

**County of Tulare
State of California**

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017



**Prepared Under the Direction of
Cass Cook
Auditor-Controller/Treasurer-Tax Collector**

Cover: Deer Creek Bridge, completed in April of 2016, was built one mile northwest of Terra Bella on Road 224. The bridge replaced a culvert washed out by heavy rain in 2010. The Deer Creek Bridge project, which cost nearly \$3 million, was constructed using a new voided slab design and is estimated to last approximately 100 years.

Photographer: Jason Vivian

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State of California**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017



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Cass Cook

Auditor-Controller/Treasurer-Tax Collector

Tara Freitas, CPA

Assistant Auditor-Controller

COUNTY OF TULARE
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2017

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Introductory Section



AUDITOR-CONTROLLER/ TREASURER-TAX COLLECTOR



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December 20, 2017

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

The Comprehensive Annual Financial Report (CAFR) of the County of Tulare (the County) for the fiscal year ended June 30, 2017, is hereby submitted in accordance with Sections 25250 and 25253 of the Government Code of the State of California (the State). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal framework it established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Brown Armstrong Accountancy Corporation has issued an unmodified (“clean”) opinion on the County’s financial statements for the fiscal year ended June 30, 2017. The independent auditor’s report is located at the front of the financial section of this report. Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The County is a General Law County created by the State Legislature in 1852 and the City of Visalia is the County Seat. The function of the County is to provide services to its residents as requested by them through laws enacted at the Federal, State, and local level and through the election process. The number of residents in the County has been steadily growing over the past 10 years, with an increase of 8.0% since fiscal year 2008. According to the State of California Department of Finance, the number of residents in the County for the current fiscal year is approximately 471,842, an increase of 1.1% in comparison with the prior fiscal year.

The County is divided into five Supervisorial Districts based on population as required by State statute. Members of the Board of Supervisors (the Board) are elected from each District by the voters of that District to serve staggered four-year terms – two Supervisors are elected in one general election, and three Supervisors in the next. The Board is vested with the legislative authority and responsibility to set County policy. The Board members hire the County Administrative Officer to carry out the policy decisions they make and to be responsible for day-to-day operations of the County. They also hire County Counsel, the County’s legal advisor. Voters elect other officials, including the Assessor/Clerk-Recorder, Auditor-Controller/Treasurer-Tax Collector, District Attorney, and Sheriff-Coroner, each to four-year terms.

Geography and Industry The County is located in the southern region of California’s San Joaquin Valley between San Francisco and Los Angeles, less than a three hour drive from California’s central coast, and a short distance from Sequoia and Kings Canyon National Parks, Sequoia National Monument and Forest, and Inyo National Forest. The County is situated in a geographically diverse region. Mountain peaks of the Sierra Nevada Range rise to more than 14,000 feet in its Eastern half, comprised primarily of public lands within the Sequoia National Park, National Forest, and the Mineral King, Golden Trout, and Domelands Wilderness areas. The County’s central California location, family-oriented lifestyle, and affordable housing contribute to its growing population and business community.

The geographical location of the County presents easy access to markets around the world for all commodities produced. The County is the nation’s number one ranking County with regard to total agriculture value. This is primarily due to its Mediterranean climate that is conducive to growing specialty crops, such as pistachios and walnuts, citrus and grapes, as well as a variety of row crops. The mild climate allows the County to be number one in the nation for citrus growth, with over 108,000 acres dedicated to oranges alone. The tree nut acreage continues to expand, with almost 80,000 acres each of almonds and pistachios. The top million

dollar commodities produced in the County are milk products, cattle, and citrus. Milk production maintains the top spot for the highest valued commodity, grossing over \$1.6 billion annually. The beef industry is also an important component of the County's bustling economy, as are turkey and hog production. The County is also famous for its olives, pecans, plums, peaches, and nectarines, which account for hundreds of millions of dollars in farm income each year.

Component Units The County provides a full range of services, including police and fire protections; health and sanitation services; social services; constructions and maintenance of highways, streets, and infrastructures; recreational activities; and cultural events. Included in operations are various component units that provide specific services Countywide or to distinct geographic areas within the County. These component units include the Terra Bella Sewer Maintenance District, the Flood Control District, the Public Facilities Corporation, the Public Financing Authority, and the First 5 Tulare County. The financial reporting entity includes all of the funds of the County, as well as its component units, which are legally separate entities for which the County is financially accountable.

Budget The County is required by the State to adopt a final budget each year. This annual budget serves as the foundation for the County's financial planning and control. This requires balancing incoming revenue (from property taxes, sales and other taxes, Federal and State funding, fees and other funds) with outgoing expenses. Budgets are adopted for all governmental and proprietary funds and are prepared in accordance with Generally Accepted Accounting Principles (GAAP).

The County utilizes an automated accounting system (Advantage Financial). This system allows the County to restrict each department's expenditures to the amount of the budgeted appropriation. Changes in budget appropriation must be approved by the Board as a transfer from contingency reserve, transfer from another budget unit, or as an appropriation of unanticipated or over realized revenue. The fund balances along with projected revenues become available for appropriation in the following year.

The County maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of the General Fund, special revenue funds, debt service fund, and capital projects fund are included in the annual appropriated budget. The legal level of budgetary control (that is, the level which cannot be exceeded without action by the Board) is the fund level, with the exception of the General Fund in which the legal level of control is the department level. The County Administrative Officer may approve transfers of appropriations between expenditure appropriation classifications within the same budget unit. A budget unit classifies a budget expenditure into the appropriate accounting or organizational unit, therefore enhancing the necessary or desirable control of the financial operation or program.

LOCAL ECONOMY

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

Employment According to the State of California Employment Development Department, the County's total labor force as of the end of the current fiscal year is 209,200, of which 188,600 are employed and 20,700 are unemployed. As a result, the County's unemployment rate is 9.9%, an increase of 0.4% in comparison with the prior fiscal year and a decrease of 6.0% since fiscal year 2011, which was the year that the County experienced the highest unemployment rate following the peak of the recession.

Income The County's average annual wages have been progressively rising over the past decade. For the current fiscal year, the County's average annual wages are \$37,642, an increase of 2.8% in comparison with the prior fiscal year.

Real Estate The County's median home value continues to rise as the real estate market recovers from the recent recession. According to the State of California Employment Development Department, the County's median home value is \$205,000, an increase of 9.7% since the prior year.

Tourism For the current fiscal year, the dollar amount of the Transient Occupancy Tax (TOT) collected was \$2.1 million, an increase of 20.6% in comparison with the prior fiscal year. The increase in this tax source is attributable to the County's array of hotels, motels, and vacation rentals.

LONG-TERM FINANCIAL PLANNING

Property taxes are a major source of local governmental revenues and are determined by assessed values of real and personal property. The County's local assessed property values increased 4.5% in comparison with the prior fiscal year.

The County's Capital Improvement Plan is a five-year plan that identifies capital projects and equipment purchases, provides a planning schedule, and identifies options for financing the plan. For fiscal year 2017/18, the Capital Projects Fund requested budget is \$74.3 million.

Significant projects included in the budget for fiscal year 2017/18 include:

- \$40.0 million for the South County Detention Facility (total estimated project cost of \$72.0 million)
- \$9.0 million for the Space Planning and Improvement project (total estimated project cost of \$17.2 million)
- \$3.5 million for the Sequoia Field Program Facility (total estimated project cost of \$43.0 million)
- \$3.0 million for the construction of Fire Station No. 1 (total estimated project cost of \$3.4 million)
- \$1.1 million for the Vocational Education Building (total estimated project cost of \$1.1 million)

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

MAJOR INITIATIVES

Current Initiatives The Board approved an update to the Strategic Management System 2016-2020 emphasizing that the County is “Open for Business” using a business model to provide public value when implementing the Strategic Goals of Public Safety and Security, Economic Well-Being, Quality of Life, and Organizational Performance. For the year, the Board’s commitment to serve the residents of the County effectively is demonstrated by the following initiatives (which are presented in no particular order and may have overlap among the categories):

Public Safety and Security

- Construction began on the South County Detention Facility in early 2016. The project will continue to move forward with a targeted completion date of August 2018.
- Established the Tree Mortality Task Force to assist with combatting the number of dying trees in the County.

Quality of Life

- Executed agreements with the State Water Resources Control Board and Department of Water Resources to bring safe and reliable drinking water to disadvantaged communities.
- Collaborated with the County’s Health and Human Services Agency to expand the Step Up Youth Leadership Program (#LEAD) to at-risk youth in the Cities of Visalia, Tulare, and Porterville.
- Executed agreements with Tulare County Animal Services to renovate the animal shelter and offer the residents and animals of the County expanded services, with a greater emphasis on community engagement.
- Executed an agreement for the Tulare County Park Advisory Committee to review and evaluate the physical conditions of all the County parks. The Board authorized, recommended, and prioritized repairs and improvements with a completion date of December 2016.
- Began the process of acquiring and developing property in Monson for a long-term solution to the local residents to bring relief to them as a result of the drought.

Organizational Performance

- The Board approved a reorganization of the County Administrative Office (CAO) in March of 2016, encompassing a Strategic Management System and Economic Development Strategy.
- 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 contracts were executed in fiscal year 2015/16. Multiple County departments and a variety of sites will be involved in the space planning process as it continues with completion of the first phase in 2017.

Future Initiatives For the future, in order to serve the County residents effectively, the Board continues to prioritize programs based on their needs and anticipates on taking the following initiatives to achieve this goal (which are presented in no particular order and may have overlap among the categories):

Public Safety and Security

- Begin the process of planning and designing the Property and Evidence Building for a long-term solution to the County’s criminal justice needs.
- Finalize the scope of work with the State of California Board of State and Community Corrections for the County’s Sequoia Field Program Facility in the amount of \$40 million funded by the Senate Bill (SB) 1022 Jail Construction Program.

- The Board will work closely with the newly created Tree Mortality Task Force to determine guidelines for effectively and efficiently handling tree mortality in the County.

Economic Well-Being

- Work with State and Federal government officials to maintain local land use authority concerning marijuana grow sites.
- Monitor and provide feedback, as needed, on all State and Federal legislative proposals and promote the County's business growth and development.

Quality of Life

- Work closely with the Tulare County Park Advisory Committee as they meet to review and evaluate the Conceptual Master Plan to begin working on the plan to finalize future projects for the parks.
- Continue to seek State and Federal funding to assist communities and farms to secure a sustainable and affordable water supply.
- Work with local water agencies to implement the provisions of the Sustainable Groundwater Management Act, including executing agreements with public water agencies for the establishment of Groundwater Sustainability Agencies covering the Tule, Kaweah, and Kings sub-basins.
- Execute an agreement to form the San Joaquin Valley Water Infrastructure Authority to begin identifying viable water storage projects to bring relief to the San Joaquin Valley as a result of the drought and to provide better water supply reliability.

AWARDS AND ACKNOWLEDGMENTS

Certificate of Achievement for Excellence in Financial Reporting The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County's CAFR for the fiscal year ended June 30, 2016. This was the 23rd consecutive year that the County has achieved this prestigious award. In order to receive this award, a government must publish an easily readable and efficiently organized CAFR that satisfies both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



Cass Cook
Auditor-Controller/Treasurer-Tax Collector



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

County of Tulare
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

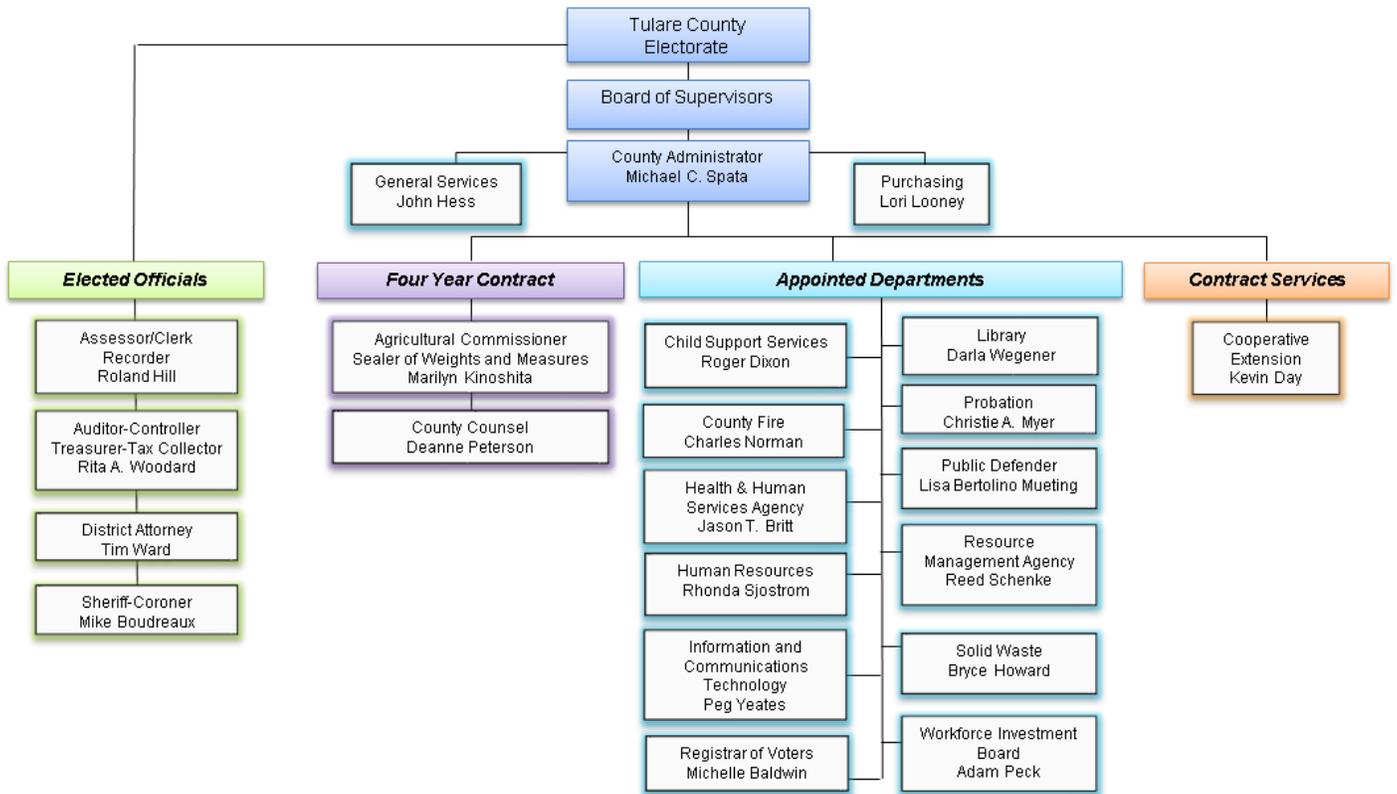
June 30, 2016

Executive Director/CEO

COUNTY OF TULARE

Organizational Chart

June 30, 2017



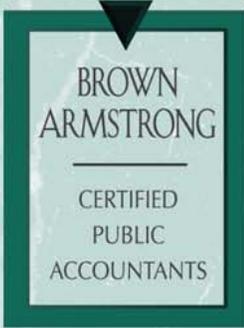
COUNTY OF TULARE
List of Elected and Appointed Officials
June 30, 2017

<u>Department/Agency/District</u>	<u>Elected Official</u>
Assessor/Clerk-Recorder	Roland P. Hill
Auditor-Controller/Treasurer-Tax Collector.....	Rita A. Woodard
Board of Supervisors District No. 1.....	Kuyler Crocker
<i>Exeter, Farmersville, Lindcove, Lindsay, Lemoncove, Strathmore, Three Rivers, (Part) Visalia, and Woodville</i>	
Board of Supervisors District No.....	Pete Vander Poel, Chairman
<i>Allensworth, Alpaugh, Earlimart, Pixley, Tipton, Tulare, and Waukena</i>	
Board of Supervisors District No. 3.....	Amy Shuklian
<i>Visalia</i>	
Board of Supervisors District No. 4.....	J. Steven Worthley, Vice Chairman
<i>Badger, Cutler, Dinuba, Goshen, Ivanhoe, Orosi, Traver, (Part) Visalia, and Woodlake</i>	
Board of Supervisors District No. 5.....	Mike Ennis
<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 of Weights and Measures	Marilyn Kinoshita
Capital Projects and Facilities.....	John Hess
Child Support Services	Roger Dixon
Cooperative Extension.....	Kevin Day
County Administrative Office	Michael C. Spata
County Counsel	Deanne H. Peterson
Fire Protection Services	Charles Norman
General Services	John Hess
Grand Jury	Reba Grissom, Foreman
Health and Human Services Agency	Jason T. Britt
Human Resources and Development	Rhonda Sjostrom
Information and Communications Technology	Peg Yeates
Law Library	Anne Bernardo
Library	Darla Wegener
Probation.....	Christie A. Myer
Public Defender	Lisa Bertolino Muetting
Purchasing	Lori Looney
Solid Waste.....	Bryce Howard
Registrar of Voters.....	Michelle Baldwin
Resource Management Agency	Reed Schenke
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, 2017, 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, 2017, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the general fund and the realignment-social services fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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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 Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 20, 2017, 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

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 20, 2017

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited)
June 30, 2017 (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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,712,073 (*net position*).
- The County's total net position decreased by \$5,942 from the prior fiscal year, which was mainly due to an increase in the County's unfunded pension obligation.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$336,423, an increase of \$16,146 in comparison with the prior year. Approximately \$49,235, or 14.6%, of this amount 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 \$109,329, or approximately 18.0% of total General Fund expenditures.
- The County's total outstanding long-term debt decreased by \$1,562 during the current fiscal year, which was attributable to payments made on existing long-term debt.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

Both 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 five legally separate organizations for which the elected officials of the County are financially accountable. Financial information for one of the component units, First 5 Tulare County, is reported separately from the financial information presented for the primary government itself. The remaining four component units, also legally separate, function for all practical purposes as departments of the County, and therefore have been included as integral parts of the primary government.

The government-wide financial statements can be found in the basic financial statements section following the Management's Discussion and Analysis of this report.

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

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.

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 21 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 Public Facilities Corporation, the Public Financing Authority, and the Realignment-Social Services fund which are considered to be major funds. Data from the other 17 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 insurance coverage and central services, such as mailroom, print shop, and motor pool. 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 nonmajor enterprise funds and the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found 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

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

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

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

The combining and individual fund statements and schedules referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, internal service funds, and capital assets used in the operation of governmental funds are presented immediately following the RSI of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

Key elements of the County's calculation of net position for both governmental activities and business-type activities for the fiscal years ended June 30, 2017 and June 30, 2016 are as follows:

Summary of Net Position
For the Fiscal Years Ended June 30, 2017 and 2016

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percentage Change
	2017	2016	2017	2016	2017	2016		
ASSETS								
Current and other assets	\$ 530,160	\$ 501,294	\$ 73,432	\$ 73,295	\$ 603,592	\$ 574,589	\$ 29,003	5.1%
Capital assets	1,639,501	1,618,422	21,617	22,413	1,661,118	1,640,835	20,283	1.2%
Total assets	<u>2,169,661</u>	<u>2,119,716</u>	<u>95,049</u>	<u>95,708</u>	<u>2,264,710</u>	<u>2,215,424</u>	<u>49,286</u>	2.2%
DEFERRED OUTFLOWS OF RESOURCES								
Deferred pensions	187,623	96,643	1,228	443	188,851	97,086	91,765	94.5%
Total deferred outflows of resources	<u>187,623</u>	<u>96,643</u>	<u>1,228</u>	<u>443</u>	<u>188,851</u>	<u>97,086</u>	<u>91,765</u>	94.5%
LIABILITIES								
Long-term liabilities	506,801	398,377	39,305	42,654	546,106	441,031	105,075	23.8%
Other liabilities	138,668	125,426	10,508	10,232	149,176	135,658	13,518	10.0%
Total liabilities	<u>645,469</u>	<u>523,803</u>	<u>49,813</u>	<u>52,886</u>	<u>695,282</u>	<u>576,689</u>	<u>118,593</u>	20.6%
DEFERRED INFLOWS OF RESOURCES								
Unearned revenue	15,341	16,074	-	-	15,341	16,074	(733)	(4.6%)
Deferred pensions	30,665	1,721	200	11	30,865	1,732	29,133	1,682.0%
Total deferred inflows of resources	<u>46,006</u>	<u>17,795</u>	<u>200</u>	<u>11</u>	<u>46,206</u>	<u>17,806</u>	<u>28,400</u>	159.5%
NET POSITION								
Net investment in capital assets	1,636,514	1,614,927	20,420	21,172	1,656,934	1,636,099	20,835	1.3%
Restricted	180,978	153,860	9,088	10,445	190,066	164,305	25,761	15.7%
Unrestricted	(151,683)	(94,026)	16,756	11,637	(134,927)	(82,389)	(52,538)	63.8%
Total net position	<u>\$ 1,665,809</u>	<u>\$ 1,674,761</u>	<u>\$ 46,264</u>	<u>\$ 43,254</u>	<u>\$ 1,712,073</u>	<u>\$ 1,718,015</u>	<u>\$ (5,942)</u>	(0.4%)

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

Analysis of Net Position 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 \$1,712,073 at the close of the most recent fiscal year. As described below, the County experienced a net decrease of \$5,942, or 0.4%, from the prior fiscal year primarily as a result of an increase in the County's unfunded pension obligation.

Net Investment in Capital Assets The largest portion of the County's net position is invested in capital assets (e.g., land, buildings, roads, bridges, machinery, equipment, and intangible assets), less the related and outstanding debt used to acquire those assets and related deferred inflows of resources. The County uses these capital assets to provide services to citizens; as such, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

The \$20,835, or 1.3%, increase in net position from the net investment in capital assets represents capital acquisitions and deletions, less current year depreciation, and the addition and/or retirement of related long-term debt and deferred inflows of resources. Capital additions were related primarily to infrastructure (roads and road improvements), construction in progress, and the acquisition of equipment and vehicles. The County recorded depreciation of \$508,600 against its assets.

Restricted Net Position Restricted net position of \$190,066 represents resources that are subject to external restrictions on how they may be used. Due to the unique nature of funding sources, the County has significantly more restricted net position dollars than unrestricted net position dollars. Restricted net position is comprised of the following:

- \$74,056, or 39.0%, for health and sanitation, including mental health care programs, alcohol and drug programs, environmental programs, social services realignment, and mental health realignment.
- \$34,229, or 18.0%, for future roads projects.
- \$26,584, or 14.0%, for Federal and State allocations for public protection, including local community corrections, local safety and protection, juvenile justice, and jail inmate welfare.
- \$24,221, or 12.7%, for a debt service bond agreement for the acquisition and construction of public capital improvements and the repair and maintenance thereof.
- \$30,976, or 16.3%, for various other Federal, State, or County imposed purposes.

Restricted net position increased \$25,761, or 15.7%, in comparison with the prior fiscal year. Significant changes to restricted net position include:

- Health and sanitation restrictions increased by \$11,994, or 19.3%, primarily due to unspent reimbursements from the State for social services and mental health realignment.
- The restricted amount for roads projects increased by \$4,938, or 16.9%, mainly due to unspent revenues to be spent on future roads projects.
- Public protection increased by \$4,600, or 20.9%, predominantly as a result of unspent reimbursements from the State for public safety realignment set aside for future local community corrections, safety, and protection.

Unrestricted Net Position The remaining balance of net position is unrestricted, which may be used to meet the government's ongoing obligations to citizens and creditors. The unrestricted net position is negative \$134,927, a decrease of \$52,538, or 63.8%, from the prior fiscal year. The majority of negative unrestricted net position is primarily the result of the County's unfunded pension obligation.

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

Changes in net position for both governmental activities and business-type activities for the fiscal years ended June 30, 2017 and June 30, 2016 are as follows:

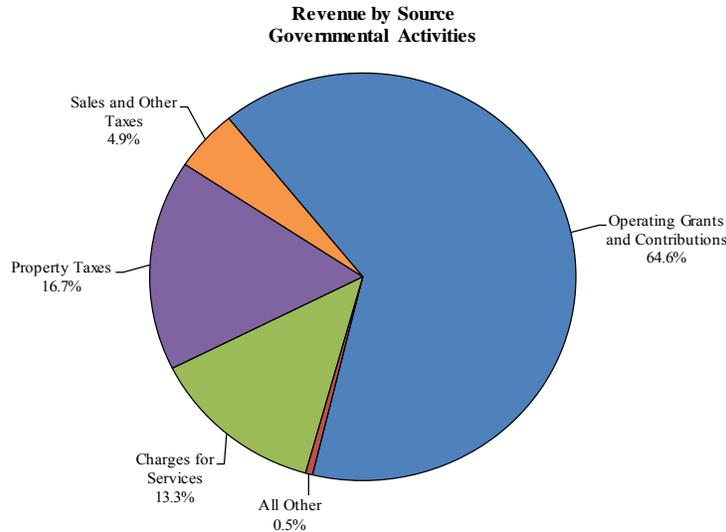
Changes in Net Position
For the Fiscal Years Ended June 30, 2017 and 2016

	Governmental Activities		Business-type Activities		Total		Dollar Change	Percent Change
	2017	2016	2017	2016	2017	2016		
REVENUES								
Program Revenues								
Charges for services	\$ 98,036	\$ 119,841	\$ 16,300	\$ 14,796	\$ 114,336	\$ 134,637	\$ (20,301)	(15.1%)
Operating grants and contributions	477,539	456,543	1,172	736	478,711	457,279	21,432	4.7%
General Revenues								
Property taxes	123,861	119,331	-	-	123,861	119,331	4,530	3.8%
Sales and other taxes	35,976	41,300	1,704	2,709	37,680	44,009	(6,329)	(14.4%)
Other	3,920	3,811	130	1,256	4,050	5,067	(1,017)	(20.1%)
Total revenues	<u>739,332</u>	<u>740,826</u>	<u>19,306</u>	<u>19,497</u>	<u>758,638</u>	<u>760,323</u>	<u>(1,685)</u>	<u>(0.2%)</u>
EXPENSES								
General government	53,525	39,542	-	-	53,525	39,542	13,983	35.4%
Public protection	246,602	221,740	-	-	246,602	221,740	24,862	11.2%
Public ways and facilities	36,004	47,021	-	-	36,004	47,021	(11,017)	(23.4%)
Health and sanitation	143,652	143,286	-	-	143,652	143,286	366	0.3%
Public assistance	260,405	248,368	-	-	260,405	248,368	12,037	4.9%
Education	5,521	5,300	-	-	5,521	5,300	221	4.2%
Culture and recreation	2,428	2,266	-	-	2,428	2,266	162	7.2%
Interest expense	449	744	-	-	449	744	(295)	(39.7%)
Solid waste	-	-	11,426	9,067	11,426	9,067	2,359	26.0%
Water/Sewer services	-	-	1,213	1,162	1,213	1,162	51	4.4%
Transit	-	-	3,340	3,454	3,340	3,454	(114)	(3.3%)
Other business-type activities	-	-	15	17	15	17	(2)	(11.8%)
Total expenses	<u>748,586</u>	<u>708,267</u>	<u>15,994</u>	<u>13,700</u>	<u>764,580</u>	<u>721,967</u>	<u>42,613</u>	<u>5.9%</u>
Change in net position before transfers	<u>(9,254)</u>	<u>32,559</u>	<u>3,312</u>	<u>5,797</u>	<u>(5,942)</u>	<u>38,356</u>	<u>(44,298)</u>	<u>(115.5%)</u>
Transfers	302	305	(302)	(305)	-	-	-	0.0%
Change in net position	<u>(8,952)</u>	<u>32,864</u>	<u>3,010</u>	<u>5,492</u>	<u>(5,942)</u>	<u>38,356</u>	<u>(44,298)</u>	<u>(115.5%)</u>
Net position - beginning	1,674,761	1,644,309	43,254	37,730	1,718,015	1,682,039	35,976	2.1%
Prior period adjustment	-	(2,412)	-	32	-	(2,380)	2,380	(100.0%)
Net position - beginning, as restated	<u>1,674,761</u>	<u>1,641,897</u>	<u>43,254</u>	<u>37,762</u>	<u>1,718,015</u>	<u>1,679,659</u>	<u>38,356</u>	<u>2.3%</u>
Net position - ending	<u>\$ 1,665,809</u>	<u>\$ 1,674,761</u>	<u>\$ 46,264</u>	<u>\$ 43,254</u>	<u>\$ 1,712,073</u>	<u>\$ 1,718,015</u>	<u>\$ (5,942)</u>	<u>(0.4%)</u>

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

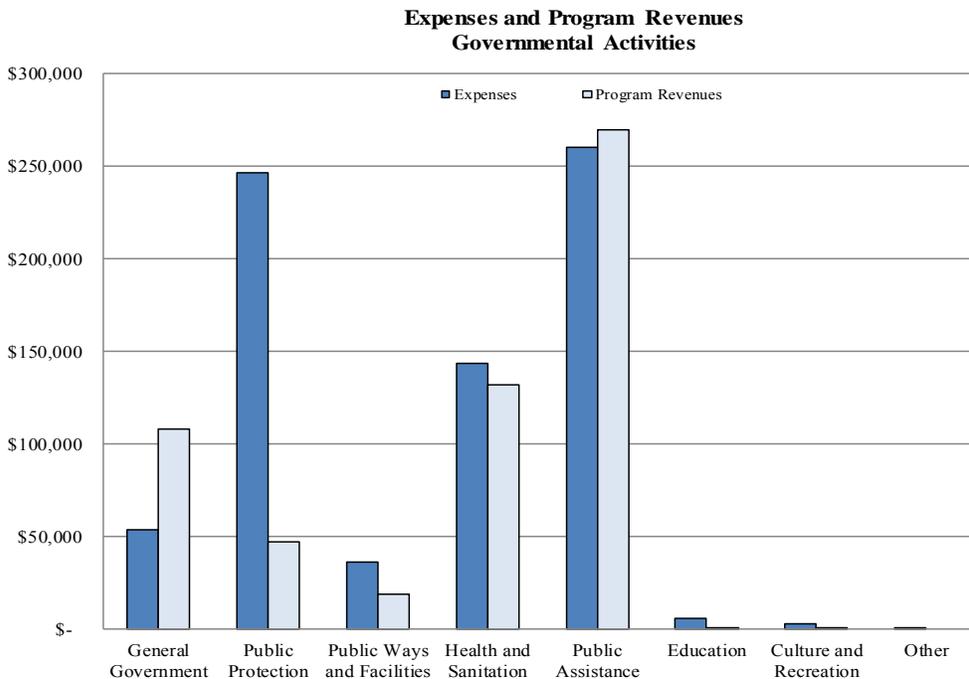
Governmental Activities Governmental activities decreased the County's net position by \$8,952 to \$1,665,809 for the fiscal year ended June 30, 2017, which indicates these activities did not generate revenues sufficient to cover the cost of operations. Contributing factors are a decrease in charges for services revenue of \$21,805 and an increase in public protection expenses of \$24,862. The largest source of governmental revenue continues to be operating grants and contributions, which represents 64.6% of all governmental activities revenue.

Key elements of revenues in governmental activities for the fiscal year ended June 30, 2017 are as follows:



Whereas most governmental activities require some general revenues to cover costs in excess of program revenues, the largest segment of uncovered costs is in the area of public protection.

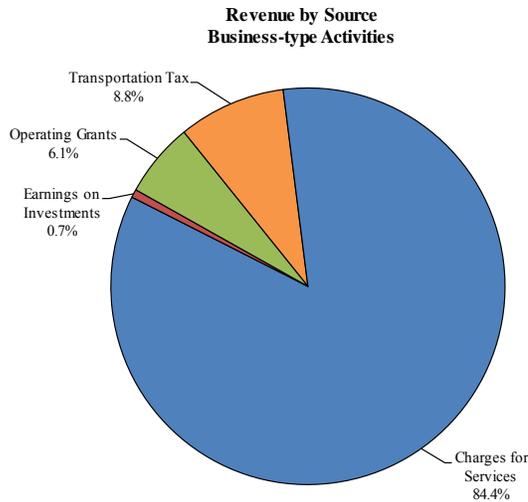
A comparison of expenses and program revenues for governmental activities for the fiscal year ended June 30, 2017 is as follows:



COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

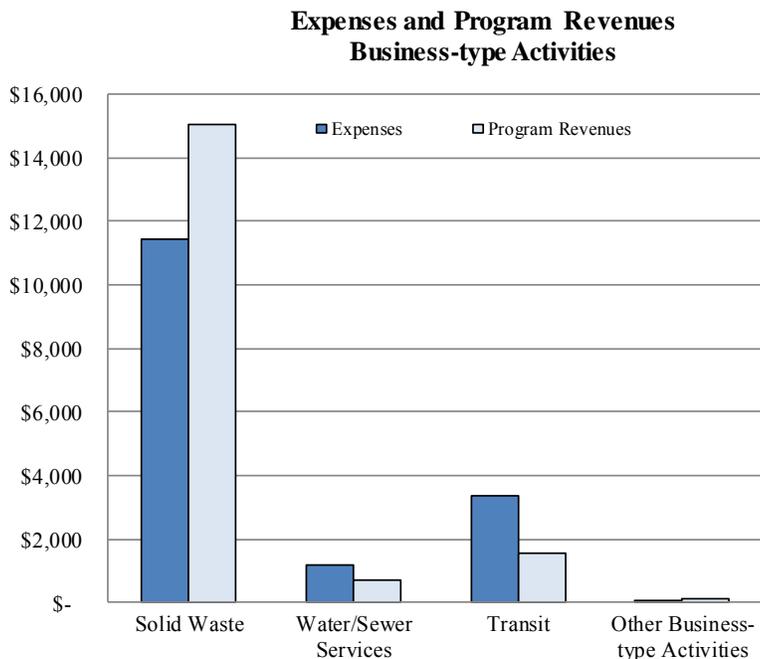
Business-type Activities For the County's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$46,264. The total increase in net position for business-type activities was \$3,010, or 7.0% from the prior fiscal year. The growth is largely attributable to a \$1,504 increase in charges for services revenue and a \$436 increase in operating grants and contributions. The largest source of business-type revenue continues to be charges for services, which represents 84.4% of all business-type activities revenue.

Key elements of revenues in business-type activities for the fiscal year ended June 30, 2017 are as follows:



Total fee revenues for Solid Waste represents 91.9% of charges for services for business-type activities. Solid Waste's program revenues of \$15,045 exceeded its expenses of \$11,426. The same situation held true for the prior fiscal year. The primary cause of 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, 2017 is as follows:



COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

Governmental Funds The focus of the County's *governmental funds* is to provide information on near-term inflows and outflows of spendable resources, as well as balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which 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.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$336,423, an increase of \$16,146 in comparison with the prior year. Approximately 14.3% of the total fund balances, or \$49,235, 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 (\$7,527), (2) restricted for particular purposes (\$205,319), (3) committed for particular purposes (\$45,691), or (4) assigned for particular purposes (\$28,651).

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 \$49,238, while total fund balance reached \$168,206. 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 8.1% of total General Fund expenditures, while total fund balance represents 27.7% of that same amount.

Spending from the General Fund increased by \$11,062, or 1.9%. Contributing factors include a \$4,129, or 2.3%, increase in public protection spending primarily due to an increase in general liability insurance premiums and salaries spread fairly evenly among the Sheriff's Department, Fire Department, and Probation Department. There was also a \$5,900, or 2.5%, increase in public assistance spending mainly as a result of an increase in spending towards various public assistance projects to help better the surrounding communities, such as municipal well projects and park improvement projects. In addition, there was a \$1,653, or 4.8%, increase in general government spending primarily due to salary increases as a result of both merit increases and cost of living adjustments (COLAs).

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 \$34,835. There was an increase of \$3,452, or 9.9%, in total net position for Solid Waste. Other factors concerning the finances of this fund have already been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget The total change between the original budget and the final amended budget was a decrease of \$109, or 0.3%. The most notable change was an increase of \$4,945 in the transfers out function to the Solid Waste fund for the closure of the Visalia Waste Management Unit-1 Facility.

Final Budget Compared to Actual Results The variance between the final budget and actual revenue resulted in an increase of \$25,595. 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>
Intergovernmental revenues	\$ 325,904	\$ 344,418	\$ 18,514
Taxes and special assessments	118,092	131,415	13,323
Charges for services	71,637	58,982	(12,655)
Other revenues	7,086	11,844	4,758

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Management’s Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

- Intergovernmental revenues were more than anticipated primarily as a result of money received from the State Controller’s Office to fund the Local Law Enforcement Services Account, as required by Assembly Bill 118 (AB 118) as part of the State realignment. The money received is derived from a combination of vehicle license fees paid on automobile registrations and a Special Fund Sales Tax.
- Taxes and special assessments revenues were higher than anticipated largely due to an increase in assessed property values and sales and use tax.
- Charges for services revenues were less than expected primarily due to less money received from the State Department of Mental Health Care Services for Medi-Cal.
- Other revenues were higher than projected mostly due to welfare advances from the State.

The variance between the final budget and actual expenditures resulted in \$81,631 of unspent appropriations. The most significant differences are as follows:

- Health and sanitation expenditures were \$25,972 less than projected mainly due to providing medical services to fewer clients than anticipated, as well as unfilled positions in the Health and Human Services Agency (HHSA) related to health and sanitation.
- Public assistance expenditures were \$21,915 less than expected predominantly as a result of a reduced need in public assistance from State and Federal, as well as unfilled positions in the HHSA related to providing public assistance.
- Public protection expenditures were \$16,226 less than anticipated, which was largely attributable to unfilled positions in the Sheriff’s and Probation Departments.
- General government expenditures were \$15,470 lower than expected primarily as a result of unspent appropriations for contingencies, and services and supplies.

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 \$1,661,118 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, equipment and vehicles, and construction in progress and infrastructure in progress. The total increase in capital assets for the current fiscal year was \$20,283, or 1.2%.

**Capital Assets
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 942,165	\$ 940,050	\$ 6,728	\$ 6,728	\$ 948,893	\$ 946,778
Infrastructure	478,110	472,151	-	-	478,110	472,151
Buildings and improvements	139,398	143,310	11,370	12,771	150,768	156,081
Equipment and vehicles	27,769	23,795	2,560	2,710	30,329	26,505
Construction in progress	34,480	8,338	959	204	35,439	8,542
Infrastructure in progress	17,579	30,778	-	-	17,579	30,778
Total	<u>\$ 1,639,501</u>	<u>\$ 1,618,422</u>	<u>\$ 21,617</u>	<u>\$ 22,413</u>	<u>\$ 1,661,118</u>	<u>\$ 1,640,835</u>

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

- The Porterville Wellness and Recovery Center project, with a current fiscal year expense of \$351.
- The Pre-Trial Rail Enhancement project, with a current fiscal year expense of \$183.
- The London Library project, with a current fiscal year expense of \$90.

Construction in Progress The County both purchases and constructs capital assets throughout the year. When a capital project will be completed in a subsequent fiscal year, related project costs are recorded as construction in progress (CIP). In the year of

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

completion, a project's CIP is allocated to the appropriate capital asset classification(s). In the current fiscal year, CIP had a net increase of \$26,897. CIP increases of \$28,580 were offset by project completions/disposals of \$1,683.

Some of the major project costs that make up the \$28,580 increase in CIP are as follows:

- Construction of the South County Detention Facility, with a current fiscal year expense of \$25,241.
- Purchase of a building and related remodel expenses for the Visalia Wellness Center, with a current fiscal year expense of \$1,211.
- Construction of the Sequoia Field Program Facility, with a current fiscal year expense of \$1,156.

Infrastructure in Progress Similar to CIP, when an infrastructure project will be completed in a subsequent fiscal year, related project costs are recorded as infrastructure in progress. In the year of completion, a project's infrastructure in progress is allocated to the appropriate capital asset classification(s). In the current fiscal year, infrastructure in progress had a net decrease of \$13,199. Infrastructure in progress increases of \$8,939 were offset by project completions/disposals of \$22,138.

Some of the major project costs that make up the \$8,939 increase in infrastructure in progress are as follows:

- Avenue 416 Road Widening project, with a current fiscal year expense of \$3,416.
- Caldwell Avenue to Avenue 280 road widening project, with a current fiscal year expense of \$1,755.
- Avenue 196 and Orange Belt Drive Signal Actuation project, with a current fiscal year expense of \$1,047.

Buildings and Improvements The County capitalized \$1,486 of buildings and improvements, net of \$6,799 in related depreciation, for a total decrease of \$5,313, or 3.4%.

Infrastructure The County capitalized \$22,138 in infrastructure, net of \$16,179 in related depreciation, for a total increase of \$5,959, or 1.3%.

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

Long-term Debt At the end of the current fiscal year, the County had total outstanding debt of \$38,719. Of this amount, \$1,192, or 3.1%, 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 \$34,535, or 89.2%, 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 the acquisition of a copier accounted for as a capital lease, and a loan to fund an energy improvement project.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Loans payable	\$ 2,960	\$ 3,459	\$ -	\$ -	\$ 2,960	\$ 3,459
Capital leases	27	36	-	-	27	36
Bonds payable	-	-	5	5	5	5
Variable Rate Demand Bonds	34,535	35,545	-	-	34,535	35,545
COPs payable	-	-	1,192	1,236	1,192	1,236
Total outstanding debt	<u>\$ 37,522</u>	<u>\$ 39,040</u>	<u>\$ 1,197</u>	<u>\$ 1,241</u>	<u>\$ 38,719</u>	<u>\$ 40,281</u>

The overall decrease of current fiscal year outstanding debt of the County over the prior fiscal year is \$1,562, or 3.9%. The largest reductions occurred with payments of \$1,010 against loans and \$499 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

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

valorem property taxes above 1.0% of full cash value. Thus, the legal debt margin of \$413,275 is 1.25% of the assessed valuation of \$33,062,001. As of June 30, 2017, 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.I 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 2017/18 fiscal year budget:

Today's economic environment continues to expand at a moderate pace. For example, the Nation's economic expansion – based on the annual growth rate – has reached an average of 2.1% growth from 2009 through 2016. The annualized growth rate of the Nation's Gross Domestic Product (GDP) during recent expansions ranged from 4.0% to 7.5%. Compared to the current growth rate of 2.1%, the economy is growing slowly but steadily.

The U.S. Stock Market has exhibited solid gains since the November 2016 presidential elections. The economic data in the first quarter of 2017 was mixed with strong job growth demonstrated by relatively low unemployment rates (U.S. – 4.3%; State – 5.0%; the County – 12.3%). The housing market shows increases in both sales activity (up 9.1%; 610,000 homes sold) and the median sales price (\$189). The inflation rate is 2.0% (the Federal Reserve's target) and it is expected to remain steady for the next year.

The Federal Reserve raised interest rates in June 2017, setting the Federal Funds target rate in a range of 1.0% to 1.25%. The reason is that the Federal Reserve expects that economic conditions will evolve in a manner that will warrant gradual increases; and as such, one additional rate hike is projected for this year. Historically, the Federal Reserve increased rates four times during the current economic recovery, namely, December 2015, December 2016, March 2017, and June 2017.

The other message is that of caution. With the U.S. economy entering its ninth year of economic expansion, state policy-makers are planning for the next recession. An economic downturn has historically presented itself in five-year cycles. Thus, the State of California is planning for the next recession by presenting a moderate recession scenario for next fiscal year. Consequently, the State Budget for fiscal year 2017/18 has focused on creating reserves that are more robust, paying down debts and liabilities, and investing in programs serving working families.

Economic challenges for future year projections continue to loom over federal, state, and local governments. The list of uncertainties affecting the County's budget include (1) volatile federal and state revenues; (2) federal and state policy decisions involving healthcare and tax reform; (3) worldwide national security challenges; (4) the rising federal budget deficit; (5) the ever increasing national debt approaching \$20,000,000,000 at this time; (6) adverse fluctuations in the stock and securities markets which are currently at an all-time high; (7) likely increasing natural disasters and emergencies such as floods and wildfires; and (8) future financial challenges as considered by the Strategic Financing Plan Committee.

Sketched along this economic, financial and regulatory landscape, the County continues to implement prudent financial budget strategies by formulating an annual spending plan (budget) that follows the principles of (1) fiscal sustainability; (2) revenue-generating opportunities embracing entrepreneurial government; (3) financial feasibility of departmental budget requests by emphasizing one-time spending allocations; (4) strategic alignment of budgetary spending with articulated goals and objectives in departmental budgets; (5) estimating budget revenue within reasonable limits; and (6) bolstering reserves and contingencies.

For calendar year 2016, the County continues to be a leader in national agricultural production with a total gross of over \$6,300,000, a decrease of 8.8% below the prior year. Dairy milk and milk products had a total gross value of \$1,600,000, making the County the top dairy producer in the Nation. The County's agricultural strength is based on the diversity of the crops produced. Although individual commodities may experience difficulties from year to year, the County continues to produce high-quality crops that provide food and fiber to more than 90 countries throughout the world.

On June 27, 2017, Governor Brown signed the balanced fiscal year 2017/18 Budget Act into law, spending \$183,200,000 from the General Fund, Special Funds, and Bond Funds. State General Fund appropriations total \$125,100,000, \$3,600 higher than the enacted fiscal year 2016/17 budget. As such, the State Budget addresses the Governor's key priorities: maintaining fiscal prudence; paying down debts and liabilities; investing in education; counteracting the effects of poverty; and improving streets, roads, and transportation infrastructure statewide.

COUNTY OF TULARE
Management's Discussion and Analysis (unaudited) (continued)
June 30, 2017 (in thousands)

The enacted budget made policy decisions and implemented program reductions. Of significant concern to counties is the dismantling of the Coordinated Care Initiative (CCI) that affected the In-Home Support Services (IHSS) Maintenance of Effort (MOE), thereby shifting increased costs to counties. The Governor's budget also implements cuts from the Cal Works Single Allocation. The anticipated impacts at the county level are yet to be identified at this time.

In addition to the standard budget bill, over a dozen trailer bills addressed significant policies ranging from cannabis regulation, employee orientation mandates, immigration detention, and concluding drought response activities. Notably, the State Budget augments the Rainy Day Fund by \$1,800,000 bringing the fund to a total \$8,500,000, or 66.0% of its constitutional target of \$12,500,000.

The County's fiscal year 2017/18 Recommended Budget for all funds totals \$1,200,000, an increase of \$50,500, or 4.3%, when compared to the fiscal year 2016/17 Adopted Budget. The budget supports a workforce of 5,004 positions and reflects a net increase of 59 positions.

The fiscal year 2017/18 Recommended Budget implements the County's Strategic Business Plan to address strategic and operational opportunities and responsibilities. Workers' Compensation (WC) increased by \$2,000 to \$15,200. WC premiums have increased \$2,000 annually for the past five fiscal years since fiscal year 2013/14. In doing so, the County has been able to reduce the WC Fund deficit of \$8,543 in fiscal year 2015/16 to the projected \$8,300 in fiscal year 2017/18.

The County successfully negotiated with various labor unions and entered the first year of two-year labor agreements with its employees, providing cost of living increases and specific equity adjustments. 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. It also 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 Boulevard, Room 101-E, Visalia, California 93291. The County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017, can also be found at the County's website: <http://tularecounty.ca.gov/auditorcontroller/>.

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Basic Financial Statements



COUNTY OF TULARE
Statement of Net Position
June 30, 2017 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
ASSETS				
Cash in banks	\$ 558	\$ 457	\$ 1,015	\$ 452
Investment in treasury pool	406,109	26,637	432,746	5,920
Investments	1,417	-	1,417	-
Imprest cash	572	3	575	-
Receivable (net of allowance for uncollectibles)				
Accounts	10,026	2,015	12,041	493
Taxes	284	-	284	-
Deposits with others	-	-	-	6
Due from other governments	27,905	603	28,508	-
Internal balances	1,089	(1,089)	-	-
Prepaid items	3,374	-	3,374	18
Advances to other funds	205	-	205	-
Notes receivable	20,336	-	20,336	-
Inventories	223	-	223	-
Restricted assets	58,062	44,806	102,868	-
Capital assets, not being depreciated/amortized	994,223	7,687	1,001,910	-
Capital assets, net of accumulated depreciation/amortization	645,278	13,930	659,208	8
Total assets	<u>2,169,661</u>	<u>95,049</u>	<u>2,264,710</u>	<u>6,897</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	187,623	1,228	188,851	-
Total deferred outflows of resources	<u>187,623</u>	<u>1,228</u>	<u>188,851</u>	<u>-</u>
LIABILITIES				
Accounts payable	39,756	1,584	41,340	1,424
Due to other governments	47,429	-	47,429	-
Deposits from others	285	61	346	-
Salaries and benefits payable	9,159	177	9,336	16
Advances	41,718	8,686	50,404	-
Interest payable	321	-	321	-
Total current liabilities	<u>138,668</u>	<u>10,508</u>	<u>149,176</u>	<u>1,440</u>
Noncurrent liabilities - Due within one year				
Claims payable	6,424	-	6,424	-
Compensated absences	2,832	20	2,852	-
Loans payable	518	-	518	-
Bonds payable	1,110	-	1,110	-
Certificates of participation (COPs) payable	-	45	45	-
Capital lease	9	-	9	-
Noncurrent liabilities - Due in more than one year				
Claims payable	26,693	-	26,693	-
Net other postemployment benefit (OPEB) obligation	17,402	-	17,402	-
Compensated absences	19,981	233	20,214	23
Closure/post closure costs payable	-	35,263	35,263	-
Loans payable	2,442	-	2,442	-
Bonds payable	33,425	5	33,430	-
Certificates of participation (COPs) payable	-	1,147	1,147	-
Capital lease	18	-	18	-
Net pension liability	395,947	2,592	398,539	-
Total noncurrent liabilities	<u>506,801</u>	<u>39,305</u>	<u>546,106</u>	<u>23</u>
Total liabilities	<u>645,469</u>	<u>49,813</u>	<u>695,282</u>	<u>1,463</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue	15,341	-	15,341	-
Deferred pensions	30,665	200	30,865	-
Total deferred inflows of resources	<u>46,006</u>	<u>200</u>	<u>46,206</u>	<u>-</u>

Continued

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

COUNTY OF TULARE
Statement of Net Position (continued)
June 30, 2017 (in thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
NET POSITION				
Net investment in capital assets	1,636,514	20,420	1,656,934	8
Restricted for				
Debt service	24,221	-	24,221	-
Roads projects	34,229	-	34,229	-
Low and moderate income housing	9	-	9	-
Public protection	26,584	-	26,584	-
Education	2,511	-	2,511	-
Health and sanitation	74,056	-	74,056	-
Public assistance	8,272	-	8,272	-
Landfill ground water contingencies	-	5,016	5,016	-
Acquisition of future disposal site	-	2,985	2,985	-
Landfill closure	-	1,087	1,087	-
Other purposes	11,096	-	11,096	-
Unrestricted	(151,683)	16,756	(134,927)	5,426
Total net position	<u>\$ 1,665,809</u>	<u>\$ 46,264</u>	<u>\$ 1,712,073</u>	<u>\$ 5,434</u>
				Concluded

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

COUNTY OF TULARE
Statement of Activities
For the Fiscal Year Ended June 30, 2017 (in thousands)

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total	First 5 Tulare County
Governmental activities							
General government	\$ 53,525	\$ 30,514	\$ 77,464	\$ 54,453	\$ -	\$ 54,453	\$ -
Public protection	246,602	19,429	27,613	(199,560)	-	(199,560)	-
Public ways and facilities	36,004	3,506	15,169	(17,329)	-	(17,329)	-
Health and sanitation	143,652	36,499	95,052	(12,101)	-	(12,101)	-
Public assistance	260,405	7,606	262,145	9,346	-	9,346	-
Education	5,521	186	96	(5,239)	-	(5,239)	-
Culture and recreation	2,428	296	-	(2,132)	-	(2,132)	-
Interest expense	449	-	-	(449)	-	(449)	-
Total governmental activities	<u>748,586</u>	<u>98,036</u>	<u>477,539</u>	<u>(173,011)</u>	<u>-</u>	<u>(173,011)</u>	<u>-</u>
Business-type activities							
Solid waste	11,426	14,973	72	-	3,619	3,619	-
Water/Sewer services	1,213	727	-	-	(486)	(486)	-
Transit	3,340	476	1,100	-	(1,764)	(1,764)	-
Other business-type activities	15	124	-	-	109	109	-
Total business-type activities	<u>15,994</u>	<u>16,300</u>	<u>1,172</u>	<u>-</u>	<u>1,478</u>	<u>1,478</u>	<u>-</u>
Total primary government	<u>\$ 764,580</u>	<u>\$ 114,336</u>	<u>\$ 478,711</u>	<u>\$ (173,011)</u>	<u>\$ 1,478</u>	<u>\$ (171,533)</u>	<u>\$ -</u>
Component unit							
First 5 Tulare County	\$ 6,167	\$ -	\$ 4,891				(1,276)
Total component unit	<u>\$ 6,167</u>	<u>\$ -</u>	<u>\$ 4,891</u>				<u>(1,276)</u>
General revenues							
Taxes							
Property taxes, levied for general purposes				110,457	-	110,457	-
Property taxes, levied for flood control				615	-	615	-
Property taxes, levied for fire protection				8,514	-	8,514	-
Property taxes, levied for library				4,275	-	4,275	-
Sales and other taxes				35,976	1,704	37,680	-
Earnings on investments				-	130	130	16
Miscellaneous				-	-	-	2
Tobacco settlement revenues				3,920	-	3,920	-
Transfers				302	(302)	-	-
Total general revenues and transfers				<u>164,059</u>	<u>1,532</u>	<u>165,591</u>	<u>18</u>
Change in net position				<u>(8,952)</u>	<u>3,010</u>	<u>(5,942)</u>	<u>(1,258)</u>
Net position - beginning				<u>1,674,761</u>	<u>43,254</u>	<u>1,718,015</u>	<u>6,692</u>
Net position - ending				<u>\$ 1,665,809</u>	<u>\$ 46,264</u>	<u>\$ 1,712,073</u>	<u>\$ 5,434</u>

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

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COUNTY OF TULARE
Governmental Funds
Balance Sheet
June 30, 2017 (in thousands)

	General Fund	Public Facilities Corporation	Public Financing Authority	Realignment- Social Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash in banks	\$ 275	\$ -	\$ -	\$ -	\$ 283	\$ 558
Investment in treasury pool	252,183	93	-	27,368	91,411	371,055
Investments	-	-	1,417	-	-	1,417
Imprest cash	71	-	-	-	1	72
Receivable (net of allowance for uncollectibles)						
Accounts	4,315	-	74	-	2,870	7,259
Taxes	284	-	-	-	-	284
Due from other funds	-	-	-	-	100	100
Due from other governments	18,731	-	-	-	8,443	27,174
Prepaid items	2,805	-	-	-	499	3,304
Advances to other funds	1,482	-	-	-	32	1,514
Notes receivable	4,000	-	-	-	16,336	20,336
Inventories	-	-	-	-	223	223
Restricted assets	-	-	58,062	-	-	58,062
Total assets	<u>\$ 284,146</u>	<u>\$ 93</u>	<u>\$ 59,553</u>	<u>\$ 27,368</u>	<u>\$ 120,198</u>	<u>\$ 491,358</u>
LIABILITIES						
Accounts payable	\$ 21,287	\$ -	\$ -	\$ -	\$ 13,347	\$ 34,634
Due to other governments	44,653	-	-	-	2,776	47,429
Deposits from others	228	57	-	-	-	285
Salaries and benefits payable	6,104	-	-	-	2,009	8,113
Advances	38,564	-	-	-	2,578	41,142
Advances from other funds	-	-	-	-	220	220
Total liabilities	<u>110,836</u>	<u>57</u>	<u>-</u>	<u>-</u>	<u>20,930</u>	<u>131,823</u>
DEFERRED INFLOWS OF RESOURCES						
Unearned revenue-special assessments	5,104	-	-	-	18,008	23,112
Total deferred inflows of resources	<u>5,104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,008</u>	<u>23,112</u>
FUND BALANCES						
Nonspendable	6,805	-	-	-	722	7,527
Restricted	52,072	36	56,053	27,368	69,790	205,319
Committed	39,359	-	-	-	6,332	45,691
Assigned	20,732	-	3,500	-	4,419	28,651
Unassigned	49,238	-	-	-	(3)	49,235
Total fund balances	<u>168,206</u>	<u>36</u>	<u>59,553</u>	<u>27,368</u>	<u>81,260</u>	<u>336,423</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 284,146</u>	<u>\$ 93</u>	<u>\$ 59,553</u>	<u>\$ 27,368</u>	<u>\$ 120,198</u>	<u>\$ 491,358</u>

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

COUNTY OF TULARE
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position
June 30, 2017 (in thousands)

Total fund balances for governmental funds \$ 336,423

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	\$	942,165	
Buildings and improvements, net of \$93,305 accumulated depreciation		139,398	
Equipment and vehicles, net of \$69,333 accumulated depreciation		27,769	
Infrastructure, net of \$312,276 accumulated depreciation		478,110	
Construction in progress		34,480	
Infrastructure in progress		17,579	
Total capital assets			1,639,501

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. 2,602

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. 3,113

Agricultural Commissioner deferred inflows of resources from farmer fees; revenues were already recognized in government-wide statements in prior year. 2,056

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, instead it is recognized as an expenditure when due. All liabilities are reported in the statement of net position. Balances, including those reported in internal service funds, at June 30 are:

Accrued interest on debt		(321)	
Capital leases payable		(27)	
Loans payable		(2,960)	
Bonds payable		(34,535)	
Claims payable		(33,117)	
Net other postemployment benefit (OPEB) obligation		(17,402)	
Compensated absences		(22,813)	
Net pension liability and related deferred inflows/outflows of resources		(238,989)	
Total long-term liabilities			(350,164)

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. 32,278

Total net position of governmental activities \$ 1,665,809

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

COUNTY OF TULARE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017 (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	\$ 131,415	\$ -	\$ -	\$ -	\$ 28,422	\$ 159,837
Licenses and permits	10,930	-	-	-	13	10,943
Fines, forfeitures, and penalties	5,535	-	-	-	1,982	7,517
Interest, rents, and concessions	1,928	45	855	-	522	3,350
Intergovernmental revenues	344,418	-	-	76,278	57,215	477,911
Charges for services	58,982	-	-	-	4,627	63,609
Other revenues	11,844	-	-	-	4,372	16,216
Total revenues	<u>565,052</u>	<u>45</u>	<u>855</u>	<u>76,278</u>	<u>97,153</u>	<u>739,383</u>
EXPENDITURES						
Current						
General government	36,357	-	-	-	7,861	44,218
Public protection	183,840	-	-	-	31,776	215,616
Public ways and facilities	85	-	-	-	17,320	17,405
Health and sanitation	136,392	-	-	-	4	136,396
Public assistance	239,949	-	-	-	11,455	251,404
Education	689	-	-	-	4,201	4,890
Culture and recreation	1,658	-	-	-	-	1,658
Debt service						
Principal retirement	-	19	1,010	-	500	1,529
Interest and fiscal charges	6	26	388	-	124	544
Capital outlay	8,553	-	-	-	41,814	50,367
Total expenditures	<u>607,529</u>	<u>45</u>	<u>1,398</u>	<u>-</u>	<u>115,055</u>	<u>724,027</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,477)</u>	<u>-</u>	<u>(543)</u>	<u>76,278</u>	<u>(17,902)</u>	<u>15,356</u>
OTHER FINANCING SOURCES (USES)						
Sale of general capital assets	216	-	-	-	80	296
Transfers in	99,526	-	3,920	942	38,041	142,429
Transfers (out)	(35,570)	-	(3,500)	(76,590)	(26,275)	(141,935)
Total other financing sources (uses)	<u>64,172</u>	<u>-</u>	<u>420</u>	<u>(75,648)</u>	<u>11,846</u>	<u>790</u>
Net change in fund balances	21,695	-	(123)	630	(6,056)	16,146
Fund balances - beginning	146,511	36	59,676	26,738	87,316	320,277
Fund balances - ending	<u>\$ 168,206</u>	<u>\$ 36</u>	<u>\$ 59,553</u>	<u>\$ 27,368</u>	<u>\$ 81,260</u>	<u>\$ 336,423</u>

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

COUNTY OF TULARE

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2017 (in thousands)

Net change in fund balances - total governmental funds \$ 16,146

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	\$ 50,367	
Depreciation expense	(28,330)	
Combined adjustment	22,037	22,037

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. (422)

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 inflow of resources because the delay will exceed one year. However, for government-wide statements, the revenue is recognized when earned. (22)

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. (174)

Current year collections of previously delayed reimbursements for Agricultural 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. 39

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. 1,509

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

Compensated absences	(1,179)	
Amortization of pension assets	(42,271)	
Amortization of net OPEB obligation	(1,609)	
Accrued interest on debt	20	
Combined adjustment	(45,039)	(45,039)

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. (3,026)

Changes in net position \$ (8,952)

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

COUNTY OF TULARE

General Fund

**Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2017 (in thousands)**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 118,092	\$ 118,092	\$ 131,415	\$ 13,323
Licenses and permits	9,913	9,913	10,930	1,017
Fines, forfeitures, and penalties	4,306	4,306	5,535	1,229
Interest, rents, and concessions	1,387	2,519	1,928	(591)
Intergovernmental revenues	319,875	325,904	344,418	18,514
Charges for services	68,952	71,637	58,982	(12,655)
Other revenues	4,237	7,086	11,844	4,758
Total revenues	<u>526,762</u>	<u>539,457</u>	<u>565,052</u>	<u>25,595</u>
EXPENDITURES				
Current				
General government	53,083	51,827	36,357	15,470
Public protection	197,402	200,066	183,840	16,226
Public ways and facilities	87	87	85	2
Health and sanitation	158,418	162,364	136,392	25,972
Public assistance	260,199	261,864	239,949	21,915
Education	861	876	689	187
Culture and recreation	1,492	1,465	1,658	(193)
Debt service				
Interest and fiscal charges	160	160	6	154
Capital outlay	5,426	10,451	8,553	1,898
Total expenditures	<u>677,128</u>	<u>689,160</u>	<u>607,529</u>	<u>81,631</u>
Deficiency of revenues under expenditures	<u>(150,366)</u>	<u>(149,703)</u>	<u>(42,477)</u>	<u>107,226</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	225	225	216	(9)
Transfers in	171,499	175,672	99,526	(76,146)
Transfers (out)	(56,251)	(61,196)	(35,570)	25,626
Total other financing sources (uses)	<u>115,473</u>	<u>114,701</u>	<u>64,172</u>	<u>(50,529)</u>
Net change in fund balances	(34,893)	(35,002)	21,695	56,697
Fund balances - beginning	146,511	146,511	146,511	-
Fund balances - ending	<u>\$ 111,618</u>	<u>\$ 111,509</u>	<u>\$ 168,206</u>	<u>\$ 56,697</u>

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

COUNTY OF TULARE
Realignment – Social Services Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 77,463	\$ 77,463	\$ 76,278	\$ (1,185)
Total revenues	<u>77,463</u>	<u>77,463</u>	<u>76,278</u>	<u>(1,185)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>77,463</u>	<u>77,463</u>	<u>76,278</u>	<u>(1,185)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,675	1,675	942	(733)
Transfers (out)	<u>(81,432)</u>	<u>(82,032)</u>	<u>(76,590)</u>	<u>5,442</u>
Total other financing sources (uses)	<u>(79,757)</u>	<u>(80,357)</u>	<u>(75,648)</u>	<u>4,709</u>
Net change in fund balance	(2,294)	(2,894)	630	3,524
Fund balance - beginning	<u>26,738</u>	<u>26,738</u>	<u>26,738</u>	<u>-</u>
Fund balance - ending	<u>\$ 24,444</u>	<u>\$ 23,844</u>	<u>\$ 27,368</u>	<u>\$ 3,524</u>

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

COUNTY OF TULARE
Proprietary Funds
Statement of Net Position
June 30, 2017 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
ASSETS				
Current assets				
Cash in banks	\$ 332	\$ 125	\$ 457	\$ -
Investment in treasury pool	13,687	12,950	26,637	35,054
Imprest cash	3	-	3	500
Accounts receivable (net of allowance for uncollectibles)	1,772	243	2,015	2,767
Prepaid items	-	-	-	70
Due from other governments	-	603	603	731
Total current assets	<u>15,794</u>	<u>13,921</u>	<u>29,715</u>	<u>39,122</u>
Noncurrent assets				
Restricted assets	44,790	16	44,806	-
Capital assets				
Land	6,116	612	6,728	-
Buildings and improvements, net	8,025	3,345	11,370	9
Equipment and vehicles, net	1,710	850	2,560	2,645
Construction in progress	-	959	959	-
Total capital assets	<u>15,851</u>	<u>5,766</u>	<u>21,617</u>	<u>2,654</u>
Total noncurrent assets	<u>60,641</u>	<u>5,782</u>	<u>66,423</u>	<u>2,654</u>
Total assets	<u>76,435</u>	<u>19,703</u>	<u>96,138</u>	<u>41,776</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pensions	1,127	101	1,228	9,276
Total deferred outflows of resources	<u>1,127</u>	<u>101</u>	<u>1,228</u>	<u>9,276</u>
LIABILITIES				
Current liabilities				
Accounts payable	1,106	478	1,584	5,122
Due to other funds	-	-	-	100
Deposits from others	-	61	61	-
Salaries and benefits payable	170	7	177	1,046
Compensated absences payable	20	-	20	83
Claims payable	-	-	-	6,424
Certificates of participation (COPs) payable	-	45	45	-
Total current liabilities	<u>1,296</u>	<u>591</u>	<u>1,887</u>	<u>12,775</u>
Noncurrent liabilities				
Compensated absences payable	227	6	233	1,345
Advances	-	8,686	8,686	576
Advances from other funds	-	1,089	1,089	-
Closure/post closure costs payable	35,263	-	35,263	-
Claims payable	-	-	-	26,693
Bonds payable	-	5	5	-
Certificates of participation (COPs) payable	-	1,147	1,147	-
Net pension liability	2,379	213	2,592	19,577
Total noncurrent liabilities	<u>37,869</u>	<u>11,146</u>	<u>49,015</u>	<u>48,191</u>
Total liabilities	<u>39,165</u>	<u>11,737</u>	<u>50,902</u>	<u>60,966</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pensions	184	16	200	1,515
Total deferred inflows of resources	<u>184</u>	<u>16</u>	<u>200</u>	<u>1,515</u>
NET POSITION				
Net investment in capital assets	15,851	4,569	20,420	2,654
Restricted for				
Landfill ground water contingencies	5,000	16	5,016	-
Acquisition of future disposal site	2,985	-	2,985	-
Landfill closure	1,087	-	1,087	-
Unrestricted	13,290	3,466	16,756	(14,083)
Total net position	<u>\$ 38,213</u>	<u>\$ 8,051</u>	<u>\$ 46,264</u>	<u>\$ (11,429)</u>

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

COUNTY OF TULARE
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
OPERATING REVENUES				
Charges for services	\$ 13,972	\$ 996	\$ 14,968	\$ 60,908
Interest, rents, and concessions	18	3	21	-
Other revenues	983	328	1,311	9,282
Total operating revenues	<u>14,973</u>	<u>1,327</u>	<u>16,300</u>	<u>70,190</u>
OPERATING EXPENSES				
Salaries and benefits	2,780	131	2,911	19,527
Services and supplies	7,090	3,613	10,703	34,477
Insurance premiums paid	-	-	-	6,427
Landfill closure and post closure costs	(38)	-	(38)	-
Depreciation	1,591	754	2,345	478
Claims incurred	-	-	-	12,380
Total operating expenses	<u>11,423</u>	<u>4,498</u>	<u>15,921</u>	<u>73,289</u>
Operating income (loss)	<u>3,550</u>	<u>(3,171)</u>	<u>379</u>	<u>(3,099)</u>
NONOPERATING REVENUES (EXPENSES)				
Loss on sale of capital assets	(3)	-	(3)	(155)
Intergovernmental revenues	72	1,100	1,172	219
Penalties collected	-	6	6	-
Taxes and special assessments	-	1,698	1,698	-
Investment earnings (expenses)	135	(5)	130	106
Interest expense	-	(70)	(70)	95
Total nonoperating revenues (expenses)	<u>204</u>	<u>2,729</u>	<u>2,933</u>	<u>265</u>
Income (loss) before transfers	<u>3,754</u>	<u>(442)</u>	<u>3,312</u>	<u>(2,834)</u>
Transfers in	-	-	-	197
Transfers (out)	<u>(302)</u>	<u>-</u>	<u>(302)</u>	<u>(389)</u>
Change in net position	3,452	(442)	3,010	(3,026)
Net position - beginning	34,761	8,493	43,254	(8,403)
Net position - ending	<u>\$ 38,213</u>	<u>\$ 8,051</u>	<u>\$ 46,264</u>	<u>\$ (11,429)</u>

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

COUNTY OF TULARE
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017 (in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 13,957	\$ 929	\$ 14,886	\$ (2,020)
Receipts from interfund services provided	109	354	463	60,511
Receipts from rents and concessions	18	3	21	-
Other receipts	983	177	1,160	8,681
Payments to employees	(2,634)	(121)	(2,755)	(18,308)
Payments to suppliers	(5,666)	(2,409)	(8,075)	(30,610)
Payments for interfund services used	(1,751)	(663)	(2,414)	(6,800)
Payments for claims	-	-	-	(10,651)
Net cash provided (used) by operating activities	<u>5,016</u>	<u>(1,730)</u>	<u>3,286</u>	<u>803</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Subsidy from intergovernmental entities	72	1,100	1,172	219
Receipts from taxes and assessments	-	1,704	1,704	-
Transfers from other funds	(4,048)	-	(4,048)	197
Transfers to other funds	(264)	-	(264)	(389)
Advance from other funds	-	150	150	-
Advance to other funds	-	-	-	531
Net cash provided (used) by noncapital financing activities	<u>(4,240)</u>	<u>2,954</u>	<u>(1,286)</u>	<u>558</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Sales of capital assets	(3)	2	(1)	(100)
Purchases of capital assets	(784)	(767)	(1,551)	(6)
Principal paid on capital debt	-	(44)	(44)	-
Long term advance proceeds	-	53	53	-
Interest paid on capital debt	-	(70)	(70)	95
Net cash used by capital and related financing activities	<u>(787)</u>	<u>(826)</u>	<u>(1,613)</u>	<u>(11)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings (expenses)	135	(5)	130	106
Net cash provided (used) by investing activities	<u>135</u>	<u>(5)</u>	<u>130</u>	<u>106</u>
Net increase in cash and cash equivalents	124	393	517	1,456
Cash and cash equivalents - beginning	58,688	12,698	71,386	34,098
Cash and cash equivalents - ending	<u>\$ 58,812</u>	<u>\$ 13,091</u>	<u>\$ 71,903</u>	<u>\$ 35,554</u>

Continued

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

COUNTY OF TULARE
Proprietary Funds
Statement of Cash Flows (continued)
For the Fiscal Year Ended June 30, 2017 (in thousands)

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Funds
	Solid Waste	Nonmajor Enterprise	Total	
Displayed as				
Cash in banks	\$ 332	\$ 125	\$ 457	\$ -
Investment in treasury pool	13,687	12,950	26,637	35,054
Imprest cash	3	-	3	500
Restricted assets which are cash equivalents	44,790	16	44,806	-
Total cash displayed	<u>\$ 58,812</u>	<u>\$ 13,091</u>	<u>\$ 71,903</u>	<u>\$ 35,554</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	<u>\$ 3,550</u>	<u>\$ (3,171)</u>	<u>\$ 379</u>	<u>\$ (3,099)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Landfill closure and post closure costs	(38)	-	(38)	-
Depreciation expense	1,591	754	2,345	478
(Increase) decrease in accounts receivable	64	(67)	(3)	(2,752)
(Increase) decrease in intergovernmental receivables	-	(151)	(151)	(601)
(Increase) decrease in due from other funds	30	354	384	235
(Increase) decrease in due to other funds	-	-	-	100
(Increase) decrease in prepaid items	-	-	-	(70)
Increase (decrease) in accounts payable	(327)	541	214	3,564
Increase (decrease) in deferred pension	(541)	(55)	(596)	(4,544)
Increase (decrease) in net pension liability	628	83	711	5,568
Increase (decrease) in salaries and benefits payable and compensated absences	59	(18)	41	195
Increase (decrease) in claims payable	-	-	-	1,729
Total adjustments	<u>1,466</u>	<u>1,441</u>	<u>2,907</u>	<u>3,902</u>
Net cash provided (used) by operating activities	<u>\$ 5,016</u>	<u>\$ (1,730)</u>	<u>\$ 3,286</u>	<u>\$ 803</u>
Schedule of non-cash capital and related finance activities				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ -
				Concluded

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

COUNTY OF TULARE
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2017 (in thousands)

	Investment Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash in bank	\$ 35	\$ -	\$ 4,289
Investment in treasury pool	891,723	388	41,854
Accounts receivable (net of allowance for uncollectibles)	1,894	-	99
Notes receivable	800	-	-
Prepaid items	26	-	2,386
Deposits with others	-	216	-
Due from other governments	1,800	1,059	1,533
Capital assets			
Infrastructure	-	2,282	-
Total capital assets (net of accumulated depreciation)	-	2,282	-
Total assets	<u>896,278</u>	<u>3,945</u>	<u>50,161</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	862	-	-
Total deferred outflows of resources	<u>862</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Accounts payable	11,214	-	18,129
Due to other governments	1,315	1,059	4,896
Advances from other funds	173	32	-
Note payable	-	4,909	-
Agency obligations	-	-	27,136
Net pension liability	1,806	-	-
Total liabilities	<u>14,508</u>	<u>6,000</u>	<u>\$ 50,161</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	140	-	-
Total deferred inflows of resources	<u>140</u>	<u>-</u>	<u>\$ -</u>
NET POSITION			
Net position held in trust for pension benefits and other purposes	<u>\$ 882,492</u>	<u>\$ (2,055)</u>	

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

COUNTY OF TULARE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Investment Trust Funds	Private- Purpose Trust Funds
ADDITIONS		
Contributions to pooled investments	\$ 5,258,913	\$ 499
Investment income	1,385	-
Total additions	5,260,298	499
DEDUCTIONS		
Distributions from pooled investments	5,204,949	833
Total deductions	5,204,949	833
Change in net position	55,349	(334)
Net position - beginning	827,143	(1,721)
Net position - ending	\$ 882,492	\$ (2,055)

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

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Notes to the Financial Statements



COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

I. Summary of Significant Accounting Policies

A. THE FINANCIAL REPORTING ENTITY

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

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

In conformity with GAAP, the financial statements of five component units have been included and combined with financial data of the County. Four component units have an integral relationship with and serve as an extension of the County. Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*, management has determined that each entity is presented as a blended component unit due to the composition of each governing board and the control of the day-to-day activities through the budget process. One component unit is presented discretely.

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

- *Terra Bella Sewer Maintenance District* – The Terra Bella Sewer Maintenance District (TBSMD) is an entity legally separate from the County. However, the County Board serves as the governing board of the TBSMD and has control over the day-to-day operations of the TBSMD through budget approvals. For financial reporting purposes, the TBSMD is reported as if it were part of the County's operations. The TBSMD is operated by the 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. The TBSMD's financial information is included as an enterprise fund.
- *Flood Control District* – The members of the governing board of the Flood Control District (FCD), an entity legally separate from the County, are members of the County's Board and have control over the day-to-day operations of the FCD through budget approvals. For financial reporting purposes, the FCD is reported as if it were part of the County's operations. The FCD's primary responsibility is to provide flood control related services to the residents of the County. The FCD's financial information is included as a special revenue fund accounting for reimbursement for flood control related services and projects within the County.
- *Public Facilities Corporation* – The board members of the Public Facilities Corporation (PFC), 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 the PFC by its authority to remove the PFC board members. For financial reporting purposes, the PFC is reported as if it were part of the County's operations as it serves to assist the County by acquiring equipment and facilities financed by the proceeds of borrowings. The equipment and facilities are then leased to the County. The PFC's financial information is included as a major governmental fund.
- *Public Financing Authority* – The Public Financing Authority (PFA), 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 PFA. For financial reporting purposes, the PFA is reported as if it were part of the County's operations as it serves to assist the County through borrowings, which are used for the

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

acquisition and construction of public capital improvements and the repair and maintenance thereof. Lease payments to the PFA are payable through the County. The PFA's financial information is included as a major governmental fund.

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 the F5TC through the approval of the F5TC's annual budget by its authority to remove the F5TC board members, and to hire or dismiss management. The F5TC was created by County Ordinance No. 3217 on December 8, 1998. The purpose of the F5TC is to develop, promote, and implement local early childhood development programs administered by the California Children and Families First Commission. For financial reporting purposes, the F5TC is discretely presented because the resources of the F5TC are not used to support County operations. Complete audited financial statements for the F5TC are available at the County Auditor-Controller's Office, 221 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:

- Government-wide financial statements,
- Fund financial statements, and
- 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 program or function revenues 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 significantly on fees and charges for services. In the statement of activities, internal service funds' revenues and expenses related to interfund services have been eliminated. Revenues and expenses related to services provided to external customers have not been eliminated and are presented within governmental activities.

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, culture and recreation, and interest expense. The business-type activities of the County include solid waste, water and sewer services, transit, and other business-type activities.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste, Transit, Terra Bella Sewer Maintenance District, Assessment Districts, County Service Area #1, and County Service Area #2 enterprise funds and the County's internal service funds are charges to customers for sales and services; interest, rents, and concessions; and other revenues. Operating expenses for enterprise funds and internal service funds include salaries and benefits, services and supplies, insurance premiums paid, landfill closure and post closure costs, depreciation of capital assets, and claims incurred. 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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements, with the exception of agency funds, which have no measurement focus. 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 County legally adopts an annual budget for the General, special revenue, debt service, and capital projects funds. The TBSMD and FCD each adopt an annual budget. The PFC and PFA 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.

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 (PFC)* accounts for the activities of the PFC 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 (PFA)* accounts for the activities of the PFA, 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.

COUNTY OF TULARE
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Additionally, the County reports the following governmental fund types:

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

The *debt service fund* accounts 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 funds.

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

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

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

Additionally, the County reports the following proprietary fund types:

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

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

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

The County reports the following fiduciary fund types:

The *investment trust funds* are used to account for assets held for external investment pool participants, such as schools and local special districts, and 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 funds* are used by the County to report trust arrangements under which principal and income benefit other governments. These funds report 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, including Property Tax Collection and Apportionment, State Fines Agency, Transportation Tax, Employee Health Benefits, Education Revenue Augmentation, and Other Agency, account for assets held by the County in an agency capacity for individuals, private organizations, or other governments.

COUNTY OF TULARE
Notes to the Financial Statements
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D. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

The following GASB Statements have been implemented in the current 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 implemented this change for the fiscal year ended June 30, 2017.
- **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 implemented this change for the fiscal year ended June 30, 2017.
- **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 implemented this change for the fiscal year ended June 30, 2017.
- **GASB Statement No. 80** – *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*. The provisions of GASB Statement No. 80 are effective for financial statements beginning after June 15, 2016. The County implemented this change for the fiscal year ended June 30, 2017.
- **GASB Statement No. 82** – *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. The provisions of GASB Statement No. 82 are effective for financial statements beginning after June 15, 2016 – except for the requirements of paragraph 7 in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. The County implemented this change for the fiscal year ended June 30, 2017.

The following GASB Statements will be implemented in future 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.
- **GASB Statement No. 81** – *Irrevocable Split-Interest Agreements*. The provisions of GASB Statement No. 81 are effective for financial statements beginning after December 15, 2016. The County has not fully judged the impact of implementation of GASB Statement No. 81 on the financial statements.
- **GASB Statement No. 83** – *Certain Asset Retirement Obligations*. The provisions of GASB Statement No. 83 are effective for financial statements beginning after June 15, 2018. The County has not fully judged the impact of implementation of GASB Statement No. 83 on the financial statements.
- **GASB Statement No. 84** – *Fiduciary Activities*. The provisions of GASB Statement No. 84 are effective for financial statements beginning after December 15, 2018. The County has not fully judged the impact of implementation of GASB Statement No. 84 on the financial statements.
- **GASB Statement No. 85** – *Omnibus 2017*. The provisions of GASB Statement No. 85 are effective for financial statements beginning after June 15, 2017. The County has not fully judged the impact of implementation of GASB Statement No. 85 on the financial statements.
- **GASB Statement No. 86** – *Certain Debt Extinguishment Issues*. The provisions of GASB Statement No. 86 are effective for financial statements beginning after June 15, 2017. The County has not fully judged the impact of implementation of GASB Statement No. 86 on the financial statements.

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- **GASB Statement No. 87 – Leases.** The provisions of GASB Statement No. 87 are effective for financial statements beginning after December 15, 2019. The County has not fully judged the impact of implementation of GASB Statement No. 87 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 held by the County Treasurer in a cash management investment pool (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 Districts to invest in obligations of the U.S. Treasury, federal agencies, supranationals, municipal securities, commercial paper, corporate notes and bonds, repurchase agreements, certificates of deposit, and the State Treasurer's Investment Pool.

The Treasurer division of the Auditor-Controller's Office administers a pooled investment program for the County and for certain special purpose authorities including school districts. As of June 30, 2017, the special purpose authorities' cash and pooled investments were approximately 68.7% of the Treasurer division's pooled investment portfolio.

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

The value of the deposits of the County's pooled investment program is equal to the dollars deposited in the program, plus increases and less decreases (unrealized gains and losses) required to record investments at their fair value as of June 30, 2017. The dollars deposited in the program have been decreased by \$2,378 to reflect the decline in the fair value of the investment in the Treasury Pool at June 30, 2017.

In addition, investments outside the Investment Pool were adjusted to fair value as of June 30, 2017, resulting in an increase of \$240.

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

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Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid after August 31. Property taxes are accounted for in the Unapportioned Tax 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 California 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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value at the date of donation.

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Capital assets of the County, as well as the component units, are depreciated using the straight-line method over 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 typically compensated for up to 300 hours 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 10 years of service may convert 20.0% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours.

Employees in Bargaining Unit 23 who leave County service by retirement after 10 years of service may convert 20.0% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 350 converted hours.

Employees in Bargaining Units 1, 2, 3, 4, 6 and 7 who leave County service by retirement after 10 years of service may convert 20.0% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 250 converted hours. Employees in these same Bargaining Units leaving County service in good standing, other than by retirement, after 10 years of service may convert 20.0% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 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 10 years of service may convert 20.0% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 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 20.0% of their unused sick leave credits to cash at their current payroll rate up to a maximum of 40 converted hours.

The County has a sick leave buyback program that allows employees to be compensated on the second pay date in February for a portion of their unused sick leave based on their years of service and usage in the prior year. Employees with three to five years of service may convert up to 40 hours of sick leave (up to 56 hours for employees on a 56 hour work schedule). Employees with over five years may convert up to 60 hours (up to 84 hours for employees on a 56 hour work schedule). The amount available for conversion is reduced by the sick leave used in the year ending the 23th of December just prior to the February pay out.

7. 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.

8. 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 position 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.

9. Fund Balance Policies

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

Nonspendable fund balance – amounts that cannot be spent because they are either (1) not spendable in form or (2) legally or contractually required to be maintained intact.

Restricted fund balance – amounts with constraints placed on their use that are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

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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 County Administrative Office (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.

10. Fund Balance Flow Assumptions

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

11. Use of Estimates

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

II. Reconciliation of Government-Wide and 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 26.

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 28.

III. Stewardship, Compliance, and Accountability

A. BUDGETARY INFORMATION

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

A balanced operating budget is adopted each fiscal year for the County’s General Fund, special revenue funds, debt service fund, and capital projects fund. A balanced operating budget is adopted each fiscal year for the FCD, which is governed by the Board and of which the Auditor-Controller is the ex-officio Finance Officer. The PFA and the PFC do not adopt a budget.

A spending plan is adopted each fiscal year for the County’s enterprise funds and internal service funds, as well as the TBSMD (blended component unit), which is governed by the Board and of which the Auditor-Controller is the ex-officio Finance Officer.

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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 California Government Code Section 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 10.0%, and (4) increases from the County's allocated salaries account may be approved for unspent salaries that are tied to a regular position that is vacant or under-filled. Budgeted amounts are reported both as adopted and as amended.

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, 2017, appropriations in the General Fund were increased by \$16,961.

B. INDIVIDUAL FUND DEFICITS

At June 30, 2017, the following special revenue and internal service funds reported fund deficits:

	<u>Deficit Balance</u>
Special revenue funds	
Housing Opportunities Made Equal (HOME)	\$ (1)
Workforce Investment	(2)
Internal service funds	
Central Services	(6,559)
Insurance	(4,870)

Pursuant to GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, the fund deficit balance for the HOME Fund and the Workforce Investment Fund is due to the recognized change in the fair value of the funds' respective investment within the Treasury Pool.

The County's Insurance Fund has retained an aggregated fund deficit balance of \$4,870 at June 30, 2017, due to the deficit balance of \$8,402 in the Workers Compensation Self-Insurance Fund. The County has been addressing the deficit through premium increases which began in the 2013/14 fiscal year. In addition to premium increases, the County has been concentrating its efforts to further improve operational efficiency by implementing loss prevention and control measures to minimize costs.

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

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IV. Detailed Notes on All Funds

A. CASH AND INVESTMENTS

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

Deposits Deposits consist of cash in banks, as well as non-negotiable certificates of deposit. As of June 30, 2017, the County's bank deposits had a carrying amount of \$170,603 and the balance per the financial institutions totaled \$168,910. 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, \$3,121 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$165,622 was collateralized pursuant to California Government Code and the remaining \$167 was unsecured. The collateral is held by the pledging financial institution's trust department or its agent and is considered to be held in the County's name.

Investments The Pool's cash and investments are invested pursuant to 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 Government Code Section 27130 through 27137 comprised of County officials, representatives from various pool participants, and members of the public, whose function is to monitor compliance with the County's Investment Policy. Investments made outside the County Treasury are invested pursuant to governing bond covenants or California Government Code provisions.

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

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

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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 California 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, 2017, the County invested in primarily high quality investments as shown below:

Credit Rating	% of Investment Portfolio
AAA	13.0%
A-1 (short-term rating)	4.0%
AA	58.0%
A	17.0%
Not Rated**	8.0%
Total	100.0%

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 \$64,931 deposit in LAIF, the State of California's Investment Fund.
- A \$175 deposit into the Great-West Portfolio Fund associated with the County's Deferred Compensation Forfeiture/Asset Holding Account.
- Various individual securities totaling \$41,528 which were not rated by S&P, however, they were rated by Moody's and Fitch with an A or better.

Concentration of Credit Risk Concentration of credit risk is the risk of loss attributed to the magnitude of an investment with a single issuer. The Treasury mitigates these risks by holding a diversified portfolio of high quality investments and limits the percentage of the total investments to the type of investment and to any one issuer by type of allowable investment instrument. In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, the County held investments (excluding deposit accounts) in excess of 5.0% of the total year-end investments for the following issuers:

Issuer	Amount	Percentage
U.S. Treasury	\$ 278,433	21.3%
Federal National Mortgage Association	181,174	13.8%
California LAIF	64,931	5.0%
Total	\$ 524,538	40.1%

Custodial Credit Risk Custodial credit risk for an investment exists when, in the event of failure of the counterparty to a transaction, the County will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Treasury has limited its custodial credit risk on investments by having all investments in the name of the County. In accordance with GASB Statement No. 40, the County is required to disclose custodial credit risk for investment securities that are uninsured and unregistered in the County’s name, and are held by either (1) the counterparty or (2) the counterparty’s trust department or agent but not in the County’s name.

As of June 30, 2017, none of the investments in the County’s portfolio meet the custodial credit risk disclosure requirement. The entire portfolio, with the exception of Money Market Funds, consist of investment securities that are insured or registered, or securities held by the County or its agent in the County’s name. The investment in Money Market Funds is not evidenced by securities that exist in physical or book entry form.

COUNTY OF TULARE
Notes to the Financial Statements
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Foreign Currency Credit Risk The County does not have any foreign currency risk as all investments are in U.S. dollar-denominated assets.

Interest Rate Risk Interest rate risk is the risk that fluctuations in interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. The Treasury mitigates this risk by limiting the dollar-weighted average maturity of the investment portfolio to 3.5 years and invests in longer-term securities only with funds that are not needed for current cash flow purposes. The weighted average maturity of the Treasurer's Investment Pool as of June 30, 2017 is 786 days (2.15 years).

The County's investments as of June 30, 2017 are as follows:

Investments	Carrying Value	Reported Amount/Fair Value	Weighted Average Maturity (days)	Stated Interest Rate	Maturity Range
U.S. Treasury obligations	\$ 279,117	\$ 278,433	1,270	0.875% - 3.500%	02/28/2019 - 02/28/2022
Federal agency obligations	309,772	307,807	1,075	0.749% - 2.000%	02/25/2018 - 04/05/2022
Supranational obligations	48,221	48,175	860	1.000% - 2.125%	06/15/2018 - 01/18/2022
Corporate notes/bonds	379,379	379,757	876	0.670% - 6.000%	06/15/2017 - 01/27/2022
Municipal obligations	13,745	13,752	999	1.472% - 2.054%	05/15/2018 - 08/31/2020
Commercial paper	50,398	50,436	61	1.010% - 1.330%	07/03/2017 - 10/02/2017
Negotiable time deposits	96,819	96,948	425	1.070% - 2.050%	09/11/2017 - 05/03/2019
	<u>1,177,451</u>	<u>1,175,308</u>			
Other investments					
Money market funds	7,264	7,264			
LAIF managed pool	65,000	64,931			
CAMP managed pool	60,651	60,651			
Total other investments	<u>132,915</u>	<u>132,846</u>			
Total investments	<u>\$ 1,310,366</u>	<u>\$ 1,308,154</u>			

As of June 30, 2017, the County's investments totaled \$1,308,154 and there was not an investment in Structured Notes nor any derivative products as defined by Financial Accounting Standards Board (FASB) Statement No. 133.

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, 2017, 7.86% of the County's investments are invested in mortgage and asset-backed securities rated AA or better.

Issuer	Amount	Percentage of Portfolio	S&P Rating
Ally Auto Receivables Trust	\$ 6,958	0.53%	AAA
Carmax Auto Owner Trust	1,861	0.14%	AAA
Chase Issuance Trust	6,811	0.52%	AAA
Citibank Credit Card Issuance Trust	4,275	0.33%	AAA
Federal Home Loan Mortgage Corporation	7,632	0.58%	AA+
Federal National Mortgage Association	14,875	1.14%	AA+
Honda Auto Receivables Trust	21,960	1.68%	AAA
Hyundai Auto Receivables Trust	4,755	0.36%	AAA
John Deere Owner Trust	12,180	0.93%	NR ¹
Nissan Auto Receivables Trust	11,212	0.86%	NR ¹
Toyota Auto Receivables Trust	10,339	0.79%	AAA

¹ These securities are not rated by Standard & Poor's, however are rated Aaa by Moody's.

COUNTY OF TULARE
Notes to the Financial Statements
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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 24 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, 2017, the County’s investment in LAIF is \$64,931. The total amount recorded by all public agencies in LAIF at that date was \$22,812,818. Of that amount, 2.89% of the portfolio is invested in medium-term and short-term structured notes and asset-backed securities.

California Asset Management Program (CAMP) The CAMP Pool is a short-term money market portfolio and cash management vehicle managed to maintain a dollar-weighted average portfolio maturity of 60 days and seeks to maintain a constant net asset value of one dollar per share. The Pool invests in obligation of the U.S. Government and its agencies, high quality, short-term debt obligations of U.S. companies and financial institutions and is AAAM rated by Standard & Poor’s.

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. California Government Code requires that public entities that utilize repurchase agreements collateralize the investments that underlay the repurchase agreements with amounts that exceed cost. The fair value of the securities underlying the repurchase agreements must be valued at 102.0% or greater. The Investment Pool’s Investment Policy reflects this requirement. As of June 30, 2017, the County had no outstanding repurchase agreements.

Fair Value Measurements The County categorizes its fair value measurements within the framework established by GASB Statement No. 72, *Fair Value Measurements and Application*. That framework provides a three-tiered fair value hierarchy as follows:

- Level 1 – reflect unadjusted quoted prices in active markets for identical assets.
- Level 2 – reflect inputs that are based on a similar observable asset either directly or indirectly.
- Level 3 – reflect unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2017:

<u>Investments</u>	Quoted Prices (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
U.S. Treasury obligations	\$ -	\$ 278,433	\$ -	\$ 278,433
Federal agency obligations	-	307,807	-	307,807
Supranational obligations	-	48,175	-	48,175
Corporate notes/bonds	-	379,757	-	379,757
Municipal obligations	-	3,752	10,000	13,752
Commercial paper	-	50,436	-	50,436
Negotiable time deposits	-	96,948	-	96,948
	<u>\$ -</u>	<u>\$ 1,165,308</u>	<u>\$ 10,000</u>	<u>1,175,308</u>
Other investments				
Money market funds				7,264
LAIF managed pool				64,931
CAMP managed pool				60,651
Total other investments				<u>132,846</u>
Total investments				<u>\$ 1,308,154</u>

The County obtains its fair values from its Safekeeping Agent who utilize a pricing vendor. The pricing vendor uses numerous inputs to obtain their fair value measurements including pricing feeds, broker pricing information, matrix pricing, and other market data. All prices were obtained from the Safekeeping Agent and were considered Level 2, with the exception of a short-term loan agreement/promissory note with the Tulare County Transportation Authority which was considered Level 3.

COUNTY OF TULARE
Notes to the Financial Statements
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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 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 value of the participant's position in the Pool. The fair value fluctuates with interest rates, and increasing rates could cause the value to decline below original cost; however, County management believes the liquidity in the portfolio is more than adequate to meet cash flow requirements and to preclude the County from having to sell investments below original cost for that purpose.

For the fiscal year ended June 30, 2017, the Treasury Pool investment income was comprised of the following:

Investment Income	Amount
Interest and dividends	\$ 17,119
Net decrease in fair value	(13,023)
Investment expenses	(1,612)
Total Treasury Pool investment income	\$ 2,484

The net decrease in the fair value of investments within the Treasury Pool during fiscal year 2016/17 was \$13,023. This amount takes into account all changes in fair value (including sales resulting in a net gain of \$702) that occurred during the year. In accordance with GASB Statement No. 31, the net fair value adjustment on investments held as of June 30, 2017 was a decrease of \$13,725.

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, and fiduciary funds, as well as the discretely presented component unit as of June 30, 2017:

	Governmental Funds	Enterprise Funds	Internal Service Funds	Fiduciary Funds	Total	Component Unit - First 5 Tulare County
Cash and Investments	\$ 558	\$ 457	\$ -	\$ 4,324	\$ 5,339	\$ 452
Cash in banks	371,055	26,637	35,054	933,965	1,366,711	5,920
Investment in treasury pool	-	44,806	-	-	44,806	-
Restricted investments in pool	1,417	-	-	-	1,417	-
Investments	58,062	-	-	-	58,062	-
Restricted investments	72	3	500	-	575	-
Imprest cash	-	-	-	216	216	6
Deposits with others	\$ 431,164	\$ 71,903	\$ 35,554	\$ 938,505	\$ 1,477,126	\$ 6,378
Total cash and investments						

COUNTY OF TULARE
Notes to the Financial Statements
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The following represents a condensed statement of net position and changes in net position for the Treasury Pool as of June 30, 2017:

Statement of Net Position	
Net position held in trust for all pool participants	\$ 1,417,437
Equity of internal pool (County) participants	\$ 443,502
Equity of external pool (Non-County) participants	973,935
Total equity	\$ 1,417,437

Statement of Changes in Net Position	
Net position as of July 1, 2016	\$ 1,344,165
Net additions by pool participants	69,176
Net decrease in investment fair value	
Realized gain from sales	702
Fair value loss on investments held at year-end	(13,725)
Interest and dividends earned	17,119
Net position as of June 30, 2017	\$ 1,417,437

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:

Receivables	General	Public Financing Authority	Nonmajor Governmental	ISF	Solid Waste	Nonmajor Enterprise	Total	Noncurrent Portion
Accounts	\$ 4,315	\$ 74	\$ 2,870	\$ 2,767	\$ 1,772	\$ 243	\$ 12,041	\$ -
Property taxes	284	-	-	-	-	-	284	284
Notes	4,000	-	16,336	-	-	-	20,336	20,336
Due from other governments	18,731	-	8,443	731	-	603	28,508	-
Total receivables	\$ 27,330	\$ 74	\$ 27,649	\$ 3,498	\$ 1,772	\$ 846	\$ 61,169	\$ 20,620

C. RESTRICTED ASSETS

Restricted assets in the governmental funds include \$58,062 in the PFA for future debt service. Restricted assets in the Solid Waste Fund include \$35,263 for future closure/post closure expenses, \$5,000 for landfill ground water contingencies, \$2,985 for acquisition of a future disposal site, and \$1,087 for closure of the Visalia Waste Management Unit-1 Facility. In addition, \$16 is restricted for landfill ground water contingencies for County Service Area #2.

D. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Deferred Outflows of Resources Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognizes deferred outflows of resources in the government-wide and proprietary fund statements. These items are a consumption of net 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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

Deferred outflows of resources balances for the fiscal year ended June 30, 2017 are as follows:

Government-wide Deferred Outflows of Resources	
Governmental Activities	
Pensions	\$ 187,623
Total Governmental Activities	<u>187,623</u>
Business-type Activities	
Pensions	1,228
Total Business-type Activities	<u>1,228</u>
Total Government-wide Deferred Outflows of Resources	<u>\$ 188,851</u>
Proprietary Funds Deferred Outflows of Resources	
Solid Waste	
Pensions	\$ 1,127
Total Proprietary Funds Deferred Outflows of Resources	<u>1,127</u>
Nonmajor Enterprise Deferred Outflows of Resources	
Transit	
Pensions	101
Total Nonmajor Enterprise Funds Deferred Outflows of Resources	<u>101</u>
Total Enterprise Funds Deferred Outflows of Resources	<u>\$ 1,228</u>
Internal Service Funds Deferred Outflows of Resources	
Central Services	
Pensions	\$ 9,276
Total Internal Service Funds Deferred Outflows of Resources	<u>\$ 9,276</u>

Deferred Inflows of Resources Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the County recognized deferred inflows of resources in the 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.

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

Deferred inflows of resources balances for the fiscal year ended June 30, 2017 are as follows:

Government-wide Deferred Inflows of Resources	
Governmental Activities	
Community Development Block Grant (CDBG)	\$ 4,354
HOME	10,987
Pensions	30,665
Total Governmental Activities	<u>46,006</u>
Business-type Activities	
Pensions	200
Total Business-type Activities	<u>200</u>
Total Government-wide Deferred Inflows of Resources	<u>\$ 46,206</u>
Governmental Funds Deferred Inflows of Resources	
General Fund	
Senate Bill (SB) 90	\$ 2,602
Agricultural Commissioner - Mill Tax	1,511
Agricultural Commissioner - Other	545
Tax Apportionment	128
General Fund - Other	318
Total General Fund	<u>5,104</u>
Special Revenue Funds	
Tobacco Settlement	2,667
CDBG	4,354
HOME	10,987
Total Special Revenue Funds	<u>18,008</u>
Total Nonmajor Funds Deferred Inflows of Resources	<u>18,008</u>
Total Governmental Funds Deferred Inflows of Resources	<u>\$ 23,112</u>
Proprietary Funds Deferred Inflows of Resources	
Solid Waste	
Pensions	\$ 184
Total Proprietary Funds Deferred Inflows of Resources	<u>184</u>
Nonmajor Enterprise Deferred Inflows of Resources	
Transit	
Pensions	16
Total Nonmajor Enterprise Funds Deferred Inflows of Resources	<u>16</u>
Total Enterprise Funds Deferred Inflows of Resources	<u>\$ 200</u>
Internal Service Funds Deferred Inflows of Resources	
Central Services	
Pensions	\$ 1,515
Total Internal Service Funds Deferred Inflows of Resources	<u>\$ 1,515</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

E. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 940,050	\$ 2,376	\$ (261)	\$ 942,165
Construction in progress	8,338	27,825	(1,683)	34,480
Infrastructure in progress	30,778	8,939	(22,138)	17,579
Total capital assets, not being depreciated	<u>979,166</u>	<u>39,140</u>	<u>(24,082)</u>	<u>994,224</u>
Capital assets, being depreciated				
Infrastructure	768,248	22,138	-	790,386
Buildings and improvements	231,217	1,486	-	232,703
Equipment and vehicles	89,222	11,467	(3,587)	97,102
Total capital assets, being depreciated	<u>1,088,687</u>	<u>35,091</u>	<u>(3,587)</u>	<u>1,120,191</u>
Less accumulated depreciation for				
Infrastructure	(296,097)	(16,179)	-	(312,276)
Buildings and improvements	(87,907)	(5,398)	-	(93,305)
Equipment and vehicles	(65,427)	(7,381)	3,475	(69,333)
Total accumulated depreciation	<u>(449,431)</u>	<u>(28,958)</u>	<u>3,475</u>	<u>(474,914)</u>
Total capital assets, being depreciated, net	<u>639,256</u>	<u>6,133</u>	<u>(112)</u>	<u>645,277</u>
Governmental activities capital assets, net	<u>\$ 1,618,422</u>	<u>\$ 45,273</u>	<u>\$ (24,194)</u>	<u>\$ 1,639,501</u>
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 6,728	\$ -	\$ -	\$ 6,728
Construction in progress	204	755	-	959
Total capital assets, not being depreciated	<u>6,932</u>	<u>755</u>	<u>-</u>	<u>7,687</u>
Capital assets, being depreciated				
Buildings and improvements	31,599	-	-	31,599
Equipment and vehicles	15,551	794	(328)	16,017
Total capital assets, being depreciated	<u>47,150</u>	<u>794</u>	<u>(328)</u>	<u>47,616</u>
Less accumulated depreciation for				
Buildings and improvements	(18,828)	(1,401)	-	(20,229)
Equipment and vehicles	(12,841)	(944)	328	(13,457)
Total accumulated depreciation	<u>(31,669)</u>	<u>(2,345)</u>	<u>328</u>	<u>(33,686)</u>
Total capital assets, being depreciated, net	<u>15,481</u>	<u>(1,551)</u>	<u>-</u>	<u>13,930</u>
Business-type activities capital assets, net	<u>\$ 22,413</u>	<u>\$ (796)</u>	<u>\$ -</u>	<u>\$ 21,617</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

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

Governmental activities	
General government	\$ 3,528
Public protection	5,561
Public ways and facilities	17,406
Health and sanitation	1,122
Public assistance	439
Education	253
Culture and recreation	649
Total depreciation expense - governmental activities	<u>\$ 28,958</u>
Business-type activities	
Solid Waste	\$ 1,591
Nonmajor enterprise funds	754
Total depreciation expense - business-type activities	<u>\$ 2,345</u>

The amounts spent-to-date and remaining commitments for construction and infrastructure in progress as of June 30, 2017 are as follows:

	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Governmental activities		
Fire Station No. 1	\$ 422	\$ 2,784
South County Detention Facility	30,907	11,259
Sequoia Field Program Facility	1,325	2,844
Vocational Education Building	35	664
Probation Camera project	375	352
Property and Evidence	168	3,195
Visalia Wellness Center	1,211	-
Sequoia Field Airport navigation aids	36	359
Roads		
Environmental review of existing roads	9,998	-
Repair or bridge replacement	4,339	-
Other improvements	3,243	-
Total governmental activities	<u>52,059</u>	<u>21,457</u>
Business-type activities		
Transit Operations and Maintenance Facility	959	-
Total business-type activities	<u>959</u>	<u>-</u>
Total construction and infrastructure in progress	<u>\$ 53,018</u>	<u>\$ 21,457</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

F. INTERFUND RECEIVABLES AND PAYABLES

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

The composition of advances to/from other County funds as of June 30, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 220
	Nonmajor Enterprise	1,089
	Fiduciary	173
Nonmajor Governmental	Fiduciary	32
	Total	<u>\$ 1,514</u>

Due To/From Other County Funds Due to/from other County funds represents current outstanding balances between funds at the end of the fiscal reporting period. The County's computerized general ledger only allows for the transfer of cash between funds until mid-July following the end of the fiscal year. Therefore, the recording of interfund activity 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 funds as of June 30, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental	Internal Service Fund	\$ 100
	Total	<u>\$ 100</u>

G. TRANSFERS

Transfers to/from other County funds for the fiscal year ended June 30, 2017 consist of transfers for normal operations, including the accumulation of debt service payments and support of other funds' resources.

The schedule of transfers to/from other County funds as of June 30, 2017 is as follows:

Transfers From	Transfers To					Total
	General	Public Financing Authority	Realignment- Social Services Fund	Nonmajor Governmental	Internal Service Fund	
General	\$ -	\$ -	\$ 942	\$ 34,431	\$ 197	\$ 35,570
Public Financing Authority	-	-	-	3,500	-	3,500
Realignment-Social Services Fund	76,590	-	-	-	-	76,590
Nonmajor Governmental	22,349	3,920	-	6	-	26,275
Solid Waste	302	-	-	-	-	302
Internal Service Fund	285	-	-	104	-	389
Total transfers	<u>\$ 99,526</u>	<u>\$ 3,920</u>	<u>\$ 942</u>	<u>\$ 38,041</u>	<u>\$ 197</u>	<u>\$ 142,626</u>

COUNTY OF TULARE
Notes to the Financial Statements
June 30, 2017 (in thousands)

H. 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 \$60,997 with \$14,668 of accumulated depreciation for a net carrying amount of \$46,329. The revenues realized for the fiscal year ended June 30, 2017 were \$1,818. The minimum future rentals for non-cancellable operating leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 2,415
2019	2,395
2020	2,393
2021	2,209
2022	195
2023-2027	666
2028-2032	15
2033-2037	1
Total	<u>\$ 10,289</u>

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, 2017 were \$8,502. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2018	\$ 6,363
2019	5,987
2020	5,746
2021	4,948
2022	3,863
2023-2027	6,943
2028-2032	142
2033-2037	120
2038-2042	18
Total	<u>\$ 34,130</u>

In addition to real property leases, the County has also entered into long-term leases for personal property, the majority of which are 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, 2017 is approximately \$155.

COUNTY OF TULARE
Notes to the Financial Statements
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Capital Lease (County as Lessee) The County entered into a lease agreement as lessee for financing the acquisition of a copier with a five-year estimated useful life. The lease agreement qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the present value of future minimum lease payments as of the inception date. The future minimum lease payments for the lease are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	9	1
2019	9	1
2020	9	1
Total	\$ 27	\$ 3

I. LONG-TERM DEBT

Certificates of Participation The PFC 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 fund 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.

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:

<u>Date Issued</u>	<u>Purpose of Debt</u>	<u>Interest Rates</u>	<u>Amount</u>
September 2, 1993	Business-type activities	5.0%	\$ 382
February 23, 1994	Business-type activities	5.0%	55
August 16, 1994	Business-type activities	4.5%	42
September 14, 1994	Business-type activities	4.5%	33
May 28, 1996	Business-type activities	4.5%	680
	Total		\$ 1,192

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

<u>Year Ending June 30,</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 45	\$ 57
2019	46	54
2020	46	52
2021	48	50
2022	54	48
2023-2027	297	199
2028-2032	377	124
2033-2036	279	35
Total	\$ 1,192	\$ 619

COUNTY OF TULARE
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Variable Rate Demand Bonds On December 17, 1999, the PFA issued Variable Rate Demand Bonds of \$45,000 with a variable rate not to exceed 12.0%. On December 1, 2006, these bonds were refunded with private placement Tobacco Settlement Asset Backed Bonds of \$42,360, which will mature on August 1, 2034. Per the trust indenture for these refunded bonds, each fiscal year up to \$3,500 will be transferred to the County to provide financing for the acquisition and construction of public capital assets, the repair and maintenance costs related thereto, and any other working capital needs of the County. A new lease agreement was established, superseding the terms of the initial lease agreement dated December 1, 1999. Pursuit to this new lease agreement, the County is leasing three buildings to the PFA used as security for the bonds, including the Juvenile Detention Facility, the Agriculture Commissioner building, and the Visalia Library building.

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

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

These bonds are the obligation of the PFA, one of the County's blended component units. However, the County is obligated under the leaseback agreement it has signed with the PFA. The County's obligation is limited to including in its annual budget the lease payments called for in this leaseback agreement payable from a pledge of the County's share of the Tobacco Master Settlement Agreement.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2018	\$ 1,110	\$ 307
2019	1,110	297
2020	1,210	285
2021	1,305	273
2022	1,405	261
2023-2027	8,395	1,081
2028-2032	11,315	620
2033-2035	8,685	82
Total	<u>\$ 34,535</u>	<u>\$ 3,206</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.

COUNTY OF TULARE
Notes to the Financial Statements
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The debt payment schedule for the following fiscal years ending June 30 is as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2018	\$ 518	\$ 106
2019	539	86
2020	560	64
2021	583	42
2022	605	19
2023	155	1
Total	<u>\$ 2,960</u>	<u>\$ 318</u>

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, 2017, 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 \$5 and bear interest at 5.0% per annum. This matures in fiscal year 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
2018	\$ -	\$ -
2019	-	-
2020	-	-
2021	1	-
2022	1	1
2023-2027	3	-
Total	<u>\$ 5</u>	<u>\$ 1</u>

COUNTY OF TULARE
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Changes in Long-term Liabilities The long-term liability activity for the fiscal year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Variable Rate Demand Bonds	\$ 35,545	\$ -	\$ (1,010)	\$ 34,535	\$ 1,110
Capital lease	36	-	(9)	27	9
Loans payable	3,459	-	(499)	2,960	518
Net OPEB obligation	15,793	2,294	(685)	17,402	-
Compensated absences	21,540	4,105	(2,832)	22,813	2,832
Liability claims payable	31,388	19,081	(17,352)	33,117	6,424
Net pension liability	290,616	105,331	-	395,947	-
Total governmental activities	<u>\$ 398,377</u>	<u>\$ 130,811</u>	<u>\$ (22,387)</u>	<u>\$ 506,801</u>	<u>\$ 10,893</u>
Business-type activities					
COPs payable	\$ 1,236	\$ -	\$ (44)	\$ 1,192	\$ 45
Bonds payable	5	-	-	5	-
Closure/post closure costs payable	39,311	-	(4,048)	35,263	-
Compensated absences	221	52	(20)	253	20
Net pension liability	1,881	711	-	2,592	-
Total business-type activities	<u>\$ 42,654</u>	<u>\$ 763</u>	<u>\$ (4,112)</u>	<u>\$ 39,305</u>	<u>\$ 65</u>

The liability for the majority of employee compensated absences is liquidated by the General Fund. The value of accumulated vacation at June 30, 2017 was \$18,185. Of this amount, \$158 is recorded in enterprise funds. The value of accumulated sick leave at June 30, 2017 was calculated using a termination payment method and is accrued at \$3,214. Of this amount, \$58 is recorded in enterprise funds. The value of accumulated CTO at June 30, 2017 was \$1,666. Of this amount, \$38 is recorded in enterprise funds. The value of sick leave buybacks for future years cannot be accurately estimated, but for the fiscal year ended June 30, 2017, the County paid \$1,004 to employees through this program.

The liabilities for claims and judgments payable include both general liability and workers' compensation liability and have been liquidated using the general liability insurance internal service fund and the workers' compensation insurance internal service fund.

J. SPECIAL ASSESSMENT DEBT

The County is not obligated in any manner for special assessment debt for the outstanding bond issues totaling \$460,577 for School Bonds, 1915 Improvement Act Bonds, and Special District General Obligation Bonds at June 30, 2017. 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 \$326,526 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 \$107 include bonds for Ducor Community Service District (CSD) and Ducor CSD Supplemental. The Special Districts General Obligation Bonds totaling \$130,734 are for the Kaweah Delta Hospital Bond and the Tulare Healthcare Bond.

K. LANDFILLS

State and Federal laws and regulations require that the County Solid Waste Fund place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of 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

COUNTY OF TULARE
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year. The estimated liability for landfill closure and post closure care costs has a balance of \$29,737 as of June 30, 2017, which is based on an average of 41.0% usage (filled) of all landfill sites (remaining capacity determined as of August 18, 1989). It is estimated that an additional \$39,984 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 6.2 years for the Teapot Dome site, to 28.1 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 \$69,720 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, 2017. 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, 2017, investments of \$29,737 are part of the pooled funds held by the County Treasurer. It is anticipated that future inflation costs will be financed in part from earnings on investments held by the County Treasurer. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill site users, taxpayers, or both.

Funds are set aside in accordance with the State Water Resources Control Board through the Regional Water Quality Control Board under California Governmental Code Regulations, Title 27, Subchapter 2, Article 4, and Sections 22220 through 22222. The funds are the financial assurance mechanism for corrective actions and are there to be used to clean up or otherwise remediate a release (e.g. plume of groundwater contamination) from the County's landfills. CalRecycle specifies what annual inflation rate should be applied to the amount required for corrective action, along with closure and post closure maintenance at the landfills. The County is in compliance with these requirements and, at June 30, 2017, investments of \$5,525 are part of the pooled funds held by the County Treasurer.

As of June 30, 2017, the pooled funds held by the County Treasurer for financial assurance and closure/post closure maintenance total \$35,263 to offset the total liability.

L. REMEDIATION CONTINGENCIES

The Harmon Field Remediation project was completed in September 2015. Upon completion, a final report was submitted to the Department of Toxic Substances Control (DTSC), which was approved in May 2016. The post remediation site will require ongoing maintenance, including fence and gate repairs, weed control, rodent control, biannual reports to the DTSC, and five-year review inspections by the DTSC. For the fiscal year ended June 30, 2017, the County spent \$27 on project closing costs and developing a plan and cost estimate for maintaining and monitoring the post remediation site.

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M. RESTRICTED NET POSITION

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

County Children's Trust	\$ 57
Compliance Ordinance	11
Social Security Truncation Program	303
Title IV-E Federal	198
Memo Trust Deferred Compensation	175
Standards in Training	41
Child Seat Loaner	101
Public Guardian	264
Children Wraparound Plan	706
Community Corrections Performance Incentive	3
Local Revenue Fund 2011 (Assembly Bill 118)	2,429
Retirement Contributions	2,805
Various Others	<u>2</u>
Total net position restricted for laws or regulations of other governments	<u><u>\$ 7,095</u></u>

N. CONDENSED FINANCIAL STATEMENTS

The PFC 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	\$ 958	\$ 495	\$ 85
Restricted assets	-	-	16
Capital assets	855	2,705	270
Total assets	<u>1,813</u>	<u>3,200</u>	<u>371</u>
Liabilities			
Current liabilities	90	117	17
Noncurrent liabilities	655	1,352	234
Total liabilities	<u>745</u>	<u>1,469</u>	<u>251</u>
Net Position			
Net investment in capital assets	175	2,222	236
Restricted	-	-	16
Unrestricted (deficit)	893	(491)	(132)
Total net position	<u><u>\$ 1,068</u></u>	<u><u>\$ 1,731</u></u>	<u><u>\$ 120</u></u>

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

	Terra Bella Sewer Maintenance District	County Service Area #1	County Service Area #2
Water and sewer charges	\$ 143	\$ 516	\$ 65
Other operating revenues	-	3	-
Depreciation expense	(53)	(157)	(14)
Other operating expenses	(155)	(639)	(125)
Operating loss	(65)	(277)	(74)
Nonoperating revenues (expenses)			
Taxes and special assessments	39	-	-
Penalties collected	1	5	-
Investment earnings	5	7	4
Interest expense	(32)	(34)	(4)
Change in net position	(52)	(299)	(74)
Beginning net position	1,120	2,030	194
Ending net position	\$ 1,068	\$ 1,731	\$ 120

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	\$ (51)	\$ (96)	\$ (55)
Noncapital financing activities	40	110	45
Capital and related financing activities	(5)	(59)	(8)
Investing activities	5	7	4
Net decrease	(11)	(38)	(14)
Beginning cash and cash equivalents	862	365	97
Ending cash and cash equivalents	\$ 851	\$ 327	\$ 83

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).

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Notes to the Financial Statements
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O. FUND BALANCES

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note I.E.9 for a description of these categories). A detailed schedule of fund balances at June 30, 2017 is as follows:

	General Fund	Public Facilities Corporation Fund	Public Financing Authority Fund	Realignment- Social Services Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 223	\$ 223
Prepaid items	2,805	-	-	-	499	3,304
San Joaquin Valley Insurance Authority Loan	4,000	-	-	-	-	4,000
Nonspendable subtotal	<u>6,805</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>722</u>	<u>7,527</u>
Restricted for						
Alcohol and drug programs	6,345	-	-	-	-	6,345
Child support services	-	-	-	-	2,359	2,359
County clerk	8,272	-	-	-	-	8,272
Debt service bond agreement	-	36	56,053	-	-	56,089
Education programs	-	-	-	-	2,012	2,012
Environmental programs	948	-	-	-	-	948
Fire department programs	-	-	-	-	1,763	1,763
Health care programs	492	-	-	27,368	25,465	53,325
Law enforcement	18,289	-	-	-	-	18,289
Mental health care programs	13,438	-	-	-	-	13,438
Other purposes	4,288	-	-	-	4,185	8,473
Public ways and facilities programs	-	-	-	-	34,006	34,006
Restricted subtotal	<u>52,072</u>	<u>36</u>	<u>56,053</u>	<u>27,368</u>	<u>69,790</u>	<u>205,319</u>
Committed to						
Advances to others	1,482	-	-	-	32	1,514
Other purposes	2	-	-	-	-	2
Property Tax Aumentum System	11,875	-	-	-	-	11,875
Sequoia Field Program Facility	-	-	-	-	2,200	2,200
South County Detention Facility	-	-	-	-	4,100	4,100
Strategic reserve	26,000	-	-	-	-	26,000
Committed subtotal	<u>39,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,332</u>	<u>45,691</u>
Assigned to						
Building and property improvement	1,130	-	-	-	-	1,130
Capital projects	-	-	3,500	-	51	3,551
Future economic development	5,045	-	-	-	-	5,045
Imprest cash	71	-	-	-	1	72
IT projects	2,866	-	-	-	-	2,866
Litigation	4,000	-	-	-	-	4,000
Other purposes	-	-	-	-	4,367	4,367
Pension stabilization	2,000	-	-	-	-	2,000
Step up	332	-	-	-	-	332
Youthful offender	5,288	-	-	-	-	5,288
Assigned subtotal	<u>20,732</u>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>4,419</u>	<u>28,651</u>
Unassigned	49,238	-	-	-	(3)	49,235
Total fund balances	<u>\$ 168,206</u>	<u>\$ 36</u>	<u>\$ 59,553</u>	<u>\$ 27,368</u>	<u>\$ 81,260</u>	<u>\$ 336,423</u>

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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, and professional errors and omissions. The County is exposed to property loss and destruction of assets from theft, natural disasters, and other hazards. The County is exposed to workers' compensation claims arising out of job related injuries to County employees. The County uses a combination of self-insurance, pooled retentions with other counties, and commercial excess insurance to provide protection from loss. Premium is collected from County departments and deposited into the internal service funds to establish reserves to pay workers' compensation and general liability claims, pay insurance premiums, and pay the administrative costs associated with risk management and claim administration.

The Risk Management division self-administers the County's liability claim program. Losses and incidents that may become claims are reported to the Risk Management division for investigation, claim administration, and settlement. Incidents are immediately investigated and, when appropriate, a claim file is opened and reserves established to fund the value of the ultimate cost of the loss. In July of 2003, the County established a \$250 self-insured retention (SIR) for the general liability program and the retention continues to remain at that value. The County purchases excess liability limits above its SIR to cover general liability, auto liability, and error and omissions claims. Total liability coverage limits for the fiscal year 2016/17 was \$35,000. Liability costs and settlements have occasionally exceeded the SIR. There have been three settlements that have exceeded the SIR during fiscal year 2016/17. There are currently six open claims with reserves that exceed the SIR.

The property insurance program is a fully insured program and provides all risk coverage limits of \$600,000 and \$400,000 flood limits with a \$10 deductible for real and personal property. The property insurance program includes boiler and machinery coverage with a \$5 deductible. The vehicle deductible is \$10. Other property insurance program deductibles apply based on the loss type. The property insurance program covers the cost of an appraisal every five years for buildings valued at \$250 or more at no cost to the County. An appraisal of the County's buildings was completed in August of 2014 and the total insured value of the County's property assets is \$585,000. The next full County appraisal will be in 2019. Insurance premium costs are collected from County agencies to cover individual claim deductibles and program administration expense.

The County purchases cyber liability coverage to protect against the release of personal or private information into the internet. The program deductible is \$50. The County purchases insurance coverage for aviation, watercraft, and medical malpractice liability exposures. The watercraft program deductible is \$1 and the medical malpractice program deductible is \$10. The County purchases a crime bond to protect against employee theft or dishonesty. The crime bond deductible is \$25 and coverage limits are \$15,000.

The County is a member of the California State Association of Counties-Excess Insurance Authority (CSAC-EIA), a California Joint Powers Authority. The purpose of CSAC-EIA is to develop and fund insurance programs for California counties, cities, and other public agencies. CSAC-EIA was formed in October 1979 and has operated without interruption since that time. 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. 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 Committee and other committees that support CSAC-EIA. CSAC-EIA issues its own audited Comprehensive Annual Financial Report which can be obtained from them at 75 Iron Point Circle, Suite 200, Folsom, California 95630.

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, performs loss prevention services, and contracts with consultants to conduct claim administration audits of its members.

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Self-insured retention and coverage limits are as follows:

Excess Insurance Program	Self-Insured Retention	Coverage Limits
Excess Workers' Compensation	\$ 125	Statutory
General Liability Programs I & 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. American International Group (AIG) provided a fully insured workers' compensation insurance policy for the previous six years. The workers' compensation program currently utilizes a \$125 SIR and includes statutory coverage limits. The workers' compensation fund covers the cost of the County safety analysts and County safety programs. The Risk Management division self-administers the County safety program.

Effective April 2012, the County entered into a workers' compensation administration service agreement with CorVel Corporation, the County's third party administrator. CorVel Corporation performs claim administration on behalf of the County and makes claim payments from a joint revolving bank account of \$500. The revolving fund is reconciled at least monthly by the County. The County renewed its claim administration agreement with CorVel in April 2017 for another three-year term.

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, 2015	\$ 27,790	\$ 6,362	\$ 34,152
Claims incurred	5,749	53	5,802
Claims payments	<u>(6,376)</u>	<u>(2,190)</u>	<u>(8,566)</u>
Liability - June 30, 2016	27,163	4,225	31,388
Claims incurred	9,890	9,191	19,081
Claims payments	<u>(8,233)</u>	<u>(9,119)</u>	<u>(17,352)</u>
Liability - June 30, 2017	<u>\$ 28,820</u>	<u>\$ 4,297</u>	<u>\$ 33,117</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-EIA 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, counties, and special districts, including the County. The CSCDA is authorized to assist in the financing of

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501(c) (3) nonprofit projects; however, the CSCDA may only issue debt with the approval of the governing body of the jurisdiction in which the project is located. There are no financial obligations placed on the County for project financing costs or debt repayment unless the County authorizes and incurs a direct obligation with CSCDA. Independently audited financial statements are available at CSCDA's website: <http://cscda.org/Resources/Audits-Transaction-Reports.aspx>.

Central Valley Immunization Information System (CVIIS) On January 1, 2001, the Counties of Fresno, Kern, Kings, Madera, Mono, and Tulare entered into a Joint Exercise of Powers Agreement by which they created and established CVIIS as a separate public agency. CVIIS was created to provide a client-oriented, automated immunization system so that residents of member counties will have access to and receive age appropriate immunizations pursuant to Health and Safety Code Section 120440 (b) (1)1. Support for CVIIS staffing and infrastructure was provided by the California Department of Public Health Immunization Branch (CDPH/IZB). In 2010, as a result of statewide budget cuts that prevented CDPH/IZB from continuing to provide financial support, patient data and supporting infrastructure for CVIIS and six other regional registries were moved to a single location where they were subsequently managed by CDPH/IZB technical staff. Beginning in late 2016, the seven separate CDPH/IZB-managed regional registries were consolidated into the single, statewide California Immunization Registry 2 (CAIR2) that continues to be managed by CDPH/IZB. Independently audited financial statements can be obtained from the County Health and Human Services Agency, 5957 South Mooney Boulevard, Visalia, California 93277.

East Kaweah Groundwater Sustainability Agency (EKGSA) The EKGSA is a California Joint Exercise of Powers Authority, organized to implement the Sustainable Groundwater Management Act in a portion of the Kaweah Sub-basin as defined by the California Department of Water Resources' Bulletin 118. The County is responsible for a pro rata share of operating costs. Independently audited financial statements can be obtained at 315 East Lindmore Street, Lindsay, California 93247.

East Tule Groundwater Sustainability Agency (ETGSA) The ETGSA is a California Joint Exercise of Powers Authority, organized to implement the Sustainable Groundwater Management Act in a portion of the Tule Sub-basin as defined by the California Department of Water Resources' Bulletin 118. The County is responsible for a pro rata share of operating costs. Due to its recent establishment, the ETGSA is still in the process of creating a budget and does not have independently audited financial statements at this time.

Goshen Public Financing Authority (GPFA) On September 17, 1996, the Tulare County Redevelopment Agency (RDA) and the Goshen Community Services District formed the legally-separate GPFA as a result of a Joint Powers Agreement. The 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 Redevelopment Successor Agency (the Successor Agency) was formed because of the RDA dissolution and the pledge has transferred over to the Successor Agency. Independently audited financial statements can be obtained from the Goshen Community Services District, 6678 Avenue 308 and Road 67, Goshen, California 93227.

Greater Kaweah Groundwater Sustainability Agency (GKGSA) The GKGSA was established on August 23, 2016 as a result of a Joint Powers Agreement between the County, Kaweah Delta Water Conservation District, Lakeside Irrigation Water District, Kings County Water District, and St. Johns Water District for the purpose of meeting the sustainability goals and requirements for a portion of the Kaweah Sub-basin as mandated by the Sustainable Groundwater Management Act. In accordance with the Joint Powers Agreement, the County receipts deposits made by GKGSA, invests funds held in the County Treasury, issues checks at GKGSA's request, provides periodical expenditure and revenue reports, and arranges with a Certified Public Accounting firm to perform yearly audits of the agency. For all of the listed services, the County charges a quarterly administrative fee, which is dependent upon the number of transactions. Due to its recent establishment, the GKGSA does not have independently audited financial statements at this time.

Kings River East Groundwater Sustainability Agency (KREGSA) The KREGSA is a Special Act District, organized to implement the Sustainable Groundwater Management Act in a portion of the Kings Sub-basin as defined by the California Department of Water Resources' Bulletin 118. The County is responsible for a pro rata share of operating costs. Independently audited financial statements can be obtained at 289 North L Street, Dinuba, California 93618.

Kings/Tulare Area Agency on Aging (KTAAA) The KTAAA was established in 1980 as a result of a Joint Powers Agreement between Kings and Tulare Counties for the purpose of spending Older Americans Act and Older Californians Act monies in support of seniors. The County is responsible for a minimum of 78.0% of the required administrative match each year, but all

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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, City of Visalia, County of Kings, Tulare Lake Bed Water Storage 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 12.0% of non-federally-supported costs of the project and retains a 12.0% interest in the completed project. Independently audited financial statements can be obtained from the Kaweah Delta Water Conservation District, 2975 Farmersville Boulevard, Farmersville, California 93223.

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 to over 10,000 Fresno and Tulare County employees. Independently audited financial statements can be obtained from the Fresno County Auditor-Controller's Office, 2281 Tulare Street #105, Fresno, California 93721.

San Joaquin Valley Library System 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 key 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 and direct costs for telecommunication. Independently audited financial statements can be obtained from the Fresno County Library, 2420 Mariposa Street, Fresno, California 93721.

San Joaquin Valley Water Infrastructure Authority (SJVWIA) The SJVWIA is a California Joint Exercise of Powers Authority, organized to promote local water storage projects that benefit the southern San Joaquin Valley. The County is responsible for annual membership dues. Any future projects support costs will be shared equally among participants with specific project costs shared according to separate agreements per project. Independently audited financial statements can be obtained from the Fresno County Auditor-Controller's Office, 2281 Tulare Street #105, Fresno, California 93721.

Tulare County Association of Governments (TCAG) 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 Street, Visalia, California 93291.

Tulare County Service Authority for the Abatement of Abandoned Vehicles (the Authority) The Authority was established in 1991 as a result of a Joint Powers Agreement among incorporated cities and the County for the purpose of removing and disposing of abandoned vehicles deemed to be public nuisances. The Authority is responsible for the collection and disbursement of authorized funds and meeting State reporting requirements for which the Authority receives 1.0% of the annual funds collected. The Authority has no resources other than cash, which is distributed immediately upon receipt. Independently audited financial statements can be obtained from the State of California Controller's Office, Post Office Box 942850, Sacramento, California 94250.

Upper Kings Basin Integrated Regional Water Management Authority (UKBIRWMA) On May 18, 2010, the County became a full voting member of the UKBIRWMA at a one-time cost of \$30 plus annual dues of \$7. 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 \$53,000 of funding to the region for planning and expanding local groundwater projects. Independently audited financial statements can be obtained from the Kings River Conservation District, 4886 East Jensen Avenue, Fresno, California 93725.

C. CONTINGENT LIABILITIES

As of June 30, 2017, the County was a defendant in a collective action brought by employees alleging that the County violated the Fair Labor Standards Act (FLSA) by miscalculating the base rate used to determine overtime rates payable to employees who received all, or a portion of, their benefit amounts in cash (cash in lieu). The potential plaintiffs are those who worked overtime and also received cash in lieu during the same pay period at any time since August 25, 2013. Only those employees who received

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less than the minimum amount required by the FLSA for overtime hours worked and received cash in lieu during the same period are likely to recover. As plaintiffs are currently opting in to the action, the County is unable to identify the number of employees who will opt in or the specific resulting liability. Rough estimates indicate a liability of less than \$500 if all eligible employees opt in. Record keeping and payroll systems are being updated to correct the error. However, liability for underpayments and penalties will continue to accrue until those systems are brought into compliance.

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

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 \$6,386 over the remaining life of the Successor Agency (20 years).

D. DEFERRED COMPENSATION PLAN

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

The assets of the plan are held in a trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans — a rescission of GASB Statement No. 2 and an amendment of GASB Statement No. 31*, these assets are not included in the financial statements of the County since an outside party administers the plan assets.

E. TAX ABATEMENT

The County provides property tax abatements through the Agricultural Preserve Program. The program enrolls land in Williamson Act or Farmland Security Zone contracts whereby the land is exclusively restricted to agricultural, open space, or recreational uses in exchange for reduced property tax assessments. The Williamson Act established a voluntary, nine-year contract for land owners that automatically renews. The Farmland Security Zone is established by the local Board member within the agricultural preserve at the request of the property owner. The compatibility of a particular use is determined by a combination of the Board's judgment, California Government Code, and Revenue and Taxation Code. Valuation still uses direct capitalization, but the land rents reflect a non-growing use.

Under the provisions of these contracts, land parcels are assessed for property tax purposes at a rate consistent with their actual use, rather than potential market value of the property. Exit from this voluntary contract can be accomplished by ceasing the automatic renewal and waiting for the contractual years to expire. Immediate cancellation of the contract is allowed with some conditions and requires a cancellation fee equal to 12.5% of the current market value. Assessed values under the contract are typically the result of a lawfully mandated income approach to value calculation.

No other commitments were made by the County as part of the Williamson Act or Farmland Security Zone contracts. For the fiscal year ended June 30, 2017, the Agricultural Preserve Program tax abatements are \$6,775.

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F. 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 (California Government Code Sections 31450 et seq.). TCERA operates as a cost-sharing multiple-employer defined benefit plan with special funding circumstances and provides retirement, disability, and death benefits for qualified employees of the County, County Courts, Strathmore Public Utility District, and Tulare County Association of Governments. TCERA was integrated with Social Security in 1956. TCERA is administered by a nine-member Board of Retirement. TCERA issues a separate 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/Investment-Financial/>.

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

Summary of Plans and Eligible Participants

Open for New Enrollment

General Tier 4	General members who have a membership date on or after January 1, 2013, and who are not eligible for reciprocity with another qualified pension plan, may continue in plan.
Safety Tier 4	Safety members who have a membership date on or after January 1, 2013, and who are not eligible for reciprocity with another qualified pension plan, may continue in plan.

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.

Tier 1 – Benefits are calculated using the highest average one-year salary. Tier 1 members receive a maximum of 3.0% cost-of-living adjustment annually after retirement. Tier 1 general members with service earned on or after July 1, 2005 are now subject to Internal Revenue Code (IRC) Section 415 limits due to the implementation of a new benefit formula. Only Tier 1 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 1 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 2 – Benefits are calculated using the highest average three-year salary. Tier 2 members receive a maximum of 2.0% cost-of-living adjustment annually after retirement. Tier 2 general members with service earned on or after July 1, 2005 are now subject to IRC Section 415 limits due to the implementation of a new benefit formula. Only Tier 2 general members who entered deferred status prior to the implementation of the new benefit formula are exempt from these limits. All Tier 2 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Tier 3 – Benefits are calculated using the highest average three-year salary. Tier 3 members receive a maximum of 2.0% cost-of-living adjustment annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRC Section 415 limits. All Tier 3 members are subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

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Tier 4 – Benefits are calculated using the highest average three-year salary. An earnings cap provision limits the benefits payable to some Tier 4 member. Tier 4 members receive a maximum of 2.0% cost-of-living adjustment annually after retirement. All employees who joined TCERA on or after January 1, 1990 are subject to IRC Section 415 limits. Tier 4 members are not subject to Article 5.5 Alternative Financial Provisions of the California Government Code.

Benefits Provided

Tiers 1, 2, and 3 – The benefit is a percentage of monthly final average salary per year of service, depending on age at retirement. Due to the fact that TCERA is integrated with Social Security, the benefit is reduced by one-third of the percentage multiplied by the first three-hundred and fifty dollars of monthly final average salary per year of service credited after January 1, 1956. Benefits partially vest at five years of service and full vesting requires 10 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 a 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 50.0% of final average salary or service retirement benefit if the member is eligible.

In accordance with Section 31727.7 of the County Employees Retirement Act of 1937, a member who has five years or more of credited service upon retirement for non-service connected disability, in lieu of any other allowance, shall receive a disability allowance equal to the percentage of final compensation set forth opposite the member's number of years of service in the following table:

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

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

Death Benefit – If a member dies before retirement, the return of contributions with interest, along with a death benefit, is payable to the member's beneficiary or estate in the amount of one month's salary for each completed year of service under the retirement system, but not to exceed six months' salary. In lieu of the basic death benefit, if a member dies after becoming eligible for service retirement or non-service connected disability, an eligible spouse or minor child may elect to receive 60.0% of the allowance that the member would have received for retirement as of the day of their death. If the member dies in the performance of duty, an eligible spouse or minor child receives 50.0% of the member's final average salary.

If the member dies after retirement, then the benefits depend upon the type of retirement, the member's employment status at retirement, and the retirement option selected. If the retirement was for service connected disability, 100% of the member's basic allowance as it was at death is continued to the surviving spouse for life. If the retirement was for other than service connected disability, and the unmodified option was selected at the time of retirement, 60.0% of the member's allowance is continued to an eligible spouse for life. If the deceased member retired directly from active employment with a TCERA employer, a lump sum burial benefit of \$5 is paid to the beneficiary or estate.

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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 at TCERA's website: <http://www.tcera.org/Investment-Financial/>.

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 TCERA's Board of Retirement.

Member – The basic member rates are based on a formula reflecting the member's age of entry into TCERA. The rates are set to provide a retirement amount that is equal to a fractional part of the highest year(s) salary, based on membership and tier. For members integrated with Social Security (Tiers 1 - 3), the contributions are reduced by one-third of such contribution payable with respect to the first three-hundred and fifty dollars of monthly salary. Due to a collective bargaining agreement, the County has a legal obligation to contribute 50.0% of the contributions required for active Tier 1 plan members. The rates reflected for Tier 1 members do not reflect the County "pickup." Employees contribute 5.0% to 20.0% of their annual pay based on their date of entrance into the plan, age at entry, and membership type (General or Safety).

Employer – The employer rates are actuarially determined annually to provide for the balance of the contributions needed to fund the promised benefits as set forth in the County Employees Retirement Act of 1937. Employer contribution rates consist of two components: the normal cost and the Unfunded Actuarial Liability (UAL). The UAL is being amortized over a declining 19-year period. The amortization method is level percentage of payroll. Contribution levels are recommended by the actuary and adopted by the Board of Retirement each year. The County's actuarially determined contributions to the plan for the fiscal year ended June 30, 2016 was \$29,742, which was 12.5% 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, 2017, the County reported a liability of \$398,539 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the County's proportion was 95.0296%, which was a decrease of 0.1767% from its proportion measured as of June 30, 2015.

For the fiscal year ended June 30, 2017, the County recognized pension expense of \$43,409. 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, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,328	\$ 30,865
Changes in assumptions	64,291	-
Net difference between projected and actual earnings on retirement plan investments	89,675	-
County contributions subsequent to the measurement date	30,557	-
	<u>\$ 188,851</u>	<u>\$ 30,865</u>

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

The deferred outflows of resources in the amount of \$30,557, 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 fiscal year ended June 30, 2018.

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

Year Ended June 30,	Amount
2017	\$ 29,244
2018	29,244
2019	48,777
2020	20,164
	<u>\$ 127,429</u>

Actuarial Assumptions The total pension liability as of June 30, 2017 was determined by rolling forward the plan's total pension liability as of June 30, 2015 to June 30, 2016, and adjusting for the change in discount rate and other actuarial assumptions as of June 30, 2016.

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, 2016, the plan's long-term expected rate of return on pension plan investments was 7.75%, which was a decrease of 0.05% from the prior fiscal year.

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The mortality rates used by the actuary are as follows:

	<u>2016</u>	<u>2015</u>
Mortality – Healthy Lives	General Members: RP-2014 Sex Distinct Combined Healthy Tables with Generational Improvement Using Projections Scale MP- 2015, increased by 12.1% to reflect plan experience.	General Members: RP-2014 Sex Distinct Combined Healthy Tables with Generational Improvement Using Projections Scale MP- 2015, increased by 12.1% to reflect plan experience.
	Safety Members: RP-2014 Sex Distinct Combined Healthy Tables with Blue- collar Adjustment and Generational Improvement using Projections Scale MP- 2015, increased by 4.5% to reflect plan experience.	Safety Members: RP-2014 Sex Distinct Combined Healthy Tables with Blue- collar Adjustment and Generational Improvement using Projections Scale MP- 2015, increased by 4.5% to reflect plan experience.
Mortality – Disabled Lives	All Members: RP-2014 Sex Distinct Generational Disabled Annuitant Mortality Table with Generational Improvement Using Projection Scale MP-2015.	All Members: RP-2014 Sex Distinct Generational Disabled Annuitant Mortality Table with Generational Improvement Using Projection Scale MP-2015.
Mortality for Member Contribution Rate Purposes	RP-2014 Mortality Tables with Generational Improvement Using Projection Scale MP-2015.	RP-2014 Mortality Tables with Generational Improvement Using Projection Scale MP-2015.

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The actuary salary increase assumptions are as follows:

Years of Service	General Members	Safety Members
0	5.00%	6.00%
1	4.50%	5.75%
2	4.00%	5.50%
3	2.50%	4.50%
4	2.25%	4.25%
5	2.00%	4.00%
6	1.75%	3.50%
7	1.50%	3.00%
8	1.00%	2.50%
9	0.50%	2.00%
10	0.50%	1.50%
11	0.50%	1.00%
12	0.50%	0.50%
13	0.50%	0.50%
14	0.50%	0.50%
15	0.50%	0.50%
16	0.50%	0.50%
17	0.50%	0.50%
18	0.50%	0.50%
19	0.50%	0.50%
20 or more	0.50%	0.50%

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	20.0%	3.8%
Non-U.S. Equity (developed and emerging)	20.0%	7.8%
Global Equity	3.0%	5.7%
Fixed Income	27.0%	2.2%
Global Fixed Income	0.0%	0.4%
Private Credit	5.0%	7.1%
Commodities	5.0%	2.0%
Real Estate	10.0%	2.7%
Private Equity	5.0%	6.2%
Hedge Funds	5.0%	3.0%
Total	<u>100.0%</u>	

Discount Rate At June 30, 2016, the discount rate (actuarially determined) used to measure the total pension liability was 7.58%, which was a decrease of 0.12% from the discount rate used as of June 30, 2015. 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 2081. A municipal bond rate of 2.85% was used in the development of the blended GASB discount rate after that point. Projected benefit payments are discounted at the long-term expected return on assets of 7.75% to the extent the fiduciary net position is available to make the payments and at the municipal bond rate of 2.85% to the extent they are not available. The single equivalent rate used to determine the total pension liability as of June 30, 2016 was 7.58%. The assumed discount rate has been determined in accordance with the method prescribed by GASB Statements No. 67 and 68.

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Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability, calculated using the June 30, 2016 discount rate of 7.58%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.58%) or one-percentage-point higher (8.58%) than the current rate:

	1% Decrease 6.58%	Discount Rate 7.58%	1% Increase 8.58%
County's proportionate share of the net pension plan liability	\$ 612,023	\$ 398,539	\$ 224,970

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 TCERA and additions to/deductions from Tulare Pension Plan’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 of Retirement 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 2009).

Benefit changes since June 30, 2013 – None.

Changes of assumptions since June 30, 2015 – The expected return on assets changed from 7.80% as of June 30, 2015 to 7.75% as of June 30, 2016. Also, the municipal bond rate changed from 3.80% as of June 30, 2015 to 2.85% as of June 30, 2016. In addition, the discount rate changed from 7.70% as of June 30, 2015 to 7.58% as of June 30, 2016.

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 at TCERA’s website: <http://www.tcera.org/Investment-Financial/>.

G. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The County’s postemployment benefit plan is an agent multiple-employer plan. The County allows retirees who participate in the County administered medical plan and retire directly from active service under the 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.” 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 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, 2017 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 3.75% discount rate. The annual healthcare cost rate assumption for pre-medicare is 7.50% and a post-medicare cost rate of 6.50%. These rates include an inflation assumption of 2.75%. 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, 2017, there are 20 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

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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 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 3.75% discount rate, the actuarial values are as follows:

<u>As of June 30, 2016</u>	
Present Value of Projected Benefits (PVPB)	\$ 34,658
Actuarial Accrued Liability (AAL)	\$ 11,965
Actuarial value of plan assets	-
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 11,965</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$ 222,017
UAAL as a percentage of covered payroll	5.4%
 <u>Plan Cost for the Year Ended June 30, 2017</u>	
Normal Cost (NC)	\$ 1,905
UAAL amortization	635
Annual Required Contribution (ARC)	<u>\$ 2,540</u>
Projected payroll	\$ 222,017
ARC as a percentage of payroll	1.1%
 <u>OPEB Cost for the Year Ended June 30, 2017</u>	
ARC	\$ 2,540
Interest on net OPEB obligation	592
Adjustment to ARC	(838)
Annual OPEB cost	<u>2,294</u>
Contributions made	<u>(685)</u>
Increase in net OPEB obligation	<u>1,609</u>
Net OPEB obligation - beginning of year	<u>15,793</u>
Net OPEB obligation - end of year	<u>\$ 17,402</u>

<u>3 Year OPEB Trend</u>			
		Percentage of	
		Annual OPEB	
	Annual	Cost	Net OPEB
<u>Year Ended</u>	<u>OPEB Cost</u>	<u>Contributed</u>	<u>Obligation</u>
6/30/2015	\$ 1,260	26.0%	\$ 14,789
6/30/2016	\$ 1,319	23.9%	\$ 15,793
6/30/2017	\$ 2,294	29.9%	\$ 17,402

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H. TRIAL COURT FUNDING

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

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

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

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

As of June 30, 2009, Joint Occupancy Agreements have been signed for the Tulare Courthouse (in which the County was originally a 30.0% occupant but no longer occupies due to closure of the courthouse), the Porterville Courthouse (in which the County was originally a 46.0% occupant but now occupies approximately 23.0% due to the closure of the courthouse), the Visalia Courthouse (in which the County is a 68.0% occupant), the William Silveira Jr. Juvenile Justice Center (in which the County is a 87.0% occupant), and the Dinuba Courthouse (in which the County does not occupy). 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.

Required Supplementary Information



COUNTY OF TULARE
Tulare County Employees' Retirement Association
Schedule of the County's Contributions and Schedule of the County's Proportionate Share of Net
Pension Liability (unaudited)
June 30, 2017 (in thousands)

Last 10 Fiscal Years*

	2016	2015	2014	2013
Actuarially determined contribution for the fiscal year	\$ 29,742	\$ 29,506	\$ 24,641	\$ 28,642
Less the contributions in relation to the actuarially determined contribution	(29,742)	(29,506)	(24,641)	(28,642)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 238,559	\$ 229,431	\$ 222,683	\$ 218,323
Contributions as a percentage of covered-employee payroll	12.5%	12.9%	11.1%	13.1%

*Amounts presented above were determined as of June 30, 2016. Additional years will be presented as they become available.

Last 10 Fiscal Years*

	2016	2015	2014	2013
County's proportion of the net pension liability (asset)	95.0296%	95.2063%	94.5629%	95.5672%
County's proportionate share of the net pension liability (asset)	\$ 398,539	\$ 292,497	\$ 148,162	\$ 222,006
County's covered-employee payroll	\$ 238,559	\$ 229,431	\$ 222,683	\$ 218,323
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	167.1%	127.5%	66.5%	101.7%
Plan fiduciary net position as a percentage of the total pension liability	73.5%	79.8%	87.6%	80.4%

*Amounts presented above were determined as of June 30, 2016. Additional years will be presented as they become available.

Notes to Required Supplementary Information

Changes in assumptions – At June 30, 2016, the plan's long-term expected rate of return on pension plan investments was 7.75%, which was a decrease of 0.05% from the prior fiscal year.

COUNTY OF TULARE
Tulare County Employees' Other Postemployment Benefits
Schedule of Funding Progress (unaudited)
June 30, 2017 (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%
6/30/2016*	-	11,965	11,965	0.00%	222,017	5.39%

* Data provided by Bartel Associates, LLC. "County of Tulare Retiree Healthcare Plan Actuarial Valuation as of June 30, 2016."

Note to Required Supplementary Information

The OPEB schedule presented relates solely to the County.

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Combining and Individual Fund Statements and Schedules



COUNTY OF TULARE
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017 (in thousands)

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash in banks	\$ 283	\$ -	\$ -	\$ 283
Investment in treasury pool	73,177	3,574	14,660	91,411
Imprest cash	1	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	2,870	-	-	2,870
Due from other funds	-	-	100	100
Due from other governments	8,443	-	-	8,443
Prepaid items	499	-	-	499
Advances to other funds	32	-	-	32
Notes receivable	16,336	-	-	16,336
Inventories	223	-	-	223
Total assets	<u>\$ 101,864</u>	<u>\$ 3,574</u>	<u>\$ 14,760</u>	<u>\$ 120,198</u>
LIABILITIES				
Accounts payable	\$ 5,191	\$ 52	\$ 8,104	\$ 13,347
Due to other governments	2,497	-	279	2,776
Salaries and benefits payable	1,983	-	26	2,009
Advances	2,578	-	-	2,578
Advances from other funds	220	-	-	220
Total liabilities	<u>12,469</u>	<u>52</u>	<u>8,409</u>	<u>20,930</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - special assessments	18,008	-	-	18,008
Total deferred inflows of resources	<u>18,008</u>	<u>-</u>	<u>-</u>	<u>18,008</u>
FUND BALANCES				
Nonspendable	722	-	-	722
Restricted	69,790	-	-	69,790
Committed	32	-	6,300	6,332
Assigned	846	3,522	51	4,419
Unassigned	(3)	-	-	(3)
Total fund balances	<u>71,387</u>	<u>3,522</u>	<u>6,351</u>	<u>81,260</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 101,864</u>	<u>\$ 3,574</u>	<u>\$ 14,760</u>	<u>\$ 120,198</u>

COUNTY OF TULARE
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Total Special Revenue Funds	Total Debt Service Fund	Total Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes and special assessments	\$ 28,422	\$ -	\$ -	\$ 28,422
Licenses and permits	13	-	-	13
Fines, forfeitures, and penalties	811	1,171	-	1,982
Interest, rents, and concessions	524	(2)	-	522
Intergovernmental revenues	57,215	-	-	57,215
Charges for services	4,627	-	-	4,627
Other revenues	4,341	-	31	4,372
Total revenues	<u>95,953</u>	<u>1,169</u>	<u>31</u>	<u>97,153</u>
EXPENDITURES				
Current				
General government	-	-	7,861	7,861
Public protection	30,832	-	944	31,776
Public ways and facilities	17,320	-	-	17,320
Health and sanitation	4	-	-	4
Public assistance	11,455	-	-	11,455
Education	4,201	-	-	4,201
Debt service				
Principal retirement	-	500	-	500
Interest and fiscal charges	-	124	-	124
Capital outlay	12,727	-	29,087	41,814
Total expenditures	<u>76,539</u>	<u>624</u>	<u>37,892</u>	<u>115,055</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,414</u>	<u>545</u>	<u>(37,861)</u>	<u>(17,902)</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	58	-	22	80
Transfers in	20,103	2,751	15,187	38,041
Transfers (out)	(26,253)	-	(22)	(26,275)
Total other financing sources (uses)	<u>(6,092)</u>	<u>2,751</u>	<u>15,187</u>	<u>11,846</u>
Net change in fund balances	13,322	3,296	(22,674)	(6,056)
Fund balances - beginning	58,065	226	29,025	87,316
Fund balances - ending	<u>\$ 71,387</u>	<u>\$ 3,522</u>	<u>\$ 6,351</u>	<u>\$ 81,260</u>

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COUNTY OF TULARE
Nonmajor Governmental Funds
Special Revenue 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 fiscal year 1989/90 to receive the County's share of Proposition 99 monies per Assembly Bill (AB) 75. The primary source of revenue is tobacco taxes.

Redevelopment Successor Agency Housing Fund – The 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 Tulare County Redevelopment Agency, along with the related rights, powers, liabilities, duties, and obligations. The primary source of revenue is 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 revenue is the County's share of fines levied for violations of fish and game laws within its boundaries.

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

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

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

Workforce Investment Fund – This fund is used to account for services providing training and employment opportunities for the public. The primary sources of revenue are state 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 – This state mandated fund was established to account for the County match, sales tax revenues, and transfers to/from the General Fund for certain mental health program expenditures. The primary source of revenue is state funds.

Health Realignment Fund – This state mandated fund was established to account for the County match, sales tax revenues, and transfers to/from the General Fund for certain health program expenditures. The primary source of revenue is state funds.

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

Flood Control 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 Grant (CDBG) Fund – This fund was set up to collect and recycle repayment of CDBG loan funds. The primary source of revenue is federal grants.

Housing Opportunities Made Equal Fund – This fund is used to collect and recycle repayment of home loan funds. The primary source of revenue is federal grants.

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2017 (in thousands)

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game
ASSETS				
Cash in banks	\$ -	\$ -	\$ -	\$ -
Investment in treasury pool	888	9	2,270	13
Imprest cash	-	-	1	-
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	-
Due from other governments	-	-	-	-
Prepaid items	-	-	499	-
Advances to other funds	-	32	-	-
Notes receivable	-	1,904	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 888</u>	<u>\$ 1,945</u>	<u>\$ 2,770</u>	<u>\$ 13</u>
LIABILITIES				
Accounts payable	\$ 863	\$ -	\$ 11	\$ -
Due to other governments	-	-	-	-
Salaries and benefits payable	-	-	122	-
Advances	-	1,904	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>863</u>	<u>1,904</u>	<u>133</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	499	-
Restricted	25	9	2,012	-
Committed	-	32	-	-
Assigned	-	-	126	13
Unassigned	-	-	-	-
Total fund balances	<u>25</u>	<u>41</u>	<u>2,637</u>	<u>13</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 888</u>	<u>\$ 1,945</u>	<u>\$ 2,770</u>	<u>\$ 13</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2017 (in thousands)

	Aviation	Structural Fire	Roads	Workforce Investment
ASSETS				
Cash in banks	\$ -	\$ -	\$ 233	\$ -
Investment in treasury pool	78	1,674	33,613	531
Imprest cash	-	-	-	-
Receivable (net of allowance for uncollectibles)				
Accounts	41	13	149	-
Due from other governments	35	820	7,002	-
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	223	-
Total assets	<u>\$ 154</u>	<u>\$ 2,507</u>	<u>\$ 41,220</u>	<u>\$ 531</u>
LIABILITIES				
Accounts payable	\$ 25	\$ 85	\$ 3,698	\$ 442
Due to other governments	-	-	2,497	-
Salaries and benefits payable	-	663	553	91
Advances	-	-	30	-
Advances from other funds	120	-	-	-
Total liabilities	<u>145</u>	<u>748</u>	<u>6,778</u>	<u>533</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - special assessments	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	223	-
Restricted	9	1,759	34,006	-
Committed	-	-	-	-
Assigned	-	-	213	-
Unassigned	-	-	-	(2)
Total fund balances	<u>9</u>	<u>1,759</u>	<u>34,442</u>	<u>(2)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 154</u>	<u>\$ 2,507</u>	<u>\$ 41,220</u>	<u>\$ 531</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2017 (in thousands)

	Child Support Services	Mental Health Realignment	Health Realignment	Tobacco Settlement
ASSETS				
Cash in banks	\$ -	\$ -	\$ -	\$ -
Investment in treasury pool	3,057	6,753	18,687	-
Imprest cash	-	-	-	-
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	2,667
Due from other governments	540	-	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Notes receivable	-	-	-	-
Inventories	-	-	-	-
Total assets	<u>\$ 3,597</u>	<u>\$ 6,753</u>	<u>\$ 18,687</u>	<u>\$ 2,667</u>
LIABILITIES				
Accounts payable	\$ 52	\$ -	\$ -	\$ -
Due to other governments	-	-	-	-
Salaries and benefits payable	554	-	-	-
Advances	632	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	<u>1,238</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - special assessments	-	-	-	2,667
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,667</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,359	6,753	18,687	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,359</u>	<u>6,753</u>	<u>18,687</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,597</u>	<u>\$ 6,753</u>	<u>\$ 18,687</u>	<u>\$ 2,667</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Balance Sheet (continued)
June 30, 2017 (in thousands)

	Flood Control	Community Development Block Grant	Housing Opportunities Made Equal	Total Special Revenue Funds
ASSETS				
Cash in banks	\$ -	\$ 49	\$ 1	\$ 283
Investment in treasury pool	4,624	395	585	73,177
Imprest cash	-	-	-	1
Receivable (net of allowance for uncollectibles)				
Accounts	-	-	-	2,870
Due from other governments	-	46	-	8,443
Prepaid items	-	-	-	499
Advances to other funds	-	-	-	32
Notes receivable	-	4,020	10,412	16,336
Inventories	-	-	-	223
Total assets	<u>\$ 4,624</u>	<u>\$ 4,510</u>	<u>\$ 10,998</u>	<u>\$ 101,864</u>
LIABILITIES				
Accounts payable	\$ 3	\$ 12	\$ -	\$ 5,191
Due to other governments	-	-	-	2,497
Salaries and benefits payable	-	-	-	1,983
Advances	-	-	12	2,578
Advances from other funds	-	100	-	220
Total liabilities	<u>3</u>	<u>112</u>	<u>12</u>	<u>12,469</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenue - special assessments	-	4,354	10,987	18,008
Total deferred inflows of resources	<u>-</u>	<u>4,354</u>	<u>10,987</u>	<u>18,008</u>
FUND BALANCES				
Nonspendable	-	-	-	722
Restricted	4,168	3	-	69,790
Committed	-	-	-	32
Assigned	453	41	-	846
Unassigned	-	-	(1)	(3)
Total fund balances	<u>4,621</u>	<u>44</u>	<u>(1)</u>	<u>71,387</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,624</u>	<u>\$ 4,510</u>	<u>\$ 10,998</u>	<u>\$ 101,864</u>

Concluded

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Indigent Health	Redevelopment Successor Agency Housing	Library	Fish and Game
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ 4,275	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures, and penalties	805	-	-	6
Interest, rents, and concessions	8	-	2	-
Intergovernmental revenues	150	-	96	-
Charges for services	-	-	139	-
Other revenues	64	9	30	1
Total revenues	<u>1,027</u>	<u>9</u>	<u>4,542</u>	<u>7</u>
EXPENDITURES				
Current				
Public protection	-	-	-	8
Public ways and facilities	-	-	-	-
Health and sanitation	4	-	-	-
Public assistance	1,094	-	-	-
Education	-	-	4,201	-
Capital outlay	-	-	14	-
Total expenditures	<u>1,098</u>	<u>-</u>	<u>4,215</u>	<u>8</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71)</u>	<u>9</u>	<u>327</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(71)	9	327	(1)
Fund balances - beginning	96	32	2,310	14
Fund balances - ending	<u>\$ 25</u>	<u>\$ 41</u>	<u>\$ 2,637</u>	<u>\$ 13</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Aviation	Structural Fire	Roads	Workforce Investment
REVENUES				
Taxes and special assessments	\$ -	\$ 8,514	\$ 15,018	\$ -
Licenses and permits	-	13	-	-
Fines, forfeitures, and penalties	-	-	-	-
Interest, rents, and concessions	8	21	123	286
Intergovernmental revenues	26	2,536	15,152	7,041
Charges for services	-	421	3,325	742
Other revenues	-	126	173	10
Total revenues	<u>34</u>	<u>11,631</u>	<u>33,791</u>	<u>8,079</u>
EXPENDITURES				
Current				
Public protection	-	16,892	-	235
Public ways and facilities	22	32	17,266	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	10,219
Education	-	-	-	-
Capital outlay	36	396	11,916	-
Total expenditures	<u>58</u>	<u>17,320</u>	<u>29,182</u>	<u>10,454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24)</u>	<u>(5,689)</u>	<u>4,609</u>	<u>(2,375)</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	-	-	49	-
Transfers in	-	6,242	-	2,363
Transfers (out)	-	-	(23)	(6)
Total other financing sources (uses)	<u>-</u>	<u>6,242</u>	<u>26</u>	<u>2,357</u>
Net change in fund balances	(24)	553	4,635	(18)
Fund balances - beginning	33	1,206	29,807	16
Fund balances - ending	<u>\$ 9</u>	<u>\$ 1,759</u>	<u>\$ 34,442</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 Fiscal Year Ended June 30, 2017 (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	11	-	(1)	-
Intergovernmental revenues	13,076	16,069	2,538	-
Charges for services	-	-	-	-
Other revenues	7	-	-	3,920
Total revenues	<u>13,094</u>	<u>16,069</u>	<u>2,537</u>	<u>3,920</u>
EXPENDITURES				
Current				
Public protection	13,227	-	-	-
Public ways and facilities	-	-	-	-
Health and sanitation	-	-	-	-
Public assistance	-	-	-	-
Education	-	-	-	-
Capital outlay	26	-	-	-
Total expenditures	<u>13,253</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(159)</u>	<u>16,069</u>	<u>2,537</u>	<u>3,920</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	9	-	-	-
Transfers in	69	1,337	10,042	-
Transfers (out)	-	(17,229)	(5,022)	(3,920)
Total other financing sources (uses)	<u>78</u>	<u>(15,892)</u>	<u>5,020</u>	<u>(3,920)</u>
Net change in fund balances	(81)	177	7,557	-
Fund balances - beginning	2,440	6,576	11,130	-
Fund balances - ending	<u>\$ 2,359</u>	<u>\$ 6,753</u>	<u>\$ 18,687</u>	<u>\$ -</u>

Continued

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Flood Control	Community Development Block Grant	Housing Opportunities Made Equal	Total Special Revenue Funds
REVENUES				
Taxes and special assessments	\$ 615	\$ -	\$ -	\$ 28,422
Licenses and permits	-	-	-	13
Fines, forfeitures, and penalties	-	-	-	811
Interest, rents, and concessions	71	-	(5)	524
Intergovernmental revenues	99	432	-	57,215
Charges for services	-	-	-	4,627
Other revenues	1	-	-	4,341
Total revenues	<u>786</u>	<u>432</u>	<u>(5)</u>	<u>95,953</u>
EXPENDITURES				
Current				
Public protection	470	-	-	30,832
Public ways and facilities	-	-	-	17,320
Health and sanitation	-	-	-	4
Public assistance	-	142	-	11,455
Education	-	-	-	4,201
Capital outlay	-	339	-	12,727
Total expenditures	<u>470</u>	<u>481</u>	<u>-</u>	<u>76,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>316</u>	<u>(49)</u>	<u>(5)</u>	<u>19,414</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	-	-	-	58
Transfers in	-	50	-	20,103
Transfers (out)	(41)	(12)	-	(26,253)
Total other financing sources (uses)	<u>(41)</u>	<u>38</u>	<u>-</u>	<u>(6,092)</u>
Net change in fund balances	275	(11)	(5)	13,322
Fund balances - beginning	4,346	55	4	58,065
Fund balances - ending	<u>\$ 4,621</u>	<u>\$ 44</u>	<u>\$ (1)</u>	<u>\$ 71,387</u>

Concluded

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Indigent Health Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	\$ 1,053	\$ 1,053	\$ 805	\$ (248)
Interest, rents, and concessions	42	42	8	(34)
Intergovernmental revenues	169	169	150	(19)
Other revenues	5	5	64	59
Total revenues	<u>1,269</u>	<u>1,269</u>	<u>1,027</u>	<u>(242)</u>
EXPENDITURES				
Current				
Health and sanitation	7	7	4	3
Public assistance	1,313	1,313	1,094	219
Total expenditures	<u>1,320</u>	<u>1,320</u>	<u>1,098</u>	<u>222</u>
Deficiency of revenues under expenditures	<u>(51)</u>	<u>(51)</u>	<u>(71)</u>	<u>(20)</u>
OTHER FINANCING SOURCES				
Transfers in	9	9	-	(9)
Total other financing sources	<u>9</u>	<u>9</u>	<u>-</u>	<u>(9)</u>
Net change in fund balances	(42)	(42)	(71)	(29)
Fund balances - beginning	96	96	96	-
Fund balances - ending	<u>\$ 54</u>	<u>\$ 54</u>	<u>\$ 25</u>	<u>\$ (29)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Redevelopment Successor Agency Housing Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other revenues	\$ -	\$ -	\$ 9	\$ 9
Total revenues	<u>-</u>	<u>-</u>	<u>9</u>	<u>9</u>
EXPENDITURES				
Public assistance	<u>32</u>	<u>32</u>	<u>-</u>	<u>32</u>
Total expenditures	<u>32</u>	<u>32</u>	<u>-</u>	<u>32</u>
Net change in fund balances	(32)	(32)	9	41
Fund balances - beginning	<u>32</u>	<u>32</u>	<u>32</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ 41</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Library Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes and special assessments	\$ 4,081	\$ 4,081	\$ 4,275	\$ 194
Interest, rents, and concessions	12	12	2	(10)
Intergovernmental revenues	95	95	96	1
Charges for services	200	200	139	(61)
Other revenues	25	25	30	5
Total revenues	<u>4,413</u>	<u>4,413</u>	<u>4,542</u>	<u>129</u>
EXPENDITURES				
Current				
Education	4,775	4,776	4,201	575
Capital outlay	-	-	14	(14)
Total expenditures	<u>4,775</u>	<u>4,776</u>	<u>4,215</u>	<u>561</u>
Net change in fund balances	(362)	(363)	327	(432)
Fund balances - beginning	2,310	2,310	2,310	-
Fund balances - ending	<u>\$ 1,948</u>	<u>\$ 1,947</u>	<u>\$ 2,637</u>	<u>\$ (432)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Fish and Game Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 6	\$ 6
Other revenues	-	-	1	1
Total revenues	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
EXPENDITURES				
Current				
Public protection	14	14	8	6
Total expenditures	<u>14</u>	<u>14</u>	<u>8</u>	<u>6</u>
Net change in fund balances	(14)	(14)	(1)	13
Fund balances - beginning	14	14	14	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 13</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Aviation Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents, and concessions	\$ 6	\$ 6	\$ 8	\$ 2
Intergovernmental revenues	384	384	26	(358)
Total revenues	<u>390</u>	<u>390</u>	<u>34</u>	<u>(356)</u>
EXPENDITURES				
Current				
Public ways and facilities	48	48	22	26
Capital outlay	395	395	36	359
Total expenditures	<u>443</u>	<u>443</u>	<u>58</u>	<u>385</u>
Deficiency of revenues under expenditures	<u>(53)</u>	<u>(53)</u>	<u>(24)</u>	<u>29</u>
OTHER FINANCING SOURCES				
Transfers in	20	20	-	(20)
Total other financing sources	<u>20</u>	<u>20</u>	<u>-</u>	<u>(20)</u>
Net change in fund balances	(33)	(33)	(24)	9
Fund balances - beginning	33	33	33	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Structural Fire Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes and special assessments	\$ 8,161	\$ 8,161	\$ 8,514	\$ 353
Licenses and permits	16	16	13	(3)
Interest, rents, and concessions	45	45	21	(24)
Intergovernmental revenues	585	2,497	2,536	39
Charges for services	424	568	421	(147)
Other revenues	265	447	126	(321)
Total revenues	<u>9,496</u>	<u>11,734</u>	<u>11,631</u>	<u>(103)</u>
EXPENDITURES				
Current				
Public protection	16,032	17,941	16,892	1,049
Public ways and facilities	38	38	32	6
Capital outlay	907	1,234	396	838
Total expenditures	<u>16,977</u>	<u>19,213</u>	<u>17,320</u>	<u>1,893</u>
Deficiency of revenues under expenditures	<u>(7,481)</u>	<u>(7,479)</u>	<u>(5,689)</u>	<u>1,790</u>
OTHER FINANCING SOURCES				
Transfers in	6,246	6,246	6,242	(4)
Total other financing sources	<u>6,246</u>	<u>6,246</u>	<u>6,242</u>	<u>(4)</u>
Net change in fund balances	(1,235)	(1,233)	553	1,786
Fund balances - beginning	1,206	1,206	1,206	-
Fund balances - ending	<u>\$ (29)</u>	<u>\$ (27)</u>	<u>\$ 1,759</u>	<u>\$ 1,786</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Roads Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes and special assessments	\$ 29,478	\$ 29,478	\$ 15,018	\$ (14,460)
Licenses and permits	5	5	-	(5)
Interest, rents, and concessions	182	182	123	(59)
Intergovernmental revenues	24,889	24,889	15,152	(9,737)
Charges for services	1,973	1,973	3,325	1,352
Other revenues	1	141	173	32
Total revenues	<u>56,528</u>	<u>56,668</u>	<u>33,791</u>	<u>(22,877)</u>
EXPENDITURES				
Current				
Public ways and facilities	82,870	81,467	17,266	64,201
Capital outlay	2,800	4,343	11,916	(7,573)
Total expenditures	<u>85,670</u>	<u>85,810</u>	<u>29,182</u>	<u>56,628</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,142)</u>	<u>(29,142)</u>	<u>4,609</u>	<u>33,751</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	-	-	49	49
Transfers (out)	-	-	(23)	(23)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>26</u>	<u>26</u>
Net change in fund balances	(29,142)	(29,142)	4,635	33,777
Fund balances - beginning	29,807	29,807	29,807	-
Fund balances - ending	<u>\$ 665</u>	<u>\$ 665</u>	<u>\$ 34,442</u>	<u>\$ 33,777</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Workforce Investment Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Interest, rents, and concessions	\$ 602	\$ 602	\$ 286	\$ (316)
Intergovernmental revenues	8,118	8,414	7,041	(1,373)
Charges for services	917	917	742	(175)
Other revenues	12	12	10	(2)
Total revenues	<u>9,649</u>	<u>9,945</u>	<u>8,079</u>	<u>(1,866)</u>
EXPENDITURES				
Current				
Public protection	271	453	235	218
Public ways and facilities	-	86	-	86
Public assistance	11,559	11,642	10,219	1,423
Total expenditures	<u>11,830</u>	<u>12,181</u>	<u>10,454</u>	<u>1,727</u>
Deficiency of revenues under expenditures	<u>(2,181)</u>	<u>(2,236)</u>	<u>(2,375)</u>	<u>(139)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,168	2,227	2,363	136
Transfers (out)	-	(6)	(6)	-
Total other financing sources (uses)	<u>2,168</u>	<u>2,221</u>	<u>2,357</u>	<u>136</u>
Net change in fund balances	(13)	(15)	(18)	(3)
Fund balances - beginning	16	16	16	-
Fund balances - ending	<u>\$ 3</u>	<u>\$ 1</u>	<u>\$ (2)</u>	<u>\$ (3)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Child Support Services Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest, rents, and concessions	\$ 46	\$ 46	\$ 11	\$ (35)
Intergovernmental revenues	16,199	16,199	13,076	(3,123)
Other revenues	2	2	7	5
Total revenues	<u>16,247</u>	<u>16,247</u>	<u>13,094</u>	<u>(3,153)</u>
EXPENDITURES				
Current				
Public protection	16,349	16,420	13,227	3,193
Public ways and facilities	25	25	-	25
Capital outlay	45	389	26	363
Total expenditures	<u>16,419</u>	<u>16,834</u>	<u>13,253</u>	<u>3,581</u>
Deficiency of revenues under expenditures	<u>(172)</u>	<u>(587)</u>	<u>(159)</u>	<u>428</u>
OTHER FINANCING SOURCES				
Sale of general capital assets	-	-	9	9
Transfers in	57	473	69	(404)
Total other financing sources	<u>57</u>	<u>473</u>	<u>78</u>	<u>(395)</u>
Net change in fund balances	(115)	(114)	(81)	33
Fund balances - beginning	2,440	2,440	2,440	-
Fund balances - ending	<u>\$ 2,325</u>	<u>\$ 2,326</u>	<u>\$ 2,359</u>	<u>\$ 33</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Mental Health Realignment Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Intergovernmental revenues	\$ 15,309	\$ 15,309	\$ 16,069	\$ 760
Total revenues	<u>15,309</u>	<u>15,309</u>	<u>16,069</u>	<u>760</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>15,309</u>	<u>15,309</u>	<u>16,069</u>	<u>760</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,355	1,355	1,337	(18)
Transfers (out)	<u>(17,859)</u>	<u>(17,859)</u>	<u>(17,229)</u>	<u>630</u>
Total other financing sources (uses)	<u>(16,504)</u>	<u>(16,504)</u>	<u>(15,892)</u>	<u>612</u>
Net change in fund balances	(1,195)	(1,195)	177	1,372
Fund balances - beginning	<u>6,576</u>	<u>6,576</u>	<u>6,576</u>	<u>-</u>
Fund balances - ending	<u>\$ 5,381</u>	<u>\$ 5,381</u>	<u>\$ 6,753</u>	<u>\$ 1,372</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Health Realignment Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Interest, rents, and concessions	\$ -	\$ -	\$ (1)	\$ (1)
Intergovernmental revenues	-	-	2,538	2,538
Total revenues	<u>-</u>	<u>-</u>	<u>2,537</u>	<u>2,537</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>2,537</u>	<u>2,537</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	9,602	9,602	10,042	440
Transfers (out)	(9,305)	(9,305)	(5,022)	4,283
Total other financing sources (uses)	<u>297</u>	<u>297</u>	<u>5,020</u>	<u>4,723</u>
Net change in fund balances	297	297	7,557	7,260
Fund balances - beginning	11,130	11,130	11,130	-
Fund balances - ending	<u>\$ 11,427</u>	<u>\$ 11,427</u>	<u>\$ 18,687</u>	<u>\$ 7,260</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Tobacco Settlement Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Other revenues	\$ 4,938	\$ 4,938	\$ 3,920	\$ (1,018)
Total revenues	<u>4,938</u>	<u>4,938</u>	<u>3,920</u>	<u>(1,018)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>4,938</u>	<u>4,938</u>	<u>3,920</u>	<u>(1,018)</u>
OTHER FINANCING USES				
Transfers (out)	<u>(4,938)</u>	<u>(4,938)</u>	<u>(3,920)</u>	<u>1,018</u>
Total other financing uses	<u>(4,938)</u>	<u>(4,938)</u>	<u>(3,920)</u>	<u>1,018</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
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 Balances – Budget and Actual
Flood Control Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	
REVENUES				
Taxes and special assessments	\$ 538	\$ 538	\$ 615	\$ 77
Interest, rents, and concessions	48	48	71	23
Intergovernmental revenues	903	903	99	(804)
Other revenues	-	-	1	1
Total revenues	<u>1,489</u>	<u>1,489</u>	<u>786</u>	<u>(703)</u>
EXPENDITURES				
Current				
General government	7	7	-	7
Public protection	4,873	4,672	470	4,202
Total expenditures	<u>4,880</u>	<u>4,679</u>	<u>470</u>	<u>4,209</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,391)</u>	<u>(3,190)</u>	<u>316</u>	<u>3,506</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1	1	-	(1)
Transfers (out)	-	(201)	(41)	160
Total other financing sources (uses)	<u>1</u>	<u>(200)</u>	<u>(41)</u>	<u>159</u>
Net change in fund balances	(3,390)	(3,390)	275	3,665
Fund balances - beginning	4,346	4,346	4,346	-
Fund balances - ending	<u>\$ 956</u>	<u>\$ 956</u>	<u>\$ 4,621</u>	<u>\$ 3,665</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Community Development Block Grant Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 2,276	\$ 2,276	\$ 432	\$ (1,844)
Total revenues	<u>2,276</u>	<u>2,276</u>	<u>432</u>	<u>(1,844)</u>
EXPENDITURES				
Current				
Public assistance	2,129	2,128	142	1,986
Capital outlay	340	340	339	1
Total expenditures	<u>2,469</u>	<u>2,468</u>	<u>481</u>	<u>1,987</u>
Deficiency of revenues under expenditures	<u>(193)</u>	<u>(192)</u>	<u>(49)</u>	<u>143</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	189	189	50	(139)
Transfers (out)	-	-	(12)	(12)
Total other financing sources (uses)	<u>189</u>	<u>189</u>	<u>38</u>	<u>(151)</u>
Net change in fund balances	(4)	(3)	(11)	(8)
Fund balances - beginning	55	55	55	-
Fund balances - ending	<u>\$ 51</u>	<u>\$ 52</u>	<u>\$ 44</u>	<u>\$ (8)</u>

COUNTY OF TULARE
Nonmajor Special Revenue Funds
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Housing Opportunities Made Equal Fund
For the Fiscal Year Ended June 30, 2017 (in thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Interest, rents, and concessions	\$ -	\$ -	\$ (5)	\$ (5)
Total revenues	<u>-</u>	<u>-</u>	<u>(5)</u>	<u>(5)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(5)	(5)
Fund balances - beginning	4	4	4	-
Fund balances - ending	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ (1)</u>	<u>\$ (5)</u>

COUNTY OF TULARE
Nonmajor Governmental Funds
Debt Service Fund

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 the Public Facilities Corporation (PFC).

COUNTY OF TULARE
Debt Service Fund
Balance Sheet
June 30, 2017 (in thousands)

	Building Loans
ASSETS	
Investment in treasury pool	\$ 3,574
Total assets	\$ 3,574
 LIABILITIES	
Accounts payable	\$ 52
Total liabilities	52
 FUND BALANCE	
Assigned	3,522
Total fund balance	3,522
Total liabilities and fund balance	\$ 3,574

COUNTY OF TULARE
Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2017 (in thousands)

	<u>Building Loans</u>
REVENUES	
Fines, forfeitures, and penalties	\$ 1,171
Interest, rents, and concessions	<u>(2)</u>
Total revenues	<u>1,169</u>
EXPENDITURES	
Debt service	
Principal retirement	500
Interest and fiscal charges	<u>124</u>
Total expenditures	<u>624</u>
Excess of revenues over expenditures	<u>545</u>
OTHER FINANCING SOURCES	
Transfers in	<u>2,751</u>
Total other financing sources	<u>2,751</u>
Net change in fund balance	3,296
Fund balance - beginning	<u>226</u>
Fund balance - ending	<u>\$ 3,522</u>

COUNTY OF TULARE
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 1,171	\$ 1,171
Interest, rents, and concessions	-	-	(2)	(2)
Total revenues	<u>-</u>	<u>-</u>	<u>1,169</u>	<u>1,169</u>
EXPENDITURES				
Debt service				
Principal retirement	500	500	500	-
Interest and fiscal charges	124	124	124	-
Total expenditures	<u>624</u>	<u>624</u>	<u>624</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(624)</u>	<u>(624)</u>	<u>545</u>	<u>1,169</u>
OTHER FINANCING SOURCES				
Transfers in	4,001	4,001	2,751	(1,250)
Total other financing sources	<u>4,001</u>	<u>4,001</u>	<u>2,751</u>	<u>(1,250)</u>
Net change in fund balance	3,377	3,377	3,296	(81)
Fund balance - beginning	226	226	226	-
Fund balance - ending	<u>\$ 3,603</u>	<u>\$ 3,603</u>	<u>\$ 3,522</u>	<u>\$ (81)</u>

COUNTY OF TULARE
Nonmajor Governmental Funds
Capital Projects Fund

CAPITAL PROJECTS FUND

The capital projects fund is used to finance the acquisition and construction of public buildings, including major maintenance and improvements, other than those financed by proprietary and trust funds. Revenues are obtained from state funding and from other funds when allocated by the Board. There are no combining statements because the County uses one capital projects fund, which is reported on the nonmajor combining financial statements.

COUNTY OF TULARE
Capital Projects Fund
Balance Sheet
June 30, 2017 (in thousands)

	<u>Capital Projects</u>
ASSETS	
Investment in treasury pool	\$ 14,660
Due from other funds	100
Total assets	<u>\$ 14,760</u>
 LIABILITIES	
Accounts payable	\$ 8,104
Due to other governments	279
Salaries and benefits payable	26
Total liabilities	<u>8,409</u>
 FUND BALANCES	
Committed	6,300
Assigned	51
Total fund balances	<u>6,351</u>
Total liabilities and fund balances	<u>\$ 14,760</u>

COUNTY OF TULARE
Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Capital Projects
REVENUES	
Other revenues	\$ 31
Total revenues	31
 EXPENDITURES	
Current	
General government	7,861
Public protection	944
Capital outlay	29,087
Total expenditures	37,892
 Deficiency of revenues under expenditures	
	(37,861)
 OTHER FINANCING SOURCES (USES)	
Sale of general capital assets	22
Transfers in	15,187
Transfers (out)	(22)
Total other financing sources (uses)	15,187
 Net change in fund balances	
	(22,674)
 Fund balances - beginning	
	29,025
Fund balances - ending	\$ 6,351

COUNTY OF TULARE
Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Other revenues	500	500	31	(469)
Total revenues	<u>30,500</u>	<u>30,500</u>	<u>31</u>	<u>(30,469)</u>
EXPENDITURES				
Current				
General government	1,899	2,145	7,861	(5,716)
Public protection	3,008	3,030	944	2,086
Capital outlay	66,491	68,992	29,087	39,905
Total expenditures	<u>71,398</u>	<u>74,167</u>	<u>37,892</u>	<u>36,275</u>
Deficiency of revenues under expenditures	<u>(40,898)</u>	<u>(43,667)</u>	<u>(37,861)</u>	<u>5,806</u>
OTHER FINANCING SOURCES (USES)				
Sale of general capital assets	-	-	22	22
Transfers in	11,993	15,261	15,187	(74)
Transfers (out)	(44)	(544)	(22)	522
Total other financing sources (uses)	<u>11,949</u>	<u>14,717</u>	<u>15,187</u>	<u>470</u>
Net change in fund balances	(28,949)	(28,950)	(22,674)	6,276
Fund balances - beginning	29,025	29,025	29,025	-
Fund balances - ending	<u>\$ 76</u>	<u>\$ 75</u>	<u>\$ 6,351</u>	<u>\$ 6,276</u>

COUNTY OF TULARE
Nonmajor Enterprise Funds

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 District 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, 2017 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
ASSETS			
Current assets			
Cash in banks	\$ 108	\$ 3	\$ -
Investment in treasury pool	10,879	848	843
Accounts receivable (net of allowance for uncollectibles)	9	107	-
Due from other governments	544	-	-
Total current assets	<u>11,540</u>	<u>958</u>	<u>843</u>
Noncurrent assets			
Restricted assets	-	-	-
Capital assets			
Land	-	68	-
Buildings and improvements, net	127	787	-
Equipment and vehicles, net	850	-	-
Construction in progress	959	-	-
Total capital assets	<u>1,936</u>	<u>855</u>	<u>-</u>
Total noncurrent assets	<u>1,936</u>	<u>855</u>	<u>-</u>
Total assets	<u>13,476</u>	<u>1,813</u>	<u>843</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	101	-	-
Total deferred outflows of resources	<u>101</u>	<u>-</u>	<u>-</u>
LIABILITIES			
Current liabilities			
Accounts payable	352	12	-
Deposits from others	-	53	8
Salaries and benefits payable	7	-	-
Certificates of participation (COPs) payable	-	25	-
Total current liabilities	<u>359</u>	<u>90</u>	<u>8</u>
Noncurrent liabilities			
Compensated absences payable	6	-	-
Advances	8,686	-	-
Advances from other funds	-	-	-
Bonds payable	-	-	-
Certificates of participation (COPs) payable	-	655	-
Net pension liability	213	-	-
Total noncurrent liabilities	<u>8,905</u>	<u>655</u>	<u>-</u>
Total liabilities	<u>9,264</u>	<u>745</u>	<u>8</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	16	-	-
Total deferred inflows of resources	<u>16</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	1,936	175	-
Restricted for			
Landfill ground water contingencies	-	-	-
Unrestricted	2,361	893	835
Total net position	<u>\$ 4,297</u>	<u>\$ 1,068</u>	<u>\$ 835</u>

Continued

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Net Position (continued)
June 30, 2017 (in thousands)

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash in banks	\$ 13	\$ 1	\$ 125
Investment in treasury pool	314	66	12,950
Accounts receivable (net of allowance for uncollectibles)	115	12	243
Due from other governments	53	6	603
Total current assets	<u>495</u>	<u>85</u>	<u>13,921</u>
Noncurrent assets:			
Restricted assets	-	16	16
Capital assets			
Land	503	41	612
Buildings and improvements, net	2,202	229	3,345
Equipment and vehicles, net	-	-	850
Construction in progress	-	-	959
Total capital assets	<u>2,705</u>	<u>270</u>	<u>5,766</u>
Total noncurrent assets	<u>2,705</u>	<u>286</u>	<u>5,782</u>
Total assets	<u>3,200</u>	<u>371</u>	<u>19,703</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	-	-	101
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>101</u>
LIABILITIES			
Current liabilities			
Accounts payable	98	16	478
Deposits from others	-	-	61
Salaries and benefits payable	-	-	7
Certificates of participation (COPs) payable	19	1	45
Total current liabilities	<u>117</u>	<u>17</u>	<u>591</u>
Noncurrent liabilities			
Compensated absences payable	-	-	6
Advances	-	-	8,686
Advances from other funds	888	201	1,089
Bonds payable	5	-	5
Certificates of participation (COPs) payable	459	33	1,147
Net pension liability	-	-	213
Total noncurrent liabilities	<u>1,352</u>	<u>234</u>	<u>11,146</u>
Total liabilities	<u>1,469</u>	<u>251</u>	<u>11,737</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	-	-	16
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>16</u>
NET POSITION			
Net investment in capital assets	2,222	236	4,569
Restricted for			
Landfill ground water contingencies	-	16	16
Unrestricted	(491)	(132)	3,466
Total net position	<u>\$ 1,731</u>	<u>\$ 120</u>	<u>\$ 8,051</u>
			Concluded

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
OPERATING REVENUES			
Charges for services	\$ 148	\$ 143	\$ 124
Interest, rents, and concessions	-	-	-
Other revenues	328	-	-
Total operating revenues	<u>476</u>	<u>143</u>	<u>124</u>
OPERATING EXPENSES			
Salaries and benefits	131	-	-
Services and supplies	2,679	155	15
Depreciation	530	53	-
Total operating expenses	<u>3,340</u>	<u>208</u>	<u>15</u>
Operating income (loss)	<u>(2,864)</u>	<u>(65)</u>	<u>109</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	1,100	-	-
Penalties collected	-	1	-
Taxes and special assessments	1,659	39	-
Investment earnings (expenses)	(22)	5	1
Interest expense	-	(32)	-
Total nonoperating revenues (expenses)	<u>2,737</u>	<u>13</u>	<u>1</u>
Change in net position	(127)	(52)	110
Net position - beginning	4,424	1,120	725
Net position - ending	<u>\$ 4,297</u>	<u>\$ 1,068</u>	<u>\$ 835</u>

Continued

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position (continued)
For the Fiscal Year Ended June 30, 2017 (in thousands)

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for services	\$ 516	\$ 65	\$ 996
Interest, rents, and concessions	3	-	3
Other revenues	-	-	328
Total operating revenues	<u>519</u>	<u>65</u>	<u>1,327</u>
OPERATING EXPENSES			
Salaries and benefits	-	-	131
Services and supplies	639	125	3,613
Depreciation	157	14	754
Total operating expenses	<u>796</u>	<u>139</u>	<u>4,498</u>
Operating income (loss)	<u>(277)</u>	<u>(74)</u>	<u>(3,171)</u>
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	-	-	1,100
Penalties collected	5	-	6
Taxes and special assessments	-	-	1,698
Investment earnings (expenses)	7	4	(5)
Interest expense	(34)	(4)	(70)
Total nonoperating revenues (expenses)	<u>(22)</u>	<u>-</u>	<u>2,729</u>
Change in net position	(299)	(74)	(442)
Net position - beginning	2,030	194	8,493
Net position - ending	<u>\$ 1,731</u>	<u>\$ 120</u>	<u>\$ 8,051</u>
			Concluded

COUNTY OF TULARE
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Transit	Terra Bella Sewer Maintenance District	Assessment Districts
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 142	\$ 97	\$ 124
Receipts from interfund services provided	354	-	-
Receipts from rents and concessions	-	-	-
Other receipts	177	-	-
Payments to employees	(121)	-	-
Payments to suppliers	(1,771)	(100)	(1)
Payments for interfund services used	(418)	(48)	(14)
Net cash provided (used) by operating activities	<u>(1,637)</u>	<u>(51)</u>	<u>109</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	1,100	-	-
Receipts from taxes and assessments	1,659	40	-
Advance from other funds	-	-	-
Net cash provided by noncapital financing activities	<u>2,759</u>	<u>40</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sales of capital assets	-	-	-
Purchases of capital assets	(754)	-	-
Principal paid on capital debt	-	(26)	-
Long term advance proceeds	-	53	-
Interest paid on capital debt	-	(32)	-
Net cash used by capital and related financing activities	<u>(754)</u>	<u>(5)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings (expenses)	(22)	5	1
Net cash provided (used) by investing activities	<u>(22)</u>	<u>5</u>	<u>1</u>
Net increase (decrease) in cash and cash equivalents	346	(11)	110
Cash and cash equivalents - beginning	10,641	862	733
Cash and cash equivalents - ending	<u>\$ 10,987</u>	<u>\$ 851</u>	<u>\$ 843</u>
Displayed as			
Cash in banks	\$ 108	\$ 3	\$ -
Investment in treasury pool	10,879	848	843
Restricted assets which are cash equivalents	-	-	-
Total cash displayed	<u>\$ 10,987</u>	<u>\$ 851</u>	<u>\$ 843</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	<u>\$ (2,864)</u>	<u>\$ (65)</u>	<u>\$ 109</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	530	53	-
(Increase) decrease in accounts receivable	(6)	(46)	-
(Increase) decrease in intergovernmental receivables	(151)	-	-
(Increase) decrease in due from other funds	354	-	-
Increase (decrease) in accounts payable	490	7	-
Increase (decrease) in deferred pension	(55)	-	-
Increase (decrease) in net pension liability	83	-	-
Increase (decrease) in salaries and benefits payable and compensated absences	(18)	-	-
Total adjustments	<u>1,227</u>	<u>14</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (1,637)</u>	<u>\$ (51)</u>	<u>\$ 109</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 Fiscal Year Ended June 30, 2017 (in thousands)

	County Service Area #1	County Service Area #2	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 505	\$ 61	\$ 929
Receipts from interfund services provided	-	-	354
Receipts from rents and concessions	3	-	3
Other receipts	-	-	177
Payments to employees	-	-	(121)
Payments to suppliers	(453)	(84)	(2,409)
Payments for interfund services used	(151)	(32)	(663)
Net cash provided (used) by operating activities	<u>(96)</u>	<u>(55)</u>	<u>(1,730)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	-	-	1,100
Receipts from taxes and assessments	5	-	1,704
Advance from other funds	105	45	150
Net cash provided by noncapital financing activities	<u>110</u>	<u>45</u>	<u>2,954</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sales of capital assets	2	-	2
Purchases of capital assets	(10)	(3)	(767)
Principal paid on capital debt	(17)	(1)	(44)
Long term advance proceeds	-	-	53
Interest paid on capital debt	(34)	(4)	(70)
Net cash used by capital and related financing activities	<u>(59)</u>	<u>(8)</u>	<u>(826)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings (expenses)	7	4	(5)
Net cash provided (used) by investing activities	<u>7</u>	<u>4</u>	<u>(5)</u>
Net increase (decrease) in cash and cash equivalents	(38)	(14)	393
Cash and cash equivalents - beginning	365	97	12,698
Cash and cash equivalents - ending	<u>\$ 327</u>	<u>\$ 83</u>	<u>\$ 13,091</u>
Displayed as			
Cash in banks	\$ 13	\$ 1	\$ 125
Investment in treasury pool	314	66	12,950
Restricted assets which are cash equivalents	-	16	16
Total cash displayed	<u>\$ 327</u>	<u>\$ 83</u>	<u>\$ 13,091</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ (277)	\$ (74)	\$ (3,171)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	157	14	754
(Increase) decrease in accounts receivable	(11)	(4)	(67)
(Increase) decrease in intergovernmental receivables	-	-	(151)
(Increase) decrease in due from other funds	-	-	354
Increase (decrease) in accounts payable	35	9	541
Increase (decrease) in deferred pension	-	-	(55)
Increase (decrease) in net pension liability	-	-	83
Increase (decrease) in salaries and benefits payable and compensated absences	-	-	(18)
Total adjustments	<u>181</u>	<u>19</u>	<u>1,441</u>
Net cash provided (used) by operating activities	<u>\$ (96)</u>	<u>\$ (55)</u>	<u>\$ (1,730)</u>
Schedule of non-cash capital and related finance activities			
Contributions of capital assets	\$ -	\$ -	\$ -

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COUNTY OF TULARE
Internal Service Funds

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, 2017 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
ASSETS			
Current assets			
Investment in treasury pool	\$ 28,701	\$ 6,353	\$ 35,054
Imprest cash	500	-	500
Accounts receivable (net of allowance for uncollectibles)	2,750	17	2,767
Prepaid items	-	70	70
Due from other governments	-	731	731
Total current assets	<u>31,951</u>	<u>7,171</u>	<u>39,122</u>
Noncurrent assets			
Capital assets			
Buildings and improvements, net	-	9	9
Equipment and vehicles, net	-	2,645	2,645
Total capital assets	<u>-</u>	<u>2,654</u>	<u>2,654</u>
Total noncurrent assets	<u>-</u>	<u>2,654</u>	<u>2,654</u>
Total assets	<u>31,951</u>	<u>9,825</u>	<u>41,776</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	-	9,276	9,276
Total deferred outflows of resources	<u>-</u>	<u>9,276</u>	<u>9,276</u>
LIABILITIES			
Current liabilities			
Accounts payable	3,604	1,518	5,122
Due to other funds	100	-	100
Salaries and benefits payable	-	1,046	1,046
Compensated absences payable	-	83	83
Claims payable	6,424	-	6,424
Total current liabilities	<u>10,128</u>	<u>2,647</u>	<u>12,775</u>
Noncurrent liabilities			
Compensated absences payable	-	1,345	1,345
Advances	-	576	576
Claims payable	26,693	-	26,693
Net pension liability	-	19,577	19,577
Total noncurrent liabilities	<u>26,693</u>	<u>21,498</u>	<u>48,191</u>
Total liabilities	<u>36,821</u>	<u>24,145</u>	<u>60,966</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	-	1,515	1,515
Total deferred inflows of resources	<u>-</u>	<u>1,515</u>	<u>1,515</u>
NET POSITION			
Net investment in capital assets	-	2,654	2,654
Unrestricted	(4,870)	(9,213)	(14,083)
Total net position	<u>\$ (4,870)</u>	<u>\$ (6,559)</u>	<u>\$ (11,429)</u>

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 20,126	\$ 40,782	\$ 60,908
Other revenues	9,111	171	9,282
Total operating revenues	<u>29,237</u>	<u>40,953</u>	<u>70,190</u>
OPERATING EXPENSES			
Salaries and benefits	-	19,527	19,527
Services and supplies	11,192	23,285	34,477
Insurance premiums paid	6,427	-	6,427
Depreciation	-	478	478
Claims incurred	12,380	-	12,380
Total operating expenses	<u>29,999</u>	<u>43,290</u>	<u>73,289</u>
Operating loss	<u>(762)</u>	<u>(2,337)</u>	<u>(3,099)</u>
NONOPERATING REVENUES (EXPENSES)			
Loss on sale of capital assets	-	(155)	(155)
Intergovernmental revenues	216	3	219
Investment earnings	106	-	106
Interest expense	-	95	95
Total nonoperating revenues (expenses)	<u>322</u>	<u>(57)</u>	<u>265</u>
Loss before transfers	<u>(440)</u>	<u>(2,394)</u>	<u>(2,834)</u>
Transfers in	-	197	197
Transfers (out)	<u>(385)</u>	<u>(4)</u>	<u>(389)</u>
Change in net position	<u>(825)</u>	<u>(2,201)</u>	<u>(3,026)</u>
Net position - beginning	<u>(4,045)</u>	<u>(4,358)</u>	<u>(8,403)</u>
Net position - ending	<u>\$ (4,870)</u>	<u>\$ (6,559)</u>	<u>\$ (11,429)</u>

COUNTY OF TULARE
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Insurance	Central Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ (2,750)	\$ 730	\$ (2,020)
Receipts from interfund services provided	20,226	40,285	60,511
Other receipts (payments)	9,111	(430)	8,681
Payments to employees	-	(18,308)	(18,308)
Payments to suppliers	(11,524)	(19,086)	(30,610)
Payments for interfund services used	(2,978)	(3,822)	(6,800)
Payments for claims	(10,651)	-	(10,651)
Net cash provided (used) by operating activities	<u>1,434</u>	<u>(631)</u>	<u>803</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Subsidy from intergovernmental entities	216	3	219
Transfers from other funds	-	197	197
Transfers to other funds	(385)	(4)	(389)
Advance to other funds	531	-	531
Net cash provided by noncapital financing activities	<u>362</u>	<u>196</u>	<u>558</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Sales of capital assets	-	(100)	(100)
Purchases of capital assets	-	(6)	(6)
Interest paid on capital debt	-	95	95
Net cash used by capital and related financing activities	<u>-</u>	<u>(11)</u>	<u>(11)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	106	-	106
Net cash provided by investing activities	<u>106</u>	<u>-</u>	<u>106</u>
Net increase (decrease) in cash and cash equivalents	1,902	(446)	1,456
Cash and cash equivalents - beginning	27,299	6,799	34,098
Cash and cash equivalents - ending	<u>\$ 29,201</u>	<u>\$ 6,353</u>	<u>\$ 35,554</u>
Displayed as			
Investment in treasury pool	\$ 28,701	\$ 6,353	\$ 35,054
Imprest cash	500	-	500
Total cash displayed	<u>\$ 29,201</u>	<u>\$ 6,353</u>	<u>\$ 35,554</u>
Reconciliation of operating loss to net cash provided (used) by operating activities			
Operating loss	<u>\$ (762)</u>	<u>\$ (2,337)</u>	<u>\$ (3,099)</u>
Adjustments to reconcile operating loss to net cash provided (used) by operating activities			
Depreciation expense	-	478	478
(Increase) decrease in accounts receivable	(2,750)	(2)	(2,752)
(Increase) decrease in intergovernmental receivables	-	(601)	(601)
(Increase) decrease in due from other funds	-	235	235
(Increase) decrease in due to other funds	100	-	100
(Increase) decrease in prepaid items	-	(70)	(70)
Increase (decrease) in accounts payable	3,117	447	3,564
Increase (decrease) in deferred pension	-	(4,544)	(4,544)
Increase (decrease) in net pension liability	-	5,568	5,568
Increase (decrease) in salaries and benefits payable and compensated absences	-	195	195
Increase (decrease) in claims payable	1,729	-	1,729
Total adjustments	<u>2,196</u>	<u>1,706</u>	<u>3,902</u>
Net cash provided (used) by operating activities	<u>\$ 1,434</u>	<u>\$ (631)</u>	<u>\$ 803</u>
Schedule of non-cash capital and related finance activities			
Contributions of capital assets	\$ -	\$ -	\$ -

COUNTY OF TULARE
Fiduciary Funds

AGENCY FUNDS

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 – This fund is 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 for local transportation support.

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

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

Other Agency Funds – These funds account for monies held as an 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, 2017 (in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Property Tax Collection and Apportionment Funds				
ASSETS				
Cash in bank	\$ 207	\$ 321	\$ (207)	\$ 321
Investment in treasury pool	27,719	1,010,233	(1,014,998)	22,954
Accounts receivable (net of allowance for uncollectibles)	71	-	(71)	-
Due from other governments	-	455	-	455
Total assets	<u>\$ 27,997</u>	<u>\$ 1,011,009</u>	<u>\$ (1,015,276)</u>	<u>\$ 23,730</u>
LIABILITIES				
Accounts payable	\$ 15,807	\$ 266,402	\$ (269,676)	\$ 12,533
Due to other governments	3,504	-	(771)	2,733
Agency obligations	8,686	675,589	(675,811)	8,464
Total liabilities	<u>\$ 27,997</u>	<u>\$ 941,991</u>	<u>\$ (946,258)</u>	<u>\$ 23,730</u>
State Fines Agency Fund				
ASSETS				
Investment in treasury pool	\$ 112	\$ 740	\$ (739)	\$ 113
Total assets	<u>\$ 112</u>	<u>\$ 740</u>	<u>\$ (739)</u>	<u>\$ 113</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,383	\$ (1,383)	\$ -
Agency obligations	112	696	(695)	113
Total liabilities	<u>\$ 112</u>	<u>\$ 2,079</u>	<u>\$ (2,078)</u>	<u>\$ 113</u>
Transportation Tax Funds				
ASSETS				
Investment in treasury pool	\$ 3,580	\$ 20,119	\$ (17,298)	\$ 6,401
Accounts receivable (net of allowance for uncollectibles)	211	-	(211)	-
Due from other governments	1,123	1,078	(1,123)	1,078
Total assets	<u>\$ 4,914</u>	<u>\$ 21,197</u>	<u>\$ (18,632)</u>	<u>\$ 7,479</u>
LIABILITIES				
Accounts payable	\$ 282	\$ 5,793	\$ (3,037)	\$ 3,038
Agency obligations	4,632	2,184	(2,375)	4,441
Total liabilities	<u>\$ 4,914</u>	<u>\$ 7,977</u>	<u>\$ (5,412)</u>	<u>\$ 7,479</u>
Employee Health Benefits Funds				
ASSETS				
Investment in treasury pool	\$ 1,684	\$ 41,872	\$ (41,734)	\$ 1,822
Accounts receivable (net of allowance for uncollectibles)	510	28,080	(28,491)	99
Prepaid items	-	2,386	-	2,386
Total assets	<u>\$ 2,194</u>	<u>\$ 72,338</u>	<u>\$ (70,225)</u>	<u>\$ 4,307</u>
LIABILITIES				
Accounts payable	\$ 461	\$ 81,176	\$ (79,184)	\$ 2,453
Due to other governments	239	2,762	(2,660)	341
Agency obligations	1,494	3,038	(3,019)	1,513
Total liabilities	<u>\$ 2,194</u>	<u>\$ 86,976</u>	<u>\$ (84,863)</u>	<u>\$ 4,307</u>

Continued

COUNTY OF TULARE
Fiduciary Funds
Combining Statement of Changes in Assets and Liabilities (continued)
For the Fiscal Year Ended June 30, 2017 (in thousands)

	Balance July 1	Additions	Deductions	Balance June 30
Education Revenue Augmentation Funds				
ASSETS				
Investment in treasury pool	\$ 384	\$ 92,525	\$ (92,867)	\$ 42
Total assets	<u>\$ 384</u>	<u>\$ 92,525</u>	<u>\$ (92,867)</u>	<u>\$ 42</u>
LIABILITIES				
Agency obligations	\$ 384	\$ 292,844	\$ (293,186)	\$ 42
Total liabilities	<u>\$ 384</u>	<u>\$ 292,844</u>	<u>\$ (293,186)</u>	<u>\$ 42</u>
Other Agency Funds				
ASSETS				
Cash in bank	\$ 5,181	\$ -	\$ (1,213)	\$ 3,968
Investment in treasury pool	10,460	44,689	(44,627)	10,522
Accounts receivable (net of allowance for uncollectibles)	-	1	(1)	-
Due from other governments	-	115	(115)	-
Total assets	<u>\$ 15,641</u>	<u>\$ 44,805</u>	<u>\$ (45,956)</u>	<u>\$ 14,490</u>
LIABILITIES				
Accounts payable	\$ 162	\$ 4,872	\$ (4,929)	\$ 105
Due to other governments	1,743	1,624	(1,545)	1,822
Agency obligations	13,736	40,663	(41,836)	12,563
Total liabilities	<u>\$ 15,641</u>	<u>\$ 47,159</u>	<u>\$ (48,310)</u>	<u>\$ 14,490</u>
Total Agency Funds				
ASSETS				
Cash in bank	\$ 5,388	\$ 321	\$ (1,420)	\$ 4,289
Investment in treasury pool	43,939	1,210,178	(1,212,263)	41,854
Accounts receivable (net of allowance for uncollectibles)	792	28,081	(28,774)	99
Prepaid items	-	2,386	-	2,386
Due from other governments	1,123	1,648	(1,238)	1,533
Total assets	<u>\$ 51,242</u>	<u>\$ 1,242,614</u>	<u>\$ (1,243,695)</u>	<u>\$ 50,161</u>
LIABILITIES				
Accounts payable	\$ 16,712	\$ 359,626	\$ (358,209)	\$ 18,129
Due to other governments	5,486	4,386	(4,976)	4,896
Agency obligations	29,044	1,015,014	(1,016,922)	27,136
Total liabilities	<u>\$ 51,242</u>	<u>\$ 1,379,026</u>	<u>\$ (1,380,107)</u>	<u>\$ 50,161</u>

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Statistical Section



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COUNTY OF TULARE
Statistical Section

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.

Financial Trends – These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the County's most significant local revenue source, the property-tax.

Debt Capacity – These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information – These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets*	\$ 1,491,566	\$ 1,524,380	\$ 1,541,360	\$ 1,576,213	\$ 1,558,744
Restricted	54,086	57,079	61,880	57,762	102,657
Unrestricted	55,866	56,992	63,537	74,420	83,404
Total governmental activities net position	<u>\$ 1,601,518</u>	<u>\$ 1,638,451</u>	<u>\$ 1,666,777</u>	<u>\$ 1,708,395</u>	<u>\$ 1,744,805</u>
Business-type activities					
Net investment in capital assets	\$ 19,090	\$ 28,811	\$ 28,172	\$ 27,463	\$ 29,728
Restricted	5,005	5,005	5,005	5,005	5,005
Unrestricted	22,794	9,363	6,792	7,002	7,999
Total business-type activities net position	<u>\$ 46,889</u>	<u>\$ 43,179</u>	<u>\$ 39,969</u>	<u>\$ 39,470</u>	<u>\$ 42,732</u>
Primary government					
Net investment in capital assets	\$ 1,510,656	\$ 1,553,191	\$ 1,569,532	\$ 1,603,676	\$ 1,588,472
Restricted	59,091	62,084	66,885	62,767	107,662
Unrestricted	78,660	66,355	70,329	81,422	91,403
Total primary government net position	<u>\$ 1,648,407</u>	<u>\$ 1,681,630</u>	<u>\$ 1,706,746</u>	<u>\$ 1,747,865</u>	<u>\$ 1,787,537</u>
Fiscal Year					
	2013	2014	2015	2016	2017
Governmental activities					
Net investment in capital assets*	\$ 1,584,261	\$ 1,798,998	\$ 1,590,015	\$ 1,614,927	\$ 1,636,514
Restricted	134,870	-	141,900	153,860	180,978
Unrestricted	65,066	-	(87,606)	(94,026)	(151,683)
Total governmental activities net position	<u>\$ 1,784,197</u>	<u>\$ 1,798,998</u>	<u>\$ 1,644,309</u>	<u>\$ 1,674,761</u>	<u>\$ 1,665,809</u>
Business-type activities					
Net investment in capital assets	\$ 27,357	\$ 41,559	\$ 23,607	\$ 21,172	\$ 20,420
Restricted	5,016	-	5,016	10,445	9,088
Unrestricted	8,140	-	9,107	11,637	16,756
Total business-type activities net position	<u>\$ 40,513</u>	<u>\$ 41,559</u>	<u>\$ 37,730</u>	<u>\$ 43,254</u>	<u>\$ 46,264</u>
Primary government					
Net investment in capital assets	\$ 1,611,618	\$ 1,840,557	\$ 1,613,622	\$ 1,636,099	\$ 1,656,934
Restricted	139,886	-	146,916	164,305	190,066
Unrestricted	73,206	-	(78,499)	(82,389)	(134,927)
Total primary government net position	<u>\$ 1,824,710</u>	<u>\$ 1,840,557</u>	<u>\$ 1,682,039</u>	<u>\$ 1,718,015</u>	<u>\$ 1,712,073</u>

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

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

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses					
Governmental activities					
General government	\$ 71,430	\$ 28,459	\$ 26,587	\$ 39,515	\$ 42,590
Public protection	187,299	197,905	192,533	182,316	190,402
Public ways and facilities	28,346	32,342	29,120	25,485	38,295
Health and sanitation	120,195	122,853	120,796	117,572	122,305
Public assistance	227,086	234,329	236,861	235,547	224,139
Education	4,287	5,033	5,027	5,412	5,020
Culture and recreation	3,552	2,136	2,095	310	371
Unallocated depreciation	510	791	953	520	520
Interest expense	11,244	5,993	5,806	3,137	2,259
Total governmental activities expenses	<u>653,949</u>	<u>629,841</u>	<u>619,778</u>	<u>609,814</u>	<u>625,901</u>
Business-type activities					
Solid Waste	14,426	14,138	13,144	10,847	7,365
Other business-type activities	2,259	2,452	2,710	2,856	3,579
Total business-type activities expenses	<u>16,685</u>	<u>16,590</u>	<u>15,854</u>	<u>13,703</u>	<u>10,944</u>
Total primary government expenses	<u>\$ 670,634</u>	<u>\$ 646,431</u>	<u>\$ 635,632</u>	<u>\$ 623,517</u>	<u>\$ 636,845</u>
Program Revenues					
Governmental activities					
Charges for services					
General government	\$ 62,391	\$ 28,860	\$ 26,601	\$ 24,375	\$ 31,271
Public protection	28,291	29,368	23,883	26,349	21,558
Public ways and facilities	2,028	1,782	1,971	3,406	6,700
Health and sanitation	45,659	46,523	47,938	52,666	43,479
Public assistance	7,496	5,823	3,324	4,299	6,687
Education	188	162	161	222	209
Culture and recreation	332	287	293	283	288
Operating grants and contributions	389,524	403,891	418,780	406,398	419,570
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	<u>535,909</u>	<u>516,696</u>	<u>522,951</u>	<u>517,998</u>	<u>529,762</u>
Business-type activities					
Charges for services					
Solid Waste	9,244	8,284	8,206	8,130	8,525
Other business-type activities	792	925	955	1,064	1,224
Operating grants and contributions	1,475	813	844	1,270	2,222
Total business-type activities program revenues	<u>11,511</u>	<u>10,022</u>	<u>10,005</u>	<u>10,464</u>	<u>11,971</u>
Total primary government program revenues	<u>\$ 547,420</u>	<u>\$ 526,718</u>	<u>\$ 532,956</u>	<u>\$ 528,462</u>	<u>\$ 541,733</u>
Net (expense)/revenue					
Governmental activities	\$ (118,040)	\$ (113,145)	\$ (96,827)	\$ (91,816)	\$ (96,139)
Business-type activities	(5,174)	(6,568)	(5,849)	(3,239)	1,027
Total primary government net expense	<u>\$ (123,214)</u>	<u>\$ (119,713)</u>	<u>\$ (102,676)</u>	<u>\$ (95,055)</u>	<u>\$ (95,112)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Property taxes	\$ 102,198	\$ 105,400	\$ 99,991	\$ 101,519	\$ 105,604
Sales and other taxes	19,188	21,299	17,783	31,937	23,472
Earnings on investments	11,439	13,003	7,236	2,536	4,324
Tobacco settlement revenues	4,068	4,471	3,728	3,854	3,930
Extinguishment of debt	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	(6,180)	(2,640)	191
Extraordinary item RDA dissolution	-	-	-	-	(2,658)
Transfers	556	583	531	515	466
Total governmental activities	<u>137,449</u>	<u>144,756</u>	<u>123,089</u>	<u>137,721</u>	<u>135,329</u>
Business-type activities					
Sales and other taxes	1,628	379	943	2,486	1,842
Earnings on investments	3,864	3,062	2,104	863	857
Gain on sale of capital assets	62	-	123	1	2
Transfers	(556)	(583)	(531)	(515)	(466)
Total business-type activities	<u>4,998</u>	<u>2,858</u>	<u>2,639</u>	<u>2,835</u>	<u>2,235</u>
Total primary government	<u>\$ 142,447</u>	<u>\$ 147,614</u>	<u>\$ 125,728</u>	<u>\$ 140,556</u>	<u>\$ 137,564</u>
Change in Net Position					
Governmental activities	\$ 19,409	\$ 31,611	\$ 26,262	\$ 45,905	\$ 39,190
Business-type activities	(176)	(3,710)	(3,210)	(404)	3,262
Total primary government	<u>\$ 19,233</u>	<u>\$ 27,901</u>	<u>\$ 23,052</u>	<u>\$ 45,501</u>	<u>\$ 42,452</u>

Continued

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

		Fiscal Year						
		2013	2014	2015	2016	2017		
	\$	42,343	\$ 39,432	\$ 41,610	\$ 39,542	\$ 53,525	Expenses	
		190,904	202,075	199,878	221,740	246,602	Governmental activities	
		33,767	37,155	36,722	47,021	36,004	General government	
		124,681	129,190	132,566	143,286	143,652	Public protection	
		228,148	242,378	240,562	248,368	260,405	Public ways and facilities	
		5,112	5,470	5,353	5,300	5,521	Health and sanitation	
		329	431	2,176	2,266	2,428	Public assistance	
		520	511	-	-	-	Education	
		1,990	1,940	1,320	744	449	Culture and recreation	
		627,794	658,582	660,187	708,267	748,586	Unallocated depreciation	
							Interest expense	
							Total governmental activities expenses	
		10,812	10,873	10,410	9,067	11,426	Business-type activities	
		3,844	4,155	4,410	4,633	4,568	Solid Waste	
		14,656	15,028	14,820	13,700	15,994	Other business-type activities	
		\$ 642,450	\$ 673,610	\$ 675,007	\$ 721,967	\$ 764,580	Total business-type activities expenses	
							Total primary government expenses	
							Program Revenues	
							Governmental activities	
							Charges for services	
							General government	
							Public protection	
							Public ways and facilities	
							Health and sanitation	
							Public assistance	
							Education	
							Culture and recreation	
							Operating grants and contributions	
							Capital grants and contributions	
							Total governmental activities program revenues	
							Business-type activities	
							Charges for services	
							Solid Waste	
							Other business-type activities	
							Operating grants and contributions	
							Total business-type activities program revenues	
							Total primary government program revenues	
							Net (expense)/revenue	
							Governmental activities	
							Business-type activities	
							Total primary government net expense	
							General Revenues and Other Changes in Net Position	
							Governmental activities	
							Property taxes	
							Sales and other taxes	
							Earnings on investments	
							Tobacco settlement revenues	
							Extinguishment of debt	
							Gain (loss) on sale of capital assets	
							Extraordinary item RDA dissolution	
							Transfers	
							Total governmental activities	
							Business-type activities	
							Sales and other taxes	
							Earnings on investments	
							Gain on sale of capital assets	
							Transfers	
							Total business-type activities	
							Total primary government	
							Change in Net Position	
							Governmental activities	
							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				
	2008	2009	2010	2011	2012
General Fund					
Nonspendable	\$ 839	\$ 839	\$ 1,173	\$ 439	\$ 1,596
Restricted	14,288	19,596	30	844	22,790
Committed	25,163	25,414	25,612	22,101	1,833
Assigned	-	-	-	-	1,081
Unassigned	17,213	12,228	31,713	27,146	61,448
Subtotal general fund	<u>57,503</u>	<u>58,077</u>	<u>58,528</u>	<u>50,530</u>	<u>88,748</u>
All Other Governmental Funds					
Nonspendable	1,236	2,206	2,044	1,123	1,162
Restricted	82,749	84,235	103,142	114,071	134,727
Committed	4,118	3,858	210	3,232	4,000
Assigned	7,544	6,697	14,034	15,227	21,487
Unassigned	(750)	(752)	(12,733)	(19,429)	(20,971)
Subtotal all other governmental funds	<u>94,897</u>	<u>96,244</u>	<u>106,697</u>	<u>114,224</u>	<u>140,405</u>
Total governmental fund balance	<u>\$ 152,400</u>	<u>\$ 154,321</u>	<u>\$ 165,225</u>	<u>\$ 164,754</u>	<u>\$ 229,153</u>

Continued

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

		Fiscal Year					
2013	2014	2015	2016	2017			
						General Fund	
\$ 3,244	\$ 395	\$ 1,672	\$ 1,849	\$ 6,805		Nonspendable	
28,863	34,147	37,189	45,270	52,072		Restricted	
1,668	880	15,430	14,524	39,359		Committed	
-	-	-	-	20,732		Assigned	
62,710	76,284	73,325	84,868	49,238		Unassigned	
<u>96,485</u>	<u>111,706</u>	<u>127,616</u>	<u>146,511</u>	<u>168,206</u>		Subtotal general fund	
						All Other Governmental Funds	
1,025	1,024	700	672	722		Nonspendable	
137,544	125,233	136,631	139,145	153,247		Restricted	
6,000	4,100	6,950	7,145	6,332		Committed	
21,083	19,213	22,078	26,804	7,919		Assigned	
(19,542)	(2,597)	-	-	(3)		Unassigned	
<u>146,110</u>	<u>146,973</u>	<u>166,359</u>	<u>173,766</u>	<u>168,217</u>		Subtotal all other governmental funds	
<u>\$ 242,595</u>	<u>\$ 258,679</u>	<u>\$ 293,975</u>	<u>\$ 320,277</u>	<u>\$ 336,423</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				
	2008	2009	2010	2011	2012
REVENUES					
Taxes and special assessments	\$ 121,397	\$ 126,699	\$ 117,774	\$ 133,456	\$ 129,076
Licenses and permits	9,010	9,939	8,355	8,764	8,780
Fines, forfeitures, and penalties	10,218	13,031	12,429	13,020	15,257
Interest, rents, and concessions	12,093	12,177	8,474	3,722	7,239
Intergovernmental revenues	389,524	404,262	414,234	401,376	423,230
Charges for services	80,188	77,496	70,321	81,196	69,970
Other revenues	11,442	14,685	15,205	13,035	15,776
Total revenues	<u>633,872</u>	<u>658,289</u>	<u>646,792</u>	<u>654,569</u>	<u>669,328</u>
EXPENDITURES					
General government	25,621	29,713	25,525	34,433	36,138
Public protection	184,009	189,989	184,477	174,320	183,352
Public ways and facilities	12,498	15,489	12,986	8,714	23,711
Health and sanitation	119,569	121,340	118,919	114,136	118,063
Public assistance	226,227	232,527	234,642	233,388	221,539
Education	4,329	4,855	4,722	5,109	4,673
Culture and recreation	3,361	1,968	1,920	38	59
Capital outlay	28,979	36,704	37,634	56,075	42,776
Debt service					
Principal	9,737	10,103	11,624	11,726	13,173
Interest and fiscal charges	10,778	8,954	5,566	3,096	3,060
Total expenditures	<u>625,108</u>	<u>651,642</u>	<u>638,015</u>	<u>641,035</u>	<u>646,544</u>
Excess of revenues over expenditures	8,764	6,647	8,777	13,534	22,784
OTHER FINANCING SOURCES (USES)					
Sale of general capital assets	297	169	107	158	191
Bond proceeds	-	231	1,669	-	-
Direct financing lease	128	-	-	-	-
Transfers in	100,925	102,189	96,795	76,575	108,739
Transfers (out)	<u>(102,286)</u>	<u>(103,720)</u>	<u>(97,392)</u>	<u>(77,105)</u>	<u>(107,764)</u>
Total other financing sources (uses)	<u>(936)</u>	<u>(1,131)</u>	<u>1,179</u>	<u>(372)</u>	<u>1,166</u>
EXTRAORDINARY ITEMS					
RDA dissolution assets transfers	-	-	-	-	(5,726)
RDA dissolution liability transfers	-	-	-	-	74
Total extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,652)</u>
Net change in fund balances	<u>\$ 7,828</u>	<u>\$ 5,516</u>	<u>\$ 9,956</u>	<u>\$ 13,162</u>	<u>\$ 18,298</u>
Debt service as a percentage of noncapital expenditures	3.4%	3.1%	2.9%	2.5%	2.7%

Continued

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

		Fiscal Year					
		2013	2014	2015	2016	2017	
	\$	139,052	\$ 139,790	\$ 141,716	\$ 160,631	\$ 159,837	REVENUES
		9,191	10,514	10,894	11,294	10,943	Taxes and special assessments
		10,364	9,201	9,966	8,648	7,517	Licenses and permits
		3,076	5,351	4,649	7,655	3,350	Fines, forfeitures, and penalties
		424,213	426,487	446,953	457,163	477,911	Interest, rents, and concessions
		65,289	63,214	61,635	76,159	63,609	Intergovernmental revenues
		18,253	20,427	24,705	19,370	16,216	Charges for services
		669,438	674,984	700,518	740,920	739,383	Other revenues
							Total revenues
		42,838	28,892	41,220	37,139	44,218	EXPENDITURES
		184,406	195,560	199,028	209,822	215,616	General government
		19,164	22,167	21,576	31,199	17,405	Public protection
		122,115	127,612	132,489	140,044	136,396	Public ways and facilities
		226,442	240,838	241,178	245,432	251,404	Health and sanitation
		4,875	5,188	5,149	4,969	4,890	Public assistance
		-	-	1,616	1,571	1,658	Education
		46,006	26,341	16,847	43,124	50,367	Culture and recreation
		6,515	10,772	6,459	7,875	1,529	Capital outlay
		2,081	2,159	1,276	553	544	Debt service
		654,442	659,529	666,838	721,728	724,027	Principal
							Interest and fiscal charges
		14,996	15,455	33,680	19,192	15,356	Total expenditures
							Excess of revenues over expenditures
		208	239	275	250	296	OTHER FINANCING SOURCES (USES)
		-	-	-	-	-	Sale of general capital assets
		-	-	-	-	-	Bond proceeds
		104,796	117,341	144,696	145,268	142,429	Direct financing lease
		(106,558)	(116,951)	(144,392)	(144,561)	(141,935)	Transfers in
		(1,554)	629	579	957	790	Transfers (out)
							Total other financing sources (uses)
		-	-	-	-	-	EXTRAORDINARY ITEMS
		-	-	-	-	-	RDA dissolution assets transfers
		-	-	-	-	-	RDA dissolution liability transfers
		-	-	-	-	-	Total extraordinary items
	\$	13,442	\$ 16,084	\$ 34,259	\$ 20,149	\$ 16,146	Net change in fund balances
		1.4%	2.0%	1.2%	1.2%	0.3%	Debt of 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
2008	\$ 25,190,040	\$ 1,522,742	\$ 26,712,782	1.000%
2009	26,632,559	1,616,099	28,248,658	1.000%
2010	26,317,008	1,692,118	28,009,126	1.000%
2011	26,525,428	1,516,586	28,042,014	1.000%
2012	26,377,210	1,596,844	27,974,054	1.000%
2013	26,186,643	1,628,687	27,815,330	1.000%
2014	27,022,893	1,655,360	28,678,253	1.000%
2015	28,209,818	1,856,188	30,066,006	1.000%
2016	29,892,545	1,885,794	31,778,339	1.000%
2017	31,321,975	1,972,354	33,294,329	1.000%

* Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2.0% or the Consumer Price Index (CPI) on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1.0% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: Auditor-Controller, County of Tulare

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

	Fiscal Year				
	2008	2009	2010	2011	2012
County-Wide Rates					
General	1.000%	1.000%	1.000%	1.000%	1.000%
School District Rates					
Allensworth Elementary	0.018%	0.000%	0.000%	0.000%	0.000%
Buena Vista Elementary	0.027%	0.027%	0.025%	0.016%	0.010%
Burton Elementary *	0.018%	0.019%	0.023%	0.023%	0.024%
College of the Sequoias - Hanford Schools Facility Improvement District	0.025%	0.020%	0.012%	0.025%	0.014%
College of the Sequoias - Tulare Schools Facility Improvement District	0.000%	0.000%	0.012%	0.025%	0.028%
College of the Sequoias - Visalia Schools Facility Improvement District	0.000%	0.000%	0.005%	0.013%	0.025%
Cutler - Orosi Unified *	0.050%	0.040%	0.011%	0.035%	0.040%
Delano Joint High	0.117%	0.100%	0.119%	0.155%	0.133%
Dinuba Unified	0.060%	0.151%	0.107%	0.151%	0.116%
Earlimart Elementary	0.031%	0.032%	0.034%	0.030%	0.025%
Exeter Elementary	0.000%	0.029%	0.028%	0.032%	0.037%
Exeter High	0.049%	0.040%	0.037%	0.040%	0.042%
Farmersville Unified *	0.074%	0.072%	0.098%	0.090%	0.080%
Hanford Joint High *	0.049%	0.054%	0.053%	0.055%	0.054%
Kern Community College Schools Facility Improvement District *	0.008%	0.009%	0.009%	0.010%	0.009%
Kings Canyon Joint Unified *	0.082%	0.064%	0.091%	0.109%	0.103%
Kings River Elementary	0.030%	0.052%	0.053%	0.060%	0.077%
Kingsburg Joint Elementary	0.072%	0.000%	0.022%	0.056%	0.032%
Kingsburg Joint High	0.625%	0.009%	0.074%	0.068%	0.060%
Liberty Elementary	0.044%	0.041%	0.054%	0.050%	0.040%
Lindsay Unified	0.055%	0.055%	0.092%	0.122%	0.125%
Linns Valley Poso - Flat Joint Elementary	0.015%	0.000%	0.015%	0.017%	0.010%
Pixley Union Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
Porterville Schools Facility Improvement District *	0.055%	0.050%	0.005%	0.052%	0.047%
Richgrove Elementary	0.004%	0.038%	0.041%	0.038%	0.028%
Springville Union Elementary	0.000%	0.000%	0.000%	0.000%	0.000%
State Center Comm College Schools Facility Improvement District *	0.016%	0.000%	0.010%	0.010%	0.007%
Stone Corral	0.000%	0.030%	0.022%	0.025%	0.025%
Strathmore High	0.052%	0.053%	0.055%	0.050%	0.040%
Sundale Elementary	0.027%	0.031%	0.026%	0.024%	0.020%
Terra Bella	0.000%	0.000%	0.034%	0.030%	0.030%
Tipton	0.000%	0.000%	0.000%	0.000%	0.000%
Traver Elementary *	0.060%	0.051%	0.049%	0.052%	0.058%
Tulare High *	0.043%	0.020%	0.039%	0.039%	0.053%
Visalia Unified *	0.028%	0.030%	0.036%	0.030%	0.030%
Woodlake Elementary	0.036%	0.035%	0.043%	0.035%	0.033%
Woodlake High	0.027%	0.056%	0.066%	0.060%	0.055%
Special District Rates					
Kaweah Delta Healthcare District	0.031%	0.000%	0.028%	0.029%	0.027%
Kaweah Delta Water Conservation	0.000%	0.000%	0.000%	0.000%	0.000%
Kings Joint Mosquito Abatement	0.000%	0.005%	0.000%	0.000%	0.000%
Tulare County Pest Control	1.250%	5.000%	5.000%	5.000%	5.000%
Tulare Healthcare District	0.019%	0.039%	0.083%	0.113%	0.113%
South Tulare County Citrus Pest Control District	11.423%	11.423%	11.423%	11.423%	11.423%

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 Assembly Bill (AB) 8. This includes the County of Tulare, Library Fund, Fire Fund, all cities, all schools, and special districts that set tax rates prior to Proposition 13.

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: Auditor-Controller, County of Tulare

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

Fiscal Year					
2013	2014	2015	2016	2017	
					County-Wide Rates
1.000%	1.000%	1.000%	1.000%	1.000%	General
					School District Rates
0.000%	0.000%	0.000%	0.000%	0.000%	Allensworth Elementary
0.008%	0.008%	0.008%	0.008%	0.006%	Buena Vista Elementary
0.026%	0.026%	0.026%	0.025%	0.032%	Burton Elementary *
0.019%	0.024%	0.024%	0.020%	0.030%	College of the Sequoias - Hanford Schools Facility Improvement District
0.028%	0.023%	0.025%	0.017%	0.024%	College of the Sequoias - Tulare Schools Facility Improvement District
0.025%	0.015%	0.015%	0.012%	0.013%	College of the Sequoias - Visalia Schools Facility Improvement District
0.055%	0.060%	0.060%	0.090%	0.095%	Cutler - Orosi Unified *
0.121%	0.106%	0.068%	0.077%	0.081%	Delano Joint High
0.107%	0.101%	0.104%	0.120%	0.120%	Dinuba Unified
0.020%	0.044%	0.044%	0.049%	0.076%	Earlimart Elementary
0.034%	0.030%	0.030%	0.030%	0.030%	Exeter Elementary
0.046%	0.057%	0.055%	0.030%	0.040%	Exeter High
0.076%	0.076%	0.076%	0.090%	0.119%	Farmersville Unified *
0.060%	0.060%	0.061%	0.054%	0.052%	Hanford Joint High *
0.009%	0.013%	0.010%	0.013%	0.036%	Kern Community College Schools Facility Improvement District *
0.097%	0.159%	0.163%	0.149%	0.137%	Kings Canyon Joint Unified *
0.064%	0.063%	0.063%	0.056%	0.056%	Kings River Elementary
0.049%	0.067%	0.058%	0.032%	0.047%	Kingsburg Joint Elementary
0.056%	0.066%	0.088%	0.062%	0.083%	Kingsburg Joint High
0.030%	0.034%	0.033%	0.030%	0.030%	Liberty Elementary
0.120%	0.165%	0.188%	0.117%	0.140%	Lindsay Unified
0.010%	0.010%	0.012%	0.018%	0.016%	Linns Valley Poso - Flat Joint Elementary
0.000%	0.000%	0.050%	0.085%	0.080%	Pixley Union Elementary
0.057%	0.060%	0.060%	0.062%	0.062%	Porterville Schools Facility Improvement District *
0.038%	0.028%	0.010%	0.000%	0.000%	Richgrove Elementary
0.000%	0.000%	0.020%	0.023%	0.020%	Springville Union Elementary
0.009%	0.010%	0.009%	0.008%	0.026%	State Center Comm College Schools Facility Improvement District *
0.015%	0.015%	0.020%	0.021%	0.018%	Stone Corral
0.040%	0.050%	0.055%	0.048%	0.040%	Strathmore High
0.020%	0.013%	0.013%	0.010%	0.004%	Sundale Elementary
0.030%	0.025%	0.030%	0.045%	0.050%	Terra Bella
0.000%	0.000%	0.000%	0.029%	0.029%	Tipton
0.058%	0.050%	0.053%	0.053%	0.053%	Traver Elementary *
0.058%	0.069%	0.063%	0.066%	0.074%	Tulare High *
0.030%	0.030%	0.030%	0.027%	0.018%	Visalia Unified *
0.029%	0.029%	0.028%	0.022%	0.020%	Woodlake Elementary
0.052%	0.040%	0.040%	0.050%	0.050%	Woodlake High
					Special District Rates
0.025%	0.028%	0.021%	0.021%	0.020%	Kaweah Delta Healthcare District
0.000%	0.000%	0.001%	0.000%	0.040%	Kaweah Delta Water Conservation
0.000%	0.000%	0.000%	0.000%	0.000%	Kings Joint Mosquito Abatement
5.000%	5.000%	5.000%	5.000%	5.000%	Tulare County Pest Control
0.082%	0.082%	0.082%	0.086%	0.100%	Tulare Healthcare District
11.423%	11.423%	11.423%	11.423%	11.423%	South Tulare County Citrus Pest Control District

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: Auditor-Controller, County of Tulare

COUNTY OF TULARE
Statistical Section
Principal Property Taxpayers (unaudited)
June 30, 2017 and June 30, 2008 (in thousands)

Fiscal Year 2017

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southern California Edison Company	\$ 921,169	1	2.77%
Saputo Cheese USA, Inc.	252,895	2	0.76%
California Dairies, Inc./Milk Producers	241,223	3	0.72%
Land O' Lakes, Inc.	182,737	4	0.55%
Wal-Mart Stores, Inc./ Retail Trust	179,416	5	0.54%
Southern California Gas Company	136,409	6	0.41%
Ventura Coastal, LLC	113,372	7	0.34%
Imperial Corporation	92,660	8	0.28%
Pacific Bell Telephone Company	86,768	9	0.26%
Target Corporation	82,261	10	0.25%
Total	<u>\$ 2,288,910</u>		<u>6.88%</u>

Fiscal Year 2008

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Southern California Edison Company	\$ 298,393	1	1.12%
Land O' Lakes, Inc./Cheese & Protien Intl., LLC	284,551	2	1.07%
Wal-Mart Stores, Inc.	123,740	3	0.46%
VF Outdoor (Cottonwood Fresno Holdings)	114,475	4	0.43%
California Dairies, Inc./Milk Producers	112,340	5	0.42%
Kraft Foods, Inc.	82,808	6	0.31%
Southern California Gas Company	72,505	7	0.27%
Pacific Bell Telephone Company	59,348	8	0.22%
Ruiz Foods Products, Inc.	58,959	9	0.22%
Best Buy Stores, LP	58,400	10	0.22%
Total	<u>\$ 1,265,519</u>		<u>4.74%</u>

Source: Auditor-Controller, County of Tulare

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

Fiscal Year	Taxes Levied	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Amount Collected	Percentage of Levy	Collection in Subsequent Years*	Amount Collected	Percentage of Levy
2008	\$ 261,193	\$ 245,387	93.95%	\$ 6,722	\$ 252,109	96.52%
2009	279,176	260,262	93.23%	11,208	271,470	97.24%
2010	276,919	259,724	93.79%	12,440	272,164	98.28%
2011	275,625	258,384	93.74%	9,766	268,150	97.29%
2012	268,816	258,049	95.99%	10,406	268,455	99.87%
2013	261,866	251,629	96.09%	11,133	262,762	100.34%
2014	275,497	268,255	97.37%	11,189	279,444	101.43%
2015	289,784	281,415	97.11%	10,624	292,039	100.78%
2016	304,998	296,878	97.34%	10,784	307,662	100.87%
2017	316,810	308,417	97.35%	7,048	315,465	99.58%
Total	<u>\$ 2,810,684</u>	<u>\$ 2,688,400</u>		<u>\$ 101,320</u>	<u>\$ 2,789,720</u>	

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

Source: Auditor-Controller, County of Tulare

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			
2008	\$ 41,790	\$ 41,665	\$ 21,345	\$ 1,586	\$ 17,219	\$ 6	\$ 1,503	\$ 8	\$ 125,122	1.28%	\$ 286
2009	37,210	41,050	16,955	1,778	15,730	-	1,476	8	114,207	1.05%	272
2010	32,290	40,435	11,955	1,689	14,351	-	1,474	7	102,201	0.86%	228
2011	26,315	49,260	6,313	-	13,199	-	1,416	7	96,510	1.38%	235
2012	20,820	39,005	-	-	10,544	654	1,382	7	72,412	0.98%	177
2013	16,350	38,190	-	-	9,332	-	1,346	7	65,225	0.35%	143
2014	11,525	37,375	-	-	4,399	-	1,310	7	54,616	0.30%	119
2015	6,460	36,460	-	-	3,938	-	1,273	6	48,137	0.24%	104
2016	-	35,545	-	-	3,459	36	1,236	5	40,281	0.24%	86
2017	-	34,535	-	-	2,960	27	1,192	5	38,719	0.22%	82

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

Source: Auditor-Controller, County of Tulare

COUNTY OF TULARE
Statistical Section
Computation of Direct and Overlapping Debt (unaudited)
June 30, 2017 (in thousands)

Fiscal Year 2017 Assessed Valuation	\$ 33,294,328	(includes unitary utility valuation)
Redevelopment Incremental Valuation	(3,424,738)	
Adjusted Assessed Valuation	<u>\$ 29,869,590</u>	

OVERLAPPING TAX AND ASSESSMENT DEBT	<u>% Applicable (1)</u>	<u>Debt</u>
College of the Sequoias Hanford School Facilities Improvement District	0.943%	\$ 175
College of the Sequoias Tulare School Facilities Improvement District	88.429%	29,619
College of the Sequoias Visalia School Facilities Improvement District	100%	27,214
Other Community College District	2.985% - 8.077%	16,197
Dinuba Joint Unified School District	99.226%	21,865
Lindsay Unified School District	100%	21,069
Porterville Unified School District School Facilities Improvement District	100%	17,107
Visalia Unified School District	100%	57,985
Other Unified School Districts	8.607% - 100%	19,927
Delano Joint Union High School District	25.440%	11,719
Exeter Union High School District	100%	8,655
Tulare Joint Union High School District	99.830%	25,320
Other Union High School Districts	1.114% - 100%	11,591
Exeter Union School District	100%	14,861
Other School Districts	7.434% - 100%	33,100
Kaweah Delta Hospital District	100%	46,624
Tulare Local Healthcare District	100%	84,110
Special District 1915 Act Bonds	100%	1
Special District Revenue Bonds	100%	3,316
City 1915 Act Bonds	100%	797
Total overlapping tax and assessment debt		<u>451,252</u>
 OVERLAPPING GENERAL FUND DEBT		
Tulare County Office of Education Certificates of Participation	100%	35,410
College of Sequoias Community College District General Fund Obligations	78.218%	4,259
Kern Community College District General Fund and Benefit Obligations	7.293%	8,103
Dinuba Joint Unified School District Certificates of Participation	99.083%	5,311
Lindsay Unified School District General Fund Obligations	100%	5,480
Porterville Unified School District Certificates of Participation	100%	26,895
Visalia Unified School District Certificates of Participation	100%	17,215
Other Unified School District Certificates of Participation	16.447-100%	5,097
Union High School District Certificates of Participation	1.114-100%	399
School District Certificates of Participation	7.194-100%	46,159
City of Porterville Certificates of Participation and Pension Obligations	100%	24,070
City of Dinuba General Fund Obligations	100%	26,799
City of Lindsay General Fund Obligations	100%	1,445
City of Tulare General Fund Obligations	100%	26,670
City of Visalia Certificates of Participation	100%	21,985
Total overlapping general fund debt		<u>255,297</u>
OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCIES)		<u>93,465</u>
 DIRECT GENERAL FUND DEBT		
Tulare County General Fund Obligations	100%	37,522
Total direct general fund debt		<u>37,522</u>
Total gross direct and overlapping debt		<u>\$ 837,536 (2)</u>

(1) The percentage of overlapping debt applicable to the County is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the County divided by the district's total taxable assessed value.

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

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.

RATIOS TO ADJUSTED ASSESSED VALUATION

Total Overlapping Tax and Assessment Debt	1.511%
Total Direct Debt	0.126%
Combined Total Debt	2.804%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/17: \$0

Sources: California Municipal Statistics, Inc. and Auditor-Controller, County of Tulare

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

Legal Debt Margin Calculation for Fiscal Year 2017:

Net assessed value	\$ 33,062,001
Debt limit - 1.25 percent of taxable property (1)	\$ 413,275
Amount of debt applicable to debt limit (2)	-
Legal debt margin (3)	\$ 413,275

	Fiscal Year				
	2008	2009	2010	2011	2012
Debt limit	\$ 340,733	\$ 337,442	\$ 337,442	\$ 341,335	\$ 338,976
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 340,733	\$ 337,442	\$ 337,442	\$ 341,335	\$ 338,976
Total debt limit as a percentage of the legal debt margin	100%	100%	100%	100%	100%

	Fiscal Year				
	2013	2014	2015	2016	2017
Debt limit	\$ 346,886	\$ 357,621	\$ 374,972	\$ 394,278	\$ 413,275
Total net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 346,886	\$ 357,621	\$ 374,972	\$ 394,278	\$ 413,275
Total debt limit as a percentage of the legal debt margin	100%	100%	100%	100%	100%

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

(2) As of 6/30/2017 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: Auditor-Controller, County of Tulare

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

Fiscal Year	Population (1)	Per Capita		Median Age (3)(6)	School Enrollment (4)	Unemployment Rate (2)
		Personal Income	Personal Income (5)(6)			
2008	436,839	\$ 22,464	\$ 9,813,002	29	95,344	9.8%
2009	441,481	25,920	10,864,847	29	96,811	14.7%
2010	447,814	26,545	11,887,222	29	97,321	14.7%
2011	436,946	16,999	6,972,784	30	97,889	15.9%
2012	449,253	17,966	7,369,546	30	98,831	15.2%
2013	455,599	33,648	15,329,995	29	99,964	12.8%
2014	459,446	33,495	15,389,143	29	101,099	11.6%
2015	462,189	35,221	16,278,758	31	102,206	11.0%
2016	466,339	36,631	17,082,463	31	102,703	9.5%
2017	471,842	37,642	17,761,195	31	103,599	9.9%

Sources:

- (1) State of California, Department of Finance; Census every 10 years
- (2) State of California, Employment Development Department
- (3) U.S. Census Bureau; 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) U.S. Department of Commerce, Bureau of Economic Analysis
- (6) County Administrative Office, County of Tulare

COUNTY OF TULARE
Statistical Section
Principal Employers (unaudited)
June 30, 2017 and June 30, 2008

Fiscal Year 2017				Fiscal Year 2008			
Employer	Employees	Rank	Percentage of Total County Employment	Employer	Employees	Rank	Percentage of Total County Employment
County of Tulare	4,945	1	2.63%	County of Tulare	4,320	1	2.70%
Kaweah Delta Health Care District	2,000	2	1.06%	Porterville Development Center	2,014	2	1.26%
Sierra View District Hospital	1,800	3	0.96%	Kaweah Delta Health Care District	2,000	3	1.25%
Ruiz Foods Products, Inc.	1,800	3	0.96%	Ruiz Foods Products, Inc.	1,800	4	1.13%
Wal-Mart Distribution Center	1,692	4	0.90%	Wal-Mart Distribution Center	1,692	5	1.06%
Porterville Development Center	1,399	5	0.74%	College of the Sequoias	1,160	6	0.73%
College of the Sequoias	1,160	6	0.62%	CIGNA HealthCare	900	7	0.56%
Jostens	720	7	0.38%	Jostens	720	8	0.45%
CIGNA HealthCare	700	8	0.37%	Dairyman's/Land O'Lakes, Inc.	600	9	0.38%
Monrovia Nursery Company	600	9	0.32%	Monrovia Nursery Company	600	10	0.38%
Land O'Lakes, Inc.	600	9	0.32%	Total	<u>15,806</u>		<u>9.90%</u>
Saputo Cheese USA, Inc.	530	10	0.28%				
Total	<u>17,946</u>		<u>9.54%</u>				

Source: Tulare County Economic Development Corporation

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

Function	Fiscal Year				
	2008	2009	2010	2011	2012
General Government					
Administration	53	52	49	51	50
County Counsel	45	48	48	50	50
Risk Management	9	6	4	6	4
Elections	7	7	7	5	4
Finance	144	144	143	157	148
Purchasing	6	6	7	5	8
Planning and Development	78	77	67	54	75
Other General	322	297	257	254	231
Public Protection					
Child Support Services	269	269	226	194	212
District Attorney	196	201	215	233	194
Fire Protection	111	114	114	122	117
Probation	327	335	348	345	340
Public Defender	83	83	83	78	83
Sheriff-Coroner	772	751	733	743	721
Trial Courts	-	-	-	1	2
Other Protection	58	58	60	102	93
Public Ways and Facilities	134	134	149	200	151
Health and Sanitation	575	475	443	439	483
Public Assistance	1,721	1,366	1,404	1,392	1,564
Education	45	45	47	59	47
Culture and Recreation	16	15	18	19	9
Solid Waste Management	76	75	64	66	61
Total Number of Employees	<u>5,047</u>	<u>4,558</u>	<u>4,486</u>	<u>4,575</u>	<u>4,647</u>

Continued

Source: Auditor-Controller, County of Tulare

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

Fiscal Year					Function
2013	2014	2015	2016	2017	
					General Government
50	50	50	50	52	Administration
52	50	50	46	46	County Counsel
6	11	11	11	11	Risk Management
7	5	7	7	7	Elections
146	152	151	151	152	Finance
8	8	8	9	10	Purchasing
85	81	81	71	69	Planning and Development
244	255	258	268	278	Other General
					Public Protection
211	211	206	204	201	Child Support Services
205	212	212	204	210	District Attorney
114	114	113	117	116	Fire Protection
377	377	379	385	395	Probation
89	89	89	91	92	Public Defender
799	811	832	840	857	Sheriff-Coroner
2	2	2	3	2	Trial Courts
94	87	89	87	87	Other Protection
156	157	154	156	159	Public Ways and Facilities
488	477	469	480	492	Health and Sanitation
1,574	1,559	1,534	1,584	1,619	Public Assistance
45	45	48	50	49	Education
9	-	-	-	-	Culture and Recreation
52	47	33	36	40	Solid Waste Management
4,813	4,800	4,776	4,850	4,944	Total Number of Employees
				Concluded	

Source: Auditor-Controller, County of Tulare

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

Function	Fiscal Year				
	2008	2009	2010	2011	2012
Public Protection					
Child Support Services					
Number of Caseloads	34,960	37,498	36,109	31,621	29,055
Number of Orders Established	2,211	2,347	3,972	1,638	1,277
District Attorney					
Number of Adult Felony Cases Filed	5,547	4,742	4,074	4,085	4,275
Number of Adult Misdemeanor Cases Filed	14,192	14,028	11,606	10,228	10,511
Number of Juvenile Misdemeanor Cases Filed	877	640	526	364	288
Number of Juvenile Felony Cases Filed	733	719	674	607	629
Total Cases Tried (Excluding Juvenile Trials)	173	217	175	137	139
Fire Protection					
Number of Fires	3,227	1,890	4,429	1,735	3,292
Medical Aids	7,408	7,395	6,949	7,529	6,927
Assist Other Agencies	1,383	597	861	512	361
Public Defender					
Felony New Cases Opened	5,526	5,549	4,767	4,663	5,339
Misdemeanor New Cases Opened	8,620	7,638	6,911	7,374	7,409
Juvenile Delinquency New Cases Opened	1,879	1,904	1,443	1,214	1,095
Sheriff-Coroner					
Homicide	13	28	12	21	19
Rape	29	31	26	32	37
Robbery	78	92	90	91	72
Aggravated Assault	388	369	415	398	441
Burglary	906	1,076	1,186	1,132	1,272
Larceny Theft	2,247	2,106	2,041	2,164	1,964
Warrants Processed	21,195	22,761	19,079	22,548	17,079
Jail Population - Admissions	26,183	25,376	24,348	23,444	22,251
Number of Auto Theft Vehicles Recovered	96	116	37	47	34
Environmental Health					
Hazardous Materials Inspections	414	427	386	387	427
Hazardous Waste Inspections	214	201	212	221	233
Animal Control Field Calls	4,022	4,199	3,876	3,843	4,530
Animal Control Intake	9,151	9,221	8,787	9,316	9,269
Solid Waste Inspections	237	263	282	251	266
Public Ways and Facilities					
Roads					
Total Maintained Mileage	3,006	3,046	3,046	3,041	3,041
Public Assistance					
Mental Health Clients Served					
Outpatient	9,530	9,568	9,757	9,652	9,427
Inpatient	579	365	671	772	608
Conserved	229	180	186	178	184
Community Based Programs					
Congregate Meals Served	107,509	82,240	69,851	71,261	70,150
Home Delivered Meals	99,140	47,953	51,692	65,260	59,460
Health Insurance Counseling and Advocacy Program	259	318	348	351	575
Number of People Served through Area Agency on Aging Funds	217,876	182,252	184,815	133,068	137,104
Number of Adult Protective Services Cases Opened	942	916	893	768	1,249
Number of Enrolled Participants in Cal Works	6,274	6,452	6,519	7,335	7,686
Welfare Fraud					
Major Fraud Cases Completed	1,968	2,325	3,700	3,675	2,960
Persons Convicted	99	131	227	103	81
Court Ordered Restitution	446,587	539,344	187,912	287,254	335,518
Culture and Recreation					
Library					
Volumes in collection	288,035	-	341,774	343,928	285,915
eBooks, eAudiobooks, Audiobooks and Music CDs	3,700	5,600	9,800	12,500	18,994
Parks and Recreation					
Total Number of Cars Entered Parks	20,351	19,511	17,639	25,702	19,234
Total Amount of Park Reservations	1,735	1,636	1,036	837	1,095
Other Enterprises					
Solid Waste					
Landfill Tonnage Gross Total	271,245	235,162	225,337	246,965	261,828
Landfill Tonnage Recycled Total	48,892	50,117	49,207	56,128	54,712
Transit					
Total Route Miles	517,947	631,960	676,359	794,963	842,636
Number of Passengers	130,266	155,151	188,999	244,500	308,293

Continued

Source: Auditor-Controller, County of Tulare

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

Fiscal Year					Function
2013	2014	2015	2016	2017	
					Public Protection
					Child Support Services
27,633	26,136	25,066	24,250	23,587	Number of Caseloads
1,185	1,167	1,456	1,161	961	Number of Orders Established
					District Attorney
5,374	5,481	5,729	4,160	4,496	Number of Adult Felony Cases Filed
10,272	9,966	12,055	13,763	12,674	Number of Adult Misdemeanor Cases Filed
205	242	349	398	342	Number of Juvenile Misdemeanor Cases Filed
505	544	462	391	403	Number of Juvenile Felony Cases Filed
124	138	114	126	108	Total Cases Tried (Excluding Juvenile Trials)
					Fire Protection
4,647	4,745	4,654	4,707	1,450	Number of Fires
7,235	7,336	8,077	7,305	7,570	Medical Aids
277	268	509	545	398	Assist Other Agencies
					Public Defender
6,758	8,380	9,058	7,597	6,056	Felony New Cases Opened
7,224	7,649	8,645	8,913	9,251	Misdemeanor New Cases Opened
993	1,004	1,208	1,182	999	Juvenile Delinquency New Cases Opened
					Sheriff-Coroner
22	13	26	14	19	Homicide
31	17	32	25	35	Rape
96	90	76	46	75	Robbery
511	391	328	217	247	Aggravated Assault
1,109	1,010	686	813	686	Burglary
1,799	1,401	1,251	1,274	1,310	Larceny Theft
17,538	19,650	22,071	23,042	24,648	Warrants Processed
22,660	22,563	22,881	21,301	19,204	Jail Population - Admissions
62	44	76	162	151	Number of Auto Theft Vehicles Recovered
					Environmental Health
358	339	333	424	420	Hazardous Materials Inspections
218	181	196	198	218	Hazardous Waste Inspections
4,955	5,184	5,115	5,267	6,891	Animal Control Field Calls
9,269	8,945	8,348	7,684	7,917	Animal Control Intake
272	263	237	321	316	Solid Waste Inspections
					Public Ways and Facilities
					Roads
3,039	3,038	3,035	3,031	3,031	Total Maintained Mileage
					Public Assistance
					Mental Health Clients Served
9,637	10,577	11,417	11,691	11,516	Outpatient
710	812	802	776	762	Inpatient
199	190	156	157	146	Conserved
					Community Based Programs
60,743	60,890	69,200	66,192	61,672	Congregate Meals Served
63,089	64,470	79,271	69,185	71,318	Home Delivered Meals
1,156	974	1,114	1,073	1,131	Health Insurance Counseling and Advocacy Program
137,104	110,992	103,127	55,269	54,365	Number of People Served through Area Agency on Aging Funds
1,198	1,423	1,656	1,563	1,526	Number of Adult Protective Services Cases Opened
7,843	8,370	8,308	8,142	6,928	Number of Enrolled Participants in Cal Works
					Welfare Fraud
4,195	-	4,351	2,279	1,731	Major Fraud Cases Completed
142	-	97	18	149	Persons Convicted
458,324	-	279,920	139,787	351,630	Court Ordered Restitution
					Culture and Recreation
					Library
294,513	289,830	304,912	306,860	301,971	Volumes in collection
24,221	26,412	29,709	20,722	26,713	eBooks, eAudiobooks, Audiobooks and Music CDs
					Parks and Recreation
13,963	17,297	15,364	19,038	22,340	Total Number of Cars Entered Parks
789	734	709	624	746	Total Amount of Park Reservations
					Other Enterprises
					Solid Waste
257,262	251,826	345,633	417,252	466,650	Landfill Tonnage Gross Total
43,171	46,301	37,824	37,995	46,927	Landfill Tonnage Recycled Total
					Transit
929,804	1,009,061	999,663	1,039,336	1,033,941	Total Route Miles
351,697	356,560	374,312	348,737	301,666	Number of Passengers
					Concluded

Source: Auditor-Controller, County of Tulare

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

Function	Fiscal Year				
	2008	2009	2010	2011	2012
Public Protection					
Sheriff-Coroner Stations	4	4	4	4	4
Fire Protection Stations	28	29	26	27	27
Building Permits Issued	5,118	3,925	3,353	3,494	3,333
Public Ways and Facilities					
Roads Roads (miles)	3,006	3,046	3,540	3,041	3,041
Streetlights	1,468	1,384	1,472	1,537	1,541
Culture and Recreation					
Library Number of Branches	15	15	15	15	15
Volumes in Collection	288,035	-	341,774	343,928	285,915
Parks and Recreation Park Acreage	688	688	688	628	628
Parks	11	11	11	10	10
Museum (square feet)	25,919	25,919	42,919	42,919	42,919
Other Enterprises					
Solid Waste Landfill Sites	7	7	7	7	7
Transfer Stations	7	7	7	7	7

Continued

Source: Auditor-Controller, County of Tulare

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

Fiscal Year					Function
2013	2014	2015	2016	2017	
					Public Protection
					Sheriff-Coroner
4	4	4	4	4	Stations
					Fire Protection
27	27	27	27	27	Stations
3,581	3,474	3,639	4,617	4,517	Building Permits Issued
					Public Ways and Facilities
					Roads
3,041	3,038	3,035	3,031	3,495	Roads (miles)
1,542	1,471	1,471	1,157	1,157	Streetlights
					Culture and Recreation
					Library
15	15	15	15	17	Number of Branches
285,915	285,915	304,912	306,860	301,971	Volumes in Collection
					Parks and Recreation
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)
					Other Enterprises
					Solid Waste
7	3	2	2	2	Landfill Sites
7	7	6	6	6	Transfer Stations
					Concluded

Source: Auditor-Controller, County of Tulare