



**COUNTY OF KERN
STATE OF CALIFORNIA**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**For The Fiscal Year Ended
June 30, 2008**

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

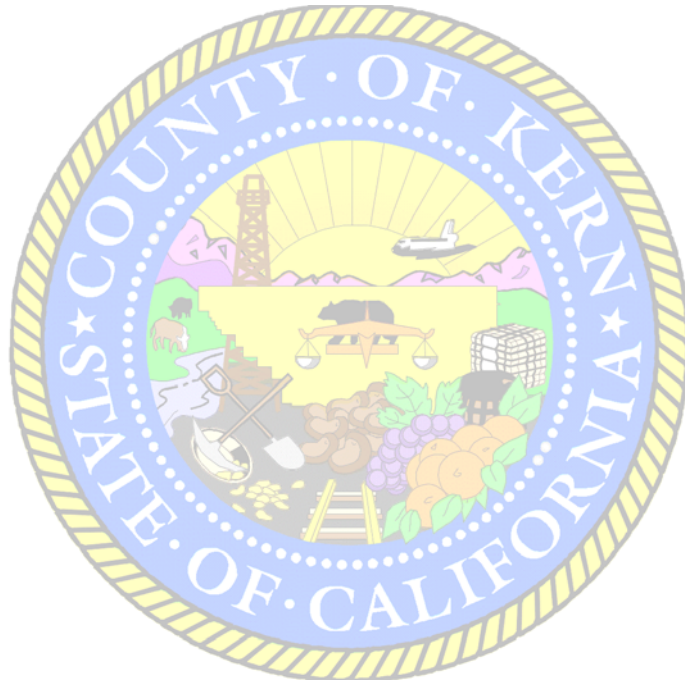
**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008**



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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For the Fiscal Year Ended June 30, 2008
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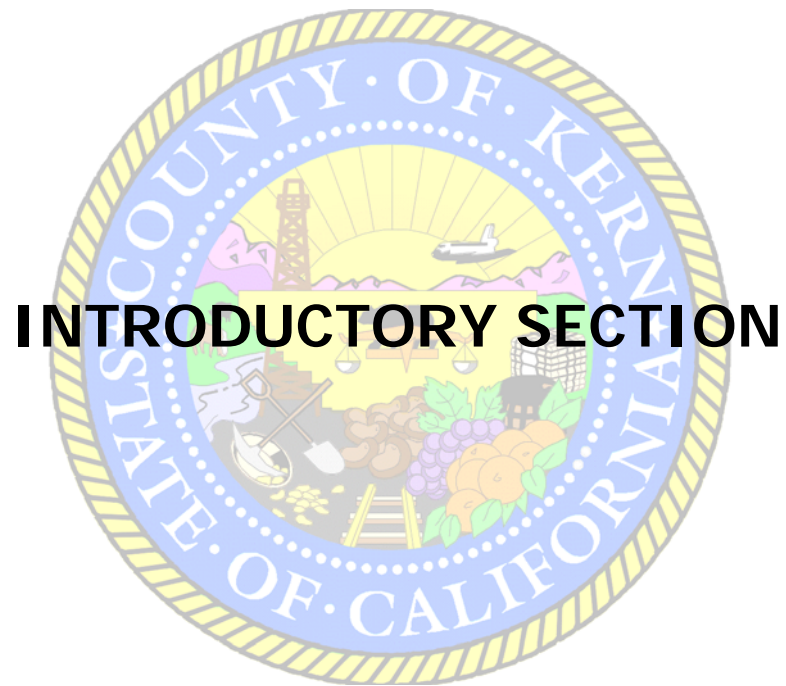
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INTRODUCTORY SECTION

ANN K. BARNETT
Auditor-Controller-County Clerk



December 19, 2008

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, 2008 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, 2008 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, 2008 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 840,904 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 87 - 107 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 130.

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 76% of all the State's oil reserves.

The Assessor's total net assessed valuation roll at June 30, 2008, with oil and gas representing approximately 23.9% of the total, reflected a 10.9% increase in value, which increases available property taxes to the County in fiscal year 2008-09.

Agriculture continues to remain relatively stable, with the County being the fourth leading producer of agricultural products in the State. The unemployment rate increased to 9.5% from 2006-07 to 2007-08. The population of the County increased by 2.7% from 819,157 to 840,904. 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, 2007 the County issued \$150,000,000 in Tax and Revenue Anticipation Notes that matured on June 30, 2008. On July 2, 2008, the County issued \$155,000,000 in Tax and Revenue Anticipation Notes that will mature on June 30, 2009.

As of June 30, 2008, the County had outstanding certificates of participation in a principal amount of \$52,280,000. 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, 2008 includes (in thousands):

Description of Issue	Date Issued	Maturity	Principal Outstanding
Solid Waste Systems Improvements	1994	2010	3,260
Rosamond Library Project	1994	2015	965
1999 Capital Improvement Projects – Communications portion	1999	2020	4,815
Fire Department	1997	2017	5,740
1999 Capital Improvement Projects – KMC portion	1999	2020	11,640
Airports Capital Improvements	2003	2024	11,695
Solid Waste Systems Improvements	2002	2017	14,165
Total:			\$ 52,280

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, 2008 the Treasurer's Pooled Cash included cash and investments totaling \$2.16 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, 2008 averaged 4.5%, which compares with 3.4% 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, 2008, there were 925 retired employees receiving the Retiree Health Premium Supplement Program and 2,659 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, 2007. This was the eleventh 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.

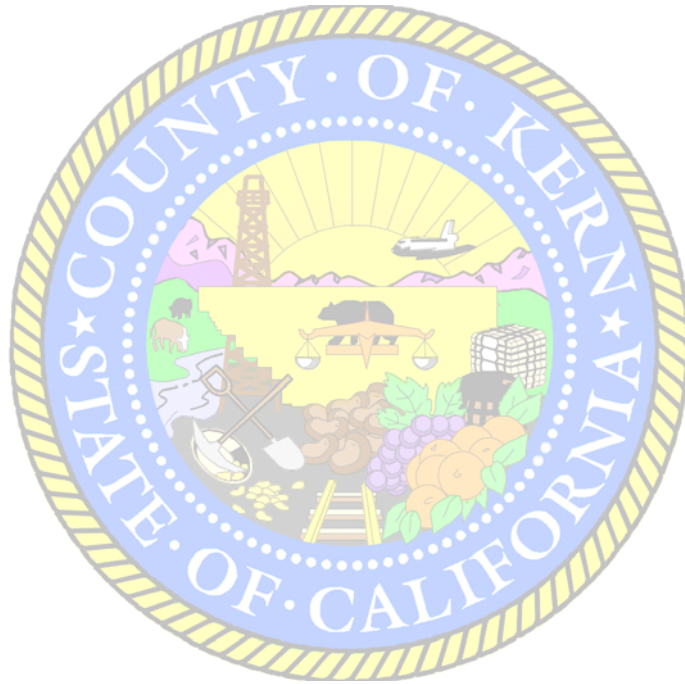
A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 DISTRICTMIKE 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 COLLECTORJACKIE DENNEY

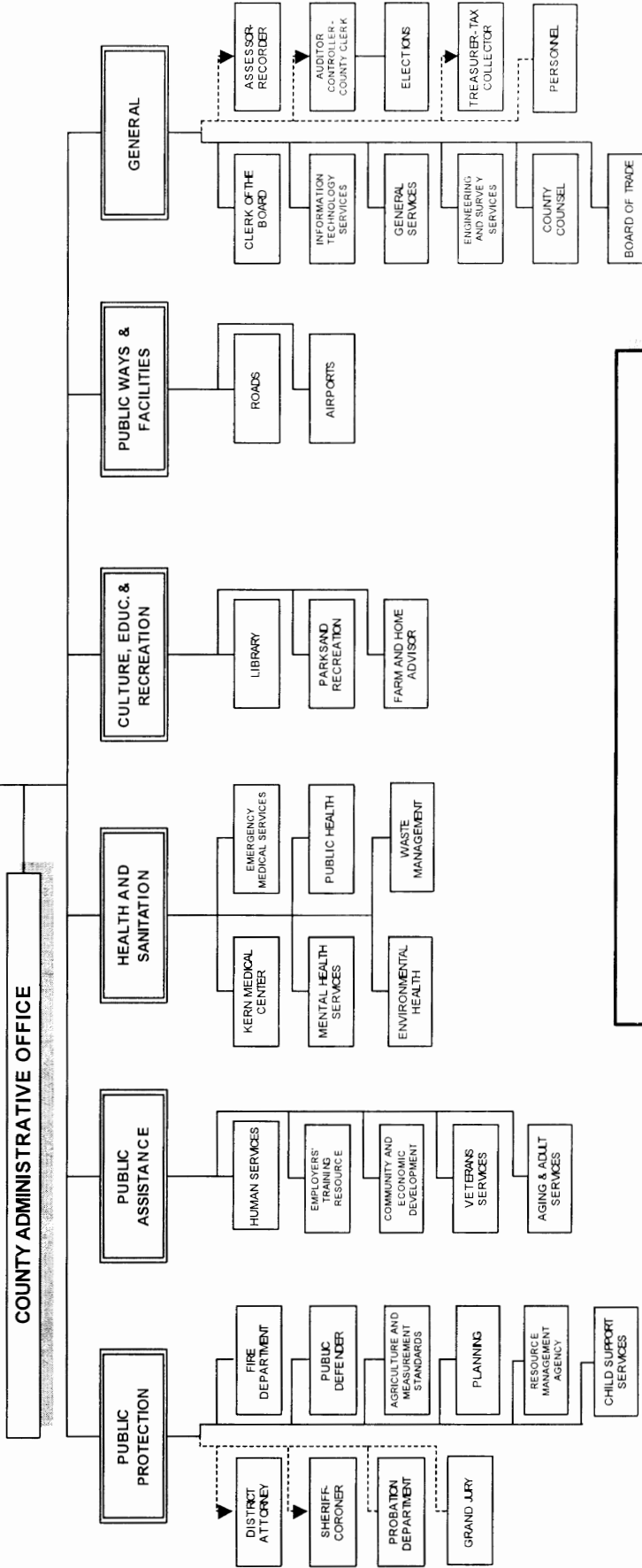
COUNTY OF KERN
DIRECTORY OF COUNTY OFFICIALS
(CONTINUED)

APPOINTED

AGING AND ADULT SERVICES	KRISTINA GRASTY
AGRICULTURAL COMMISSIONER/SEALER.....	RUBEN ARROYO
AIRPORTS.....	JACK GOTCHER
BOARD OF TRADE	RICK DAVIS
CLERK OF THE BOARD	KATHLEEN KRAUSE
CHILD SUPPORT SERVICES	PHYLLIS NANCE
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
KERN MEDICAL CENTER.....	PAUL J. HENSLER
LIBRARY.....	DIANE R. DUQUETTE
MENTAL HEALTH	JAMES WATERMAN
PARKS AND RECREATION.....	ROBERT LERUDE
PERSONNEL	MARK QUINN
PLANNING.....	TED JAMES
PROBATION	JOHN ROBERTS
PUBLIC DEFENDER	MARK A. ARNOLD
PUBLIC HEALTH	JOHN NILON
RESOURCE MANAGEMENT AGENCY.....	DAVID L. PRICE, III
ROADS.....	CRAIG POPE
VETERANS' SERVICES	CHARLES BIKAKIS
WASTE MANAGEMENT	DAPHNE B. HARLEY

ELECTORATE OF KERN COUNTY

BOARD OF SUPERVISORS



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, 2007

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.

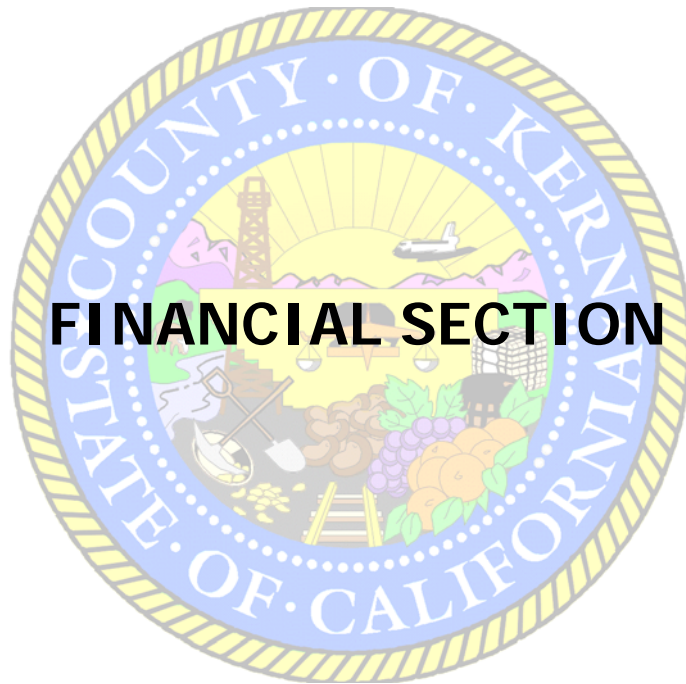


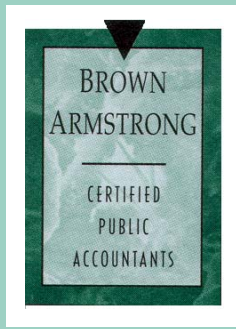
Clare S. Cox

President

Jeffrey R. Emer

Executive Director





BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
Certified Public Accountants

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e-mail: info@bacpas.com

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Shafter, California 93263
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Andrew J. Paulden, CPA
Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Steven R. Starbuck, CPA
Aileen K. Keeter, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, MBA, CPA
Richard L. Halle, CPA, MST

INDEPENDENT AUDITOR'S REPORT

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

Harvey J. McCown, MBA, CPA
Lynn R. Krausse, CPA, MST
Rosalva Flores, CPA
Connie M. Perez, CPA
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Dias, CPA, MBA
Matthew R. Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan L. Nielsen, CPA
Jian Ou-Yang, CPA
Ryan S. Johnson, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA
Samuel O. Newland, CPA
Brooke N. DeCuir, CPA
Kenneth J. Witham, CPA
Clint W. Baird, CPA
Jose Garcia, CPA
Adrian Rich, CPA
Lance Larralde, CPA

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, 2008, 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.

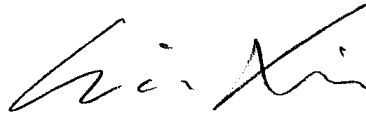
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregated remaining fund information, and the fiduciary funds of the County of Kern, California, as of June 30, 2008, 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.

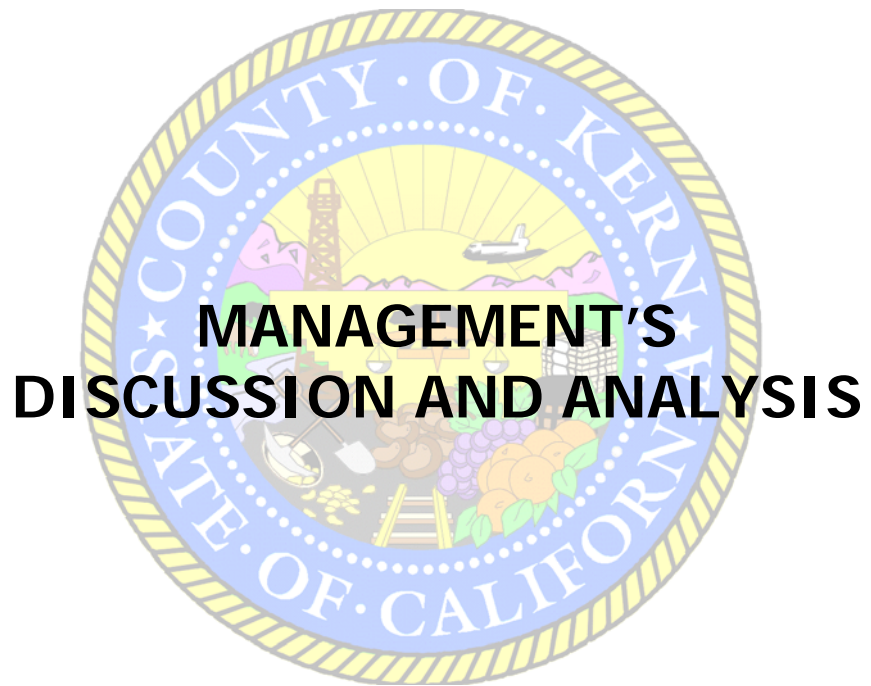
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Kern, California's basic financial statements. The combining and individual fund financial statements and schedules, including the schedules of capital assets used in the 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 the 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 19, 2008, 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



Bakersfield, California
December 19, 2008



**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

**County of Kern
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited**

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, 2008. 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, 2008, the County's total net assets were \$568,372. Of this total net asset amount \$683,525 is attributed to capital assets and \$19,621 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 \$134,774, representing the unrestricted net assets.
- During the current fiscal year, the County's net assets increased by \$60,204. The County's net assets increased by \$59,223 for governmental activities and \$981 for business-type activities.
- At June 30, 2008, the County's governmental funds reported total ending fund balances of \$375,326, an increase of 6.5% compared to prior year's total ending fund balance. Approximately \$213,088, or 56.7% 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, 2008, the unreserved fund balance for the General Fund was \$63,759 or 12.1% of total General Fund expenditures.
- At June 30, 2008, the County's total long-term liabilities decreased by \$7,719, 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 distinguish 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-type 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* section.

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 Information* 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 Course, 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 86 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, 2008, the County's total net assets were \$568,372. See Table 1 on page 15 for details.

The County's largest portion of total net assets is the investment in capital assets, \$683,525. 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.

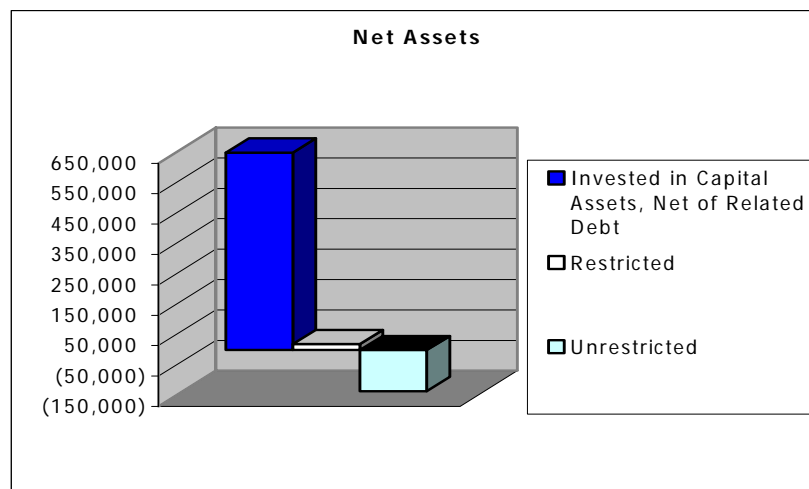
Of the County's total net assets, \$19,621 is restricted, which represents external restrictions on how these resources may be used. The major portion of the restricted net assets is reserved for debt repayment. The remaining balance of the net assets represents the unrestricted net assets, which has a deficit balance of \$134,774. This deficit balance is primarily due to the inclusion of the debt associated with the Kern County Tobacco Funding Corporation (see Note XII. K), and the 1995 Pension Obligation Bonds used to pay the unfunded actuarial liability owed to the Kern County Retirement Association.

At June 30, 2008, 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 \$77,975. 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 Change
	2008	2007	2008	2007	2008	2007	
Current and Other Asset Capital Assets	\$ 737,030	\$ 697,055	\$ 146,469	\$ 154,009	\$ 883,499	\$ 851,064	\$ 32,435
	590,738	550,325	181,511	181,312	772,249	731,637	40,612
Total Assets	\$1,327,768	\$ 1,247,380	\$ 327,980	\$ 335,321	\$1,655,748	\$1,582,701	\$ 73,047
Current and Other Liabilities	150,212	85,939	65,586	46,859	215,798	132,798	83,000
Long - Term Liabilities	682,868	725,976	188,710	215,759	871,578	941,735	(70,157)
Total Liabilities	833,080	811,915	254,296	262,618	1,087,376	1,074,533	12,843
Net Assets							
Invested in Capital Assets, Net of Related Debt	537,512	494,591	146,013	140,235	683,525	634,826	48,699
Restricted	13,975	15,352	5,646	12,060	19,621	27,412	(7,791)
Unrestricted	(56,799)	(74,478)	(77,975)	(79,592)	(134,774)	(154,070)	19,296
Total Net Assets	494,688	435,465	73,684	72,703	568,372	508,168	60,204
Total Liabilities & Net Assets	\$1,327,768	\$ 1,247,380	\$ 327,980	\$ 335,321	\$1,655,748	\$1,582,701	\$ 73,047

* As restated. See Note II. A.



As shown in Table 2, the County's total net assets increased by \$60,204, of which \$43,913 is for current year activity and \$16,291 is related to prior period adjustments in the governmental funds.

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

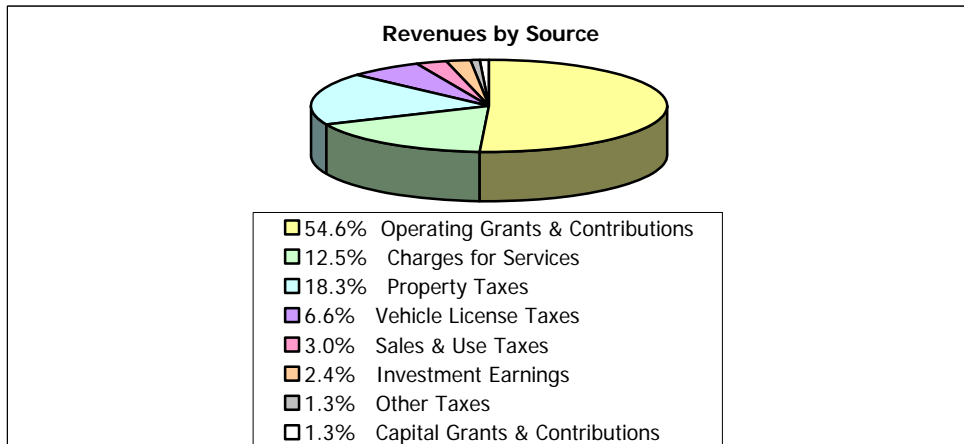
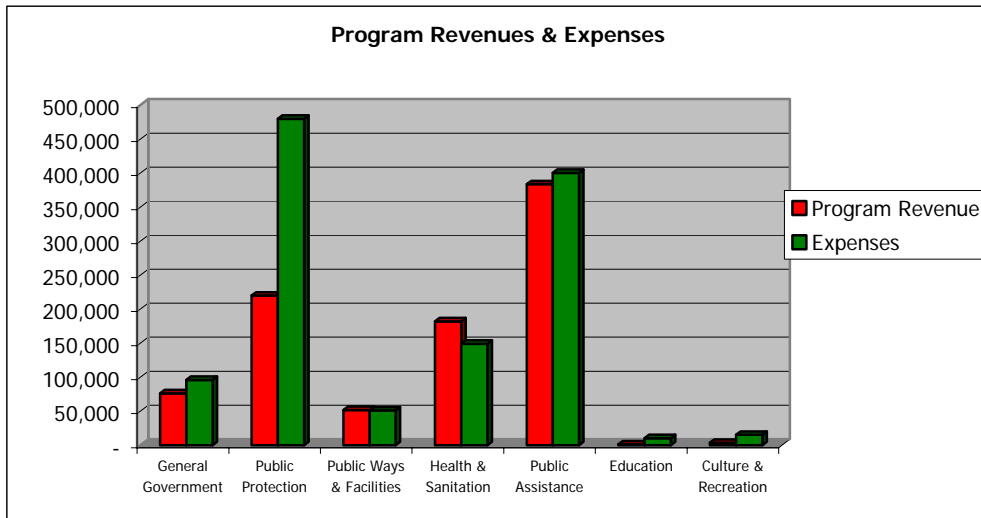
	Governmental Activities		Business - Type Activities		Total		Total Change
	2008	2007	2008	2007	2008	2007	
Revenues							
Program Revenues							
Charges for Services	\$ 229,610	\$ 167,335	\$ 262,062	\$ 251,270	\$ 491,672	\$ 418,605	\$ 73,067
Operating Grants & Contributions	678,969	617,358	15,666	7,324	694,635	624,682	69,953
Capital Grants & Contributions	9,478	15,149			9,478	15,149	(5,671)
General Revenues							
Property Taxes	244,636	213,535			244,636	213,535	31,101
Aircraft Taxes	227	170			227	170	57
Sales & Use Taxes	39,618	35,602			39,618	35,602	4,016
Transient Occupancy Tax	1,506	1,688			1,506	1,688	(182)
Special Assessments	3,141				3,141	0	3,141
Transfer Tax	3,166	5,334			3,166	5,334	(2,168)
Other Taxes	1,385	864			1,385	864	521
Vehicle License Taxes	86,828	77,620			86,828	77,620	9,208
Investment Earnings	28,043	28,310	3,556	8,432	31,599	36,742	(5,143)
Miscellaneous	6,428	69,578	3,570	2,470	9,998	72,048	(62,050)
Special Items	3,112				3,112		3,112
Gain on Sale of Capital Assets			374		374		374
Total Revenues	1,336,147	1,232,543	285,228	269,496	1,621,375	1,502,039	119,336
Expenses							
General Government	95,918	76,033			95,918	76,033	19,885
Public Protection	480,002	377,961			480,002	377,961	102,041
Public Ways & Facilities	50,878	55,913			50,878	55,913	(5,035)
Health & Sanitation	149,023	127,676			149,023	127,676	21,347
Public Assistance	400,263	363,655			400,263	363,655	36,608
Education	10,159	10,143			10,159	10,143	16
Culture & Recreation	15,256	13,459			15,256	13,459	1,797
Interest on Short & Long-Term Debt	42,412	42,788			42,412	42,788	(376)
Airports			8,408	5,962	8,408	5,962	2,446
County Sanitation Districts			3,378	3,199	3,378	3,199	179
Golf Course			4,083	5,011	4,083	5,011	(928)
Kern Medical Center			266,490	246,210	266,490	246,210	20,280
Public Transportation			6,759	6,014	6,759	6,014	745
Universal Collection			9,314	8,594	9,314	8,594	720
Waste Management			35,119	40,305	35,119	40,305	(5,186)
Total Expenses	1,243,911	1,067,628	333,551	315,295	1,577,462	1,382,923	194,539
Excess (Deficit) of Revenues Over Expenses							
Before Special Items and Tran	92,236	164,915	(48,323)	(45,799)	43,913	119,116	(75,203)
Transfers	(49,304)	(40,607)	49,304	40,607			
Increase (Decrease) in Net Assets	42,932	124,308	981	(5,192)	43,913	119,116	(75,203)
Net Assets at Beginning of Year	435,465	311,157	72,703	77,895	508,168	389,052	119,116
Prior Period Adjustment	16,291				16,291		16,291
Net Assets at End of Year	\$ 494,688	\$ 435,465	\$ 73,684	\$ 72,703	\$ 568,372	\$ 508,168	\$ 60,204

Governmental Activities

The Governmental activities increased the County's net assets by \$59,223 for the year ended June 30, 2008:

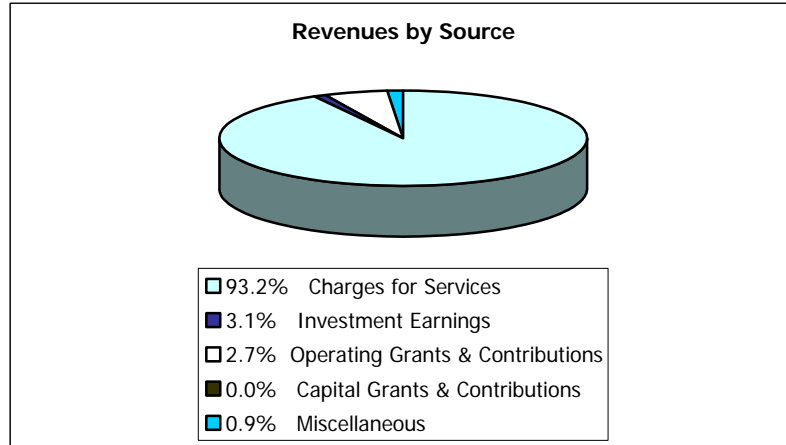
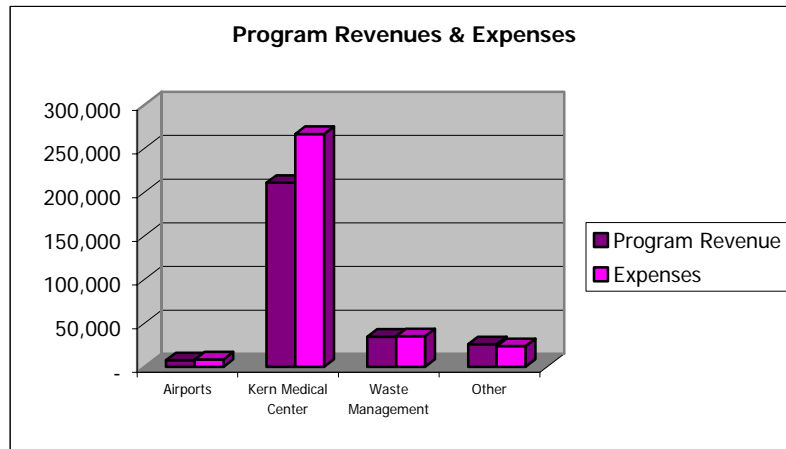
- Total revenue increased by \$103,604 or 8.4% from the prior year.

- 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 tax revenue is primarily due to the following:
 1. Property taxes increased by \$31,101 or 14.6% due to significantly higher real estate values and oil prices.
 2. Investment earnings decreased by \$267 or .94% due to lower 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 \$86,828. In the prior years, the vehicle license fees were reported under operating grants and contributions as revenue.
- Total expenses increased by \$176,283 or 16.5%. All major functions increased except for public ways and facilities. The County's major cost component is public protection.



Business-type Activities

Business-type activities' total net assets increased the County's net assets by \$981. Revenues received for charges for services increased by \$10,792.



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, 2008, the County's governmental funds reported total fund balances of \$375,326, an increase of 6.5% compared to prior year's total ending fund balance. Approximately \$213,088, or 56.7% of total fund balance 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, \$2,157; 2) reserve for debt service, \$14,574; 3)

reserve for encumbrances, \$47,911; 4) reserve for fiscal stability, \$48,020 and 5) a variety of other restricted purposes, \$49,576.

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

The General Fund is the chief operating fund of the County. At June 30, 2008, unreserved fund balance of the General Fund was \$63,759. 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 12.1% of total General Fund expenditures, while total fund balance represents 28.7% of total General Fund expenditures.

The other governmental funds' fund balances increased by \$1,305 or 1.5%. The following major governmental funds **increased** in fund balance:

- Child Support – Fund balance increased by \$9 or 1% from the prior year due to significantly lower revenue from other revenues.
- Employers' Training Resource – Fund balance increased by \$749 or 90.8% from the prior year as a result of additional charges for current services and other revenues.
- Human Services – Fund balance increased by \$9,560 or 139% from the prior year due to additional public assistance expenditures.
- Mental Health – Fund balance increased by \$16,516 or 206% from the prior year due to lower revenue from charges for current services.
- Roads – Fund balance increased by \$6,846 or 31.6% 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 \$2,924 or 24.8% from the prior year as a result of additional revenue from taxes.
- Tobacco Securitization Proceeds – Fund balance increased by \$2,202 or 3.97% from the prior year as a result of additional revenues from use of money and property.

Proprietary Funds

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

The enterprise funds total net assets increased by \$627. The net assets of Waste Management increased by \$3,384 primarily due to a decrease in post-closure related expenses. The net assets of Kern Medical Center decreased by \$5,027 as a result of increased salaries and benefits and Federal and State reimbursements for indigent care did not match the cost of providing such care. The net assets of Airports decreased by \$663 due to an increase in services and supplies and an increase in salaries and benefits. Additionally, the combined net assets of the non-major enterprise funds increased by \$2,933.

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 \$58,731 increase in supplemental appropriations that is briefly summarized as follows:

- The increase in supplemental appropriations is primarily due to three factors that account for \$56,799 or 96.7% of the \$58,731 increase. The first factor is the increase in the total general government appropriations by \$22,114, of which \$13,441 of the increase is attributable to capital projects capital assets. The second factor is the increase in total public protection by \$25,326, of which \$15,284 of the increase is attributable to the Sheriff's department. The last factor is the increase in the total health and sanitation by \$9,359, of which \$3,032 and \$5,000 is attributable to Public Health and Kern Medical Center, 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.

There were no significant variances between the County's final budget and actual on budgetary basis.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's total investment in capital assets, net of accumulated depreciation is \$772,249 at June 30, 2008. Investment in capital assets includes land, land acquisition in progress, construction in progress, infrastructure, structures and improvements and equipment and intangibles. The County's net capital assets are illustrated in Table 3.

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

	Governmental Activities		Business - Type Activities		Total		Total
	2008	2007	2008	2007	2008	2007	Change
Land	\$ 23,854	\$ 23,920	\$ 23,220	\$ 22,869	\$ 47,074	\$ 46,789	\$ 285
Land Acquisition in Progress			91	334	91	334	(243)
Construction in Progress	38,932	24,513	4,649	39,297	43,581	63,810	(20,229)
Infrastructure	249,657	225,887	3,149	3,289	252,806	229,176	23,630
Structures and Improvements	208,595	211,211	139,132	102,410	347,727	313,621	34,106
Equipment	69,700	66,570	11,270	13,112	80,970	79,682	1,288
Total	\$ 590,738	\$ 552,101	\$ 181,511	\$ 181,311	\$ 772,249	\$ 733,412	\$ 38,837

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

- Completed capital projects include Juvenile Justice Center improvements, Greenfield Park security lighting, Tehachapi Mountain Park, Pioneer Park and Rexland Acres Park restrooms, and Central Receiving Video Surveillance.
- Major construction in progress includes Seventh Standard Road project and the Wheeler Ridge Overpass project.
- The Roads Department had several infrastructure improvements and additions for the current fiscal year. The total for reconstructed roads was \$30,069, roads dedicated to the County by developers was \$7,333. There were no additions to existing roads.
- The Airport's construction of the new International terminal is complete.

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, 2008, the County's total long-term debt is \$701,042. Of the total long-term debt, Certificates of Participation is \$52,280, which is secured by the County's lease rental payments, and Pension Obligation Bonds is \$461,295. 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
	2008	2007	2008	2007	2008	2007	
Lease Purchase Agreements	\$ 3,820	\$ 5,419	\$	\$	\$ 3,820	\$ 5,419	\$ (1,599)
Certificates of Participation	11,520	14,105	40,760	46,465	52,280	60,570	(8,290)
Loans Payable	7,608	6,001			7,608	6,001	1,607
Bonds Payable	441	225			441	225	216
Tobacco - Asset Backed Bonds	100,615	101,265			100,615	101,265	(650)
Pension Obligation Bonds	398,117	407,365	63,178	64,813	461,295	472,178	(10,883)
Landfill Closure Liability			33,045	30,755	33,045	30,755	2,290
Post Closure Liability			41,938	40,662	41,938	40,662	1,276
Total	\$ 522,121	\$ 534,380	\$ 178,921	\$ 182,695	\$ 701,042	\$ 717,075	\$ (16,033)

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 2008 – 2009 and beyond. The County is required to contribute \$91.6 million in property tax revenues to the State budget in 2008 – 2009.

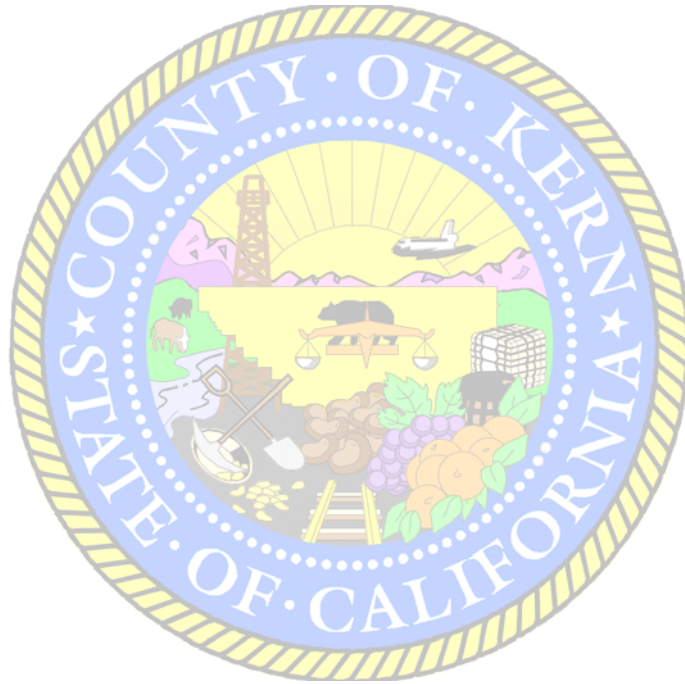
The recommended regular County budget for fiscal year 2008 – 2009 totals \$1.5 billion, which is \$98 million or 7% higher than total appropriations adopted last year. Revenues from a very modest growth in commercial and residential property values and a relatively modest carryover balance from FY 2007-2008 were aided by strong oil prices to push discretionary revenues 5.5% above last year's level. New agreements with County employee bargaining units resulted in salary cost increases that will total \$28 million in FY 2008-09. It should be noted that these agreements incorporate a restructured retirement plan for new general employees that lowers the County's defined benefit obligation while introducing a defined contribution element. This change will help to lower the County's retirement contribution per employee this year and will stabilize long-term compensation costs.

The \$1.5 billion budget does not include special budgets totaling \$778.2 million for special purpose funds; enterprise funds such as Kern Medical Center, Airports, and Waste Management; internal service funds such as Workers' Compensation and Group Health; and grant-funded programs administered by the Employers' Training Resource and the Community and Economic Development Program departments. Special budgets have increased by \$209.3 million from FY 2007-2008. Of that increase, \$174.9 million is attributable to inclusion of a new Special Purpose Fund budget group within the special budgets category.

Discretionary revenues are projected to grow by \$18 million or 5.5% above last year's actual collections. Discretionary revenues comprise 26.7% 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.

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.





BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

COUNTY OF KERN
STATEMENT OF NET ASSETS
JUNE 30, 2008 (IN THOUSANDS)

	Primary Government			Component
	Governmental Activities	Business-type Activities	Totals	Unit First 5 Kern
ASSETS				
Cash and Investments	\$ 274,339	\$ 73,777	\$ 348,116	\$ 23,205
Restricted Cash and Investments	13,645	11,701	25,346	
Revolving Fund Cash	1,408	18	1,426	
Receivables, Net	175,757	88,338	264,095	1,869
Due from Other Agencies	9,851		9,851	
Inventories and Prepaid Expenses	3,195	2,832	6,027	5
Deposits with Other	535		535	
Internal Balances	60,495	(60,495)		
Investment in Joint Venture		2,325	2,325	
Net Pension Asset	197,805	27,973	225,778	
Capital Assets:				
Nondepreciable	62,786	27,960	90,746	
Depreciable, Net	527,952	153,551	681,503	32
Total Assets	\$ 1,327,768	\$ 327,980	\$ 1,655,748	\$ 25,111
LIABILITIES				
Accounts Payable	\$ 14,165	\$ 21,736	\$ 35,901	\$ 2,846
Salaries and Employee Benefits Payable	42,350	10,871	53,221	50
Due to Other Agencies	1,394	4,537	5,931	
Accrued Interest Payable	7,029	1,701	8,730	
Unearned Revenue	9,181	1,347	10,528	
Long-Term Liabilities:				
Portion Due or Payable Within One Year:				
Long-Term Debt	16,473	4,907	21,380	
Compensated Absences	32,844	9,094	41,938	
Landfill Closure/Postclosure Costs		11,393	11,393	
Liability for Self Insurance	26,776		26,776	
Portion Due or Payable After One Year:				
Professional Liabilities		7,326	7,326	
Certificates of Participation	10,590	37,905	48,495	
Bonds and Notes Payable	486,634	61,126	547,760	
Loans Payable	5,984		5,984	
Accrued Interest	71,564	12,700	84,264	
Capital Leases	2,440		2,440	
Compensated Absences	21,833	6,063	27,896	54
Accrued Landfill Closure/Postclosure Costs		63,590	63,590	
Liability for Other Post Employment Benefits	12,027		12,027	
Liability for Self Insurance	71,796		71,796	
Total Liabilities	833,080	254,296	1,087,376	2,950
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	537,512	146,013	683,525	32
Restricted (Note XI. C):				
Debt Service	13,645	5,646	19,291	
Other Purposes	330		330	17,218
Unrestricted (Deficits)	(56,799)	(77,975)	(134,774)	4,911
Total Net Assets	\$ 494,688	\$ 73,684	\$ 568,372	\$ 22,161

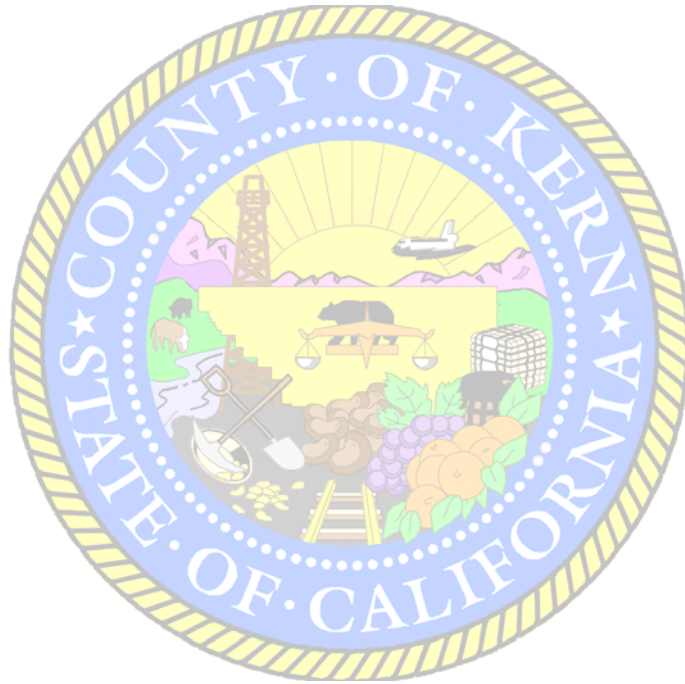
**COUNTY OF KERN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

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	Governmental Activities		Primary Government Business-Type Activities	Total
Governmental activities:								
General government	\$ 95,918	\$ 59,209	\$ 17,011	\$	(19,698)	\$	(19,698)	\$
Public protection	480,002	97,856	122,096		(260,050)		(260,050)	
Public ways and facilities	50,878	7,626	41,806	2,164	718		718	
Health and sanitation	149,023	54,205	120,475	7,314	32,971		32,971	
Public assistance	400,263	7,315	376,418		(16,530)		(16,530)	
Education	10,159	728	313		(9,118)		(9,118)	
Culture and recreation	15,256	2,671	850		(11,735)		(11,735)	
Interest on short and long-term debt	42,412				(42,412)		(42,412)	
Total governmental activities	<u>1,243,911</u>	<u>229,610</u>	<u>678,969</u>	<u>9,478</u>	<u>(325,854)</u>		<u>(325,854)</u>	
Business-type activities:								
Airports	8,408	4,140	3,254		(1,014)		(1,014)	
County Sanitation Districts	3,378	4,301			923		923	
Golf Course	4,083	4,863			780		780	
Kern Medical Center	266,490	199,666	10,422		(56,402)		(56,402)	
Public Transportation	6,759	5,236	1,783		260		260	
Universal Collection	9,314	9,644			330		330	
Waste Management	35,119	34,212	207		(700)		(700)	
Total business-type activities	<u>333,551</u>	<u>262,062</u>	<u>15,666</u>		<u>(55,823)</u>		<u>(55,823)</u>	
Total Primary Government	<u>\$ 1,577,462</u>	<u>\$ 491,672</u>	<u>\$ 694,635</u>	<u>\$ 9,478</u>	<u>(325,854)</u>		<u>(381,677)</u>	
Component Unit:								
Children and Families Commission	\$ 13,781	\$	\$ 12,729	\$				(1,052)
General revenues:								
Taxes:								
Property taxes					244,636		244,636	
Aircraft taxes					227		227	
Sales and use taxes					39,618		39,618	
Transient occupancy tax					1,506		1,506	
Special Assessments					3,141		3,141	
Transfer taxes					3,166		3,166	
Other taxes					1,385		1,385	
Property taxes in lieu of motor vehicle license fees					86,828		86,828	
Grants and contributions not restricted to specific programs								
Unrestricted investment earnings					28,043	3,556	31,599	1,365
Miscellaneous					6,428	3,570	9,998	
Special Items					3,112		3,112	
Gain on sale of Capital Assets						374	374	
Transfers					(49,304)	49,304		
Total General revenues and Transfers					<u>368,786</u>	<u>56,804</u>	<u>425,590</u>	<u>1,365</u>
Change in Net Assets					<u>42,932</u>	<u>981</u>	<u>43,913</u>	<u>313</u>
Net Assets--beginning (As restated, note II. A)					<u>451,756</u>	<u>72,703</u>	<u>524,459</u>	<u>21,848</u>
Net Assets--ending					<u>\$ 494,688</u>	<u>\$ 73,684</u>	<u>\$ 568,372</u>	<u>\$ 22,161</u>



BASIC FINANCIAL STATEMENTS

Fund Financial Statements



COUNTY OF KERN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008 (IN THOUSANDS)

Page 1 of 1

	GENERAL FUND	KERN CO. DEPT. OF CHILD SUPPORT	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	MENTAL HEALTH
ASSETS					
Pooled Cash and Investments	\$ 56,957	\$ 861	\$ 568	\$ 4,960	\$ 14,601
Revolving Fund Cash	1,207	96		101	1
Cash and Investments Deposited with Trustee					
Interest Receivable	2,157	15	6	54	119
Taxes Receivable	57,232				
Accounts Receivable				13,144	512
Accrued Revenue	27,290	1,006	1,482	14,551	13,948
Due from Other Funds	4,962			1	
Advances to Other Funds	43,791				
Due from Other Agencies	8,756				
Loans Receivable					
Deposits with Others	205				
Inventory - Materials and Supplies	62				
Total Assets	\$ 202,619	\$ 1,978	\$ 2,056	\$ 32,811	\$ 29,181
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 7,432	\$ 37	\$ 12	\$ 300	\$ 364
Salaries and Employee Benefits Payable	23,504	1,034		6,896	2,896
Advances from Other Funds				51	
Due to Other Funds	2,235		470		1
Due to Other Agencies					1,394
Deferred Revenue	17,813			22,876	
Total Liabilities	50,984	1,071	482	30,123	4,655
Fund Balances:					
Reserved	87,876	106	889	3,227	13,965
Unreserved, reported in:					
General Fund	63,759				
Special Revenue Funds		801	685	(539)	10,561
Capital Project Funds					
Total Fund Balances	151,635	907	1,574	2,688	24,526
Total Liabilities and Fund Balances	\$ 202,619	\$ 1,978	\$ 2,056	\$ 32,811	\$ 29,181

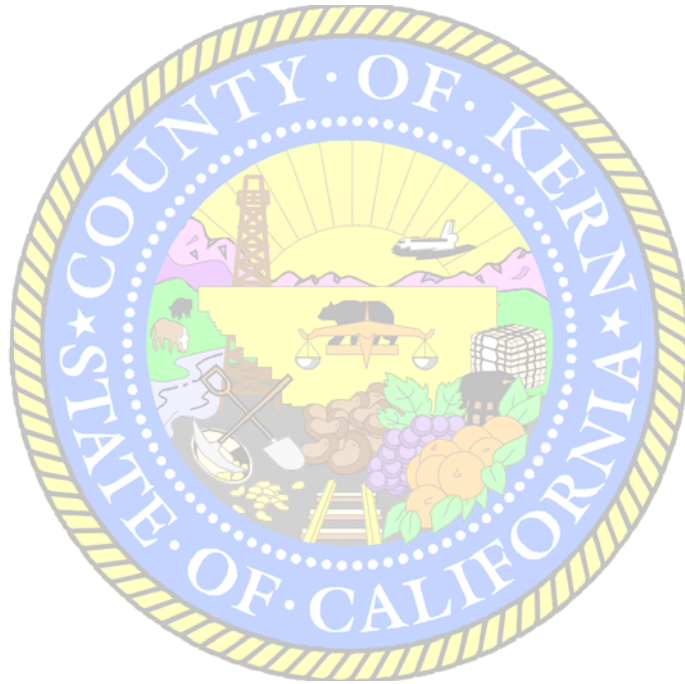
THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

	<u>ROADS</u>	<u>STRUCTURAL FIRE</u>	<u>TOBACCO SECURITIZATION PROCEEDS</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL</u>	
						ASSETS
\$	18,392	\$ 11,047	\$ 2,009	\$ 63,886	\$ 173,281	Pooled Cash and Investments
		1		2	1,408	Revolving Fund Cash
			52,588	13,645	66,233	Cash and Investments Deposited with Trustee
	199	105	35	477	3,167	Interest Receivable
		6,206		793	64,231	Taxes Receivable
					13,656	Accounts Receivable
	9,671	8,615		13,886	90,449	Accrued Revenue
		459			5,422	Due from Other Funds
			2,990	8,691	55,472	Advances to Other Funds
				1,095	9,851	Due from Other Agencies
				1,439	1,439	Loans Receivable
					205	Deposits with Others
	2,108	957			3,127	Inventory - Materials and Supplies
\$	<u>30,370</u>	<u>27,390</u>	<u>57,622</u>	<u>103,914</u>	<u>487,941</u>	Total Assets
						LIABILITIES AND FUND BALANCES
\$	844	\$ 1,065	\$	\$ 1,025	\$ 11,079	Liabilities:
	1,007	6,292		661	42,290	Accounts Payable
				2,492	2,543	Salaries and Employee Benefits Payable
				4,952	7,658	Advances from Other Funds
				198	1,592	Due to Other Funds
				1,427	47,453	Due to Other Agencies
		5,337				Deferred Revenue
	<u>1,851</u>	<u>12,694</u>		<u>10,755</u>	<u>112,615</u>	Total Liabilities
	8,006	7,522		40,647	162,238	Fund Balances:
					63,759	Reserved
					50,494	Unreserved, reported in:
	20,513	7,174		11,299	50,494	General Fund
			57,622	41,213	98,835	Special Revenue Funds
						Capital Project Funds
	<u>28,519</u>	<u>14,696</u>	<u>57,622</u>	<u>93,159</u>	<u>375,326</u>	Total Fund Balances
\$	<u>30,370</u>	<u>27,390</u>	<u>57,622</u>	<u>103,914</u>	<u>487,941</u>	Total Liabilities and Fund Balances

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

**COUNTY OF KERN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2008 (IN THOUSANDS)**

Fund Balances - Total Governmental Funds:	\$	375,326
Deferred charges in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		38,273
Capital assets used in governmental activities are not financial resources; therefore, the capital assets are not reported in the governmental funds.		585,042
Accrued interest revenue recognized as soon as earned, regardless of its availability.		86
Negative Net Pension Obligation - Offset of Pension Obligation Bonds for Unfunded Actuarial Liability that does not represent a current financial resource.		197,633
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.		(47,180)
Long term interest payable does not require the use of current financial resources; therefore, is not accrued as a liability in the governmental funds.		(78,407)
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	\$	(397,498)
Bonds Payable		(101,056)
Certificates of Participation		(11,520)
Capital Leases		(3,820)
Loan Payable		(7,608)
Compensated Absences		(54,583)
		<u>(576,085)</u>
Net Assets of Governmental Activities	\$	<u>494,688</u>



COUNTY OF KERN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

Page 1 of 1

	GENERAL FUND	KERN CO. DEPT. OF CHILD SUPPORT	EMPLOYERS' TRAINING RESOURCE	HUMAN SERVICES	MENTAL HEALTH
REVENUES:					
Taxes	\$ 298,036	\$	\$	\$	\$
Licenses, Permits and Franchises	10,327				
Fines, Forfeitures and Penalties	18,100				
Revenues from Use of Money and Property	18,441	94	32	284	374
Aid from Other Governmental Agencies	111,692	22,267	13,038	334,458	70,885
Charges for Current Services	88,625	2	2,268	172	43,742
Other Revenues	3,643	911	2	2,378	113
Total Revenues	548,864	23,274	15,340	337,292	115,114
EXPENDITURES:					
Current:					
General Government	105,909				
Public Protection	330,625	23,265			
Health and Sanitation	44,908				103,048
Public Assistance	13,484		3,944	354,765	
Education	10,224				
Recreation and Cultural Services	15,558				
Public Ways and Facilities					
Capital Outlay	225				
Debt Service:					
Principal					
Interest	6,797				
Total Expenditures	527,730	23,265	3,944	354,765	103,048
Excess (Deficiency) of Revenues over Expenditures	21,134	9	11,396	(17,473)	12,066
OTHER FINANCING SOURCES (USES):					
Transfers In	78,043			27,033	4,638
Transfers Out	(122,906)		(10,647)		(188)
Inceptions of Capital Leases	225				
Total Other Financing Sources (Uses)	(44,638)		(10,647)	27,033	4,450
Net Changes in Fund Balances (Deficits)	(23,504)	9	749	9,560	16,516
Fund Balances (Deficits), July 1, 2007 (as previously reported)	175,139	898	825	(6,872)	8,010
Prior Period Adjustments					
Fund Balances, June 30, 2008	\$ 151,635	\$ 907	\$ 1,574	\$ 2,688	\$ 24,526

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

	ROADS	STRUCTURAL FIRE	TOBACCO SECURITIZATION PROCEEDS	OTHER GOVERNMENTAL FUNDS	TOTAL	
\$	3,931	\$ 71,937	\$	\$ 3,192	\$ 377,096	REVENUES:
		266		5,005	15,598	Taxes
		95		7,467	25,662	Licenses, Permits and Franchises
	775	76	2,736	3,471	26,283	Fines, Forfeitures and Penalties
	38,282	3,805		95,070	689,497	Revenues from Use of Money and Property
	4,789	29,485		3,754	172,837	Aid from Other Governmental Agencies
	2,479	42	281	35,906	45,755	Charges for Current Services
						Other Revenues
	50,256	105,706	3,017	153,865	1,352,728	Total Revenues
						EXPENDITURES:
						Current:
				111	106,020	General Government
		127,346		9,599	490,835	Public Protection
				2,656	150,612	Health and Sanitation
				29,759	401,952	Public Assistance
					10,224	Education
	54,390			8,734	15,558	Recreation and Cultural Services
			65	4,360	63,124	Public Ways and Facilities
					4,650	Capital Outlay
				13,613	13,613	Debt Service:
				27,027	33,824	Principal
						Interest
	54,390	127,346	65	95,859	1,290,412	Total Expenditures
	(4,134)	(21,640)	2,952	58,006	62,316	Excess (Deficiency) of Revenues Over Expenditures
						OTHER FINANCING SOURCES (USES):
	10,980	25,550		13,065	159,309	Transfers In
		(986)	(750)	(72,878)	(208,355)	Transfers Out
				3,112	3,337	Inceptions of Capital Leases
	10,980	24,564	(750)	(56,701)	(45,709)	Total Other Financing Sources (Uses)
	6,846	2,924	2,202	1,305	16,607	Net Changes in Fund Balances (Deficits)
	21,673	11,772	55,420	85,525	352,390	Fund Balances (Deficits), July 1, 2007 (as previously reported)
				6,329	6,329	Prior Period Adjustments
\$	<u>28,519</u>	<u>\$ 14,696</u>	<u>\$ 57,622</u>	<u>\$ 93,159</u>	<u>\$ 375,326</u>	Fund Balances, June 30, 2008

**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, 2008 (IN THOUSANDS)**

Net Change in Fund Balance - Total Governmental Funds:	\$	16,607
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	\$ 60,871	
Less: current year depreciation	<u>(31,574)</u>	29,297
Capital contribution of capital assets are not reported on governmental funds but recorded at fair value on the statement of net assets.		7,333
Governmental fund revenues deferred due to unavailability were booked in the statement of activities.		2,681
Governmental fund revenues not recognized due to unavailability were booked in the statement of activities.		86
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	\$ 9,229	
Certificates of Participation	2,585	
Capital Leases	1,823	
Tobacco -Asset Backed Bonds	650	
Bonds Payable	4	
Loans Payable	<u>1,505</u>	15,796
Issuance of long-term debt is recorded as other financing sources in the governmental funds, but is recorded as a long-term liability in the statement of net assets.		(3,112)
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	\$ (8,575)	
Change in compensated absences	<u>6,543</u>	(2,032)
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.		(11,730)
The increase in the liability for OPEB does not use current financial resources but is recorded as an expense in the statement of activities.		(12,027)
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>33</u>
	\$	<u><u>42,932</u></u>

COUNTY OF KERN
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2008 (IN THOUSANDS)

	BUSINESS - TYPE ACTIVITIES - ENTERPRISE FUNDS					GOVERNMENTAL ACTIVITIES
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
ASSETS						
Current Assets:						
Pooled Cash and Investments	\$ 462	\$ 647	\$ 59,644	\$ 13,024	\$ 73,777	\$ 48,470
Revolving Fund Cash		8	10		18	
Interest Receivable	6	71	517	136	730	461
Accounts Receivable, Net	111	78,132	1,036	3	79,282	3,534
Accrued Revenue	388		484	510	1,382	234
Due from Other Funds		2,202			2,202	41
Prepaid Items		1,050	121		1,171	2
Net Pension Asset	402	24,789	2,662	120	27,973	172
Inventory - Materials and Supplies		1,661			1,661	66
Total Current Assets	<u>1,369</u>	<u>108,560</u>	<u>64,474</u>	<u>13,793</u>	<u>188,196</u>	<u>52,980</u>
Non-current Assets:						
Cash and Investments Deposited with Trustee	1,027	7,418	3,256		11,701	
Taxes Receivable			4,459	2,485	6,944	
Deposits with Others						330
Investment in Joint Venture		517		1,808	2,325	
Capital Assets:						
Non-depreciable:						
Land	6,756	168	15,628	668	23,220	
Land Acquisition in Progress			91		91	
Construction in Progress	512	1,511	2,626		4,649	
Depreciable:						
Structures and Improvements	87,295	60,199	58,804	15,129	221,427	
Equipment	1,828	40,995	3,172	9,190	55,185	5,696
Intangible Assets			238	48	286	
Subsurface Lines				7,840	7,840	
Accumulated Depreciation and Amortization	(25,023)	(66,264)	(23,660)	(16,240)	(131,187)	
Total Non-current Assets	<u>72,395</u>	<u>44,544</u>	<u>64,614</u>	<u>20,928</u>	<u>202,481</u>	<u>6,026</u>
Total Assets	<u>\$ 73,764</u>	<u>\$ 153,104</u>	<u>\$ 129,088</u>	<u>\$ 34,721</u>	<u>\$ 390,677</u>	<u>\$ 59,006</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	\$ 227	\$ 15,252	\$ 4,977	\$ 1,280	\$ 21,736	\$ 3,086
Salaries and Employee Benefits Payable	129	9,974	655	113	10,871	60
Due to Other Funds		1	4		5	
Current Portion of Long Term Debt	570	2,627	1,703	7	4,907	27
Interest Payable - Current	224	1,043	407	27	1,701	14
Current Portion of Compensated Absences	78	8,377	629	10	9,094	5
Current Portion of Accrued Closure/Post Closure Liability			11,393		11,393	
Current Portion of Liability for Self-Insurance						26,776
Deferred Income		1		1,346	1,347	
Total Current Liabilities	<u>1,228</u>	<u>37,275</u>	<u>19,768</u>	<u>2,783</u>	<u>61,054</u>	<u>29,968</u>
Non-current Liabilities:						
Loans Payable				1,439	1,439	
Advances from Other Funds	11,681	41,248			52,929	
Estimate for Professional Liability Claims		6,159			6,159	
Compensated Absences Payable	52	5,584	420	7	6,063	89
Due to Other Agencies		4,537			4,537	
Deferred Other Post Employment Obligation						12,027
Long Term Debt - Self-Insurance						71,796
Long Term Debt - Certificates of Participation	11,160	10,905	15,840		37,905	
Long Term Debt - Pension Obligation Bonds	960	55,328	4,603	235	61,126	591
Long Term - Interest Payable - Pension Obligation Bonds	216	11,733	705	46	12,700	171
Accrued Closure Liability			21,935		21,935	
Accrued Postclosure Liability			41,655		41,655	
Total Non-current Liabilities	<u>24,069</u>	<u>135,494</u>	<u>85,158</u>	<u>1,727</u>	<u>246,448</u>	<u>84,674</u>
Total Liabilities	<u>25,297</u>	<u>172,769</u>	<u>104,926</u>	<u>4,510</u>	<u>307,502</u>	<u>114,642</u>
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	59,671	31,671	39,474	15,197	146,013	5,696
Restricted for Debt Service (Note XI. C)	1,027	1,363	3,256		5,646	330
Unrestricted	(12,231)	(53,866)	(18,568)	15,014	(69,651)	(61,662)
Total Net Assets	<u>\$ 48,467</u>	<u>\$ (20,832)</u>	<u>\$ 24,162</u>	<u>\$ 30,211</u>	<u>\$ 82,008</u>	<u>\$ (55,636)</u>
Cumulative adjustment to reflect the consolidation of internal service funds activities related to enterprise funds.					(8,324)	
Net Assets of Business -Type Activities:					<u>\$ 73,684</u>	

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, 2008 (IN THOUSANDS)

	BUSINESS -TYPE ACTIVITIES - ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES	
	AIRPORTS	KERN MEDICAL CENTER	WASTE MANAGEMENT	NON-MAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:						
Patient Services	\$	\$ 189,714	\$	\$	\$ 189,714	\$
Charges for Current Services	213	4,715	16,073	6,974	27,975	167,121
Revenues from Use of Property	3,227		20	129	3,376	
Other Operating Revenues		5,225			5,225	
Total Operating Revenues	3,440	199,654	16,093	7,103	226,290	167,121
OPERATING EXPENSES:						
Salaries and Employee Benefits	2,278	167,482	10,119	1,755	181,634	6,203
Services and Supplies	3,573	88,269	18,510	20,121	130,473	16,946
Claims Incurred						141,799
Other Charges	488	5,056	3,219	118	8,881	4,567
Depreciation	1,549	4,136	2,166	1,298	9,149	739
Total Operating Expenses	7,888	264,943	34,014	23,292	330,137	170,254
Operating Income (Loss)	(4,448)	(65,289)	(17,921)	(16,189)	(103,847)	(3,133)
NON-OPERATING REVENUES (EXPENSES):						
Taxes and Assessments	697		17,939	16,780	35,416	
Fines, Forfeitures and Penalties	3	11	179	150	343	
Licenses, Permits and Franchises				11	11	
Interest on Bank Deposits and Investments	134	190	2,609	624	3,557	1,490
Aid from Other Governmental Agencies	914	10,422	207	1,783	13,326	19
Interest Expense	(525)	(1,852)	(1,135)	(269)	(3,781)	(58)
Other Non-Operating Revenues	5	2,507	1,029	43	3,584	1,249
Gain (Loss) on Sale of Capital Assets	4	(22)	392		374	57
Total Non-Operating Revenues	1,232	11,256	21,220	19,122	52,830	2,757
Income (Loss) before Contributions and Transfers	(3,216)	(54,033)	3,299	2,933	(51,017)	(376)
Capital Contributions	2,340				2,340	
Transfers In	258	49,006	85		49,349	764
Transfers Out	(45)				(45)	
Changes in Net Assets	(663)	(5,027)	3,384	2,933	627	388
Net Assets (Deficits), July 1, 2007 (as previously reported)	49,130	(15,805)	20,778	27,278		(56,024)
Net Assets (Deficits), June 30, 2008	\$ 48,467	\$ (20,832)	\$ 24,162	\$ 30,211		\$ (55,636)
Adjustment to reflect the consolidation of internal service funds activities' related to enterprise funds.					354	
Change in Net Assets - Business - Type Activities					\$ 981	

COUNTY OF KERN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2008 (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
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received for Patient/Current Services	\$ 212	\$ 175,745	\$ 16,556	\$ 7,027	\$ 199,540	\$ 177,587
Cash Received for Use of Property	3,227		20	86	3,333	
Cash Received for Other Operations	5	7,602	1,030	25	8,662	1,188
Cash Received as Fines, Forfeitures, and Penalties	3	10	179	117	309	
Cash Received as Licenses and Permits				44	44	
Cash Paid for Salaries and Benefits	(2,235)	(159,334)	(9,785)	(1,708)	(173,062)	(6,159)
Cash Paid for Services and Supplies	(2,950)	(68,368)	(16,113)	(19,804)	(107,235)	(19,904)
Cash Paid for Reported Claims						(124,451)
Cash Paid for Interfund Services and Supplies	(403)	(25,079)	(1,987)	(317)	(27,786)	
Cash Paid for Other Charges	(488)	(5,057)	(929)	(103)	(6,577)	(4,567)
Deposits with Others						(216)
Net Cash Used by Operating Activities	(2,629)	(74,481)	(11,029)	(14,633)	(102,772)	23,478
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:						
Cash Received from Other Funds		48,652		17	48,669	
Taxes and Special Assessments	697		17,375	16,273	34,345	
Cash Received From Advances		118,163			118,163	(5,460)
Cash Paid for Advances	195	(95,886)		(2,500)	(98,191)	5,460
Aid from Other Governmental Agencies	3,633	10,422	292	2,277	16,624	19
Payment of Long Term Debt - Pension Obligation Bond	(35)	(1,509)	(92)	(6)	(1,642)	(22)
Interest Paid	(48)	(2,763)	(219)	(124)	(3,154)	(35)
Net Cash Provided by Non-Capital Financing Activities	4,442	77,079	17,356	15,937	114,814	(38)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Proceeds from Sale of Capital Assets	4		392		396	60
Capital Contributions						
Acquisition or Construction of Capital Assets	(4,350)	(1,293)	(2,341)	(1,125)	(9,109)	(594)
Cash Received for Advances Receivable			2,500		2,500	
Proceeds from Loan Payable				1,261	1,261	
Principal Paid on Capital Debt	(513)	(700)	(1,500)	(2,807)	(5,520)	
Interest Paid on Capital Debt	(503)	(395)	(844)	(157)	(1,899)	
Net Cash Used by Capital and Related Financing Activities	(5,362)	(2,388)	(1,793)	(2,828)	(12,371)	(534)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest on Bank Deposits and Investments	157	210	2,760	658	3,785	1,428
Net Cash Provided by Investing Activities	157	210	2,760	658	3,785	1,428
Net Increase (Decrease) in Cash and Cash Equivalents	(3,392)	420	7,294	(866)	3,456	24,334
Cash and Cash Equivalents, July 1, 2007	4,881	7,653	55,616	13,890	82,040	24,136
Cash and Cash Equivalents, June 30, 2008	\$ 1,489	\$ 8,073	\$ 62,910	\$ 13,024	\$ 85,496	\$ 48,470

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, 2008 (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	\$ (4,448)	\$ (65,289)	\$ (17,921)	\$ (16,189)	\$ (103,847)	\$ (3,133)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:						
Other Non-Operating Revenues	56	5,151	1,209	185	6,601	1,186
Depreciation	1,549	4,136	2,166	1,298	9,149	739
Changes in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(1)	(14,656)	322	11	(14,324)	(1,452)
(Increase) Decrease in Inventory		179			179	4
(Increase) Decrease in Accrued Revenue			161	(1)	160	(99)
(Increase) Decrease in Due from Others			1		1	(8)
(Increase) Decrease in Deposits with Others						(216)
(Increase) Decrease in Net Pension Asset	27	1,632	144	5	1,808	12
(Increase) Decrease in Prepaid Items		61			61	10
(Increase) Decrease in Investment in Joint Venture				(109)	(109)	
Increase (Decrease) in Accounts Payable		(2,380)			(2,380)	
Increase (Decrease) in Accrued Expenses	220	(1,547)	(868)	126	(2,069)	(2,971)
Increase (Decrease) in Due to Others		(4,029)		(1)	(4,030)	
Increase (Decrease) in Salaries & Benefits Payable	14	1,794	116	(3)	1,921	27
Increase (Decrease) in Compensated Absences Payable	(46)	1,958	75	45	2,032	5
Increase (Decrease) in Provision for Liability Claims		(1,491)			(1,491)	17,347
Increase (Decrease) in Deferred Other Post Employment Obligation						12,027
Increase (Decrease) in Closure/Post Closure Liability			3,566		3,566	
Total Adjustments	1,819	(9,192)	6,892	1,556	1,075	26,611
Net Cash Used by Operating Activities	\$ (2,629)	\$ (74,481)	\$ (11,029)	\$ (14,633)	\$ (102,772)	\$ 23,478
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Net Transfers of Capital Assets to Other Funds	\$	\$	\$	\$	\$	\$ (194)
Total Non-cash Investing, Capital, and Financing Activities	\$	\$	\$	\$	\$	\$ (194)

COUNTY OF KERN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008 (IN THOUSANDS)

<u>ASSETS</u>	<u>INVESTMENT TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
Cash and Cash Equivalents	\$ 1,697,495	\$ 146,606
Total Cash and Cash Equivalents	<u>1,697,495</u>	<u>146,606</u>
Receivables:		
Accounts	162	52
Loans		198
Taxes		86,508
Interest and Dividends	15,207	1,499
Total Receivables	<u>15,369</u>	<u>88,257</u>
Due from Other Funds		19
Due from Other Agencies		<u>7,547</u>
Total Due from Others		<u>7,566</u>
Capital Assets, Net of Accumulated Depreciation	<u>5</u>	
Total Assets	<u>\$ 1,712,869</u>	<u>\$ 242,429</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
Warrants Payable	\$ 67,312	\$ 36,918
Accounts Payable	2,509	85
Matured Bonds & Interest Payable	139	
Due to Other Agencies	2,749	205,106
Unapportioned Installment Redemptions		<u>320</u>
Total Liabilities	<u>72,709</u>	<u>\$ 242,429</u>
Net Assets Held in Trust for Pool Participants	<u>\$ 1,640,160</u>	
Total Liabilities and Fund Balances	<u>\$ 1,712,869</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, 2008 (IN THOUSANDS)**

ADDITIONS:

Contributions on Pooled Investments	\$ 6,557,001
Use of Money and Property	<u>59,117</u>
Total Additions	<u>6,616,118</u>

DEDUCTIONS:

Distributions from Pooled Investments	<u>6,374,555</u>
Net decrease in Net Assets	241,563
Net Assets held in trust, July 1, 2007	<u>1,398,598</u>
Net Assets held in trust, June 30, 2008	<u>\$ 1,640,161</u>

**NOTES TO THE FINANCIAL
STATEMENTS**



**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

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. K. 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, 2008 (IN THOUSANDS)**

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.

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. 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.

GASB Statement No. 51

The GASB has issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement is effective for financial statements for periods beginning after June 15, 2009. This statement establishes accounting and financial reporting requirement for intangible assets including easements, water rights, timber rights, patents, trademarks, and computer software. The County will not implement GASB Statement No. 51 early.

Government Wide Financial Statements

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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 relation to the proprietary funds' primary operations. Expenses that are not directly related to the proprietary funds' primary operations are reported as non-operating expenses.

COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

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)

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. K. 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.

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.

COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

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)

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.

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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. BASIS OF ACCOUNTING (CONTINUED)

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.

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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 2007 - 2008 net assessed valuation of the County of Kern was \$79,657,455.

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, 2008 (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.

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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Compensated Absences (Continued)

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 2007 – 2008 was \$599,488, the estimated adjustment was \$409,063 for a net patient service revenue of \$190,424. 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 Medi-Cal Cost Report determined rate. Services to inpatient Medicare program beneficiaries are primarily paid under prospectively determined rates-per-discharge based upon diagnostic related groups.

Outpatient Medicare beneficiaries are reimbursed based on prospective determined rates on an Ambulatory Payment Classifications System, subject to certain limitations. Revenues from the Medi-Cal and Medicare programs represent approximately 32% and 15%, respectively, of the net patient care revenue for the year ended June 30, 2008.

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

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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. HOSPITAL AND OTHER PROGRAM REVENUES (CONTINUED)

Medi-Cal and Medicare Programs (CONTINUED)

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 \$84,087 and \$80,182 in fiscal years 2008 and 2007, respectively, under the State of California's Medi-Cal disproportionate share program. The program required the County to provide matching funds of \$14,551 and \$17,293 in fiscal years 2008 and 2007, 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.

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, 2008 was \$482.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. HOSPITAL AND OTHER PROGRAM REVENUES (CONTINUED)

Other Program Revenues (CONTINUED)

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.

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 Non-Major Governmental Funds and in addition to those previously mentioned the Government Wide was also restated for General and Fire funds and the governmental capital assets for the fiscal year ended June 30, 2008:

Fund Balances – Governmental Activities	
Fund balances – governmental funds at June 30, 2007, as previously reported	\$ 352,390
Prior Period Adjustments:	
Adjust for correction of fund classification of nonmajor- Other Special Revenue fund	6,305
Adjust for correction of fund classification of nonmajor debt service fund- SW Shafter Water Project	24
Fund Balances – Governmental Funds at June 30, 2007, as restated	<u>\$ 358,719</u>

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

Net Assets – Governmental Activities	
Net Assets – Governmental Activities at June 30, 2007, as previously reported	\$ 435,465
Prior Period Adjustments:	
Adjust for correction of fund classification of nonmajor- Other Special Revenue fund	6,305
Adjust for correction of fund classification of nonmajor debt service fund- SW Shafter Water Project	24
Adjust deferred revenue for General And Fire Fund	8,407
Adjust long-term debt for SW Shafter Water Project	(220)
Adjust capital assets accumulated depreciation	1,775
Net Assets – Business-type Activities at June 30, 2007, as restated	<u>\$ 451,756</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (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, 2008:

Non-major Governmental Funds:	
Public Improvement Districts	<u>(183)</u>
Major Enterprise Funds:	
Kern Medical Center	<u>(20,832)</u>
Internal Service Funds:	
General Liability	(7,373)
Group Health	(2,287)
Unemployment Comp	(1,008)
Workers' Compensation	(67,433)
	<u>\$ (78,101)</u>

The deficit in the Public Improvement Districts increased from prior year deficit of \$7 to current year deficit of \$183 as a result of an increase in operations. The fund deficit for Kern Medical Center is the result of prior deficit and current year's operations. The prior year's deficit of \$15,805 was increased to \$20,832. The General Liability, Group Health, and Workers' Compensation negative retained earnings represent liabilities incurred as a result of self-insurance.

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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

B. CASH AND INVESTMENTS DEPOSITED WITH TRUSTEE

At June 30, 2008, the balance for Cash and Investments Deposited with Trustee consists of the following:

Money Market Accounts	\$	11,978
Investment Agreements		56,669
Federal Agency		9,287
Total Cash and Investments Deposited with Trustee	\$	<u>77,934</u>

Of the \$77,934 total cash and investments deposited with trustee, \$13,151 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. \$52,588 is recorded in the Tobacco Securitization Fund and will be utilized for capital projects, while \$10,860 is recorded on the Kern County Tobacco Proceeds Funding Corporation are held in trust for debt service reserves. \$1,027 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 \$77,934, \$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.

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, 2008 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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

C. INVESTMENTS (CONTINUED)

Custodial credit risk – deposits (CONTINUED)

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 93.9% and 6.1%, 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 \$34,757. 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.

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

Investment	Rating		Weighted Average Maturity
	Moody's	Standard & Poor's (S&P)	
Commercial Paper	P-1, NR	A-1, A-1+ & NR	0.096777294
Federal Agency Issues (Coupon)	Aaa	AAA	1.930475816
Asset Backed Securities	Aaa	AAA	4.830555556
Medium Term Notes	Aa2, Aa3, P-1, A1, A2, Aa1	AA-, AA, AAA, A+, A1+, AA+	2.989285214
Negotiable CDs	P-1, NR	A-1+, A-1, A+	0.744550641
Portfolio Weighted Average Maturity			1.754439367

Investment	Fair Value	Principal	Maturity Range
Commercial Paper	144,535	144,536	07/11/2008-07/31/2008
Federal Agency Issues (Coupon)	1,259,336	1,075,632	08/15/2008-06/26/2013
State Treasury's Pool (LAIF)	34,525	34,757	
Asset Backed Securities	5,762	5,791	08/15/2011-08/15/2011
Medium Term Notes	290,912	303,919	07/15/2008-02/15/2013
Negotiable CDs	369,123	374,589	07/15/2008-1/30/2012
Bank Accounts & Accruals	57,746	57,746	
	\$ 2,161,939	\$ 1,996,970	

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IV. CASH AND INVESTMENTS (CONTINUED)

C. INVESTMENTS (CONTINUED)

Custodial credit risk – investments (CONTINUED)

The following represents a condensed statement of net assets and changes in net assets for the Pool as of June 30, 2008:

Statement of Net Assets:	
Total Assets Held for Pool Participants	\$ 2,161,939
Less: Warrants Payable	104,230
Pool Equity, Net	<u>\$ 2,057,709</u>
Equity of Internal Pool Participants	\$ 417,549
Equity of External Pool Participants (Voluntary & Involuntary)	1,640,160
Total Equity	<u>\$ 2,057,709</u>
Statement of Changes in Net Assets:	
Net Assets at July 1, 2007	\$ 1,839,824
Net Changes in Investments by Pool Participant	217,885
Net Assets at June 30, 2008	<u>\$ 2,057,709</u>

Bank deposits are reported based upon balances at June 30, 2008 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 \$65,926.

D. DEPOSITS WITH OTHERS

The County has total deposits with others of \$535. 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 \$330 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, 2008 (IN THOUSANDS)**

V. RECEIVABLES

A. RECEIVABLES

The County's net receivables for the year ended June 30, 2008 for the individual funds, non-major funds and internal services funds are as follows:

Governmental Activities:	Taxes	Accounts	Interest	Other	Total Receivables
General Fund	\$ 57,232	\$	\$ 2,157	\$ 27,290	\$ 86,679
Child Support			15	1,006	1,021
Employer's Training Resource			6	1,482	1,488
Human Services		13,144	54	14,552	27,750
Mental Health		512	119	13,948	14,579
Roads			199	9,671	9,870
Structural Fire	6,206		105	8,615	14,926
Tobacco Securitization Proceeds			35		35
Other Non-major Governmental Funds	793		477	13,886	15,156
Internal Service Funds		3,534	461	234	4,229
Total Governmental Activities	\$ 64,231	\$ 17,190	\$ 3,628	\$ 90,684	\$ 175,733

The receivables category classified as Other is composed of receivables from various State sources. Of the \$13,144 of accounts receivable for Human Services, \$780 is estimated to be collected within one year, leaving \$12,364 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 \$53,312. Of this amount, \$47,503 is recorded in the General Fund, \$5,151 in the Structural Fire Fund and \$658 in the County Service Areas Non-major Governmental Fund – Special Revenue Fund.

Business-type Activities:	Taxes	Accounts	Interest	Other	Gross Receivables	Allowance for Uncollectibles	Total Receivables
Airports	\$	\$ 195	\$ 6	\$ 388	\$ 589	\$ 84	\$ 505
Kern Medical Center		251,103	71		251,174	172,971	78,203
Waste Management	4,459	1,196	517	484	6,656	160	6,496
Non-major Enterprise Funds	2,485	3	136	510	3,134		3,134
Total Business-type Activities	\$ 6,944	\$ 252,497	\$ 730	\$ 1,382	\$ 261,553	\$ 173,215	\$ 88,338

Kern Medical Center's accounts receivable balance is \$251,103. Of the accounts receivable balance, Kern Medical Center estimates not to collect \$172,971.

The total amount of taxes receivable not expected to be collected within one year is \$5,763. The \$5,763 taxes receivable is allocated to Waste Management, County Sanitation Districts, and Universal Collections in the amounts of \$4,107, \$44 and \$1,612, respectively.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (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, 2008 are as follows:

Unavailable:	Governmental Activities	Business-Type Activities
Delinquent Property Taxes Receivable		
General Fund	\$ 17,813	\$ -
Structural Fire	5,337	
Non-major Governmental Fund	1,427	
Accounts Receivable		
Human Services	13,695	
Kern Medical Center		1
Public Transportation		1,346
Advance Funds		
Human Services	9,181	
Total Deferred or Unearned Revenue	<u>\$ 47,453</u>	<u>\$ 1,347</u>

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, 2008 are as follows:

	Due To	Due From	Purpose
General Fund	\$ 4,962	\$	
Employers' Training Resource		470	Expense Reimbursement
Non-major Governmental Funds		4,492	Proposition 172 Revenue and Expense Reimbursement
	<u>4,962</u>	<u>4,962</u>	
Structural Fire	459		
Non-major Governmental Funds		459	Proposition 172 Revenue
	<u>459</u>	<u>459</u>	
Kern Medical Center	2,202		
General Fund		2,202	Final Allocation of Tax Revenue
	<u>2,202</u>	<u>2,202</u>	
Internal Service Funds	41		
General Fund		33	Services Provided
Human Services		1	Services Provided
Mental Health		1	Services Provided
Kern Medical Center		1	Services Provided
Waste Management		4	Services Provided
Non-major Governmental Funds		1	Services Provided
	<u>41</u>	<u>41</u>	
Total	<u>\$ 7,664</u>	<u>\$ 7,664</u>	

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

VI. INTERFUND TRANSACTION (CONTINUED)

B. LOANS RECEIVABLE/PAYABLE

Loans receivable or payable at June 30, 2008 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
Non-major Governmental Fund	Non-major Business-Type Fund	\$ 1,439	Capital loan
		<u>\$ 1,439</u>	

C. ADVANCES TO/FROM OTHER FUNDS

Advances to or from Other Funds at June 30, 2008 are as follows:

<u>Advances From</u>	<u>Advances To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Human Services	\$ 51	To cover cash flow.
General Fund	Kern Medical Center	41,248	To cover cash flow.
General Fund	Non-major Governmental Funds	<u>2,492</u>	To cover cash flow.
		43,791	
Tobacco Securitization Proceeds	Airports	2,990	To cover cash flow.
Non-major Governmental Funds	Airports	<u>8,691</u>	To cover cash flow.
		<u>11,681</u>	
		<u>\$ 55,472</u>	

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

VI. INTERFUND TRANSACTION (CONTINUED)

D. TRANSFERS

A reconciliation of transfers is detailed below:

Transfers From	Transfers To	Amount
Structural Fire		\$ 207
Mental Health		188
Employers' Training Resource		10,647
Tobacco Securitization Proceeds		750
Airports		45
Non-major Governmental Funds		<u>66,206</u>
	General Fund	<u>78,043</u>
General Fund		26,968
Non-major Governmental Funds		<u>65</u>
	Human Services	<u>27,033</u>
General Fund	Kern Medical Center	<u>49,006</u>
General Fund		4,325
Non-major Governmental Funds		<u>313</u>
	Mental Health	<u>4,638</u>
General Fund		10,450
Non-major Governmental Funds		<u>530</u>
	Roads	<u>10,980</u>
General Fund		19,996
Non-major Governmental Funds		<u>5,554</u>
	Structural Fire	<u>25,550</u>
Non-major Governmental Funds	Waste Management	<u>85</u>
General Fund		12,161
Structural Fire		779
Non-major Governmental Funds	Non-major Governmental Funds	<u>125</u>
		<u>13,065</u>
		<u>\$ 208,400</u>

A total of \$11,837 was transferred into the General Fund from Structural Fire, Mental Health, Employers' Training Resource, Tobacco Securitization Proceeds, and Airports as a subsidy to the operation. The General Fund transferred \$49,006 to Kern Medical Center as a contribution to the hospital's operations as well as a transfer of special purpose funds received from the State. Non-major Governmental Fund received \$12,161 from the General Fund as a subsidy to the operations. The General Fund and Non-major Governmental Funds transferred \$27,033 to Human Services, and \$4,638 to Mental Health, \$10,980 to Roads, and \$25,550 to Structural Fire as a subsidy to their operations.

Non-major Governmental Fund transferred \$66,206 to the General Fund as part of the funding for Health MAA/TCM, Prop 35 Substance Abuse, Litter Cleanup, Off-Highway Motor Vehicle

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

VI. INTERFUND TRANSACTION (CONTINUED)

D. TRANSFERS (CONTINUED)

License, DNA Identification, Local Public Safety, Auto Fingerprint, Emergency Medical Services, Automated County Warrant, Domestic Violence, Criminal Justice Facility, Records Fee, Tobacco Education, Health Bio Terrorism, Information Kiosk, Veterinarian, and Micrographic.

Non-Major Governmental Funds transferred \$85 to Waste Management as part of special purpose funds received from the State. Structural Fire and Non-Major Governmental Funds transferred \$904 to various Non-Major Governmental Funds.

VII. CAPITAL ASSETS

A. CAPITAL ASSETS

Capital asset governmental activity for the year ended June 30, 2008 is as follows:

	Beginning Balance Restated	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated:				
Land & Easement	\$ 23,920	\$ 46	\$ 112	\$ 23,854
Construction in Progress	24,513	16,322	1,903	38,932
Total Capital Assets, not being depreciated	<u>48,433</u>	<u>16,368</u>	<u>2,015</u>	<u>62,786</u>
Capital Assets, being depreciated:				
Infrastructure	415,976	37,403		453,379
Structures & Improvements	346,415	3,835		350,250
Equipment	145,139	17,165	6,518	155,786
Total Capital Assets, being depreciated	<u>907,530</u>	<u>58,403</u>	<u>6,518</u>	<u>959,415</u>
Less: Accumulated Depreciation for:				
Infrastructure	190,089	13,633		203,722
Structures & Improvements*	135,204	6,451		141,655
Equipment & Intangibles	78,569	12,229	4,712	86,086
Total Accumulated Depreciation and Amortization	<u>403,862</u>	<u>32,313</u>	<u>4,712</u>	<u>431,463</u>
Total Capital Assets, being depreciated, net	<u>503,668</u>	<u>26,090</u>	<u>1,806</u>	<u>527,952</u>
Capital Assets, net	<u>\$ 552,101</u>	<u>\$ 42,458</u>	<u>\$ 3,821</u>	<u>\$ 590,738</u>

*As restated see note II. A

At June 30, 2008, the beginning balance in accumulated depreciation for infrastructure and structures and improvements were restated by a prior period adjustment of \$(2,101) and \$326, respectively.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

VII. CAPITAL ASSETS (CONTINUED)

A. CAPITAL ASSETS (CONTINUED)

Capital asset business-type and component unit activity for the year ended June 30, 2008 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities:				
Capital Assets, not being depreciated:				
Land	\$ 22,869	\$ 393	\$ 42	\$ 23,220
Land Acquisition in Progress	334	150	393	91
Construction in Progress	39,297	7,476	42,124	4,649
Total Capital Assets, not being depreciated	62,500	8,019	42,559	27,960
Capital Assets, being depreciated:				
Structures & Improvements	179,172	42,255		221,427
Equipment	54,443	2,883	2,141	55,185
Intangibles	286			286
Infrastructure	7,841		1	7,840
Total Capital Assets, being depreciated	241,742	45,138	2,142	284,738
Less: Accumulated Depreciation for:				
Structures & Improvements	76,762	5,533		82,295
Equipment	41,480	3,471	916	44,035
Intangibles	137	29		166
Infrastructure	4,552	139		4,691
Total Accumulated Depreciation and Amortization	122,931	9,172	916	131,187
Total Capital Assets, being depreciated, net	118,811	35,966	1,226	153,551
Capital Assets, net	\$ 181,311	\$ 43,985	\$ 43,785	\$ 181,511

*As restated see note II. A

	Beginning Balance	Additions	Deletions	Ending Balance
Component Unit Activities:				
Capital Assets, being depreciated:				
Vehicles	\$ 22	\$ 25	\$ 22	\$ 25
Equipment		\$ 13		\$ 13
Less: Accumulated Depreciation	14	7	15	6
Capital Assets, net	\$ 8	\$ 31	\$ 7	\$ 32

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

VII. CAPITAL ASSETS (CONTINUED)

B. DEPRECIATION

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

Governmental Activities:	
General	\$ 5,146
Public Protection	8,972
Public Ways and Facilities	13,897
Health and Sanitation	529
Public Assistance	912
Education	544
Recreation and Culture	1,574
Depreciation on Capital Assets Held by the County's Internal Service Fund are charged to various functions based on usage of the assets	739
Total Depreciation Expense - Governmental Activities	<u>\$ 32,313</u>
 Business-type Activities:	
Airports	\$ 1,549
Kern Medical Center	4,136
Waste Management	2,166
County Sanitation Districts	371
Golf Course	148
Public Transportation	779
Total Depreciation Expense - Business-type Activities	<u>\$ 9,149</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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (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, 2008 amounted to \$10,480. The following is a schedule of future minimum long-term operating lease payments for the Governmental Funds:

Year Ending June 30,	Amount
2009	\$ 7,786
2010	6,665
2011	5,637
2012	5,487
2013	5,292
2014 - 2018	22,148
2019 - 2023	7,994
2024 - 2026	1,518
Total	<u>\$ 62,527</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, 2008. 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
2009	\$ 1,983
2010	833
2011	354
2012	282
2013	282
2014 - 2017	847
Total Minimum Lease Payments	4,581
Less: Amount Representing Interest	(761)
Present Value of Minimum Lease Payments	<u>\$ 3,820</u>

Interest expense for the capital leases for the current fiscal year was \$761. The interest expense is reported as direct expense in each function.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

VIII. LEASES (CONTINUED)

B. CAPITAL LEASES (CONTINUED)

The following is a schedule of capital assets under capital leases by major classes at June 30, 2008:

Year Ending June 30, 2008	Governmental Activities
Equipment	\$ 8,913
Structure	792
Total Capital Lease Assets, Gross	<u>\$ 9,705</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 \$1,050,980. 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, 2008 (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, 2008	Due Within One Year
Governmental Activities:					
Compensated Absences	\$ 48,128	\$ 32,251	\$ 25,702	\$ 54,677	\$ 32,844
Lease Purchase Agreements	5,419	225	1,824	3,820	1,380
Bonds Payable – Belle Vista	225			225	190
Bonds Payable – SW Shafter	220		4	216	4
Certificates of Participation	14,105		2,585	11,520	930
Tobacco – Asset Backed Bonds	101,265		650	100,615	630
Loans Payable – HUD Loan	3,660		1,145	2,515	1,220
Loans Payable – Rexland Acres		3,112		3,112	33
Loans Payable – Sheriff/Retrofitting	2,341		360	1,981	371
Pension Obligation Bonds (1995)	164,196		7,974	156,222	9,647
Pension Obligation Bonds (2003)	243,169		1,274	241,895	2,068
Total Governmental Activities	582,728	35,588	41,518	576,798	49,317
Business-type Activities:					
Compensated Absences	13,172	8,891	6,906	15,157	9,094
Certificates of Participation	46,465		5,705	40,760	2,855
Pension Obligation Bonds (1995)	29,878		1,451	28,427	1,755
Pension Obligation Bonds (2003)	34,935		183	34,752	297
Closure Liability	30,755	2,976	686	33,045	11,109
Post-closure Liability	40,662	1,276		41,938	284
Total Business-type Activities	195,867	13,143	14,931	194,079	25,394
Total Government-wide Long-Term Liabilities	\$ 778,595	\$ 48,731	\$ 56,449	\$ 770,877	\$ 74,711

*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 \$52,280 at fixed interest rates. The proceeds of these Certificates are being used for the acquisition of equipment and acquisition of 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, \$11,520 is included in the governmental activities, \$11,695 is included as current and long-term debt of the Airports Fund, \$11,640 is included as current and long-term debt of the Kern Medical Center Fund and \$17,425 is included as current and long-term debt of the Waste Management Fund. The 1999 Capital Improvement Project COP balance of \$16,455 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, 2008 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. 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 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 Beale Library COP has been paid off. 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 had fixed interest rates that ranged from 3.2% to 4.9%.

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
2009	115	58	173
2010	120	51	171
2011	130	43	173
2012	135	35	170
2013	145	25	170
2014 - 2015	320	20	340
Total	\$ 965	\$ 232	\$ 1,197

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, 2008 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION (CONTINUED)

1999 CAPITAL IMPROVEMENT PROJECT – COMMUNICATIONS PROJECT (CONTINUED)

Year Ending June 30,	Principal	Interest	Total
2009	300	245	545
2010	315	230	545
2011	335	214	549
2012	345	198	543
2013	365	179	544
2014 - 2016	1,210	418	1,628
2017 - 2020	1,945	221	2,166
Total	<u>\$ 4,815</u>	<u>\$ 1,705</u>	<u>\$ 6,520</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:

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

Year Ending June 30,	Principal	Interest	Total
2009	515	299	814
2010	545	274	819
2011	570	246	816
2012	600	216	816
2013	630	184	814
2014 - 2016	2,105	348	2,453
2017	775	40	815
Total	<u>\$ 5,740</u>	<u>\$ 1,607</u>	<u>\$ 7,347</u>

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
2009	735	591	1,326
2010	765	556	1,321
2011	800	518	1,318
2012	840	477	1,317
2013	885	434	1,319
2014 - 2018	5,150	1,404	6,554
2019 - 2020	2,465	138	2,603
Total	<u>\$ 11,640</u>	<u>\$ 4,118</u>	<u>\$ 15,758</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION (CONTINUED)

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
2009	1,585	142	1,727
2010	1,675	48	1,723
Total	\$ 3,260	\$ 190	\$ 3,450

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
2009		614	614
2010	1,610	582	2,192
2011	1,570	518	2,088
2012	1,640	453	2,093
2013	1,705	384	2,089
2014 - 2017	7,640	726	8,366
Total	\$ 14,165	\$ 3,277	\$ 17,442

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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION (CONTINUED)

Solid Waste System Improvements (2002) (CONTINUED)

The following 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. A schedule of debt service coverage is as follows:

	2008	2007	2006	2005	2004
Operating Revenues					
Land Use Fee	\$ 17,375	\$ 16,032	\$ 15,603	\$ 15,178	\$ 14,876
Gate Fee	10,987	11,590	12,060	10,916	9,869
Bin Fee *	4,578	4,174	4,234	4,615	3,694
Other (Includes interest income)	4,478	4,477	3,983	2,856	2,455
Total Operating Revenue	<u>37,418</u>	<u>36,273</u>	<u>35,880</u>	<u>33,565</u>	<u>30,894</u>
Operating Expense					
Salaries	10,784	9,611	8,929	7,820	6,692
Services & Supplies	17,377	16,983	15,498	15,658	15,584
Transfer to Closure	2,626	1,174	715	5	800
Other (excluding depreciation)	593	398	117	304	338
Total Operating Expense	<u>31,380</u>	<u>28,166</u>	<u>25,259</u>	<u>23,787</u>	<u>23,414</u>
Net Operating Revenue	<u>6,038</u>	<u>8,107</u>	<u>10,621</u>	<u>9,778</u>	<u>7,480</u>
1994 Debt Service	1,675	1,669	1,672	1,712	1,694
2002 Debt Service	549	543	535	604	556
Total Debt Service	<u>2,224</u>	<u>2,212</u>	<u>2,207</u>	<u>2,316</u>	<u>2,250</u>
Debt Service Coverage Ratio 1 Net Operating Revenue/Total Debt Service	2.71	3.67	4.81	4.22	3.32
Net Operating Revenue after Debt Service	<u>3,814</u>	<u>5,895</u>	<u>8,414</u>	<u>7,462</u>	<u>5,230</u>
Non-Operating Revenue (Expense)					
Closure Project Expense	(27)	(48)	(20)	(166)	(365)
Non-Closure Capital Projects	(1,087)	(9,312)	(13,541)	(2,398)	(2,232)
Capital Equipment	(881)	(193)	(210)	(199)	(322)
Other non-operating revenue	433	26			
Net Non-Operating Revenue (Expense)	<u>(1,562)</u>	<u>(9,527)</u>	<u>(13,771)</u>	<u>(2,763)</u>	<u>(2,919)</u>
Total Net Income (Loss)	<u>2,252</u>	<u>(3,632)</u>	<u>(5,357)</u>	<u>4,699</u>	<u>2,311</u>
Available Funds (Beginning Balance)					
Beginning balance	19,651	3,963	7,274	8,056	4,945
Total Income (Loss)	2,252	(3,632)	(5,357)	4,699	2,311
Draw from Closure Reserve		682		941	
Draw from Bena & Shafter Reserve		10,509			
Other Adjustments	(2,076)	8,129	2,046	(6,422)	800
Available Funds (Ending Balance)	<u>\$ 19,827</u>	<u>\$ 19,651</u>	<u>\$ 3,963</u>	<u>\$ 7,274</u>	<u>\$ 8,056</u>
Debt Service Coverage Ratio 2	11.55	5.46	8.11	7.70	5.52

* 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, 2008 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

B. CERTIFICATES OF PARTICIPATION (CONTINUED)

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%. The 1996 COP-Golf has been paid off and replaced with an intrafund loan. See note VI B.

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
2009	535	489	1,024
2010	550	472	1,022
2011	570	454	1,024
2012	590	433	1,023
2013	615	408	1,023
2014 - 2018	3,480	1,641	5,121
2019 - 2023	4,355	774	5,129
2024	1,000	24	1,024
Total	\$ 11,695	\$ 4,695	\$ 16,390

C. 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. The current fiscal agent is The Bank of New York.

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
2009	1,220	137	1,357
2010	1,295	47	1,342
Total	\$ 2,515	\$ 184	\$ 2,699

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 shown on the next page:

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

C. LOANS PAYABLE (CONTINUED)

Sheriff/Retrofitting (CONTINUED)

Year Ending June 30,	Principal	Interest	Total
2009	371	61	432
2010	383	49	432
2011	396	36	432
2012	409	24	433
2013	422	10	432
Total	\$ 1,981	\$ 180	\$ 2,161

Rexland Acres Sewer Project

In order to facilitate construction of the Rexland Acres Sewer Project, the County borrowed \$3,112,000 in USDA Rural Development – Rural Utilities Service Loan funds in fiscal year 2007 – 2008. The expected maturity dates were from September 2, 2008 – 2046. The loans payable interest rates range from 4.125% to 4.25%. The Rexland Acres Sewer Project debt schedule of the outstanding balance is as follows:

Year Ending June 30,	Principal	Interest	Total
2009	33	132	165
2010	34	129	163
2011	35	128	163
2012	37	126	163
2013	39	125	164
2014 - 2018	219	597	816
2019 - 2023	267	546	813
2024 - 2028	328	484	812
2029 - 2033	405	407	812
2034 - 2038	500	311	811
2039 - 2043	618	194	812
2044 - 2046	597	52	649
Total	\$ 3,112	\$ 3,231	\$ 6,343

D. 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 OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IX LONG-TERM DEBT (CONTINUED)

D. BONDS PAYABLE (CONTINUED)

Tobacco Settlement Asset-Backed Bonds (Continued)

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
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	985	6,157	7,142
2014 - 2018	5,335	29,826	35,161
2019 - 2023	8,690	27,847	36,537
2024 - 2028	12,370	24,775	37,145
2029 - 2033	16,830	20,573	37,403
2034 - 2038	23,495	14,482	37,977
2039 - 2043	30,140	6,261	36,401
Total	\$ 100,615	\$ 155,059	\$ 255,674

Belle Vista

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:

Year Ending June 30,	Principal	Interest	Total
2009	190	10	200
2010	35	1	36
Total	\$ 225	\$ 11	\$ 236

Southwest Shafter

The Southwest Shafter bonds payable are pursuant to the Improvement Bond Act of 1915 and Resolution of Intention Number 2001-257. The Board of Supervisors adopted the bond on July 3, 2001. The original issue amount for Southwest Shafter was \$238 and the expected maturity dates were from September 2, 2002 – 2040. The bonds payable has a fixed interest rate of 3.25%. The debt related schedule is as follows:

Year Ending June 30,	Principal	Interest	Total
2009	4	7	11
2010	4	7	11
2011	4	7	11
2012	4	7	11
2013	4	6	10
2014 - 2018	25	30	55
2019 - 2023	26	26	52
2024 - 2028	32	21	53
2029 - 2033	37	15	52
2034 - 2038	44	9	53
2039 - 2041	32	2	34
Total	\$ 216	\$ 137	\$ 353

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

E. 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, 2008, the amount of certificates included, as a component of the County's pension liability, was \$184,648. Of this amount, \$156,222 has been recorded in the governmental activities, and \$28,428 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, 2008 interest payments related to the certificates were \$10,125. Of this amount, \$7,974 was paid out of governmental funds and \$1,451 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
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	21,980	4,772	26,752
2014 - 2018	76,926	83,625	160,551
2019 - 2022	25,757	129,664	155,421
Total	\$ 184,649	\$ 249,779	\$ 434,428

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. This amount was recorded in the Government-Wide Statement of Net Assets as a liability along with a negative net pension asset for the same amount. 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 166 basis points. The rate, for the period of June 8, 2007 to July 2, 2008, was 5.46%.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

IX. LONG-TERM DEBT (CONTINUED)

E. PENSION OBLIGATION BOND (CONTINUED)

2003 Pension Obligation Bond (CONTINUED)

At June 30, 2008, the amount of bonds included as a component of the County's pension liability was \$276,646. The net pension asset was reduced using the amortization methodology used in determining the annual required contribution for the year. The net pension asset at June 30, 2008 is \$225,778. 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
2009	2,365	10,861	13,226
2010	3,337	10,768	14,105
2011	4,386	10,631	15,017
2012	5,528	10,444	15,972
2013	6,766	10,200	16,966
2014 - 2018	56,189	44,938	101,127
2019 - 2023	106,561	26,118	132,679
2024 - 2028	91,514	77,837	169,351
Total	\$ 276,646	\$ 201,797	\$ 478,443

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, 2008.

	Beginning Balance	Additions	Deletions	Ending Balance
Tax and Revenue Anticipation Notes	\$	\$ 150,000	\$ 150,000	\$

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (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, 2008 is as follows:

	General Fund	Child Support	Employers' Training Resource	Human Services	Mental Health	Roads	Structural Fire	Other Governmental Funds
Imprest Cash	\$ 1,207	\$ 96	\$	\$ 101	\$ 1	\$	\$ 2	\$ 2
Deposits with Others	205							
Inventory	62					2,108	957	
Infrastructure Replacement								14,167
Encumbrances	13,193	10	889	3,126	13,964	5,898	5,948	4,886
Fiscal Stability	48,020							
General								7,018
Tax Litigation	1,542						615	
Design Work Force Plan								
Litigation Designation	236							
Tax Loss	23,411							
Debt Service								14,574
Total Reserved Fund Balance	\$ 87,876	\$ 106	\$ 889	\$ 3,227	\$ 13,965	\$ 8,006	\$ 7,522	\$ 40,647

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
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

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, 2008.

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, 2008 and 2007 are as follows:

	July 1, 2007	Claims & Changes in Estimates	Claims Payments	June 30, 2008	Due Within One Year
General Liability	\$ 10,556	\$ 2,419	\$ 649	\$ 12,326	\$ 724
Group Health	5,500	112,848	107,826	10,522	10,522
Unemployment Compensation	1,235	3,185	2,822	1,598	1,598
Workers' Compensation	63,934	23,328	13,136	74,126	13,932
Total	\$ 81,225	\$ 141,780	\$ 124,433	\$ 98,572	\$ 26,776

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

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

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

A. RISK MANAGEMENT (CONTINUED)

with generally accepted accounting principles, an estimated liability for incurred but not reported losses of \$7,326 at June 30, 2008. KMC had a \$5,000 self-insured retention per occurrence for medical malpractice as of June 30, 2008. 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.

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,
2008	\$ 8,816	\$ (1,167)	\$ 323	\$ 7,326
2007	5,956	2,871	11	8,816

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:

Condensed Statement of Net Assets	
ASSETS	
Current Assets	\$ 1,710
Capital Assets	4,511
Total Assets	<u>6,221</u>
LIABILITIES	
Current Liabilities	201
Long-Term Liabilities	1,261
Total Liabilities	<u>1,462</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 3,072
Unrestricted	1,687
Total Net Assets	<u>\$ 4,759</u>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (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	\$ 4,863
Total Operating Revenues	4,863
Operating Expenses:	
Services & Supplies	3,791
Appropriation for Contingencies	15
Other Charges	4
Depreciation	148
Total Operating Expenses	3,958
Operating Income (Loss)	905
Non-Operating Revenues (Expenses):	
Interest on Bank Deposits & Investments	101
Interest Expense	(139)
Total Operating Revenues (Expenses)	(38)
Net Income (Loss)	867
Changes in Net Assets	867
Net Assets, July 1, 2007	3,892
Net Assets, June 30, 2008	\$ 4,759

<u>Condensed Statement of Cash Flows</u>	
	<u>Golf Course</u>
Net Cash Provided by Operating Activities	\$ 982
Net Cash Provided by Non-Capital Financing Activities	
Net Cash Used by Capital and Related Financing Activities	(1,703)
Net Cash Provided by Investing Activities	106
Net Increase (Decrease) in Cash and Cash Equivalents	(615)
Cash and Cash Equivalents, July 1, 2007	2,311
Cash and Cash Equivalents, June 30, 2008	\$ 1,696

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 (RHPSP) 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, 2008, there were approximately 925 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, 2008 (IN THOUSANDS)**

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, 2008, there were approximately 2,659 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 \$391,016, and the ratio of the UAAL to the covered payroll was 16.92%. The Retiree Health Stipend does not have an established funding reserve.

County Contributions for the RHPSP were \$3,413, in addition to employee contributions of \$5,886 for the year ended June 30, 2008. The Retiree Health Stipend is funded by County contributions of approximately \$163 per active employee per year, which totaled \$2,728 for the year ended June 30, 2008.

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.

**COUNTY OF KERN
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

C. POST RETIREMENT HEALTH CARE BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (CONTINUED)

In the June 30, 2006 actuarial valuations for RHPSP and the Retiree Health Stipend, the entry age actuarial cost method was used.

The actuarial assumptions include a 6.0% investment rate of return, a 4% annual salary increase 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, 2008, assessment appeals are pending before the County Assessment Appeals Board (AAB) in the amount of \$31,888 plus interest of \$1,192.

The following is a summary of the estimated contingent tax liability as of June 30, 2008:

	Principal	Interest	Total
Contingent Tax Liability:	\$ 31,888	\$ 1,192	\$ 33,080
Total Pending AAB Matters	\$ 31,888	\$ 1,192	\$ 33,080

The County's share of the estimated contingent tax liability is \$10,951. 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 2007 - 2008 assessment year. The result is a positive net contingent tax liability of \$26,713. The County's share of this positive net contingent tax liability is \$10,951.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

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 \$10,951 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

Outstanding encumbrances were allowed to carryover. The amount of encumbrances re-appropriated, as part of the subsequent year's budget was \$54,963.

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, 2008 there was \$295,175 in the Deferred Compensation plan, which is not included as part of the County's financial statements.

G. PHYSICIAN EMPLOYEE RETIREMENT PLAN

The County has made available to all eligible physicians providing professional services to Kern Medical Center a defined contribution retirement plan. The County is the plan sponsor and administrator. The plan is funded exclusively through a combination of mandatory contributions by the County and the Kern Medical Center physician employees through payroll withholdings and earnings on such contributions. The plan consists of two funds, Fund A whose assets are held in trust by Wells Fargo Bank and whose investments are under the direction of an Investment Manager appointed by the Kern Medical Center Faculty Practice Board, and Fund B whose assets are held in trust by the Teacher's Insurance and Annuities Association-College Retirement Equities Fund (TIAA-CREF) whose investments are under the direction of the employee. As of January 1, 2003, all contributions are made to Fund B. Participants with assets in Fund A have been given the option to roll them into Fund B, however, \$9,845 continues to be held in Fund A.

As of December 31, 2006, there was \$34,675 in the Kern County Physician Employee Retirement Plan, which is not included as part of the County's financial statements. Audited financial statements for the Kern County Physician Retirement Plan may be obtained through the Kern County Auditor-Controller-County Clerk, 1115 Truxtun Avenue, Bakersfield, CA 93301.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. 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.

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, 2008, employee membership data related to the pension plan was as follows:

	General	Safety	Total
Active Employees	7,263	1,842	9,105
Terminated Employees	919	128	1,047
Retirees and Beneficiaries Currently Receiving Benefits	4,234	1,400	5,634
	12,416	3,370	15,786

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 OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

Plan Description (CONTINUED)

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.

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, 2008 (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 2008, the employer contribution rates were actuarially determined by using the Entry Age Funding method.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

Funding Policy (CONTINUED)

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.

For the year ended June 30, 2008, the County's total payroll for all employees amounted to \$538,419. The County's total covered payroll for the same period amounted to \$391,016. 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, 2008 were determined in accordance with an actuarial valuation performed December 31, 2007. The contribution rate is determined using the entry age actuarial cost method. 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 2008, the plan had excess earnings and the current funding for the cost-of living reserve is included in the employers' contributions. At June 30, 2008, contributions to KCERA were \$138,035 of which \$137,264 were employer contributions, and \$15,031 were regular employee contributions (43% and 5% of covered payroll, respectively). The total contribution consisted of \$98,616 normal cost (25% of covered payroll) plus \$39,419 amortization of the under-funded actuarial accrued liability (10% 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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

Funding Policy (CONTINUED)

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.

The following table summarizes the required contribution rates in effect on June 30, 2008. Member (i.e., "employee") contribution rates range from youngest to oldest at date of entry. Employer contribution rates are expressed as a percentage of covered payroll.

<u>Member Classification</u>	<u>Employee Rates</u>	<u>Employer Rates</u>
General Members Tier I	5.89% - 10.95%	24.36%
General Members Tier II	4.09% - 8.42%	24.35%
General Members - Courts	8.39% - 13.45%	21.62%
Safety Members (hired prior to July 10, 2004)	10.83% - 16.32%	30.81%
Safety Members (hired on or after July 10, 2004)	10.83% - 16.98%	30.81%
Safety members - Firefighters, Probation and Detention Officer Lieutenants (flat rate)	11.56%	30.81%
Special Districts (electing MOU)	5.89% - 10.95%	27.75%
Special Districts (not electing MOU)	5.89% - 10.95%	25.26%
Special Districts (full pickup)	5.89% - 10.95%	27.92%
Special Districts (3%@60 prospectively only)	5.89% - 10.95%	23.97%

For fiscal years ended June 30, 2008 and 2007, 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, 2008:				
Normal Cost	22.36%	22.36%	22.36%	29.31%
Amortization of UAAL	12.43%	12.44%	9.15%	11.14%
Total	<u>34.79%</u>	<u>34.80%</u>	<u>31.51%</u>	<u>40.45%</u>
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>

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

H. PENSION PLAN (CONTINUED)

Annual Pension Cost

Fiscal Year Ended June 30,	Annual Pension Percentage of APC		Net Pension Obligation
	Annual Required Contribution	Percentage Contributed	
2008	\$ 137,264	100.00%	\$
2007	128,135	100.00%	
2006	100,734	100.00%	

I. 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, 2008, the Waste Management Enterprise Fund had a designated cash reserve of \$33,731. 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.

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.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

I. LANDFILLS (CONTINUED)

Estimated closure and postclosure liabilities as of June 30, 2008 are \$78,340 and \$41,938 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 ¹	0	11,464,719	100%
Bena I	0	7,299,653	98%
Bena II A	29	45,700,347	5%
Boron	25	1,002,819	82%
Buttonwillow ¹	0	358,273	100%
China Grade ¹	0	N/A	100%
Glennville ²	0	N/A	100%
Kern Valley ²	0	N/A	100%
Lebec ²	0	N/A	100%
Lost Hills ¹	28	1,478,905	25%
McFarland/Delano ²	0	N/A	100%
Mojave/Rosamond	9	2,262,243	72%
Ridgecrest	6	5,992,700	88%
Shafter/Wasco	17	11,635,500	49%
Taft	45	8,787,547	29%
Tehachapi	6	3,388,723	77%
Total		<u>99,371,429</u>	

¹ Site is inactive.

² 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.

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 liabilities are recognized as an expense and liability based on the capacity used to date. As of June 30, 2008, the landfill closure liability has been recorded at \$33,044 and is included in the liabilities of the Solid Waste Enterprise Fund. This represents the cumulative liability to date. The remaining \$45,296 anticipated closure liabilities will be recognized in future years. The \$41,938 post-closure liabilities will be updated annually.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

J. 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 \$108 from \$1,700 at June 30, 2007, to \$1,808 at June 30, 2008.

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.

K. 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 participant's 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.

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). The Agency loaned the NPC proceeds from bonds it had issued on behalf of the County. The County sold the NPC all rights, title and interest of the County's Tobacco Revenue pursuant to the terms of an Installment Sale, Self-Insurance and Risk Transfer Agreement between the County and the NPC. The NPC has been included as a blended component unit of the County.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XII. OTHER INFORMATION (CONTINUED)

K. SECURITIZATION OF TOBACCO SETTLEMENT REVENUES (CONTINUED)

The bonds are limited obligations of the Agency payable solely from loan payments made by the Corporation. The Corporation funds the loan payments with the tobacco settlement payments purchased from the County. For the year ended June 30, 2008, \$7,314 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

A. TAX AND REVENUE ANTICIPATION NOTES

On July 1, 2008, the County issued Tax and Revenue Anticipation Notes (TRAN) totaling \$155,000 due on June 30, 2009. The proceeds of the TRAN are intended to provide financing of seasonal cash flow requirements for the County's General Fund expenditures during the fiscal year ending June 30, 2009. A pledge of property taxes, income, revenue and other monies of the County allocable solely to fiscal year 2008-09 and legally available secure the TRAN.

B. 2008-09 CURRENT SECURED PROPERTY TAXES

As of December 8, 2008, the billing amount for current secured property taxes has been reduced by \$5,466 due to a decrease in residential property values (Proposition 8). Anticipated corrections could reach \$11,000 by June 30, 2009.

C. STATE BUDGET

California Governor Schwarzenegger proclaimed a fiscal emergency on January 10, 2008, which resulted in a slowdown in State payments to the County. The County subsequently passed a budget with the recognition that there might be a need for budget reductions in the 2008-2009 fiscal year. At the time of publication of this document, the State Legislature is back in session to address an out-of-balance state budget.

D. Investment Exposure

American International Group Inc. Exposure

The Federal Reserve and the U.S. Treasury agreed to loan American International Group Inc. (AIG) \$85 billion in exchange for warrants equivalent to 80% ownership in the firm. As of June 30, 2008, the County's fixed income exposure to AIG totaled \$17,282. Of this, \$5,327 matured on August 1, 2008. The market value of the remainder was \$ 7,204 on, October 31, 2008, the most recent pricing available at this time. As AIG is now a U.S. Government supported entity, and as the County traditionally holds securities to maturity, the County anticipates there will be no loss on this security.

**COUNTY OF KERN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

XIII. SUBSEQUENT EVENTS (CONTINUED)

D. Investment Exposure (CONTINUED)

Barclays Bank Exposure

The United Kingdom loaned Barclays Bank the equivalent of \$40 billion. As of June 30, 2008, the County's fixed income exposure to Barclays totaled \$56,005. Of this, \$30,000 matured without incident on August 26, 2008. The market value of the remainder was \$26,000 on, October 31, 2008. The County anticipates there will be no loss on these securities.

HSBC Exposure

The United Kingdom has given guarantees and support to HSBC. As of June 30, 2008, the County's fixed income exposure to HSBC totaled \$69,750. Of this, \$5,000 matured on November 15, 2008 without incident. The market value of the remainder was \$57,520 on, October 31, 2008. The County anticipates there will be no loss on these securities.

Lehman Bros Exposure

Lehman Bros financial problems exposed the County in the following manner. As of June 30, 2008, the County's fixed income exposure to Lehman Bros. totaled \$5,499. This investment matured on August 7, 2008 without incident.

E. Refinance of Long Term Debt

The County's Taxable Pension Obligation Refunding Bonds, Series 2003B, originally issued May 28, 2003, in the amount of \$50,000,000 to mature on August 15, 2027, have been conditionally called for full redemption on August 29, 2008, at a redemption price equal to \$50,000,000 which is 100% of the principal amount thereof, plus accrued interest to the redemption date. On August 27, 2008, the County issued Taxable Pension Obligation Refunding Bonds, Series 2008A in the principal amount of \$50,000,000. The issuance of the Series 2008A Bonds was authorized by Resolution No. 2008-230 adopted by the County on June 17, 2008. The Series 2008A Bonds shall be dated the date of issuance, shall mature on August 15, 2027, and shall be payable as set forth in that certain Indenture dated as of August 1, 2008, by and between the County and the Trustee. The Series 2003B Bonds have been redeemed with the proceeds of the Series 2008A refunding bonds.



**REQUIRED
SUPPLEMENTARY
INFORMATION**

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
General Government:				
Board of Supervisors				
Other Revenues	\$ _____	\$ _____	\$ _____ 9	\$ _____ 9
			9	9
Administrative Office				
Aid from Other Governmental Agencies	30	30		(30)
Charges for Current Services	1,029	1,029	951	(78)
Other Revenues	3	3		(3)
	<u>1,062</u>	<u>1,062</u>	<u>951</u>	<u>(111)</u>
Clerk of the Board				
Charges for Current Services	21	21	30	9
Other Revenues	8	8	6	(2)
	<u>29</u>	<u>29</u>	<u>36</u>	<u>7</u>
Auditor-Controller				
Licenses, Permits and Franchises	25	255	237	(18)
Aid from Other Governmental Agencies	6	6		(6)
Charges for Current Services	1,078	1,078	938	(140)
Other Revenues			7	7
	<u>1,109</u>	<u>1,339</u>	<u>1,182</u>	<u>(157)</u>
Discretionary Revenue				
Taxes	282,772	282,772	298,036	15,264
Licenses, Permits and Franchises	6,364	6,364	6,826	462
Fines, Forfeitures and Penalties	9,850	9,850	11,309	1,459
Revenues from Use of Money and Property	14,386	14,386	16,877	2,491
Aid from Other Governmental Agencies	7,711	7,711	14,903	7,192
Charges for Current Services	8,123	8,123	8,044	(79)
Other Revenues	207	207	997	790
	<u>329,413</u>	<u>329,413</u>	<u>356,992</u>	<u>27,579</u>
Travel Agent Expense				
Charges for Current Services	2,320	2,320	1,027	(1,293)
	<u>2,320</u>	<u>2,320</u>	<u>1,027</u>	<u>(1,293)</u>
Treasurer-Tax Collector				
Fines, Forfeitures and Penalties	200	200	234	34
Charges for Current Services	3,386	3,386	3,101	(285)
Other Revenues	236	358	422	64
	<u>3,822</u>	<u>3,944</u>	<u>3,757</u>	<u>(187)</u>
Assessor				
Charges for Current Services	2,339	2,339	2,144	(195)
Other Revenues			5	5
	<u>2,339</u>	<u>2,339</u>	<u>2,149</u>	<u>(190)</u>
Information Technology Services				
Charges for Current Services	4,452	4,753	5,066	313
Other Revenues	(36)			
	<u>4,416</u>	<u>4,753</u>	<u>5,066</u>	<u>313</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
General Government (Continued):				
County Counsel				
Charges for Current Services	\$ 5,187	\$ 5,187	\$ 5,572	\$ 385
Other Revenues	6	6		(6)
	<u>5,193</u>	<u>5,193</u>	<u>5,572</u>	<u>379</u>
Personnel				
Charges for Current Services	138	138	133	(5)
Other Revenues	1	1	1	
	<u>139</u>	<u>139</u>	<u>134</u>	<u>(5)</u>
Elections				
Aid from Other Governmental Agencies	900	900	223	(677)
Charges for Current Services	184	184	441	257
Other Revenues	18	18	15	(3)
	<u>1,102</u>	<u>1,102</u>	<u>679</u>	<u>(423)</u>
Communications				
Charges for Current Services	546	546	647	101
Other Revenues	1	1	1	
	<u>547</u>	<u>547</u>	<u>648</u>	<u>101</u>
General Services				
Fines, Forfeitures and Penalties	122	122	210	88
Charges for Current Services	1,925	1,925	1,758	(167)
Other Revenues	112	112	42	(70)
	<u>2,159</u>	<u>2,159</u>	<u>2,010</u>	<u>(149)</u>
Utility Payments				
Charges for Current Services	1,118	1,118	1,154	36
Other Revenues			14	14
	<u>1,118</u>	<u>1,118</u>	<u>1,168</u>	<u>50</u>
Construction Services - General Services				
Aid from Other Governmental Agencies			6	6
Charges for Current Services	582	582	303	(279)
Other Revenues			5	5
	<u>582</u>	<u>582</u>	<u>314</u>	<u>(268)</u>
General Services - Major Maintenance				
Aid from Other Governmental Agencies			438	438
Charges for Current Services	760	760	546	(214)
Other Revenues	1,065	1,282	82	(1,200)
	<u>1,825</u>	<u>2,042</u>	<u>1,066</u>	<u>(976)</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	4,821	4,821	3,445	(1,376)
Other Revenues	4	4	6	2
	<u>4,825</u>	<u>4,825</u>	<u>3,451</u>	<u>(1,374)</u>
Risk Management				
Charges for Current Services	3,835	3,835	3,097	(738)
Other Revenues	15	15	46	31
	<u>3,850</u>	<u>3,850</u>	<u>3,143</u>	<u>(707)</u>
Capital Projects				
Aid from Other Governmental Agencies	21,919	22,807	1,335	(21,472)
Charges for Current Services				
Other Revenues	(216)			
	<u>21,703</u>	<u>22,807</u>	<u>1,335</u>	<u>(21,472)</u>
Total General Government	387,568	389,578	390,700	1,122

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Public Protection:				
Contribution -Trial Court Funding				
Fines, Forfeitures and Penalties	\$ 4,794	\$ 4,794	\$ 4,521	\$ (273)
Charges for Current Services	4,280	4,280	3,355	(925)
Other Revenues	75	75		(75)
	<u>9,149</u>	<u>9,149</u>	<u>7,876</u>	<u>(1,273)</u>
Indigent Defense Services				
Aid from Other Governmental Agencies	1,350	1,350	1,205	(145)
Charges for Current Services	60	60	80	20
	<u>1,410</u>	<u>1,410</u>	<u>1,285</u>	<u>(125)</u>
District Attorney				
Fines, Forfeitures and Penalties	534	534	151	(383)
Aid from Other Governmental Agencies	3,683	3,683	3,011	(672)
Charges for Current Services	3,549	3,549	3,613	64
Other Revenues	440	440	501	61
	<u>8,206</u>	<u>8,206</u>	<u>7,276</u>	<u>(930)</u>
Public Defender				
Aid from Other Governmental Agencies	774	774	742	(32)
Charges for Current Services	641	641	521	(120)
Other Revenues			1	1
	<u>1,415</u>	<u>1,415</u>	<u>1,264</u>	<u>(151)</u>
Forensic Sciences-Division of District Attorney				
Aid from Other Governmental Agencies	339	381	392	11
Charges for Current Services	1,023	1,077	997	(80)
Other Revenues	192	192	307	115
	<u>1,554</u>	<u>1,650</u>	<u>1,696</u>	<u>46</u>
Sheriff				
Licenses, Permits and Franchises	227	227	294	67
Fines, Forfeitures and Penalties	28	28	41	13
Aid from Other Governmental Agencies	3,646	2,896	3,331	435
Charges for Current Services	24,056	24,056	21,371	(2,685)
Other Revenues	6,753	8,272	724	(7,548)
	<u>34,710</u>	<u>35,479</u>	<u>25,761</u>	<u>(9,718)</u>
Probation				
Fines, Forfeitures and Penalties	16	16	7	(9)
Revenues from Use of Money and Property	8	8	9	1
Aid from Other Governmental Agencies	21,714	21,714	22,370	656
Charges for Current Services	2,800	2,800	2,857	57
Other Revenues	(512)	45	35	(10)
	<u>24,026</u>	<u>24,583</u>	<u>25,278</u>	<u>695</u>
Agricultural Commissioner				
Licenses, Permits and Franchises	17	17	21	4
Fines, Forfeitures and Penalties	44	44	53	9
Aid from Other Governmental Agencies	2,412	2,511	3,104	593
Charges for Current Services	1,472	1,472	1,656	184
Other Revenues			2	2
	<u>3,945</u>	<u>4,044</u>	<u>4,836</u>	<u>792</u>
Code Compliance				
Fines, Forfeitures and Penalties	215	215	17	(198)
Charges for Current Services	525	525	567	42
Other Revenues		38	1	(37)
	<u>740</u>	<u>778</u>	<u>585</u>	<u>(193)</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (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	\$ 1,725	\$ 1,725	\$ 1,516	\$ (209)
Charges for Current Services	3	3	3	
	<u>1,728</u>	<u>1,728</u>	<u>1,519</u>	<u>(209)</u>
Recorder				
Licenses, Permits and Franchises	4	4	4	
Charges for Current Services	2,325	2,325	2,154	(171)
Other Revenues	98	98	3	(95)
	<u>2,427</u>	<u>2,427</u>	<u>2,161</u>	<u>(266)</u>
Resource Management Agency				
Charges for Current Services	646	646	893	247
Other Revenues	40	40	1	(39)
	<u>686</u>	<u>686</u>	<u>894</u>	<u>208</u>
Planning				
Fines, Forfeitures and Penalties	6	6	25	19
Licenses, Permits and Franchises	382	382	428	46
Aid from Other Governmental Agencies	250	250	106	(144)
Charges for Current Services	3,832	3,903	2,794	(1,109)
Other Revenues	7	7	2	(5)
	<u>4,477</u>	<u>4,548</u>	<u>3,355</u>	<u>(1,193)</u>
Animal Control				
Licenses, Permits and Franchises	415	415	348	(67)
Fines, Forfeitures and Penalties	6	6	1	(5)
Aid from Other Governmental Agencies	1,150	1,150	1,116	(34)
Charges for Current Services	690	690	320	(370)
Other Revenues	1	1		(1)
	<u>2,262</u>	<u>2,262</u>	<u>1,785</u>	<u>(477)</u>
Superior Court				
Fines, Forfeitures and Penalties	553	553	430	(123)
Charges for Current Services	404	404	572	168
	<u>957</u>	<u>957</u>	<u>1,002</u>	<u>45</u>
East Kern Municipal Court				
Fines, Forfeitures and Penalties	319	319	248	(71)
Charges for Current Services	255	255	179	(76)
	<u>574</u>	<u>574</u>	<u>427</u>	<u>(147)</u>
North Kern Municipal Court				
Fines, Forfeitures and Penalties	306	306	284	(22)
Charges for Current Services	225	225	182	(43)
	<u>531</u>	<u>531</u>	<u>466</u>	<u>(65)</u>
South Kern Municipal Court				
Fines, Forfeitures and Penalties	654	654	546	(108)
Charges for Current Services	239	239	253	14
	<u>893</u>	<u>893</u>	<u>799</u>	<u>(94)</u>
Total Public Protection	<u>99,690</u>	<u>101,320</u>	<u>88,265</u>	<u>(13,055)</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Health and Sanitation:				
Department of Public Health				
Aid from Other Governmental Agencies	\$ 21,230	\$ 21,605	\$ 21,598	\$ (7)
Charges for Current Services	2,696	2,696	2,514	(182)
Other Revenues	103	103	165	62
	<u>24,029</u>	<u>24,404</u>	<u>24,277</u>	<u>(127)</u>
Environmental Health				
Licenses, Permits and Franchises	2,217	2,217	2,029	(188)
Fines, Forfeitures and Penalties	75	75	9	(66)
Aid from Other Governmental Agencies	325	325	316	(9)
Charges for Current Services	2,802	2,802	2,264	(538)
Other Revenues	1	1	6	5
	<u>5,420</u>	<u>5,420</u>	<u>4,624</u>	<u>(796)</u>
Emergency Medical Services				
Licenses, Permits and Franchises	104	104	141	37
Aid from Other Governmental Agencies	524	990	462	(528)
Charges for Current Services	187	187	145	(42)
Other Revenues	1	11	1	(10)
	<u>816</u>	<u>1,292</u>	<u>749</u>	<u>(543)</u>
KMC Enterprise Fund - County Contribution				
Aid from Other Governmental Agencies	21,450	21,450	20,809	(641)
Charges for Current Services	500	500	386	(114)
	<u>21,950</u>	<u>21,950</u>	<u>21,195</u>	<u>(755)</u>
California Children Services				
Aid from Other Governmental Agencies	8,701	8,701	6,463	(2,238)
Charges for Current Services	14	14	11	(3)
	<u>8,715</u>	<u>8,715</u>	<u>6,474</u>	<u>(2,241)</u>
Total Health and Sanitation	<u>60,930</u>	<u>61,781</u>	<u>57,319</u>	<u>(4,462)</u>
Public Assistance:				
Veterans Service				
Aid from Other Governmental Agencies	127	127	111	(16)
	<u>127</u>	<u>127</u>	<u>111</u>	<u>(16)</u>
IHSS County Contribution				
Aid from Other Governmental Agencies	8,275	8,275	7,842	(433)
	<u>8,275</u>	<u>8,275</u>	<u>7,842</u>	<u>(433)</u>
Community Development Program Agency				
Aid from Other Governmental Agencies	1,822	1,822	(21)	(1,843)
Other Revenues	(121)			
	<u>1,701</u>	<u>1,822</u>	<u>(21)</u>	<u>(1,843)</u>
Total Public Assistance	<u>10,103</u>	<u>10,224</u>	<u>7,932</u>	<u>(2,292)</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Education:				
Kern County Library				
Revenues from Use of Money and Property	\$ 133	\$ 133	\$ 134	\$ 1
Aid from Other Governmental Agencies	450	450	313	(137)
Charges for Current Services	353	353	369	16
Other Revenues	338	338	179	(159)
	<u>1,274</u>	<u>1,274</u>	<u>995</u>	<u>(279)</u>
Farm and Home Advisor				
Charges for Current Services	52	52	2	(50)
Other Revenues	(64)	69		(69)
	<u>(12)</u>	<u>121</u>	<u>2</u>	<u>(119)</u>
Total Education	<u>1,262</u>	<u>1,395</u>	<u>997</u>	<u>(398)</u>
Recreation and Culture:				
Parks and Recreation				
Fines, Forfeitures and Penalties	14	14	14	
Revenues from Use of Money and Property	1,751	1,751	1,421	(330)
Aid from Other Governmental Agencies	10	10		(10)
Charges for Current Services	2,318	2,337	2,169	(168)
Other Revenues	28	33	46	13
	<u>4,121</u>	<u>4,145</u>	<u>3,650</u>	<u>(495)</u>
Total Recreation and Culture	<u>4,121</u>	<u>4,145</u>	<u>3,650</u>	<u>(495)</u>
Debt Service:				
Revenues from Use of Money and Property				
Aid from Other Governmental Agencies	600	600		(600)
	<u>600</u>	<u>600</u>		<u>(600)</u>
Total Debt Service	<u>600</u>	<u>600</u>		<u>(600)</u>
Total Revenue	<u>564,274</u>	<u>569,043</u>	<u>548,863</u>	<u>(20,180)</u>
EXPENDITURES:				
General Government:				
Board of Supervisors				
Salaries & Benefits	2,459	2,554	2,463	91
Services & Supplies	175	192	154	38
Capital Assets		26	26	
Other Financing Uses		113		113
	<u>2,634</u>	<u>2,885</u>	<u>2,643</u>	<u>242</u>
Administrative Office				
Salaries & Benefits	3,041	3,041	2,955	86
Services & Supplies	338	346	311	35
Transfers & Reimbursements	(58)	(58)	(64)	6
Other Financing Uses		280		280
	<u>3,321</u>	<u>3,609</u>	<u>3,202</u>	<u>407</u>
Clerk of the Board				
Salaries & Benefits	634	634	641	(7)
Services & Supplies	212	212	(85)	297
Transfers & Reimbursements	(45)	(45)	(54)	9
Capital Assets	40	40		40
Other Financing Uses		280		280
	<u>841</u>	<u>1,121</u>	<u>502</u>	<u>619</u>
Special Services				
Salaries & Benefits	279	279	269	10
Services & Supplies	9,425	9,143	3,511	5,632
Other Charges	2,449	2,449	2,443	6
Other Financing Uses		10		10
	<u>12,153</u>	<u>11,881</u>	<u>6,223</u>	<u>5,658</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
General Government (Continued):				
Auditor-Controller				
Salaries & Benefits	\$ 4,379	\$ 4,702	\$ 4,613	\$ 89
Services & Supplies	579	579	578	1
Capital Assets	300	386	86	300
Transfers & Reimbursements	(150)	(150)	(264)	114
Other Financing Uses		637		637
	<u>5,108</u>	<u>6,154</u>	<u>5,013</u>	<u>1,141</u>
Travel Agent Expense				
Services & Supplies	5,220	5,220	2,107	3,113
Transfers & Reimbursements	(2,900)	(2,900)	(1,080)	(1,820)
	<u>2,320</u>	<u>2,320</u>	<u>1,027</u>	<u>1,293</u>
Treasurer - Tax Collector				
Salaries & Benefits	2,856	2,856	2,730	126
Services & Supplies	1,754	1,876	1,707	169
Capital Assets	54	703	688	15
Other Financing Uses		569		569
	<u>4,664</u>	<u>6,004</u>	<u>5,125</u>	<u>879</u>
Assessor				
Salaries & Benefits	7,810	8,393	8,371	22
Services & Supplies	745	765	611	154
Capital Assets	31	31		31
Transfers & Reimbursements	(300)	(300)	(300)	
Other Financing Uses		544		544
	<u>8,286</u>	<u>9,433</u>	<u>8,682</u>	<u>751</u>
Assessor - Property Tax Administration				
Salaries & Benefits	1,084	1,085	1,084	1
Services & Supplies	191	191	149	42
	<u>1,275</u>	<u>1,276</u>	<u>1,233</u>	<u>43</u>
Information Technology Service				
Salaries & Benefits	6,186	6,707	6,630	77
Services & Supplies	5,048	5,377	5,308	69
Other Charges	61	61	60	1
Capital Assets		260	254	6
Transfers & Reimbursements	(2,024)	(2,024)	(1,940)	(84)
Other Financing Uses		224		224
	<u>9,271</u>	<u>10,605</u>	<u>10,312</u>	<u>293</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
General Government (Continued):				
County Counsel				
Salaries & Benefits	\$ 7,070	\$ 7,473	\$ 7,473	\$
Services & Supplies	601	585	552	33
Transfers & Reimbursements	(772)	(772)	(579)	(193)
Capital Assets		5	5	
Other Financing Uses		315		315
	<u>6,899</u>	<u>7,606</u>	<u>7,451</u>	<u>155</u>
Personnel				
Salaries & Benefits	2,551	2,551	2,385	166
Services & Supplies	327	349	317	32
Other Financing Uses		28		28
Capital Assets		6		6
Transfers & Reimbursements	(39)	(39)	(31)	(8)
	<u>2,839</u>	<u>2,895</u>	<u>2,671</u>	<u>224</u>
Elections				
Salaries & Benefits	1,366	1,366	1,240	126
Services & Supplies	6,554	6,526	3,217	3,309
Capital Assets	60	88	19	69
	<u>7,980</u>	<u>7,980</u>	<u>4,476</u>	<u>3,504</u>
Communications				
Salaries & Benefits	1,395	1,595	1,561	34
Services & Supplies	730	730	593	137
Transfers & Reimbursements	(663)	(663)	(735)	72
	<u>1,462</u>	<u>1,662</u>	<u>1,419</u>	<u>243</u>
General Services				
Salaries & Benefits	10,338	11,009	10,869	140
Services & Supplies	4,056	4,091	4,067	24
Capital Assets	95	103	101	2
Transfers & Reimbursements	(1,671)	(1,671)	(1,671)	
Other Charges	37	14	13	1
Other Financing Uses		69		69
	<u>12,855</u>	<u>13,615</u>	<u>13,379</u>	<u>236</u>
Utility Payments				
Services & Supplies	8,115	8,115	7,913	202
Transfers & Reimbursements	(333)	(333)	(331)	(2)
Other Charges	479	479	479	
	<u>8,261</u>	<u>8,261</u>	<u>8,061</u>	<u>200</u>
Construction Services-Division General Service				
Salaries & Benefits	2,337	2,337	1,885	452
Services & Supplies	457	457	251	206
Other Charges	5	5		5
Transfers & Reimbursements	(2,051)	(2,051)	(1,518)	(533)
	<u>748</u>	<u>748</u>	<u>618</u>	<u>130</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
General Government (Continued):				
General Service-Major Maintenance-General				
Services & Supplies	\$ 15,487	\$ 16,699	\$ 12,040	\$ 4,659
Transfers & Reimbursements		(143)		(143)
	<u>15,487</u>	<u>16,556</u>	<u>12,040</u>	<u>4,516</u>
Board of Trade				
Salaries & Benefits	660	686	640	46
Services & Supplies	263	263	257	6
Capital Assets	30	30	30	
Other Financing Uses		32		32
	<u>953</u>	<u>1,011</u>	<u>927</u>	<u>84</u>
Engineering & Survey Services				
Salaries & Benefits	5,525	5,525	4,935	590
Services & Supplies	1,446	1,647	1,451	196
Capital Assets	15	15	14	1
Transfers & Reimbursements	(152)	(152)	(671)	519
Other Charges	113	8	7	1
	<u>6,947</u>	<u>7,043</u>	<u>5,736</u>	<u>1,307</u>
Risk Management				
Salaries & Benefits	2,396	2,396	2,185	211
Services & Supplies	1,879	1,941	1,286	655
Other Charges	785	1,147	1,142	5
Capital Assets	50			
Transfers & Reimbursements	(478)	(478)	(353)	(125)
	<u>4,632</u>	<u>5,006</u>	<u>4,260</u>	<u>746</u>
Capital Projects				
Other Charges				
Capital Assets	28,102	41,543	10,614	30,929
Transfers & Reimbursements	(656)	(718)	(93)	(625)
	<u>27,446</u>	<u>40,825</u>	<u>10,521</u>	<u>30,304</u>
Total General Government	<u>146,382</u>	<u>168,496</u>	<u>115,521</u>	<u>52,975</u>
Public Protection:				
Contribution - Trial Court Funding				
Services & Supplies	15,213	15,213	14,665	548
	<u>15,213</u>	<u>15,213</u>	<u>14,665</u>	<u>548</u>
Grand Jury				
Salaries & Benefits	69	74	73	1
Services & Supplies	212	212	190	22
Other Financing Uses		52		52
	<u>281</u>	<u>338</u>	<u>263</u>	<u>75</u>
Indigent Defense Services				
Services & Supplies	5,449	5,799	5,743	56
	<u>5,449</u>	<u>5,799</u>	<u>5,743</u>	<u>56</u>
District Attorney				
Salaries & Benefits	24,279	24,279	24,014	265
Services & Supplies	3,558	3,584	2,978	606
Other Charges	165	232	67	165
Other Financing Uses		146		146
Capital Assets	304	405	340	65
Transfers & Reimbursements	(60)	(60)	(111)	51
	<u>28,246</u>	<u>28,586</u>	<u>27,288</u>	<u>1,298</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Public Protection (Continued):				
Public Defender				
Salaries & Benefits	\$ 11,719	\$ 12,806	\$ 12,782	\$ 24
Services & Supplies	798	810	795	15
Other Financing Uses		545		545
Capital Assets	88	90	39	51
	<u>12,605</u>	<u>14,251</u>	<u>13,616</u>	<u>635</u>
Forensic Sciences-Division of District Attorney				
Salaries & Benefits	3,567	3,726	3,680	46
Services & Supplies	2,113	2,130	1,764	366
Other Charges	325	325	220	105
Capital Assets		97	93	4
Other Financing Uses		76		76
Transfers & Reimbursements	(130)	(130)	(162)	32
	<u>5,875</u>	<u>6,224</u>	<u>5,595</u>	<u>629</u>
Sheriff				
Salaries & Benefits	133,043	143,908	143,455	453
Services & Supplies	27,789	29,390	27,115	2,275
Other Charges	7,569	6,885	6,045	840
Other Financing Uses		547		547
Capital Assets	262	3,217	2,458	759
Transfers & Reimbursements	(370)	(370)	(52)	(318)
	<u>168,293</u>	<u>183,577</u>	<u>179,021</u>	<u>4,556</u>
Probation				
Salaries & Benefits	53,600	55,912	54,760	1,152
Services & Supplies	6,444	8,137	7,875	262
Other Charges	1,127	527	527	
Other Financing Uses		681		681
Capital Assets	929	1,305	1,126	179
Transfers & Reimbursements	(5)	(377)	(381)	4
	<u>62,095</u>	<u>66,185</u>	<u>63,907</u>	<u>2,278</u>
Agricultural Commissioner				
Salaries & Benefits	4,886	5,046	4,998	48
Services & Supplies	869	969	965	4
Other Financing Uses		438		438
	<u>5,755</u>	<u>6,453</u>	<u>5,963</u>	<u>490</u>
Code Compliance				
Salaries & Benefits	1,244	1,265	1,151	114
Services & Supplies	893	900	735	165
Capital Assets	76	76		76
Other Financing Uses		186		186
	<u>2,213</u>	<u>2,427</u>	<u>1,886</u>	<u>541</u>
Recorder				
Salaries & Benefits	1,931	1,931	1,859	72
Services & Supplies	1,828	1,986	1,492	494
Capital Assets	96	180	147	33
Other Financing Uses		806		806
	<u>3,855</u>	<u>4,903</u>	<u>3,498</u>	<u>1,405</u>
Resource Management Agency				
Salaries & Benefits	1,629	1,712	1,701	11
Services & Supplies	153	175	125	50
Capital Assets	5	37	36	1
Other Charges	8	12	10	2
Transfers & Reimbursements	(340)	(245)	(198)	(47)
	<u>1,455</u>	<u>1,691</u>	<u>1,674</u>	<u>17</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Public Protection (Continued):				
Planning				
Salaries & Benefits	\$ 3,433	\$ 3,560	\$ 3,386	\$ 174
Services & Supplies	4,122	4,198	2,355	1,843
Other Financing Uses		411		411
Transfers & Reimbursements	(10)	(10)	(30)	20
	<u>7,545</u>	<u>8,159</u>	<u>5,711</u>	<u>2,448</u>
Animal Control				
Salaries & Benefits	3,052	3,253	3,253	
Services & Supplies	1,538	1,538	1,512	26
Capital Assets	37	37		37
Other Financing Uses		199		199
	<u>4,627</u>	<u>5,027</u>	<u>4,765</u>	<u>262</u>
Total Public Protection	<u>323,507</u>	<u>348,833</u>	<u>333,595</u>	<u>15,238</u>
Health and Sanitation:				
Department of Public Health				
Salaries & Benefits	21,720	24,874	24,874	
Services & Supplies	6,188	6,051	5,991	60
Other Charges	55	45	44	1
Capital Assets	13	49	49	
Transfers & Reimbursements	(463)	(474)	(481)	7
	<u>27,513</u>	<u>30,545</u>	<u>30,477</u>	<u>68</u>
Environmental Health				
Salaries & Benefits	4,655	4,655	4,648	7
Services & Supplies	737	753	707	46
Other Financing Uses		305		305
Capital Assets	30	30	30	
Transfers & Reimbursements	(2)	(2)	(4)	2
	<u>5,420</u>	<u>5,741</u>	<u>5,381</u>	<u>360</u>
Emergency Medical Services				
Salaries & Benefits	757	800	800	
Services & Supplies	571	1,004	326	678
Other Financing Uses		526		526
	<u>1,328</u>	<u>2,330</u>	<u>1,126</u>	<u>1,204</u>
KMC Enterprise Fund - County Contribution				
Services & Supplies	200	200	40	160
Other Financing Uses	35,710	40,710		40,710
	<u>35,910</u>	<u>40,910</u>	<u>40</u>	<u>40,870</u>
California Children Services				
Salaries & Benefits	6,363	6,363	5,386	977
Services & Supplies	2,638	2,642	2,607	35
	<u>9,001</u>	<u>9,005</u>	<u>7,993</u>	<u>1,012</u>
Total Health and Sanitation	<u>79,172</u>	<u>88,531</u>	<u>45,017</u>	<u>43,514</u>
Public Assistance:				
Veterans Service				
Salaries & Benefits	699	714	684	30
Services & Supplies	78	83	59	24
Other Financing Uses		71		71
	<u>777</u>	<u>868</u>	<u>743</u>	<u>125</u>
Employers Training Resource				
Salaries & Benefits	9,527	9,527	8,209	1,318
Services & Supplies	3,184	3,184	2,735	449
Transfers & Reimbursements	(175)	(175)		(175)
Capital Assets		1		1
	<u>12,536</u>	<u>12,537</u>	<u>10,944</u>	<u>1,593</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
Public Assistance (Continued):				
Community Development Program Agency				
Salaries & Benefits	\$ 1,685	\$ 1,685	\$ 1,636	\$ 49
Services & Supplies	324	324	244	80
	<u>2,009</u>	<u>2,009</u>	<u>1,880</u>	<u>129</u>
Total Public Assistance	<u>15,322</u>	<u>15,414</u>	<u>13,567</u>	<u>1,847</u>
Education:				
Kern County Library				
Salaries & Benefits	7,372	7,517	7,368	149
Services & Supplies	2,333	2,333	2,228	105
Other Financing Uses	5	5	5	5
	<u>9,710</u>	<u>9,855</u>	<u>9,596</u>	<u>259</u>
Farm & Home Advisor				
Salaries & Benefits	388	414	406	8
Services & Supplies	176	233	215	18
Capital Assets	56	56	6	50
Other Financing Uses		223		223
	<u>620</u>	<u>926</u>	<u>627</u>	<u>299</u>
Total Education	<u>10,330</u>	<u>10,781</u>	<u>10,223</u>	<u>558</u>
Recreation and Culture:				
Parks and Recreation				
Salaries & Benefits	10,009	10,572	10,571	1
Services & Supplies	3,909	4,420	4,374	46
Other Charges	126	126	115	11
Capital Assets	554	555	526	29
Other Financing Uses		314		314
Transfers & Reimbursements	(2)	(2)	(25)	23
	<u>14,596</u>	<u>15,985</u>	<u>15,561</u>	<u>424</u>
Total Recreation and Culture	<u>14,596</u>	<u>15,985</u>	<u>15,561</u>	<u>424</u>
Debt Service - General Fund:				
Services & Supplies	482	482	412	70
Debt Service - Interest	10,574	10,574	6,797	3,777
	<u>11,056</u>	<u>11,056</u>	<u>7,209</u>	<u>3,847</u>
Total Debt Service - General Fund	<u>11,056</u>	<u>11,056</u>	<u>7,209</u>	<u>3,847</u>
Contingencies and Reserves:				
Appropriations for Contingencies	13,871	13,871		13,871
	<u>13,871</u>	<u>13,871</u>		<u>13,871</u>
Total Expenditures	<u>614,236</u>	<u>672,967</u>	<u>540,693</u>	<u>132,274</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(49,962)</u>	<u>(103,924)</u>	<u>8,170</u>	<u>112,094</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	63,213	63,213	78,043	14,830
Transfers Out	<u>(115,363)</u>	<u>(115,363)</u>	<u>(122,906)</u>	<u>(7,543)</u>
	<u>(52,150)</u>	<u>(52,150)</u>	<u>(44,863)</u>	<u>7,287</u>
Total Other Financing Sources (Uses)	<u>(52,150)</u>	<u>(52,150)</u>	<u>(44,863)</u>	<u>7,287</u>
Net Changes in Fund Balances (Deficits)	\$ <u>(102,112)</u>	\$ <u>(156,074)</u>	(36,693)	\$ <u>119,381</u>
Fund Balances, July 1, 2007 (Modified Accrual Basis of Accounting, p. 28)			175,139	
Fund Balances, June 30, 2008			<u>\$ 138,446</u>	

Note: The Fund Balance at July 1, 2007 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, 2008 (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	\$ <u>548,863</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 540,693
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(13,193)
Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	<u>225</u>
Total expenditures as reported on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ <u>527,725</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 KERN COUNTY DEPARTMENT OF CHILD SUPPORT
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<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	\$ 90	\$ 90	\$ 94	\$ 4
Aid from Other Governmental Agencies	24,014	24,114	22,267	(1,847)
Charges for Current Services		2	2	
Other Revenues	<u>16</u>	<u>913</u>	<u>911</u>	<u>(2)</u>
Total Revenues	<u>24,120</u>	<u>25,119</u>	<u>23,274</u>	<u>(1,845)</u>
EXPENDITURES:				
Current:				
Public Protection				
Salaries & Benefits	194,678	19,549	18,373	1,176
Services & Supplies	4,535	5,445	4,783	662
Other Charges	<u>118</u>	<u>123</u>	<u>119</u>	<u>4</u>
Total Expenditures	<u>199,331</u>	<u>25,117</u>	<u>23,275</u>	<u>1,842</u>
Net Changes in Fund Balances	(175,211)	2	(1)	(3)
Fund Deficits, July 1, 2007	<u>897</u>	<u>897</u>	<u>898</u>	
Fund Balances (Deficits), June 30, 2008	<u>\$ (174,314)</u>	<u>\$ 899</u>	<u>\$ 897</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>23,274</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 23,275
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(10)
Capital outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	
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>23,265</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 EMPLOYERS' TRAINING RESOURCE
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<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	\$	\$ 12	\$ 32	\$ 20
Aid from Other Governmental Agencies	18,502	18,502	13,038	(5,464)
Charges for Current Services		62	2,268	2,206
Other Revenues	<u>50</u>	<u>50</u>	<u>2</u>	<u>(48)</u>
Total Revenues	<u>18,552</u>	<u>18,626</u>	<u>15,340</u>	<u>(3,286)</u>
EXPENDITURES:				
Current:				
Public Assistance				
Salaries & Employee Benefits	9,721			
Services & Supplies	647	647	48	599
Other Charges	<u>5,615</u>	<u>5,615</u>	<u>4,785</u>	<u>830</u>
Total Expenditures	<u>15,983</u>	<u>6,262</u>	<u>4,833</u>	<u>1,429</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>2,569</u>	<u>12,364</u>	<u>10,507</u>	<u>(1,857)</u>
OTHER FINANCING USES				
Operating Transfers Out			<u>(10,647)</u>	<u>10,647</u>
Total Other Financing Uses			<u>(10,647)</u>	<u>10,647</u>
Net Changes in Fund Balances	2,569	12,364	(140)	8,790
Fund Balances, July 1, 2007	<u>825</u>	<u>825</u>	<u>825</u>	
Fund Balances, June 30, 2008	<u>\$ 3,394</u>	<u>\$ 13,189</u>	<u>\$ 685</u>	<u>\$ 8,790</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 \$ 15,340

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 4,833

Differences - Budget to GAAP

Encumbrances for supplies and services ordered but not received within the recognition period (7)
 Encumbrances for other charges ordered but not received within the recognition period (882)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 3,944

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<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	\$ 177	\$ 177	\$ 284	\$ 107
Aid from Other Governmental Agencies	320,425	338,273	334,458	(3,815)
Charges for Current Services	264	264	172	(92)
Other Revenues	<u>2,700</u>	<u>10,729</u>	<u>2,378</u>	<u>(8,351)</u>
Total Revenues	<u>323,566</u>	<u>349,443</u>	<u>337,292</u>	<u>(12,151)</u>
EXPENDITURES:				
Current:				
Public Assistance				
Salaries & Benefits	90,732	117,491	117,153	338
Services & Supplies	43,279	56,152	53,969	2,183
Other Charges	188,280	187,086	186,586	500
Capital Assets	<u>297</u>	<u>512</u>	<u>183</u>	<u>329</u>
Total Expenditures	<u>322,588</u>	<u>361,241</u>	<u>357,891</u>	<u>3,350</u>
Excess (Deficiency) of Revenues over Expenditures	<u>978</u>	<u>(11,798)</u>	<u>(20,599)</u>	<u>(8,801)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>16,410</u>	<u>16,410</u>	<u>27,033</u>	<u>10,623</u>
Total Other Financing Sources	<u>16,410</u>	<u>16,410</u>	<u>27,033</u>	<u>10,623</u>
Net Changes in Fund Balances	17,388	4,612	6,434	1,822
Fund Deficits, July 1, 2007	<u>(6,870)</u>	<u>(6,870)</u>	<u>(6,872)</u>	<u>(2)</u>
Fund Balances (Deficits), June 30, 2008	<u>\$ 10,518</u>	<u>\$ (2,258)</u>	<u>\$ (438)</u>	<u>\$ 1,820</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 \$ 337,292

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 357,891
Differences - Budget to GAAP
Encumbrances for supplies and services ordered but not received within the recognition period (2,261)
Encumbrances for other charges ordered but not received within the recognition period (846)
Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (19)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 354,765

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
MENTAL HEALTH
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<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	\$ 300	\$ 300	\$ 374	\$ 74
Aid from Other Governmental Agencies	75,585	75,585	70,885	(4,700)
Charges for Current Services	41,081	41,081	43,742	2,661
Other Revenues	<u>(2,650)</u>	<u>350</u>	<u>113</u>	<u>(237)</u>
Total Revenues	<u>114,316</u>	<u>117,316</u>	<u>115,114</u>	<u>(2,202)</u>
EXPENDITURES:				
Current:				
Health and Sanitation				
Salaries & Benefits	39,136	51,403	50,694	709
Services & Supplies	54,707	66,580	56,820	9,760
Other Charges	4,818	9,520	9,347	173
Capital Assets	<u>512</u>	<u>254</u>	<u>151</u>	<u>103</u>
Total Expenditures	<u>99,173</u>	<u>127,757</u>	<u>117,012</u>	<u>10,745</u>
Excess (Deficiency) of Revenues over Expenditures	<u>15,143</u>	<u>(10,441)</u>	<u>(1,898)</u>	<u>8,543</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	882	882	4,638	3,756
Transfers Out	<u> </u>	<u> </u>	<u>(188)</u>	<u>(188)</u>
Total Other Financing Sources	<u>882</u>	<u>882</u>	<u>4,450</u>	<u>3,568</u>
Net Changes in Fund Balances (Deficits)	16,025	(9,559)	2,552	12,111
Fund Balances, July 1, 2007	<u>8,010</u>	<u>8,010</u>	<u>8,010</u>	<u> </u>
Fund Balances (Deficits), June 30, 2008	<u>\$ 24,035</u>	<u>\$ (1,549)</u>	<u>\$ 10,562</u>	<u>\$ 12,111</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>115,114</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 117,012
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(12,586)
Encumbrances for other charges 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	(7)
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>103,048</u>

**COUNTY OF KERN
BUDGETARY COMPARISON SCHEDULE
ROADS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Taxes	\$ 3,805	\$ 3,805	\$ 3,931	\$ 126
Revenues from Use of Money and Property	250	250	775	525
Aid from Other Governmental Agencies	40,375	40,375	38,282	(2,093)
Charges for Current Services	3,265	3,265	4,789	1,524
Other Revenues	5,049	5,049	2,479	(2,570)
Total Revenues	<u>52,744</u>	<u>52,744</u>	<u>50,256</u>	<u>(2,488)</u>
EXPENDITURES:				
Current:				
Public Ways and Facilities				
Salaries & Benefits	13,773	17,475	16,079	1,396
Services & Supplies	41,173	48,513	41,906	6,607
Other Charges	265	754	749	5
Capital Assets	1,445	1,707	1,553	154
Total Expenditures	<u>56,656</u>	<u>68,449</u>	<u>60,287</u>	<u>8,162</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(3,912)</u>	<u>(15,705)</u>	<u>(10,031)</u>	<u>5,674</u>
OTHER FINANCING SOURCES				
Transfers In	5,500	5,500	10,980	5,480
Transfers Out				
Total Other Financing Sources	<u>5,500</u>	<u>5,500</u>	<u>10,980</u>	<u>5,480</u>
Net Changes in Fund Balances (Deficits)	1,588	(10,205)	949	11,154
Fund Balances, July 1, 2007	<u>21,674</u>	<u>21,674</u>	<u>21,673</u>	
Fund Balances (Deficits), June 30, 2008	<u>\$ 23,262</u>	<u>\$ 11,469</u>	<u>\$ 22,622</u>	<u>\$ 11,154</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 \$ 50,256

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 60,287
Differences - Budget to GAAP
 Encumbrances for supplies and services ordered but not received within the recognition period (4,974)
 Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (923)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 54,390

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 STRUCTURAL FIRE
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget</u>
REVENUES:				
Taxes	\$ 67,817	\$ 67,817	\$ 71,937	\$ 4,120
Licenses, Permits and Franchises	457	457	266	(191)
Fines, Forfeitures and Penalties	57	57	95	38
Revenues from Use of Money and Property	50	50	76	26
Aid from Other Governmental Agencies	3,216	4,562	3,805	(757)
Charges for Current Services	20,919	27,669	29,485	1,816
Other Revenues	(757)	361	42	(319)
Total Revenues	<u>91,759</u>	<u>100,973</u>	<u>105,706</u>	<u>4,733</u>
EXPENDITURES:				
Current:				
Public Protection				
Salaries & Benefits	9,497,283	103,151	102,911	240
Services & Supplies	124,865	13,916	13,342	574
Other Charges	6,056	7,157	6,379	778
Capital Assets	9,693	10,768	10,661	107
Appropriation for Contingencies	260	260		260
Total Expenditures	<u>9,638,157</u>	<u>135,252</u>	<u>133,293</u>	<u>1,959</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(9,546,398)</u>	<u>(34,279)</u>	<u>(27,587)</u>	<u>6,692</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	16,380	16,380	25,550	9,170
Transfers Out			(986)	(986)
Total Other Financing Sources	<u>16,380</u>	<u>16,380</u>	<u>24,564</u>	<u>8,184</u>
Net Changes in Fund Balances (Deficits)	<u>(9,530,018)</u>	<u>(17,899)</u>	<u>(3,023)</u>	<u>14,876</u>
Fund Balances, July 1, 2007	<u>11,772</u>	<u>11,772</u>	<u>11,772</u>	<u></u>
Fund Balances (Deficits), June 30, 2008	<u>\$ (9,518,246)</u>	<u>\$ (6,127)</u>	<u>\$ 8,749</u>	<u>\$ 14,876</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>105,706</u>
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Expenditures

Actual amount budgetary basis from the budgetary comparison schedule	\$ 133,293
Differences - Budget to GAAP	
Encumbrances for supplies and services ordered but not received within the recognition period	(747)
Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources	<u>(5,200)</u>
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>127,346</u>

COUNTY OF KERN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2008

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.

The major funds for which annual budgets are adopted are presented in the budgetary comparison schedules and include the General fund, Kern County Department of Child Support, Employers Training Resource, Human Services, Mental Health, Roads, Structural Fire, and Tobacco Securitization Proceeds. The county also budgets for the following non-major funds: Aging and Adult Services, Building Inspection, Community Development, County Service Areas, Emergency Medical Services, Local Public Safety, Planned Local Drainage, Automated County Warrant System, Criminal Justice Facility, Juvenile Justice Facility, Court Construction, Automate Fingerprint, Domestic Violence, Recorders Fee, Micro Graphics, Range Improvement, Wildlife Resources, Alcohol Program, Alcohol Abuse, Drug Program, Litter clean-up, Wheeler Ridge Overpass, and Separation of Grade.

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 \$5,429,528 were added to appropriations in the General Fund during the fiscal year.

COUNTY OF KERN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2008

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, 2008. 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	\$ 138,442	\$ (225)	\$ 225	\$ 13,193	\$ 151,635
Mental Health	10,562			13,964	24,526
Road	22,622			5,897	28,519
Structural Fire	8,749			5,947	14,696
Child Support	897			10	907
Employers' Training Resource	685			889	1,574
Human Services	(438)			3,126	2,688
Total	<u>\$ 181,519</u>	<u>\$ (225)</u>	<u>\$ 225</u>	<u>\$ 43,026</u>	<u>\$ 224,545</u>

**COUNTY OF KERN
SCHEDULE OF FUNDING PROGRESS
PENSION AND OTHER POST-EMPLOYMENT BENEFITS
FOR THE YEAR ENDING JUNE 30, 2008 (IN THOUSANDS)**

Retiree Health Premium Supplement Program (RHSP)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a) (c)	Funded Ratio (a/b) (a/b)	Covered Payroll (d)	UAAL as a Percentage of Annual Covered Payroll (c)/(d)
6/30/2006	17,474	83,625	66,151	20.90%	391,892	16.88%
6/30/2006	17,474	83,625	66,151	20.90%	391,016	16.92%

Source: Kern County Retiree Health Premium Supplement Program Actuarial Valuation, June 30, 2006.

Retiree Health Stipend

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a) (b-a)	Funded Ratio (a/b) (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%
6/30/2006		14,031	14,031	0.00%	391,016	3.59%

Source: Kern County Retiree Health Stipend Actuarial Valuation, June 30, 2006.

Kern County Employees' Retirement Association

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a) (c)	Funded Ratio (a/b) (a/b)	Covered Payroll (d)	UAAL as a Percentage of Annual Covered Payroll (c)/(d)
12/31/2003	1,927,585	2,059,286	131,701	93.60%	353,444	37.26%
12/31/2004	2,012,521	2,336,406	323,885	86.14%	374,951	86.38%
12/31/2005 *	2,164,304	2,861,872	697,568	75.63%	391,381	178.23%
12/31/2006	2,352,028	3,109,038	757,010	75.65%	417,351	181.38%
12/31/2007	2,589,817	3,355,755	765,938	77.18%	453,412	168.93%

Source: Kern County Employees' Retirement Association Actuarial Valuation, December 31, 2007.

* Reflects General member benefit increases

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

Retiree Health Premium Supplement Program (RHPSP)
Retiree Health Stipend

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

Retiree Health Premium Supplement Program (RHPSP) ONLY

Monthly Premium Contributions for Future Retirees:	County Self Ins. Plan (PPO)	\$ 414.60
	Health Net (HMO)	504.15
	Kaiser (HMO)	378.30
Other Factors for Monthly Premium Contributions:	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

Monthly Premium Contributions for Future Retirees:	<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

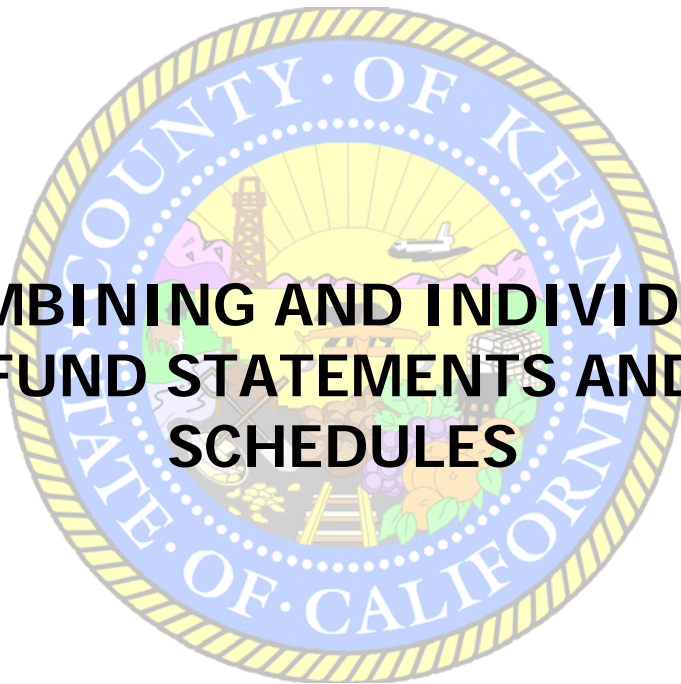
COUNTY OF KERN
 SCHEDULE OF CONTRIBUTIONS
 OTHER POST-EMPLOYMENT BENEFITS
 FOR THE YEAR ENDING JUNE 30, 2008 (IN THOUSANDS)

Retiree Health Premium Supplement Program (RHPSP)			
<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%
2008	9,299	9,299	100%

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	*	*
2008	2,728	*	*

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

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**





**NON-MAJOR
GOVERNMENTAL FUNDS**

COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2008 (IN THOUSANDS)

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
ASSETS				
Assets:				
Pooled Cash and Investments	\$ 51,770	\$ 7,182	\$ 4,935	\$ 63,887
Revolving Fund Cash	2			2
Cash and Investments Deposited with Trustee			13,645	13,645
Interest Receivable	363	82	31	476
Taxes Receivable	793			793
Accrued Revenue	13,886			13,886
Due from Other Agencies	1,095			1,095
Advances to Other Funds			8,691	8,691
Loans Receivable			1,439	1,439
Total Assets	<u>\$ 67,909</u>	<u>\$ 7,264</u>	<u>\$ 28,741</u>	<u>\$ 103,914</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 842	\$ 183		\$ 1,025
Salaries and Employee Benefits Payable	661			661
Advances from Other Funds	2,492			2,492
Due to Other Funds	4,952			4,952
Due to Other Agencies	198			198
Deferred Revenue	1,427			1,427
Total Liabilities	<u>10,572</u>	<u>183</u>		<u>10,755</u>
Fund Balances:				
Reserved	9,185	2,721	28,741	40,647
Unreserved, reported in:				
Special Revenue Funds	11,299			11,299
Capital Projects Funds	36,853	4,360		41,213
Total Fund Balances	<u>57,337</u>	<u>7,081</u>	<u>28,741</u>	<u>93,159</u>
Total Liabilities and Fund Balances	<u>\$ 67,909</u>	<u>\$ 7,264</u>	<u>\$ 28,741</u>	<u>\$ 103,914</u>

**COUNTY OF KERN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>TOTAL NON-MAJOR GOVERNMENTAL FUNDS</u>
REVENUES:				
Taxes	\$ 3,192	\$	\$	\$ 3,192
Licenses, Permits and Franchises	5,005			5,005
Fines, Forfeitures and Penalties	7,467			7,467
Revenues from Use of Money and Property	1,757	342	1,372	3,471
Aid from Other Governmental Agencies	85,305	2,451	7,314	95,070
Charges for Current Services	3,754			3,754
Other Revenues	5,916	1,500	28,490	35,906
Total Revenues	<u>112,396</u>	<u>4,293</u>	<u>37,176</u>	<u>153,865</u>
EXPENDITURES:				
Current:				
General Government	81		30	111
Public Protection	9,599			9,599
Health and Sanitation	2,656			2,656
Public Assistance	29,759			29,759
Public Ways and Facilities	8,734			8,734
Capital Outlay		4,360		4,360
Debt Service:				
Principal			13,613	13,613
Interest			27,027	27,027
Total Expenditures	<u>50,829</u>	<u>4,360</u>	<u>40,670</u>	<u>95,859</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>61,567</u>	<u>(67)</u>	<u>(3,494)</u>	<u>58,006</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	10,080		2,985	13,065
Transfers Out	(72,560)		(318)	(72,878)
Other Financing Sources	3,112			3,112
Total Other Financing Sources (Uses)	<u>(59,368)</u>		<u>2,667</u>	<u>(56,701)</u>
Net Changes in Fund Balances	2,199	(67)	(827)	1,305
Fund Balances, July 1, 2007 (as previously reported)	48,833	7,148	29,544	85,525
Prior Period Adjustment	6,305		24	6,329
Fund Balances, June 30, 2008	<u>\$ 57,337</u>	<u>\$ 7,081</u>	<u>\$ 28,741</u>	<u>\$ 93,159</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.

Alcohol Abuse – This fund accounts for assessments and is used to fund alcohol abuse education and prevention programs in schools and communities throughout the County.

Alcohol Program – This fund accounts for DUI violation fines and is used to fund alcohol programs and services as well as to upgrade facilities to comply State and Federal regulations regarding accessibility for handicapped persons.

Automated County Warrant System – This fund accounts for fines imposed on driving offenses and is used for the development and operation of the automated county warrant system.

Automated Fingerprint – This fund accounts for an assessment on every fine, forfeiture, or penalty collected for criminal offenses and is to be used for maintaining the Cal-ID/Ran system.

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.

Court Construction – This fund accounts for penalty assessments and can only be used to establish or maintain adequate courtroom facilities.

Criminal Justice Facility – This fund accounts for surcharges upon fines, forfeitures and penalties to assist in the construction and maintenance of County criminal justice and court facilities.

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.

Domestic Violence – This fund accounts for a surcharge on marriage licenses and is used to finance domestic violence programs.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND DESCRIPTIONS (Continued)

Drug Program – This fund accounts for fines, penalties and forfeitures and is used to develop, implement, and operate alcohol and drug assessment programs.

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.

Juvenile Justice Facility – This fund accounts for the surcharge on every fine, forfeiture, or penalty for criminal offenses to assist in the maintenance and operation of juvenile facilities.

Litter Cleanup – This fund accounts for fees from littering fines used to support litter cleanup.

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.

Micrographics – This fund accounts for document filing fee used to defray the cost of converting the Recorder's document storage system to micrographics.

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

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

Range Improvement – This fund accounts for grazing fees used to support range improvement costs.

Recorder's Fee – This fund accounts for recording fees used to maintain the County's system of recorded documents.

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.

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.

Wildlife Resources – This fund accounts for funds received from the State to fund projects recommended by the Parks and Recreation Commission.

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: Sheriff Training, Probation Training, Off-Highway Motor Vehicle License, Probation Clearing, Parking Ticket Clearing, Agricultural Commissioner Farm Advisory Agricultural Research, Animal Care, Animal Control Feline Carcasses, Beale Library, Library Rental Book, Board of Trade Advertising, District Attorney - Non-Drug Related Forfeiture, 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, Eminent Domain Proceedings, Domestic Preparedness, Health Bio Terrorism Grant, IHSS Public Authority, Planning CEQA Revolving, Planning Admin. Surcharge, DHS Wraparound Savings, DA Court Ordered Penalties, DA/Sheriff/Probation/ DNA Fund, Redemption Systems, Abatement Costs, County-wide Crime Prevention, Child Restraint Loaner, Health NNFP, Sheriff's Volunteer Service Group, Planned Sewer, HIDTA – State Asset Forfeiture, TEH Transport Impact Fee/Core, TEH Transport Impact Fee/ Non-Core, Shelter Care, Parcel Map in Lieu of Fees, Tehachapi Mountain Forest Park, Probation DJJ Realignment, Real Estate Fraud, Recorder Modernization, Fireworks Penalty, Health MMA, Kiosk Trust Fund, Animal Care Donations.

COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 JUNE 30, 2008 (IN THOUSANDS)

Page 1 of 4

	<u>TOTAL</u>	<u>AGING AND ADULT SERVICES</u>	<u>BUILDING INSPECTION</u>	<u>COMMUNITY DEVELOPMENT PROGRAM</u>
<u>ASSETS</u>				
Pooled Cash and Investments	\$ 51,770	\$	\$ 7,865	\$ 526
Revolving Fund Cash	2	2		
Interest Receivable	363	5	73	6
Taxes Receivable	793			
Accrued Revenue	13,886	1,609		229
Due from Other Agencies	1,095			
Total Assets	<u>\$ 67,909</u>	<u>\$ 1,616</u>	<u>\$ 7,938</u>	<u>\$ 761</u>
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>				
Liabilities:				
Accounts Payable	\$ 842	\$ 215	\$ 40	\$ 48
Salaries and Employee Benefits Payable	661	480	181	
Advances from Other Funds	2,492	487		
Due to Other Funds	4,952	2		181
Due to Other Agencies	198			
Deferred Revenue	1,427	12		
Total Liabilities	<u>10,572</u>	<u>1,196</u>	<u>221</u>	<u>229</u>
Fund Balances (Deficits):				
Reserved	9,185	23	1,502	
Unreserved:				
Designated	11,299		2,803	
Undesignated	36,853	397	3,412	532
Total Fund Balances (Deficits)	<u>57,337</u>	<u>420</u>	<u>7,717</u>	<u>532</u>
Total Liabilities and Fund Balances	<u>\$ 67,909</u>	<u>\$ 1,616</u>	<u>\$ 7,938</u>	<u>\$ 761</u>

<u>COUNTY SERVICE AREAS</u>	<u>DISTRICT ATTORNEY EQUIPMENT AUTOMATION</u>	<u>DISTRICT ATTORNEY LOCAL FORFEITURES</u>	<u>EMERGENCY MEDICAL SERVICES</u>	
\$ 7,682	\$ 594	\$ 1,113	\$ 277	<u>ASSETS</u>
69	5	9	5	Pooled Cash and Investments
793				Revolving Fund Cash
				Interest Receivable
				Taxes Receivable
				Accrued Revenue
			166	Due from Other Agencies
\$ <u>8,544</u>	\$ <u>599</u>	\$ <u>1,122</u>	\$ <u>448</u>	Total Assets
				<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>
\$	\$	\$	\$	Liabilities:
				Accounts Payable
				Salaries and Employee Benefits Payable
				Advances from Other Funds
				Due to Other Funds
				Due to Other Agencies
198				Deferred Revenue
680				Total Liabilities
<u>878</u>				
				Fund Balances (Deficits):
5,427				Reserved
				Unreserved:
				Designated
205	599	1,122	448	Undesignated
2,034				Total Fund Balances (Deficits)
<u>7,666</u>	<u>599</u>	<u>1,122</u>	<u>448</u>	Total Liabilities and Fund Balances
\$ <u>8,544</u>	\$ <u>599</u>	\$ <u>1,122</u>	\$ <u>448</u>	

COUNTY OF KERN
 COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 JUNE 30, 2008 (IN THOUSANDS)

Page 2 of 4

	<u>LOCAL PUBLIC SAFETY</u>	<u>PLANNED LOCAL DRAINAGE</u>	<u>PUBLIC IMPROVEMENT DISTRICTS</u>
<u>ASSETS</u>			
Pooled Cash and Investments	\$	\$ 1,008	\$
Revolving Fund Cash			
Interest Receivable		9	6
Taxes Receivable			
Accrued Revenue	9,596		1,236
Due from Other Agencies			
Total Assets	<u>\$ 9,596</u>	<u>\$ 1,017</u>	<u>\$ 1,242</u>
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>			
Liabilities:			
Accounts Payable	\$	\$	\$
Salaries and Employee Benefits Payable			
Advances from Other Funds			1,425
Due to Other Funds	4,769		
Due to Other Agencies			
Deferred Revenue			
Total Liabilities	<u>4,769</u>		<u>1,425</u>
Fund Balances (Deficits):			
Reserved		154	2,072
Unreserved:			
Designated		821	
Undesignated	4,827	42	(2,255)
Total Fund Balances (Deficits)	<u>4,827</u>	<u>1,017</u>	<u>(183)</u>
Total Liabilities and Fund Balances	<u>\$ 9,596</u>	<u>\$ 1,017</u>	<u>\$ 1,242</u>

<u>SHERIFF INMATE WELFARE</u>	<u>SHERIFF FINGERPRINT IDENTIFICATION</u>	<u>AUTOMATED WARRANT SYSTEM</u>	<u>CRIMINAL JUSTICE FACILITY</u>	
\$ 6,101	\$ 2,397	\$	\$	163
56	22			
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
		7	300	
<u>\$ 6,157</u>	<u>\$ 2,419</u>	<u>\$ 7</u>	<u>\$ 463</u>	
\$	\$	\$	\$	
<u> </u>	<u> </u>	<u> </u>	<u> </u>	
<u> </u>	<u> </u>	<u> </u>	<u> </u>	
6,157	2,419	9	344	
<u> </u>	<u> </u>	<u>(2)</u>	<u>119</u>	
<u>6,157</u>	<u>2,419</u>	<u>7</u>	<u>463</u>	
<u>\$ 6,157</u>	<u>\$ 2,419</u>	<u>\$ 7</u>	<u>\$ 463</u>	

<u>ASSETS</u>	
	Pooled Cash and Investments
	Revolving Fund Cash
	Interest Receivable
	Taxes Receivable
	Accrued Revenue
	Due from Other Agencies
	Total Assets

<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>	
	Liabilities:
	Accounts Payable
	Salaries and Employee Benefits Payable
	Advances from Other Funds
	Due to Other Funds
	Due to Other Agencies
	Deferred Revenue
	Total Liabilities
	Fund Balances (Deficits):
	Reserved
	Unreserved:
	Designated
	Undesignated
	Total Fund Balances (Deficits)
	Total Liabilities and Fund Balances

COUNTY OF KERN
 COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 JUNE 30, 2008 (IN THOUSANDS)

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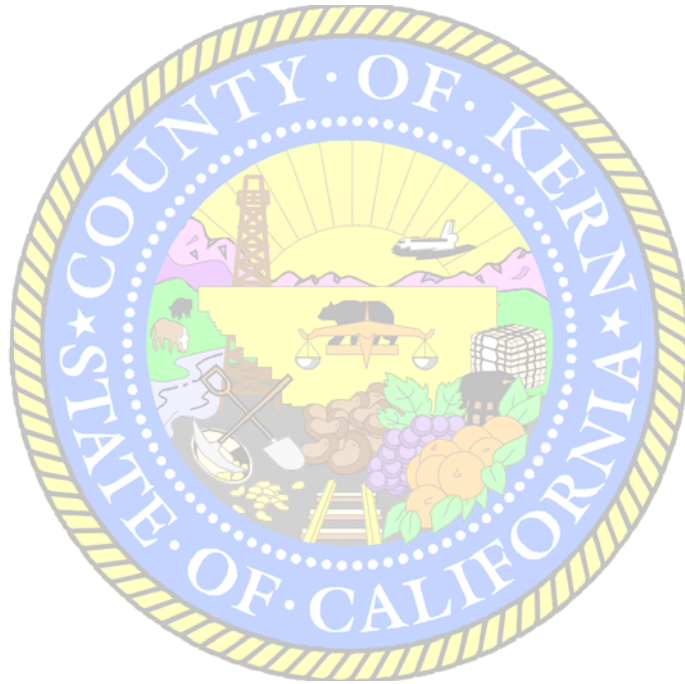
	<u>JUVENILE JUSTICE FACILITY</u>	<u>COURT CONSTRUCTION</u>	<u>AUTOMATED FINGERPRINT</u>	<u>DOMESTIC VIOLENCE</u>
<u>ASSETS</u>				
Pooled Cash and Investments	\$ 6	\$ 265	\$ 1,293	\$ 209
Revolving Fund Cash				
Interest Receivable			13	
Taxes Receivable				
Accrued Revenue				
Due from Other Agencies			30	8
Total Assets	<u>\$ 6</u>	<u>\$ 265</u>	<u>\$ 1,336</u>	<u>\$ 217</u>
<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>				
Liabilities:				
Accounts Payable	\$	\$	\$	\$
Salaries and Employee Benefits Payable				
Advances from Other Funds				
Due to Other Funds				
Due to Other Agencies				
Deferred Revenue				
Total Liabilities				
Fund Balances (Deficits):				
Reserved				
Unreserved:				
Designated	7	247	1,333	123
Undesignated	(1)	18	3	94
Total Fund Balances (Deficits)	<u>6</u>	<u>265</u>	<u>1,336</u>	<u>217</u>
Total Liabilities and Fund Balances	<u>\$ 6</u>	<u>\$ 265</u>	<u>\$ 1,336</u>	<u>\$ 217</u>

<u>RECORDERS FEE</u>	<u>MICRO GRAPHICS</u>	<u>RANGE IMPROVEMENTS</u>	<u>WILDLIFE RESOURCES</u>	
\$ 3,128	\$ 462	\$ 80	\$ 47	
		1		
<u>500</u>				
\$ <u>3,628</u>	\$ <u>462</u>	\$ <u>81</u>	\$ <u>47</u>	
				<u>ASSETS</u>
				Pooled Cash and Investments
				Revolving Fund Cash
				Interest Receivable
				Taxes Receivable
				Accrued Revenue
				Due from Other Agencies
				Total Assets
				<u>LIABILITIES AND FUND BALANCES (DEFICITS)</u>
\$	\$	\$	\$	Liabilities:
				Accounts Payable
				Salaries and Employee Benefits Payable
				Advances from Other Funds
				Due to Other Funds
				Due to Other Agencies
				Deferred Revenue
				Total Liabilities
				Fund Balances (Deficits):
				Reserved
				Unreserved:
				Designated
				Undesignated
4,069	379	36	41	Total Fund Balances (Deficits)
(441)	83	45	(1)	
<u>3,628</u>	<u>462</u>	<u>81</u>	<u>47</u>	Total Liabilities and Fund Balances
\$ <u>3,628</u>	\$ <u>462</u>	\$ <u>81</u>	\$ <u>47</u>	

COUNTY OF KERN
 COMBINING BALANCE SHEET (CONTINUED)
 NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
 JUNE 30, 2008 (IN THOUSANDS)

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	ALCOHOL PROGRAM	ALCOHOL ABUSE	DRUG PROGRAM	LITTER CLEANUP	OTHER SPECIAL REVENUE
ASSETS					
Pooled Cash and Investments	\$ 294	\$	\$ 263	\$	\$ 17,997
Revolving Fund Cash					
Interest Receivable	3		2		79
Taxes Receivable					
Accrued Revenue					1,216
Due from Other Agencies	11	10	1		62
Total Assets	<u>\$ 308</u>	<u>\$ 10</u>	<u>\$ 266</u>	<u>\$</u>	<u>\$ 19,354</u>
LIABILITIES AND FUND BALANCES (DEFICITS)					
Liabilities:					
Accounts Payable	\$	\$	\$	\$	539
Salaries and Employee Benefits Payable					
Advances from Other Funds					580
Due to Other Funds					
Due to Other Agencies					
Deferred Revenue					735
Total Liabilities					<u>1,854</u>
Fund Balances (Deficits):					
Reserved					
Unreserved:					
Designated	334	64	224		260
Undesignated	(26)	(54)	42		17,240
Total Fund Balances (Deficits)	<u>308</u>	<u>10</u>	<u>266</u>		<u>17,500</u>
Total Liabilities and Fund Balances	<u>\$ 308</u>	<u>\$ 10</u>	<u>\$ 266</u>	<u>\$</u>	<u>\$ 19,354</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, 2008 (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	\$ 3,192	\$	\$	\$
Licenses, Permits and Franchises	5,005		4,818	
Fines, Forfeitures and Penalties	7,467			
Revenues from Use of Money and Property	1,757	37	400	
Aid from Other Governmental Agencies	85,305	10,258		8,173
Charges for Current Services	3,754	1,005		
Other Revenues	5,916	389	17	516
Total Revenues	<u>112,396</u>	<u>11,689</u>	<u>5,235</u>	<u>8,689</u>
EXPENDITURES:				
General Government	81			
Public Protection	9,599		5,949	
Health and Sanitation	2,656			
Public Assistance	29,759	13,103		5,628
Public Ways and Facilities	8,734			
Total Expenditures	<u>50,829</u>	<u>13,103</u>	<u>5,949</u>	<u>5,628</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>61,567</u>	<u>(1,414)</u>	<u>(714)</u>	<u>3,061</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	10,080	1,428	21	2
Transfers Out	(72,560)		(21)	(3,065)
Other Financing Sources	3,112			
Total Other Financing Sources (Uses)	<u>(59,368)</u>	<u>1,428</u>	<u></u>	<u>(3,063)</u>
Net Changes in Fund Balances (Deficits)	2,199	14	(714)	(2)
Fund Balances (Deficits), July 1, 2007	48,833	406	8,431	534
Prior Period Adjustment	6,305			
Fund Balances (Deficits), June 30, 2008	<u>\$ 57,337</u>	<u>\$ 420</u>	<u>\$ 7,717</u>	<u>\$ 532</u>

COUNTY SERVICE AREAS	DISTRICT ATTORNEY EQUIPMENT AUTOMATION	DISTRICT ATTORNEY LOCAL FORFEITURES	EMERGENCY MEDICAL SERVICES	
\$ 3,127	\$	\$	\$	REVENUES:
31		101	1,722	Taxes
297	25	29	22	Licenses, Permits and Franchises
			494	Fines, Forfeitures and Penalties
19			22	Revenues from Use of Money and Property
3,474	25	130	2,260	Aid from Other Governmental Agencies
				Charges for Current Services
				Other Revenues
				Total Revenues
24				EXPENDITURES:
725			1,924	General Government
1,814				Public Protection
2,563			1,924	Health and Sanitation
				Public Assistance
911	25	130	336	Public Ways and Facilities
				Total Expenditures
				Excess (Deficiency) of Revenues Over Expenditures
101			(392)	OTHER FINANCING SOURCES (USES):
				Transfers In
				Transfers Out
				Other Financing Sources
101			(392)	Total Other Financing Sources (Uses)
1,012	25	130	(56)	Net Changes in Fund Balances (Deficits)
6,654	574	992	504	Fund Balances (Deficits), July 1, 2007
				Prior Period Adjustment
\$ 7,666	\$ 599	\$ 1,122	\$ 448	Fund Balances (Deficits), June 30, 2008

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, 2008 (IN THOUSANDS)

Page 2 of 4

	LOCAL PUBLIC SAFETY	PLANNED LOCAL DRAINAGE	PUBLIC IMPROVEMENT DISTRICTS
REVENUES:			
Taxes	\$	\$	\$ 18
Licenses, Permits and Franchises		12	
Fines, Forfeitures and Penalties			
Revenues from Use of Money and Property		43	90
Aid from Other Governmental Agencies	58,335		3,524
Charges for Current Services			
Other Revenues			
Total Revenues	<u>58,335</u>	<u>55</u>	<u>3,632</u>
EXPENDITURES:			
General Government			
Public Protection			
Health and Sanitation			
Public Assistance			
Public Ways and Facilities			6,920
Total Expenditures			<u>6,920</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>58,335</u>	<u>55</u>	<u>(3,288)</u>
OTHER FINANCING SOURCES (USES):			
Transfers In			
Transfers Out	(57,230)		
Other Financing Sources			3,112
Total Other Financing Sources (Uses)	<u>(57,230)</u>		<u>3,112</u>
Net Changes in Fund Balances (Deficits)	1,105	55	(176)
Fund Balances (Deficits), July 1, 2007	3,722	962	(7)
Prior Period Adjustment			
Fund Balances (Deficits), June 30, 2008	<u>\$ 4,827</u>	<u>\$ 1,017</u>	<u>\$ (183)</u>

<u>SHERIFF INMATE WELFARE</u>	<u>SHERIFF FINGERPRINT IDENTIFICATION</u>	<u>AUTOMATED WARRANT SYSTEM</u>	<u>CRIMAL JUSTICE FACILITY</u>	
\$	\$	\$	\$	REVENUES:
				Taxes
		74	3,232	Licenses, Permits and Franchises
258	86			Fines, Forfeitures and Penalties
				Revenues from Use of Money and Property
				Aid from Other Governmental Agencies
				Charges for Current Services
1,977	650			Other Revenues
<u>2,235</u>	<u>736</u>	<u>74</u>	<u>3,232</u>	Total Revenues
				EXPENDITURES:
				General Government
			3	Public Protection
				Health and Sanitation
				Public Assistance
				Public Ways and Facilities
			<u>3</u>	Total Expenditures
<u>2,235</u>	<u>736</u>	<u>74</u>	<u>3,229</u>	Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
				Transfers In
(1,573)	(158)	(76)	(3,110)	Transfers Out
				Other Financing Sources
<u>(1,573)</u>	<u>(158)</u>	<u>(76)</u>	<u>(3,110)</u>	Total Other Financing Sources (Uses)
662	578	(2)	119	Net Changes in Fund Balances (Deficits)
5,495	1,841	9	344	Fund Balances (Deficits), July 1, 2007
				Prior Period Adjustment
<u>\$ 6,157</u>	<u>\$ 2,419</u>	<u>\$ 7</u>	<u>\$ 463</u>	Fund Balances (Deficits), June 30, 2008

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, 2008 (IN THOUSANDS)

Page 3 of 4

	JUVENILE JUSTICE FACILITY	COURT CONSTRUCTION	AUTOMATED FINGERPRINT	DOMESTIC VOILENCE
REVENUES:				
Taxes	\$	\$	\$	\$
Licenses, Permits and Franchises				106
Fines, Forfeitures and Penalties	1	68	316	92
Revenues from Use of Money and Property			55	
Aid from Other Governmental Agencies				
Charges for Current Services				
Other Revenues				
Total Revenues	<u>1</u>	<u>68</u>	<u>371</u>	<u>198</u>
EXPENDITURES:				
General Government				
Public Protection		1		1
Health and Sanitation				
Public Assistance				
Public Ways and Facilities				
Total Expenditures		<u>1</u>		<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1</u>	<u>67</u>	<u>371</u>	<u>197</u>
OTHER FINANCING SOURCES (USES):				
Transfers In				
Transfers Out			(200)	(160)
Other Financing Sources				
Total Other Financing Sources (Uses)			<u>(200)</u>	<u>(160)</u>
Net Changes in Fund Balances (Deficits)	1	67	171	37
Fund Balances (Deficits), July 1, 2007	5	198	1,165	180
Prior Period Adjustment				
Fund Balances (Deficits), June 30, 2008	<u>\$ 6</u>	<u>\$ 265</u>	<u>\$ 1,336</u>	<u>\$ 217</u>

<u>RECORDERS FEE</u>	<u>MICRO GRAPHICS</u>	<u>RANGE IMPROVEMENTS</u>	<u>WILDLIFE RESOURCES</u>	
\$	\$	\$	\$	REVENUES:
				Taxes
			9	Licenses, Permits and Franchises
14	4	4		Fines, Forfeitures and Penalties
		11		Revenues from Use of Money and Property
893	222			Aid from Other Governmental Agencies
				Charges for Current Services
				Other Revenues
<u>907</u>	<u>226</u>	<u>15</u>	<u>9</u>	Total Revenues
				EXPENDITURES:
				General Government
		14	20	Public Protection
				Health and Sanitation
				Public Assistance
				Public Ways and Facilities
		<u>14</u>	<u>20</u>	Total Expenditures
<u>907</u>	<u>226</u>	<u>1</u>	<u>(11)</u>	Excess (Deficiency) of Revenues Over Expenditures
				OTHER FINANCING SOURCES (USES):
(1,528)	(501)			Transfers In
				Transfers Out
				Other Financing Sources
<u>(1,528)</u>	<u>(501)</u>			Total Other Financing Sources (Uses)
(621)	(275)	1	(11)	Net Changes in Fund Balances (Deficits)
4,249	737	80	58	Fund Balances (Deficits), July 1, 2007
				Prior Period Adjustment
<u>\$ 3,628</u>	<u>\$ 462</u>	<u>\$ 81</u>	<u>\$ 47</u>	Fund Balances (Deficits), June 30, 2008

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, 2008 (IN THOUSANDS)

Page 4 of 4

	ALCOHOL PROGRAM	ALCOHOL ABUSE	DRUG PROGRAM	LITTER CLEANUP	OTHER SPECIAL REVENUE
REVENUES:					
Taxes	\$	\$	\$	\$	\$ 47
Licenses, Permits and Franchises					69
Fines, Forfeitures and Penalties	117	105	43	4	1,552
Revenues from Use of Money and Property	17	1	11		364
Aid from Other Governmental Agencies					4,510
Charges for Current Services					1,634
Other Revenues					2,326
Total Revenues	<u>134</u>	<u>106</u>	<u>54</u>	<u>4</u>	<u>10,502</u>
EXPENDITURES:					
General Government					81
Public Protection					3,587
Health and Sanitation					7
Public Assistance					11,028
Public Ways and Facilities					
Total Expenditures					<u>14,703</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>134</u>	<u>106</u>	<u>54</u>	<u>4</u>	<u>(4,201)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In					8,528
Transfers Out	(192)	(112)	(22)	(4)	(4,216)
Other Financing Sources					
Total Other Financing Sources (Uses)	<u>(192)</u>	<u>(112)</u>	<u>(22)</u>	<u>(4)</u>	<u>4,312</u>
Net Changes in Fund Balances (Deficits)	(58)	(6)	32		111
Fund Balances (Deficits), July 1, 2007	366	16	234		11,084
Prior Period Adjustment					6,305
Fund Balances (Deficits), June 30, 2008	<u>\$ 308</u>	<u>\$ 10</u>	<u>\$ 266</u>	<u>\$</u>	<u>\$ 17,500</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

AGING AND ADULT SERVICES				
	<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	\$ 38	\$ 38	\$ 37	\$ (1)
Aid from Other Governmental Agencies	10,370	10,517	10,258	(259)
Charges for Current Services	888	888	1,005	117
Other Revenues	<u>205</u>	<u>383</u>	<u>389</u>	<u>6</u>
Total Revenues	<u>11,501</u>	<u>11,826</u>	<u>11,689</u>	<u>(137)</u>
EXPENDITURES:				
Current:				
Public Assistance				
Salaries & Benefits	8,435	8,569	8,273	296
Services & Supplies	3,887	4,206	4,079	127
Other Charges	449	449	710	(261)
Appropriation for Contingencies	214	63		63
Capital Assets	<u>56</u>	<u>75</u>	<u>62</u>	<u>13</u>
Total Expenditures	<u>13,041</u>	<u>13,362</u>	<u>13,124</u>	<u>238</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,540)</u>	<u>(1,536)</u>	<u>(1,435)</u>	<u>375</u>
OTHER FINANCING SOURCES:				
Transfers In	<u>1,418</u>	<u>1,418</u>	<u>1,428</u>	<u>10</u>
Total Other Financing Sources	<u>1,418</u>	<u>1,418</u>	<u>1,428</u>	<u>10</u>
Net Changes in Fund Balances (Deficits)	(122)	(118)	(7)	365
Fund Balances, July 1, 2007	<u>406</u>	<u>406</u>	<u>406</u>	<u></u>
Fund Balances, June 30, 2008	<u>\$ 284</u>	<u>\$ 288</u>	<u>\$ 399</u>	<u>\$ 365</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 \$ 11,689

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 13,124
 Differences - Budget to GAAP
 Encumbrances for supplies and services ordered but not received within the recognition period (19)
 Encumbrances for other charges ordered but not received within the recognition period (1)
 Capital Outlay are expenditures for financial reporting purposes but are not outflows of budgetary resources (1)

Actual amount budgetary basis as reported on the budgetary comparison schedule and on the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances \$ 13,103

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

BUILDING INSPECTION				
	<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	\$ 5,004	\$ 5,004	\$ 4,818	\$ (186)
Revenues from Use of Money and Property	300	300	400	100
Charges for Current Services	24	24		(24)
Other Revenues	13	13	17	4
Total Revenues	<u>5,341</u>	<u>5,341</u>	<u>5,235</u>	<u>(106)</u>
EXPENDITURES:				
Current:				
Public Protection				
Salaries & Benefits	4,999	4,999	3,391	1,608
Services & Supplies	3,329	3,329	2,475	854
Other Charges	148	148	148	
Capital Assets	130	130		130
Appropriation for Contingencies	550	550		550
Total Expenditures	<u>9,156</u>	<u>9,156</u>	<u>6,014</u>	<u>3,142</u>
Excess (Deficiency) of Revenues over Expenditures	(3,815)	(3,815)	(779)	3,036
OTHER FINANCING SOURCES (USES):				
Transfers In			21	21
Transfers Out			(21)	(21)
Total Other Financing Sources				
Net Changes in Fund Balances (Deficits)	<u>(3,815)</u>	<u>(3,815)</u>	<u>(779)</u>	<u>3,036</u>
Fund Balances, July 1, 2007	<u>8,431</u>	<u>8,431</u>	<u>8,431</u>	
Fund Balances, June 30, 2008	<u>\$ 4,616</u>	<u>\$ 4,616</u>	<u>\$ 7,652</u>	<u>\$ 3,036</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 \$ 5,235

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 6,014
 Differences - Budget to GAAP (65)
 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 \$ 5,949

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

COMMUNITY DEVELOPMENT				
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Revenues from Use of Money and Property	\$	\$ (1)	\$	\$ 1
Aid from Other Governmental Agencies	23,347	23,347	8,173	(15,174)
Charges for Current Services	3	3		(3)
Other Revenues	805	805	516	(289)
Total Revenues	<u>24,155</u>	<u>24,154</u>	<u>8,689</u>	<u>(15,465)</u>
EXPENDITURES:				
Current:				
Public Assistance				
Services & Supplies	21,816	17,711	5,628	12,083
Appropriation for Contingencies	3,754	2,505		2,505
Total Expenditures	<u>25,570</u>	<u>20,216</u>	<u>5,628</u>	<u>14,588</u>
Excess(Deficiency) of Revenues over Expenditures	<u>(1,415)</u>	<u>3,938</u>	<u>3,061</u>	<u>(877)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In			2	2
Transfers Out		4,399	(3,065)	(7,464)
Total Other Financing Sources (Uses)		<u>4,399</u>	<u>(3,063)</u>	<u>(7,462)</u>
Net Changes in Fund Balances (Deficits)	(1,415)	8,337	(2)	(8,339)
Fund Balances, July 1, 2007	534	534	534	
Fund Balances, June 30, 2008	<u>\$ (881)</u>	<u>\$ 8,871</u>	<u>\$ 532</u>	<u>\$ (8,339)</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 \$ 8,689

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 \$ 5,628

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	COUNTY SERVICE AREAS			
	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Taxes	\$ 2,831	\$ 2,831	\$ 3,127	\$ 296
Fines, Forfeitures and Penalties	31	31	31	
Revenues from Use of Money and Property	170	170	297	127
Charges for Current Services		(14)		14
Other Revenues	238	238	19	(219)
Total Revenues	3,270	3,256	3,474	218
EXPENDITURES:				
Current:				
Public Protection				
Services & Supplies	206	24	24	
Other Charges	1			
Appropriation for Contingencies	22	10		10
Total Public Protection	229	34	24	10
Health and Sanitation				
Services & Supplies	769	722	722	
Other Charges	7	3	3	
Capital Assets	50			
Appropriation for Contingencies	85	56		56
Total Health and Sanitation	911	781	725	56
Public Ways and Facilities				
Services & Supplies	2,740	1,802	1,802	
Other Charges	31	12	12	
Appropriation for Contingencies	400	255		255
Total Public Ways and Facilities	3,171	2,069	1,814	255
Total Expenditures	4,311	2,884	2,563	321
Excess (Deficiency) of Revenues over Expenditures	(1,041)	372	911	539
OTHER FINANCING SOURCES (USES):				
Transfers In			101	101
Transfers Out				
Total Other Financing Sources (Uses)			101	101
Net Changes in Fund Balances (Deficits)	(1,041)	372	1,012	640
Fund Balances, July 1, 2007	6,654	6,654	6,654	
Fund Balances, June 30, 2008	\$ 5,613	\$ 7,026	\$ 7,666	\$ 640

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 \$ 3,474

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 \$ 2,563

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

<u>EMERGENCY MEDICAL SERVICES</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	\$ 1,991	\$ 1,991	\$ 1,722	\$ (269)
Revenues from Use of Money and Property	22	22	22	
Aid from Other Governmental Agencies	317	698	494	(204)
Other Revenues		22	22	
Total Revenues	<u>2,330</u>	<u>2,733</u>	<u>2,260</u>	<u>(473)</u>
EXPENDITURES:				
Current:				
Health and Sanitation				
Services & Supplies	2,035	2,416	1,924	492
Appropriation for Contingencies	230	230		230
Total Expenditures	<u>2,265</u>	<u>2,646</u>	<u>1,924</u>	<u>722</u>
Excess (Deficiency) of Revenues over Expenditures	<u>65</u>	<u>87</u>	<u>336</u>	<u>249</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(575)</u>	<u>(575)</u>	<u>(392)</u>	<u>183</u>
Total Other Financing Uses	<u>(575)</u>	<u>(575)</u>	<u>(392)</u>	<u>183</u>
Net Changes in Fund Balances	(510)	(488)	(56)	432
Fund Balances (Deficits), June 30, 2007	<u>504</u>	<u>504</u>	<u>504</u>	
Fund Balances (Deficits), June 30, 2008	<u>\$ (6)</u>	<u>\$ 16</u>	<u>\$ 448</u>	<u>\$ 432</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 \$ 2,260

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 \$ 1,924

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 56,811	\$ 56,811	\$ 58,335	\$ 1,524
Charges for Current Services				
Other Revenues		22		(22)
Total Revenues	<u>56,811</u>	<u>56,833</u>	<u>58,335</u>	<u>1,502</u>
Excess of Revenues over Expenditures	<u>56,811</u>	<u>56,833</u>	<u>58,335</u>	<u>1,502</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(59,976)</u>	<u>(59,976)</u>	<u>(57,230)</u>	<u>2,746</u>
Total Other Financing Uses	<u>(59,976)</u>	<u>(59,976)</u>	<u>(57,230)</u>	<u>2,746</u>
Net Changes in Fund Balances (Deficits)	(3,165)	(3,143)	1,105	4,248
Fund Balances, July 1, 2007	<u>3,722</u>	<u>3,722</u>	<u>3,722</u>	
Fund Balances, July 1, 2008	<u>\$ 557</u>	<u>\$ 579</u>	<u>\$ 4,827</u>	<u>\$ 4,248</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

\$ 58,335

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$	\$ 12	\$ 12	\$
Revenues from Use of Money and Property		43	43	
Total Revenues		55	55	
Excess of Revenues over Expenditures		55	55	
Net Changes in Fund Balances		55	55	
Fund Balances, July 1, 2007	962	962	962	
Fund Balances, June 30, 2008	\$ 962	\$ 1,017	\$ 1,017	\$

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 \$ 55

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

AUTOMATED COUNTY WARRANT SYSTEM

	<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	\$ 110	\$ 110	\$ 74	\$ (36)
Total Revenues	<u>110</u>	<u>110</u>	<u>74</u>	<u>(36)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>110</u>	<u>110</u>	<u>74</u>	<u>(36)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(110)</u>	<u>(110)</u>	<u>(76)</u>	<u>34</u>
Total Other Financing Uses	<u>(110)</u>	<u>(110)</u>	<u>(76)</u>	<u>34</u>
Net Changes in Fund Balances			(2)	(2)
Fund Balances, July 1, 2007	<u>9</u>	<u>9</u>	<u>9</u>	
Fund Balances, July 1, 2008	<u><u>9</u></u>	<u><u>9</u></u>	<u><u>7</u></u>	<u><u>(2)</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 \$ 74

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 3,958	\$ 3,958	\$ 3,232	\$ (726)
Total Revenues	<u>3,958</u>	<u>3,958</u>	<u>3,232</u>	<u>(726)</u>
EXPENDITURES:				
Current:				
Public Protection			3	(3)
Other Charges			3	(3)
Total Expenditures			<u>3</u>	<u>(3)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>3,958</u>	<u>3,958</u>	<u>3,229</u>	<u>(729)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(3,957)</u>	<u>(3,957)</u>	<u>(3,110)</u>	<u>847</u>
Total Other Financing Sources (Uses)	<u>(3,957)</u>	<u>(3,957)</u>	<u>(3,110)</u>	<u>847</u>
Net Changes in Fund Balances	1	1	119	118
Fund Balances, July 1, 2007	<u>344</u>	<u>344</u>	<u>344</u>	
Fund Balances, June 30, 2008	<u>\$ 345</u>	<u>\$ 345</u>	<u>\$ 463</u>	<u>\$ 118</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 \$ 3,232

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 \$ 3

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 1	\$ (1)
Total Revenues	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>
Excess of Revenues over Expenditures	<u>2</u>	<u>2</u>	<u>1</u>	<u>(1)</u>
Net Changes in Fund Balances	2	2	1	(1)
Fund Balances, July 1, 2007	<u>5</u>	<u>5</u>	<u>5</u>	<u></u>
Fund Balances, June 30, 2008	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ 6</u>	<u>\$ (1)</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

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 46	\$ 46	\$ 68	\$ 22
Total Revenues	<u>46</u>	<u>46</u>	<u>68</u>	<u>22</u>
EXPENDITURES:				
Current:				
Public Protection				
Other Charges	<u>1</u>	<u>1</u>	<u>1</u>	
Total Expenditures	<u>1</u>	<u>1</u>	<u>1</u>	
Excess of Revenues over Expenditures	<u>45</u>	<u>45</u>	<u>67</u>	<u>22</u>
Net Changes in Fund Balances	45	45	67	22
Fund Balances, July 1, 2007	<u>198</u>	<u>198</u>	<u>198</u>	
Fund Balances, June 30, 2008	<u>\$ 243</u>	<u>\$ 243</u>	<u>\$ 265</u>	<u>\$ 22</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 \$ 68

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 1
 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 \$ 1

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 367	\$ 367	\$ 316	\$ (51)
Revenues from Use of Money and Property	55	55	55	
Total Revenues	<u>422</u>	<u>422</u>	<u>371</u>	<u>(51)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>422</u>	<u>422</u>	<u>371</u>	<u>(51)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(200)</u>	<u>(200)</u>	<u>(200)</u>	
Total Other Financing Sources (Uses)	<u>(200)</u>	<u>(200)</u>	<u>(200)</u>	
Net Changes in Fund Balances	222	222	171	(51)
Fund Balances, July 1, 2007	<u>1,166</u>	<u>1,166</u>	<u>1,165</u>	
Fund Balances, June 30, 2008	<u>\$ 1,388</u>	<u>\$ 1,388</u>	<u>\$ 1,336</u>	<u>\$ (51)</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 \$ 371

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 106	\$ 106	\$ 106	\$
Fines, Forfeitures and Penalties	<u>101</u>	<u>101</u>	<u>92</u>	<u>(9)</u>
Total Revenues	<u>207</u>	<u>207</u>	<u>198</u>	<u>(9)</u>
EXPENDITURES:				
Current:				
Public Protection				
Other Charges	<u>1</u>	<u>1</u>	<u>1</u>	
Total Expenditures	<u>1</u>	<u>1</u>	<u>1</u>	
Excess of Revenues over Expenditures	<u>206</u>	<u>206</u>	<u>197</u>	<u>(9)</u>
OTHER FINANCING USES:				
Transfers Out	<u>(160)</u>	<u>(160)</u>	<u>(160)</u>	
Total Other Financing Uses	<u>(160)</u>	<u>(160)</u>	<u>(160)</u>	
Net Changes in Fund Balances	46	46	37	(9)
Fund Balances, July 1, 2007	<u>180</u>	<u>180</u>	<u>180</u>	
Fund Balances, June 30, 2008	<u>\$ 226</u>	<u>\$ 226</u>	<u>\$ 217</u>	<u>\$ (9)</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 \$ 198

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

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

<u>RECORDERS FEE</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	\$ 14	\$ 14	\$ 14	
Charges for Current Services	<u>1,484</u>	<u>1,484</u>	<u>893</u>	<u>(591)</u>
Total Revenues	<u>1,498</u>	<u>1,498</u>	<u>907</u>	<u>(591)</u>
Excess of Revenues over Expenditures	<u>1,498</u>	<u>1,498</u>	<u>907</u>	<u>(591)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(1,730)</u>	<u>(1,730)</u>	<u>(1,528)</u>	<u>202</u>
Total Other Financing Sources (Uses)	<u>(1,730)</u>	<u>(1,730)</u>	<u>(1,528)</u>	<u>202</u>
Net Changes in Fund Balances	(232)	(232)	(621)	(389)
Fund Balances, July 1, 2007	<u>4,249</u>	<u>4,249</u>	<u>4,249</u>	
Fund Balances, June 30, 2008	<u>\$ 4,017</u>	<u>\$ 4,017</u>	<u>\$ 3,628</u>	<u>\$ (389)</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 \$ 907

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

MICRO GRAPHICS				
	<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	\$ 4	\$ 4	\$ 4	\$
Charges for Current Services	<u>350</u>	<u>350</u>	<u>222</u>	<u>(128)</u>
Total Revenues	<u>354</u>	<u>354</u>	<u>226</u>	<u>(128)</u>
Excess of Revenues over Expenditures	<u>354</u>	<u>354</u>	<u>226</u>	<u>(128)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out	<u>(719)</u>	<u>(719)</u>	<u>(501)</u>	<u>218</u>
Total Other Financing Uses	<u>(719)</u>	<u>(719)</u>	<u>(501)</u>	<u>218</u>
Net Changes in Fund Deficits	(365)	(365)	(275)	90
Fund Balances, July 1, 2007	<u>737</u>	<u>737</u>	<u>737</u>	<u></u>
Fund Balances, July 1, 2008	<u>\$ 372</u>	<u>\$ 372</u>	<u>\$ 462</u>	<u>\$ 90</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 \$ 226

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 4	\$ 2
Aid from Other Governmental Agencies	<u>12</u>	<u>12</u>	<u>11</u>	<u>(1)</u>
Total Revenues	<u>14</u>	<u>14</u>	<u>15</u>	<u>1</u>
EXPENDITURES:				
Current:				
Public Protection				
Services & Supplies	<u>57</u>	<u>57</u>	<u>14</u>	<u>43</u>
Total Expenditures	<u>57</u>	<u>57</u>	<u>14</u>	<u>43</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(43)</u>	<u>(43)</u>	<u>1</u>	<u>44</u>
Net Changes in Fund Balances (Deficits)	(43)	(43)	1	44
Fund Balances, July 1, 2007	<u>80</u>	<u>80</u>	<u>80</u>	<u></u>
Fund Balances, June 30, 2008	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 81</u>	<u>\$ 44</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 \$ 15

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 \$ 14

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 15	\$ 15	\$ 9	\$ (6)
Total Revenues	<u>15</u>	<u>15</u>	<u>9</u>	<u>(6)</u>
EXPENDITURES:				
Current:				
Public Protection				
Services & Supplies	4	4	4	
Other Charges	22	29	23	6
Total Expenditures	<u>26</u>	<u>33</u>	<u>27</u>	<u>6</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(11)</u>	<u>(18)</u>	<u>(18)</u>	
Net Changes in Fund Balances (Deficits)	(11)	(18)	(18)	
Fund Balances, July 1, 2007	<u>58</u>	<u>58</u>	<u>58</u>	
Fund Balances, June 30, 2008	<u>\$ 47</u>	<u>\$ 40</u>	<u>\$ 40</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 \$ 9

Expenditures

Actual amount budgetary basis from the budgetary comparison schedule \$ 27
 Differences - Budget to GAAP (7)
 Encumbrances for other charges 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 \$ 20

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$ 155	\$ 155	\$ 117	\$ (38)
Revenues from Use of Money and Property	<u>17</u>	<u>17</u>	<u>17</u>	
Other Revenues				
Total Revenues	<u>172</u>	<u>172</u>	<u>134</u>	<u>(38)</u>
Excess of Revenues over Expenditures	<u>172</u>	<u>172</u>	<u>134</u>	<u>(38)</u>
OTHER FINANCING USES:				
Transfers In				
Transfers Out	<u>(192)</u>	<u>(192)</u>	<u>(192)</u>	
Total Other Financing Uses	<u>(192)</u>	<u>(192)</u>	<u>(192)</u>	
Net Changes in Fund Balances	(20)	(20)	(58)	(38)
Fund Balances, July 1, 2007	<u>366</u>	<u>366</u>	<u>366</u>	
Fund Balances, June 30, 2008	<u>\$ 346</u>	<u>\$ 346</u>	<u>\$ 308</u>	<u>\$ (38)</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

\$ 134

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

<u>ALCOHOL ABUSE</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	\$ 127	\$ 127	\$ 105	\$ (22)
Revenues from Use of Money and Property	<u>1</u>	<u>1</u>	<u>1</u>	
Other Revenues				
Total Revenues	<u>128</u>	<u>128</u>	<u>106</u>	<u>(22)</u>
Excess of Revenues over Expenditures	<u>128</u>	<u>128</u>	<u>106</u>	<u>(22)</u>
OTHER FINANCING USES:				
Transfers In				
Transfers Out	<u>(78)</u>	<u>(78)</u>	<u>(112)</u>	<u>(34)</u>
Total Other Financing Uses	<u>(78)</u>	<u>(78)</u>	<u>(112)</u>	<u>(34)</u>
Net Changes in Fund Balances (Deficits)	50	50	(6)	(56)
Fund Balances, July 1, 2007	<u>16</u>	<u>16</u>	<u>16</u>	
Fund Balances, July 1, 2008	<u>\$ 66</u>	<u>\$ 66</u>	<u>\$ 10</u>	<u>\$ (56)</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

\$ 106

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

DRUG PROGRAM

	Original Budget	Final Budget	Actual on Budgetary Basis	Variance with Final Budget
REVENUES:				
Fines, Forfeitures and Penalties	\$ 9	\$ 9	\$ 43	\$ 34
Revenues from Use of Money and Property	11	11	11	
Other Revenues				
Total Revenues	<u>20</u>	<u>20</u>	<u>54</u>	<u>34</u>
Excess of Revenues over Expenditures	<u>20</u>	<u>20</u>	<u>54</u>	<u>34</u>
OTHER FINANCING USES:				
Transfers Out	<u>22</u>	<u>22</u>	<u>(22)</u>	<u>(44)</u>
Total Other Financing Uses	<u>22</u>	<u>22</u>	<u>(22)</u>	<u>(44)</u>
Net Changes in Fund Balances	42	42	32	(10)
Fund Balances, July 1, 2007	<u>233</u>	<u>233</u>	<u>234</u>	
Fund Balances, June 30, 2008	<u>\$ 275</u>	<u>\$ 275</u>	<u>\$ 266</u>	<u>\$ (10)</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

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

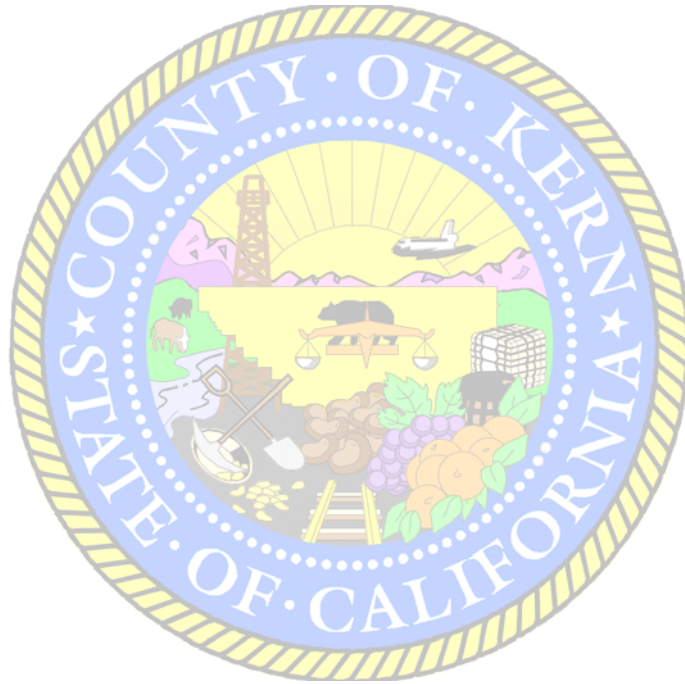
LITTER CLEANUP

	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, 2007	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances, June 30, 2008	<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



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.

Wheeler Ridge Overpass - This fund accounts for proceeds from the Federal government and Tejon Ranch for the construction of an overpass project at Highway 99 and Laval Road.

Separation of Grade – This fund accounts for the proceeds from various participating entities such as the State of California, City of Bakersfield, City of Shafter, and Union Pacific Railroad for the Seventh Standard Road interchange modification and Separation of Grade construction projects.

COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2008 (IN THOUSANDS)

	<u>TOTAL</u>	<u>WHEELER RIDGE OVERPASS</u>	<u>SEPARATION OF GRADE</u>
<u>ASSETS</u>			
Pooled Cash and Investments	\$ 7,182	\$ 1,476	\$ 5,706
Interest Receivable	<u>82</u>	<u>8</u>	<u>74</u>
Total Assets	<u>\$ 7,264</u>	<u>\$ 1,484</u>	<u>\$ 5,780</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 183	\$	\$ 183
Total Liabilities	<u>183</u>	<u></u>	<u>183</u>
Fund Balances:			
Reserved	2,721		2,721
Unreserved:			
Undesignated	<u>4,360</u>	<u>1,484</u>	<u>2,876</u>
Total Fund Balances	<u>7,081</u>	<u>1,484</u>	<u>5,597</u>
Total Liabilities and Fund Balances	<u>\$ 7,264</u>	<u>\$ 1,484</u>	<u>\$ 5,780</u>

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES (DEFICITS)
 NON-MAJOR CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	<u>TOTAL</u>	<u>WHEELER RIDGE OVERPASS</u>	<u>SEPARATION OF GRADE</u>
REVENUES:			
Revenues From Use of Money	\$ 342	\$	\$ 342
Aid From Other Governments	2,451		2,451
Other Revenues	<u>1,500</u>	<u>1,500</u>	
Total Revenues	<u>4,293</u>	<u>1,500</u>	<u>2,793</u>
EXPENDITURES:			
Capital Outlay	<u>4,360</u>	<u>16</u>	<u>4,344</u>
Total Expenditures	<u>4,360</u>	<u>16</u>	<u>4,344</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(67)</u>	<u>1,484</u>	<u>(1,551)</u>
Net Changes In Fund Balances	(67)	1,484	(1,551)
Fund Balances, July 1, 2007	7,148		7,148
Fund Balances, June 30, 2008	<u>\$ 7,081</u>	<u>\$ 1,484</u>	<u>\$ 5,597</u>

**COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 TOBACCO SECURITIZATION PROCEEDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<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	\$	\$	\$ 2,736	\$ 2,736
Other Revenues			281	281
Total Revenues			<u>3,017</u>	<u>3,017</u>
EXPENDITURES:				
Current:				
General Government				
Capital Outlay		33,867	65	33,802
Total Expenditures		<u>33,867</u>	<u>65</u>	<u>33,802</u>
Excess (Deficiency) of Revenues over Expenditures		<u>(33,867)</u>	<u>2,952</u>	<u>36,819</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out			(750)	(750)
Total Other Financing Uses			<u>(750)</u>	<u>(750)</u>
Net Changes in Fund Balances (Deficits)		(33,867)	2,202	36,069
Fund Balances, July 1, 2007		54,250	55,420	
Fund Balances, June 30, 2008	\$	\$ <u>20,383</u>	\$ <u>57,622</u>	\$ <u>36,069</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 \$ 3,017

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 \$ 65

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	<u>WHEELER RIDGE OVERPASS</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	\$	\$	\$	\$
Aid From Other Governments				
Other Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	
Total Revenues	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	
EXPENDITURES:				
General Government				
Capital Outlay			<u>16</u>	<u>(16)</u>
Total Expenditures			<u>16</u>	<u>(16)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,500</u>	<u>1,500</u>	<u>1,484</u>	<u>(16)</u>
Net Changes in Fund Balances (Deficits)	1,500	1,500	1,484	(16)
Fund Deficits, July 1, 2007				
Fund Balance (Deficits,) June 30, 2008	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 1,484</u>	<u>\$ (16)</u>

COUNTY OF KERN
 BUDGETARY COMPARISON SCHEDULE
 CERTAIN NON-MAJOR CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2008 (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	\$	\$	\$ 342	\$ 342
Aid From Other Governments	21,300	21,300	2,451	(18,849)
Other Revenues	500	500		(500)
Total Revenues	<u>21,800</u>	<u>21,800</u>	<u>2,793</u>	<u>(19,007)</u>
EXPENDITURES:				
General Government				
Capital Outlay	<u>28,956</u>	<u>28,956</u>	<u>4,344</u>	<u>24,612</u>
Total Expenditures	<u>28,956</u>	<u>28,956</u>	<u>4,344</u>	<u>24,612</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(7,156)</u>	<u>(7,156)</u>	<u>(1,551)</u>	<u>5,605</u>
Net Changes in Fund Balances (Deficits)	(7,156)	(7,156)	(1,551)	5,605
Fund Balances July 1, 2007	7,148	7,148	7,148	
Fund Balances (Deficits), June 30, 2008	<u>\$ (8)</u>	<u>\$ (8)</u>	<u>\$ 5,597</u>	<u>\$ 5,605</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.

Kern County 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.

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.

SW Shafter Water Project – This fund administers the debt service payments related to the southwest Shafter water loan.

Rexland Acres Sewer Project – This fund administers the debt service payments related to the Rexland Acres bonds.

COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR DEBT SERVICE FUNDS
 JUNE 30, 2008 (IN THOUSANDS)

Page 1 of 2

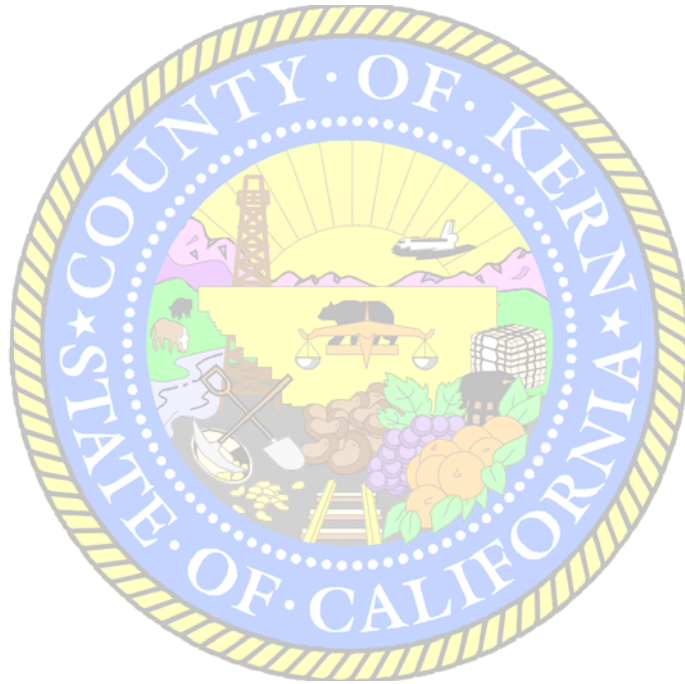
	<u>TOTAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>
ASSETS			
Pooled Cash and Investments	\$ 4,935	\$ 4,576	\$ 250
Cash and Investments Deposited with Trustee	13,645		
Loans Receivable	1,439	1,439	
Interest Receivable	31	28	2
Advances to Other Funds	8,691	8,691	
Total Assets	<u>\$ 28,741</u>	<u>\$ 14,734</u>	<u>\$ 252</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ _____	\$ _____	\$ _____
Total Liabilities	_____	_____	_____
Fund Balances:			
Reserved	28,741	14,734	252
Total Fund Balances	<u>28,741</u>	<u>14,734</u>	<u>252</u>
Total Liabilities and Fund Balances	<u>\$ 28,741</u>	<u>\$ 14,734</u>	<u>\$ 252</u>

<u>KERN COUNTY TOBACCO FUNDING CORP.</u>	<u>KERN ASSET LEASING</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>		
\$ 10,860	\$ 2,477	\$ 308		
<u>10,860</u>	<u>2,477</u>	<u>308</u>		
\$ _____	\$ _____	\$ _____		
<u>10,860</u>	<u>2,477</u>	<u>308</u>		
<u>10,860</u>	<u>2,477</u>	<u>308</u>		
<u>\$ 10,860</u>	<u>\$ 2,477</u>	<u>\$ 308</u>		
			<u>ASSETS</u>	
			Pooled Cash and Investments	
			Cash and Investments Deposited with Trustee	
			Loans Receivable	
			Interest Receivable	
			Advances to Other Funds	
			Total Assets	
			<u>LIABILITIES AND FUND BALANCES</u>	
			Liabilities:	
			Accounts Payable	
			Total Liabilities	
			Fund Balances:	
			Reserved	
			Total Fund Balances	
			Total Liabilities and Fund Balances	

COUNTY OF KERN
 COMBINING BALANCE SHEET
 NON-MAJOR DEBT SERVICE FUNDS
 JUNE 30, 2008 (IN THOUSANDS)

Page 2 of 2

	<u>PUBLIC HEALTH FACILITY LOAN TRUSTEE</u>	<u>SW SHAFTER WATER PROJECT</u>	<u>REXLAND ACRES SEWER PROJECT</u>
ASSETS			
Pooled Cash and Investments	\$	\$ 17	\$ 92
Cash and Investments Deposited with Trustee			
Loans Receivable			
Interest Receivable			1
Advances to Other Funds			
Total Assets	<u>\$</u>	<u>\$ 17</u>	<u>\$ 93</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$	\$	\$
Total Liabilities			
Fund Balances:			
Reserved		17	93
Total Fund Balances		<u>17</u>	<u>93</u>
Total Liabilities and Fund Balances	<u>\$</u>	<u>\$ 17</u>	<u>\$ 93</u>



COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
 NON-MAJOR DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

Page 1 of 2

	<u>TOTAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY GENERAL</u>	<u>ACCUMULATIVE CAPITAL OUTLAY FIRE</u>
REVENUES:			
Revenues from Use of Money and Property	\$ 1,372	\$ 669	\$ 11
Tobacco Settlement	7,314		
Other Revenues	<u>28,490</u>		
Total Revenues	<u>37,176</u>	<u>669</u>	<u>11</u>
EXPENDITURES:			
General Government	30		
Public Protection			
Debt Service:			
Principal	13,613		
Interest	<u>27,027</u>		
Total Expenditures	<u>40,670</u>		
Excess (Deficiency) of Revenues over Expenditures	<u>(3,494)</u>	<u>669</u>	<u>11</u>
OTHER FINANCING SOURCES (USES):			
Transfer In	2,985		
Transfer Out	<u>(318)</u>		
Total Other Financing Sources (Uses)	<u>2,667</u>		
Net Changes in Fund Balances	<u>(827)</u>	<u>669</u>	<u>11</u>
Fund Balances, July 1, 2007	29,544	14,065	241
Prior Period Adjustment	<u>24</u>		
Fund Balances, June 30, 2008	<u>\$ 28,741</u>	<u>\$ 14,734</u>	<u>\$ 252</u>

<u>KERN COUNTY TOBACCO FUNDING CORP.</u>	<u>KERN ASSET LEASING</u>	<u>PENSION OBLIGATION BOND TRUSTEE</u>	
\$ 508	\$ 184	\$	REVENUES:
7,314			Revenues from Use of Money and Property
		28,329	Tobacco Settlement
			Other Revenues
7,822	184	28,329	Total Revenues
30			EXPENDITURES:
			General Government
			Public Protection
			Debt Service:
650	2,585	9,229	Principal
7,218	733	18,782	Interest
7,898	3,318	28,011	Total Expenditures
(76)	(3,134)	318	Excess (Deficiency) of Revenues over Expenditures
	1,617		OTHER FINANCING SOURCES (USES):
		(318)	Transfer In
			Transfer Out
	1,617	(318)	Total Other Financing Sources (Uses)
(76)	(1,517)		Net Changes in Fund Balances
10,936	3,994	308	Fund Balances, July 1, 2007
			Prior Period Adjustment
\$ 10,860	\$ 2,477	\$ 308	Fund Balances, June 30, 2008

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES
 NON-MAJOR DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

Page 2 of 2

	<u>PUBLIC HEALTH FACILITY LOAN TRUSTEE</u>	<u>SW SHAFTER WATER PROJECT</u>	<u>REXLAND ACRES SEWER PROJECT</u>
REVENUES:			
Revenues from Use of Money and Property	\$	\$	\$
Tobacco Settlement			
Other Revenues	<u> </u>	<u> 4</u>	<u> 157</u>
Total Revenues	<u> </u>	<u> 4</u>	<u> 157</u>
EXPENDITURES:			
General Government			
Public Protection			
Debt Service:			
Principal	1,145	4	
Interest	<u> 223</u>	<u> 7</u>	<u> 64</u>
Total Expenditures	<u> 1,368</u>	<u> 11</u>	<u> 64</u>
Excess (Deficiency) of Revenues over Expenditures	<u> (1,368)</u>	<u> (7)</u>	<u> 93</u>
OTHER FINANCING SOURCES (USES):			
Transfer In	1,368		
Transfer Out	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	<u> 1,368</u>	<u> </u>	<u> </u>
Net Changes in Fund Balances	<u> </u>	<u> (7)</u>	<u> 93</u>
Fund Balances, July 1, 2007			
Prior Period Adjustment	<u> </u>	<u> 24</u>	<u> </u>
Fund Balances, June 30, 2008	<u>\$ </u>	<u>\$ 17</u>	<u>\$ 93</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, 2008 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>COUNTY SANITATION DISTRICTS</u>	<u>GOLF COURSE</u>	<u>PUBLIC TRANSPORTATION</u>	<u>UNIVERSAL COLLECTION</u>
ASSETS					
Current Assets:					
Pooled Cash and Investments	\$ 13,024	\$ 8,663	\$ 1,696	\$ 1,662	\$ 1,003
Interest Receivable	136	76	14	14	32
Accounts Receivable - Net	3	3			
Accrued Revenue	510	5		505	
Net Pension Asset	120			120	
Total Current Assets	<u>13,793</u>	<u>8,747</u>	<u>1,710</u>	<u>2,301</u>	<u>1,035</u>
Non-Current Assets:					
Taxes Receivable - Net	2,485	543			1,942
Investment in Joint Venture	1,808	1,808			
Capital Assets:					
Non-Depreciable:					
Land	668	603	65		
Depreciable:					
Structures and Improvements	15,129	8,539	6,483	107	
Equipment	9,190	900		8,290	
Intangible Assets	48	48			
Subsurface Lines	7,840	7,840			
Accumulated Depreciation and Amortization	<u>(16,240)</u>	<u>(9,272)</u>	<u>(2,037)</u>	<u>(4,931)</u>	
Total Non-Current Assets	<u>20,928</u>	<u>11,009</u>	<u>4,511</u>	<u>3,466</u>	<u>1,942</u>
Total Assets	<u>\$ 34,721</u>	<u>\$ 19,756</u>	<u>\$ 6,221</u>	<u>\$ 5,767</u>	<u>\$ 2,977</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	\$ 1,280	\$ 647		\$ 633	
Salaries and Employee Benefits Payable	113	94		19	
Current Portion of Long Term Debt	7			7	
Interest Payable - Current	27		23	4	
Compensated Absences - Current	10			10	
Deferred Income	<u>1,346</u>			<u>1,346</u>	
Total Current Liabilities	<u>2,783</u>	<u>741</u>	<u>23</u>	<u>2,019</u>	
Non-Current Liabilities:					
Loans Payable	1,439		1,439		
Compensated Absences Payable	7			7	
Long Term Debt - Pension Obligation Bonds	235			235	
Interest Payable - Pension Obligation Bonds	<u>46</u>			<u>46</u>	
Total Non-Current Liabilities	<u>1,727</u>		<u>1,439</u>	<u>288</u>	
Total Liabilities	<u>4,510</u>	<u>741</u>	<u>1,462</u>	<u>2,307</u>	
NET ASSETS					
Invested in Capital Assets, Net of Related Debt	15,197	8,659	3,072	3,466	
Unrestricted	<u>15,014</u>	<u>10,356</u>	<u>1,687</u>	<u>(6)</u>	<u>2,977</u>
Total Net Assets	<u>\$ 30,211</u>	<u>\$ 19,015</u>	<u>\$ 4,759</u>	<u>\$ 3,460</u>	<u>\$ 2,977</u>

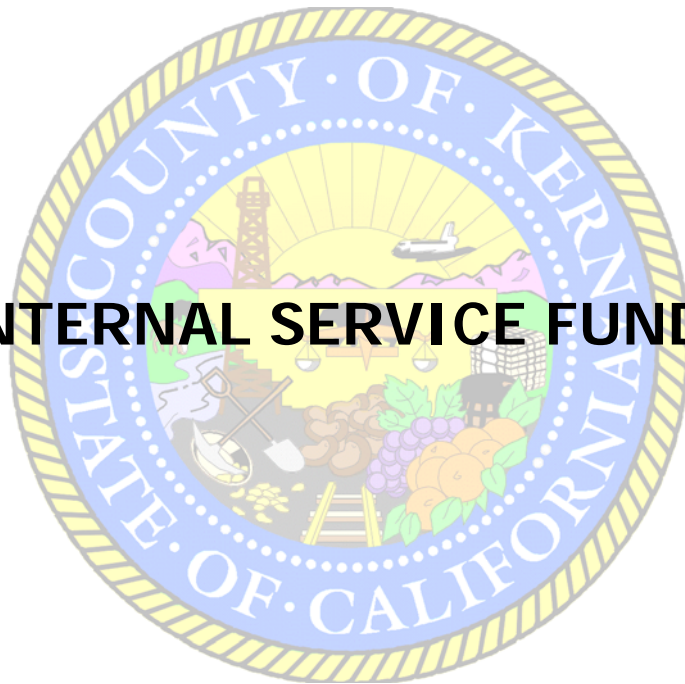
COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

	<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	\$ 6,974	\$ 1,354	\$ 4,863	\$ 757	
Revenues from Use of Property	129	86		43	
Total Operating Revenues	<u>7,103</u>	<u>1,440</u>	<u>4,863</u>	<u>800</u>	
OPERATING EXPENSES:					
Salaries and Employee Benefits	1,755	1,430		325	
Services and Supplies	20,121	1,537	3,791	5,592	9,201
Other Charges	118	50	19	49	
Depreciation	1,298	371	148	779	
Total Operating Expenses	<u>23,292</u>	<u>3,388</u>	<u>3,958</u>	<u>6,745</u>	<u>9,201</u>
Operating Income (Loss)	<u>(16,189)</u>	<u>(1,948)</u>	<u>905</u>	<u>(5,945)</u>	<u>(9,201)</u>
NON-OPERATING REVENUES (EXPENSES):					
Taxes and Assessments	16,780	2,806		4,436	9,538
Fines, Forfeitures and Penalties	150	44			106
Licenses, Permits and Franchises	11	11			
Interest on Bank Deposits and Investments	624	301	101	48	174
Aid from Other Governmental Agencies	1,783			1,783	
Interest Expense	(269)		(139)	(17)	(113)
Other Non-Operating Revenues	43	25		18	
Total Non-Operating Revenues (Expenses)	<u>19,122</u>	<u>3,187</u>	<u>(38)</u>	<u>6,268</u>	<u>9,705</u>
Change in Net Assets	2,933	1,239	867	323	504
Net Assets, July 1, 2007	<u>27,278</u>	<u>17,776</u>	<u>3,892</u>	<u>3,137</u>	<u>2,473</u>
Net Assets, June 30, 2008	<u>\$ 30,211</u>	<u>\$ 19,015</u>	<u>\$ 4,759</u>	<u>\$ 3,460</u>	<u>\$ 2,977</u>

**COUNTY OF KERN
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	TOTAL	COUNTY SANITATION DISTRICTS	GOLF COURSE	PUBLIC TRANSPORTATION	UNIVERSAL COLLECTION
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash Received for Current Services	\$ 7,027	\$ 1,364	\$ 4,863	\$ 800	\$
Cash Received for Use of Property	86	86			
Cash Received for Other Operations	25	25			
Cash Received as Fines, Forfeitures, and Penalties	117	11			106
Cash Received as Licenses and Permits	44	44			
Cash Paid for Salaries and Benefits	(1,708)	(1,389)		(319)	
Cash Paid for Services and Supplies	(19,804)	(1,241)	(3,877)	(5,485)	(9,201)
Cash Paid for Interfund Services and Supplies	(317)	(268)		(49)	
Cash Paid for Other Charges	(103)	(50)	(4)	(49)	
Net Cash Provided (Used) by Operating Activities	(14,633)	(1,418)	982	(5,102)	(9,095)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Cash Received From Other Funds	17			17	
Taxes and Special Assessments	16,273	2,720		4,436	9,117
Cash Paid on Advances	(2,500)				(2,500)
Aid from Other Governmental Agencies	2,277			2,277	
Payment of Long Term Debt - Pension Obligation Bond	(6)			(6)	
Interest Paid	(124)			(11)	(113)
Net Cash Provided by Non-Capital Financing Activities	15,937	2,720		6,713	6,504
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition or Construction of Capital Assets	(1,125)	(6)		(1,119)	
Proceeds from Loan Payable	1,261		1,261		
Payment of Long Term Debt - Certificates of Participation	(2,807)		(2,807)		
Interest Paid on Long Term Debt	(157)		(157)		
Net Cash Used by Capital and Related Financing Activities	(2,828)	(6)	(1,703)	(1,119)	
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on Bank Deposits and Investments	658	317	106	48	187
Net Cash Provided by Investing Activities	658	317	106	48	187
Net Increase (Decrease) in Cash and Cash Equivalents	(866)	1,613	(615)	540	(2,404)
Cash and Cash Equivalents, July 1, 2007	13,890	7,050	2,311	1,122	3,407
Cash and Cash Equivalents, June 30, 2008	\$ 13,024	\$ 8,663	\$ 1,696	\$ 1,662	\$ 1,003
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (16,189)	\$ (1,948)	\$ 905	\$ (5,945)	\$ (9,201)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Other Non-Operating Revenues	185	79			106
Depreciation	1,298	371	148	779	
Changes in Assets and Liabilities:					
(Increase) Decrease in Accounts Receivable	11	11			
(Increase) Decrease in Accrued Revenue	(1)	(1)			
(Increase) Decrease in Net Pension Asset	5			5	
(Increase) Decrease in Investment in Joint Venture	(109)	(109)			
Increase (Decrease) in Accrued Expenses	126	139	(71)	58	
Increase (Decrease) in Due to Others	(1)	(1)			
Increase (Decrease) in Salaries & Benefits Payable	45	41		4	
Increase (Decrease) in Compensated Absences Payable	(3)			(3)	
Total Adjustments	1,556	530	77	843	106
Net Cash Provided (Used) by Operating Activities	\$ (14,633)	\$ (1,418)	\$ 982	\$ (5,102)	\$ (9,095)

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, 2008 (IN THOUSANDS)

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
ASSETS				
Current Assets:				
Pooled Cash and Investments	\$ 48,470	\$ 4,901	\$ 2,710	\$ 7,360
Interest Receivable	461	52	24	60
Accounts Receivable	3,534			3,534
Accrued Revenue	234			
Due from Other Funds	41		41	
Prepaid Items	2			
Net Pension Asset	172		172	
Inventory- Materials and Supplies	66		66	
Total Current Assets	<u>52,980</u>	<u>4,953</u>	<u>3,013</u>	<u>10,954</u>
Non-Current Assets:				
Deposits with Others	330			330
Equipment (Net of Accumulated Depreciation)	5,696		5,696	
Total Non-Current Assets	<u>6,026</u>		<u>5,696</u>	<u>330</u>
Total Assets	<u>\$ 59,006</u>	<u>\$ 4,953</u>	<u>\$ 8,709</u>	<u>\$ 11,284</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 3,086	\$	\$ 37	\$ 3,049
Salaries and Employee Benefits Payable	60		60	
Long Term Debt -Current	27		27	
Interest Payable - Current	14		14	
Compensated Absences - Current	5		5	
Liability for Self-Insurance - Current	26,776	724		10,522
Total Current Liabilities	<u>29,968</u>	<u>724</u>	<u>143</u>	<u>13,571</u>
Non-Current Liabilities				
Compensated Absences Payable	89		89	
Deferred Other Post Employment Obligation	12,027			
Liability for Self-Insurance - Long Term	71,796	11,602		
Interest Payable - Long-term - Pension Obligation Bonds	171		171	
Long Term Debt - Pension Obligation Bonds	591		591	
Total Non-Current Liabilities	<u>84,674</u>	<u>11,602</u>	<u>851</u>	
Total Liabilities	<u>114,642</u>	<u>12,326</u>	<u>994</u>	<u>13,571</u>
NET ASSETS (DEFICITS)				
Invested in Capital Assets, Net of Related Debt	5,696		5,696	
Restricted	330			330
Unrestricted	(61,662)	(7,373)	2,019	(2,617)
Total Net Assets (Deficits)	<u>\$ (55,636)</u>	<u>\$ (7,373)</u>	<u>\$ 7,715</u>	<u>\$ (2,287)</u>

<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>		
			ASSETS	
\$ 26,310	\$ 581	\$ 6,608	Current Assets:	
233	9	83	Pooled Cash and Investments	
			Interest Receivable	
234			Accounts Receivable	
			Accrued Revenue	
			Due from Other Funds	
		2	Prepaid Items	
			Net Pension Asset	
			Inventory- Materials and Supplies	
<u>26,777</u>	<u>590</u>	<u>6,693</u>	Total Current Assets	
			Non-Current Assets:	
			Deposits with Others	
			Equipment (Net of Accumulated Depreciation)	
			Total Non-Current Assets	
\$ <u>26,777</u>	\$ <u>590</u>	\$ <u>6,693</u>	Total Assets	
			LIABILITIES	
\$	\$	\$	Current Liabilities:	
			Accounts Payable	
			Salaries and Employee Benefits Payable	
			Long Term Debt -Current	
			Interest Payable - Current	
			Compensated Absences - Current	
	1,598	13,932	Liability for Self-Insurance- Current	
	<u>1,598</u>	<u>13,932</u>	Total Current Liabilities	
			Non-Current Liabilities	
			Compensated Absences Payable	
12,027		60,194	Deferred Other Post Employment Obligation	
			Liability for Self-Insurance- Long Term	
			Interest Payable - Long-term - Pension Obligation Bonds	
			Long Term Debt - Pension Obligation Bonds	
<u>12,027</u>		<u>60,194</u>	Total Non-Current Liabilities	
<u>12,027</u>	<u>1,598</u>	<u>74,126</u>	Total Liabilities	
			NET ASSETS (DEFICITS)	
			Invested in Capital Assets, Net of Related Debt	
			Restricted	
14,750	(1,008)	(67,433)	Unrestricted	
\$ <u>14,750</u>	\$ <u>(1,008)</u>	\$ <u>(67,433)</u>	Total Net Assets (Deficits)	

COUNTY OF KERN
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS (DEFICITS)
 INTERNAL SERVICE FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

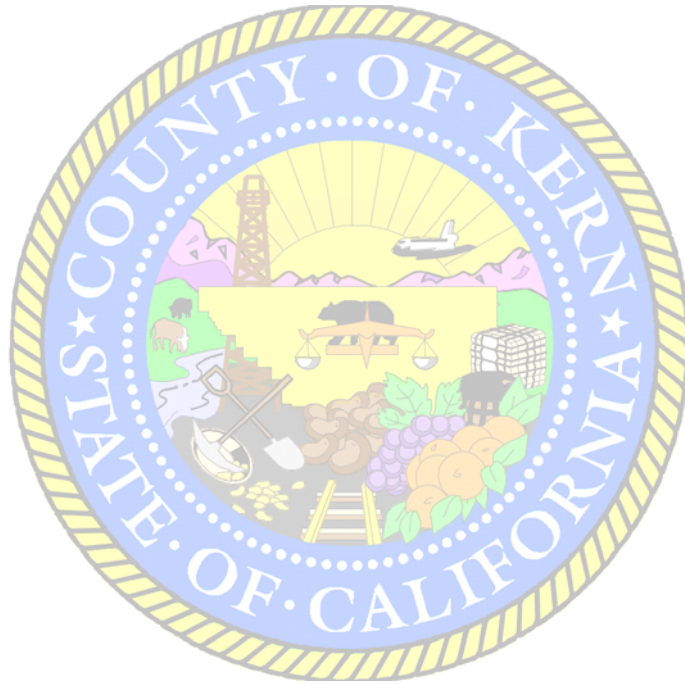
	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
OPERATING REVENUES:				
Charges for Current Services	\$ 167,121	\$ 4,554	\$ 2,690	\$ 137,528
Total Operating Revenues	<u>167,121</u>	<u>4,554</u>	<u>2,690</u>	<u>137,528</u>
OPERATING EXPENSES:				
Salaries and Employee Benefits	6,203		921	
Services and Supplies	16,946	3,153	975	8,196
Claims Incurred	141,799	2,419		112,866
Other Charges	4,567	385	63	4,040
Depreciation Expense	739		739	
Total Operating Expenses	<u>170,254</u>	<u>5,957</u>	<u>2,698</u>	<u>125,102</u>
Operating Income (Loss)	<u>(3,133)</u>	<u>(1,403)</u>	<u>(8)</u>	<u>12,426</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest on Bank Deposits and Investments	1,490	230	105	39
Other Revenues	1,249	22	99	27
Aid from Other Governmental Agencies	19			
Interest Expense	(58)		(58)	
Gain on Sale of Capital Assets	57		57	
Total Non-Operating Revenue	<u>2,757</u>	<u>252</u>	<u>203</u>	<u>66</u>
Income (Loss) before Transfers	<u>(376)</u>	<u>(1,151)</u>	<u>195</u>	<u>12,492</u>
Transfers In	<u>764</u>		<u>764</u>	
Change in Net Assets (Deficits)	388	(1,151)	959	12,492
Net Assets (Deficits), July 1, 2007 (as previously reported)	<u>(56,024)</u>	<u>(6,222)</u>	<u>6,756</u>	<u>(14,779)</u>
Prior Period Adjustments				
Net Assets (Deficits), June 30, 2008	<u>\$ (55,636)</u>	<u>\$ (7,373)</u>	<u>\$ 7,715</u>	<u>\$ (2,287)</u>

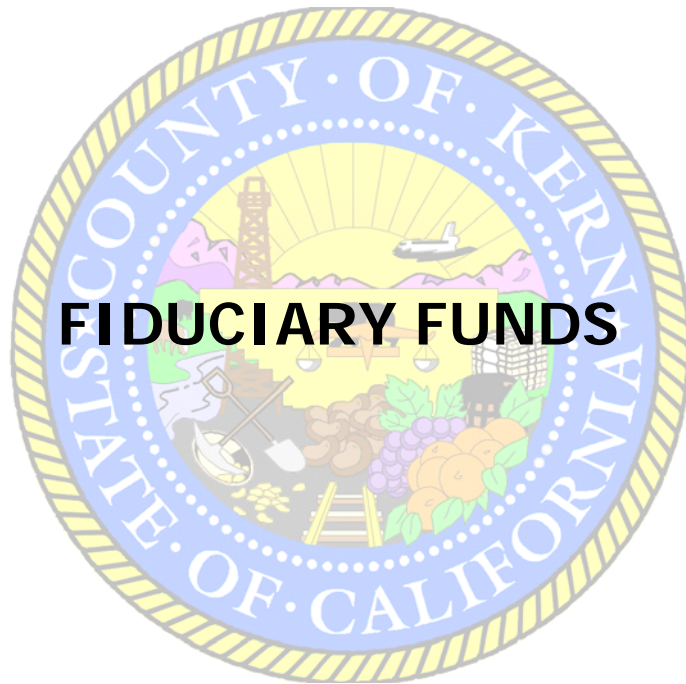
<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	
\$ 319	\$ 2,470	\$ 19,560	OPERATING REVENUES:
			Charges for Current Services
<u>319</u>	<u>2,470</u>	<u>19,560</u>	Total Operating Revenues
5,282			OPERATING EXPENSES:
282	14	4,326	Salaries and Employee Benefits
	3,186	23,328	Services and Supplies
79			Claims Incurred
			Other Charges
			Depreciation Expense
<u>5,643</u>	<u>3,200</u>	<u>27,654</u>	Total Operating Expenses
<u>(5,324)</u>	<u>(730)</u>	<u>(8,094)</u>	Operating Income (Loss)
735	98	283	NON-OPERATING REVENUES (EXPENSES):
62		1,039	Interest on Bank Deposits and Investments
		19	Other Revenues
			Aid from Other Governmental Agencies
			Interest Expense
			Gain (Loss) on Sale of Fixed Assets
<u>797</u>	<u>98</u>	<u>1,341</u>	Total Non-Operating Revenue
<u>(4,527)</u>	<u>(632)</u>	<u>(6,753)</u>	Income (Loss) before Transfers
			Transfers In
(4,527)	(632)	(6,753)	Change in Net Assets (Deficits)
<u>19,277</u>	<u>(376)</u>	<u>(60,680)</u>	Net Assets (Deficits), July 1, 2007 (as previously reported)
			Prior Period Adjustments
<u>\$ 14,750</u>	<u>\$ (1,008)</u>	<u>\$ (67,433)</u>	Net Assets (Deficits), June 30, 2008

**COUNTY OF KERN
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)**

	<u>TOTAL</u>	<u>GENERAL LIABILITY</u>	<u>GENERAL SERVICES- GARAGE</u>	<u>GROUP HEALTH</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash Received for Current Services	\$ 177,587	\$ 4,553	\$ 2,682	\$ 136,076
Cash Received for Other Operations	1,188	22	99	28
Cash Paid for Salaries and Benefits	(6,159)		(877)	
Cash Paid for Services and Supplies	(19,904)	(3,153)	(951)	(11,188)
Cash Paid for Reported Claims	(124,451)	(649)		(107,844)
Cash Paid for Other Charges	(4,567)	(385)	(63)	(4,040)
Deposits with others	(216)			(216)
Net Cash Provided (Used) by Operating Activities	<u>23,478</u>	<u>388</u>	<u>890</u>	<u>12,816</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Advances from Other Funds	(5,460)			(5,460)
Advances to Other Funds	5,460			
Aid from Other Governmental Agencies	19			
Pension Obligation Bond Principal Paid	(22)		(22)	
Pension Obligation Bond Interest Paid	(35)		(35)	
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(38)</u>		<u>(57)</u>	<u>(5,460)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds From Sale of Capital Assets	60		60	
Acquisition or Construction of Capital Assets	(594)		(594)	
Net Cash Used by Capital and Related Financing Activities	<u>(534)</u>		<u>(534)</u>	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on Bank Deposits and Investments	1,428	244	107	(16)
Net Increase (Decrease) in Cash and Cash Equivalents	<u>24,334</u>	<u>632</u>	<u>406</u>	<u>7,340</u>
Beginning Cash and Cash Equivalents at July 1, 2007	24,136	4,269	2,304	20
Ending Cash and Cash Equivalents at June 30, 2008	<u>\$ 48,470</u>	<u>\$ 4,901</u>	<u>\$ 2,710</u>	<u>\$ 7,360</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (3,133)	\$ (1,403)	\$ (8)	\$ 12,426
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Other Non-Operating Revenues	1,186	22	98	28
Depreciation	739		739	
Changes in Assets and Liabilities:				
(Increase) Decrease in Inventory	4		4	
(Increase) Decrease in Accounts Receivable	(1,452)			(1,452)
(Increase) Decrease in Accrued Revenue	(99)			
(Increase) Decrease in Due from Others	(8)		(8)	
(Increase) Decrease in Deposits with Others	(216)			(216)
(Increase) Decrease in Net Pension Asset	12		12	
(Increase) Decrease in Retirement Pre-payment	10			
Increase (Decrease) in Accrued Expenses	(2,971)		21	(2,992)
Increase (Decrease) in Salaries & Benefits Payable	27		27	
Increase (Decrease) in Compensated Absences Payable	5		5	
Increase (Decrease) in Deferred Other Post Employment Obligation	12,027			
Increase (Decrease) in Provision for Liability Claims	17,347	1,769		5,022
Total Adjustments	<u>26,611</u>	<u>1,791</u>	<u>898</u>	<u>390</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 23,478</u>	<u>\$ 388</u>	<u>\$ 890</u>	<u>\$ 12,816</u>
NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:				
Net Transfers of Capital Assets (To) From Other Funds	\$ (194)		\$ (194)	
Total Non-cash Investing, Capital, and Financing Activities	<u>\$ (194)</u>		<u>\$ (194)</u>	

<u>RETIREE GROUP HEALTH</u>	<u>UNEMPLOYMENT COMPENSATION</u>	<u>WORKERS' COMPENSATION</u>	
			CASH FLOWS FROM OPERATING ACTIVITIES:
\$ 12,247	\$ 2,470	\$ 19,559	Cash Received for Current Services
(5,282)		1,039	Cash Received for Other Operations
(282)	(14)	(4,316)	Cash Paid for Salaries and Benefits
(79)	(2,822)	(13,136)	Cash Paid for Services and Supplies
			Cash Paid for Reported Claims
			Cash Paid for Other Charges
			Deposits with others
<u>6,604</u>	<u>(366)</u>	<u>3,146</u>	Net Cash Provided (Used) by Operating Activities
			CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:
5,460		19	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>19</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>714</u>	<u>103</u>	<u>276</u>	Interest on Bank Deposits and Investments
12,778	(263)	3,441	Net Increase (Decrease) in Cash and Cash Equivalents
<u>13,532</u>	<u>844</u>	<u>3,167</u>	Ending Cash and Cash Equivalents at June 30, 2008
\$ <u>26,310</u>	\$ <u>581</u>	\$ <u>6,608</u>	#
			RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:
\$ <u>(5,324)</u>	\$ <u>(730)</u>	\$ <u>(8,094)</u>	Operating Income (Loss)
			Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:
		1,038	Other Non-Operating Revenues
			Depreciation
			Changes in Assets and Liabilities:
			(Increase) Decrease in Inventory
			(Increase) Decrease in Accounts Receivable
(99)			(Increase) Decrease in Accrued Revenue
			(Increase) Decrease in Due from Others
			(Increase) Decrease in Deposits with Others
		10	(Increase) Decrease in Retirement Pre-payment
			Increase (Decrease) in Accrued Expenses
			Increase (Decrease) in Salaries & Benefits Payable
			Increase (Decrease) in Compensated Absences Payable
12,027	364	10,192	Increase (Decrease) in Provision for Liability Claims
<u>11,928</u>	<u>364</u>	<u>11,240</u>	Total Adjustments
\$ <u>6,604</u>	\$ <u>(366)</u>	\$ <u>3,146</u>	Net Cash Provided (Used) by Operating Activities
			NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:
\$ _____	\$ _____	\$ _____	Net Transfers of Capital Assets (To) From Other Funds
\$ _____	\$ _____	\$ _____	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, 2008 (IN THOUSANDS)

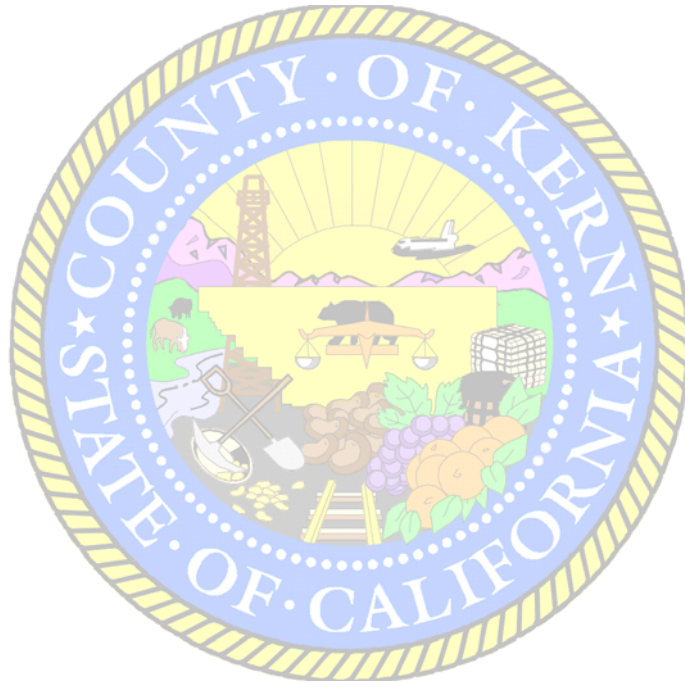
Page 1 of 2

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
TOTAL AGENCY FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 138,026	\$ 5,408,390	\$ 5,399,810	\$ 146,606
Investments		1,807	1,807	
Accounts Receivable	86	1,579	1,613	52
Interest Receivable	1,612	2,853	2,966	1,499
Loans Receivable	140	103	45	198
Taxes Receivable	83,107	1,118,170	1,114,769	86,508
Due from Other Funds	19	11	11	19
Due from Other Agencies	8,665	11,040	12,158	7,547
Total Assets	<u>\$ 231,655</u>	<u>\$ 6,543,953</u>	<u>\$ 6,533,179</u>	<u>\$ 242,429</u>
LIABILITIES				
Accounts Payable	\$ 244	\$ 260,969	\$ 261,128	\$ 85
Warrants Payable	20,616	2,711,130	2,694,828	36,918
Interest Payable	6,313	2,382	8,695	
Due to Other Agencies	204,162	2,894,589	2,893,645	205,106
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 231,655</u>	<u>\$ 5,869,070</u>	<u>\$ 5,858,296</u>	<u>\$ 242,429</u>
CLEARING FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 3,409	\$ 1,107,163	\$ 1,107,327	\$ 3,245
Investments		1,807	1,807	
Accounts Receivable	1	32	32	1
Total Assets	<u>\$ 3,410</u>	<u>\$ 1,109,002</u>	<u>\$ 1,109,166</u>	<u>\$ 3,246</u>
LIABILITIES				
Accounts Payable	\$	\$ 191,993	\$ 191,993	\$
Warrant Payable		208,062	208,062	
Due to Other Agencies	3,410	1,096,701	1,096,865	3,246
Total Liabilities	<u>\$ 3,410</u>	<u>\$ 1,496,756</u>	<u>\$ 1,496,920</u>	<u>\$ 3,246</u>
WARRANT CLEARANCE FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 20,616	\$ 2,434,807	\$ 2,418,500	\$ 36,923
Total Assets	<u>\$ 20,616</u>	<u>\$ 2,434,807</u>	<u>\$ 2,418,500</u>	<u>\$ 36,923</u>
LIABILITIES				
Warrants Payable	\$ 20,616	\$ 2,434,807	\$ 2,418,505	\$ 36,918
Due to Other Agencies		5		5
Total Liabilities	<u>\$ 20,616</u>	<u>\$ 2,434,812</u>	<u>\$ 2,418,505</u>	<u>\$ 36,923</u>

COUNTY OF KERN
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (CONTINUED)
 AGENCY FUNDS
 YEAR ENDED JUNE 30, 2008 (IN THOUSANDS)

Page 2 of 2

	BALANCE JULY 1, 2007	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2008
STATE FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 6,059	\$ 30,426	\$ 30,984	\$ 5,501
Interest Receivable	16	6	7	15
Total Assets	<u>\$ 6,075</u>	<u>\$ 30,432</u>	<u>\$ 30,991</u>	<u>\$ 5,516</u>
LIABILITIES				
Accounts Payable	\$	\$ 29,015	\$ 29,015	\$
Warrant Payable		29,015	29,015	
Due to Other Agencies	6,075	29,075	29,634	5,516
Total Liabilities	<u>\$ 6,075</u>	<u>\$ 87,105</u>	<u>\$ 87,664</u>	<u>\$ 5,516</u>
OTHER FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 95,526	\$ 663,444	\$ 674,640	\$ 84,330
Accounts Receivable	85	1,547	1,581	51
Interest Receivable	786	1,184	1,305	665
Loans Receivable	140	103	45	198
Due from Other Agencies	8,665	11,040	12,158	7,547
Total Assets	<u>\$ 105,202</u>	<u>\$ 677,318</u>	<u>\$ 689,729</u>	<u>\$ 92,791</u>
LIABILITIES				
Accounts Payable	\$ 244	\$ 39,961	\$ 40,120	\$ 85
Warrant Payable		39,246	39,246	
Due to Other Agencies	104,958	550,181	562,433	92,706
Total Liabilities	<u>\$ 105,202</u>	<u>\$ 629,388</u>	<u>\$ 641,799</u>	<u>\$ 92,791</u>
UNAPPORTIONED FUNDS				
ASSETS				
Pooled Cash and Investments	\$ 12,416	\$ 1,172,550	\$ 1,168,359	\$ 16,607
Interest Receivable	810	1,663	1,654	819
Taxes Receivable	83,107	1,118,170	1,114,769	86,508
Due from Other Funds	19	11	11	19
Total Assets	<u>\$ 96,352</u>	<u>\$ 2,292,394</u>	<u>\$ 2,284,792</u>	<u>\$ 103,953</u>
LIABILITIES				
Interest Payable	\$ 6,313	\$ 2,382	\$ 8,695	\$
Due to Other Agencies	89,719	1,218,627	1,204,713	103,633
Unapportioned Installment Redemptions	320			320
Total Liabilities	<u>\$ 96,352</u>	<u>\$ 1,221,009</u>	<u>\$ 1,213,408</u>	<u>\$ 103,953</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, 2008 (IN THOUSANDS)

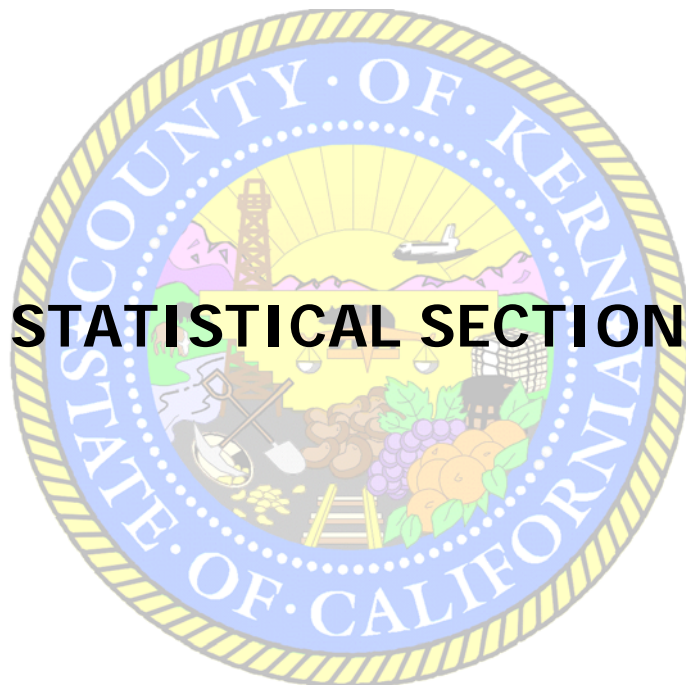
Function & Activity	Department #	Land	Structures & Improvements	Equipment	Construction in Progress	Infrastructure	Total
General Activity							
Board of Supervisors - Dist #1	1011	\$	\$	\$ 72	\$	\$	72
Board of Supervisors - Dist #2	1012			64			64
Board of Supervisors - Dist #5	1015			9			9
County Administrative Office	1020			85			85
Clerk of the Board	1030			68			68
Auditor-Controller	1110			217			217
Treasurer	1120			858			858
Assessor	1130	9	1,072	56			1,137
Assessor - Property Tax	1140			80			80
General Services - Mail Services	1151			58			58
Reprographics	1153			184			184
Information Systems	1160			2,127			2,127
County Counsel	1210		48	120	769		937
Personnel	1310			43			43
Elections - County Clerk	1420			6,138			6,138
Communications	1510		22,836	13,388	282		36,506
General Services**	1610	2,422	74,214	3,065	222		79,923
General Services - Construction	1640			19			19
Board of Trade	1812		139	105			244
Engineering & Survey Services	1900		2,382	920	7,302	15,249	25,853
Risk Management	1910			31			31
Separation of Grade	1955				6,476		6,476
General Services	1960				999		999
Total General Activity		<u>2,431</u>	<u>100,691</u>	<u>27,707</u>	<u>16,050</u>	<u>15,249</u>	<u>162,128</u>
Public Safety							
Superior Court	2115	401	40,986				41,387
District Attorney	2180		55	1,774			1,829
Children Support Services	2183		55	1,443			1,498
Public Defender	2190		3,809	322			4,131
DA Forensic	2200		139	3,177			3,316
Sheriff	2210	7,105	56,593	31,618	22		95,338
Probation	2340	219	21,182	4,773	20,166		46,340
Fire	2415	4,037	30,190	43,059	1,554		78,840
Dept. of Ag & Measure Standard	2610	317	2,590	379	54		3,340
Code Compliance	2620			133			133
Building Inspection	2625			1,150	21		1,171
Recorder	2705			749			749
Resource Management Agency	2730			319			319
Planning	2750			63			63
Animal Control	2760			263			263
Total Public Safety		<u>12,522</u>	<u>156,155</u>	<u>89,222</u>	<u>21,817</u>		<u>279,716</u>
Public Ways							
Road	3000	2,772	6,624	12,398	36	438,130	459,960
Total Public Ways		<u>2,772</u>	<u>6,624</u>	<u>12,398</u>	<u>36</u>	<u>438,130</u>	<u>459,960</u>
Health							
Public Health	4110	209	14,002	870	12		15,093
Environmental Health	4113		1,294	477			1,771
Mental Health	4120		2,649	980			3,629
Mental Health - Substance Abuse	4123			34			34
Emergency Medical Services	4200			359			359
California Children's Services	4300			8			8
Total Health		<u>209</u>	<u>17,945</u>	<u>2,728</u>	<u>12</u>		<u>20,894</u>
Public Assistance							
Human Services	5120	6	2,653	6,549			9,208
Veterans Services	5510		228				228
Aging & Adult Services	5610		276	430			706
Employers Training Resources	5923			1,353			1,353
Community Development Program Agency	5940			39	7		46
Total Public Assistance		<u>6</u>	<u>3,157</u>	<u>8,371</u>	<u>7</u>		<u>11,541</u>
Education							
Library	6210	2,144	25,387	1,097	449		29,077
Farm & Home Advisor	6310			6	49		55
Experimental Farm	6320		506				506
Total Education		<u>2,144</u>	<u>25,893</u>	<u>1,103</u>	<u>498</u>		<u>29,638</u>
Parks & Recreation							
Parks	7100	3,770	39,785	5,668	512		49,735
Total Parks & Recreation		<u>3,770</u>	<u>39,785</u>	<u>5,668</u>	<u>512</u>		<u>49,735</u>
Total Governmental Funds		<u>\$ 23,854</u>	<u>\$ 350,250</u>	<u>\$ 147,197</u>	<u>\$ 38,932</u>	<u>\$ 453,379</u>	<u>\$ 1,013,612</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, 2008 (IN THOUSANDS)

Function & Activity	Department #	Governmental Funds Capital Assets			Governmental Funds Capital Assets 6/30/2008
		6/30/2007	Additions	Deductions	
General Activity					
Board of Supervisors - Dist #1	1011	\$ 70	\$ 26	\$ 24	\$ 72
Board of Supervisors - Dist #2	1012	91		27	64
Board of Supervisors - Dist #5	1015	24		15	9
County Administrative Office	1020	85			85
Clerk of the Board	1030	68			68
Auditor-Controller	1110	169	55	7	217
Treasurer	1120	819	39		858
Assessor	1130	1,132	5		1,137
Assessor - Property Tax	1140	91		11	80
Purchasing	1150				
General Services - Mail Services	1151	58			58
Reprographics	1153	184			184
Information Systems	1160	2,877	96	846	2,127
County Counsel	1210	886	97	46	937
Personnel	1310	43	58	58	43
Elections - County Clerk	1420	6,128	10		6,138
Communications	1510	36,711	64	269	36,506
General Services	1610	79,612	344	33	79,923
General Services - Construction	1640	19			19
Board of Trade	1812	238	6		244
Engineering & Survey Services	1900	18,921	6,944	12	25,853
Risk Management	1910	26	5		31
Separation of Grade	1955	2,132	4,344		6,476
General Services	1960		999		999
Total General Activity		<u>150,384</u>	<u>13,092</u>	<u>1,348</u>	<u>162,128</u>
Public Safety					
Superior Court	2115	41,387			41,387
District Attorney	2180	1,429	546	146	1,829
Children Support Services	2183	1,442	56		1,498
Public Defender	2190	4,128	17	14	4,131
DA Forensic	2200	2,368	948		3,316
Sheriff	2210	92,226	5,285	2,173	95,338
Probation	2340	45,139	1,582	381	46,340
Fire	2415	71,704	7,734	598	78,840
Agricultural Commissioner	2610	3,340			3,340
Code Compliance	2620	133			133
Building Inspection	2625	997	190	16	1,171
Recorder	2705	1,027	44	322	749
Resource Management Agency	2730	283	36		319
Planning	2750	63			63
Animal Control	2760	1,294		32	1,262
Total Public Safety		<u>266,960</u>	<u>16,438</u>	<u>3,682</u>	<u>279,716</u>
Public Ways					
Road	3000	422,322	38,032	394	459,960
Total Public Ways		<u>422,322</u>	<u>38,032</u>	<u>394</u>	<u>459,960</u>
Health					
Public Health	4110	14,809	287	3	15,093
Environmental Health	4113	1,733	44	6	1,771
Mental Health	4120	3,363	289	23	3,629
Mental Health - Substance Abuse	4123	25	22	13	34
Emergency Medical Services	4200	227	132		359
California Children's Services	4300	17		9	8
Total Health		<u>20,174</u>	<u>774</u>	<u>54</u>	<u>20,894</u>
Public Assistance					
Human Services	5120	8,625	613	30	9,208
Veterans Services	5510	228			228
Aging & Adult Services	5610	428	339	61	706
Employers' Training Resources	5923	1,353			1,353
Community Development Program Agency	5940	46			46
Total Public Assistance		<u>10,680</u>	<u>952</u>	<u>91</u>	<u>11,541</u>
Education					
Library	6210	28,728	367	18	29,077
Farm & Home Advisor	6310	10	45		55
Experimental Farm	6320	506			506
Total Education		<u>29,244</u>	<u>412</u>	<u>18</u>	<u>29,638</u>
Parks & Recreation					
Parks	7100	48,630	2,655	1,550	49,735
Total Parks & Recreation		<u>48,630</u>	<u>2,655</u>	<u>1,550</u>	<u>49,735</u>
Total Governmental Funds		<u>\$ 948,394</u>	<u>\$ 72,355</u>	<u>\$ 7,137</u>	<u>\$ 1,013,612</u>

Note: Additions and Deductions included transfers between functions



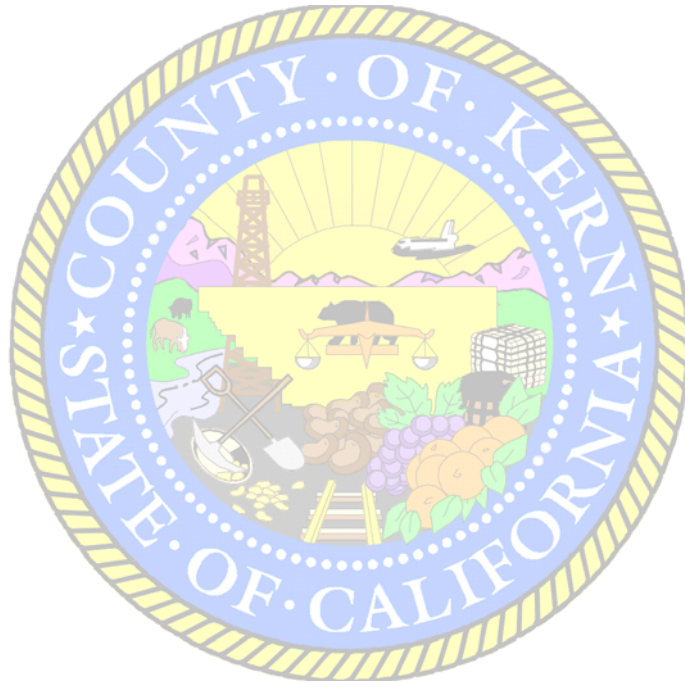
STATISTICAL SECTION

STATISTICAL SECTION

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	PAGE
Financial Trends	181
<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>	
Revenue Capacity	186
<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>	
Debt Capacity	192
<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>	
Demographic and Economic Information	200
<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>	
Operating Information	203
<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				
	2004	2005	2006	2007	2008
Governmental Activities:					
Invested in Capital Assets, Net of Related Debt	\$ 258,993	\$ 309,886	\$ 417,677	\$ 494,591	\$ 537,512
Restricted	35,816	35,653	15,349	15,352	13,975
Unrestricted (deficit)	(111,616)	(141,419)	(122,898)	(74,478)	(56,799)
Total Governmental Activities Net Assets	<u>\$ 183,193</u>	<u>\$ 204,120</u>	<u>\$ 310,128</u>	<u>\$ 435,465</u>	<u>\$ 494,688</u>
Business-type Activities:					
Invested in Capital Assets, Net of Related Debt	\$ 92,994	\$ 94,418	\$ 124,631	\$ 140,235	\$ 146,013
Restricted	9,701	9,724	8,428	12,060	5,646
Unrestricted (deficit)	(39,612)	(37,436)	(52,275)	(79,592)	(77,975)
Total Business-type Activities Net Assets	<u>\$ 63,083</u>	<u>\$ 66,706</u>	<u>\$ 80,784</u>	<u>\$ 72,703</u>	<u>\$ 73,684</u>
Primary Government:					
Invested in Capital Assets, Net of Related Debt	\$ 351,987	\$ 404,304	\$ 542,308	\$ 634,826	\$ 683,525
Restricted	45,517	45,377	23,777	27,412	19,621
Unrestricted (deficit)	(151,228)	(178,855)	(175,173)	(154,070)	(134,774)
Total Primary Government Net Assets	<u>\$ 246,276</u>	<u>\$ 270,826</u>	<u>\$ 390,912</u>	<u>\$ 508,168</u>	<u>\$ 568,372</u>

COUNTY OF KERN
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS (IN THOUSANDS)
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2004	2005	2006	2007	2008
Governmental Activities:					
Expenses:					
General Government	\$ 67,409	\$ 78,057	\$ 82,788	\$ 76,033	\$ 95,918
Public Protection	325,240	342,347	374,303	377,961	480,002
Public Ways and Facilities	29,721	22,146	38,348	55,913	50,878
Health and Sanitation	180,518	194,836	126,815	127,676	149,023
Public Assistance	349,772	369,097	381,836	363,655	400,263
Education	8,596	8,852	9,002	10,143	10,159
Culture and Recreation	4,923	12,915	10,556	13,459	15,256
Interest on Short and Long-term Debt	38,204	39,428	41,864	42,788	42,412
Total Expenses	<u>1,004,383</u>	<u>1,067,678</u>	<u>1,065,512</u>	<u>1,067,628</u>	<u>1,243,911</u>
Program Revenues:					
Charges for Services:					
General Government	49,552	55,580	53,668	42,294	59,209
Public Protection	81,960	85,930	87,368	74,051	97,856
Health and Sanitation	110,355	120,522	48,041	29,760	54,205
Other	13,281	17,186	18,310	21,230	18,340
Operating Grants and Contributions	596,585	595,660	606,855	617,358	678,969
Capital Grants and Contributions	10,037	9,165	6,564	15,149	9,478
Total Program Revenues	<u>861,770</u>	<u>884,043</u>	<u>820,806</u>	<u>799,842</u>	<u>918,057</u>
Total Governmental Activities, Net Program Expenses	<u>(142,613)</u>	<u>(183,635)</u>	<u>(244,706)</u>	<u>(267,786)</u>	<u>(325,854)</u>
General Revenues:					
Taxes:					
Property Taxes	109,176	148,204	181,729	213,535	244,636
Vehicle License Taxes ^a		43,739	61,061	77,620	86,828
Aircraft Taxes	247	150	156	170	227
Sales and Use Taxes	22,804	27,423	33,182	35,602	39,618
Transient Occupancy Tax	1,300	1,338	1,414	1,688	1,506
Special Assessments					3,141
Transfer Taxes	3,612	5,909	7,402	5,334	3,166
Other Taxes	942	590	795	864	1,385
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	8,819	10,502	14,682	28,310	28,043
Miscellaneous	1,244	3,041	20,488	69,578	6,428
Gain on Sale of Capital Assets					
Special Items					3,112
Transfers	(25,520)	(30,166)	(36,337)	(40,607)	(49,304)
Total General Revenues and Transfers	<u>122,624</u>	<u>210,730</u>	<u>284,572</u>	<u>392,094</u>	<u>368,786</u>
Total Governmental Activities Change in Net Assets	<u>\$ (19,989)</u>	<u>\$ 27,095</u>	<u>\$ 39,866</u>	<u>\$ 124,308</u>	<u>\$ 42,932</u>

Notes:

^a 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				
	2004	2005	2006	2007	2008
Business-type Activities:					
Expenses:					
Airports	\$ 4,427	\$ 5,608	\$ 6,223	\$ 5,962	\$ 8,408
County Sanitation Districts	2,778	3,061	3,429	3,199	3,378
Golf Course	4,438	4,400	4,725	5,011	4,083
Kern Medical Center	188,031	192,186	240,742	246,210	266,490
Public Transportation	5,174	5,376	5,652	6,014	6,759
Universal Collection	6,710	7,557	7,930	8,594	9,314
Waste Management	28,295	26,631	36,237	40,305	35,119
Total Expenses	<u>239,853</u>	<u>244,819</u>	<u>304,938</u>	<u>315,295</u>	<u>333,551</u>
Revenues:					
Charges for Services:					
Airports	2,480	2,905	3,396	3,705	4,140
County Sanitation Districts	2,463	3,124	3,580	3,381	4,301
Golf Course	4,340	4,368	4,937	5,274	4,863
Kern Medical Center	106,453	153,310	205,985	192,987	199,666
Public Transportation	3,230	5,009	4,567	4,350	5,236
Universal Collection	7,434	7,853	8,390	8,970	9,644
Waste Management	29,725	31,236	32,960	32,603	34,212
Operating Grants and Contributions	49,654	686	1,853	7,324	15,666
Capital Grants and Contributions	5,626	4,505	9,674		
Total Revenues	<u>211,405</u>	<u>212,996</u>	<u>275,342</u>	<u>258,594</u>	<u>277,728</u>
Total Business-type Activities, Net Program Expenses	<u>(28,448)</u>	<u>(31,823)</u>	<u>(29,596)</u>	<u>(56,701)</u>	<u>(55,823)</u>
General Revenues:					
Grants and Contributions not Restricted to Specific Programs:					
Unrestricted Investment Earnings	797	1,294	1,404	8,432	3,556
Miscellaneous	2,895	3,575	3,593	2,470	3,570
Gain on Sale of Capital Assets		52	(4)		374
Transfers	25,520	30,166	36,337	40,607	49,304
Total General Revenues and Transfers	<u>29,212</u>	<u>35,087</u>	<u>41,330</u>	<u>51,509</u>	<u>56,804</u>
Total Business-type Activities Change in Net Assets	<u>\$ 764</u>	<u>\$ 3,264</u>	<u>\$ 11,734</u>	<u>\$ (5,192)</u>	<u>\$ 981</u>
Total Primary Government Change in Net Assets	<u>\$ (19,225)</u>	<u>\$ 30,359</u>	<u>\$ 51,600</u>	<u>\$ 119,116</u>	<u>\$ 43,913</u>

COUNTY OF KERN
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (IN THOUSANDS)
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	1999	2000	2001	2002	2003
General Fund Balances:					
Reserved	\$ 49,558	\$ 33,233	\$ 42,637	\$ 55,027	\$ 67,965
Unreserved	7,452	28,665	25,340	37,246	30,349
Total General Fund Balances	<u>\$ 57,010</u>	<u>\$ 61,898</u>	<u>\$ 67,977</u>	<u>\$ 92,273</u>	<u>\$ 98,314</u>
All Other Governmental Fund Balances:					
Reserved	\$ 69,039	\$ 97,060	\$ 95,641	\$ 107,531	\$ 100,131
Unreserved, reported in:					
Special Revenue Funds	(10,050)	12,971	36,916	23,954	43,386
Capital Project Funds	(2,627)	(18,120)	(6,320)	80,321	66,646
Debt Service	46,379	44,718	33,186	-	-
Total All Other Governmental Fund Balances	<u>\$ 102,741</u>	<u>\$ 136,629</u>	<u>\$ 159,423</u>	<u>\$ 211,806</u>	<u>\$ 210,163</u>

Fiscal Year				
2004	2005	2006	2007	2008
\$ 27,552	\$ 22,892	\$ 45,409	\$ 85,976	\$ 87,876
46,148	56,413	80,986	89,163	63,759
<u>\$ 73,700</u>	<u>\$ 79,305</u>	<u>\$ 126,395</u>	<u>\$ 175,139</u>	<u>151,635</u>
\$ 101,974	\$ 56,889	\$ 45,301	\$ 50,273	\$ 74,362
33,151	69,451	69,210	64,416	50,494
64,662	60,930	57,068	62,562	98,835
-	-	-	-	
<u>\$ 199,787</u>	<u>\$ 187,270</u>	<u>\$ 171,579</u>	<u>\$ 177,251</u>	<u>\$ 223,691</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				
	1999	2000	2001	2002	2003
REVENUES:					
Taxes	\$ 132,131	\$ 139,328	\$ 143,060	\$ 158,277	\$ 168,142
Licenses, Permits and Franchises	9,710	9,492	12,293	13,609	11,988
Fines, Forfeitures and Penalties	13,926	17,248	17,618	23,787	17,878
Revenues from Use of Money and Property	12,061	13,038	19,543	13,466	13,246
Aid from Other Governmental Agencies	464,590	521,590	577,078	621,690	624,447
Charges for Current Services	105,232	116,471	132,038	129,066	124,171
Other Revenues	107,422	88,256	78,482	146,829	91,856
Total Revenues	845,072	905,423	980,112	1,106,724	1,051,728
EXPENDITURES:					
Current:					
General Government	66,343	66,461	69,040	76,860	87,676
Public Protection	251,602	264,142	300,742	316,154	321,502
Health and Sanitation	136,385	157,362	152,334	144,518	161,553
Public Assistance	281,877	309,570	334,562	370,226	355,787
Education	7,365	7,449	8,377	8,909	10,258
Recreation and Cultural Services	9,397	9,440	9,843	10,591	10,268
Public Ways and Facilities	24,138	24,194	36,632	27,533	28,380
Capital Outlay	7,411	8,478	17,455	10,363	11,808
Debt Service:					
Principal	7,406	8,079	9,816	11,724	13,277
Interest	13,620	13,590	14,139	15,215	14,356
Total Expenditures	805,544	868,765	952,940	992,093	1,014,865
Excess (deficiency) of Revenues over Expenditures	39,528	36,658	27,172	114,631	36,863
Other Financing Sources (Uses):					
Transfers In	25,654	8,029	27,137	108,943	115,710
Transfers Out	(43,040)	(24,791)	(46,387)	(128,124)	(147,412)
Proceeds from Long-term Debt		16,815			
Inception of Capital Leases	3,658	2,365	3,600	5,496	786
Proceeds from Pension Obligation Bonds					
Proceeds from Issuance of Certificates of Participation					
Total Other Financing Sources (Uses)	(13,728)	2,418	(15,650)	(13,685)	(30,916)
Net Changes in Fund Balances (Deficits)	\$ 25,800	\$ 39,076	\$ 11,522	\$ 100,946	\$ 5,947
Debt Service as a Percentage of Non-Capital Expenditures	2.87%	2.56%	2.61%	2.85%	2.83%

Fiscal Year					
2004	2005	2006	2007	2008	
					REVENUES:
\$ 138,075	\$ 226,259	\$ 282,594	\$ 340,224	\$ 377,096	Taxes
13,276	15,084	14,786	15,052	15,598	Licenses, Permits and Franchises
21,009	23,026	22,058	20,387	25,662	Fines, Forfeitures and Penalties
8,540	10,549	15,403	31,470	26,283	Revenues from Use of Money and Property
603,631	604,825	613,417	646,381	687,017	Aid from Other Governmental Agencies
135,431	142,872	151,193	148,274	172,837	Charges for Current Services
105,810	119,878	42,073	54,386	48,235	Other Revenues
<u>1,025,772</u>	<u>1,142,493</u>	<u>1,141,524</u>	<u>1,256,174</u>	<u>1,352,728</u>	Total Revenues
					EXPENDITURES:
					Current:
85,318	77,566	82,454	93,611	106,020	General Government
327,726	347,724	378,004	418,472	490,835	Public Protection
180,341	196,003	127,005	136,085	150,612	Health and Sanitation
350,059	368,630	381,301	386,087	401,952	Public Assistance
8,055	8,313	8,610	10,151	10,224	Education
11,231	12,489	12,168	13,720	15,558	Recreation and Cultural Services
29,337	30,649	43,419	50,344	63,124	Public Ways and Facilities
24,264	7,284	9,878	4,598	4,650	Capital Outlay
					Debt Service:
16,197	32,933	20,563	11,790	13,613	Principal
27,290	31,905	33,646	35,700	33,824	Interest
<u>1,059,818</u>	<u>1,113,496</u>	<u>1,097,048</u>	<u>1,160,558</u>	<u>1,290,412</u>	Total Expenditures
<u>(34,046)</u>	<u>28,997</u>	<u>44,476</u>	<u>95,616</u>	<u>62,316</u>	Excess (deficiency) of Revenues over Expenditures
					Other Financing Sources (Uses):
105,977	122,073	124,528	127,530	159,309	Transfers In
(131,018)	(152,352)	(161,174)	(168,137)	(208,355)	Transfers Out
3,943					Proceeds from Long-term Debt
12,762	539	6,110	2,326	3,337	Inception of Capital Leases
					Proceeds from Pension Obligation Bonds
					Proceeds from Issuance of Certificates of Participation
<u>(8,336)</u>	<u>(29,740)</u>	<u>(30,536)</u>	<u>(38,281)</u>	<u>(45,709)</u>	Total Other Financing Sources (Uses)
<u>\$ (42,382)</u>	<u>\$ (743)</u>	<u>\$ 13,940</u>	<u>\$ 57,335</u>	<u>\$ 16,607</u>	Net Changes in Fund Balances (Deficits)
4.50%	6.16%	5.31%	4.45%	3.86%	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^a</u>	<u>Unsecured^b</u>	<u>Unitary^c</u>	<u>Exempt^d</u>	<u>Total Taxable Assessed Value^e</u>	<u>Total Direct Tax Rate</u>
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%
2007 - 08	75,364,238	2,691,326	1,601,891	(733,495)	78,923,960	1.00000%

Notes:

^a Secured property is generally real property, defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines.

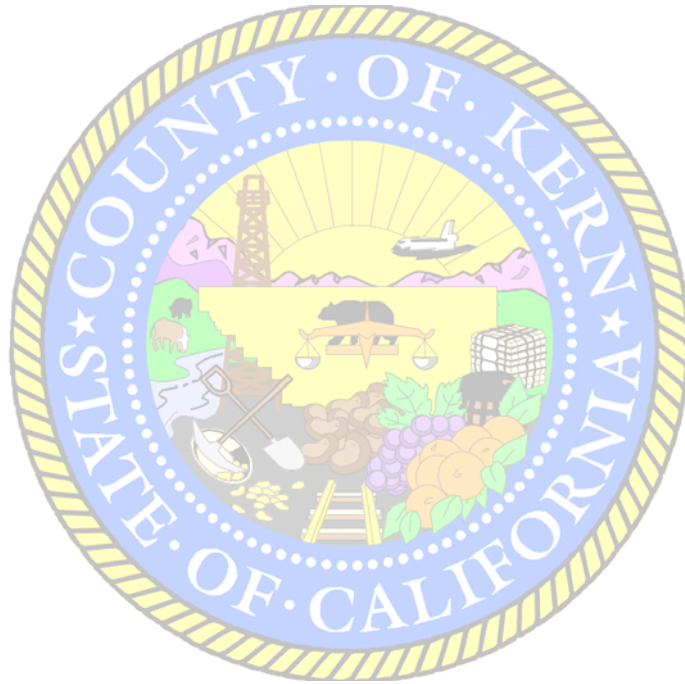
^b Unsecured property is generally personal property including machinery, equipment, office tools and supplies.

^c Unitary properties are railroads and utilities crossing the county and are assessed by the State Board of Equalization.

^d 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.

^e 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				
	1999	2000	2001	2002	2003
County of Kern					
Total County Rate	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Range of Overlapping Rates					
Total City Rate					
City of Bakersfield	N/A	N/A	N/A	N/A	N/A
Total School District Rate	.00422% to .18550%	.01124% to .16148%	.01009% to .20786%	.00564% to .17094%	.01358% to .18265%
Total Special District Rate	.00368% to .31250%	.00506% to .31250%	.00458% to .31250%	.00402% to .31250%	.00545% to .31250%

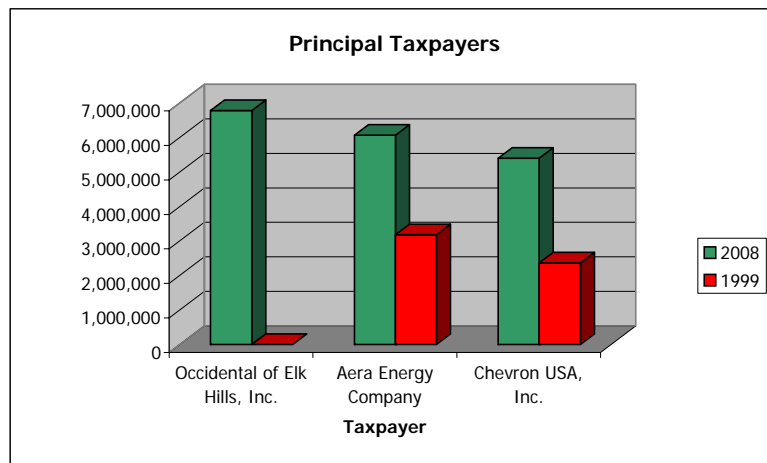
Note: N/A - For the fiscal years 1999 to 2007, there was no City Rate for the City of Bakersfield.

Source: Auditor-Controller-County Clerk, County of Kern

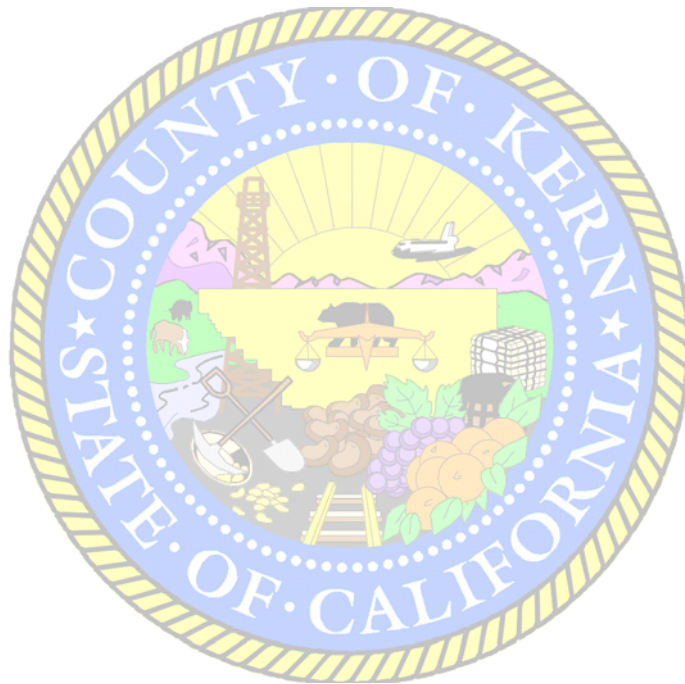
Fiscal Year					
2004	2005	2006	2007	2008	
1.00000%	1.00000%	1.00000%	1.00000%	1.00000%	County of Kern Total County Rate
					Range of Overlapping Rates Total City Rate
N/A	N/A	N/A	N/A	N/A	City of Bakersfield
.00618% to .18853%	.00497% to .09654%	.00064% to .09683%	0% to .10913%	0% to .06152%	Total School District Rate
.00609% to .31250%	.00585% to .31250%	.00279% to .31250%	0% to .15321%	.00372% to .12562%	Total Special District Rate

**COUNTY OF KERN
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2008 (IN THOUSANDS)**

TAXPAYER	2008				1999			
	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.	\$ 6,777,080	1	\$ 71,996	9.61%	\$ -		\$ -	-
Aera Energy Company	6,064,854	2	62,629	8.60%	3,182,601	1	32,554	9.71%
Chevron USA, Inc.	5,399,371	3	57,601	7.66%	2,366,056	2	24,395	7.22%
Plains Exploration Production Company	845,074	4	8,784	1.20%	-		-	-
Pacific Gas & Electric Company	521,478	5	6,705	0.74%	438,399	6	5,049	1.34%
Berry Petroleum Company	514,897	6	5,494	0.73%	-		-	-
La Paloma Generating Company, LLC.	483,600	7	5,012	0.69%	-		-	-
Pastoria Energy Facility, LLC.	386,400	8	4,317	0.55%	-		-	-
Seneca Resouces Corporation	402,732	9	4,208	0.57%	-		-	-
US Borax, Inc.	385,667	10	4,160	0.55%	293,315	7	3,159	0.89%
Texaco Production / Co-Generation	-		-	-	1,098,809	3	11,404	3.35%
Monterey Resources / South Belridge	-		-	-	817,404	4	8,350	2.49%
Atlantic Richfield Company	-		-	-	498,942	5	5,089	1.52%
Pacific Bell	-		-	-	265,901	8	3,062	0.81%
Southern California Edison Co.	-		-	-	211,859	9	2,443	0.65%
Sycamore Cogeneration	-		-	-	233,833	10	2,430	0.71%
Total	\$ 21,781,153		\$ 230,906	34.62%	\$ 9,407,119		\$ 97,935	27.22%



Source: The principal property taxpayers for June 30, 1999 was obtained from the "1999-2000 Tax Rates and Assessed Valutaions Report." The 2008 information was obtained from the "2007 - 2008 Tax Rates and Assessed Valutaions Report."



**COUNTY OF KERN
PROPERTY TAX LEVIES AND COLLECTIONS
JUNE 30, 2008 (IN THOUSANDS)**

	Fiscal Year				
	1999 ^a	2000 ^a	2001 ^a	2002 ^b	2003 ^b
Original Levy	\$ 477,029	\$ 520,759	\$ 543,023	\$ 596,411	\$ 599,911
Adjustments to Original Levy	N/A	(21,886)	(5,128)	(5,160)	19,541
Taxes Levied	N/A	498,873	537,895	591,251	619,452
Collected within the Fiscal Year of the Levy: ^c					
Amount	\$ 457,245	\$ 489,164	\$ 527,763	\$ 569,461	\$ 600,525
Percentage of Adjusted Levy	N/A	98.05%	98.12%	96.31%	96.94%
Collections in subsequent years	6,277	6,384	(2,974)	13,129	17,231
Total Collections to Date:					
Amount	\$ 460,202	\$ 495,549	\$ 524,789	\$ 582,590	\$ 617,756
Percentage of Adjusted Levy	N/A	99.33%	97.56%	98.54%	99.73%

Notes:

^a Denotes only Secured and Unsecured Property Taxes.

^b Denotes Secured, Unsecured and Supplemental Property Taxes.

^c 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

	<u>2004^b</u>	<u>2005^b</u>	<u>2006^b</u>	<u>2007^b</u>	<u>2008^b</u>	
\$	638,344	\$ 698,397	\$ 808,644	\$ 979,872	\$ 1,067,044	Original Levy
	(4,780)	(1,546)	(1,372)	(2,564)	4,812	Adjustments to Original Levy
	633,564	696,851	807,272	977,308	1,071,856	Taxes Levied
Collected within the Fiscal Year of the Levy: ^c						
\$	611,060	\$ 669,983	\$ 763,771	\$ 915,429	\$ 1,008,928	Amount
	96.45%	96.14%	94.61%	93.67%	94.13%	Percentage of Adjusted Levy
	16,621	18,461	17,938	20,545	29,238	Collections in subsequent years
Total Collections to Date:						
\$	627,680	\$ 688,444	\$ 781,709	\$ 935,974	\$ 1,038,165	Amount
	99.07%	98.79%	96.83%	95.77%	96.86%	Percentage of Adjusted Levy

**COUNTY OF KERN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITIA)**

	Fiscal Year				
	1999	2000	2001	2002	2003
Governmental Activities:					
Capital Leases	\$ 7,441	\$ 6,788	\$ 6,738	\$ 8,728	\$ 6,336
Certificates of Participation	99,000	97,785	88,745	78,970	68,515
Bonds Payable	255	240	225	225	225
Loans Payable	671	10,000	9,250	8,455	9,390
Pension Obligation Bonds	185,461	185,462	185,621	184,548	470,802
Total Governmental Activities	<u>292,828</u>	<u>300,275</u>	<u>290,579</u>	<u>280,926</u>	<u>555,268</u>
Business-type Activities:					
Capital Leases	36	70	70	48	25
Certificates of Participation	31,775	45,430	42,115	52,790	49,125
Landfill Closure / Post-closure Costs	-	-	-	-	-
Pension Obligation Bonds	34,317	33,836	33,777	33,582	33,232
Total Business-type Activities	<u>66,128</u>	<u>79,336</u>	<u>75,962</u>	<u>86,420</u>	<u>82,382</u>
Total Primary Government	<u>\$ 358,956</u>	<u>\$ 379,611</u>	<u>\$ 366,541</u>	<u>\$ 367,346</u>	<u>\$ 637,650</u>
Percentage of Personal Income ^a	2.74%	2.73%	2.49%	2.34%	3.89%
Per Capita ^b	555	574	544	532	898

Notes:

^a Refer to the "Demographic and Economic Statistics" for the personal income figures.

^b 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					
2004	2005	2006	2007	2008	
					Governmental Activities:
\$ 8,337	\$ 5,364	\$ 7,103	\$ 5,419	\$ 3,820	Capital Leases
56,865	30,320	16,565	14,105	11,520	Certificates of Participation
104,720	103,290	102,640	101,490	101,056	Bonds Payable
11,868	10,307	8,380	6,001	7,608	Loans Payable
467,929	463,987	458,849	407,365	398,117	Pension Obligation Bonds
<u>649,719</u>	<u>613,268</u>	<u>593,537</u>	<u>534,380</u>	<u>522,121</u>	Total Governmental Activities
					Business-type Activities:
17	3	2			Capital Leases
58,525	54,530	50,580	46,465	40,760	Certificates of Participation
60,411	58,337	64,241	71,417	74,983	Landfill Closure / Post-closure Costs
32,709	31,992	31,056	64,813	63,179	Pension Obligation Bonds
<u>151,662</u>	<u>144,862</u>	<u>145,879</u>	<u>182,695</u>	<u>178,922</u>	Total Business-type Activities
<u>\$ 801,381</u>	<u>\$ 758,130</u>	<u>\$ 739,416</u>	<u>\$ 717,075</u>	<u>\$ 701,043</u>	Total Primary Government
4.69%	4.21%	3.91%	3.26%	3.00%	Percentage of Personal Income ^a
1,094	1,007	960	875	841	Per Capita ^b

**COUNTY OF KERN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (IN THOUSANDS, EXCEPT PER CAPITIA)**

	Fiscal Year				
	1999	2000	2001	2002	2003
Governmental Activities:					
Certificates of Participation	\$ 99,000	\$ 97,785	\$ 88,745	\$ 78,970	\$ 68,515
Capital Leases	7,441	6,789	6,738	8,728	6,336
Notes Payable	671	10,622	9,250	8,455	9,390
Bonds Payable	185,716	185,701	185,846	184,773	471,027
Total Governmental Activities	292,828	300,897	290,579	280,926	555,268
Business-type Activities:					
Certificates of Participation	31,775	45,430	42,115	52,790	49,125
Capital Leases	36	70	70	48	25
Bonds Payable	34,317	33,836	33,777	33,582	33,232
Total Business-type Activities	66,128	79,336	75,962	86,420	82,382
Total Primary Government	\$ 358,956	\$ 380,233	\$ 366,541	\$ 367,346	\$ 637,650
Percentage of Assessed Value ^a	1.04%	0.99%	0.89%	0.84%	1.50%
Per Capita ^b	555	575	544	532	898

Notes:

^a Refer to the "Assessed Value of Taxable Property and Actual Value of Property" table for total taxable assessed value.

^b Refer to the "Demographic and Economic Statistics" table for the population figures.

Fiscal Year					
2004	2005	2006	2007	2008	
					Governmental Activities:
\$ 56,865	\$ 30,320	\$ 16,565	\$ 14,105	\$ 11,520	Certificates of Participation
8,337	5,364	7,103	5,419	3,820	Capital Leases
11,868	10,307	8,380	6,001	7,608	Loans Payable
572,649	567,277	561,489	508,855	499,173	Bonds Payable
649,719	613,268	593,537	534,380	522,121	Total Governmental Activities
					Business-type Activities:
58,525	54,530	50,580	46,465	40,760	Certificates of Participation
17	3	3			Capital Leases
32,709	31,992	31,056	64,813	63,179	Bonds Payable
91,251	86,525	81,639	111,278	103,939	Total Business-type Activities
<u>\$ 740,970</u>	<u>\$ 699,793</u>	<u>\$ 675,176</u>	<u>\$ 645,658</u>	<u>\$ 626,060</u>	Total Primary Government
1.65%	1.45%	1.20%	0.94%	0.79%	Percentage of Assessed Value ^a
1,012	929	876	788	745	Per Capita ^b

**COUNTY OF KERN
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT
JUNE 30, 2008 (IN THOUSANDS)**

2007 - 2008 Assessed Value (includes unitary utility valuation)	\$ 79,505,881
Redevelopment Incremental Valuation ^a	<u>3,210,936</u>
Adjusted Assessed Valuation	<u><u>\$ 76,294,945</u></u>

	<u>Debt 05/01/08</u>	<u>Percentage Applicable</u>
Overlapping Tax and Assessment Debt		
Kern Community College Safety, Repair and Improvement District	\$ 110,122	92.796
Antelope Valley Joint Community College District and West Kern Community College District	46,604	5.846 & 100
Mojave Unified School District School Facilities Improvement District No. 1	28,888	100.
Tehachapi Unified School District	21,535	100.
Other Unified School Districts	54,703	100.
Kern High School District	240,740	100.
Other Union High School District	37,819	0.013-74.554
Bakersfield School District	52,090	100.
Delano Union School District	44,367	100.
Fruitvale School District	19,635	100.
Greenfield Union School District	19,343	100.
Richland School District	12,715	100.
Taft School District	19,984	100.
Other School Districts	111,436	55.867-100.
Water Districts	2,625	100.
Water Storage Districts	13,150	100.
Tehachapi Valley Healthcare District	12,370	100.
Bear Valley Community Services District, I.D. No. 2	5,195	100.
Community Facilities Districts	86,870	100.
1915 Act Bonds (Estimated)	118,598	100.
Total Gross Overlapping Tax and Assessment Debt	<u>\$ 1,058,789</u>	
Less:		
Water Storage Districts (100% self-supporting)	<u>6,810</u>	
Total Net Overlapping Tax and Assessment Debt	<u><u>\$ 1,051,979</u></u>	
Overlapping General Fund Debt		
Kern County Board of Education Certificates of Participation	\$ 56,350	100.
Community College District Certificates of Participation	92,092	Various
Kern High School District Certificates of Participation	124,900	100.
Other High School Certificates of Participation	262	Various
Unified School District General Fund Obligations	18,648	Various
School District General Fund Obligations	76,430	100.
City of Bakersfield General Fund Obligations	31,930	100.
City of Ridgecrest Certificates of Participation	9,190	100.
Other City General Fund Obligations	1,425	100.
Total Overlapping General Fund Debt	<u>\$ 411,227</u>	
Total Net Overlapping Debt	<u><u>\$ 1,463,206</u></u>	
Direct General Fund Debt		
Kern County Certificates of Participation	\$ 50,040 ^{a,c}	100.
Kern County Pension Obligations	<u>480,101^a</u>	100.
Total Direct General Fund Debt	530,141	
Total Gross Direct and Overlapping Debt	<u>\$ 2,000,157^b</u>	
Total Net Direct and Overlapping Debt	<u><u>\$ 1,993,347</u></u>	
Ratios to 2006 - 2007 Assessed Valuation:		
Total Gross Overlapping Tax and Assessment Debt	1.33%	
Total Net Overlapping Tax and Assessment Debt	1.32%	
Ratios to Adjusted Assess Valuation:		
Combined Direct Debt (\$536,346)	0.69%	
Gross Combined Total Debt	2.62%	
Net Combined Total Debt	2.61%	

Notes:

^a Excludes tax and revenue anticipation notes to be sold.

^b Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

^c Includes Kern Public Services Financing Authority Lease Revenue bonds 2002 Series A.

Source: 2008 - 2009 TRAN

COUNTY OF KERN
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2008 (IN THOUSANDS)

Legislation does not mandate a debt limit for County of Kern.

**COUNTY OF KERN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

	1999	2000	2001	2002	2003
Population ^b	647,000	661,645	673,625	690,599	710,064
Personal Income (in Thousands) ^b	13,091,618	13,891,434	14,704,822	15,684,043	16,371,293
Per Capita Personal Income ^b	20,234	20,995	21,829	22,711	23,056
Unemployment Rate County of Kern ^c	12.2%	10.8%	11.4%	10.8%	12.2%
School Enrollment ^d	143,671	146,097	147,988	150,790	154,913

Notes:

^a Calendar year

^b Population as of January 1, source U.S. Census Bureau; all others estimated by California Department of Finance.

For years 2005, 2006 and 2007, and 2008 estimated by California Department of Transportation for Kern County Economic Forecast.

^c Labor Market Information, California Employment Development Department

^d Educational Demographics Unit, California Department of Education

Year ^a					
2004	2005	2006	2007	2008	
732,401	753,070	770,424	819,157	840,904	Population ^b
17,100,000	18,000,000	18,900,000	22,000,000	23,400,000	Personal Income (in Thousands) ^b
23,348	22,483	22,704	25,977	26,253	Per Capita Personal Income ^b
12.4%	9.1%	7.6%	7.6%	9.5%	Unemployment Rate County of Kern ^c
160,157	165,817	170,362	171,585	174,289	School Enrollment ^d

COUNTY OF KERN
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND TEN YEARS AGO

June 30, 2008

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
Total	84,018		29.13%	

June 30, 1999

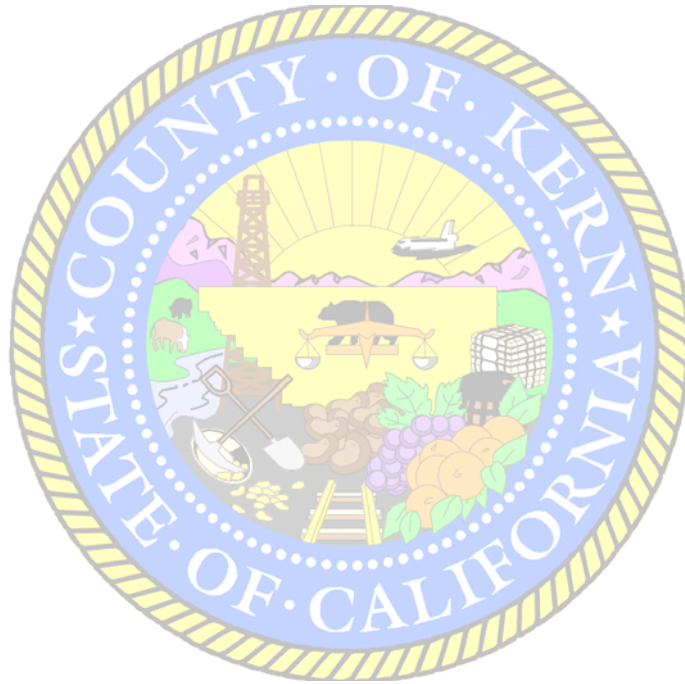
EMPLOYER ^a	EMPLOYEES ^a	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	INDUSTRY
Edwards Air Force Base	26,727	1	11.22%	Federal Government - National Security
Kern County Public Schools	10,086	2	4.23%	Education
County of Kern	7,094	3	2.98%	County Government
China Lake Naval Air Weapons Station	6,129	4	2.57%	Federal Government - National Security
Grimmway Enterprises	6,564	5	2.76%	Farms
Giumarra Vineyards	4,167	6	1.75%	Farms
Esparza Enterprises	3,751	7	1.57%	Agriculture Labor
Catholic Healthcare West	2,217	8	0.93%	Health Care
William Bolthouse Farms, Inc.	2,448	9	1.03%	Farms
Sunview Vineyards	2,050	10	0.86%	Farms
Total	71,233		29.90%	

Note:

^a The information for 1999 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**

FULL - TIME EQUIVALENT EMPLOYEES AS OF JUNE 30					
Function / Program	1999	2000	2001	2002	2003
General Government:					
Assessor	93	92	95	93	89
Information Technology	60	58	58	63	62
County Counsel	56	55	61	61	67
Other	402	398	424	416	399
Public Protection:					
District Attorney	160	165	195	214	206
Public Defender	72	72	76	78	78
Sheriff - Coroner	1,018	1,019	1,072	1,081	1,059
Probation	380	394	406	433	421
Fire Department	476	487	507	537	530
Other	714	705	720	464	476
Public Ways & Facilities:					
Roads	144	150	150	160	154
Health and Sanitation:					
Public Health	198	204	227	257	265
Mental Health Services	331	362	374	409	394
Other	153	173	182	189	189
Public Assistance:					
Human Services	1,063	1,076	1,223	1,280	1,184
Other	165	259	268	288	263
Education:					
Library	97	98	98	156	149
Other	6	6	6	6	5
Culture & Recreation	121	121	121	116	111
Airports	21	20	19	19	18
Kern Medical Center	943	970	1,059	1,358	1,328
Public Transportation	3	3	3	4	4
Waste Management	82	81	80	82	84
Total Full - Time Employees	6,758	6,968	7,424	7,764	7,535

Source: Auditor - Controller - County Clerk - COLD System

FULL - TIME EQUIVALENT EMPLOYEES AS OF JUNE 30

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Function / Program</u>
					General Government:
90	85	86	85	90	Assessor
61	60	56	59	56	Information Technology
66	68	73	48	48	County Counsel
368	357	362	432	456	Other
					Public Protection:
195	185	423	210	200	District Attorney
76	77	81	82	96	Public Defender
1,044	1,050	1,084	1,100	1,154	Sheriff - Coroner
444	435	456	490	534	Probation
532	537	552	574	603	Fire Department
460	441	200	443	458	Other
					Public Ways & Facilities:
161	147	156	164	187	Roads
					Health and Sanitation:
257	260	298	260	288	Public Health
396	409	453	482	469	Mental Health Services
154	166	123	181	181	Other
					Public Assistance:
1,217	1,309	1,375	1,375	1,451	Human Services
255	247	242	228	235	Other
					Education:
141	138	131	137	140	Library
5	6	6	6	6	Other
109	109	106	117	119	Culture & Recreation
17	18	22	22	19	Airports
1,336	1,310	1,398	1,516	1,554	Kern Medical Center
3	3	3	3	3	Public Transportation
106	107	110	115	133	Waste Management
<u>7,493</u>	<u>7,524</u>	<u>7,796</u>	<u>8,129</u>	<u>8,480</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				
	1999	2000	2001	2002	2003
Governmental Activities:					
General Government					
Assessor - Recorder					
Recorded documents	211,954	185,879	196,690	233,710	280,713
County Counsel					
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
Personnel					
Applications received	13,213	12,952	15,740	14,643	12,075
County Clerk - Elections					
Marriage certificates issued	3,552	3,750	4,320	3,893	4,288
Marriage licenses	N/A	4,227	4,713	3,960	3,877
Wedding ceremonies	N/A	1,021	1,251	1,279	1,389
Fictitious business names	N/A	4,245	4,552	4,829	5,701
Public Protection					
District Attorney					
Misdemeanors cases filed	26,416	27,304	29,587	29,666	32,574
Felony cases filed	5,015	5,195	5,252	5,830	5,950
Information filed	1,982	1,789	1,493	1,534	1,444
Cases with juries	312	162	249	228	237
Public Defender					
Public defense cases accepted/received	N/A	N/A	22,637	23,112	25,698
Public defense cases opened	N/A	N/A	18,381	18,762	19,710
Public defense cases closed	N/A	N/A	32,594	19,823	20,466
Public defense cases closed within 12 months	N/A	N/A	32,594	19,823	20,466
Sheriff - Coroner					
Dispatched calls for service	183,458	196,153	217,681	246,849	257,998
Violent crimes:	3,418	3,240	3,275	3,371	3,742
Homicide	52	37	39	51	46
Forcible rape	134	175	191	220	203
Robbery	741	658	741	779	784
Aggravated assault	2,491	2,370	2,304	2,321	2,709
Property crimes	11,958	11,757	12,337	13,903	15,961
Total larceny - theft	14,412	13,773	15,221	15,842	17,743
Bookings	38,778	40,741	42,547	42,235	42,514
Fingerprints	N/A	N/A	N/A	N/A	4,607
Fire Department					
Total incident calls	N/A	N/A	23,057	28,823	29,960
Fire calls	N/A	N/A	2,712	3,134	3,193
Fireworks explosion (no fire) calls	N/A	N/A	5	16	27
Illegal fireworks complaint calls	N/A	N/A	1	282	497
EMS / rescue calls	N/A	N/A	14,842	17,214	17,421
Hazardous condition calls	N/A	N/A	1,680	1,904	1,705
Public service calls	N/A	N/A	1,368 ^a	2,663 ^a	3,219 ^a
False calls	N/A	N/A	806	1,770	1,821

Source: Departments of the County of Kern

Notes:

N/A - Information was not available.

^a Information was updated from prior year report

Fiscal Year					Function / Program
2004	2005	2006	2007	2008	
					Governmental Activities:
					<u>General Government</u>
					Assessor - Recorder
345,906	397,341	410,684	339,822	260,106	Recorded documents
					County Counsel
N/A	1,964	2,325	2,254	8,308	Litigated & administrative hearings
N/A	28	28	29	30	Attorneys
N/A	0.000037	0.000037	0.000037	0.000370	Attorneys per capita
					Personnel
12,517	17,300	19,531	27,955	32,244	Applications received
					County Clerk - Elections
4,388	4,435	4,484	N/A	N/A	Marriage certificates issued
4,321	4,382	4,484	4,745	4,620	Marriage licenses
1,756	1,836	1,944	2,091	2,102	Wedding ceremonies
6,428	7,551	6,993	7,460	7,046	Fictitious business names
					<u>Public Protection</u>
					District Attorney
34,775	33,419	34,158	35,947	36,771	Misdemeanors cases filed
6,195	6,579	6,992	7,294	6,592	Felony cases filed
1,195	1,532	1,661	1,788	1,762	Felony information filed
235	169	170	141	176	Felony cases with juries
					Public Defender
31,152	35,768	34,153	36,084	38,352	Public defense cases accepted/received
20,731	20,131	21,262	22,188	21,480	Public defense cases opened
22,330	23,699	29,990	31,115	33,280	Public defense cases closed
22,330	23,699	29,990	31,115	33,280	Public defense cases closed within 12 months
					Sheriff - Coroner
255,326	253,986	125,803	266,988	277,073	Dispatched calls for service
N/A	N/A	N/A	3,930	4,007	Violent crimes:
N/A	N/A	N/A	31	22	Homicide
N/A	N/A	N/A	108	104	Forcible rape
286 ^a	337 ^a	398 ^a	342	391	Robbery
N/A	N/A	N/A	3,449	3,490	Aggravated assault
5,508 ^a	4,770 ^a	5,389 ^a	4,402	4,056	Property crimes
5,159	6,838	6,705	6,053	5,321	Total larceny - theft
41,709	45,362	48,127	22,631	22,864	Bookings
5,505	6,769	2,850	4,710	7,906	Fingerprints
					Fire Department
33,292	34,192	30,510	38,421	39,151	Total incident calls
3,498	3,667	3,239	4,153	3,509	Fire calls
49	59	22	N/A	N/A	Fireworks explosion (no fire) calls
640	802	596	N/A	N/A	Illegal fireworks complaint calls
19,850	20,840	17,786	21,729	23,305	EMS / rescue calls
1,656	1,755	1,465	1,816	1,961	Hazardous condition calls
3,118 ^a	1,945 ^a	1,435 ^a	1,823	1,643	Public service calls
1,985	1,927	1,365	1,898	1,771	False calls

COUNTY OF KERN
 OPERATING INDICATORS BY FUNCTION / PROGRAM
 LAST TEN FISCAL YEARS

Page 2 of 2

Function / Program	Fiscal Year				
	1999	2000	2001	2002	2003
Building Inspection					
Building permits issued	6,719	6,556	6,795	8,124	8,390
Animal Control					
Received calls for response	N/A	N/A	N/A	N/A	N/A
Animals impounded	24,494	25,360	22,381	20,763	27,615
Animals redeemed	581	752	651	643	982
Animals adopted	1,645	2,171	2,522	2,118	2,143
Animals euthanized	19,266	19,512	16,443	14,380	21,649
Public Ways & Facilities					
Roads					
Maintained road lanes (in miles)	6,635.70	6,629.64	6,791.50	6,635.70	6,665.56
Health and Sanitation					
Mental Health Services					
Unique clients served	17,064	18,435	19,620	19,771	18,967
Unique clients served with outpatient services	16,580	17,713	18,781	19,529	18,841
Unique clients served with intensive services	1,396	1,642	1,618	1,517	1,590
Public Assistance					
Aging & Adult Services					
Senior Nutrition participation:					
Congregate senior participants	N/A	6,938	6,719	4,590	5,678
Congregate meals	228,508	218,336	207,612	206,135	206,097
Home delivered senior participants	N/A	2,699	2,682	2,302	2,657
Home delivered meals	290,962	301,199	295,449	303,918	285,509
Human Services					
Number of Children Admitted to Jamison:	N/A	N/A	2,820	3,172	2,908
Protective Custody/New Intakes	N/A	N/A	2,458	2,769	2,581
Change of Placement	N/A	N/A	359	419	347
Children released from Jamison	N/A	N/A	2,716	3,223	2,895
Average day stay in Jamison	N/A	N/A	N/A	14.7	N/A
Admissions - Breakdown by Age:					
Newborn - 5 years	N/A	N/A	1,105	1,156	1,084
6 - 12 years	N/A	N/A	1,000	1,207	956
13 - 18 years	N/A	N/A	715	834	833
Culture, Education & Recreation					
Parks & Recreation					
Annual Boat Permits	N/A	10,539	6,444	4,669	4,281
Day Use Boat Fees	N/A	20,352	23,937	23,239	23,793
Business - type Activities:					
Waste Management					
Landfill capacity in cubic yards	59,127,257	59,127,257	97,633,607	94,757,759	95,100,966

Source: Departments of the County of Kern

Notes:

N/A - Information was not available.

^a Information was updated from prior year report

Fiscal Year					Function / Program
2004	2005	2006	2007	2008	
10,280	11,122	12,515	6,808	8,375	Building Inspection Building permits issued
N/A	22,186	21,251	21,668	21,724	Animal Control Received calls for response
28,979	N/A	N/A	N/A	N/A	Animals impounded
1,138	1,174	1,417	1,596	1,621	Animals returned to owner
2,564	2,772	3,054	3,147	3,485	Animals adopted
21,958	18,171	16,904	16,743	18,984	Animals euthanized
					Public Ways & Facilities
					Roads Maintained road lanes (in miles)
6,668.59	6,667.78	6,600.00	6,654.42	6,656.04	
					Health and Sanitation
					Mental Health Services Unique clients served
18,928	19,210	18,392	20,563	22,547	Unique clients served with outpatient services
18,805	19,104	18,211	16,380	18,471	Unique clients served with intensive services
1,482	1,551	1,539	4,183	4,076	
					Public Assistance
					Aging & Adult Services Senior Nutrition participation: Congregate senior participants
5,319	5,123	4,398	4,239	4,500	Congregate meals
186,322	186,857	177,675	180,754	187,208	Home delivered senior participants
2,223	2,269	2,122	2,185	2,065	Home delivered meals
272,905	280,422	245,042	258,222	263,405	
					Human Services Number of Children Admitted to Jamison: Protective Custody/New Intakes
2,713	5,191	2,626	2,637	2,537	Change of Placement
2,263	4,353	2,341	2,399	2,358	Children released from Jamison
450	838	452	238	179	Average day stay in Jamison
N/A	N/A	N/A	2,633	2,549	Admissions - Breakdown by Age:
N/A	N/A	N/A	4	3	Newborn - 5 years
1,106	2,087	1,115	1,028	997	6 - 12 years
759	1,488	734	741	688	13 - 18 years
817	1,556	873	847	835	Over 18
			5	1	
					Culture, Education & Recreation
					Parks & Recreation Annual Boat Permits
5,339	4,606	4,623	4,170	5,645	Day Use Boat Fees
25,381	22,359	20,530	40,318	19,177	
					Business - type Activities:
					Waste Management Landfill capacity in cubic yards
95,459,239	98,948,413	110,042,325	98,576,606	99,371,429	

COUNTY OF KERN
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS

Function / Program	Fiscal Year										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Education											
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	
Parks and Land Use											
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	
Public Works											
Centerline Miles of County Roads	6,636	6,630	6,792	6,636	6,666	6,669	6,668	6,600	6,654	6,656	
Public Safety											
Number of Sheriff Stations	16	16	16	16	16	16	16	16	14	14	
Number of Fire Stations	46	46	46	46	46	46	46	46	46	46	
Airports											
Number of Runways	8	8	8	8	8	8	8	8	8	8	

Source: Departments of the County of Kern