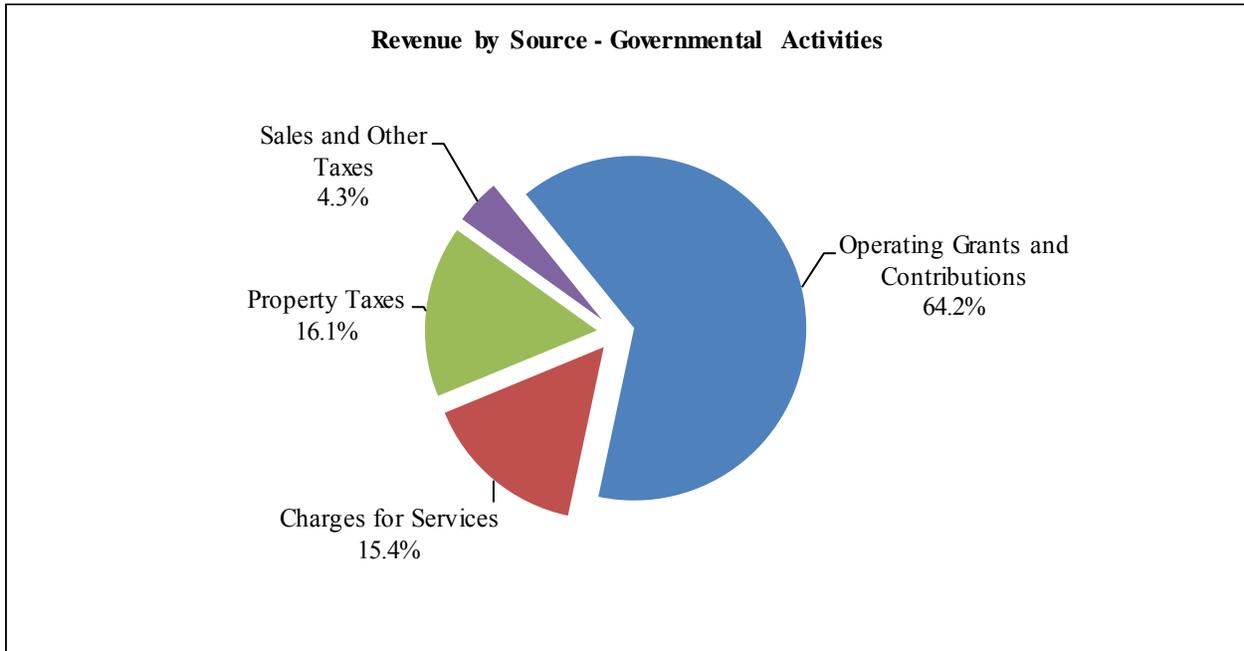
COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for services	\$ 107,266	\$ 103,140	\$ 12,776	\$ 10,325	\$ 120,042	\$ 113,465
Operating grants and contributions	444,945	424,721	625	3,270	445,570	427,991
General Revenues:						
Property taxes	112,026	109,266	-	-	112,026	109,266
Sales and other taxes	29,690	30,524	2,344	2,084	32,034	32,608
Other	3,856	5,467	515	660	4,371	6,127
Total revenues	697,783	673,118	16,260	16,339	714,043	689,457
Expenses:						
General government	41,610	39,432	-	-	41,610	39,432
Public protection	199,878	202,075	-	-	199,878	202,075
Public ways and facilities	36,722	37,155	-	-	36,722	37,155
Health and sanitation	132,566	129,190	-	-	132,566	129,190
Public assistance	240,562	242,378	-	-	240,562	242,378
Education	5,353	5,470	-	-	5,353	5,470
Culture and recreation	2,176	431	-	-	2,176	431
Unallocated depreciation	-	511	-	-	-	511
Interest expense	1,320	1,940	-	-	1,320	1,940
Solid waste	-	-	10,410	10,873	10,410	10,873
Water/Sewer services	-	-	1,039	1,046	1,039	1,046
Transit	-	-	3,322	3,029	3,322	3,029
Other business-type activities	-	-	49	80	49	80
Total expenses	660,187	658,582	14,820	15,028	675,007	673,610
Change in net position before extraordinary items and transfers						
	37,596	14,536	1,440	1,311	39,036	15,847
Transfers	305	265	(305)	(265)	-	-
Change in net position	37,901	14,801	1,135	1,046	39,036	15,847
Net position - beginning	1,798,998	1,784,197	41,559	40,513	1,840,557	1,824,710
Prior period adjustment	(192,590)	-	(4,964)	-	(197,554)	-
Net position - beginning, as restated	1,606,408	1,784,197	36,595	40,513	1,643,003	1,824,710
Net position - ending	\$ 1,644,309	\$ 1,798,998	\$ 37,730	\$ 41,559	\$ 1,682,039	\$ 1,840,557

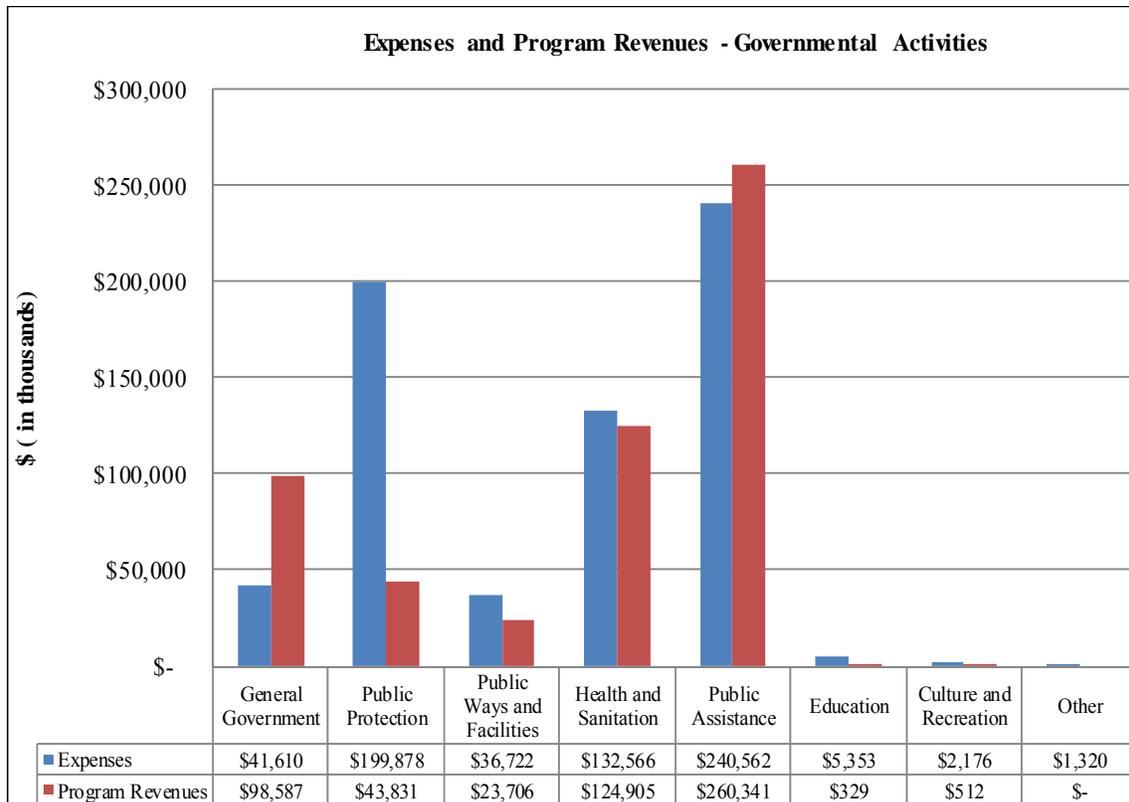
The County's overall net position increased \$39,036 during the year ended June 30, 2015. The dominant factor was an approximate \$17,579 increase in operating grants and contributions.

Governmental Activities. Governmental activities increased the County's net position by \$37,901 to \$1,644,309 for the fiscal year ended June 30, 2015. Operating grants and contributions revenue increased by \$20,224 due to additional State aid realignment funds. Also, due to contractions in the economy, the County has responded by cutting back on all other general expenses, which is why the reverse effect is realized on total net position. Key elements of revenues in governmental activities for the fiscal year ended June 30, 2015, are as follows:

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

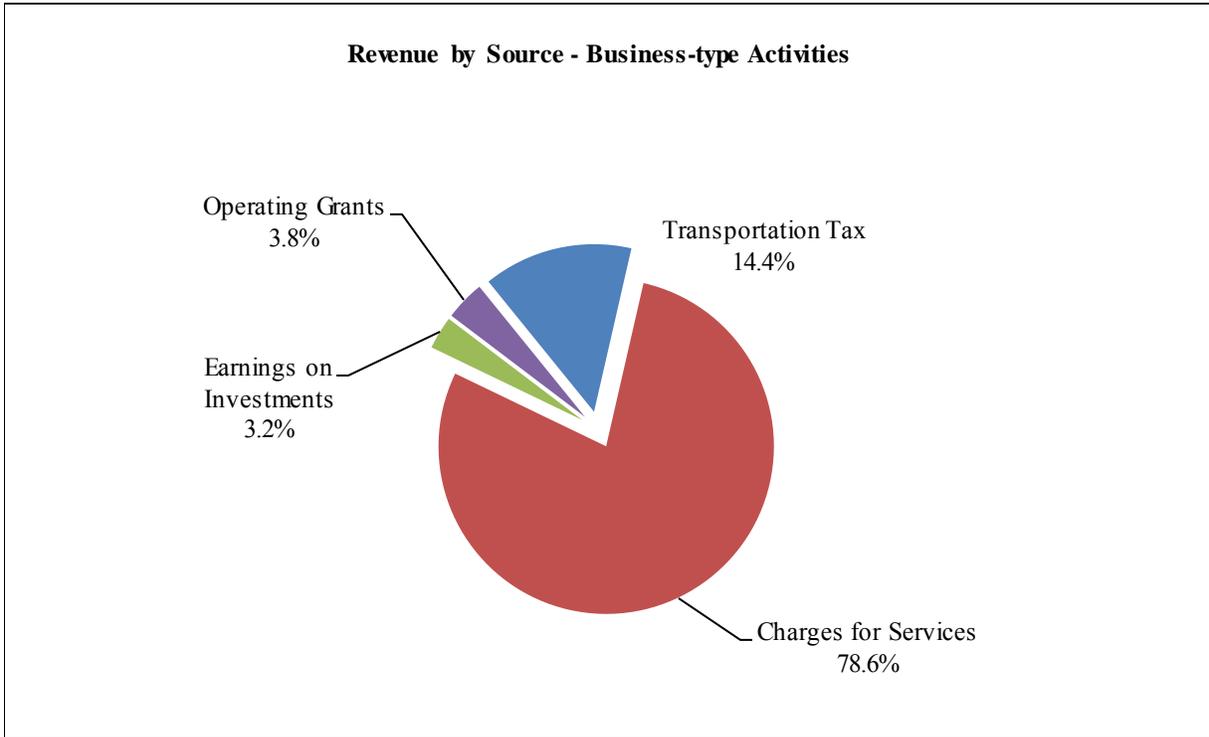


Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, the largest segment of uncovered costs are in the area of public protection. A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2015, is as follows:

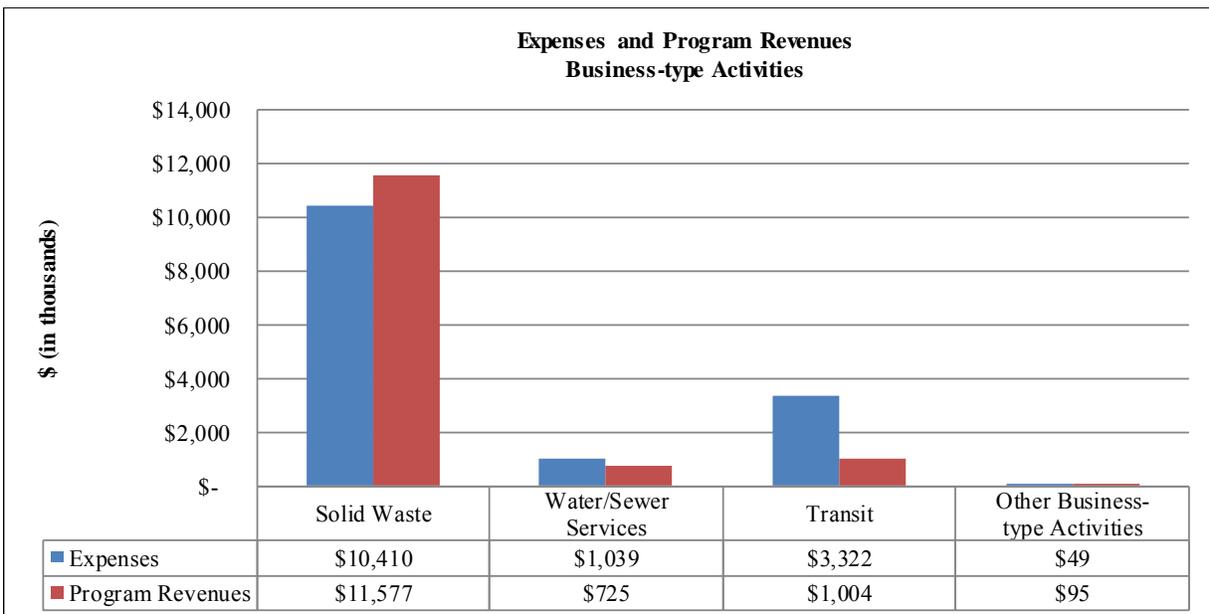


COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

Business-type Activities. The net position of business-type activities increased by 3.0%, or \$1,135, to \$37,730 from 2014 to 2015, which indicates these activities did generate revenues sufficient to cover the cost of operations. Contributing factors are increases in charges for services of \$2,451 and a decrease in Solid Waste expenses of \$463. The largest source of business-type revenue continues to be charges for services, which represents 78.6% of all business-type activities revenue.



Total fee revenues for Solid Waste, which represents 90.3% of charges for services for business-type activities. Solid Waste's revenues of \$ 11,577 exceeded its expenses of \$10,410, which differs from the prior years. The primary cause Solid Waste generating excess revenue was due to a change in the fee structure. A comparison of expenses and program revenues for business-type activities for the fiscal year ended June 30, 2015, is as follows:



COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance, which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Board of Retirement (the Board).

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$293,975, an increase of \$35,296 in comparison with the prior year. Approximately 24.9% of the total fund balances, or \$73,325, constitutes *unassigned fund balance*, which is available for spending at the County's discretion. The remainder of fund balance is either *nonspendable, restricted, committed, or assigned fund balance* to indicate that it is 1) not in spendable form (\$2,372), 2) restricted for particular purposes (\$173,820), 3) committed for particular purposes (\$22,380), or 4) assigned for particular purposes (\$22,078).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the general fund was \$73,325 while total fund balance reached \$127,616. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 12.8% of total general fund expenditures, while total fund balance represents 22.2% of that same amount.

Spending from the general fund increased by \$15,394, or 2.8%. Contributing factors include a 34.7%, or \$8,427 increase in general government spending. There also was a \$5,964, or 4.7% increase in health and sanitation due to medical services provided and an increase in workers' compensation. Public protection spending increased by \$2,311, or 1.4% due to salary increases spread evenly among the Sheriff's, District Attorney's, Public Defenders, and Probation Offices in the current fiscal year.

Proprietary Funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position of all proprietary funds was \$39,447, with \$37,730 of that in enterprise funds. Of the \$37,730 in enterprise funds, 77.0%, or \$29,037 was in Solid Waste. There was an increase of \$182, or 0.6%, of the prior year net position of Solid Waste. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget. The total change between the original budget and the final amended budget was an increase of \$15,017, or 120.5%. The most notable change was an increase of \$43,402 in the transfers in function from the Realignment-Social Services fund.

Final budget compared to actual results. The variance between the final budget and actual revenue resulted in an increase of \$9,095. The most significant differences between estimated revenues and actual revenues were as follows:

<u>Revenues Source</u>	<u>Final Budget</u>	<u>Actual Revenues</u>	<u>Difference</u>
Taxes and special assessments	\$ 111,838	\$ 119,522	\$ 7,684
Intergovernmental revenues	312,172	307,744	(4,428)
Charges for services	71,117	57,865	(13,252)
Other revenues	5,838	18,132	12,294

- Taxes and special assessments revenue was higher than anticipated due to an increase in assessed property values as well as the redistribution of excess Redevelopment Agency (RDA) funds.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

- Intergovernmental revenues were less than expected due to the State of California (the State) realignment of the Mental Health Managed Care program and Early Periodic Screening, Diagnosis, and Treatment (EPSDT) program as well as the elimination of the vehicle license fee.
- Charges for services revenue declined due to a delay in payment from the State for Medi-Cal and Healthy Families claims.
- Other revenues increased primarily due to a fluctuation in Health and Human Services caseloads and repayments.

The variance between the final budget and actual expenditures resulted in \$78,439 of unspent appropriations. The most significant differences are as follows:

- Public protection expenditures decreased by \$15,890 due to unfilled positions in the Probation, District Attorney, and Sheriff Departments.
- Health and sanitation expenditures decreased by \$27,787 due to fewer clients and unfilled positions.
- Public assistance expenditures decreased by \$22,827 due to fewer client services offered in Health and Public Health programs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The County's investment in capital assets for its governmental and business-type activities at current year-end amounts to \$1,625,299 (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. The total decrease in capital assets for the current fiscal year was less than 1%.

Capital Assets
(net of depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 935,562	\$ 934,604	\$ 6,728	\$ 6,726	\$ 942,290	\$ 941,330
Infrastructure	425,315	420,502	-	-	425,315	420,502
Buildings and improvements	127,158	128,562	14,238	15,709	141,396	144,271
Equipment and vehicles	22,144	22,995	3,736	4,520	25,880	27,515
Construction in progress	8,249	6,808	184	-	8,433	6,808
Infrastructure in progress	81,985	98,275	-	-	81,985	98,275
Total	\$ 1,600,413	\$ 1,611,746	\$ 24,886	\$ 26,955	\$ 1,625,299	\$ 1,638,701

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

- South County Detention Facility Project totaled \$2,237 for the year.
- Visalia Courthouse Emergency Generator totaled \$1,292 for the year.
- Purchased infrastructure equipment, such as tractors, for a total of \$368.
- Purchased vehicles for public safety departments at a cost of \$2,252.

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

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

Long-term Debt. At the end of the current fiscal year, the County had total outstanding debt of \$48,137. Of this amount, 16.1% (\$7,733) comprises debt for Certificates of Participation (COPs) issued by the Tulare County Public Facilities Corporation for the acquisition or construction of major capital facilities. Another 75.7% (\$36,460) is the outstanding balance of Variable Rate Demand Bonds issued by the Tulare County Public Financing Authority to provide financing for future acquisition and construction of major capital facilities. The remaining balance is for loans used for new equipment and vehicles used in the general operations of the County.

Outstanding Debt
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Loans	\$ 3,938	\$ 4,399	\$ -	\$ -	\$ 3,938	\$ 4,399
Bonds payable	-	-	6	7	6	7
Variable Rate Demand Bonds	36,460	37,375	-	-	36,460	37,375
Certificates of Participation	6,460	11,525	1,273	1,310	7,733	12,835
Total	\$ 46,858	\$ 53,299	\$ 1,279	\$ 1,317	\$ 48,137	\$ 54,616

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$6,479 (11.86%). The largest reductions occurred with payments of \$5,102 against the COPs and \$915 paid against Variable Rate Demand Bonds.

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

Constitutional Amendment XIII A, passed by a vote of the people and effective July 1, 1978, prohibits the County from raising ad valorem property taxes above 1% of full cash value. Thus, the legal debt margin (\$374,972) is 1.25% of assessed valuation (\$29,997,729). As of June 30, 2015, 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 AND RATES

The following economic factors currently affect the County and were considered in developing the 2015/2016 fiscal year budget:

- The U.S. economy experienced weak international performance, West Coast port strikes, and a strong U.S. Dollar, yet expanded in the second quarter of 2015 when compared with first quarter growth of 0.6%, signaling signs of continued economic recovery. Gross domestic product (GDP) expanded by a seasonally adjusted annual rate of 2.3% for the second quarter of 2015. Other economic signals such as disposable personal income ticked up while personal savings ticked down, suggesting an increase in consumer spending. The Bureau of Economic Analysis also reported that state and local governments increased expenditures. Exports bolstered GDP by 5.3%, helping to offset the negative 3.5% attributed to imports. Although uncertainties remain in today's economic environment and the pace for economic expansion is still weak, at around 2% from 2012 through 2014, the Nation's recovery is steady and moving in a positive direction, although at a slow pace. This recovery is reflected in the job market as the U.S. economy added 223,000 jobs in June of 2015, making it the third consecutive month of solid gains, after a temporary slowdown in March 2015. As of June 2015, the economy has almost recovered the 8.7 billion jobs lost during the Great Recession. The Nation's unemployment rate dropped to 5.3% in the second quarter of 2015, the lowest rate since April 2008. The rate changed very little in the past 12 months, dropping 0.9% since June 2014, and including a positive labor market trend of around 200,000 jobs added per month. The Nation's housing market continues to grow stronger but housing values are still, on average, 23% lower than they were in 2006. Housing starts increased in July 2015 by 0.2% for the third month in a row. Starts on single-family units, which represent almost two-thirds of the overall housing market, jumped 12.8% to their highest level since December 2007. With the U.S. economy entering its seventh year of economic expansion, federal and state policy makers are planning how to respond to the next downturn, which history shows is inevitable. The current expansion is now 16 months longer than the average since World War II, and none has lasted longer than a decade.

COUNTY OF TULARE
Management's Discussion and Analysis (continued)
June 30, 2015 (in thousands)

For calendar year 2014, the County maintained its number one ranking in the Nation for agricultural and livestock production with a total agricultural production of over \$8 billion, 10% over the prior year. Dairy milk and milk products increased 17.9%, making the County the number one dairy producer position in the Nation. Increased prices for high-cash crops contributed to the County's crop value as well. This increase comes at a time when the State is in the fourth year of one of the worst droughts in recorded history and, although total production value is high, agricultural producers have struggled to obtain and to pay for available water. Since the County is heavily dependent on its agricultural based economy, there is significant concern regarding potential drought impacts on the County's assessed value and related discretionary revenues. Negative assessed value impacts have begun to materialize as farmers have fallowed 274,635 acres, and as wells have run dry and home values have dropped.

On June 25, 2015, the Governor of California signed the balanced fiscal year 2015/2016 Budget Act into law, spending \$167.6 billion from the General Fund and other State funds. State General Fund appropriations total \$115.4 billion, \$900 million higher than the revised fiscal year 2015/2016 spending level. Modest revenue expectations in the fiscal year 2015/2016 budget reflect two factors. First, taxable sales continue to recover from the Great Recession of 2008 and the budget projects this trend into fiscal year 2015/2016. Second, the budget assumes capital gains income growth to be flat or negligible going forward. Capital gains revenue tends to be unpredictable and volatile, and the strong growth experienced between 2013 and 2014 is not foreseeable in the future.

The fiscal year 2015/2016 Budget Act gives preschool, K-12, and higher education the biggest spending increase; continues to pay down State debt; and saves for a rainy day as it implements the first year of Proposition 2 and Proposition 98 (passed by the voters in 2014). In addition, it increases spending on health care, In-Home Supportive Services, workforce development, drought assistance, and the judiciary. The Governor has also called for two special sessions on the topics of how to fund 1) improved maintenance of roads, highways, and other infrastructure, and 2) the State's health care delivery system. The ultimate transportation related funding mechanism is important to the County due to the approximately 3,000 miles of roads the County maintains within its borders. The health care special session is needed to address the State's health care delivery system's potential \$1.1 billion gap due to the current managed care organization tax structure that fails to comply with federal requirements.

The fiscal year 2015/2016 Recommended Budget for all funds totals \$1.16 billion, an increase of \$156 million, or 15%, when compared to the fiscal year 2015/2016 Adopted Budget. The budget supports a workforce of 4,848.63 positions and reflects a net increase of 72.6 positions. The fiscal year 2015/2016 Recommended Budget continues the restoration of actions taken to address the Great Recession. Workers' Compensation charges are increased \$2 million to \$11.2 million, or one million more than budgeted in fiscal year 2007/2008. The County negotiated 2 year labor agreements with its employees, providing cost of living increases, restoring the Sick Leave Buy Back program with specific Bargaining Units, and restoring the Deferred Compensation Match program for all unrepresented employees. The Recommended Budget provides funding for mandated and essential services, County programs, infrastructure and capital needs, equipment maintenance and replacement, building County reserves, and maintaining a contingency fund; and adheres to the County Budget Act, County Administrative Regulations, and the County's financial policies.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for all those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Auditor-Controller's Office, 221 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, 2015, can also be found at the County's website: www.co.tulare.ca.us/government/auditor/finrpt.

Basic Financial Statements



COUNTY OF TULARE
Statement of Net Position
June 30, 2015 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
ASSETS				
Cash in banks	\$ 123	\$ 245	\$ 368	\$ 208
Investment in treasury pool	357,067	18,157	375,224	8,134
Investments	8,689	-	8,689	-
Imprest cash	577	3	580	-
Receivable (net of allowance for uncollectibles)				
Accounts	7,019	1,329	8,348	910
Taxes	1,101	-	1,101	-
Deposits with others	-	-	-	12
Due from other governments	21,694	323	22,017	-
Internal balances	853	(853)	-	-
Prepaid items	2,331	-	2,331	22
Notes receivable	17,829	-	17,829	-
Inventories	141	-	141	-
Lease payments receivable, net of interest	102	-	102	-
Restricted assets	56,425	46,896	103,321	-
Capital assets, not being depreciated/amortized	1,025,796	6,912	1,032,708	-
Capital assets, net of accumulated depreciation/amortization	574,617	17,974	592,591	14
Total assets	<u>2,074,364</u>	<u>90,986</u>	<u>2,165,350</u>	<u>9,300</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	40,024	259	40,283	-
Total deferred outflows of resources	<u>40,024</u>	<u>259</u>	<u>40,283</u>	<u>-</u>
LIABILITIES				
Accounts payable	23,906	1,140	25,046	1,887
Due to other governments	32,527	-	32,527	-
Deposits from others	240	8	248	-
Salaries and benefits payable	13,907	118	14,025	12
Advances	41,326	7,416	48,742	-
Interest payable	266	-	266	-
Total current liabilities	<u>112,172</u>	<u>8,682</u>	<u>120,854</u>	<u>1,899</u>
Noncurrent liabilities - Due within one year:				
Claims payable	7,146	-	7,146	-
Compensated absences	1,695	46	1,741	-
Loans payable	479	-	479	-
Bonds payable	915	1	916	-
Certificates of participation (COPs) payable	6,460	37	6,497	-
Noncurrent liabilities - Due in more than one year:				
Claims payable	27,006	-	27,006	-
Net other postemployment benefit (OPEB) obligation	14,789	-	14,789	-
Compensated absences	19,245	175	19,420	14
Closure/post closure costs payable	-	41,880	41,880	-
Accrued remediation costs	271	-	271	-
Loans payable	3,459	-	3,459	-
Bonds payable	35,545	5	35,550	-
Certificates of participation (COPs) payable	-	1,236	1,236	-
Net pension liability	147,209	953	148,162	-
Total noncurrent liabilities	<u>264,219</u>	<u>44,333</u>	<u>308,552</u>	<u>14</u>
Total liabilities	<u>376,391</u>	<u>53,015</u>	<u>429,406</u>	<u>1,913</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	16,441	-	16,441	-
Deferred pensions	77,247	500	77,747	-
Total deferred inflows of resources	<u>93,688</u>	<u>500</u>	<u>94,188</u>	<u>-</u>

Continued

COUNTY OF TULARE
Statement of Net Position (continued)
June 30, 2015 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
NET POSITION				
Net investment in capital assets	1,590,015	23,607	1,613,622	14
Restricted for:				
Debt service	34,732	-	34,732	-
Roads projects	29,822	-	29,822	-
Low and moderate income housing	30	-	30	-
Public protection	17,882	-	17,882	-
Education	1,955	-	1,955	-
Health and sanitation	43,545	-	43,545	-
Public assistance	8,596	-	8,596	-
Landfill ground water contingencies	-	5,016	5,016	-
Other purposes	5,338	-	5,338	-
Unrestricted	(87,606)	9,107	(78,499)	7,373
Total net position	<u>\$ 1,644,309</u>	<u>\$ 37,730</u>	<u>\$ 1,682,039</u>	<u>\$ 7,387</u>
				Concluded

COUNTY OF TULARE
Statement of Activities
June 30, 2015 (in thousands)

Functions / Programs:	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Governmental activities:							
General government	\$ 41,610	\$ 30,244	\$ 68,343	\$ 56,977	\$ -	\$ 56,977	\$ -
Public protection	199,878	19,650	24,181	(156,047)	-	(156,047)	-
Public ways and facilities	36,722	3,340	20,366	(13,016)	-	(13,016)	-
Health and sanitation	132,566	41,652	83,253	(7,661)	-	(7,661)	-
Public assistance	240,562	11,892	248,449	19,779	-	19,779	-
Education	5,353	233	96	(5,024)	-	(5,024)	-
Culture and recreation	2,176	255	257	(1,664)	-	(1,664)	-
Interest expense	1,320	-	-	(1,320)	-	(1,320)	-
Total governmental activities	<u>660,187</u>	<u>107,266</u>	<u>444,945</u>	<u>(107,976)</u>	<u>-</u>	<u>(107,976)</u>	<u>-</u>
Business-type activities:							
Solid waste	10,410	11,538	39	-	1,167	1,167	-
Water/Sewer services	1,039	725	-	-	(314)	(314)	-
Transit	3,322	418	586	-	(2,318)	(2,318)	-
Other business-type activities	49	95	-	-	46	46	-
Total business-type activities	<u>14,820</u>	<u>12,776</u>	<u>625</u>	<u>-</u>	<u>(1,419)</u>	<u>(1,419)</u>	<u>-</u>
Total primary government	<u>\$ 675,007</u>	<u>\$ 120,042</u>	<u>\$ 445,570</u>	<u>\$ (107,976)</u>	<u>\$ (1,419)</u>	<u>\$ (109,395)</u>	<u>\$ -</u>
Component unit:							
First 5 Tulare County	\$ 6,347	\$ -	\$ 5,435				(912)
Total component unit	<u>\$ 6,347</u>	<u>\$ -</u>	<u>\$ 5,435</u>				<u>(912)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes				99,861	-	99,861	-
Property taxes, levied for flood control				539	-	539	-
Property taxes, Levied for redevelopment				8,013	-	8,013	-
Property taxes, levied for fire protection				3,613	-	3,613	-
Sales and other taxes				29,690	2,344	32,034	-
Earnings on investments				-	515	515	80
Miscellaneous				-	-	-	11
Tobacco settlement revenues				3,856	-	3,856	-
Transfers				305	(305)	-	-
Total general revenues and transfers				<u>145,877</u>	<u>2,554</u>	<u>148,431</u>	<u>91</u>
Change in net position				<u>37,901</u>	<u>1,135</u>	<u>39,036</u>	<u>(821)</u>
Net position - beginning				1,798,998	41,559	1,840,557	8,208
Prior period adjustments				(192,590)	(4,964)	(197,554)	-
Net position - beginning, as restated				<u>1,606,408</u>	<u>36,595</u>	<u>1,643,003</u>	<u>8,208</u>
Net position - ending				<u>\$ 1,644,309</u>	<u>\$ 37,730</u>	<u>\$ 1,682,039</u>	<u>\$ 7,387</u>



COUNTY OF TULARE
Governmental Funds
Balance Sheet
June 30, 2015 (in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Realignment- Social Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash in banks	\$ 123	\$ -	\$ -	\$ -	\$ -	123
Investment in treasury pool	211,287	92	-	16,360	87,267	315,006
Investments	-	5,632	3,057	-	-	8,689
Imprest cash	76	-	-	-	1	77
Receivable (net of allowance for uncollectibles)						
Accounts	3,526	-	-	-	2,505	6,031
Taxes	1,101	-	-	-	-	1,101
Due from other funds	155	-	-	-	929	1,084
Due from other governments	17,275	-	-	-	4,271	21,546
Prepaid items	1,672	-	-	-	559	2,231
Advances to other funds	859	-	-	-	-	859
Notes receivable	332	-	-	-	17,497	17,829
Inventories	-	-	-	-	141	141
Lease payments receivable, net of interest	-	-	-	-	102	102
Restricted assets	-	-	56,154	-	271	56,425
Total assets	<u>\$ 236,406</u>	<u>\$ 5,724</u>	<u>\$ 59,211</u>	<u>\$ 16,360</u>	<u>\$ 113,543</u>	<u>\$ 431,244</u>
LIABILITIES						
Accounts payable	\$ 17,077	\$ -	\$ -	\$ -	\$ 4,839	21,916
Due to other funds	935	-	-	-	20	955
Due to other governments	32,248	-	-	-	279	32,527
Deposits from others	183	57	-	-	-	240
Salaries and benefits payable	11,669	-	-	-	1,468	13,137
Advances	38,492	-	-	-	2,834	41,326
Advances from other funds	2,066	-	-	-	-	2,066
Total liabilities	<u>102,670</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>9,440</u>	<u>112,167</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-special assessments	6,120	-	-	-	18,982	25,102
Total deferred inflows of resources	<u>6,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,982</u>	<u>25,102</u>
FUND BALANCES						
Nonspendable	1,672	-	-	-	700	2,372
Restricted	37,189	5,667	55,711	16,360	58,893	173,820
Committed	15,430	-	-	-	6,950	22,380
Assigned	-	-	3,500	-	18,578	22,078
Unassigned	73,325	-	-	-	-	73,325
Total fund balances	<u>127,616</u>	<u>5,667</u>	<u>59,211</u>	<u>16,360</u>	<u>85,121</u>	<u>293,975</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 236,406</u>	<u>\$ 5,724</u>	<u>\$ 59,211</u>	<u>\$ 16,360</u>	<u>\$ 113,543</u>	<u>\$ 431,244</u>

COUNTY OF TULARE
Governmental Funds
Reconciliation of the Balance Sheet
June 30, 2015 (in thousands)

Total fund balances for governmental funds	\$ 293,975
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Those assets, including those reported in internal service funds, consist of:	
Land	\$ 935,562
Buildings and improvements, net of \$82,922 accumulated depreciation	127,158
Equipment and vehicles, net of \$61,479 accumulated depreciation	22,144
Infrastructure, net of \$281,973 accumulated depreciation	425,315
Construction in progress	8,249
Infrastructure in progress	81,985
Total capital assets	1,600,413
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.	
	102
The future revenue resulting from the delay in reimbursements from the State for mandated programs (Senate Bill-90) is categorized as deferred for fund statements because the funds will not be available for more than one year.	
	2,843
Tobacco Settlement revenue, delinquent property tax penalties, and delinquent code violation fines are categorized as deferred inflows of resources for fund statements because the revenues will not be available to liquidate liabilities of the current period. However, the revenue is recognized for the government-wide statements.	
	3,877
Agriculture Commissioner deferred inflows of resources from farmer fees; revenues were already recognized in government-wide statements in prior year.	
	1,836
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 position. Balances, including those reported in internal service funds, at June 30 are:	
Accrued interest on debt	(266)
Capital leases payable	
Loans payable	(3,938)
Notes payable	
Bonds payable	(36,460)
Certificates of participation (COPs) payable	(6,460)
Claims payable	(34,152)
Contractual obligations	
Accrued remediation cost	(271)
Net other postemployment benefit (OPEB) obligation	(14,789)
Compensated absences	(19,631)
Net pension liability and related deferred inflows/outflows of resources	(175,539)
Total long-term liabilities	(291,506)
Internal service funds are used by the County to charge the costs of various central services to individual funds. The assets (except capital assets included above) and liabilities (except long-term liabilities included above) of the internal service funds are included in governmental activities in the statement of net position.	
	32,769
Total net position of governmental activities	\$ 1,644,309

COUNTY OF TULARE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015 (in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Realignment- Social Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes and special assessments	\$ 119,522	\$ -	\$ -	\$ -	\$ 22,194	\$ 141,716
Licenses and permits	10,879	-	-	-	15	10,894
Fines, forfeitures and penalties	7,388	-	-	-	2,578	9,966
Interest, rents and concessions	3,085	51	222	-	1,291	4,649
Intergovernmental revenues	307,744	-	-	80,970	58,239	446,953
Charges for services	57,865	-	-	-	3,770	61,635
Other revenues	18,132	-	-	-	6,573	24,705
Total revenues	<u>524,615</u>	<u>51</u>	<u>222</u>	<u>80,970</u>	<u>94,660</u>	<u>700,518</u>
EXPENDITURES						
Current:						
General government	32,735	-	-	-	8,485	41,220
Public protection	171,098	-	-	-	27,930	199,028
Public ways and facilities	-	-	-	-	21,576	21,576
Health and sanitation	132,460	-	-	-	29	132,489
Public assistance	229,671	-	-	-	11,507	241,178
Education	793	-	-	-	4,356	5,149
Culture and recreation	1,616	-	-	-	-	1,616
Debt service:						
Principal retirement	-	5,081	915	-	463	6,459
Interest and fiscal charges	446	477	191	-	162	1,276
Capital outlay	5,918	-	-	-	10,929	16,847
Total expenditures	<u>574,737</u>	<u>5,558</u>	<u>1,106</u>	<u>-</u>	<u>85,437</u>	<u>666,838</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,122)</u>	<u>(5,507)</u>	<u>(884)</u>	<u>80,970</u>	<u>9,223</u>	<u>33,680</u>
OTHER FINANCING SOURCES (USES)						
Sale of general capital assets	275	-	-	-	-	275
Transfers in	98,841	5,353	3,856	3,819	32,827	144,696
Transfers (out)	(34,121)	-	(2,500)	(75,337)	(32,434)	(144,392)
Total other financing sources (uses)	<u>64,995</u>	<u>5,353</u>	<u>1,356</u>	<u>(71,518)</u>	<u>393</u>	<u>579</u>
Net change in fund balances	14,873	(154)	472	9,452	9,616	34,259
Fund balances - beginning	111,706	5,821	58,739	6,908	75,505	258,679
Prior period adjustment	1,037	-	-	-	-	1,037
Fund balances - beginning, as restated	<u>112,743</u>	<u>5,821</u>	<u>58,739</u>	<u>6,908</u>	<u>75,505</u>	<u>259,716</u>
Fund balances - ending	<u>\$ 127,616</u>	<u>\$ 5,667</u>	<u>\$ 59,211</u>	<u>\$ 16,360</u>	<u>\$ 85,121</u>	<u>\$ 293,975</u>

COUNTY OF TULARE
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015 (in thousands)

Net change in fund balances - total governmental funds	\$	34,259
The change in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense differs from capital outlay expenditures in the current period.		
Capital outlay expenditures	\$ 16,847	
Depreciation expense	<u>(24,417)</u>	
Combined adjustment		(7,570)
Governmental funds report proceeds or losses from the sale of capital assets as revenues when received. However, in the statement of activities, proceeds of the sale must be offset by the book value of the asset sold (or otherwise disposed of) to determine a gain or loss on disposition. This is the book value of the capital assets sold in the current period.		
		(4,066)
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 a deferred inflows of resources 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.		
		(472)
Governmental funds report the future resources as the result of delayed collection of reimbursements from the State for mandated programs (SB-90) as a deferred inflows of resources because the delay will exceed one year. However, for government-wide statements, the revenue is recognized when earned.		
		(2,419)
To account for the remediation cost for Harmon.		
		4,444
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.		
		(1,978)
Current year collections of previously delayed reimbursements for Ag. Commissioner programs are reported as current year revenue for governmental funds. However, for government-wide statements, current year collections cannot be recognized a second time.		
		1,780
Governmental funds report the principal portion of debt service payments as expenditures. However, repayment of principal reduces long-term liabilities on the statement of net position and has no effect on the statement of activities.		
		6,441
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported when amounts are due and payable. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net changes for the current period.		
Compensated absences	(301)	
Amortization of pension assets	8,752	
Amortization of net OPEB obligation	(938)	
Accrued interest on debt	<u>(26)</u>	
Combined adjustment		7,487
Internal service funds are used by the County to charge the costs of various insurance coverage and central services to individual funds. The net cost of internal service funds is reported with the governmental funds.		
		(5)
Changes in net position	<u>\$</u>	<u>37,901</u>

COUNTY OF TULARE

General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2015 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 111,838	\$ 111,838	\$ 119,522	\$ 7,684
Licenses and permits	9,119	9,119	10,879	1,760
Fines, forfeitures and penalties	4,310	4,310	7,388	3,078
Interest, rents and concessions	1,126	1,126	3,085	1,959
Intergovernmental revenues	339,361	312,172	307,744	(4,428)
Charges for services	67,665	71,117	57,865	(13,252)
Other revenues	4,526	5,838	18,132	12,294
Total revenues	<u>537,945</u>	<u>515,520</u>	<u>524,615</u>	<u>9,095</u>
EXPENDITURES				
Current:				
General government	44,374	44,342	32,735	11,607
Public protection	185,010	186,988	171,098	15,890
Health and sanitation	151,865	160,247	132,460	27,787
Public assistance	246,675	252,498	229,671	22,827
Education	897	897	793	104
Culture and recreation	1,695	1,660	1,616	44
Debt service:				
Interest and fiscal charges	300	300	446	(146)
Capital outlay	5,719	6,244	5,918	326
Total expenditures	<u>636,535</u>	<u>653,176</u>	<u>574,737</u>	<u>78,439</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98,590)</u>	<u>(137,656)</u>	<u>(50,122)</u>	<u>87,534</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	187	187	275	88
Transfers in	125,150	168,552	98,841	(69,711)
Transfers (out)	(39,210)	(58,563)	(34,121)	24,442
Total other financing sources (uses)	<u>86,127</u>	<u>110,176</u>	<u>64,995</u>	<u>(45,181)</u>
Net change in fund balance	(12,463)	(27,480)	14,873	42,353
Fund balance - beginning	111,706	111,706	111,706	-
Prior period adjustment	1,037	1,037	1,037	-
Fund balances - beginning, as restated	<u>112,743</u>	<u>112,743</u>	<u>112,743</u>	<u>-</u>
Fund balance - ending	<u>\$ 100,280</u>	<u>\$ 85,263</u>	<u>\$ 127,616</u>	<u>42,353</u>

COUNTY OF TULARE
Realignment –Social Services Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 32,299	\$ 73,846	\$ 80,970	\$ 7,124
Total revenues	<u>32,299</u>	<u>73,846</u>	<u>80,970</u>	<u>7,124</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>32,299</u>	<u>73,846</u>	<u>80,970</u>	<u>7,124</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,955	3,955	3,819	(136)
Transfers (out)	<u>(38,304)</u>	<u>(79,851)</u>	<u>(75,337)</u>	<u>4,514</u>
Total other financing sources (uses)	<u>(34,349)</u>	<u>(75,896)</u>	<u>(71,518)</u>	<u>4,378</u>
Net change in fund balance	(2,050)	(2,050)	9,452	11,502
Fund balance - beginning	6,908	6,908	6,908	-
Fund balance - ending	<u>\$ 4,858</u>	<u>\$ 4,858</u>	<u>\$ 16,360</u>	<u>11,502</u>

COUNTY OF TULARE
Proprietary Funds
Statement of Net Position
June 30, 2015 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
ASSETS				
Current assets:				
Cash in banks	\$ 232	\$ 13	\$ 245	\$ -
Investment in treasury pool	6,344	11,813	18,157	42,061
Imprest cash	3	-	3	500
Accounts receivable (net of allowance for uncollectibles)	1,123	206	1,329	988
Prepaid items	-	-	-	100
Due from other funds	-	6	6	-
Due from other governments	-	323	323	148
Total current assets	<u>7,702</u>	<u>12,361</u>	<u>20,063</u>	<u>43,797</u>
Noncurrent assets:				
Advances to other funds	-	-	-	2,066
Restricted assets	46,880	16	46,896	-
Capital assets:				
Land	6,116	612	6,728	-
Buildings and improvements, net	10,412	3,826	14,238	-
Equipment and vehicles, net	1,845	1,891	3,736	2,398
Construction in progress	-	184	184	704
Total capital assets	<u>18,373</u>	<u>6,513</u>	<u>24,886</u>	<u>3,102</u>
Total noncurrent assets	<u>65,253</u>	<u>6,529</u>	<u>71,782</u>	<u>5,168</u>
Total assets	<u>72,955</u>	<u>18,890</u>	<u>91,845</u>	<u>48,965</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	241	18	259	1,928
Total deferred outflows of resources	<u>241</u>	<u>18</u>	<u>259</u>	<u>1,928</u>
LIABILITIES				
Current liabilities:				
Accounts payable	616	524	1,140	1,990
Due to other funds	-	-	-	135
Deposits from others	-	8	8	-
Salaries and benefits payable	111	7	118	770
Compensated absences payable	46	-	46	99
Claims payable	-	-	-	7,146
Bonds payable	-	1	1	-
Certificates of participation (COPs) payable	-	37	37	-
Total current liabilities	<u>773</u>	<u>577</u>	<u>1,350</u>	<u>10,140</u>
Noncurrent liabilities:				
Compensated absences payable	154	21	175	1,210
Advances	-	7,416	7,416	-
Advances from other funds	-	859	859	-
Closure/post closure costs payable	41,880	-	41,880	-
Claims payable	-	-	-	27,006
Bonds payable	-	5	5	-
Certificates of participation (COPs) payable	-	1,236	1,236	-
Net pension liability	887	66	953	7,097
Total noncurrent liabilities	<u>42,921</u>	<u>9,603</u>	<u>52,524</u>	<u>35,313</u>
Total liabilities	<u>43,694</u>	<u>10,180</u>	<u>53,874</u>	<u>45,453</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	465	35	500	3,724
Total deferred inflows of resources	<u>465</u>	<u>35</u>	<u>500</u>	<u>3,724</u>
NET POSITION				
Net investment in capital assets	18,373	5,234	23,607	3,102
Restricted for:				
Landfill ground water contingencies	5,000	16	5,016	-
Unrestricted	5,664	3,443	9,107	(1,386)
Total net position	<u>\$ 29,037</u>	<u>\$ 8,693</u>	<u>\$ 37,730</u>	<u>\$ 1,716</u>

COUNTY OF TULARE
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015 (in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Operating revenues:				
Charges for services	\$ 11,306	\$ 1,197	\$ 12,503	\$ 52,386
Interest, rents and concessions	16	3	19	-
Other revenues	216	38	254	4,025
Total operating revenues	<u>11,538</u>	<u>1,238</u>	<u>12,776</u>	<u>56,411</u>
Operating expenses:				
Salaries and benefits	2,230	147	2,377	16,228
Services and supplies	5,178	3,467	8,645	30,420
Insurance premiums paid	-	-	-	5,859
Landfill closure and post closure costs	1,189	-	1,189	-
Depreciation	1,833	732	2,565	544
Claims incurred	-	-	-	3,792
Total operating expenses	<u>10,430</u>	<u>4,346</u>	<u>14,776</u>	<u>56,843</u>
Operating income (loss)	<u>1,108</u>	<u>(3,108)</u>	<u>(2,000)</u>	<u>(432)</u>
Nonoperating revenues (expenses):				
Gain (loss) on sale of capital assets	20	-	20	-
Intergovernmental revenues	39	586	625	27
Taxes and special assessments	-	2,344	2,344	-
Investment earnings	487	28	515	353
Interest expense	-	(64)	(64)	-
Total nonoperating revenues (expenses)	<u>546</u>	<u>2,894</u>	<u>3,440</u>	<u>380</u>
Income (loss) before contributions and transfers	<u>1,654</u>	<u>(214)</u>	<u>1,440</u>	<u>(52)</u>
Capital contributions	-	-	-	3
Transfers in	-	-	-	287
Transfers (out)	(305)	-	(305)	(286)
Change in net position	<u>1,349</u>	<u>(214)</u>	<u>1,135</u>	<u>(48)</u>
Net position - beginning	28,855	12,704	41,559	11,100
Prior period adjustment	(1,167)	(3,797)	(4,964)	(9,336)
Net position - beginning, as restated	<u>27,688</u>	<u>8,907</u>	<u>36,595</u>	<u>1,764</u>
Net position - ending	<u>\$ 29,037</u>	<u>\$ 8,693</u>	<u>\$ 37,730</u>	<u>\$ 1,716</u>

COUNTY OF TULARE
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2015 (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	\$ 11,396	\$ 1,218	\$ 12,614	\$ (373)
Receipts from interfund services provided	9	(6)	3	51,863
Receipts from rents and concessions	16	3	19	-
Other revenues	216	59	275	3,986
Payments to employees	(2,292)	(3,858)	(6,150)	(16,484)
Payments to suppliers	(3,863)	4,767	904	(29,645)
Payments for interfund services used	(1,303)	(516)	(1,819)	(6,806)
Payments for claims	-	-	-	(5,249)
Net cash provided by (used for) operating activities	<u>4,179</u>	<u>1,667</u>	<u>5,846</u>	<u>(2,708)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from intergovernmental entities	39	586	625	27
Receipts from taxes and assessments	-	2,344	2,344	-
Transfers from other funds	1,189	-	1,189	287
Transfers to other funds	(1,494)	-	(1,494)	(286)
Advance from other funds	-	(21)	(21)	-
Advance to other funds	-	-	-	294
Net cash provided by (used for) noncapital financing activities	<u>(266)</u>	<u>2,909</u>	<u>2,643</u>	<u>322</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sales of capital assets	19	-	19	-
Purchases of capital assets	-	(495)	(495)	(801)
Principal paid on capital debt	-	(38)	(38)	-
Interest paid on capital debt	-	(64)	(64)	-
Net cash (used for) capital and related financing activities	<u>19</u>	<u>(597)</u>	<u>(578)</u>	<u>(801)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	487	28	515	353
Net cash provided by investing activities	<u>487</u>	<u>28</u>	<u>515</u>	<u>353</u>
Net increase (decrease) in cash and cash equivalents	4,419	4,007	8,426	(2,834)
Cash and cash equivalents - beginning	49,040	7,835	56,875	45,395
Cash and cash equivalents - ending	<u>\$ 53,459</u>	<u>\$ 11,842</u>	<u>\$ 65,301</u>	<u>\$ 42,561</u>

Continued

COUNTY OF TULARE
Proprietary Funds
Statement of Cash Flows (continued)
For the Year Ended June 30, 2015 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Displayed as:				
Cash in banks	\$ 232	\$ 13	\$ 245	\$ -
Investment in treasury pool	6,344	11,813	18,157	42,061
Imprest cash	3	-	3	500
Restricted assets which are cash equivalents	46,880	16	46,896	-
Total cash displayed	<u>\$ 53,459</u>	<u>\$ 11,842</u>	<u>\$ 65,301</u>	<u>\$ 42,561</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	<u>\$ 1,108</u>	<u>\$ (3,108)</u>	<u>\$ (2,000)</u>	<u>\$ (432)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Landfill closure and post closure costs	1,189	-	1,189	-
Depreciation expense	1,833	732	2,565	544
(Increase) decrease in accounts receivable	107	22	129	(977)
(Increase) decrease in intergovernmental receivables	-	21	21	(39)
(Increase) decrease in due from other funds	-	(6)	(6)	600
(Increase) decrease in due to other funds	(8)	(1)	(9)	(519)
(Increase) decrease in prepaid items	-	-	-	(50)
Increase (decrease) in accounts payable	12	7,718	7,730	(122)
Increase (decrease) in deferred pension	224	17	241	1,796
Increase (decrease) in net pension liability	887	66	953	7,097
Increase (decrease) in salaries and benefits payable and compensated absences	(1,173)	(3,794)	(4,967)	(9,149)
Increase (decrease) in claims payable	-	-	-	(1,457)
Total adjustments	<u>3,071</u>	<u>4,775</u>	<u>7,846</u>	<u>(2,276)</u>
Net cash provided by (used for) operating activities	<u>\$ 4,179</u>	<u>\$ 1,667</u>	<u>\$ 5,846</u>	<u>\$ (2,708)</u>
Schedule of non-cash capital and related finance activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 3

Concluded

COUNTY OF TULARE
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2015 (in thousands)

	Investment Trust Funds	Private- Purpose Trust Funds	Agency Funds
ASSETS			
Cash in bank	\$ 1	\$ -	\$ 4,268
Investment in treasury pool	733,880	1,164	40,704
Accounts receivable (net of allowance for uncollectibles)	2,115	-	308
Notes receivable	904	-	-
Prepaid items	54	-	-
Deposits with others	-	166	182
Due from other governments	1,962	444	1,785
Capital assets:			
Infrastructure	-	2,495	-
Equipment and vehicles, net	-	115	-
Total capital assets (net of accumulated depreciation)	-	2,610	-
Total assets	<u>738,916</u>	<u>4,384</u>	<u>47,247</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	163	-	-
Total deferred outflows of resources	<u>163</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts payable	9,214	-	17,655
Due to other governments	1,796	444	7,321
Note payable	3,075	5,350	-
Agency obligations	-	-	22,271
Net pension liability	598	-	-
Total liabilities	<u>14,683</u>	<u>5,794</u>	<u>\$ 47,247</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	314	-	-
Total deferred inflows of resources	<u>314</u>	<u>-</u>	<u>\$ -</u>
NET POSITION			
Net position held in trust for pension benefits and other purposes	<u>\$ 724,082</u>	<u>\$ (1,410)</u>	

COUNTY OF TULARE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2015 (in thousands)

	Investment Trust Funds	Private- Purpose Trust Funds
ADDITIONS		
Contributions to pooled investments	\$ 5,043,585	\$ 507
Investment income	(6,490)	11
Total additions	<u>5,037,095</u>	<u>518</u>
DEDUCTIONS		
Distributions from pooled investments	<u>4,838,122</u>	<u>601</u>
Total deductions	<u>4,838,122</u>	<u>601</u>
Change in net position	198,973	(83)
Net position - beginning	<u>525,895</u>	<u>(1,327)</u>
Prior period adjustments	(786)	-
Net position - beginning, as restated	<u>525,109</u>	<u>(1,327)</u>
Net position - ending	<u>\$ 724,082</u>	<u>\$ (1,410)</u>

Notes to the Financial Statements



COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

I. Summary of Significant Accounting Policies

A. THE FINANCIAL REPORTING ENTITY

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

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

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

Blended Component Units The 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. For financial reporting purposes, these entities are considered component units and their individual financial information is presented as part of the County's operations. The blended component units discussed herein have a June 30 year-end.

1. *Terra Bella Sewer Maintenance District* - Terra Bella Sewer Maintenance District (TBSMD) is an entity legally separate from the County. However, the County Board serves as the governing Board of TBSMD and has control over the day-to-day operations of TBSMD through budget approvals. For financial reporting purposes, the TBSMD is reported as if it were part of the County's operations. The TBSMD is operated by the County's Resource Management Agency and its Engineering Division. The purpose of the TBSMD is to develop, expand, and maintain the TBSMD Wastewater Treatment and Disposal facility. This component unit's financial information is included as an enterprise fund.
2. *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, are members of the County's Board and have control over the day-to-day operations of TCFCD through budget approvals. For financial reporting purposes, the TCFCD is reported as if it were part of the County's operations. The TCFCD's primary responsibility is to provide flood control related services to the residents of the 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.
3. *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, are appointees of the County's Board that can impose its will upon TCPFC by its 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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

4. *Tulare County Public Financing Authority* - The Tulare County Public Financing Authority (TCPFA), which is legally separate from the County, was established through a Joint Exercise of Powers Agreement between the County and the County Redevelopment Agency. The County Board serves as the governing Board of the 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 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 in the general fund.
5. *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, 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 County Board serves as the governing Board of TCIHSSPA and has control over the day-to-day operations of TCIHSSPA through budget approvals, and the hiring or dismissal of management. For financial reporting purposes, TCIHSSPA is reported as if it were part of the County's operations. The component unit's financial information is included as a special revenue fund.

Discretely Presented Component Unit The members of the governing board of the First 5 Tulare County (F5TC), an entity legally separate from the County, are appointees of the County's Board, that can impose its will upon F5TC through the approval of the F5TC's annual budget, by its authority to remove F5TC Board members, and the hiring or dismissal of management. F5TC was created by County Ordinance No. 3217 on December 8, 1998. The purpose of the F5TC is to develop, promote, and implement local early childhood development programs administered by the California Children and Families First Commission. For financial reporting purposes, the F5TC is discretely presented because the resources of F5TC are not used to support County operations. Complete audited financial statements for F5TC are available at the County of Tulare Auditor-Controller's Office, 221 S. Mooney Boulevard, Room 101-E, Visalia, California 93291.

B. FINANCIAL STATEMENT PRESENTATION

In accordance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, the financial statements consist of the following:

- o Government-wide financial statements,
- o Fund financial statements, and
- o Notes to the financial statements.

The government-wide financial statements consist of the Statement of Net Position and the Statement of Activities and report information on all of the nonfiduciary activities of the primary government and its component units. As a general rule, the effect of interfund intra-function activity has been eliminated from the government-wide financial statements. All internal balances in the Statement of Net Position have been eliminated, with the exception of those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total government column. The Statement of Activities presents function revenue and expenses of governmental activities and business-type activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the Statement of Activities, internal service funds' revenues and expenses related to interfund services have been eliminated. Revenue and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities.

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include policy and executive, public safety, health and public assistance, community resources and public facilities, general government and support services, and general county programs. The business-type activities of the County include resource recovery and waste management and sanitation operations.

The Statement of Activities demonstrates the degree to which the direct and indirect 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. Indirect expenses are allocated based on the annual Countywide Cost Allocation Plan which allocates the cost of central

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

service departments to service user departments. Costs allocated in the Cost Allocation Plan include administrative and support costs such as budget preparation and oversight, county counsel, landscaping, payroll, utilities, and facilities maintenance. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions, including special assessments, that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from among program revenues are reported as general revenues.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste, Transit, Terra Bella Sewer Maintenance District, Assessment Districts, County Service Area #1, and County Service Area #2 enterprise funds and the County's internal service funds are charges to customers for sales and services. 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.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

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

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

The County legally adopts an annual budget for the general fund and all of its special revenue funds, debt service funds, and its capital projects fund. Component units TBSMD, TCFCD, and the TCIHSSPA each adopt an annual budget. TCPFC and TCPFA do not adopt budgets.

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

Property taxes, franchise taxes, licenses, interest, and special assessments are susceptible to accrual. Property tax revenues recognized are only those levied for the current fiscal year that have been collected or expect to be collected within 60 days after fiscal year-end. Sales taxes collected and held by the State at year-end on behalf of the County are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

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 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 through borrowings, which are used for construction, acquisition, and/or maintenance of capital assets.

The *Realignment-Social Services Fund* is a State mandated fund that accounts for the County match, sales tax revenues, and transfer to/from the general fund for certain welfare program expenditures. The primary source of revenue are State funds.

Additionally, the County reports the following governmental fund types:

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

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

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

Proprietary Funds are accounted for on the economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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

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

Additionally, the County reports the following proprietary fund types:

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

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

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

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 *private-purpose trust fund* is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefits and other governments. This fund reports the assets, liabilities, and activities of the Tulare County Redevelopment Successor Agency (Successor Agency).

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

D. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

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

- **GASB Statement No. 68** - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The provisions of GASB Statement No. 68 are effective for financial statements beginning after June 15, 2014. The County implemented this change for the fiscal year ended June 30, 2015.
- **GASB Statement No. 69** - *Government Combinations and Disposals of Government Operations*. The provisions of GASB Statement No. 69 are effective for financial statements beginning after December 15, 2013. Upon implementation, there was no effect on the County's accounting or financial reporting.
- **GASB Statement No. 71** - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. The provisions of GASB Statement No. 71 should be applied simultaneously with the provision of Statement 68. The County implemented this change for the fiscal year ended June 30, 2015.

GASB Statements No. 72-76 listed below will be implemented in future financial statements:

- **GASB Statement No. 72** - *Fair Value Measurement and Application*. The provisions of GASB Statement No. 72 are effective for financial statements beginning after June 15, 2015. The County has not fully judged the impact of implementation of GASB Statement No. 72 on the financial statements.
- **GASB Statement No. 73** - *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions of GASB Statement No. 73 are effective for financial statements beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. The County has not fully judged the impact of implementation of GASB Statement No. 73 on the financial statements.
- **GASB Statement No. 74** - *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The provisions of GASB Statement No. 74 are effective for financial statements beginning after June 15, 2016. The County has not fully judged the impact of implementation of GASB Statement No. 74 on the financial statements.
- **GASB Statement No. 75** - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The provisions of GASB Statement No. 75 are effective for financial statements beginning after June 15, 2017. The County has not fully judged the impact of implementation of GASB Statement No. 75 on the financial statements.

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- **GASB Statement No. 76** – *The Hierarchy of Generally Accepted Accounting Principles of State and Local Governments*. The provisions of GASB Statement No. 76 are effective for financial statements beginning after June 15, 2015. The County has not fully judged the impact of implementation of GASB Statement No. 76 on the financial statements.
- **GASB Statement No. 77** – *Tax Abatement Disclosures*. The provisions of GASB Statement No. 77 are effective for financial statements beginning after December 15, 2015. The County has not fully judged the impact of implementation of GASB Statement No. 77 on the financial statements.
- **GASB Statement No. 78** – *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The provisions of GASB Statement No. 78 are effective for financial statements beginning after December 15, 2015. The County has not fully judged the impact of implementation of GASB Statement No. 78 on the financial statements.

E. ASSETS, LIABILITIES, AND EQUITY

1. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in 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, federal agencies, municipal securities, commercial paper, corporate notes and bonds, repurchase agreements, certificates of deposit, 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, 2015, the special purpose authorities' cash and pooled investments were approximately 67.2% of the County Treasurer's Office pooled investment portfolio.

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 position 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 quarterly 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, 2015. The dollars deposited in the program have been increased by \$2,325 to reflect the increase in the fair value of the Investment in the Treasury Pool at June 30, 2015.

In addition, investments outside the Investment Pool were adjusted to fair market value as of June 30, 2015, resulting in a decrease of \$20.

2. Receivables and Payables

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

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

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions, including the schools and special districts within the County. The Board levies property taxes as of October 3 for property values assessed on July 1. Secured property tax payments are due in two equal installments. The first property tax installment is

COUNTY OF TULARE
Notes to the Financial Statements
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due November 1 and delinquent with penalties after December 10 and the second property tax installment is due on February 1 and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid after August 31. Property taxes are accounted for in the Unapportioned Tax Resources Fund, an agency fund, until apportionment and disbursement to taxing jurisdictions. In fiscal year ended June 30, 1994, the County adopted the alternative method of secured property tax apportionment available under the Revenue and Taxation Code of the State (also known as the “Teeter Plan”) whereby secured property taxes were distributed to participating taxing entities (including the County and related Component Units) on the basis of the tax levy, including any uncollected amounts at fiscal year-end. The County, as administrator, benefited from future collections of penalties and interest on delinquent taxes. Transactions of the Teeter Plan (including outstanding debt borrowed for the annual Teeter buyout) were accounted for in the general fund. Taxes receivable are recorded as of the date levied. The County opted out of the Teeter Plan on June 30, 2009.

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

3. Inventories and Prepaid Items

Governmental fund type inventories not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures/expenses when consumed rather than when purchased. Thus, in governmental funds, prepaid totals are reported as nonspendable.

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

The costs associated with debt issuance are reported as an expenditure of the period in which they are incurred in governmental funds.

4. Restricted Assets

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

5. Capital Assets

Capital assets include land, land improvements, buildings and improvements, equipment, vehicles, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (e.g., land easements and computer software). They are reported in the applicable governmental or business-type activities columns in the government-wide financial statements at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. The capitalization thresholds are \$5 for equipment and vehicles, and \$100 for land improvements, buildings improvements, infrastructure, and computer software. Land and buildings are capitalized regardless of cost.

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

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

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

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

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

6. Compensated Absences

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

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

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

Employees in Bargaining Unit 23 who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 350 converted hours.

Employees in Bargaining Units 1, 2, 3, 4, 6 and 7 who leave County service by retirement after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in these same Bargaining Units leaving County service in good standing, other than by retirement, after ten years of service may convert 20% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 20 converted hours.

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Employees in Bargaining Units 9, 10, 11, 19, 20, 21, 40 and 45 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 Bargaining 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.

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

During most fiscal years, 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 will be paid from pledged property taxes and other revenues the County expects to receive during the fiscal year. The County repaid the Tax and Revenue Anticipation Note for the year ended June 30, 2014, however no Tax and Revenue Anticipation Note for the year ended June 30, 2015 was issued.

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses during the current period.

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

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net positions that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has various deferred inflows of resources that have not met the County revenue recognition policy, which originate from various sources.

COUNTY OF TULARE
Notes to the Financial Statements
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10. Fund Balance Policies

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

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

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

Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the County’s highest level of decision-making authority (the Board) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

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

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

The Board establishes, modifies, or rescinds fund balance commitments and assignments by passage of an ordinance or resolution (ordinances and resolutions are considered of equal authority with respect to fund balance). This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

11. Fund Balance Flow Assumptions

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

12. Use of Estimates

The preparation of the basic financial statements is in conformity with accounting principles generally accepted in the United States. These accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. Reconciliation of Government-Wide and Fund Financial Statements

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

A reconciliation of the total net change in fund balances for governmental funds to the total changes in net position of governmental activities has been prepared as part of the basic financial statements including explanations of differences on page 31.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

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 an operating budget approved by the Board.

A balanced operating budget is adopted each fiscal year for the County's general fund, special revenue funds, debt service funds, and capital projects fund. A balanced operating budget is adopted each fiscal year for the TCFCD, which is governed by the Board and of which the Auditor-Controller is the ex-officio Finance Officer. The TCPFA and the TCPFC do not adopt a budget.

A spending plan is adopted each fiscal year for the County's enterprise funds and internal service funds, as well as the TBSMD (blended component unit), which is governed by the Board and of which the Auditor-Controller is the ex-officio Finance Officer. Public hearings are conducted on the recommended budget and spending plans to review all appropriations and the sources of financing. Because the adopted budget for governmental fund types must be balanced, any shortfall in revenue requires an equal reduction in appropriations. All appropriations lapse at year-end.

All governmental fund type budgets and the spending plans for proprietary fund types are adopted on the modified accrual basis of accounting. 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 for specific object or sub-object accounts under Administrative Regulation (AR) No.4. Transfers of appropriations to or from any budget unit, transfers of appropriations between funds, and transfers from the Contingency Reserve are approved by the Board. Supplemental appropriations necessary and normally financed by unanticipated revenues during the year must be approved by the Board. The Board, per Government Code 29125 has legally delegated authority under AR No. 4 to the CAO to approve transfers of appropriations within any budget unit among the object or sub-object accounts, with the following restrictions: 1) Overall appropriations of the budget unit are not increased, 2) Transfers cannot create a Capital Asset appropriation, 3) Increases to existing Capital Asset appropriation cannot exceed 10%, and 4) Increases from the County's allocated salaries account may be approved for unspent salaries that are tied to a regular position that is vacant or under-filled. Budgeted amounts are reported both as adopted and as amended.

The Board made several supplemental budgetary appropriations throughout the fiscal year, including additional appropriations for new programs, additional positions, and unanticipated obligations. For the fiscal year ended June 30, 2015, appropriations in the general fund were increased by \$20,975.

B. INDIVIDUAL FUND DEFICITS

There are not any individual fund deficits for the fiscal year 2014-2015.

C. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the fiscal year ended June 30, 2015, no instances existed in which expenditures exceeded appropriations.

IV. Detailed Notes on All Funds

A. CASH AND INVESTMENTS

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

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Deposits. Deposits consist of cash in banks as well as non-negotiable certificates of deposits. As of June 30, 2015, the County's bank deposits had a carrying amount of \$214,833 and the balance per the financial institutions totaled \$214,203. The difference between the carrying amount and the bank balance includes temporary reconciling items such as cash on hand, outstanding checks, and deposits in transit. Of the balance in the financial institutions, \$2,209 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$211,800 was collateralized pursuant to California Government Code and the remaining \$194 was unsecured. 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 Board. Additionally, there is an Oversight Committee established under California Code Government Code Section 27130 to Section 27137 comprised of County Officials, representatives from various pool participants, and members of the public, whose function is to monitor compliance with the County's Investment Policy. Investments made outside the County Treasury are invested pursuant to governing bond covenants or California Government Code provisions.

The County's Investment Policy, in compliance with California Government Code Section 53601 and Section 53635, authorizes the Treasurer to invest in permissible types of instruments. These include:

- (A) Obligations issued by the County of Tulare
- (B) Obligations of the U.S. Treasury
- (C) Obligations of the State of California and local agencies
- (D) Obligations of Federal Agencies or U.S. Government-sponsored enterprises
- (E) Obligations of Supranationals rated "AA" or better
- (F) Bankers Acceptances eligible for purchase by the Federal Reserve System
- (G) Commercial Paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record
- (H) Negotiable Certificates of Deposit
- (I) Medium-Term Corporate Notes rated "A" or better
- (J) Money Market Mutual Funds
- (K) Repurchase and Reverse Repurchase Agreements
- (L) Local Agency Investment Fund (LAIF)
- (M) Managed Investment Pools pursuant to §53601
- (N) Asset Backed Securities rated "AA" or better

Credit Risk. Credit risk exists when there is the possibility that the issuer or other counterparty to an investment may be unable to fulfill its obligations. To mitigate this risk, the Investment Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the rating of investments held in the Investment Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long term or A-1 for short-term. Securities that are fully guaranteed as to payment by an agency, or government sponsored enterprise of the U.S. Government were rated AA+ by national recognized statistical-rating organizations. As of June 30, 2015, the County invested in primarily high quality investments as shown below:

	Credit Ratings	
AAA		9%
A-1 (short-term rating)		11%
AA		60%
A		13%
SP-1+		1%
Not Rated**		6%
Total		100%

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

** The portion of the portfolio that is not rated represents the following:

- A \$50,019 deposit in LAIF, the State of California Investment Fund.
- A \$113 deposit into the Great-West Portfolio Fund associated with the County's Deferred Compensation Forfeiture/Asset Holding Account.
- Various individual securities totaling \$20,413 which were not rated by S&P, however it is rated by Moody's and Fitch with an A or better.

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Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment with a single issuer. The Treasury mitigates these risks by holding a diversified portfolio of high quality investments and limits the percentage of the total investments to the type of investment and to any one issuer by type of allowable investment instrument. In accordance with GASB Statement No. 40, the County held investments (excluding deposit accounts) in excess of 5% of the total year-end investments for the following issuers:

<u>Issuer</u>	<u>Amount</u>	<u>Percentage</u>
U.S. Treasury	\$ 194,452	18.4%
Federal National Mortgage Association	126,365	11.9%
Federal Home Loan Mortgage Corporation	88,518	8.4%
Federal Home Loan Bank	79,310	7.5%
Total	<u>\$ 488,645</u>	<u>46.2%</u>

Custodial Credit Risk. Custodial credit risk for an investment exists when, in the event of failure of the counterparty to a transaction, the County will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Treasury has limited its custodial credit risk on investments by having all investments in the name of the County. In accordance with GASB Statement No. 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, 2015, the entire portfolio is under category (1) except for Money Market Funds, which do not fall under any of the above categories of credit risk as the investment in these funds is not evidenced by securities that exist in physical or book entry form.

Foreign Currency Credit Risk. The County does not have any foreign currency risk as all investments are in U.S. dollar-denominated assets.

Interest Rate Risk. Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. The Treasury mitigates this risk limiting the dollar-weighted average maturity of the investment portfolio to 3.5 years and invests in longer-term securities only with funds that are not needed for current cash flow purposes. The weighted average maturity of the Treasurer's Investment Pool as of June 30, 2015 is 750 days (2.05 years).

COUNTY OF TULARE
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June 30, 2015 (in thousands)

The County's investments as of June 30, 2015 are as follows:

	Carrying Value	Reported Amount/Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury Obligations	\$ 193,563	\$ 194,452	1,195	0.500% - 3.500%	03/31/2016 - 05/15/2020
Federal Agency Obligations	304,807	306,240	970	0.356% - 2.450%	03/30/2016 - 01/21/2020
Supranational Obligations	8,985	8,988	1,080	1.000%	6/15/2018
Corporate Notes/Bonds	339,568	339,342	988	0.400% - 6.000%	10/15/2015 - 05/20/2020
Municipal Obligations	36,465	36,580	458	0.780% - 5.750%	02/01/2016 - 10/01/2019
Commercial Paper	18,058	18,062	85	0.300% - 0.300%	10/02/2015 - 10/27/2015
Negotiable Time Deposits	73,805	73,812	588	0.419% - 1.375%	08/11/2015 - 09/11/2017
LAIF Managed Pool	50,000	50,019	On Demand	0.29%	On Demand
	<u>1,025,251</u>	<u>1,027,495</u>			
Other Investments:					
Money Market Funds	11,802	11,802			
Other Managed Pool	20,185	20,185			
Total Other Investments	<u>31,987</u>	<u>31,987</u>			
Total Investments	<u>\$ 1,057,238</u>	<u>\$ 1,059,482</u>			

As of June 30, 2015, the County's investments totaled \$1,059,482 and has no investment in Structured Notes nor any derivative products as defined by Financial Accounting Standards Board (FASB) 33.

Mortgage and Asset-Backed Securities. Mortgage and Asset-backed securities entitle the County to receive a share of the cash flows (principal and interest repayments) associated with a pool of loans, leases, credit card debt, or other receivables. As of June 30, 2015, 6.08% of the County's Investments is invested in AA or better mortgage and asset-backed securities.

Issuer	Amount	Percentage of Portfolio	S&P Rating
Chase Issuance Trust	\$ 4,000	0.38%	AAA
Honda Auto Receivables Trust	22,471	2.12	AAA
John Deere Owner Trust	10,947	1.03	AAA
Nissan Auto Receivables Trust	4,380	0.41	AAA
Toyota Auto Receivables Trust	11,525	1.09	AAA
Citibank Credit Card Issuance Trust	3,069	0.29	AAA
Federal National Mortgage Association	8,080	0.76	AA+

California Local Agency Investment Fund (LAIF). The State Treasurer's LAIF is a governmental investment pool managed and directed by the State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of State officials and various participants provide oversight to the management of the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without penalty or loss of interest. The value of the County's shares in LAIF that may be withdrawn is determined on an amortized cost basis, which may be different from the fair value of the County's position in the pool. As of June 30, 2015, the County's investment in LAIF is \$50,019. The total amount recorded by all public agencies in LAIF at that date was \$21,495,235. Of that amount, 2.08% of the portfolio is invested in Medium-term and Short-term Structured notes (0.97%) and Asset-backed securities (1.11%).

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. As of June 30, 2015, the County had no outstanding repurchase agreements.

COUNTY OF TULARE
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Treasury Pool Income and Participant Withdrawals. Treasury Pool investments are accounted for in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires governmental entities to report certain investments at fair market value in the balance sheet and the statement of net position and recognize the corresponding change in value of investments in the year in which the change occurred. The value of the participant's shares in the pool that may be withdrawn is determined on an amortized cost basis, which is different from the fair market value of the participant's position in the Pool. The fair market value fluctuates with interest rates, and increasing rates could cause the value to decline below original cost; however, County management believes the liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude the County from having to sell investments below original cost for that purpose.

For the year ended June 30, 2015, the Treasury Pool investment income was comprised of the following:

Investment Income	Amount
Interest and Dividends	\$ 11,388
Net Increase in the Fair Value	1,123
Less: Investment Expenses	(1,445)
Total Treasury Pool Income	\$ 11,066

The net increase in the fair market value of investments during fiscal year 2014-2015 was \$1,123. This amount takes into account all changes in fair value (including sales resulting in a net gain of \$2,155) that occurred during the year. In accordance to GASB Statement No. 31, the net fair value adjustment on investments held as of June 30, 2015 was a reduction of \$1,032.

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 position for the Governmental, Enterprise, Internal Service, Fiduciary Funds, and the discretely presented component unit as of June 30, 2015:

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total	Component Unit - First 5 Tulare County
Cash in Banks	\$ 123	\$ 245	\$ -	\$ 4,269	\$ 4,637	\$ 208
Investment in Treasury Pool	315,006	18,157	42,061	775,748	1,150,972	8,134
Restricted Investments in Pool	271	46,896	-	-	47,167	-
Investments	8,689	-	-	-	8,689	-
Restricted Investments	56,154	-	-	-	56,154	-
Imprest Cash	77	3	500	-	580	-
Deposits with Others	-	-	-	348	348	12
Cash on Hand	-	-	-	-	-	-
Cash Overdraft	-	-	-	-	-	-
	\$ 380,320	\$ 65,301	\$ 42,561	\$ 780,365	\$ 1,268,547	\$ 8,354

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

The following represents a condensed statement of net position and changes in net position for the Treasury Pool as of June 30, 2015:

Statement of Net Position	
Net position held in trust for all pool participants	\$ 1,206,273
Equity of internal pool (County) participants	\$ 395,851
Equity of external pool (Non-County) participants	810,422
Total Equity	\$ 1,206,273

Statement of Changes in Net Position	
Net position as of July 1, 2014	\$ 951,316
Net Additions/Withdrawals by Pool Participants	242,446
Net Increase in the Investment Fair Value:	
Realized Gains/Losses from Sales	2,155
Market Value Gain on Investments Held at Year-end	(1,032)
Interest and Dividends Earned	11,388
Net Position as of June 30, 2015	\$ 1,206,273

B. RECEIVABLES

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

	General	Nonmajor Governmental	ISF	Solid Waste	Nonmajor Enterprise
Receivables:					
Accounts	\$ 3,526	\$ 2,505	\$ 988	\$ 1,123	\$ 206
Property taxes	1,101	-	-	-	-
Lease payments	-	102	-	-	-
Notes	332	17,497	-	-	-
Due from other governments	17,275	4,271	148	-	323
Total Receivables	\$ 22,234	\$ 24,375	\$ 1,136	\$ 1,123	\$ 529

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

C. RESTRICTED ASSETS

Restricted assets in the governmental funds include \$56,154 in the TCPFA for future debt service and \$271 in a capital projects fund for the future cleanup of toxic ground at the Harmon Field airstrip. Restricted assets in the business-type funds include \$46,880 in the Solid Waste fund for future closure/post closure expenses for disposal sites and \$16 for landfill groundwater contingencies.

D. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Deferred outflows of resources that are reported in the proprietary funds are included in the Government-wide Statement of Net Position.

Deferred outflows of resources balances for the year ended June 30, 2015 were as follows:

Government-wide Deferred Outflows		
Governmental Activities		
Pensions	\$	40,024
Total Governmental Activities		<u>40,024</u>
Business-type Activities		
Pensions		<u>259</u>
Total Business-type Activities		<u>259</u>
Total Government-wide Deferred Outflows	\$	<u><u>40,283</u></u>
Proprietary Funds Deferred Outflows		
Solid Waste		
Pensions	\$	241
Total Major Enterprise Funds Deferred Outflows		<u>241</u>
Nonmajor Enterprise Deferred Outflows		
Transit Fund		
Pensions		<u>18</u>
Total Nonmajor Enterprise Funds Deferred Outflows		<u>18</u>
Total Enterprise Funds Deferred Outflows	\$	<u><u>259</u></u>
Internal Service Funds Deferred Outflows		
Central Services		
Pensions	\$	1,928
Total Internal Service Funds Deferred Outflows	\$	<u><u>1,928</u></u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred inflows of resources in the entity-wide and government-wide fund statements. These items are an acquisition of net position by the County that is applicable to a future reporting period. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized in the current period. Revenue must also be susceptible to accrual (i.e., measurable and available to finance expenditures of the current period). Governmental funds report revenues not susceptible to accrual as deferred inflows of resources.

Deferred inflows of resources balances for the year ended June 30, 2015 were as follows:

Government-wide Deferred Inflows	
Governmental Activities	
CDBG Grant	\$ 5,248
Home Program Grant	11,193
Pensions	77,247
Total Governmental Activities	<u>93,688</u>
Business-type Activities	
Pensions	500
Total Business-type Activities	<u>500</u>
Total Government-wide Deferred Inflows	<u><u>\$ 94,188</u></u>
Governmental Funds Deferred Inflows	
General Fund	
Total General Fund	<u>\$ 6,120</u>
Debt Service Fund:	
Building Loans Fund	<u>102</u>
Total Debt Service Fund	<u>102</u>
Special Revenue Funds:	
Tobacco Settlement	2,439
CDBG Grant	5,248
Home Program Grant	11,193
Total Special Revenue Funds	<u>18,880</u>
Total Nonmajor Funds Deferred Inflows	<u>18,982</u>
Total Governmental Funds Deferred Inflows	<u><u>\$ 25,102</u></u>
Proprietary Funds Deferred Inflows	
Solid Waste	
Pensions	<u>\$ 465</u>
Total Major Enterprise Funds Deferred Outflows	<u>465</u>
Nonmajor Enterprise Deferred Inflows	
Transit Fund	
Pensions	<u>35</u>
Total Nonmajor Enterprise Funds Deferred Outflows	<u>35</u>
Total Enterprise Funds Deferred Inflows	<u><u>\$ 500</u></u>
Internal Service Funds Deferred Inflows	
Central Services	
Pensions	<u>\$ 3,724</u>
Total Internal Service Funds Deferred Outflows	<u><u>\$ 3,724</u></u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

E. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015, was as follows:

Capital Assets - Primary Government	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 934,604	\$ 1,710	\$ (752)	\$ 935,562
Construction in Progress	6,808	2,679	(1,238)	8,249
Infrastructure in Progress	98,275	5,300	(21,590)	81,985
Total capital assets, not being depreciated	<u>1,039,687</u>	<u>9,689</u>	<u>(23,580)</u>	<u>1,025,796</u>
<i>Capital assets, being depreciated:</i>				
Infrastructure	689,001	18,956	(669)	707,288
Buildings and Improvements	206,859	3,221	-	210,080
Equipment/Vehicles	81,352	5,737	(3,466)	83,623
Total capital assets being depreciated	<u>977,212</u>	<u>27,914</u>	<u>(4,135)</u>	<u>1,000,991</u>
<i>Less accumulated depreciation for:</i>				
Infrastructure	(268,499)	(13,853)	379	(281,973)
Buildings and Improvements	(78,297)	(4,625)	-	(82,922)
Equipment/Vehicles	(58,357)	(6,483)	3,361	(61,479)
Total accumulated depreciation	<u>(405,153)</u>	<u>(24,961)</u>	<u>3,740</u>	<u>(426,374)</u>
Total capital assets, being depreciated, net	<u>572,059</u>	<u>2,953</u>	<u>(395)</u>	<u>574,617</u>
Governmental activities capital assets, net:	<u>1,611,746</u>	<u>12,642</u>	<u>(23,975)</u>	<u>1,600,413</u>
Business-type activities:				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 6,726	\$ 2	\$ -	\$ 6,728
Construction in Progress	-	184	-	184
Total capital assets, not being depreciated	<u>6,726</u>	<u>186</u>	<u>-</u>	<u>6,912</u>
<i>Capital assets, being depreciated:</i>				
Buildings and Improvements	31,599	-	-	31,599
Equipment/Vehicles	15,347	308	(71)	15,584
Total capital assets being depreciated	<u>46,946</u>	<u>308</u>	<u>(71)</u>	<u>47,183</u>
<i>Less accumulated depreciation for:</i>				
Buildings and Improvements	(15,890)	(1,473)	2	(17,361)
Equipment/Vehicles	(10,827)	(1,092)	71	(11,848)
Total accumulated depreciation	<u>(26,717)</u>	<u>(2,565)</u>	<u>73</u>	<u>(29,209)</u>
Total capital assets, being depreciated, net	<u>20,229</u>	<u>(2,257)</u>	<u>2</u>	<u>17,974</u>
Business-type activities capital assets, net:	<u>\$ 26,955</u>	<u>\$ (2,071)</u>	<u>\$ 2</u>	<u>\$ 24,886</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

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

Depreciation	
Governmental activities:	
General government	\$ 1,765
Public protection	5,087
Public ways and facilities	15,346
Health and sanitation	1,168
Public assistance	761
Education	266
Culture and recreation	568
Total depreciation expense - governmental activities	<u>\$ 24,961</u>
Business-type activities:	
Solid Waste	\$ 1,833
Nonmajor enterprise funds	732
Total depreciation expense - business-type activities	<u>\$ 2,565</u>

The County has active construction and other projects as of June 30, 2015, including improvements to Fire Station #1, rehabilitation of the airport, construction of the South County Detention Facility, building of the Porterville Mental Health Services Administration Facility, and various other infrastructure projects.

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

	Spent-to-Date	Remaining Commitment
Capital Project - Active Construction		
Governmental Funds		
Fire Station #1	\$ 257	\$ 2,964
Porterville Mental Health Services Administration Facility	1,988	-
Government Plaza Emergency Generator	78	470
South County Detention Facility	4,994	1,263
Bob Wiley Detention Facility Boiler Replacement Project	30	500
Sequoia Field Program Facility	129	1,896
Enterprise Software License	704	-
Vocational Education Building	21	729
Balch Park Restroom	23	266
Animal Control Facility and Incinerator	18	-
Fleet Services Paving and Drainage Project	7	143
Roads:		
Environmental Review of Existing Roads	22,608	-
Repair or Bridge Replacement	2,426	-
Turnouts	-	-
Shoulder Stabilization	-	-
Other Improvements	56,951	-
Total Governmental Funds	<u>90,234</u>	<u>8,231</u>
Enterprise Funds		
Transit Operations and Maintenance Facility	184	-
Total Enterprise Funds	<u>184</u>	<u>-</u>
Total Construction and Infrastructure in Progress	<u>\$ 90,418</u>	<u>\$ 8,231</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

F. INTERFUND RECEIVABLES AND PAYABLES

Advances to/from other County funds

Advances to/from other funds are representative of noncurrent lending/borrowing arrangements outstanding at the end of the fiscal year.

The composition of advances to/from other funds balances as of June 30, 2015, is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Enterprise	\$ 859
Internal Service Fund	General	2,066
	Total	\$ 2,925

Due to/from other County funds

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

The composition of due to/from other County fund balances as of June 30, 2015, is as follows:

Due To/From Other Funds		
Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 20
	Internal Service	135
	Sub-total	155
Nonmajor Governmental	General	929
	Sub-total	929
Nonmajor Enterprise	General	6
	Sub-total	6
	Total	\$ 1,090

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

G. TRANSFERS

Transfers to/from other County funds for the fiscal year ended June 30, 2015, 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, 2015, is as follows:

Transfers From:	Transfers To:						Total Transfers
	General	TCPFC	TCPFA	Realignment- Social Services Fund	Nonmajor Governmental	Internal Service Fund	
General	\$ -	\$ -	\$ -	\$ 3,819	\$ 30,015	\$ 287	\$ 34,121
TCPFA	-	-	-	-	2,500	-	2,500
Realignment-Social Services Fund	75,337	-	-	-	-	-	75,337
Nonmajor Governmental	23,058	5,353	3,856	-	167	-	32,434
Solid Waste	305	-	-	-	-	-	305
Internal Service Fund	141	-	-	-	145	-	286
Total transfers	\$ 98,841	\$ 5,353	\$ 3,856	\$ 3,819	\$ 32,827	\$ 287	\$ 144,983

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 the County's Bond issues.

I. LEASES

Operating Leases (County as Lessor) The County has entered into long-term operating lease agreements leasing land and buildings to others. Leased assets represent a cost of \$2,007 with \$1,679 of accumulated depreciation for a net carrying amount of \$328. The revenues realized for the fiscal year ended June 30, 2015, were \$1,434. The minimum future rentals for noncancellable operating leases are as follows:

Future Rentals	
Year Ending June 30,	Amount
2016	\$ 731
2017	694
2018	480
2019	479
2020	479
2021-2025	378
2026-2030	15
2031-2035	7
Total	<u>\$ 3,263</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

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, 2015, were \$8,363. The future minimum lease payments for these leases are as follows:

Operating Leases	
Year Ending June 30,	Amount
2016	\$ 5,141
2017	3,293
2018	2,637
2019	2,044
2020	1,273
2021-2025	2,658
2026-2030	0
Total	\$ 17,046

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 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, 2015, was approximately \$184.

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, 2015, is \$102. Minimum lease payment receivable for the next fiscal year is as follows:

Direct Financing Lease Receivable		
Year Ending June 30,	Principal	Interest
2016	\$ 102	\$ 3
Total	\$ 102	\$ 3

J. SHORT-TERM DEBT

Tax and Revenue Anticipation Notes In July of fiscal year ended, June 30, 2015, the County issued Tax and Revenue Anticipation Notes (TRANs) to provide financing of seasonal cash flow requirements for the general fund's current year expenditures and to discharge its obligations and indebtedness during this period. The principal of the notes and the interest thereon was paid from pledged property taxes and revenues the County received during the fiscal year.

Short-term debt activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax and Revenue Anticipation Notes	\$ 57,010	\$ -	\$ (57,010)	\$ -

K. LONG-TERM DEBT

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

COUNTY OF TULARE
Notes to the Financial Statements
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COPs 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 COPs generally are issued as 20 to 40-year certificates with increasing amounts of principal maturing each year.

COPs currently outstanding are as follows:

Outstanding Certificate of Participation			
Date Issued	Purpose of Debt	Interest Rates	Amount
October 8, 1998	Governmental activities - Refunding	3.35% - 5.00%	\$ 6,460
	Subtotal		6,460
September 2, 1993	Business-type activities	5.00%	410
February 23, 1994	Business-type activities	5.00%	59
August 16, 1994	Business-type activities	4.50%	44
September 14, 1994	Business-type activities	4.50%	35
May 28, 1996	Business-type activities	4.50%	725
	Subtotal		1,273
	Total		\$ 7,733

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

Year Ending June 30,	Certificates of Participation			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 6,460	\$ 162	\$ 37	\$ 60
2016	-	-	43	58
2017	-	-	45	57
2018	-	-	46	54
2019	-	-	46	52
2020-2024	-	-	271	225
2025-2029	-	-	343	157
2030-2034	-	-	391	70
2035-2036	-	-	51	4
Total	\$ 6,460	\$ 162	\$ 1,273	\$ 737

Variable Rate Demand Bonds On December 17, 1999, the 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 was used as security for the bonds. On December 1, 2006, these bonds were refunded with private placement Tobacco Settlement Asset Backed Bonds of \$42,360, which will mature on August 1, 2034.

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

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

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

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$ 915	\$ 144
2016	1,010	140
2017	1,110	135
2018	1,110	131
2019	1,210	126
2020-2024	7,415	542
2025-2029	10,050	362
2030-2034	13,640	116
Total	<u>\$ 36,460</u>	<u>\$ 1,696</u>

Loans Payable In 2006, the County borrowed \$7,084 with an interest rate at 3.9% to fund energy improvement projects. This loan extends to September 2022.

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

Year Ending June 30,	Loans Payable	
	Governmental Activities	
	Principal	Interest
2015	\$ 479	\$ 145
2016	499	126
2017	518	106
2018	539	86
2019	560	64
2020-2023	1,343	62
Total	<u>\$ 3,938</u>	<u>\$ 589</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

Prior Year Defeasance of Debt In prior years, the County defeased certain COPs by placing the proceeds of new COPs in an irrevocable trust to provide for all future debt service payments on the old COPs. Accordingly, the trust account assets and the liability for the defeased COPs are not included in the County's financial statements. At June 30, 2015, there are no longer any bonds outstanding considered to be defeased.

Other Payables El Rancho Sewer District, part of County Service Area #1, issued revenue bonds during the fiscal year ended June 30, 1988. Farmers Home Administration purchased the bonds. The proceeds of the bonds were used for a sewer construction project. The original bonds payable of \$11 have a current principal balance of \$6 and bear interest at 5% per annum. This matures in 2027, a 40-year period. The bonds were issued under Health and Safety Code Section 49000. The bonds will be redeemed with monies raised from service charges associated with the sewer system operation.

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

Year Ending June 30,	Business-type Activities	
	Principal	Interest
2015	\$ 1	\$ 1
2016	-	-
2017	-	-
2018	1	-
2019	-	-
2020-2024	3	1
2025-2027	1	-
Total	<u>\$ 6</u>	<u>\$ 2</u>

Changes in Long-term Liabilities Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities:</u>					
COPs payable	\$ 11,525	\$ -	\$ (5,065)	\$ 6,460	\$ 6,460
Variable rate demand bonds	37,375	-	(915)	36,460	915
Loans payable	4,399	-	(461)	3,938	479
Net OPEB obligation	13,851	1,260	(322)	14,789	-
Compensated absences	20,583	2,052	(1,695)	20,940	1,695
Liability claims payable	35,609	9,789	(11,246)	34,152	7,146
Accrued remediation cost	4,715	-	(4,444)	271	-
Net pension liability*	220,598	-	(73,389)	147,209	-
Total Governmental activities	<u>\$ 348,655</u>	<u>\$ 13,101</u>	<u>\$ (97,537)</u>	<u>\$ 264,219</u>	<u>\$ 16,695</u>
<u>Business-type activities:</u>					
COPs payable	\$ 1,310	\$ -	\$ (37)	\$ 1,273	\$ 37
Bonds payable	7	-	(1)	6	1
Closure/postclosure costs payable	40,691	1,189	-	41,880	-
Compensated absences	229	38	(46)	221	46
Net pension liability*	1,428	-	(475)	953	-
Total Business-type activities	<u>\$ 43,665</u>	<u>\$ 1,227</u>	<u>\$ (559)</u>	<u>\$ 44,333</u>	<u>\$ 84</u>

* The net pension liability is a new long-term liability beginning in Fiscal Year 2014-2015 as a result of the implementation of GASB Statement No. 68. The prior year balance is a result of a prior period adjustment (Note V. I).

COUNTY OF TULARE
Notes to the Financial Statements
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The liability for compensated absences has typically been liquidated using the County's governmental funds and the Solid Waste Fund. The value of accumulated vacation at June 30, 2015, was \$16,671. Of this amount, \$150 is recorded in business-type funds. The value of accumulated sick leave at June 30, 2015 was calculated using a termination payment method and is accrued at \$3,022. Of this amount, \$39 is recorded in business-type funds. The value of accumulated CTO at June 30, 2015 was \$1,468. Of this amount, \$33 is recorded in business-type funds.

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

L. SPECIAL ASSESSMENT DEBT

The County is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$425,670 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2015. The County Auditor-Controller acts as an agent for the property owners and bond holders in collecting and forwarding the special assessments, with the exception of the Kaweah Delta Hospital Bond. The School Bonds totaling \$288,211 include bonds for Buena Vista, Burton, Earlimart, Exeter, Liberty, Kings River, Pixley Union, Richgrove, Stone Corral, Sundale, Terra Bella, Traver, and Woodlake Elementary Schools; Exeter, Strathmore, Tulare Joint Union, and Woodlake High Schools; Cutler-Orosi, Dinuba, Farmersville, Lindsay, Porterville, and Visalia Unified Schools; and College of the Sequoias Community College. The 1915 Improvement Act Bonds totaling \$132 include bonds for Ducor Community Service District (CSD) and Ducor CSD Supplemental. The Special Districts General Obligation Bonds totaling \$133,716 are for the Kaweah Delta Hospital Bond and the Tulare Healthcare Bond.

M. LANDFILLS

State and Federal laws and regulations require that County Solid Waste Fund place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of 30 years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfills used during the year. The estimated liability for landfill closure and post closure care costs has a balance of \$36,480 as of June 30, 2015, which is based on an average of 38% usage (filled) of all landfill sites (remaining capacity determined as of August 18, 1989). It is estimated that an additional \$35,807 will be recognized as closure and post closure care expenses between the date of the statement of net position and the date the landfills are currently expected to be filled to capacity. The estimated remaining life of landfill sites ranges from 5 years for the Teapot Dome site, to 39.6 years for the Visalia site, to 74.8 years for the Woodville site. The estimated total current cost of the landfill closure and post closure care of \$72,286 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, 2015. 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, 2015, investments of \$36,480 are part of the pooled funds held by the County Treasurer. It is anticipated that future inflation costs will be financed in part from earnings on investments held by the Treasurer. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill site users, taxpayers, or both.

Funds are set aside in accordance with the State Water Resources Control Board through the Regional Water Quality Control Board under California Governmental Code Regulations, title 27, subchapter 2, Article 4, and Sections 22220 through 22222. The funds are the financial assurance mechanism for corrective actions and are there to be used to clean up or otherwise remediate a release (e.g. plume of groundwater contamination) from the County's landfills. CalRecycle specifies what annual inflation rate should be applied to the amount required for corrective action, along with closure and post closure maintenance at the landfills. The County is in compliance with these requirements and, at June 30, 2015, investments of \$5,400 are part of the pooled funds held by the County Treasurer.

COUNTY OF TULARE
Notes to the Financial Statements
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As of June 30, 2015, the pooled funds held by the County Treasurer for financial assurance and closure/post closure maintenance total \$41,880 to offset the total liability.

N. REMEDIATION CONTINGENCIES

The County owns a 40 acre site used as a base for crop duster activities from 1952 to 1994. As a result of a site assessment, pesticides were identified at or near the surface. The County entered into an agreement with the State Department of Toxic Substances Control (DTSC) to perform interim remedial measures to comply with Health and Safety Code Section 25355.5 (a)(1)(c). The County has performed the following: (1) started construction of the final remediation phase with a total cost of \$4,729; (2) construction and maintenance of a site perimeter fence; (3) maintenance of a surface soil sealant over affected soils; (4) periodic inspections by both County and DTSC staff; (5) maintenance of a liner system over the former pond area; and (6) removal and proper closure of underground storage tanks and concrete sumps. As of June 30, 2015, the governmental activities reflects a \$271 accrued remediation liability. The liability has been calculated using the expected cash flow technique. The liability is subject to change over time. Cost may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statute or regulations, and other factors that could result in revisions to these estimates. The County continues to work with DTSC staff and provides them with semiannual summary reports of the tests performed at the site. The semiannual testing will continue until the full scale remediation commences or until DTSC authorizes County in writing to discontinue or modify some or all of the interim remedial measures. Once the final report is approved, an Operations and Maintenance agreement will be negotiated with the DTSC. The agreement will specify the future site monitoring requirements. The County has spent \$4,444 on the final remediation phase for the fiscal year ended June 30, 2015.

O. RESTRICTED NET POSITION

Net Position Restricted for Laws or Regulations of Other Governments:

County Children's	101
Compliance Ordinance	11
Social Security Truncation Program	430
Title IV-E Federal	277
Memo Trust Deferred Comp	113
Standards in Training	40
Child Seat Loaner	57
Public Guardian	327
Children Wraparound Plan	432
State Narcotic Task Force	30
Local Revenue Fund 2011 (Assembly Bill 118)	1,838
Retirement Contributions	1,672
Various Others	10
Total Net Position Restricted: Other Purposes	<u><u>\$ 5,338</u></u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

P. CONDENSED FINANCIAL STATEMENTS

The TCPFC issued COPs to finance its sewage and water projects. These water and sewer projects are accounted for in separate funds. However, investors in the COPs 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 Position

	Terra Bella Sewer Maintenance District	County Service Area #1	County Service Area #2
Assets:			
Current assets	\$ 973	\$ 594	\$ 106
Restricted assets	-	-	16
Capital assets	961	3,025	298
Total assets	<u>1,934</u>	<u>3,619</u>	<u>420</u>
Liabilities:			
Current liabilities	94	37	16
Noncurrent liabilities	705	1,244	151
Total liabilities	<u>799</u>	<u>1,281</u>	<u>167</u>
Net Position:			
Net investment in capital assets	236	2,507	262
Restricted	-	-	16
Unrestricted (deficit)	899	(169)	(25)
Total net position	<u>\$ 1,135</u>	<u>\$ 2,338</u>	<u>\$ 253</u>

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

	Terra Bella Sewer Maintenance District	County Service Area #1	County Service Area #2
Water and sewer charges	\$ 143	\$ 513	\$ 66
Other operating revenues	-	3	-
Depreciation expense	(53)	(170)	(15)
Other operating expenses	(125)	(503)	(109)
Operating income (loss)	<u>(35)</u>	<u>(157)</u>	<u>(58)</u>
Nonoperating revenues (expenses):			
Taxes and special assessments	36	-	-
Investment earnings	11	5	-
Interest expense	(33)	(29)	(2)
Change in net position	<u>(21)</u>	<u>(181)</u>	<u>(60)</u>
Beginning net position	1,156	2,519	313
Ending net position	<u>\$ 1,135</u>	<u>\$ 2,338</u>	<u>\$ 253</u>

COUNTY OF TULARE
Notes to the Financial Statements
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Condensed Statement of Cash Flows

	Terra Bella Sewer Maintenance District	County Service Area #1	County Service Area #2
Net cash provided (used) by:			
Operating activities	\$ (33)	\$ (2)	\$ (42)
Noncapital financing activities	36	(62)	41
Capital and related financing activities	(1)	(48)	(3)
Investing activities	11	5	-
Net increase (decrease)	<u>13</u>	<u>(107)</u>	<u>(4)</u>
Beginning cash and cash equivalents	<u>827</u>	<u>533</u>	<u>113</u>
Ending cash and cash equivalents	<u>\$ 840</u>	<u>\$ 426</u>	<u>\$ 109</u>

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

COUNTY OF TULARE
Notes to the Financial Statements
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Q. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note I. for a description of these categories). A detailed schedule of fund balances at June 30, 2015, is as follows:

	Major Special Revenue Funds					Total
	General Fund	TCPFC Fund	TCPFA Fund	Realignment- Social Services Fund	Nonmajor Funds	
Nonspendable:						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 559	\$ 559
Prepaid items	1,672	-	-	-	141	1,813
Nonspendable subtotal	<u>1,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>	<u>2,372</u>
Restricted for:						
Alcohol and drug programs	4,022	-	-	-	-	4,022
Child support services	-	-	-	-	2,510	2,510
County clerk	7,745	-	-	-	-	7,745
Debt service bond agreement	-	5,667	55,711	-	7,375	68,753
Education programs	-	-	-	-	1,396	1,396
Environmental programs	1,265	-	-	-	-	1,265
Fire department programs	-	-	-	-	2,071	2,071
Health care programs	727	-	-	16,360	12,194	29,281
Law enforcement	9,946	-	-	-	-	9,946
Mental health care programs	8,977	-	-	-	-	8,977
Notes receivable	-	-	-	-	1,931	1,931
Other purposes	3,656	-	-	-	1,454	5,110
Parks and recreation programs	-	-	-	-	10	10
Proposition 69	851	-	-	-	-	851
Public ways and facilities programs	-	-	-	-	29,681	29,681
Remediation of Harmon Field	-	-	-	-	271	271
Restricted subtotal	<u>37,189</u>	<u>5,667</u>	<u>55,711</u>	<u>16,360</u>	<u>58,893</u>	<u>173,820</u>
Committed to:						
Advances to others	859	-	-	-	-	859
Property Tax Aumentum System	14,571	-	-	-	-	14,571
South County detention facility	-	-	-	-	2,200	2,200
Local Youth Offender Rehabilitation facilities	-	-	-	-	4,100	4,100
Sequoia Field program facility	-	-	-	-	650	650
Committed to subtotal	<u>15,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,950</u>	<u>22,380</u>
Assigned to:						
Imprest cash	-	-	-	-	1	1
Other capital projects	-	-	3,500	-	17,063	20,563
Other purposes	-	-	-	-	1,514	1,514
Assigned subtotal	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>18,578</u>	<u>22,078</u>
Unassigned:						
	<u>73,325</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,325</u>
Total fund balances	<u>\$ 127,616</u>	<u>\$ 5,667</u>	<u>\$ 59,211</u>	<u>\$ 16,360</u>	<u>\$ 85,121</u>	<u>\$ 293,975</u>

COUNTY OF TULARE
Notes to the Financial Statements
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V. Other Information

A. RISK MANAGEMENT

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

The Risk Management Division self-administers the County's liability claim program. Losses and incidents that may become claims are reported to Risk Management for investigation, claim administration and settlement. Incidents are immediately investigated and when appropriate a claim file is opened and reserves established to fund the value of the ultimate cost of the loss. In July of 2003 the County established a \$250 thousand self-insured retention (SIR) for the general liability program. The County purchases excess liability limits above its SIR to cover general liability, auto liability and error and omissions claims. Total liability coverage limits for the fiscal year 2014/15 were \$35 Million. Liability costs and settlements have occasionally exceeded the self-insured retention. For fiscal year 2014-2015 no settlements were made that exceeded the self-insured retention. There are currently 11 cases with reserves that exceed the self-insured retention.

The Property Insurance Program is a fully insured program and provides All Risk coverage limits of \$600 Million and \$400 Million flood limits with a \$10 Thousand deductible for real and personal property. The Property Program includes Boiler and Machinery coverage with a \$5 Thousand deductible. The vehicle deductible is \$20 Thousand. Other Property Program deductibles apply based on the loss type. The Property Program covers the cost of an appraisal every 5 years for buildings valued at \$250 Thousand or more at no cost to the County. Based on the appraisal completed in August of 2014 the total insured value of the County's property assets is \$585 Million. Insurance premium costs are collected from County agencies to cover individual claim deductibles and program administration expense.

The County purchases Cyber Liability coverage to protect against the release of personal or private information into the internet. The County purchases insurance coverage for aviation, water craft and medical malpractice liability exposures. The Watercraft Program deductible is \$5 thousand and the Medical Malpractice program deductible is \$10 thousand. The County purchases a Crime Bond to protect against employee theft or dishonesty. The Crime Bond deductible is \$25 thousand and coverage limits are \$15 Million.

The County of Tulare is a member of the California State Association of Counties-Excess Insurance Authority (CSAC-EIA), a California Joint Powers Authority. The purpose of CSAC-EIA is to develop and fund insurance programs for California counties, cities, and other public agencies. The CSAC-EIA was formed in October 1979 and has operated without interruption since that time. Approximately 58 Counties and many municipalities and special districts participate in the program.

In 2001, the California Public Entities Insurance Authority was formed to allow other California public entities access to CSAC-EIA's programs and services. In 2006, the Joint Powers Agreement was amended to allow public entities to join CSAC-EIA directly. Through the restructure, two categories of membership were established: counties and public entities. The 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 CSAC-EIA issues its own audited Comprehensive Annual Financial Report which can be obtained from them at 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

COUNTY OF TULARE
Notes to the Financial Statements
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CSAC-EIA operates public entity risk pools for Workers' Compensation, Comprehensive Liability, Property, Medical Malpractice and other insurance programs. CSAC-EIA provides primary and excess insurance, subsidizes the cost of actuarial services for its members, and performs loss prevention services and contracts with consultants to conduct claim administration audits of its members.

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

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

The County returned to a Self-Insured Workers' Compensation Program on July 1, 2004. AIG provided a fully insured Workers' Compensation insurance policy for the previous six years. The Workers' Compensation Program currently utilizes a \$125 SIR and includes statutory coverage limits. The Workers' Compensation fund covers the cost of the County Safety Analysts and County Safety programs. The Risk Management Division self-administers the County Safety Program.

Effective April 2012, the County entered into a workers' compensation administration service agreement with third party claim administrator CorVel Corporation. CorVel Corporation performs claim administration on behalf of the County and makes claim payments from a joint revolving bank account of \$500 Thousand. The revolving fund is reconciled at least monthly by the County. The County renewed its claim administration agreement with CorVel in April 2014 for one 3 year term. The County will issue a Request for Proposals in 2016 to survey the market for claim administration services to be certain the County offers its employees the best services available in the market for a reasonable cost.

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

	Workers' Compensation	General and Property Damage	Total
Liability - June 30, 2013	\$ 25,970	\$ 3,877	\$ 29,847
Claims incurred	10,056	3,640	13,696
Claims payments	<u>(6,710)</u>	<u>(1,224)</u>	<u>(7,934)</u>
Liability - June 30, 2014	29,316	6,293	35,609
Claims incurred	7,451	2,338	9,789
Claims payments	<u>(8,977)</u>	<u>(2,269)</u>	<u>(11,246)</u>
Liability - June 30, 2015	<u>\$ 27,790</u>	<u>\$ 6,362</u>	<u>\$ 34,152</u>

B. JOINT VENTURES

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

California Statewide Communities Development Authority (CSCDA) The CSCDA is a California Joint Exercise of Powers Authority, organized and existing under the California Government Code Section 6500 and following, and is sponsored by the League of California Cities and the California State Association of Counties. The CSCDA is comprised of more than 500 California cities,

COUNTY OF TULARE
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counties, and special districts, including the County. The CSCDA is authorized to assist in the financing of 501(c) (3) nonprofit projects; however, the CSCDA may only issue debt with the approval of the governing body of the jurisdiction in which the project is located. There are no financial obligations placed on the County for project financing costs or debt repayment.

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

Consolidated Waste Management Authority (CWMA) On December 14, 1999, the cities of Visalia, Porterville, Lindsay, Dinuba, and Tulare entered into a Joint Powers Agreement 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 AB 939. In November 2002, the Cities of Exeter and Farmersville were added as members of the CWMA. In April 2006, the County was added as a member. Aside from annual membership dues, the County has no financial responsibilities. Independently audited financial statements can be obtained from Consolidated Waste Management Authority, 707 West Acequia, Visalia, California 93291.

Goshen Public Financing Authority (GPFA) On September 17, 1996, the Tulare County Redevelopment Agency (a blended component unit of the County) and the Goshen Community Services District formed the legally-separate GPFA as a result of a Joint Powers Agreement. The County has pledged \$53 each year for 40 years against United States Department of Agriculture (USDA) bonds secured by GPFA for a sewer project in Goshen. Tulare County Successor Agency was formed because of the Redevelopment Agency (RDA) dissolution, the pledge has transferred over to the Successor Agency.

Kings/Tulare Area Agency on Aging (KTAAA) KTAAA was established in 1980 as a result of a Joint Powers Agreement between Kings and Tulare Counties for the purpose of spending Older Americans Act and Older Californians Act monies in support of seniors. The County is responsible for a minimum of 79% of the required administrative match each year, but all resources would revert to the California Department of Aging. Independently audited financial statements can be obtained from the County Health and Human Services Agency, 5957 South Mooney Boulevard, Visalia, California 93277.

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

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

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

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Tulare County Association of Governments (TCAG) TCAG was established in 1971 as a result of a Joint Powers Agreement among incorporated Cities and the County for the purpose of providing a forum for the coordination of transportation and air quality maintenance programs. The County is responsible for staffing and for a pro rata share of operating costs. Independently audited financial statements can be obtained at 210 North Church St, Visalia, California 93291.

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

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

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

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

California Rural Home Mortgage Finance Authority (CRHMFA) On January 27, 2009, the County became an associate member of the CRHMFA in order to meet the demand from mortgage consultants expressing interest in utilizing National Homebuyer Fund (NHF) loan programs. There are no annual membership dues, so the County has no financial responsibilities with respect to this organization.

C. CONTINGENT LIABILITIES

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

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

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

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

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Tulare County Redevelopment Successor Agency In accordance with AB 1X 26 and AB 1434, all redevelopment agencies in the State were dissolved and ceased to operate as legal entities as of February 1, 2012. It is reasonably possible that the State Department of Finance could invalidate any of the obligations reported on the Successor Agency's Recognized Obligations Payment Schedule. The range of potential loss of revenue to pay these obligations is between \$0 and \$5,694 over the remaining life of the Successor Agency (23 years).

D. DEFERRED COMPENSATION PLAN

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

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

E. EMPLOYEE RETIREMENT SYSTEM

The Tulare County Employees' Retirement Association (TCERA) was established July 1, 1945 under the provisions of the County Employees Retirement Act of 1937 (Government Code Sections 31450 et seq.). TCERA operates as a cost-sharing multiple-employer defined benefit plan with special funding circumstances and provides retirement, disability, and death benefits for qualified employees of the County, the County Courts, the Strathmore Public Utility District, and Tulare County Association of Governments. TCERA was integrated with Social Security in 1956. TCERA is administered by a nine-member Board of Retirement. TCERA issues a separate Comprehensive Annual Financial Report. Copies of the annual financial report may be obtained from TCERA, 136 North Akers Street, Visalia, California 93291, or from TCERA's website at <http://www.tcera.org/Publications.php>

TCERA oversees four County pension plans, which provides retirement, disability and death benefits. The passage of the California Public Employees' Act of 2012, resulted in the establishment of tier 4 which has two rate tiers for both general and safety members. The Public Employees' Act created limits on pensionable compensation tied to Social Security Taxable wage base. The aggregate effect of the Public Employees' Act will ultimately decrease the County's retirement cost. The eligibility of membership for the four tiers is as follows:

Summary of Plans and Eligible Participants

Open for New Enrollment:

- General Tier 4 General members who have a membership date on or after January 1, 2013 may continue in plan.
- Safety Tier 4 Safety members who have a membership date on or after January 1, 2013 may continue in plan.

Closed to New Enrollment:

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

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

Tier 1 - Benefits are calculated using the highest average one-year salary. Tier 1 members receive a maximum of 3% cost-of-living annually after retirement. Tier 1 general members with service earned on or after July 1, 2005 are now subject to Internal Revenue Service (IRS) Section 415 limits due to the implementation of a new benefit formula. Only Tier 1 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 1 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 2 - Benefits are calculated using the highest average three-year salary. Tier 2 members receive a maximum of 2% cost-of-living annually after retirement. Tier 2 general members with service earned on or after July 1, 2005 are now subject to Internal Revenue Service (IRS) Section 415 limits due to the implementation of a new benefit formula. Only Tier 2 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 2 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 3 - Benefits are calculated using the highest average three-year salary. Tier 3 members receive a maximum of 2% cost-of-living annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRS Section 415 limits. All Tier 3 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 4 - Benefits are calculated using the highest average three-year salary. Tier 4 members receive a maximum of 2% cost-of-living annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRS Section 415 limits. Tier 4 members are not subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Benefits Provided

Tiers 1, 2, and 3

The benefit is a percentage of monthly finally average salary per year of service, depending on age at retirement. Due to the fact that TCERA is integrated with Social Security the benefit is reduced by 1/3 of the percentage multiplied by the first \$350 of monthly final average salary, per year of service credited after January 1, 1956. Benefits partially vest at five years of service and full vesting requires ten years of service and a minimum age of 50 in order to receive a lifetime monthly retirement benefit. General members with 30 years of service and safety members with 20 years of service, are eligible for retirement benefits at any age. Members who reach age 70, regardless of years of service are eligible for retirement benefits.

Tier 4

The benefit is a percentage of monthly final average salary per year of service, depending on the age at retirement. Benefits fully vest at five years of service and at an age minimum age of 52 for general members and 50 for safety members.

Disability Benefit

Service related disability benefits are based upon the greater amount of 50% of final average salary, or service retirement benefit, if the member is eligible.

Non-service connected disability, in accordance with Section 31727.7, in lieu of any other allowance, a member who has five years or more of credited service share receive a disability allowance equal to the percentage of final compensation set forth opposite the member's number of years in the following table:

<u>Years of Service</u>	<u>Percentage of Final Compensation</u>
Five years, but less than six years	20.0
Six years, but less than seven years	22.0
Seven years, but less than eight years	24.0
Eight years, but less than nine years	26.0
Nine years, but less than ten years	28.0
Ten years, but less than eleven years	30.0
Eleven years, but less than twelve years	32.0
Twelve years, but less than thirteen years	34.0
Thirteen years, but less than fourteen years	36.0
Fourteen years, but less than fifteen years	38.0
Fifteen or more years	40.0

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

Termination Benefit

Upon termination, members' accumulated contributions are refundable with interest accrued through the prior interest crediting period (June 30 and December 31).

Death Benefit

If a member dies before retirement the return of contributions, with interest, a death benefit is payable to the member's beneficiary or estate in the amount of one month's salary for each completed year of service under the retirement system, but not to exceed six (6) months' salary. In lieu of the basic death benefit, if a member dies after becoming eligible for service retirement or non-service connected disability, an eligible spouse or minor child may elect to receive 60% of the allowance that the member would have received for retirement as of the day of their death. If the member dies in the performance of duty, an eligible spouse or minor child receives 50% of the member's final average salary.

If the member dies after retirement then the benefits depend upon the type of retirement, the member's employment status at retirement, and the retirement option selected. If the retirement was for service connected disability, 100% of the member's basic allowance as it was at death is continued to the surviving spouse for life. If the retirement was for other than service connected disability, and the unmodified option was selected at the time of retirement, 60% of the member's allowance is continued to an eligible spouse for life. If the deceased member retired directly from active employment with a TCERA employer, a lump sum burial benefit of \$5,000 is paid to the beneficiary or estate.

Specific details for the retirement benefit calculations for each tier, including benefit factors, can be found in TCERA's Comprehensive Annual Financial Report, which is available online at: <http://www.tcera.org/Publications.php>

Contributions

Per Article 16 of the Constitution of the State of California, contribution requirements of the active employees and the participating employers are established and may be amended by the TCERA's Board of Retirement.

Member

The basic member rates are based on a formula reflecting the member's age of entry into the Association. The rates are set to provide a retirement amount that is equal to a fractional part of the highest year(s) salary, based on membership and tier. For members integrated with Social Security, the contributions are reduced by 1/3 of such contribution payable with respect to the first \$350 of monthly 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 for Tier I members do not reflect the County "pickup."

Employer

The employer rates are actuarially determined annually to provide for the balance of the contributions needed to fund the promised benefits as set forth in the '37 Act. Employer contribution rates consist of two components: the normal cost and the Unfunded Actuarial Accrued Liability (UAAL). The UAAL and is being amortized over a rolling 15-year period to reduce normal costs. The amortization method is level percentage of payroll. The County issued \$40,879 of pension obligation bonds on May 22, 1997. This bond issue satisfied all the UAAL of the County estimated using results through the June 30, 1996 actuarial valuation. Contribution levels are recommended by the Actuary and adopted by the Board each year. Employees contribute 5% to 10% of their annual pay based on their date of entrance into the Plan. The County's contribution to the Plan for the year ended June 30, 2014, which was \$24,641 which was 11.0% as a percentage of covered-employee payroll. The County is required to contribute the difference between the actuarially determined rate and the contribution rate of members.

Net Pension Liability

On June 30, 2015, the County reported a liability of \$148,161 for its proportionate share of the pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all pension plan participants, actuarially determined. At June 30, 2014, the County's proportion was 94.5629%, which was a decrease of 1.0043% from its proportion measured as of June 30, 2013.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

For the year ended June 30, 2015, the County recognized pension expense of \$9,255. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 10,842	\$ -
Net difference between projected and actual earnings on retirement plan investments	-	77,747
Changes in proportion and differences between County contributions and proportionate share of contributions	212	-
County contributions subsequent to the measurement date	29,230	-
	\$ 40,284	\$ 77,747

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

The deferred outflows of resources in the amount of \$29,230, related to pensions resulting from County contributions subsequent to the actuary measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2016	(17,389)
2017	(17,390)
2018	(17,390)
2019	(17,390)
2020	2,047
Thereafter	819
	\$ (66,693)

Actuarial Assumptions

The total pension liability as of June 30, 2014, was determined by rolling forward the plan's total pension liability as of June 30, 2013 to June 30, 2014, and adjusting for the change in discount rate and other actuarial assumptions as of June 30, 2014.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage adjusted for inflation.

At June 30, 2014, the Plans long-term expected rate of return on pension plan investments was 7.85%, which was a decrease of 0.05% from the long-term expected rate of return, by the election of the Retirement Board. In future fiscal years the investment rate of return will be reduced by 0.05% until the rate reaches 7.00%.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

The mortality rates used by the Actuary are as follows:

	2014	2013
Mortality – Healthy Lives	-General: RP-2014 Generational Mortality Table for Males/Females, with MP-2014 projection.	-General Member Males - RP-2000 Generational Mortality Table for Males, with no collar of age adjustment.
	-Safety: RP-2014 Generational Mortality Table for Males, with blue-collar adjustment and MP-2014 projection -Mortality rates are increased by 12.1% for General and 4.5% for Safety to reflect TCERA experience.	-General Member Females - RP-2000 Generational Mortality Table for Females, with no collar of age adjustment. -Safety Members - RP-2000 Generational Mortality Table for Males, with blue-collar adjustment, and no setback.
Mortality – Disabled Lives	-RP-2014 Generational Mortality Table for Males/Females, with MP-2014 projection.	-General Member Males - RP-2000 Disabled Annuitant Mortality Table for Males, with no setback.
		-General Member Females - RP-2000 Disabled Annuitant Mortality Table for Females, with no setback.
		-Safety Member Males - RP-2000 Disabled Annuitant Mortality Table for Males, with a 2-year setback. -Safety Member Females - RP-2000 Disabled Annuitant Mortality Table for Females, with a 2-year setback.
Mortality for Member Contribution Rate Purposes	-RP-2014 Generational Mortality Table for Males/Females, with MP-2014 projection.	-General Members - RP-2000 Mortality Table projected to 2021 (weighted 30% male and 70% female), with no collar or age adjustment.
		-Safety Members - RP-2000 Mortality Table projected to 2021 (weighted 75% male and 25% female), with adjustment for blue-collar workers.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

The Actuary salary increase assumptions are as follows:

Years of Service	General Members	Safety Members
0	8.00%	9.00%
1	7.50%	8.75%
2	7.00%	8.50%
3	5.50%	7.50%
4	5.25%	7.25%
5	5.00%	7.00%
6	4.75%	6.50%
7	4.50%	6.00%
8	4.00%	5.50%
9	3.50%	5.00%
10	3.50%	4.50%
11	3.50%	4.00%
12	3.50%	3.50%
13	3.50%	3.50%
14	3.50%	3.50%
15	3.50%	3.50%
16	3.50%	3.50%
17	3.50%	3.50%
18	3.50%	3.50%
19	3.50%	3.50%
20 or more	3.50%	3.50%

The investment ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	23.50%	3.40%
Non-U.S. Equity (developed and emerging)	23.50%	6.30%
Global equity	3.00%	4.90%
Fixed Income	25.00%	1.70%
TIPS	5.00%	0.70%
Commodities	5.00%	2.50%
Real Estate	5.00%	4.10%
Private Equity	5.00%	5.70%
Hedge Funds	5.00%	3.90%
Total	<u>100.00%</u>	<u>6.60%</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

Discount rate: At June 30, 2014, the discount rate (actuarially determined) used to measure the total pension liability was 7.79%, which was a decrease of 0.11% from the discount rate used as of June 30, 2013. The projection of cash flows used to determine the discount rate assumed that TCERA contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members until 2078. A municipal bond rate of 3.66% was used in the development of the blended GASB discount rate after that point. Based on the June 30, 2014 long-term rate of return of 7.85% and the municipal bond rate of 3.66%, the blended GASB discount rate is 7.79%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statements No. 67 and 68.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the June 30, 2014 discount rate of 7.79%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.79%) or 1-percentage-point higher (8.79%) than the current rate:

	1% Decrease 6.79%	Discount Rate 7.79%	1% Increase 8.79%
County's proportionate share of the net pension plan liability	\$ 315,090	\$ 148,162	\$ 10,810

Pension Fund Fiduciary Net Position

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TCERA and additions to/deductions from TPP's fiduciary net position have been determined on the same basis as they are reported by TCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due in accordance with the benefit terms. The Board has adopted an actuarial value of assets method that recognizes the difference between expected and actual market returns, net of expenses, over a 10-year period (starting in 2008).

Benefit changes since June 30, 2013: None

Changes of assumptions since June 30, 2013: The investment rate of return assumption was changed from 7.90% as of June 30, 2013 to 7.85% as of June 30, 2014. In addition, the Board adopted new assumptions to be used beginning June 30, 2014 based on the experience study that was performed for the period July 1, 2011 to June 30, 2014.

Detailed information about the pension fund's fiduciary net position is available in the separately issued TCERA's Comprehensive Annual Financial Report, which is available online at: from TCERA's website at: <http://www.tcera.org/Publications.php>.

F. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The County's postemployment benefit plan is an agent multiple-employer plan. The County allows retirees who participate in the County administered medical plan and retire directly from active service under the TCERA to continue to participate in the County administered medical plan at the retirees' expense. The same premiums are charged to both active employees and retirees. Although the County does not explicitly subsidize retirees medical plan premiums, allowing retirees to participate in the same plan at the same premium rate results in an "implied subsidy." Including the "implied subsidy" on the government-wide statements is done solely for purposes of complying with accounting standards and is not an admission by the County that the benefit is in any way a vested benefit to which any current or former employee is or will be entitled. Under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the value of this implied subsidy must be included in the employer's Annual Required Contribution (ARC) and Actuarial Accrued Liability (AAL) to the extent that the employers pay at least that amount in active employee premiums.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation as well as the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets (if any), consistent with the long-term perspective of the calculations.

In the County's June 30, 2015, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of investment expenses) and an annual healthcare cost trend of 7.7% and declines to 5.0% over nine years. Both rates include an inflation assumption of 3.0%. The AAL is the cumulative value of the projected benefits. The unfunded AAL is amortized as a level percent of payroll over a closed 30 year period from June 30, 2007. As of June 30, 2015 there are 22 years remaining.

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

Using a 4.0% discount rate, the actuarial values are as follows:

As of June 30, 2014	
Present Value of Projected Benefits (PVPB)	\$ 18,728
Actuarial Accrued Liability	\$ 4,350
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability	\$ 4,350
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 205,198
UAAL as a percentage of covered payroll	2.1%
Plan Cost for the year ended June 30, 2015	
Normal Cost (NC)	\$ 1,189
UAAL Amortization	218
Annual Required Contribution	\$ 1,407
Projected Payroll	\$ 205,198
ARC as % Payroll	0.7%
OPEB Cost for the year ended June 30, 2015	
Annual required contribution	\$ 1,407
Interest on net OPEB obligation	548
Adjustment to ARC	(695)
Annual OPEB cost	1,260
Contributions made	(322)
Increase in net OPEB obligation	938
Net OPEB obligation - beginning of year	13,851
Net OPEB obligation - end of year	\$ 14,789

3 year OPEB Trend			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	\$ 3,771	23%	\$ 10,667
6/30/2014	4,007	21%	13,851
6/30/2015	1,260	26%	14,789

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2015 (in thousands)

G. TRIAL COURT FUNDING

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

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

In fiscal year 2006-2007, the County began negotiations with the State of California Judicial Council for individual facilities. Per the agreements, the County would be obligated to contribute an ongoing quarterly Court Facilities Payment to the State which will be adjusted annually.

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

As of June 30, 2009, Joint Occupancy Agreements have been signed for the Tulare Courthouse (in which the County was originally a 30% occupant but no longer occupies due to closure of the courthouse), the Porterville Courthouse (in which the County was originally a 46% occupant but now occupies approximately 23% due to the closure of the courthouse), the Visalia Courthouse (in which the County is a 68% occupant), the William Silveira Jr. Juvenile Justice Center (in which the County is a 87% occupant), and the Dinuba Courthouse (which the County does not occupy). The County is currently evaluating its options with regard to the now vacant Tulare Courthouse and is coordinating with the Administrative Office of the Courts.

H. PRIOR PERIOD ADJUSTMENT

The County's beginning fund balances/net assets have been restated to reflect the cumulative effect of prior year adjustments and reclassifications. A summary of the restatements as of July 1, 2014, is as follows:

Description	Primary Government		Major Enterprise Fund	Nonmajor Enterprise Fund
	Governmental Activities	Business-type Activities		
Net position at June 30, 2014, as previously reported	\$ 1,798,998	\$ 41,559		
Net pension liability adjustment	(193,627)	(1,254)		
Advances adjustment	1,037	(3,710)		
Net position at June 30, 2014, as restated	\$ 1,606,408	\$ 36,595		

Description	Major Governmental Fund	Governmental Activities	Major Enterprise Fund	Nonmajor Enterprise Fund
	General Fund	Internal Service Fund	Solid Waste	Nonmajor Enterprise
Fund balance and net position at June 30, 2014, as previously stated	\$ 111,706	\$ 11,100	\$ 28,855	\$ 12,704
Net pension liability adjustment	-	(9,336)	(1,167)	(87)
Advances adjustment	1,037	-	-	(3,710)
Fund balance and net position at June 30, 2014, as restated	\$ 112,743	\$ 1,764	\$ 27,688	\$ 8,907

Required Supplementary Information (RSI)



COUNTY OF TULARE
Tulare County Employees' Retirement Association (TCERA)
Schedule of the County's Proportionate Share of Net Pension Liability and Schedule of the County's
Contributions
June 30, 2015 (in thousands)

Last 10 Fiscal Years*

	2014	2013
Actuarially determined contribution for the fiscal year	\$ 24,542	\$ 28,524
Less the contributions in relation to the actuarially determined contribution	(24,542)	(28,524)
Contribution deficiency (excess)	\$ -	\$ -
County's covered-employee payroll	\$ 222,683	\$ 218,323
Contributions as a percentage of covered-employee payroll	11.0%	13.1%

*Amounts presented above were determined as of June 30, 2014. Additional years will be presented as they become available.

Last 10 Fiscal Years*

	2014	2013
County's proportion of the net pension liability (asset)	94.5629%	95.5672%
County's proportionate share of the net pension liability (asset)	\$ 148,162	\$ 222,006
County's covered-employee payroll	\$ 222,683	\$ 218,323
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.5%	101.7%
Plan fiduciary net position as a percentage of the total pension liability	87.6%	80.4%

*Amounts presented above were determined as of June 30, 2014. Additional years will be presented as they become available.

Notes to Required Supplementary Information

Changes in assumptions At June 30, 2014, the Plans long-term expected rate of return on pension plan investments was 7.85%, which was a decrease of 0.05% from the long-term expected rate of return, by the election of the Board of Retirement. In future fiscal years the investment rate of return will be reduced by 0.05% until the rate reaches 7.00%.

COUNTY OF TULARE
Tulare County Employees' Other Postemployment Benefits (OPEB)
Schedule of Funding Progress
June 30, 2015 (in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) Entry Age (B)	Unfunded Actuarial Accrued Liability/(Surplus) (UAAL/S) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL/S as a % of Covered Payroll (B-A)/C
6/30/2006	\$ -	\$ 13,744	\$ 13,744	0.00%	\$ 194,399	7.07%
6/30/2008	-	12,411	12,411	0.00%	214,673	5.78%
6/30/2010	-	12,596	12,596	0.00%	205,008	6.14%
6/30/2012	-	25,597	25,597	0.00%	204,009	12.55%
6/30/2014 *	-	4,350	4,350	0.00%	205,198	2.12%

* Data provided by Bartel Associates, LLC. "County of Tulare Retiree Healthcare Plan Actuarial Valuation as of June 30, 2014"

Note to Required Supplementary Information

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



Combining and Individual Fund Statements and Schedules



COUNTY OF TULARE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015 (in thousands)

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Investment in treasury pool	\$ 54,895	\$ 7,452	\$ 24,920	\$ 87,267
Imprest cash	1	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	2,505	-	-	2,505
Due from other funds	929	-	-	929
Due from other governments	4,271	-	-	4,271
Prepaid items	559	-	-	559
Notes receivable	17,497	-	-	17,497
Inventories	141	-	-	141
Lease payments receivable, net of interest	-	102	-	102
Restricted assets	-	-	271	271
Total assets	<u>\$ 80,798</u>	<u>\$ 7,554</u>	<u>\$ 25,191</u>	<u>\$ 113,543</u>
LIABILITIES				
Accounts payable	\$ 4,173	\$ 52	\$ 614	\$ 4,839
Due to other funds	20	-	-	20
Due to other governments	-	-	279	279
Salaries and benefits payable	1,454	-	14	1,468
Advances	2,834	-	-	2,834
Total liabilities	<u>8,481</u>	<u>52</u>	<u>907</u>	<u>9,440</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	18,880	102	-	18,982
Total deferred inflows of resources	<u>18,880</u>	<u>102</u>	<u>-</u>	<u>18,982</u>
FUND BALANCES				
Nonspendable	700	-	-	700
Restricted	51,247	7,375	271	58,893
Committed	-	-	6,950	6,950
Assigned	1,490	25	17,063	18,578
Total fund balances	<u>53,437</u>	<u>7,400</u>	<u>24,284</u>	<u>85,121</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 80,798</u>	<u>\$ 7,554</u>	<u>\$ 25,191</u>	<u>\$ 113,543</u>

COUNTY OF TULARE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015 (in thousands)

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes and special assessments	\$ 22,194	\$ -	\$ -	\$ 22,194
Licenses and permits	15	-	-	15
Fines, forfeitures and penalties	888	1,690	-	2,578
Interest, rents and concessions	1,047	206	38	1,291
Intergovernmental revenues	57,833	-	406	58,239
Charges for services	3,770	-	-	3,770
Other revenues	6,551	-	22	6,573
Total revenues	<u>92,298</u>	<u>1,896</u>	<u>466</u>	<u>94,660</u>
EXPENDITURES				
Current:				
General government	24	-	8,461	8,485
Public protection	27,930	-	-	27,930
Public ways and facilities	21,576	-	-	21,576
Health and sanitation	29	-	-	29
Public assistance	11,507	-	-	11,507
Education	4,356	-	-	4,356
Debt service:				
Principal retirement	-	463	-	463
Interest and fiscal charges	-	162	-	162
Capital outlay	8,439	-	2,490	10,929
Total expenditures	<u>73,861</u>	<u>625</u>	<u>10,951</u>	<u>85,437</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,437</u>	<u>1,271</u>	<u>(10,485)</u>	<u>9,223</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,474	5,483	11,870	32,827
Transfers (out)	(27,081)	(5,353)	-	(32,434)
Total other financing sources (uses)	<u>(11,607)</u>	<u>130</u>	<u>11,870</u>	<u>393</u>
Net change in fund balances	6,830	1,401	1,385	9,616
Fund balances - beginning	46,607	5,999	22,899	75,505
Fund balances - ending	<u>\$ 53,437</u>	<u>\$ 7,400</u>	<u>\$ 24,284</u>	<u>\$ 85,121</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 Assembly Bill (AB) 75. The primary source of revenue are tobacco taxes.

Redevelopment (RDA) Successor Agency Housing Fund - The Tulare County Redevelopment Successor Agency Housing Fund was created on February 1, 2012, pursuant to the provisions of the Redevelopment Restructuring Act. Under this act, the County elected to assume the housing functions and take over the housing assets of the former RDA, along with the related rights, powers, liabilities, duties, and obligations. The primary source of revenue are property taxes.

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

Fish and Game Fund - This fund is used to account for improving the habitat for wildlife propagation and for incidental administrative matters. The primary source of revenues are 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 are 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 and Federal Grants.

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

Mental Health Realignment Fund - 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. The primary sources of revenue are State funds.

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. The primary sources of revenue are State funds.

Tobacco Settlement Fund - This fund was established to receive the County's share of the Tobacco Settlement litigation proceeds. The primary source of revenue are tobacco taxes.

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

Community Development Block Grants (CDBG) Fund - This fund was set up to collect and recycle repayment of CDBG loan funds. The primary sources of revenue are Federal Grants.

HOME Program Fund - This fund is used to collect and recycle repayment of home loan funds. The primary sources of revenue are Federal Grants.

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2015 (in thousands)

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game
ASSETS				
Investment in treasury pool	\$ 935	\$ 29	\$ 1,698	\$ 12
Imprest cash	-	-	1	-
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	559	-
Notes receivable	-	1,931	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 935</u>	<u>\$ 1,960</u>	<u>\$ 2,258</u>	<u>\$ 12</u>
LIABILITIES				
Accounts payable	\$ 836	\$ -	\$ 91	\$ -
Due to other funds	-	-	-	-
Salaries and benefits payable	5	-	93	-
Advances	20	1,930	-	-
Total liabilities	<u>861</u>	<u>1,930</u>	<u>184</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	559	-
Restricted	74	30	1,396	10
Assigned	-	-	119	2
Total fund balances	<u>74</u>	<u>30</u>	<u>2,074</u>	<u>12</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 935</u>	<u>\$ 1,960</u>	<u>\$ 2,258</u>	<u>\$ 12</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2015 (in thousands)

	Aviation	Structural Fire	Roads	Workforce Investment
ASSETS				
Investment in treasury pool	\$ 15	\$ 2,611	\$ 28,999	\$ 536
Imprest cash	-	-	-	-
Receivable (net of allowance for uncollectibles)				
Accounts	41	14	11	-
Due from other funds	-	-	476	-
Due from other governments	-	11	3,770	-
Prepaid items	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	141	-
Total assets	<u>\$ 56</u>	<u>\$ 2,636</u>	<u>\$ 33,397</u>	<u>\$ 536</u>
LIABILITIES				
Accounts payable	\$ 5	\$ 92	\$ 2,643	\$ 465
Due to other funds	-	-	-	-
Salaries and benefits payable	-	468	390	69
Advances	-	-	31	-
Total liabilities	<u>5</u>	<u>560</u>	<u>3,064</u>	<u>534</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	141	-
Restricted	51	2,071	29,681	-
Assigned	-	5	511	2
Total fund balances	<u>51</u>	<u>2,076</u>	<u>30,333</u>	<u>2</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56</u>	<u>\$ 2,636</u>	<u>\$ 33,397</u>	<u>\$ 536</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2015 (in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Tobacco Settlement
ASSETS				
Investment in treasury pool	\$ 3,322	\$ 4,052	\$ 7,638	\$ -
Imprest cash	-	-	-	-
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	2,439
Due from other funds	-	450	-	-
Due from other governments	490	-	-	-
Prepaid items	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 3,812</u>	<u>\$ 4,502</u>	<u>\$ 7,638</u>	<u>\$ 2,439</u>
LIABILITIES				
Accounts payable	\$ 34	\$ -	\$ -	\$ -
Due to other funds	-	-	20	-
Salaries and benefits payable	429	-	-	-
Advances	839	-	-	-
Total liabilities	<u>1,302</u>	<u>-</u>	<u>20</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	-	-	-	2,439
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,439</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,510	4,502	7,618	-
Assigned	-	-	-	-
Total fund balances	<u>2,510</u>	<u>4,502</u>	<u>7,618</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,812</u>	<u>\$ 4,502</u>	<u>\$ 7,638</u>	<u>\$ 2,439</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2015 (in thousands)

	Flood Control	Community Development Block Grant	HOME Program	Total Special Revenue Funds
ASSETS				
Investment in treasury pool	\$ 4,080	\$ 728	\$ 240	\$ 54,895
Imprest cash	-	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	2,505
Due from other funds	3	-	-	929
Due from other governments	-	-	-	4,271
Prepaid items	-	-	-	559
Notes receivable	-	4,605	10,961	17,497
Inventories	-	-	-	141
Total assets	<u>\$ 4,083</u>	<u>\$ 5,333</u>	<u>\$ 11,201</u>	<u>\$ 80,798</u>
LIABILITIES				
Accounts payable	\$ 7	\$ -	\$ -	\$ 4,173
Due to other funds	-	-	-	20
Salaries and benefits payable	-	-	-	1,454
Advances	-	6	8	2,834
Total liabilities	<u>7</u>	<u>6</u>	<u>8</u>	<u>8,481</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments	-	5,248	11,193	18,880
Total deferred inflows of resources	<u>-</u>	<u>5,248</u>	<u>11,193</u>	<u>18,880</u>
FUND BALANCES				
Nonspendable	-	-	-	700
Restricted	3,304	-	-	51,247
Assigned	772	79	-	1,490
Total fund balances	<u>4,076</u>	<u>79</u>	<u>-</u>	<u>53,437</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,083</u>	<u>\$ 5,333</u>	<u>\$ 11,201</u>	<u>\$ 80,798</u>

Concluded

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015 (in thousands)

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ 3,613	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	880	-	-	8
Interest, rents and concessions	10	(3)	13	-
Intergovernmental revenues	150	-	94	-
Charges for services	-	-	176	-
Other revenues	12	22	24	-
Total revenues	<u>1,052</u>	<u>19</u>	<u>3,920</u>	<u>8</u>
EXPENDITURES				
Current:				
General government	-	8	-	-
Public protection	-	-	-	8
Public ways and facilities	-	-	-	-
Health and sanitation	29	-	-	-
Public assistance	1,020	-	-	-
Education	-	-	4,356	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,049</u>	<u>8</u>	<u>4,356</u>	<u>8</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3</u>	<u>11</u>	<u>(436)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8	-	-	-
Transfers (out)	-	-	(159)	-
Total other financing sources (uses)	<u>8</u>	<u>-</u>	<u>(159)</u>	<u>-</u>
Net change in fund balances	11	11	(595)	-
Fund balances - beginning	63	19	2,669	12
Fund balances - ending	<u>\$ 74</u>	<u>\$ 30</u>	<u>\$ 2,074</u>	<u>\$ 12</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Year Ended June 30, 2015 (in thousands)

	Aviation	Structural Fire	Roads	Workforce Investment
REVENUES				
Taxes and special assessments	\$ -	\$ 8,013	\$ 10,029	\$ -
Licenses and permits	-	15	-	-
Fines, forfeitures and penalties	-	-	-	-
Interest, rents and concessions	6	49	222	671
Intergovernmental revenues	36	844	20,339	7,381
Charges for services	-	346	3,248	-
Other revenues	-	124	113	2,339
Total revenues	<u>42</u>	<u>9,391</u>	<u>33,951</u>	<u>10,391</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	-	14,978	-	2
Public ways and facilities	70	-	21,487	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	10,487
Education	-	-	-	-
Capital outlay	43	72	8,277	-
Total expenditures	<u>113</u>	<u>15,050</u>	<u>29,764</u>	<u>10,489</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71)</u>	<u>(5,659)</u>	<u>4,187</u>	<u>(98)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	5,665	46	100
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>5,665</u>	<u>46</u>	<u>100</u>
Net change in fund balances	(71)	6	4,233	2
Fund balances - beginning	122	2,070	26,100	-
Fund balances - ending	<u>\$ 51</u>	<u>\$ 2,076</u>	<u>\$ 30,333</u>	<u>\$ 2</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Year Ended June 30, 2015 (in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Tobacco Settlement
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Interest, rents and concessions	39	-	-	-
Intergovernmental revenues	12,619	15,361	912	-
Charges for services	-	-	-	-
Other revenues	40	-	-	3,855
Total revenues	<u>12,698</u>	<u>15,361</u>	<u>912</u>	<u>3,855</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	12,659	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Capital outlay	47	-	-	-
Total expenditures	<u>12,706</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8)</u>	<u>15,361</u>	<u>912</u>	<u>3,855</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3	906	8,745	-
Transfers (out)	-	(16,906)	(6,144)	(3,856)
Total other financing sources (uses)	<u>3</u>	<u>(16,000)</u>	<u>2,601</u>	<u>(3,856)</u>
Net change in fund balances	(5)	(639)	3,513	(1)
Fund balances - beginning	2,515	5,141	4,105	1
Fund balances - ending	<u>\$ 2,510</u>	<u>\$ 4,502</u>	<u>\$ 7,618</u>	<u>\$ -</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Year Ended June 30, 2015 (in thousands)

	Flood Control	Community Development Block Grant	HOME Program	Total Special Revenue Funds
REVENUES				
Taxes and special assessments	\$ 539	\$ -	\$ -	\$ 22,194
Licenses and permits	-	-	-	15
Fines, forfeitures and penalties	-	-	-	888
Interest, rents and concessions	37	3	-	1,047
Intergovernmental revenues	88	9	-	57,833
Charges for services	-	-	-	3,770
Other revenues	-	22	-	6,551
Total revenues	<u>664</u>	<u>34</u>	<u>-</u>	<u>92,298</u>
EXPENDITURES				
Current:				
General government	7	8	1	24
Public protection	283	-	-	27,930
Public ways and facilities	19	-	-	21,576
Health and sanitation	-	-	-	29
Public assistance	-	-	-	11,507
Education	-	-	-	4,356
Capital outlay	-	-	-	8,439
Total expenditures	<u>309</u>	<u>8</u>	<u>1</u>	<u>73,861</u>
Excess (deficiency) of revenues over (under) expenditures	<u>355</u>	<u>26</u>	<u>(1)</u>	<u>18,437</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1	-	-	15,474
Transfers (out)	-	(16)	-	(27,081)
Total other financing sources (uses)	<u>1</u>	<u>(16)</u>	<u>-</u>	<u>(11,607)</u>
Net change in fund balances	356	10	(1)	6,830
Fund balances - beginning	3,720	69	1	46,607
Fund balances - ending	<u>\$ 4,076</u>	<u>\$ 79</u>	<u>\$ -</u>	<u>\$ 53,437</u>

Concluded

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Indigent Health Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ 864	\$ 864	\$ 880	\$ 16
Interest, rents and concessions	36	36	10	(26)
Intergovernmental revenues	151	151	150	(1)
Other revenues	-	-	12	12
Total revenues	<u>1,051</u>	<u>1,051</u>	<u>1,052</u>	<u>1</u>
EXPENDITURES				
Current:				
Health and sanitation	34	37	29	8
Public assistance	1,027	1,025	1,020	5
Total expenditures	<u>1,061</u>	<u>1,062</u>	<u>1,049</u>	<u>13</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10)</u>	<u>(11)</u>	<u>3</u>	<u>14</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	11	11	8	(3)
Total other financing sources (uses)	<u>11</u>	<u>11</u>	<u>8</u>	<u>(3)</u>
Net change in fund balance	1	-	11	11
Fund balances - beginning	63	63	63	-
Fund balances - ending	<u>\$ 64</u>	<u>\$ 63</u>	<u>\$ 74</u>	<u>\$ 11</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
RDA Successor Agency Housing Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 6	\$ 6	\$ -	\$ (6)
Interest, rents and concessions	-	-	(3)	(3)
Other revenues	-	-	22	22
Total revenues	6	6	19	13
EXPENDITURES				
Current:				
General government	-	16	8	8
Public assistance	22	10	-	10
Total expenditures	22	26	8	18
Net change in fund balance	(16)	(20)	11	31
Fund balances - beginning	19	19	19	-
Fund balances - ending	\$ 3	\$ (1)	\$ 30	\$ 31

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Library Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 3,639	\$ 3,639	\$ 3,613	\$ (26)
Interest, rents and concessions	12	12	13	1
Intergovernmental revenues	123	123	94	(29)
Charges for services	140	140	176	36
Other revenues	101	101	24	(77)
Total revenues	<u>4,015</u>	<u>4,015</u>	<u>3,920</u>	<u>(95)</u>
EXPENDITURES				
Current:				
Education	4,786	4,786	4,356	430
Total expenditures	<u>4,786</u>	<u>4,786</u>	<u>4,356</u>	<u>430</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(771)</u>	<u>(771)</u>	<u>(436)</u>	<u>335</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(159)	(159)	(159)	-
Total other financing sources (uses)	<u>(159)</u>	<u>(159)</u>	<u>(159)</u>	<u>-</u>
Net change in fund balance	(930)	(930)	(595)	335
Fund balances - beginning	2,669	2,669	2,669	-
Fund balances - ending	<u>\$ 1,739</u>	<u>\$ 1,739</u>	<u>\$ 2,074</u>	<u>\$ 335</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Fish and Game Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 8	\$ 8
Total revenues	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
EXPENDITURES				
Current:				
Public protection	12	12	8	4
Total expenditures	<u>12</u>	<u>12</u>	<u>8</u>	<u>4</u>
Net change in fund balance	(12)	(12)	-	12
Fund balances - beginning	12	12	12	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ 12</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Aviation Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ 5	\$ 5	\$ 6	\$ 1
Intergovernmental revenues	342	342	36	(306)
Total revenues	347	347	42	(305)
EXPENDITURES				
Current:				
Public ways and facilities	115	117	70	47
Capital outlay	355	355	43	312
Total expenditures	470	472	113	359
Net change in fund balance	(123)	(125)	(71)	54
Fund balances - beginning	122	122	122	-
Fund balances - ending	\$ (1)	\$ (3)	\$ 51	\$ 54

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Structural Fire Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 7,530	\$ 7,530	\$ 8,013	\$ 483
Licenses and permits	11	11	15	4
Interest, rents and concessions	45	45	49	4
Intergovernmental revenues	468	468	844	376
Charges for services	311	311	346	35
Other revenues	72	72	124	52
Total revenues	8,437	8,437	9,391	954
EXPENDITURES				
Current:				
Public protection	14,951	14,951	14,978	(27)
Capital outlay	1,215	1,220	72	1,148
Total expenditures	16,166	16,171	15,050	1,121
Excess (deficiency) of revenues over (under) expenditures	(7,729)	(7,734)	(5,659)	2,075
OTHER FINANCING SOURCES (USES)				
Transfers in	5,661	5,666	5,665	(1)
Total other financing sources (uses)	5,661	5,666	5,665	(1)
Net change in fund balance	(2,068)	(2,068)	6	2,074
Fund balances - beginning	2,070	2,070	2,070	-
Fund balances - ending	\$ 2	\$ 2	\$ 2,076	\$ 2,074

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Roads Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 15,319	\$ 17,679	\$ 10,029	\$ (7,650)
Licenses and permits	5	5	-	(5)
Interest, rents and concessions	52	52	222	170
Intergovernmental revenues	26,691	26,691	20,339	(6,352)
Charges for services	2,863	3,078	3,248	170
Other revenues	43	52	113	61
Total revenues	<u>44,973</u>	<u>47,557</u>	<u>33,951</u>	<u>(13,606)</u>
EXPENDITURES				
Current:				
Public ways and facilities	65,150	67,593	21,487	46,106
Capital outlay	<u>5,211</u>	<u>5,399</u>	<u>8,277</u>	<u>(2,878)</u>
Total expenditures	<u>70,361</u>	<u>72,992</u>	<u>29,764</u>	<u>43,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(25,388)</u>	<u>(25,435)</u>	<u>4,187</u>	<u>29,622</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	65	111	46	(65)
Total other financing sources (uses)	<u>65</u>	<u>111</u>	<u>46</u>	<u>(65)</u>
Net change in fund balance	(25,323)	(25,324)	4,233	29,557
Fund balances - beginning	26,100	26,100	26,100	-
Fund balances - ending	<u>\$ 777</u>	<u>\$ 776</u>	<u>\$ 30,333</u>	<u>\$ 29,557</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Workforce Investment Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ 648	\$ 648	\$ 671	\$ 23
Intergovernmental revenues	7,878	8,116	7,381	(735)
Other revenues	1,035	2,660	2,339	(321)
Total revenues	<u>9,561</u>	<u>11,424</u>	<u>10,391</u>	<u>(1,033)</u>
EXPENDITURES				
Current:				
Public protection	-	16	2	14
Public assistance	9,660	11,507	10,487	1,020
Total expenditures	<u>9,660</u>	<u>11,523</u>	<u>10,489</u>	<u>1,034</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99)</u>	<u>(99)</u>	<u>(98)</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100	100	100	-
Total other financing sources (uses)	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Net change in fund balance	1	1	2	1
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Child Support Services Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ 60	\$ 60	\$ 39	\$ (21)
Intergovernmental revenues	16,233	16,233	12,619	(3,614)
Other revenues	87	87	40	(47)
Total revenues	<u>16,380</u>	<u>16,380</u>	<u>12,698</u>	<u>(3,682)</u>
EXPENDITURES				
Current:				
Public protection	16,191	16,191	12,659	3,532
Capital outlay	194	194	47	147
Total expenditures	<u>16,385</u>	<u>16,385</u>	<u>12,706</u>	<u>3,679</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5)</u>	<u>(5)</u>	<u>(8)</u>	<u>(3)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8	8	3	(5)
Total other financing sources (uses)	<u>8</u>	<u>8</u>	<u>3</u>	<u>(5)</u>
Net change in fund balance	3	3	(5)	(8)
Fund balances - beginning	2,515	2,515	2,515	-
Fund balances - ending	<u>\$ 2,518</u>	<u>\$ 2,518</u>	<u>\$ 2,510</u>	<u>\$ (8)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Mental Health Realignment Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 14,843	\$ 14,843	\$ 15,361	\$ 518
Total revenues	<u>14,843</u>	<u>14,843</u>	<u>15,361</u>	<u>518</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,843</u>	<u>14,843</u>	<u>15,361</u>	<u>518</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	683	683	906	223
Transfers (out)	<u>(19,418)</u>	<u>(19,418)</u>	<u>(16,906)</u>	<u>2,512</u>
Total other financing sources (uses)	<u>(18,735)</u>	<u>(18,735)</u>	<u>(16,000)</u>	<u>2,735</u>
Net change in fund balance	(3,892)	(3,892)	(639)	3,253
Fund balances - beginning	5,141	5,141	5,141	-
Fund balances - ending	<u>\$ 1,249</u>	<u>\$ 1,249</u>	<u>\$ 4,502</u>	<u>\$ 3,253</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Health Realignment Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 912	\$ 912
Total revenues	-	-	912	912
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	912	912
OTHER FINANCING SOURCES (USES)				
Transfers in	8,681	8,681	8,745	64
Transfers (out)	(8,681)	(8,681)	(6,144)	2,537
Total other financing sources (uses)	-	-	2,601	2,601
Net change in fund balance	-	-	3,513	3,513
Fund balances - beginning	4,105	4,105	4,105	-
Fund balances - ending	\$ 4,105	\$ 4,105	\$ 7,618	\$ 3,513

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Tobacco Settlement Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other revenues	\$ 4,818	\$ 4,818	\$ 3,855	\$ (963)
Total revenues	<u>4,818</u>	<u>4,818</u>	<u>3,855</u>	<u>(963)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,818</u>	<u>4,818</u>	<u>3,855</u>	<u>(963)</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(4,819)</u>	<u>(4,819)</u>	<u>(3,856)</u>	<u>963</u>
Total other financing sources (uses)	<u>(4,819)</u>	<u>(4,819)</u>	<u>(3,856)</u>	<u>963</u>
Net change in fund balance	(1)	(1)	(1)	-
Fund balances - beginning	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Flood Control Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 507	\$ 507	\$ 539	\$ 32
Interest, rents and concessions	35	35	37	2
Intergovernmental revenues	89	89	88	(1)
Total revenues	<u>631</u>	<u>631</u>	<u>664</u>	<u>33</u>
EXPENDITURES				
Current:				
General government	14	14	7	7
Public protection	3,527	3,527	283	3,244
Public ways and facilities	36	36	19	17
Total expenditures	<u>3,577</u>	<u>3,577</u>	<u>309</u>	<u>3,268</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,946)</u>	<u>(2,946)</u>	<u>355</u>	<u>3,301</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total other financing sources (uses)	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Net change in fund balance	(2,945)	(2,945)	356	3,301
Fund balances - beginning	<u>3,720</u>	<u>3,720</u>	<u>3,720</u>	<u>-</u>
Fund balances - ending	<u>\$ 775</u>	<u>\$ 775</u>	<u>\$ 4,076</u>	<u>\$ 3,301</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Block Grant Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ 3	\$ 3
Intergovernmental revenues	460	2,745	9	(2,736)
Other revenues	-	209	22	(187)
Total revenues	<u>460</u>	<u>2,954</u>	<u>34</u>	<u>(2,920)</u>
EXPENDITURES				
Current:				
General government	2	321	8	313
Public assistance	436	2,326	-	2,326
Capital outlay	-	285	-	285
Total expenditures	<u>438</u>	<u>2,932</u>	<u>8</u>	<u>2,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22</u>	<u>22</u>	<u>26</u>	<u>4</u>
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	-	(16)	(16)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(16)</u>	<u>(16)</u>
Net change in fund balance	22	22	10	(12)
Fund balances - beginning	69	69	69	-
Fund balances - ending	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ 79</u>	<u>\$ (12)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
HOME Program Fund
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	1	(1)
Total expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>(1)</u>
Net change in fund balance	-	-	(1)	(1)
Fund balances - beginning	1	1	1	-
Fund balances - ending	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (1)</u>

**NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUND**

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

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

COUNTY OF TULARE
Debt Service Fund
Balance Sheet
June 30, 2015 (in thousands)

	Building Loans
ASSETS	
Investment in treasury pool	\$ 7,452
Lease payments receivable, net of interest	102
Total assets	\$ 7,554
 LIABILITIES	
Accounts payable	\$ 52
Total liabilities	52
 DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue-special assessments	102
Total deferred inflows of resources	102
 FUND BALANCES	
Restricted	7,375
Assigned	25
Total fund balance	7,400
Total liabilities, deferred inflows of resources and fund balance	\$ 7,554

COUNTY OF TULARE
Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2015 (in thousands)

	Building Loans
REVENUES	
Fines, forfeitures and penalties	\$ 1,690
Interest, rents and concessions	206
Total revenues	1,896
EXPENDITURES	
Debt service:	
Principal retirement	463
Interest and fiscal charges	162
Total expenditures	625
Excess (deficiency) of revenues over (under) expenditures	1,271
OTHER FINANCING SOURCES (USES)	
Transfers in	5,483
Transfers (out)	(5,353)
Total other financing sources (uses)	130
Net change in fund balances	1,401
Fund balance - beginning	5,999
Fund balance - ending	\$ 7,400

COUNTY OF TULARE
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures and penalties	\$ 250	\$ 250	\$ 1,690	\$ 1,440
Interest, rents and concessions	209	209	206	(3)
Total revenues	459	459	1,896	1,437
EXPENDITURES				
Debt service:				
Principal retirement	463	463	463	-
Interest and fiscal charges	166	166	162	4
Total expenditures	629	629	625	4
Excess (deficiency) of revenues over (under) expenditures	(170)	(170)	1,271	1,441
OTHER FINANCING SOURCES (USES)				
Transfers in	6,733	6,733	5,483	(1,250)
Transfers (out)	(5,515)	(5,515)	(5,353)	162
Total other financing sources (uses)	1,218	1,218	130	(1,088)
Net change in fund balance	1,048	1,048	1,401	353
Fund balance - beginning	5,999	5,999	5,999	-
Fund balance - ending	\$ 7,047	\$ 7,047	\$ 7,400	\$ 353

**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. There are no combining statements because the County uses one capital projects fund, which is reported on the nonmajor combining financial statements.

COUNTY OF TULARE
Capital Projects Fund
Balance Sheet
June 30, 2015 (in thousands)

	Capital Projects
ASSETS	
Investment in treasury pool	\$ 24,920
Restricted assets	271
Total assets	\$ 25,191
 LIABILITIES	
Accounts payable	\$ 614
Due to other governments	279
Salaries and benefits payable	14
Total liabilities	907
 FUND BALANCES	
Restricted	271
Committed	6,950
Assigned	17,063
Total fund balances	24,284
Total liabilities, deferred inflows of resources and fund balances	\$ 25,191

COUNTY OF TULARE
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2015 (in thousands)

	Capital Projects
REVENUES	
Interest, rents and concessions	\$ 38
Intergovernmental revenues	406
Other revenues	22
Total revenues	466
 EXPENDITURES	
Current:	
General government	8,461
Capital outlay	2,490
Total expenditures	10,951
 Excess (deficiency) of revenues over (under) expenditures	 (10,485)
 OTHER FINANCING SOURCES (USES)	
Transfers in	11,870
Transfers (out)	-
Total other financing sources (uses)	11,870
 Net change in fund balances	 1,385
 Fund balance - beginning	 22,899
Fund balance - ending	\$ 24,284

COUNTY OF TULARE
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2015 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents and concessions	-	\$ -	\$ 38	\$ 38
Intergovernmental revenues	-	-	406	406
Other revenues	-	-	22	22
Total revenues	-	-	466	466
EXPENDITURES				
Current:				
General government	991	1,048	8,461	(7,413)
Capital outlay	28,048	28,279	2,490	25,789
Total expenditures	29,039	29,327	10,951	18,376
Excess (deficiency) of revenues over (under) expenditures	(29,039)	(29,327)	(10,485)	18,842
OTHER FINANCING SOURCES (USES)				
Transfers in	13,750	14,037	11,870	(2,167)
Transfers (out)	-	-	-	-
Total other financing sources (uses)	13,750	14,037	11,870	(2,167)
Net change in fund balance	(15,289)	(15,290)	1,385	16,675
Fund balance - beginning	22,899	22,899	22,899	-
Fund balance - ending	\$ 7,610	\$ 7,609	\$ 24,284	\$ 16,675

NONMAJOR ENTERPRISE FUNDS

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

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

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

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

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

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Net Position
June 30, 2015 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
ASSETS			
Current assets:			
Cash in banks	\$ 2	\$ 9	\$ -
Investment in treasury pool	9,840	831	625
Accounts receivable (net of allowance for uncollectibles)	2	80	-
Due from other funds	6	-	-
Due from other governments	266	-	-
Total current assets	<u>10,116</u>	<u>920</u>	<u>625</u>
Noncurrent assets:			
Restricted assets	-	-	-
Capital assets:			
Land	-	68	-
Buildings and improvements, net	154	893	-
Equipment and vehicles, net	1,891	-	-
Construction in progress	184	-	-
Total capital assets	<u>2,229</u>	<u>961</u>	<u>-</u>
Total noncurrent assets	<u>2,229</u>	<u>961</u>	<u>-</u>
Total assets	<u>12,345</u>	<u>1,881</u>	<u>625</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	18	-	-
Total deferred outflows of resources	<u>18</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities:			
Accounts payable	468	21	-
Deposits from others	-	-	8
Salaries and benefits payable	7	-	-
Bonds payable	-	-	-
Certificates of participation (COPs) payable	-	20	-
Total current liabilities	<u>475</u>	<u>41</u>	<u>8</u>
Noncurrent liabilities:			
Compensated absences payable	21	-	-
Advances	7,416	-	-
Advances from other funds	-	-	-
Bonds payable	-	-	-
Certificates of participation (COPs) payable	-	705	-
Net pension liability	66	-	-
Total noncurrent liabilities	<u>7,503</u>	<u>705</u>	<u>-</u>
Total liabilities	<u>7,978</u>	<u>746</u>	<u>8</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	35	-	-
Total deferred inflows of resources	<u>35</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	2,229	236	-
Restricted for:			
Landfill ground water contingencies	-	-	-
Unrestricted	2,121	899	617
Total net position	<u>\$ 4,350</u>	<u>\$ 1,135</u>	<u>\$ 617</u>

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Net Position (continued)
June 30, 2015 (in thousands)

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
ASSETS			
Current assets:			
Cash in banks	\$ 2	\$ -	\$ 13
Investment in treasury pool	424	93	11,813
Accounts receivable (net of allowance for uncollectibles)	115	9	206
Due from other funds	-	-	6
Due from other governments	53	4	323
Total current assets	<u>594</u>	<u>106</u>	<u>12,361</u>
Noncurrent assets:			
Restricted assets	-	16	16
Capital assets:			
Land	503	41	612
Buildings and improvements, net	2,522	257	3,826
Equipment and vehicles, net	-	-	1,891
Construction in progress	-	-	184
Total capital assets	<u>3,025</u>	<u>298</u>	<u>6,513</u>
Total noncurrent assets	<u>3,025</u>	<u>314</u>	<u>6,529</u>
Total assets	<u>3,619</u>	<u>420</u>	<u>18,890</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	-	-	18
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>18</u>
LIABILITIES			
Current liabilities:			
Accounts payable	20	15	524
Deposits from others	-	-	8
Salaries and benefits payable	-	-	7
Bonds payable	1	-	1
Certificates of participation (COPs) payable	16	1	37
Total current liabilities	<u>37</u>	<u>16</u>	<u>577</u>
Noncurrent liabilities:			
Compensated absences payable	-	-	21
Advances	-	-	7,416
Advances from other funds	743	116	859
Bonds payable	5	-	5
Certificates of participation (COPs) payable	496	35	1,236
Net pension liability	-	-	66
Total noncurrent liabilities	<u>1,244</u>	<u>151</u>	<u>9,603</u>
Total liabilities	<u>1,281</u>	<u>167</u>	<u>10,180</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	-	-	35
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>35</u>
NET POSITION			
Net investment in capital assets	2,507	262	5,234
Restricted for:			
Landfill ground water contingencies	-	16	16
Unrestricted	(169)	(25)	3,443
Total net position	<u>\$ 2,338</u>	<u>\$ 253</u>	<u>\$ 8,693</u>

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
Operating revenues:			
Charges for services	\$ 380	\$ 143	\$ 95
Interest, rents and concessions	-	-	-
Other revenues	38	-	-
Total operating revenues	<u>418</u>	<u>143</u>	<u>95</u>
Operating expenses:			
Salaries and benefits	147	-	-
Services and supplies	2,681	125	49
Depreciation	494	53	-
Total operating expenses	<u>3,322</u>	<u>178</u>	<u>49</u>
Operating income (loss)	<u>(2,904)</u>	<u>(35)</u>	<u>46</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	586	-	-
Taxes and special assessments	2,308	36	-
Investment earnings	13	11	(1)
Interest expense	-	(33)	-
Total nonoperating revenues (expenses)	<u>2,907</u>	<u>14</u>	<u>(1)</u>
Change in net position	3	(21)	45
Net position - beginning	8,144	1,156	572
Prior period adjustment	(3,797)	-	-
Net position - beginning, as restated	<u>4,347</u>	<u>1,156</u>	<u>572</u>
Net position - ending	<u>\$ 4,350</u>	<u>\$ 1,135</u>	<u>\$ 617</u>

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015 (in thousands)

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
Operating revenues:			
Charges for services	\$ 513	\$ 66	\$ 1,197
Interest, rents and concessions	3	-	3
Other revenues	-	-	38
Total operating revenues	<u>516</u>	<u>66</u>	<u>1,238</u>
Operating expenses:			
Salaries and benefits	-	-	147
Services and supplies	503	109	3,467
Depreciation	170	15	732
Total operating expenses	<u>673</u>	<u>124</u>	<u>4,346</u>
Operating income (loss)	<u>(157)</u>	<u>(58)</u>	<u>(3,108)</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	-	-	586
Taxes and special assessments	-	-	2,344
Investment earnings	5	-	28
Interest expense	(29)	(2)	(64)
Total nonoperating revenues (expenses)	<u>(24)</u>	<u>(2)</u>	<u>2,894</u>
Change in net position	<u>(181)</u>	<u>(60)</u>	<u>(214)</u>
Net position - beginning	2,519	313	12,704
Prior period adjustment	-	-	(3,797)
Net position - beginning, as restated	<u>2,519</u>	<u>313</u>	<u>8,907</u>
Net position - ending	<u>\$ 2,338</u>	<u>\$ 253</u>	<u>\$ 8,693</u>

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2015 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 378	\$ 142	\$ 95
Receipts from interfund services provided	(6)	-	-
Receipts from rents and concessions	-	-	-
Other revenues	59	-	-
Payments to employees	(3,858)	-	-
Payments to suppliers	5,386	(98)	(3)
Payments for interfund services used	(314)	(24)	(46)
Net cash provided by (used for) operating activities	<u>1,645</u>	<u>20</u>	<u>46</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	586	-	-
Receipts from taxes and assessments	2,308	36	-
Advance from other funds	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>2,894</u>	<u>36</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(492)	(1)	-
Principal paid on capital debt	-	(20)	-
Interest paid on capital debt	-	(33)	-
Net cash (used for) capital and related financing activities	<u>(492)</u>	<u>(54)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	13	11	(1)
Net cash provided by investing activities	<u>13</u>	<u>11</u>	<u>(1)</u>
Net increase (decrease) in cash and cash equivalents	4,060	13	45
Cash and cash equivalents - beginning	5,782	827	580
Cash and cash equivalents - ending	<u>\$ 9,842</u>	<u>\$ 840</u>	<u>\$ 625</u>
Displayed as:			
Cash in banks	\$ 2	\$ 9	\$ -
Investment in treasury pool	9,840	831	625
Restricted assets which are cash equivalents	-	-	-
Total cash displayed	<u>\$ 9,842</u>	<u>\$ 840</u>	<u>\$ 625</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ (2,904)	\$ (35)	\$ 46
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	494	53	-
(Increase) decrease in accounts receivable	(1)	(1)	-
(Increase) decrease in intergovernmental receivables	21	-	-
(Increase) decrease in due from other funds	(6)	-	-
(Increase) decrease in due to other funds	(1)	-	-
Increase (decrease) in accounts payable	7,753	3	-
Increase (decrease) in deferred pension	17	-	-
Increase (decrease) in net pension liability	66	-	-
Increase (decrease) in salaries and benefits payable and compensated absences	(3,794)	-	-
Total adjustments	<u>4,549</u>	<u>55</u>	<u>-</u>
Net cash provided by (used for) operating activities	<u>\$ 1,645</u>	<u>\$ 20</u>	<u>\$ 46</u>
Schedule of non-cash capital and related finance activities:			
Contributions of capital assets	\$ -	\$ -	\$ -

Continued

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Cash Flows (continued)
For the Year Ended June 30, 2015 (in thousands)

	County Service Area #1	County Service Area # 2	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 536	\$ 67	\$ 1,218
Receipts from interfund services provided	-	-	(6)
Receipts from rents and concessions	3	-	3
Other revenues	-	-	59
Payments to employees	-	-	(3,858)
Payments to suppliers	(431)	(87)	4,767
Payments for interfund services used	(110)	(22)	(516)
Net cash provided by (used for) operating activities	<u>(2)</u>	<u>(42)</u>	<u>1,667</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	-	-	586
Receipts from taxes and assessments	-	-	2,344
Advance from other funds	(62)	41	(21)
Net cash provided by (used for) noncapital financing activities	<u>(62)</u>	<u>41</u>	<u>2,909</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(2)	-	(495)
Principal paid on capital debt	(17)	(1)	(38)
Interest paid on capital debt	(29)	(2)	(64)
Net cash (used for) capital and related financing activities	<u>(48)</u>	<u>(3)</u>	<u>(597)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	5	-	28
Net cash provided by investing activities	<u>5</u>	<u>-</u>	<u>28</u>
Net increase (decrease) in cash and cash equivalents	(107)	(4)	4,007
Cash and cash equivalents - beginning	533	113	7,835
Cash and cash equivalents - ending	<u>\$ 426</u>	<u>\$ 109</u>	<u>\$ 11,842</u>
Displayed as:			
Cash in banks	\$ 2	\$ -	\$ 13
Investment in treasury pool	424	93	11,813
Restricted assets which are cash equivalents	-	16	16
Total cash displayed	<u>\$ 426</u>	<u>\$ 109</u>	<u>\$ 11,842</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	<u>\$ (157)</u>	<u>\$ (58)</u>	<u>\$ (3,108)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	170	15	732
(Increase) decrease in accounts receivable	23	1	22
(Increase) decrease in intergovernmental receivables	-	-	21
(Increase) decrease in due from other funds	-	-	(6)
(Increase) decrease in due to other funds	-	-	(1)
Increase (decrease) in accounts payable	(38)	-	7,718
Increase (decrease) in deferred pension	-	-	17
Increase (decrease) in net pension liability	-	-	66
Increase (decrease) in salaries and benefits payable and compensated absences	-	-	(3,794)
Total adjustments	<u>155</u>	<u>16</u>	<u>4,775</u>
Net cash provided by (used for) operating activities	<u>\$ (2)</u>	<u>\$ (42)</u>	<u>\$ 1,667</u>
Schedule of non-cash capital and related finance activities:			
Contributions of capital assets	\$ -	\$ -	\$ -
			Concluded



INTERNAL SERVICE FUNDS

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

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

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

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Net Position
June 30, 2015 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
ASSETS			
Current assets:			
Investment in treasury pool	\$ 32,060	\$ 10,001	\$ 42,061
Imprest cash	500	-	500
Accounts receivable (net of allowance for uncollectibles)	976	12	988
Prepaid items	-	100	100
Due from other governments	-	148	148
Total current assets	<u>33,536</u>	<u>10,261</u>	<u>43,797</u>
Noncurrent assets:			
Advances to other funds	2,066	-	2,066
Capital assets:			
Equipment and vehicles, net	-	2,398	2,398
Construction in progress	-	704	704
Total capital assets	<u>-</u>	<u>3,102</u>	<u>3,102</u>
Total noncurrent assets	<u>2,066</u>	<u>3,102</u>	<u>5,168</u>
Total assets	<u>35,602</u>	<u>13,363</u>	<u>48,965</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	-	1,928	1,928
Total deferred outflows of resources	<u>-</u>	<u>1,928</u>	<u>1,928</u>
LIABILITIES			
Current liabilities:			
Accounts payable	642	1,348	1,990
Due to other funds	135	-	135
Salaries and benefits payable	-	770	770
Compensated absences payable	-	99	99
Claims payable	7,146	-	7,146
Total current liabilities	<u>7,923</u>	<u>2,217</u>	<u>10,140</u>
Noncurrent liabilities:			
Compensated absences payable	-	1,210	1,210
Claims payable	27,006	-	27,006
Net pension liability	-	7,097	7,097
Total noncurrent liabilities	<u>27,006</u>	<u>8,307</u>	<u>35,313</u>
Total liabilities	<u>34,929</u>	<u>10,524</u>	<u>45,453</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	-	3,724	3,724
Total deferred inflows of resources	<u>-</u>	<u>3,724</u>	<u>3,724</u>
NET POSITION			
Net investment in capital assets	-	3,102	3,102
Unrestricted	673	(2,059)	(1,386)
Total net position	<u>\$ 673</u>	<u>\$ 1,043</u>	<u>\$ 1,716</u>

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2015 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
Operating revenues:			
Charges for services	\$ 15,608	\$ 36,778	\$ 52,386
Other revenues	3,791	234	4,025
Total operating revenues	<u>19,399</u>	<u>37,012</u>	<u>56,411</u>
Operating expenses:			
Salaries and benefits	-	16,228	16,228
Services and supplies	9,706	20,714	30,420
Insurance premiums paid	5,859	-	5,859
Depreciation	-	544	544
Claims incurred	3,792	-	3,792
Total operating expenses	<u>19,357</u>	<u>37,486</u>	<u>56,843</u>
Operating income (loss)	<u>42</u>	<u>(474)</u>	<u>(432)</u>
Nonoperating revenues (expenses):			
Intergovernmental revenues	27	-	27
Investment earnings	343	10	353
Total nonoperating revenues (expenses)	<u>370</u>	<u>10</u>	<u>380</u>
Income (loss) before contributions and transfers	<u>412</u>	<u>(464)</u>	<u>(52)</u>
Capital contributions	-	3	3
Transfers in	-	287	287
Transfers (out)	-	(286)	(286)
Change in net position	<u>412</u>	<u>(460)</u>	<u>(48)</u>
Net position - beginning	261	10,839	11,100
Prior period adjustment	-	(9,336)	(9,336)
Net position - beginning, as restated	<u>261</u>	<u>1,503</u>	<u>1,764</u>
Net position - ending	<u>\$ 673</u>	<u>\$ 1,043</u>	<u>\$ 1,716</u>

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2015 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ (976)	\$ 603	\$ (373)
Receipts from interfund services provided	15,743	36,120	51,863
Other revenues	3,791	195	3,986
Payments to employees	-	(16,484)	(16,484)
Payments to suppliers	(13,144)	(16,501)	(29,645)
Payments for interfund services used	(2,393)	(4,413)	(6,806)
Payments for claims	(5,249)	-	(5,249)
Net cash provided by (used for) operating activities	<u>(2,228)</u>	<u>(480)</u>	<u>(2,708)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	27	-	27
Transfers from other funds	-	287	287
Transfers to other funds	-	(286)	(286)
Advance to other funds	294	-	294
Net cash provided by (used for) noncapital financing activities	<u>321</u>	<u>1</u>	<u>322</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(801)	(801)
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(801)</u>	<u>(801)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	343	10	353
Net cash provided by investing activities	<u>343</u>	<u>10</u>	<u>353</u>
Net increase (decrease) in cash and cash equivalents	(1,564)	(1,270)	(2,834)
Cash and cash equivalents - beginning	34,124	11,271	45,395
Cash and cash equivalents - ending	<u>\$ 32,560</u>	<u>\$ 10,001</u>	<u>\$ 42,561</u>
Displayed as:			
Investment in treasury pool	\$ 32,060	\$ 10,001	\$ 42,061
Imprest cash	500	-	500
Total cash displayed	<u>\$ 32,560</u>	<u>\$ 10,001</u>	<u>\$ 42,561</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 42	\$ (474)	\$ (432)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation expense	-	544	544
(Increase) decrease in accounts receivable	(976)	(1)	(977)
(Increase) decrease in intergovernmental receivables	-	(39)	(39)
(Increase) decrease in due from other funds	-	600	600
(Increase) decrease in due to other funds	135	(654)	(519)
(Increase) decrease in prepaid items	-	(50)	(50)
Increase (decrease) in accounts payable	28	(150)	(122)
Increase (decrease) in deferred pension	-	1,796	1,796
Increase (decrease) in net pension liability	-	7,097	7,097
Increase (decrease) in salaries and benefits payable and compensated absences	-	(9,149)	(9,149)
Increase (decrease) in claims payable	(1,457)	-	(1,457)
Total adjustments	<u>(2,270)</u>	<u>(6)</u>	<u>(2,276)</u>
Net cash provided by (used for) operating activities	<u>\$ (2,228)</u>	<u>\$ (480)</u>	<u>\$ (2,708)</u>
Schedule of non-cash capital and related finance activities:			
Contributions of capital assets	\$ -	\$ 3	\$ 3

FIDUCIARY FUNDS

Fiduciary Funds include all Investment Trust, Private-Purpose Trust, and Agency Funds.

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

The Private-Purpose Trust Fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Tulare County Redevelopment Successor Agency (Successor Agency).

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

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

State Fines Agency Fund - 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 0.25% sales tax collected by the State Board of Equalization and deposited with the County of origin for local transportation support.

Employee Health Benefits Funds - 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 Funds (ERAF) - This fund is used to collect tax revenues shifted from counties, cities, special districts, and redevelopment agencies to augment loss of State funding to local schools.

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

COUNTY OF TULARE
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2015 (in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Property Tax Collection and Apportionment Funds				
ASSETS				
Investment in treasury pool	\$ 19,285	\$ 919,366	\$ (911,279)	\$ 27,372
Deposits with others	-	182	-	182
Total assets	<u>\$ 19,285</u>	<u>\$ 919,548</u>	<u>\$ (911,279)</u>	<u>\$ 27,554</u>
LIABILITIES				
Accounts payable	\$ 9,700	\$ 261,937	\$ (254,869)	\$ 16,768
Due to other governments	5,432	-	(480)	4,952
Agency obligations	4,153	439,351	(437,670)	5,834
Total liabilities	<u>\$ 19,285</u>	<u>\$ 701,288</u>	<u>\$ (693,019)</u>	<u>\$ 27,554</u>
State Fines Agency Fund				
ASSETS				
Investment in treasury pool	\$ 97	\$ 634	\$ (646)	85
Total assets	<u>\$ 97</u>	<u>\$ 634</u>	<u>\$ (646)</u>	<u>\$ 85</u>
LIABILITIES				
Accounts payable	\$ 50	\$ 1,076	\$ (1,126)	-
Agency obligations	47	629	(591)	85
Total liabilities	<u>\$ 97</u>	<u>\$ 1,705</u>	<u>\$ (1,717)</u>	<u>\$ 85</u>
Transportation Tax Funds				
ASSETS				
Investment in treasury pool	\$ 5,636	\$ 15,862	\$ (19,950)	1,548
Due from other governments	-	2,567	(1,455)	1,112
Total assets	<u>\$ 5,636</u>	<u>\$ 18,429</u>	<u>\$ (21,405)</u>	<u>\$ 2,660</u>
LIABILITIES				
Accounts payable	\$ -	5,433	\$ (5,433)	-
Agency obligations	5,636	-	(2,976)	2,660
Total liabilities	<u>\$ 5,636</u>	<u>\$ 5,433</u>	<u>\$ (8,409)</u>	<u>\$ 2,660</u>
Employee Health Benefits Funds				
ASSETS				
Investment in treasury pool	\$ 1,539	\$ 36,688	\$ (36,561)	1,666
Accounts receivable (net of allowance for uncollectibles)	95	27,208	(26,995)	308
Total assets	<u>\$ 1,634</u>	<u>\$ 63,896</u>	<u>\$ (63,556)</u>	<u>\$ 1,974</u>
LIABILITIES				
Accounts payable	\$ 104	\$ 72,462	\$ (72,517)	49
Due to other governments	47	3,654	(3,207)	494
Agency obligations	1,483	-	(52)	1,431
Total liabilities	<u>\$ 1,634</u>	<u>\$ 76,116</u>	<u>\$ (75,776)</u>	<u>\$ 1,974</u>

Continued

COUNTY OF TULARE
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities (continued)
For the Fiscal Year Ended June 30, 2015 (in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Education Revenue Augmentation Funds				
ASSETS				
Investment in treasury pool	\$ 4	\$ 96,521	\$ (96,518)	7
Total assets	<u>\$ 4</u>	<u>\$ 96,521</u>	<u>\$ (96,518)</u>	<u>\$ 7</u>
LIABILITIES				
Agency obligations	\$ 4	\$ 26,150,003	\$ (26,150,000)	7
Total liabilities	<u>\$ 4</u>	<u>\$ 26,150,003</u>	<u>\$ (26,150,000)</u>	<u>\$ 7</u>
Other Agency Funds				
ASSETS				
Cash in bank	\$ 4,582	\$ -	\$ (314)	\$ 4,268
Investment in treasury pool	17,270	47,132	(54,376)	10,026
Due from other governments	-	1,576	(903)	673
Total assets	<u>\$ 21,852</u>	<u>\$ 48,708</u>	<u>\$ (55,593)</u>	<u>\$ 14,967</u>
LIABILITIES				
Accounts payable	\$ 217	\$ 7,248	\$ (6,627)	\$ 838
Due to other governments	2,044	48,108	(48,277)	1,875
Agency obligations	19,591	4,927	(12,264)	12,254
Total liabilities	<u>\$ 21,852</u>	<u>\$ 60,283</u>	<u>\$ (67,168)</u>	<u>\$ 14,967</u>
Total Agency Funds				
ASSETS				
Cash in bank	\$ 4,582	\$ -	\$ (314)	\$ 4,268
Investment in treasury pool	43,831	1,116,203	(1,119,330)	40,704
Accounts receivable (net of allowance for uncollectibles)	95	27,208	(26,995)	308
Deposits with others	-	182	-	182
Due from other governments	-	4,143	(2,358)	1,785
Total assets	<u>\$ 48,508</u>	<u>\$ 1,147,736</u>	<u>\$ (1,148,997)</u>	<u>\$ 47,247</u>
LIABILITIES				
Accounts payable	\$ 10,071	\$ 348,156	\$ (340,572)	\$ 17,655
Due to other governments	7,523	51,762	(51,964)	7,321
Agency obligations	30,914	26,594,910	(26,603,553)	22,271
Total liabilities	<u>\$ 48,508</u>	<u>\$ 26,994,828</u>	<u>\$ (26,996,089)</u>	<u>\$ 47,247</u>

Concluded

Statistical Section

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

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Demographic and Economic Information Information needed to understand the County's socio-economic environment and to facilitate comparisons of financial statement information over time and among governments.	158-160
Operating Information Information needed to understand the County's operations and resources as well as to assess its economic condition.	161-166

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

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
Governmental activities					
Net investment in capital assets*	\$ 1,425,580	\$ 1,417,765	\$ 1,491,566	\$ 1,524,380	\$ 1,541,360
Restricted	44,553	45,403	54,086	57,079	61,880
Unrestricted	43,721	57,303	55,866	56,992	63,537
Total governmental activities net position	<u>\$ 1,513,854</u>	<u>\$ 1,520,471</u>	<u>\$ 1,601,518</u>	<u>\$ 1,638,451</u>	<u>\$ 1,666,777</u>
Business-type activities					
Net investment in capital assets	\$ 20,322	\$ 19,860	\$ 19,090	\$ 28,811	\$ 28,172
Restricted	5,005	5,005	5,005	5,005	5,005
Unrestricted	22,914	22,200	22,794	9,363	6,792
Total business-type activities net position	<u>\$ 48,241</u>	<u>\$ 47,065</u>	<u>\$ 46,889</u>	<u>\$ 43,179</u>	<u>\$ 39,969</u>
Primary government					
Net investment in capital assets	\$ 1,445,902	\$ 1,437,625	\$ 1,510,656	\$ 1,553,191	\$ 1,569,532
Restricted	49,558	50,408	59,091	62,084	66,885
Unrestricted	66,635	79,503	78,660	66,355	70,329
Total primary government net position	<u>\$ 1,562,095</u>	<u>\$ 1,567,536</u>	<u>\$ 1,648,407</u>	<u>\$ 1,681,630</u>	<u>\$ 1,706,746</u>
Fiscal Year					
	2010-11	2011-12	2012-13	2013-14	2014-15
Governmental activities					
Net investment in capital assets*	\$ 1,576,213	\$ 1,558,744	\$ 1,584,261	\$ 1,798,998	\$ 1,590,015
Restricted	57,762	102,657	134,870	-	141,900
Unrestricted	74,420	83,404	65,066	-	(87,606)
Total governmental activities net position	<u>\$ 1,708,395</u>	<u>\$ 1,744,805</u>	<u>\$ 1,784,197</u>	<u>\$ 1,798,998</u>	<u>\$ 1,644,309</u>
Business-type activities					
Net investment in capital assets	\$ 27,463	\$ 29,728	\$ 27,357	\$ 41,559	\$ 23,607
Restricted	5,005	5,005	5,016	-	5,016
Unrestricted	7,002	7,999	8,140	-	9,107
Total business-type activities net position	<u>\$ 39,470</u>	<u>\$ 42,732</u>	<u>\$ 40,513</u>	<u>\$ 41,559</u>	<u>\$ 37,730</u>
Primary government					
Net investment in capital assets	\$ 1,603,676	\$ 1,588,472	\$ 1,611,618	\$ 1,840,557	\$ 1,613,622
Restricted	62,767	107,662	139,886	-	146,916
Unrestricted	81,422	91,403	73,206	-	(78,499)
Total primary government net position	<u>\$ 1,747,865</u>	<u>\$ 1,787,537</u>	<u>\$ 1,824,710</u>	<u>\$ 1,840,557</u>	<u>\$ 1,682,039</u>

*Beginning balances of capital assets restated to include infrastructure assets.
Discretely presented Component Unit is not included.

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

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
Expenses					
Governmental activities:					
General government	\$ 44,550	\$ 93,680	\$ 71,430	\$ 28,459	\$ 26,587
Public protection	155,626	162,837	187,299	197,905	192,533
Public ways and facilities	26,701	15,100	28,346	32,342	29,120
Health and sanitation	104,035	120,520	120,195	122,853	120,796
Public assistance	225,735	220,019	227,086	234,329	236,861
Education	3,241	3,722	4,287	5,033	5,027
Culture and recreation	1,468	1,842	3,552	2,136	2,095
Unallocated depreciation	589	588	510	791	953
Unallocated interest expense	9,713	11,038	11,244	5,993	5,806
Total governmental activities expenses	<u>571,658</u>	<u>629,346</u>	<u>653,949</u>	<u>629,841</u>	<u>619,778</u>
Business-type activities:					
Solid Waste	12,004	13,981	14,426	14,138	13,144
Other business-type activities	1,872	2,120	2,259	2,452	2,710
Total business-type activities expenses	<u>13,876</u>	<u>16,101</u>	<u>16,685</u>	<u>16,590</u>	<u>15,854</u>
Total primary government expenses	<u>\$ 585,534</u>	<u>\$ 645,447</u>	<u>\$ 670,634</u>	<u>\$ 646,431</u>	<u>\$ 635,632</u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 21,838	\$ 50,015	\$ 62,391	\$ 28,860	\$ 26,601
Public protection	22,179	25,846	28,291	29,368	23,883
Public ways and facilities	2,783	2,209	2,028	1,782	1,971
Health and sanitation	11,653	16,103	45,659	46,523	47,938
Public assistance	26,348	30,161	7,496	5,823	3,324
Education	289	334	188	162	161
Culture and recreation	848	1,004	332	287	293
Operating grants and contributions	371,869	389,177	389,524	403,891	418,780
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>457,807</u>	<u>514,849</u>	<u>535,909</u>	<u>516,696</u>	<u>522,951</u>
Business-type activities:					
Charges for services:					
Solid Waste	9,705	10,247	9,244	8,284	8,206
Other business-type activities	696	738	792	925	955
Operating grants and contributions	42	276	1,475	813	844
Total business-type activities program revenues	<u>10,443</u>	<u>11,261</u>	<u>11,511</u>	<u>10,022</u>	<u>10,005</u>
Total primary government program revenues	<u>\$ 468,250</u>	<u>\$ 526,110</u>	<u>\$ 547,420</u>	<u>\$ 526,718</u>	<u>\$ 532,956</u>
Net (expense)/revenue					
Governmental activities	\$ (113,851)	\$ (114,497)	\$ (118,040)	\$ (113,145)	\$ (96,827)
Business-type activities	(3,433)	(4,840)	(5,174)	(6,568)	(5,849)
Total primary government net expense	<u>\$ (117,284)</u>	<u>\$ (119,337)</u>	<u>\$ (123,214)</u>	<u>\$ (119,713)</u>	<u>\$ (102,676)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Property taxes	\$ 78,583	\$ 91,367	\$ 102,198	\$ 105,400	\$ 99,991
Sales and other taxes	12,311	13,262	19,188	21,299	17,783
Earnings on investments	7,034	11,950	11,439	13,003	7,236
Tobacco settlement revenues	3,651	3,822	4,068	4,471	3,728
Extinguishment of debt	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	(6,180)
Extraordinary item RDA dissolution	-	-	-	-	-
Transfers	551	713	556	583	531
Total governmental activities	<u>102,130</u>	<u>121,114</u>	<u>137,449</u>	<u>144,756</u>	<u>123,089</u>
Business-type activities:					
Sales and other taxes	512	1,033	1,628	379	943
Earnings on investments	1,651	3,342	3,864	3,062	2,104
Gain on sale of capital assets	161	2	62	-	123
Transfers	(551)	(713)	(556)	(583)	(531)
Total business-type activities	<u>1,773</u>	<u>3,664</u>	<u>4,998</u>	<u>2,858</u>	<u>2,639</u>
Total primary government	<u>\$ 103,903</u>	<u>\$ 124,778</u>	<u>\$ 142,447</u>	<u>\$ 147,614</u>	<u>\$ 125,728</u>
Change in Net Position					
Governmental activities	\$ (11,721)	\$ 6,617	\$ 19,409	\$ 31,611	\$ 26,262
Business-type activities	(1,660)	(1,176)	(176)	(3,710)	(3,210)
Total primary government	<u>\$ (13,381)</u>	<u>\$ 5,441</u>	<u>\$ 19,233</u>	<u>\$ 27,901</u>	<u>\$ 23,052</u>

Continued

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

		Fiscal Year				
2010-11	2011-12	2012-13	2013-14	2014-15		
						Expenses
\$ 39,515	\$ 42,590	\$ 42,343	\$ 39,432	\$ 41,610		Governmental activities:
182,316	190,402	190,904	202,075	199,878		General government
25,485	38,295	33,767	37,155	36,722		Public protection
117,572	122,305	124,681	129,190	132,566		Public ways and facilities
235,547	224,139	228,148	242,378	240,562		Health and sanitation
5,412	5,020	5,112	5,470	5,353		Public assistance
310	371	329	431	2,176		Education
520	520	520	511	-		Culture and recreation
3,137	2,259	1,990	1,940	1,320		Unallocated depreciation
609,814	625,901	627,794	658,582	660,187		Unallocated interest expense
						Total governmental activities expenses
10,847	7,365	10,812	10,873	10,410		Business-type activities:
2,856	3,579	3,844	4,155	4,410		Solid Waste
13,703	10,944	14,656	15,028	14,820		Other business-type activities
\$ 623,517	\$ 636,845	\$ 642,450	\$ 673,610	\$ 675,007		Total business-type activities expenses
						Total primary government expenses
						Program Revenues
						Governmental activities:
\$ 24,375	\$ 31,271	\$ 24,259	\$ 24,138	\$ 30,244		Charges for services:
26,349	21,558	21,683	23,741	19,650		General government
3,406	6,700	5,083	3,599	3,340		Public protection
52,666	43,479	40,554	42,588	41,652		Public ways and facilities
4,299	6,687	6,717	8,566	11,892		Health and sanitation
222	209	210	202	233		Public assistance
283	288	292	306	255		Education
406,398	419,570	421,514	424,721	444,945		Culture and recreation
-	-	6	-	-		Operating grants and contributions
						Capital grants and contributions
517,998	529,762	520,318	527,861	552,211		Total governmental activities program revenues
8,130	8,525	8,568	8,991	11,538		Business-type activities:
1,064	1,224	1,252	1,334	1,238		Charges for services:
1,270	2,222	504	3,270	625		Solid Waste
10,464	11,971	10,324	13,595	13,401		Other business-type activities
\$ 528,462	\$ 541,733	\$ 530,642	\$ 541,456	\$ 565,612		Operating grants and contributions
						Total business-type activities program revenues
						Total primary government program revenues
\$ (91,816)	\$ (96,139)	\$ (107,476)	\$ (130,721)	\$ (107,976)		Net (expense)/revenue
(3,239)	1,027	(4,332)	(1,433)	(1,419)		Governmental activities
\$ (95,055)	\$ (95,112)	\$ (111,808)	\$ (132,154)	\$ (109,395)		Business-type activities
						Total primary government net expense
						General Revenues and Other Changes in Net Position
						Governmental activities:
\$ 101,519	\$ 105,604	\$ 107,101	\$ 109,266	\$ 112,026		Property taxes
31,937	23,472	31,951	30,524	29,690		Sales and other taxes
2,536	4,324	1,307	1,517	-		Earnings on investments
3,854	3,930	5,923	3,894	3,856		Tobacco settlement revenues
-	-	-	(183)	-		Extinguishment of debt
(2,640)	191	208	239	-		Gain (loss) on sale of capital assets
-	(2,658)	-	-	-		Extraordinary item RDA dissolution
515	466	378	265	305		Transfers
137,721	135,329	146,868	145,522	145,877		Total governmental activities
2,486	1,842	2,328	2,084	2,344		Business-type activities:
863	857	163	660	515		Sales and other taxes
1	2	-	-	-		Earnings on investments
(515)	(466)	(378)	(265)	(305)		Gain on sale of capital assets
2,835	2,235	2,113	2,479	2,554		Transfers
\$ 140,556	\$ 137,564	\$ 148,981	\$ 148,001	\$ 148,431		Total business-type activities
						Total primary government
\$ 45,905	\$ 39,190	\$ 39,392	\$ 14,801	\$ 37,901		Change in Net Position
(404)	3,262	(2,219)	1,046	1,135		Governmental activities
\$ 45,501	\$ 42,452	\$ 37,173	\$ 15,847	\$ 39,036		Business-type activities
						Total primary government

Concluded

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

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
General Fund					
Nonspendable	\$ 70	\$ 839	\$ 839	\$ 839	\$ 1,173
Restricted	13,751	13,890	14,288	19,596	30
Committed	21,246	25,091	25,163	25,414	25,612
Assigned	-	-	-	-	-
Unassigned	13,485	17,518	17,213	12,228	31,713
Subtotal general fund	<u>48,552</u>	<u>57,338</u>	<u>57,503</u>	<u>58,077</u>	<u>58,528</u>
All Other Governmental Funds					
Nonspendable	1,149	1,154	1,236	2,206	2,044
Restricted	74,510	76,152	82,749	84,235	103,142
Committed	5,559	5,572	4,118	3,858	210
Assigned	4,806	5,123	7,544	6,697	14,034
Unassigned	(748)	(767)	(750)	(752)	(12,733)
Subtotal all other governmental funds	<u>85,276</u>	<u>87,234</u>	<u>94,897</u>	<u>96,244</u>	<u>106,697</u>
Total governmental fund balance	<u>\$ 133,828</u>	<u>\$ 144,572</u>	<u>\$ 152,400</u>	<u>\$ 154,321</u>	<u>\$ 165,225</u>

Continued

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

		Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15			
						General Fund	
\$ 439	\$ 1,596	\$ 3,244	\$ 395	\$ 1,672		Nonspendable	
844	22,790	28,863	34,147	37,189		Restricted	
22,101	1,833	1,668	880	15,430		Committed	
-	1,081	-	-	-		Assigned	
27,146	61,448	62,710	76,284	73,325		Unassigned	
<u>50,530</u>	<u>88,748</u>	<u>96,485</u>	<u>111,706</u>	<u>127,616</u>		Subtotal general fund	
						All Other Governmental Funds	
1,123	1,162	1,025	1,024	700		Nonspendable	
114,071	134,727	137,544	125,233	136,631		Restricted	
3,232	4,000	6,000	4,100	6,950		Committed	
15,227	21,487	21,083	19,213	22,078		Assigned	
(19,429)	(20,971)	(19,542)	(2,597)	-		Unassigned	
<u>114,224</u>	<u>140,405</u>	<u>146,110</u>	<u>146,973</u>	<u>166,359</u>		Subtotal all other governmental funds	
<u>\$ 164,754</u>	<u>\$ 229,153</u>	<u>\$ 242,595</u>	<u>\$ 258,679</u>	<u>\$ 293,975</u>		Total governmental fund balance	
						Concluded	

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

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
REVENUES					
Taxes and special assessments	\$ 94,401	\$ 108,216	\$ 121,397	\$ 126,699	\$ 117,774
Licenses and permits	8,480	9,060	9,010	9,939	8,355
Fines, forfeitures, and penalties	8,764	4,219	10,218	13,031	12,429
Interest, rents, and concessions	7,146	11,389	12,093	12,177	8,474
Intergovernmental revenues	368,768	385,590	389,524	404,262	414,234
Charges for services	61,772	71,922	80,188	77,496	70,321
Other revenues	11,492	10,965	11,442	14,685	15,205
Total revenues	<u>560,823</u>	<u>601,361</u>	<u>633,872</u>	<u>658,289</u>	<u>646,792</u>
EXPENDITURES					
General government	17,549	24,318	25,621	29,713	25,525
Public protection	153,259	162,811	184,009	189,989	184,477
Public ways and facilities	9,890	7,920	12,498	15,489	12,986
Health and sanitation	103,075	120,723	119,569	121,340	118,919
Public assistance	224,438	219,376	226,227	232,527	234,642
Education	3,289	3,831	4,329	4,855	4,722
Culture and recreation	1,323	1,740	3,361	1,968	1,920
Capital outlay	14,611	29,581	28,979	36,704	37,634
Debt service:					
Principal	11,936	51,711	9,737	10,103	11,624
Interest and fiscal charges	9,421	10,763	10,778	8,954	5,566
Total expenditures	<u>548,791</u>	<u>632,774</u>	<u>625,108</u>	<u>651,642</u>	<u>638,015</u>
Excess (deficiency) of revenues over (under) expenditures	12,032	(31,413)	8,764	6,647	8,777
OTHER FINANCING SOURCES (USES)					
Sale of general capital assets	497	1,468	297	169	107
Bond proceeds	-	43,987	-	231	1,669
Capital lease proceeds	44	-	-	-	-
Direct financing lease	114	121	128	-	-
Transfers in	116,185	114,577	100,925	102,189	96,795
Transfers (out)	(118,798)	(117,996)	(102,286)	(103,720)	(97,392)
Total other financing sources (uses)	<u>(1,958)</u>	<u>42,157</u>	<u>(936)</u>	<u>(1,131)</u>	<u>1,179</u>
Extraordinary Items					
RDA dissolution assets transfers	-	-	-	-	-
RDA dissolution liability transfers	-	-	-	-	-
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 10,074</u>	<u>\$ 10,744</u>	<u>\$ 7,828</u>	<u>\$ 5,516</u>	<u>\$ 9,956</u>
Debt service as a percentage of noncapital expenditures	4.00%	10.36%	3.44%	3.10%	2.86%

Continued

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

		Fiscal Year								
		2010-11	2011-12	2012-13	2013-14	2014-15				
\$	133,456	\$	129,076	\$	139,052	\$	139,790	\$	141,716	REVENUES
	8,764		8,780		9,191		10,514		10,894	Taxes and special assessments
	13,020		15,257		10,364		9,201		9,966	Licenses and permits
	3,722		7,239		3,076		5,351		4,649	Fines, forfeitures, and penalties
	401,376		423,230		424,213		426,487		446,953	Interest, rents, and concessions
	81,196		69,970		65,289		63,214		61,635	Intergovernmental revenues
	13,035		15,776		18,253		20,427		24,705	Charges for services
	654,569		669,328		669,438		674,984		700,518	Other revenues
										Total revenues
	34,433		36,138		42,838		28,892		41,220	EXPENDITURES
	174,320		183,352		184,406		195,560		199,028	General government
	8,714		23,711		19,164		22,167		21,576	Public protection
	114,136		118,063		122,115		127,612		132,489	Public ways and facilities
	233,388		221,539		226,442		240,838		241,178	Health and sanitation
	5,109		4,673		4,875		5,188		5,149	Public assistance
	38		59		-		-		1,616	Education
	56,075		42,776		46,006		26,341		16,847	Culture and recreation
										Capital outlay
	11,726		13,173		6,515		10,772		6,459	Debt service:
	3,096		3,060		2,081		2,159		1,276	Principal
	641,035		646,544		654,442		659,529		666,838	Interest and fiscal charges
										Total expenditures
	13,534		22,784		14,996		15,455		33,680	Excess (deficiency) of revenues over (under) expenditures
	158		191		208		239		275	OTHER FINANCING SOURCES (USES)
	-		-		-		-		-	Sale of general capital assets
	-		-		-		-		-	Bond proceeds
	-		-		-		-		-	Capital lease proceeds
	-		-		-		-		-	Direct financing lease
	76,575		108,739		104,796		117,341		144,696	Transfers in
	(77,105)		(107,764)		(106,558)		(116,951)		(144,392)	Transfers (out)
	(372)		1,166		(1,554)		629		579	Total other financing sources (uses)
										Extraordinary Items
	-		(5,726)		-		-		-	RDA dissolution assets transfers
	-		74		-		-		-	RDA dissolution liability transfers
	-		(5,652)		-		-		-	Total extraordinary items
\$	13,162	\$	18,298	\$	13,442	\$	16,084	\$	34,259	Net change in fund balances
	2.53%		2.69%		1.41%		2.04%		1.19%	Debt service as a percentage of noncapital expenditures
										Concluded

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

Fiscal Year	Real Property Assessed Value *	Personal Property Assessed Value	Total Assessed Value	Total Direct Tax Rate (%)
2005-06	19,714,530	1,174,747	20,889,277	1.00000
2006-07	22,463,149	1,142,461	23,605,610	1.00000
2007-08	25,190,040	1,522,742	26,712,782	1.00000
2008-09	26,632,559	1,616,099	28,248,658	1.00000
2009-10	26,317,008	1,692,118	28,009,126	1.00000
2010-11	26,525,428	1,516,586	28,042,014	1.00000
2011-12	26,377,210	1,596,844	27,974,054	1.00000
2012-13	26,186,643	1,628,687	27,815,330	1.00000
2013-14	27,022,893	1,655,360	28,678,253	1.00000
2014-15	28,209,818	1,856,188	30,066,006	1.00000

* Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is
Source: County of Tulare / Property Tax



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

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
County-Wide Rates					
General	1.000	1.000	1.000	1.000	1.000
School District Rates					
Allensworth Elementary	0.044	0.044	0.018	-	-
Alta Vista Elementary	-	-	-	-	-
Buena Vista Elementary	0.026	0.031	0.027	0.027	0.025
Burton Elementary *	0.023	0.021	0.018	0.019	0.023
College of the Sequoias - Hanford Schools Facility Improvement District	-	-	0.025	0.020	0.012
College of the Sequoias - Tulare Schools Facility Improvement District	-	-	-	-	0.012
College of the Sequoias - Visalia Schools Facility Improvement District	-	-	-	-	0.005
Cutler - Orosi Unified *	0.060	0.060	0.050	0.040	0.011
Delano Joint High	0.097	0.163	0.117	0.100	0.119
Dinuba Unified	0.074	0.057	0.060	0.151	0.107
Earlimart Elementary	0.039	0.035	0.031	0.032	0.034
Exeter Elementary	-	-	-	0.029	0.028
Exeter High	0.034	0.030	0.049	0.040	0.037
Farmersville Elementary	-	-	-	-	-
Farmersville Unified *	0.133	0.095	0.074	0.072	0.098
Hanford Joint High *	0.039	0.058	0.049	0.054	0.053
Kern Community College Schools Facility Improvement District *	0.010	0.005	0.008	0.009	0.009
Kings Canyon Joint Unified *	0.035	0.045	0.082	0.064	0.091
Kings River Elementary	-	-	0.030	0.052	0.053
Kingsburg Joint Elementary	0.013	0.054	0.072	-	0.022
Kingsburg Joint High	0.059	0.089	0.625	0.009	0.074
Liberty Elementary	0.057	0.054	0.044	0.041	0.054
Lindsay Unified	0.060	0.060	0.055	0.055	0.092
Linns Valley Poso - Flat Joint Elementary	0.025	0.016	0.015	-	0.015
Pixley Union Elementary	-	-	-	-	-
Porterville Elementary	-	-	-	-	-
Porterville Schools Facility Improvement District *	0.060	0.052	0.055	0.050	0.005
Richgrove Elementary	0.043	0.038	0.004	0.038	0.041
Springville Union Elementary	-	-	-	-	-
State Center Comm College Schools Facility Improvement District *	0.006	0.005	0.016	-	0.010
Stone Corral	-	-	-	0.030	0.022
Strathmore High	0.070	0.062	0.052	0.053	0.055
Sundale Elementary	0.039	0.034	0.027	0.031	0.026
Terra Bella	-	-	-	-	0.034
Three Rivers Elementary	-	-	-	-	-
Traver Elementary *	0.057	0.053	0.060	0.051	0.049
Tulare High *	0.060	0.047	0.043	0.020	0.039
Visalia Unified *	0.042	0.034	0.028	0.030	0.036
Woodlake Elementary	0.046	0.040	0.036	0.035	0.043
Woodlake High	0.034	0.030	0.027	0.056	0.066
Special District Rates					
Kaweah Delta Healthcare District	0.040	0.035	0.031	-	0.028
Kaweah Delta Water Conservation	0.001	0.001	0.000	-	-
Kings Joint Mosquito Abatement	-	-	-	0.005	-
Lindsay Hospital	-	-	-	-	-
Patterson Tract Community Service Districts	-	-	-	-	-
Tulare County Pest Control	1.250	1.250	1.250	5.000	5.000
Tulare Healthcare District	-	-	0.019	0.039	0.083
South Tulare County Citrus Pest Control District	11.423	11.423	11.423	11.423	11.423
Woodville Public Utility	0.025	0.025	-	-	-

Continued

* School rates have been combined with educational facilities.

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 South Tulare County Citrus Pest Control District tax rates. KDWC tax rates are levied and collected upon each \$100.00 valuation of land and improvement assessed valuation of taxable property. South Tulare County Citrus Pest Control District tax rates are levied and collected upon each 100 trees per acre valuation as assigned by the County Assessor.

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.

Note 3: Method used to Calculate Overlapping- The amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction.

Source: County of Tulare / Property Tax

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

Fiscal Year					
2010-11	2011-12	2012-13	2013-14	2014-15	
1.000	1.000	1.000	1.000	1.000	County-Wide Rates
					General
					School District Rates
-	-	-	-	-	Allensworth Elementary
-	-	-	-	-	Alta Vista Elementary
0.016	0.010	0.008	0.008	0.008	Buena Vista Elementary
0.023	0.024	0.026	0.026	0.026	Burton Elementary *
					College of the Sequoias - Hanford Schools Facility Improvement District
0.025	0.014	0.019	0.024	0.024	College of the Sequoias - Tulare Schools Facility Improvement District
					College of the Sequoias - Visalia Schools Facility Improvement District
0.013	0.025	0.025	0.015	0.015	Cutler - Orosi Unified *
0.035	0.040	0.055	0.060	0.060	Delano Joint High
0.155	0.133	0.121	0.106	0.068	Dinuba Unified
0.151	0.116	0.107	0.101	0.104	Earlimart Elementary
0.030	0.025	0.020	0.044	0.044	Exeter Elementary
0.032	0.037	0.034	0.030	0.030	Exeter High
0.040	0.042	0.046	0.057	0.055	Farmersville Elementary
-	-	-	-	-	Farmersville Unified *
0.090	0.080	0.076	0.076	0.076	Hanford Joint High *
0.055	0.054	0.060	0.060	0.061	
					Kern Community College Schools Facility Improvement District *
0.010	0.009	0.009	0.013	0.010	Kings Canyon Joint Unified *
0.109	0.103	0.097	0.159	0.163	Kings River Elementary
0.060	0.077	0.064	0.063	0.063	Kingsburg Joint Elementary
0.056	0.032	0.049	0.067	0.058	Kingsburg Joint High
0.068	0.060	0.056	0.066	0.088	Liberty Elementary
0.050	0.040	0.030	0.034	0.033	Lindsay Unified
0.122	0.125	0.120	0.165	0.188	Linns Valley Poso - Flat Joint Elementary
0.017	0.010	0.010	0.010	0.012	Pixley Union Elementary
-	-	-	-	0.050	Porterville Elementary
-	-	-	-	-	Porterville Schools Facility Improvement District *
0.052	0.047	0.057	0.060	0.060	Richgrove Elementary
0.038	0.028	0.038	0.028	0.010	Springville Union Elementary
-	-	-	-	0.020	
					State Center Comm College Schools Facility Improvement District *
0.010	0.007	0.009	0.010	0.009	Stone Corral
0.025	0.025	0.015	0.015	0.020	Strathmore High
0.050	0.040	0.040	0.050	0.055	Sundale Elementary
0.024	0.020	0.020	0.013	0.013	Terra Bella
0.030	0.030	0.030	0.025	0.030	Three Rivers Elementary
-	-	-	-	-	Traver Elementary *
0.052	0.058	0.058	0.050	0.053	Tulare High *
0.039	0.053	0.058	0.069	0.063	Visalia Unified *
0.030	0.030	0.030	0.030	0.030	Woodlake Elementary
0.035	0.033	0.029	0.029	0.028	Woodlake High
0.060	0.055	0.052	0.040	0.040	
					Special District Rates
0.029	0.027	0.025	0.028	0.021	Kaweah Delta Healthcare District
0.001	0.001	-	0.001	0.001	Kaweah Delta Water Conservation
-	-	-	-	-	Kings Joint Mosquito Abatement
-	-	-	-	-	Lindsay Hospital
-	-	-	-	-	Patterson Tract Community Service Districts
5.000	5.000	5.000	5.000 *	5.000	Tulare County Pest Control
0.113	0.113	0.082	0.082	0.082	Tulare Healthcare District
11.423	11.423	11.423	11.423 *	11.423	South Tulare County Citrus Pest Control District
-	-	-	-	-	Woodville Public Utility
					Concluded

* School rates have been combined with educational facilities.

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 South Tulare County Citrus Pest Control District tax rates. KDWC tax rates are levied and collected upon each \$100.00 valuation of land and improvement assessed valuation of taxable property. South Tulare County Citrus Pest Control District tax rates are levied and collected upon each 100 trees per acre valuation as assigned by the County Assessor.

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.

Note 3: Method used to Calculate Overlapping- The amount of debt of each unit applicable to the reporting unit is arrived at by (1) determining what percentage of the total assessed value of the overlapping jurisdiction lies within the limits of the reporting unit, and (2) applying this percentage to the total debt of the overlapping jurisdiction.

Source: County of Tulare / Property Tax

COUNTY OF TULARE
Statistical Section
Principal Property Taxpayers (unaudited)
June 30, 2015 and June 30, 2006 (in thousands)

Fiscal Year 2014-15

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southern California Edison Company	\$ 586,825	1	1.95%
Saputo Cheese USA Inc.	261,280	2	0.87%
California Dairies/Milk Producers	259,829	3	0.86%
Land O' Lakes	172,846	4	0.57%
Wal-Mart Stores/Retail Trust	158,702	5	0.53%
Southern California Gas Company	96,012	6	0.32%
Imperial Bondware	91,661	7	0.30%
Pacific Bell Telephone Company	85,977	8	0.29%
Oscar Mayer Food Corp	79,546	9	0.26%
Target Corporation	77,190	10	0.26%
Total	<u>\$ 1,869,868</u>		<u>6.21%</u>

Fiscal Year 2005-06

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Land O' Lakes, Inc./Cheese & Protein Intl,	\$ 285,234	1	1.37%
Southern California Edison Company	254,991	2	1.22%
Kraft Foods, Inc.	94,144	3	0.45%
Wal-Mart Stores, Inc.	93,835	4	0.45%
SBC California	67,895	5	0.33%
Southern California Gas Company	67,611	6	0.32%
California Milk Producers	65,084	7	0.31%
Best Buy Stores, LP	60,513	8	0.29%
Ruiz Foods Products, Inc.	51,569	9	0.25%
Visalia Mall LP (Price Development)	44,506	10	0.21%
Total	<u>\$ 1,085,382</u>		<u>5.20%</u>

Source: County of Tulare / Property Tax

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

Fiscal Year	Collected within the Fiscal Year			Total Collections to Date		
	Taxes Levied	Amount	Percentage of Levy	Collection in Subsequent Years*	Amount	Percentage of Levy
2005-06	\$ 202,601	\$ 195,336	96.41%	\$ 5,666	\$ 201,002	99.21%
2006-07	231,424	221,428	95.68%	5,616	227,044	98.11%
2007-08	261,193	245,387	93.95%	6,722	252,109	96.52%
2008-09	279,176	260,262	93.23%	11,208	271,470	97.24%
2009-10	276,919	259,724	93.79%	12,440	272,164	98.28%
2010-11	275,625	258,384	93.74%	9,766	268,150	97.29%
2011-12	268,816	258,049	95.99%	10,406	268,455	99.87%
2012-13	261,866	251,629	96.09%	11,133	262,762	100.34%
2013-14	275,497	268,255	97.37%	11,189	279,444	101.43%
2014-15	289,784	281,415	97.11%	10,624	292,039	100.78%
Total	<u>\$ 2,622,901</u>	<u>\$ 2,499,869</u>		<u>\$ 94,770</u>	<u>\$ 2,594,639</u>	

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

Source: County of Tulare / Property Tax

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

Fiscal Year	Governmental Activities						Business-type Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Certificates of Participation	Variable Rate Demand Bonds	Pension Obligation Bonds	Tax Allocation Bonds	Loans and Notes	Capital Leases	Certificates of Participation	Bonds			
2005-06	\$ 50,300	\$ 42,800	\$ 28,495	\$ -	\$ 20,954	\$ 68	\$ 1,558	\$ 8	\$ 144,183	1.59%	343
2006-07	46,165	42,360	25,175	1,627	18,927	38	1,531	8	135,831	1.44%	317
2007-08	41,790	41,665	21,345	1,586	17,219	6	1,503	8	125,122	1.28%	286
2008-09	37,210	41,050	16,955	1,778	15,730	-	1,476	8	114,207	1.05%	272
2009-10	32,290	40,435	11,955	1,689	14,351	-	1,474	7	102,201	0.86%	228
2010-11	26,315	49,260	6,313	-	13,199	-	1,416	7	96,510	1.38%	235
2011-12	20,820	39,005	-	-	10,544	654	1,382	7	72,412	0.98%	177
2012-13	16,350	38,190	-	-	9,332	-	1,346	7	65,225	0.43%	143
2013-14	11,525	37,375	-	-	4,399	-	1,310	7	54,616	0.35%	119
2014-15	6,460	36,460	-	-	3,938	-	1,273	6	48,137	0.30%	104

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

Source: County of Tulare/Auditor-Controller

COUNTY OF TULARE
Statistical Section
Computation of Direct and Overlapping Debt (unaudited)
June 30, 2015 (in thousands)

2014-15 Assessed Valuation:	\$ 30,066,007	(includes unitary utility valuation)
Redevelopment Incremental Valuation:	<u>(3,046,269)</u>	
Adjusted Assessed Valuation:	<u>\$ 27,019,738</u>	

OVERLAPPING TAX AND ASSESSMENT DEBT:

	<u>% Applicable</u>	<u>Debt</u>
College of the Sequoias Hanford School Facilities Improvement District	0.987%	\$ 205
College of the Sequoias Tulare School Facilities Improvement District	88.871	27,475
College of the Sequoias Visalia School Facilities Improvement District	100.000	26,398
Other Community College District	2.259-7.190	9,892
Dinuba Joint Unified School District	99.214	24,324
Lindsay Unified School District	100.000	42,327
Porterville Unified School District School Facilities Improvement District	100.000	14,822
Visalia Unified School District	100.000	36,215
Other Unified School Districts	10.398-100.000	12,377
Delano Joint Union High School District	26.512	14,822
Exeter Union High School District	100.000	7,663
Tulare Joint Union High School District	99.828	32,073
Other Union High School Districts	1.166-100.000	10,598
Exeter Union School District	100.000	7,419
Other School Districts	7.434-100.000	13,815
Kaweah Delta Hospital District	100.000	48,906
Tulare Local Healthcare District	100.000	84,810
Special District 1915 Act Bonds	100.000	132
Special District Revenue Bonds	100.000	3,873
City 1915 Act Bonds	100.000	352
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		<u>418,498</u>

OVERLAPPING GENERAL FUND DEBT:

College of Sequoias Community College District General Fund Obligations	76.799	6,958
Kern Community College District General Fund and Benefit Obligations	6.920	12,279
Dinuba Joint Unified School District Certificates of Participation	98.781	8,061
Lindsay Unified School District General Fund Obligations	100.000	13,655
Porterville Unified School District Certificates of Participation	100.000	32,275
Visalia Unified School District Certificates of Participation	100.000	7,750
Other Unified School District Certificates of Participation	92.593-100.000	5,138
Union High School District Certificates of Participation	1.166-100.000	1,808
School District Certificates of Participation	7.434-100.000	13,657
City of Porterville Certificates of Participation	100.000	21,300
City of Dinuba General Fund Obligations	100.000	21,295
City of Tulare General Fund Obligations	100.000	31,530
City of Visalia Certificates of Participation	100.000	13,595
TOTAL OVERLAPPING GENERAL FUND DEBT		<u>189,301</u>

DIRECT GENERAL FUND DEBT:

Tulare County General Fund Obligations	100.000%	46,858
TOTAL DIRECT GENERAL FUND DEBT		<u>46,858</u>
TOTAL GROSS DIRECT AND OVERLAPPING DEBT		<u>\$ 654,657 (1)</u>

(1) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-
Note 1: During bond issuance the County receives a repayment schedule from the entities and allocates the overlapping debt based on the percentage of the assessed values.

Ratio to Adjusted Assessed Valuation:

Combined Direct Debt (\$72,412)	0.17%
Combined Total Debt	2.42%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/15: \$0

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

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

Legal Debt Margin Calculation for Fiscal Year 2014-15

Net Assessed Value	\$ 29,997,729
Debt Limit - 1.25 Percent of Taxable Property (1)	\$ 374,972
Amount of Debt Applicable to Debt Limit (2)	-
Legal Debt Margin (3)	<u>\$ 374,972</u>

	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
Debt limit	\$ 333,044	\$ 352,369	\$ 340,733	\$ 337,442	\$ 337,442
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 333,044</u>	<u>\$ 352,369</u>	<u>\$ 340,733</u>	<u>\$ 337,442</u>	<u>\$ 337,442</u>
Total debt limit as a percentage of the legal debt margin	100%	100%	100%	100%	100%

	Fiscal Year				
	2010-11	2011-12	2012-13	2013-14	2014-15
Debt limit	\$ 341,335	\$ 338,976	\$ 346,886	\$ 357,621	\$ 374,972
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	<u>\$ 341,335</u>	<u>\$ 338,976</u>	<u>\$ 346,886</u>	<u>\$ 357,621</u>	<u>\$ 374,972</u>
Total debt limit as a percentage of the legal debt margin	100%	100%	100%	100%	100%

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

(2) As of 6/30/15, the County had no tax supported general obligation bonded debt outstanding.

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

Source: County of Tulare / Property Tax

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

Fiscal Year	Population (1)	Per Capita Personal Income (1)(5)	Personal Income (in millions) (1)(5)		Median Age (1)(3)	School Enrollment (4)(5)	Unemployment Rate (2)
2005-06	420,131	21,596	9,073	(5)	29	93,424	7.9%
2006-07	429,006	21,995	9,436	(5)	29	94,407	8.6%
2007-08	436,839	22,464	9,813	(5)	29	95,344	9.8%
2008-09	441,481	25,920	10,865	(5)	29	96,811	(5) 14.7%
2009-10	447,814	26,545	11,887	(5)	29	97,321	(5) 14.7%
2010-11	436,946	16,999	6,973	(5)	29.6	97,889	15.9%
2011-12	449,253	17,966	7,370	(5)	29.6	98,831	15.2%
2012-13	455,599	33,648	15,330	(5)	29	99,964	12.8%
2013-14	459,446	33,495	15,389	(5)	29	101,099	11.6%
2014-15	462,189	35,221	16,279	(5)	31	102,206	11.0%

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

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

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

(4) California Department of Education, Educational Demographics Unit

(5) Amounts are estimated based on historical percentages.

COUNTY OF TULARE
Statistical Section
Principal Employers (unaudited)
June 30, 2015 and June 30, 2006

2014-15				2005-06			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,776	1	2.72%	County of Tulare	4,573	1	2.63%
Kaweah Delta Healthcare District	2,000	2	1.14%	Porterville Development Center	2,014	2	1.23%
Sierra View District Hospital	1,800	3	1.02%	Kaweah Delta Healthcare District	2,000	3	1.22%
Ruiz Food Products	1,800	3	1.02%	Ruiz Food Products	1,800	4	1.10%
Walmart Distribution	1,692	5	0.96%	Wal-Mart Distribution Center	1,692	5	1.03%
Porterville Development Center	1,300	6	0.74%	College of the Sequoias	1,160	6	0.71%
College of Sequoias	1,160	7	0.66%	CIGNA HealthCare	900	7	0.55%
Jostens	720	8	0.41%	Sierra View District Hospital	724	8	0.44%
CIGNA HealthCare	700	9	0.40%	Jostens	720	9	0.44%
Monrovia Nursery	600	10	0.34%	Land O'Lakes	600	10	0.37%
Land O'Lakes	600	10	0.34%	Total	<u>16,183</u>		<u>9.72%</u>
Total	<u>17,148</u>		<u>9.75%</u>				

Source: Tulare County Economic Development Corporation



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

Function	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
General Government					
Administration	48	50	53	52	49
County Counsel	39	41	45	48	48
Risk Management	8	9	9	6	4
Elections	7	8	7	7	7
Finance	130	133	144	144	143
Purchasing	5	6	6	6	7
Planning and Development	64	61	78	77	67
Other General	165	204	322	297	257
Public Protection					
Child Support Services	269	269	269	269	226
District Attorney	165	175	196	201	215
Fire Protection	20	27	111	114	114
Probation	309	315	327	335	348
Public Defender	71	75	83	83	83
Sheriff / Coroner	710	748	772	751	733
Trial Courts	-	-	-	-	-
Other Protection	57	57	58	58	60
Public Ways and Facilities	133	133	134	134	149
Health and Sanitation	625	650	575	475	443
Public Assistance	1,623	1,687	1,721	1,366	1,404
Education	38	41	45	45	47
Culture and Recreation	15	15	16	15	18
Solid Waste Management	72	75	76	75	64
Total Number of Employees	<u>4,573</u>	<u>4,779</u>	<u>5,047</u>	<u>4,558</u>	<u>4,486</u>
Total Gross Salaries*	<u>\$ 156,554</u>	<u>\$ 162,093</u>	<u>\$ 172,488</u>	<u>\$ 192,779</u>	<u>\$ 205,703</u>

Continued

*Gross Salaries Rounded to Thousands

Source: County of Tulare / Auditor-Controller

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

Fiscal Year					Function
2010-11	2011-12	2012-13	2013-14	2014-15	
					General Government
51	50	50	50	50	Administration
50	50	52	50	50	County Counsel
6	4	6	11	11	Risk Management
5	4	7	5	7	Elections
157	148	146	152	151	Finance
5	8	8	8	8	Purchasing
54	75	85	81	81	Planning and Development
254	231	244	255	258	Other General
					Public Protection
194	212	211	211	206	Child Support Services
233	194	205	212	212	District Attorney
122	117	114	114	113	Fire Protection
345	340	377	377	379	Probation
78	83	89	89	89	Public Defender
743	721	799	811	832	Sheriff / Coroner
1	2	2	2	2	Trial Courts
102	93	94	87	89	Other Protection
200	151	156	157	154	Public Ways and Facilities
439	483	488	477	469	Health and Sanitation
1,392	1,564	1,574	1,559	1,534	Public Assistance
59	47	45	45	48	Education
19	9	9	-	-	Culture and Recreation
66	61	52	47	33	Solid Waste Management
4,575	4,647	4,813	4,800	4,776	Total Number of Employees
\$ 192,090	\$ 190,554	\$ 202,177	\$ 204,484	\$ 208,899	Total Gross Salaries*
				Concluded	

*Gross Salaries Rounded to Thousands

Source: County of Tulare / Auditor-Controller

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

Function	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
Public Protection					
<i>Child Support Services</i>					
Number of Caseloads	35,687	35,678	34,960	37,498	36,109
Number of Orders Established	2,085	1,810	2,211	2,347	3,972
<i>District Attorney</i>					
Number of Adult Felony Cases Filed	4,960	5,702	5,547	4,742	4,074
Number of Adult Misdemeanor Cases Filed	12,747	12,943	14,192	14,028	11,606
Number of Juvenile Misdemeanor Cases Filed	1,196	886	877	640	526
Number of Juvenile Felony Cases Filed	754	829	733	719	674
Total Cases Tried (Excluding Juvenile Trials)	196	207	173	217	175
<i>Fire Protection</i>					
Number of Fires	2,383	3,156	3,227	1,890	4,429
Medical Aids	8,330	8,997	7,408	7,395	6,949
Assist Other Agencies	1,622	1,204	1,383	597	861
<i>Sheriff/Coroner</i>					
Warrants Processed	22,743	19,813	21,195	22,761	19,079
Jail Population - Admissions	22,675	29,241	26,183	25,376	24,348
<i>Environmental Health</i>					
Hazardous Materials Inspections	308	379	414	427	386
Hazardous Waste Inspections	156	225	214	201	212
Animal Control Field Calls	4,899	4,239	4,022	4,199	3,876
Animal Control Intake	8,829	9,172	9,151	9,221	8,787
Solid Waste Inspections	277	293	237	263	282
Public Ways and Facilities					
<i>Roads</i>					
Total Maintained Mileage	3,048	3,008	3,006	3,046	3,046
Public Assistance					
<i>Mental Health Clients Served</i>					
Outpatient	8,870	9,343	9,530	9,568	9,757
Inpatient	613	558	579	365	671
Conserved	278	264	229	180	186
Day Treatment	5	8	8	2	1
<i>Community Based Programs</i>					
Congregate Meals Served	125,007	125,167	107,509	82,240	69,851
Home Delivered Meals	108,794	121,672	99,140	47,953	51,692
Health Insurance Counseling and Advocacy Program	297	363	259	318	348
Number of People Served through Area Agency on Aging Funds	286,444	296,809	217,876	182,252	184,815
Number of Adult Protective Services Cases Opened	976	784	942	916	893
Number of Enrolled Participants in Cal Works	-	5,243	6,274	6,452	6,519
Culture and Recreation					
<i>Library</i>					
Volumes	372,000	317,532	288,035	-	341,774
<i>Parks and Recreation</i>					
Total Number of Cars Entered Parks	22,266	20,393	20,351	19,511	17,639
Total Amount of Park Reservations	1,697	1,902	1,735	1,636	1,036
Other Enterprises					
<i>Solid Waste</i>					
Landfill Tonnage Gross Total	281,830	310,099	271,245	235,162	225,337
Landfill Tonnage Recycled Total	26,408	36,181	48,892	50,117	49,207
<i>Transit</i>					
Total Route Miles	444,855	441,358	517,947	631,960	676,359
Number of Passengers	89,952	105,715	130,266	155,151	188,999

Continued

Source: County of Tulare / Auditor-Controller

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

Fiscal Year					Function
2010-11	2011-12	2012-13	2013-14	2014-15	
					Public Protection
					<i>Child Support Services</i>
31,621	29,055	27,633	26,136	25,066	Number of Caseloads
1,638	1,277	1,185	1,167	1,456	Number of Orders Established
					<i>District Attorney</i>
4,085	4,275	5,374	5,481	5,729	Number of Adult Felony Cases Filed
10,228	10,511	10,272	9,966	12,055	Number of Adult Misdemeanor Cases Filed
364	288	205	242	349	Number of Juvenile Misdemeanor Cases Filed
607	629	505	544	462	Number of Juvenile Felony Cases Filed
137	139	124	138	114	Total Cases Tried (Excluded Juvenile Trials)
					<i>Fire Protection</i>
1,735	3,292	4,647	4,745	4,654	Number of Fires
7,529	6,927	7,235	7,336	8,077	Medical Aids
512	361	277	268	509	Assist Other Agencies
					<i>Sheriff/Coroner</i>
22,548	17,079	17,538	19,650	22,071	Warrants Processed
23,444	22,251	22,660	22,563	22,881	Jail Population - Admissions
					<i>Environmental Health</i>
387	427	358	339	333	Hazardous Materials Inspections
221	233	218	181	196	Hazardous Waste Inspections
3,843	4,530	4,955	5,184	5,115	Animal Control Field Calls
9,316	9,269	9,269	8,945	8,348	Animal Control Intake
251	266	272	263	237	Solid Waste Inspections
					Public Ways and Facilities
					<i>Roads</i>
3,041	3,041	3,039	3,038	3,035	Total Maintained Mileage
					Public Assistance
					<i>Mental Health Clients Served</i>
9,652	9,427	9,637	10,577	11,417	Outpatient
772	608	710	812	802	Impatient
178	184	199	190	156	Conserved
5	5	2	2	2	Day Treatment
					<i>Community Based Programs</i>
71,261	70,150	60,743	60,890	69,200	Congregate Meals Served
65,260	59,460	63,089	64,470	79,271	Home Delivered Meals
351	575	1,156	974	1,114	Health Insurance Counseling and Advocacy Program
133,068	137,104	137,104	110,992	103,127	Number of People Served through Area Agency on Aging Funds
768	1,249	1,198	1,423	1,656	Number of Adult Protective Services Cases Opened
7,335	7,686	7,843	8,370	8,308	Number of Enrolled Participants in Cal Works
					Culture and Recreation
					<i>Library</i>
343,928	285,915	294,513	289,830	304,912	Volumes
					<i>Parks and Recreation</i>
25,702	19,234	13,963	17,297	15,364	Total Number of Cars Entered Parks
837	1,095	789	734	709	Total Amount of Park Reservations
					Other Enterprises
					<i>Solid Waste</i>
246,965	261,828	257,262	251,826	345,633	Landfill Tonnage Gross Total
56,128	54,712	43,171	46,301	37,824	Landfill Tonnage Recycled Total
					<i>Transit</i>
794,963	842,636	929,804	1,009,061	999,663	Total Route Miles
244,500	308,293	351,697	356,560	374,312	Number of Passengers
					Concluded

Source: County of Tulare / Auditor-Controller

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

Function	Fiscal Year				
	2005-06	2006-07	2007-08	2008-09	2009-10
Public Protection					
<i>Sheriff/Coroner</i>					
Stations	4	4	4	4	4
<i>Fire Protection</i>					
Stations	29	28	28	29	26
Building Permits Issued	6,428	5,847	5,118	3,925	3,353
Public Ways and Facilities					
<i>Roads</i>					
Roads (miles)	3,048	3,008	3,006	3,046	3,540
Streetlights	1,384	1,459	1,468	1,384	1,472
Culture and Recreation					
<i>Library</i>					
Number of branches	15	15	15	15	15
Volumes	372,000	317,532	288,035	-	341,774
<i>Parks and Recreation</i>					
Park acreage	688	688	688	688	688
Parks	11	11	11	11	11
Museum (square feet)	25,919	25,919	25,919	25,919	42,919
Lake Success Capacity (acre feet)	29,000	29,000	29,000	29,000	29,000
Lake Kaweah Capacity (acre feet)	185,600	185,600	185,600	165,600	185,600
Other Enterprises					
<i>Solid Waste</i>					
Landfill Sites	7	7	7	7	7
Transfer Stations	7	7	7	7	7

Continued

Source: County of Tulare / Auditor-Controller

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

Fiscal Year					Function
2010-11	2011-12	2012-13	2013-14	2014-15	
					Public Protection
					<i>Sheriff/Coroner</i>
4	4	4	4	4	Stations
					<i>Fire Protection</i>
27	27	27	27	27	Stations
3,494	3,333	3,581	3,474	3,639	Building Permits Issued
					Public Ways and Facilities
					<i>Roads</i>
3,041	3,041	3,041	3,038	3,035	Roads (miles)
1,537	1,541	1,542	1,471	1,471	Streetlights
					Culture and Recreation
					<i>Library</i>
15	15	15	15	15	Number of branches
343,928	285,915	285,915	285,915	304,912	Volumes
					<i>Parks and Recreation</i>
628	628	628	628	628	Park acreage
10	10	10	10	10	Parks
42,919	42,919	42,919	42,919	42,919	Museum (square feet)
29,000	29,000	29,000	29,000	29,000	Lake Success Capacity (acre feet)
185,600	185,600	185,600	185,600	185,600	Lake Kaweah Capacity (acre feet)
					Other Enterprises
					<i>Solid Waste</i>
7	7	7	3	2	Landfill Sites
7	7	7	7	6	Transfer Stations
					Concluded

Source: County of Tulare / Auditor-Controller