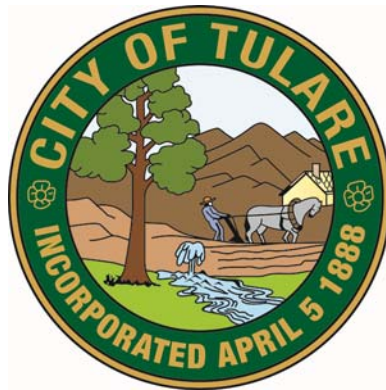


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CITY OF  
**T U L A R E**  
CALIFORNIA

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*Comprehensive Annual*



*Financial Report*

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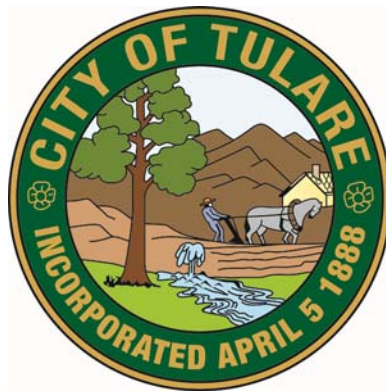
For the Fiscal Year Ended  
**JUNE 30, 2016**

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CITY OF  
**T U L A R E**  
CALIFORNIA

---

*Comprehensive Annual*



*Financial Report*

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For the Fiscal Year Ended June 30, 2016  
Prepared by the Finance Department Staff  
Darlene J. Thompson, CPA  
Finance Director/Treasurer

**CITY OF TULARE,  
CALIFORNIA  
JUNE 30, 2016**

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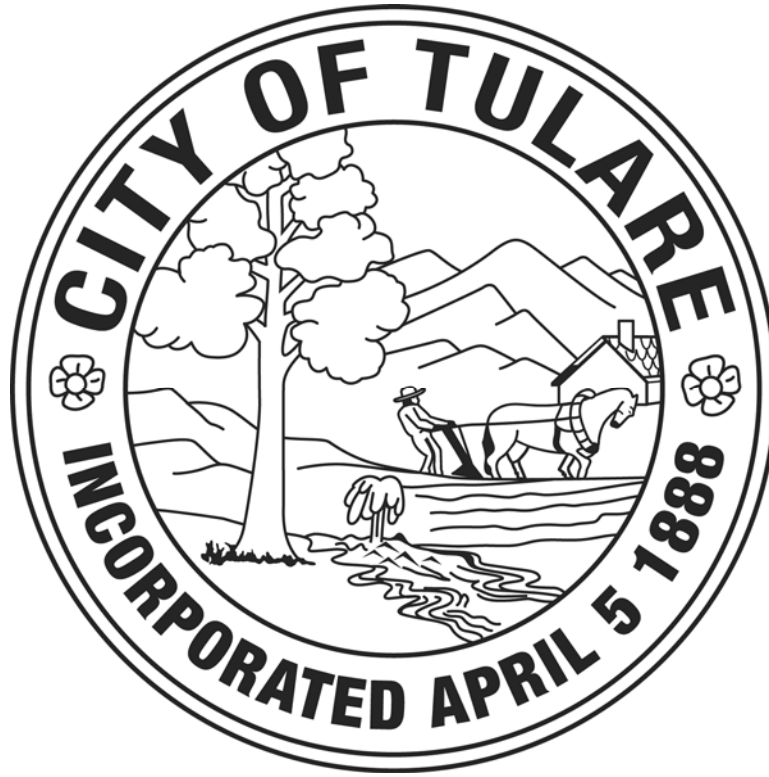
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# INTRODUCTORY SECTION



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January 24, 2017

Honorable Mayor and Members of the City Council  
City of Tulare, California

State law requires local governments prepare a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2016. This report was prepared by the City of Tulare's (the City) Finance Department, which assumes responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

The accompanying financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors, which begins at page 1 of the financial section.

**Government Profile** - The City was incorporated on April 5, 1888, as a general law city. On May 1, 1923, the City was granted a Freeholders Charter by the State of California and operates under the Council-Administrator form of government. The City Council is comprised of five members who are elected by districts to alternating four-year terms staggered every two years. The City Council selects one of its members to serve as Mayor for a two-year term. The City Council is responsible for making policy, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the ordinances and policies of the City Council and overseeing operations. All other department heads are appointed by the City Manager.

The City is located in California's central valley, the San Joaquin Valley, approximately midway between the cities of Fresno and Bakersfield and approximately sixty-five miles south of the center of state. An agricultural community anchored by the dairy industry (Tulare County is number one in dairy production and number one in overall agricultural nationwide), the City has developed a balanced economic base by expanding its light industrial opportunities, food production capabilities, retail sales outlets, and residential housing markets. The City currently has a land area of approximately 21 square miles with a population of 63,515 as of January 2016.

The City provides a full range of municipal services including those required by statute or charter. These services include police and fire; parks and community services (including a cross-town trail, a senior center, a teen center, and a cycle park); engineering; water, solid waste, sewer and wastewater treatment and collection (public utilities); street maintenance, sweeping, and construction; planning, zoning, and building inspection; a public transit system; a municipal airport; a library; economic development; housing and community development; finance, treasury, and accounting; and human resources, risk management, and general administration. The public utilities are governed by the Board of Public Utilities Commissioners, which consists of five commissioners appointed by the City Council.

**Budget** – The City Charter requires the City Manager to submit an estimated revenue and proposed expenditure budget for the ensuing year to the City Council on or before the second regular meeting in May of each year. This budget serves as a foundation for the City's fiscal planning and financial control. The budget is prepared by fund (e.g., Public Utilities), division (e.g., Solid Waste), and by department (e.g., Residential). The budget is legally adopted annually by the City Council by resolution no later than the close of the prior fiscal year. Each department head is responsible for monitoring departmental expenditures incurred compared to appropriations established by the City Council or Board of Public Utilities Commissioners, as applicable. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments or changes in appropriations that affect the fund balance require the approval of the City Council. Oversight functions are provided by the City Manager and the Finance Director/Treasurer through administrative policies and periodic review.

**Local Economy and Local Budget Issues** – The economic climate in Tulare continues to show some signs of recovery after being impacted in past years by the statewide economic down turn. Sales tax increased by 6% from fiscal year 2014-15 to 2015-16. The majority of this growth is from a one-time payment money from the ending of the Triple Flip. Beginning January 1, 2016, the City resumed receiving their full amount of the local 1% sales tax. Prior to this, under the Triple Flip, one-quarter percent of the local one percent sales tax was withheld by the State and repaid back to the City through the County with the City's property taxes. The ending of the Triple Flip also resulted in approximately \$1.2 million in one-time money received as a final true up payment made by the State. If the final true-up payment was not received the sales tax decreased by 7% from fiscal year 2014-2015 to 2015-2016.

Construction activity in the City continues to improve in fiscal year 2015-2016. The total valuation for all permits issued was \$41 million, a 43% increase from the prior year. Property taxes have increased by 7% from fiscal year 2014-2015 to 2015-2016. This reflects the increase in construction activity and value.

The City Council adopted a balance budget for fiscal year 2015-16 by using \$170,000 from reserve. There are trends that may threaten the City's ability to produce balanced budgets in the future. Public safety has always been the Council's highest priority, and is likely to remain so given the personnel needed to address the growing population, an increasingly violent culture, and the State of California being forced to release more state prisoners back into local communities. However, other programs remain funded from current tax revenues too, such as parks, recreation, library, storm drain, non-reconstruction street repair and street lighting, and graffiti removal. Retirement costs are projected to escalate for all employee groups over the next several years as a result of California Public Employees' Retirement System's (CalPERS) recent changes to its actuarial methodology and reduction in their discount rate. CalPERS approved a multi-year smoothing method to spread the rate increases associated with moving from a rolling 30 years amortization period to a fixed 30 year amortization period. Rates are expected to rise steadily for the next 5 years as this change is fully implemented. Preliminary estimates provided by CalPERS project employer rate will increase by 10% to 16% over the next five years. The methodology change and resulting rate increases will have a significant impact on retirement costs for the City.

The City is part of the Visalia/Porterville Metropolitan Area. This includes the City of Tulare, City of Visalia, City of Porterville, and developed areas of the County of Tulare in and around the various cities in the county. The population of the area is approximately 466,339. The anticipated growth in population of the Metropolitan Area is approximately 1.30%, with the City estimated to increase by about 1.26%. There are approximately 204,000 jobs in Tulare County. The countywide unemployment rate is about 10.8%, not seasonally adjusted. The City has an unemployment rate of about 9.1% with 25,300 employed out of a workforce of 27,800.

**Long-Term Financial Planning** – An integral part of the City's budget process is to look into the future of the infrastructure needs of the City. The City Council and City management created "The Rehabilitation and Economic Advancement Projects (REAP) Program to plan out a five to ten year program to rebuild infrastructure to pay the way for city-wide economic benefits. By maintaining a healthy infrastructure and building additional capacity, the City's ability to meet the needs of a growing economic base can be met. The REAP program is intended to lead the City towards meeting its obligation to be an excellent local government

Due to the historic drought the last five years in California, the City reviewed its own water situation. A Hydrological Enterprise Program (HEP) was implemented to look at all hydrological programs as "water focused." The HEP outlines annual goals related to water systems supply, demand, asset replacement, rehabilitation and maintenance, over a specified time period. The City's goal by fiscal years 2020-2021 is for the City's water demand and renewable supplies to allow for a net zero groundwater extraction.

To anticipate future needs, various reserve accounts have been created to ensure the City will continue to provide service to its residents to its fullest. A fleet and equipment replacement reserve is in place to ensure the City has the funds to replace mission-critical equipment. An information technology fund has also been created so employees have the proper computer and software to perform their jobs. A catastrophic reserve for unforeseen disaster events was also created.

**Accounting System and Internal Controls** - The City accounting system is organized and operated on a fund basis. Each fund is a distinct self-balancing accounting entity. Various funds utilized by the City are fully described in Note 1 of Notes to Basic Financial Statements. The City's account records for general governmental operations are maintained on a modified accrual basis of accounting, whereby revenues are recognized when measurable and available and expenditures are recognized when materials and services are received. Accounting records for the enterprise and internal service funds are recorded on an accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (a) the cost of a control should not exceed the benefits likely to be derived and (b) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. However, the City recognizes that even sound internal controls have their inherent limitations. Internal controls are reviewed to ensure that the City's operating policies and procedures are being adhered to and that the controls are adequate to ensure accurate and reliable financial reporting to safeguard the City's assets. The 2015-16 City appropriation limit established as required by State statute was \$46,161,308.

**Cash Management** - The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and short-term investments.

The City Council has adopted an investment policy in accordance with California Government Code Sections 53607 and 53646 with a goal to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City is also governed by State statutes authorizing the City to invest in bonds or other evidences of indebtedness of the U.S. Government or any of its agencies and instrumentalities, repurchase agreements, and bankers' acceptances.

**Budgetary Controls** - The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control is established at the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at year-end. However, encumbrances and certain capital projects are re-appropriated as part of the following year's budget.

**Independent Audit** - The City Charter requires an annual audit by independent certified public accountants. The accounting firm of Brown Armstrong Accountancy Corporation was selected by the City Council to perform the annual audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The auditor's report covers the basic financial statements, including the notes to the financial statements, but their opinion does not cover the combining and individual fund statements.

**Awards** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This was the 18th consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period on one year only. We believe our current CAFR continues to meet these requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

**Acknowledgements** - The preparation of this document could not have been accomplished without the dedicated services of the entire staff of the Finance Department. I would also like to thank the Mayor, City Council, and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. Recognition is also extended to our auditors, Brown Armstrong Accountancy Corporation, for their significant and competent assistance.

Respectfully submitted,

A handwritten signature in cursive script that reads "Darlene J. Thompson".

Darlene J. Thompson, CPA  
Finance Director

**CITY OF TULARE  
PRINCIPAL CITY OFFICIALS  
JUNE 30, 2016**

City Council

David Macedo	Mayor, District 4
Carlton Jones	Vice Mayor, District 3
Shea Gowin	Council Member, District 1
Maritsa Castellanoz	Council Member, District 2
Craig Vejvoda	Council Member, District 5

Board of Public Utilities Commissioners

Lee Brehm	President
Philip Smith	Vice President
Richard Johnson	Commissioner
Edward Henry	Commissioner
Mark Watte	Commissioner

Administrative Officials and Department Heads

Don Dorman	City Manager
Paul Melikian	Deputy City Manager
Wesley Hensley	Acting Chief of Police
Joseph Carlini	Public Works Director
Willard Epps	Fire Chief
Rob Hunt	Community Development Director
Darlene J. Thompson	Finance Director/Treasurer



## Organizational Chart





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Tulare  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

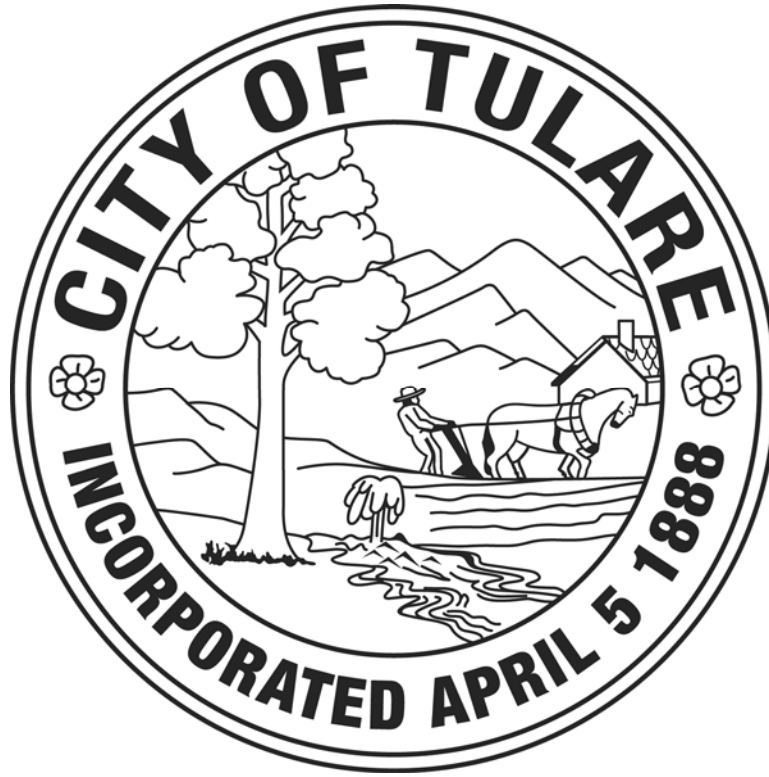
**June 30, 2015**

Executive Director/CEO

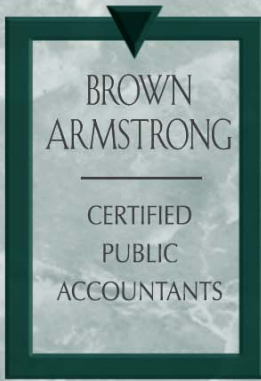
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# FINANCIAL SECTION



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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

The Honorable City Council of  
the City 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 City of Tulare, California (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City'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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit 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 City'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 City'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.

#### BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTUN AVENUE  
SUITE 300  
BAKERSFIELD, CA 93309  
TEL 661.324.4971  
FAX 661.324.4997  
EMAIL [info@bacpas.com](mailto:info@bacpas.com)

#### FRESNO OFFICE

7673 N. INGRAM AVENUE  
SUITE 101  
FRESNO, CA 93711  
TEL 559.476.3592  
FAX 559.476.3593

#### PASADENA OFFICE

260 S. LOS ROBLES AVENUE  
SUITE 310  
PASADENA, CA 91101  
TEL 626.204.6542

#### STOCKTON OFFICE

5250 CLAREMONT AVENUE  
SUITE 150  
STOCKTON, CA 95207  
TEL 209.451.4833

## **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 City as of June 30, 2016, and the respective changes in financial position, and cash flows thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, during the year ended June 30, 2016, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68*; and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and the Required Supplementary Information on pages 78 to 84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and 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 City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, other supplementary information, 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 and other supplementary information 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 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 and the other supplementary information are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and schedules 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 January 24, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
January 24, 2017

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## Management's Discussion and Analysis

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This discussion and analysis of the City of Tulare's financial performance provides an overview of the City of Tulare's financial activities for the fiscal year ended June 30, 2016. The Governmental Accounting Standards Board (GASB) Statement No. 34 Government-wide statements present a combined picture of the City of Tulare (the City) on a full accrual basis of accounting, where all debt and assets are included in the presentation. Conversely, the Fund level statements present a picture that is based on a modified accrual basis of accounting, where long-term assets and debt are excluded. Thus, Government-wide and Fund level presentations produce different results based on the type of accounting basis used. Please read this document in conjunction with the accompanying Transmittal Letter and the Basic Financial Statements.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Tulare (the City) exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$350,647,668 (net position). Of this amount, \$48,788,428 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors. The City has \$292,087,811 in net investment in capital assets. The total net position includes all major infrastructure networks.
- The government's total net position increased by \$42,473,218 over the prior fiscal year. The majority of this increase is attributable to one-time lawsuit settlements of \$34.5 million.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of \$62,148,951, an increase of \$27,664,058 in comparison with the prior year. Amounts available for spending include nonspendable, restricted, committed, and unassigned fund balances. Of this amount, \$9,989,692 is restricted by law or externally imposed requirements and \$52,124,259 is committed for specific purposes.
- The City total outstanding debt showed a net increase of \$254,160 (.11%) during the current fiscal year. The increase is due to the current year refinancing of the sewer selling at a premium.

In fiscal year 2014-15 the City adopted two new statements of the financial accounting standards issued by GASB that relate to pension activity.

**Statement No. 68** – The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities.

This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute the present value to the periods of employee service.

Note Disclosures and required supplementary information requirements about pensions are also addressed. Distinctions are made regarding the particular requirements for employers based on the number of employees whose employees are provided with pensions through the pension plan and whether pension obligations and pension plan assets are shared.

**Statement No. 71** – The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state and local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

The **Government-Wide Financial Statements** are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. Additionally, certain eliminations have occurred as prescribed by the Governmental Accounting Standards Board (GASB) statements in regards to interfund activity, payables and receivables.

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account, regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position is the difference between assets and liabilities, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and sales tax base.

In the Statement of Net Position and the Statement of Activities, we separate the City activities as follows:

**Governmental Activities** – Most of the City's basic services are reported in this category, including the General Government, Police, Fire, Public Works, Parks, Recreation, Community Development, and Library. Property and sales taxes, user fees, interest income, franchise fees, and state and federal shared revenues and grants generally finance these activities.

**Business-Type Activities** – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Water Fund, Sewer Fund, Solid Waste Fund, Development Services Fund, Aviation Fund, and Transit Fund are reported in this category.

The **Fund Financial Statements** include statements for each of the three categories of activities – governmental, business-type, and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are agency funds, which only report a balance sheet and do not have a measurement focus. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the difference created by the integrated approach.

## FUND FINANCIAL STATEMENTS

The City, like other state and local governments, uses fund accounting to account for a number of funding sources and activities. In general, fund accounting provides a mechanism for separately accounting for a variety of different funding sources, and enables the City to demonstrate compliance with legal and/or contractual requirements that may be associated with these funds. Thus, the accompanying fund financial statements present individual funds, organized into one of three groups based on the nature of the activities and their purpose: Governmental, Proprietary, or Fiduciary Funds. Note that the fund financial statements only present the most significant (or major) funds. In addition, the fund financial statements include a schedule that reconciles the Fund Financial Statements to the Government-Wide Financial Statements. This is designed to explain the difference created by the integrated approach.



**Governmental Funds** – Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences of results in the Governmental Funds Financial Statements to those in the Government-Wide Financial Statements are explained in a reconciliation schedule following each Governmental Funds Financial Statement.

**Proprietary Funds** – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. In fact, the City’s enterprise funds are the same as the business-type activities reported in the Government-Wide Financial Statements, but provide more detail and additional information, such as cash flows, for proprietary funds. The City uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City’s other programs and activities – such as the City’s self-insurance, fleet maintenance, and purchasing funds. The internal service funds are reported with governmental activities in the Government-Wide Financial Statements.

**Fiduciary Funds** – The City is the trustee, or fiduciary, for certain funds held on behalf of various third parties. The City’s fiduciary activities are reported in a separate Statement of Net Position. The City excludes these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to Basic Financial Statements** – The notes to basic financial statements provide information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report also presents certain “required supplementary information” concerning the City’s progress in funding its obligation to provide pension benefits to its employees and budgetary comparison schedules for the General Fund and other major funds.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Statement of Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$350.6 million at the close of the most recent fiscal year, which is a \$42.5 million, or 13.78%, increase in comparison with the prior year.

By far the largest portion of the City’s net position (83.30%) reflects its investment in capital assets (e.g., land, buildings, machinery, infrastructure, and equipment), less any related debt used to acquire those assets that is still outstanding and cash and investments with fiscal agent which is restricted for capital assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Of the total current and other assets, \$135,037,789, approximately 73.33%, \$91,213,435, consists of cash and investments. These funds are invested in accordance with State law and the City’s investment policy, and include funds legally and/or contractually restricted as to their use.

**City of Tulare**  
**Statement of Net Position**  
**As of June 30, 2015 and 2016**

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
<b>Assets:</b>						
Current and Other Assets	\$ 61,146,897	\$ 89,434,445	\$ 38,237,240	\$ 45,603,344	\$ 99,384,137	\$ 135,037,789
Capital Assets (Net of Depreciation)	237,209,627	240,382,100	267,205,733	262,184,747	504,415,360	502,566,847
<b>Total Assets</b>	<b>298,356,524</b>	<b>329,816,545</b>	<b>305,442,973</b>	<b>307,788,091</b>	<b>603,799,497</b>	<b>637,604,636</b>
<b>Deferred Outflows of Resources: **</b>						
Deferred Outflows from Pensions	4,507,423	7,802,801	1,045,932	1,124,368	5,553,355	8,927,169
from Deferred Charges	-	-	-	4,324,614	-	4,324,614
<b>Total Deferred Outflows of Resources</b>	<b>4,507,423</b>	<b>7,802,801</b>	<b>1,045,932</b>	<b>5,448,982</b>	<b>5,553,355</b>	<b>13,251,783</b>
<b>Liabilities:</b>						
Current and Other Liabilities	12,455,685	10,700,221	10,304,982	11,231,214	22,760,667	21,931,435
Long-Term Liabilities	63,025,268	64,538,859	205,788,821	207,222,662	268,814,089	271,761,521
<b>Total Liabilities</b>	<b>75,480,953</b>	<b>75,239,080</b>	<b>216,093,803</b>	<b>218,453,876</b>	<b>291,574,756</b>	<b>293,692,956</b>
<b>Deferred Inflows of Resources: **</b>						
Deferred Inflows from Pensions	7,368,610	5,027,656	2,235,036	1,101,504	9,603,646	6,129,160
from Grants	-	386,635	-	-	-	386,635
<b>Total Deferred Inflows of Resources</b>	<b>7,368,610</b>	<b>5,414,291</b>	<b>2,235,036</b>	<b>1,101,504</b>	<b>9,603,646</b>	<b>6,515,795</b>
<b>Net Position:</b>						
Net Investment in Capital Assets	207,289,716	211,461,105	86,153,865	80,626,706	293,443,581	292,087,811
Restricted	1,164,494	1,198,432	8,572,997	8,572,997	9,737,491	9,771,429
Unrestricted	11,560,174	44,306,438	(6,566,796)	4,481,990	4,993,378	48,788,428
<b>Total Net Position</b>	<b>\$ 220,014,384</b>	<b>\$ 256,965,975</b>	<b>\$ 88,160,066</b>	<b>\$ 93,681,693</b>	<b>\$ 308,174,450</b>	<b>\$ 350,647,668</b>

\* Restatements do not include the restatement for GASB Statement No. 68 implementation.

\*\* New items in 2015 as a result of GASB Statement No. 68 implementation

**Governmental Activities** – Total assets for governmental activities increased by \$31.5 million, with a current and other assets in governmental activities increase of \$28.3 million and a capital assets increase of \$3.2 million. Total liabilities decreased by \$242 thousand with current and other liabilities decreasing by \$1.8 million and long-term liabilities increasing by \$1.5 million due to the implementation of GASB Statement No. 68 in fiscal year 2015.

Of the \$37.0 million increase in governmental activities total net position, unrestricted net position increased by \$32.7 million, restricted assets increased by \$34 thousand, and net investment in capital assets increased by \$4.2 million. The increase in unrestricted net position is due to a one-time settlement of two lawsuits .

**Business-Type Activities** – Total assets for business-type activities increased by \$2.3 million with a current and other assets increase of \$7.4 million and a decrease in capital assets of \$5.0 million. Total liabilities increased by \$2.4 million with current and other liabilities increasing by \$926 thousand and long-term liabilities increasing by \$1.4 million. Total net position for business-type activities increased by \$5.5 million. Business-type activities unrestricted net position increased by \$11.0 million.

## Change in Net Position of the City

The following table presents the government-wide changes in net position for both 2015 and 2016. The City's total revenue and transfers of \$142.1 million exceeded expenses of \$105.9 million for an increase in net position of \$42.5 million, which includes extraordinary gain. The increase in net position is due primarily to one-time lawsuit settlements.

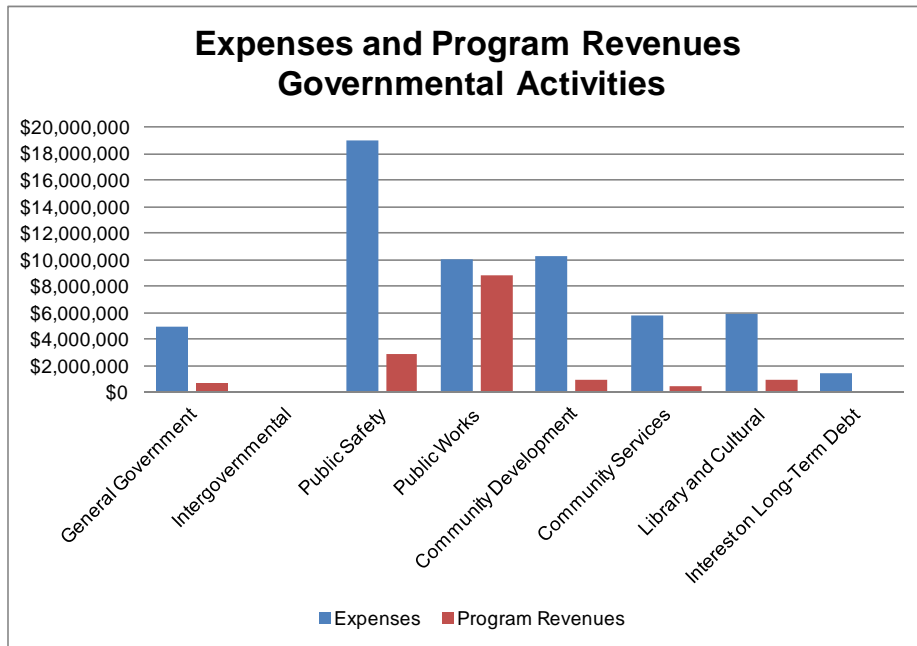
### Statement of Activities

As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time (usually year-end). The Statement of Activities provides details of how net position changed from the beginning of the year to the end of the year, and whether net position increased or decreased. Thus, it indicates whether the City as a whole is better off at June 30, 2016, than it was at June 30, 2015.

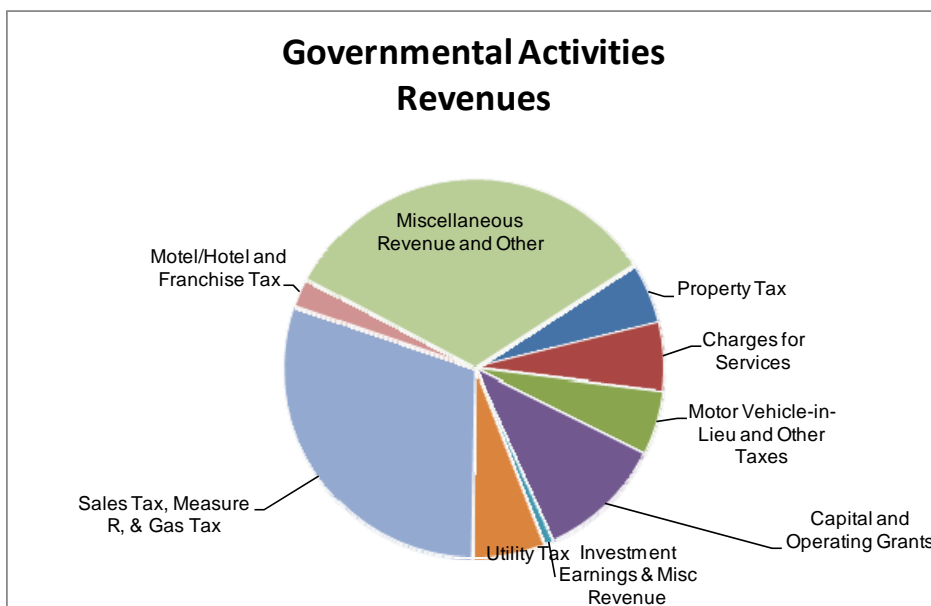
### City of Tulare Statement of Activities Fiscal Year Ended June 30, 2015 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
<b>REVENUES:</b>						
Programs Revenues:						
Charges for Services	\$ 4,551,812	\$ 5,125,516	\$ 47,864,707	\$ 49,874,863	\$ 52,416,519	\$ 55,000,379
Operating Grants and Contributions	1,240,627	1,782,930	1,157,482	837,623	2,398,109	2,620,553
Capital Grants and Contributions	12,424,332	7,918,523	2,221,961	-	14,646,293	7,918,523
General Revenues:						
Taxes	49,169,269	45,050,408	-	-	49,169,269	45,050,408
Investment Earnings	567,673	711,185	636,054	588,133	1,203,727	1,299,318
Other	8,499,838	28,876,448	-	-	8,499,838	28,876,448
<b>TOTAL REVENUES</b>	<b>76,453,551</b>	<b>89,465,010</b>	<b>51,880,204</b>	<b>51,300,619</b>	<b>128,333,755</b>	<b>140,765,629</b>
<b>EXPENSES:</b>						
Governmental Activities:						
General Government	5,972,924	4,975,254	-	-	5,972,924	4,975,254
Intergovernmental	2,001	2,400	-	-	2,001	2,400
Public Safety	20,543,299	18,978,334	-	-	20,543,299	18,978,334
Public Works	2,987,540	10,078,440	-	-	2,987,540	10,078,440
Community Development	4,217,078	10,236,915	-	-	4,217,078	10,236,915
Community Services	5,106,177	5,749,780	-	-	5,106,177	5,749,780
Library and Cultural	3,210,010	5,952,134	-	-	3,210,010	5,952,134
Debt Service	1,555,034	1,488,132	-	-	1,555,034	1,488,132
Business-Type Activities:						
Aviation	-	-	251,520	410,647	251,520	410,647
Transit	-	-	3,111,671	3,123,964	3,111,671	3,123,964
Development Services	-	-	1,956,087	1,573,507	1,956,087	1,573,507
Water	-	-	5,926,633	6,784,595	5,926,633	6,784,595
Solid Waste	-	-	6,685,681	7,283,313	6,685,681	7,283,313
Sewer	-	-	25,267,201	29,281,564	25,267,201	29,281,564
<b>TOTAL EXPENSES</b>	<b>43,594,063</b>	<b>57,461,389</b>	<b>43,198,793</b>	<b>48,457,590</b>	<b>86,792,856</b>	<b>105,918,979</b>
Increase (Decrease) in Net Position Before Transfers and Special Item	32,859,488	32,003,621	8,681,411	2,843,029	41,540,899	34,846,650
Transfers	(746,270)	(1,328,598)	746,270	2,678,598	-	1,350,000
Special Item Extraordinary Gain	-	6,276,568	-	-	-	6,276,568
Change in Net Position	32,113,218	36,951,591	9,427,681	5,521,627	41,540,899	42,473,218
Net Position, Beginning of Year	187,901,166	220,014,384	78,732,385	88,160,066	266,633,551	308,174,450
Net Position, End of Year	<b>\$ 220,014,384</b>	<b>\$ 256,965,975</b>	<b>\$ 88,160,066</b>	<b>\$ 93,681,693</b>	<b>\$ 308,174,450</b>	<b>\$ 350,647,668</b>

**Governmental Activities** – Governmental activities increased the City’s net position by \$37.0 million during the year. The main increase in the City’s net position is due to an increase in unrestricted net position. The City settled two lawsuits. One with Department of Finance regarding the principal repayment made to the City back in 2011. The City settled by returning the principal payment (cash and property) and increased the loan to the City from the former Redevelopment Agency. Due to confidentiality, details regarding actual suit cannot be disclosed, however, in the second settled lawsuit the City was awarded a lump payment with 3 annual payments to be used as directed by the court documents. In the table below, the difference between the program revenues and expenses bars by activity illustrates the amount each respective activity is supported by program revenues. Public Safety service delivery costs exceeded program revenues by \$16.1 million. Public Safety programs rely heavily on taxes to support their operations.



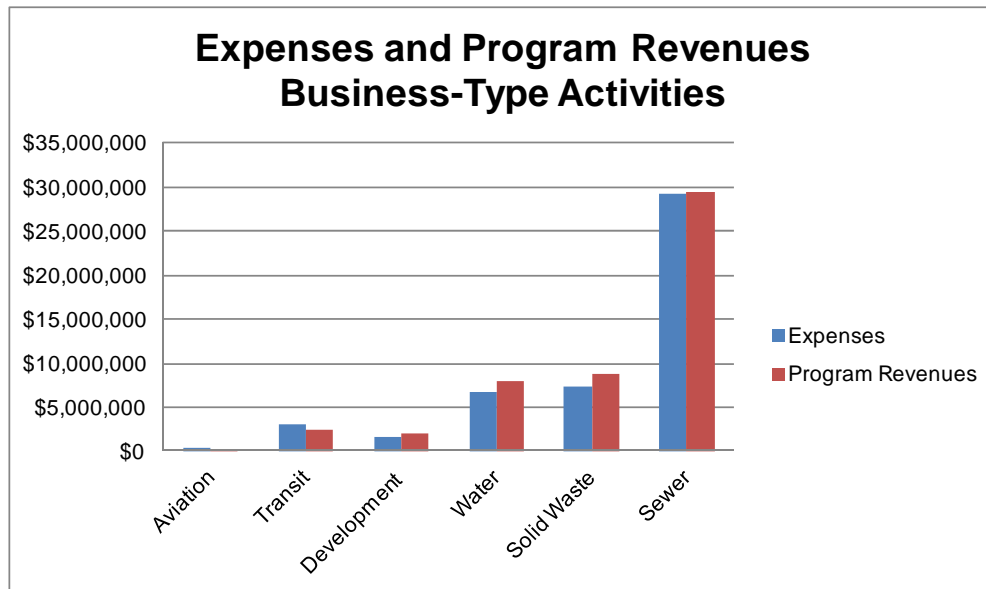
Revenues and expenses in the governmental activities have grown as the population has grown. The sales tax, Measure R, and gas tax category is the largest revenue source for governmental activities and amounts to \$26.8 million or 28.41% of the total revenues less miscellaneous revenue which consists mainly of the two lawsuit settlements. Capital grants are also a significant revenue source for the City’s governmental activities, amounting to \$7.9 million or 8.39% of total revenue, and public safety is the largest expense activity, amounting to \$19.0 million or 33.03% of total expenses.



Governmental Activities revenue increased \$13.0 million, a 17.02% increase compared to the previous fiscal year. This increase is due to 26.6% (\$23.8 million) in lawsuit settlements.

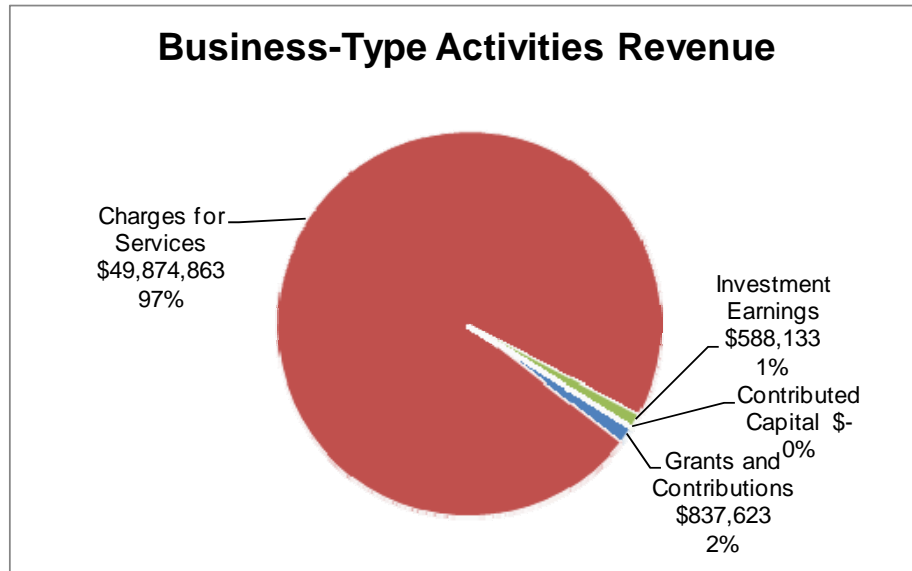
Total expenses in Governmental Activities had an increase of \$13.9 million from the previous fiscal year for an over 31.8% increase. The largest increase of \$7.1 million in Public Works due to the lawsuit settlements

**Business-Type Activities** – The City operates six enterprise funds that offer water, sewer services, solid waste collection, transit service, inspection services and engineering, and a municipal airport. Major revenue for the enterprise funds is charges for the services and the largest expenditure is sewer service.



Business-type activities increased the City's net position by \$5.5 million. The bar chart above compares total program revenues and expenses. Program revenues exceeded program expenses in Solid Waste by \$1.4 million, in Water by \$2.3 million, in Sewer by \$621 thousand, in Aviation by \$1.1 million, and Development Services by \$745 thousand. This increase was offset by program expenses exceeding program revenues in and Transit by \$746 thousand.

The pie chart illustrates the distribution of business-type revenues by category. The City's business-type activities rely heavily on charges for services to fund their operations, making up 97.22% of total revenues. Grants and contributions is the second largest revenue source at 1.63% of total revenue.



Total revenue decreased by \$580 thousand, 1.12% over the prior year with the Sewer Fund showing the largest increase of \$795 thousand.

#### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously noted, the City uses fund accounting to demonstrate compliance with legal and contractual requirements. This section provides an analysis and discussion of individual funds and fund types presented in the financial statements.

**Governmental Funds** – The focus of the City's Governmental Funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information useful in assessing the City's financing requirements. In particular, total fund balance less the nonspendable portion is a useful measure of the City's resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$62,148,951, an increase of \$27,664,058 in comparison with the prior year. The components of total fund balance are as follows (for more information see Note 13 – Fund Balances):

- **Nonspendable Fund Balance** - \$35,000 are amounts that are not spendable in form, or are legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - \$15,258,098 consists of amounts with constraints put on their use by externally imposed creditors, grantors, contributions, laws, regulations, or enabling legislation. Examples of restrictions on funds are those for 1) \$7.1 million for the purpose of the fund (i.e., Gas Tax for street projects) and 2) \$2.9 million for debt service
- **Committed Fund Balance** - \$46,855,853 has been committed by the Council for appropriation for next year's budget.
- **Assigned Fund Balance** - \$0 has been set aside by management for specific purpose.
- **Unassigned Fund Balance** - \$0 are residual funds.

**General Fund** - The General Fund is the chief operating fund of the City. At the end of the fiscal year, the General Fund's total fund balance increased by 122.0%, or \$28,390,903 to \$51,663,205. Of this increase, the majority relates to the committed and restricted amounts of fund balance. Major factors for this overall increase:

- \$26 million increase in revenue for the lawsuit settlements. This increase is due to the construction of the Bardsley Grade Separation funded by a state grant.
- \$3.3 million increase for restricted to street projects..

### **Other Major Governmental Funds**

In the Measure R Fund, the total fund balance increased from \$(624,325) to \$21,287. The major factor for this overall increase was to work on streets maintenance and major projects.

In the Finance Authority Fund, the total fund balance increased from \$2,880,133 to \$2,885,783. The major factor for this overall increase was rental income.

### **Other Non-Major Governmental Funds**

The combined Non-Major Other Governmental Funds' total fund balance decreased from \$8,956,783 to \$7,578,676. The major factor for this overall decrease was a \$1.3 million decrease from Gas Tax Fund to funds used to do various street maintenance.

**Proprietary Funds** – The City's proprietary funds are shown in their entirety in the governmental-wide financial statements. All funds are being reported as major funds, so there is no need to report additional detail elsewhere in the document.

The Transit Fund has total net position of \$6,115,365 at the end of the fiscal year, a decrease of \$745,516 or 10.87%. Total net position includes \$6,295,621 net investment in capital assets, which is not available to cover current expenses.

The Development Services Fund has a total net deficit of \$1,162,635 at the end of the fiscal year. The fund was created in prior year to track cost order information to determine the correct charges for these services. Previously these expenses were reported in the General Fund under Community Development. GASB Statement No. 68 reporting of pension liability is the main source for the deficit.

The Water Fund has total net position of \$31,189,553 at the end of the fiscal year, an increase of \$2,348,658 over the prior year. Total net position includes \$29,796,696 net investment in capital assets, which is not available to cover current expenses. \$3,572,997 of total net position is restricted for capital improvements (including plant and equipment replacement). The increase to net position is due to the operating expenses being lower than the operating revenues.

The Solid Waste Fund has total net position of \$1,463,412 at the end of the fiscal year, an increase of \$1,443,923 over the prior year. The net position increase is due to the operating expenses being lower than the operating revenues.

The Sewer Fund has total net position of \$51,950,645 at the end of the fiscal year, an increase of \$620,516 over the prior year. Total net position includes \$40,544,418 net investment in capital assets, which is not available to cover current expenses. \$5,000,000 of total net position is restricted for capital improvements.

The Aviation Fund has total net position of \$4,091,988 at the end of the fiscal year, an increase of \$1,075,556 or 35.66% from a \$1.2 million contribution from the General Fund. Total net position includes \$3,964,850 net investment in capital assets, which is not available to cover current expenses. The major factor for this increase is due to improvements at the airport.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets** – The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$502,566,847 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, construction in progress, and roads. (Please refer to Note 4 – Capital Assets)

The majority of the increase is a result of infrastructure constructed or acquired and improvements made during the fiscal year. These financial statements include infrastructure assets constructed or acquired through the 2015-16 fiscal year.

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

- The completion of the Cartmill Interchange for \$9.4 million.
- The completion of the Santa Fe Pedestrian Overpass of \$3.2 million.
- Purchase 4 large buses for \$2 million.
- Write off of assets that are fully depreciated and no longer in use.

### City of Tulare Capital Assets As of June 30, 2015 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Land, Right-of-Way, and Construction in Progress	\$ 63,946,267	\$ 73,648,281	\$ 7,408,278	\$ 7,408,278	\$ 71,354,545	\$ 81,056,559
Depreciable Buildings, Property, Equipment, and Infrastructure, Net of Depreciation	173,228,360	166,733,819	259,797,455	254,776,469	433,025,815	421,510,288
Total Capital Assets	<u>\$ 237,174,627</u>	<u>\$ 240,382,100</u>	<u>\$ 267,205,733</u>	<u>\$ 262,184,747</u>	<u>\$ 504,380,360</u>	<u>\$ 502,566,847</u>

**Long-Term Debt** – At the end of the fiscal year, the City had a total debt outstanding of \$229,691,530, which included the following major liabilities. (Please refer to Note 6 – Long-Term Debt)

### City of Tulare Outstanding Debt As of June 30, 2015 and 2016

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Lease Revenue Bonds *	\$ 28,951,872	\$ 28,778,372	\$ -	\$ -	\$ 28,951,872	\$ 28,778,372
Lease Payable	933,039	825,839	8,657,524	7,382,888	9,590,563	8,208,727
Note Payable	-	-	1,031,886	521,793	1,031,886	521,793
Revenue Bonds Payable *	-	-	189,179,833	192,182,638	189,179,833	192,182,638
Total Outstanding Debt	<u>\$ 29,884,911</u>	<u>\$ 29,604,211</u>	<u>\$ 198,869,243</u>	<u>\$ 200,087,319</u>	<u>\$ 228,754,154</u>	<u>\$ 229,691,530</u>

\* Amounts shown above are net of bond premiums and discounts.

With respect to the Governmental Activities, the outstanding \$28,778,372 in lease revenue bonds (which includes the bond premium and discount) were issued in 2008 for \$33,050,000 to fund the new library building, downtown storm drain project, South Tulare industrial sewer extensions, Del Lago Park Phase II, and preliminary work on railroad grade separation crossings.



Of the \$192,182,638 outstanding debt in the Business-Type Activities, \$192,182,638 relates to the Sewer Fund for the expansion and upgrade of the sewer and wastewater plant. These bonds have been rated "Aaa" by Moody's Investors Services and "AAA" by Standard & Poors.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget reflect an increase in appropriations of \$2 million. Significant budgetary amendments (changes) are summarized as follows:

- \$1.2 million contribution to Aviation fund to assist in operation and capital needs
- \$337 thousand for additional contribution to City's employee health insurance to meet their reserve balance
- \$192 thousand to Fleet Maintenance for under charged services
- Other Revenue increase due to lawsuit settlement that was unanticipated for \$26 million
- City received additional grant funds for street project for \$2.4 million
- Public Works increase was the attorney fee for the lawsuits
- Capital Outlay and Operating Transfer was less than expected because of the Santa Fe Pedestrian Overcrossing and Cartmill Interchange and Grade Separation projects cost came in less than anticipated and was grant funds cover more of the project cost than anticipated, which required less funding from the City
- Extraordinary gain is due from the lawsuits

The final amended revenue estimate budget figures in the General Fund were higher than actual revenue by \$1.06 million and appropriations were higher than actual expenditures by \$11 million. The significant differences between budget and actual amounts are as follows:

- Tax revenues outperformed revenue estimates by \$1.06 million primarily due to property taxes, hotel/motel tax, recreation fees, reimbursements of state mandate cost, interest earned from investments, and, \$378,120, \$82,000, \$49,460, \$50,170, and \$61,390, respectively.
- The lawsuit settlement with Department of Finance for approximate cost savings of around \$10.6 million.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The key assumptions in the General Fund forecast for fiscal year 2016-17 were:

- Creating a Surface Water Management Fund to focus on water
- Creating a Downtown Parking Maintenance Fund to segregate cost to maintain downtown parking lots from tradition park programs
- Reduction of general fund contribution to various reserve funds
- Utility Users Tax revenue to stagnate due to the impact of installing solar panel
- City's Miscellaneous employees to contribute 1% toward the City's CalPERS obligation
- Increase in CalPERS rate of around 3.5%
- Negotiate salary increase for employees
- Anticipates a 2% growth with City major revenue

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information can be sent via e-mail to: [dthompson@ci.tulare.ca.us](mailto:dthompson@ci.tulare.ca.us). Formal written requests should be addressed to: City of Tulare, Attn: Finance Department, 411 East Kern Avenue, Tulare, California 93274.

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**BASIC FINANCIAL  
STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CITY OF TULARE  
STATEMENT OF NET POSITION  
JUNE 30, 2016**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Investments	\$ 49,910,019	\$ 21,575,706	\$ 71,485,725
Cash and Investments with Fiscal Agent	1,198,432	18,529,278	19,727,710
Receivables:			
Accounts	6,064,916	4,548,480	10,613,396
Interest	376,859	-	376,859
Taxes	2,834,211	-	2,834,211
Intergovernmental	5,557,461	1,227,499	6,784,960
Notes	1,284,453	-	1,284,453
Inventories	322,834	-	322,834
Internal Balances	280,866	(277,619)	3,247
Loans Receivable	10,919,305	-	10,919,305
Land Held for Resale	35,000	-	35,000
Advances to Component Units	10,650,089	-	10,650,089
Nondepreciable Capital Assets	73,648,281	7,408,278	81,056,559
Depreciable Capital Assets, Net	166,733,819	254,776,469	421,510,288
<b>Total Assets</b>	<b>329,816,545</b>	<b>307,788,091</b>	<b>637,604,636</b>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows from Pensions	7,802,801	1,124,368	8,927,169
Deferred Charges	-	4,324,614	4,324,614
<b>Total Deferred Inflows of Resources</b>	<b>7,802,801</b>	<b>5,448,982</b>	<b>13,251,783</b>
<b>Liabilities</b>			
Accounts Payable and Accrued Liabilities	6,350,873	4,951,646	11,302,519
Accrued Interest Payable	364,400	-	364,400
Deposits Payable	897,122	294,582	1,191,704
Other Payable	-	9,153	9,153
Unearned Revenue	327,956	760,488	1,088,444
Long-Term Liabilities:			
Due Within One Year:			
Compensated Absences Payable	197,083	73,610	270,693
Leases Payable	112,067	862,986	975,053
Notes Payable	-	521,793	521,793
Insurance Claims Payable	1,559,004	-	1,559,004
Revenue Bonds Payable	891,716	3,756,956	4,648,672
<b>Total Due Within One Year</b>	<b>10,700,221</b>	<b>11,231,214</b>	<b>21,931,435</b>
Due After One Year:			
Compensated Absences Payable	2,329,618	870,114	3,199,732
Leases Payable	713,772	6,519,902	7,233,674
Net Pension Liability	33,747,375	11,277,823	45,025,198
Net Post-Employment Benefits Obligation	544,654	129,141	673,795
Revenue Bonds Payable	27,203,440	188,425,682	215,629,122
<b>Total Due After One Year</b>	<b>64,538,859</b>	<b>207,222,662</b>	<b>271,761,521</b>
<b>Total Liabilities</b>	<b>75,239,080</b>	<b>218,453,876</b>	<b>293,692,956</b>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows from Pensions	5,027,656	1,101,504	6,129,160
Grants	386,635	-	386,635
<b>Total Deferred Inflows of Resources</b>	<b>5,414,291</b>	<b>1,101,504</b>	<b>6,515,795</b>
<b>Net Position</b>			
Net Investment in Capital Assets	211,461,105	80,626,706	292,087,811
Restricted for Capital Improvements	1,198,432	8,572,997	9,771,429
Unrestricted	44,306,438	4,481,990	48,788,428
<b>Total Net Position</b>	<b>\$ 256,965,975</b>	<b>\$ 93,681,693</b>	<b>\$ 350,647,668</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental Activities</b>					
General Government	\$ 4,975,254	\$ 455,588	\$ 296,593	\$ -	\$ 752,181
Intergovernmental	2,400	220	143	-	363
Public Safety	18,978,334	1,737,861	1,131,366	-	2,869,227
Public Works	10,078,440	922,891	-	7,918,523	8,841,414
Community Development	10,236,915	937,402	-	-	937,402
Community Services	5,749,780	526,512	-	-	526,512
Library and Cultural	5,952,134	545,042	354,828	-	899,870
Interest on Long-Term Debt	1,488,132	-	-	-	-
<b>Total Governmental Activities</b>	<b>57,461,389</b>	<b>5,125,516</b>	<b>1,782,930</b>	<b>7,918,523</b>	<b>14,826,969</b>
<b>Business-Type Activities:</b>					
Aviation	410,647	121,172	48,262	-	169,434
Transit	3,123,964	1,615,709	789,361	-	2,405,070
Development Services	1,573,507	1,963,243	-	-	1,963,243
Water	6,784,595	8,014,181	-	-	8,014,181
Solid Waste	7,283,313	8,723,653	-	-	8,723,653
Sewer	29,281,564	29,436,905	-	-	29,436,905
<b>Total Business-Type Activities</b>	<b>48,457,590</b>	<b>49,874,863</b>	<b>837,623</b>	<b>-</b>	<b>50,712,486</b>
<b>Total Primary Government</b>	<b>\$ 105,918,979</b>	<b>\$ 55,000,379</b>	<b>\$ 2,620,553</b>	<b>\$ 7,918,523</b>	<b>\$ 65,539,455</b>

(Continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE**  
**STATEMENT OF ACTIVITIES (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2016**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>			
<b>Governmental Activities</b>			
General Government	\$ (4,223,073)	\$ -	\$ (4,223,073)
Intergovernmental	(2,037)	-	(2,037)
Public Safety	(16,109,106)	-	(16,109,106)
Public Works	(1,237,026)	-	(1,237,026)
Community Development	(9,299,513)	-	(9,299,513)
Community Services	(5,223,268)	-	(5,223,268)
Library and Cultural	(5,052,264)	-	(5,052,264)
Interest on Long-Term Debt	(1,488,132)	-	(1,488,132)
<b>Total Governmental Activities</b>	<b>(42,634,420)</b>	<b>-</b>	<b>(42,634,420)</b>
<b>Business-Type Activities:</b>			
Aviation	-	(241,213)	(241,213)
Transit	-	(718,894)	(718,894)
Development Services	-	389,736	389,736
Water	-	1,229,586	1,229,586
Solid Waste	-	1,440,340	1,440,340
Sewer	-	155,341	155,341
<b>Total Business-Type Activities</b>	<b>-</b>	<b>2,254,896</b>	<b>2,254,896</b>
<b>Total Primary Government</b>	<b>\$ (42,634,420)</b>	<b>\$ 2,254,896</b>	<b>\$ (40,379,524)</b>
<b>General Revenues:</b>			
Sales Tax/Gas Tax/Measure R Taxes	\$ 26,818,588	\$ -	\$ 26,818,588
Property Tax	4,780,267	-	4,780,267
Utility Tax	5,622,124	-	5,622,124
Motor Vehicle-in-Lieu Tax (Intergovernmental, Unrestricted)	4,882,755	-	4,882,755
Other Taxes	726,940	-	726,940
Motel/Hotel and Franchise Tax	2,219,734	-	2,219,734
Investment Earnings - Unrestricted	711,185	588,133	1,299,318
Miscellaneous	28,821,603	-	28,821,603
<b>Transfer of Noncurrent Assets, Net of the Related Debt to the Primary Government</b>	<b>54,845</b>	<b>-</b>	<b>54,845</b>
<b>Transfers</b>	<b>(1,328,598)</b>	<b>2,678,598</b>	<b>1,350,000</b>
<b>Total General Revenues and Transfers</b>	<b>73,309,443</b>	<b>3,266,731</b>	<b>76,576,174</b>
Change in Net Position before Extraordinary Item	30,675,023	5,521,627	36,196,650
Extraordinary Gain	6,276,568	-	6,276,568
<b>Change in Net Position</b>	<b>36,951,591</b>	<b>5,521,627</b>	<b>42,473,218</b>
Net Position - Beginning of Year	220,014,384	88,160,066	308,174,450
Net Position - End of Year	<b>\$ 256,965,975</b>	<b>\$ 93,681,693</b>	<b>\$ 350,647,668</b>

The accompanying notes are an integral part of these financial statements.

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**BASIC FINANCIAL  
STATEMENTS**

**FUND FINANCIAL STATEMENTS**

**CITY OF TULARE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	General Fund	Measure R Fund	Financing Authority Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets and Deferred Outflows of Resources</b>					
Assets					
Cash and Investments	\$ 33,254,442	\$ -	\$ 2,085,687	\$ 6,414,935	\$ 41,755,064
Cash and Investments with Fiscal Agent	-	-	1,164,481	-	1,164,481
Receivables					
Accounts	5,889,341	-	-	2,618	5,891,959
Interest	83,101	-	15	293,743	376,859
Taxes	2,834,211	-	-	-	2,834,211
Intergovernmental	2,381,329	2,906,649	-	269,483	5,557,461
Loans	-	-	-	10,919,305	10,919,305
Notes	-	-	-	1,284,453	1,284,453
Land Held for Resale	-	-	-	35,000	35,000
Due from Other Funds	3,312,906	-	-	-	3,312,906
Advances to Component Units	10,650,089	-	-	-	10,650,089
<b>Total Assets</b>	<b>58,405,419</b>	<b>2,906,649</b>	<b>3,250,183</b>	<b>19,219,537</b>	<b>83,781,788</b>
Deferred Outflows of Resources	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 58,405,419</b>	<b>\$ 2,906,649</b>	<b>\$ 3,250,183</b>	<b>\$ 19,219,537</b>	<b>\$ 83,781,788</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
Liabilities					
Accounts Payable and Accrued Liabilities	\$ 5,730,522	\$ -	\$ 364,400	\$ 99,714	\$ 6,194,636
Deposits Payable	897,122	-	-	-	897,122
Due to Other Funds	31,197	2,885,362	-	115,481	3,032,040
Unearned Revenue	83,373	-	-	119,726	203,099
<b>Total Liabilities</b>	<b>6,742,214</b>	<b>2,885,362</b>	<b>364,400</b>	<b>334,921</b>	<b>10,326,897</b>
Deferred Inflows of Resources					
Deferred Loans	-	-	-	11,305,940	11,305,940
Fund Balances					
Nonspendable	-	-	-	35,000	35,000
Restricted	5,268,406	21,287	2,885,783	7,082,622	15,258,098
Committed	46,394,799	-	-	461,054	46,855,853
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>51,663,205</b>	<b>21,287</b>	<b>2,885,783</b>	<b>7,578,676</b>	<b>62,148,951</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 58,405,419</b>	<b>\$ 2,906,649</b>	<b>\$ 3,250,183</b>	<b>\$ 19,219,537</b>	<b>\$ 83,781,788</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2016**

	Amount
<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 62,148,951</b>
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	228,822,910
Certain loans receivable are not due in the current period and, therefore, should not be reported in the Governmental Funds Balance Sheet.	11,305,940
Certain deferred grants are not due in the current period and, therefore, they are not reported in the Governmental Funds Balance Sheet.	(386,635)
Internal service funds are used by management to charge the costs of fleet maintenance, purchasing, employee welfare, workers' compensation, and general and unemployment insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	16,534,344
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.	(364,400)
The net pension liability (\$32,085,361) and pension related deferred outflows of resources (\$7,637,104) and deferred inflows of resources (\$4,860,411) are not available resources for the current period and, therefore, are not reported in the governmental funds.	(29,308,668)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.	
Bonds Payable, Net of Premiums and Discounts	(28,095,156)
Capital Leases Payable	(668,991)
Compensated Absences Payable	(2,477,666)
Net Post-Employment Benefits Obligation	(544,654)
<b>Net Position of Governmental Activities</b>	<b>\$ 256,965,975</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Measure R Fund	Financing Authority Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 33,353,680	\$ 10,367,882	\$ -	\$ 1,328,846	\$ 45,050,408
Intergovernmental	50,169	-	-	811,559	861,728
Licenses and Permits	100,478	-	-	-	100,478
Fines and Forfeitures	18,071	-	-	220,329	238,400
Charges for Services	3,207,668	-	-	-	3,207,668
Interest and Rentals	526,893	3,659	8,283	60,952	599,787
Grants	8,347,158	-	-	1,305,377	9,652,535
Meals	-	-	-	23,657	23,657
Assessments	84,388	-	-	632,852	717,240
Other	28,718,634	-	-	30,657	28,749,291
<b>Total Revenues</b>	<b>74,407,139</b>	<b>10,371,541</b>	<b>8,283</b>	<b>4,414,229</b>	<b>89,201,192</b>
<b>Expenditures</b>					
Current					
General Government	4,695,792	-	-	-	4,695,792
Intergovernmental	-	-	2,400	-	2,400
Public Safety	21,658,814	-	-	678,384	22,337,198
Public Works	9,930,778	-	-	-	9,930,778
Community Development	101,148	-	-	1,763,634	1,864,782
Community Services	4,830,192	-	-	852,748	5,682,940
Library and Cultural	1,307,433	-	-	-	1,307,433
Capital Outlay	17,604,871	-	-	-	17,604,871
Debt Service					
Principal	86,840	-	830,000	-	916,840
Interest and Fiscal Charges	38,572	-	1,485,613	-	1,524,185
<b>Total Expenditures</b>	<b>60,254,440</b>	<b>-</b>	<b>2,318,013</b>	<b>3,294,766</b>	<b>65,867,219</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,152,699	10,371,541	(2,309,730)	1,119,463	23,333,973
Other Financing Sources (Uses)					
Transfers In	14,744,480	-	2,315,380	447,150	17,507,010
Transfers Out	(6,782,844)	(9,725,929)	-	(2,944,720)	(19,453,493)
<b>Total Other Financing Sources (Uses)</b>	<b>7,961,636</b>	<b>(9,725,929)</b>	<b>2,315,380</b>	<b>(2,497,570)</b>	<b>(1,946,483)</b>
Change in Fund Balances before Extraordinary Gain	22,114,335	645,612	5,650	(1,378,107)	21,387,490
Extraordinary Item Extraordinary Gain	6,276,568	-	-	-	6,276,568
<b>Net Change in Fund Balances</b>	<b>28,390,903</b>	<b>645,612</b>	<b>5,650</b>	<b>(1,378,107)</b>	<b>27,664,058</b>
Fund Balances - Beginning	23,272,302	(624,325)	2,880,133	8,956,783	34,484,893
<b>Fund Balances - Ending</b>	<b>\$ 51,663,205</b>	<b>\$ 21,287</b>	<b>\$ 2,885,783</b>	<b>\$ 7,578,676</b>	<b>\$ 62,148,951</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	Amount
<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 27,664,058</b>
Amounts reported for governmental activities in the Statement of Activities are 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 capital outlays exceeded depreciation in the current period.	3,751,542
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to the Governmental Funds, while the repayment of the principal of long-term debt consumes the current financial resources of Governmental Funds. Neither transaction, however, has any effect on net position. Also, Governmental Funds report the effect of prepaid insurance, premiums, original issue discounts, and deferred inflows of resources on bond refunding charge when debt is first issued, whereas these amounts are amortized to interest and expensed over the life of the debt in the Government-Wide Statement of Activities.	
This amount represents long-term debt repayments	916,840
This amount represents amortization of bond discount/premiums	26,716
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds.	
This amount represents costs of compensated absences	(343,461)
This amount represents costs of post-employment benefits	92,240
Interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but it does not require the use of current financial resources. Therefore, the interest expense is not reported as an expenditure in the Governmental Funds. The following amount represents the change in accrued interest from the prior year.	9,337
In the Governmental Funds, certain deferred loans receivable from the former component unit are not recognized. In the Government-Wide statements, the deferred loan receivable is recognized as a special item.	54,845
Changes to the net pension liability and related deferred outflows and inflows of resources do not provide current financial resources and, therefore, are not reported in the governmental funds.	4,394,397
Internal service funds are used by management to charge the costs of fleet maintenance, purchasing, employee welfare, workers' compensation, and general and unemployment insurance to individual funds. The net revenue of certain activities of internal service funds is reported with Governmental Activities.	385,077
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 36,951,591</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Transit	Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
<b>Assets and Deferred Outflows of Resources</b>								
<b>Current Assets</b>								
Cash and Investments	\$ 50	\$ 1,205,340	\$ 4,876,158	\$ 3,492,002	\$ 11,860,420	\$ 141,736	\$ 21,575,706	\$ 8,154,955
Cash and Investments with Fiscal Agent	-	-	-	-	18,529,278	-	18,529,278	33,951
Accounts Receivable	26,718	2,310	819,022	770,076	2,926,966	3,388	4,548,480	172,957
Intergovernmental Receivable	1,225,551	-	-	980	968	-	1,227,499	-
Inventories	-	-	-	-	-	-	-	322,834
Advances to Other Funds	-	-	-	1,343,333	-	-	1,343,333	-
<b>Total Current Assets</b>	<u>1,252,319</u>	<u>1,207,650</u>	<u>5,695,180</u>	<u>5,606,391</u>	<u>33,317,632</u>	<u>145,124</u>	<u>47,224,296</u>	<u>8,684,697</u>
<b>Noncurrent Assets</b>								
<b>Capital Assets</b>								
<b>Nondepreciable</b>								
Land	193,261	-	2,347,356	-	4,588,446	279,215	7,408,278	75,000
<b>Depreciable</b>								
Buildings	4,422,153	-	6,900	-	396,132	161,451	4,986,636	6,187,770
Improvements Other Than Buildings	-	-	52,939,784	8,992	264,436,096	6,533,248	323,918,120	1,648,583
Machinery and Equipment	5,888,825	-	703,212	193,271	3,801,496	47,830	10,634,634	20,075,839
Accumulated Depreciation	(4,208,618)	-	(21,304,973)	(177,142)	(56,015,294)	(3,056,894)	(84,762,921)	(16,428,002)
<b>Total Noncurrent Assets</b>	<u>6,295,621</u>	<u>-</u>	<u>34,692,279</u>	<u>25,121</u>	<u>217,206,876</u>	<u>3,964,850</u>	<u>262,184,747</u>	<u>11,559,190</u>
<b>Total Assets</b>	<u>7,547,940</u>	<u>1,207,650</u>	<u>40,387,459</u>	<u>5,631,512</u>	<u>250,524,508</u>	<u>4,109,974</u>	<u>309,409,043</u>	<u>20,243,887</u>
<b>Deferred Outflows of Resources</b>								
Deferred Outflows from Pensions	16,346	203,841	189,861	348,332	364,595	1,393	1,124,368	165,697
Deferred Charges	-	-	-	-	4,324,614	-	4,324,614	-
<b>Total Deferred Outflows of Resources</b>	<u>16,346</u>	<u>203,841</u>	<u>189,861</u>	<u>348,332</u>	<u>4,689,209</u>	<u>1,393</u>	<u>5,448,982</u>	<u>165,697</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 7,564,286</u>	<u>\$ 1,411,491</u>	<u>\$ 40,577,320</u>	<u>\$ 5,979,844</u>	<u>\$ 255,213,717</u>	<u>\$ 4,111,367</u>	<u>\$ 314,858,025</u>	<u>\$ 20,409,584</u>

(Continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE**  
**STATEMENT OF NET POSITION (Continued)**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds						Governmental Activities	
	Transit	Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
<b>Liabilities and Deferred Inflows of Resources</b>								
<b>Current Liabilities</b>								
Accounts Payable and Accrued Liabilities	\$ 174,682	\$ 165,915	\$ 647,247	\$ 336,302	\$ 3,625,716	\$ 1,784	\$ 4,951,646	\$ 156,237
Deposits Payable	-	-	135,450	-	159,132	-	294,582	-
Due to Other Funds	277,619	-	-	-	-	-	277,619	-
Unearned Revenue	760,488	-	-	-	-	-	760,488	124,857
Other Payables	-	-	9,153	-	-	-	9,153	-
Compensated Absences - Current	4,081	12,314	17,827	22,167	17,161	60	73,610	4,623
Advances from Other Funds - Current	-	-	103,333	-	-	-	103,333	-
Capital Leases Payable - Current	-	-	664,050	-	198,936	-	862,986	21,293
Notes Payable - Current	-	-	-	-	521,793	-	521,793	-
Revenue Bonds Payable - Current	-	-	-	-	3,756,956	-	3,756,956	-
Insurance Claims Payable	-	-	-	-	-	-	-	1,559,004
<b>Total Current Liabilities</b>	<b>1,216,870</b>	<b>178,229</b>	<b>1,577,060</b>	<b>358,469</b>	<b>8,279,694</b>	<b>1,844</b>	<b>11,612,166</b>	<b>1,866,014</b>
<b>Noncurrent Liabilities</b>								
Advances from Other Funds	-	-	1,240,000	-	-	-	1,240,000	-
Compensated Absences Payable	48,242	145,554	210,723	262,030	202,854	711	870,114	44,412
Capital Leases Payable	-	-	4,231,533	-	2,288,369	-	6,519,902	135,555
Net Post-Employment Benefits Obligation	3,358	-	32,436	50,449	41,450	1,448	129,141	-
Net Pension Liability	163,953	2,044,598	1,904,378	3,493,899	3,657,024	13,971	11,277,823	1,662,014
Revenue Bonds Payable	-	-	-	-	188,425,682	-	188,425,682	-
<b>Total Noncurrent Liabilities</b>	<b>215,553</b>	<b>2,190,152</b>	<b>7,619,070</b>	<b>3,806,378</b>	<b>194,615,379</b>	<b>16,130</b>	<b>208,462,662</b>	<b>1,841,981</b>
<b>Total Liabilities</b>	<b>1,432,423</b>	<b>2,368,381</b>	<b>9,196,130</b>	<b>4,164,847</b>	<b>202,895,073</b>	<b>17,974</b>	<b>220,074,828</b>	<b>3,707,995</b>
<b>Deferred Inflows of Resources</b>								
Deferred Inflows from Pensions	16,498	205,745	191,637	351,585	367,999	1,405	1,134,869	167,245
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,448,921</b>	<b>2,574,126</b>	<b>9,387,767</b>	<b>4,516,432</b>	<b>203,263,072</b>	<b>19,379</b>	<b>221,209,697</b>	<b>3,875,240</b>
<b>Net Position</b>								
Net Investment in Capital Assets	6,295,621	-	29,796,696	25,121	40,544,418	3,964,850	80,626,706	11,402,342
Restricted for Capital Improvements	-	-	3,572,997	-	5,000,000	-	8,572,997	-
Unrestricted	(180,256)	(1,162,635)	(2,180,140)	1,438,291	6,406,227	127,138	4,448,625	5,132,002
<b>Total Net Position</b>	<b>\$ 6,115,365</b>	<b>\$ (1,162,635)</b>	<b>\$ 31,189,553</b>	<b>\$ 1,463,412</b>	<b>\$ 51,950,645</b>	<b>\$ 4,091,988</b>	<b>\$ 93,648,328</b>	<b>\$ 16,534,344</b>

The accompanying notes are an integral part of these financial statements.

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**CITY OF TULARE**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds						Governmental	
	Transit	Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
<b>Operating Revenues</b>								
Charges for Services	\$ 1,364,247	\$ 1,764,992	\$ 7,585,511	\$ 8,397,454	\$ 25,182,633	\$ 113,328	\$ 44,408,165	\$ -
Departmental Charges	-	-	-	-	-	-	-	11,708,542
Connection Fees	-	-	298,440	-	62,843	-	361,283	-
Employee Contributions	-	-	-	-	-	-	-	1,406,644
Other	251,462	198,251	130,230	326,199	4,191,429	7,844	5,105,415	-
<b>Total Operating Revenues</b>	<b>1,615,709</b>	<b>1,963,243</b>	<b>8,014,181</b>	<b>8,723,653</b>	<b>29,436,905</b>	<b>121,172</b>	<b>49,874,863</b>	<b>13,115,186</b>
<b>Operating Expenses</b>								
General Administration	-	-	-	-	-	-	-	242,619
Personnel Services	136,136	727,405	1,097,049	2,622,797	1,319,284	8,583	5,911,254	2,130,379
Contractual Services	-	-	-	-	-	-	-	356,517
Maintenance and Supplies	2,715,874	846,102	3,292,717	4,648,523	10,362,964	231,367	22,097,547	-
Equipment Usage and Operation	-	-	-	-	-	-	-	1,835,485
Insurance	-	-	-	-	-	-	-	7,010,843
Depreciation	305,319	-	1,235,241	11,992	5,804,890	170,697	7,528,139	1,981,122
<b>Total Operating Expenses</b>	<b>3,157,329</b>	<b>1,573,507</b>	<b>5,625,007</b>	<b>7,283,312</b>	<b>17,487,138</b>	<b>410,647</b>	<b>35,536,940</b>	<b>13,556,965</b>
<b>Operating Income (Loss)</b>	<b>(1,541,620)</b>	<b>389,736</b>	<b>2,389,174</b>	<b>1,440,341</b>	<b>11,949,767</b>	<b>(289,475)</b>	<b>14,337,923</b>	<b>(441,779)</b>
<b>Nonoperating Revenues (Expenses)</b>								
Contributed Capital	-	-	-	-	-	-	-	-
Interest Income	6,743	7,409	36,421	59,966	477,225	369	588,133	111,398
Interest Expense	-	-	(229,588)	(1)	(11,374,426)	-	(11,604,015)	-
Grants	789,361	-	-	-	-	48,262	837,623	48,918
Gain on Sale of Assets	-	-	-	-	-	-	-	17,437
Other Income	-	-	-	-	-	-	-	31,218
<b>Total Nonoperating Revenues (Expenses)</b>	<b>796,104</b>	<b>7,409</b>	<b>(193,167)</b>	<b>59,965</b>	<b>(10,897,201)</b>	<b>48,631</b>	<b>(10,178,259)</b>	<b>208,971</b>
<b>Income (Loss) Before Transfers</b>	<b>(745,516)</b>	<b>397,145</b>	<b>2,196,007</b>	<b>1,500,306</b>	<b>1,052,566</b>	<b>(240,844)</b>	<b>4,159,664</b>	<b>(232,808)</b>
Transfers In	-	350,000	1,363,056	509,759	1,186,823	1,356,533	4,766,171	2,009,888
Transfers Out	-	(2,020)	(1,210,405)	(566,142)	(1,618,873)	(40,133)	(3,437,573)	(1,392,003)
<b>Change in Net Position</b>	<b>(745,516)</b>	<b>745,125</b>	<b>2,348,658</b>	<b>1,443,923</b>	<b>620,516</b>	<b>1,075,556</b>	<b>5,488,262</b>	<b>385,077</b>
<b>Net Position, Beginning</b>	<b>6,860,881</b>	<b>(1,907,760)</b>	<b>28,840,895</b>	<b>19,489</b>	<b>51,330,129</b>	<b>3,016,432</b>	<b>88,160,066</b>	<b>16,149,267</b>
<b>Net Position, Ending</b>	<b>\$ 6,115,365</b>	<b>\$ (1,162,635)</b>	<b>\$ 31,189,553</b>	<b>\$ 1,463,412</b>	<b>\$ 51,950,645</b>	<b>\$ 4,091,988</b>	<b>\$ 93,648,328</b>	<b>\$ 16,534,344</b>

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds						Total	Governmental
	Transit	Development Services	Water	Solid Waste	Sewer	Aviation	Enterprise Funds	Internal Service Funds
Cash Flows from Operating Activities:								
Cash Received from Customers for Current Services	\$ 3,685,584	\$ 1,962,588	\$ 7,884,702	\$ 8,823,467	\$ 28,589,138	\$ 146,147	\$ 51,091,626	\$ -
Cash Received for Interfund Services Provided	-	-	-	-	-	-	-	13,188,689
Cash Paid for Salaries and Benefits	(132,302)	(1,153,710)	(1,310,765)	(2,746,816)	(5,812,461)	(7,950)	(11,164,004)	(1,091,624)
Cash Paid for Services and Supplies	(2,682,552)	(749,671)	(3,328,081)	(4,529,709)	(10,444,511)	(231,981)	(21,966,505)	(2,299,129)
Cash Paid for Other Charges	-	-	-	-	-	-	-	(242,619)
Cash Paid for Reported Claims	-	-	-	-	-	-	-	(7,012,107)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>870,730</b>	<b>59,207</b>	<b>3,245,856</b>	<b>1,546,942</b>	<b>12,332,166</b>	<b>(93,784)</b>	<b>17,961,117</b>	<b>2,543,210</b>
Cash Flows from Non-Capital Financing Activities:								
Grants	789,361	-	-	-	-	48,262	837,623	48,918
Advances to/from Other Funds	(90,000)	-	(103,334)	103,334	-	-	(90,000)	-
Due to Other Funds	277,619	-	-	-	-	(1,129,511)	(851,892)	-
Other Income	-	-	-	-	-	-	-	31,218
Transfers from Other Funds	-	350,000	1,363,056	509,759	1,186,823	1,356,533	4,766,171	2,009,888
Transfers to Other Funds	-	(2,020)	(1,210,405)	(566,142)	(1,618,873)	(40,133)	(3,437,573)	(1,392,003)
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<b>976,980</b>	<b>347,980</b>	<b>49,317</b>	<b>46,951</b>	<b>(432,050)</b>	<b>235,151</b>	<b>1,224,329</b>	<b>698,021</b>
Cash Flows from Capital and Related Financing Activities:								
Proceeds from the Sale of Assets	-	-	-	-	-	-	-	17,437
Proceeds from Revenue Bonds	-	-	-	-	92,326,283	-	92,326,283	-
Payments Made on Capital Leases	-	-	-	-	(639,426)	-	(639,426)	(20,360)
Principal and Interest Paid on Long-Term Debt	-	-	(864,798)	-	(101,207,997)	-	(102,072,795)	-
Acquisition of Capital Assets	(2,130,285)	-	(189,916)	-	(186,953)	-	(2,507,154)	(1,437,053)
<b>Net Cash Used for Capital and Related Financing Activities</b>	<b>(2,130,285)</b>	<b>-</b>	<b>(1,054,714)</b>	<b>-</b>	<b>(9,708,093)</b>	<b>-</b>	<b>(12,893,092)</b>	<b>(1,439,976)</b>
Cash Flows from Investing Activities:								
Interest Income	6,743	7,409	36,421	59,966	477,225	369	588,133	111,398
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(275,832)</b>	<b>414,596</b>	<b>2,276,880</b>	<b>1,653,859</b>	<b>2,669,248</b>	<b>141,736</b>	<b>6,880,487</b>	<b>1,912,653</b>
Cash and Cash Equivalents, Beginning of the Year	275,882	790,744	2,599,278	1,838,143	27,720,450	-	33,224,497	6,276,253
<b>Cash and Cash Equivalents, End of the Year</b>	<b>\$ 50</b>	<b>\$ 1,205,340</b>	<b>\$ 4,876,158</b>	<b>\$ 3,492,002</b>	<b>\$ 30,389,698</b>	<b>\$ 141,736</b>	<b>\$ 40,104,984</b>	<b>\$ 8,188,906</b>

(Continued)

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE**  
**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Business-Type Activities - Enterprise Funds						Governmental	
	Transit	Development Services	Water	Solid Waste	Sewer	Aviation	Total Enterprise Funds	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:								
Operating Income (Loss)	\$ (1,541,620)	\$ 389,736	\$ 2,389,174	\$ 1,440,341	\$ 11,949,767	\$ (289,475)	\$ 14,337,923	\$ (441,779)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:								
Depreciation	305,319	-	1,235,241	11,992	5,804,890	170,697	7,528,139	1,981,122
Changes in Assets and Liabilities:								
(Increase) Decrease in Accounts Receivable	(10,858)	(655)	(129,479)	(24,433)	(846,895)	(1,455)	(1,013,775)	155,119
(Increase) in Inventory	-	-	-	-	-	-	-	(56,449)
(Increase) Decrease in Intergovernmental Receivable	1,320,245	-	-	124,247	(872)	26,430	1,470,050	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	33,322	96,431	(26,211)	118,814	(81,547)	(614)	140,195	(50,678)
Increase (Decrease) in Deposits Payable	-	-	-	-	-	-	-	-
Increase (Decrease) in Unearned Revenue	760,488	-	-	-	-	-	760,488	(81,616)
(Decrease) in Insurance Claims Payable	-	-	-	-	-	-	-	(19,364)
(Decrease) in Net Post-Employment Benefits Obligation	(1,078)	-	(4,502)	(18,176)	(10,245)	-	(34,001)	-
Increase (Decrease) in Net Pension Liability and Related Items	(18,289)	(442,542)	(241,924)	(146,430)	(4,405,755)	298	(5,254,642)	1,086,867
Increase (Decrease) in Compensated Absences Payable	23,201	16,237	23,557	40,587	(77,177)	335	26,740	(30,012)
Net Cash Provided by (Used for) Operating Activities	<u>\$ 870,730</u>	<u>\$ 59,207</u>	<u>\$ 3,245,856</u>	<u>\$ 1,546,942</u>	<u>\$ 12,332,166</u>	<u>\$ (93,784)</u>	<u>\$ 17,961,117</u>	<u>\$ 2,543,210</u>
Reconciliation of Cash and Cash Equivalents Per Statement of Cash Flows to the Statement of Net Position:								
Cash and Investments	\$ 50	\$ 1,205,340	\$ 4,876,158	\$ 3,492,002	\$ 11,860,420	\$ 141,736	\$ 21,575,706	\$ 8,154,955
Cash and Investments with Fiscal Agents	-	-	-	-	18,529,278	-	18,529,278	33,951
Cash and Cash Equivalents Per Statement of Cash Flows	<u>\$ 50</u>	<u>\$ 1,205,340</u>	<u>\$ 4,876,158</u>	<u>\$ 3,492,002</u>	<u>\$ 30,389,698</u>	<u>\$ 141,736</u>	<u>\$ 40,104,984</u>	<u>\$ 8,188,906</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016**

	Private Purpose Trust Fund	Agency Funds
<b>Assets</b>		
Cash and Investments	\$ 7,765,561	\$ 3,912,797
Cash and Investments with Fiscal Agent	3,708,368	-
Accounts Receivable	473,670	14,557
Interest Receivable	12,907	-
Note Receivable	8,718,292	-
Land Held for Sale	6,152,303	-
Total Assets	\$ 26,831,101	\$ 3,927,354
<b>Liabilities</b>		
Current Liabilities		
Accounts Payable and Accrued Liabilities	\$ 677,774	\$ 3,777
Due to Other Fund	-	3,247
Unearned Revenue	1,009,930	-
Deposits Payable	195,850	3,920,330
Bonds - Current	2,219,886	-
Total Current Liabilities	4,103,440	3,927,354
Noncurrent Liabilities		
Bonds and Advances	35,642,962	-
Total Noncurrent Liabilities	35,642,962	-
Total Liabilities	39,746,402	3,927,354
<b>Net Position</b>	\$ (12,915,301)	\$ -

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Private Purpose Trust Fund</u>
<b>Additions</b>	
Grants	\$ 4,045,890
Interest and Rentals	34,074
Other	<u>(467,729)</u>
Total Additions	<u>3,612,235</u>
<b>Deductions</b>	
Community Development	253,904
Interest Expense	1,602,045
Contractual Services Expense	<u>15,000</u>
Total Deductions	<u>1,870,949</u>
Change in Net Position	1,741,286
Net Position, Beginning of Year	<u>(14,656,587)</u>
Net Position, End of Year	<u><u>\$ (12,915,301)</u></u>

The accompanying notes are an integral part of these financial statements.

**CITY OF TULARE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the City of Tulare (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The accompanying financial statements present the financial position of the City and the various funds and fund types, the results of operations of the City and the various funds and fund types, and the cash flows of the proprietary funds. The financial statements are presented as of June 30, 2016, and for the year then ended.

A. Description of the Reporting Entity

The City was incorporated as a general law city on April 5, 1888, and became a charter city on May 1, 1923, under the charter laws of the State of California. The City operates under a Council-Administrator form of government and provides the following services: public safety (police and fire), community development, community services, public works, library and cultural, general administrative services, and capital improvements.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. However, elected officials of the City have a continuing accountability for fiscal matters of the other entity. The financial reporting entity consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, component unit balances and transactions are reported in a manner similar to the balances and transactions of the City. A component unit is presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City. Otherwise, the component unit is presented discretely.

Blended Component Unit:

The Tulare Public Financing Authority (the Authority) is a joint exercise of powers authority duly organized and existing under a Joint Exercise of Powers Agreement dated as of August 15, 1997, by and between the City and the former Tulare Redevelopment Agency. The Authority was formed to assist the City in the financing and refinancing of public capital improvements. The Authority is governed by a five-member board whose members are the same as the City Council. The Authority's financial data and transactions are included in the City's Financing Authority Major Fund.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Basis of Presentation

#### Government-Wide Financial Statements

The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities) report information of all of the nonfiduciary activities of the primary government and its blended component unit. For the most part, eliminations have been made to minimize the double counting on internal activities. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Certain indirect costs are included as part of the program expense reported for individual functions and activities. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs, 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and 3) interfund services provided and used. Interfund services provided and used are not eliminated in the process of consolidation. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Net position is restricted when constraints placed on it are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

#### Governmental Fund Financial Statements

The Governmental Fund Financial Statements provide information about the City's funds, including fiduciary funds and the blended component unit. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund – The General Fund is the principal operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. For the City, the General Fund includes basic governmental activities such as general government, public safety, public works, and community services. Consequently, it includes reserves and capital funds designated for specific purposes.

Measure R Fund – The Measure R Fund accounts for the City's share of the County-wide ½ cent sales tax for various street projects.

Financing Authority Fund – The Financing Authority Fund accounts for the annual debt service on the 2008 Lease Revenue Bonds. Lease revenues are derived from lease payments made by the City's General Fund.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

B. Basis of Presentation (Continued)

The City reports the following major enterprise funds:

Transit Fund – The Transit Fund accounts for the financial activity of the City's transit system which offers fixed route and dial-a-ride transportation services.

Development Services Fund – The Development Services Fund is a cost center that accounts for inspection, permits, and engineering services.

Water Fund – The Water Fund is used to account for the financial activities of water utility of the City.

Solid Waste Fund – The Solid Waste Fund is used to account for the financial activities of the collection of solid waste and disposal utility of the City.

Sewer Fund – The Sewer Fund is used to account for financial activities of sewage collection and wastewater treatment utility of the City.

Aviation Fund – The Aviation Fund accounts for the financial activity of the City's municipal airport.

The City reports the following additional fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Internal Service Funds – Internal Service Funds are used to account for fleet management, insurance, and purchase services provided by one department or agency of the City to another on a cost-reimbursement basis.

Private Purpose Trust Fund – Private Purpose Trust Fund is used to record the assets, liabilities, and the activities of the Successor Agency.

Agency Funds – Agency funds are used to account for assets held by the City as an agent for development impact fees collected for construction companies and contractors.

C. Basis of Accounting

The government-wide financial statements, proprietary fund financial statements, and the private purpose trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On an accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied. Unbilled water utility receivables are not recorded at year-end. However, the amount of unbilled receivables is not material to the financial statements.



## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **C. Basis of Accounting** (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its government-wide activities and enterprise funds, the City follows GASB Statement No. 62, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. The City applies all GASB pronouncements currently in effect as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989.

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. Revenues and expenses not meeting this definition are reported as nonoperating.

### **D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items**

#### Cash and Investments

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents.

#### Investments

Investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale).

Further cash and investment disclosures are presented in Note 2.

#### Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation, and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

### **D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items** (Continued)

#### Interfund Transactions (Continued)

Interfund transfers are generally recorded as transfers except for the following types of transactions:

- Charges for services are recorded as revenues of the performing fund and expenditures of the requesting fund. Unbilled costs are recognized as unbilled receivables at the end of the fiscal year.
- Reimbursements for costs of services performed are recorded as a reduction of expenditure in the performing fund and an expenditure of the requesting fund.

#### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include intergovernmental and taxes receivable. Business-type activities report trade and intergovernmental as their major receivables.

#### Inventory

Inventories of materials and supplies in the proprietary and internal service funds are valued at the lower of cost or market, carried on a first-in, first-out (FIFO) basis. The City follows the consumption method of accounting for inventories.

#### Land Held for Resale

Land held for resale is recorded at the lower of cost or estimated realizable value. Fund balances are reserved in amounts equal to the carrying value of the land held for resale because such assets are not available to finance the City's current operations.

#### Capital Assets

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

#### Government-Wide Financial Statements

In the government-wide financial statements, land, buildings, improvements, equipment, and construction in progress are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation.

The City's capitalization threshold, including intangible assets, is \$5,000. In other words, capital assets are capitalized only if they have a cost in excess of \$5,000 and have an expected useful life of three years or more. Capital assets that have a cost below \$5,000 are expensed during the fiscal year they are acquired.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items (Continued)

Capital Assets (Continued)

Depreciation and amortization of all exhaustible capital assets are recorded as an allocated expense in the Statement of Activities, with accumulated depreciation and amortization reflected in the Statement of Net Position. Depreciation and amortization are provided over the assets' estimated useful lives using the straight-line method of depreciation and amortization. The range of estimated useful lives by type of asset is as follows:

Infrastructure	20 to 50 years
Buildings	20 to 50 years
Improvements other than buildings	20 to 50 years
Machinery and equipment	5 to 20 years
Intangible assets	2 to 10 years

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation and amortization are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the government-wide financial statements.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. All vacation, sick, and compensatory pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. For additional information regarding compensated absences, see Note 6.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the 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 type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums, discounts, and deferred gains and losses at refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items (Continued)

Long-Term Obligations (Continued)

In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid. 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.

Net Position/Fund Balances

The government-wide and business-type activities financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the City, not restricted for any project or other purpose.

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement established new fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The City implemented GASB Statement No. 54 beginning with fiscal year ending June 30, 2012. Fund balances for governmental funds are segregated as follows.

- *Nonspendable fund balance* – includes net resources that cannot be spent because of their form or because of legal or contractual limitations, must remain intact.
- *Restricted fund balance* – includes net resources that have externally enforceable limitations on their use. These limitations can be established by creditors, grantors, or by laws and regulations.
- *Committed fund balance* – includes amounts with self-imposed limitations and are set in place prior to the end of the fiscal year. Commitments are set forth by the formal action of the City's highest level of decision-making authority, the City Council, and the limitations require that same level of authority to be removed.
- *Assigned fund balance* – includes amounts for which the intended use results in limitations but do not meet the requirements for either the "Restricted" or "Committed" classifications. Intended use can be established by the City Council, a governing committee or board, or by a City official designated as having that authority. The City's Finance Director has been designated to make assignments, through the budget, which is approved by the City Council.
- *Unassigned fund balance* – is the residual balance of the General Fund not included 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

D. Assets, Liabilities, Net Position or Fund Balance, and Other Financial Statement Items (Continued)

Net Position/Fund Balances (Continued)

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

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

Property Taxes

In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County of Tulare (the County) and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt. In the fund financial statements, property tax is recorded as revenue in the period levied to the extent it is collected within 60 days of year-end.

The property tax calendar for the City is as follows:

Lien date	January 1
Levy dates	July 1 through June 30
Due dates	November 1 – 1 <sup>st</sup> installment February 1 – 2 <sup>nd</sup> installment
Collection dates	December 10 – 1 <sup>st</sup> installment April 10 – 2 <sup>nd</sup> installment

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

E. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The procedures established by the City Council in adopting the budgetary data reflected in the financial statements are as follows:

On or before the second meeting in May, the City Manager submits to the City Council a proposed operating and capital projects budget for the fiscal year commencing the following July 1st. Following publication and public hearings, the budget is legally enacted by resolution.

The City Manager is authorized to transfer funds appropriated with respect to all classifications within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to existing capital outlay and capital projects classifications within the same department only; however, any revisions that alter the total expenditures of any department or create additional projects must be approved by the City Council.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

E. Stewardship, Compliance, and Accountability (Continued)

Budgets and Budgetary Accounting (Continued)

Supplemental budgetary appropriations were negligible for the fiscal year ended June 30, 2016. All unencumbered appropriations lapse at year-end.

For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department. Revenues are budgeted on a line item basis. A comparison of budgeted and actual revenues by line item would be too voluminous for this report.

Budgets for the General, Special Revenue, and Debt Service Funds are presented on a basis consistent with accounting principles generally accepted in the United States of America. No budgets are adopted for the Financing Authority Debt Service Fund or the Proprietary and Fiduciary Fund types.

Budgeted amounts are as originally adopted, or as amended by the City Council. During the fiscal year ended June 30, 2016, the City Council approved \$1,987,100 of increases to the originally adopted General Fund budget, including carryovers of prior year encumbered balances and selected capital appropriations.

F. Reclassifications and Eliminations

Interfund balances must generally be eliminated in the government-wide financial statements, except for the net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expenses of the function from which the expenses are being allocated, so that expenses are reported only once – in the function in which they are allocated.

G. Recent Accounting Pronouncements – Implemented in the Financial Statements

***GASB Statement No. 72, Fair Value Measurement and Application***

This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The results of implementation of this statement have been reported in the accompanying note disclosures (Note 2).

***GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68***

The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. Upon implementation, there was no effect on the City's accounting or financial reporting.

***GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments***

The objective of this statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles. Upon implementation, there was no effect on the City's accounting or financial reporting.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### H. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### I. Future Pronouncements

Additional standards recently released by GASB that are required to be implemented in future years are as follows:

#### ***GASB Statement No. 74, Financial Reporting for Postemployment Benefits Other than Pension Plans***

The provisions of this statement are effective for fiscal years beginning after June 15, 2016. The statement focuses primarily on enhanced note disclosures and schedules of required supplementary information. The City has not fully judged the effect of the implementation of GASB Statement No. 74 as of the date of the basic financial statements.

#### ***GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans.***

The provisions of this statement are effective for fiscal years beginning after June 15, 2017. This statement replaces GASB Statement No. 45, implemented by the City in 2009, and focuses primarily on enhanced note disclosures and schedules of required supplementary information. The City has not fully judged the effect of the implementation of GASB Statement No. 75 as of the date of the basic financial statements.

#### ***GASB Statement No. 77, Tax Abatement Disclosures***

The requirements of this statement are effective for reporting periods beginning after December 15, 2015. This statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting governments tax revenues. The City has not fully judged the effect of the implementation of GASB Statement No. 77 as of the date of the basic financial statements.

#### ***GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans***

The requirements of this statement are effective for reporting periods beginning after December 15, 2015. This statement addresses certain issues regarding the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The City has not fully judged the effect of implementation of GASB Statement No. 78 as of the date of the basic financial statements.

#### ***GASB Statement No. 79, Certain External Investment Pools and Pool Participants***

The requirements of this statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015. Earlier application is encouraged. The City has not fully judged the effect of implementation of GASB Statement No. 79 as of the date of the basic financial statements.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

I. Future Pronouncements (Continued)

**GASB Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14.***

The requirements of this statement are effective for reporting periods beginning after June 30, 2016. Earlier application is encouraged. The City has not fully judged the effect of implementation of GASB Statement No. 80 as of the date of the basic financial statements.

**GASB Statement No. 81, *Irrevocable Split-Interest Agreements***

The requirements of this statement are effective for reporting periods beginning after December 15, 2016. Earlier application is encouraged. The City has not fully judged the effect of implementation of GASB Statement No. 81 as of the date of the basic financial statements.

**GASB Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73***

The requirements of this statement are effective for reporting periods 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. Earlier application is encouraged. The City has not fully judged the effect of implementation of GASB Statement No. 82 as of the date of the basic financial statements.

**GASB Statement No. 83, *Certain Asset Retirement Obligations***

The requirements of this statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged. The City has not fully judged the effect of implementation of GASB Statement No. 83 as of the date of the basic financial statements.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments as of June 30, 2016, are classified in the accompanying financial statements as follows:

Statement of Net Position:

Primary Government	
Cash and Investments	\$ 71,485,725
Cash and Investments with Fiscal Agent	19,727,710
Fiduciary Funds:	
Cash and Investments	11,678,358
Cash and Investments with Fiscal Agent	3,708,368
Total Cash and Investments	<u>\$ 106,600,161</u>

Cash and investments as of June 30, 2016, consist of the following:

Cash on Hand	\$ 12,690
Investments	83,188,141
Cash and Investment with Fiscal Agents	23,399,330
Total Cash and Investments	<u>\$ 106,600,161</u>



**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Investments Authorized by the California Government Code and the City’s Investment Policy**

The table below identifies the **investment types** that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address **interest rate risk, credit risk, and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage/Amount of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Time Certificates of Deposit	N/A	30%	N/A
Local Agency Investment Fund (LAIF)	N/A	\$50 million	N/A
Bankers’ Acceptances	180 days	40%	30%
Treasury Bonds and Notes	10 years	N/A	N/A
Treasury Bills (T-Bills)	1 year	N/A	N/A
Federally Sponsored Agency Securities	N/A	N/A	N/A
Repurchase Agreements <sup>(3)</sup>	90 days	N/A	N/A
Medium-Term Notes/Corporate Bonds <sup>(1)</sup>	5 years	30%	N/A
Money Market Mutual Funds <sup>(4)</sup>	N/A	15%	N/A
Commercial Paper <sup>(6)</sup>	N/A	25%	N/A
Zero Coupon Bonds <sup>(2)</sup>	N/A	N/A	N/A
Passbook Savings Account Demand Deposits <sup>(5)</sup>	N/A	N/A	N/A

- (1) Must be rated A or better by a nationally recognized rating service and may not exceed 30 percent of the City’s surplus funds.
- (2) May only be purchased for purposes of bond defeasance or future capital improvement projects.
- (3) Requires physical delivery of the securities backing the repurchase agreements or safekeeping documentation to a qualified safekeeping institution.
- (4) Purchases may not exceed 15 percent of the City’s surplus funds.
- (5) Requires investing only in FDIC savings and loans institutions.
- (6) Purchases may not exceed 25 percent of the City’s surplus funds.

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by the provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table below identifies the **investment types** that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreement that address **interest rate risk, credit risk, and concentration of credit risk**.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers’ Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. None of the City's investments, as shown below, are adversely affected by changes in interest rates.

Investment Type	Amount	Weighted Average Maturity (in years)
Federal Agency Securities	\$ 33,211,598	2.4
Certificates of Deposit	245,668	
Local Agency Investment Fund (LAIF)	49,730,875	N/A
Held by Bond Trustee:		
Money Market Mutual Funds	8,352,094	0.2
Investment Contracts	15,013,285	1.5
Held by Insurance Administrator:		
Pooled Investments	33,951	N/A
Total	<u>\$ 106,587,471</u>	

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

None of the City's investments (including investments held by bond trustees) are highly sensitive to interest rate fluctuations.

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

Investment Type	Amount	Minimum		Rating as of Year-End	
		Legal Rating	Not Required To Be Rated	AAA	Unrated
Federal Agency Securities	\$ 33,211,598	N/A	\$ -	\$ 33,211,598	\$ -
Certificates of Deposit	245,668	N/A	-	-	245,668
Local Agency Investment Fund (LAIF)	49,730,875	Collateralized	-	-	49,730,875
Held by Bond Trustee:					
Money Market Mutual Funds	8,352,094	A	8,352,094	-	-
Investment Contracts	15,013,285	N/A	15,013,285	-	-
Held by Insurance Administrator:					
Pooled Investments	33,951	N/A	33,951	-	-
Total	<u>\$ 106,587,471</u>		<u>\$ 23,399,330</u>	<u>\$ 33,211,598</u>	<u>\$ 49,976,543</u>

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer that represent 5% or more of total City's investments are as follows:

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Concentration of Credit Risk** (Continued)

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>
Federal Home Loan	Federal Agency Securities	\$ 7,005,730
Federal Farm Credit Banks	Federal Agency Securities	15,198,577
Federal National Mortgage	Federal Agency Securities	11,006,000
Government National Mortgage Association	Federal Agency Securities	1,291
	Total Federal Agency Securities	<u>\$ 33,211,598</u>

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). Collateral for cash deposits is considered to be held in the City's name. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

The carrying amounts of the City's cash deposits were \$0 at June 30, 2016. Bank balances before reconciling items were \$588,975 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**Investments in State Investment Pool**

The City is a voluntary participant in LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio. In addition, the State Treasurer's Office performs a monthly fair market valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

The City has the following recurring fair value measurements as of June 30, 2016:

Investments by Fair Value Level	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities			
Federal Agency Securities	\$ 33,211,598	\$ 33,211,598	\$ -
Certificates of Deposit	245,668	245,668	-
Total Investments Measured at Fair Value	<u>33,457,266</u>	<u>\$ 33,457,266</u>	<u>\$ -</u>
Investments Measured at Amortized Cost			
LAIF	49,730,875		
Pooled Insurance Investments	33,951		
Money Market Mutual Funds	8,352,094		
Investment Contracts	<u>15,013,285</u>		
Total Investments Measured at Amortized Cost	<u>73,130,205</u>		
Total Pooled and Directed Investments	<u>\$ 106,587,471</u>		

**NOTE 3 – NOTES AND LOANS RECEIVABLE**

Notes receivable for the primary government consist of:

**Primary Government**

Secured note receivable from **Western Pacific Meat Packing, LLC**, a third party, dated November 7, 2006, bearing no interest and due November 6, 2016, for acquiring certain real property and development of a beef harvesting facility in Tulare, California.

\$ 524,995

Five secured notes receivable for various amounts from **Kaweah Management** for properties at 145 No B St, 445 So I St, 361 Beechwood, 484 Beechwood, and 524 Aspenwood. These loans are 55 year notes with affordability agreements. If these notes stay in compliance for full term, then the notes are forgiven. If not, then notes are due and payable and any funds received back to the City will be forwarded to Tulare County as program income per Federal funding rules for the Neighborhood Stabilization Program (NSP).

759,458

**Total Primary Government**

\$ 1,284,453

**NOTE 3 – NOTES AND LOANS RECEIVABLE (Continued)**

Loans receivable consist of:

**Primary Government**

Home Program (Housing Successor Agency (HSA))	\$ 7,983,433
Housing Community Development Block Grant (CDBG) Loans	1,901,333
Rehabilitation Loans	<u>1,034,539</u>
<b>Total Primary Government</b>	<b><u>\$ 10,919,305</u></b>

**NOTE 4 – CAPITAL ASSETS**

Capital assets activities for the year ended June 30, 2016, were as follows:

<b><u>Governmental Activities</u></b>	<u>Balance July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Nondepreciable Capital Assets:				
Land	\$ 18,973,655	\$ 55,624	\$ (5,782,786)	\$ 13,246,493
Right-of-Way	14,503,053	-	-	14,503,053
Construction in Progress	<u>30,469,559</u>	<u>15,429,176</u>	<u>-</u>	<u>45,898,735</u>
Subtotal	<u>63,946,267</u>	<u>15,484,800</u>	<u>(5,782,786)</u>	<u>73,648,281</u>
Depreciable Capital Assets:				
Infrastructure	239,831,708	1,676,563	-	241,508,271
Structures and Improvements	57,869,072	825,638	-	58,694,710
Equipment	<u>25,036,105</u>	<u>1,660,706</u>	<u>(334,660)</u>	<u>26,362,151</u>
Subtotal	<u>322,736,885</u>	<u>4,162,907</u>	<u>(334,660)</u>	<u>326,565,132</u>
Accumulated Depreciation:				
Infrastructure	(112,263,620)	(7,513,963)	506,842	(119,270,741)
Structures and Improvements	(19,265,344)	(1,576,133)	-	(20,841,477)
Equipment	<u>(17,979,561)</u>	<u>(2,072,825)</u>	<u>333,291</u>	<u>(19,719,095)</u>
Subtotal	<u>(149,508,525)</u>	<u>(11,162,921)</u>	<u>840,133</u>	<u>(159,831,313)</u>
Net Capital Assets	<u>\$ 237,174,627</u>	<u>\$ 8,484,786</u>	<u>\$ (5,277,313)</u>	<u>\$ 240,382,100</u>

**NOTE 4 – CAPITAL ASSETS** (Continued)

<b>Business-Type Activities</b>	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
Nondepreciable Capital Assets:				
Land	\$ 7,408,278	\$ -	\$ -	\$ 7,408,278
Construction in Progress	-	-	-	-
Subtotal	<u>7,408,278</u>	<u>-</u>	<u>-</u>	<u>7,408,278</u>
Depreciable Capital Assets:				
Buildings	4,778,313	208,323	-	4,986,636
Improvements Other Than Buildings	326,269,978	358,287	(2,710,145)	323,918,120
Equipment	8,772,891	1,940,543	(78,800)	10,634,634
Subtotal	<u>339,821,182</u>	<u>2,507,153</u>	<u>(2,788,945)</u>	<u>339,539,390</u>
Accumulated Depreciation:				
Buildings	(1,447,804)	(97,234)	-	(1,545,038)
Improvements Other Than Buildings	(71,075,959)	(7,131,784)	2,710,145	(75,497,598)
Equipment	(7,499,964)	(299,121)	78,800	(7,720,285)
Subtotal	<u>(80,023,727)</u>	<u>(7,528,139)</u>	<u>2,788,945</u>	<u>(84,762,921)</u>
Net Capital Assets	<u>\$ 267,205,733</u>	<u>\$ (5,020,986)</u>	<u>\$ -</u>	<u>\$ 262,184,747</u>

Depreciation expense for the fiscal year ending June 30, 2016, was charged to the following activities:

Governmental Activities:	
General Government	\$ 1,105,108
Public Safety	730,027
Public Works	104,098
Community Development	5,902,160
Community Services	47,121
Library and Cultural	<u>3,274,407</u>
Total Governmental Activities Depreciation Expense	<u>\$ 11,162,921</u>
Business-Type Activities:	
Aviation	\$ 170,697
Transit	305,319
Water	1,235,241
Solid Waste	11,992
Sewer	<u>5,804,890</u>
Total Business-Type Activities Depreciation Expense	<u>\$ 7,528,139</u>

**NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The City's accounts payable and accrued liabilities for the year ended June 30, 2016, for the major funds, nonmajor funds, and internal service funds are as follows:

Governmental Activities:	
General Fund	\$ 5,730,522
Financing Authority Fund	364,400
Nonmajor Governmental Funds	99,714
Internal Service Funds	<u>156,237</u>
Total Governmental Activities	<u>\$ 6,350,873</u>
Business-Type Activities:	
Transit	\$ 174,682
Development Services	165,915
Water	647,247
Solid Waste	336,302
Sewer	3,625,716
Aviation	<u>1,784</u>
Total Business-Type Activities	<u>\$ 4,951,646</u>

## NOTE 6 – LONG-TERM DEBT

The following is a summary of the long-term debt activity for the year ended June 30, 2016:

Type of Debt	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Revenue Bonds Payable	\$ 28,365,000	\$ -	\$ 830,000	\$ 27,535,000	\$ 865,000
Bond Premium	1,300,320	-	56,948	1,243,372	56,948
Bond Discount	(713,448)	-	(30,232)	(683,216)	(30,232)
Leases Payable	933,039	-	107,200	825,839	112,067
Net Post-Employment Benefits Obligation	636,894	-	92,240	544,654	-
Compensated Absences Payable	2,213,252	688,922	375,473	2,526,701	197,083
<b>Total Governmental Activities</b>	<b>\$ 32,735,057</b>	<b>\$ 688,922</b>	<b>\$ 1,431,629</b>	<b>\$ 31,992,350</b>	<b>\$ 1,200,866</b>
<b>Business-Type Activities:</b>					
Revenue Bonds Payable	\$ 189,106,630	\$ 84,555,000	\$ 91,499,658	\$ 182,161,972	\$ 3,415,876
Bond Premium	3,383,443	8,148,778	1,511,555	10,020,666	341,080
Bond Discount	(3,310,240)	-	(3,310,240)	-	-
Leases Payable	8,657,524	-	1,274,636	7,382,888	862,986
Notes Payable	1,031,886	-	510,093	521,793	521,793
Net Post-Employment Benefits Obligation	163,142	-	34,001	129,141	-
Compensated Absences Payable	916,984	26,740	-	943,724	73,610
<b>Total Business-Type Activities</b>	<b>\$ 199,949,369</b>	<b>\$ 92,730,518</b>	<b>\$ 91,519,703</b>	<b>\$ 201,160,184</b>	<b>\$ 5,215,345</b>
<b>Primary Government:</b>					
Revenue Bonds Payable	\$ 217,471,630	\$ 84,555,000	\$ 92,329,658	\$ 209,696,972	\$ 4,280,876
Bond Premium	4,683,763	8,148,778	1,568,503	11,264,038	398,028
Bond Discount	(4,023,688)	-	(3,340,472)	(683,216)	(30,232)
Leases Payable	9,590,563	-	1,381,836	8,208,727	975,053
Notes Payable	1,031,886	-	510,093	521,793	521,793
Net Post-Employment Benefits Obligation	800,036	-	126,241	673,795	-
Compensated Absences Payable	3,130,236	715,662	375,473	3,470,425	270,693
<b>Total Primary Government</b>	<b>\$ 232,684,426</b>	<b>\$ 93,419,440</b>	<b>\$ 92,951,332</b>	<b>\$ 233,152,534</b>	<b>\$ 6,416,211</b>

The compensated absences and the post-employment benefits obligation for governmental activities will be paid by the General Fund. The compensated absences and the post-employment benefits obligation for business-type activities will be paid by the respective proprietary funds.



**NOTE 6 – LONG-TERM DEBT** (Continued)

Governmental Activities -

Lease Revenue Bonds (the Authority):

On February 1, 2008, the Authority issued \$33,050,000 in Lease Revenue and Refunding Bonds. The bonds are payable in amounts ranging from \$375,000 to \$1,775,000 per year on April 1 each year, commencing April 1, 2009, through April 1, 2038, and bear interest at rates ranging from 4.00% to 5.50% depending upon the date of maturity. At June 30, 2016, the outstanding balance, including the related unamortized bond premium and discount, was:

\$ 28,095,156

Compensated Absences:

The City accounts for compensated absences (unpaid vacation, sick leave, and compensatory time) in accordance with the City's policy.

In governmental funds, compensated absences are recorded as expenditures in the year paid, as it is the City's intention to liquidate any unpaid compensated absences at June 30 from future resources, rather than current available financial resources. Accordingly, the unpaid liability for governmental funds is recorded in the government-wide Statement of Net Position.

\$ 2,526,701

Net Post-Employment Benefits Obligation:

The City accounts for net post-employment benefits obligation in accordance with GASB Statement No. 45. The unfunded annual required contribution is recorded as a liability in the government-wide Statement of Net Position.

\$ 544,654

Lease Payable:

Obligation of \$1,345,009 on a capital lease for various energy retrofit capital expenditures: Interest at 4.49% per annum and semi-annual payments range from \$36,417 to \$540,316 until July 2022.

\$ 825,839

The annual requirements to amortize the lease payable outstanding, including interest of \$135,649, are as follows:

<u>Year Ending June 30,</u>	<u>Citi Capital Muni</u>
2017	\$ 147,904
2018	147,904
2019	147,904
2020	147,960
2021	147,960
2022-2023	<u>221,856</u>
	961,488
Less Interest	<u>135,649</u>
Total	<u>\$ 825,839</u>

**NOTE 6 – LONG-TERM DEBT** (Continued)

## Business-Type Activities -

## Lease Payable:

In September 2006, the City entered into a lease agreement to obtain an obligation of \$8,448,136 on a capital lease for various energy retrofit capital expenditures. The sixteen-year lease bears an interest rate at 4.49% and has semi-annual payments in the range of \$36,417 and \$540,316 each year. At June 30, 2016, the outstanding balance was \$5,208,594.

The annual requirements to amortize the lease payable outstanding, including interest of \$1,152,292, are as follows:

Year Ending June 30,	Citi Capital Muni
2017	\$ 992,444
2018	992,444
2019	992,444
2020	992,444
2021	992,444
2022-2023	<u>1,398,666</u>
	6,360,886
Less Interest	<u>1,152,292</u>
Total	<u><u>\$ 5,208,594</u></u>

In December 2010, the City entered into a lease agreement to obtain an obligation of \$4,893,322 on a capital lease for equipment of the City's solar project. The fifteen-year lease bears an interest rate of 4.99% and has semi-annual payments in the range of \$148,051 to \$424,860 each year. At June 30, 2016, the outstanding balance was \$2,174,294.

The annual requirements to amortize the lease payable outstanding, including interest of \$630,247, are as follows:

Year Ending June 30,	Bank of America Solar Project
2017	\$ 263,014
2018	266,921
2019	270,816
2020	274,696
2021	278,554
2022-2026	<u>1,450,540</u>
	2,804,541
Less Interest	<u>630,247</u>
Total	<u><u>\$ 2,174,294</u></u>

## 2006 Sewer Revenue Bonds:

On December 7, 2006, the City issued \$78,900,000 in Sewer Revenue Bonds. The bonds are payable in amounts ranging from \$0 to \$5,300,000 per year on November 15 each year, commencing 2008 through 2042 and bear interest rates from 4% to 5%. During the year, the City paid off the remaining balance by issuing the Sewer Revenue Refunding Bonds, Series 2015.

**NOTE 6 – LONG-TERM DEBT (Continued)**

2009 Sewer Revenue Bonds:

On June 30, 2009, the City issued \$54,775,000 in Sewer Revenue Bonds. The bond principal is payable in amounts ranging from \$780,000 to \$10,590,000 per year on November 15 each year, commencing November 15, 2032, through November 15, 2044, and bear interest rate of 8.75%. The bond interest is payable twice a year, on May 15 and November 15 each year. The City is eligible for a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Series 2009 Bonds. At June 30, 2016, the outstanding balance was \$54,775,000.

2010 Sewer Revenue Bonds:

On December 22, 2010, the City issued \$19,425,000 in Sewer Revenue Bonds. The bonds are payable semi-annually in amounts ranging from \$0 to \$10,700,000 per year on November 15 each year, commencing May 15, 2011, through November 15, 2045, and bear interest rates from 3.25% to 6.50%. At June 30, 2016, the outstanding balance was \$8,375,000.

2012 Sewer Revenue Refunding Bonds:

On May 18, 2012, the City issued \$10,580,000 in Sewer Revenue Refunding Bonds to refund a portion of the City's 2001 Sewer Revenue Bonds. Principal and interest payments are due semi-annually commencing on November 15, 2012, through November 15, 2026, and bear interest at a rate of 3.29%. At June 30, 2016, the outstanding balance was \$8,141,972.

2013 Sewer Revenue Refunding Bonds:

On May 1, 2013, the City issued \$32,855,000 in Sewer Revenue Refunding Bonds to refund the City's 2001 Sewer Revenue Bonds and the 2003 Sewer Revenue Bonds. Principal and interest payments are due semi-annually commencing on November 15, 2013, through November 15, 2033, and bear interest rates from 2% to 5%. At June 30, 2016, the outstanding balance, including the related unamortized bond premium was \$29,637,999.

2015 Sewer Revenue Refunding Bonds:

In November 2015, the City issued \$84,555,000 in Sewer Revenue Refunding Bonds to refund the City's 2006 Sewer Revenue Bonds with an outstanding principal of \$76,800,000. The reacquisition price exceeded the net carry amount of the old debt by \$7,755,000. This amount is being netted against the new debt and amortized over the new debt's life. The transaction resulted in an economic gain of \$7,433,828. Principal and interest payments are due semi-annually commencing on November 15, 2015, through November 15, 2045, and bear interest rates from 2% to 5%. At June 30, 2016, the outstanding balance, including the related unamortized bond premium was \$91,252,667.

**NOTE 6 – LONG-TERM DEBT** (Continued)

The annual requirements to amortize bonded debt and notes payable, including interest, are as follows:

Year Ending June 30,	Primary Government		Primary Government	
	Governmental Activities		Business-Type Activities	
	2008 Lease Revenue Bonds	2013 Sewer Revenue Refunding Bonds	2009 Sewer Revenue Bonds	2010 Sewer Revenue Bonds
2017	\$ 2,322,600	\$ 2,869,900	\$ 4,792,813	\$ 768,115
2018	2,328,675	2,872,000	4,792,813	755,928
2019	2,322,725	2,872,500	4,792,813	742,521
2020	2,323,113	2,369,150	4,792,813	752,740
2021	2,325,785	2,371,900	4,792,813	751,196
2022-2026	11,627,651	8,164,175	23,964,063	4,155,257
2027-2031	9,818,345	11,113,350	23,964,063	4,075,893
2032-2036	9,367,213	4,824,825	29,450,250	782,800
2037-2041	3,742,647	-	32,920,096	-
2042-2046	-	-	40,521,564	-
	46,178,754	37,457,800	174,784,101	12,784,450
Less Interest	18,643,754	9,977,800	120,009,101	4,409,450
Plus Unamortized Premium	1,243,372	2,157,999	-	-
Less Unamortized Discount	(683,216)	-	-	-
<b>Total</b>	<b>\$ 28,095,156</b>	<b>\$ 29,637,999</b>	<b>\$ 54,775,000</b>	<b>\$ 8,375,000</b>

Year Ending June 30,	Primary Government	
	Business-Type Activities	
	2012 Sewer Revenue Refunding Bonds	2015 Sewer Revenue Refunding Bonds
2017	\$ 923,355	\$ 4,249,200
2018	923,355	4,245,800
2019	923,355	4,246,500
2020	923,355	4,919,900
2021	923,355	4,923,750
2022-2026	4,616,775	28,196,500
2027-2031	461,678	29,221,750
2032-2036	-	29,562,250
2037-2041	-	29,520,337
2042-2046	-	18,331,796
	9,695,228	157,417,783
Less Interest	1,553,256	74,027,783
Plus Unamortized Premium	-	7,862,667
Less Unamortized Discount	-	-
<b>Total</b>	<b>\$ 8,141,972</b>	<b>\$ 91,252,667</b>

Net Post-Employment Benefits Obligation:

The City accounts for net post-employment benefits obligation in accordance with GASB Statement No. 45. The unfunded annual required contribution is recorded as a liability in the Enterprise Fund and Government-Wide Statement of Net Position. At June 30, 2016, the net post-employment benefits obligation totaled \$129,141.

**NOTE 6 – LONG-TERM DEBT** (Continued)

Compensated Absences:

The City accounts for compensated absences (unpaid vacation, sick leave, and compensatory time) in accordance with the City's policy. At June 30, 2016, the compensated absences payable totaled \$943,724 for business-type activities.

Notes Payable:

On June 20, 2014, the City entered into an agreement with Rodger Catron (Catron) to purchase real property. In connection with the purchase, the City signed a promissory note in the amount of \$1,530,000. The note is payable annually at interest of 5% in installments of \$561,829 commencing April 30, 2015, until paid in full.

The annual requirements to amortize the note payable is as follows:

<u>Year Ending June 30,</u>	<u>Catron Note</u>
2017	<u>\$ 521,793</u>
Less Interest	<u>-</u>
Total	<u><u>\$ 521,793</u></u>

**NOTE 7 – PENSION PLANS**

The City participates in the Miscellaneous Plan, an agent multiple employer defined benefit pension plan of the City of Tulare, and the Safety Fire Plan and Safety Police Plan, cost-sharing multiple employer defined benefit pension plans of the City of Tulare, which are included in the Public Agency portion of the California Public Employees' Retirement System (CalPERS).

**Miscellaneous Plan**

**A. General Information**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, an agent multiple employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Miscellaneous Plan are applied as specified by the Public Employees' Retirement Law.

**NOTE 7 – PENSION PLANS** (Continued)

**Miscellaneous Plan** (Continued)

**A. General Information** (Continued)

Benefits Provided (Continued)

The Public Employees’ Pension Reform Act of 2013 (PEPRA) requires new benefits and member contributions for new members, as defined by PEPRA, that are hired after January 1, 2013. Pursuant to PEPRA, the Miscellaneous Plan 1<sup>st</sup> and 2<sup>nd</sup> Tiers are closed to new entrants as of January 1, 2013.

The plan’s provisions and benefits in effect at June 30, 2016, are summarized as follows:

Hire Date	Miscellaneous 1st Tier	Miscellaneous 2nd Tier	Miscellaneous PEPRA
	Prior to January 1, 2011	January 1, 2011 through December 31, 2012	On or after January 1, 2013
Benefit Formula	2.7%@55	2.5%@60	2.0%@62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50-55	50-63	52-67
Monthly Benefits, as a Percentage of Eligible Compensation	2.0% to 2.7%	2.0% to 2.5%	1.0% to 2.5%
Required Employee Contribution Rates	8.00%	8.00%	8.00%
Required Employer Contribution Rates	24.47%	24.47%	24.47%

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	13
Inactive employees entitled to but not yet receiving benefits	229
Active employees	211
<b>Total</b>	<b>453</b>

Contributions

Section 20814c of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**B. Net Pension Liability**

The City’s net pension liability for its plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Miscellaneous Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**NOTE 7 – PENSION PLANS** (Continued)

**Miscellaneous Plan** (Continued)

**B. Net Pension Liability** (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation Rate	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% to 14.2% (1)
Investment Rate of Return	7.65% (2)
Mortality	Derived from CalPERS Membership Data for all Funds (3)

- (1) Depending on age, service, and type of employment.
- (2) Net of pension plan investment expenses, including inflation.
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**NOTE 7 – PENSION PLANS** (Continued)**Miscellaneous Plan** (Continued)**B. Net Pension Liability** (Continued)Discount Rate (Continued)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**C. Changes in Net Pension Liability**

The changes in the net pension liability for the plan follow:

	Total Pension Liability (1)	Increase (Decrease) Plan Fiduciary Net Position (2)	Net Pension Liability (Asset) (3) = (1) - (2)
<b>Balance at June 30, 2014</b>	\$ 101,730,759	\$ 76,249,351	\$ 25,481,408
<b>Changes Recognized for the Measurement Period:</b>			
- Service Cost	1,895,137	-	1,895,137
- Interest on the Total Pension Liability	7,433,900	-	7,433,900
- Changes of Benefit Terms	-	-	-
- Differences between Expected and Actual Experience	(1,397,005)	-	(1,397,005)
- Changes of Assumptions	(1,775,482)	-	(1,775,482)
- Contributions from the Employer	-	2,433,522	(2,433,522)
- Contributions from the Employees	-	892,257	(892,257)
- Net Investment Income (b)	-	1,680,617	(1,680,617)
- Benefit Payments Including Refund of Employee Contributions	-	(86,194)	86,194
- Administrative Expenses	(4,661,365)	(4,661,365)	-
<b>Net Changes</b>	<b>1,495,185</b>	<b>258,837</b>	<b>1,236,348</b>
<b>Balance at June 30, 2015</b>	<b>\$ 103,225,944</b>	<b>\$ 76,508,188</b>	<b>\$ 26,717,756</b>



**NOTE 7 – PENSION PLANS** (Continued)

**Miscellaneous Plan** (Continued)

**C. Changes in Net Pension Liability** (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for the Miscellaneous Plan, calculated using the discount rate for the Miscellaneous Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>MISCELLANEOUS PLAN</u>	<u>Discount Rate - 1%</u> <u>(6.65%)</u>	<u>Current Discount Rate</u> <u>(7.65%)</u>	<u>Discount Rate + 1%</u> <u>(8.65%)</u>
Plan's Net Pension Liability	\$ 40,183,430	\$ 26,717,756	\$ 15,552,561

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

The City recognized pension expense, deferred outflows of resources, and deferred inflows of resources, including a portion attributable to Superior Court employees. These employees are not employees of the City, however, disaggregated information was not available from CalPERS. The effect of this liability was deemed immaterial to the overall net pension liability by City management.

For the year ended June 30, 2016, the City recognized pension expense of \$1,177,653. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Outflows</u> <u>of Resources</u>
Pension contributions subsequent to measurement date	\$ 2,663,687	\$ -
Differences between actual and expected experience	-	1,141,381
Changes in assumptions	-	898,074
Net differences between projected and actual earnings on plan investments	-	649,100
Total	<u>\$ 2,663,687</u>	<u>\$ 2,688,555</u>

**NOTE 7 – PENSION PLANS** (Continued)

**Miscellaneous Plan** (Continued)

**D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions** (Continued)

\$2,663,687 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2016	\$ (1,618,038)
2017	(1,391,432)
2018	(485,006)
2019	805,921
2020	-
Thereafter	-

**E. Payable to the Pension Plan**

The City reported a payable of \$148,469 for an outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

**Safety Police and Safety Fire Plans**

**A. General Information**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plans administered by CalPERS. The plans consist of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other).

Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors six safety rate plans (three police and three fire). Benefit provisions under the plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plans are applied as specified by the Public Employees' Retirement Law.

**NOTE 7 – PENSION PLANS (Continued)**

**Safety Police and Safety Fire Plans (Continued)**

**A. General Information (Continued)**

Benefits Provided (Continued)

The plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Safety - Police 1st Tier	Safety - Police 2nd Tier	Safety - Police PEPRA
Hire date	Prior to January 1, 2013	January 1, 2011 through December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	18.524%	15.627%	11.153%
	Safety - Fire 1st Tier	Safety - Fire 2nd Tier	Safety - Fire PEPRA
Hire date	Prior to January 1, 2013	January 1, 2011 through December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	18.524%	16.523%	11.153%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the plans as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund, if applicable. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$1,523,483 for the fiscal year ended June 30, 2016.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City's contributions to the plans for the year ended June 30, 2016, were \$3,071,894.

**NOTE 7 – PENSION PLANS** (Continued)

**Safety Police and Safety Fire Plans** (Continued)

**B. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2016, the City reported a net pension liability for its proportionate share of the net pension liability of the plans of \$18,307,442.

The City's net pension liability for the plans is measured as the proportionate share of the net pension liability. The net pension liability of the plans is measured as of June 30, 2015, and the total pension liability for the plans used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, rolled forward to June 30, 2015, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the plans as of June 30, 2014 and 2015 was as follows:

Proportion - June 30, 2014	0.4487%
Proportion - June 30, 2015	0.4443%
Change - Increase (Decrease)	-0.0044%

For the year ended June 30, 2016, the City recognized pension expense of \$320,365. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 3,071,894	\$ -
Changes of assumptions	-	1,892,199
Differences between actual and expected experience	-	378,044
Net difference between projected and actual earnings on plan investments	-	958,978
Change in City's proportion	2,424,263	211,384
Differences between the City's actual contributions and the City's proportionate share of contributions	<u>767,325</u>	<u>-</u>
Total	<u>\$ 6,263,482</u>	<u>\$ 3,440,605</u>

\$3,071,894 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30

2016	\$ (512,360)
2017	(488,872)
2018	(458,354)
2019	1,177,209
2020	-
Thereafter	-

**NOTE 7 – PENSION PLANS** (Continued)

**Safety Police and Safety Fire Plans** (Continued)

**C. Actuarial Assumptions**

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Age-Entry Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation Rate	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.3% - 14.2% (1)
Investment Rate of Return	7.65% (2)
Mortality	Derived from CalPERS Membership Data for all Fund

- (1) Depending on age, service, and type of employment.
- (2) Net of pension plan investment expenses, including inflation.
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experiences Study can be found on the CalPERS website.

Change of Assumptions

GASB Statement No. 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expenses but without reduction for pension plan administrative expenses. The discount rate of 7.50 percent used the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expenses.

**D. Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent for the plans. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plans, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB Statement No. 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**NOTE 7 – PENSION PLANS** (Continued)**Safety Police and Safety Fire Plans** (Continued)**D. Discount Rate** (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	<u>100.00%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability for the plans, calculated using the discount rate for the plans, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

<u>SAFETY POLICE AND SAFETY FIRE PLANS</u>	<u>Discount Rate -1% 6.65%</u>	<u>Current Discount Rate 7.65%</u>	<u>Discount Rate +1% 8.65%</u>
Plans' Net Pension Liability	\$ 29,262,663	\$ 18,307,442	\$ 9,324,362

**E. Pension Plan Fiduciary Net Position**

Detailed information about the plans' fiduciary net position is available in the separately issued CalPERS financial reports.

**F. Payable to the Pension Plans**

The City reported a payable of \$87,298 for an outstanding amount of contributions to the pension plans required for the year ended June 30, 2016.

## **NOTE 8 – RISK MANAGEMENT**

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). CSJVRMA is a consortium of fifty-four (54) cities in the San Joaquin Valley, California, established under the provisions of California Government Code Section 6500, et seq. CSJVRMA provides risk coverage for its members through the pooling of risks and purchased insurance. This coverage extends to workers' compensation and general liability. CSJVRMA is governed by a board consisting of one board member appointed by each member agency and meets three to four times a year. The board has contracted with a management group to supervise and conduct CSJVRMA affairs.

In the event of termination and after all claims have been settled, any excess or deficit will be divided among the agencies in accordance with an approved formula.

**General Liability Insurance:** Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. Each member city self-insures through the CSJVRMA for the first \$100,000 of each loss. However, this self-insurance retention is funded through annual contributions; therefore, the City effectively has no exposure except for specific limits as described herein. Participating cities then share in the next \$100,000 to \$1,000,000 per loss occurrence. Specific coverage includes comprehensive and general automotive liability, personal injury, errors and omissions, and certain other coverage.

Separate deposits are collected from the member cities to cover claims between \$1,000,000 and \$15,000,000. These deposits are also subject to retrospective adjustment.

**Workers' Compensation:** The workers' compensation program includes pooling of retained losses plus excess insurance. Annual deposits are paid by member cities and are adjusted retrospectively on an annual basis to cover costs and reflect claims experience of both the individual member and the pool. The annual retrospective computation of the deposit is based on the member's own losses up to its retention level plus a pro-rata share of general/administrative expenses and losses between \$100,000 and \$500,000. The City has a retention level of \$100,000, and all claims up to that level are paid by the City. However, this self-insured retention is funded through annual contributions; therefore, the City effectively has no exposure except for specific limits described herein. Benefits from \$100,000 to \$500,000 are covered by the pool. Excess insurance covers claims from \$500,000 up to the statutory benefits schedule under California Workers' Compensation Law.

There have been no significant changes in insurance coverage as compared to last year, and settlements have not exceeded coverage in each of the past three fiscal years.

## **NOTE 9 – INTERFUND TRANSACTIONS**

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**NOTE 9 – INTERFUND TRANSACTIONS (Continued)**

Interfund due from/to other funds at June 30, 2016, were as follows:

	Purpose	Due From Other Funds	Due To Other Funds
<b>Major Governmental Funds</b>			
General Fund	General Operations	\$ 3,312,906	\$ 31,197
Special Revenue Fund - Measure R	General Operations	-	2,885,362
Nonmajor Governmental Funds	General Operations	-	115,481
<b>Enterprise Funds</b>			
Transit Fund	General Operations	-	277,619
Fiduciary Funds - Agency Fund	General Operations	-	3,247
		<u>\$ 3,312,906</u>	<u>\$ 3,312,906</u>

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended. Interfund transfers for the 2015-16 fiscal year are as follows:

	Purpose	Transfers In	Transfers Out
<b>Governmental Major Funds</b>			
<b>General Fund</b>			
Nonmajor Governmental Funds	For Traffic Safety activity	\$ 211,487	\$ -
Nonmajor Governmental Funds	To reimburse General Fund	67,347	-
General Fund	To reimburse General Fund	6,751	-
General Fund	To fund activity	252,250	-
General Fund	General Fund contribution	745,730	-
General Fund	To fund CIP activity	1,069,100	-
Measure R Fund	To fund CIP activity	9,725,929	-
Nonmajor Governmental Funds	To fund CIP activity	2,665,886	-
Nonmajor Governmental Funds	General Fund contribution	-	369,580
Enterprise Funds	General Fund contribution	-	1,815,000
Financing Authority Fund	For lease revenue bond payment	-	2,315,380
General Fund	General Fund contribution	-	1,570,730
Internal Service Funds	To pay unemployment claims	-	41,032
General Fund	To fund CIP activity	-	304,100
Capital Projects Fund	General Fund contribution	-	50,000
General Fund	To reimburse General Fund	-	9,000
Internal Service Funds	To reimburse General Fund	-	35,990
Enterprise Funds	To fund activity	-	11,400
General Fund	To fund activity	-	190,000
Internal Service Funds	To fund equipment purchase	-	70,632
Total General Fund		<u>14,744,480</u>	<u>6,782,844</u>
Measure R Fund	To fund CIP activity	<u>-</u>	<u>9,725,929</u>
Finance Authority Fund			
General Fund	For lease revenue bond payment	<u>2,315,380</u>	<u>-</u>

(Continued)



**NOTE 9 – INTERFUND TRANSACTIONS (Continued)**

	Purpose	Transfers In	Transfers Out
<u>Governmental Nonmajor Funds</u>			
Special Revenue Funds			
General Fund	General Fund contribution	369,580	-
General Fund	To fund CIP activity	-	2,665,886
General Fund	For traffic safety activity	-	211,487
General Fund	To reimburse General Fund	-	67,347
	Total Special Revenue Funds	<u>369,580</u>	<u>2,944,720</u>
Capital Projects Fund			
General Fund	To fund CIP activity	50,000	-
Enterprise Funds	To fund CIP activity	27,570	-
		<u>77,570</u>	<u>-</u>
<u>Proprietary Major Funds</u>			
Enterprise Funds			
General Fund	General Fund contribution	1,815,000	-
Aviation Fund	Reimburse for Capital Outlay	40,133	-
Water Fund	Reimburse for Capital Outlay	273,056	-
Solid Waste Fund	Reimburse for Capital Outlay	9,759	-
Sewer Fund	Reimburse for Capital Outlay	186,823	-
General Fund	To fund CIP activity	11,400	-
Water Fund	To fund CIP activity	930,000	-
Sewer Fund	To fund CIP activity	1,000,000	-
Solid Waste Fund	To fund CIP activity	500,000	-
Capital Projects Fund	To fund CIP activity	-	27,570
Water Fund	To fund CIP activity	-	930,000
Solid Waste Fund	To fund CIP activity	-	500,000
Sewer Fund	To fund CIP activity	-	1,000,000
Aviation Fund	Reimburse for Capital Outlay	-	40,133
Water Fund	To fund CIP activity	-	273,056
Internal Service Funds	To fund CIP activity	-	470,231
Solid Waste Fund	Reimburse for Capital Outlay	-	9,759
Sewer Fund	To fund equipment purchase	-	186,824
Sewer & Wastewater Fund	To fund construction in progress activity	-	-
	Total Enterprise Funds	<u>4,766,171</u>	<u>3,437,573</u>
<u>Proprietary Nonmajor Funds</u>			
Internal Service Funds			
General Fund	To fund activity	77,022	-
Fleet Maintenance Fund	To fund CIP activity	1,392,003	-
Enterprise Funds	To fund CIP activity	470,231	-
General Fund	To fund CIP activity	70,632	-
Fleet Maintenance Fund	To fund activity	-	1,392,003
	Total Internal Service Funds	<u>2,009,888</u>	<u>1,392,003</u>
Totals		<u>\$ 24,283,069</u>	<u>\$ 24,283,069</u>

**NOTE 9 – INTERFUND TRANSACTIONS** (Continued)

Interfund advances to/from at June 30, 2016, were as follows:

	Purpose	Advances From Other Funds	Advances To Other Funds
Solid Waste Fund	To Construct Wells	\$ 1,343,333	\$ -
Water Fund	To Construct Wells	-	1,343,333
		<u>\$ 1,343,333</u>	<u>\$ 1,343,333</u>

Advances from Other Funds:

A loan from the Water Fund to the Solid Waste Fund in June 2014 for the construction of Wells: \$1,550,000 original loan in 15 annual payments of \$103,333 plus interest of 2.25%.

\$ 1,343,333

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS**

A. Plan Description

In addition to the employee retirement benefits described in Note 7, the City provides a Single Employer Post-Employment Benefits Plan to cover eligible retirees' health care insurance and life insurance costs in accordance with a resolution approved by the City Council. The benefits are provided in the form of:

- An explicit subsidy where the City contributes towards health contributions of those active employees and retirees hired before June 23, 1984.
- An explicit subsidy for post-employment life insurance benefits.

For employees hired before June 24, 1984, the City operates under an agreement to continue to provide health care insurance benefits to all employees who retire after the age of 50 and who have 10 years of service to the City. The retirees are required to pay the employee insurance contribution being charged at the time of their retirement and the City pays the excess of the cost over the amount of the contribution. The employees' contribution rate is frozen for them; they will never have to pay a larger amount regardless of changes in the City's cost to provide the insurance. In June 1984, in the City's annual memoranda of understanding with employee bargaining units, this agreement was amended for those hired after June 23, 1984: Employees hired after June 23, 1984, must be 55 years old and work 10 years to qualify for the benefits. In addition, for those employees who are hired after June 23, 1984, any increases in contributions after retirement must be borne by the retirees (their rates are not frozen); the City still pays the excess of the cost over the amount of the employees cost of the contribution. The City's obligation under the agreements continues until the death of the employee unless the employee chooses to discontinue the insurance.

The City recognizes the cost of the retiree health care costs insurance benefits as expenditures as insurance contributions are paid on a monthly basis in advance, which at June 30, 2016, approximated \$287,241. Because the City has not established a separate irrevocable trust or made payments of benefits directly to or on behalf of a retiree or beneficiary, no contributions are recognized. The plan uses the pay-as-you-go method to fund the current cost. At June 30, 2016, thirty-six (36) employees were affected by the provisions of these benefits.

No separate audited report is issued for the City's Other Post-Employment Benefits (OPEB) plan.

**NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS**

**B. Funding Policy**

As required by GASB Statement No. 45, an actuary will determine the City's Annual Required Contributions (ARC) at least once every two fiscal years. The ARC is calculated in accordance with certain parameters, and includes (1) the Normal Cost for one year, and (2) a component for amortization of the total unfunded actuarial accrued liability (UAAL) over a period not to exceed 30 years.

**C. Annual Other Post-Employment Benefits (OPEB) Cost and Net OPEB Obligation/(Asset)**

The following table shows the City's post-employment benefit plan assets/liabilities at June 30, 2016:

<u>Item</u>	<u>Primary Government</u>
Annual Required Contributions	\$ 158,000
Interest on Net OPEB Obligation/(Asset)	32,000
Adjustment to Annual Required Contributions	<u>(29,000)</u>
Annual OPEB Cost	161,000
Contributions Made	<u>(287,241)</u>
Increase in Net OPEB Obligation	(126,241)
Net OPEB Obligation - Beginning of Year	<u>800,036</u>
Net OPEB Obligation - End of Year	<u><u>\$ 673,795</u></u>

The City's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation/(Asset) for the fiscal years ended June 30, 2014, 2015, and 2016, are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contribution</u>	<u>Net OPEB Obligation</u>
6/30/14	\$ 208,000	\$ 307,252	147.72%	\$ 879,842
6/30/15	\$ 208,001	\$ 287,807	138.37%	\$ 800,036
6/30/16	\$ 161,000	\$ 287,241	178.41%	\$ 673,795

**D. Funded Status and Funding Progress**

The funded status of the plan as of June 30, 2016, was as follows:

<u>Actuarial Valuation Date</u>	<u>(A) Actuarial Asset Value</u>	<u>(B) Actuarial Accrued Liability (AAL)</u>	<u>(C) Unfunded AAL (UAAL) (B)-(A)</u>	<u>(D) Funded Ratio (A)/(B)</u>	<u>(E) Covered Payroll</u>	<u>(F) UAAL as a Percentage of Covered Payroll (C)/(E)</u>
7/1/2010	\$ -	\$ 3,555,000	\$ 3,555,000	0.0%	\$ 21,566,900	16.5%
7/1/2013	\$ -	\$ 3,762,000	\$ 3,762,000	0.0%	\$ 21,696,287	17.3%
7/1/2015	\$ -	\$ 3,967,000	\$ 3,967,000	0.0%	\$ 19,706,444	20.1%

## **NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS** (Continued)

### D. Funded Status and Funding Progress (Continued)

Actuarial valuations of an ongoing 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 health care cost trend. Amounts determined regarding the funded status of the plan and the ARC of the City 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, presented as required supplementary information following the notes to basic financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

### E. Actuarial Methods and Assumptions

GASB Statement No. 45 allows the use of one of several actuarial cost methods. These cost methods allocate the OPEB costs differently. The method used in this valuation is the **Projected Unit Credit** with benefit attributed from the date of hire to expected retirement age. This method is the only method allowed under the FASB's corresponding statement, *Statement of Financial Accounting Standards No. 106*.

The valuation results are developed assuming a **discount rate** of 4.0%. Under GASB Statement No. 45, the discount rate to be used for the valuation is determined based on the long-term investment yield on the investments used to finance the payment of benefits. For this valuation it is assumed that post-employment benefits are paid from general assets which generally consist of short-term investments. If the City is considering prefunding or transferring assets to a trust, or equivalent arrangement, in which plan assets are established and dedicated to providing benefits to retirees and beneficiaries in accordance with the terms of the plan, the determination of the discount rate would be based on the nature and mix of current and expected investments.

Other critical assumptions used in the actuarial valuation are the health care cost trend rate, participation, inflation rate, investment return, and salary increase assumptions. The health care cost trend assumption is used to project the cost of health care to future years. The valuation uses a **health care cost trend rate assumption** of 8% for pre 65 Medical/Rx Benefits; 7% for post 65 Medical Benefits; and 4.5% administrative fees in the year July 1, 2015 to June 30, 2016, grading down by 0.5% each year until an ultimate health care cost trend rate is reached in 2018 of 5.00%.

The **participation assumption** is the assumed percentage of future retirees that participate and enroll in the health plan. In absence of any recent post-employment plan participant enrollment data, the participation assumption used in this valuation is 60% for those retiring before age 65 and 50% for those retiring at 65 or older, and is based on the subsidies and participant's share of the cost of post-employment health plan. The City should monitor the post-employment plan participant enrollment in future years in case this assumption needs to be revised.

The salary increase rate was assumed to be 3.5% per annum. However, since the plan is strictly on a pay-as-you-go basis and the City does not plan to fund the plan through contribution, the investment return rate and the inflation rate are not applicable factors in actuarial calculations.

The City's UAAL is being amortized as a level percentage of payroll on an open basis over 30 years. The remaining amortization period as of June 30, 2016, was 25 years.

Mortality tables for future retirees was using RP-2000 projected to 2020 using scale BB and applied on a gender basis. For current retirees was using RP-2000 (no projection).

**NOTE 11 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

As of June 30, 2016, expenditures exceeded appropriations in individual funds as follows:

<u>Appropriations Category</u>	<u>Excess Expenditures</u>
General Fund	
Public Works	\$ 7,634,120
Interest and Fiscal Charges	7,222
Special Revenue - COPS - State Grant Fund	
Public Safety	6,978
Special Revenue - Police Forfeiture Fund	
Public Safety	22,251
Special Revenue - 2009 COPS Hiring Recovery Program Fund	
Public Safety	95,224

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

General Liability

Several claims and suits have been filed against the City in the normal course of business. In the opinion of management and the City Attorney, the potential liability of the City for such claims will not have a material adverse effect on the financial statements of the City. Also, the City has certain commitments under long-term construction projects which will be funded out of future revenues.

### **NOTE 13 – FUND BALANCES**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned, and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2016, is as follows:

	General Fund	Measure R Fund	Financing Authority Fund	Other Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000
Total nonspendable fund balance	-	-	-	35,000	35,000
<b>Restricted for:</b>					
Public Safety - Police	-	-	-	32,798	32,798
Public Safety - Fire	-	-	-	177,574	177,574
Public Works - Street	5,268,406	21,287	-	4,877,523	10,167,216
Debt Service	-	-	2,885,783	-	2,885,783
Development Services	-	-	-	1,994,727	1,994,727
Total restricted fund balance	5,268,406	21,287	2,885,783	7,082,622	15,258,098
<b>Committed to:</b>					
Equipment and Contingency Reserve	14,789,453	-	-	-	14,789,453
Cash Basis Reserve	9,270,288	-	-	-	9,270,288
Appropriation for Next Year's Budget	22,335,058	-	-	461,054	22,796,112
Total committed fund balance	46,394,799	-	-	461,054	46,855,853
<b>Assigned to purpose of fund:</b>	-	-	-	-	-
Total assigned to fund balance	-	-	-	-	-
<b>Unassigned fund balance:</b>	-	-	-	-	-
Total unassigned fund balance	-	-	-	-	-
Total fund balances	\$ 51,663,205	\$ 21,287	\$ 2,885,783	\$ 7,578,676	\$ 62,148,951

### **NOTE 14 – SUBSEQUENT EVENTS**

#### Sewer Revenue Refunding Bonds, Series 2016

The City issued Sewer Revenue Refunding Bonds, Series 2016 in the amount of \$58,265,000 dated July 20, 2016, to refund the outstanding Series 2016 Sewer Revenue Bonds and the remaining portion of the Series 2010 Sewer Revenue Bonds, to fund a debt service reserve fund, and to pay for the costs of issuing the Series 2015 Sewer Revenue Refunding Bonds.

The date to which events occurring after June 30, 2016, have been evaluated for possible adjustments to the financial statements or disclosures is January 24, 2017, which is the date that the financial statements were available to be issued.

### **NOTE 15 – DEFICIT FUND BALANCES/NET POSITION**

As of June 30, 2016, the following funds had a deficit fund balance or net position:

The Development Services Fund, an Enterprise Fund, had a deficit of \$1,162,635. The Development Service Fund deficit relates to Statement No. GASB No. 68. The City's plan is to increase the fund balance over time to cover the pension through rate increase and cost savings. This fund was created in the fiscal year 2012-13 and inherent the liability of staff without any consideration of the pension liability.

The Workers' Compensation Fund, an Internal Service Fund, had a deficit of \$681,483. The deficit in the Workers' Compensation Fund was mostly due to insufficient charges to the other funds. The City will eliminate this deficit with additional revenues generated from increased rates.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF TULARE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL (GAAP BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	\$ 33,005,000	\$ 33,005,000	\$ 33,353,680	\$ 348,680
Intergovernmental	-	-	50,169	50,169
Licenses and Permits	100,000	100,000	100,478	478
Fines and Forfeitures	32,000	32,000	18,071	(13,929)
Charges for Services	3,043,220	3,043,220	3,207,668	164,448
Interest and Rentals	403,000	403,000	526,893	123,893
Grants	5,787,640	5,787,640	8,347,158	2,559,518
Assessments	87,500	87,500	84,388	(3,112)
Other	3,583,630	3,583,630	28,718,634	25,135,004
<b>Total Revenues</b>	<b>46,041,990</b>	<b>46,041,990</b>	<b>74,407,139</b>	<b>28,365,149</b>
Expenditures				
Current				
General Government	4,762,400	4,762,400	4,695,792	66,608
Public Safety	21,968,477	21,968,477	21,658,814	309,663
Public Works	2,296,658	2,296,658	9,930,778	(7,634,120)
Community Development	187,370	187,370	101,148	86,222
Community Services	5,269,770	5,269,770	4,830,192	439,578
Library and Cultural	1,326,580	1,326,580	1,307,433	19,147
Capital Outlay	26,242,722	26,242,722	17,604,871	8,637,851
Debt Service				
Principal	86,840	86,840	86,840	-
Interest and Fiscal Charges	31,350	31,350	38,572	(7,222)
<b>Total Expenditures</b>	<b>62,172,167</b>	<b>62,172,167</b>	<b>60,254,440</b>	<b>1,917,727</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(16,130,177)	(16,130,177)	14,152,699	30,282,876
Other Financing Sources (Uses)				
Transfers In	19,972,400	19,972,400	14,744,480	(5,227,920)
Transfers Out	(6,869,330)	(6,869,330)	(6,782,844)	86,486
<b>Total Other Financing Sources (Uses)</b>	<b>13,103,070</b>	<b>13,103,070</b>	<b>7,961,636</b>	<b>(5,141,434)</b>
Change in Fund Balance Before Extraordinary Gain	(3,027,107)	(3,027,107)	22,114,335	25,141,442
Extraordinary Item Extraordinary Gain	-	-	6,276,568	6,276,568
<b>Net Change in Fund Balance</b>	<b>(3,027,107)</b>	<b>(3,027,107)</b>	<b>28,390,903</b>	<b>31,418,010</b>
Fund Balance, Beginning	23,272,302	23,272,302	23,272,302	-
<b>Fund Balance, Ending</b>	<b>\$ 20,245,195</b>	<b>\$ 20,245,195</b>	<b>\$ 51,663,205</b>	<b>\$ 31,418,010</b>



**CITY OF TULARE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
MEASURE R FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes	\$ 15,258,520	\$ 15,258,520	\$ 10,367,882	\$ (4,890,638)
Interest and Rentals	-	-	3,659	3,659
Total Revenues	<u>15,258,520</u>	<u>15,258,520</u>	<u>10,371,541</u>	<u>(4,886,979)</u>
Other Financing Sources (Uses)				
Transfers Out	<u>(15,258,520)</u>	<u>(15,258,520)</u>	<u>(9,725,929)</u>	<u>5,532,591</u>
Net Change in Fund Balance	-	-	645,612	645,612
Fund Balance, Beginning	<u>(624,325)</u>	<u>(624,325)</u>	<u>(624,325)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (624,325)</u></u>	<u><u>\$ (624,325)</u></u>	<u><u>\$ 21,287</u></u>	<u><u>\$ 645,612</u></u>

**CITY OF TULARE**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**LAST 10 YEARS\***  
**FOR THE YEAR ENDED JUNE 30, 2016**

	2015	2016
<b>Total Pension Liability</b>		
Service cost	\$ 2,020,696	\$ 1,895,137
Interest on the total pension liability	7,176,661	7,433,900
Changes of benefit terms	-	-
Changes of assumptions	-	(1,775,482)
Differences between expected and actual experience	-	(1,397,005)
Benefit payments, including refunds of employee contributions	(4,290,119)	(4,661,365)
Administrative expenses	-	-
	4,907,238	1,495,185
<b>Net change in total pension liability</b>	4,907,238	1,495,185
<b>Total pension liability - beginning</b>	96,823,521	101,730,759
<b>Total pension liability - ending (a)</b>	\$ 101,730,759	\$ 103,225,944
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 2,318,875	\$ 2,433,522
Contributions - employee	905,841	892,257
Net investment income	11,296,380	1,680,617
Administrative expenses	-	(86,194)
Benefit payments, including refunds of employee contributions	(4,290,119)	(4,661,365)
	10,230,977	258,837
<b>Net change in plan fiduciary net position</b>	10,230,977	258,837
<b>Plan fiduciary net position - beginning</b>	66,018,374	76,249,351
<b>Plan fiduciary net position - ending (b)</b>	\$ 76,249,351	\$ 76,508,188
<b>Net pension liability - ending (a)-(b)</b>	\$ 25,481,408	\$ 26,717,756
Plan fiduciary net position as a percentage of the total pension liability	74.95%	74.12%
Covered payroll	\$ 10,372,469	\$ 10,614,682
Net pension liability as a percentage of covered payroll	245.66%	251.71%

**Notes to the Schedule**

Changes in Benefit Terms

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (A.K.A. Golden Handshakes).

Changes in Assumptions

The discount rate was changed in 2016 from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

\* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF TULARE  
SCHEDULE OF CONTRIBUTIONS  
AGENT MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST 10 YEARS\*  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2015</u>	<u>2016</u>
Actuarially required contribution (actuarially determined)	\$ 2,229,666	\$ 2,416,465
Contributions in relation to the actuarially determined contributions	<u>2,229,666</u>	<u>2,416,465</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,372,469	\$ 10,614,682
Contributions as a percentage of covered payroll	21.50%	22.77%

\* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF TULARE  
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST 10 YEARS\*  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2015</u>	<u>2016</u>
Proportion of the net pension liability	0.4487%	0.4443%
Proportionate share of the net pension liability	\$ 16,966,410	\$ 18,307,442
Covered payroll	\$ 8,626,208	\$ 9,091,762
Proportionate share of the net pension liability as percentage of covered payroll	196.68%	201.36%
Plan fiduciary net position as a percentage of the total pension liability	107.35%	110.72%

**Notes to the Schedule**

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate was changed in 2016 from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

\* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF TULARE  
SCHEDULE OF CONTRIBUTIONS  
COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN  
REQUIRED SUPPLEMENTARY INFORMATION  
LAST 10 YEARS\*  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>2015</u>	<u>2016</u>
Actuarially required contribution (actuarially determined)	\$ 2,917,669	\$ 3,136,890
Contributions in relation to the actuarially determined contributions	<u>2,917,669</u>	<u>3,136,890</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,626,208	\$ 9,091,762
Contributions as a percentage of covered payroll	33.82%	34.50%

\* Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF TULARE  
SCHEDULE OF FUNDED STATUS AND FUNDING PROGRESS  
FOR OTHER POST-EMPLOYMENT BENEFITS PLAN  
FOR THE YEAR ENDED JUNE 30, 2016**

Actuarial Valuation Date	(A) Actuarial Asset Value	(B) Actuarial Accrued Liability (AAL)	(C) Unfunded AAL (UAAL) (B)-(A)	(D) Funded Ratio (A)/(B)	(E) Covered Payroll	(F) UAAL as a Percentage of Covered Payroll (C)/(E)
7/1/2010	\$ -	\$ 3,555,000	\$ 3,555,000	0.0%	\$ 21,566,900	16.5%
7/1/2013	\$ -	\$ 3,762,000	\$ 3,762,000	0.0%	\$ 21,696,287	17.3%
7/1/2015	\$ -	\$ 3,967,000	\$ 3,967,000	0.0%	\$ 19,706,444	20.1%

## **OTHER SUPPLEMENTARY INFORMATION**

**CITY OF TULARE  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets and Deferred Outflows of Resources</b>			
Assets			
Cash and Investments	\$ 5,952,725	\$ 462,210	\$ 6,414,935
Receivables			
Accounts	2,618	-	2,618
Interest	293,743	-	293,743
Intergovernmental	269,483	-	269,483
Loans	10,919,305	-	10,919,305
Notes	1,284,453	-	1,284,453
Land Held for Resale	35,000	-	35,000
	<u>18,757,327</u>	<u>462,210</u>	<u>19,219,537</u>
Total Assets			
	<u>18,757,327</u>	<u>462,210</u>	<u>19,219,537</u>
Deferred Outflows of Resources	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 18,757,327</u>	<u>\$ 462,210</u>	<u>\$ 19,219,537</u>
	<u>\$ 18,757,327</u>	<u>\$ 462,210</u>	<u>\$ 19,219,537</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>			
Liabilities			
Accounts Payable and Accrued Liabilities	\$ 98,558	\$ 1,156	\$ 99,714
Due to Other Funds	115,481	-	115,481
Unearned Revenue	119,726	-	119,726
	<u>333,765</u>	<u>1,156</u>	<u>334,921</u>
Total Liabilities			
	<u>333,765</u>	<u>1,156</u>	<u>334,921</u>
Deferred Inflows of Resources			
Deferred Loans	11,305,940	-	11,305,940
	<u>11,305,940</u>	<u>-</u>	<u>11,305,940</u>
Fund Balances			
Nonspendable	35,000	-	35,000
Restricted	7,082,622	-	7,082,622
Committed	-	461,054	461,054
Assigned	-	-	-
	<u>7,117,622</u>	<u>461,054</u>	<u>7,578,676</u>
Total Fund Balances			
	<u>7,117,622</u>	<u>461,054</u>	<u>7,578,676</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 18,757,327</u>	<u>\$ 462,210</u>	<u>\$ 19,219,537</u>
	<u>\$ 18,757,327</u>	<u>\$ 462,210</u>	<u>\$ 19,219,537</u>



**CITY OF TULARE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016**

	Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Taxes	\$ 1,328,846	\$ -	\$ 1,328,846
Intergovernmental	811,559	-	811,559
Fines and Forfeitures	220,329	-	220,329
Interest and Rentals	60,952	-	60,952
Grants	1,305,377	-	1,305,377
Meals	23,657	-	23,657
Assessments	632,852	-	632,852
Other	30,657	-	30,657
Total Revenues	<u>4,414,229</u>	<u>-</u>	<u>4,414,229</u>
<b>Expenditures</b>			
Current			
Public Safety	678,384	-	678,384
Community Development	1,402,561	361,073	1,763,634
Community Services	852,748	-	852,748
Total Expenditures	<u>2,933,693</u>	<u>361,073</u>	<u>3,294,766</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,480,536</u>	<u>(361,073)</u>	<u>1,119,463</u>
Other Financing Sources (Uses)			
Transfers In	369,580	77,570	447,150
Transfers Out	(2,944,720)	-	(2,944,720)
Total Other Financing Sources (Uses)	<u>(2,575,140)</u>	<u>77,570</u>	<u>(2,497,570)</u>
Net Change in Fund Balances	(1,094,604)	(283,503)	(1,378,107)
Fund Balances - Beginning	<u>8,212,226</u>	<u>744,557</u>	<u>8,956,783</u>
Fund Balances - Ending	<u>\$ 7,117,622</u>	<u>\$ 461,054</u>	<u>\$ 7,578,676</u>

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## **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The Senior Services Fund accounts for receipts of funds from various sources and expenditures to provide meals to senior citizens.

The Home Program Fund accounts for the activities and resources relating to the home loan assistance program, which are Federal block grants provided to local governments designed exclusively to create affordable housing for low-income households.

The Housing Redevelopment CDBG Fund accounts for capital projects relating to the low and moderate income housing program.

The Gas Tax Fund accounts for receipts and expenditures of money apportioned under Streets and Highway Code Sections 2105, 2106, 2107, and 2107.5 of the State of California.

The Traffic Safety Fund accounts for vehicle code fund revenues and expenditures for traffic safety purposes.

The Citizens Option for Public Safety (COPS) – State Grant Fund accounts for the City's allocation of the State of California COPS program established by Assembly Bill (AB) 3229.

Local Law Enforcement Block Grant Fund accounts for federal funds received from the U.S. Department of Justice for the purpose of reducing crime and improving public safety.

The Landscape and Lighting Fund accounts for revenues from assessments collected under the 1972 Landscape and Lighting Act and expenditures for maintenance of landscaping in the special assessment districts.

The Office of Traffic and Safety (OTS) Grant Fund accounts for federal revenues for the comprehensive traffic safety program.

The Auto Theft Deterrence Fund accounts for state revenues for the suppression of auto theft.

The Police Forfeiture Fund accounts for state and federal revenues for narcotic suppression activities.

The Vehicle Abatement Fund accounts for state and federal revenues for the abatement of abandoned vehicles.

The Public Mitigation Grant Fund accounts for the state allocation due to passage of AB 109.

2009 COPS Hiring Recovery Program Fund accounts for federal funds received from the U.S. Department of Justice for the purpose of hiring or rehiring police officers. This grant was funded through the American Recovery and Reinvestment Act of 2009.

Rental Rehabilitation Fund accounts for financial assistance to pay for mandatory repairs to self-contained units occupied by low-income tenants.

**CITY OF TULARE  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2016**

	Senior Services	Home Program	Housing Redevelopment CDBG	Gas Tax	Traffic Safety	COPS - State Grant
<b>Assets and Deferred Outflows of Resources</b>						
Assets						
Cash and Investments	\$ 13,310	\$ 5,529	\$ -	\$ 4,867,500	\$ -	\$ 65,939
Receivables						
Accounts	(3)	1,776	-	-	-	-
Interest	-	280,967	-	10,023	376	137
Intergovernmental	8,857	34,369	127,876	-	20,609	21,918
Loans	-	7,983,433	1,901,333	-	-	-
Notes	-	-	1,284,453	-	-	-
Land Held for Resale	-	-	35,000	-	-	-
<b>Total Assets</b>	<b>22,164</b>	<b>8,306,074</b>	<b>3,348,662</b>	<b>4,877,523</b>	<b>20,985</b>	<b>87,994</b>
Deferred Outflows of Resources	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 22,164</b>	<b>\$ 8,306,074</b>	<b>\$ 3,348,662</b>	<b>\$ 4,877,523</b>	<b>\$ 20,985</b>	<b>\$ 87,994</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
Accounts Payable and						
Accrued Liabilities	\$ 22,164	\$ 795	\$ 42,059	\$ -	\$ -	\$ 5,096
Due to Other Funds	-	-	85,755	-	-	-
Unearned Revenue	-	-	-	-	-	82,898
<b>Total Liabilities</b>	<b>22,164</b>	<b>795</b>	<b>127,814</b>	<b>-</b>	<b>-</b>	<b>87,994</b>
Deferred Inflows of Resources						
Deferred Loans	-	8,305,279	1,901,333	-	-	-
Fund Balances						
Nonspendable	-	-	35,000	-	-	-
Restricted	-	-	1,284,515	4,877,523	20,985	-
Assigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>1,319,515</b>	<b>4,877,523</b>	<b>20,985</b>	<b>-</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 22,164</b>	<b>\$ 8,306,074</b>	<b>\$ 3,348,662</b>	<b>\$ 4,877,523</b>	<b>\$ 20,985</b>	<b>\$ 87,994</b>

**CITY OF TULARE  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2016**

	Local Law Enforcement Block Grant	Landscape and Lighting	OTS Grant	Auto Theft Deterrence	Police Forfeiture	Vehicle Abatement
<b>Assets and Deferred Outflows of Resources</b>						
Assets						
Cash and Investments	\$ -	\$ 699,277	\$ -	\$ 1,439	\$ 47,102	\$ 178,701
Receivables						
Accounts	-	845	-	-	-	-
Interest	-	1,441	60	3	97	368
Intergovernmental	29,528	14,862	-	-	-	-
Loans	-	-	-	-	-	-
Notes	-	-	-	-	-	-
Land Held for Resale	-	-	-	-	-	-
<b>Total Assets</b>	<b>29,528</b>	<b>716,425</b>	<b>60</b>	<b>1,442</b>	<b>47,199</b>	<b>179,069</b>
Deferred Outflows of Resources	-	-	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 29,528</b>	<b>\$ 716,425</b>	<b>\$ 60</b>	<b>\$ 1,442</b>	<b>\$ 47,199</b>	<b>\$ 179,069</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>						
Accounts Payable and Accrued Liabilities	\$ -	\$ 6,213	\$ -	\$ -	\$ -	\$ 1,495
Due to Other Funds	29,528	-	60	-	-	-
Unearned Revenue	-	-	-	-	36,828	-
<b>Total Liabilities</b>	<b>29,528</b>	<b>6,213</b>	<b>60</b>	<b>-</b>	<b>36,828</b>	<b>1,495</b>
Deferred Inflows of Resources						
Deferred Loans	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	710,212	-	1,442	10,371	177,574
Assigned	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>710,212</b>	<b>-</b>	<b>1,442</b>	<b>10,371</b>	<b>177,574</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 29,528</b>	<b>\$ 716,425</b>	<b>\$ 60</b>	<b>\$ 1,442</b>	<b>\$ 47,199</b>	<b>\$ 179,069</b>

(Continued)

**CITY OF TULARE**  
**COMBINING BALANCE SHEET (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2016**

	Public Mitigation Grant	2009 COPS Hiring Recovery Program	Rental Rehabilitation	Total
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
Cash and Investments	\$ -	\$ 9,272	\$ 64,656	\$ 5,952,725
Receivables				
Accounts	-	-	-	2,618
Interest	138	-	133	293,743
Intergovernmental	-	11,464	-	269,483
Loans	-	-	1,034,539	10,919,305
Notes	-	-	-	1,284,453
Land Held for Resale	-	-	-	35,000
<b>Total Assets</b>	<b>138</b>	<b>20,736</b>	<b>1,099,328</b>	<b>18,757,327</b>
Deferred Outflows of Resources	-	-	-	-
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 138</b>	<b>\$ 20,736</b>	<b>\$ 1,099,328</b>	<b>\$ 18,757,327</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>				
Accounts Payable and Accrued Liabilities	\$ -	\$ 20,736	\$ -	\$ 98,558
Due to Other Funds	138	-	-	115,481
Unearned Revenue	-	-	-	119,726
<b>Total Liabilities</b>	<b>138</b>	<b>20,736</b>	<b>-</b>	<b>333,765</b>
Deferred Inflows of Resources				
Deferred Loans	-	-	1,099,328	11,305,940
<b>Fund Balances</b>				
Nonspendable	-	-	-	35,000
Restricted	-	-	-	7,082,622
Assigned	-	-	-	-
<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,117,622</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 138</b>	<b>\$ 20,736</b>	<b>\$ 1,099,328</b>	<b>\$ 18,757,327</b>

**CITY OF TULARE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Senior Services	Home Program	Housing Redevelopment CDBG	Gas Tax	Traffic Safety	COPS - State Grant
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ 1,328,846	\$ -	\$ -
Intergovernmental	111,426	270,478	429,655	-	-	-
Fines and Forfeitures	-	-	-	-	189,229	-
Interest and Rentals	-	478	-	51,531	755	605
Grants	-	425,447	276,502	-	-	147,995
Meals	23,657	-	-	-	-	-
Assessments	-	-	-	-	-	-
Other	30,349	-	-	-	-	-
<b>Total Revenues</b>	<u>165,432</u>	<u>696,403</u>	<u>706,157</u>	<u>1,380,377</u>	<u>189,984</u>	<u>148,600</u>
<b>Expenditures</b>						
Current						
Public Safety	-	-	-	-	-	120,618
Community Development	-	696,403	706,158	-	-	-
Community Services	372,750	-	-	-	-	27,982
<b>Total Expenditures</b>	<u>372,750</u>	<u>696,403</u>	<u>706,158</u>	<u>-</u>	<u>-</u>	<u>148,600</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(207,318)</u>	<u>-</u>	<u>(1)</u>	<u>1,380,377</u>	<u>189,984</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfers In	184,367	-	-	-	-	-
Transfers Out	-	-	-	(2,665,886)	(182,336)	-
<b>Total Other Financing Sources (Uses)</b>	<u>184,367</u>	<u>-</u>	<u>-</u>	<u>(2,665,886)</u>	<u>(182,336)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(22,951)</u>	<u>-</u>	<u>(1)</u>	<u>(1,285,509)</u>	<u>7,648</u>	<u>-</u>
Fund Balances - Beginning	22,951	-	1,319,516	6,163,032	13,337	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,319,515</u>	<u>\$ 4,877,523</u>	<u>\$ 20,985</u>	<u>\$ -</u>

(Continued)

**CITY OF TULARE**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (Continued)**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Local Law Enforcement Block Grant	Landscape and Lighting	OTS Grant	Auto Theft Deterrence	Police Forfeiture	Vehicle Abatement
<b>Revenues</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Fines and Forfeitures	-	-	31,100	-	-	-
Interest and Rentals	-	5,195	161	13	620	1,594
Grants	29,528	-	-	-	40,602	24,203
Meals	-	-	-	-	-	-
Assessments	-	632,852	-	-	-	-
Other	-	-	-	-	-	-
<b>Total Revenues</b>	<u>29,528</u>	<u>638,047</u>	<u>31,261</u>	<u>13</u>	<u>41,222</u>	<u>25,797</u>
<b>Expenditures</b>						
Current						
Public Safety	-	-	-	-	49,951	28,541
Community Development	-	-	-	-	-	-
Community Services	29,528	420,378	2,110	-	-	-
<b>Total Expenditures</b>	<u>29,528</u>	<u>420,378</u>	<u>2,110</u>	<u>-</u>	<u>49,951</u>	<u>28,541</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>217,669</u>	<u>29,151</u>	<u>13</u>	<u>(8,729)</u>	<u>(2,744)</u>
Other Financing Sources (Uses)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	(29,151)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(29,151)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>217,669</u>	<u>-</u>	<u>13</u>	<u>(8,729)</u>	<u>(2,744)</u>
Fund Balances - Beginning	<u>-</u>	<u>492,543</u>	<u>-</u>	<u>1,429</u>	<u>19,100</u>	<u>180,318</u>
<b>Fund Balances - Ending</b>	<u>\$ -</u>	<u>\$ 710,212</u>	<u>\$ -</u>	<u>\$ 1,442</u>	<u>\$ 10,371</u>	<u>\$ 177,574</u>



**CITY OF TULARE  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Public Mitigation Grant	2009 COPS Hiring Recovery Program	Rental Rehabilitation	Total
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ 1,328,846
Intergovernmental	-	-	-	811,559
Fines and Forfeitures	-	-	-	220,329
Interest and Rentals	-	-	-	60,952
Grants	67,039	294,061	-	1,305,377
Meals	-	-	-	23,657
Assessments	-	-	-	632,852
Other	308	-	-	30,657
<b>Total Revenues</b>	<b>67,347</b>	<b>294,061</b>	<b>-</b>	<b>4,414,229</b>
<b>Expenditures</b>				
Current				
Public Safety	-	479,274	-	678,384
Community Development	-	-	-	1,402,561
Community Services	-	-	-	852,748
<b>Total Expenditures</b>	<b>-</b>	<b>479,274</b>	<b>-</b>	<b>2,933,693</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	67,347	(185,213)	-	1,480,536
Other Financing Sources (Uses)				
Transfers In	-	185,213	-	369,580
Transfers Out	(67,347)	-	-	(2,944,720)
<b>Total Other Financing Sources (Uses)</b>	<b>(67,347)</b>	<b>185,213</b>	<b>-</b>	<b>(2,575,140)</b>
Net Change in Fund Balances	-	-	-	(1,094,604)
Fund Balances - Beginning	-	-	-	8,212,226
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ 7,117,622

**CITY OF TULARE  
 SENIOR SERVICES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 97,860	\$ 111,426	\$ 13,566
Grants	-	-	-
Meals	25,000	23,657	(1,343)
Other	60,880	30,349	(30,531)
Total Revenues	<u>183,740</u>	<u>165,432</u>	<u>(18,308)</u>
<b>Expenditures</b>			
Current			
Community Services	<u>397,770</u>	<u>372,750</u>	<u>25,020</u>
Total Expenditures	<u>397,770</u>	<u>372,750</u>	<u>25,020</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(214,030)	(207,318)	6,712
Other Financing Sources (Uses)			
Transfers In	<u>216,500</u>	<u>184,367</u>	<u>(32,133)</u>
Total Other Financing Sources (Uses)	<u>216,500</u>	<u>184,367</u>	<u>(32,133)</u>
Net Change in Fund Balance	2,470	(22,951)	(25,421)
Fund Balance, Beginning	<u>22,951</u>	<u>22,951</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 25,421</u>	<u>\$ -</u>	<u>\$ (25,421)</u>

**CITY OF TULARE  
HOME PROGRAM FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Intergovernmental	\$ 237,850	\$ 270,478	\$ 32,628
Interest and Rentals	-	478	478
Grants	700,000	425,447	(274,553)
Other	-	-	-
Total Revenues	<u>937,850</u>	<u>696,403</u>	<u>(241,447)</u>
<b>Expenditures</b>			
Current			
Community Development	<u>937,850</u>	<u>696,403</u>	<u>241,447</u>
Total Expenditures	<u>937,850</u>	<u>696,403</u>	<u>241,447</u>
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning, as Restated	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF TULARE  
HOUSING REDEVELOPMENT CDBG FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,239,190	\$ 429,655	\$ (809,535)
Grants	<u>245,720</u>	<u>276,502</u>	<u>30,782</u>
Total Revenues	<u>1,484,910</u>	<u>706,157</u>	<u>(778,753)</u>
<b>Expenditures</b>			
Current			
Community Development	<u>1,229,700</u>	<u>706,158</u>	<u>523,542</u>
Total Expenditures	<u>1,229,700</u>	<u>706,158</u>	<u>523,542</u>
Net Change in Fund Balance	255,210	(1)	(255,211)
Fund Balance - Beginning	<u>1,319,516</u>	<u>1,319,516</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 1,574,726</u></u>	<u><u>\$ 1,319,515</u></u>	<u><u>\$ (255,211)</u></u>

**CITY OF TULARE  
GAS TAX FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Taxes	\$ 1,311,260	\$ 1,328,846	\$ 17,586
Interest and Rentals	-	51,531	51,531
	<u>1,311,260</u>	<u>1,380,377</u>	<u>69,117</u>
<b>Total Revenues</b>			
	<u>1,311,260</u>	<u>1,380,377</u>	<u>69,117</u>
<b>Expenditures</b>			
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	1,311,260	1,380,377	69,117
<b>Other Financing Sources (Uses)</b>			
Transfers Out	(2,589,450)	(2,665,886)	(76,436)
	<u>(2,589,450)</u>	<u>(2,665,886)</u>	<u>(76,436)</u>
<b>Net Change in Fund Balance</b>	(1,278,190)	(1,285,509)	(7,319)
<b>Fund Balance, Beginning</b>	6,163,032	6,163,032	-
	<u>6,163,032</u>	<u>6,163,032</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 4,884,842</u>	<u>\$ 4,877,523</u>	<u>\$ (7,319)</u>

**CITY OF TULARE  
TRAFFIC SAFETY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 150,000	\$ 189,229	\$ 39,229
Interest and Rentals	-	755	755
	<u>150,000</u>	<u>189,984</u>	<u>39,984</u>
Total Revenues	<u>150,000</u>	<u>189,984</u>	<u>39,984</u>
<b>Expenditures</b>			
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	150,000	189,984	39,984
Other Financing Sources (Uses)			
Transfers Out	<u>(150,000)</u>	<u>(182,336)</u>	<u>(32,336)</u>
Net Change in Fund Balance	-	7,648	7,648
Fund Balance, Beginning	<u>13,337</u>	<u>13,337</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 13,337</u>	<u>\$ 20,985</u>	<u>\$ 7,648</u>

**CITY OF TULARE  
COPS – STATE GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Interest and Rentals	\$ -	\$ 605	\$ 605
Grants	100,000	147,995	47,995
<b>Total Revenues</b>	<u>100,000</u>	<u>148,600</u>	<u>48,600</u>
<b>Expenditures</b>			
Current			
Public Safety	113,640	120,618	(6,978)
Community Services	28,000	27,982	18
<b>Total Expenditures</b>	<u>141,640</u>	<u>148,600</u>	<u>(6,960)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(41,640)</u>	<u>-</u>	<u>41,640</u>
Other Financing Sources (Uses) Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(41,640)	-	41,640
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (41,640)</u>	<u>\$ -</u>	<u>\$ 41,640</u>

**CITY OF TULARE  
LOCAL LAW ENFORCEMENT BLOCK GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Grants	\$ 44,180	\$ 29,528	\$ (14,652)
Total Revenues	<u>44,180</u>	<u>29,528</u>	<u>(14,652)</u>
<b>Expenditures</b>			
Current			
Public Safety	13,880	-	13,880
Community Services	30,300	29,528	772
Total Expenditures	<u>44,180</u>	<u>29,528</u>	<u>14,652</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses) Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**CITY OF TULARE  
LANDSCAPE AND LIGHTING FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Interest and Rentals	\$ -	\$ 5,195	\$ 5,195
Assessments	618,100	632,852	14,752
	<u>618,100</u>	<u>638,047</u>	<u>19,947</u>
Total Revenues	<u>618,100</u>	<u>638,047</u>	<u>19,947</u>
<b>Expenditures</b>			
Current			
Community Services	515,460	420,378	95,082
	<u>515,460</u>	<u>420,378</u>	<u>95,082</u>
Net Change in Fund Balance	102,640	217,669	115,029
Fund Balance, Beginning	<u>492,543</u>	<u>492,543</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 595,183</u>	<u>\$ 710,212</u>	<u>\$ 115,029</u>

**CITY OF TULARE  
OTS GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Fines and Forfeitures	\$ 20,000	\$ 31,100	\$ 11,100
Interest and Rentals	-	161	161
	<u>20,000</u>	<u>31,261</u>	<u>11,261</u>
Total Revenues	<u>20,000</u>	<u>31,261</u>	<u>11,261</u>
<b>Expenditures</b>			
Current			
Community Services	5,120	2,110	3,010
	<u>5,120</u>	<u>2,110</u>	<u>3,010</u>
Total Expenditures	<u>5,120</u>	<u>2,110</u>	<u>3,010</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,880	29,151	14,271
Other Financing Sources (Uses)			
Transfers Out	(10,000)	(29,151)	(19,151)
	<u>(10,000)</u>	<u>(29,151)</u>	<u>(19,151)</u>
Net Change in Fund Balance	4,880	-	(4,880)
Fund Balance, Beginning	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,880</u>	<u>\$ -</u>	<u>\$ (4,880)</u>

**CITY OF TULARE  
 AUTO THEFT DETERRENCE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Interest and Rentals	\$ -	\$ 13	\$ 13
Total Revenues	<u>-</u>	<u>13</u>	<u>13</u>
<b>Expenditures</b>			
Current			
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	13	13
Fund Balance, Beginning	<u>1,429</u>	<u>1,429</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,429</u>	<u>\$ 1,442</u>	<u>\$ 13</u>

**CITY OF TULARE  
POLICE FORFEITURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Interest and Rentals	\$ -	\$ 620	\$ 620
Grants	24,750	40,602	15,852
Total Revenues	<u>24,750</u>	<u>41,222</u>	<u>16,472</u>
<b>Expenditures</b>			
Current			
Public Safety	27,700	49,951	(22,251)
Total Expenditures	<u>27,700</u>	<u>49,951</u>	<u>(22,251)</u>
Net Change in Fund Balance	(2,950)	(8,729)	(5,779)
Fund Balance, Beginning	<u>19,100</u>	<u>19,100</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 16,150</u></u>	<u><u>\$ 10,371</u></u>	<u><u>\$ (5,779)</u></u>

**CITY OF TULARE  
VEHICLE ABATEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Interest and Rentals	\$ 500	\$ 1,594	\$ 1,094
Grants	30,000	24,203	(5,797)
	<u>30,500</u>	<u>25,797</u>	<u>(4,703)</u>
Total Revenues	<u>30,500</u>	<u>25,797</u>	<u>(4,703)</u>
<b>Expenditures</b>			
Current			
Public Safety	29,610	28,541	1,069
	<u>29,610</u>	<u>28,541</u>	<u>1,069</u>
Total Expenditures	<u>29,610</u>	<u>28,541</u>	<u>1,069</u>
Net Change in Fund Balance	890	(2,744)	(3,634)
Fund Balance, Beginning	<u>180,318</u>	<u>180,318</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 181,208</u>	<u>\$ 177,574</u>	<u>\$ (3,634)</u>

**CITY OF TULARE  
PUBLIC MITIGATION GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Grants	\$ 80,000	\$ 67,039	\$ (12,961)
Other	-	308	308
	<u>80,000</u>	<u>67,347</u>	<u>(12,653)</u>
Total Revenues	<u>80,000</u>	<u>67,347</u>	<u>(12,653)</u>
<b>Expenditures</b>			
Current			
Interest	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>80,000</u>	<u>67,347</u>	<u>(12,653)</u>
Other Financing Sources (Uses)			
Transfers Out	-	(67,347)	(67,347)
	<u>-</u>	<u>(67,347)</u>	<u>(67,347)</u>
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 80,000</u>	<u>\$ -</u>	<u>\$ (80,000)</u>

**CITY OF TULARE**  
**2009 COPS HIRING RECOVERY PROGRAM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Grants	\$ 164,050	\$ 294,061	\$ 130,011
Total Revenues	<u>164,050</u>	<u>294,061</u>	<u>130,011</u>
<b>Expenditures</b>			
Current			
Public Safety	384,050	479,274	(95,224)
Total Expenditures	<u>384,050</u>	<u>479,274</u>	<u>(95,224)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(220,000)</u>	<u>(185,213)</u>	<u>34,787</u>
Other Financing Sources (Uses)			
Transfers In	220,000	185,213	(34,787)
Net Change in Fund Balance	-	-	-
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF TULARE  
 RENTAL REHABILITATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Grants	\$ 937,850	\$ -	\$ (937,850)
Total Revenues	<u>937,850</u>	<u>-</u>	<u>(937,850)</u>
<b>Expenditures</b>			
Current			
Community Development	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	937,850	-	(937,850)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ 937,850</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (937,850)</u></u>



## **CAPITAL PROJECTS FUND**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

The Technology Construction in Progress (CIP) Fund accounts for the capital projects expenditures related to technology.

**CITY OF TULARE  
BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUND  
JUNE 30, 2016**

	Technology CIP
<b>Assets</b>	
Cash and Investments	\$ 462,210
Total Assets	\$ 462,210
<b>Liabilities and Fund Balance</b>	
Accounts Payable and Accrued Liabilities	\$ 1,156
Total Liabilities	1,156
Fund Balance Committed	461,054
Total Fund Balance	461,054
Total Liabilities and Fund Balance	\$ 462,210

**CITY OF TULARE  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR CAPITAL PROJECTS FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

	Technology CIP
<b>Revenues</b>	
Interest and Rentals	\$ -
Total Revenues	-
<b>Expenditures</b>	
Current	
Community Development	361,073
Total Expenditures	361,073
Deficiency of Revenues Under Expenditures	(361,073)
Other Financing Sources	
Transfers In	77,570
Total Other Financing Sources	77,570
Net Change in Fund Balance	(283,503)
Fund Balance - Beginning	744,557
Fund Balance - Ending	\$ 461,054

**CITY OF TULARE  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	2016		
	Budget	Technology CIP	Variance With Final Budget
<b>Revenues</b>			
Interest and Rentals	\$ -	\$ -	\$ -
Total Revenues	-	-	-
<b>Expenditures</b>			
Current			
Community Development	507,045	361,073	145,972
Total Expenditures	507,045	361,073	145,972
Deficiency of Revenues Under Expenditures	(507,045)	(361,073)	145,972
Other Financing Sources (Uses)			
Transfers In	77,570	77,570	-
Transfers Out	(91,000)	-	91,000
Total Other Financing Sources (Uses)	(13,430)	77,570	91,000
Net Change in Fund Balance	(520,475)	(283,503)	236,972
Fund Balance - Beginning	744,557	744,557	-
Fund Balance - Ending	\$ 224,082	\$ 461,054	\$ 236,972

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department of the City to another on a cost-reimbursement basis.

The Fleet Maintenance Fund accounts for the costs of maintaining and replacing City vehicles and equipment. Costs are funded by charges to using departments based upon actual usage and rental rates.

The Employee Welfare Fund accounts for the cost of the City's health insurance program. Costs are funded by charges to departments based upon the number of employees and by employee contributions for department coverage.

The Workers' Compensation Fund accounts for the cost of the City's self-insured workers' compensation program. Costs are funded by charges to departments based upon standard workers' compensation rates.

The General Insurance Fund accounts for the cost of the City's self-insured liability and fire insurance program. Costs are funded by charges to departments based upon a combination of number of employees and square footage of buildings factors.

The Unemployment Insurance Fund accounts for the cost of unemployment claims paid and is funded by the General Fund.

The Purchasing Fund accounts for the cost of purchases of inventory items and the department charges for issuance of those items.

**CITY OF TULARE**  
**COMBINING STATEMENT OF NET POSITION**  
**ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2016**

	Fleet Maintenance	Employee Welfare	Workers' Compensation
<b>Assets and Deferred Outflows of Resources</b>			
Current Assets			
Cash and Investments	\$ 5,225,800	\$ 803,990	\$ 1,050,282
Cash and Investments with Fiscal Agent	-	-	-
Accounts Receivable	21,578	51,676	2,365
Other Receivables	94,788	-	-
Inventories	-	-	-
Total Current Assets	<u>5,342,166</u>	<u>855,666</u>	<u>1,052,647</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable			
Land	75,000	-	-
Depreciable			
Buildings	6,187,770	-	-
Improvements Other than Buildings	1,648,583	-	-
Machinery and Equipment	20,062,420	-	-
Accumulated Depreciation	(16,414,583)	-	-
Total Noncurrent Assets	<u>11,559,190</u>	<u>-</u>	<u>-</u>
Total Assets	<u>16,901,356</u>	<u>855,666</u>	<u>1,052,647</u>
Deferred Outflows of Resources			
Deferred Outflows from Pensions	109,200	11,894	16,698
Total Assets and Deferred Outflows of Resources	<u>\$ 17,010,556</u>	<u>\$ 867,560</u>	<u>\$ 1,069,345</u>
<b>Liabilities and Deferred Inflows of Resources</b>			
Current Liabilities			
Accounts Payable and Accrued Liabilities	\$ 57,068	\$ 19,495	\$ 5,108
Compensated Absences Payable - Current	2,794	596	622
Capital Leases Payable - Current	21,293	-	-
Unearned Revenue	-	124,857	-
Insurance Claims Payable	-	-	1,559,004
Total Current Liabilities	<u>81,155</u>	<u>144,948</u>	<u>1,564,734</u>
Noncurrent Liabilities			
Capital Leases Payable	135,555	-	-
Compensated Absences Payable	40,473	668	1,757
Net Pension Liability	1,095,316	119,301	167,483
Total Noncurrent Liabilities	<u>1,271,344</u>	<u>119,969</u>	<u>169,240</u>
Total Liabilities	<u>1,352,499</u>	<u>264,917</u>	<u>1,733,974</u>
Deferred Inflows of Resources			
Deferred Inflows from Pensions	110,219	12,005	16,854
Total Liabilities and Deferred Inflows of Resources	<u>1,462,718</u>	<u>276,922</u>	<u>1,750,828</u>
<b>Net Position (Deficit)</b>			
Net Investment in Capital Assets	11,402,342	-	-
Unrestricted	4,145,496	590,638	(681,483)
Total Net Position (Deficit)	<u>\$ 15,547,838</u>	<u>\$ 590,638</u>	<u>\$ (681,483)</u>

General Insurance	Unemployment Insurance	Purchasing	Totals
\$ 844,379	\$ -	\$ 230,504	\$ 8,154,955
33,951	-	-	33,951
1,739	-	811	78,169
-	-	-	94,788
-	-	322,834	322,834
<u>880,069</u>	<u>-</u>	<u>554,149</u>	<u>8,684,697</u>
-	-	-	75,000
-	-	-	6,187,770
-	-	-	1,648,583
-	-	13,419	20,075,839
-	-	(13,419)	(16,428,002)
<u>-</u>	<u>-</u>	<u>-</u>	<u>11,559,190</u>
<u>880,069</u>	<u>-</u>	<u>554,149</u>	<u>20,243,887</u>
<u>15,271</u>	<u>-</u>	<u>12,634</u>	<u>165,697</u>
<u>\$ 895,340</u>	<u>\$ -</u>	<u>\$ 566,783</u>	<u>\$ 20,409,584</u>
\$ 4,627	\$ -	\$ 69,939	\$ 156,237
611	-	-	4,623
-	-	-	21,293
-	-	-	124,857
-	-	-	1,559,004
<u>5,238</u>	<u>-</u>	<u>69,939</u>	<u>1,866,014</u>
-	-	-	135,555
1,514	-	-	44,412
153,179	-	126,735	1,662,014
<u>154,693</u>	<u>-</u>	<u>126,735</u>	<u>1,841,981</u>
<u>159,931</u>	<u>-</u>	<u>196,674</u>	<u>3,707,995</u>
<u>15,414</u>	<u>-</u>	<u>12,753</u>	<u>167,245</u>
<u>175,345</u>	<u>-</u>	<u>209,427</u>	<u>3,875,240</u>
-	-	-	11,402,342
719,995	-	357,356	5,132,002
<u>\$ 719,995</u>	<u>\$ -</u>	<u>\$ 357,356</u>	<u>\$ 16,534,344</u>

**CITY OF TULARE  
COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
ALL INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Fleet Maintenance	Employee Welfare	Workers' Compensation
<b>Operating Revenues</b>			
Departmental Charges	\$ 3,289,195	\$ 4,077,099	\$ 1,788,134
Employee Contributions	-	1,406,644	-
Total Operating Revenues	<u>3,289,195</u>	<u>5,483,743</u>	<u>1,788,134</u>
<b>Operating Expenses</b>			
General Administration	530	106,825	34,902
Personnel Services	1,718,957	124,576	118,772
Contractual Services	356,517	-	-
Equipment Usage and Operation	416,798	163	163
Insurance	155,427	4,377,325	1,598,051
Depreciation	1,981,122	-	-
Total Operating Expenses	<u>4,629,351</u>	<u>4,608,889</u>	<u>1,751,888</u>
Operating Income (Loss)	<u>(1,340,156)</u>	<u>874,854</u>	<u>36,246</u>
<b>Nonoperating Revenues</b>			
Interest Income	87,957	1,717	10,243
Grants	48,918	-	-
Other Income	12,395	10,745	875
Gain on Sale of Assets	17,437	-	-
Total Nonoperating Revenues	<u>166,707</u>	<u>12,462</u>	<u>11,118</u>
Income (Loss) Before Transfers	<u>(1,173,449)</u>	<u>887,316</u>	<u>47,364</u>
Transfers In	1,937,356	11,250	9,000
Transfers Out	<u>(1,392,003)</u>	<u>-</u>	<u>-</u>
Change in Net Position	(628,096)	898,566	56,364
Net Position (Deficit), Beginning	<u>16,175,934</u>	<u>(307,928)</u>	<u>(737,847)</u>
Net Position (Deficit), Ending	<u>\$ 15,547,838</u>	<u>\$ 590,638</u>	<u>\$ (681,483)</u>



<u>General Insurance</u>	<u>Unemployment Insurance</u>	<u>Purchasing</u>	<u>Totals</u>
\$ 973,287	\$ -	\$ 1,580,827	\$ 11,708,542
-	-	-	1,406,644
<u>973,287</u>	<u>-</u>	<u>1,580,827</u>	<u>13,115,186</u>
25,106	21,640	53,616	242,619
112,514	-	55,560	2,130,379
-	-	-	356,517
162	-	1,418,199	1,835,485
860,648	19,392	-	7,010,843
-	-	-	1,981,122
<u>998,430</u>	<u>41,032</u>	<u>1,527,375</u>	<u>13,556,965</u>
<u>(25,143)</u>	<u>(41,032)</u>	<u>53,452</u>	<u>(441,779)</u>
9,086	-	2,395	111,398
-	-	-	48,918
525	-	6,678	31,218
-	-	-	17,437
<u>9,611</u>	<u>-</u>	<u>9,073</u>	<u>208,971</u>
<u>(15,532)</u>	<u>(41,032)</u>	<u>62,525</u>	<u>(232,808)</u>
11,250	41,032	-	2,009,888
-	-	-	(1,392,003)
<u>(4,282)</u>	<u>-</u>	<u>62,525</u>	<u>385,077</u>
<u>724,277</u>	<u>-</u>	<u>294,831</u>	<u>16,149,267</u>
<u>\$ 719,995</u>	<u>\$ -</u>	<u>\$ 357,356</u>	<u>\$ 16,534,344</u>

**CITY OF TULARE  
COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Fleet Maintenance	Employee Welfare	Workers' Compensation
Cash Flows from Operating Activities:			
Cash received from interfund services provided	\$ 3,493,968	\$ 5,355,200	\$ 1,785,769
Cash paid for salaries and benefits	(616,754)	(140,506)	(122,241)
Cash received from (paid for) services and supplies	(800,894)	(266)	853
Cash paid for reported claims	(155,427)	(4,377,325)	(1,599,315)
Cash paid for other charges	(530)	(106,825)	(34,902)
Net Cash Provided by (Used for) Operating Activities	<u>1,920,363</u>	<u>730,278</u>	<u>30,164</u>
Cash Flows from Non-Capital Financing Activities:			
Grants	48,918	-	-
Other income	12,395	10,745	875
Operating transfers from other funds	1,937,356	11,250	9,000
Operating transfers to other funds	(1,392,003)	-	-
Net Cash Provided by Non-Capital Financing Activities	<u>606,666</u>	<u>21,995</u>	<u>9,875</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from the sale of assets	17,437	-	-
Payments made on capital leases	(20,360)	-	-
Acquisition of capital assets	(1,437,053)	-	-
Net Cash Used for Capital and Related Financing Activities	<u>(1,439,976)</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities:			
Interest income (expense)	<u>87,957</u>	<u>1,717</u>	<u>10,243</u>
Net Cash Provided by Investing Activities	<u>87,957</u>	<u>1,717</u>	<u>10,243</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,175,010	753,990	50,282
Cash and Cash Equivalents, Beginning of the Year	<u>4,050,790</u>	<u>50,000</u>	<u>1,000,000</u>
Cash and Cash Equivalents, End of the Year	<u>\$ 5,225,800</u>	<u>\$ 803,990</u>	<u>\$ 1,050,282</u>

General Insurance	Unemployment Insurance	Purchasing	Totals
\$ 973,339	\$ -	\$ 1,580,413	\$ 13,188,689
(133,905)	-	(78,218)	(1,091,624)
559	-	(1,499,381)	(2,299,129)
(860,648)	(19,392)	-	(7,012,107)
(25,106)	(21,640)	(53,616)	(242,619)
(45,761)	(41,032)	(50,802)	2,543,210
-	-	-	48,918
525	-	6,678	31,218
11,250	41,032	-	2,009,888
-	-	-	(1,392,003)
11,775	41,032	6,678	698,021
-	-	-	17,437
-	-	-	(20,360)
-	-	-	(1,437,053)
-	-	-	(1,439,976)
9,086	-	2,395	111,398
9,086	-	2,395	111,398
(24,900)	-	(41,729)	1,912,653
903,230	-	272,233	6,276,253
\$ 878,330	\$ -	\$ 230,504	\$ 8,188,906

(Continued)

**CITY OF TULARE  
COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Fleet Maintenance</u>	<u>Employee Welfare</u>	<u>Workers' Compensation</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ (1,340,156)	\$ 874,854	\$ 36,246
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	1,981,122	-	-
Changes in assets and liabilities:			
(Increase) Decrease in accounts receivable	204,773	(46,927)	(2,365)
(Increase) Decrease in inventory	-	-	-
Increase (Decrease) in accounts payable and accrued liabilities	(27,579)	(103)	1,016
Increase (Decrease) in insurance claims payable	-	-	(1,264)
Increase (Decrease) in compensated absences payable	5,868	(6,719)	(5,944)
Increase (Decrease) in net pension liability and related items	1,096,335	(9,211)	2,475
Increase (Decrease) in unearned revenue	-	(81,616)	-
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,920,363</u>	<u>\$ 730,278</u>	<u>\$ 30,164</u>
Reconciliation of Cash and Cash Equivalents per Statement of Cash Flows to the Statement of Net Position:			
Cash and investments	\$ 5,225,800	\$ 803,990	\$ 1,050,282
Cash and investments with fiscal agents	-	-	-
Cash and Cash Equivalents per Statement of Cash Flows	<u>\$ 5,225,800</u>	<u>\$ 803,990</u>	<u>\$ 1,050,282</u>

<u>General Insurance</u>	<u>Unemployment Insurance</u>	<u>Purchasing</u>	<u>Totals</u>
\$ (25,143)	\$ (41,032)	\$ 53,452	\$ (441,779)
-	-	-	1,981,122
52	-	(414)	155,119
-	-	(56,449)	(56,449)
721	-	(24,733)	(50,678)
(18,100)	-	-	(19,364)
(6,055)	-	(17,162)	(30,012)
2,764	-	(5,496)	1,086,867
-	-	-	(81,616)
<u>\$ (45,761)</u>	<u>\$ (41,032)</u>	<u>\$ (50,802)</u>	<u>\$ 2,543,210</u>
\$ 844,379	\$ -	\$ 230,504	\$ 8,154,955
33,951	-	-	33,951
<u>\$ 878,330</u>	<u>\$ -</u>	<u>\$ 230,504</u>	<u>\$ 8,188,906</u>

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## **FIDUCIARY FUNDS**

The Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

The Agency Funds account for receipts and disbursements of the Development Impact Fees.

**CITY OF TULARE  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
<b>AGENCY FUND</b>				
Assets				
Cash and Investments	\$ 510,709	\$ 246,970	\$ 59,574	\$ 698,105
Accounts Receivable	-	20,342	20,342	-
<b>Total Assets</b>	<b>\$ 510,709</b>	<b>\$ 267,312</b>	<b>\$ 79,916</b>	<b>\$ 698,105</b>
Liabilities				
Accounts Payable	\$ 5,635	\$ 56,640	\$ 58,498	\$ 3,777
Deposits Payable	505,074	246,070	56,816	694,328
<b>Total Liabilities</b>	<b>\$ 510,709</b>	<b>\$ 302,710</b>	<b>\$ 115,314</b>	<b>\$ 698,105</b>
<b>AGENCY FUND - DEVELOPMENT IMPACT FEES</b>				
Assets				
Cash and Investments	\$ 2,687,909	\$ 3,637,107	\$ 3,110,324	\$ 3,214,692
Accounts Receivable	58,111	13,647	57,201	14,557
<b>Total Assets</b>	<b>\$ 2,746,020</b>	<b>\$ 3,650,754</b>	<b>\$ 3,167,525</b>	<b>\$ 3,229,249</b>
Liabilities				
Accounts Payable	\$ 17,646	-	\$ 17,646	-
Due to Other Funds	-	3,247	-	3,247
Deposits Payable	2,728,374	3,595,844	3,098,216	3,226,002
<b>Total Liabilities</b>	<b>\$ 2,746,020</b>	<b>\$ 3,599,091</b>	<b>\$ 3,115,862</b>	<b>\$ 3,229,249</b>
<b>TOTAL - ALL AGENCY FUNDS</b>				
Assets				
Cash and Investments	\$ 3,198,618	\$ 3,884,077	\$ 3,169,898	\$ 3,912,797
Accounts Receivable	58,111	33,989	77,543	14,557
<b>Total Assets</b>	<b>\$ 3,256,729</b>	<b>\$ 3,918,066</b>	<b>\$ 3,247,441</b>	<b>\$ 3,927,354</b>
Liabilities				
Accounts Payable	\$ 23,281	\$ 56,640	\$ 76,144	\$ 3,777
Due to Other Funds	-	3,247	-	3,247
Deposits Payable	3,233,448	3,841,914	3,155,032	3,920,330
<b>Total Liabilities</b>	<b>\$ 3,256,729</b>	<b>\$ 3,901,801</b>	<b>\$ 3,231,176</b>	<b>\$ 3,927,354</b>



**CITY OF TULARE**  
**SCHEDULE OF EXPENDITURES BY DEPARTMENT –**  
**BUDGETARY LEVEL OF CONTROL – BUDGET AND ACTUAL (GAAP BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government				
City Council	\$ 104,380	\$ 104,380	\$ 107,247	\$ (2,867)
City Manager	474,570	474,570	433,654	40,916
Finance	1,139,080	1,139,080	920,782	218,298
Economic Development	212,230	212,230	200,391	11,839
CIP Admin	134,870	134,870	183,459	(48,589)
IT Division	392,270	392,270	377,022	15,248
Personnel	426,840	426,840	477,086	(50,246)
Non-Departmental	119,940	119,940	1,104,378	(984,438)
Animal Control	981,280	981,280	891,773	89,507
<b>Total General Government</b>	<b>3,985,460</b>	<b>3,985,460</b>	<b>4,695,792</b>	<b>(710,332)</b>
Public Safety				
Police	14,537,077	14,537,077	14,313,178	223,899
Fire Code Enforcement	7,431,400	7,431,400	7,345,636	85,764
<b>Total Public Safety</b>	<b>21,968,477</b>	<b>21,968,477</b>	<b>21,658,814</b>	<b>309,663</b>
Public Works				
Streets	2,007,750	2,007,750	9,607,831	(7,600,081)
Storm Drains	288,908	288,908	322,947	(34,039)
<b>Total Public Works</b>	<b>2,296,658</b>	<b>2,296,658</b>	<b>9,930,778</b>	<b>(7,634,120)</b>
Community Development				
Parking and Business Improvement	87,500	87,500	90,801	(3,301)
Dangerous Building Abatement	99,870	99,870	10,347	89,523
<b>Total Community Development</b>	<b>187,370</b>	<b>187,370</b>	<b>101,148</b>	<b>86,222</b>
Community Services				
Parks	4,057,050	4,057,050	3,585,501	471,549
Community Services	1,212,720	1,212,720	1,244,691	(31,971)
<b>Total Community Services</b>	<b>5,269,770</b>	<b>5,269,770</b>	<b>4,830,192</b>	<b>439,578</b>
Library and Cultural	1,326,580	1,326,580	1,307,433	19,147
Capital Outlay	23,209,342	23,209,342	17,604,871	5,604,471
Debt Service				
Principal	86,840	86,840	86,840	-
Interest	31,350	31,350	38,572	(7,222)
<b>Total Debt Service</b>	<b>118,190</b>	<b>118,190</b>	<b>125,412</b>	<b>(7,222)</b>
Transfers Out	6,869,330	6,869,330	6,782,844	86,486
<b>Total General Fund Expenditures</b>	<b>\$ 65,231,177</b>	<b>\$ 65,231,177</b>	<b>\$ 67,037,284</b>	<b>\$ (1,806,107)</b>

**CITY OF TULARE  
 MEASURE I SALES TAX REVENUE AND RELATED  
 EXPENDITURES – BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2016**

	Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>			
Measure I Sales Tax	\$ 5,000,000	\$ 4,924,472	\$ (75,528)
<b>Expenditures</b>			
Measure I - Police	3,472,630	3,681,015	(208,385)
Measure I - Fire	1,459,860	1,502,883	(43,023)
Measure I - Code Enforcement	127,400	125,234	2,166
Total Expenditures	5,059,890	5,309,132	(249,242)
Excess of Revenues Over Expenditures	<u>\$ (59,890)</u>	<u>\$ (384,660)</u>	<u>\$ (324,770)</u>

**CITY OF TULARE  
LONG-TERM DEBT RECORDED IN  
PRIVATE PURPOSE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 2016**

Discretely Presented Successor Agency -

Tax Allocation Bonds:

On June 30, 2010, the former Redevelopment Agency participated in issuing its Merged Tulare Redevelopment Projects Serial Tax Allocation Bonds Series A (Tax-Exempt). Series A bonds totaling \$8,605,000 are payable in amounts ranging from \$45,562 to \$955,156 semiannually on August 1 and February 1, commencing August 1, 2010, through August 1, 2040, and bear interest at rates from 6.00% to 6.25%. Term Bonds of \$2,245,000 are due August 1, 2030, at interest rate 6.00%. Term Bonds of \$2,470,000 are due August 1, 2035, at interest rate 6.125%. Term Bonds of \$3,890,000 are due August 1, 2040, at interest rate 6.25%.

\$ 8,605,000

On June 30, 2010, the former Redevelopment Agency participated in issuing its Merged Tulare Redevelopment Projects Serial Tax Allocation Bonds Series B (Taxable). Series B bonds totaling \$4,915,000 are payable in amounts ranging from \$29,622 to \$640,035 semiannually on August 1 and February 1, commencing August 1, 2010, through August 1, 2023, and bear interest at rates from 4.125% to 7.70%. Term Bonds of \$350,000 are due August 1, 2013, at interest rate 4.125%. Term Bonds of \$365,000 are due August 1, 2014, at interest rate 4.50%. Term Bonds of \$380,000 are due August 1, 2015, at interest rate 5.00%. Term Bonds of \$3,820,000 are due August 1, 2023, at interest rate 7.70%.

\$ 3,820,000

On June 30, 2010, the former Redevelopment Agency participated in issuing its Merged Tulare Redevelopment Projects Serial Tax Allocation Bonds Series C (Taxable). Series C bonds totaling \$9,830,000 are payable in amounts ranging from \$68,853 to \$734,963 semiannually on August 1 and February 1, commencing August 1, 2010, through August 1, 2040, and bear interest at rates from 5.25% to 8.50%. Term Bonds of \$445,000 are due August 1, 2015, at interest rate 5.25%. Term Bonds of \$1,390,000 are due August 1, 2020, at interest rate 7.50%. Term Bonds of \$3,040,000 are due August 1, 2030, at interest rate 8.25%. Term Bonds of \$4,955,000 are due August 1, 2040, at interest rate 8.50%.

\$ 9,385,000

(Continued)

**CITY OF TULARE  
LONG-TERM DEBT RECORDED IN  
PRIVATE PURPOSE TRUST FUND (Continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

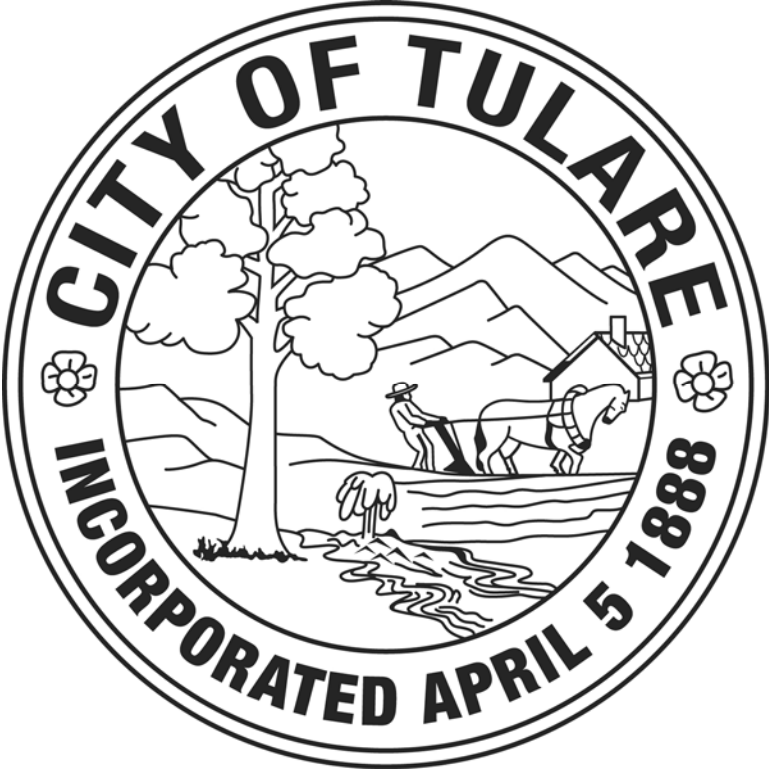
The City advanced funds to the former Redevelopment Agency for operations. These advances date back since inception, and were payable upon demand, with interest accruing at 8% per annum on the unpaid balance. As of June 30, 2009, the remaining balance was approximately \$66 million. On June 29, 2010, the former Redevelopment Agency and the City reached an amended repayment agreement. The City forgave \$44,258,915 to reduce the outstanding principal balance to the City to \$22,052,848. In addition, the former Redevelopment Agency repaid \$6,000,000 and reduced the balance to the amount of \$3,302,059 as of June 30, 2011. The former Redevelopment Agency would make annual payments to the City with the annual interest rate at 3%. Beginning in fiscal year 2010-11, the former Redevelopment Agency was required to make annual payments of interest only to the City. This agreement was to continue through fiscal year 2024-25 and commencing in fiscal year 2025-26, payments of principal and interest were to be due until all amounts due were paid in full. However, in 2013, after the dissolution of the former Redevelopment Agency and when the State took control, the State Controller's Office issued a written finding in regards to an accelerated loan payment made by the City in December 2011, after the effective date of AB 1X 26 and ordered the City to return \$1,634,962 in property taxes to be returned to the Successor Agency which increased the advance to \$4,937,021. Included in the \$16,052,848 ending balance as of June 30, 2016, is also \$465,736 in property to be sold to the County Superintendent of Schools.

\$ 16,052,848

The annual requirements to amortize debt payable are as follows:

Fiduciary Fund - Private Purpose Trust Fund				
Year Ending June 30,	2010 Tax Allocation Bonds - Series A	2010 Tax Allocation Bonds - Series B	2010 Tax Allocation Bonds - Series C	Advances from the Primary Government
2017	\$ 529,113	\$ 683,548	\$ 1,007,225	\$ -
2018	529,113	686,016	1,003,663	-
2019	529,113	685,788	1,003,788	-
2020	529,113	687,673	1,007,225	-
2021	529,113	648,018	1,003,976	-
2022-2026	3,628,160	1,620,151	4,732,282	16,052,848
2027-2031	3,321,610	-	3,673,646	-
2032-2036	4,105,493	-	3,677,428	-
2037-2041	4,540,625	-	3,675,216	-
2042-2046	-	-	-	-
	18,241,453	5,011,194	20,784,449	16,052,848
Less Interest	9,636,453	1,191,194	11,399,449	-
Total	<u>\$ 8,605,000</u>	<u>\$ 3,820,000</u>	<u>\$ 9,385,000</u>	<u>\$ 16,052,848</u>

STATISTICAL SECTION



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## **STATISTICAL SECTION**

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**CITY OF TULARE  
STATISTICAL SECTION  
FOR THE YEAR ENDED JUNE 30, 2016**

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures, and required supplementary information say about the City's overall financial health.

<b>Contents</b>	<b>Pages</b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	132 – 141
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales tax revenues.	142 – 149
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	150 – 157
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	158 – 160
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	161 – 165

**CITY OF TULARE  
NET POSITION BY COMPONENT  
LAST NINE FISCAL YEARS**

	Fiscal Year				
	2008	2009	2010	2011	2012
<b><u>Governmental Activities:</u></b>					
Net Investment in Capital Assets	\$ 129,555,443	\$ 142,261,018	\$ 134,341,017	\$ 151,745,077	\$ 154,050,235
Restricted	23,652,940	19,215,692	5,079,552	5,950,633	5,112,388
Unrestricted	66,208,918	74,474,840	48,577,529	41,007,426	49,533,580
<b>Total Governmental Activities Net Position</b>	<b>\$ 219,417,301</b>	<b>\$ 235,951,550</b>	<b>\$ 187,998,098</b>	<b>\$ 198,703,136</b>	<b>\$ 208,696,203</b>
<b><u>Business-Type Activities:</u></b>					
Net Investment in Capital Assets	\$ 107,113,034	\$ 86,649,558	\$ 83,970,647	\$ 87,741,783	\$ 83,851,638
Restricted	44,617,222	51,229,220	33,428,794	11,328,132	14,901,129
Unrestricted	(74,352,100)	(52,851,820)	(34,593,405)	(16,441,899)	(11,609,337)
<b>Total Business-Type Activities Net Position</b>	<b>\$ 77,378,156</b>	<b>\$ 85,026,958</b>	<b>\$ 82,806,036</b>	<b>\$ 82,628,016</b>	<b>\$ 87,143,430</b>
<b><u>Primary Government:</u></b>					
Net Investment in Capital Assets	\$ 236,668,477	\$ 228,910,576	\$ 218,311,664	\$ 239,486,860	\$ 237,901,873
Restricted	68,270,162	70,444,912	38,508,346	17,278,765	20,013,517
Unrestricted	(8,143,182)	21,623,020	13,984,124	24,565,527	37,924,243
<b>Total Primary Government Net Position</b>	<b>\$ 296,795,457</b>	<b>\$ 320,978,508</b>	<b>\$ 270,804,134</b>	<b>\$ 281,331,152</b>	<b>\$ 295,839,633</b>

**Sources:**

Comprehensive Annual Financial Report (CAFR)  
Statement of Net Position

Fiscal Year			
2013	2014	2015	2016
\$ 165,585,033	\$ 177,172,689	\$ 207,289,716	\$ 211,461,105
2,212,182	1,283,898	1,164,494	1,198,432
46,626,129	47,137,211	11,560,174	44,306,438
<u>\$ 214,423,344</u>	<u>\$ 225,593,798</u>	<u>\$ 220,014,384</u>	<u>\$ 256,965,975</u>
\$ 83,470,628	\$ 85,354,787	\$ 86,153,865	\$ 80,626,706
14,901,128	12,828,344	8,572,997	8,572,997
(8,501,979)	(7,120,889)	(6,566,796)	4,481,990
<u>\$ 89,869,777</u>	<u>\$ 91,062,242</u>	<u>\$ 88,160,066</u>	<u>\$ 93,681,693</u>
\$ 249,055,661	\$ 262,527,476	\$ 293,443,581	\$ 292,087,811
17,113,310	14,112,242	9,737,491	9,771,429
38,124,150	40,016,322	4,993,378	48,788,428
<u>\$ 304,293,121</u>	<u>\$ 316,656,040</u>	<u>\$ 308,174,450</u>	<u>\$ 350,647,668</u>

**CITY OF TULARE  
CHANGES IN NET POSITION  
LAST NINE FISCAL YEARS**

	Fiscal Year			
	2008	2009	2010	2011
<b><u>Expenses:</u></b>				
Governmental Activities:				
General Government	\$ 2,855,538	\$ 4,372,097	\$ 7,227,222	\$ 8,642,445
Intergovernmental	28,228	3,904	22,198	3,325
Public Safety	17,234,653	17,919,518	18,150,196	18,593,186
Public Works	2,816,141	2,655,054	2,253,586	2,578,473
Community Development	7,791,822	5,367,023	7,548,417	6,750,085
Community Services	4,075,367	4,161,627	4,119,626	3,862,066
Library and Cultural	3,331,468	4,082,194	5,254,822	4,432,456
Interest on Long-Term Debt	668,323	2,649,504	1,873,941	1,558,168
Total Governmental Activities Expenses	<u>38,801,540</u>	<u>41,210,921</u>	<u>46,450,008</u>	<u>46,420,204</u>
Business-Type Activities:				
Aviation	149,838	135,527	377,402	382,051
Transit	2,373,838	2,569,527	2,491,326	2,646,089
Development Services	-	-	-	-
Water	5,774,160	5,360,552	5,886,572	6,873,779
Solid Waste	6,828,700	6,392,221	6,630,196	5,413,630
Sewer	12,797,031	13,920,042	23,628,414	22,960,927
Total Business-Type Activities Expenses	<u>27,923,567</u>	<u>28,377,869</u>	<u>39,013,910</u>	<u>38,276,476</u>
Total Primary Government Expenses	<u>66,725,107</u>	<u>69,588,790</u>	<u>85,463,918</u>	<u>84,696,680</u>
<b><u>Program Revenues:</u></b>				
Governmental Activities:				
Charges for Services:				
General Government	307,426	465,136	404,289	471,461
Intergovernmental	180,370	176,350	261,239	1,656,320
Public Safety	2,079,850	2,139,721	1,311,651	1,275,328
Public Works	301,977	282,465	126,065	140,660
Community Development	2,428,421	1,692,768	1,506,687	1,938,612
Community Services	436,384	442,745	230,451	210,683
Library and Cultural	363,663	434,294	293,953	241,799
Operating Grants and Contributions	153,895	153,891	647,282	1,131,073
Capital Grants and Contributions	931,941	150,871	182,021	4,449,047
Total Governmental Activities Program Revenues	<u>7,183,927</u>	<u>5,938,241</u>	<u>4,963,638</u>	<u>11,514,983</u>
Business-Type Activities:				
Charges for Services:				
Aviation	103,064	111,999	113,350	110,825
Transit	1,507,696	2,131,920	1,885,297	1,895,852
Development Services	-	-	-	-
Water	6,383,693	4,673,549	5,112,671	4,978,664
Solid Waste	6,513,112	5,946,594	6,539,840	7,158,579
Sewer	18,812,643	16,887,266	20,134,580	22,549,039
Operating Grants and Contributions	-	-	-	850,130
Capital Grants and Contributions	7,543,285	4,604,955	2,246,055	-
Total Business-Type Activities Program Revenues	<u>40,863,493</u>	<u>34,356,283</u>	<u>36,031,793</u>	<u>37,543,089</u>
Total Primary Government Program Revenues	<u>48,047,420</u>	<u>40,294,524</u>	<u>40,995,431</u>	<u>49,058,072</u>

(Continued)

Fiscal Year				
2012	2013	2014	2015	2016
\$ 8,067,355	\$ 9,010,273	\$ 4,862,056	\$ 5,972,924	\$ 4,975,254
4,875	1,850	148,790	2,001	2,400
18,318,598	19,059,260	19,915,983	20,543,299	18,978,334
3,579,669	5,655,689	2,287,781	2,987,540	10,078,440
6,997,115	3,122,172	5,968,778	4,217,078	10,236,915
2,941,823	3,941,229	4,981,447	5,106,177	5,749,780
4,767,847	4,114,378	4,438,440	3,210,010	5,952,134
1,541,400	1,797,517	1,548,628	1,555,034	1,488,132
<u>46,218,682</u>	<u>46,702,368</u>	<u>44,151,903</u>	<u>43,594,063</u>	<u>57,461,389</u>
367,763	293,005	351,636	251,520	410,647
2,543,927	2,618,740	2,948,977	3,111,671	3,123,964
-	1,342,996	2,203,021	1,956,087	1,573,507
5,961,595	6,998,271	6,497,620	5,926,633	6,784,595
6,170,699	5,562,606	6,346,567	6,685,681	7,283,313
23,915,636	26,131,677	27,656,817	25,267,201	29,281,564
<u>38,959,620</u>	<u>42,947,295</u>	<u>46,004,638</u>	<u>43,198,793</u>	<u>48,457,590</u>
<u>85,178,302</u>	<u>89,649,663</u>	<u>90,156,541</u>	<u>86,792,856</u>	<u>105,918,979</u>
392,699	498,638	274,788	463,179	455,588
176,929	179,467	103,241	321,569	220
1,226,824	1,285,941	1,330,307	1,775,665	1,737,861
174,249	312,403	129,298	231,673	922,891
1,899,718	962,594	1,161,062	1,114,835	937,402
143,201	217,701	281,516	395,966	526,512
232,086	227,266	250,847	248,925	545,042
1,181,916	1,151,910	1,033,917	1,240,627	1,782,930
10,881,509	9,196,546	8,919,700	12,424,332	7,918,523
<u>16,309,131</u>	<u>14,032,466</u>	<u>13,484,676</u>	<u>18,216,771</u>	<u>14,826,969</u>
121,495	109,303	115,405	118,564	121,172
1,934,546	2,248,152	2,370,665	2,338,653	1,615,709
-	1,089,516	1,370,618	1,924,910	1,963,243
5,187,429	6,063,775	6,635,639	8,112,880	8,014,181
7,570,292	8,340,384	8,206,431	8,315,243	8,723,653
26,595,579	26,051,737	26,207,894	27,054,457	29,436,905
1,679,277	863,097	2,031,384	1,157,482	837,623
-	-	-	2,221,961	-
<u>43,088,618</u>	<u>44,765,964</u>	<u>46,938,036</u>	<u>51,244,150</u>	<u>50,712,486</u>
<u>59,397,749</u>	<u>58,798,430</u>	<u>60,422,712</u>	<u>69,460,921</u>	<u>65,539,455</u>

(Continued)

**CITY OF TULARE**  
**CHANGES IN NET POSITION (Continued)**  
**LAST NINE FISCAL YEARS**

	Fiscal Year			
	2008	2009	2010	2011
Net Revenues (Expenses):				
Governmental Activities	(31,617,613)	(35,272,680)	(41,486,370)	(34,905,221)
Business-Type Activities	12,939,926	5,978,414	(2,982,117)	(733,387)
Total Net Revenues (Expenses)	<u>(18,677,687)</u>	<u>(29,294,266)</u>	<u>(44,468,487)</u>	<u>(35,638,608)</u>
<b><u>General Revenues and Other Changes in Net Position:</u></b>				
Governmental Activities:				
Taxes:				
Sales Tax/Gas Tax/Measure R Taxes	16,163,788	14,466,030	17,003,577	16,314,384
Property Tax	4,279,124	4,583,226	4,040,713	4,153,674
Utility Tax	5,348,107	5,295,978	5,462,182	5,533,018
Motel/Hotel and Franchise Tax	2,524,436	2,548,329	2,147,819	2,299,093
Motor Vehicle-in-Lieu Tax (Intergovernmental, Unrestricted)	4,580,676	4,819,229	4,701,932	4,734,280
Other Taxes	-	-	-	-
Investment Income	6,504,081	6,709,281	897,402	579,731
Other General Revenues	15,202,114	9,123,660	3,035,817	3,357,639
Grants and Contributions Not Restricted to Specific Programs	1,285,206	955,672	591,426	265,222
Gain on Sale of Capital Assets	30,055	-	-	17,734
Transfers	530,440	3,305,524	-	8,355,484
Total Governmental Activities	<u>56,448,027</u>	<u>51,806,929</u>	<u>37,880,868</u>	<u>45,610,259</u>
Business-Type Activities:				
Investment Income	1,076,297	4,777,743	719,593	656,937
Gain on Sale of Capital Assets	-	-	41,602	-
Transfers	(530,440)	(3,305,524)	-	(101,570)
Total Business-Type Activities	<u>545,857</u>	<u>1,472,219</u>	<u>761,195</u>	<u>555,367</u>
Total Primary Government	<u>56,993,884</u>	<u>53,279,148</u>	<u>38,642,063</u>	<u>46,165,626</u>
<b><u>Special Items</u></b>				
Debt Forgiveness-Governmental Activities	-	-	(44,258,915)	-
Extraordinary Gain or (Loss) on Dissolution of Redevelopment Agency	-	-	-	-
Extraordinary Gain on Dissolution of Lawsuit Settlement	-	-	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>(44,258,915)</u>	<u>-</u>
Changes in Net Position				
Governmental Activities	24,830,414	16,534,249	(47,864,417)	10,705,038
Business-Type Activities	13,485,783	7,450,633	(2,220,922)	(178,020)
Total Primary Government	<u>\$ 38,316,197</u>	<u>\$ 23,984,882</u>	<u>\$ (50,085,339)</u>	<u>\$ 10,527,018</u>

**Sources:**

Comprehensive Annual Financial Report (CAFR)  
Statement of Net Position

Fiscal Year				
2012	2013	2014	2015	2016
(29,909,551)	(32,669,902)	(30,667,227)	(25,377,292)	(42,634,420)
4,128,998	1,818,669	933,398	8,045,357	2,254,896
<u>(25,780,553)</u>	<u>(30,851,233)</u>	<u>(29,733,829)</u>	<u>(17,331,935)</u>	<u>(40,379,524)</u>
20,311,365	23,905,777	23,393,201	31,070,736	26,818,588
4,447,600	4,026,662	4,705,679	4,688,189	4,780,267
5,234,472	5,343,876	5,592,318	5,869,634	5,622,124
820,038	1,984,941	2,101,367	2,215,176	2,219,734
4,367,392	4,229,944	4,326,227	4,629,563	4,882,755
1,608,623	633,097	660,950	695,971	726,940
652,931	212,232	736,701	567,673	711,185
3,514,588	-	1,708,873	8,499,838	28,876,448
-	-	-	-	-
-	-	-	-	-
2,713,404	(304,524)	(728,438)	(746,270)	(1,328,598)
<u>43,670,413</u>	<u>40,032,005</u>	<u>42,496,878</u>	<u>57,490,510</u>	<u>73,309,443</u>
679,628	631,930	692,776	636,054	588,133
-	-	-	-	-
(293,211)	275,748	728,438	746,270	2,678,598
<u>386,417</u>	<u>907,678</u>	<u>1,421,214</u>	<u>1,382,324</u>	<u>3,266,731</u>
<u>44,056,830</u>	<u>40,939,683</u>	<u>43,918,092</u>	<u>58,872,834</u>	<u>76,576,174</u>
-	-	-	-	-
(3,767,795)	(1,634,962)	-	-	-
-	-	-	-	6,276,568
<u>(3,767,795)</u>	<u>(1,634,962)</u>	<u>-</u>	<u>-</u>	<u>6,276,568</u>
9,993,067	5,727,141	11,829,651	32,113,218	36,951,591
4,515,415	2,726,347	2,354,612	9,427,681	5,521,627
<u>\$ 14,508,482</u>	<u>\$ 8,453,488</u>	<u>\$ 14,184,263</u>	<u>\$ 41,540,899</u>	<u>\$ 42,473,218</u>

**CITY OF TULARE**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
General Fund:				
Reserved	\$ 25,285,362	\$ 26,437,732	\$ 26,437,732	\$ -
Unreserved	10,431,701	9,409,100	6,320,602	-
Nonspendable	-	-	-	-
Restricted	-	-	-	(13,386)
Committed	-	-	-	21,781,536
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<b>\$ 35,717,063</b>	<b>\$ 35,846,832</b>	<b>\$ 32,758,334</b>	<b>\$ 21,768,150</b>
All Other Governmental Funds:				
Reserved, Reported in:				
Debt Service Funds	\$ 23,427,969	\$ 16,374,755	\$ 4,293,093	\$ -
Unreserved, Reported in:				
Special Revenue Funds	5,119,028	6,069,714	7,141,590	-
Capital Projects Funds	(297,431)	(455,256)	(253,448)	-
Nonspendable	-	-	-	-
Restricted	-	-	-	12,310,686
Committed	-	-	-	3,381,226
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 28,249,566</b>	<b>\$ 21,989,213</b>	<b>\$ 11,181,235</b>	<b>\$ 15,691,912</b>

Note: In fiscal year 2010-11 the City of Tulare implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned.

**Sources:**

Comprehensive Annual Financial Report (CAFR)  
Balance Sheet – Governmental Funds



Fiscal Year				
2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	8,708	29,077	1,431,320	5,268,406
22,797,424	19,998,080	22,004,228	21,840,982	46,394,799
-	-	-	-	-
(3,951,915)	(1,634,962)	-	-	-
<u>\$ 18,845,509</u>	<u>\$ 18,371,826</u>	<u>\$ 22,033,305</u>	<u>\$ 23,272,302</u>	<u>\$ 51,663,205</u>
\$ -	\$ -	\$ 2,876,426	\$ 2,880,133	\$ 2,885,783
-	-	-	-	-
-	-	-	-	-
-	35,000	35,000	35,000	35,000
17,345,677	14,986,150	9,718,237	8,154,275	7,103,909
-	626,408	722,545	744,557	461,054
(189,068)	-	-	22,951	-
-	-	(1,082)	(624,325)	-
<u>\$ 17,156,609</u>	<u>\$ 15,647,558</u>	<u>\$ 13,351,126</u>	<u>\$ 11,212,591</u>	<u>\$ 10,485,746</u>

**CITY OF TULARE**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
Revenues:				
Taxes	\$ 32,896,131	\$ 31,712,792	\$ 33,356,223	\$ 28,300,169
Intergovernmental	177,349	317,124	259,997	6,390,419
Licenses and Permits	1,218,021	640,257	600,944	880,876
Fines and Forfeitures	233,436	233,308	296,334	261,035
Charges for Services	4,098,683	4,102,455	2,493,574	2,447,307
Interest and Rentals	1,962,211	2,893,221	740,036	502,658
Grants	2,044,042	1,232,934	1,420,729	5,845,341
Meals	65,411	57,093	35,006	40,879
Assessments	370,602	481,527	483,486	689,506
Other	14,837,908	8,620,736	2,770,855	2,658,216
Total Revenues	<u>57,903,794</u>	<u>50,291,447</u>	<u>42,457,184</u>	<u>48,016,406</u>
Expenditures:				
Current:				
General Government	3,798,782	4,194,242	3,842,671	4,250,919
Intergovernmental	1,628,184	3,904	22,198	3,325
Public Safety	16,532,003	16,934,752	17,119,531	17,934,692
Public Works	2,606,821	2,398,132	2,014,853	2,423,082
Community Development	6,027,437	7,945,185	15,862,715	5,347,788
Community Services	3,987,118	4,034,706	4,027,590	3,806,034
Library and Cultural	859,849	855,572	822,996	914,157
Capital Outlay	28,645,304	18,524,487	8,785,378	14,714,906
Debt Service:				
Principal	6,432,137	1,914,942	1,352,491	3,128,889
Interest and Fiscal Charges	1,073,901	2,604,554	2,266,398	1,758,832
Total Expenditures	<u>71,591,536</u>	<u>59,410,476</u>	<u>56,116,821</u>	<u>54,282,624</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,687,742)</u>	<u>(9,119,029)</u>	<u>(13,659,637)</u>	<u>(6,266,218)</u>
Other Financing Sources (Uses):				
Transfers In	20,856,930	22,570,192	23,144,987	14,415,335
Transfers Out	(20,840,420)	(19,581,747)	(23,381,826)	(14,628,624)
Issuance of Bonds	34,758,449	-	-	-
Total Other Financing Sources (Uses)	<u>34,774,959</u>	<u>2,988,445</u>	<u>(236,839)</u>	<u>(213,289)</u>
Net Change in Fund Balances Before Extraordinary Item	<u>21,087,217</u>	<u>(6,130,584)</u>	<u>(13,896,476)</u>	<u>(6,479,507)</u>
Extraordinary Item				
Extraordinary (Gain) Loss	-	-	-	-
Net Change in Fund Balances	<u>\$ 21,087,217</u>	<u>\$ (6,130,584)</u>	<u>\$ (13,896,476)</u>	<u>\$ (6,479,507)</u>
Debt Service as a Percentage of Non-Capital Expenditures	17.48%	11.05%	7.65%	12.35%

Fiscal Year				
2012	2013	2014	2015	2016
\$ 36,789,494	\$ 40,124,297	\$ 40,779,742	\$ 49,169,269	\$ 45,050,408
176,692	179,365	94,832	321,414	861,728
839,048	78,939	102,983	89,279	100,478
335,121	233,167	204,719	182,604	238,400
2,174,778	2,481,343	2,407,782	3,259,979	3,207,668
555,667	239,841	648,751	491,354	599,787
12,063,425	5,564,425	9,913,617	13,664,959	9,652,535
40,238	26,296	26,416	24,935	23,657
720,068	711,196	720,743	698,536	717,240
2,845,740	4,088,635	1,241,758	8,118,499	28,749,291
<u>56,540,271</u>	<u>53,727,504</u>	<u>56,141,343</u>	<u>76,020,828</u>	<u>89,201,192</u>
4,426,111	3,354,212	3,477,232	5,276,640	4,695,792
4,875	1,850	80,434	2,001	2,400
17,592,694	18,458,371	18,951,852	21,472,541	22,337,198
3,422,798	5,544,549	2,159,172	2,913,300	9,930,778
4,972,369	2,149,595	1,715,725	914,959	1,864,782
2,874,852	3,884,359	4,915,473	5,075,036	5,682,940
864,684	794,455	879,266	1,185,082	1,307,433
17,196,246	16,668,830	19,376,263	33,103,216	17,604,871
777,332	1,062,010	839,461	878,069	916,840
1,677,870	1,753,594	1,605,503	1,563,978	1,524,185
<u>53,809,831</u>	<u>53,671,825</u>	<u>54,000,381</u>	<u>72,384,822</u>	<u>65,867,219</u>
<u>2,730,440</u>	<u>55,679</u>	<u>2,140,962</u>	<u>3,636,006</u>	<u>23,333,973</u>
11,796,917	17,031,556	19,122,308	22,601,066	17,507,010
(12,217,506)	(17,435,007)	(20,035,107)	(25,136,610)	(19,453,493)
-	-	-	-	-
<u>(420,589)</u>	<u>(403,451)</u>	<u>(912,799)</u>	<u>(2,535,544)</u>	<u>(1,946,483)</u>
<u>2,309,851</u>	<u>(347,772)</u>	<u>1,228,163</u>	<u>1,100,462</u>	<u>21,387,490</u>
<u>(3,767,795)</u>	<u>(1,634,962)</u>	<u>-</u>	<u>33,384,431</u>	<u>6,276,568</u>
<u>\$ (1,457,944)</u>	<u>\$ (1,982,734)</u>	<u>\$ 1,228,163</u>	<u>\$ 34,484,893</u>	<u>\$ 27,664,058</u>
6.71%	7.61%	6.91%	6.87%	8.40%

**CITY OF TULARE  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	City			Total Assessed Value (1)	Total Direct Tax Rate
	Secured	Utility	Unsecured		
2007	\$ 2,700,640,190	\$ 4,820,292	\$ 98,180,959	\$ 2,803,641,441	0.14%
2008	3,239,720,598	3,715,327	117,457,704	3,360,893,629	0.14%
2009	3,492,619,589	3,247,492	122,421,553	3,618,288,634	0.14%
2010	3,439,006,802	3,653,677	124,029,765	3,566,690,244	0.14%
2011	3,477,437,229	3,653,677	121,687,296	3,602,778,202	0.14%
2012	3,375,171,709	3,653,677	128,438,485	3,507,263,871	0.14%
2013	3,265,369,337	3,653,677	133,272,910	3,402,295,924	0.14%
2014	3,344,992,202	2,859,722	136,958,939	3,484,810,863	0.14%
2015	3,593,640,822	2,859,722	134,753,531	3,731,254,075	0.14%
2016	3,789,718,353	2,859,722	143,801,821	3,936,379,896	0.14%

(1) Assessed valuations are net of exemptions.

**Source:**

County of Tulare, Office of the Auditor-Controller

**NOTE:**

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual value of taxable property and is subject to the limitations described above.

**CITY OF TULARE  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
(Rate per \$100 of assessed value)  
CURRENT YEAR AND SEVENTEEN YEARS AGO**

	2016	2000
City Direct Rates:		
City Basic Rate	0.000	0.410
Total Average City Direct Rate	0.000	0.410
Overlapping Rates:		
General	1.00000	1.00000
Tulare Joint Union High School District	0.06450	0.02000
College of the Sequoias	0.02000	0.00000
Kaweah Delta Water District	0.00040	0.00040
Tulare Local Health Care District	0.08150	0.03934
Total Average Direct Rate	1.166400	1.469740

**NOTE:**

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. As a result, the tax rates have been frozen since 1979. The above rates are an average of the total of all tax rate areas within the City of Tulare.

**Source:**

County of Tulare, Office of the Auditor-Controller

**CITY OF TULARE  
HISTORICAL SALES AND USE TAX RATES**

Effective Date	End Date	State Mandated Purposes		City Rate	County Rate	Combined Rate
		State Jurisdiction	Local Transportation Fund			
8/1/1933	6/30/1935 (2)	2.50%				2.50%
7/1/1935	6/30/1943	3.00%				3.00%
7/1/1943	6/30/1949	2.50%				2.50%
7/1/1949	12/31/1961	3.00%		1.00%		4.00%
1/1/1962	7/31/1967	4.00%		1.00%		5.00%
8/1/1967	6/30/1972	3.75%	0.25%	1.00%		5.00%
7/1/1972	6/30/1973	4.75%	0.25%	1.00%		6.00%
7/1/1973	9/30/1973	3.75%	0.25%	1.00%		5.00%
10/1/1973	3/31/1974	0.05%	0.25%	1.00%		1.30%
4/1/1974	11/30/1989	5.00%	0.25%	1.00%		6.25%
12/1/1989	12/31/1990	4.75%	0.25%	1.00%		6.00%
1/1/1991	7/14/1991	6.00%	0.25%	1.00%		7.25%
7/15/1991	12/31/2000	5.75%	0.25%	1.00%		7.00%
1/1/2001	12/31/2001	6.00%	0.25%	1.00%		7.25%
1/1/2002	6/30/2004	6.25%	0.25%	0.75% (3)		7.25%
7/1/2004	3/31/2007 (3)	6.25%	0.25%	0.75%		7.25%
4/1/2006		7.25%	0.25%	1.25% (4)		8.75%
4/1/2007		7.25%	0.25%	1.25%	0.50% (5)	9.25%
7/1/2010		6.25%	0.25%	1.25%	0.50%	8.25%

**Source:**

State Board of Equalization, State of California

**Notes:**

- (1) The Bradley-Burns Uniform Local Sales and Use Tax Law was enacted in 1955. The law authorizes cities and counties to impose a sales and use tax. Effective January 1, 1962, all cities and counties have adopted ordinances for the State Board of Equalization to collect the local tax.
- (2) Sales tax only. The use tax was enacted effective July 1, 1955.
- (3) In March 2004, a State ballot measure was passed issuing deficit reduction bonds for State purposes. Funding was provided effective July 1, 2004, by repealing 25% of the local 1% sales tax and then adopting a new ¼-cent sales tax dedicated to repayment of the deficit reduction bonds. Cities and counties would then be “made whole” by the State from increased property allocations via reduced contributions to Education Revenue Augmentation Fund (ERAF). This “triple flip” is theoretically revenue-neutral, and as such, the effective rate for revenue purposes remains at 1%.
- (4) In November 2005, voters in the City of Tulare approved a local sales tax measure increasing the City rate by ½% which became effective April 1, 2006. The sales tax measure does not have a sunset period.
- (5) In November 2006, voters in the County of Tulare approved a countywide sales tax measure giving the County a ½% rate increase which became effective April 1, 2007. The sales tax measure has a sunset period of 30 years. The revenue is earmarked for transportation projects (i.e., streets, transit, etc.). The allocation is as follows: 50% - regional projects, 35% - goes to the cities for their street programs, 14% - transportation enhancement programs, and 1% - administration.

**CITY OF TULARE  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2016 (2)		2006 (1)	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Land O' Lakes, Inc.	\$ 179,203,382	4.73%	\$ 286,433,530	14.88%
Oscar Mayer Foods Corporation	74,782,450	1.97%	59,600,290	3.10%
Dreyers Grand Ice Cream Inc.	57,861,761	1.53%	44,077,062	2.29%
Saputo Cheese, USA, Inc.	263,528,863	6.95%	41,670,782	2.17%
U.S. Cold Storage of California	64,643,910	1.71%	26,380,939	1.37%
Traverse City Outlet Center, LLC	-	N/A	16,559,946	0.86%
Kindt Corp.	-	N/A	10,888,837	0.57%
Daley Ltd. Partners	-	N/A	10,555,444	0.55%
Wal-Mart Real Estate Business Trust	-	N/A	10,332,114	0.54%
Western Investment Real Estate	-	N/A	8,707,707	0.45%
Blain Construction Company, Inc.	-	N/A	7,468,691	0.39%
Garrison Tulare, LLC	44,910,161	1.19%	-	N/A
Target Corporation	23,083,812	0.61%	-	N/A
Sulphur Springs Cultured Specialist, LLC	23,064,415	0.61%	-	N/A
International Agri-Center, Inc.	19,708,564	0.52%	-	N/A
Paul & Vickie Daley LP	19,397,846	0.51%	-	N/A
Woodside 06N LP	17,198,494	0.45%	-	N/A
Moyles Central Valley Health Care	13,163,399	0.35%	-	N/A
Lowes HIW, Inc.	11,758,030	0.31%	-	N/A
Loves Country Stores of California	11,359,560	0.30%	-	N/A
Tulare Bethel Housing, Inc.	11,183,393	0.30%	-	N/A
Tulare Village, LLC	10,891,933	0.29%	-	N/A
Wal-Mart Real Estate Business Trust	10,740,450	0.28%	-	N/A
Kloekner Metals Corp.	10,594,006	0.28%	-	N/A
Pre/Tulare Holdings, LLC	10,217,261	0.27%	-	N/A
HD Development of Maryland, Inc.	10,047,190	0.27%	-	N/A
Total taxable assessed value of top thirteen largest taxpayers	<u>\$ 887,338,880</u>	<u>23.41%</u>	<u>\$ 522,675,342</u>	<u>27.16%</u>
Total assessed value of all taxpayers	<u>\$ 3,789,718,353</u>	<u>100.00%</u>	<u>\$ 1,924,430,567</u>	<u>100.00%</u>

**Source:**

- (1) Tulare County Auditor-Controller Office
- (2) California Municipal Statistics, Inc.

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**CITY OF TULARE  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30</u>		<u>Taxes Levied for the Fiscal Year (1)</u>	<u>Collected within the Fiscal Year of Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
			<u>Amount (2)</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2007	(4)	\$ 3,841,381	\$ 3,361,285	87.50%	(3)	\$ 3,361,285	87.50%
2008	(5)	4,628,069	3,973,382	85.85%	(3)	3,973,382	85.85%
2009	(6)	4,978,367	3,973,382	79.81%	(3)	3,973,382	79.81%
2010	(7)	4,673,554	3,888,715	83.21%	\$ 80,491	3,969,206	84.93%
2011	(8)	4,607,290	3,901,196	84.67%	74,056	3,975,252	86.28%
2012	(9)	5,137,770	4,087,387	79.56%	93,634	4,181,021	81.38%
2013	(10)	4,120,720	3,359,035	81.52%	110,454	3,469,489	84.20%
2014	(11)	4,331,367	3,832,575	88.48%	115,770	3,948,345	91.16%
2015	(12)	4,454,173	3,880,262	87.12%	133,290	4,013,552	90.11%
2016	(13)	4,715,361	4,237,324	89.86%	146,721	4,384,045	92.97%

**Sources:**

- (1) County of Tulare, Office of Auditor-Controller
- (2) City of Tulare Finance Department
- (3) The City entered into an agreement to participate in the Teeter Plan whereby the County pays all taxes levied. The County accepts the responsibility for all collections and all risk of non-payment.
- (4) Reduced approximately \$1,568,945 for the property tax shift to education.
- (5) Reduced approximately \$1,385,911 for the property tax shift to education.
- (6) Reduced approximately \$1,635,368 for the property tax shift to education.
- (7) Reduced approximately \$1,774,310 for the property tax shift to education.
- (8) Reduced approximately \$1,675,639 for the property tax shift to education.
- (9) Reduced approximately \$1,698,640 for the property tax shift to education.
- (10) Reduced approximately \$1,626,244 for the property tax shift to education.
- (11) Reduced approximately \$1,639,505 for the property tax shift to education.
- (12) Reduced approximately \$1,747,188 for the property tax shift to education.
- (13) Reduced approximately \$1,861,417 for the property tax shift to education.

**CITY OF TULARE**  
**SCHEDULE OF TAXABLE SALES BY CATEGORY**  
**LAST TEN FISCAL YEARS**  
**(In Thousands)**

	Fiscal Year							
	2007		2008		2009		2010	
<b>Sales:</b>								
General Retail	\$ 1,883	26.91%	\$ 2,066	28.61%	\$ 1,961	30.08%	\$ 1,919	30.44%
Food Products	1,093	15.62%	1,185	16.41%	1,166	17.88%	1,260	19.98%
Transportation	1,965	28.08%	2,022	28.00%	1,637	25.11%	1,541	24.44%
Construction	1,242	17.75%	1,158	16.04%	1,041	15.97%	994	15.77%
Business to Business	743	10.62%	731	10.12%	656	10.06%	531	8.42%
Miscellaneous	71	1.02%	59	0.82%	59	0.90%	60	0.95%
<b>Total</b>	<b>\$ 6,997</b>	<b>100.00%</b>	<b>\$ 7,221</b>	<b>100.00%</b>	<b>\$ 6,520</b>	<b>100.00%</b>	<b>\$ 6,305</b>	<b>100.00%</b>

**Source:**  
MuniServices, LLC

Fiscal Year

2011		2012		2013		2014		2015		2016	
\$ 1,909	26.95%	\$ 2,015	25.14%	\$ 2,119	25.69%	\$ 2,153	24.90%	\$ 2,156	24.40%	\$ 2,154	24.70%
1,228	17.33%	1,163	14.51%	1,268	15.37%	1,261	14.59%	1,280	14.49%	1,336	15.32%
2,266	31.99%	2,735	34.13%	2,849	34.54%	2,906	33.61%	2,958	33.48%	2,830	32.45%
1,027	14.50%	1,374	17.14%	1,334	16.17%	1,588	18.37%	1,615	18.28%	1,680	19.27%
604	8.53%	684	8.54%	628	7.61%	686	7.94%	785	8.89%	682	7.82%
50	0.70%	43	0.54%	51	0.62%	51	0.59%	41	0.46%	38	0.44%
<u>\$ 7,084</u>	<u>100.00%</u>	<u>\$ 8,014</u>	<u>100.00%</u>	<u>\$ 8,249</u>	<u>100.00%</u>	<u>\$ 8,645</u>	<u>100.00%</u>	<u>\$ 8,835</u>	<u>100.00%</u>	<u>\$ 8,720</u>	<u>100.00%</u>

**CITY OF TULARE  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Governmental Activities					
Fiscal Year Ended June 30	Lease Revenue Bonds (1), (3)	Leases Payable	Note Payable	General Obligation Bond	Total Governmental Activities
2007	\$ 9,905,000	\$ 1,687,521	\$ 310,289	\$ -	\$ 11,902,810
2008	38,438,958	1,537,672	-	-	39,976,630
2009	37,397,009	1,400,851	-	-	38,797,860
2010	36,025,061	1,285,944	-	-	37,311,005
2011	32,883,113	1,273,634	291,000	-	34,447,747
2012	32,161,165	1,227,504	256,000	-	33,644,669
2013	31,334,216	1,133,674	-	-	32,467,890
2014	29,773,588	1,035,583	-	-	30,809,171
2015	28,951,872	933,039	-	-	29,884,911
2016	28,095,156	825,839	-	-	28,920,995

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) The City issued over \$29 million of new revenue bonds in 2003 and 2004. The City issued \$79 million of new revenue bonds in 2007. The City issued \$55 million of new revenue bonds in 2009.
- (2) Ratio calculated using population for the prior calendar year.
- (3) See the schedule of Demographic and Economic Statistics for personal income and per capital data.

Business-Type Activities

Revenue Bonds Payable (1), (3)	Leases Payable	Notes Payable	Total Business- Type Activities	Total Primary Government	Debt per Capita (2)	Percentage of Gross Assessed Valuation	Percentage of Personal Income (3)
\$ 136,451,266	\$ 8,834,773	\$ -	\$ 145,286,039	\$ 157,188,849	2,810	5.61%	(a)
134,632,678	8,628,016	-	143,260,694	183,237,324	3,194	5.45%	(a)
187,544,091	8,334,263	-	195,878,354	234,676,214	4,011	6.49%	(a)
185,330,504	8,108,519	-	193,439,023	230,750,028	3,876	6.47%	(a)
202,456,916	12,925,015	-	215,381,931	249,829,678	4,164	6.93%	(a)
200,218,330	12,190,869	-	212,409,199	246,053,868	4,106	8.57%	22.65%
197,068,905	11,059,545	-	208,128,450	240,596,340	4,015	7.07%	21.59%
192,163,518	9,882,269	1,530,000	203,575,787	234,384,958	3,911	6.73%	20.75%
189,179,833	8,657,524	1,031,886	198,869,243	228,754,154	3,817	6.13%	20.17%
192,182,638	7,382,888	521,793	200,087,319	229,008,314	3,627	5.90%	22.92%

**CITY OF TULARE**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
(In Thousands, Except Per Capita)

<u>Fiscal Year Ended June 30</u>	<u>General Obligation Bonds</u>	<u>Tax Allocation Bonds</u>	<u>Total</u>	<u>Percent of Assessed Value (1)</u>	<u>Per Capita</u>
2007	\$ -	\$ 1,910	\$ 1,910	0.00%	34.14
2008	-	1,725	1,725	0.00%	30.07
2009	-	1,530	1,530	0.00%	26.67
2010	-	24,675	24,675	0.84%	414.46
2011	-	23,350	23,350	0.79%	389.65
2012	-	23,300	23,300	0.81%	384.32
2013	-	23,250	23,250	0.67%	373.21
2014	-	22,845	22,845	0.66%	369.32
2015	-	22,415	22,415	0.60%	359.42
2016	-	21,810	21,810	53.00%	350.00

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which the City has none).

(1) Assessed value has been used because the actual value of taxable property is not readily available from the State of California.

**CITY OF TULARE  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2016**

2015-16 Assessed Valuation		\$ 3,936,379,896	
	<u>Total Debt</u> 6/30/16	<u>Percentage</u> Applicable (1)	<u>City's Share of</u> Debt 6/30/16
<u>Overlapping Tax and Assessment Debt:</u>			
College of the Sequoias Tulare School Facilities Improvement District	\$ 34,148,025	48.595%	\$ 16,594,233
Tulare Union High School District	28,904,333	62.719%	18,128,509
Liberty School District	777,882	9.912%	77,104
Buena Vista School District	120,000	0.647%	776
Tulare Local Health Care District	84,525,000	60.987%	<u>51,549,262</u>
Total Overlapping Tax and Assessment Debt			<u>86,349,883</u>
<u>Direct and Overlapping General Fund Debt:</u>			
Tulare County General Fund Obligations	35,545,000	12.875%	4,576,419
Tulare County Board of Education Certificates of Participation	36,145,000	12.875%	4,653,669
College of the Sequoias General Fund Obligations	5,650,000	13.985%	790,153
Tulare School District General Fund Obligations	12,354,432	94.567%	11,683,216
Liberty School District General Fund Obligations	2,490,000	9.912%	246,809
City of Tulare General Fund Capital Leases	825,839	100.000%	825,839
City of Tulare General Fund Obligations	27,535,000	<u>100.000%</u>	<u>27,535,000</u>
Total Direct and Overlapping General Fund Debt			<u>50,311,104</u>
<u>Overlapping Tax Increment Debt (Successor Agency)</u>	\$ 21,810,000	100.000%	21,810,000
Total Direct Debt			27,535,000
Total Overlapping Debt			<u>130,935,987</u>
Combined Total Debt			<u><u>\$ 158,470,987</u></u> (2)
<u>Ratios to 2015-16 Assessed Valuation:</u>			
Total Overlapping Tax and Assessment Debt		2.19%	
Total Direct Debt (\$28,365,000)		0.70%	
Combined Total Debt		4.00%	
<u>Ratios to Redevelopment Successor Agency Incremental Valuation (\$653,811,721)</u>			
Total Overlapping Tax Increment Debt		3.34%	

AB: (\$475)

**Notes:**

- (1) The percentage of overlapping debt applicable to the City 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 City divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**Source:**

California Municipal Statistics, Inc.

**CITY OF TULARE  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2007	2008	2009	2010
Assessed Valuation	\$ 2,803,641,441	\$ 3,360,893,629	\$ 3,618,288,634	\$ 3,566,690,244
Debt Margin Ratio	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>
Debt Margin	105,136,554	126,033,511	135,685,824	133,750,884
Less Outstanding General Obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Debt Margin	<u>\$ 105,136,554</u>	<u>\$ 126,033,511</u>	<u>\$ 135,685,824</u>	<u>\$ 133,750,884</u>

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based on 15% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

**Sources:**

City of Tulare Finance Department  
County of Tulare, Office of the Auditor-Controller



Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 3,602,778,202	\$ 3,507,263,871	\$ 3,402,295,924	\$ 3,484,810,863	\$ 3,731,254,075	\$ 3,936,379,896
<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>	<u>3.75%</u>
135,104,183	131,522,395	127,586,097	130,680,407	139,922,028	147,614,246
-	-	-	-	-	-
<u>\$ 135,104,183</u>	<u>\$ 131,522,395</u>	<u>\$ 127,586,097</u>	<u>\$ 130,680,407</u>	<u>\$ 139,922,028</u>	<u>\$ 147,614,246</u>

**CITY OF TULARE  
PLEGDED-REVENUE COVERAGE  
LAST NINE FISCAL YEARS  
(In Thousands)**

Fiscal Year Ended June 30	Sewer Revenue Bonds							
	Total Sewer Revenue	Less Operating Expenses	Net Revenues	2001 Senior Bonds	Senior Debt Coverage	Remaining Net Revenues	Parity (Subordinate) Debt	Parity Debt Coverage
2008	\$ 19,517	\$ 8,582	\$ 10,935	\$ 1,236	8.85	\$ 9,699	\$ 6,640	1.46
2009	21,512	9,140	12,372	1,233	10.03	11,139	6,627	1.68
2010	19,270	10,786	8,484	1,229	8.09	7,255	6,912	1.26
2011	21,431	8,778	12,653	1,230	11.65	11,423	10,032	1.31
2012	25,505	7,957	17,548	1,229	14.27	16,319	10,776	1.51
2013	24,963	9,087	15,876	1,056	15.04	14,820	11,076	1.34
2014	25,225	10,981 (1)	14,244	923	15.43	13,321	11,263	1.18
2015	26,023	9,615	16,408	923	17.77	15,485	11,221	1.38
2016	28,308	10,559 (2)	17,749	923	19.22	16,826	10,858	1.55

(1) Operating Expenses in Fiscal Year Ending June 30, 2014 included a number of extraordinary expenses for: a) sludge disposal of approximately 8 years of sludge accumulation, b) roadwork funded from the Capital Improvement Fund but written off as an expense, and c) higher-than-normal natural gas purchases incurred during removal of the Bulk Volume Fermenter cover for repair and during sludge removal.

(2) Operating Expenses shown for Fiscal Year Ending June 30, 2016 exclude \$1,543,438.74 of bond-funded expenses related to the Series 2015 Bonds and the unamortized portions of the Series 2006 Bonds and Series 2010 Bonds.

Operating Expenses exclude interest expenses and depreciation.

For purposes of calculating debt service coverage, Federal Reimbursable Credits for Build America Bonds are treated as reductions in debt service and are excluded from Sewer Revenues.

Debt service shown on the table is based on total debt payments due and payable each fiscal year and excludes a) payments made from escrow funds, and b) adjustments due to accounting accruals or interest earnings on debt service reserve funds or other bond funds.

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source:

Prepared by Bartle Wells Associates based on audited financial information and outstanding debt service schedules.

Tax Allocation Bonds

Tax Increment	Debt Service		Coverage
	Principal	Interest	
\$ 5,529	\$ 185	\$ 99	19.47
5,968	195	88	21.09
6,077	205	79	21.40
6,505	1,325	888	2.94
(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)
(2)	(2)	(2)	(2)

**CITY OF TULARE  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

Calendar Year	Population (1)	Personal Income	Personal Income (amounts expressed in thousands) (4)	Total Personal Income / Per Capita (4)	Assessed Valuation (in thousands) (2)	Per Capita Assessed Valuation	City Unemployment Rate (3)	County Unemployment Rate (3)
2007	\$ 55,935	(a)	(a)	(a)	\$ 2,803,641	50.12	7.30%	8.60%
2008	57,375	(a)	(a)	(a)	3,360,894	58.58	8.30%	9.80%
2009	58,506	(a)	(a)	(a)	3,618,289	61.84	12.50%	14.70%
2010	59,535	(a)	(a)	(a)	3,566,690	59.91	13.50%	15.70%
2011	59,926	(a)	(a)	\$ 17,734	3,602,778	60.12	13.40%	15.60%
2012	60,627	\$ 1,086,557,094	\$ 1,086,557	17,922	3,507,264	57.85	12.90%	15.10%
2013	61,199	1,114,556,188	1,114,556	18,212	3,402,296	55.59	10.90%	12.80%
2014	61,857	1,129,508,820	1,129,508	18,260	3,484,811	56.34	9.80%	11.60%
2015	62,363	1,134,393,312	1,134,393	18,336	3,731,254	59.83	9.20%	10.90%
2016	63,515	1,004,957,149	1,004,957	15,872	3,936,380	61.98	9.10%	10.60%

(a) Information unavailable

**Sources:**

- (1) State Department of Finance
- (2) Tulare County Auditor-Controller
- (3) State of California Employment Development Department (data shown is for the County)
- (4) U.S. Census Bureau

**CITY OF TULARE  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

<u>Employer</u>	<u>2016</u>		<u>2006</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
Land O'Lakes (formerly Dairyman's Cooperative Creamery)	530	1.95%	600	3.03%
Haagen Dazs (formerly Nestle Ice Cream Co.)	350	1.29%	300	1.53%
Wal-Mart	225	0.83%	280	1.43%
Southern Ca Edison Company	120	0.44%	200	1.01%
Saputo Cheese USA, Inc	550	2.02%	150	0.76%
US Cold Storage	200	0.74%	-	n/a
Ruan, Inc	180	0.66%	-	n/a
Cheese & Protein International	-	n/a	170	0.86%
Kings County Truck Lines	-	n/a	150	0.76%
Rocktenn	-	n/a	-	n/a
Kraft USA Tulare	180	0.66%	130	0.66%
J.D. Heiskell Company	350	1.29%	125	0.63%
Morris Levin & Sons Hardware	200	0.74%	170	0.86%
Golden Valley Dairy Products	-	0.00%	215	1.09%

"Total Employment" as used above represents the total employment of all employers located within City limits.

**Sources:**

State of California Employment Development Department  
Tulare County Economic Development Corporation  
Tulare Chamber of Commerce  
City of Tulare Economic Development Department

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**CITY OF TULARE  
 FULL-TIME AND PART-TIME CITY EMPLOYEES  
 BY FUNCTION  
 LAST TEN FISCAL YEARS**

Function	Full-Time and Part-Time Employees as of June 30									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	35	40	40	40	40	48	48	48	46	38
Public Safety	147	161	166	166	166	158	158	156	160	159
Public Works	73	79	79	79	86	86	86	86	88	95
Community Development	23	24	24	24	24	16	16	16	17	15
Community Services	34	39	39	36	36	22	22	22	22	22
Library and Cultural	10	11	11	11	11	10	10	10	10	11
<b>Total</b>	<b>322</b>	<b>354</b>	<b>359</b>	<b>356</b>	<b>363</b>	<b>340</b>	<b>340</b>	<b>338</b>	<b>343</b>	<b>340</b>

**CITY OF TULARE  
OPERATING INDICATORS  
BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2007	2008	2009	2010	2011
Police:					
Arrests	3,113	3,363	3,405	3,479	3,118
Parking Citations Issued	3,149	3,436	(1)	623	308
(1) Fire:					
Number of Emergency Calls	5,113	5,186	5,152	5,393	5,813
Inspections	705	1,494	1,159	1,317	2,200
Parks and Recreation:					
Number of Recreation Classes	113	140	137	107	110
Number of Facility Rentals	1,388	2,143	2,137	1,983	1,989
Water:					
New Connections	782	268	250	85	157
Average Daily Consumption (millions of gallons)	14	17	17	16	16
Sewer:					
New Connections	759	358	263	101	161

(1) Information unavailable.

(2) Includes the addition of 323 Trade Accounts, a housing community outside of City limits.

**Source:**

Various City of Tulare Departments as appropriate



Fiscal Year				
2012	2013	2014	2015	2016
3,046	3,486	3,824	4,429	3,577
400	387	346	246	182
6,216	6,108	4,754	5,762	5,392
821	1,184	1,993	2,205	1,978
107	107	116	320	340
1,852	1,542	1,338	2,428	2,885
101	2	179	211	704 (2)
16	17	17	14	12
128	14	166	239	280

**CITY OF TULARE  
CAPITAL ASSET STATISTICS  
BY FUNCTION  
LAST TEN FISCAL YEARS**

	Fiscal Year				
	2007	2008	2009	2010	2011
Police:					
Stations	1	1	1	1	1
Fire:					
Fire Stations	3	3	3	3	3
Public Works:					
Streets (miles)	184.60	187.52	192.67	194.32	194.32
Traffic Signals	41	41	41	41	41
Parks and Recreation:					
Parks	16	17	17	17	18
Park Acreage	206.15	207.81	207.81	207.81	303.15
Water:					
Water Mains (miles)	192.90	208.51	214.32	215.26	215.98
Average Daily Consumption (millions of gallons)	13.58	16.72	16.48	15.80	16.04
Sewer:					
Sanitary Sewers (miles)	184.60	197.64	203.78	231.82	232.46
Average Daily Wastewater Flow (millions of gallon)	11.30	11.36	11.18	11.06	11.64

**Source:**

Various City of Tulare Departments as appropriate

Fiscal Year				
2012	2013	2014	2015	2016
1	1	1	1	1
3	3	3	3	3
195.02 41	195.23 44	211.00 47	215.32 47	220.00 47
18 341.00	18 363.00	18 363.00	18 363.00	18 363.00
219.26 16.44	220.82 17.50	227.00 16.99	231.68 14.43	232.16 12.46
235.94 12.44	242.40 11.79	239.00 11.74	243.31 11.37	243.76 11.08

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