



**COUNTY OF KERN  
STATE OF CALIFORNIA**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended  
June 30, 2007**

**Ann K. Barnett  
Auditor-Controller-County Clerk**



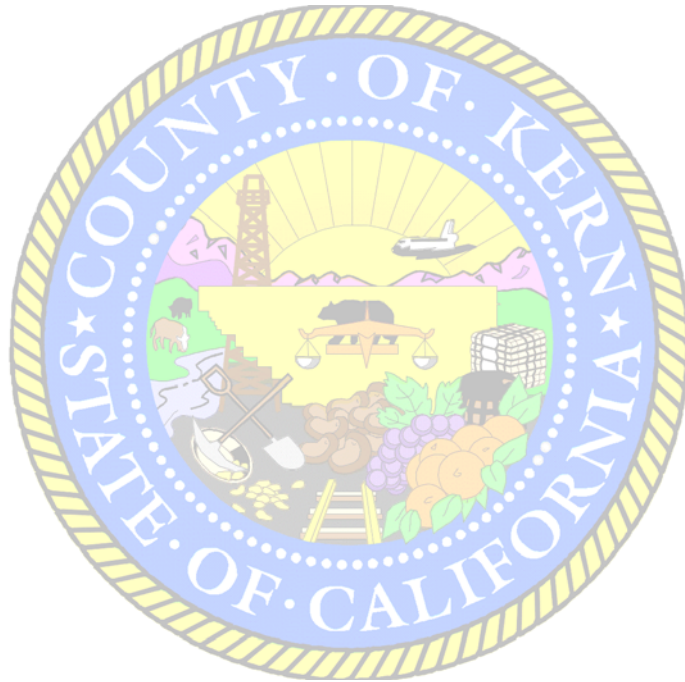
**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2007**



**COUNTY OF KERN**

**Supervisor Jon McQuiston ..... First District**  
**Supervisor Don Maben..... Second District**  
**Supervisor Mike Maggard ..... Third District**  
**Supervisor Ray Watson..... Fourth District**  
**Supervisor Michael J. Rubio ..... Fifth District**  
**Ronald M. Errea – County Administrative Officer**

**Prepared by the Office of Ann K. Barnett, Auditor-Controller-County Clerk**



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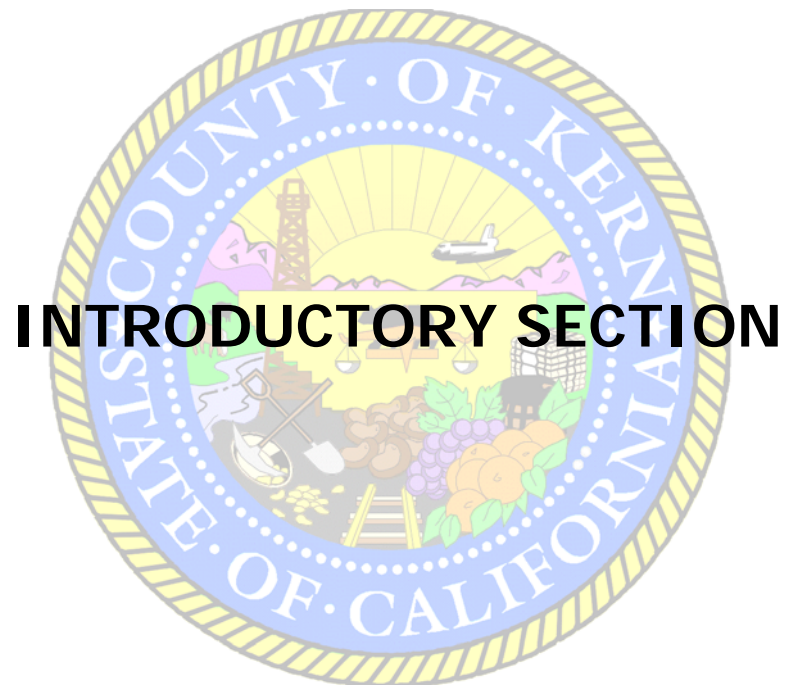
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# **INTRODUCTORY SECTION**



**ANN K. BARNETT**  
**Auditor-Controller-County Clerk**



December 21, 2007

Honorable Board of Supervisors  
County of Kern

Honorable Board Members:

The Comprehensive Annual Financial Report (CAFR) of the County of Kern (County) for the fiscal year ended June 30, 2007 is hereby submitted in compliance with Section 25253 of the Government Code of the State of California and Board of Supervisors' Resolution No. 69-58, dated January 28, 1969. The accompanying financial statements were prepared in accordance with generally accepted accounting principles in the United States of America (GAAP), and audited by a firm of certified public accountants in accordance with generally accepted auditing standards 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.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Brown Armstrong, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2007 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2007 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair

presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports will be available in the County's separately issued Single Audit Report.

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

### **Profile of the Government**

The County of Kern was organized April 2, 1866 from portions of Los Angeles and Tulare Counties, making it the southernmost county of California's San Joaquin Valley, and occupies 8,170 square miles. Kern County is organized as a general law county under California law, and is divided into five supervisorial districts. Approximately 40 percent of the residents live in the unincorporated area. There are eleven incorporated cities located within the County. Bakersfield, the County seat, has approximately 60 percent of the County's total population of 819,157 living within the greater metropolitan area.

Policymaking and legislative authority is vested in the County Board of Supervisors (Board), which consists of an elected supervisor from each of five districts. The Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and appointing the County Administrative Officer and most non-elected department heads. Supervisors are elected to four-year staggered terms, with two supervisors being elected in even-year elections and three supervisors being elected in odd-year elections. The County has elected department heads responsible for the offices of the Assessor-Recorder, Auditor-Controller-County Clerk, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector. In addition, the department heads for the following departments are appointed by and report directly to the Director of the Resource Management Agency: Community and Economic Development, Engineering and Survey Services, Environmental Health Services, Planning, and Roads.

As depicted on the organizational chart on page 8, the County provides a full range of services in the following areas: general government; public protection; public ways and facilities; health and sanitation; public assistance; education; and culture and recreation.

The annual budget serves as the foundation for the County's financial planning and control. The County prepares and adopts a budget on or before August 30 each fiscal year in accordance with Government Code Sections 29000-29144. The County adopts budgets for all major funds and certain non-major governmental funds. The Auditor-Controller-County Clerk is responsible for controlling expenditures within budgeted appropriations. Expenditures are controlled at the object level for all budget units within the County. Encumbrance accounting is utilized to ensure effective budgetary control and accountability. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balance for subsequent year expenditures. Transfers of appropriations between budget units must be approved by the Board of Supervisors. Necessary supplemental appropriations, normally financed by unanticipated revenues during the year, and transfers of appropriations between expenditure object classifications, must also be approved by the Board.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and all budgeted major funds, comparisons are presented on pages 89 - 109 as part of the required supplementary information. For non-major governmental funds with appropriated annual budgets, these comparisons are presented in the combining and individual fund statements and schedules subsection of this report, which begin on page 131.

## Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

### **Local economy**

Oil extraction, agricultural production, and government are driving forces in the County's economy. Five of the top ten taxpayers of the County are oil producers or are closely related to the oil industry. Kern County remains the largest oil-producing County in the State, containing an estimated 72% of all the State's oil reserves.

The Assessor's total net assessed valuation roll at June 30, 2007, with oil and gas representing approximately 32.2% of the total, reflected a 21.6% increase in value, which increased available property taxes to the County in fiscal year 2006-07.

Agriculture continues to remain relatively stable, with the County being the fourth leading producer of agricultural products in the State. The unemployment rate remained constant at 7.6% for 2005-06 to 2006-07. The population of the County increased by 6.3% from 770,424 to 819,157. The County's major employers continue to be the public school system, Edwards Air Force Base, China Lake Naval Weapons Center and the County of Kern.

### **Debt administration**

The County has instituted a cash management program for its General Fund through the issuance of tax and revenue anticipation notes. The notes provide cash flows to meet General Fund expenditures during the period prior to collection of property taxes. On July 6, 2006 the County issued \$160,000,000 in Tax and Revenue Anticipation Notes that matured on June 30, 2007. On July 2, 2007, the County issued \$150,000,000 in Tax and Revenue Anticipation Notes that will mature on June 30, 2008.

As of June 30, 2007, the County had outstanding certificates of participation in a principal amount of \$60,570,000. The proceeds of such certificates of participation are being used for the purchase of equipment, as well as the acquisition, construction and renovation of certain public facilities within the County.

A summary of the County's certificates of participation as of June 30, 2007 includes (in thousands):

Description of Issue	Date Issued	Maturity	Principal Outstanding
Solid Waste Systems Improvements	1994	2010	4,760
Rosamond Library Project	1994	2015	1,075
1999 Capital Improvement Projects – Communications portion	1999	2020	5,105
Beale Memorial Library	1996	2008	1,695
Golf Course Capital Improvement	1996	2017	2,985
Fire Department	1997	2017	6,230
1999 Capital Improvement Projects – KMC portion	1999	2020	12,340
Airports Capital Improvements	2003	2024	12,215
Solid Waste Systems Improvements	2002	2017	14,165
Total:			\$ 60,570

In 1995 the County of Kern issued Taxable Pension Obligation Bonds in the amount of \$227,818,439. In 2003, the County issued additional Taxable Pension Obligation Bonds in an amount of \$288,177,067. The courts and the Kern County Retirement Association were included in the original issuance of these bonds; however, they are no longer part of the County.

## **Cash management policies and procedures**

The County of Kern pools deposits for County departments as well as for local agencies such as cities, school districts and other special purpose districts within the County. The Treasurer's pooled cash and investments do not include funds of the Kern County Employees' Retirement Association, which is an independent entity.

The Kern County Employees' Retirement Association is governed by the Board of Retirement. Investment counselors are hired by the Board of Retirement to invest retirement fund assets.

The County Treasurer-Tax Collector is the direct receiver of property tax payments and most large government payments for the County and local districts. All collections for fees and services received at the County department level are required to be deposited with the County Treasurer-Tax Collector. In order to improve security over departmental collections and expedite investment of receipts, the County Treasurer-Tax Collector has implemented a cash concentration program with a local bank, allowing County departments to deposit directly to a County bank account. At June 30, 2007 the Treasurer's Pooled Cash included cash and investments totaling \$1.958 billion.

Pooled Cash funds are managed by Treasurer-Tax Collector staff to maintain adequate liquidity to meet daily operating demands and to provide the highest interest earnings possible within County investment policies and Government Code Section 53635. Investments authorized under this policy include U.S. Treasury and Agency obligations, local and State bond issues, banker's acceptances, commercial paper of prime quality, certificates of deposit, medium term corporate notes, mutual funds and mortgage backed securities. In October 1995, the Board of Supervisors approved formation of a Treasury Oversight Committee. The purpose of the committee is to review and monitor the Pooled Cash investment policy and to contract for an annual investment program compliance audit, filed with the Treasurer-Tax Collector. Earnings on Pooled Cash during fiscal year ended June 30, 2007 averaged 4.86%, which compares with 4.93% for 91-day Treasury Bills for the same period. Interest earnings are allocated quarterly to each fund based on each fund's average daily balance.

## **Risk management**

The Risk Management Division of the Office of County Counsel determines and administers all risk coverage requirements for the County of Kern. The County of Kern is generally self-insured for general liability, unemployment insurance, workers' compensation and employee medical and dental claims.

Excess liability insurance provides coverage for claims over \$2,000,000 and up to \$27,000,000. The policy protects the County of Kern and its employees against most legal liabilities arising from automobile liability, product damage, contractual liability, non-hospital malpractice and public officials' errors and omissions. For medical malpractice, excess liability insurance is maintained for claims over \$5,000,000. Workers' compensation claims are self-insured up to \$1,500,000 per occurrence. Excess coverage is maintained for workers' compensation claims up to statutory limits. The County does not self-insure against liability at its seven airports. Airport Liability insurance and Excess Airport Liability insurance is maintained.

Financial activity of the programs is accounted for in separate Internal Service Funds for General Liability, Group Health, Retiree Group Health, Unemployment Compensation and Workers' Compensation. Specialty insurance is accounted for in the General Fund.

## **Defined benefit pension plan**

The County's Board of Supervisors established the Kern County Employees' Retirement Association (KCERA) under the provisions of the County Employees' Retirement Law of 1937 on January 1, 1945. All permanent employees of the County and other agencies are covered by KCERA, which operates a cost-sharing, multi-employer defined benefit plan. It is the responsibility of KCERA to function as an

investment and administrative agent for the County with respect to the pension plan. KCERA became independent from the County's supervision and control as a result of the 1992 passage of Proposition 162, which legally established the independent control of the Board of Retirement. Separate audited financial statements can be obtained from KCERA at 1115 Truxtun Avenue, Bakersfield, California 93301.

Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that the County must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis.

The County also provides post retirement health and dental care benefits for certain retirees and their dependents. At June 30, 2007, there were 937 retired employees receiving the Retiree Health Premium Supplement Program and 2,733 retired employees receiving the Retiree Health Stipend. Additional information on the pension arrangement and post employment benefits can be found in Notes XII. C and XII. G, respectively, in the notes to the financial statements.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Kern for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the tenth consecutive year that the County of Kern has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

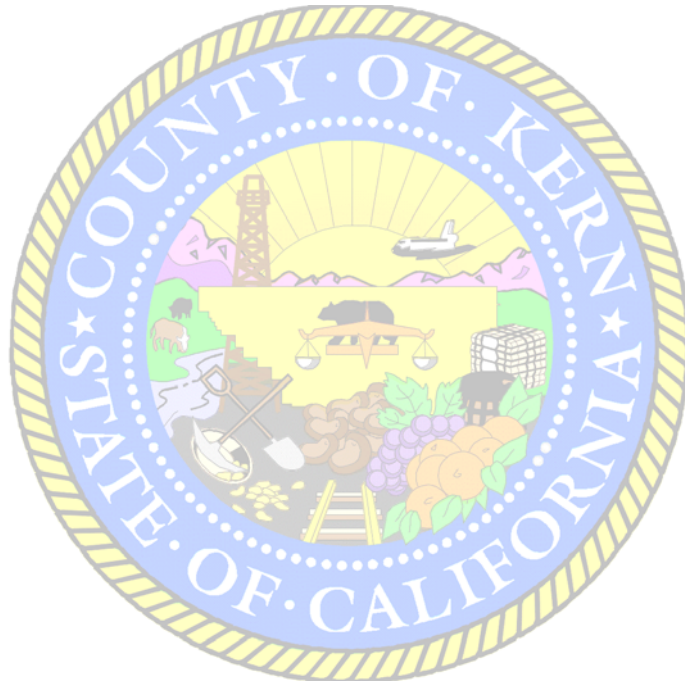
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I wish to express my appreciation to the staff of the Auditor-Controller-County Clerk's Office whose hard work, professionalism and dedication are responsible for the preparation of this report, and to the firm of Brown Armstrong, Certified Public Accountants for their professional assistance. Finally, I would like to thank the Board of Supervisors and the County Administrative Office for their continued efforts in planning and conducting the County's financial operations in a responsible and progressive manner.

Respectfully Submitted,



Ann K. Barnett  
Auditor-Controller-County Clerk





**COUNTY OF KERN  
DIRECTORY OF COUNTY OFFICIALS**

**ELECTED**

COUNTY SUPERVISOR, FIRST DISTRICT..... JON MCQUISTON  
COUNTY SUPERVISOR, SECOND DISTRICT ..... DON MABEN  
COUNTY SUPERVISOR, THIRD DISTRICT .....MIKE MAGGARD  
COUNTY SUPERVISOR, FOURTH DISTRICT ..... RAYMOND A. WATSON  
COUNTY SUPERVISOR, FIFTH DISTRICT..... MICHAEL J. RUBIO  
ASSESSOR-RECORDER..... JAMES FITCH  
AUDITOR-CONTROLLER-COUNTY CLERK ..... ANN K. BARNETT  
DISTRICT ATTORNEY ..... EDWARD R. JAGELS  
SHERIFF-CORONER-PUBLIC ADMINISTRATOR ..... DONNY YOUNGBLOOD  
TREASURER-TAX COLLECTOR ..... JACKIE DENNEY

**COUNTY OF KERN**  
**DIRECTORY OF COUNTY OFFICIALS**  
(CONTINUED)

**APPOINTED**

AGING AND ADULT SERVICES .....	KRISTINA GRASTY <sup>1</sup>
AGRICULTURAL COMMISSIONER/SEALER.....	DAVID J. MOORE
AIRPORTS.....	JACK GOTCHER
BOARD OF TRADE .....	RICK DAVIS
CLERK OF THE BOARD .....	KATHLEEN KRAUSE <sup>2</sup>
CHILD SUPPORT SERVICES .....	JOHN NILON
COMMUNITY AND ECONOMIC DEVELOPMENT .....	BARRY JUNG
COUNTY ADMINISTRATIVE OFFICER.....	RONALD M. ERREA
GENERAL SERVICES	
GROUP HEALTH	
RETIREE GROUP HEALTH	
UNEMPLOYMENT	
INFORMATION TECHNOLOGY SERVICES	
COUNTY COUNSEL.....	BERNARD C. BARMANN
EMERGENCY MEDICAL SERVICES.....	ROSS ELLIOTT
EMPLOYERS' TRAINING RESOURCE.....	VERNA LEWIS
ENGINEERING & SURVEY SERVICES .....	CHARLES LACKEY
ENVIRONMENTAL HEALTH SERVICES.....	MATTHEW CONSTANTINE
FARM AND HOME ADVISOR.....	DARLENE LIESCH
FIRE DEPARTMENT .....	DENNIS THOMPSON
HUMAN SERVICES .....	PATRICIA CHEADLE <sup>3</sup>
KERN MEDICAL CENTER.....	PAUL J. HENSLER <sup>4</sup>
LIBRARY.....	DIANE R. DUQUETTE
MENTAL HEALTH.....	DIANE G. KODITEK
PARKS AND RECREATION.....	ROBERT LERUDE
PERSONNEL .....	MARK QUINN <sup>5</sup>
PLANNING.....	TED JAMES
PROBATION .....	JOHN ROBERTS
PUBLIC DEFENDER .....	MARK A. ARNOLD
PUBLIC HEALTH .....	DR. CLAUDIA JONAH <sup>6</sup>
RESOURCE MANAGEMENT AGENCY.....	DAVID L. PRICE, III
ROADS.....	CRAIG POPE
VETERANS' SERVICES .....	CHARLES BIKAKIS
WASTE MANAGEMENT .....	DAPHNE B. HARLEY

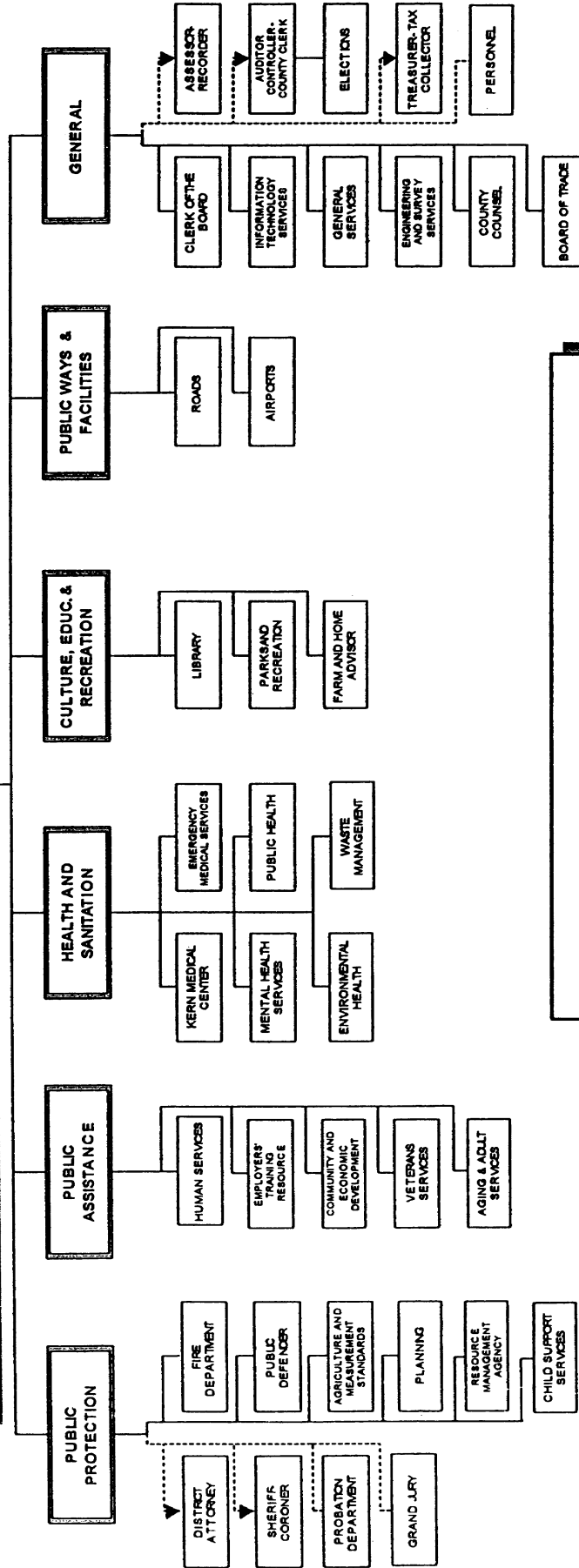
<sup>1</sup> Appointed on April 24, 2007. <sup>2</sup> Appointed on May 22, 2007. <sup>3</sup> Appointed on July 31, 2007.

<sup>4</sup> Appointed on April 17, 2007. <sup>5</sup> Appointed on July 23, 2007 <sup>6</sup> Appointed Interim Director on May 29, 2007.

# ELECTORATE OF KERN COUNTY

## BOARD OF SUPERVISORS

### COUNTY ADMINISTRATIVE OFFICE



### LEGEND

- FULL ACCOUNTABILITY TO BOARD OF SUPERVISORS
- - - - - FISCAL ACCOUNTABILITY TO BOARD OF SUPERVISORS
- ▼ ELECTIVE OFFICE

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Kern  
California

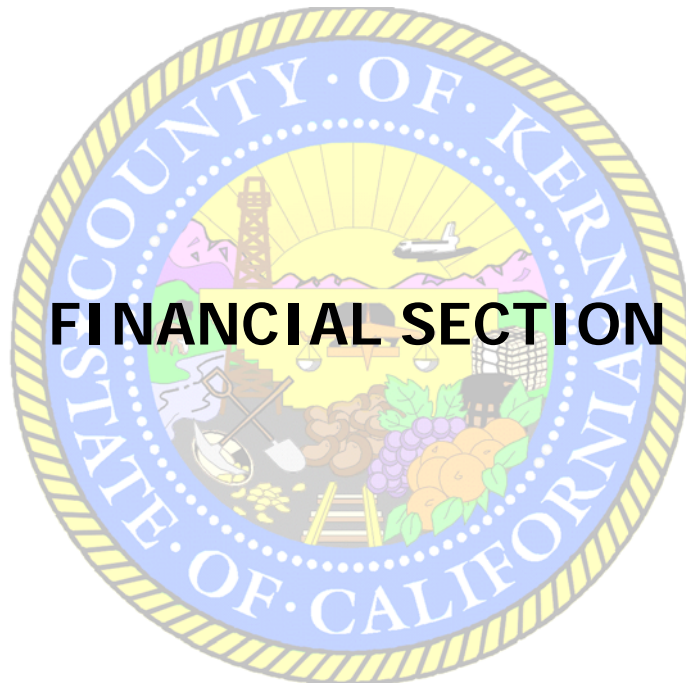
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2006

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



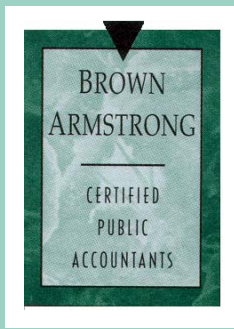
President

Executive Director



**FINANCIAL SECTION**





**BROWN ARMSTRONG PAULDEN**  
**McCOWN STARBUCK THORNBURGH & KEETER**  
**Certified Public Accountants**

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Peter C. Brown, CPA  
Burton H. Armstrong, CPA, MST  
Harvey J. McCown, CPA  
Steven R. Starbuck, CPA  
Aileen K. Keeter, CPA  
Chris M. Thornburgh, CPA  
Eric H. Xin, MBA, CPA

**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of governmental activities, the business-type activities, each major fund, the aggregated remaining fund information, and the fiduciary funds of the County of Kern, California as of and for the year ended June 30, 2007, which collectively comprise the County of Kern's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Kern's management. Our responsibility is to express an opinion 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

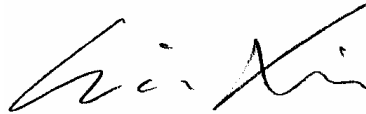
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregated remaining fund information, and the fiduciary funds of the County of Kern, California, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The *management's discussion and analysis* and *budgetary comparison* information as listed in the required supplementary information section of the accompanying table of contents are not a required part of the County of Kern's basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Kern, California's basic financial statements. The combining and individual fund financial statements and schedules, including the schedules of capital assets used in the operating of governmental funds, the introductory section, and the statistical section identified in the table of contents, where applicable, are presented for the purposes of additional analysis and are not a required part to the basic financial statements. The information in introductory section and the statistical section has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on them. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

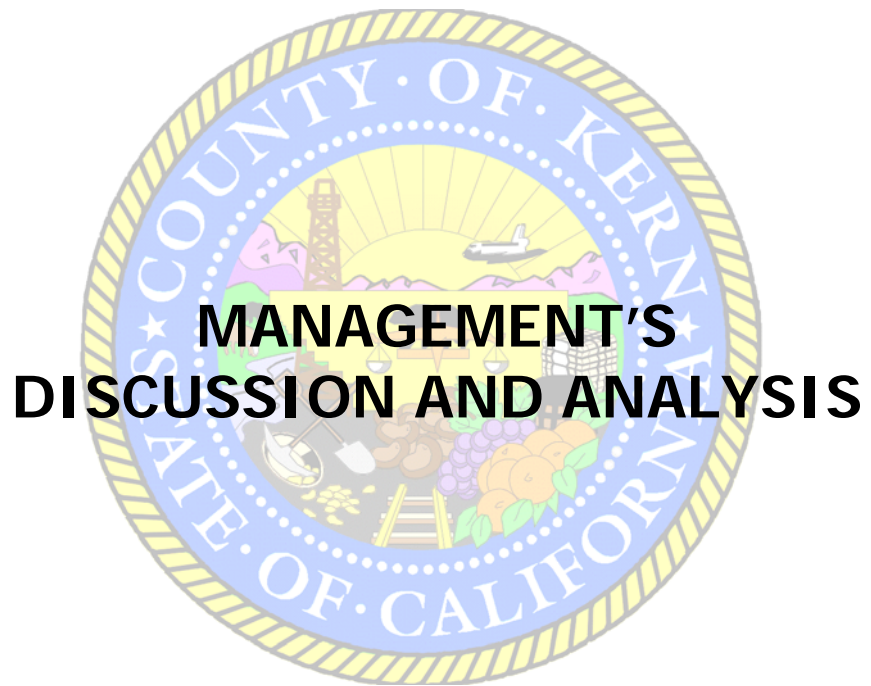
In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2007, on our consideration of the County of Kern's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results the results of our audit.

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK THORNBURGH & KEETER  
ACCOUNTANCY CORPORATION

A handwritten signature in black ink, appearing to read "B. A. Paulden", is written over the printed name of the firm.

Bakersfield, California  
December 21, 2007





**MANAGEMENT'S  
DISCUSSION AND ANALYSIS**



**County of Kern  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2007  
Unaudited**

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Management's discussion and analysis section of the County of Kern's (County) Comprehensive Annual Financial Report (CAFR) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2007. Users of these financial statements should read this section in conjunction with the transmittal letter at the front of the CAFR and the County's basic financial statements following this section. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

**FINANCIAL HIGHLIGHTS**

- At June 30, 2007, the County's total net assets were \$508,168. Of this total net asset amount \$634,826 is attributed to capital assets and \$27,412 is restricted, which may be used for the County's ongoing obligations with external restrictions. (For detail on Restricted Net Assets see Note XI. C). The remaining balance of the total net assets is a deficit balance of \$154,070, representing the unrestricted net assets.
- During the current fiscal year, the County's net assets increased by \$119,116. The County's net assets for governmental activities and business-type activities increased by \$124,308 and (\$5,192), respectively.
- At June 30, 2007, the County's governmental funds reported total ending fund balances of \$352,390, an increase of 18.3% compared to prior year's total ending fund balance. Approximately \$216,141, or 61.3% is unreserved fund balance, which is available for spending. See further discussion in the Financial Analysis of the Government's Funds section on page 18.
- At June 30, 2007, the unreserved fund balance for the General Fund was \$89,163 or 19.6% of total General Fund expenditures.
- At June 30, 2007, the County's total long-term debt decreased by \$13,402, primarily due to the normal maturity of existing long-term debt.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

Management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These statements are organized so that readers can understand the County of Kern as a financial whole or as an entire operating entity. The County's basic financial statements are comprised of three components: 1) Government-wide financial statements; 2) Fund financial statements and 3) Notes to the financial statements. In addition to the financial statements, the CAFR also contains other supplementary information.

**1. Government-Wide Financial Statements**

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

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

The Statement of Activities presents information illustrating how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event takes place regardless of when cash is received or paid. Thus, some revenues and expenses are reported in the CAFR for some items that will only result in cash inflows and outflows in future fiscal years.

Both the Statement of Net Assets and the Statement of Activities distinguishes between activities that are primarily financed with taxes and intergovernmental revenues (governmental activities) and those that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities). The County's governmental activities include general government, public protection, public ways and facilities, health and sanitation, public assistance, education, and culture and recreation. The County's business-type activities include the operation of seven airports, two sanitation districts, medical services (Kern Medical Center), public transportation, three golf courses, solid waste disposal, and activities associated with waste pick-up for the more densely populated unincorporated areas of Bakersfield and Taft. Although the Golf Courses, Sanitation Districts, Kern Asset Leasing Corporation and County Service Areas are legally separate entities, in substance they are part of the County's operations and have been included as part of the County's governmental and business activities.

The government-wide financial statements are presented on pages 23 and 24 of the CAFR.

## 2. Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the County as a whole. A fund is a fiscal and accounting entity designated to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. All of the County's funds can be divided into three broad categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** are used to account for activities that are similar in nature to the governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on future inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating Kern County's future financing requirements and available resources.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This will allow readers to get a better understanding of the long-term impact of the government's future financing decisions. Both the governmental fund's balance sheet and the governmental fund's statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County reports eight major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for each of the major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located in the *Combining and Individual Fund Statements and Schedules*.

The County adopted an annual appropriated budget for all of its major governmental funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with this budget and are included in the *Required Supplementary Section* of the CAFR. Individual budgetary data for each of the budgeted non-major governmental funds is provided elsewhere in the CAFR.

The basic governmental fund financial statements are presented on pages 25 through 30 of the CAFR.

**Proprietary funds** are reported in two ways: enterprise funds and internal service funds. Enterprise funds are reported as business-type activities in the government-wide financial statements. The County has the following enterprise funds: Airports, County Sanitation Districts, Golf Courses, Kern Medical Center, Public Transportation, Waste Management and Universal Collection. Internal service funds are used to accumulate and allocate costs internally among the County's various functions. The County uses the following internal service funds: General Liability, General Services - Garage, Group Health, Retiree Group Health, Unemployment Compensation, and Workers' Compensation. Because such functions predominantly benefit governmental rather than business-type activities, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds' financial statements provide separate information for Airports, Kern Medical Center and Waste Management, all of which are considered to be major funds of the County. For presentation, all other enterprise funds are combined into a single, aggregated column as well as the internal service funds. Individual fund data for the non-major enterprise funds and the internal service funds is provided in the combining statements in the CAFR.

The proprietary funds' basic financial statements are presented on pages 31 through 34 of the CAFR.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the County government. Because fiduciary funds are presented separately, they do not appear in the government-wide financial statements. The resources of fiduciary funds are not available to support the County's own programs. Fiduciary funds are accounted for similar to proprietary funds.

The fiduciary fund basic financial statements are presented on pages 35 and 36 of the CAFR.

### **3. Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential for a full understanding of the data provided in both government-wide and fund financial statements.

The notes to the financial statements are presented on pages 37 through 88 of the CAFR.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve as a useful indicator of a government's financial position over time. At June 30, 2007, the County's total net assets were \$508,168. See Table 1 on page 15 for details.

The County's largest portion of total net assets is the investment in capital assets, \$634,826. The investment in capital assets includes land, buildings and improvements, roads, flood control channels, machinery and equipment, and construction in progress, less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens, and, as a result, these assets are not available for future spending. Because the investment in capital assets is reported net of related debt, and since the capital assets themselves cannot be used to liquidate the debt liabilities, it should be noted that the resources needed to repay this debt must be provided from other sources.

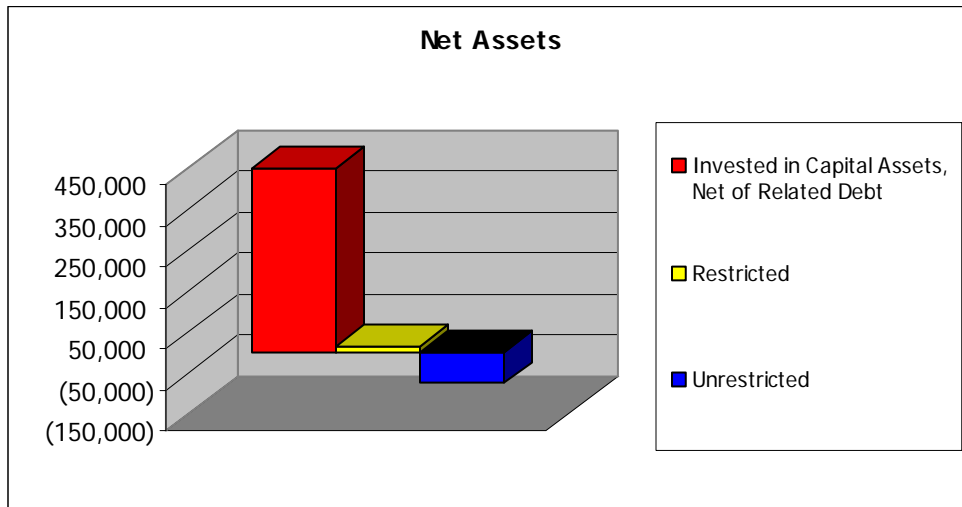
Of the County's total net assets, \$27,412 is restricted, which represents external restrictions on how these resources may be used. The major portion of the restricted net assets is reserved for debt repayment. The remaining balance of the net assets represents the unrestricted net assets, which has a deficit balance of \$154,070. This deficit balance is primarily due to the inclusion of the debt associated with the Kern County Tobacco Funding Corporation (see Note XII. J), and the 1995 Pension Obligation Bonds used to pay the unfunded actuarial liability owed to the Kern County Retirement Association.

At June 30, 2007, the County as a whole and its governmental and business-type activities reported positive balances in "Net Assets Invested in Capital Assets, Net of Related Debt" and "Restricted Net Assets." For both governmental and business-type activities, deficits were reported in unrestricted net assets. Per GASB directive, the governmental activities' unrestricted net assets deficit is primarily due to the recognition of liabilities associated with the Kern County Tobacco Funding Corporation. The business-type activities reported a deficit in unrestricted net assets of \$79,592. The majority of this deficit is attributable to the negative unrestricted net assets for Kern Medical Center (KMC). KMC had higher expenses for salaries and benefits. In addition, Federal and State reimbursements for indigent care have continuously not matched the cost of providing such care.

Table 1 - County of Kern's Net Assets (In Thousands)

	Governmental Activities		Business - Type Activities		Total		Total
	2007	2006*	2007	2006*	2007	2006*	Change
Current and Other Asset Capital Assets	\$ 697,055	\$ 686,204	\$ 154,009	\$ 123,756	\$ 851,064	\$ 809,960	\$ 41,104
	550,325	478,697	181,312	170,086	731,637	648,783	82,854
<b>Total Assets</b>	<b>\$1,247,380</b>	<b>\$1,164,901</b>	<b>\$ 335,321</b>	<b>\$ 293,842</b>	<b>\$1,582,701</b>	<b>\$1,458,743</b>	<b>\$ 123,958</b>
Current and Other Liabilities	85,939	77,287	46,859	40,185	132,798	117,472	15,326
Long - Term Liabilities	725,976	776,457	215,759	175,762	941,735	952,219	(10,484)
<b>Total Liabilities</b>	<b>811,915</b>	<b>853,744</b>	<b>262,618</b>	<b>215,947</b>	<b>1,074,533</b>	<b>1,069,691</b>	<b>4,842</b>
<b>Net Assets</b>							
Invested in Capital Assets, Net of Related Debt	494,591	416,771	140,235	124,631	634,826	541,402	93,424
Restricted	15,352	15,349	12,060	8,428	27,412	23,777	3,635
Unrestricted	(74,478)	(120,963)	(79,592)	(55,164)	(154,070)	(176,127)	22,057
<b>Total Net Assets</b>	<b>435,465</b>	<b>311,157</b>	<b>72,703</b>	<b>77,895</b>	<b>508,168</b>	<b>389,052</b>	<b>119,116</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$1,247,380</b>	<b>\$1,164,901</b>	<b>\$ 335,321</b>	<b>\$ 293,842</b>	<b>\$1,582,701</b>	<b>\$1,458,743</b>	<b>\$ 123,958</b>

\* As restated. See Note II. A.



As shown in Table 2, the County's total net assets increased by \$119,116, of which all \$119,116 is for current year activity.

Table 2 - County of Kern's Changes in Net Assets (In Thousands)

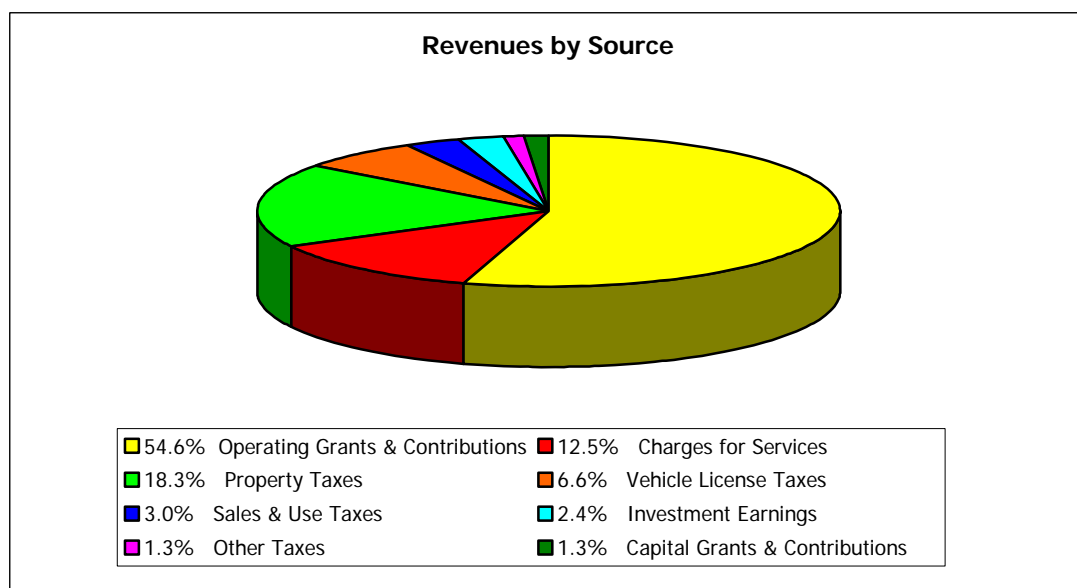
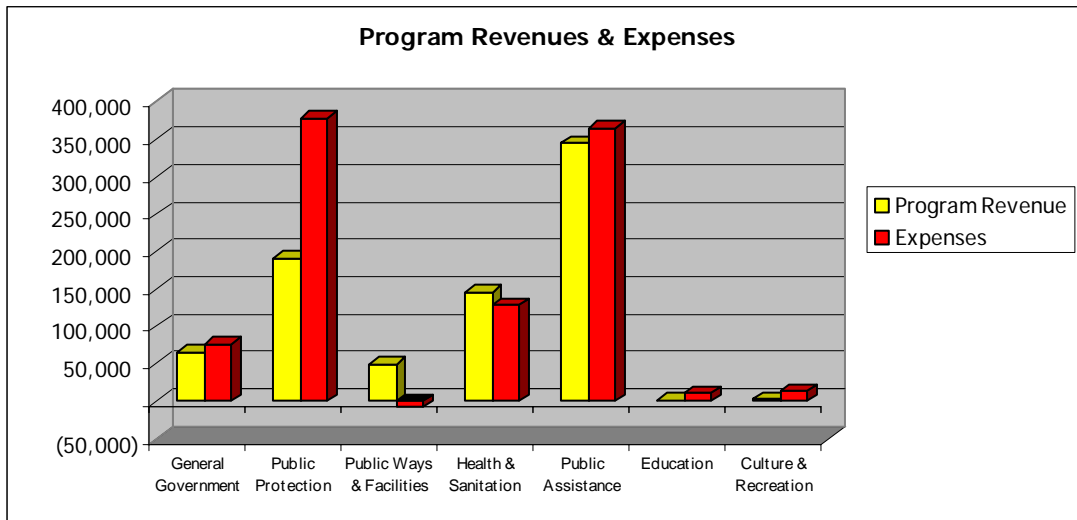
	Governmental Activities		Business - Type Activities		Total		Change
	2007	2006	2007	2006	2007	2006	
Revenues							
Program Revenues							
Charges for Services	\$ 167,335	\$ 207,387	\$ 251,270	\$ 263,815	\$ 418,605	\$ 471,202	\$ (52,597)
Operating Grants & Contributions	617,358	606,855	7,324	1,853	624,682	608,708	15,974
Capital Grants & Contributions	15,149	6,564		9,674	15,149	16,238	(1,089)
General Revenues							
Property Taxes	213,535	181,729			213,535	181,729	31,806
Aircraft Taxes	170	156			170	156	14
Vehicle License Taxes	77,620	61,061			77,620	61,061	16,559
Sales & Use Taxes	35,602	33,182			35,602	33,182	2,420
Transient Occupancy Tax	1,688	1,414			1,688	1,414	274
Transfer Tax	5,334	7,402			5,334	7,402	(2,068)
Other Taxes	864	795			864	795	69
Investment Earnings	28,310	14,682	8,432	1,404	36,742	16,086	20,656
Miscellaneous	69,578	20,488	2,470	3,593	72,048	24,081	47,967
Gain on Sale of Capital Assets				(4)		(4)	4
<b>Total Revenues</b>	<b>1,232,543</b>	<b>1,141,715</b>	<b>269,496</b>	<b>280,335</b>	<b>1,502,039</b>	<b>1,422,050</b>	<b>79,989</b>
Expenses							
General Government	76,033	82,788			76,033	82,788	(6,755)
Public Protection	377,961	374,303			377,961	374,303	3,658
Public Ways & Facilities	55,913	38,348			55,913	38,348	17,565
Health & Sanitation	127,676	126,815			127,676	126,815	861
Public Assistance	363,655	381,836			363,655	381,836	(18,181)
Education	10,143	9,002			10,143	9,002	1,141
Culture & Recreation	13,459	10,556			13,459	10,556	2,903
Interest on Short & Long-Term Debt	42,788	41,864			42,788	41,864	924
Airports			5,962	6,223	5,962	6,223	(261)
County Sanitation Districts			3,199	3,429	3,199	3,429	(230)
Golf Course			5,011	4,725	5,011	4,725	286
Kern Medical Center			246,210	240,742	246,210	240,742	5,468
Public Transportation			6,014	5,652	6,014	5,652	362
Universal Collection			8,594	7,930	8,594	7,930	664
Waste Management			40,305	36,237	40,305	36,237	4,068
<b>Total Expenses</b>	<b>1,067,628</b>	<b>1,065,512</b>	<b>315,295</b>	<b>304,938</b>	<b>1,382,923</b>	<b>1,370,450</b>	<b>12,473</b>
Excess (Deficit) of Revenues Over Expenses							
Before Special Items and Transfers	164,915	76,203	(45,799)	(24,603)	119,116	51,600	67,516
Transfers	(40,607)	(36,337)	40,607	36,337			
Increase (Decrease) in Net Assets	124,308	39,866	(5,192)	11,734	119,116	51,600	67,516
Net Assets at Beginning of Year, as restated	311,157	271,291	77,895	66,161	389,052	337,452	51,600
<b>Net Assets at End of Year</b>	<b>\$ 435,465</b>	<b>\$ 311,157</b>	<b>\$ 72,703</b>	<b>\$ 77,895</b>	<b>\$ 508,168</b>	<b>\$ 389,052</b>	<b>\$ 119,116</b>

### Governmental Activities

The Governmental activities increased the County's net assets by \$124,308 for the year ended June 30, 2007:

- Total revenue increased by \$27,828 or 2.4% from the prior year.
- As an arm of the State government, operating grants and contributions serve multiple programs, representing 54.6% of the County's program revenue for governmental activities, and are tied to the mandated services such as public assistance, public health and mental health. These revenue sources funding levels remained virtually unchanged from the prior year.

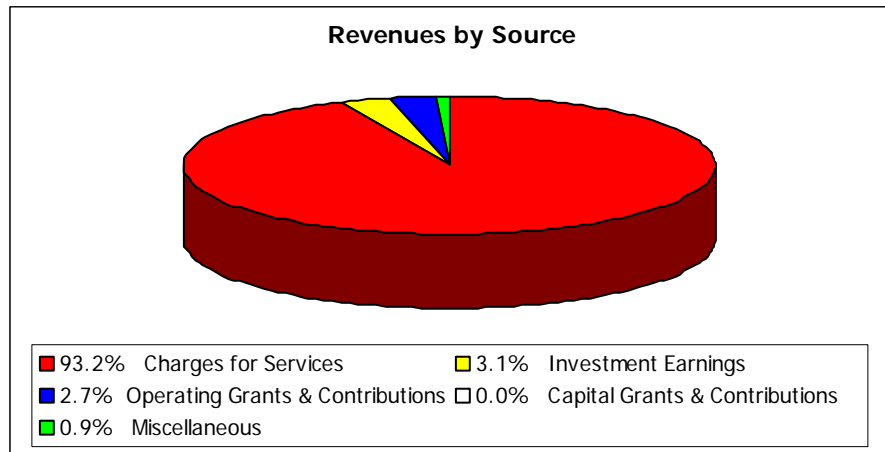
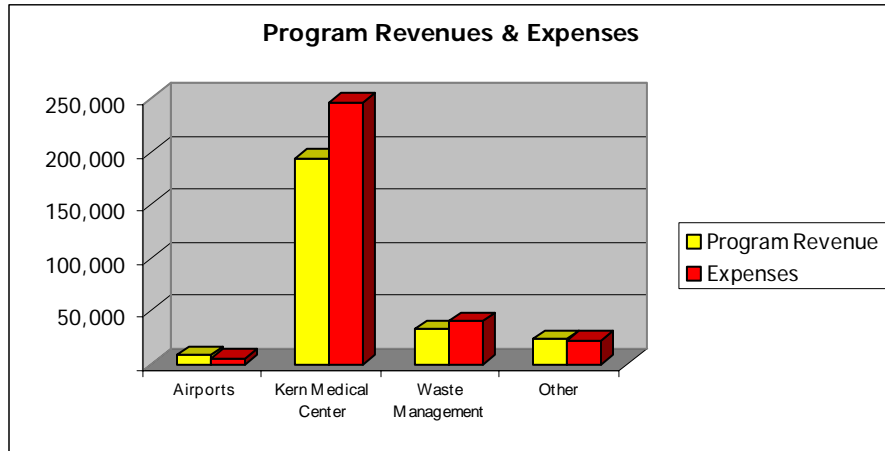
- Taxes and investment earnings that are generated locally provide the Board of Supervisors (Board) with most of its discretionary spending power. The increase in taxes revenue is primarily due to the following:
  1. Property taxes increased by \$31,806 or 17.5% due to significantly higher real estate values and oil prices.
  2. Investment earnings increased by \$13,628 or 92.8% due to higher earnings on pooled cash and investments.
  3. Due to a change in the State's method of distribution, beginning in fiscal year 2005 - 2006, vehicle license fees are to be reported separately as vehicle license taxes. This year's vehicle license taxes are \$16,559. In the prior years, the vehicle license fees were reported under operating grants and contributions as revenue.
- Total expenses decreased by \$60,884 or 5.7%. All major functions increased except for general government, public ways and facilities and public assistance. The County's major cost component is public assistance.





## Business-type Activities

Business-type activities' total net assets decreased the County's net assets by \$5,192. Revenues received for charges for services and capital grants and contributions decreased by \$12,545 and \$9,674, respectively.



## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The County uses fund accounting to ensure and to demonstrate compliance with financial-related legal requirements.

### Governmental Funds

The focus of the County's governmental funds is to provide information on future inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2007, the County's governmental funds reported total fund balances of \$352,390, an increase of 18.2% compared to prior year's total ending fund balance. Approximately \$216,141, or 61.3% of the total fund balances is unreserved fund balance, which is available to meet the County's current and future needs. The remaining balance of fund balance is reserved. Reserved fund balance indicates that it is not available for new spending because it has been committed to 1) reserve for property tax assessment appeals, \$4,165; 2) reserve for debt service, \$16,413; 3) reserve for encumbrances, \$27,731; 4) reserve for fiscal stability, \$34,520 and 5) a variety of other restricted purposes, \$53,420.

The County's management may also designate unreserved fund balance to a particular function, project or activity, while designated fund balance is available for appropriations at any time.

The General Fund is the chief operating fund of the County. At June 30, 2007, unreserved fund balance of the General Fund was \$89,163. As a measure of the General Fund's liquidity, it may be helpful to compare both unreserved fund balance and fund balance to total fund expenditures. Unreserved fund balance represents 19.6% of total General Fund expenditures, while total fund balance represents 38.4% of total General Fund expenditures.

The other governmental funds' fund balances increased by \$8,672 or 11.1%. The following major governmental funds **increased** in fund balance:

- Employers' Training Resource – Fund balance increased by \$89 or 12.1% from the prior year as a result of additional charges for current services and other revenues.
- Human Services – Fund balance increased by \$2,784 or 28.8% from the prior year due to additional public assistance expenditures.
- Roads – Fund balance increased by \$812 or 3.9% from the prior year as a result of additional revenues from use of money and property and other revenues.
- Structural Fire – Fund balance increased by \$1,962 or 20.0% from the prior year as a result of additional revenue from taxes.
- Tobacco Securitization Proceeds – Fund balance increased by \$1,170 or 2.2% from the prior year as a result of additional revenues from use of money and property.

The following major governmental funds **decreased** in fund balance:

- Child Support – Fund balance decreased by \$242 or 21.2% from the prior year due significantly lower revenue from other revenues.
- Mental Health – Fund balance decreased by \$6,656 or 40.4% from the prior year due to lower revenue from charges for current services.

### **Proprietary Funds**

The proprietary funds provide similar information to the government-wide financial statements, but in more detail.

The enterprise funds total net assets decreased by \$4,814. The decrease in total net assets is principally due to Kern Medical Center's change in net assets of \$7,078. Airports' net income decreased by six times prior year's net income. Airports received significantly less funding from the Federal government for the construction of the airport terminal.

The internal service funds continue to carry a negative unrestricted net asset balance as a result of recognition of the self-insurance liabilities.

## GENERAL FUND BUDGETARY VARIANCES

Differences between the County's final budget and the County's original budget resulted in a \$6,671 increase in supplemental appropriations that is briefly summarized as follows:

- The increase in supplemental appropriations is primarily due to three factors that account for \$6,639 or 99.5% of the \$6,671 increase. The first factor is the increase in the total general government appropriations by \$2,372, of which \$1,734 of the increase is attributable to capital projects capital assets. The second factor is the increase in total public protection by \$3,694, of which \$923 of the increase is attributable to the Sheriff's department. The last factor is the increase in the total health and sanitation by \$572, of which \$130 and \$442 is attributable to Environmental Health and Emergency Medical Services, respectively.
- The remainder of the supplemental appropriation increase consists of small increases in appropriations for normal operations in the other budgetary units of the General Fund.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The County's total investment in capital assets, net of accumulated depreciation is \$731,636 at June 30, 2007. Investment in capital assets includes land, land acquisition in progress, construction in progress, infrastructure, structures and improvements and equipment and intangibles. Last fiscal year the County implemented GASB Statement No. 34, which requires the County to report its infrastructure assets at historical value. The County's net capital assets is illustrated in Table 3.

Table 3 – The County's Capital Assets, Net of Accumulated Depreciation (In Thousands)

	Governmental Activities		Business - Type Activities		Total		Total Change
	2007	2006	2007	2006	2007	2006	
Land	\$ 23,920	\$ 22,955	\$ 22,869	\$ 22,869	\$ 46,789	\$ 45,824	\$ 965
Land Acquisition in Progress			334	63	334	63	271
Construction in Progress	24,513	36,752	39,297	51,952	63,810	88,704	(25)
Infrastructure	223,786	161,550	3,289	3,228	227,075	164,778	62
Structures and Improvements	211,536	196,400	102,410	78,518	313,946	274,918	39
Equipment	66,570	61,040	13,112	13,457	79,682	74,497	5
<b>Total</b>	<b>\$ 550,325</b>	<b>\$ 478,697</b>	<b>\$ 181,311</b>	<b>\$ 170,087</b>	<b>\$ 731,636</b>	<b>\$ 648,784</b>	<b>\$ 82,852</b>

The major capital events during the current fiscal year includes the following:

- The completion of capital projects includes the Mojave Court Security, Lost Hills drain and streets improvements, Juvenile Treatment Facility, Rosamond Fire Station, Health Department Facility, Phase II of the Panorama Park, Lake Isabella park swings, and the ten playgrounds.
- Major construction in progress includes Seventh Standard Road project, Frazier Park Library, and the Greenfield Park Security lighting.
- The Roads Department had several infrastructure improvements and additions for the current fiscal year. The total for reconstructed roads was \$6,124, roads dedicated to the County by developers were \$3,656 and additions to existing roads were \$1,542.
- Airport's construction of the new terminal is completed and construction started for the

new International terminal.

Additional information regarding the County's capital assets is reported in Note VII. A of the Notes to the Financial Statements.

### Long-Term Debt

At June 30, 2007, the County's total long-term liabilities are \$717,075. Of the total long-term liabilities, Certificates of Participation is \$60,570, which is secured by the County's lease rental payments, and Pension Obligation Bonds is \$472,178. In fiscal year 2006 – 2007, the 2003 Pension Obligation Bond was allocated to the enterprise funds, in the amount of \$35,012. The remaining long-term liabilities balance includes bonds payables, facilities and capital asset leases and a public health facility loan.

With the exception of the 1994 Rosamond Library Project Certificate of Participation, the County has no general obligation debt. All other Certificates of Participation and bonds are "AAA" insured. Certificates of Participation issued by the County continue to be in the "A" category from Standard and Poor's Corporation or Moody's.

Additional information regarding the County's long-term debt can be found in the Notes to the Financial Statements in Note IX. A of the CAFR.

Table 4 – The County's Outstanding Debt (In Thousands)

	Governmental Activities		Business - Type Activities		Total		Change
	2007	2006	2007	2006	2007	2006	
Lease Purchase Agreements	\$ 5,419	\$ 7,103	\$	\$ 3	\$ 5,419	\$ 7,106	\$ (1,687)
Certificates of Participation	14,105	16,565	46,465	50,580	60,570	67,145	(6,575)
Loans Payable	6,001	8,379			6,001	8,379	(2,378)
Bonds Payable	225	225			225	225	
Tobacco - Asset Backed Bonds	101,265	102,415			101,265	102,415	(1,150)
Pension Obligation Bonds	407,365	489,906	64,813	31,057	472,178	520,963	(48,785)
Landfill Closure Cost			30,755	32,591	30,755	32,591	(1,836)
Post Closure Cost			40,662	34,271	40,662	34,271	6,391
Total	<u>\$ 534,380</u>	<u>\$ 624,593</u>	<u>\$ 182,695</u>	<u>\$ 148,502</u>	<u>\$ 717,075</u>	<u>\$ 773,095</u>	<u>\$ (56,020)</u>

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The State's budget remains the major determining factor in determining the County's budget for fiscal year 2007 – 2008 and beyond. The County is required to contribute \$86.8 million in property tax revenues to the State budget in 2007 – 2008.

The recommended regular County budget for fiscal year 2007 – 2008 totals \$1.4 billion, which is \$80.5 million or 6.18% higher than total appropriations adopted in fiscal year 2006 – 2007. This increase results chiefly from stronger oil prices, continued growth in commercial and residential property values, and a healthy carryover balance from fiscal year 2006 – 2007. These gains, however, are partially offset by the continued shift of property taxes to the State budget and a 30% increase in the County's employee health insurance costs. Ongoing negotiations with County employee unions for new memorandums of understanding (MOUs) could also yield salary cost increases. These MOUs may require the County to disburse funds to affected General Fund departments during the fiscal year as more precise costs of employee compensation become known for each department, or some departments could be required to absorb new costs.

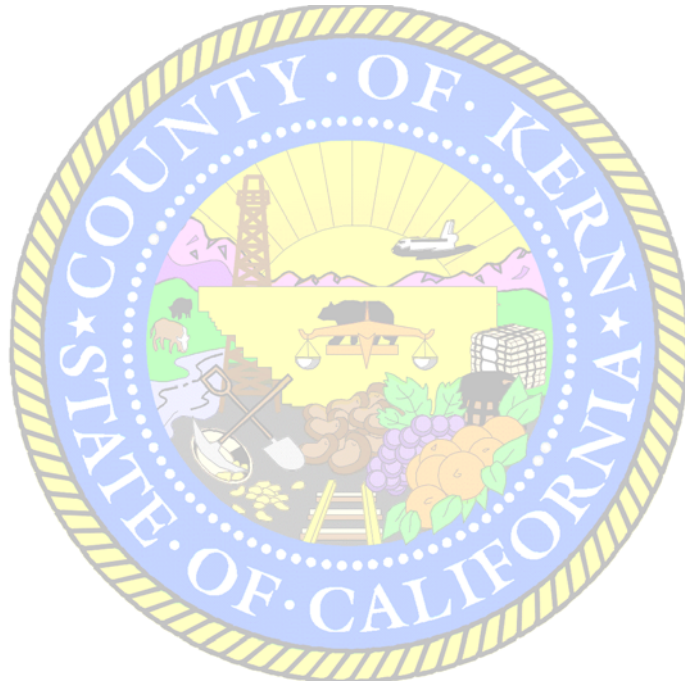
The \$1.4 billion budget does not include special budgets totaling \$568.9 million for enterprise funds such as Kern Medical Center, Airports and Waste Management; internal service funds such as Workers' Compensation and Group Health Insurance; and grant-funded programs administered by the Employers'

Training Resource and the Community and Economic Development Program departments. Special budgets have decreased by \$69.9 million or 13.9% from fiscal year 2006 – 2007.

Discretionary revenues are projected to grow by \$55.8 million or 16% above last year's actual collections. Discretionary revenues comprise 29% of the regular County budget, and the County must use much of this money to meet the local match requirements for mandated Federal and State programs. A strong carryover balance, along with a fifth consecutive year of increased assessed valuation and property tax revenues, will help offset a health insurance cost increase to the County and will increase funds available for contingencies, reserves, and designations.

#### **REQUESTS FOR INFORMATION**

The Comprehensive Annual Financial Report is designed to provide citizens, taxpayers, creditors and investors with a general overview of the County's finances and to show the County's accountability of the funds it receives. If you have any questions about the CAFR or need additional financial information, contact Mrs. Ann K. Barnett, Kern County Auditor-Controller-County Clerk at 1115 Truxtun Avenue, Bakersfield, California 93301, (661) 868-3599 or visit the website at [www.co.kern.ca.us](http://www.co.kern.ca.us).





# **BASIC FINANCIAL STATEMENTS**

**Government-Wide Financial Statements**





COUNTY OF KERN  
STATEMENT OF NET ASSETS  
JUNE 30, 2007 (IN THOUSANDS)

	Primary Government			Component
	Governmental Activities	Business-type Activities	Totals	Unit First 5 Kern
<b>ASSETS</b>				
Cash and Investments	\$ 295,978	\$ 69,964	\$ 365,942	\$ 23,272
Restricted Cash and Investments	15,238	12,060	27,298	
Revolving Fund Cash	1,357	16	1,373	
Receivables, Net	134,927	74,179	209,106	1,843
Due from Other Agencies	338		338	
Inventories and Prepaid Expenses	2,058	3,086	5,144	
Deposits with Other	319		319	
Internal Balances	37,293	(37,293)		
Investment in Joint Venture		2,217	2,217	
Net Pension Asset	209,547	29,781	239,328	
Capital Assets:				
Nondepreciable	48,433	62,500	110,933	
Depreciable, Net	501,892	118,811	620,703	8
Total Assets	\$ 1,247,380	\$ 335,321	\$ 1,582,701	\$ 25,123
<b>LIABILITIES</b>				
Accounts Payable	\$ 22,755	\$ 26,188	\$ 48,943	\$ 2,598
Salaries and Employee Benefits Payable	33,633	8,903	42,536	218
Due to Other Agencies	5,171	8,566	13,737	337
Accrued Interest Payable	7,749	1,800	9,549	
Unearned Revenue	16,631	1,402	18,033	
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Long-Term Debt	15,867	4,590	20,457	
Compensated Absences	28,877	6,680	35,557	
Landfill Closure/Postclosure Costs		4,285	4,285	
Liability for Self Insurance	21,951		21,951	
Portion Due or Payable After One Year:				
Professional Liabilities		8,816	8,816	
Certificates of Participation	11,520	43,510	55,030	
Bonds and Notes Payable	498,756	63,178	561,934	
Loans Payable	4,496		4,496	
Accrued Interest	62,243	11,076	73,319	
Capital Leases	3,741		3,741	
Compensated Absences	19,251	6,492	25,743	122
Accrued Landfill Closure/Postclosure Costs		67,132	67,132	
Liability for Self Insurance	59,274		59,274	
Total Liabilities	811,915	262,618	1,074,533	3,275
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	494,591	140,235	634,826	7
Restricted (Note XI. C):				
Debt Service	15,238	12,060	27,298	
Other Purposes	114		114	17,929
Unrestricted (Deficits)	(74,478)	(79,592)	(154,070)	3,912
Total Net Assets	\$ 435,465	\$ 72,703	\$ 508,168	\$ 21,848

COUNTY OF KERN  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

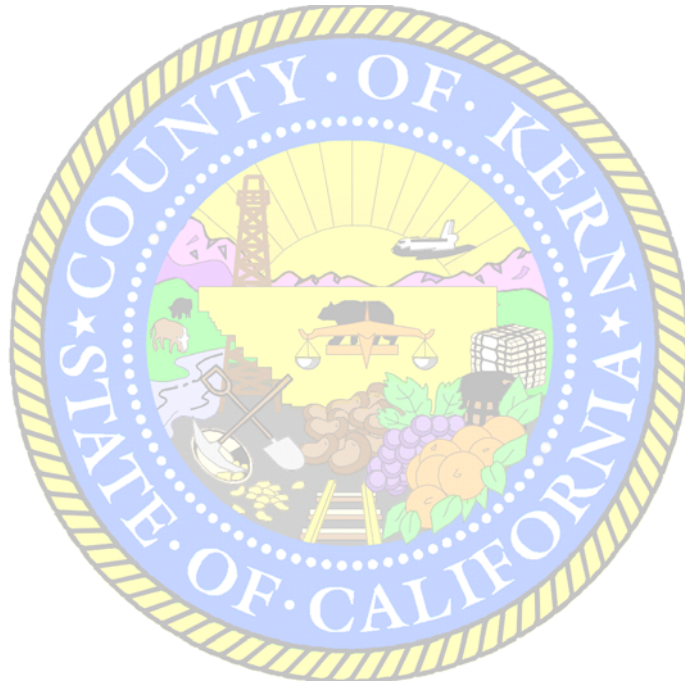
Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit First 5 Kern
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 76,033	\$ 42,294	\$ 23,698	\$	(10,041)	\$ (10,041)	\$
Public protection	377,961	74,051	116,569		(187,341)	(187,341)	
Public ways and facilities	55,913	13,305	27,688	8,278	(6,642)	(6,642)	
Health and sanitation	127,676	29,760	109,271	6,871	18,226	18,226	
Public assistance	363,655	5,764	339,602		(18,289)	(18,289)	
Education	10,143	335	450		(9,358)	(9,358)	
Culture and recreation	13,459	1,826	80		(11,553)	(11,553)	
Interest on short and long-term debt	42,788				(42,788)	(42,788)	
Total governmental activities	1,067,628	167,335	617,358	15,149	(267,786)	(267,786)	
Business-type activities:							
Airports	5,962	3,705	4,437		2,180	2,180	
County Sanitation Districts	3,199	3,381			182	182	
Golf Course	5,011	5,274			263	263	
Kern Medical Center	246,210	192,987	901		(52,322)	(52,322)	
Public Transportation	6,014	4,350	1,641		(23)	(23)	
Universal Collection	8,594	8,970			376	376	
Waste Management	40,305	32,603	345		(7,357)	(7,357)	
Total business-type activities	315,295	251,270	7,324		(56,701)	(56,701)	
Total Primary Government	1,382,923	418,605	624,682	15,149	(267,786)	(324,487)	
Component Unit:							
Children and Families Commission	\$ 14,264	\$	\$ 12,478				(1,786)
General revenues:							
Taxes:							
Property taxes					213,535	213,535	
Aircraft taxes					170	170	
Sales and use taxes					35,602	35,602	
Transient occupancy tax					1,688	1,688	
Transfer taxes					5,334	5,334	
Other taxes					864	864	
Property taxes in lieu of motor vehicle license fees					77,620	77,620	
Grants and contributions not restricted to specific programs							1,117
Unrestricted investment earnings					8,432	8,432	
Miscellaneous					2,470	2,470	
Transfers					40,607	40,607	
Total General revenues and Transfers					51,509	443,603	1,117
Change in Net Assets					124,308	119,116	(669)
Net Assets--beginning (As restated, note II. A)					311,157	389,052	22,517
Net Assets--ending					435,465	508,168	21,848



# **BASIC FINANCIAL STATEMENTS**

**Fund Financial Statements**





COUNTY OF KERN  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2007 (IN THOUSANDS)

Page 1 of 1

	GENERAL FUND	KERN CO. DEPT. OF CHILD SUPPORT	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	MENTAL HEALTH
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 114,382	\$ 686	\$ 752	\$ 9,198	\$ 6,316
Revolving Fund Cash	1,155	96		101	3
Cash and Investments Deposited with Trustee					
Interest Receivable	3,828	28	10	90	128
Accounts Receivable				13,170	387
Taxes Receivable	37,000				
Accrued Revenue	26,326	1,049	2,276	8,035	10,919
Due from Other Funds	6,728				
Advances to Other Funds	27,654				
Due from Other Agencies	338				
Deposits with Others	205				
Inventory - Materials and Supplies	69				
Total Assets	<u>\$ 217,685</u>	<u>\$ 1,859</u>	<u>\$ 3,038</u>	<u>\$ 30,594</u>	<u>\$ 17,753</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 5,594	\$ 21	\$ 2,213	\$ 445	\$ 4,621
Salaries and Employee Benefits Payable	18,690	939		5,319	2,412
Advances from Other Funds				6,832	1,030
Due to Other Funds	2,757	1		1	1
Due to Other Agencies				3,492	1,679
Loans Payable					
Deferred Revenue	15,505			21,377	
Total Liabilities	<u>42,546</u>	<u>961</u>	<u>2,213</u>	<u>37,466</u>	<u>9,743</u>
Fund Balances:					
Reserved (Note XI. A)	85,976	96		309	7,476
Unreserved, reported in:					
General Fund	89,163				
Special Revenue Funds		802	825	(7,181)	534
Capital Project Funds					
Total Fund Balances (Deficits)	<u>175,139</u>	<u>898</u>	<u>825</u>	<u>(6,872)</u>	<u>8,010</u>
Total Liabilities and Fund Balances	<u>\$ 217,685</u>	<u>\$ 1,859</u>	<u>\$ 3,038</u>	<u>\$ 30,594</u>	<u>\$ 17,753</u>

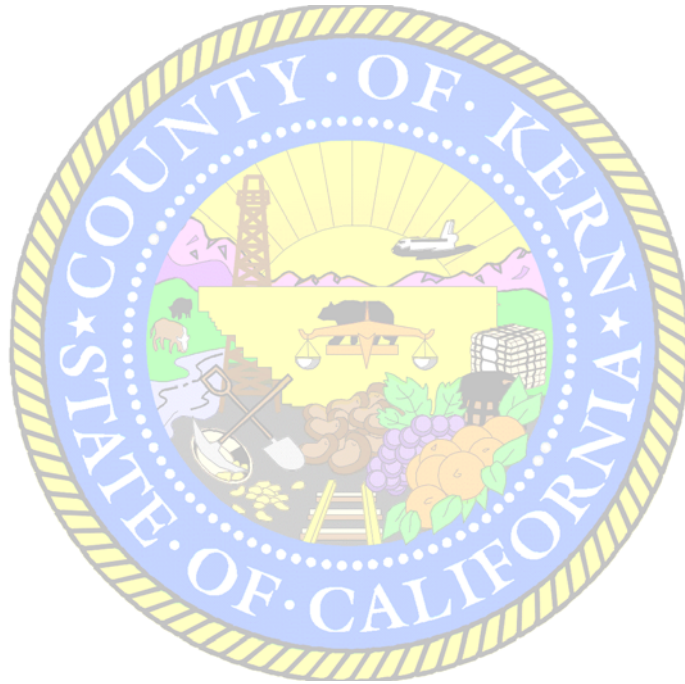
THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

	<u>ROADS</u>	<u>STRUCTURAL FIRE</u>	<u>TOBACCO SECURITIZATION PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>	
						<b>ASSETS</b>
\$	20,077	\$ 9,947	\$ 406	\$ 59,613	\$ 221,377	Pooled Cash and Investments
		2		2	1,359	Revolving Fund Cash
			50,469	15,238	65,707	Cash and Investments Deposited with Trustee
	276	194	45	687	5,286	Interest Receivable
					13,557	Accounts Receivable
		5,908		668	43,576	Taxes Receivable
	2,174	5,117		12,002	67,898	Accrued Revenue
		946		1,234	8,908	Due from Other Funds
			4,500	6,986	39,140	Advances to Other Funds
					338	Due from Other Agencies
					205	Deposits with Others
	1,178	742			1,989	Inventory - Materials and Supplies
\$	<u>23,705</u>	<u>22,856</u>	<u>55,420</u>	<u>96,430</u>	<u>469,340</u>	Total Assets
						<b>LIABILITIES AND FUND BALANCES</b>
\$	1,278	\$ 1,075	\$	\$ 1,450	\$ 16,697	Liabilities:
	754	4,924		562	33,600	Accounts Payable
				821	8,683	Salaries and Employee Benefits Payable
		53		6,033	8,846	Advances from Other Funds
					5,171	Due to Other Funds
				139	139	Due to Other Agencies
		5,032		1,900	43,814	Loans Payable
						Deferred Revenue
	2,032	11,084		10,905	116,950	Total Liabilities
	1,879	4,724	6	35,783	136,249	Fund Balances:
					89,163	Reserved (Note XI. A)
	19,794	7,048		42,594	64,416	Unreserved, reported in:
			55,414	7,148	62,562	General Fund
						Special Revenue Funds
						Capital Project Funds
	21,673	11,772	55,420	85,525	352,390	Total Fund Balances (Deficits)
\$	<u>23,705</u>	<u>22,856</u>	<u>55,420</u>	<u>96,430</u>	<u>469,340</u>	Total Liabilities and Fund Balances

**COUNTY OF KERN  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO  
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES  
JUNE 30, 2007 (IN THOUSANDS)**

Fund Balances - Total Governmental Funds:	\$	352,390
Deferred charges in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		27,183
Capital assets used in governmental activities are not financial resources; therefore, the capital assets are not reported in the governmental funds.		545,245
Accrued interest recognized as soon as earned, regardless of its availability.		106
Negative Net Pension Obligation - Offset of Pension Obligation Bonds for Unfunded Actuarial Liability.		209,363
Internal service funds are used by management to charge the costs of management of fleet maintenance, employee benefits, and personal injury, retiree health insurance benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets.		(47,209)
Long term interest payable does not require the use of current financial resources; therefore, is not accrued as a liability in the governmental funds.		(69,833)
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities both current and long-term are reported in the statement of net assets:		
Pension Obligation Bonds	\$	(406,726)
Bonds Payable		(101,490)
Certificates of Participation		(14,105)
Capital Leases		(5,419)
Loan Payable		(6,001)
Compensated Absences		(48,039)
		<u>(581,780)</u>
Net Assets of Governmental Activities	\$	<u>435,465</u>





**COUNTY OF KERN  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

Page 1 of 1

	GENERAL FUND	KERN CO. DEPT. OF CHILD SUPPORT	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	MENTAL HEALTH
<b>REVENUES:</b>					
Taxes	\$ 270,050	\$	\$	\$	\$
Licenses, Permits and Franchises	10,125				
Fines, Forfeitures and Penalties	12,901				
Revenues from Use of Money and Property	21,073	129	36	477	1,393
Aid from Other Governmental Agencies	122,182	22,581	19,386	302,904	60,705
Charges for Current Services	90,224		64	120	22,562
Other Revenues	4,844	7	93	2,667	2,631
Total Revenues	<u>531,399</u>	<u>22,717</u>	<u>19,579</u>	<u>306,168</u>	<u>87,291</u>
<b>EXPENDITURES:</b>					
Current:					
General Government	93,415				
Public Protection	276,868	22,959			
Health and Sanitation	38,090				95,012
Public Assistance	14,113		19,490	321,656	
Education	10,151				
Recreation and Cultural Services	13,720				
Public Ways and Facilities					
Capital Outlay	2,326				
Debt Service:					
Principal					
Interest	7,120				
Total Expenditures	<u>455,803</u>	<u>22,959</u>	<u>19,490</u>	<u>321,656</u>	<u>95,012</u>
Excess (Deficiency) of Revenues over Expenditures	<u>75,596</u>	<u>(242)</u>	<u>89</u>	<u>(15,488)</u>	<u>(7,721)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In	66,367			18,272	1,072
Transfers Out	(95,545)				(7)
Inception of Capital Leases	2,326				
Total Other Financing Sources (Uses)	<u>(26,852)</u>			<u>18,272</u>	<u>1,065</u>
Net Changes in Fund Balances (Deficits)	48,744	(242)	89	2,784	(6,656)
Fund Balances (Deficits), July 1, 2006 (as previously reported)	126,395	1,140	736	(9,656)	16,467
Prior Period Adjustments					(1,801)
Fund Balances (Deficits), June 30, 2007	<u>\$ 175,139</u>	<u>\$ 898</u>	<u>\$ 825</u>	<u>\$ (6,872)</u>	<u>\$ 8,010</u>

	ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
\$	4,006	\$ 63,488	\$	\$ 2,680	\$ 340,224	REVENUES:
		296		4,631	15,052	Taxes
		44		7,442	20,387	Licenses, Permits and Franchises
	1,427	317	2,061	4,557	31,470	Fines, Forfeitures and Penalties
	29,444	4,001		85,178	646,381	Revenues from Use of Money and Property
	6,250	24,534		4,520	148,274	Aid from Other Governmental Agencies
	2,640	103		41,401	54,386	Charges for Current Services
						Other Revenues
	43,767	92,783	2,061	150,409	1,256,174	Total Revenues
						EXPENDITURES:
						Current:
				196	93,611	General Government
		111,883		6,762	418,472	Public Protection
				2,983	136,085	Health and Sanitation
				30,828	386,087	Public Assistance
					10,151	Education
					13,720	Recreation and Cultural Services
	48,469			1,875	50,344	Public Ways and Facilities
			141	2,131	4,598	Capital Outlay
						Debt Service:
				11,790	11,790	Principal
				28,580	35,700	Interest
	48,469	111,883	141	85,145	1,160,558	Total Expenditures
	(4,702)	(19,100)	1,920	65,264	95,616	Excess (Deficiency) of Revenues Over Expenditures
						OTHER FINANCING SOURCES (USES):
	5,514	21,668		14,637	127,530	Transfers In
		(606)	(750)	(71,229)	(168,137)	Transfers Out
					2,326	Inception of Capital Leases
	5,514	21,062	(750)	(56,592)	(38,281)	Total Other Financing Sources (Uses)
	812	1,962	1,170	8,672	57,335	Net Changes in Fund Balances (Deficits)
	20,861	9,810	54,250	77,971	297,974	Fund Balances (Deficits), July 1, 2006 (as previously reported)
				(1,118)	(2,919)	Prior Period Adjustments
\$	<u>21,673</u>	<u>11,772</u>	<u>55,420</u>	<u>85,525</u>	<u>352,390</u>	Fund Balances (Deficits), June 30, 2007

**COUNTY OF KERN  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF  
ACTIVITIES - GOVERNMENTAL ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

Net Change in Fund Balance - Total Governmental Funds:	\$	57,335
Amounts reported for governmental activities in the statement of activities:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense.		
Expenditures for general capital assets, infrastructure, and other related capital asset adjustments	\$ 92,835	
Less: current year depreciation	<u>(29,844)</u>	62,991
Capital contribution of capital assets are not reported on governmental funds but recorded at fair value on the statement of net assets.		4,151
Governmental fund revenues deferred due to unavailability were booked in the statement of activities.		(2,748)
Governmental fund revenues not recognized due to unavailability were booked in the statement of activities.		106
Repayment of debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:		
Principal repayments:		
Pension Obligation Bonds	\$ 7,000	
Certificates of Participation	2,460	
Capital Leases	3,684	
Tobacco -Asset Backed Bonds	1,150	
Loans Payable	<u>2,378</u>	16,673
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	\$ (7,066)	
Change in compensated absences	<u>1,094</u>	(5,972)
Adjustment to the Negative Net Pension Obligation is not reported in the governmental funds, but the adjustment reduces the Net Pension Obligation in the statement of net assets.		(10,602)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of certain activities of the internal service funds is reported within governmental activities.		<u>2,374</u>
	\$	<u><u>124,308</u></u>

COUNTY OF KERN  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2007 (IN THOUSANDS)

	BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
<b>ASSETS</b>						
Current Assets:						
Pooled Cash and Investments	\$ 3,848	\$ 488	\$ 52,457	\$ 13,171	\$ 69,964	\$ 24,136
Revolving Fund Cash		6	10		16	
Interest Receivable	30	91	668	168	957	335
Accounts Receivable, Net	110	63,476	1,359	14	64,959	2,083
Accrued Revenue	767		645	979	2,391	135
Due from Other Funds		1,847			1,847	33
Advances Receivable						5,460
Prepaid Items		1,111	135		1,246	12
Net Pension Asset	429	26,421	2,806	125	29,781	184
Inventory - Materials and Supplies		1,840			1,840	70
Total Current Assets	5,184	95,280	58,080	14,457	173,001	32,448
Non-current Assets:						
Cash and Investments Deposited with Trustee	1,033	7,159	3,149	719	12,060	
Taxes Receivable			3,894	1,978	5,872	
Advances to Other Funds			2,500		2,500	
Deposits with Others						114
Investment in Joint Venture		517		1,700	2,217	
Capital Assets:						
Non-depreciable:						
Land	6,755	168	15,278	668	22,869	
Land Acquisition in Progress			334		334	
Construction in Progress	36,105	953	2,238	1	39,297	
Depreciable:						
Structures and Improvements	46,279	60,029	57,735	15,129	179,172	
Equipment	2,699	41,169	2,533	8,042	54,443	5,080
Intangible Assets			238	48	286	
Subsurface Lines				7,841	7,841	
Accumulated Depreciation and Amortization	(23,487)	(62,895)	(21,630)	(14,919)	(122,931)	
Total Non-current Assets	69,384	47,100	66,269	21,207	203,960	5,194
Total Assets	74,568	142,380	124,349	35,664	376,961	37,642
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	7	19,179	5,844	1,158	26,188	6,058
Salaries and Employee Benefits Payable	115	8,180	540	69	8,904	33
Advances Payable						5,460
Due to Other Funds			3	1	4	
Current Portion of Long Term Debt	548	2,209	1,592	241	4,590	22
Interest Payable - Current	229	1,082	445	44	1,800	11
Current Portion of Compensated Absences	50	6,625		5	6,680	48
Current Portion of Accrued Closure/Post Closure Liability			4,285		4,285	
Current Portion of Liability for Self-Insurance						21,951
Deferred Income		82		1,320	1,402	
Total Current Liabilities	949	37,357	12,709	2,838	53,853	33,583
Non-current Liabilities:						
Advances from Other Funds	11,486	18,971		2,500	32,957	
Estimate for Professional Liability Claims		8,816			8,816	
Compensated Absences Payable	125	5,378	974	15	6,492	41
Due to Other Agencies		8,566			8,566	
Long Term Debt - Self-Insurance						59,274
Long Term Debt - Capital Leases						
Long Term Debt - Certificates of Participation	11,695	11,640	17,425	2,750	43,510	
Long Term Debt - Pension Obligation Bonds	994	57,220	4,721	243	63,178	618
Long Term -Interest Payable - Pension Obligation Bonds	189	10,237	610	40	11,076	150
Accrued Closure Liability			26,840		26,840	
Accrued Postclosure Liability			40,292		40,292	
Total Non-current Liabilities	24,489	120,828	90,862	5,548	241,727	60,083
Total Liabilities	25,438	158,185	103,571	8,386	295,580	93,666
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	59,392	27,718	39,301	13,825	140,236	5,080
Restricted for Debt Service (Note XI. C)	1,033	7,159	3,149	719	12,060	114
Unrestricted	(11,295)	(50,682)	(21,672)	12,734	(70,915)	(61,218)
Total Net Assets	\$ 49,130	\$ (15,805)	\$ 20,778	\$ 27,278	\$ 81,381	\$ (56,024)
Cumulative adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					(8,678)	
Net Assets of Business -Type Activities:					\$ 72,703	

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

COUNTY OF KERN  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS (DEFICITS)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:						
Patient Services	\$	\$ 184,100	\$	\$	\$ 184,100	\$
Charges for Current Services	202	5,584	16,409	6,568	28,763	132,158
Revenues from Use of Property	2,956		26	123	3,105	
Other Operating Revenues		3,290		3	3,293	
Total Operating Revenues	3,158	192,974	16,435	6,694	219,261	132,158
OPERATING EXPENSES:						
Salaries and Employee Benefits	1,907	145,147	9,241	1,347	157,642	5,601
Services and Supplies	2,298	87,240	24,485	19,812	133,835	15,786
Claims Incurred						110,748
Other Charges	289	1,843	1,572	57	3,761	971
Depreciation	1,290	4,746	3,705	1,291	11,032	666
Total Operating Expenses	5,784	238,976	39,003	22,507	306,270	133,772
Operating Income (Loss)	(2,626)	(46,002)	(22,568)	(15,813)	(87,009)	(1,614)
NON-OPERATING REVENUES (EXPENSES):						
Taxes and Assessments	545		15,995	15,132	31,672	
Fines, Forfeitures and Penalties	2	11	173	137	323	
Licenses, Permits and Franchises				12	12	
Interest on Bank Deposits and Investments	254	3,213	4,103	848	8,418	2,418
Gain (Loss) on Investments		14			14	
Aid from Other Governmental Agencies	1,027	901	345	1,641	3,914	302
Interest Expense	(153)	(6,890)	(1,262)	(305)	(8,610)	(22)
Other Non-Operating Revenues	343	1,076	994	55	2,468	579
Gain (Loss) on Sale of Capital Assets	(12)	(8)	(14)	1	(33)	(127)
Total Non-Operating Revenues	2,006	(1,683)	20,334	17,521	38,178	3,150
Income (Loss) before Contributions and Transfers	(620)	(47,685)	(2,234)	1,708	(48,831)	1,536
Capital Contributions	3,410				3,410	
Transfers In		40,607			40,607	460
Changes in Net Assets	2,790	(7,078)	(2,234)	1,708	(4,814)	1,996
Net Assets (Deficits), July 1, 2006 (as previously reported)	46,376	(6,272)	23,393	25,587		(57,995)
Prior Period Adjustments	(36)	(2,455)	(381)	(17)		(25)
Net Assets (Deficits), June 30, 2007	\$ 49,130	\$ (15,805)	\$ 20,778	\$ 27,278		\$ (56,024)
Adjustment to reflect the consolidation of internal service funds activities' related to enterprise funds.					(378)	
Change in Net Assets - Business - Type Activities					\$ (5,192)	

COUNTY OF KERN  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Page 1 of 2

	BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash Received for Patient/Current Services	\$ 227	\$ 172,057	\$ 16,624	\$ 6,531	\$ 195,439	\$
Cash Received for Use of Property	2,956		26	85	3,067	
Cash Received for Interfund Services Provided	343				343	131,568
Cash Received for Other Operations	2	4,437	994	39	5,472	581
Cash Received as Fines, Forfeitures, and Penalties		11	173	137	321	
Cash Received as Licenses and Permits				12	12	
Cash Paid for Salaries and Benefits	(1,876)	(141,143)	(8,957)	(1,338)	(153,314)	(5,583)
Cash Paid for Services and Supplies	(2,363)	(79,936)	(15,880)	(19,525)	(117,704)	(17,057)
Cash Paid for Reported Claims						(115,819)
Cash Paid for Interfund Services and Supplies		(1,843)	(1,551)	(233)	(3,627)	
Cash Paid for Other Charges	(289)		(786)	(57)	(1,132)	(972)
Deposits with Others						21
Net Cash Used by Operating Activities	(1,000)	(46,417)	(9,357)	(14,349)	(71,123)	(7,261)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>						
Cash Received from Other Funds		40,033		16	40,049	
Taxes and Special Assessments	545		16,032	14,909	31,486	
Cash Received From Advances	4,142	118,686			122,828	5,460
Cash Paid for Advances	(267)	(107,029)			(107,296)	(5,460)
Aid from Other Governmental Agencies	1,867	901	345	1,823	4,936	302
Payment of Long Term Debt - Pension Obligation Bond	(29)	(1,162)	(68)	(4)	(1,263)	(17)
Interest Paid		(1,595)	(85)	(132)	(1,812)	(33)
Net Cash Provided by Non-Capital Financing Activities	6,258	49,834	16,224	16,612	88,928	252
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Proceeds from Sale of Capital Assets	10		6	1	17	(1,549)
Capital Contributions	3,410				3,410	
Acquisition or Construction of Capital Assets	(10,241)	(2,219)	(10,302)	(1,091)	(23,853)	102
Principal Paid on Capital Debt		(1,963)	(1,420)	(225)	(3,608)	
Interest Paid on Capital Debt	(623)	(3,479)	(1,065)	(169)	(5,336)	
Net Cash Used by Capital and Related Financing Activities	(7,444)	(7,661)	(12,781)	(1,484)	(29,370)	(1,447)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Cash Collection on Loan Receivable						
Interest on Bank Deposits and Investments	263	3,215	4,041	883	8,402	2,461
Net Cash Provided by Investing Activities	263	3,215	4,041	883	8,402	2,461
Net Increase (Decrease) in Cash and Cash Equivalents	(1,923)	(1,029)	(1,873)	1,662	(3,163)	(5,995)
Cash and Cash Equivalents, July 1, 2006	6,804	8,682	57,489	12,228	85,203	30,131
Cash and Cash Equivalents, June 30, 2007	\$ 4,881	\$ 7,653	\$ 55,616	\$ 13,890	\$ 82,040	\$ 24,136

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

COUNTY OF KERN  
STATEMENT OF CASH FLOWS (CONTINUED)  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Page 2 of 2

	BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Loss	\$ (2,626)	\$ (46,002)	\$ (22,568)	\$ (15,813)	\$ (87,009)	\$ (1,614)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:						
Other Non-Operating Revenues	345	1,158	1,167	116	2,786	581
Depreciation	1,290	4,746	3,705	1,291	11,032	666
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	24	(18,784)	274	(6)	(18,492)	(559)
(Increase) Decrease in Inventory		(111)			(111)	(11)
(Increase) Decrease in Accrued Revenue			(58)	(5)	(63)	(42)
(Increase) Decrease in Due from Others						11
(Increase) Decrease in Deposits with Others						21
(Increase) Decrease in Net Pension Asset	28	1,658	157	5	1,848	10
(Increase) Decrease in Prepaid Items		(219)			(219)	(12)
(Increase) Decrease in Investment in Joint Venture				(116)	(116)	
Increase (Decrease) in Accounts Payable		3,340			3,340	
Increase (Decrease) in Accrued Expenses	(10)	1,434	665	375	2,464	(850)
Increase (Decrease) in Due to Others	(55)	1,157	(3)	(200)	899	
Increase (Decrease) in Salaries & Benefits Payable	20	1,385	64	4	1,473	
Increase (Decrease) in Compensated Absences Payable	(16)	961	63		1,008	8
Increase (Decrease) in Provision for Liability Claims		2,860			2,860	(5,470)
Increase (Decrease) in Closure/Post Closure Liability			7,177		7,177	
Total Adjustments	1,626	(415)	13,211	1,464	15,886	(5,647)
Net Cash Used by Operating Activities	\$ (1,000)	\$ (46,417)	\$ (9,357)	\$ (14,349)	\$ (71,123)	\$ (7,261)
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Net Transfers of Capital Assets to Other Funds	\$	\$	\$	\$	\$	\$ (242)
Total Non-cash Investing, Capital, and Financing Activities	\$	\$	\$	\$	\$	\$ (242)



COUNTY OF KERN  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2007 (IN THOUSANDS)

<u>ASSETS</u>	<u>INVESTMENT TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
Cash and Cash Equivalents	\$ 1,481,369	\$ 138,026
Total Cash and Cash Equivalents	<u>1,481,369</u>	<u>138,026</u>
Receivables:		
Accounts	601	86
Loans		140
Taxes		83,107
Interest and Dividends	<u>19,103</u>	<u>1,612</u>
Total Receivables	<u>19,704</u>	<u>84,945</u>
Due from Other Funds		19
Due from Other Agencies	<u>50</u>	<u>8,665</u>
Total Due from Others	<u>50</u>	<u>8,684</u>
Capital Assets, Net of Accumulated Depreciation	<u>5</u>	
Total Assets	<u>\$ 1,501,128</u>	<u>\$ 231,655</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>		
Warrants Payable	\$ 97,726	\$ 20,616
Accounts Payable	2,071	244
Advances Payable	637	
Matured Bonds & Interest Payable	139	6,313
Due to Other Agencies	1,957	204,162
Unapportioned Installment Redemptions		<u>320</u>
Total Liabilities	<u>102,530</u>	<u>\$ 231,655</u>
Net Assets Held in Trust for Pool Participants	<u>\$ 1,398,598</u>	
Total Liabilities and Fund Balances	<u>\$ 1,501,128</u>	

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**COUNTY OF KERN  
STATEMENT OF CHANGES IN NET ASSETS  
INVESTMENT TRUST FUND  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

ADDITIONS:

Contributions on Pooled Investments	\$ 6,024,684
Use of Money and Property	<u>83,527</u>
Total Additions	<u>6,108,211</u>

DEDUCTIONS:

Distributions from Pooled Investments	<u>5,800,677</u>
Net increase in Net Assets	307,534

Net Assets held in trust, July 1, 2006	<u>1,091,064</u>
Net Assets held in trust, June 30, 2007	<u>\$ 1,398,598</u>

**NOTES TO THE FINANCIAL  
STATEMENTS**





**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY**

The County of Kern (the County) was established April 2, 1866, as a legal subdivision of the State of California charged with general governmental powers. The County is governed by an elected five member Board of Supervisors.

As required by generally accepted accounting principles, these financial statements present the County as the primary government and its component units, entities for which the County is considered financially accountable. Although legally separate entities, blended component units are in substance part of the County's operations; therefore, data from these units is combined with data of the County.

**B. BLENDED COMPONENT UNITS**

Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14 and No.39, management has determined that the following component units should be blended:

**County Service Areas (CSAs)**

The County's Board of Supervisors serves as the governing body of the CSAs. Among the duties of the Board is to approve the CSAs' budgets, approve parcel fees and appoint the management. The CSAs' component unit is reported in the governmental activities as a non-major governmental fund.

**Golf Courses and Sanitation Districts**

The County's Board of Supervisors serves as the governing body of the Sanitation Districts and the Golf Courses. The Board of Supervisors approves the budget and appoints the management of these entities, which are reported as non-major enterprise funds.

**County of Kern Asset Leasing Corporation**

Although the County of Kern Asset Leasing Corporation has its own governing body, this component unit provides services exclusively to the County, and is reported as a non-major governmental fund in these statements. This nonprofit entity holds the capital assets constructed through the Certificates of Participation Program. Equipment and construction costs related to proprietary funds are recorded within each appropriate enterprise fund, and any cash related to the Certificates of Participation is designated as deposits with trustee. See Note IX. B.

**Kern County Tobacco Funding Corporation (the Corporation)**

The Kern County Tobacco Funding Corporation is a separate legal nonprofit public benefit corporation created under the California Nonprofit Public Benefit Corporation Law. This Corporation was established to purchase tobacco settlement payments allocated to the County from the State of California, pursuant to the Master Settlement Agreement concluded on November 23, 1998 between the major tobacco companies and 46 states, including California, the District of Columbia and four U.S. Territories. For additional information regarding the sale by the County to the Corporation of all rights, title and interest of the County to such monies see Note XII. J. The Corporation is governed by the Board of Directors consisting of three members appointed by the County's Board of Supervisors.

**C. DISCRETELY PRESENTED COMPONENT UNIT**

Using the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14 and No. 39, management has determined that the following component unit should be discretely presented:

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. DISCRETELY PRESENTED COMPONENT UNIT (CONTINUED)**

**First 5 Kern**

First 5 Kern was established under the State of California's California Children and Families Act. The County's Board of Supervisors enacted Ordinance G-6565, which created the Kern County Children and Families Trust Fund (Commission), and established the membership and commission. The Board of Supervisors appoints the majority of the commission and has the authority to replace all members. The commission is responsible for allocating funds to local service providers for programs that promote, support and improve the early development of children from prenatal through age five, and promote children's readiness to enter school. Due to the Board of Supervisors change in control over the Commission, it will now be reported as a Discretely Presented Component Unit.

Complete financial statements for First 5 Kern may be obtained from the office of First 5 Kern located at 2724 L Street, Bakersfield, California 93301.

**D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS (GASB)**

**GASB Statement No. 45**

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions*, was issued in June 2004 and is effective for financial statements beginning after December 15, 2006, for phase 1 governments (those with total annual revenues of \$100 million or more); after December 15, 2007, for phase 2 governments (those with total annual revenues of \$10 million or more but less than \$100 million); and after December 15, 2008, for phase 3 governments (those with total annual revenues of less than \$10 million). GASB Statement No. 45 establishes standards for the measurement, recognition, and display of OPEB expenses/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The approach followed in this Statement is generally consistent with the approach adopted in Statement No. 27. The County will not implement GASB Statement No. 45 early.

**GASB Statement No. 48**

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, was issued in September 2006 and is effective for financial statements beginning after December 15, 2006. This Statement establishes criteria governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability, and establishes that a transaction will be reported as a collateralized borrowing unless the criteria indicating that a sale has taken place are met. The County will not implement GASB Statement No. 48 early.

**GASB Statement No. 49**

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, was issued in November 2006 and is effective for financial statements beginning after December 15, 2007. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups. The scope of the document excludes pollution *prevention* or *control* obligations with respect to current operations, and future pollution remediation activities that are required upon retirement of an asset, such as landfill closure and post-closure care and nuclear power plant decommissioning. The County will not implement GASB Statement No. 49 early.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS (GASB) (CONTINUED)**

**Government Wide Financial Statements (CONTINUED)**

Information relating to the primary government is displayed in the statement of net assets and statement of activities. These statements include information regarding the financial statements, excluding the fiduciary activities. These statements distinguish between governmental funds and business-type funds of the County. Governmental funds are primarily supported by taxes, and business-type funds strongly depend upon fees charged to external parties, each type is presented separately.

In the government-wide statements, eliminations have been made in order to minimize the double counting of internal activities. In the Statement of Net Assets, all internal balances have been eliminated, with the exception of those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total government column. In the Statement of Activities, direct expenses such as services provided and used are not eliminated, but internal service fund activity has been eliminated.

A comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function of the County's governmental activities are presented in the statement of activities. Direct expenses are clearly identifiable to a particular function and are specifically associated with a program or function. Indirect expenses are allocated based on the County-wide Cost Allocation Plan, which allocates the cost of central service departments to service user departments. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues not classified as program revenues, including all taxes, are presented as general revenue.

When both restricted and unrestricted net assets are available, it is County policy to use restricted net assets first, and then use the unrestricted net assets as they are needed.

**Comparative Data**

The implementation of GASB No. 34 requires new information and restructuring of much of the information that governments have presented in the past. Comparability with reports issued prior to fiscal year ended 2002 is affected. Airports, a Non-major Enterprise Fund, became a major enterprise fund following GASB Statement No. 34 criteria.

**Estimates**

In compliance with generally accepted accounting principles, the preparation of basic financial statements require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS (GASB) (CONTINUED)

Government Wide Financial Statements (CONTINUED)

**Fund Financial Statements**

The fund financial statements separately present three fund categories. The three fund categories that are presented are: governmental, proprietary, and fiduciary. The emphasis of presenting these categories is to identify the major governmental and the enterprise funds. The major funds are reported separately and the remaining governmental and enterprise funds are reported aggregately and separately as non-major funds. Proprietary funds' operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. An exchange transaction is where two parties receive and give up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions. Proprietary funds' operating expenses, such as salaries and benefits or services and supplies, result from providing services and producing and delivering goods in related to the proprietary funds' primary operations. Expenses that are not directly related to the proprietary funds' primary operations are reported as non-operating expenses.

The County reports the following major governmental funds:

The **General Fund** is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. Principal sources of revenue are: taxes; licenses, permits and franchises; fines, forfeitures and penalties; use of money and property; aid from other governmental agencies and charges for current services. Primary expenditures are for general government; public protection; health and sanitation; public assistance; education; recreation and cultural services; and capital leases.

**Department of Human Services** provides for direct financial assistance payment to eligible recipients. Public assistance programs administered by the Human Services Department are mandated by the State through the Welfare and Institution Code, as implementing legislation for the Federal Social Security Act.

**Tobacco Securitization** accounts for the sale of rights to future tobacco settlement payments. For additional information regarding the sale by the County to the Kern County Tobacco Funding Corporation see Note XII. J. The proceeds from the sale are used to finance certain capital projects and to set up an endowment fund.

The County has opted to report the following funds as major funds:

**Child Support Services** accounts for the initial court actions necessary to establish financial responsibility for the support of minors, and for the enforcement and collection of child support payments from absent parents under the Social Security Act.

**Employers' Training Resource (ETR)** administers the Federal Workforce Investment Act and Welfare-to-Work funds received through the Department of Labor, State Employment Development Department, and the Kern County Department of Human Services. ETR accounts for job training and support services for workers of all economic classes.



COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION AND IMPLEMENTATION OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS (GASB) (CONTINUED)

**Fund Financial Statements (CONTINUED)**

**Mental Health** accounts for developing and maintaining County-wide, client-centered, culturally competent mental health services for people suffering from a mental illness consistent with the provision of the California Mental Health Services Law.

**Roads** accounts for planning, designing, constructing and maintaining public roads, bridges, streets, and traffic control devices in the unincorporated areas of the County, except for State-maintained highways and bridges.

**Structural Fire** accounts for fire prevention, protection and suppression services for structures and watershed areas; hazardous material control and incident response; emergency rescue and medical aid; and performs arson investigations.

The County reports the following major business-type funds:

**Airports**, which is headquartered at Meadows Field Airport in Bakersfield, contains the financing requirements for administration, maintenance, and operation of the County's seven airports located in Bakersfield, Buttonwillow, Kern Valley, Lost Hills, Poso, Taft, and Wasco.

**Kern Medical Center (KMC) (the Hospital)** accounts for hospital services, offering emergency, outpatient and inpatient medical care to all classes of patients, including, Medi-cal and Medicare eligible; medically indigent persons; and inmates of County institutions and juvenile facilities.

**Waste Management** accounts for the operation, engineering, planning, and regulatory compliance activities associated with the County's Solid Waste Disposal System.

The County reports the following additional fund types:

**Internal Service Funds** account for services furnished to other County departments and are financed primarily by charges for such services. Internal service funds account for fleet services and self-insurance programs such as group health, retiree group health, unemployment compensation, workers' compensation, and personal injury and property damage.

The **Investment Trust Fund** is made up of funds for school districts, self-governed special districts, State trial court and other investment trusts. The County schools' operating and debt service funds are grouped under this entity. The County is responsible for numerous self-governed special districts. Cash and investments are administered by the County Treasurer, and the Auditor-Controller-County Clerk makes disbursements upon the request of the responsible district officers.

**Agency Funds** are funds under the control of individual County officers who use them for the deposit of various types of receipts and to accumulate resources for specific purposes. Unapportioned funds are used for recording the collection and distribution of property taxes and interest on bank deposits. Disbursements are made from these funds by warrants issued by the County Auditor-Controller-County Clerk upon the requisition of the responsible officer.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. BASIS OF ACCOUNTING**

The government-wide and proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds are recorded on the accrual basis of accounting and are custodial in nature and do not involve measurement of results of operations. Revenues are recorded when they are earned and expenditures are recorded when they are incurred, regardless of when the cash was collected. Non-exchange transactions occur when an entity gives or receives value without giving or receiving the same value in return. An example of a non-exchange transaction would be property and sales taxes, grants, entitlements and donations.

On an accrual basis, property tax revenue is recognized in the fiscal year the taxes are levied. Revenues from donations, entitlements, and grants are recognized in the fiscal year in which all eligible requirements have been fulfilled. Governmental funds are recorded on the modified accrual basis of accounting. Using this method, revenue is recorded when it is measurable and available. Property and sales taxes are considered available if collected within 60 days after the end of the accounting period. Interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 90 days after the end of the accounting period. All revenues must be both measurable and available. Under accrual accounting, expenditures are recorded when a liability is incurred. However, debt service expenditures, expenditures related to claims and judgments, and compensated absences are only recorded when payment is due. In governmental funds, general capital asset acquisitions are reported as expenditures. Proceeds from general long-term debt and capital leases are reported as other financing sources.

The County has elected under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements to its business-type activities and enterprise funds, as well as any applicable pronouncements of the Financial Accounting Standards Board, the accounting Principles Board or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

GASB Statement No. 34 has eliminated the presentation of account groups, but requires these records to be maintained and incorporated with the Governmental Activities column in the government-wide statement of net assets.

Internal service funds are used by management to charge the cost of certain activities, such as fleet management and the self-insurance programs. Both the assets and liabilities of the Internal service funds are included in the Statement of Governmental Activities and in the Statements of Net Assets.

The Internal Service Funds' profit or loss is allocated to the function or program that benefits from the Internal Service Funds' activity. The County does this by reviewing the usage and apportioning the cost and profit to the funds responsible.

**F. ASSETS, LIABILITIES, AND NET ASSETS**

**Cash and Cash Equivalents**

All amounts reported to be cash and cash equivalents represent cash or short term, highly liquid investments with an original maturity of three months or less.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. ASSETS, LIABILITIES, AND NET ASSETS (CONTINUED)**

**Investments**

In accordance with GASB Statement No. 31, investments in the County Treasurer's pooled investments are reported at fair value. Participating entities that are not part of the County's reporting entity prepare independent financial statements which may or may not include these changes in fair value. Interest earnings are distributed to all participating funds based on their average daily balance within the pool. The unrealized increase or decrease in the fair value of the investments was recognized.

**Receivables and Payables**

Transactions between funds that are representative of lending or borrowing arrangements with outstanding balances at fiscal year end are referred to as either "loans receivable or loans payable," and "advances to or advances from other funds." An example of a lending arrangement is the current portion of inter-fund loans. An example of a borrowing arrangement is the non-current portion of inter-fund loans. All other outstanding balances between funds are reported as "due to" or "due from" other funds. See Notes VI. A, VI. B, VI. C, and VI. D for a detailed reconciliation. These internal balances have been eliminated in the government-wide statements.

**Property Tax**

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the Government Code and Revenue and Taxation Code. Property is assessed at 100% of full cash or market value (with some exceptions) pursuant to Article XIII of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. The total 2006 - 2007 net assessed valuation of the County of Kern was \$71,173,274.

The property tax levy to support general operations of the various jurisdictions is limited to one percent (1%) of full cash value and is distributed in accordance with statutory formulas. Amounts needed to finance the annual requirements of voter-approved debt are excluded from this limitation and are calculated separately and levied each fiscal year. The rates are formally adopted by the Board after approval of city councils or the governing boards of special districts where applicable. Property taxes are levied on both real and personal property. Secured property taxes are levied on or before the first business day of September of each year, and become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These tax payments can be made in two equal installments; the first is due on November 1 and delinquent with penalties after December 10; the second is due on February 1 and delinquent with penalties after April 10.

Secured property taxes, which are delinquent if unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, costs, and interest when paid. If the delinquent taxes are not paid at the end of five (5) years, the property may be sold at public auction. The proceeds are used to pay the delinquent amounts due, and any excess is remitted, if claimed, to the taxpayer. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1 and become delinquent if unpaid by August 31.

In 1983, the Governor signed Senate Bill 813 which requires County Assessors to appraise property and issue an assessment when new construction is completed or a change in ownership occurs. The supplemental assessment will reflect the change in value for the remainder of the property tax year. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. ASSETS, LIABILITIES, AND NET ASSETS (CONTINUED)**

**Inventory - Materials and Supplies**

Inventories in the General Fund, General Services - Garage Internal Services Fund, the Roads Fund, the Structural Fire Fund and the Kern Medical Center Enterprise Fund consist of expendable supplies held for consumption. The General Fund and the Kern Medical Center Enterprise Fund use the "moving average" method for costing inventory. Roads and Structural Fire Funds value inventory at cost and the General Services - Garage Internal Service Fund uses the first-in, first-out (FIFO) method of costing inventory.

Although a component of net assets, reported inventories are equally offset by a fund balance reserve for governmental type funds indicating that they do not constitute "available spend-able resources." Other materials and supplies are recorded as expenditures upon acquisition.

**Capital Assets**

Capital assets, which include plant, property, and equipment and infrastructure assets (roads, street lighting, bridges, sidewalks, and similar items), are reported under the governmental or business-type activities in the government-wide financial statements. To be considered a County's capital asset, the capital asset must exceed \$5 in value and must have an estimated useful life of at least two years. All purchased capital assets are valued at cost, where historical records are available, and donated capital assets are valued at their estimated fair market value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. As projects are constructed, major capital outlays for capital assets and improvements are capitalized. 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.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Structures and Improvements	50 years
Airplanes and Temporary Buildings	25 years
Boats	20 years
Ground Equipment, Furniture, Office Equipment, and Fire Trucks or Engines	15 years
Kitchen Equipment	12 years
Construction, Communication, and Scientific Equipment and Vehicles	10 years
Computer Equipment	7 years
Infrastructure (roads, sidewalks, drains, bike paths, other improvements)	5 - 50 years

The General Services - Garage Internal Service Fund depreciates vehicles on an estimated useful life based on miles driven for the type of vehicle.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. ASSETS, LIABILITIES, AND NET ASSETS (CONTINUED)**

**Compensated Absences**

The County's policy on compensated absences is to permit employees to accumulate earned but unused vacation and sick leave benefits. The liability is accrued for the balance of unpaid compensatory time off, sick leave, and vacation earned at year-end. The accumulated benefits will be liquidated as employees elect to use them. All payments of these accumulated benefits will be funded in the year in which they are to be paid. Several funds that contribute to the liquidation of compensated absences are General Fund, Kern County Department of Child Support Services, Fire, Building Inspection, Roads, Mental Health, Aging and Adult Services, Department of Human Services, and Employers' Training Resource.

**Long-Term Obligations**

In the government-wide financial statements, and in the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate governmental activities or proprietary funds statement of net assets. Bond premiums and discounts as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable premium or discount.

**Fund Equity**

Reservation of fund balances represents amounts that are not able to be appropriated or are legally segregated for a specific purpose.

**G. HOSPITAL AND OTHER PROGRAM REVENUES**

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Gross patient services revenue for fiscal year 2006 – 2007 was \$528,239, the estimated adjustment was \$344,139 for a net patient service revenue of \$184,100. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

**Medi-Cal and Medicare Programs**

A substantial portion of the Hospital's revenue is derived from services provided to patients eligible for benefits under the Medi-Cal and Medicare programs. Medi-Cal inpatient services are reimbursed at a contractually agreed upon per-diem rate. Services to inpatient Medicare program beneficiaries are primarily paid under prospectively determined rates-per-discharge based upon diagnostic related groups.

Certain other services to Medicare beneficiaries are reimbursed based on cost, subject to certain limitations. Revenues from the Medi-Cal and Medicare programs represent approximately 31% and 16%, respectively, of the net patient care revenue for the year ended June 30, 2007.

The Hospital has various outstanding appeals pertaining to Medi-Cal and Medicare audit settlements. Because the outcomes are not certain, the settlement amounts have not been recorded. The potential impact of these appeals will not have an adverse effect to the County.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. HOSPITAL AND OTHER PROGRAM REVENUES (CONTINUED)**

**Medi-Cal and Medicare Programs (CONTINUED)**

The disproportionate share hospital (DSH) program was established in 1981 as part of the Medicaid program and requires State Medicaid agencies to make additional payments to hospitals serving disproportionate numbers of low-income patients with special needs. Effective July 1, 1997, the program was amended to limit DSH payments to 100 percent of the amount of incurred uncompensated care costs (UCC) with a special provision that allowed payments of up to 175 percent of UCC to those public hospitals qualifying as "high DSH" hospitals in the State of California.

In 2001, the Office of Inspector General (OIG) of the U.S. Department of Health and Human Services conducted an audit of DSH payments to Kern Medical Center in order to determine that those payments did not exceed the hospital specific limit for fiscal year 1998. A final report was issued on September 24, 2002. The OIG states that the hospital exceeded its specific limit by nearly \$44,000 for fiscal year 1998. The report states that Federal law requires the State to recover overpayments. However, in the report's conclusion, the report does not specifically request Kern Medical Center to refund the overpayment.

The issues surrounding the OIG audit are serious and affect every DSH participant hospital in the State. The State has contended that payments made to Kern Medical Center and other participating hospitals were in accordance with a State plan approved by the Centers for Medicare and Medicaid Services (CMS), and therefore, are not "overpayments."

The California State Department of Health Services and the Medical Center disagree with the preliminary findings of the OIG, and maintain that the DSH payments were properly paid. Furthermore, both the State and the Medical Center assert that the governing statute, OBRA 1993, does not require retrospective settlement, as these settlements are extremely disruptive and counter-productive to the purposes of the DSH program. This debate with the OIG and subsequently CMS will go on for an indefinite period of time. No provision has been made in these financial statements to repay the amounts claimed by the OIG in its report.

**Other Program Revenues**

Kern Medical Center also receives revenues from the following other programs:

During fiscal year 1991 - 1992, Senate Bills (SB) 855 and 146 were enacted to provide higher Medi-Cal reimbursement rates to "disproportionate share hospitals." These are hospitals that provide service to a large number of indigent patients. The law requires certain public entities to contribute funds to the State. These funds, along with additional Federal revenues, are utilized by the State to fund the supplemental payment amounts. Kern Medical Center received \$80,182 and \$78,262 in fiscal years 2007 and 2006, respectively, under the State of California's Medi-Cal disproportionate share program. The program required the County to provide matching funds of \$17,293 and \$18,960 in fiscal years 2007 and 2006, respectively, which were recorded as expenditures in the General Fund. The amount received by the Hospital through this program is dependent upon the number of Medi-Cal inpatient days provided by the Hospital. Because the revenues generated are based on services provided to patients, the revenues have been classified as net patient service revenues. Reimbursement to the General Fund for the contribution is recorded as other revenue in the General Fund, and is netted against revenue received from the State in the Kern Medical Center Enterprise Fund.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. HOSPITAL AND OTHER PROGRAM REVENUES (CONTINUED)**

Proposition 99 imposes an additional state excise tax on cigarettes and other tobacco products. The increased taxes on tobacco products generate additional revenues for health care, research, health education, and public resources. State Assembly Bill 75 allocates these revenues to health care providers based upon their share of the financial burden for providing care to persons who are uninsured or otherwise unable to pay for care. The County's share of these revenues for the year ended June 30, 2007 was \$850.

Revenues related to the aforementioned programs are included in the accompanying financial statements as hospital operating revenues. The non-operating revenues consist of taxes and assessments; fines, forfeitures and penalties; licenses, permits and franchises; interest on bank deposits and investments; aid from other governmental agencies; interest expense; and gain on sale of capital assets. Unpaid revenue amounts are reported as other receivables. Claims for these programs are subject to audit by State and/or Federal agencies.

**Health and Welfare Realignment Act**

In fiscal year 1991 – 1992, the State implemented the Health and Welfare Realignment Act ("Realignment"), which transferred a significant portion of the financial and administrative responsibilities for local health and welfare programs from the State to Counties. The State utilizes a one-half (1/2) cent sales tax increase and an increase in vehicle license fees as the sources for funding allocations to the counties in lieu of previous State general fund financing. The amount to be received by Counties is dependent upon the actual increased sales tax and vehicle license fees. Kern County's realignment revenues were recorded as State revenues in the General, Mental Health, Department of Human Services, Kern Medical Center Funds, and Aging and Adult Services, a Non-major special revenue fund.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**II. NET ASSETS RESTATEMENTS**

**A. RESTATEMENT OF EQUITY**

The County's beginning fund balance and net assets have been restated to reflect prior period adjustments to Mental Health, General Fund, Airports, Kern Medical Center and Public Transportation – Non-major Enterprise Fund for the fiscal year ended June 30, 2007:

Fund Balances – Governmental Activities	
Fund balances – governmental funds at June 30, 2006, as previously reported	\$ 297,974
Prior Period Adjustments:	
Adjust prior year adjustment to accounts receivable - Mental Health	(1,801)
Adjust grant revenue to deferred income - Health - Bio-Terrorism/NNFP Trust	(1,118)
Fund Balances – Governmental Funds at June 30, 2006, as restated	<u>\$ 295,055</u>

Net Assets – Business-type Activities	
Net Assets – business-type activities at June 30, 2006, as previously reported	\$ 89,085
Prior Period Adjustments:	
Adjust long term debt 2003 POB debt allocation - Airports	(36)
Adjust long term debt 2003 POB debt allocation - Non-major Enterprise Fund	(17)
Adjust long term debt 2003 POB debt allocation - Waste Management - Net	(381)
Adjust long term debt 2003 POB debt allocation, per prior stand alone financial audit Kern Medical Center	(2,455)
Net Assets – Business-type Activities at June 30, 2006, as restated	<u>\$ 86,196</u>

The impact of these restatements in the government-wide financial statements is as follows:

Net Assets – Governmental Activities	
Net Assets – Governmental Activities at June 30, 2006, as previously reported	\$ 310,128
Prior Period Adjustments:	
Adjust prior year adjustment to accounts receivable - Mental Health	(1,801)
Adjust grant revenue to deferred income - Health - Bio-Terrorism/NNFP Trust	(1,118)
Adjust long term debt 2003 POB debt allocation- Governmental	4,854
Adjust capital assets accumulated depreciation	(906)
Net Assets – Business-type Activities at June 30, 2006, as restated	<u>\$ 311,157</u>

Net Assets – Business-type Activities	
Net Assets – Business-type Activities at June 30, 2006, as previously reported	\$ 80,784
Prior Period Adjustments:	
Adjust long term debt 2003 POB debt allocation - Airports	(36)
Adjust long term debt 2003 POB debt allocation - Non-major Enterprise Fund	(17)
Adjust long term debt 2003 POB debt allocation - Waste Management - Net	(381)
Adjust long term debt 2003 POB debt allocation, per prior stand alone financial audit Kern Medical Center	(2,455)
Net Assets – Business-type Activities at June 30, 2006, as restated	<u>\$ 77,895</u>



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. DEFICIT FUND BALANCES/DEFICIT NET ASSETS**

The following funds have total fund deficits or total net assets deficits at June 30, 2007:

Major Governmental Funds:	
Human Services	<u><u>\$ (6,872)</u></u>
Non-major Governmental Funds:	
Public Improvement Districts	<u><u>(7)</u></u>
Major Enterprise Funds:	
Kern Medical Center	<u><u>(15,805)</u></u>
Internal Service Funds:	
General Liability	(6,222)
Group Health	(14,779)
Unemployment Comp	(376)
Workers' Compensation	<u><u>(60,680)</u></u>
	<u><u>\$ (82,057)</u></u>

The fund deficit for Human Services is the result of a prior year deficit. As a result of an increase in fund balance for Human Services, the fund deficit was \$6,872 and \$9,656 for June 30, 2007 and 2006, respectively. The deficits in Public Improvement Districts and Master Lease were reduced from prior year's \$9 and \$157 to current year's \$7 and \$0, respectively, as a result of an increase in fund balances. The fund deficit for Kern Medical Center is the result of prior deficit and prior period adjustments for the allocation of the 2003 POB debt. The prior year's deficit of \$6,272 was increased to \$15,807. The General Liability, Group Health, and Workers' Compensation negative retained earnings represent liabilities incurred as a result of self-insurance.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IV. CASH AND INVESTMENTS**

**A. DEPOSITS**

**Cash and Deposits**

As provided for by the Government Code, the cash balances for all funds are pooled and invested by the County's Treasurer for the purpose of increasing interest earnings through investment activities. The respective funds' shares of the total pooled cash and investments are included in the accompanying balance sheet for governmental funds and statement of net assets for proprietary funds under the caption "Pooled Cash and Investments." In accordance with Section 53652, of the California Government Code, a financial institution is required to secure deposits in excess of \$100 made by State and local governmental units by pledging securities held in the form of an undivided collateral pool. The market value of the pledged securities in the collateral pool must equal 110% of the total amount deposited by the public agencies. The collateral must be held at the pledging bank's trust department or another bank, acting as the pledging bank's agent, in the County's name. Interest earned on pooled investments is deposited to the participating funds based upon each fund's average daily deposit balance during the allocation period with all remaining interest deposited to the general fund. First 5 Kern, a discretely presented component unit, maintains its cash account with the County of Kern.

**B. CASH AND INVESTMENTS DEPOSITED WITH TRUSTEE**

At June 30, 2007, the balance for Cash and Investments Deposited with Trustee consists of the following:

Money Market Accounts	\$	7,252
Investment Agreements		59,550
Federal Agency		11,053
Total Cash and Investments Deposited with Trustee	\$	<u><u>77,855</u></u>

Of the \$77,855 total cash and investments deposited with trustee, \$15,426 relates to the construction debt refinancing and equipment acquisition funds from Certificates of Participation held by the trustee for Kern County Asset Leasing Corporation and are reported in the Kern Asset Leasing Debt Service Non-major Governmental Fund, the Golf Course Non-major Enterprise Fund, Kern Medical Center and Waste Management Enterprise Funds. \$50,469 is recorded in the Tobacco Securitization Fund and will be utilized for capital projects, while \$10,927 is recorded on the Kern County Tobacco Funding Corporation are held in trust for debt service reserves. \$1,033 relates to the construction of a new airport terminal and it is reported on the Airport Non-major Enterprise Fund. The funds are currently held by Wells Fargo Bank.

Of the \$77,885, \$308 is in the Pension Obligation Bond Trustee Debt Service Non-major Governmental Fund relates to monies held in a trust account with U.S. Bank. This account is used to service debt payments related to the County's Pension Obligation Bonds.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**IV. CASH AND INVESTMENTS (CONTINUED)**

**C. INVESTMENTS**

**Interest rate risk**

In accordance with Kern County's Investment Policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio not to exceed a 500 day average maturity.

**Credit risk**

Statutes authorize the County to invest in obligations of the United States Treasury, Federal agencies, municipalities, bankers acceptance and commercial paper rated A-1 by Standard & Poor's Corporation (S&P) or P-1 by Moody's Commercial Paper Record. The County of Kern Investment Pool (the Pool) is subject to regulatory oversight by the Treasury Oversight Committee, as required by California Government Code Section 27143. The County has not provided nor obtained any legally binding guarantees during the fiscal year ended June 30, 2007 to support the value of the shares in the Pool. Management believes that the investments in the Pool are of high quality and that the risk of participation in the Pool is negligible.

**Concentration of credit risk**

The Pool will not invest more than six percent (6%) of its assets in the Eligible Securities of a single institution, other than U.S. government and agency securities.

**Custodial credit risk – deposits**

The County's deposits are collateralized and two methods of protection are used. The first method is that the bank is required by State law to collateralize the deposits to the extent of 110%. Collateral securities are held in custody by the State Treasurer's office. The second method of protection is that the bank must carry umbrella insurance to protect against theft or negligence on the part of the bank.

**Custodial credit risk – investments**

The County minimizes its exposure by purchasing securities with the highest credit rating from both Moody's and S & P and by limiting the exposure to any one issuer as required by State law.

Certain agencies outside of the County reporting entity participate in the Pool. The participation of these agencies is externally mandated. The participants reported under the Investment Trust Fund are schools, special districts, and special assessments. The County Pool does not issue separate financial statements. Participants may withdraw up to the amortized cost of their respective share. The share of the Treasurer's pool related to involuntary and voluntary participants is 94.6% and 5.4%, respectively. As of July 1, 1997, the County implemented GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. In accordance with this statement, the fair value of the County's combined pool is determined annually and is based on current market prices received from the securities custodian, except for governmental securities and bankers acceptances, which are carried at amortized cost plus accrued interest.

The County's investment in the Local Agency Investment Fund (LAIF) is \$32,962. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members designated by State statute. The Chairman is the State Treasurer or his designated representative. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different than the fair value of the County's position in the Pool.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IV. CASH AND INVESTMENTS (CONTINUED)**

**C. INVESTMENTS (CONTINUED)**

A summary of the investments held in the Pool is as follows:

Investment	Rating		Weighted Average Maturity
	Moody's	Standard & Poor's (S&P)	
Bankers Acceptance	P1	A+	0.366626
Commercial Paper	P-1	A-1 & NR	0.177626
Federal Agency Issues (Coupon)	AAA, Aaa	AAA, NR	2.156922
Asset Backed Securities	Aaa	AAA	4.751642
Medium Term Notes	Aa2,A-1, Aaa, AA-1, A3,Aa3,A,A2 & NR	AA+, AAA, AA, A+,AA-A, & A-	2.907870
Negotiable CDs	P-1,NR, & Aa	AA, A-1+, & A-1	1.291428
Federal Agency Issues (Discount)	P1	A1 and A1+	0.752778
Portfolio Weighted Average Maturity			2.092194

Investment	Fair Value	Principal	Maturity Range
Bankers Acceptance	\$ 19,350	\$ 19,619	7/30/2007-8/20/2007
Commercial Paper	78,277	78,277	7/6/2007-10/9/2007
Federal Agency Issues (Coupon)	1,061,547	1,075,632	7/02/2007-2/23/2012
State Treasury's Pool (LAIF)	38,460	38,977	
Asset Backed Securities	43,828	45,353	11/16/2009-8/15/2011
Medium Term Notes	329,030	338,652	7/30/2007-12/15/2011
Negotiable CDs	337,550	345,047	7/02/2007-1/30/2012
Federal Agency Issues (Discount)	4,811	4,811	12/28/2007
Bank Accounts & Accruals	45,313	45,313	
	\$ 1,958,166	\$ 1,991,681	

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IV. CASH AND INVESTMENTS (CONTINUED)**

**C. INVESTMENTS (CONTINUED)**

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

Statement of Net Assets:	
Total Assets Held for Pool Participants	\$ 1,958,166
Less: Warrants Payable	<u>118,342</u>
Pool Equity, Net	<u><u>\$ 1,839,824</u></u>
Equity of Internal Pool Participants	\$ 418,115
Equity of External Pool Participants (Voluntary & Involuntary)	<u>1,421,709</u>
Total Equity	<u><u>\$ 1,839,824</u></u>
Statement of Changes in Net Assets:	
Net Assets at July 1, 2006	\$ 1,272,587
Net Changes in Investments by Pool Participant	<u>567,237</u>
Net Assets at June 30, 2007	<u><u>\$ 1,839,824</u></u>

Bank deposits are reported based upon balances at June 30, 2007 and investments are reported at the County's book balance.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments. The County's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts in the amount of \$70,603.

**D. DEPOSITS WITH OTHERS**

The County has total deposits with others of \$319. The general fund has deposited \$205 with the City of Bakersfield for the construction of an overpass on Bakersfield Union Avenue pursuant to the joint agency agreement between the County, the City of Bakersfield, and the Greater Bakersfield Separation of Grade District. The remaining balance of \$114 represents deposits by the Group Health Self-Insurance Program Internal Service Fund with its designated claim administrators. This amount has been determined by claim administrators to be representative of one month's billings.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**V. RECEIVABLES**

**A. RECEIVABLES**

The County's net receivables for the year ended June 30, 2007 for the individual funds, non-major funds and internal services funds are as follows:

<u>Governmental Activities:</u>	<u>Taxes</u>	<u>Accounts</u>	<u>Interest</u>	<u>Other</u>	<u>Total Receivables</u>
General Fund	\$ 37,000	\$	\$ 3,828	\$ 26,326	\$ 67,154
Child Support			28	1,049	1,077
Employer's Training Resource			10	2,276	2,286
Human Services		13,170	90	8,035	21,295
Mental Health		387	128	10,919	11,434
Roads			276	2,174	2,450
Structural Fire	5,908		194	5,117	11,219
Tobacco Securitization Proceeds			45		45
Other Non-major Governmental Funds	668		687	12,002	13,357
Internal Service Funds		2,083	335	135	2,553
Total Governmental Activities	<u>\$ 43,576</u>	<u>\$ 15,640</u>	<u>\$ 5,621</u>	<u>\$ 68,033</u>	<u>\$ 132,870</u>

The receivables category classified as Other is composed of receivables from various State sources. Of the \$13,170 of accounts receivable for Human Services, \$982 is estimated to be collected within one year, leaving \$12,188 in receivables to be collected in future years. Human Services has a slow collection process due to the nature of the services they provide. The total amount of taxes receivables not expected to be collected within one-year totals \$38,347. Of this amount, \$32,560 is recorded in the General Fund, \$5,199 in the Structural Fire Fund and \$588 in the County Service Areas Non-major Governmental Fund – Special Revenue Fund.

<u>Business-type Activities:</u>	<u>Taxes</u>	<u>Accounts</u>	<u>Interest</u>	<u>Other</u>	<u>Gross Receivables</u>	<u>Allowance for Uncollectibles</u>	<u>Total Receivables</u>
Airports	\$	\$ 192	\$ 30	\$ 767	\$ 989	\$ 82	\$ 907
Kern Medical Center		205,414	91		205,505	141,938	63,567
Waste Management	3,894	1,525	668	645	6,732	166	6,566
Non-major Enterprise Funds	1,978	14	168	979	3,139		3,139
Total Business-type Activities	<u>\$ 5,872</u>	<u>\$ 207,145</u>	<u>\$ 957</u>	<u>\$ 2,391</u>	<u>\$ 216,365</u>	<u>\$ 142,186</u>	<u>\$ 74,179</u>

Kern Medical Center's accounts receivable balance is \$205,414. Of the accounts receivable balance, Kern Medical Center estimates not to collect \$141,938 within one year.

The total amount of taxes receivable not expected to be collected within one year is \$5,167. The \$5,167 taxes receivable is allocated to Waste Management, County Sanitation Districts, and Universal Collections in the amounts of \$2,333, \$1,496 and \$1,338, respectively.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**V. RECEIVABLES (CONTINUED)**

**B. UNAVAILABLE/UNEARNED REVENUE**

Governmental funds report deferred revenues in connection with receivables for revenues not considered available to liquidate liabilities of the current period. Governmental and enterprise funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

The various components of deferred revenue and unearned revenue reported at June 30, 2007 are as follows:

Governmental Activities:	Unavailable
Delinquent Property Taxes Receivable	
General Fund	\$ 15,505
Structural Fire	5,032
Non-major Governmental Fund	1,900
Accounts Receivable	
Human Services	12,923
Advance Funds	
Human Services	8,454
Total Deferred or Unearned Revenue for Governmental Funds	\$ 43,814

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**VI. INTERFUND TRANSACTION**

**A. DUE TO/FROM OTHER FUNDS**

Due to or Due from Other Funds amounts will be repaid in the following fiscal year. Due to or Due from Other Funds at June 30, 2007 are as follows:

	Due To	Due From	Purpose
General Fund	\$ 6,728	\$	
Non-major Governmental Funds		5,470	Expense Reimbursement & Proposition 172 Revenue
Investment Trust		1,258	Final Allocation of Court Fines & Tax Revenue
	<u>6,728</u>	<u>6,728</u>	
Structural Fire	946		
Non-major Governmental Funds		563	Proposition 172 Revenue
General Fund		383	Expense Reimbursement
	<u>946</u>	<u>946</u>	
Kern Medical Center	1,847		
General Fund		1,847	Final Allocation of Tax Revenue
	<u>1,847</u>	<u>1,847</u>	
Internal Service Funds	33		
General Fund		25	Services Provided
Human Services		1	Services Provided
Mental Health		1	Services Provided
Child Support		1	Services Provided
Waste Management		3	Services Provided
Non-Major Enterprise		1	Services Provided
Non-major Governmental Funds		1	Services Provided
	<u>33</u>	<u>33</u>	
Non-major Governmental Funds	1,234		
Investment Trust		679	Final Allocation of Court Fines
Structural Fire		53	Proposition 172 Revenue
General Fund		502	Proposition 172 Revenue
	<u>1,234</u>	<u>1,234</u>	
Agency	20		
Investment Trust		20	Cash Flow
	<u>20</u>	<u>20</u>	
Total	<u>\$ 10,808</u>	<u>\$ 10,808</u>	



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**VI. INTERFUND TRANSACTION (CONTINUED)**

**B. LOANS RECEIVABLE/PAYABLE**

Loans receivable or payable at June 30, 2007 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Agency Fund	Non-major Governmental Fund	\$ 139	Start-up cost of projects
		<u>\$ 139</u>	

**C. ADVANCES TO/FROM OTHER FUNDS**

Advances to or from Other Funds at June 30, 2007 are as follows:

<u>Advances From</u>	<u>Advances To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Human Services	\$ 6,832	To cover cash flow.
General Fund	Mental Health	1,030	To cover cash flow.
General Fund	Kern Medical Center	18,971	To cover cash flow.
General Fund	Non-major Governmental Funds	<u>821</u>	To cover cash flow.
		27,654	
Retiree Group Health	Group Health	5,460	To cover cash flow.
Non-major Governmental Funds	Airports	6,986	To cover cash flow.
Tobacco Securitization Proceeds	Airports	4,500	To cover cash flow.
Waste Management	Non-major Enterprise Funds	<u>2,500</u>	To cover start up costs.
		<u>\$ 47,100</u>	

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**VI. INTERFUND TRANSACTION (CONTINUED)**

**D. TRANSFERS**

A reconciliation of transfers is detailed below:

Transfers From	Transfers To	Amount
General Fund	Human Services	\$ 18,170
	Mental Health	882
	Roads	5,500
	Structural Fire	16,381
	Non-major Governmental Funds	14,007
	Kern Medical Center	40,605
		<u>95,545</u>
Mental Health	General Fund	<u>7</u>
Structural Fire	Non-major Governmental Funds	<u>606</u>
Tobacco Securitization Proceeds	General Fund	<u>750</u>
Non-major Governmental Funds	General Fund	65,610
	Human Services	102
	Mental Health	190
	Roads	14
	Structural Fire	5,287
	Non-major Governmental Funds	24
	Kern Medical Center	<u>2</u>
	<u>71,229</u>	
Capital Assets (Government-wide)	Internal Service Fund	460
		<u>\$ 168,597</u>

The General Fund transferred \$45,797 to Human Services, Mental Health, Road, Structural Fire, and Aging and Adult Services-Non-major Governmental Fund as a subsidy to their operations. The Structural Fire Fund transferred \$606 to Kern Asset Leasing Corporation to cover debt service payments. The transfer to Kern Medical Center of \$34,239 represents a contribution to the hospital operations as well as a transfer of special purpose funds received from the State. The transfer to In-Home Supportive Services (IHSS) of \$9,143 also represents a contribution to the department's operations.

Non-major Governmental Fund transferred \$66,292 to the General Fund as part of the funding for POB Debt Service, Sheriff Sidearm Conversion, Health MAA/TCM, Fire Special Program, Prop 35 Substance Abuse, ACO-General, Litter Cleanup, Off-Highway Motor Vehicle License, DNA Identification, Local Public Safety, Auto Finger Print, Emergency Medical Services, Automated County Warrant, Domestic Violence, Criminal Justice Facility, Recorders Fee, and Micrographic.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**VI. INTERFUND TRANSACTION (CONTINUED)**

**D. TRANSFERS (CONTINUED)**

Non-major Governmental Funds such as A-C Farm, Health-Local Option, Health-State L.U.S.T. Program, Property Tax Administration, Sheriff Training, Sheriff Cal ID, Sheriff Inmate Welfare, Rental Book, Library Book, and Alcohol Abuse Education transferred \$388 to the General Fund as a subsidy of the operation. The County Service Areas transferred \$14 to Roads as a expense reimbursement.

The Alcoholism Program, Alcohol Abuse Education/Prevention, and Drug Program transferred \$190 to the Mental Health Fund to fund its operations of the programs funded by the special purpose funds, County Children's Trust transferred \$102 to Human Services, ACO-Structural Fire and Local Public Safety transferred \$5,341 to Structural Fire. Debt Service transferred \$2 to reallocate debt service expense appropriately.

**VII. CAPITAL ASSETS**

**A. CAPITAL ASSETS**

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

	Beginning Balance Restated	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, not being depreciated:				
Land & Easement	\$ 22,955	\$ 972	\$ 7	\$ 23,920
Construction in Progress	36,752	6,456	18,695	24,513
Total Capital Assets, not being depreciated	<u>59,707</u>	<u>7,428</u>	<u>18,702</u>	<u>48,433</u>
Capital Assets, being depreciated:				
Infrastructure	339,167	76,809		415,976
Structures & Improvements	325,645	20,770		346,415
Equipment	134,403	18,758	8,022	145,139
Total Capital Assets, being depreciated	<u>799,215</u>	<u>116,337</u>	<u>8,022</u>	<u>907,530</u>
Less: Accumulated Depreciation for:				
Infrastructure	177,617	14,573		192,190
Structures & Improvements*	129,245	5,634		134,879
Equipment & Intangibles	73,363	10,303	5,097	78,569
Total Accumulated Depreciation and Amortization	<u>380,225</u>	<u>30,510</u>	<u>5,097</u>	<u>405,638</u>
Total Capital Assets, being depreciated, net	<u>418,990</u>	<u>85,827</u>	<u>2,925</u>	<u>501,892</u>
Capital Assets, net	<u>\$ 478,697</u>	<u>\$ 93,255</u>	<u>\$ 21,627</u>	<u>\$ 550,325</u>

\*As restated see note II. A

At June 30, 2007, the land & easements beginning balance was restated by a prior period adjustment of \$(118). Also the accumulated depreciation beginning balances for structures and improvements and equipment were restated by prior period adjustments of \$(69) and \$(719), respectively.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**VII. CAPITAL ASSETS (CONTINUED)**

**A. CAPITAL ASSETS (CONTINUED)**

Capital asset business-type and component unit activity for the year ended June 30, 2007 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type Activities:</b>				
Capital Assets, not being depreciated:				
Land	\$ 22,869	\$	\$	\$ 22,869
Land Acquisition in Progress	63	271		334
Construction in Progress	51,952	15,864	28,519	39,297
Total Capital Assets, not being depreciated	74,884	16,135	28,519	62,500
Capital Assets, being depreciated:				
Structures & Improvements	148,205	31,184	217	179,172
Equipment	52,663	3,581	1,801	54,443
Intangibles	286			286
Infrastructure	7,642	199		7,841
Total Capital Assets, being depreciated	208,796	34,964	2,018	241,742
Less: Accumulated Depreciation for:				
Structures & Improvements	69,687	7,075		76,762
Equipment	39,386	3,788	1,694	41,480
Intangibles	106	31		137
Infrastructure	4,414	138		4,552
Total Accumulated Depreciation and Amortization	113,593	11,032	1,694	122,931
Total Capital Assets, being depreciated, net	95,203	23,932	324	118,811
Capital Assets, net	\$ 170,087	\$ 40,067	\$ 28,843	\$ 181,311

\*As restated see note II. A

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Component Unit Activities:</b>				
Capital Assets, being depreciated:				
Equipment	\$ 22	\$	\$	\$ 22
Less: Accumulated Depreciation	10	4		14
Capital Assets, net	\$ 12	\$ 4	\$	\$ 8

**COUNTY OF KERN  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**VII. CAPITAL ASSETS (CONTINUED)**

**B. DEPRECIATION**

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

<b>Governmental Activities:</b>	
General	\$ 5,138
Public Protection	7,720
Public Ways and Facilities	14,728
Health and Sanitation	309
Public Assistance	630
Education	539
Recreation and Culture	780
Depreciation on Capital Assets Held by the County's Internal Service Fund are charged to various functions based on usage of the assets	666
Total Depreciation Expense - Governmental Activities	<u>\$ 30,510</u>
 <b>Business-type Activities:</b>	
Airports	\$ 1,290
Kern Medical Center	4,746
Waste Management	3,705
County Sanitation Districts	389
Golf Course	148
Public Transportation	754
Total Depreciation Expense - Business-type Activities	<u>\$ 11,032</u>

**C. CONSTRUCTION IN PROGRESS**

Construction in progress for governmental funds represents work that is being performed on the Public Health facility, Probation Juvenile facility, Parks and Recreation irrigation and landscaping, Fire Department station, General Services court security, roads and a number of smaller projects. There are other construction in progress projects for the business-type funds. Airports is constructing the new terminal at Meadows Field. In addition to the project previously mentioned there are also numerous smaller projects in progress.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**VIII. LEASES**

**A. LONG-TERM OPERATING LEASES**

The County has entered into various long-term lease agreements for buildings and land which have been classified as operating leases. None of the leases convey rights of ownership or are of a duration approximating useful economic life. The total costs for operating leases for the fiscal year ended June 30, 2007 amounted to \$12,216. The following is a schedule of future minimum long-term operating lease payments for the Governmental Funds:

Year Ending June 30,	Amount
2008	\$ 10,480
2009	7,280
2010	6,161
2011	5,134
2012	4,985
2013 - 2024	30,048
Total	<u>\$ 64,088</u>

**B. CAPITAL LEASES**

The County has entered into several long-term lease purchase agreements for certain major pieces of equipment during fiscal year ended June 30, 2007. At the end of the lease, when all terms have been met, the related equipment will become property of the County.

The following is a schedule of future minimum lease payments for capital leases:

Year Ending June 30,	Governmental Activities
2008	\$ 1,678
2009	1,906
2010	757
2011	345
2012	282
2013 - 2017	1,271
Total Minimum Lease Payments	6,239
Less: Amount Representing Interest	(820)
Present Value of Minimum Lease Payments	<u>\$ 5,419</u>

Interest expense for the capital leases for the current fiscal year was \$820. The interest expense is reported as direct expense in each function.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX LEASES (CONTINUED)**

**B. CAPITAL LEASES (CONTINUED)**

The following is a schedule of capital assets under capital leases by major classes at June 30, 2007:

Year Ending June 30, 2007	Governmental Activities
Equipment	\$ 16,670
Structure	792
Total Capital Lease Assets, Gross	<u>\$ 17,462</u>

**IX. LONG-TERM DEBT**

**A. LONG-TERM LIABILITIES**

The County is not obligated in any manner for outstanding special assessment debt. However, the County acts in an agency capacity for property owners in collecting overlapping tax and assessment debt, which totals \$942,360. These amounts do not appear in the accompanying General Purpose Financial Statements.

As indicated in Notes I. E, VIII. A, VIII. B, IX. B, IX. C, IX. D, IX. E, IX. F, the County has recognized a long-term liability for employees' vacation and sick leave accruals, compensated absences, lease purchase agreements, certificates of participation, facility lease, loans payable, bonds payable, and pension obligation bonds.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX. LONG-TERM DEBT (CONTINUED)**

**A. LONG-TERM LIABILITIES (CONTINUED)**

A schedule of changes in long-term debt is as follows:

	Beginning Balance Restated *	Additions	Deletions	June 30, 2007	Due Within One Year
<b>Governmental Activities:</b>					
Compensated Absences	\$ 47,026	\$ 29,056	\$ 27,954	\$ 48,128	\$ 28,877
Lease Purchase Agreements	7,103	2,326	4,010	5,419	1,678
Bonds Payable	225			225	190
Certificates of Participation	16,565		2,460	14,105	2,585
Tobacco – Asset Backed Bonds	102,415		1,150	101,265	660
Facility Lease	-		-	-	-
Loans Payable – HUD Loan	4,740		1,080	3,660	1,145
Loans Payable – Election/Voting	950		950		
Loans Payable – Sheriff/Retrofitting	2,689		348	2,341	359
Pension Obligation Bonds (1995)	170,672		6,476	164,196	7,974
Pension Obligation Bonds (2003)	243,712		543	243,169	1,276
Total Governmental Activities	596,097	31,382	44,971	582,508	44,744
<b>Business-type Activities:</b>					
Compensated Absences	12,165	8,007	7,000	13,172	6,680
Lease Purchase Agreements	2		2		
Certificates of Participation	50,580		4,115	46,465	2,955
Pension Obligation Bonds (1995)	31,058		1,180	29,878	1,451
Pension Obligation Bonds (2003)	35,012		77	34,935	184
Land Closure Cost	32,591	1,136	2,972	30,755	3,915
Post-closure Cost	34,272	6,390		40,662	370
Total Business-type Activities	195,680	15,533	15,346	195,867	15,555
Total Government-wide Long-Term Liabilities	\$ 791,777	\$ 46,915	\$ 60,317	\$ 778,375	\$ 60,299

\*As Restated See Note II. A.

**B. CERTIFICATES OF PARTICIPATION**

Certificates of Participation are secured by annual lease rental payments payable by the County for use of facilities constructed or purchased from the certificate proceeds.

The County has outstanding Certificates of Participation totaling \$60,570 at fixed interest rates. The proceeds of these Certificates are being used for the acquisition of equipment and acquisition, construction and renovation of certain public facilities within the County. All of the certificates have been delivered to the trustees (U.S. Bank and Wells Fargo Bank) for investment and disbursement subject to the terms and conditions of the trust agreements. Of this debt, \$9,000 is included in the governmental activities, \$12,215 is included as current and long-term debt of the Airports Fund, \$12,340 is included as current and long-term debt of the Kern Medical Center Fund, \$17,100 is included as current and long-term debt of the Waste Management Fund and \$2,985 is included as current and long-term debt of the Golf Course-Non-major Business-type Fund. The 1999 Capital Improvement Project COP balance of \$17,445 is divided between the Kern Medical Center Fund and the governmental activities as shown in the summary schedules included in this section.



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX. LONG-TERM DEBT (CONTINUED)**

**C. CERTIFICATES OF PARTICIPATION (CONTINUED)**

The Solid Waste System Improvement 1994 and 2002 Certificates of Participation are paid from the Waste Management Fund. The Kern Medical Center Emergency Facility Certificates of Participation is currently being paid from the Kern Medical Center Fund. The 1999 Capital Improvement Project Certificates of Participation are paid from the Kern Medical Center Fund and the Kern Asset Leasing Corporation. The Airport 2003 Certificates of Participation are paid from the Airport Fund.

The Golf Course Capital Improvement Certificate of Participation is currently being paid from the Golf Course Non-major Enterprise Fund. The County of Kern Asset Leasing Corporation is making payments of principal and interest with respect to the remaining issues.

The obligation of the County to make base rental payments does not constitute a general obligation of the County for which the County is obligated to levy or pledge any form of taxation. The 1986 COP has a variable interest rate, whereas, the remaining issues have a fixed interest rate. Schedules of future minimum long-term payments of the certificates of participation are recorded in the governmental and business-type activities. The schedules are as follows:

**Beale Library**

The original issue amount of the Beale Library COP was \$16,060 and the expected maturity dates were from December 1, 1996 - 2007. The Beale Library has fixed interest rates that range from 3.2% to 4.9%. The Beale Library debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 1,695	\$ 41	\$ 1,736
Total	\$ 1,695	\$ 41	\$ 1,736

**Rosamond Library**

The original issue amount of the Rosamond Library COP was \$1,940 and the expected maturity dates were from October 1, 1994 - 2014. The Rosamond Library has fixed interest rates that range from 4.7% to 6.5%. The Rosamond Library debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 110	\$ 65	\$ 175
2009	115	58	173
2010	120	51	171
2011	130	43	173
2012	135	35	170
2013 - 2015	465	46	511
Total	\$ 1,075	\$ 298	\$ 1,373

**1999 Capital Improvement Project – Communications Project**

The original issue amount of the 1999 Capital Improvement Project – Communications Project was \$6,815 and the expected maturity dates were from November 1, 1999 - 2019. The Communications Project has fixed interest rates that range from 4% to 5.5%. On the next page, the 1999 Capital Improvements Project shows the debts schedule :

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX. LONG-TERM DEBT (CONTINUED)**

**C. CERTIFICATES OF PARTICIPATION (CONTINUED)**

**1999 CAPITAL IMPROVEMENT PROJECT – COMMUNICATIONS PROJECT (CONTINUED)**

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 290	\$ 258	\$ 548
2009	300	245	545
2010	315	230	545
2011	335	214	549
2012	345	198	543
2013 - 2015	1,155	480	1,635
2016 - 2020	2,365	339	2,704
Total	<u>\$ 5,105</u>	<u>\$ 1,964</u>	<u>\$ 7,069</u>

**1997 COP (Fire Department)**

The original issue of the 1997 COP was \$12,045 and the expected maturity dates were from May 1, 1997 - 2017. The 1997 COP has fixed interest rates that range from 3.85% to 5.25%. A summary of the certificate of participation debt associated with Structural Fire and recorded in the governmental activities is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 490	\$ 323	\$ 813
2009	515	299	814
2010	545	274	819
2011	570	246	816
2012	600	216	816
2012 - 2015	1,995	452	2,447
2016 - 2017	1,515	120	1,635
Total	<u>\$ 6,230</u>	<u>\$ 1,930</u>	<u>\$ 8,160</u>

A summary of the certificate of participation debt recorded in the Kern Medical Center Fund is as follows:

**Kern Medical Center – Emergency Facility**

The Kern Medical Center Emergency Facility has been paid off. The original issue amount of the Kern Medical Center – Emergency Facility was \$13,365 and the expected maturity dates were from December 1, 1991 - 2006. The Emergency Facility had fixed interest rates that ranged from 5.4% to 6.5%.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**IX. LONG-TERM DEBT (CONTINUED)**

**C. CERTIFICATES OF PARTICIPATION (CONTINUED)**

**1999 Capital Improvement Project – KMC Portion**

The original issue amount of the 1999 Capital Improvement Project – KMC Portion was \$13,655 and the expected maturity dates were from November 1, 1999 - 2019. The KMC Portion has fixed interest rates that range from 4% to 5.5%.

A summary of the certificate of participation debt associated with solid waste system improvements and recorded in the Waste Management Fund is as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 700	\$ 624	\$ 1,324
2009	735	591	1,326
2010	765	556	1,321
2011	800	519	1,319
2012	840	518	1,358
2013 - 2017	4,895	1,672	6,567
2018 - 2020	3,605	304	3,909
Total	<u>\$ 12,340</u>	<u>\$ 4,784</u>	<u>\$ 17,124</u>

**Solid Waste System Improvements (1994)**

The original issue amount of the Solid Waste System Improvements (1994) was \$17,875 and the expected maturity dates were from August 1, 1994 - 2009. The Solid Waste Improvements (1994) has fixed interest rates that range from 4% to 5.75%.

Year Ending June 30,	Principal	Interest	Total
2008	\$ 1,500	\$ 230	\$ 1,730
2009	1,585	142	1,727
2010	1,675	48	1,723
Total	<u>\$ 4,760</u>	<u>\$ 420</u>	<u>\$ 5,180</u>

**Solid Waste System Improvements (2002)**

The original issue amount of the Solid Waste System Improvements (2002) was \$14,165 and the expected maturity dates were from August 1 - June 30, 2002 - 2017. The Solid Waste Improvements (2002) has fixed interest rates that range from 4.34% to 4.7%.

Year Ending June 30,	Principal	Interest	Total
2008	\$	\$ 614	\$ 614
2009		614	614
2010	1,610	582	2,192
2011	1,570	518	2,088
2012	1,640	453	2,093
2013 - 2017	9,345	1,110	10,455
Total	<u>\$ 14,165</u>	<u>\$ 3,891</u>	<u>\$ 18,056</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**IX. LONG-TERM DEBT (CONTINUED)**

**C. CERTIFICATES OF PARTICIPATION (CONTINUED)**

**Solid Waste System Improvements (2002) (CONTINUED)**

Per the terms of the Master Agreement governing the certificate of participation, the Solid Waste has agreed to set and collect fees and charges for use of the System and to revise the rates as may be necessary or appropriate to:

- 1) Produce in each fiscal year net operating revenue which will in each fiscal year at least equal the aggregate system debt service expenses payable in such fiscal year and
- 2) Produce in each fiscal year net operating revenues which, when combined with the amount of available funds, the surplus funds which have not been encumbered or designated by the County for any specific purpose relating to the Waste Management System, will in each fiscal year be equal to or greater than 1.15 times the aggregate system debt service expenses payable in such fiscal year.

The following page is a schedule calculating the ratios described above. In order to meet the terms described in the Master Agreement, Ratio 1 must be equal to or greater than 1 and Ratio 2 must be equal to or greater than 1.15. This table shows the historical revenues and expenses for the Solid Waste System. This table reflects the cash basis revenues and expenses consistent with the rate covenant and the conditions precedent to execution of additional system obligations under the master agreement. This cash basis of reporting is different from the basis of reporting for the Solid Waste Enterprise Fund contained in the fund statements. In the fund statements, revenues and expenses for the Solid Waste Enterprise Fund are accounted for on the accrual basis, in which revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX. LONG-TERM DEBT (CONTINUED)**

**C. CERTIFICATES OF PARTICIPATION (CONTINUED)**

A schedule of debt service coverage is as follows:

	2007	2006	2005	2004	2003
Operating Revenues					
Land Use Fee	\$ 16,032	\$ 15,603	\$ 15,178	\$ 14,876	\$ 12,250
Gate Fee	11,590	12,060	10,916	9,869	10,995
Bin Fee *	4,174	4,234	4,615	3,694	
Other (Includes interest income)	4,477	3,983	2,856	2,455	2,374
Total Operating Revenue	<u>36,273</u>	<u>35,880</u>	<u>33,565</u>	<u>30,894</u>	<u>25,619</u>
Operating Expense					
Salaries	9,611	8,929	7,820	6,692	5,915
Services & Supplies	16,983	15,498	15,658	15,584	13,706
Transfer to Closure	1,174	715	5	800	1,134
Other (excluding depreciation)	398	117	304	338	363
Total Operating Expense	<u>28,166</u>	<u>25,259</u>	<u>23,787</u>	<u>23,414</u>	<u>21,118</u>
Net Operating Revenue	<u>8,107</u>	<u>10,621</u>	<u>9,778</u>	<u>7,480</u>	<u>4,501</u>
1994 Debt Service	1,669	1,672	1,712	1,694	1,577
2002 Debt Service	543	535	604	556	612
Total Debt Service	<u>2,212</u>	<u>2,207</u>	<u>2,316</u>	<u>2,250</u>	<u>2,189</u>
Debt Service Coverage Ratio 1 Net Operating Revenue/Total Debt Service	3.66	4.81	4.22	3.32	2.06
Net Operating Revenue after Debt Service	<u>5,895</u>	<u>8,414</u>	<u>7,462</u>	<u>5,230</u>	<u>2,312</u>
Non-Operating Revenue (Expense)					
Closure Project Expense	(48)	(20)	(166)	(365)	(2,434)
Non-Closure Capital Projects	(9,312)	(13,541)	(2,398)	(2,232)	(4,271)
Capital Equipment	(193)	(210)	(199)	(322)	(217)
Other non-operating revenue	26				
Net Non-Operating Revenue (Expense)	<u>(9,527)</u>	<u>(13,771)</u>	<u>(2,763)</u>	<u>(2,919)</u>	<u>(6,922)</u>
Total Net Income (Loss)	<u>(3,632)</u>	<u>(5,357)</u>	<u>4,699</u>	<u>2,311</u>	<u>(4,610)</u>
Available Funds (Beginning Balance)					
Beginning balance	3,963	7,274	8,056	4,945	16,733
Total Income (Loss)	(3,632)	(5,357)	4,699	2,311	(4,610)
Draw from Closure Reserve	682		941		
Draw from Bena & Shafter Reserve	10,509				
Proceeds From COPs					
Other Adjustments	8,129	2,046	(6,422)	800	(7,178)
Available Funds (Ending Balance)	<u>\$ 19,651</u>	<u>\$ 3,963</u>	<u>\$ 7,274</u>	<u>\$ 8,056</u>	<u>\$ 4,945</u>
Debt Service Coverage Ratio 2	5.46	8.11	7.70	5.52	9.70

\* Prior to fiscal year ended June 30, 2004, bin fees were included as part of the gate fees.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX. LONG-TERM DEBT (CONTINUED)**

**C. CERTIFICATES OF PARTICIPATION (CONTINUED)**

A summary of the certificate of participation debt recorded in the Golf Course-Non-major Enterprise Fund is as follows:

**1996 COP (Golf Course – Capital Improvement)**

The original issue amount for the 1996 COP was \$4,795 and the expected maturity dates were from October 1, 1996 - 2016. The Golf Course Capital Improvement has fixed interest rates that range from 5% to 5.65%.

Year Ending June 30,	Principal	Interest	Total
2008	\$ 235	\$ 157	\$ 392
2009	245	145	390
2010	260	131	391
2011	270	117	387
2012	285	102	387
2013 - 2017	1,690	247	1,937
Total	\$ 2,985	\$ 899	\$ 3,884

**2003 COP (Airports – Capital Improvement)**

The original issue amount for the 2003 COP was \$13,225 and the expected maturity date was August 1, 2023. The 2003 COP (Airports – Capital Improvement) has fixed interest rates that range from 1.75% to 4.80%.

Year Ending June 30,	Principal	Interest	Total
2008	\$ 520	\$ 503	\$ 1,023
2009	535	489	1,024
2010	550	472	1,022
2011	570	454	1,024
2012	590	433	1,023
2013 - 2017	3,340	1,782	5,122
2018 - 2022	4,155	970	5,125
2023 - 2024	1,955	95	2,050
Total	\$ 12,215	\$ 5,198	\$ 17,413

**D. FACILITY LEASE**

The Facility Lease loan for the 1994 Rural and Economic Development Infrastructure Program associated with the expansion of the Frito Lay Plant has been paid off. The original issue of the Facility Lease was \$859 and the expected maturity dates were from July 1, 1995 - 2010 and January 1, 1996 - 2009. The fixed interest rate was 6.5%.

**E. LOANS PAYABLE**

**Public Health Facility – HUD Loan**

In order to facilitate the construction of the Public Health Facility, the County borrowed \$10,000 in HUD Section 108 Guaranteed Loan funds in fiscal year 1999 - 2000. The expected maturity dates were from August 1, 2000 - 2009 and February 1, 2001 - 2009. The loans payable has fixed interest rates that range from 1.85% to 8.64%. These funds were initially advanced on notes issued by an interim lender. They were replaced by a single note issued by Chase Manhattan Bank, the fiscal agent.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX. LONG-TERM DEBT (CONTINUED)**

**E. LOANS PAYABLE (CONTINUED)**

**Public Health Facility – HUD Loan (CONTINUED)**

The loan is guaranteed by HUD under the Loan Guarantee Assistance Section of the Community Block Grant Program, Section 108 of the Housing and Community Development Act of 1974. A summary schedule of the future payments is as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 1,145	\$ 223	\$ 1,368
2009	1,220	137	1,357
2010	1,295	47	1,342
Total	<u>\$ 3,660</u>	<u>\$ 407</u>	<u>\$ 4,067</u>

**Election/Voting**

In order to facilitate the acquisition of a new touch screen voting and tabulation system, the County obtained a loan for \$1,595 in fiscal year 2002-2003. The loan has a fixed interest rate of 2.99%, and the expected maturity dates are from September 1, 2003 to March 1, 2010. The Election/Voting debt has been paid off.

**Sheriff/Retrofitting**

In order to upgrade the energy conservation improvements at the County-owned Lerdo detention facility (Phase II), the County obtained a loan for \$3,675 in fiscal year 2002 - 2003. The lease for this energy retrofit project has a fixed interest rate of 3.26%, and the expected maturity dates are from September 1, 2003 to March 1, 2013. The Sheriff/Retrofitting debt schedule of the outstanding balance is as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 360	\$ 73	\$ 433
2009	371	61	432
2010	383	49	432
2011	396	36	432
2012	409	24	433
2013	422	10	432
Total	<u>\$ 2,341</u>	<u>\$ 253</u>	<u>\$ 2,594</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX LONG-TERM DEBT (CONTINUED)**

**F. BONDS PAYABLE**

**Tobacco Settlement Asset-Backed Bonds**

In April 2002, The California County Tobacco Securitization Agency issued the Tobacco Settlement Asset-Backed Bonds on behalf of Kern County Tobacco Funding Corporation, which is reported as a blended component unit of the County. The original issue amount of the bonds was \$105,245 and the expected maturity dates were from June 1, 2015 – 2043. The bonds' interest rates range from 6.0% to 6.83%.

The legal structure to issue these bonds included the sale by Kern County of the Tobacco Settlement Revenue (TSR) to a nonprofit corporation formed by the County called the Kern County Tobacco Funding Corporation.

The California County Tobacco Securitization Agency issued bonds and loaned the proceeds to the Kern County Tobacco Funding Corporation which, in turn paid the proceeds to the County. The bonds are limited obligations of the Agency payable solely from payments made by the Kern County Tobacco Funding Corporation from tobacco settlement payments purchased from the County. The bonds do not constitute a charge against the general credit of the Agency (except from loan payments by the Corporation) or the County and neither will the Agency or the County be obligated to pay interest on or principal of these bonds. These bonds do not constitute a legal debt, liability or obligation of the County.

The Tobacco Settlement Asset-Backed Bonds debt schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 650	\$ 6,392	\$ 7,042
2009	630	6,347	6,977
2010	595	6,303	6,898
2011	560	6,263	6,823
2012	985	6,225	7,210
2013 - 2017	2,480	30,170	32,650
2018 - 2022	8,100	28,333	36,433
2023 - 2027	11,680	25,476	37,156
2028 - 2032	15,620	21,536	37,156
2033 - 2037	22,120	15,861	37,981
2038 - 2042	30,380	8,122	38,502
2043	7,465	457	7,922
Total	\$ 101,265	\$ 161,485	\$ 262,750

The Belle Vista bonds payable is pursuant to the Improvement Bond Act of 1915 and Resolution of Intention Number 88-506. The Board of Supervisors adopted the bond on June 13, 1988. The original issue amount for Belle Vista was \$351 and the expected maturity dates were from September 2, 1990 - 2009. The bonds payable has fixed interest rates that range from 6.5%-8.1%. The debt related schedule is as follows:



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**IX LONG-TERM DEBT (CONTINUED)**

**F. BONDS PAYABLE (CONTINUED)**

Year Ending June 30,	Principal	Interest	Total
2008	\$ 160	\$ 6	\$ 166
2009	30	4	34
2010	35	1	36
Total	<u>\$ 225</u>	<u>\$ 11</u>	<u>\$ 236</u>

**G. PENSION OBLIGATION BOND**

**1995 Pension Obligation Bond**

The County's Board of Supervisors adopted a resolution to authorize the issuance of a County of Kern pension obligation debenture, a trust agreement, and an interest rate swap agreement in order to finance the County's share of the un-funded accrued actuarial liability of the Kern County Employees' Retirement Association (KCERA). The actuarial accrued liability of participating special districts was excluded from this funding source. The taxable pension obligation bonds have been issued at \$227,818 to cover the County of Kern's un-funded actuarial liability of not less than \$224,437. KCERA received the bond proceeds and recorded \$224,437 of contribution income for the fiscal year ended June 30, 1996.

At June 30, 2007, the amount of certificates included as a component of the County's pension liability was \$194,074. Of this amount, \$164,196 has been recorded in the governmental activities, and \$29,879 has been recorded in the proprietary fund types. Debt service for the amount recorded in the governmental activities is reflected in the debt service fund entitled Pension Obligation Bond Trustee Non-major Governmental Fund.

The bonds have various maturity dates between 2001 and 2015 for Current Interest bonds and between 2016 and 2022 for Capital Appreciation bonds. The interest ranges from 6.160% to 7.260% for the Current Interest bonds and 7.560% to 7.610% for the Capital Appreciation bonds. For the year ended June 30, 2007 interest payments related to the certificates were \$10,705. Of this amount, \$9,057 was paid out of governmental funds and \$1,648 was paid out of business-type funds.

The following is a summary of the total funding requirements of the bonds:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 9,425	\$ 10,126	\$ 19,551
2009	11,403	9,413	20,816
2010	13,622	8,545	22,167
2011	16,091	7,505	23,596
2012	18,870	6,255	25,125
2013 - 2017	91,601	58,794	150,395
2018 - 2022	33,062	159,268	192,330
Total	<u>\$ 194,074</u>	<u>\$ 259,906</u>	<u>\$ 453,980</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**IX. LONG-TERM DEBT (CONTINUED)**

**G. PENSION OBLIGATION BOND (CONTINUED)**

**2003 Pension Obligation Bond**

The County's Board of Supervisors adopted a resolution to authorize the issuance of the County of Kern pension obligation debenture in order to finance the County's share of the un-funded accrued actuarial liability of the KCERA. The actuarial liability of participating special districts was excluded from this funding source. The Taxable Pension Obligation Bonds have been issued at \$288,177. The Series 2003A Bonds were issued as Current Interest Bonds and Capital Appreciation Bonds; the Series 2003B Bonds were issued as Auction Rate Bonds. The bonds have various maturity dates ranging from 2006 to 2023 for Current Interest Bonds and from 2023 to 2028 for Capital Appreciation bonds. Series 2003A has fixed interest rates that range from 2.33% to 4.88% for the Current Interest Bonds and 5.50% to 5.57% for the Capital Appreciation Bonds. Auction Rate Bonds have variable rates that reset every 28 days via auction. The Auction Rate Bonds follow LIBOR plus about 25 basis points. The rate, for the period of June 8, 2006 to July 5, 2006, was 5.08%.

At June 30, 2007, the amount of bonds included as a component of the County's pension liability was \$278,104. This amount has been recorded in the Government-Wide Statement of Net Assets as a liability along with a negative net pension asset for the same amount. The net pension asset was reduced using the amortization methodology used in determining the annual required contribution for the year. The pension asset at June 30, 2007 is \$209,363. The amount liquidated is reported in the statement of activities as direct expense in each function. The following is a summary of the total funding requirements of the bonds:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 1,460	\$ 9,851	\$ 11,311
2009	2,364	9,794	12,158
2010	3,336	9,701	13,037
2011	4,386	9,565	13,951
2012	5,528	9,377	14,905
2013 - 2017	48,326	41,887	90,213
2018 - 2022	94,839	25,674	120,513
2023 - 2027	81,000	74,985	155,985
2028	36,865	269	37,134
Total	<u>\$ 278,104</u>	<u>\$ 191,103</u>	<u>\$ 469,207</u>

**X. SHORT-TERM DEBT**

**TAX AND REVENUE ANTICIPATION NOTES**

The Tax and Revenue Anticipation Notes (TRAN) proceeds were intended to provide financing of seasonal cash flow requirements for the County's General Fund expenditures during fiscal year ended June 30, 2007.

	Beginning Balance	Additions	Deletions	Ending Balance
Tax and Revenue Anticipation Notes	\$	\$ 160,000	\$ 160,000	\$

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**XI. NET ASSETS/FUND BALANCES**

**A. RESERVED FUND BALANCE**

The reserved fund balance for the Governmental Activities for the fiscal year end June 30, 2007 is as follows:

	General Fund	Child Support	Human Services	Mental Health	Roads	Structural Fire	Tobacco Securitization Proceeds	Other Governmental Funds
Imprest Cash	\$ 1,155	\$ 96	\$ 101	\$ 3		\$ 2		\$ 2
Deposits with Others	205							
Inventory	69				1,177	742		
Infrastructure Replacement								13,130
Encumbrances	16,614		208	7,473	702	2,684	6	43
Fiscal Stability	34,520							
General								6,195
Tax Litigation	3,162					1,003		
Design Work Force Plan	6,634					293		
Litigation Designation	598							
Tax Loss	23,019							
Debt Service								16,413
<b>Total Reserved Fund Balance</b>	<b>\$ 85,976</b>	<b>\$ 96</b>	<b>\$ 309</b>	<b>\$ 7,476</b>	<b>\$ 1,879</b>	<b>\$ 4,724</b>	<b>\$ 6</b>	<b>\$ 35,783</b>

**B. DESIGNATED FUND BALANCE**

The designated fund balances recorded in the Non-major Governmental Funds were reclassified as unrestricted net assets in the Government-wide Statement of Net Assets.

**C. RESTRICTED NET ASSETS**

Restricted net assets represents restrictions imposed on the use of the County's resources by parties outside of the government and by law through constitutional provisions or enabling legislation. The debt service restriction is imposed by the creditors for debt payments. The deposit with other represent required cash reserves as determined by the County's health insurance administrators. The restricted amount in the Internal Service Funds was included with the governmental activities in the government-wide financial statements.

**XII. OTHER INFORMATION**

**A. RISK MANAGEMENT**

The County is generally self-insured for general liability, unemployment insurance, workers' compensation, professional liability, retiree "under age 65" medical claims and employee medical and dental claims. Excess liability insurance is maintained for claims over \$2,000 and up to \$27,000 for Automobile and General Liability.

The Automobile and General Liability policy protects the County and its employees against most legal liabilities arising from automobile liability, products damage, contractual liability, and public officials' errors and omissions. Workers' compensation claims are self-insured up to \$1,500 per occurrence.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
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**XII. OTHER INFORMATION (CONTINUED)**

**A. RISK MANAGEMENT (CONTINUED)**

Excess coverage is maintained for workers' compensation claims up to statutory limits. The County does not self-insure against liability at its seven airports. Airports Liability insurance is maintained. The amount of settlements in each of the past three years has not exceeded the amount of insurance coverage. The liabilities for self-insurance included in the General Liability and Workers' Compensation Internal Service Funds are based upon the results of actuarial studies and include amounts for claims incurred but not reported. The liability for self-insurance included in the Group Health Internal Service Fund is based upon historical trend analysis and includes amounts for claims incurred but not reported (IBNR). The liability for self-insurance included in the Unemployment Compensation Internal Service Fund represents unpaid claims incurred as of June 30, 2007.

The Risk Management Division of the Office of County Counsel determines and administers General Liability and Workers' Compensation requirements of the County. The Risk Management Division also acquires insurance for earthquake, fire, boiler and machinery, crime and honesty, aviation, and other perils. Health and Unemployment self-insurance is administered by the County Administrative Office.

Except for medical malpractice, financial activity of the self-insurance programs is accounted for in separate internal service funds. Internal service funds are maintained for General Liability, Group Health, Retiree Group Health, Unemployment Compensation and Workers' Compensation. Retiree claims are paid from the Group Health Internal Service Fund. Changes in the Self Insurance Fund claims liabilities during the fiscal year ended June 30, 2007 and 2006 are as follows:

	July 1, 2006	Claims & Changes in Estimates	Claims Payments	June 30, 2007	Due Within One Year
General Liability	\$ 11,145	\$ 207	\$ 796	\$ 10,556	\$ 873
Group Health	4,700	94,233	93,433	5,500	5,500
Unemployment Compensation	1,030	2,561	2,356	1,235	1,235
Workers' Compensation	69,420	8,543	14,029	63,934	14,343
Total	\$ 86,295	\$ 105,544	\$ 110,614	\$ 81,225	\$ 21,951

	July 1, 2005	Claims & Changes in Estimates	Claims Payments	June 30, 2006
General Liability	\$ 6,897	\$ 5,196	\$ 947	\$ 11,146
Group Health	68,847	14,362	13,789	69,420
Unemployment Compensation	5,988	82,264	83,552	4,700
Workers' Compensation	1,103	2,471	2,544	1,030
Total	\$ 82,835	\$ 104,293	\$ 100,832	\$ 86,296

KMC maintains a liability in its fund based on actuarial estimates for the self-insured portion of its professional liability risks. The liability for losses and related expenses is estimated using expected loss-reporting patterns and was discounted to its present value using a rate of 9%. Adjustments to the liability are included in results of operations. KMC has accrued, in accordance with generally accepted accounting principles, an estimated liability for incurred but not reported losses of \$8,816 at June 30, 2007. KMC had a \$5,000 self-insured retention per occurrence for medical malpractice as of June 30, 2007. The primary policy included a \$10,000 per occurrence and in aggregate. Excess insurance is also maintained for \$20,000 per occurrence and in aggregate.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**A. RISK MANAGEMENT (CONTINUED)**

A reconciliation for claims, including IBNR claims, for the current and prior fiscal years ended are as follows:

Fiscal Year Ended June 30,	Claims Payable July 1,	Claims & Changes in Estimates	Claims Payments	Claims Payable June 30,
2007	\$ 5,956	\$ 2,871	\$ 11	8,816
2006	10,216	(3,313)	947	5,956
2005	9,000	1,478	262	10,216

**B. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

**Airports**, which is headquartered at Meadows Field Airport (Bakersfield), contains the financing requirements for administration, maintenance, and operation of the County's seven airports located at Bakersfield, Buttonwillow, Kern Valley, Lost Hills, Poso, Taft, and Wasco. Airports is reported as a major enterprise fund at the fund financial statements.

**Kern Medical Center** is a hospital offering emergency care to all classes of patients, including Medicare and Medi-Cal eligibles, medically indigent persons, and inmates of county institution and juvenile facilities. Kern Medical Center is reported as a major enterprise fund on the fund financial statements.

**Solid Waste Management** provides for the operating, engineering, planning, and regulatory compliance activities associated with the County's Solid Waste Disposal System. Waste Management is reported as a major enterprise fund on the fund financial statements.

**Golf Course** is used to finance new capital improvements and replace existing capital improvements as necessary.

The segment information presented for the Business-type Funds that have revenue streams pledged in support of debt instruments outstanding includes a condensed statement of net assets; statement of revenues, expenses, and changes in net assets; and statement of cash flows:

<u>Condensed Statement of Net Assets</u>	
<u>ASSETS</u>	<u>Golf Course</u>
Current Assets	\$ 2,329
Other Assets	-
Capital Assets	4,659
Total Assets	<u>6,988</u>
 <u>LIABILITIES</u>	
Current Liabilities	346
Long-Term Liabilities	2,750
Total Liabilities	<u>3,096</u>
 <u>NET ASSETS</u>	
Invested in Capital Assets, Net of Related Debt	1,674
Restricted	719
Unrestricted	1,499
Total Net Assets	<u>\$ 3,892</u>

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**B. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)**

<u>Condensed Statement of Revenues, Expenses, and Changes in Net Assets</u>	
	<u>Golf Course</u>
Operating Revenues:	
Charges for Current Services	\$ 5,274
Total Operating Revenues	<u>5,274</u>
Operating Expenses:	
Services & Supplies	4,697
Depreciation	<u>148</u>
Total Operating Expenses	4,845
Operating Income (Loss)	429
Non-Operating Revenues (Expenses):	
Interest on Bank Deposits & Investments	130
Interest Expense	<u>(166)</u>
Total Operating Revenues (Expenses)	<u>(36)</u>
Net Income (Loss)	<u>393</u>
Transfers In (Out)	-
Changes in Net Assets	393
Net Assets, July 1, 2006	<u>3,499</u>
Net Assets, June 30, 2007	<u>\$ 3,892</u>

<u>Condensed Statement of Cash Flows</u>	
	<u>Golf Course</u>
Net Cash Provided by Operating Activities	\$ 446
Net Cash Provided by Non-Capital Financing Activities	
Net Cash Used by Capital and Related Financing Activities	(394)
Net Cash Provided by Investing Activities	<u>125</u>
Net Increase (Decrease) in Cash and Cash Equivalents	177
Cash and Cash Equivalents, July 1, 2006	<u>2,134</u>
Cash and Cash Equivalents, June 30, 2007	<u>\$ 2,311</u>

**C. POST RETIREMENT HEALTH CARE BENEFITS**

**Plan Description**

In addition to the pension benefits described in Note XII. G, the County provides post retirement health care benefits in accordance with union contracts and Board of Supervisors' orders. Two programs contribute funding for retirees' health insurance. The Retiree Health Premium Supplement Program (RHPS) is available to employees who: 1) elected to participate or were required to participate, 2) retire on or after July 1, 1990, 3) are between the ages of 50 and 64, and 4) have at least 20 years of continuous County service as a permanent employee. At June 30, 2007, there were approximately 937 retirees receiving the supplement. The supplement amount is permanently fixed once determined and is, depending on years of service, equal to 50 - 100% of the active employee monthly health premium for a single individual at the time of retirement.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**C. POST RETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

**Plan Description (continued)**

The Retiree Health Stipend is available to employees who choose continuous County health coverage upon retirement. At June 30, 2007, there were approximately 2,733 retirees receiving the stipend. The stipend paid on behalf of each retiree is a maximum of \$39.75 for single coverage, \$53.69 for two-party coverage and \$61.50 for family coverage, limited to the cost of the plan selected.

**Funding Policies**

County and employee contributions fund the RHPSP and County contributions fund all of the Retiree Health Stipend. The funding for the RHPSP has been based on the actuarial determined rates that incorporate the funding reserve and un-funded amount. To date, the County has paid the Retiree Health Stipend on the pay-as-you-go basis and has not established a funding reserve. During the fiscal years 2006/2007 and into 2007/2008, the County has negotiated an increase in the employee contribution for the RHPSP, from .81% to 1.62%, of covered payroll, for a majority of the employee union contracts.

**Funded Status and Funding Progress**

As of June 30, 2006, the most recent actuarial valuation date, the RHPSP was 20.90% funded. The actuarial accrued liability for RHPSP benefits was \$83,625, and the actuarial value of the assets was \$17,474, resulting in an un-funded actuarial accrued liability (UAAL) of \$66,151. The covered payroll (annual payroll of active employees covered by the plan) was \$391,892, and the ratio of the UAAL to the covered payroll was 16.88%. The Retiree Health Stipend does not have an established funding reserve.

County Contributions for the RHPSP were \$1,706, in addition to employee contributions of \$2,862 for the year ended June 30, 2007. The Retiree Health Stipend is funded by County contributions of approximately \$163 per active employee per year, which totaled \$1,340 for the year ended June 30, 2007.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in to the future. Examples include assumptions about future employment, annual investment return, mortality, inflation and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2006 actuarial valuations for RHPSP and the Retiree Health Stipend, the entry age actuarial cost method was used.

**COUNTY OF KERN  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**C. POST RETIREMENT HEALTH CARE BENEFITS (CONTINUED)**

**Actuarial Methods and Assumptions (CONTINUED)**

The actuarial assumptions include a 6.0% investment rate of return, a 4% annual salary increases and a 6.5% medical trend rate increase. The RHPSP's un-funded actuarial accrued liability is being amortized as a level percentage of payroll over a 30-year period from June 30, 2006 on an open basis. The Retiree Health Stipend is being funded on the pay-as-you-go basis.

**D. CONTINGENT LIABILITIES**

**Federal and State Grant Programs**

The County participates in a number of federal and state grant programs, which are subject to audit. Audit requirements for most federal grants will be met by the completion of the County's "Single Audit" as required by Public Law 98-502. For the most part, state grants will be audited by the State in the future. The amount of any disallowed expenditures by grantor agencies, if any, as a result of audit cannot be determined at this time. The County believes that such disallowance, if any, would not have a material effect on the financial statements.

**Mental Health Department Medicare and Medi-Cal Revenues**

The County receives Medicare and Medi-Cal payments for certain Mental Health services that are provided directly by the County as well as by contracted providers. Revenues received under these programs are subject to periodic review by Medicare, Medi-Cal and their agents. Periodically, as a result of these outside reviews, revisions to claimed costs and services may be required. As a result of these revisions, the County can be required to return a portion of the revenue received from Medicare and/or Medi-Cal. The timing of such reviews and the amounts of potential repayments are not known, but such potential repayments are not considered material to these financial statements.

**Contingent Property Tax Liability**

At June 30, 2007, assessment appeals are pending before the County Assessment Appeals Board (AAB) in the amount of \$16,110 plus interest of \$544.

The following is a summary of the estimated contingent tax liability as of June 30, 2007:

	Principal	Interest	Total
Contingent Tax Liability:	\$ 16,110	\$ 544	\$ 16,654
Total Pending AAB Matters	\$ 16,110	\$ 544	\$ 16,654

The County's share of the contingent tax liability is \$2,157. The County and other agencies accumulated and maintained very large tax impound reserves for disputed property taxes over the past four years. There was an increase in the number and magnitude of property tax equalization appeals, filed for 2005 - 2006 assessment year. The result is a positive net contingent tax liability of \$1,277. The County's share of this positive net contingent tax liability is negative \$2,008.



**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**D. CONTINGENT LIABILITIES (CONTINUED)**

**Contingent Property Tax Liability (CONTINUED)**

The disputed assessments involved numerous individual cases. If all cases were settled at one point in time against the County, the County would fund the \$2,157 liability through a combination of future reverses and the implementation of cost reduction measures.

**Other Litigation**

There are various lawsuits and claims against the County, which in the opinion of the County Counsel will be resolved with no material adverse effect upon the County's financial position.

**E. OUTSTANDING ENCUMBRANCES**

The County required outstanding encumbrances for contracts to lapse at June 30, 2007. Outstanding encumbrances related to purchase orders were allowed to carryover. The amount of contract encumbrances re-appropriated as part of the subsequent year's budget was \$17,420.

**F. DEFERRED COMPENSATION PLAN**

The County has made available to its eligible employees a deferred compensation plan under the terms of Section 457 of the Internal Revenue Code. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. Amounts accumulated under the plan have been invested in several investment options at the direction of the employee.

The Small Business Job Protection Act of 1996 changed the Internal Revenue Code Section 457 to protect participant assets from the creditors of a bankrupt or financially troubled public jurisdiction. The County has complied with the provisions of this act. As of June 30, 2006 there was \$289,293 in the Deferred Compensation plan, which is not included as part of the County's financial statements.

**G. PENSION PLAN**

**Plan Description**

The County's Board of Supervisors established the Kern County Employees' Retirement Association (KCERA) under the provisions of the County Employees' Retirement Law of 1937 on January 1, 1945. All permanent employees of the County of Kern and twelve related agencies are covered by KCERA, which operates as a cost-sharing multi-employer defined benefit plan. It is the responsibility of KCERA to function as an investment and administrative agent for the County with respect to the pension plan.

KCERA became independent from the County's supervision and control as a result of the 1992 passage of Proposition 162, which legally established the independent control of the Board of Retirement. Separate audited financial statements can be obtained from the Association at 1115 Truxtun Avenue, Bakersfield, California 93301.

Management of the KCERA plan is vested with the Board of Retirement, which consists of nine members and two alternates.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**G. PENSION PLAN (CONTINUED)**

**Plan Description (CONTINUED)**

The Board of Retirement establishes policy for the operation of the plan, considers applications for disability retirement, recommends contributions on the basis of actuarial valuations and controls investment of assets. Prior to January 1, 1996, the Kern County Treasurer-Tax Collector was responsible for financial reporting and accounting for all investments as required by Government Code Section 31596; thereafter, responsibility for financial reporting and accounting is vested with the Board of Retirement as required by Government Code Section 31596 et seq., as amended. On January 11, 1987, the Board of Retirement authorized the retirement fund to incur an administrative expense and hire an Administrator to serve at the Board's pleasure. The Administrator is responsible for the processing and computing of applications for retirement benefits, refunds, beneficiary allowances, death benefits, reciprocity, and any other duties the Board may assign. The Administrator also acts as Secretary for all Board and Committee meetings and performs other activities as directed by the Board of Retirement. The KCERA Plan provides for retirement, disability, death, beneficiary and cost-of-living benefits. As of June 30, 2007, employee membership data related to the pension plan was as follows:

	General	Safety	Total
Active Employees	6,952	1,738	8,690
Terminated Employees	879	113	992
Retirees and Beneficiaries Currently Receiving Benefits	4,136	1,351	5,487
	<u>11,967</u>	<u>3,202</u>	<u>15,169</u>

All eligible employees must participate in the Kern County Employees' Retirement Association. A member may retire after reaching the age of 50 with 10 years of service; or general members may retire with 30 years of service and safety members may retire with 20 years of service, regardless of age. Members who retire at or after age 50 with 10 or more years of service are entitled to pension benefits for the remainder of their lives. The amount of such monthly benefit is determined as a percentage of their final monthly compensation and is based on age at retirement and the number of years of service. The final monthly compensation is the monthly average of the final 12 months compensation, or, if the member so elects, any other continuous 12-month period in the member's work history. Retiring members may choose from four optional beneficiary retirement allowances. Pension provisions include deferred allowances whereby a member may terminate his or her employment with the County after five or more years of County service. If the member does not withdraw his or her accumulated contributions, the member is entitled to all pension benefits after being vested five years, and upon reaching the age of 50 with 10 or more years of participation in the retirement system. An active member's beneficiary is entitled to receive death benefits which consist of accumulated contributions plus interest, and one month's salary for each full year of service up to a maximum of six months salary. A member with five years of service, regardless of age, who becomes permanently incapacitated for the performance of duty will be eligible for a non-service connected disability retirement. Any member who becomes permanently incapacitated for the performance of duty, as a result of injury or disease arising out of and in the course of employment, is eligible for a service connected disability regardless of length of service or age.

**Basis of Accounting**

KCERA follows the accounting principles and reporting guidelines as set forth in Statement 25 of the Governmental Accounting Standards Board. The financial statements are prepared using the accrual basis of accounting and reflect the overall operations of KCERA. Member and employer contributions are recognized in the period in which the contributions are due, and benefits and refunds are recognized when payable in accordance with the terms of the plan.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**G. PENSION PLAN (CONTINUED)**

**Method Used to Value Investments**

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are reported at the remaining principal balance and are collateralized by deeds of trust on real property. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

**Concentrations**

The KCERA's investment policy limits exposure to any single manager or product. The maximum allocation to a single active manager is up to 30% of the aggregate market value of the Fund. The maximum allocation to a single active management product is 15%. This limitation applies to any non-index investment vehicle. With the exception of U.S. Government bonds, portfolios may not invest more than 5% per investment grade issuer. The KCERA's investment portfolio contained no investments in any one single issuer greater than 5% of plan net assets as of June 30, 2007 (other than U.S. Government securities).

**Funding Policy**

The County, Special Districts, and certain covered employees make contributions to the plan at rates calculated by an actuary to cover both normal cost and the prior service costs such that any unfunded liability will be funded over an initial 30-year period. In accordance with the County Employees' Retirement Law of 1937, covered employees are required to pay a percentage of their salaries, depending upon their age at date of entry into the system. The County must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as mandated by state statutes. For fiscal year 2007, the employer contribution rates were actuarially determined by using the Entry Age Funding method.

The employer contribution rates are made up of two parts:

- The Normal Cost, or the cost of the portion of the benefit that is allocated to the current year.
- The payment to amortize the Unfunded Actuarial Accrued Liability (UAAL). The UAAL is the excess of the Plan's accrued liability over its assets. Most of the UAAL currently is being amortized over 30 years, except for the additional liabilities due to granting Golden Handshake benefits, which are amortized over three years from the year in which they were granted.

The Memorandum of Understanding (MOU) adopted August, 2004 between the County of Kern and its general employees states that all general members hired prior to the first day of payroll period 04-16 shall pay 100% of the employees' normal contribution until they have attained five years of service. Those employees shall no longer be required to make their normal contribution to retirement and the County shall pay 100% of those employees' normal contributions. All general members hired on or after the first day of payroll period 04-16 shall pay 100% of the new employees' normal contribution to retirement. The MOU adopted May, 2004 between the County of Kern and its safety employees states that all safety members with five or more years of service shall not be required to pay any contributions to retirement and the county shall pay 100% of those employees' normal contribution. Ten out of the twelve Special Districts adopted the provisions in the County of Kern MOU.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**G. PENSION PLAN (CONTINUED)**

**Funding Policy (CONTINUED)**

For the year ended June 30, 2007, the County's total payroll for all employees amounted to \$472,025. The County's total covered payroll for the same period amounted to \$391,892. Covered payroll refers to all compensation paid by the County to active employees covered by the pension plan on which contributions to the pension are based.

The County's contribution rates for the year ended June 30, 2007 were determined in accordance with an actuarial valuation performed December 31, 2006. An annual 2% cost-of-living adjustment (COLA) for all retirees and continuance beneficiaries was adopted as of April 1, 1973. The liability for this annual retirement benefit increase was funded entirely from the unreserved fund balance until February 5, 1983. After this date (as recommended by the Plan's Independent Actuary, adopted by KCERA Board of Retirement, and approved by the County of Kern Board of Supervisors) and prior to fiscal year 2003, funding the 2% COLA was included in the employers' contribution. Cost-of-living adjustment for all retirees and continuance beneficiaries was increased to 2.5% effective April 1, 2002. In fiscal year 2007, the plan had excess earnings and the current funding for the cost-of-living reserve is included in the employers' contributions. At June 30, 2007, contributions to KCERA were \$140,768 of which \$128,135 were employer contributions, and \$12,664 were regular employee contributions (31% and 3% of covered payroll, respectively). The total contribution consisted of \$98,837 normal cost (25% of covered payroll) plus \$41,932 amortization of the under-funded actuarial accrued liability (11% of covered payroll).

The County Administrative Office had successfully negotiated an agreement to the Memorandum of Understanding (MOU) with the Central California Association of Public Employees (CCAPE) adopting Government Code Section 31676.17 which provides enhanced retirement benefits, commonly known as 3% at 60, for General members.

The County's contribution represented 94% of total contributions required of all participating employers. Employer contribution rates are applied to total member compensation defined for retirement purposes. There have been no differences between the contributions required and the contributions actually made. Pension expenditures were calculated to include contributions made based on the annual required contribution plus payments for debt service on the pension obligation bonds described below. Payments for the pension obligation bonds are not included as part of the annual required contribution nor the net pension obligation.

Special Districts did not participate in the funding provided by the pension obligation bonds issued by the plan sponsor in November 1995 and May 2003.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**G. PENSION PLAN (CONTINUED)**

**Funding Policy (CONTINUED)**

For fiscal years ended June 30, 2007 and 2006, separate employer contribution rates are required to fund the un-funded liabilities for each class of participation as follows Employer Contributions as a Percentage of Estimated Total Compensation:

	Special Special Districts (MOU)	Special Districts (Non- MOU)	General Members	Safety Members
June 30, 2007:				
Normal Cost	22.52%	22.52%	22.52%	29.19%
Amortization of UAAL	13.18%	13.18%	9.66%	12.09%
Total	<u>35.70%</u>	<u>35.70%</u>	<u>32.18%</u>	<u>41.28%</u>
June 30, 2006:				
Normal Cost	22.31%	22.31%	22.31%	28.73%
Amortization of UAAL	12.07%	12.07%	9.71%	10.79%
Total	<u>34.38%</u>	<u>34.38%</u>	<u>32.02%</u>	<u>39.52%</u>

**Annual Pension Cost**

Fiscal Year Ended June 30,	Annual Pension Percentage of APC		Net Pension Obligation
	Annual Required Contribution	Percentage Contributed	
2007	\$ 128,135	100.00%	\$
2006	100,734	100.00%	
2005	60,268	100.00%	

**H. LANDFILLS**

Prior to fiscal year 1988 - 1989, Kern County Solid Waste was funded entirely by the County General Fund. In fiscal year 1988 - 1989 the Board approved a solid waste management program land use fee on all parcels of real property, but land use fee revenue continued to be supplemented by a contribution from the General Fund. In fiscal year 1992 - 1993 the County General Fund contribution to the Waste Management Enterprise Fund was eliminated and the Department became entirely fee supported. The Board of Supervisors eliminated the land use fee for non-residential property and approved a tipping fee for non-residential waste beginning in fiscal year 1993 - 1994. All revenues are placed in the Solid Waste Enterprise Fund exclusively for waste management.

State Financial Assurance Mechanism regulations require landfill operators to set aside funds, or provide alternative funding mechanisms, to fund the closure expense and post-closure maintenance of landfills. In response, Kern County established a designated reserve account to fund closure maintenance. As of June 30, 2007, the Waste Management Enterprise Fund had a designated cash reserve of \$31,105. Annual liabilities for closure are based on a State mandated formula that insures the closure account for each landfill will be fully funded prior to the estimated date the landfill will close. Estimated closure costs are based on the most recent closure plans submitted to the State. Regulations require the County to prepare detailed closure plans for each landfill. The plans include an engineer's cost estimate for closure design, construction of final cover, construction of monitoring systems and other related activities.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

**XII. OTHER INFORMATION (CONTINUED)**

**H. LANDFILLS (CONTINUED)**

Closure plans are reviewed and approved by the California Integrated Waste Management Board. The pledge of future revenue for post-closure maintenance costs is also based on the most recent plans submitted to the California Integrated Waste Management Board. For post-closure maintenance, the engineer's cost estimate included monitoring and erosion control. If, at some future date, these closure plans and cost estimates are adjusted (due to changes in inflation, deflation, technology, regulations, etc.), the County is required to make corresponding changes in the amount of funds deposited for closure and in the pledge of future revenue.

The County currently operates seven Class III landfills, three large volume transfer stations, and six small volume transfer stations. All are strategically located throughout Kern County. These facilities serve the solid waste disposal needs of the County's eleven incorporated cities as well as unincorporated areas.

Estimated closure and postclosure costs as of June 30, 2007 are \$76,282 and \$40,751 respectively. The County's landfills are listed below, along with their estimated remaining useful lives, total capacity and percentage of capacity used:

Facility Name	Remaining Useful Lives	Capacity in Cubic Yards	Percent Incurred
Arvin <sup>1</sup>	0	11,464,719	100%
Bena I	0	7,299,653	98%
Bena II A	25	45,700,347	4%
Boron	27	1,002,819	81%
Buttonwillow <sup>1</sup>	0	358,273	100%
China Grade <sup>1</sup>	0	N/A	100%
Glennville <sup>2</sup>	0	N/A	100%
Kern Valley <sup>2</sup>	0	N/A	100%
Lebec <sup>2</sup>	0	N/A	100%
Lost Hills <sup>1</sup>	28	1,478,905	25%
McFarland/Delano <sup>2</sup>	0	N/A	100%
Mojave/Rosamond	6	2,262,243	68%
Ridgecrest	9	5,992,700	86%
Shafter/Wasco	16	11,636,500	47%
Taft	47	8,787,547	28%
Tehachapi	2	2,593,900	96%
Total		<u>98,577,606</u>	

<sup>1</sup> Site is inactive.

<sup>2</sup> Site is closed.

Under Title 27 of the California Code of Regulations, landfill owners/operators are required to obtain and maintain assurances of financial responsibility to initiate and complete corrective action for all known and reasonably foreseeable releases (RFRs). These requirements first came into effect when Article 5 (Title 23, Chapter 15) was revised in 1991. The Waste Management Department has established a groundwater corrective action designated reserve to fund capital costs for each landfill where it is appropriate. In addition, the Waste Management Department has established a pledge of revenue to cover on-going maintenance and operation of any capital improvements that are constructed.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**H. LANDFILLS (CONTINUED)**

The current designated reserve account of \$2,000 is expected to satisfy all capital expenditures to implement corrective action at the 16 landfill sites.

Each year a portion of the landfill's estimated closure and post-closure costs are recognized as an expense and liability based on the capacity used to date. As of June 30, 2007, the landfill closure liability has been recorded at \$30,755 and is included in the liabilities of the Solid Waste Enterprise Fund. This represents the cumulative liability to date. The remaining \$45,527 anticipated closure costs will be recognized in future years. The \$40,751 post-closure cost will be updated annually.

**I. JOINT VENTURES**

In accordance with the Joint Exercise of Powers agreement between the Ford City – Taft Heights Sanitation District and the City of Taft dated May 29, 1950, and amended March 7, 1966, April 24, 1972 and August 20, 1991, the City of Taft acts on its own behalf and on behalf of the District to operate and maintain a Wastewater Treatment Plant. Costs to operate and maintain the facility are apportioned 52% to the City and 48% to the District. The County's investment in the Wastewater Treatment Plant has increased \$116 from \$1,584 at June 30, 2006, to \$1,700 at June 30, 2007.

The Wastewater Treatment Facility and the result of its operations are reported as a component unit of the City. Audited financial statements for the City of Taft, Ford City-Taft Heights Sanitation District Wastewater Treatment Plant may be obtained through the City of Taft located at 209 East Kern Street, Taft, CA 93268.

**J. SECURITIZATION OF TOBACCO SETTLEMENT REVENUES**

In November 1998, the Attorney General of 46 states and the four largest U.S. tobacco manufacturers (the "OPMs") entered into a Master Settlement Agreement (the "MSAs") in resolution of cigarette smoking-related litigation between settling states and the OPMs. On August 5, 1998, the counsel representing the state, various cities and counties in California and certain other parties entered into a Memorandum of Understanding (the "MOU") pursuant to which each participants jurisdiction is entitled to receive a portion of the payments to be made to the State of California pursuant to the MSA. The members are allowed to sell or otherwise exchange their rights to receive payments under the MSA and the MOU for a cash payment, thereby self-insuring, hedging against or otherwise managing the risk associated with the receipt of such revenue, and assuring the availability of monies to fund the social needs of its population.

The County elected to participate in a Joint Powers Agreement made in accordance with Chapter 5 of Division 7 of Title I of the Government Code of the State of California dated as of November 15, 2000, by and among the County of Stanislaus, the County of Merced, and the County of Sonoma formed the California County Tobacco Securitization Agency (the Agency). The Agency is an entity that is separate from each of the member Counties. The debts, liabilities, and obligations of the Agency, including any bonds, do not constitute debts, liabilities or obligation of any of the member Counties.

The Agency has the power to issue bonds secured by the MSA payment of one or more members, the proceeds of which will be used directly or indirectly to purchase all or a portion of the MSA payments.

**COUNTY OF KERN  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

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**XII. OTHER INFORMATION (CONTINUED)**

**J. SECURITIZATION OF TOBACCO SETTLEMENT REVENUES (CONTINUED)**

In furtherance of its objective to ensure and otherwise protect against the risk of a substantial decline in Tobacco Revenue and to assure a source of fund for County programs, the County formed a non-profit public benefit corporation named the "Kern County Tobacco Revenue Financial Corporation" (the NPC) and sold to the NPC pursuant to the terms of an Installment Sale, Self-Insurance and Risk Transfer Agreement between the County and the NPC all right title and interest of the County and to the Tobacco Revenue. The NPC has been included as a blended component unit of the County.

The bonds are limited obligations of the Agency payable solely from payments made by the Corporation, from tobacco settlement payments purchased from the County, between the Corporation and the Agency. For the year ended June 30, 2007, \$6,871 of tobacco settlement payments was recorded as aid from other governments in the Kern County Tobacco Corporation Non-major debt service fund. The bonds do not constitute a charge against the general credit of the Agency or the County and neither will the Agency (except from loan payments by the Corporation) or the County be obligated to pay the interest on or principal of these bonds. These bonds do not constitute a legal debt, liability or obligation of the County.

**XIII. SUBSEQUENT EVENTS**

**TAX AND REVENUE ANTICIPATION NOTES**

On July 2, 2007, the County issued Tax and Revenue Anticipation Notes (TRANS) totaling \$150,000 due on June 30, 2008. The proceeds of the TRANS are intended to provide financing of seasonal cash flow requirements for the County's General Fund expenditures during the fiscal year ending June 30, 2008. A pledge of property taxes, income, revenue and other monies of the County allocable solely to fiscal year 2006-07 and legally available secure the TRANS.





**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
<b>REVENUES:</b>				
<b>General Government:</b>				
Administrative Office				
Aid from Other Governmental Agencies	\$ 40	\$ 40	\$ 52	\$ 12
Charges for Current Services	800	800	783	(17)
Other Revenues	3	3	3	(3)
	<u>843</u>	<u>843</u>	<u>835</u>	<u>(8)</u>
Clerk of the Board				
Aid from Other Governmental Agencies	130	130	3	(127)
Charges for Current Services	33	33	34	1
Other Revenues	8	8	9	1
	<u>171</u>	<u>171</u>	<u>46</u>	<u>(125)</u>
Auditor-Controller				
Licenses, Permits and Franchises	228	228	239	11
Aid from Other Governmental Agencies	49	49	32	(17)
Charges for Current Services	1,298	1,298	1,088	(210)
Other Revenues	53	53	53	53
	<u>1,575</u>	<u>1,575</u>	<u>1,412</u>	<u>(163)</u>
Discretionary Revenue				
Taxes	252,158	252,158	270,050	17,892
Licenses, Permits and Franchises	6,293	6,293	6,750	457
Fines, Forfeitures and Penalties	7,435	7,435	5,586	(1,849)
Revenues from Use of Money and Property	14,648	14,648	19,982	5,334
Aid from Other Governmental Agencies	13,819	13,819	18,623	4,804
Charges for Current Services	6,841	6,841	6,750	(91)
Other Revenues	177	177	937	760
	<u>301,371</u>	<u>301,371</u>	<u>328,678</u>	<u>27,307</u>
Travel Agent Expense				
Charges for Current Services	1,950	1,950	1,877	(73)
	<u>1,950</u>	<u>1,950</u>	<u>1,877</u>	<u>(73)</u>
Treasurer-Tax Collector				
Fines, Forfeitures and Penalties	170	170	225	55
Aid from Other Governmental Agencies	2	2	2	2
Charges for Current Services	3,243	3,243	2,655	(588)
Other Revenues	193	193	392	199
	<u>3,606</u>	<u>3,606</u>	<u>3,274</u>	<u>(332)</u>
Assessor				
Charges for Current Services	1,589	1,589	1,861	272
Other Revenues	10	10	10	10
	<u>1,589</u>	<u>1,589</u>	<u>1,871</u>	<u>282</u>
Assessor- Property Tax Administration				
Aid from Other Governmental Agencies	200	200	200	(200)
	<u>200</u>	<u>200</u>	<u>200</u>	<u>(200)</u>
Information Technology Services				
Charges for Current Services	5,122	5,122	4,803	(319)
	<u>5,122</u>	<u>5,122</u>	<u>4,803</u>	<u>(319)</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
General Government (Continued):				
County Counsel				
Charges for Current Services	\$ 4,771	\$ 4,771	\$ 5,107	\$ 336
Other Revenues	31	31	2	(29)
	<u>4,802</u>	<u>4,802</u>	<u>5,109</u>	<u>307</u>
Personnel				
Charges for Current Services	157	157	137	(20)
Other Revenues	1	1	1	
	<u>158</u>	<u>158</u>	<u>138</u>	<u>(20)</u>
Elections				
Aid from Other Governmental Agencies	215	215	661	446
Charges for Current Services	360	360	1,401	1,041
Other Revenues	12	12	12	
	<u>587</u>	<u>587</u>	<u>2,074</u>	<u>1,487</u>
Communications				
Charges for Current Services	820	820	841	21
Other Revenues	1	1	5	4
	<u>821</u>	<u>821</u>	<u>846</u>	<u>25</u>
General Services				
Fines, Forfeitures and Penalties	116	116	143	27
Charges for Current Services	2,059	2,059	1,944	(115)
Other Revenues	7	7	4	(3)
	<u>2,182</u>	<u>2,182</u>	<u>2,091</u>	<u>(91)</u>
Utility Payments				
Charges for Current Services	1,367	1,367	1,154	(213)
Other Revenues		467	512	45
	<u>1,367</u>	<u>1,834</u>	<u>1,666</u>	<u>(168)</u>
Construction Services - General Services				
Aid from Other Governmental Agencies		7	4	(3)
Charges for Current Services	1,043	1,043	741	(302)
Other Revenues	117	117		(117)
	<u>1,160</u>	<u>1,167</u>	<u>745</u>	<u>(422)</u>
General Services - Major Maintenance				
Aid from Other Governmental Agencies			186	186
Charges for Current Services	760	760		(760)
Other Revenues	1,880	1,880	547	(1,333)
	<u>2,640</u>	<u>2,640</u>	<u>733</u>	<u>(1,907)</u>
Board of Trade				
Other Revenues	15	15	11	(4)
	<u>15</u>	<u>15</u>	<u>11</u>	<u>(4)</u>
Engineering and Survey Services				
Charges for Current Services	4,506	4,506	4,540	34
Other Revenues	3	3		(3)
	<u>4,509</u>	<u>4,509</u>	<u>4,540</u>	<u>31</u>
Risk Management				
Charges for Current Services	3,706	3,706	2,984	(722)
Other Revenues	25	25	52	27
	<u>3,731</u>	<u>3,731</u>	<u>3,036</u>	<u>(695)</u>
Capital Projects				
Aid from Other Governmental Agencies	25,604	25,604	2,210	(23,393)
Charges for Current Services	14	14		(14)
Other Revenues	595	595	556	(39)
	<u>26,213</u>	<u>26,213</u>	<u>2,766</u>	<u>(23,446)</u>
<b>Total General Government</b>	<b><u>364,612</u></b>	<b><u>365,086</u></b>	<b><u>366,551</u></b>	<b><u>1,465</u></b>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
<b>Public Protection:</b>				
Contribution - Trial Court Funding				
Fines, Forfeitures and Penalties	\$ 4,564	\$ 4,564	\$ 4,850	\$ 286
Charges for Current Services	4,077	4,077	3,529	(548)
Other Revenues	75	75		(75)
	<u>8,716</u>	<u>8,716</u>	<u>8,379</u>	<u>(337)</u>
Indigent Defense Services				
Aid from Other Governmental Agencies	1,250	1,250	1,250	
Charges for Current Services	72	72	49	(23)
	<u>1,322</u>	<u>1,322</u>	<u>1,299</u>	<u>(23)</u>
District Attorney				
Fines, Forfeitures and Penalties	825	825	270	(555)
Aid from Other Governmental Agencies	3,271	3,271	3,021	(250)
Charges for Current Services	3,495	3,495	3,136	(359)
Other Revenues	441	441	500	59
	<u>8,032</u>	<u>8,032</u>	<u>6,927</u>	<u>(1,105)</u>
Public Defender				
Aid from Other Governmental Agencies	750	750	841	91
Charges for Current Services	578	578	525	(53)
	<u>1,328</u>	<u>1,328</u>	<u>1,366</u>	<u>38</u>
Forensic Sciences-Division of District Attorney				
Aid from Other Governmental Agencies	361	361	127	(234)
Charges for Current Services	987	987	905	(82)
Other Revenues	404	404	486	82
	<u>1,752</u>	<u>1,752</u>	<u>1,518</u>	<u>(234)</u>
Sheriff				
Licenses, Permits and Franchises	227	227	285	58
Fines, Forfeitures and Penalties	28	28	38	10
Aid from Other Governmental Agencies	3,728	3,728	2,883	(845)
Charges for Current Services	25,850	25,850	23,851	(1,999)
Other Revenues	10,419	10,419	774	(9,645)
	<u>40,252</u>	<u>40,252</u>	<u>27,831</u>	<u>(12,421)</u>
Probation				
Fines, Forfeitures and Penalties	17	17	14	(3)
Revenues from Use of Money and Property	9	9	8	(1)
Aid from Other Governmental Agencies	20,846	20,846	21,489	643
Charges for Current Services	2,748	2,748	2,623	(125)
Other Revenues	49	49	47	(2)
	<u>23,669</u>	<u>23,669</u>	<u>24,181</u>	<u>512</u>
Agricultural Commissioner				
Licenses, Permits and Franchises	18	18	19	1
Fines, Forfeitures and Penalties	58	58	92	34
Aid from Other Governmental Agencies	2,306	2,306	2,279	(27)
Charges for Current Services	1,360	1,360	1,241	(119)
	<u>3,742</u>	<u>3,742</u>	<u>3,631</u>	<u>(111)</u>
Code Compliance				
Fines, Forfeitures and Penalties	164	164	42	(122)
Charges for Current Services	400	400	745	345
Other Revenues		12	30	18
	<u>564</u>	<u>576</u>	<u>817</u>	<u>241</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Public Protection (Continued):				
Special Services				
Fines, Forfeitures and Penalties	\$	\$	\$	\$
Aid from Other Governmental Agencies	125	125	44	(81)
Charges for Current Services	2	2	2	
Other Revenues				
	<u>127</u>	<u>127</u>	<u>46</u>	<u>(81)</u>
Recorder				
Licenses, Permits and Franchises	4	4	4	
Charges for Current Services	3,600	3,600	3,130	(470)
Other Revenues	56	56	59	3
	<u>3,660</u>	<u>3,660</u>	<u>3,193</u>	<u>(467)</u>
Resource Management Agency				
Charges for Current Services	642	642	705	63
Other Revenues	87	87	2	(85)
	<u>729</u>	<u>729</u>	<u>707</u>	<u>(22)</u>
Planning				
Fines, Forfeitures and Penalties	6	6	13	7
Licenses, Permits and Franchises	433	433	376	(57)
Aid from Other Governmental Agencies	325	325	188	(137)
Charges for Current Services	3,481	3,481	1,037	(2,444)
Other Revenues	7	7	5	(2)
	<u>4,252</u>	<u>4,252</u>	<u>1,619</u>	<u>(2,633)</u>
Animal Control				
Licenses, Permits and Franchises	403	403	387	(16)
Fines, Forfeitures and Penalties	5	5	1	(4)
Aid from Other Governmental Agencies	1,150	1,150	1,157	7
Charges for Current Services	565	565	459	(106)
Other Revenues	4	4	10	6
	<u>2,127</u>	<u>2,127</u>	<u>2,014</u>	<u>(113)</u>
Superior Court				
Fines, Forfeitures and Penalties	364	364	486	122
Charges for Current Services	472	472	516	44
Other Revenues				
	<u>836</u>	<u>836</u>	<u>1,002</u>	<u>166</u>
East Kern Municipal Court				
Fines, Forfeitures and Penalties	316	316	274	(42)
Charges for Current Services	342	342	216	(126)
	<u>658</u>	<u>658</u>	<u>490</u>	<u>(168)</u>
North Kern Municipal Court				
Fines, Forfeitures and Penalties	255	255	268	13
Charges for Current Services	233	233	204	(29)
	<u>488</u>	<u>488</u>	<u>472</u>	<u>(16)</u>
South Kern Municipal Court				
Fines, Forfeitures and Penalties	634	634	577	(57)
Charges for Current Services	427	427	216	(211)
	<u>1,061</u>	<u>1,061</u>	<u>793</u>	<u>(268)</u>
<b>Total Public Protection</b>	<u><b>103,315</b></u>	<u><b>103,327</b></u>	<u><b>86,285</b></u>	<u><b>(17,042)</b></u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
<b>Health and Sanitation:</b>				
Department of Public Health				
Aid from Other Governmental Agencies	21,636	21,636	18,826	(2,810)
Charges for Current Services	2,804	2,804	3,103	299
Other Revenues	112	112	108	(4)
	<u>24,552</u>	<u>24,552</u>	<u>22,037</u>	<u>(2,515)</u>
Environmental Health				
Licenses, Permits and Franchises	\$ 2,079	\$ 2,079	\$ 1,932	\$ (147)
Fines, Forfeitures and Penalties	155	155	10	(145)
Aid from Other Governmental Agencies	325	325	325	
Charges for Current Services	2,690	2,690	2,051	(639)
Other Revenues			4	4
	<u>5,249</u>	<u>5,249</u>	<u>4,322</u>	<u>(927)</u>
Emergency Medical Services				
Licenses, Permits and Franchises	133	133	132	(1)
Aid from Other Governmental Agencies	1,111	1,111	593	(518)
Charges for Current Services	154	154	159	5
Other Revenues	16	16		(16)
	<u>1,414</u>	<u>1,414</u>	<u>884</u>	<u>(530)</u>
KMC Enterprise Fund - County Contribution				
Aid from Other Governmental Agencies	20,800	20,800	20,800	
Charges for Current Services	600	600	414	(186)
	<u>21,400</u>	<u>21,400</u>	<u>21,214</u>	<u>(186)</u>
California Children Services				
Aid from Other Governmental Agencies	8,232	8,232	5,932	(2,300)
Charges for Current Services	16	16	13	(3)
Other Revenues			4	4
	<u>8,248</u>	<u>8,248</u>	<u>5,949</u>	<u>(2,299)</u>
<b>Total Health and Sanitation</b>	<b><u>60,863</u></b>	<b><u>60,863</u></b>	<b><u>54,406</u></b>	<b><u>(6,457)</u></b>
<b>Public Assistance:</b>				
Veterans Service				
Aid from Other Governmental Agencies	105	105	124	19
	<u>105</u>	<u>105</u>	<u>124</u>	<u>19</u>
IHSS County Contribution				
Aid from Other Governmental Agencies	4,075	4,075	4,497	422
	<u>4,075</u>	<u>4,075</u>	<u>4,497</u>	<u>422</u>
Employers' Training Resource				
Aid from Other Governmental Agencies	12,972	12,972	11,808	(1,164)
	<u>12,972</u>	<u>12,972</u>	<u>11,808</u>	<u>(1,164)</u>
Community Development Program Agency				
Aid from Other Governmental Agencies	1,998	1,998	1,771	(227)
	<u>1,998</u>	<u>1,998</u>	<u>1,771</u>	<u>(227)</u>
<b>Total Public Assistance</b>	<b><u>19,150</u></b>	<b><u>19,150</u></b>	<b><u>18,200</u></b>	<b><u>(950)</u></b>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
<b>Education:</b>				
Kern County Library				
Revenues from Use of Money and Property	\$ 126	\$ 126	\$ 135	\$ 9
Aid from Other Governmental Agencies	430	430	450	20
Charges for Current Services	470	470	345	(125)
Other Revenues	379	379	82	(297)
	<u>1,405</u>	<u>1,405</u>	<u>1,012</u>	<u>(393)</u>
Farm and Home Advisor				
Charges for Current Services	52	52	3	(49)
Other Revenues	5	5		(5)
	<u>57</u>	<u>57</u>	<u>3</u>	<u>(54)</u>
<b>Total Education</b>	<b><u>1,462</u></b>	<b><u>1,462</u></b>	<b><u>1,015</u></b>	<b><u>(447)</u></b>
<b>Recreation and Culture:</b>				
Parks and Recreation				
Fines, Forfeitures and Penalties	13	13	13	
Revenues from Use of Money and Property	1,866	1,866	1,836	(30)
Aid from Other Governmental Agencies	113	113	80	(33)
Charges for Current Services	2,324	2,324	2,231	(93)
Other Revenues	19	19	17	(2)
	<u>4,335</u>	<u>4,335</u>	<u>4,177</u>	<u>(158)</u>
<b>Total Recreation and Culture</b>	<b><u>4,335</u></b>	<b><u>4,335</u></b>	<b><u>4,177</u></b>	<b><u>(158)</u></b>
<b>Debt Service:</b>				
Revenues from Use of Money and Property				
Aid from Other Governmental Agencies	500	500	765	265
Charges for Current Services				
	<u>500</u>	<u>500</u>	<u>765</u>	<u>265</u>
<b>Total Debt Service</b>	<b><u>500</u></b>	<b><u>500</u></b>	<b><u>765</u></b>	<b><u>265</u></b>
<b>Total Revenue</b>	<b><u>554,237</u></b>	<b><u>554,723</u></b>	<b><u>531,399</u></b>	<b><u>(23,324)</u></b>
<b>EXPENDITURES:</b>				
<b>General Government:</b>				
Board of Supervisors				
Salaries & Benefits	2,219	2,219	2,092	127
Services & Supplies	177	177	156	21
Other Charges	1	1		1
Other Financing Uses	105	105		105
	<u>2,502</u>	<u>2,502</u>	<u>2,248</u>	<u>254</u>
Administrative Office				
Salaries & Benefits	2,771	2,771	2,624	147
Services & Supplies	237	237	209	28
Other Charges	18	18	8	10
Transfers & Reimbursements	(55)	(55)	(52)	(3)
Other Financing Uses	280	280		280
	<u>3,251</u>	<u>3,251</u>	<u>2,789</u>	<u>462</u>
Clerk of the Board				
Salaries & Benefits	595	595	535	60
Services & Supplies	226	237	209	28
Transfers & Reimbursements	(67)	(67)	(76)	9
Capital Assets	114	114	74	40
Other Financing Uses	257	257		257
	<u>1,125</u>	<u>1,136</u>	<u>742</u>	<u>394</u>
Special Services				
Salaries & Benefits	290	290	273	17
Services & Supplies	6,456	6,456	3,997	2,459
Other Charges	1,967	1,967	1,446	521
	<u>8,713</u>	<u>8,713</u>	<u>5,716</u>	<u>2,997</u>



COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
General Government (Continued):				
Auditor-Controller				
Salaries & Benefits	\$ 3,703	\$ 3,703	\$ 3,555	\$ 148
Services & Supplies	538	558	516	42
Capital Assets	350	350	103	247
Transfers & Reimbursements	(122)	(122)	(141)	19
Other Financing Uses	787	787		787
	<u>5,256</u>	<u>5,276</u>	<u>4,033</u>	<u>1,243</u>
Travel Agent Expense				
Services & Supplies	4,550	4,550	4,287	263
Transfers & Reimbursements	(2,600)	(2,600)	(2,410)	(190)
	<u>1,950</u>	<u>1,950</u>	<u>1,877</u>	<u>73</u>
Treasurer - Tax Collector				
Salaries & Benefits	2,533	2,533	2,423	110
Services & Supplies	1,961	1,961	1,736	225
Capital Assets	1,165	1,165	1,110	55
Other Financing Uses	611	611		611
	<u>6,270</u>	<u>6,270</u>	<u>5,269</u>	<u>1,001</u>
Assessor				
Salaries & Benefits	7,389	7,389	7,040	349
Services & Supplies	644	644	583	61
Transfers & Reimbursements	(159)	(159)	(155)	(4)
Other Financing Uses	369	369		369
	<u>8,243</u>	<u>8,243</u>	<u>7,468</u>	<u>775</u>
Assessor - Property Tax Administration				
Salaries & Benefits	1,097	1,097	789	308
Services & Supplies	370	370	295	75
Capital Assets				
	<u>1,467</u>	<u>1,467</u>	<u>1,084</u>	<u>383</u>
Information Technology Service				
Salaries & Benefits	5,931	5,931	5,894	37
Services & Supplies	5,681	5,681	5,609	72
Other Charges	61	61	61	
Capital Assets	156	156	136	20
Transfers & Reimbursements	(2,197)	(2,197)	(2,218)	21
Other Financing Uses	575	575		575
	<u>10,207</u>	<u>10,207</u>	<u>9,482</u>	<u>725</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
General Government (Continued):				
County Counsel				
Salaries & Benefits	\$ 6,435	\$ 6,435	\$ 6,429	\$ 6
Services & Supplies	490	490	467	23
Transfers & Reimbursements	(800)	(800)	(721)	(79)
Other Financing Uses	184	184		184
	<u>6,309</u>	<u>6,309</u>	<u>6,175</u>	<u>134</u>
Personnel				
Salaries & Benefits	2,287	2,287	2,168	119
Services & Supplies	260	260	230	30
Other Financing Uses	55	55		55
Transfers & Reimbursements	(42)	(42)	(32)	(10)
	<u>2,560</u>	<u>2,560</u>	<u>2,366</u>	<u>194</u>
Elections				
Salaries & Benefits	1,146	1,146	857	289
Services & Supplies	3,187	3,187	2,059	1,128
Other Charges	1,006	1,006	1,006	
	<u>5,339</u>	<u>5,339</u>	<u>3,922</u>	<u>1,417</u>
Communications				
Salaries & Benefits	1,431	1,431	1,343	88
Services & Supplies	621	621	613	8
Capital Assets	69	69	68	1
Transfers & Reimbursements	(245)	(245)	(322)	77
	<u>1,876</u>	<u>1,876</u>	<u>1,702</u>	<u>174</u>
General Services				
Salaries & Benefits	9,352	9,352	8,930	422
Services & Supplies	3,688	3,688	3,685	3
Capital Assets	128	128	127	1
Transfers & Reimbursements	(1,903)	(1,903)	(1,914)	11
Other Charges	23	23	8	15
	<u>11,288</u>	<u>11,288</u>	<u>10,836</u>	<u>452</u>
Utility Payments				
Services & Supplies	7,792	7,792	7,183	609
Transfers & Reimbursements	(363)	(363)	(348)	(15)
Other Charges	483	483	479	4
	<u>7,912</u>	<u>7,912</u>	<u>7,314</u>	<u>598</u>
Construction Services-Division General Service				
Salaries & Benefits	1,963	1,963	1,550	413
Services & Supplies	420	420	235	185
Transfers & Reimbursements	(1,114)	(1,114)	(913)	(201)
	<u>1,269</u>	<u>1,269</u>	<u>872</u>	<u>397</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
General Government (Continued):				
General Service-Major Maintenance-General				
Services & Supplies	\$ 12,106	\$ 12,606	\$ 4,231	\$ 8,375
Transfers & Reimbursements	(16)	(16)	(9)	(7)
	<u>12,090</u>	<u>12,590</u>	<u>4,222</u>	<u>8,368</u>
Board of Trade				
Salaries & Benefits	538	538	466	72
Services & Supplies	161	181	179	2
Capital Assets		88	88	
Other Financing Uses	32	32		32
	<u>731</u>	<u>839</u>	<u>733</u>	<u>106</u>
Engineering & Survey Services				
Salaries & Benefits	5,102	5,102	4,259	843
Services & Supplies	1,320	1,320	1,216	104
Capital Assets	80	80	79	1
Transfers & Reimbursements	(179)	(179)	(163)	(16)
Other Charges	111	111	101	10
Other Financing Uses	553	553		553
	<u>6,987</u>	<u>6,987</u>	<u>5,492</u>	<u>1,495</u>
Risk Management				
Salaries & Benefits	2,257	2,257	2,033	224
Services & Supplies	1,808	1,808	1,269	539
Other Charges	1,196	1,196	999	197
Transfers & Reimbursements	(488)	(488)	(359)	(129)
	<u>4,773</u>	<u>4,773</u>	<u>3,942</u>	<u>831</u>
Capital Projects				
Other Charges				
Capital Assets	43,341	45,074	17,910	27,164
Transfers & Reimbursements	(686)	(686)	(257)	(429)
	<u>42,655</u>	<u>44,388</u>	<u>17,653</u>	<u>26,735</u>
<b>Total General Government</b>	<b><u>152,773</u></b>	<b><u>155,145</u></b>	<b><u>105,937</u></b>	<b><u>49,208</u></b>
<b>Public Protection:</b>				
Contribution - Trial Court Funding				
Services & Supplies	15,213	15,213	14,575	638
	<u>15,213</u>	<u>15,213</u>	<u>14,575</u>	<u>638</u>
Grand Jury				
Salaries & Benefits	67	67	67	
Services & Supplies	178	178	146	32
Other Financing Uses	32	32		32
	<u>277</u>	<u>277</u>	<u>213</u>	<u>64</u>
Indigent Defense Services				
Services & Supplies	3,963	5,147	5,053	94
	<u>3,963</u>	<u>5,147</u>	<u>5,053</u>	<u>94</u>
District Attorney				
Salaries & Benefits	20,951	21,111	20,219	892
Services & Supplies	2,235	2,385	2,261	124
Other Charges	98	98	97	1
Other Financing Uses	42	42		42
Capital Assets	111	150	150	
Other Financing Uses	42	42		42
Transfers & Reimbursements	(82)	(82)	(85)	3
	<u>23,397</u>	<u>23,746</u>	<u>22,642</u>	<u>1,104</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

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	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Public Protection (Continued):				
Public Defender				
Salaries & Benefits	\$ 10,157	\$ 10,287	\$ 9,999	\$ 288
Services & Supplies	806	818	675	143
Other Financing Uses	361	361		361
Capital Assets	15	15	14	1
	<u>11,339</u>	<u>11,481</u>	<u>10,688</u>	<u>793</u>
Forensic Sciences-Division of District Attorney				
Salaries & Benefits	3,236	3,309	2,897	412
Services & Supplies	1,859	1,935	1,827	108
Other Charges	220	220	220	
Capital Assets		30	18	12
Transfers & Reimbursements	(70)	(70)	(118)	48
	<u>5,245</u>	<u>5,424</u>	<u>4,844</u>	<u>580</u>
Sheriff				
Salaries & Benefits	120,219	120,322	120,320	2
Services & Supplies	26,766	27,370	23,230	4,140
Other Charges	5,397	5,397	3,819	1,578
Other Financing Uses	1,321	1,321		1,321
Capital Assets	4,408	4,624	2,983	1,641
Transfers & Reimbursements	(370)	(370)	15	(385)
	<u>157,741</u>	<u>158,664</u>	<u>150,367</u>	<u>8,297</u>
Probation				
Salaries & Benefits	45,869	45,869	45,869	
Services & Supplies	6,093	6,560	6,551	9
Other Charges	219	619	619	
Other Financing Uses	1,026	1,026		1,026
Capital Assets	787	812	812	
Transfers & Reimbursements	(497)	(497)	(498)	1
	<u>53,497</u>	<u>54,389</u>	<u>53,353</u>	<u>1,036</u>
Agricultural Commissioner				
Salaries & Benefits	4,437	4,491	4,258	233
Services & Supplies	893	914	907	7
Other Financing Uses	432	432		432
Capital Assets		15	13	2
	<u>5,762</u>	<u>5,852</u>	<u>5,178</u>	<u>674</u>
Code Compliance				
Salaries & Benefits	1,191	1,191	1,105	86
Services & Supplies	682	682	657	25
Capital Assets	37	37	31	6
	<u>1,910</u>	<u>1,910</u>	<u>1,793</u>	<u>117</u>
Recorder				
Salaries & Benefits	1,823	1,823	1,674	149
Services & Supplies	2,124	2,124	1,289	835
Capital Assets	124	124	98	26
Other Financing Uses	479	479		479
	<u>4,550</u>	<u>4,550</u>	<u>3,061</u>	<u>1,489</u>
Resource Management Agency				
Salaries & Benefits	1,479	1,479	1,429	50
Services & Supplies	128	128	119	9
Capital Assets	32	32	19	13
Other Charges	8	8	5	3
Other Financing Uses	2	2		2
Transfers & Reimbursements	(45)	(110)	(37)	(73)
	<u>1,604</u>	<u>1,539</u>	<u>1,535</u>	<u>4</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Page 11 of 13

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
<b>Public Protection (Continued):</b>				
Planning				
Salaries & Benefits	\$ 3,183	\$ 3,183	\$ 2,833	\$ 350
Services & Supplies	3,595	3,595	697	2,898
Other Financing Uses	280	280		280
Transfers & Reimbursements	(10)	(10)	(8)	(2)
	<u>7,048</u>	<u>7,048</u>	<u>3,522</u>	<u>3,526</u>
Animal Control				
Salaries & Benefits	2,615	2,615	2,615	
Services & Supplies	1,093	1,093	1,045	48
Capital Assets	289	289	289	
Other Financing Uses	199	199		199
Other Financing Uses	199	199		199
Capital Assets	289	289	289	
	<u>4,684</u>	<u>4,684</u>	<u>4,238</u>	<u>446</u>
<b>Total Public Protection</b>	<b><u>296,230</u></b>	<b><u>299,924</u></b>	<b><u>281,062</u></b>	<b><u>18,862</u></b>
<b>Health and Sanitation:</b>				
Department of Public Health				
Salaries & Benefits	22,299	22,299	21,208	1,091
Services & Supplies	4,674	4,674	4,418	256
Other Charges	120	120	104	16
Capital Assets	8	8	8	
Transfers & Reimbursements	(490)	(490)	(598)	108
	<u>26,611</u>	<u>26,611</u>	<u>25,140</u>	<u>1,471</u>
Environmental Health				
Salaries & Benefits	4,538	4,538	4,137	401
Services & Supplies	624	754	702	52
Other Financing Uses	296	296		296
Capital Assets	6	6	6	
Transfers & Reimbursements	(2)	(2)		(2)
	<u>5,462</u>	<u>5,592</u>	<u>4,845</u>	<u>747</u>
Emergency Medical Services				
Salaries & Benefits	833	833	763	70
Services & Supplies	1,131	1,573	431	1,142
Other Financing Uses	505	505		505
Capital Assets	10	10		10
	<u>2,479</u>	<u>2,921</u>	<u>1,194</u>	<u>1,727</u>
KMC Enterprise Fund - County Contribution				
Services & Supplies			48	(48)
Other Charges			492	(492)
			<u>540</u>	<u>(540)</u>
California Children Services				
Salaries & Benefits	6,055	6,055	4,413	1,642
Services & Supplies	2,428	2,428	1,997	431
Other Charges	4	4	1	3
	<u>8,487</u>	<u>8,487</u>	<u>6,411</u>	<u>2,076</u>
<b>Total Health and Sanitation</b>	<b><u>43,039</u></b>	<b><u>43,611</u></b>	<b><u>38,130</u></b>	<b><u>5,481</u></b>
<b>Public Assistance:</b>				
Veterans Service				
Salaries & Benefits	592	592	482	110
Services & Supplies	80	80	70	10
Other Financing Uses	61	61		61
	<u>733</u>	<u>733</u>	<u>552</u>	<u>181</u>
Employers Training Resource				
Salaries & Benefits	9,750	9,750	8,458	1,292
Services & Supplies	3,479	3,479	3,191	288
Capital Assets	164	164	164	
	<u>13,393</u>	<u>13,393</u>	<u>11,813</u>	<u>1,580</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Public Assistance (Continued):				
Community Development Program Agency				
Salaries & Benefits	\$ 1,676	\$ 1,676	\$ 1,547	\$ 129
Services & Supplies	383	383	201	182
	<u>2,059</u>	<u>2,059</u>	<u>1,748</u>	<u>311</u>
<b>Total Public Assistance</b>	<b><u>16,185</u></b>	<b><u>16,185</u></b>	<b><u>14,113</u></b>	<b><u>2,072</u></b>
<b>Education:</b>				
Kern County Library				
Salaries & Benefits	6,680	6,680	6,680	
Services & Supplies	3,042	3,042	2,999	43
Capital Assets	27	27	25	2
Other Financing Uses	210	210		210
	<u>9,959</u>	<u>9,959</u>	<u>9,704</u>	<u>255</u>
Farm & Home Advisor				
Salaries & Benefits	364	364	353	11
Services & Supplies	118	118	94	24
Capital Assets	50	50		50
Other Financing Uses	206	206		206
	<u>738</u>	<u>738</u>	<u>447</u>	<u>291</u>
<b>Total Education</b>	<b><u>10,697</u></b>	<b><u>10,697</u></b>	<b><u>10,151</u></b>	<b><u>546</u></b>
<b>Recreation and Culture:</b>				
Parks and Recreation				
Salaries & Benefits	9,286	9,286	9,166	120
Services & Supplies	3,961	3,994	3,706	288
Other Charges	175	175	163	12
Capital Assets	697	697	686	11
Other Financing Uses	244	244		244
	<u>14,363</u>	<u>14,396</u>	<u>13,721</u>	<u>675</u>
<b>Total Recreation and Culture</b>	<b><u>14,363</u></b>	<b><u>14,396</u></b>	<b><u>13,721</u></b>	<b><u>675</u></b>
<b>Debt Service - General Fund:</b>				
Services & Supplies	228	228	228	
Debt Service - Interest	7,120	7,120	7,120	
	<u>7,348</u>	<u>7,348</u>	<u>7,348</u>	
<b>Total Debt Service - General Fund</b>	<b><u>7,348</u></b>	<b><u>7,348</u></b>	<b><u>7,348</u></b>	
<b>Contingencies and Reserves:</b>				
Appropriations for Contingencies	6,757	6,757		6,757
<b>Total Expenditures</b>	<b><u>547,392</u></b>	<b><u>554,063</u></b>	<b><u>470,462</u></b>	<b><u>83,601</u></b>
Excess (Deficiency) of Revenues Over Expenditures	6,845	660	60,937	60,277
OTHER FINANCING SOURCES (USES):				
Transfers In	58,016	58,016	66,365	8,349
Transfers Out	<u>(84,587)</u>	<u>(84,587)</u>	<u>(95,545)</u>	<u>(10,958)</u>
Total Other Financing Sources (Uses)	<u>(26,571)</u>	<u>(26,571)</u>	<u>(29,180)</u>	<u>(2,609)</u>
Net Changes in Fund Balances (Deficits)	<u>\$ (19,726)</u>	<u>\$ (25,911)</u>	31,757	<u>\$ 57,668</u>
Fund Balances, July 1, 2006 (Modified Accrual Basis of Accounting, p. 28)			126,395	
Fund Balances, June 30, 2007			<u>\$ 158,152</u>	

Note: The Fund Balance at July 1, 2006 for Budgetary Basis is recorded on the modified accrual basis of accounting, excluding prior year encumbrances.

COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 531,399

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 470,462

Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period (16,985)

Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources 2,326

Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 455,803

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 KERN COUNTY DEPARTMENT OF CHILD SUPPORT  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 80	\$ 80	\$ 129	\$ 49
Aid from Other Governmental Agencies	22,779	22,779	22,581	(198)
Other Revenues	21	21	7	(14)
<b>Total Revenues</b>	<u>22,880</u>	<u>22,880</u>	<u>22,717</u>	<u>(163)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection				
Salaries & Benefits	17,418	17,592	17,334	258
Services & Supplies	5,294	5,523	5,135	388
Other Charges	594	476	472	4
Capital Assets		18	18	
<b>Total Expenditures</b>	<u>23,306</u>	<u>23,609</u>	<u>22,959</u>	<u>650</u>
<b>Net Changes in Fund Balances</b>	(426)	(729)	(242)	(487)
Fund Deficits, July 1, 2006	<u>1,140</u>	<u>1,140</u>	<u>1,140</u>	
<b>Fund Balances, June 30, 2007</b>	<u>\$ 714</u>	<u>\$ 411</u>	<u>\$ 898</u>	<u>\$ (487)</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 22,717

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 22,959



COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 EMPLOYERS' TRAINING RESOURCE  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$	\$	\$ 36	\$ 36
Aid from Other Governmental Agencies	20,972	20,972	19,386	(1,586)
Charges for Current Services			64	64
Other Revenues	<u>62</u>	<u>62</u>	<u>93</u>	<u>31</u>
Total Revenues	<u>21,034</u>	<u>21,034</u>	<u>19,579</u>	<u>(1,455)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance				
Salaries & Employee Benefits	9,721			
Services & Supplies	17,434	14,038	12,776	1,262
Other Charges	<u>21,352</u>	<u>7,066</u>	<u>6,714</u>	<u>352</u>
Total Expenditures	<u>48,507</u>	<u>21,104</u>	<u>19,490</u>	<u>1,614</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(27,473)</u>	<u>(70)</u>	<u>89</u>	<u>159</u>
Net Changes in Fund Balances	(27,473)	(70)	89	159
Fund Balances, July 1, 2006	<u>736</u>	<u>736</u>	<u>736</u>	
Fund Balances (Deficits), June 30, 2007	<u>\$ (26,737)</u>	<u>\$ 666</u>	<u>\$ 825</u>	<u>\$ 159</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 19,579

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 19,490

Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 19,490

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
HUMAN SERVICES  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 107	\$ 107	\$ 477	\$ 370
Aid from Other Governmental Agencies	318,435	326,403	302,904	(23,499)
Charges for Current Services	229	229	120	(109)
Other Revenues	<u>2,932</u>	<u>2,932</u>	<u>2,667</u>	<u>(265)</u>
Total Revenues	<u>321,703</u>	<u>329,671</u>	<u>306,168</u>	<u>(23,503)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance				
Salaries & Benefits	90,732	99,942	98,254	1,688
Services & Supplies	43,279	52,051	47,146	4,905
Other Charges	188,280	186,465	175,734	10,731
Capital Assets	<u>297</u>	<u>870</u>	<u>729</u>	<u>141</u>
Total Expenditures	<u>322,588</u>	<u>339,328</u>	<u>321,863</u>	<u>17,465</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(885)</u>	<u>(9,657)</u>	<u>(15,695)</u>	6,038
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>16,410</u>	<u>16,410</u>	<u>18,272</u>	<u>1,862</u>
Total Other Financing Sources	<u>16,410</u>	<u>16,410</u>	<u>18,272</u>	<u>1,862</u>
Net Changes in Fund Balances (Deficits)	15,525	6,753	2,577	7,900
Fund Deficits, July 1, 2006	<u>(9,655)</u>	<u>(9,655)</u>	<u>(9,655)</u>	<u></u>
Fund Balances (Deficits), June 30, 2007	<u>\$ 5,870</u>	<u>\$ (2,902)</u>	<u>\$ (7,078)</u>	<u>\$ 7,900</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 306,168

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 321,863  
Differences - Budget to GAAP  
Encumbrances for supplies and services ordered but not received within the recognition period (101)  
Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (106)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 321,656

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
MENTAL HEALTH  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 300	\$ 300	\$ 1,393	\$ 1,093
Aid from Other Governmental Agencies	64,968	64,968	60,705	(4,263)
Charges for Current Services	35,754	35,754	22,562	(13,192)
Other Revenues	350	350	2,631	2,281
<b>Total Revenues</b>	<u>101,372</u>	<u>101,372</u>	<u>87,291</u>	<u>(14,081)</u>
<b>EXPENDITURES:</b>				
Current:				
Health and Sanitation				
Salaries & Benefits	39,136	50,156	44,378	5,778
Services & Supplies	54,707	52,323	53,712	(1,389)
Other Charges	4,818	6,089	6,194	(105)
Capital Assets	512	603	407	196
<b>Total Expenditures</b>	<u>99,173</u>	<u>109,171</u>	<u>104,691</u>	<u>4,480</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,199</u>	<u>(7,799)</u>	<u>(17,400)</u>	<u>9,601</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	882	882	1,073	191
Transfers Out			(7)	(7)
<b>Total Other Financing Sources</b>	<u>882</u>	<u>882</u>	<u>1,066</u>	<u>184</u>
Net Changes in Fund Balances (Deficits)	3,081	(6,917)	(16,334)	9,785
Fund Balances, July 1, 2006	16,467	16,467	16,467	
Prior Period Adjustments	(1,801)	(1,801)	(1,801)	
<b>Fund Balances, June 30, 2007</b>	<u>\$ 17,747</u>	<u>\$ 7,749</u>	<u>\$ (1,668)</u>	<u>\$ 9,785</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>87,291</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 104,691
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(8,843)
Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	(836)
Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>95,012</u>

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
ROADS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Taxes	\$ 2,589	\$ 2,589	\$ 4,006	\$ 1,417
Licenses, Permits and Franchises				
Fines, Forfeitures and Penalties				
Revenues from Use of Money and Property	150	150	1,426	1,276
Aid from Other Governmental Agencies	37,455	37,455	29,444	(8,011)
Charges for Current Services	3,000	3,000	6,251	3,251
Other Revenues	4,013	4,013	2,640	(1,373)
<b>Total Revenues</b>	<u>47,207</u>	<u>47,207</u>	<u>43,767</u>	<u>(3,440)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Ways and Facilities				
Salaries & Benefits	13,773	15,685	14,242	1,443
Services & Supplies	41,173	46,526	32,641	13,885
Other Charges	265	429	435	(6)
Capital Assets	1,445	1,864	1,853	11
<b>Total Expenditures</b>	<u>56,656</u>	<u>64,504</u>	<u>49,171</u>	<u>15,333</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(9,449)</u>	<u>(17,297)</u>	<u>(5,404)</u>	<u>(11,893)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	5,500	5,500	5,514	14
Transfers Out				
<b>Total Other Financing Sources (Uses)</b>	<u>5,500</u>	<u>5,500</u>	<u>5,514</u>	<u>14</u>
Net Changes in Fund Balances (Deficits)	(3,949)	(11,797)	110	(11,879)
Fund Balances, July 1, 2006	20,862	20,862	20,862	
Fund Balances, June 30, 2007	<u>\$ 16,913</u>	<u>\$ 9,065</u>	<u>\$ 20,972</u>	<u>\$ (11,879)</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 43,767

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 49,171

Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period (95)

Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (607)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 48,469

**COUNTY OF KERN  
BUDGETARY COMPARISON SCHEDULE  
STRUCTURAL FIRE  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Taxes	\$ 60,910	\$ 62,210	\$ 63,488	\$ 1,278
Licenses, Permits and Franchises	457	457	296	(161)
Fines, Forfeitures and Penalties	39	39	45	6
Revenues from Use of Money and Property	40	40	317	277
Aid from Other Governmental Agencies	1,756	4,779	4,001	(778)
Charges for Current Services	17,077	21,997	24,533	2,536
Other Revenues	1,391	1,391	103	(1,288)
<b>Total Revenues</b>	<u>81,670</u>	<u>90,913</u>	<u>92,783</u>	<u>1,870</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection				
Salaries & Benefits	73,736	88,011	87,187	824
Services & Supplies	10,724	11,830	11,630	200
Other Charges	4,313	5,939	5,321	618
Capital Assets	5,726	11,627	10,432	1,195
Appropriation for Contingencies		260		(260)
<b>Total Expenditures</b>	<u>94,499</u>	<u>117,667</u>	<u>114,570</u>	<u>2,577</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(12,829)</u>	<u>(26,754)</u>	<u>(21,787)</u>	<u>(4,967)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	16,380	16,380	21,668	5,288
Transfers Out			(606)	(606)
<b>Total Other Financing Sources</b>	<u>16,380</u>	<u>16,380</u>	<u>21,062</u>	<u>4,682</u>
<b>Net Changes in Fund Balances (Deficits)</b>	3,551	(10,374)	(725)	(285)
Fund Balances, July 1, 2006	<u>9,810</u>	<u>9,810</u>	<u>9,810</u>	
Fund Balances (Deficits), June 30, 2007	<u>\$ 13,361</u>	<u>\$ (564)</u>	<u>\$ 9,085</u>	<u>\$ (285)</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 92,783

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 114,570

Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period (1,371)

Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (1,316)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 111,883

**COUNTY OF KERN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended June 30, 2007**

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**I. BUDGETARY BASIS OF ACCOUNTING**

**A. BUDGETARY INFORMATION**

In accordance with the provisions of Sections 29000 through 29144 of the California Government Code and other statutory provisions, commonly known as the County Budget Act, the County prepares and legally adopts a budget on or before June 30 for the next fiscal year. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds, except that such budgets integrate the County's encumbrance system, and, accordingly, they differ from budgets prepared in accordance with generally accepted accounting principles in this regard. In addition, capital leases are budgeted for the current annual portion, and, under generally accepted accounting principles, the full amount of the leased asset purchased is required to be recorded as an expenditure in the year purchased.

Annual budgets are not adopted for the following Non-major Governmental Funds: Public Improvement Districts; the District Attorney; Equipment Automation; the District Attorney Local Forfeitures; the Property Tax Administration; the Sheriff Inmate Welfare; the Sheriff Fingerprint Identification; Accumulative Capital Outlay-Road; the County of Kern Asset Leasing; Public Health Facility Loan Trustee; and Pension Obligation Trustee. A budgetary comparison schedule is not presented for these funds.

The funds presented in the budgetary comparison schedule include the General fund, Kern County Department of Child Support, Human Services, Mental Health, Roads, Structural Fire, and special revenue funds. The county also budgets for Fish and Game, Recorders Fee, Probation, Off Highway Motor Vehicle License, and Litter clean-up.

The County controls expenditures from non-budgeted funds primarily by monitoring cash balances throughout its integrated accounting and warrant writing system. Non-budgeted debt service payments are determined by the terms of bond indentures.

The aggregated County budget is an accumulation of current operating budgets within the budgeted funds operations. The County prepares annual budgets for its Enterprise and Internal Service Fund activities; however, such budgets are not presented since such comparison would make evaluation of the accrual basis of accounting funds unduly complex. All budgetary transactions must be approved by a four-fifths (4/5) vote from the Board of Supervisors.

The County budgets by fund and by object within all budgeted funds except for the General Fund. Budgetary control in the General Fund is exercised at the department level by object. The legal level of control is at the major object level, salaries and employee benefits, services and supplies, other charges, capital assets, and expenditure transfers and reimbursements for all budgeted funds. The dollar amount limitation effectively lowers the legal level of budgetary control to the object level.

There were no material excess expenditures over the related appropriations in any object level within any other fund. Final budget amounts, as reported, represent adjusted figures at year-end. The Board must approve transfers of appropriations between departments. The Board must also approve supplemental appropriations necessary and normally financed by unanticipated revenue during the year. Unanticipated revenues of \$13,778,316 were added to appropriations in the General Fund during the fiscal year.

**COUNTY OF KERN**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**Year Ended June 30, 2007**

**I. BUDGETARY BASIS OF ACCOUNTING (CONTINUED)**

**A. BUDGETARY INFORMATION (CONTINUED)**

Depending upon the amount transferred, the Board or the County Administrative Office must approve transfers of appropriations between objects of expenditures within the same budget unit. Final budget amounts reported in the accompanying financial statements are as amended. Any excess of budgetary expenditures and other financing uses over revenues and other financing sources is financed by beginning available fund balances as provided for in the County Budget Act.

A comparison of the budgeted and actual revenues and expenditures is presented on a budgetary basis in the financial section. The County also prepares a separate Final Budget document at the object level, which is made available to the public by the Auditor-Controller-County Clerk's office.

Encumbrances, which are commitments related to executory purchases for goods or services, are recorded for budgetary control purposes in the budgeted funds. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Encumbrances outstanding at year-end represent the estimated amount of expenditures ultimately to result if the purchases in process at year-end are completed. Outstanding encumbrances for contracts were required to lapse at June 30, 2006. Outstanding encumbrances related to purchase orders were allowed to carryover and are reported as reservations of fund balance for subsequent year expenditures. Unused or unencumbered appropriations at year-end close to fund balance.

**B. RECONCILIATION OF BUDGETARY BASIS TO GAAP**

The annual County budget is prepared, approved and adopted in accordance with provisions of the County Budget Act. In preparing the budget, the County utilizes a basis of accounting, which is different from the basis prescribed by generally accepted accounting principles (GAAP).

	Fund Balances (Budgetary Basis)	Basis Differences			Fund Balances (Modified Accrual Basis)
		Capital Leases - Inception	Capital Leases - Other Financing Sources	Outstanding Encumbrances for Budgeted Funds	
General Fund	\$ 110,479	\$ (6,110)	\$ 6,110	\$ 16,613,455	\$ 126,395
Mental Health	16,454			9,679,315	16,467
Road	19,550			701,677	20,861
Structural Fire	5,452			2,684,628	9,810
Tobacco Securitization	54,239			6,355	54,250
Total	<u>\$ 206,174</u>	<u>\$ (6,110)</u>	<u>\$ 6,110</u>	<u>\$ 29,685,429</u>	<u>\$ 227,783</u>

COUNTY OF KERN  
 SCHEDULE OF FUNDING PROGRESS  
 OTHER POST-EMPLOYMENT BENEFITS  
 FOR THE YEAR ENDING JUNE 30, 2007 (IN THOUSANDS)

**Retiree Health Premium Supplement Program (RHPSP)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b-a)/c)
6/30/2006	17,474	83,625	66,151	20.90%	391,892	16.88%

**Retiree Health Stipend**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b-a)/c)
6/30/2006		14,031	14,031	0.00%	391,892	3.58%



COUNTY OF KERN  
 ACTUARIAL ASSUMPTIONS AND METHODS  
 OTHER POST-EMPLOYMENT BENEFITS  
 FOR THE YEAR ENDING JUNE 30, 2007 (IN THOUSANDS)

**Retiree Health Premium Supplement Program (RHPSP)**  
**Retiree Health Stipend**

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<b>Valuation Date:</b>	June 30, 2006
<b>Investment Return:</b>	6% per annum
<b>General Inflation Rate:</b>	4%
<b>Mortality:</b>	RP 2000 Health Annuitant Mortality was assumed during service retirement up to age 65 for monthly benefit payments.
<b>Salary Increases:</b>	4%
<b>Increase in Medical Plan Premiums (Trend):</b>	6%
<b>Actuarial Cost Method:</b>	Entry Age Normal

**Retiree Health Premium Supplement Program (RHPSP) ONLY**

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<b>Monthly Premium Contributions for Future Retirees:</b>	County Self Ins. Plan (PPO)	\$ 414.60
	Health Net (HMO)	504.15
	Kaiser (HMO)	378.30
<b>Other Factors for Monthly Premium Contributions:</b>	Above premiums are for new retirees who are under age 65 and completed 25 or more years of continuous service. Employees who retire with a minimum of 20 years of continuous service only receive a percentage as follows:	
	20 years	50%
	21 years	60%
	22 years	70%
	23 years	80%
	24 years	90%
	25 years	100%

**Retiree Health Stipend ONLY**

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<b>Monthly Premium Contributions for Future Retirees:</b>	<u>Coverage</u>	<u>Stipend</u>
	Single- Retiree Only	\$ 39.75
	Two-Party (retiree plus dependent)	53.69
	Family (retiree plus two or more dependents)	61.50

COUNTY OF KERN  
 SCHEDULE OF CONTRIBUTIONS  
 OTHER POST-EMPLOYMENT BENEFITS  
 FOR THE YEAR ENDING JUNE 30, 2007 (IN THOUSANDS)

**Retiree Health Premium Supplement Program (RHSP)**

<u>Year Ended June 30,</u>	<u>Actual Annual Contribution</u>	<u>Actual Required Contribution</u>	<u>Percentage Contribution</u>
2007	4,568	7,677	60%

**Retiree Health Stipend**

<u>Year Ended June 30,</u>	<u>Actual Annual Contribution</u>	<u>Actual Required Contribution</u>	<u>Percentage Contribution</u>
2007	1,340	*	*

\* Plan funded by the pay-as-you-go method

The seal of Kern County, California, is a circular emblem. It features a central scene with a yellow sun rising over a landscape that includes a wind turbine, a bridge, a train, and various agricultural products like grapes and oranges. The seal is bordered by a blue ring with the text "COUNTY OF KERN" at the top and "STATE OF CALIFORNIA" at the bottom, separated by dots. The entire seal is surrounded by a yellow and black striped border.

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS AND  
SCHEDULES**





**NON-MAJOR  
GOVERNMENTAL FUNDS**



COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2007 (IN THOUSANDS)

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
<b>ASSETS</b>				
Assets:				
Pooled Cash and Investments	\$ 45,341	\$ 7,047	\$ 7,225	\$ 59,613
Revolving Fund Cash	2			2
Cash and Investments Deposited with Trustee			15,238	15,238
Interest Receivable	491	101	95	687
Taxes Receivable	668			668
Accrued Revenue	12,002			12,002
Due from Other Funds	1,234			1,234
Advances to Other Funds			6,986	6,986
Total Assets	<u>\$ 59,738</u>	<u>\$ 7,148</u>	<u>\$ 29,544</u>	<u>\$ 96,430</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ 1,450	\$	\$	\$ 1,450
Salaries and Employee Benefits Payable	562			562
Advances from Other Funds	821			821
Due to Other Funds	6,033			6,033
Due to Other Agencies				
Loans Payable	139			139
Deferred Revenue	1,900			1,900
Total Liabilities	<u>10,905</u>			<u>10,905</u>
Fund Balances:				
Reserved	6,239		29,544	35,783
Unreserved, reported in:				
Special Revenue Funds	42,594			42,594
Capital Projects Funds		7,148		7,148
Total Fund Balances	<u>48,833</u>	<u>7,148</u>	<u>29,544</u>	<u>85,525</u>
Total Liabilities and Fund Balances	<u>\$ 59,738</u>	<u>\$ 7,148</u>	<u>\$ 29,544</u>	<u>\$ 96,430</u>

COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES:				
Taxes	\$ 2,680	\$	\$	\$ 2,680
Licenses, Permits and Franchises	4,631			4,631
Fines, Forfeitures and Penalties	7,442			7,442
Revenues from Use of Money and Property	2,647	277	1,633	4,557
Aid from Other Governmental Agencies	76,029	2,278	6,871	85,178
Charges for Current Services	4,520			4,520
Other Revenues	6,687	6,001	28,713	41,401
Total Revenues	<u>104,636</u>	<u>8,556</u>	<u>37,217</u>	<u>150,409</u>
EXPENDITURES:				
Current:				
General Government	168		28	196
Public Protection	6,762			6,762
Health and Sanitation	2,983			2,983
Public Assistance	30,828			30,828
Public Ways and Facilities	1,875			1,875
Capital Outlay		2,131		2,131
Debt Service:				
Principal			11,790	11,790
Interest			28,580	28,580
Total Expenditures	<u>42,616</u>	<u>2,131</u>	<u>40,398</u>	<u>85,145</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>62,020</u>	<u>6,425</u>	<u>(3,181)</u>	<u>65,264</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	10,283		4,354	14,637
Transfers Out	(68,908)	(2,121)	(200)	(71,229)
Total Other Financing Sources (Uses)	<u>(58,625)</u>	<u>(2,121)</u>	<u>4,154</u>	<u>(56,592)</u>
Net Changes in Fund Balances	3,395	4,304	973	8,672
Fund Balances, July 1, 2006 (as previously reported)	46,571	2,829	28,571	77,971
Prior Period Adjustment	(1,133)	15		(1,118)
Fund Balances, June 30, 2007	<u>\$ 48,833</u>	<u>\$ 7,148</u>	<u>\$ 29,544</u>	<u>\$ 85,525</u>



## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUND DESCRIPTIONS

Special revenue funds are revenues derived from specific taxes or other designated revenue sources. Primary revenue sources include taxes; fines, forfeitures and penalties; use of money and property; aid from other governmental agencies; charges for current services; and other revenues. Expenditures are for specific activities that are legally authorized to be financed from the individual funds. These special revenue funds are described below:

**Aging and Adult Services** – This fund accounts for the development and maintenance of Countywide programs to provide social, nutritional and protective services to seniors and other adults.

**Building Inspection** – This fund provides for enforcement of State and local regulations governing construction through the issuance of building permits and inspection of new construction in the unincorporated areas of the County.

**Community Development** – This fund accounts for Federal Community Development Block Grants that are used to develop viable urban communities through the provision of decent housing, a suitable living environment, and economic opportunities for low and moderate-income individuals.

**County Service Areas** – This fund accounts for a broad range of services to remote geographical areas as well as rapidly growing communities. These funds are financed principally from property taxes.

**District Attorney Equipment Automation** – This fund accounts for special grants for the acquisition of equipment for automation of the District Attorney, and specialized equipment for the Crime Laboratory.

**District Attorney Local Forfeitures** – This fund was established to account for the County's allocation of civil judgements and asset forfeitures.

**Emergency Medical Services** – This fund provides for the coordination of all participants in the emergency medical services system in the County, as authorized under the Health and Safety Code.

**Local Public Safety** – This fund is used to separately account for proceeds from a half-cent sales tax enacted through the passage of Proposition 172 in November 1993. Proceeds are allocated from this fund to the District Attorney, Public Defender, Sheriff, Probation and Fire.

**Planned Local Drainage** – This fund accounts for Planned Drainage Areas established in 1976 to finance the construction of storm drain facilities.

**Property Tax Administration** – This fund accounts for monies received from the State to enhance the property tax administration system.

**Public Improvement Districts** – These funds account for monies derived from assessment districts for the construction of public improvements.

**Sheriff Inmate Welfare** – This fund accounts for monies derived from the commissary sales and telephone charges at the County Jail. Funds are used for the welfare and benefit of inmates housed in the County Jail.

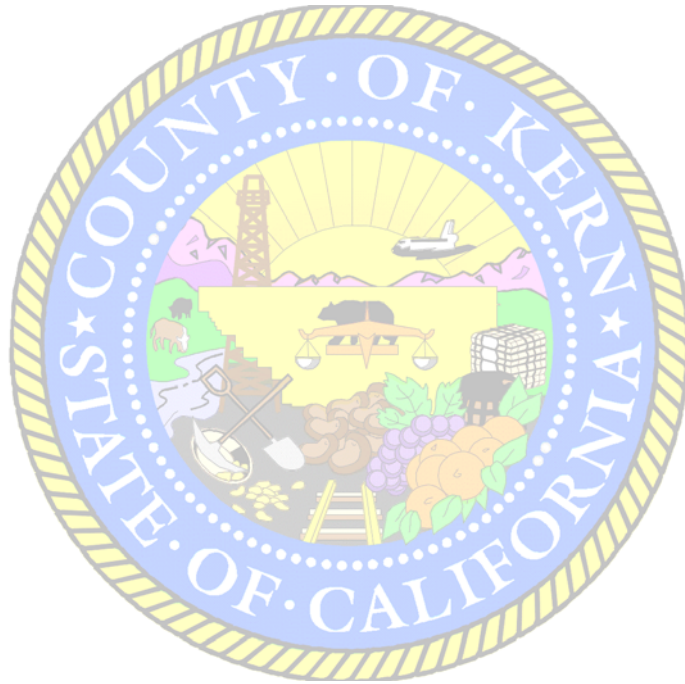
**Sheriff Fingerprint Identification** – This fund accounts for monies collected through a \$1 fee added to all vehicle registrations to the County with the cost of purchase and replacement of automated fingerprint equipment.

**Tobacco Litigation Settlement** – This fund accounts for monies derived from the tobacco litigation settlement with four major domestic tobacco companies.

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS DESCRIPTION (Continued)

**Other Special Revenue Funds** – These funds account for revenues received for various activities and programs including: Automated County Warrant System, Criminal Justice Facility, Sheriff Training, Automated Fingerprint, Probation Training, Domestic Violence, Family Court Service, Records Fee, Micro graphics, Range Improvement, Wildlife Resources, Off-Highway Motor Vehicle License, Alcohol Program, Alcohol Abuse, Drug Program, Litter Cleanup, Experimental Farm, Probation Clearing, Parking Ticket Clearing, Agricultural Commissioner Farm Advisory Agricultural Research, Animal Care, Animal Control Feline Carcasses, Beale Library, Library Rental Book, Kern Film Festival, Kern Products Dinner, Board of Trade Advertising, District Attorney - Non-Drug Related Forfeiture, District Attorney - H & S Code 11489, Health-Local Option, Health – State L.U.S.T. Program, Public Health Miscellaneous, Public Health – Fax Death Certificates, Kern Critical Incident Response Team, Foster Home Maintenance, Asset Forfeiture, Park-Derby Acres, Purchasing Agent Special Depository, Hazardous Waste Settlements, Sheriff - Rural Crime, Sheriff - Civil Subpoena, Sheriff – Drug Abuse Gang Diversion, Sheriff – Work Release, Sheriff – State Asset Forfeiture, Sheriff - Civil Automation, Sheriff – Sidearm Conversion, Sheriff – Judgment Debtors Fee, Sheriff – Drug Awareness Program, Sheriff – Controlled Substance, Retrieval/Archive Photos, Planning Commission, District Attorney – Federal Forfeiture Trust, Emergency Medical Services Week Donations, Disaster Mitigation Response & Recovery, Juvenile Inmate Welfare, Kern County Children, Kern County Library Book, Solid Waste Enforcement, Spay/Neuter, Strong Motion Instrumentation, Tobacco Education Control Program, Vital & Health Statistics, Vital & Health Statistics – Recorder, Veterinarian, and Eminent Domain Proceedings, Domestic Preparedness, Health Bio Terrorism Grant, Library Grant IHSS Public Authority, Planning CEQA Revolving, Planning Admin. Surcharge, DHS Wraparound Savings, Assessor Cash Overage, Animal Cash Overage, DA Court Ordered Penalties, CAO Superior Court Project, Roads Caltrans Advance, DA/Sheriff/Probation/ DNA Fund.



COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2007 (IN THOUSANDS)

Page 1 of 4

	<u>TOTAL</u>	<u>AGING AND ADULT SERVICES</u>	<u>BUILDING INSPECTION</u>	<u>COMMUNITY DEVELOPMENT PROGRAM</u>
<b><u>ASSETS</u></b>				
Pooled Cash and Investments	\$ 45,341	\$ 134	\$ 8,549	\$ 528
Revolving Fund Cash	2	2		
Interest Receivable	491	14	114	7
Taxes Receivable	668			
Accrued Revenue	12,002	1,777		592
Due from Other Funds	1,234			
	<u>1,234</u>	<u>1,777</u>	<u>114</u>	<u>592</u>
Total Assets	<u>\$ 59,738</u>	<u>\$ 1,927</u>	<u>\$ 8,663</u>	<u>\$ 1,127</u>
<b><u>LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>				
Liabilities:				
Accounts Payable	\$ 1,450	\$ 358	\$ 50	\$ 410
Salaries and Employee Benefits Payable	562	380	182	
Advances from Other Funds	821	782		
Due to Other Funds	6,033	1		183
Loans Payable	139			
Deferred Revenue	1,900			
	<u>1,900</u>	<u>783</u>	<u>182</u>	<u>183</u>
Total Liabilities	<u>10,905</u>	<u>1,521</u>	<u>232</u>	<u>593</u>
Fund Balances (Deficits):				
Reserved	6,239	2	1,437	34
Unreserved:				
Designated	13,520		5,548	
Undesignated	29,074	404	1,446	500
	<u>48,833</u>	<u>406</u>	<u>8,431</u>	<u>534</u>
Total Fund Balances (Deficits)	<u>48,833</u>	<u>406</u>	<u>8,431</u>	<u>534</u>
Total Liabilities and Fund Balances	<u>\$ 59,738</u>	<u>\$ 1,927</u>	<u>\$ 8,663</u>	<u>\$ 1,127</u>

<u>COUNTY SERVICE AREAS</u>	<u>DISTRICT ATTORNEY EQUIPMENT AUTOMATION</u>	<u>DISTRICT ATTORNEY LOCAL FORFEITURES</u>	<u>EMERGENCY MEDICAL SERVICES</u>	
\$ 6,697	\$ 567	\$ 980	\$ 364	<b><u>ASSETS</u></b>
87	7	12	10	Pooled Cash and Investments
668				Revolving Fund Cash
				Interest Receivable
				Taxes Receivable
				Accrued Revenue
			<u>182</u>	Due from Other Funds
\$ <u>7,452</u>	\$ <u>574</u>	\$ <u>992</u>	\$ <u>556</u>	Total Assets
				<b><u>LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>
\$ 23	\$	\$	\$ 52	Liabilities:
				Accounts Payable
				Salaries and Employee Benefits Payable
				Advances from Other Funds
				Due to Other Funds
139				Loans Payable
636				Deferred Revenue
<u>798</u>			<u>52</u>	Total Liabilities
4,604				Fund Balances (Deficits):
				Reserved
				Unreserved:
205				Designated
1,845	574	992	504	Undesignated
<u>6,654</u>	<u>574</u>	<u>992</u>	<u>504</u>	Total Fund Balances (Deficits)
\$ <u>7,452</u>	\$ <u>574</u>	\$ <u>992</u>	\$ <u>556</u>	Total Liabilities and Fund Balances

COUNTY OF KERN  
 COMBINING BALANCE SHEET (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2007 (IN THOUSANDS)

Page 2 of 4

	<u>LOCAL PUBLIC SAFETY</u>	<u>PLANNED LOCAL DRAINAGE</u>	<u>PROPERTY TAX ADMINISTRATION</u>	<u>PUBLIC IMPROVEMENT DISTRICTS</u>
<b><u>ASSETS</u></b>				
Pooled Cash and Investments	\$	\$ 950	\$	\$ 8
Revolving Fund Cash				
Interest Receivable		12		
Taxes Receivable				
Accrued Revenue	9,015			
Due from Other Funds	556			
Total Assets	<u>\$ 9,571</u>	<u>\$ 962</u>	<u>\$</u>	<u>\$ 8</u>
<b><u>LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>				
Liabilities:				
Accounts Payable	\$	\$	\$	\$
Salaries and Employee Benefits Payable				
Advances from Other Funds				15
Due to Other Funds	5,849			
Loans Payable				
Deferred Revenue				
Total Liabilities	<u>5,849</u>			<u>15</u>
Fund Balances (Deficits):				
Reserved		154		
Unreserved:				
Designated		683		
Undesignated	3,722	125		(7)
Total Fund Balances (Deficits)	<u>3,722</u>	<u>962</u>		<u>(7)</u>
Total Liabilities and Fund Balances	<u>\$ 9,571</u>	<u>\$ 962</u>	<u>\$</u>	<u>\$ 8</u>

<u>SHERIFF INMATE WELFARE</u>	<u>SHERIFF FINGERPRINT IDENTIFICATION</u>	<u>AUTOMATED WARRANT SYSTEM</u>	<u>CRIMINAL JUSTICE FACILITY</u>	
\$ 5,410	\$ 1,814	\$	\$	<b><u>ASSETS</u></b>
85	27			Pooled Cash and Investments
		9	344	Revolving Fund Cash
				Interest Receivable
				Taxes Receivable
				Accrued Revenue
				Due from Other Funds
<u>\$ 5,495</u>	<u>\$ 1,841</u>	<u>\$ 9</u>	<u>\$ 344</u>	Total Assets
				<b><u>LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>
\$	\$	\$	\$	Liabilities:
				Accounts Payable
				Salaries and Employee Benefits Payable
				Advances from Other Funds
				Due to Other Funds
				Loans Payable
				Deferred Revenue
				Total Liabilities
				Fund Balances (Deficits):
				Reserved
				Unreserved:
		18	344	Designated
		(9)		Undesignated
<u>5,495</u>	<u>1,841</u>	<u>9</u>	<u>344</u>	Total Fund Balances (Deficits)
<u>\$ 5,495</u>	<u>\$ 1,841</u>	<u>\$ 9</u>	<u>\$ 344</u>	Total Liabilities and Fund Balances

COUNTY OF KERN  
 COMBINING BALANCE SHEET (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2007 (IN THOUSANDS)

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	<u>JUVENILE JUSTICE FACILITY</u>	<u>COURT CONSTRUCTION</u>	<u>AUTOMATED FINGERPRINT</u>	<u>DOMESTIC VIOLENCE</u>
<b><u>ASSETS</u></b>				
Pooled Cash and Investments	\$ 5	\$ 198	\$ 1,115	\$ 170
Revolving Fund Cash			16	
Accrued Revenue				
Due from Other Funds			<u>34</u>	<u>10</u>
Total Assets	<u>\$ 5</u>	<u>\$ 198</u>	<u>\$ 1,165</u>	<u>\$ 180</u>
<b><u>LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>				
Liabilities:				
Accounts Payable	\$	\$	\$	\$
Salaries and Employee Benefits Payable				
Advances from Other Funds				
Due to Other Funds				
Loans Payable				
Deferred Revenue				
Total Liabilities				
Fund Balances (Deficits):				
Reserved:				
Unreserved:				
Designated	3	176	1,214	115
Undesignated	<u>2</u>	<u>22</u>	<u>(49)</u>	<u>65</u>
Total Fund Balances (Deficits)	<u>5</u>	<u>198</u>	<u>1,165</u>	<u>180</u>
Total Liabilities and Fund Balances	<u>\$ 5</u>	<u>\$ 198</u>	<u>\$ 1,165</u>	<u>\$ 180</u>

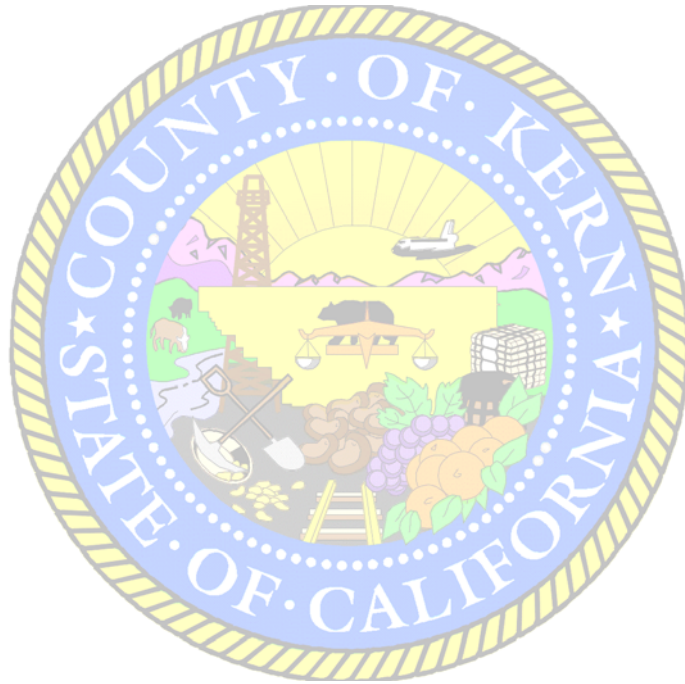


<u>RECORDERS FEE</u>	<u>MICRO GRAPHICS</u>	<u>RANGE IMPROVEMENTS</u>	<u>WILDLIFE RESOURCES</u>	
\$ 4,249	\$ 737	\$ 79	\$ 56	
		1		
			<u>2</u>	
<u>\$ 4,249</u>	<u>\$ 737</u>	<u>\$ 80</u>	<u>\$ 58</u>	
				<b><u>ASSETS</u></b>
				Pooled Cash and Investments
				Revolving Fund Cash
				Interest Receivable
				Taxes Receivable
				Accrued Revenue
				Due from Other Funds
				Total Assets
				<b><u>LIABILITIES AND FUND BALANCES (DEFICITS)</u></b>
				Liabilities:
				Accounts Payable
				Salaries and Employee Benefits Payable
				Advances from Other Funds
				Due to Other Funds
				Loans Payable
				Deferred Revenue
				Total Liabilities
				Fund Balances (Deficits):
				Reserved
				Unreserved:
				Designated
				Undesignated
4,039	801	16	50	
210	(64)	64		
<u>4,249</u>	<u>737</u>	<u>80</u>	<u>58</u>	Total Fund Balances (Deficits)
<u>\$ 4,249</u>	<u>\$ 737</u>	<u>\$ 80</u>	<u>\$ 58</u>	Total Liabilities and Fund Balances

COUNTY OF KERN  
 COMBINING BALANCE SHEET (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 JUNE 30, 2007 (IN THOUSANDS)

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	ALCOHOL PROGRAM	ALCOHOL ABUSE	DRUG PROGRAM	LITTER CLEANUP	OTHER SPECIAL REVENUE
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 345	\$	\$ 230	\$	\$ 12,156
Revolving Fund Cash					
Interest Receivable	4		3		92
Taxes Receivable					
Accrued Revenue					618
Due from Other Funds	17	16	1		63
Total Assets	<u>\$ 366</u>	<u>\$ 16</u>	<u>\$ 234</u>	<u>\$</u>	<u>\$ 12,929</u>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	557
Salaries and Employee Benefits Payable					
Advances from Other Funds					24
Due to Other Funds					
Loans Payable					
Deferred Revenue					1,264
Total Liabilities					<u>1,845</u>
Fund Balances (Deficits):					
Reserved					
Unreserved:					
Designated	363	65	190		34
Undesignated	3	(49)	44		11,050
Total Fund Balances (Deficits)	<u>366</u>	<u>16</u>	<u>234</u>	<u></u>	<u>11,084</u>
Total Liabilities and Fund Balances	<u>\$ 366</u>	<u>\$ 16</u>	<u>\$ 234</u>	<u>\$</u>	<u>\$ 12,929</u>



COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Page 1 of 4

	<u>TOTAL</u>	<u>AGING AND ADULT SERVICES</u>	<u>BUILDING INSPECTION</u>	<u>COMMUNITY DEVELOPMENT PROGRAM</u>
REVENUES:				
Taxes	\$ 2,680	\$	\$	\$
Licenses, Permits and Franchises	4,631		4,429	
Fines, Forfeitures and Penalties	7,442			
Revenues from Use of Money and Property	2,647	59	684	12
Aid from Other Governmental Agencies	76,029	9,453		7,061
Charges for Current Services	4,520	893	18	
Other Revenues	6,687	143	14	797
Total Revenues	<u>104,636</u>	<u>10,548</u>	<u>5,145</u>	<u>7,870</u>
EXPENDITURES:				
General Government	168			
Public Protection	6,762		5,932	
Health and Sanitation	2,983			
Public Assistance	30,828	11,565		7,865
Public Ways and Facilities	1,875			
Total Expenditures	<u>42,616</u>	<u>11,565</u>	<u>5,932</u>	<u>7,865</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>62,020</u>	<u>(1,017)</u>	<u>(787)</u>	<u>5</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	10,283	955		
Transfers Out	<u>(68,908)</u>			
Total Other Financing Sources (Uses)	<u>(58,625)</u>	<u>955</u>		
Net Changes in Fund Balances (Deficits)	3,395	(62)	(787)	5
Fund Balances (Deficits), July 1, 2006	46,571	468	9,218	529
Prior Period Adjustment	<u>(1,133)</u>			
Fund Balances (Deficits), June 30, 2007	<u>\$ 48,833</u>	<u>\$ 406</u>	<u>\$ 8,431</u>	<u>\$ 534</u>

COUNTY SERVICE AREAS	DISTRICT ATTORNEY EQUIPMENT AUTOMATION	DISTRICT ATTORNEY LOCAL FORFEITURES	EMERGENCY MEDICAL SERVICES	
\$ 2,662	\$	\$	\$	REVENUES:
24		85	1,795	Taxes
446	39	45	47	Licenses, Permits and Franchises
3			252	Fines, Forfeitures and Penalties
98				Revenues from Use of Money and Property
<u>3,233</u>	<u>39</u>	<u>130</u>	<u>2,094</u>	Aid from Other Governmental Agencies
				Charges for Current Services
				Other Revenues
				Total Revenues
34				EXPENDITURES:
759			1,835	General Government
<u>1,859</u>				Public Protection
<u>2,652</u>			<u>1,835</u>	Health and Sanitation
				Public Assistance
				Public Ways and Facilities
				Total Expenditures
<u>581</u>	<u>39</u>	<u>130</u>	<u>259</u>	Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
<u>(16)</u>		<u>(5)</u>	<u>(409)</u>	Transfers In
				Transfers Out
<u>(16)</u>		<u>(5)</u>	<u>(409)</u>	Total Other Financing Sources (Uses)
565	39	125	(150)	Net Changes in Fund Balances (Deficits)
6,089	535	617	654	Fund Balances (Deficits), July 1, 2006
		250		Prior Period Adjustment
<u>\$ 6,654</u>	<u>\$ 574</u>	<u>\$ 992</u>	<u>\$ 504</u>	Fund Balances (Deficits), June 30, 2007

COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Page 2 of 4

	LOCAL PUBLIC SAFETY	PLANNED LOCAL DRAINAGE	PROPERTY TAX ADMINISTRATION	PUBLIC IMPROVEMENT DISTRICTS
REVENUES:				
Taxes	\$	\$	\$	\$ 18
Licenses, Permits and Franchises		93		
Fines, Forfeitures and Penalties				
Revenues from Use of Money and Property		60	12	
Aid from Other Governmental Agencies	54,907			
Charges for Current Services				
Other Revenues				
Total Revenues	<u>54,907</u>	<u>153</u>	<u>12</u>	<u>18</u>
EXPENDITURES:				
General Government			64	
Public Protection				
Health and Sanitation				
Public Assistance				
Public Ways and Facilities				16
Total Expenditures			<u>64</u>	<u>16</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>54,907</u>	<u>153</u>	<u>(52)</u>	<u>2</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				
Transfers Out	<u>(54,246)</u>		<u>(237)</u>	
Total Other Financing Sources (Uses)	<u>(54,246)</u>		<u>(237)</u>	
Net Changes in Fund Balances (Deficits)	661	153	(289)	2
Fund Balances (Deficits), July 1, 2006	3,061	809	289	(9)
Prior Period Adjustment				
Fund Balances (Deficits), June 30, 2007	<u>\$ 3,722</u>	<u>\$ 962</u>	<u>\$</u>	<u>\$ (7)</u>

<u>SHERIFF INMATE WELFARE</u>	<u>SHERIFF FINGERPRINT IDENTIFICATION</u>	<u>AUTOMATED WARRANT SYSTEM</u>	<u>CRIMAL JUSTICE FACILITY</u>	
\$	\$	\$	\$	REVENUES:
				Taxes
				Licenses, Permits and Franchises
		90	3,426	Fines, Forfeitures and Penalties
420	118	1		Revenues from Use of Money and Property
				Aid from Other Governmental Agencies
				Charges for Current Services
<u>2,245</u>	<u>643</u>			Other Revenues
<u>2,665</u>	<u>761</u>	<u>91</u>	<u>3,426</u>	Total Revenues
				EXPENDITURES:
				General Government
				Public Protection
				Health and Sanitation
				Public Assistance
				Public Ways and Facilities
				Total Expenditures
<u>2,665</u>	<u>761</u>	<u>91</u>	<u>3,426</u>	Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
				Transfers In
<u>(2,479)</u>	<u>(395)</u>	<u>(109)</u>	<u>(3,390)</u>	Transfers Out
<u>(2,479)</u>	<u>(395)</u>	<u>(109)</u>	<u>(3,390)</u>	Total Other Financing Sources (Uses)
186	366	(18)	36	Net Changes in Fund Balances (Deficits)
5,309	1,475	27	308	Fund Balances (Deficits), July 1, 2006
				Prior Period Adjustment
<u>\$ 5,495</u>	<u>\$ 1,841</u>	<u>\$ 9</u>	<u>\$ 344</u>	Fund Balances (Deficits), June 30, 2007

COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Page 3 of 4

	JUVENILE JUSTICE FACILITY	COURT CONSTRUCTION	AUTOMATED FINGERPRINT	DOMESTIC VOILENCE
REVENUES:				
Taxes	\$	\$	\$	\$
Licenses, Permits and Franchises				109
Fines, Forfeitures and Penalties	2	71	332	94
Revenues from Use of Money and Property		2	78	2
Aid from Other Governmental Agencies				
Charges for Current Services				
Other Revenues				
Total Revenues	<u>2</u>	<u>73</u>	<u>410</u>	<u>205</u>
EXPENDITURES:				
General Government				
Public Protection				
Health and Sanitation				
Public Assistance				
Public Ways and Facilities				
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>2</u>	<u>73</u>	<u>410</u>	<u>205</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				
Transfers Out			(267)	(140)
Total Other Financing Sources (Uses)			<u>(267)</u>	<u>(140)</u>
Net Changes in Fund Balances (Deficits)	2	73	143	65
Fund Balances (Deficits), July 1, 2006	3	125	1,022	115
Prior Period Adjustment				
Fund Balances (Deficits), June 30, 2007	<u>\$ 5</u>	<u>\$ 198</u>	<u>\$ 1,165</u>	<u>\$ 180</u>



<u>RECORDERS FEE</u>	<u>MICRO GRAPHICS</u>	<u>RANGE IMPROVEMENTS</u>	<u>WILDLIFE RESOURCES</u>	
\$	\$	\$	\$	REVENUES:
				Taxes
				Licenses, Permits and Franchises
				Fines, Forfeitures and Penalties
76	30	6	14	Revenues from Use of Money and Property
		12	1	Aid from Other Governmental Agencies
1,705	335			Charges for Current Services
				Other Revenues
<u>1,781</u>	<u>365</u>	<u>18</u>	<u>15</u>	Total Revenues
				EXPENDITURES:
				General Government
				Public Protection
				Health and Sanitation
				Public Assistance
				Public Ways and Facilities
				Total Expenditures
				Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
				Transfers In
				Transfers Out
				Total Other Financing Sources (Uses)
				Net Changes in Fund Balances (Deficits)
160				Fund Balances (Deficits), July 1, 2006
(1,384)	(696)			Prior Period Adjustment
<u>(1,224)</u>	<u>(696)</u>			Fund Balances (Deficits), June 30, 2007
557	(331)	6	7	
3,692	1,068	74	51	
<u>\$ 4,249</u>	<u>\$ 737</u>	<u>\$ 80</u>	<u>\$ 58</u>	

COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) (CONTINUED)  
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Page 4 of 4

	<u>ALCOHOL PROGRAM</u>	<u>ALCOHOL ABUSE</u>	<u>DRUG PROGRAM</u>	<u>LITTER CLEANUP</u>	<u>OTHER SPECIAL REVENUE</u>
REVENUES:					
Taxes	\$	\$	\$	\$	\$
Licenses, Permits and Franchises					
Fines, Forfeitures and Penalties	139	117	47	4	1,202
Revenues from Use of Money and Property	21	1	14		473
Aid from Other Governmental Agencies					4,344
Charges for Current Services					1,566
Other Revenues					2,747
Total Revenues	<u>160</u>	<u>118</u>	<u>61</u>	<u>4</u>	<u>10,332</u>
EXPENDITURES:					
General Government					104
Public Protection					776
Health and Sanitation					389
Public Assistance					11,398
Public Ways and Facilities					
Total Expenditures					<u>12,667</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>160</u>	<u>118</u>	<u>61</u>	<u>4</u>	<u>(2,335)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					9,168
Transfers Out	<u>(90)</u>	<u>(114)</u>	<u>(22)</u>	<u>(4)</u>	<u>(4,905)</u>
Total Other Financing Sources (Uses)	<u>(90)</u>	<u>(114)</u>	<u>(22)</u>	<u>(4)</u>	<u>4,263</u>
Net Changes in Fund Balances (Deficits)	70	4	39		1,928
Fund Balances (Deficits), July 1, 2006	296	12	195		10,539
Prior Period Adjustment					<u>(1,383)</u>
Fund Balances (Deficits), June 30, 2007	<u>\$ 366</u>	<u>\$ 16</u>	<u>\$ 234</u>	<u>\$</u>	<u>\$ 11,084</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

<b>AGING AND ADULT SERVICES</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ 15	\$ 15	\$ 59	\$ 44
Aid from Other Governmental Agencies	9,801	10,088	9,453	(635)
Charges for Current Services	800	800	893	93
Other Revenues	<u>159</u>	<u>159</u>	<u>143</u>	<u>(16)</u>
Total Revenues	<u>10,775</u>	<u>11,062</u>	<u>10,548</u>	<u>(514)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance				
Salaries & Benefits	7,386	7,465	6,905	560
Services & Supplies	4,201	4,376	4,127	249
Other Charges	448	475	470	5
Capital Assets	<u>57</u>	<u>63</u>	<u>63</u>	<u></u>
Total Expenditures	<u>12,092</u>	<u>12,379</u>	<u>11,565</u>	<u>814</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,317)</u>	<u>(1,317)</u>	<u>(1,017)</u>	<u>300</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers In	<u>955</u>	<u>955</u>	<u>955</u>	<u></u>
Total Other Financing Sources	<u>955</u>	<u>955</u>	<u>955</u>	<u></u>
Net Changes in Fund Balances (Deficits)	(362)	(362)	(62)	300
Fund Balances, July 1, 2006	<u>468</u>	<u>468</u>	<u>468</u>	<u></u>
Fund Balances, June 30, 2007	<u>\$ 106</u>	<u>\$ 106</u>	<u>\$ 406</u>	<u>\$ 300</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 10,548

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 11,565

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<b>BUILDING INSPECTION</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Licenses, Permits and Franchises	\$ 4,429	\$ 4,429	\$ 4,429	\$
Revenues from Use of Money and Property	684	684	684	
Charges for Current Services	18	18	18	
Other Revenues	12	12	14	2
<b>Total Revenues</b>	<u>5,143</u>	<u>5,143</u>	<u>5,145</u>	<u>2</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection				
Salaries & Benefits	3,457	3,457	3,457	
Services & Supplies	2,141	2,140	2,139	1
Other Charges	117	118	118	
Capital Assets	212	218	218	
<b>Total Expenditures</b>	<u>5,927</u>	<u>5,933</u>	<u>5,932</u>	<u>1</u>
Excess (Deficiency) of Revenues over Expenditures	(784)	(790)	(787)	3
Net Changes in Fund Balances (Deficits)	(784)	(790)	(787)	3
Fund Balances, July 1, 2006	9,218	9,218	9,218	
Fund Balances, June 30, 2007	<u>\$ 8,434</u>	<u>\$ 8,428</u>	<u>\$ 8,431</u>	<u>\$ 3</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 5,145

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 5,932

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>COMMUNITY DEVELOPMENT</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$	\$ 5	\$ 12	\$ 7
Aid from Other Governmental Agencies	22,865	23,115	7,061	(16,054)
Charges for Current Services	3	2		(2)
Other Revenues	<u>1,155</u>	<u>1,155</u>	<u>797</u>	<u>(358)</u>
Total Revenues	<u>24,023</u>	<u>24,277</u>	<u>7,870</u>	<u>(16,407)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Assistance				
Services & Supplies	21,089	21,527	7,899	13,628
Appropriation for Contingencies	<u>2,779</u>	<u>3,217</u>		<u>3,217</u>
Total Expenditures	<u>23,868</u>	<u>24,744</u>	<u>7,899</u>	<u>16,845</u>
Excess(Deficiency) of Revenues over Expenditures	<u>155</u>	<u>(467)</u>	<u>(29)</u>	<u>(438)</u>
Net Changes in Fund Balances (Deficits)	155	(467)	(29)	438
Fund Balances, July 1, 2006	<u>529</u>	<u>529</u>	<u>529</u>	
Fund Balances, June 30, 2007	<u>\$ 684</u>	<u>\$ 62</u>	<u>\$ 500</u>	<u>\$ 438</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 7,870

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 7,899

Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period (34)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 7,865

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	<b>COUNTY SERVICE AREAS</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Taxes	\$ 2,388	\$ 2,448	\$ 2,662	\$ 214
Fines, Forfeitures and Penalties			24	24
Revenues from Use of Money and Property	155	155	446	291
Charges for Current Services			3	3
Other Revenues	210	210	98	(112)
<b>Total Revenues</b>	<u>2,753</u>	<u>2,813</u>	<u>3,233</u>	<u>420</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection				
Services & Supplies	53	34	34	
Other Charges	1	1		1
Appropriation for Contingencies	10	10		10
<b>Total Public Protection</b>	<u>64</u>	<u>45</u>	<u>34</u>	<u>11</u>
Health and Sanitation				
Services & Supplies	929	755	755	
Other Charges	8	4	4	
Capital Assets	50			
Appropriation for Contingencies	53	56		56
<b>Total Health and Sanitation</b>	<u>1,040</u>	<u>815</u>	<u>759</u>	<u>56</u>
Public Ways and Facilities				
Services & Supplies	2,497	1,844	1,843	1
Other Charges	34	16	16	
Appropriation for Contingencies	244	255		255
<b>Total Public Ways and Facilities</b>	<u>2,775</u>	<u>2,115</u>	<u>1,859</u>	<u>256</u>
<b>Total Expenditures</b>	<u>3,879</u>	<u>2,975</u>	<u>2,652</u>	<u>323</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,126)</u>	<u>(162)</u>	<u>581</u>	<u>743</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers Out			(16)	16
<b>Total Other Financing Sources (Uses)</b>			<u>(16)</u>	<u>16</u>
<b>Net Changes in Fund Balances (Deficits)</b>	<u>(1,126)</u>	<u>(162)</u>	<u>565</u>	<u>727</u>
Fund Balances, July 1, 2006	<u>6,089</u>	<u>6,089</u>	<u>6,089</u>	
Fund Balances, June 30, 2007	<u>\$ 4,963</u>	<u>\$ 5,927</u>	<u>\$ 6,654</u>	<u>\$ 727</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 3,233

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 2,652

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

<b>EMERGENCY MEDICAL SERVICES</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Fines, Forfeitures and Penalties	\$ 2,008	\$ 2,008	\$ 1,795	\$ (213)
Revenues from Use of Money and Property	22	22	47	25
Aid from Other Governmental Agencies	204	204	252	48
Other Revenues				
<b>Total Revenues</b>	<u>2,234</u>	<u>2,234</u>	<u>2,094</u>	<u>(140)</u>
<b>EXPENDITURES:</b>				
Current:				
Health and Sanitation Services & Supplies	<u>2,284</u>	<u>2,284</u>	<u>1,835</u>	<u>449</u>
<b>Total Expenditures</b>	<u>2,284</u>	<u>2,284</u>	<u>1,835</u>	<u>449</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(50)</u>	<u>(50)</u>	<u>259</u>	<u>309</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	<u>(622)</u>	<u>(622)</u>	<u>(409)</u>	<u>213</u>
<b>Total Other Financing Uses</b>	<u>(622)</u>	<u>(622)</u>	<u>(409)</u>	<u>213</u>
Net Changes in Fund Balances (Deficits)	(672)	(672)	(150)	522
Fund Balances, (Deficits) June 30, 2006	<u>654</u>	<u>654</u>	<u>654</u>	
Fund Balances, (Deficits) June 30, 2007	<u>\$ (18)</u>	<u>\$ (18)</u>	<u>\$ 504</u>	<u>\$ 522</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 2,094

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 1,835

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>LOCAL PUBLIC SAFETY</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Aid from Other Governmental Agencies	\$ 51,741	\$ 51,741	\$ 54,907	\$ 3,166
Total Revenues	<u>51,741</u>	<u>51,741</u>	<u>54,907</u>	<u>3,166</u>
Excess of Revenues over Expenditures	<u>51,741</u>	<u>51,741</u>	<u>54,907</u>	<u>3,166</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(55,042)</u>	<u>(55,042)</u>	<u>(54,246)</u>	<u>796</u>
Total Other Financing Uses	<u>(55,042)</u>	<u>(55,042)</u>	<u>(54,246)</u>	<u>796</u>
Net Changes in Fund Balances (Deficits)	(3,301)	(3,301)	661	3,962
Fund Balances,(Deficits) July 1, 2006	<u>3,061</u>	<u>3,061</u>	<u>3,061</u>	
Fund Balances,(Deficits) July 1, 2007	<u>\$ (240)</u>	<u>\$ (240)</u>	<u>\$ 3,722</u>	<u>\$ 3,962</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 54,907



COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>PLANNED LOCAL DRAINAGE</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Licenses, Permits and Franchises	\$	\$	\$ 93	\$ 93
Revenues from Use of Money and Property			60	60
Total Revenues			<u>153</u>	<u>153</u>
Excess of Revenues over Expenditures			<u>153</u>	<u>153</u>
Net Changes in Fund Balances			153	153
Fund Balances, July 1, 2006	<u>809</u>	<u>809</u>	<u>809</u>	
Fund Balances, June 30, 2007	<u>\$ 809</u>	<u>\$ 809</u>	<u>\$ 962</u>	<u>\$ 153</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 153

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

AUTOMATED COUNTY WARRANT SYSTEM

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Fines, Forfeitures and Penalties	\$ 100	\$ 100	\$ 90	\$ (10)
Revenues from use of money and property			1	
Total Revenues	<u>100</u>	<u>100</u>	<u>91</u>	<u>(10)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>100</u>	<u>100</u>	<u>91</u>	<u>(9)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(110)</u>	<u>(110)</u>	<u>(109)</u>	<u>1</u>
Total Other Financing Uses	<u>(110)</u>	<u>(110)</u>	<u>(109)</u>	<u>1</u>
Net Changes in Fund Balances	(10)	(10)	(18)	(8)
Fund Balances,(Deficits) July 1, 2006	<u>27</u>	<u>27</u>	<u>27</u>	
Fund Balances,(Deficits) July 1, 2007	<u>\$ 17</u>	<u>\$ 17</u>	<u>\$ 9</u>	<u>\$ (8)</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 91

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>CRIMINAL JUSTICE FACILITY</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines, Forfeitures and Penalties	\$ 3,650	\$ 3,650	\$ 3,426	\$ (224)
Total Revenues	<u>3,650</u>	<u>3,650</u>	<u>3,426</u>	<u>(224)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,650</u>	<u>3,650</u>	<u>3,426</u>	<u>(224)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(3,957)</u>	<u>(3,957)</u>	<u>(3,390)</u>	<u>567</u>
Total Other Financing Sources (Uses)	<u>(3,957)</u>	<u>(3,957)</u>	<u>(3,390)</u>	<u>567</u>
Net Changes in Fund Balances (Deficits)	(307)	(307)	36	343
Fund Balances, July 1, 2006	<u>308</u>	<u>308</u>	<u>308</u>	
Fund Balances, June 30, 2007	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 344</u>	<u>\$ 343</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 3,426

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

<u>JUVENILE JUSTICE FACILITY</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines, Forfeitures and Penalties	\$ _____	\$ _____	\$ _____ 2	\$ _____ 2
Total Revenues	_____	_____	_____ 2	_____ 2
Excess of Revenues over Expenditures	_____	_____	_____ 2	_____ 2
Net Changes in Fund Balances			2	2
Fund Balances, July 1, 2006	_____ 3	_____ 3	_____ 3	_____
Fund Balances, June 30, 2007	\$ <u>_____ 3</u>	\$ <u>_____ 3</u>	\$ <u>_____ 5</u>	\$ <u>_____ 2</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ \_\_\_\_\_ 2

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ \_\_\_\_\_

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>COURT CONSTRUCTION</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines, Forfeitures and Penalties	\$ 47	\$ 47	\$ 71	\$ 24
Revenues from Use of Money and Property			2	2
Total Revenues	<u>47</u>	<u>47</u>	<u>73</u>	<u>26</u>
EXPENDITURES:				
Current:				
Public Protection				
Total Expenditures				
Excess of Revenues over Expenditures	<u>47</u>	<u>47</u>	<u>73</u>	<u>26</u>
Net Changes in Fund Balances	47	47	73	26
Fund Balances, July 1, 2006	<u>125</u>	<u>125</u>	<u>125</u>	
Fund Balances, June 30, 2007	<u><u>\$ 172</u></u>	<u><u>\$ 172</u></u>	<u><u>\$ 198</u></u>	<u><u>\$ 26</u></u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 73

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>AUTOMATED FINGERPRINT</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines, Forfeitures and Penalties	\$ 354	\$ 354	\$ 332	\$ (22)
Revenues from Use of Money and Property			78	78
Total Revenues	<u>354</u>	<u>354</u>	<u>410</u>	<u>56</u>
Excess (Deficiency) of Revenues over Expenditures	<u>354</u>	<u>354</u>	<u>410</u>	<u>56</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(200)</u>	<u>(200)</u>	<u>(267)</u>	<u>(67)</u>
Total Other Financing Sources (Uses)	<u>(200)</u>	<u>(200)</u>	<u>(267)</u>	<u>(67)</u>
Net Changes in Fund Balances	154	154	143	(11)
Fund Balances, July 1, 2006	<u>1,022</u>	<u>1,022</u>	<u>1,022</u>	
Fund Balances, June 30, 2007	<u>\$ 1,176</u>	<u>\$ 1,176</u>	<u>\$ 1,165</u>	<u>\$ (11)</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 410

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

<u>DOMESTIC VIOLENCE</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Licenses, Permits and Franchises	\$ 120	\$ 120	\$ 109	\$ (11)
Fines, Forfeitures and Penalties	15	15	94	79
Revenues from Use of Money and Property			2	2
Total Revenues	<u>135</u>	<u>135</u>	<u>205</u>	<u>70</u>
EXPENDITURES:				
Current:				
Public Protection			3	(3)
Other Charges				
Total Expenditures			<u>3</u>	<u>(3)</u>
Excess of Revenues over Expenditures	<u>135</u>	<u>135</u>	<u>202</u>	<u>67</u>
OTHER FINANCING USES:				
Transfers Out	<u>(140)</u>	<u>(140)</u>	<u>(140)</u>	
Total Other Financing Uses	<u>(140)</u>	<u>(140)</u>	<u>(140)</u>	
Net Changes in Fund Balances (Deficits)	(5)	(5)	62	67
Fund Balances, July 1, 2006	<u>115</u>	<u>115</u>	<u>115</u>	
Fund Balances, June 30, 2007	<u>\$ 110</u>	<u>\$ 110</u>	<u>\$ 177</u>	<u>\$ 67</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 205

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 3  
 Differences - Budget to GAAP (3)  
 Encumbrances for supplies and services ordered but not received within the recognition period

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

RECORDERS FEE

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues from Use of Money and Property	\$ 1,950	\$ 1,950	\$ 76	\$ 76
Charges for Current Services			1,705	(245)
Total Revenues	<u>1,950</u>	<u>1,950</u>	<u>1,781</u>	<u>(169)</u>
Excess of Revenues over Expenditures	<u>1,950</u>	<u>1,950</u>	<u>1,781</u>	<u>(169)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In			160	160
Transfers Out	(1,584)	(1,584)	(1,384)	200
Total Other Financing Sources (Uses)	<u>(1,584)</u>	<u>(1,584)</u>	<u>(1,224)</u>	<u>360</u>
Net Changes in Fund Balances	366	366	557	191
Fund Balances, July 1, 2006	<u>3,692</u>	<u>3,692</u>	<u>3,692</u>	
Fund Balances, June 30, 2007	<u>\$ 4,058</u>	<u>\$ 4,058</u>	<u>\$ 4,249</u>	<u>\$ 191</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 1,781

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$



COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

<b>MICRO GRAPHICS</b>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$	\$	\$ 30	\$ 30
Charges for Current Services	388	388	335	(53)
<b>Total Revenues</b>	<u>388</u>	<u>388</u>	<u>365</u>	<u>(23)</u>
<b>EXPENDITURES:</b>				
Current:				
Public Protection			25	(25)
Other Charges				
<b>Total Expenditures</b>			<u>25</u>	<u>(25)</u>
Excess of Revenues over Expenditures	388	388	340	(48)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	(696)	(696)	(696)	
<b>Total Other Financing Uses</b>	<u>(696)</u>	<u>(696)</u>	<u>(696)</u>	
<b>Net Changes in Fund Deficits</b>	(308)	(308)	(356)	(48)
Fund Balances, July 1, 2006	1,068	1,068	1,068	
Fund Balances,(Deficits) July 1, 2007	<u>\$ 760</u>	<u>\$ 760</u>	<u>\$ 712</u>	<u>\$ (48)</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 365

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 25  
 Differences - Budget to GAAP (25)  
 Encumbrances for supplies and services ordered but not received within the recognition period

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>RANGE IMPROVEMENT</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Revenues from Use of Money and Property	\$ 2	\$ 2	\$ 6	\$ 4
Aid from Other Governmental Agencies	<u>10</u>	<u>10</u>	<u>12</u>	<u>2</u>
Total Revenues	<u>12</u>	<u>12</u>	<u>18</u>	<u>6</u>
EXPENDITURES:				
Current:				
Public Protection				
Services & Supplies	<u>72</u>	<u>72</u>	<u>12</u>	<u>60</u>
Total Expenditures	<u>72</u>	<u>72</u>	<u>12</u>	<u>60</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(60)</u>	<u>(60)</u>	<u>6</u>	<u>66</u>
Net Changes in Fund Balances (Deficits)	(60)	(60)	6	66
Fund Balances, July 1, 2006	<u>74</u>	<u>74</u>	<u>74</u>	
Fund Balances, June 30, 2007	<u>\$ 14</u>	<u>\$ 14</u>	<u>\$ 80</u>	<u>\$ 66</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 18

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 12

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

<u>WILDLIFE RESOURCES</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines, Forfeitures and Penalties	\$ 22	\$ 22	\$ 14	\$ (8)
Revenues from Use of Money and Property			1	1
Other Revenues				
Total Revenues	<u>22</u>	<u>22</u>	<u>15</u>	<u>(7)</u>
EXPENDITURES:				
Current:				
Public Protection				
Services & Supplies	4	4		4
Other Charges	22	22	16	6
Total Expenditures	<u>26</u>	<u>26</u>	<u>16</u>	<u>10</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4)</u>	<u>(4)</u>	<u>(1)</u>	<u>3</u>
Net Changes in Fund Balances (Deficits)	(4)	(4)	(1)	3
Fund Balances, July 1, 2006	<u>51</u>	<u>51</u>	<u>51</u>	
Fund Balances, June 30, 2007	<u>\$ 47</u>	<u>\$ 47</u>	<u>\$ 50</u>	<u>\$ 3</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>15</u>
---	--------------

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 16
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(8)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>8</u>
---	-------------

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>ALCOHOL PROGRAM</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Fines, Forfeitures and Penalties	\$ 146	\$ 146	\$ 139	\$ (7)
Revenues from Use of Money and Property			21	21
Total Revenues	<u>146</u>	<u>146</u>	<u>160</u>	<u>14</u>
Excess of Revenues over Expenditures	<u>146</u>	<u>146</u>	<u>160</u>	<u>14</u>
OTHER FINANCING USES:				
Transfers Out	<u>(90)</u>	<u>(90)</u>	<u>(90)</u>	
Total Other Financing Uses	<u>(90)</u>	<u>(90)</u>	<u>(90)</u>	
Net Changes in Fund Balances	56	56	70	14
Fund Balances, July 1, 2006	<u>296</u>	<u>296</u>	<u>296</u>	
Fund Balances, June 30, 2007	<u>\$ 352</u>	<u>\$ 352</u>	<u>\$ 366</u>	<u>\$ 14</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 160

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

ALCOHOL ABUSE

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Fines, Forfeitures and Penalties	\$ 131	\$ 131	\$ 117	\$ (14)
Revenues from Use of Money and Property			1	1
Total Revenues	<u>131</u>	<u>131</u>	<u>118</u>	<u>(13)</u>
Excess of Revenues over Expenditures	<u>131</u>	<u>131</u>	<u>118</u>	<u>(13)</u>
OTHER FINANCING USES:				
Transfers Out	<u>(78)</u>	<u>(78)</u>	<u>(114)</u>	<u>(36)</u>
Total Other Financing Uses	<u>(78)</u>	<u>(78)</u>	<u>(114)</u>	<u>(36)</u>
Net Changes in Fund Balances (Deficits)	53	53	4	(49)
Fund Balances, July 1, 2006	<u>12</u>	<u>12</u>	<u>12</u>	
Fund Balances,(Deficits) July 1, 2007	<u>\$ 65</u>	<u>\$ 65</u>	<u>\$ 16</u>	<u>\$ (49)</u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 118

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

DRUG PROGRAM

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Fines, Forfeitures and Penalties	\$ 11	\$ 11	\$ 47	\$ 36
Revenues from Use of Money and Property			14	14
Total Revenues	<u>11</u>	<u>11</u>	<u>61</u>	<u>50</u>
Excess of Revenues over Expenditures	<u>11</u>	<u>11</u>	<u>61</u>	<u>50</u>
OTHER FINANCING USES:				
Transfers Out	<u>(22)</u>	<u>(22)</u>	<u>(22)</u>	
Total Other Financing Uses	<u>(22)</u>	<u>(22)</u>	<u>(22)</u>	
Net Changes in Fund Balances (Deficits)	(11)	(11)	39	50
Fund Balances, July 1, 2006	<u>195</u>	<u>195</u>	<u>195</u>	
Fund Balances, June 30, 2007	<u><u>\$ 184</u></u>	<u><u>\$ 184</u></u>	<u><u>\$ 234</u></u>	<u><u>\$ 50</u></u>

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 61

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

LITTER CLEANUP

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Fines, Forfeitures and Penalties	\$ 5	\$ 5	\$ 4	\$ (1)
Total Revenues	<u>5</u>	<u>5</u>	<u>4</u>	<u>(1)</u>
Excess of Revenues over Expenditures	<u>5</u>	<u>5</u>	<u>4</u>	<u>(1)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(5)</u>	<u>(5)</u>	<u>(4)</u>	<u>1</u>
Total Other Financing Uses	<u>(5)</u>	<u>(5)</u>	<u>(4)</u>	<u>1</u>
Net Changes in Fund Balances				
Fund Balances, July 1, 2006	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Fund Balances, June 30, 2007	<u>\$          </u>	<u>\$          </u>	<u>\$          </u>	<u>\$          </u>

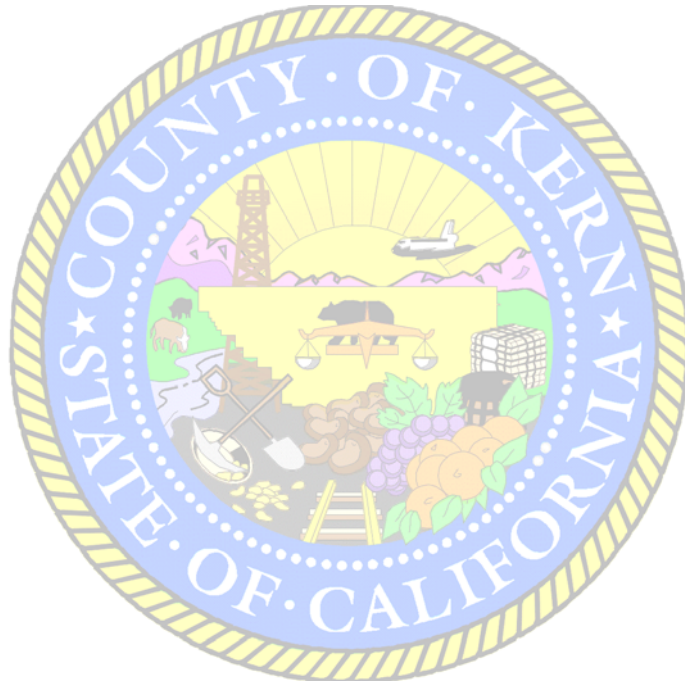
Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$           4

Expenditures

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$





## **NON-MAJOR GOVERNMENTAL FUNDS**

### **CAPITAL PROJECTS FUNDS DESCRIPTIONS**

The capital projects funds serve as depositories for revenues received from the sale of real property and such other revenue as designated by the Board of Supervisors. The Board of Supervisors generally appropriates these funds for capital outlay.

**Master Lease** - This fund accounts for proceeds from the Master Lease financing for the acquisition and installation of the emergency computer aided dispatch (CAD) system for the Sheriff and Fire departments, and the Sheriff's Lerdo Facility retrofitting and the election voting system for the Elections Department.

**Accumulated Capital Outlay - Road** - This fund accounts for proceeds from the sale of real property, which are used for capital outlay purposes.

**Separation of Grade** – This fund accounts for the proceeds from various participating entities such as the State of California, City of Bakersfield, and Union Pacific Railroad for the Oak Creek and Calloway Road Separation of Grade construction projects.

COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECT FUNDS  
 JUNE 30, 2007 (IN THOUSANDS)

	<u>TOTAL</u>	<u>MASTER LEASE</u>	<u>CERTIFICATES OF PARTICIPATION</u>	<u>SEPARATION OF GRADE</u>
<b><u>ASSETS</u></b>				
Pooled Cash and Investments	\$ 7,047	\$	\$	\$ 7,047
Interest Receivable	<u>101</u>	<u>                    </u>	<u>                    </u>	<u>101</u>
Total Assets	<u>\$ 7,148</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,148</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
Liabilities:				
Accounts Payable	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>	\$ <u>                    </u>
Total Liabilities	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund Balances:				
Unreserved:				
Undesignated	<u>7,148</u>	<u>                    </u>	<u>                    </u>	<u>7,148</u>
Total Fund Balances	<u>7,148</u>	<u>                    </u>	<u>                    </u>	<u>7,148</u>
Total Liabilities and Fund Balances	<u>\$ 7,148</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,148</u>

COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICITS)  
 NON-MAJOR CAPITAL PROJECT FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>TOTAL</u>	<u>MASTER LEASE</u>	<u>CERTIFICATES OF PARTICIPATION</u>	<u>SEPARATION OF GRADE</u>
REVENUES:				
Revenues From Use of Money	\$ 277	\$	\$	\$ 277
Aid From Other Governments	2,278	2,278		
Other Revenues	6,001			6,001
Total Revenues	<u>8,556</u>	<u>2,278</u>		<u>6,278</u>
EXPENDITURES:				
Capital Outlay	2,131			2,131
Total Expenditures	<u>2,131</u>			<u>2,131</u>
Excess (Deficiency) of Revenues over Expenditures	<u>6,425</u>	<u>2,278</u>		<u>4,147</u>
OTHER FINANCING:				
Transfers Out	(2,121)	(2,121)		
Total Other Financing Sources	<u>(2,121)</u>	<u>(2,121)</u>		
Net Changes In Fund Balances	4,304	157		4,147
Fund Balances (Deficits), July 1, 2006	2,829	(157)	(15)	3,001
Prior Period Adjustment	15		15	
Fund Balances, June 30, 2007	<u>\$ 7,148</u>	<u>\$</u>	<u>\$</u>	<u>\$ 7,148</u>

**COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 TOBACCO SECURITIZATION PROCEEDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues from Use of Money and Property	\$ _____	\$ _____	\$ 2,061	\$ 2,061
Total Revenues	_____	_____	2,061	2,061
<b>EXPENDITURES:</b>				
Current:				
General Government				
Capital Outlay	_____	33,867	147	33,720
Total Expenditures	_____	34,127	147	33,460
Excess (Deficiency) of Revenues over Expenditures	_____	(34,127)	1,914	36,041
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out	_____	_____	(750)	(750)
Total Other Financing Uses	_____	_____	(750)	(750)
Net Changes in Fund Balances (Deficits)		(34,127)	1,164	35,291
Fund Balances, July 1, 2005	_____	54,250	54,250	_____
Fund Balances, June 30, 2006	\$ _____	\$ 20,123	\$ 55,414	\$ 35,291

Explanation of differences between budgetary revenues and expenditures and GAAP revenues and expenditures

Revenues

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>2,061</u>
---	-----------------

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 147
Differences - Budget to GAAP	
Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	(6)
Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>141</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECT FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<b>MASTER LEASE</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Revenues From Use of Money	\$	\$	\$	\$
Aid From Other Governments			2,278	2,278
Other Revenues				
Total Revenues			<u>2,278</u>	<u>2,278</u>
<b>EXPENDITURES:</b>				
General Government				
Capital Outlay	<u>8,669</u>	<u>8,669</u>		<u>8,669</u>
Total Expenditures	<u>8,669</u>	<u>8,669</u>		<u>8,669</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(8,669)</u>	<u>(8,669)</u>	<u>2,278</u>	<u>10,947</u>
Net Changes in Fund Balances (Deficits)	(8,669)	(8,669)	2,278	10,947
Fund Deficits, July 1, 2006	(157)	(157)	(157)	
Fund Balance (Deficits,) June 30, 2007	<u><u>\$ (8,826)</u></u>	<u><u>\$ (8,826)</u></u>	<u><u>\$ 2,121</u></u>	<u><u>\$ 10,947</u></u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR CAPITAL PROJECT FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>SEPARATION OF GRADE</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Revenues From Use of Money	\$	\$	\$ 277	\$ 277
Aid From Other Governments	19,336	19,336	6,001	(13,336)
Other Revenues	<u>2,572</u>	<u>2,572</u>	<u>        </u>	<u>(2,572)</u>
Total Revenues	<u>21,908</u>	<u>21,908</u>	<u>6,278</u>	<u>(15,631)</u>
EXPENDITURES:				
General Government				
Capital Outlay	<u>24,909</u>	<u>24,909</u>	<u>2,131</u>	<u>22,778</u>
Total Expenditures	<u>24,909</u>	<u>24,909</u>	<u>2,131</u>	<u>22,778</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,001)</u>	<u>(3,001)</u>	<u>4,147</u>	<u>7,148</u>
Net Changes in Fund Balances (Deficits)	(3,001)	(3,001)	4,147	7,148
Fund Balance July 1, 2006	3,001	3,001	3,001	
Fund Balances June 30, 2007	<u>\$</u>	<u>\$</u>	<u>\$ 7,148</u>	<u>\$ 7,148</u>

## NON-MAJOR GOVERNMENTAL FUNDS

### DEBT SERVICE FUNDS DESCRIPTIONS

Debt service funds account for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

**Accumulated Capital Outlay - General and Accumulated Capital Outlay - Fire** - These funds provide the funding of lease payments, consisting of both interest and principal, on the Certificates of Participation issued by the County to finance the construction of various County facilities.

**County of Kern Tobacco Funding Corporation** - This is a nonprofit public benefit corporation established to insure and otherwise protect against the risk of a substantial decline in tobacco revenues and to assure a source of funding for County programs.

**County of Kern Asset Leasing** - This is a nonprofit public benefit corporation established to assist the County of Kern by acquiring equipment and facilities financed from the proceeds of borrowings and leasing such equipment and facilities to the County.

**Pension Obligation Bond Trustee** – This fund administers the debt service payments related to the County's Pension Obligation Bond.

**Public Health Facility Loan Trustee** – This fund administers the debt service payments related to the public health facility loan.

COUNTY OF KERN  
 COMBINING BALANCE SHEET  
 NON-MAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2007 (IN THOUSANDS)

	<u>TOTAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>	<u>KERN COUNTY TOBACCO FUNDING CORP.</u>
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 7,225	\$ 6,987	\$ 238	
Cash and Investments Deposited with Trustee	15,238			10,936
Interest Receivable	95	92	3	
Advances to Other Funds	6,986	6,986		
Total Assets	<u>\$ 29,544</u>	<u>\$ 14,065</u>	<u>\$ 241</u>	<u>\$ 10,936</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts Payable	\$ _____	\$ _____	\$ _____	\$ _____
Total Liabilities	_____	_____	_____	_____
Fund Balances:				
Reserved	_____ 29,544	_____ 14,065	_____ 241	_____ 10,936
Total Fund Balances	_____ 29,544	_____ 14,065	_____ 241	_____ 10,936
Total Liabilities and Fund Balances	<u>\$ 29,544</u>	<u>\$ 14,065</u>	<u>\$ 241</u>	<u>\$ 10,936</u>



<u>KERN ASSET LEASING</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC HEALTH FACILITY LOAN TRUSTEE</u>
\$ 3,994	\$ 308	\$
<u>\$ 3,994</u>	<u>\$ 308</u>	<u>\$</u>
\$	\$	\$
<u>3,994</u>	<u>308</u>	<u></u>
<u>\$ 3,994</u>	<u>\$ 308</u>	<u>\$</u>

ASSETS

Pooled Cash and Investments  
Cash and Investments Deposited with Trustee  
Interest Receivable  
Advances to Other Funds

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts Payable

Total Liabilities

Fund Balances:

Reserved

Total Fund Balances

Total Liabilities and Fund Balances

COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES  
 NON-MAJOR DEBT SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>TOTAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>	<u>KERN COUNTY TOBACCO FUNDING CORP.</u>
REVENUES:				
Revenues from Use of Money and Property	\$ 1,633	\$ 934	\$ 16	\$ 479
Tobacco Settlement	6,871			6,871
Other Revenues	<u>28,713</u>			
Total Revenues	<u>37,217</u>	<u>934</u>	<u>16</u>	<u>7,350</u>
EXPENDITURES:				
General Government	28			28
Debt Service:				
Principal	11,790			1,150
Interest	<u>28,580</u>			<u>6,295</u>
Total Expenditures	<u>40,398</u>			<u>7,473</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,181)</u>	<u>934</u>	<u>16</u>	<u>(123)</u>
OTHER FINANCING SOURCES (USES):				
Transfer In	4,354			
Transfer Out	<u>(200)</u>			
Total Other Financing Sources (Uses)	<u>4,154</u>			
Net Changes in Fund Balances	<u>973</u>	<u>934</u>	<u>16</u>	<u>(123)</u>
Fund Balances, July 1, 2006	<u>28,571</u>	<u>13,131</u>	<u>225</u>	<u>11,059</u>
Fund Balances, June 30, 2007	<u>\$ 29,544</u>	<u>\$ 14,065</u>	<u>\$ 241</u>	<u>\$ 10,936</u>

<u>KERN ASSET LEASING</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	<u>PUBLIC HEALTH FACILITY LOAN TRUSTEE</u>
\$ 204	\$	\$
<u>204</u>	<u>28,713</u>	<u></u>
2,460	7,100	1,080
<u>810</u>	<u>21,173</u>	<u>302</u>
<u>3,270</u>	<u>28,273</u>	<u>1,382</u>
<u>(3,066)</u>	<u>440</u>	<u>(1,382)</u>
2,972		1,382
<u>(2)</u>	<u>(198)</u>	<u></u>
<u>2,970</u>	<u>(198)</u>	<u>1,382</u>
<u>(96)</u>	<u>242</u>	<u></u>
<u>4,090</u>	<u>66</u>	<u></u>
<u>\$ 3,994</u>	<u>\$ 308</u>	<u>\$</u>

REVENUES:

Revenues from Use of Money and Property  
Tobacco Settlement  
Other Revenues

Total Revenues

EXPENDITURES:

General Government  
Debt Service:  
Principal  
Interest

Total Expenditures

Excess (Deficiency) of Revenues over Expenditures

OTHER FINANCING SOURCES (USES):

Transfer In  
Transfer Out

Total Other Financing Sources (Uses)

Net Changes in Fund Balances

Fund Balances, July 1, 2006

Fund Balances, June 30, 2007

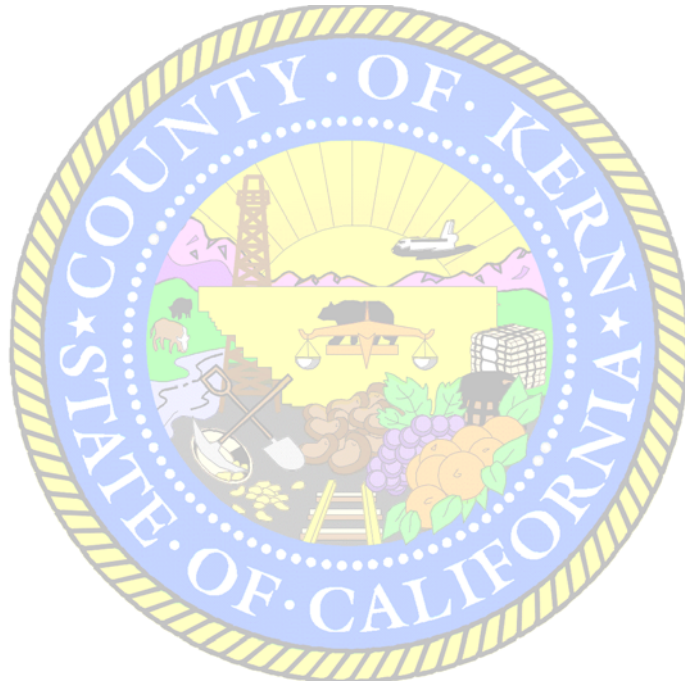
COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR DEBT SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

ACCUMULATIVE CAPITAL OUTLAY - GENERAL

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues from Use of Money or Property	\$	\$	934	\$ 934
Total Revenues	<u>                    </u>	<u>                    </u>	<u>934</u>	<u>934</u>
EXPENDITURES:				
General Government				
Services and Supplies	677			
Appropriation for Contingencies	1,500			
Total Expenditures	<u>2,177</u>			
Excess (Deficiency) of Revenues over Expenditures	<u>(2,177)</u>		<u>934</u>	<u>934</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				
Transfers Out	(9,946)			
Total Other Financing Sources (Uses)	<u>(9,946)</u>			
Net Changes in Fund Balances (Deficits)	(12,123)		934	934
Fund Balances, July 1, 2006	13,131	13,131	13,131	
Fund Balances (Deficits), June 30, 2007	<u>\$ 1,009</u>	<u>\$ 13,131</u>	<u>\$ 14,065</u>	<u>\$ 934</u>

COUNTY OF KERN  
 BUDGETARY COMPARISON SCHEDULE  
 CERTAIN NON-MAJOR DEBT SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

<u>ACCUMULATIVE CAPITAL OUTLAY - FIRE</u>				
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Revenues from Use of Money or Property	\$ _____	\$ _____	\$ 16	\$ 16
Total Revenues	_____	_____	16	16
EXPENDITURES:				
Public Protection				
Services and Supplies	111			
Appropriation for Contingencies	200			
Total Expenditures	311			
Excess (Deficiency) of Revenues over Expenditures	(311)		16	16
OTHER FINANCING SOURCES (USES):				
Transfer In				
Transfers Out	(1,624)			
Total Other Financing Sources (Uses)	(1,624)			
Net Changes in Fund Balances (Deficits)	(1,934)		16	16
Fund Balances, July 1, 2006	225	225	225	
Fund Balances (Deficits), June 30, 2007	<u>\$ (1,710)</u>	<u>\$ 225</u>	<u>\$ 241</u>	<u>\$ 16</u>





**NON-MAJOR  
ENTERPRISE FUNDS**





## NON-MAJOR ENTERPRISE FUNDS

### FUNDS DESCRIPTIONS

Enterprise funds are used to account for operations: (a) that are financed and operated in a similar manner to private business (where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges) or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**County Sanitation Districts** - These funds consist of two sanitation districts, Kern Sanitation Authority and Ford City-Taft Heights. These funds are administered by the Waste Management Department, which is responsible for the planning, design, construction, operations, and maintenance of the County's sanitation districts.

**Golf Course** - This fund is used to finance new capital improvements and replace existing capital improvements as necessary. Revenues are generated primarily from a percentage of user fees collected by lessee.

**Public Transportation** - This fund is administered by the Roads Department and provides for the planning, development and management of public transportation for intercity routes and unincorporated areas of Kern County.

**Universal Collection** – This fund is administered by the Waste Management Department and segregates the revenues and expenses related to waste pick-up and disposal within the universal collection area that encompasses the more densely populated unincorporated areas of metropolitan Bakersfield, South Taft and Lost Hills.

**COUNTY OF KERN  
COMBINING STATEMENT OF NET ASSETS  
NON-MAJOR ENTERPRISE FUNDS  
JUNE 30, 2007 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
<b>ASSETS</b>					
Current Assets:					
Pooled Cash and Investments	\$ 13,171	\$ 7,050	\$ 1,592	\$ 1,122	\$ 3,407
Interest Receivable	168	90	18	14	46
Accounts Receivable - Net	14	14			
Accrued Revenue	979	5		974	
Net Pension Asset	125			125	
Total Current Assets	<u>14,457</u>	<u>7,159</u>	<u>1,610</u>	<u>2,235</u>	<u>3,453</u>
Non-Current Assets:					
Cash and Investments Deposited with Trustee	719		719		
Taxes Receivable - Net	1,978	458			1,520
Investment in Joint Venture	1,700	1,700			
Capital Assets:					
Non-Depreciable:					
Land	668	603	65		
Construction in Progress	1	1			
Depreciable:					
Structures and Improvements	15,129	8,539	6,483	107	
Equipment	8,042	870		7,172	
Intangible Assets	48	48			
Subsurface Lines	7,841	7,841			
Accumulated Depreciation and Amortization	(14,919)	(8,878)	(1,889)	(4,152)	
Total Non-Current Assets	<u>21,207</u>	<u>11,182</u>	<u>5,378</u>	<u>3,127</u>	<u>1,520</u>
Total Assets	<u>35,664</u>	<u>18,341</u>	<u>6,988</u>	<u>5,362</u>	<u>4,973</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts Payable	1,158	510	71	577	
Salaries and Employee Benefits Payable	69	54		15	
Due to Other Funds	1	1			
Current Portion of Long Term Debt	241		235	6	
Interest Payable - Current	44		40	4	
Compensated Absences - Current	5			5	
Deferred Income	1,320			1,320	
Total Current Liabilities	<u>2,838</u>	<u>565</u>	<u>346</u>	<u>1,927</u>	
Non-Current Liabilities:					
Advances Payable	2,500				2,500
Compensated Absences Payable	15			15	
Long Term Debt - Certificates of Participation	2,750		2,750		
Long Term Debt - Pension Obligation Bonds	243			243	
Interest Payable - Pension Obligation Bonds	40			40	
Total Non-Current Liabilities	<u>5,548</u>		<u>2,750</u>	<u>298</u>	<u>2,500</u>
Total Liabilities	<u>8,386</u>	<u>565</u>	<u>3,096</u>	<u>2,225</u>	<u>2,500</u>
<b>NET ASSETS</b>					
Invested in Capital Assets, Net of Related Debt	13,825	9,024	1,674	3,127	
Restricted	719		719		
Unrestricted	12,734	8,752	1,499	10	2,473
Total Net Assets	<u>\$ 27,278</u>	<u>\$ 17,776</u>	<u>\$ 3,892</u>	<u>\$ 3,137</u>	<u>\$ 2,473</u>

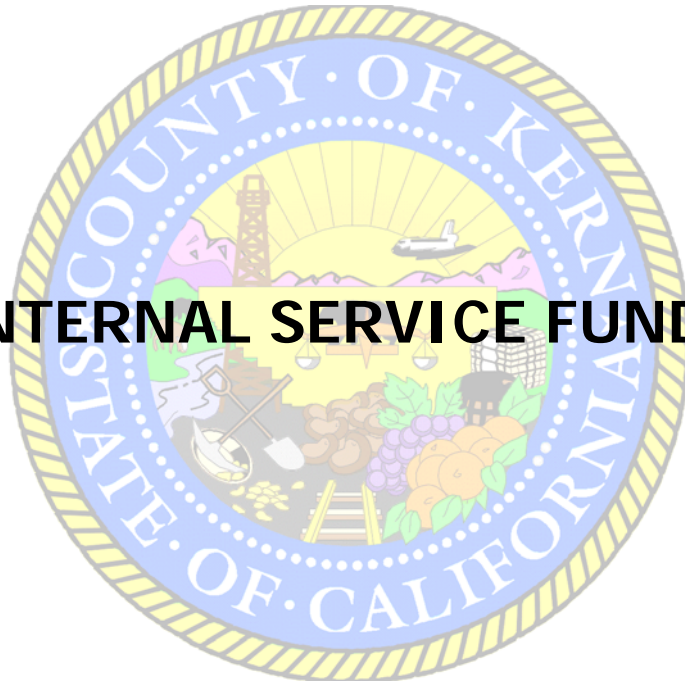
COUNTY OF KERN  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 NON-MAJOR ENTERPRISE FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
OPERATING REVENUES:					
Charges for Current Services	\$ 6,568	\$ 690	\$ 5,274	\$ 604	
Revenues from Use of Property	123	85		38	
Other Operating Revenues	3	3			
Total Operating Revenues	<u>6,694</u>	<u>778</u>	<u>5,274</u>	<u>642</u>	
OPERATING EXPENSES:					
Salaries and Employee Benefits	1,347	1,063		284	
Services and Supplies	19,812	1,706	4,697	4,935	8,474
Other Charges	57	36		21	
Depreciation	1,291	389	148	754	
Total Operating Expenses	<u>22,507</u>	<u>3,194</u>	<u>4,845</u>	<u>5,994</u>	<u>8,474</u>
Operating Income (Loss)	<u>(15,813)</u>	<u>(2,416)</u>	<u>429</u>	<u>(5,352)</u>	<u>(8,474)</u>
NON-OPERATING REVENUES (EXPENSES):					
Taxes and Assessments	15,132	2,549		3,708	8,875
Fines, Forfeitures and Penalties	137	42			95
Licenses, Permits and Franchises	12	12			
Interest on Bank Deposits and Investments	848	445	130	66	207
Aid from Other Governmental Agencies	1,641			1,641	
Interest Expense	(305)		(166)	(19)	(120)
Other Non-Operating Revenues	55	38		17	
Gain (Loss) on Sale of Fixed Assets	1			1	
Total Non-Operating Revenues (Expenses)	<u>17,521</u>	<u>3,086</u>	<u>(36)</u>	<u>5,414</u>	<u>9,057</u>
Change in Net Assets	1,708	670	393	62	583
Net Assets, July 1, 2006	<u>25,587</u>	<u>17,106</u>	<u>3,499</u>	<u>3,092</u>	<u>1,890</u>
Prior Period Adjustments	(17)			(17)	
Net Assets, June 30, 2007	<u>\$ 27,278</u>	<u>\$ 17,776</u>	<u>\$ 3,892</u>	<u>\$ 3,137</u>	<u>\$ 2,473</u>

**COUNTY OF KERN  
COMBINING STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	TOTAL	COUNTY SANITATION DISTRICTS	GOLF COURSE	PUBLIC TRANSPORTATION	UNIVERSAL COLLECTION
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash Received for Current Services	\$ 6,531	\$ 615	\$ 5,274	\$ 642	\$
Cash Received for Use of Property	85	85			
Cash Received for Other Operations	39	39			
Cash Received as Fines, Forfeitures, and Penalties	137	42			95
Cash Received as Licenses and Permits	12	12			
Cash Paid for Salaries and Benefits	(1,338)	(1,060)		(278)	
Cash Paid for Services and Supplies	(19,525)	(1,410)	(4,828)	(4,813)	(8,474)
Cash Paid for Interfund Services and Supplies	(233)	(194)		(39)	
Cash Paid for Other Charges	(57)	(36)		(21)	
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(14,349)</b>	<b>(1,907)</b>	<b>446</b>	<b>(4,509)</b>	<b>(8,379)</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Cash Received From Other Funds	16			16	
Payment of Postclosure Liability					
Taxes and Special Assessments	14,909	2,505		3,708	8,696
Aid from Other Governmental Agencies	1,823			1,823	
Payment of Long Term Debt - Pension Obligation Bond	(4)			(4)	
Interest Paid	(132)			(12)	(120)
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b>16,612</b>	<b>2,505</b>		<b>5,531</b>	<b>8,576</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Proceeds from Disposal of Capital Assets	1			1	
Acquisition or Construction of Capital Assets	(1,091)	(250)		(841)	
Payment of Long Term Debt - Certificates of Participation	(225)		(225)		
Interest Paid on Long Term Debt	(169)		(169)		
<b>Net Cash Used by Capital and Related Financing Activities</b>	<b>(1,484)</b>	<b>(250)</b>	<b>(394)</b>	<b>(840)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on Bank Deposits and Investments	883	494	125	66	198
<b>Net Cash Provided by Investing Activities</b>	<b>883</b>	<b>494</b>	<b>125</b>	<b>66</b>	<b>198</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>1,662</b>	<b>842</b>	<b>177</b>	<b>248</b>	<b>395</b>
Cash and Cash Equivalents, July 1, 2006	12,228	6,208	2,134	874	3,012
<b>Cash and Cash Equivalents, June 30, 2007</b>	<b>\$ 13,890</b>	<b>\$ 7,050</b>	<b>\$ 2,311</b>	<b>\$ 1,122</b>	<b>\$ 3,407</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating Income (Loss)	\$ (15,813)	\$ (2,416)	\$ 429	\$ (5,352)	\$ (8,474)
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Other Non-Operating Revenues	116	21			95
Depreciation	1,291	389	148	754	
<b>Changes in Assets and Liabilities:</b>					
(Increase) Decrease in Accounts Receivable	(6)	(6)			
(Increase) Decrease in Accrued Revenue	(5)	(5)			
(Increase) Decrease in Net Pension Asset	5			5	
(Increase) Decrease in Investment in Joint Venture	(116)	(116)			
Increase (Decrease) in Accrued Expenses	375	229	(131)	277	
Increase (Decrease) in Due to Others	(200)	(6)		(194)	
Increase (Decrease) in Salaries & Benefits Payable	4	3		1	
Increase (Decrease) in Compensated Absences Payable					
<b>Total Adjustments</b>	<b>1,464</b>	<b>509</b>	<b>17</b>	<b>843</b>	<b>95</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (14,349)</b>	<b>\$ (1,907)</b>	<b>\$ 446</b>	<b>\$ (4,509)</b>	<b>\$ (8,379)</b>

**INTERNAL SERVICE FUNDS**





## INTERNAL SERVICE FUNDS DESCRIPTIONS

Internal service funds accounts for services furnished to other County departments and are financed primarily by charges for such services. Because the internal service funds are separated from the regular County operations, they are free to employ commercial accounting techniques and are often used in situations where a more accurate determination of costs is desired.

**General Liability** - This fund provides for the funding, administration and operation of a self-insured system to meet the county's legal liability for damages to persons and/or property arising out of the County's general and automotive activities.

**General Services - Garage** - This fund provides funding for purchase and maintenance service for vehicles assigned operationally to County departments, excluding those departments that maintain and operate their own vehicle fleets (Parks, Fire, Roads, Airports, and Sheriffs Lerdo Facility).

**Group Health** - This fund provides for the funding, administration and operation of the County employees' health and dental insurance plans. This fund is administered by the County Administrative Office and is financed through charges to the operating departments and special districts enrolled in the program.

**Retiree Group Health** - This fund provides for the County's contributions to the Retired Employees Health Insurance and the Retiree Premium Support Program.

**Unemployment Compensation** - This fund provides for the funding, administration, and operation of the Unemployment Compensation Program to meet the County's obligation of providing unemployment benefits to former employees eligible under State law.

**Workers' Compensation** - This fund provides for the funding, administration and operation of the self-insured system to meet the County's statutory obligation to compensate its employees for work related injuries and illnesses.

COUNTY OF KERN  
COMBINING STATEMENT OF NET ASSETS (DEFICITS)  
INTERNAL SERVICE FUNDS  
JUNE 30, 2007 (IN THOUSANDS)

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
<b>ASSETS</b>				
Current Assets:				
Pooled Cash and Investments	\$ 24,136	\$ 4,269	\$ 2,304	\$ 20
Interest Receivable	335	65	25	5
Accounts Receivable	2,083			2,083
Accrued Revenue	135			
Due from Other Funds	33		33	
Advances Receivable	5,460			
Prepaid Items	12			
Net Pension Asset	184		184	
Inventory- Materials and Supplies	70		70	
Total Current Assets	<u>32,448</u>	<u>4,334</u>	<u>2,616</u>	<u>2,108</u>
Non-Current Assets:				
Deposits with Others	114			114
Equipment (Net of Accumulated Depreciation)	5,080		5,080	
Total Non-Current Assets	<u>5,194</u>		<u>5,080</u>	<u>114</u>
Total Assets	<u>37,642</u>	<u>4,334</u>	<u>7,696</u>	<u>2,222</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	6,058		17	6,041
Salaries and Employee Benefits Payable	33		33	
Advances Payable	5,460			5,460
Long Term Debt -Current	22		22	
Interest Payable - Current	11		11	
Compensated Absences - Current	48		48	
Liability for Self-Insurance - Current	21,951	873		5,500
Total Current Liabilities	<u>33,583</u>	<u>873</u>	<u>131</u>	<u>17,001</u>
Non-Current Liabilities				
Compensated Absences Payable	41		41	
Liability for Self-Insurance - Long Term	59,274	9,683		
Interest Payable - Long-term - Pension Obligation Bonds	150		150	
Long Term Debt - Pension Obligation Bonds	618		618	
Total Non-Current Liabilities	<u>60,083</u>	<u>9,683</u>	<u>809</u>	
Total Liabilities	<u>93,666</u>	<u>10,556</u>	<u>940</u>	<u>17,001</u>
<b>NET ASSETS (DEFICITS)</b>				
Invested in Capital Assets, Net of Related Debt	5,080		5,080	
Restricted	114			114
Unrestricted	(61,218)	(6,222)	1,676	(14,893)
Total Net Assets (Deficits)	<u>\$ (56,024)</u>	<u>\$ (6,222)</u>	<u>\$ 6,756</u>	<u>\$ (14,779)</u>



<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>			
			<b>ASSETS</b>		
\$ 13,532	\$ 844	\$ 3,167	Current Assets:		
150	15	75	Pooled Cash and Investments		
			Interest Receivable		
135			Accounts Receivable		
			Accrued Revenue		
5,460			Due from Other Funds		
			Advances Receivable		
		12	Prepaid Items		
			Net Pension Asset		
			Inventory- Materials and Supplies		
<u>19,277</u>	<u>859</u>	<u>3,254</u>	Total Current Assets		
			Non-Current Assets:		
			Deposits with Others		
			Equipment (Net of Accumulated Depreciation)		
			Total Non-Current Assets		
<u>19,277</u>	<u>859</u>	<u>3,254</u>	Total Assets		
			<b>LIABILITIES</b>		
			Current Liabilities:		
			Accounts Payable		
			Salaries and Employee Benefits Payable		
			Advances Payable		
			Long Term Debt -Current		
			Interest Payable - Current		
			Compensated Absences - Current		
	1,235	14,343	Liability for Self-Insurance- Current		
	<u>1,235</u>	<u>14,343</u>	Total Current Liabilities		
			Non-Current Liabilities		
		49,591	Compensated Absences Payable		
			Liability for Self-Insurance- Long Term		
			Interest Payable - Long-term - Pension Obligation Bonds		
			Long Term Debt - Pension Obligation Bonds		
		<u>49,591</u>	Total Non-Current Liabilities		
	1,235	63,934	Total Liabilities		
			<b>NET ASSETS (DEFICITS)</b>		
			Invested in Capital Assets, Net of Related Debt		
			Restricted		
			Unrestricted		
<u>19,277</u>	<u>(376)</u>	<u>(60,680)</u>	Total Net Assets (Deficits)		
\$ <u>19,277</u>	\$ <u>(376)</u>	\$ <u>(60,680)</u>			

**COUNTY OF KERN  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS (DEFICITS)  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

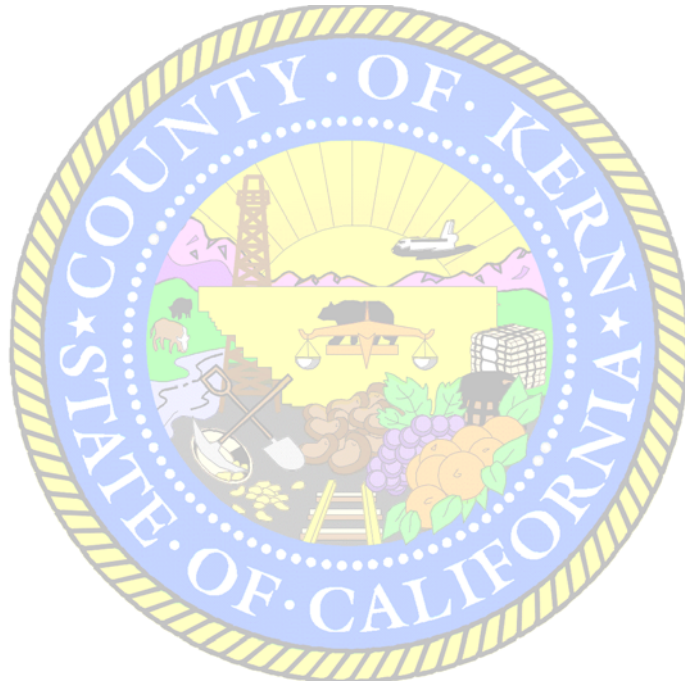
	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
<b>OPERATING REVENUES:</b>				
Charges for Current Services	\$ 132,158	\$ 4,450	\$ 2,132	\$ 101,957
Total Operating Revenues	<u>132,158</u>	<u>4,450</u>	<u>2,132</u>	<u>101,957</u>
<b>OPERATING EXPENSES:</b>				
Salaries and Employee Benefits	5,601		675	
Services and Supplies	15,786	3,055	680	7,362
Claims Incurred	110,748	207		99,462
Other Charges	971	11		213
Depreciation Expense	666		666	
Total Operating Expenses	<u>133,772</u>	<u>3,273</u>	<u>2,021</u>	<u>107,037</u>
Operating Income (Loss)	<u>(1,614)</u>	<u>1,177</u>	<u>111</u>	<u>(5,080)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest on Bank Deposits and Investments	2,418	292	196	29
Other Revenues	579	9	83	4
Aid from Other Governmental Agencies	302			
Interest Expense	(22)		(22)	
Loss on Sale of Fixed Assets	(127)		(127)	
Total Non-Operating Revenue	<u>3,150</u>	<u>301</u>	<u>130</u>	<u>33</u>
Income (Loss) before Transfers	<u>1,536</u>	<u>1,478</u>	<u>241</u>	<u>(5,047)</u>
Transfers In	<u>460</u>		<u>460</u>	
Change in Net Assets (Deficits)	1,996	1,478	701	(5,047)
Net Assets (Deficits), July 1, 2006 (as previously reported)	<u>(57,995)</u>	<u>(7,700)</u>	<u>6,080</u>	<u>(9,732)</u>
Prior Period Adjustments	<u>(25)</u>		<u>(25)</u>	
Net Assets (Deficits), June 30, 2007	<u>\$ (56,024)</u>	<u>\$ (6,222)</u>	<u>\$ 6,756</u>	<u>\$ (14,779)</u>

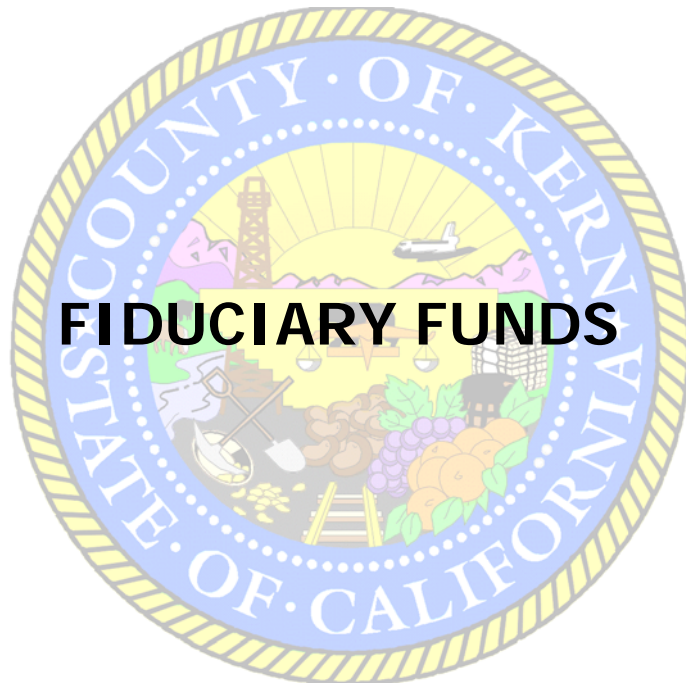
<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	
\$ 6,174	\$ 1,271	\$ 16,174	OPERATING REVENUES:
			Charges for Current Services
<u>6,174</u>	<u>1,271</u>	<u>16,174</u>	Total Operating Revenues
			OPERATING EXPENSES:
4,926			Salaries and Employee Benefits
313	14	4,362	Services and Supplies
	2,536	8,543	Claims Incurred
175	31	541	Other Charges
			Depreciation Expense
<u>5,414</u>	<u>2,581</u>	<u>13,446</u>	Total Operating Expenses
<u>760</u>	<u>(1,310)</u>	<u>2,728</u>	Operating Income (Loss)
			NON-OPERATING REVENUES (EXPENSES):
1,321	145	435	Interest on Bank Deposits and Investments
		483	Other Revenues
		302	Aid from Other Governmental Agencies
			Interest Expense
			Gain (Loss) on Sale of Fixed Assets
<u>1,321</u>	<u>145</u>	<u>1,220</u>	Total Non-Operating Revenue
<u>2,081</u>	<u>(1,165)</u>	<u>3,948</u>	Income (Loss) before Transfers
			Transfers In
2,081	(1,165)	3,948	Change in Net Assets (Deficits)
<u>17,196</u>	<u>789</u>	<u>(64,628)</u>	Net Assets (Deficits), July 1, 2006 (as previously reported)
			Prior Period Adjustments
<u>\$ 19,277</u>	<u>\$ (376)</u>	<u>\$ (60,680)</u>	Net Assets (Deficits), June 30, 2007

**COUNTY OF KERN  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received for Current Services	\$ 131,568	\$ 4,450	\$ 2,143	\$ 101,399
Cash Received for Other Operations	581	9	84	4
Cash Paid for Salaries and Benefits	(5,583)		(657)	
Cash Paid for Services and Supplies	(17,057)	(3,055)	(691)	(8,212)
Cash Paid for Reported Claims	(115,819)	(797)		(98,663)
Cash Paid for Other Charges	(972)	(11)		(213)
Deposits with others	21			21
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(7,261)</u>	<u>596</u>	<u>879</u>	<u>(5,664)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Advances from Other Funds	5,460			5,460
Advances to Other Funds	(5,460)			
Aid from Other Governmental Agencies	302			
Pension Obligation Bond Principal Paid	(17)		(17)	
Pension Obligation Bond Interest Paid	(33)		(33)	
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<u>252</u>		<u>(50)</u>	<u>5,460</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds From Sale of Capital Assets	102		102	
Acquisition or Construction of Capital Assets	(1,549)		(1,549)	
<b>Net Cash Used by Capital and Related Financing Activities</b>	<u>(1,447)</u>		<u>(1,447)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on Bank Deposits and Investments	2,461	271	200	32
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>(5,995)</u>	<u>867</u>	<u>(418)</u>	<u>(172)</u>
Beginning Cash and Cash Equivalents at July 1, 2006	30,131	3,402	2,722	192
<b>Ending Cash and Cash Equivalents at June 30, 2007</b>	<u>\$ 24,136</u>	<u>\$ 4,269</u>	<u>\$ 2,304</u>	<u>\$ 20</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ (1,614)	\$ 1,177	\$ 111	\$ (5,080)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Non-Operating Revenues	581	9	84	4
Depreciation	666		666	
Changes in Assets and Liabilities:				
(Increase) Decrease in Inventory	(11)		(11)	
(Increase) Decrease in Accounts Receivable	(559)			(559)
(Increase) Decrease in Accrued Revenue	(42)			
(Increase) Decrease in Due from Others	11		11	
(Increase) Decrease in Deposits with Others	21			21
(Increase) Decrease in Net Pension Asset	10		10	
(Increase) Decrease in Retirement Pre-payment	(12)			
Increase (Decrease) in Accrued Expenses	(850)			(850)
Increase (Decrease) in Compensated Absences Payable	8		8	
Increase (Decrease) in Provision for Liability Claims	(5,470)	(590)		800
<b>Total Adjustments</b>	<u>(5,647)</u>	<u>(581)</u>	<u>768</u>	<u>(584)</u>
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (7,261)</u>	<u>\$ 596</u>	<u>\$ 879</u>	<u>\$ (5,664)</u>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Net Transfers of Capital Assets (To) From Other Funds	\$ (242)		\$ (242)	
<b>Total Non-cash Investing, Capital, and Financing Activities</b>	<u>\$ (242)</u>		<u>\$ (242)</u>	

<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	
			CASH FLOWS FROM OPERATING ACTIVITIES:
\$ 6,132	\$ 1,271	\$ 16,173	Cash Received for Current Services
(4,926)		484	Cash Received for Other Operations
(313)	(14)	(4,772)	Cash Paid for Salaries and Benefits
(175)	(2,330)	(14,029)	Cash Paid for Services and Supplies
	(32)	(541)	Cash Paid for Reported Claims
			Cash Paid for Other Charges
			Deposits with others
<u>718</u>	<u>(1,105)</u>	<u>(2,685)</u>	Net Cash Provided (Used) by Operating Activities
			CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
(5,460)		302	Advances from Other Funds
			Repayment of Advances from Other Funds
			Aid from Other Governmental Agencies
			Pension Obligation Bond Principal Paid
			Pension Obligation Bond Interest Paid
<u>(5,460)</u>		<u>302</u>	Net Cash Provided (Used) by Non-Capital Financing Activities
			CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:
			Proceeds From Sale of Capital Assets
			Acquisition or Construction of Capital Assets
			Net Cash Used by Capital and Related Financing Activities
			CASH FLOWS FROM INVESTING ACTIVITIES:
<u>1,333</u>	<u>152</u>	<u>473</u>	Interest on Bank Deposits and Investments
(3,409)	(953)	(1,910)	Net Increase (Decrease) in Cash and Cash Equivalents
<u>16,941</u>	<u>1,797</u>	<u>5,077</u>	Beginning Cash and Cash Equivalents at July 1, 2006
<u>\$ 13,532</u>	<u>\$ 844</u>	<u>\$ 3,167</u>	Ending Cash and Cash Equivalents at June 30, 2007
			RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:
\$ <u>760</u>	\$ <u>(1,310)</u>	\$ <u>2,728</u>	Operating Income (Loss)
			Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
		484	Other Non-Operating Revenues
			Depreciation
			Changes in Assets and Liabilities:
			(Increase) Decrease in Inventory
			(Increase) Decrease in Accounts Receivable
(42)			(Increase) Decrease in Accrued Revenue
			(Increase) Decrease in Due from Others
			(Increase) Decrease in Deposits with Others
		(12)	(Increase) Decrease in Retirement Pre-payment
			Increase (Decrease) in Accrued Expenses
	205	(5,885)	Increase (Decrease) in Compensated Absences Payable
			Increase (Decrease) in Provision for Liability Claims
<u>(42)</u>	<u>205</u>	<u>(5,413)</u>	Total Adjustments
<u>\$ 718</u>	<u>\$ (1,105)</u>	<u>\$ (2,685)</u>	Net Cash Provided (Used) by Operating Activities
			NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:
\$ _____	\$ _____	\$ _____	Net Transfers of Capital Assets (To) From Other Funds
<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	Total Non-cash Investing, Capital, and Financing Activities





**FIDUCIARY FUNDS**





## FIDUCIARY FUNDS DESCRIPTIONS

**Agency Funds** - Agency funds are funds under the control of individual County officers who use them for the deposit of various types of receipts and to accumulate resources for specific purposes. Unapportioned funds are used for recording the collection and distribution of property taxes and interest on bank deposits. Disbursements are made from these funds by warrants issued by the Auditor-Controller-County Clerk upon the requisition of the responsible officer.

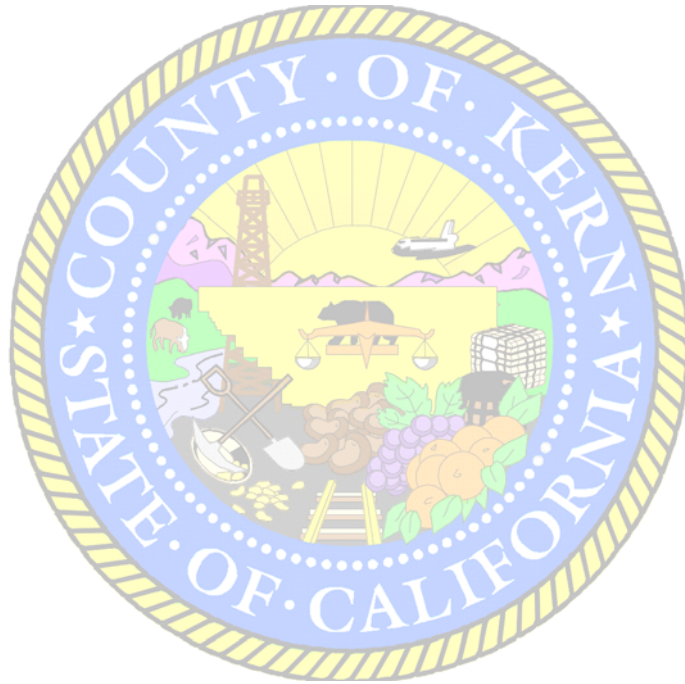
COUNTY OF KERN  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

Page 1 of 2

	BALANCE JULY 1, 2006	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2007
<b>TOTAL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 132,307	\$ 5,183,213	\$ 5,177,494	\$ 138,026
Investments		1,753	1,753	
Accounts Receivable	64	1,288	1,266	86
Interest Receivable	996	1,603	987	1,612
Loans Receivable	84	90	34	140
Taxes Receivable	59,621	1,034,290	1,010,804	83,107
Due from Other Funds	21	468	470	19
Due from Other Agencies	4,295	16,370	12,000	8,665
Total Assets	<u>\$ 197,388</u>	<u>\$ 6,239,075</u>	<u>\$ 6,204,808</u>	<u>\$ 231,655</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 12	\$ 243,755	\$ 243,523	\$ 244
Warrants Payable	32,752	2,503,754	2,515,890	20,616
Interest Payable	5,008	7,929	6,624	6,313
Due to Other Agencies	159,296	2,876,437	2,831,571	204,162
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 197,388</u>	<u>\$ 5,631,875</u>	<u>\$ 5,597,608</u>	<u>\$ 231,655</u>
<b>CLEARING FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 2,178	\$ 1,030,822	\$ 1,029,591	\$ 3,409
Investments		1,753	1,753	
Accounts Receivable	15	46	60	1
Total Assets	<u>\$ 2,193</u>	<u>\$ 1,032,621</u>	<u>\$ 1,031,404</u>	<u>\$ 3,410</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 614	\$ 174,390	\$ 174,390	\$ 3,410
Warrant Payable	1,579	180,329	180,943	3,410
Due to Other Agencies	1,579	1,020,664	1,018,833	3,410
Total Liabilities	<u>\$ 2,193</u>	<u>\$ 1,375,383</u>	<u>\$ 1,374,166</u>	<u>\$ 3,410</u>
<b>WARRANT CLEARANCE FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 32,138	\$ 2,254,880	\$ 2,266,402	\$ 20,616
Total Assets	<u>\$ 32,138</u>	<u>\$ 2,254,880</u>	<u>\$ 2,266,402</u>	<u>\$ 20,616</u>
<b>LIABILITIES</b>				
Warrants Payable	\$ 32,138	\$ 2,254,880	\$ 2,266,402	\$ 20,616
Due to Other Agencies		2	2	
Total Liabilities	<u>\$ 32,138</u>	<u>\$ 2,254,882</u>	<u>\$ 2,266,404</u>	<u>\$ 20,616</u>

COUNTY OF KERN  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)  
 AGENCY FUNDS  
 YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)

	BALANCE JULY 1, 2006	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2007
<b>STATE FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 6,310	\$ 32,832	\$ 33,083	\$ 6,059
Interest Receivable	17	2	3	16
Total Assets	<u>\$ 6,327</u>	<u>\$ 32,834</u>	<u>\$ 33,086</u>	<u>\$ 6,075</u>
<b>LIABILITIES</b>				
Accounts Payable	\$	\$ 31,584	\$ 31,584	\$
Warrant Payable		31,584	31,584	
Due to Other Agencies	6,327	31,767	32,019	6,075
Total Liabilities	<u>\$ 6,327</u>	<u>\$ 94,935</u>	<u>\$ 95,187</u>	<u>\$ 6,075</u>
<b>OTHER FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 75,909	\$ 768,564	\$ 748,947	\$ 95,526
Accounts Receivable	49	1,242	1,206	85
Interest Receivable	573	791	578	786
Loans Receivable	84	90	34	140
Taxes Receivable		1	1	
Due from Other Agencies	4,295	16,370	12,000	8,665
Total Assets	<u>\$ 80,910</u>	<u>\$ 787,058</u>	<u>\$ 762,766</u>	<u>\$ 105,202</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 12	\$ 37,781	\$ 37,549	\$ 244
Warrant Payable		36,961	36,961	
Due to Other Agencies	80,898	673,624	649,564	104,958
Total Liabilities	<u>\$ 80,910</u>	<u>\$ 748,366</u>	<u>\$ 724,074</u>	<u>\$ 105,202</u>
<b>UNAPPORTIONED FUNDS</b>				
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 15,772	\$ 1,096,115	\$ 1,099,471	\$ 12,416
Interest Receivable	406	810	406	810
Taxes Receivable	59,621	1,034,289	1,010,803	83,107
Due from Other Funds	21	468	470	19
Total Assets	<u>\$ 75,820</u>	<u>\$ 2,131,682</u>	<u>\$ 2,111,150</u>	<u>\$ 96,352</u>
<b>LIABILITIES</b>				
Interest Payable	\$ 5,008	\$ 7,929	\$ 6,624	\$ 6,313
Due to Other Agencies	70,492	1,150,380	1,131,153	89,719
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 75,820</u>	<u>\$ 1,158,309</u>	<u>\$ 1,137,777</u>	<u>\$ 96,352</u>



**CAPITAL ASSETS USED IN  
THE OPERATION OF  
GOVERNMENTAL FUNDS**





COUNTY OF KERN  
 CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS  
 SCHEDULE OF FUNCTION AND ACTIVITY  
 JUNE 30, 2007 (IN THOUSANDS)

Function & Activity	Department #	Land	Structures & Improvements	Equipment	Construction in Progress	Infrastructure	Total
<b>General Activity</b>							
Board of Supervisors - Dist #1	1011	\$	\$	\$ 70	\$	\$	70
Board of Supervisors - Dist #2	1012			91			91
Board of Supervisors - Dist #5	1015			24			24
County Administrative Office	1020			85			85
Clerk of the Board	1030			68			68
Auditor-Controller	1110			169			169
Treasurer	1120			819			819
Assessor	1130	9	1,072	51			1,132
Assessor - Property Tax	1140			91			91
General Services - Mail Services	1151			58			58
Reprographics	1153			184			184
Information Systems	1160			2,877			2,877
County Counsel	1210		48	113	725		886
Personnel	1310			43			43
Elections - County Clerk	1420			6,128			6,128
Communications	1510		22,798	13,580	281		36,659
General Services**	1610	2,422	74,214	2,922	106		79,664
General Services - Construction	1640			19			19
Board of Trade	1812		139	99			238
Engineering & Survey Services	1900		2,382	891	399	15,249	18,921
Risk Management	1910			26			26
Separation of Grade	1955				2,132		2,132
<b>Total General Activity</b>		<u>2,431</u>	<u>100,653</u>	<u>28,408</u>	<u>3,643</u>	<u>15,249</u>	<u>150,384</u>
<b>Public Safety</b>							
Superior Court	2115	401	40,987				41,388
District Attorney	2180			1,429			1,429
Children Support Services	2183			1,442			1,442
Public Defender	2190		3,809	319			4,128
DA Forensic	2200		139	2,229			2,368
Sheriff	2210	7,105	56,371	28,746	4		92,226
Probation	2340	219	20,289	4,465	20,166		45,139
Fire	2415	4,022	29,285	38,210	187		71,704
Dept. of Ag & Measure Standard	2610	317	2,591	379	54		3,341
Code Compliance	2620			133			133
Building Inspection	2625			997			997
Recorder	2705			1,027			1,027
Resource Management Agency	2730			283			283
Planning	2750			63			63
Animal Control	2760	443	556	295			1,294
<b>Total Public Safety</b>		<u>12,507</u>	<u>154,027</u>	<u>80,017</u>	<u>20,411</u>		<u>266,962</u>
<b>Public Ways</b>							
Road	3000	2,885	6,623	12,051	36	400,727	422,322
<b>Total Public Ways</b>		<u>2,885</u>	<u>6,623</u>	<u>12,051</u>	<u>36</u>	<u>400,727</u>	<u>422,322</u>
<b>Health</b>							
Public Health	4110	209	14,002	587	11		14,809
Environmental Health	4113		1,294	439			1,733
Mental Health	4120		2,481	882			3,363
Mental Health - Substance Abuse	4123			25			25
Emergency Medical Services	4200			227			227
California Children's Services	4300			17			17
<b>Total Health</b>		<u>209</u>	<u>17,777</u>	<u>2,177</u>	<u>11</u>		<u>20,174</u>
<b>Public Assistance</b>							
Human Services	5120	6	2,201	6,418			8,625
Veterans Services	5510		228				228
Aging & Adult Services	5610		240	188			428
Employers Training Resources	5923			1,353			1,353
Community Development Program Agency	5940			39	7		46
<b>Total Public Assistance</b>		<u>6</u>	<u>2,669</u>	<u>7,998</u>	<u>7</u>		<u>10,680</u>
<b>Education</b>							
Library	6210	2,112	25,362	1,116	138		28,728
Farm & Home Advisor	6310			6	4		10
Experimental Farm	6320		506				506
<b>Total Education</b>		<u>2,112</u>	<u>25,868</u>	<u>1,122</u>	<u>142</u>		<u>29,244</u>
<b>Parks &amp; Recreation</b>							
Parks	7100	3,770	38,798	5,799	263		48,630
<b>Total Parks &amp; Recreation</b>		<u>3,770</u>	<u>38,798</u>	<u>5,799</u>	<u>263</u>		<u>48,630</u>
<b>Total Governmental Funds</b>		<u>\$ 23,920</u>	<u>\$ 346,415</u>	<u>\$ 137,572</u>	<u>\$ 24,513</u>	<u>\$ 415,976</u>	<u>\$ 948,396</u>

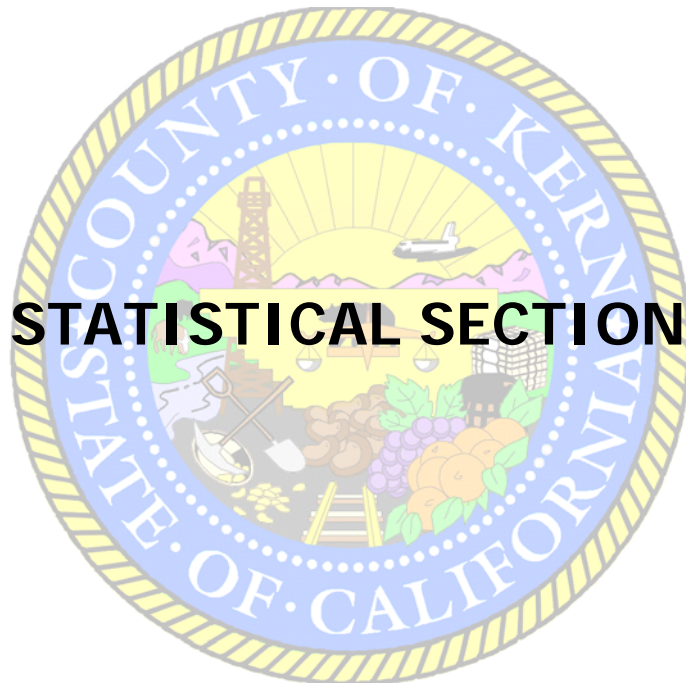
\*\*General Services accounts for a large portion of the governmental activity because there are several county buildings, such as the Administration building located at 1115 Truxtun and the Public Services building located at Golden State, that are being occupied by departments that have different functions.

**COUNTY OF KERN  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES IN FUNCTION AND ACTIVITY  
YEAR ENDED JUNE 30, 2007 (IN THOUSANDS)**

Function & Activity	Department #	Governmental Funds			Governmental Funds	
		Capital Assets 6/30/2006*	Additions	Deductions	Capital Assets 6/30/2007	
<b>General Activity</b>						
Board of Supervisors - Dist #1	1011	\$ 70	\$	\$	\$	70
Board of Supervisors - Dist #2	1012	91				91
Board of Supervisors - Dist #5	1015	24				24
County Administrative Office	1020	85				85
Clerk of the Board	1030	31	37			68
Auditor-Controller	1110	169				169
Treasurer	1120	708	111			819
Assessor	1130	1,132	18	18		1,132
Assessor - Property Tax	1140	125		33		91
Purchasing	1150		21	21		
General Services - Mail Services	1151	58				58
Reprographics	1153	226		42		184
Information Systems	1160	2,786	106	15		2,877
County Counsel	1210	141	793	48		886
Personnel	1310	98		55		43
Elections - County Clerk	1420	6,128				6,128
Communications	1510	36,977	323	641		36,659
General Services	1610	76,820	4,231	1,387		79,664
General Services - Construction	1640	19				19
Board of Trade	1812	188	88	38		238
Engineering & Survey Services	1900	15,532	4,917	1,529		18,921
Risk Management	1910	38	14	26		26
Separation of Grade	1955		2,132			2,132
<b>Total General Activity</b>		<u>141,446</u>	<u>12,791</u>	<u>3,853</u>		<u>150,384</u>
<b>Public Safety</b>						
Superior Court	2115	41,388				41,388
District Attorney	2180	1,483	66	120		1,429
Children Support Services	2183	1,436	56	50		1,442
Public Defender	2190	4,115	13			4,128
DA Forensic	2200	2,605	29	266		2,368
Sheriff	2210	91,328	1,873	975		92,226
Probation	2340	44,427	799	87		45,139
Fire	2415	63,366	13,241	4,903		71,704
Agricultural Commissioner	2610	2610	121	69		3,341
Code Compliance	2620	182	60	109		133
Building Inspection	2625	925	209	137		997
Recorder	2705	1,098	61	132		1,027
Resource Management Agency	2730	116	185	18		283
Planning	2750	63				63
Animal Control	2760	658	636			1,294
<b>Total Public Safety</b>		<u>256,479</u>	<u>17,349</u>	<u>6,866</u>		<u>266,962</u>
<b>Public Ways</b>						
Road	3000	346,921	76,400	999		422,322
<b>Total Public Ways</b>		<u>346,921</u>	<u>76,400</u>	<u>999</u>		<u>422,322</u>
<b>Health</b>						
Public Health	4110	14,833	11,602	11,626		14,809
Environmental Health	4113	1,727	6			1,733
Mental Health	4120	3,388	376	401		3,363
Mental Health - Substance Abuse	4123	25				25
Emergency Medical Services	4200	213	14			227
California Children's Services	4300	25		8		17
<b>Total Health</b>		<u>20,211</u>	<u>11,998</u>	<u>12,035</u>		<u>20,174</u>
<b>Public Assistance</b>						
Human Services	5120	8,052	698	125		8,625
Veterans Services	5510	228				228
Aging & Adult Services	5610	405	104	81		428
Employers Training Resources	5923	1,270	180	97		1,353
Community Deveopment Program Agency	5940	46				46
<b>Total Public Assistance</b>		<u>10,001</u>	<u>982</u>	<u>303</u>		<u>10,680</u>
<b>Education</b>						
Library	6210	28,592	141	5		28,728
Farm & Home Advisor	6310	36	3	29		10
Experimental Farm	6320	506				506
<b>Total Education</b>		<u>29,134</u>	<u>144</u>	<u>34</u>		<u>29,244</u>
<b>Parks &amp; Recreation</b>						
Parks	7100	47,995	1,952	1,317		48,630
<b>Total Parks &amp; Recreation</b>		<u>47,995</u>	<u>1,952</u>	<u>1,317</u>		<u>48,630</u>
<b>Total Governmental Funds</b>		<u>\$ 852,187</u>	<u>\$ 121,616</u>	<u>\$ 25,407</u>	<u>\$</u>	<u>948,396</u>

\* As restated see note II. A.  
Note: Additions and Deductions included transfers between functions





**STATISTICAL SECTION**

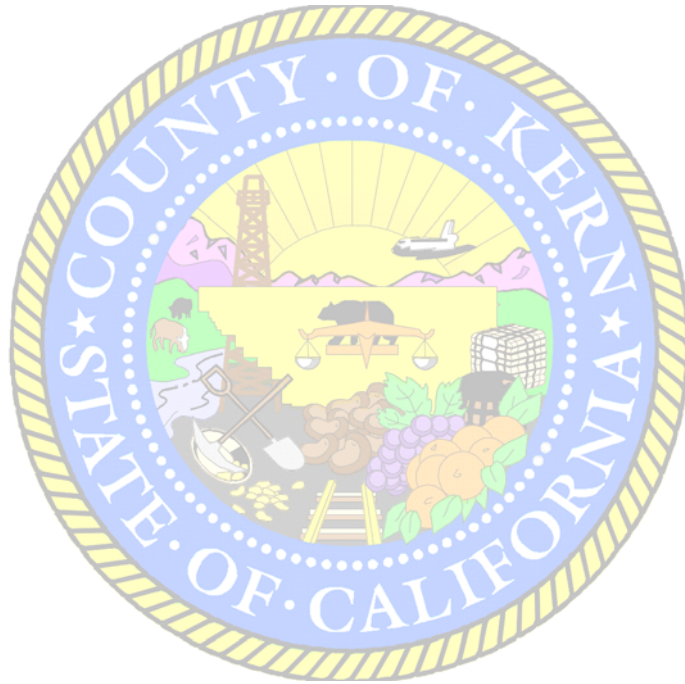


# STATISTICAL SECTION

## CONTENTS

	<b>PAGE</b>
<b>Financial Trends</b>	182
<p>The financial trend schedules contain trend information to assist the reader in understanding how the County's financial performance and well-being have changed over time and to help the reader follow the direction the County's economic condition is heading. These schedules also provide information to assist the user in comprehending how spending priorities and funding sources have changed from year to year.</p>	
<b>Revenue Capacity</b>	189
<p>The revenue capacity schedules contain information to help the reader assess the factors affecting the County's ability to generate its most significant revenue source, property taxes. The schedules have information to help the user assess the tax burden on the taxpayers. Information is provided to help the user evaluate whether the County is disproportionately dependent on a single taxpayer.</p>	
<b>Debt Capacity</b>	195
<p>The debt capacity schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. Information is provided to give users an idea of the burden of debt on the taxpayers, both the direct burden and the portion of debt issued by other governmental entities for which the County's taxpayers are responsible.</p>	
<b>Demographic and Economic Information</b>	201
<p>The demographic and economic information schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place and to help make comparisons over time and with other governments.</p>	
<b>Operating Information</b>	204
<p>The operating information schedules contain information about the county's operations and resources to help the reader understand how the county's financial information relates to the services the county provides and the activities it performs. The schedules provide information to give the user a sense of the size of the County, the types of services it provides, the volume of these services and the non-financial resources used to provide those services.</p>	

**Sources:** Unless otherwise noted, the information in the statistical schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant years.



**COUNTY OF KERN**  
**NET ASSETS BY COMPONENT**  
**LAST FIVE FISCAL YEARS (IN THOUSANDS)**  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental Activities:</b>					
Invested in Capital Assets, Net of Related Debt	\$ 217,758	\$ 258,993	\$ 309,886	\$ 417,677	\$ 494,591
Restricted	27,478	35,816	35,653	15,349	15,352
Unrestricted (deficit)	46,970	(111,616)	(141,419)	(122,898)	(74,478)
Total Governmental Activities Net Assets	<u>\$ 292,206</u>	<u>\$ 183,193</u>	<u>\$ 204,120</u>	<u>\$ 310,128</u>	<u>\$ 435,465</u>
<b>Business-type Activities:</b>					
Invested in Capital Assets, Net of Related Debt	\$ 92,288	\$ 92,994	\$ 94,418	\$ 124,631	\$ 140,235
Restricted	7,623	9,701	9,724	8,428	12,060
Unrestricted (deficit)	(34,857)	(39,612)	(37,436)	(52,275)	(79,592)
Total Business-type Activities Net Assets	<u>\$ 65,054</u>	<u>\$ 63,083</u>	<u>\$ 66,706</u>	<u>\$ 80,784</u>	<u>\$ 72,703</u>
<b>Primary Government:</b>					
Invested in Capital Assets, Net of Related Debt	\$ 310,046	\$ 351,987	\$ 404,304	\$ 542,308	\$ 634,826
Restricted	35,101	45,517	45,377	23,777	27,412
Unrestricted (deficit)	12,113	(151,228)	(178,855)	(175,173)	(154,070)
Total Primary Government Net Assets	<u>\$ 357,260</u>	<u>\$ 246,276</u>	<u>\$ 270,826</u>	<u>\$ 390,912</u>	<u>\$ 508,168</u>

**COUNTY OF KERN**  
**CHANGES IN NET ASSETS**  
**LAST FIVE FISCAL YEARS (IN THOUSANDS)**  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Governmental Activities:</b>					
<b>Expenses:</b>					
General Government	\$ 86,271	\$ 67,409	\$ 78,057	\$ 82,788	\$ 76,033
Public Protection	311,333	325,240	342,347	374,303	377,961
Public Ways and Facilities	36,774	29,721	22,146	38,348	(8,116)
Health and Sanitation	158,830	180,518	194,836	126,815	127,676
Public Assistance	354,479	349,772	369,097	381,836	364,684
Education	10,697	8,596	8,852	9,002	10,143
Culture and Recreation	7,790	4,923	12,915	10,556	13,459
Interest on Short and Long-term Debt	14,396	38,204	39,428	41,864	42,788
<b>Total Expenses</b>	<b>980,570</b>	<b>1,004,383</b>	<b>1,067,678</b>	<b>1,065,512</b>	<b>1,004,628</b>
<b>Program Revenues:</b>					
Charges for Services:					
General Government	54,658	49,552	55,580	53,668	42,294
Public Protection	75,771	81,960	85,930	87,368	74,051
Health and Sanitation	89,824	110,355	120,522	48,041	29,760
Other	13,466	13,281	17,186	18,310	(141)
Operating Grants and Contributions	616,677	596,585	595,660	606,855	638,729
Capital Grants and Contributions	5,619	10,037	9,165	6,564	15,149
<b>Total Program Revenues</b>	<b>856,015</b>	<b>861,770</b>	<b>884,043</b>	<b>820,806</b>	<b>799,842</b>
<b>Total Governmental Activities, Net Program Expenses</b>	<b>(124,555)</b>	<b>(142,613)</b>	<b>(183,635)</b>	<b>(244,706)</b>	<b>(204,786)</b>
<b>General Revenues:</b>					
Taxes:					
Property Taxes	139,434	109,176	148,204	181,729	213,535
Vehicle License Taxes <sup>a</sup>			43,739	61,061	77,620
Aircraft Taxes	175	247	150	156	170
Sales and Use Taxes	22,808	22,804	27,423	33,182	35,602
Transient Occupancy Tax	1,172	1,300	1,338	1,414	1,688
Transfer Taxes	2,780	3,612	5,909	7,402	5,334
Other Taxes	963	942	590	795	864
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	12,312	8,819	10,502	14,682	28,310
Miscellaneous	2,413	1,244	3,041	20,488	6,578
Gain on Sale of Capital Assets					
Special Items					
Transfers	(31,767)	(25,520)	(30,166)	(36,337)	(40,607)
<b>Total General Revenues and Transfers</b>	<b>150,290</b>	<b>122,624</b>	<b>210,730</b>	<b>284,572</b>	<b>329,094</b>
<b>Total Governmental Activities Change in Net Assets</b>	<b>\$ 25,735</b>	<b>\$ (19,989)</b>	<b>\$ 27,095</b>	<b>\$ 39,866</b>	<b>\$ 124,308</b>

Notes:

<sup>a</sup> Due to a change in the State's method of distribution, beginning in fiscal year 04-05, vehicle license fees of \$43,739 are reported separately as vehicle license taxes. In prior years, they were reported under operating grants and contributions.

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Business-type Activities:</b>					
<b>Expenses:</b>					
Airports	\$ 3,888	\$ 4,427	\$ 5,608	\$ 6,223	\$ 5,962
County Sanitation Districts	2,328	2,778	3,061	3,429	3,199
Golf Course	4,555	4,438	4,400	4,725	5,011
Kern Medical Center	167,710	188,031	192,186	240,742	246,210
Public Transportation	5,153	5,174	5,376	5,652	6,014
Universal Collection	5,962	6,710	7,557	7,930	8,594
Waste Management	28,514	28,295	26,631	36,237	40,305
Total Expenses	<u>218,110</u>	<u>239,853</u>	<u>244,819</u>	<u>304,938</u>	<u>315,295</u>
<b>Revenues:</b>					
Charges for Services:					
Airports	2,548	2,480	2,905	3,396	3,705
County Sanitation Districts	2,510	2,463	3,124	3,580	3,381
Golf Course	4,492	4,340	4,368	4,937	5,274
Kern Medical Center	93,626	106,453	153,310	205,985	192,987
Public Transportation	3,865	3,230	5,009	4,567	4,350
Universal Collection	5,926	7,434	7,853	8,390	8,970
Waste Management	23,234	29,725	31,236	32,960	32,603
Operating Grants and Contributions	34,275	49,654	686	1,853	7,324
Capital Grants and Contributions	1,283	5,626	4,505	9,674	
Total Revenues	<u>171,759</u>	<u>211,405</u>	<u>212,996</u>	<u>275,342</u>	<u>258,594</u>
Total Business-type Activities, Net Program Expenses	<u>(46,351)</u>	<u>(28,448)</u>	<u>(31,823)</u>	<u>(29,596)</u>	<u>(56,701)</u>
<b>General Revenues:</b>					
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	1,929	797	1,294	1,404	8,432
Miscellaneous	2,441	2,895	3,575	3,593	2,470
Gain on Sale of Capital Assets			52	(4)	
Transfers	31,767	25,520	30,166	36,337	40,607
Total General Revenues and Transfers	<u>36,137</u>	<u>29,212</u>	<u>35,087</u>	<u>41,330</u>	<u>51,509</u>
Total Business-type Activities Change in Net Assets	<u>\$ (10,214)</u>	<u>\$ 764</u>	<u>\$ 3,264</u>	<u>\$ 11,734</u>	<u>\$ (5,192)</u>
Total Primary Government Change in Net Assets	<u>\$ 15,521</u>	<u>\$ (19,225)</u>	<u>\$ 30,359</u>	<u>\$ 51,600</u>	<u>\$ 119,116</u>

**COUNTY OF KERN**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS (IN THOUSANDS)**  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	1998	1999	2000	2001	2002
General Fund Balances:					
Reserved	\$ 36,109	\$ 49,558	\$ 33,233	\$ 42,637	\$ 55,027
Unreserved	21,517	7,452	28,665	25,340	37,246
Total General Fund Balances	<u>\$ 57,626</u>	<u>\$ 57,010</u>	<u>\$ 61,898</u>	<u>\$ 67,977</u>	<u>\$ 92,273</u>
All Other Governmental Fund Balances:					
Reserved	\$ 58,738	\$ 69,039	\$ 97,060	\$ 95,641	\$ 107,531
Unreserved, reported in:					
Special Revenue Funds	2,410	(10,050)	12,971	36,916	23,954
Capital Project Funds	209	(2,627)	(18,120)	(6,320)	80,321
Debt Service	38,169	46,379	44,718	33,186	-
Total All Other Governmental Fund Balances	<u>\$ 99,526</u>	<u>\$ 102,741</u>	<u>\$ 136,629</u>	<u>\$ 159,423</u>	<u>\$ 211,806</u>



Fiscal Year				
2003	2004	2005	2006	2007
\$ 67,965	\$ 27,552	\$ 22,892	\$ 45,409	\$ 85,976
30,349	46,148	56,413	80,986	89,163
<u>\$ 98,314</u>	<u>\$ 73,700</u>	<u>\$ 79,305</u>	<u>\$ 126,395</u>	<u>\$ 175,139</u>
\$ 100,131	\$ 101,974	\$ 56,889	\$ 45,301	\$ 50,273
43,386	33,151	69,451	69,210	64,416
66,646	64,662	60,930	57,068	62,562
-	-	-	-	-
<u>\$ 210,163</u>	<u>\$ 199,787</u>	<u>\$ 187,270</u>	<u>\$ 171,579</u>	<u>\$ 177,251</u>

General Fund Balances:

Reserved

Unreserved

Total General Fund Balances

All Other Governmental Fund Balances:

Reserved

Unreserved, reported in:

Special Revenue Funds

Capital Project Funds

Debt Service

Total All Other Governmental Fund Balances

**COUNTY OF KERN**  
**CHANGES IN FUND BALANCES**  
**LAST TEN FISCAL YEARS (IN THOUSANDS)**  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	1998	1999	2000	2001	2002
<b>REVENUES:</b>					
Taxes	\$ 138,034	\$ 132,131	\$ 139,328	\$ 143,060	\$ 158,277
Licenses, Permits and Franchises	8,582	9,710	9,492	12,293	13,609
Fines, Forfeitures and Penalties	12,697	13,926	17,248	17,618	23,787
Revenues from Use of Money and Property	11,840	12,061	13,038	19,543	13,466
Aid from Other Governmental Agencies	440,414	464,590	521,590	577,078	621,690
Charges for Current Services	88,679	105,232	116,471	132,038	129,066
Other Revenues	73,467	107,422	88,256	78,482	146,829
<b>Total Revenues</b>	<b>773,713</b>	<b>845,072</b>	<b>905,423</b>	<b>980,112</b>	<b>1,106,724</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General Government	57,246	66,343	66,461	69,040	76,860
Public Protection	245,748	251,602	264,142	300,742	316,154
Health and Sanitation	120,616	136,385	157,362	152,334	144,518
Public Assistance	251,601	281,877	309,570	334,562	370,226
Education	7,663	7,365	7,449	8,377	8,909
Recreation and Cultural Services	9,010	9,397	9,440	9,843	10,591
Public Ways and Facilities	24,295	24,138	24,194	36,632	27,533
Capital Outlay	14,038	7,411	8,478	17,455	10,363
<b>Debt Service:</b>					
Principal	6,962	7,406	8,079	9,816	11,724
Interest	14,759	13,620	13,590	14,139	15,215
<b>Total Expenditures</b>	<b>751,938</b>	<b>805,544</b>	<b>868,765</b>	<b>952,940</b>	<b>992,093</b>
Excess (deficiency) of Revenues over Expenditures	21,775	39,528	36,658	27,172	114,631
<b>Other Financing Sources (Uses):</b>					
Transfers In	29,822	25,654	8,029	27,137	108,943
Transfers Out	(45,765)	(43,040)	(24,791)	(46,387)	(128,124)
Proceeds from Long-term Debt	1,400		16,815		
Inception of Capital Leases	5,211	3,658	2,365	3,600	5,496
Proceeds from Pension Obligation Bonds					
Proceeds from Issuance of Certificates of Participation					
<b>Total Other Financing Sources (Uses)</b>	<b>(9,332)</b>	<b>(13,728)</b>	<b>2,418</b>	<b>(15,650)</b>	<b>(13,685)</b>
<b>Net Changes in Fund Balances (Deficits)</b>	<b>\$ 12,443</b>	<b>\$ 25,800</b>	<b>\$ 39,076</b>	<b>\$ 11,522</b>	<b>\$ 100,946</b>
Debt Service as a Percentage of Non-Capital Expenditures	3.01%	2.87%	2.56%	2.61%	2.85%

Fiscal Year					
2003	2004	2005	2006	2007	
\$ 168,142	\$ 138,075	\$ 226,259	\$ 282,594	\$ 340,224	REVENUES:
11,988	13,276	15,084	14,786	15,052	Taxes
17,878	21,009	23,026	22,058	20,387	Licenses, Permits and Franchises
13,246	8,540	10,549	15,403	31,470	Fines, Forfeitures and Penalties
624,447	603,631	604,825	613,417	646,381	Revenues from Use of Money and Property
124,171	135,431	142,872	151,193	148,274	Aid from Other Governmental Agencies
91,856	105,810	119,878	42,073	54,386	Charges for Current Services
1,051,728	1,025,772	1,142,493	1,141,524	1,256,174	Other Revenues
					Total Revenues
					EXPENDITURES:
					Current:
87,676	85,318	77,566	82,454	93,611	General Government
321,502	327,726	347,724	378,004	418,472	Public Protection
161,553	180,341	196,003	127,005	136,085	Health and Sanitation
355,787	350,059	368,630	381,301	386,087	Public Assistance
10,258	8,055	8,313	8,610	10,151	Education
10,268	11,231	12,489	12,168	13,720	Recreation and Cultural Services
28,380	29,337	30,649	43,419	50,344	Public Ways and Facilities
11,808	24,264	7,284	9,878	4,598	Capital Outlay
					Debt Service:
13,277	16,197	32,933	20,563	11,790	Principal
14,356	27,290	31,905	33,646	35,700	Interest
1,014,865	1,059,818	1,113,496	1,097,048	1,160,558	Total Expenditures
36,863	(34,046)	28,997	44,476	95,616	Excess (deficiency) of Revenues over Expenditures
					Other Financing Sources (Uses):
115,710	105,977	122,073	124,528	127,530	Transfers In
(147,412)	(131,018)	(152,352)	(161,174)	(168,137)	Transfers Out
	3,943				Proceeds from Long-term Debt
786	12,762	539	6,110	2,326	Inception of Capital Leases
					Proceeds from Pension Obligation Bonds
					Proceeds from Issuance of Certificates of Participation
(30,916)	(8,336)	(29,740)	(30,536)	(38,281)	Total Other Financing Sources (Uses)
\$ 5,947	\$ (42,382)	\$ (743)	\$ 13,940	\$ 57,335	Net Changes in Fund Balances (Deficits)
2.83%	4.50%	6.16%	5.31%	4.45%	Debt Service as a Percentage of Non-Capital Expenditures

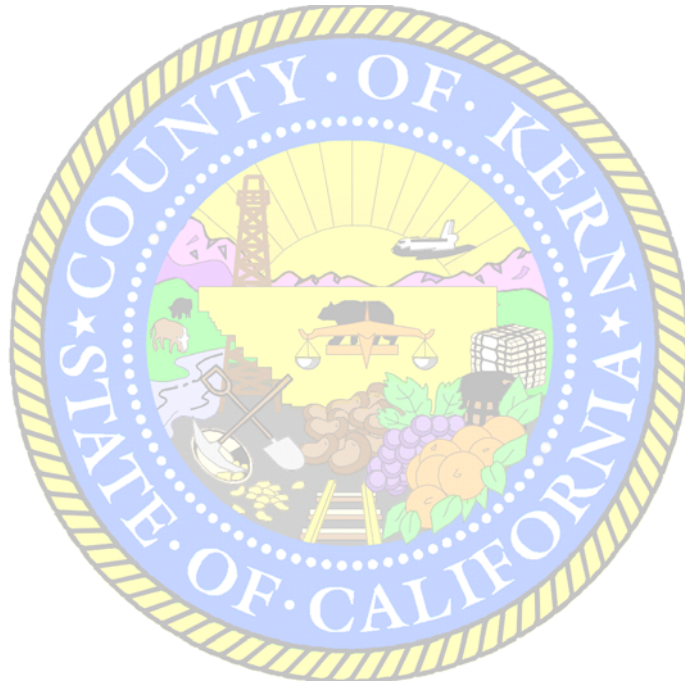
**COUNTY OF KERN  
 ASSESSED VALUE OF TAXABLE PROPERTY AND ACTUAL VALUE OF PROPERTY (UNAUDITED)  
 LAST TEN FISCAL YEARS (IN THOUSANDS)**

<u>Fiscal Year</u>	<u>Secured<sup>a</sup></u>	<u>Unsecured<sup>b</sup></u>	<u>Unitary<sup>c</sup></u>	<u>Exempt<sup>d</sup></u>	<u>Total Taxable Assessed Value<sup>e</sup></u>	<u>Total Direct Tax Rate</u>
1997 - 98	35,522,963	1,543,468	58,310	(693,904)	36,430,837	1.00000%
1998 - 99	33,661,268	1,581,815	69,813	(695,812)	34,617,084	1.00000%
1999 - 2000	37,362,205	1,704,021	67,276	(697,820)	38,435,682	1.00000%
2000 - 01	39,848,255	1,883,311	64,469	(698,741)	41,097,294	1.00000%
2001 - 02	42,508,854	1,992,752	66,134	(701,819)	43,865,921	1.00000%
2002 - 03	41,247,985	1,967,394	62,346	(709,555)	42,568,170	1.00000%
2003 - 04	41,703,496	1,994,348	1,881,874	(716,482)	44,863,236	1.00000%
2004 - 05	45,389,639	2,065,833	1,686,769	(722,479)	48,419,762	1.00000%
2005 - 06	53,029,946	2,196,607	1,614,145	(731,138)	56,109,560	1.00000%
2006 - 07	65,301,400	2,443,549	1,709,410	(722,336)	68,732,023	1.00000%

Notes:

- <sup>a</sup> Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines.
- <sup>b</sup> Unsecured property is generally personal property including machinery, equipment, office tools and supplies.
- <sup>c</sup> Unitary properties are railroads and utilities crossing the county and are assessed by the State Board of Equalization.
- <sup>d</sup> Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.
- <sup>e</sup> Due to 1978 passage of the property tax initiative Proposition 13 (Prop 13) the County does not track the estimated actual value of all County properties. Under Prop. 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: Auditor - Controller - County Clerk, County of Kern



**COUNTY OF KERN  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS  
(RATE PER \$1,000 OF ASSESSED VALUE)**

	Fiscal Year				
	1998	1999	2000	2001	2002
<b>County of Kern</b>					
Total County Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
<b>Range of Overlapping Rates</b>					
Total City Rate					
City of Bakersfield	0% to 0.04242%	N/A	N/A	N/A	N/A
Total School District Rate	.00643% to .14203%	.00422% to .18550%	.01124% to .16148%	.01009% to .20786%	.00564% to .17094%
Total Special District Rate	.00573% to .31250%	.00368% to .31250%	.00506% to .31250%	.00458% to .31250%	.00402% to .31250%

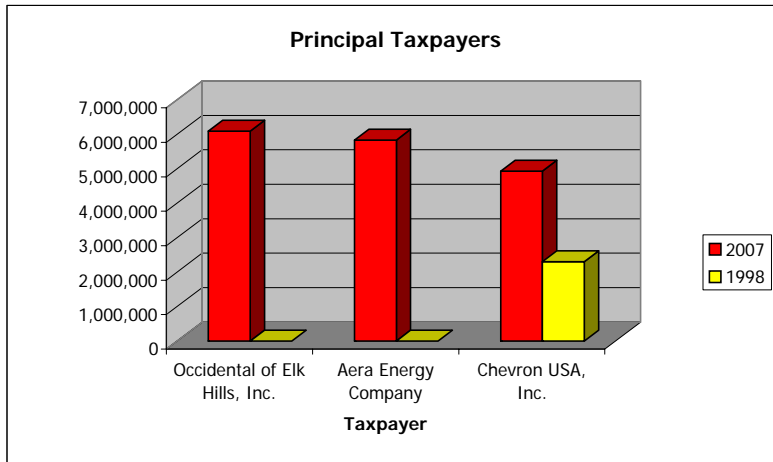
Note: N/A - For the fiscal years 1999 to 2007, there was no City Rate for the City of Bakersfield.

Source: Auditor-Controller-County Clerk, County of Kern

Fiscal Year					
2003	2004	2005	2006	2007	
1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	<b>County of Kern</b> Total County Rate
					<b>Range of Overlapping Rates</b>
N/A	N/A	N/A	N/A	N/A	Total City Rate
.01358% to .18265%	.00618% to .18853%	.00497% to .09654%	.00064% to .09683%	0% to .10913%	City of Bakersfield
.00545% to .31250%	.00609% to .31250%	.00585% to .31250%	.00279% to .31250%	0% to .15321%	Total School District Rate
					Total Special District Rate

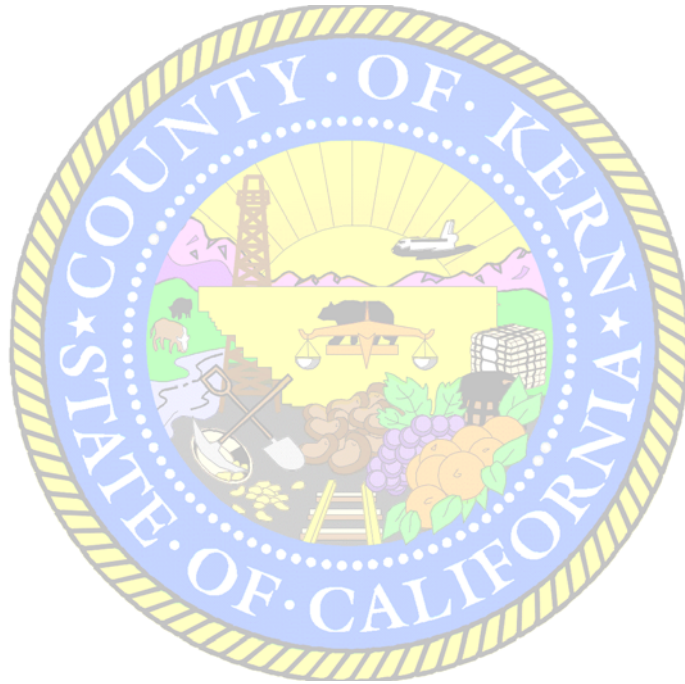
**COUNTY OF KERN  
PRINCIPAL PROPERTY TAXPAYERS  
JUNE 30, 2007 (IN THOUSANDS)**

TAXPAYER	2007				1998			
	TAXABLE ASSESSED VALUE	RANK	TOTAL TAX	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	TOTAL TAX	PERCENTAGE OF TOTAL TAXABLE ASSESSED VALUE
Occidental of Elk Hills, Inc.	\$ 6,090,433	1	\$ 64,517	9.68%	\$ -	-	\$ -	-
Aera Energy Company	5,831,697	2	59,898	9.27%	-	-	-	-
Chevron USA, Inc.	4,929,679	3	52,337	7.84%	2,301,468	3	24,084	6.66%
Plains Exploration Production Company	934,796	4	9,699	1.49%	358,513	8	3,663	1.04%
La Paloma Generating Company, LLC.	588,700	5	6,073	0.94%	-	-	-	-
Pacific Gas & Electric Company	479,273	6	5,978	0.76%	451,729	7	5,177	1.31%
Berry Petroleum Company	395,774	7	4,258	0.63%	288,478	10	2,942	0.83%
Sunrise Power Company, LLC	395,900	8	4,144	0.63%	-	-	-	-
Pastoria Energy Facility, LLC.	370,800	9	4,111	0.59%	-	-	-	-
US Borax, Inc.	354,726	10	3,817	0.56%	-	-	-	-
Texaco Production / Co-Generation	-	-	-	-	2,798,649	1	30,274	8.10%
Calresources, LLC.	-	-	-	-	2,695,436	2	27,654	7.80%
Mobile Oil / West Coast Pipeline	-	-	-	-	1,588,582	4	16,383	4.60%
Monterey Resources / South Belridge	-	-	-	-	949,599	5	9,754	2.75%
Atlantic Richfield Company	-	-	-	-	688,078	6	7,064	1.99%
Nuevo Engineering / Vintage Petroleum	-	-	-	-	358,513	8	3,664	1.04%
Pacific Bell	-	-	-	-	262,614	9	3,009	0.76%
<b>Total</b>	<b>\$ 20,371,778</b>		<b>\$ 214,832</b>	<b>32.38%</b>	<b>\$ 12,741,659</b>		<b>\$ 133,668</b>	<b>36.87%</b>



Source: The principal property taxpayers for June 30, 1998 was obtained from the "1998 - 1999 Tax Rates and Assessed Valuations Report." The 2007 information was obtained from the "2006 - 2007 Tax Rates and Assessed Valuations Report."





**COUNTY OF KERN  
PROPERTY TAX LEVIES AND COLLECTIONS  
JUNE 30, 2007 (IN THOUSANDS)**

	Fiscal Year				
	1998 <sup>a</sup>	1999 <sup>a</sup>	2000 <sup>a</sup>	2001 <sup>a</sup>	2002 <sup>b</sup>
Original Levy	\$ 486,580	\$ 477,029	\$ 520,759	\$ 543,023	\$ 596,411
Adjustments to Original Levy	N/A	N/A	(21,886)	(5,128)	(5,160)
Taxes Levied	N/A	N/A	498,873	537,895	591,251
Collected within the Fiscal Year of the Levy: <sup>c</sup>					
Amount	\$ 467,703	\$ 457,245	\$ 489,164	\$ 527,763	\$ 569,461
Percentage of Adjusted Levy	N/A	N/A	98.05%	98.12%	96.31%
Collections in subsequent years	5,845	6,277	6,384	(2,974)	13,129
Total Collections to Date:					
Amount	\$ 465,608	\$ 460,202	\$ 495,549	\$ 524,789	\$ 582,590
Percentage of Adjusted Levy	N/A	N/A	99.33%	97.56%	98.54%

Notes:

<sup>a</sup> Denotes only Secured and Unsecured Property Taxes.

<sup>b</sup> Denotes Secured, Unsecured and Supplemental Property Taxes.

<sup>c</sup> The above amounts do not include any penalties collected or any penalties due with delinquency amount.

N/A - Adjusted levy information is not available during this period.

Source: Auditor - Controller - County Clerk, County of Kern

Fiscal Year						
	2003 <sup>b</sup>	2004 <sup>b</sup>	2005 <sup>b</sup>	2006 <sup>b</sup>	2007 <sup>b</sup>	
\$	599,911	\$ 638,344	\$ 698,397	\$ 808,644	\$ 979,872	Original Levy
	19,541	(4,780)	(1,546)	(1,372)	(2,564)	Adjustments to Original Levy
	619,452	633,564	696,851	807,272	977,308	Taxes Levied
						Collected within the Fiscal Year of the Levy: <sup>c</sup>
\$	600,525	\$ 611,060	\$ 669,983	\$ 763,771	\$ 915,429	Amount
	96.94%	96.45%	96.14%	94.61%	93.67%	Percentage of Adjusted Levy
	17,231	16,621	18,461	17,938	20,545	Collections in subsequent years
						Total Collections to Date:
\$	617,756	\$ 627,680	\$ 688,444	\$ 781,709	\$ 935,974	Amount
	99.73%	99.07%	98.79%	96.83%	95.77%	Percentage of Adjusted Levy

**COUNTY OF KERN  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITIA)**

	Fiscal Year				
	1998	1999	2000	2001	2002
<b>Governmental Activities:</b>					
Capital Leases	\$ 7,150	\$ 7,441	\$ 6,788	\$ 6,738	\$ 8,728
Certificates of Participation	106,360	99,000	97,785	88,745	78,970
Bonds Payable	-	255	240	225	225
Loans Payable	2,118	671	10,000	9,250	8,455
Pension Obligation Bonds	193,187	185,461	185,462	185,621	184,548
Total Governmental Activities	<u>308,815</u>	<u>292,828</u>	<u>300,275</u>	<u>290,579</u>	<u>280,926</u>
<b>Business-type Activities:</b>					
Capital Leases	115	36	70	70	48
Certificates of Participation	37,945	31,775	45,430	42,115	52,790
Landfill Closure / Post-closure Costs	-	-	-	-	-
Pension Obligation Bonds	34,443	34,317	33,836	33,777	33,582
Total Business-type Activities	<u>72,503</u>	<u>66,128</u>	<u>79,336</u>	<u>75,962</u>	<u>86,420</u>
Total Primary Government	<u>\$ 381,318</u>	<u>\$ 358,956</u>	<u>\$ 379,611</u>	<u>\$ 366,541</u>	<u>\$ 367,346</u>
Percentage of Personal Income <sup>a</sup>	2.98%	2.74%	2.73%	2.49%	2.34%
Per Capita <sup>b</sup>	597	555	574	544	532

Notes:

<sup>a</sup> Refer to the "Demographic and Economic Statistics" for the personal income figures.

<sup>b</sup> Refer to the "Demographic and Economic Statistics" for the population figures. This ratio is calculated using population for the latest calendar year for each corresponding fiscal year.

Source: Auditor - Controller - County Clerk, County of Kern

Fiscal Year					
2003	2004	2005	2006	2007	
\$ 6,336	\$ 8,337	\$ 5,364	\$ 7,103	\$ 5,419	<b>Governmental Activities:</b>
68,515	56,865	30,320	16,565	14,105	Capital Leases
225	104,720	103,290	102,640	101,490	Certificates of Participation
9,390	11,868	10,307	8,380	6,001	Bonds Payable
470,802	467,929	463,987	458,849	407,365	Loans Payable
555,268	649,719	613,268	593,537	534,380	Pension Obligation Bonds
					Total Governmental Activities
					<b>Business-type Activities:</b>
25	17	3	2		Capital Leases
49,125	58,525	54,530	50,580	46,465	Certificates of Participation
-	60,411	58,337	64,241	71,417	Landfill Closure / Post-closure Costs
33,232	32,709	31,992	31,056	64,813	Pension Obligation Bonds
82,382	151,662	144,862	145,879	182,695	Total Business-type Activities
\$ 637,650	\$ 801,381	\$ 758,130	\$ 739,416	\$ 717,075	Total Primary Government
3.89%	4.69%	4.21%	3.91%	3.26%	Percentage of Personal Income <sup>a</sup>
898	1,094	1,007	960	875	Per Capita <sup>b</sup>

**COUNTY OF KERN  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITIA)**

	Fiscal Year				
	1998	1999	2000	2001	2002
<b>Governmental Activities:</b>					
Certificates of Participation	\$ 106,360	\$ 99,000	\$ 97,785	\$ 88,745	\$ 78,970
Capital Leases	7,150	7,441	6,789	6,738	8,728
Notes Payable	2,118	671	10,622	9,250	8,455
Bonds Payable	193,187	185,716	185,701	185,846	184,773
Total Governmental Activities	308,815	292,828	300,897	290,579	280,926
<b>Business-type Activities:</b>					
Certificates of Participation	37,945	31,775	45,430	42,115	52,790
Capital Leases	115	36	70	70	48
Bonds Payable	34,443	34,317	33,836	33,777	33,582
Total Business-type Activities	72,503	66,128	79,336	75,962	86,420
Total Primary Government	<u>\$ 381,318</u>	<u>\$ 358,956</u>	<u>\$ 380,233</u>	<u>\$ 366,541</u>	<u>\$ 367,346</u>
Percentage of Assessed Value <sup>a</sup>	1.05%	1.04%	0.99%	0.89%	0.84%
Per Capita <sup>b</sup>	597	555	575	544	532

**Notes:**

<sup>a</sup> Refer to the "Assessed Value of Taxable Property and Actual Value of Property" table for total taxable assessed value.

<sup>b</sup> Refer to the "Demographic and Economic Statistics" table for the population figures.

Fiscal Year					
2003	2004	2005	2006	2007	
\$ 68,515	\$ 56,865	\$ 30,320	\$ 16,565	\$ 14,105	<b>Governmental Activities:</b>
6,336	8,337	5,364	7,103	5,419	Certificates of Participation
9,390	11,868	10,307	8,380	6,001	Capital Leases
471,027	572,649	567,277	561,489	508,855	Loans Payable
555,268	649,719	613,268	593,537	534,380	Bonds Payable
					Total Governmental Activities
49,125	58,525	54,530	50,580	46,465	<b>Business-type Activities:</b>
25	17	3	3		Certificates of Participation
33,232	32,709	31,992	31,056	64,813	Capital Leases
82,382	91,251	86,525	81,639	111,278	Bonds Payable
<u>\$ 637,650</u>	<u>\$ 740,970</u>	<u>\$ 699,793</u>	<u>\$ 675,176</u>	<u>\$ 645,658</u>	Total Business-type Activities
1.50%	1.65%	1.45%	1.20%	0.94%	Total Primary Government
898	1,012	929	876	788	Percentage of Assessed Value <sup>a</sup>
					Per Capita <sup>b</sup>

**COUNTY OF KERN  
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2007 (IN THOUSANDS)**

2006 - 2007 Assessed Value (includes unitary utility valuation)	\$ 71,052,250
Redevelopment Incremental Valuation <sup>a</sup>	<u>2,506,363</u>
Adjusted Assessed Valuation	<u><u>\$ 68,545,887</u></u>

	<u>Debt 05/01/07</u>	<u>Percentage Applicable</u>
<b>Overlapping Tax and Assessment Debt</b>		
Kern Community College Safety, Repair and Improvement District	\$ 97,641	91.780
Antelope Valley Joint Community College District and West Kern Community College District	28,701	3.609 & 100.
Mojave Unified School District School Facilities Improvement District No. 1	14,995	100.
Tehachapi Unified School District	22,175	100.
Other Unified School Districts	54,109	100.
Kern High School District	197,640	100.
Other Union High School District	36,779	71.198 - 100.
Bakersfield School District	55,015	100.
Delano Union School District	37,880	100.
Fruitvale School District	20,380	100.
Richland School District	12,815	100.
Taft School District	19,304	100.
Other School Districts	111,055	100.
Water Districts	2,884	Various
Water Storage Districts	15,155	100.
Tehachapi Valley Healthcare District	12,595	100.
Bear Valley Community Services District, I.D. No. 2	5,650	100.
Community Facilities Districts	81,395	100.
1915 Act Bonds (Estimated)	<u>124,747</u>	100.
Total Gross Overlapping Tax and Assessment Debt	<u>\$ 950,915</u>	
Less:		
Water Storage Districts (100% self-supporting)	<u>7,555</u>	
Total Net Overlapping Tax and Assessment Debt	<u><u>\$ 943,360</u></u>	
<b>Overlapping General Fund Debt</b>		
Kern County Board of Education Certificates of Participation	\$ 57,490	100.
Community College District Certificates of Participation	90,809	Various
Kern High School District Certificates of Participation	115,200	100.
Other High School Certificates of Participation	669	Various
Unified School District General Fund Obligations	20,124	Various
School District General Fund Obligations	43,675	100.
City of Bakersfield General Fund Obligations	33,560	100.
City of Ridgecrest Certificates of Participation	9,535	100.
Other City General Fund Obligations	<u>1,585</u>	100.
Total Overlapping General Fund Debt	<u>\$ 372,647</u>	
Total Net Overlapping Debt	<u><u>\$ 1,316,007</u></u>	
<b>Direct General Fund Debt</b>		
Kern County Certificates of Participation	\$ 54,735 <sup>b</sup>	100.
Kern County Pension Obligations	<u>481,611<sup>b</sup></u>	100.
Total Direct General Fund Debt	536,346	
<b>Total Gross Direct and Overlapping Debt</b>	<b>\$ 1,859,908<sup>c</sup></b>	
<b>Total Net Direct and Overlapping Debt</b>	<b><u><u>\$ 1,852,353</u></u></b>	

Ratios to 2006 - 2007 Assessed Valuation:	
Total Gross Overlapping Tax and Assessment Debt	1.34%
Total Net Overlapping Tax and Assessment Debt	1.33%

Ratios to Adjusted Assess Valuation:	
<b>Combined Direct Debt (\$536,346)</b>	<b>0.78%</b>
Gross Combined Total Debt	2.71%
Net Combined Total Debt	2.70%

Notes:

<sup>a</sup> Redevelopment incremental valuation refers to the difference between base year assessed value and current year assessed value of properties in areas designated for redevelopment. Base year assessed value is the agreed upon value of a property at the time.

<sup>b</sup> Excludes tax and revenue anticipation notes to be sold.

<sup>c</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: 2007 - 2008 TRAN



COUNTY OF KERN  
COMPUTATION OF LEGAL DEBT MARGIN  
JUNE 30, 2007 (IN THOUSANDS)

**Legislation does not mandate a debt limit for County of Kern.**

**COUNTY OF KERN  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS**

	Year <sup>a</sup>				
	1998	1999	2000	2001	2002
Population <sup>b</sup>	638,200	647,000	661,645	673,625	690,599
Personal Income (in Thousands) <sup>b</sup>	12,800,334	13,091,618	13,891,434	14,704,822	15,684,043
Per Capita Personal Income <sup>b</sup>	20,057	20,234	20,995	21,829	22,711
Unemployment Rate County of Kern <sup>c</sup>	13.1%	12.2%	10.8%	11.4%	10.8%
School Enrollment <sup>d</sup>	141,619	143,671	146,097	147,988	150,790

Notes:

<sup>a</sup> Calendar year

<sup>b</sup> Population as of January 1, source U.S. Census Bureau; all others estimated by California Department of Finance.

For years 2005, 2006 and 2007, estimated by California Department of Transportation for Kern County Economic Forecast.

<sup>c</sup> Labor Market Information, California Employment Development Department

<sup>d</sup> Educational Demographics Unit, California Department of Education

Year <sup>a</sup>					
2003	2004	2005	2006	2007	
710,064	732,401	753,070	770,424	819,157	Population <sup>b</sup>
16,371,293	17,100,000	18,000,000	18,900,000	22,000,000	Personal Income (in Thousands) <sup>b</sup>
23,056	23,348	22,483	22,704	25,977	Per Capita Personal Income <sup>b</sup>
12.2%	12.4%	9.1%	7.6%	7.6%	Unemployment Rate County of Kern <sup>c</sup>
154,913	160,157	165,817	170,362	171,585	School Enrollment <sup>d</sup>

COUNTY OF KERN  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND NINE YEARS AGO

June 30, 2007

EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	INDUSTRY
Kern County Public Schools	27,000	1	9.36%	Education
Edwards Air Force Base	11,285	2	3.91%	Federal Government - National Security
San Joaquin Community Hospital	11,000	3	3.81%	Hospital
County of Kern	9,339	4	3.24%	County Government
Grimmway Enterprises	6,300	5	2.18%	Agriculture
China Lake Naval Air Weapons Station	6,192	6	2.15%	Federal Government - National Security
Giumarra Vineyards	4,000	7	1.39%	Agriculture
Esparza Enterprises	3,600	8	1.25%	Agriculture Labor
Catholic Healthcare West	2,952	9	1.02%	Health Care
William Bolthouse Farms, Inc.	2,350	10	0.81%	Agriculture
<b>Total</b>	<b>84,018</b>		<b>29.13%</b>	

June 30, 1998

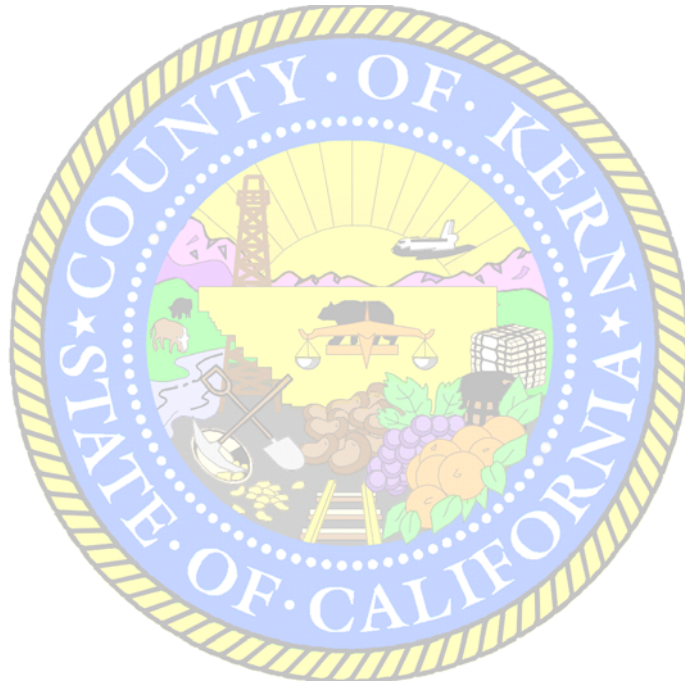
EMPLOYER <sup>a</sup>	EMPLOYEES <sup>a</sup>	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	INDUSTRY
Edwards Air Force Base	18,978	1	7.97%	Federal Government - National Security
Kern County Public Schools	14,972	2	6.29%	Education
County of Kern	5,132	3	2.15%	County Government
China Lake Naval Air Weapons Station	5,683	4	2.39%	Federal Government - National Security
Grimmway Enterprises	5,348	5	2.25%	Farms
Giumarra Vineyards	4,278	6	1.80%	Farms
Esparza Enterprises	3,851	7	1.62%	Agriculture Labor
Catholic Healthcare West	1,981	8	0.83%	Health Care
William Bolthouse Farms, Inc.	2,514	9	1.06%	Farms
Sunview Vineyards	2,139	10	0.90%	Farms
<b>Total</b>	<b>64,876</b>		<b>27.24%</b>	

Note:

<sup>a</sup> The information for 1998 was not available. An estimate was obtained using information from the Kern Employment Development Department.

Sources:

Kern Economic Development Corporation, Labor Market Information Division  
 Kern Employment Development Department



**COUNTY OF KERN  
FULL - TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

<u>Function / Program</u>	<u>FULL - TIME EQUIVALENT EMPLOYEES AS OF JUNE 30</u>				
	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
General Government:					
Assessor	94	93	92	95	93
Information Technology	59	60	58	58	63
County Counsel	54	56	55	61	61
Other	393	402	398	424	416
Public Protection:					
District Attorney	161	160	165	195	214
Public Defender	73	72	72	76	78
Sheriff - Coroner	947	1,018	1,019	1,072	1,081
Probation	361	380	394	406	433
Fire Department	482	476	487	507	537
Other	684	714	705	720	464
Public Ways & Facilities:					
Roads	145	144	150	150	160
Health and Sanitation:					
Public Health	199	198	204	227	257
Mental Health Services	272	331	362	374	409
Other	134	153	173	182	189
Public Assistance:					
Human Services	994	1,063	1,076	1,223	1,280
Other	131	165	259	268	288
Education:					
Library	97	97	98	98	156
Other	6	6	6	6	6
Culture & Recreation	123	121	121	121	116
Airports	19	21	20	19	19
Kern Medical Center	898	943	970	1,059	1,358
Public Transportation	3	3	3	3	4
Waste Management	80	82	81	80	82
Total Full - Time Employees	<u>6,409</u>	<u>6,758</u>	<u>6,968</u>	<u>7,424</u>	<u>7,764</u>

Source: Auditor - Controller - County Clerk - COLD System

**FULL - TIME EQUIVALENT EMPLOYEES AS OF JUNE 30**

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>Function / Program</u>
					General Government:
89	90	85	86	85	Assessor
62	61	60	56	59	Information Technology
67	66	68	73	48	County Counsel
399	368	357	362	432	Other
					Public Protection:
206	195	185	423	210	District Attorney
78	76	77	81	82	Public Defender
1,059	1,044	1,050	1,084	1,100	Sheriff - Coroner
421	444	435	456	490	Probation
530	532	537	552	574	Fire Department
476	460	441	200	443	Other
					Public Ways & Facilities:
154	161	147	156	164	Roads
					Health and Sanitation:
265	257	260	298	260	Public Health
394	396	409	453	482	Mental Health Services
189	154	166	123	181	Other
					Public Assistance:
1,184	1,217	1,309	1,375	1,375	Human Services
263	255	247	242	228	Other
					Education:
149	141	138	131	137	Library
5	5	6	6	6	Other
111	109	109	106	117	Culture & Recreation
18	17	18	22	22	Airports
1,328	1,336	1,310	1,398	1,516	Kern Medical Center
4	3	3	3	3	Public Transportation
84	106	107	110	115	Waste Management
<u>7,535</u>	<u>7,493</u>	<u>7,524</u>	<u>7,796</u>	<u>8,129</u>	Total Full - Time Employees

COUNTY OF KERN  
 OPERATING INDICATORS BY FUNCTION / PROGRAM  
 LAST TEN FISCAL YEARS

Page 1 of 2

Function / Program	Fiscal Year				
	1998	1999	2000	2001	2002
<b>Governmental Activities:</b>					
<b>General Government</b>					
<b>Assessor - Recorder</b>					
Recorded documents	191,073	211,954	185,879	196,690	233,710
<b>County Counsel</b>					
Litigated & administrative hearings	N/A	N/A	N/A	N/A	N/A
Attorneys	N/A	N/A	N/A	N/A	N/A
Attorneys per capita	N/A	N/A	N/A	N/A	N/A
<b>Personnel</b>					
Applications received	13,377	13,213	12,952	15,740	14,643
<b>County Clerk - Elections</b>					
Marriage certificates issued	3,082	3,552	3,750	4,320	3,893
Marriage licenses	3,920	N/A	4,227	4,713	3,960
Wedding ceremonies	941	N/A	1,021	1,251	1,279
Fictitious business names	3,447	N/A	4,245	4,552	4,829
<b>Public Protection</b>					
<b>District Attorney</b>					
Misdemeanors cases filed	26,966	26,416	27,304	29,587	29,666
Felony cases filed	5,791	5,015	5,195	5,252	5,830
Information filed	1,642	1,982	1,789	1,493	1,534
Cases with juries	334	312	162	249	228
<b>Public Defender</b>					
Public defense cases accepted/received	N/A	N/A	N/A	22,637	23,112
Public defense cases opened	N/A	N/A	N/A	18,381	18,762
Public defense cases closed	N/A	N/A	N/A	32,594	19,823
Public defense cases closed within 12 months	N/A	N/A	N/A	32,594	19,823
<b>Sheriff - Coroner</b>					
Dispatched calls for service	168,691	183,458	196,153	217,681	246,849
Violent crimes:	3,733	3,418	3,240	3,275	3,371
Homicide	55	52	37	39	51
Forcible rape	167	134	175	191	220
Robbery	924	741	658	741	779
Aggravated assault	2,587	2,491	2,370	2,304	2,321
Property crimes	14,475	11,958	11,757	12,337	13,903
Total larceny - theft	15,994	14,412	13,773	15,221	15,842
Bookings	N/A	38,778	40,741	42,547	42,235
Fingerprints	N/A	N/A	N/A	N/A	N/A
<b>Fire Department</b>					
Total incident calls	N/A	N/A	N/A	23,057	28,823
Fire calls	N/A	N/A	N/A	2,712	3,134
Fireworks explosion (no fire) calls	N/A	N/A	N/A	5	16
Illegal fireworks complaint calls	N/A	N/A	N/A	1	282
EMS / rescue calls	N/A	N/A	N/A	14,842	17,214
Hazardous condition calls	N/A	N/A	N/A	1,680	1,904
Public service calls	N/A	N/A	N/A	1,368 <sup>a</sup>	2,663 <sup>a</sup>
False calls	N/A	N/A	N/A	806	1,770

Source: County of Kern

Notes:

N/A - Information was not available.

<sup>a</sup> Information was updated from prior year report



Fiscal Year					Function / Program
2003	2004	2005	2006	2007	
					<b>Governmental Activities:</b>
					<b><u>General Government</u></b>
					<b>Assessor - Recorder</b>
280,713	345,906	397,341	410,684	339,822	Recorded documents
					<b>County Counsel</b>
N/A	N/A	1,964	2,325	2,254	Litigated & administrative hearings
N/A	N/A	28	28	29	Attorneys
N/A	N/A	0.000037	0.000037	0.000037	Attorneys per capita
					<b>Personnel</b>
12,075	12,517	17,300	19,531	27,955	Applications received
					<b>County Clerk - Elections</b>
4,288	4,388	4,435	4,484	N/A	Marriage certificates issued
3,877	4,321	4,382	4,484	4,745	Marriage licenses
1,389	1,756	1,836	1,944	2,091	Wedding ceremonies
5,701	6,428	7,551	6,993	7,460	Fictitious business names
					<b><u>Public Protection</u></b>
					<b>District Attorney</b>
32,574	34,775	33,419	34,158	35,947	Misdemeanors cases filed
5,950	6,195	6,579	6,992	7,294	Felony cases filed
1,444	1,195	1,532	1,661	1,788	Felony information filed
237	235	169	170	141	Felony cases with juries
					<b>Public Defender</b>
25,698	31,152	35,768	34,153	36,084	Public defense cases accepted/received
19,710	20,731	20,131	21,262	22,188	Public defense cases opened
20,466	22,330	23,699	29,990	31,115	Public defense cases closed
20,466	22,330	23,699	29,990	31,115	Public defense cases closed within 12 months
					<b>Sheriff - Coroner</b>
257,998	255,326	253,986	125,803	266,988	Dispatched calls for service
3,742	N/A	N/A	N/A	3,930	Violent crimes:
46	N/A	N/A	N/A	31	Homicide
203	N/A	N/A	N/A	108	Forcible rape
784	286 <sup>a</sup>	337 <sup>a</sup>	398 <sup>a</sup>	342	Robbery
2,709	N/A	N/A	N/A	3,449	Aggravated assault
15,961	5,508 <sup>a</sup>	4,770 <sup>a</sup>	5,389 <sup>a</sup>	4,402	Property crimes
17,743	5,159	6,838	6,705	6,053	Total larceny - theft
42,514	41,709	45,362	48,127	22,631	Bookings
4,607	5,505	6,769	2,850	4,710	Fingerprints
					<b>Fire Department</b>
29,960	33,292	34,192	30,510	38,421	Total incident calls
3,193	3,498	3,667	3,239	4,153	Fire calls
27	49	59	22	N/A	Fireworks explosion (no fire) calls
497	640	802	596	N/A	Illegal fireworks complaint calls
17,421	19,850	20,840	17,786	21,729	EMS / rescue calls
1,705	1,656	1,755	1,465	1,816	Hazardous condition calls
3,219 <sup>a</sup>	3,118 <sup>a</sup>	1,945 <sup>a</sup>	1,435 <sup>a</sup>	1,823	Public service calls
1,821	1,985	1,927	1,365	1,898	False calls

COUNTY OF KERN  
 OPERATING INDICATORS BY FUNCTION / PROGRAM  
 LAST TEN FISCAL YEARS

Page 2 of 2

Function / Program	Fiscal Year				
	1998	1999	2000	2001	2002
<b>Building Inspection</b>					
Building permits issued	6,674	6,719	6,556	6,795	8,124
<b>Animal Control</b>					
Received calls for response	N/A	N/A	N/A	N/A	N/A
Animals impounded	23,524	24,494	25,360	22,381	20,763
Animals redeemed	706	581	752	651	643
Animals adopted	923	1,645	2,171	2,522	2,118
Animals euthanized	21,159	19,266	19,512	16,443	14,380
<b>Public Ways &amp; Facilities</b>					
<b>Roads</b>					
Maintained road lanes (in miles)	6,635.70	6,635.70	6,629.64	6,791.50	6,635.70
<b>Health and Sanitation</b>					
<b>Mental Health Services</b>					
Unique clients served	15,935	17,064	18,435	19,620	19,771
Unique clients served with outpatient services	15,094	16,580	17,713	18,781	19,529
Unique clients served with intensive services	1,415	1,396	1,642	1,618	1,517
<b>Public Assistance</b>					
<b>Aging &amp; Adult Services</b>					
Senior Nutrition participation:					
Congregate senior participants	N/A	N/A	6,938	6,719	4,590
Congregate meals	219,561	228,508	218,336	207,612	206,135
Home delivered senior participants	N/A	N/A	2,699	2,682	2,302
Home delivered meals	274,599	290,962	301,199	295,449	303,918
<b>Human Services</b>					
Number of Children Admitted to Jamison:	N/A	N/A	N/A	2,820	3,172
Protective Custody/New Intakes	N/A	N/A	N/A	2,458	2,769
Change of Placement	N/A	N/A	N/A	359	419
Children released from Jamison	N/A	N/A	N/A	2,716	3,223
Average day stay in Jamison	N/A	N/A	N/A	N/A	14.7
Admissions - Breakdown by Age:					
Newborn - 5 years	N/A	N/A	N/A	1,105	1,156
6 - 12 years	N/A	N/A	N/A	1,000	1,207
13 - 18 years	N/A	N/A	N/A	715	834
<b>Culture, Education &amp; Recreation</b>					
<b>Parks &amp; Recreation</b>					
Annual Boat Permits	N/A	N/A	10,539	6,444	4,669
Day Use Boat Fees	N/A	N/A	20,352	23,937	23,239
<b>Business - type Activities:</b>					
<b>Waste Management</b>					
Landfill capacity in cubic yards	59,127,257	59,127,257	59,127,257	97,633,607	94,757,759

Source: County of Kern

Notes:

N/A - Information was not available.

<sup>a</sup> Information was updated from prior year report

Fiscal Year					Function / Program
2003	2004	2005	2006	2007	
8,390	10,280	11,122	12,515	6,808	<b>Building Inspection</b> Building permits issued
					<b>Animal Control</b>
N/A	N/A	22,186	21,251	21,668	Received calls for response
27,615	28,979	N/A	N/A	N/A	Animals impounded
982	1,138	1,174	1,417	1,596	Animals returned to owner
2,143	2,564	2,772	3,054	3,147	Animals adopted
21,649	21,958	18,171	16,904	16,743	Animals euthanized
					<b>Public Ways &amp; Facilities</b>
					<b>Roads</b>
6,665.56	6,668.59	6,667.78	6,600.00	6,654.42	Maintained road lanes (in miles)
					<b>Health and Sanitation</b>
					<b>Mental Health Services</b>
18,967	18,928	19,210	18,392	20,563	Unique clients served
18,841	18,805	19,104	18,211	16,380	Unique clients served with outpatient services
1,590	1,482	1,551	1,539	4,183	Unique clients served with intensive services
					<b>Public Assistance</b>
					<b>Aging &amp; Adult Services</b>
					Senior Nutrition participation:
5,678	5,319	5,123	4,398	4,239	Congregate senior participants
206,097	186,322	186,857	177,675	180,754	Congregate meals
2,657	2,223	2,269	2,122	2,185	Home delivered senior participants
285,509	272,905	280,422	245,042	258,222	Home delivered meals
					<b>Human Services</b>
					Number of Children Admitted to Jamison:
2,908	2,713	5,191	2,626		Protective Custody/New Intakes
2,581	2,263	4,353	2,341	2,399	Change of Placement
347	450	838	452	238	Children released from Jamison
2,895	N/A	N/A	N/A	2,633	Average day stay in Jamison
N/A	N/A	N/A	N/A	4	Admissions - Breakdown by Age:
					Newborn - 5 years
1,084	1,106	2,087	1,115	1,028	6 - 12 years
956	759	1,488	734	741	13 - 18 years
833	817	1,556	873	847	
					<b>Culture, Education &amp; Recreation</b>
					<b>Parks &amp; Recreation</b>
4,281	5,339	4,606	4,623	4,170	Annual Boat Permits
23,793	25,381	22,359	20,530	40,318	Day Use Boat Fees
					<b>Business - type Activites:</b>
					<b>Waste Management</b>
95,100,966	95,459,239	98,948,413	110,042,325	98,576,606	Landfill capacity in cubic yards

COUNTY OF KERN  
 CAPITAL ASSET STATISTICS BY FUNCTION  
 LAST TEN FISCAL YEARS

Function / Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Education</b>										
Public Library										
Main Library	1	1	1	1	1	1	1	1	1	1
Branches	25	25	25	25	25	25	25	25	25	25
Law Library	1	1	1	1	1	1	1	1	1	1
<b>Parks and Land Use</b>										
Number of Neighborhood Parks	40	40	40	40	40	40	40	40	40	40
Number of Regional Parks	8	8	8	8	8	8	8	8	8	8
County Golf Courses	3	3	3	3	3	3	3	3	3	3
<b>Public Works</b>										
Centerline Miles of County Roads	6,636	6,636	6,630	6,792	6,636	6,666	6,669	6,668	6,600	6,654
<b>Public Safety</b>										
Number of Sheriff Stations	16	16	16	16	16	16	16	16	16	14
Number of Fire Stations	46	46	46	46	46	46	46	46	46	46
<b>Airports</b>										
Number of Runways	8	8	8	8	8	8	8	8	8	8

Source: County of Kern

